



Housing Element

CITY OF FOUNTAIN VALLEY

OCTOBER 2022

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Adoption and Amendment History

Adoption October 4, 2022 Resolution No. 9853

Introduction

Purpose

The Housing Element of the Fountain Valley General Plan identifies and establishes the City's strategy for the maintenance and development of housing to meet the needs of existing and future residents. It establishes policies that will guide City decision making and an action program to implement housing goals for the state-designated eight-year planning period: October 15, 2021, through October 15, 2029. These commitments are an expression of the statewide housing goal of "early attainment of decent housing and a suitable living environment for every California family," as well as an expression of the concern that every Fountain Valley household has a suitable living environment.

The City's housing strategy is based on a comprehensive evaluation of existing housing programs and policies; an analysis of the City's population, economy, and housing characteristics; an assessment of fair housing issues; and a discussion of the physical and regulatory resources and constraints for housing production.

The Housing Element has been designed to address key housing issues in the City. These issues include the provision of a mix and balance of housing types and costs to meet the needs of all segments of the community while enhancing and preserving the community's character, the provision of affordable housing for special needs groups, the promotion of fair housing for all residents, and the maintenance of the existing affordable housing stock.

Consistency with State Law

The Housing Element has also been designed to meet the legislative requirements of state housing laws (California Government Code Section 65580, et al.), which requires every city and county to prepare and adopt a housing element of the community's general plan that includes five major components:

- An assessment of the community's housing needs.
- An assessment of and strategies to affirmatively further fair housing.
- An inventory of resources to meet those needs and the constraints that impede public and private sector efforts to meet them.
- A statement of the community's goals, quantified objectives, and policies relative to the maintenance, preservation, improvement, and development of housing.
- An implementation program that describes a schedule of actions that the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the housing element.

General Plan Consistency

The Housing Element of the General Plan is only one segment of a city's comprehensive planning program. The California Government Code requires that general plans contain an integrated, consistent set of goals and policies. The Housing Element is thus affected by the other elements of the general plan: for example, the land use element, which establishes the location, type, and density of residential development throughout the City.

The Housing Element has been reviewed for consistency with the City's other General Plan elements. As portions of the General Plan are amended in the future, the Housing Element will be reviewed for the purpose of maintaining internal consistency.

Citizen Participation

Public outreach for the current planning period occurred between 2019 and 2021 through contact with residents, business owners, developers, other governmental agencies, and nonprofit organizations. Outreach efforts presented information and provided open forums for sharing input regarding the City's housing needs and programs.

Incorporating Community Input

The outreach efforts described below resulted in a collection of input from residents, affordable housing advocates, and housing developers. Their contributions shaped the ultimate outcome of the housing goals and strategies for the City of Fountain Valley. As such, the Housing Element describes a variety of programs and available resources that demonstrate the City's commitment to furthering housing opportunities within its jurisdiction.

First and foremost, the City seeks to expand housing access for low- and moderate-income households in the area. Program 1c, Inclusionary Housing Ordinance, will guarantee that 15 percent of all future housing development will be affordable to lower income households. Furthermore, the combined implementation of Programs 2b, and 2c aim to increase the availability of funding for the development of new affordable units. The City also regularly evaluates its residential development standards and parking standards to remove constraints on housing production through programs 3a and 3b. Program 1d will introduce significant incentives that encourage the development of Accessory Dwelling Units.

The City takes pride in its community character and is dedicating resources to continue the maintenance and improvement of its various neighborhoods. Most single family homes and multifamily developments were built during the 1960s and 1970s and some structures are starting to show their age. For lower income homeowners and owners of affordable rental units, the cost of routine maintenance or critical repairs may be too burdensome. Instead of allowing these units to fall into disrepair, potentially creating unhealthy environments for persons already vulnerable to disparate impacts, programs 4a, Home Improvement Program, and 4c, Lead Based Paint Hazard Grant Program, offer funding and financing alternatives to help reduce the cost

burden. In addition, Program 4b, Infrastructure Improvement Program, will direct capital investment to neighborhoods most in need of critical infrastructure and quality of life enhancements.

Finally, public input supporting additional City efforts to promote homeownership led to the inclusion of Program 2e, Homebuyer Assistance. The City will help connect qualifying first-time homebuyers with financial resources administered by the County of Orange. Not only will this program help preserve the City's neighborhood character, but it will also help lower income households build long-term equity.

Public Meetings

Consolidated Plan. The City prepared its 2020-2024 Consolidated Plan that identifies the housing and community development needs and sets forth a strategic plan for addressing the identified needs through various federal housing programs. The purpose and process were presented at a February 5, 2020, meeting of the City's Housing and Community Development Advisory Board Meeting (HCDAB), followed by a Community Needs Public Workshop on March 4, 2020, to review the results of the survey and obtain additional public input into the best use of funds to benefit the community. Highlights of community input received include the need for home buying education and assistance, more affordable ownership and rental housing, maintenance and rehabilitation of existing housing, and affordable housing services. Public hearings to take in additional input were conducted at the HCDAB on June 3 and June 16, 2020.

General Plan Update. The following meetings were held throughout 2021, advertised through the City's website, social media platforms, and key stakeholders.

- General Plan Advisory Committee (02/11/2021): Overview, summary of existing housing needs and affordable housing strategies, future housing needs and opportunity sites/ADUs, density bonus ordinance, inclusionary housing ordinance
- General Plan Advisory Committee (02/25/2021): Overview, summary of existing housing needs and affordable housing strategies, future housing needs and opportunity sites/ADUs, highlights of new state laws
- Planning Commission and City Council Briefing (03/31/2021): Overview, summary of existing housing needs and affordable housing strategies, future housing needs and opportunity sites/ADUs, density bonus law, inclusionary housing ordinance, highlights of new state laws
- Planning Commission and City Council Briefing (04/22/2021): Overview, summary of existing housing needs and affordable housing strategies, future housing needs and opportunity sites/ADUs, inclusionary housing ordinance
- Virtual Public Workshop (08/01/2021): Overview, walk through of existing housing needs and affordable housing strategies, future housing needs and opportunity sites/ADUs, review of current housing programs and potential changes, highlights of new laws (including affirmatively furthering fair housing)

- General Plan Advisory Committee (08/07/2021): Review of draft element, current housing programs, review of public input received to date, findings of fair housing assessment, and walk through of proposed changes to programs
- General Plan Advisory Committee (5/19/22): Review status of housing strategy and next steps for public review and HCD review
- Planning Commission Public Hearing (9/14/22) and City Council Adoption Hearing (10/4/22): review and consideration of Draft Housing Element for recommendation/adoption.

Community Surveys

Consolidated Plan. As part of the 2020-2024 Consolidated Plan, a public survey was distributed in February and March 2020 in digital and hard copy formats and advertised through multiple media channels, ultimately reaching 25 public agencies and 6,000 subscribers to the City newsletter. The survey asked respondents to rank the importance of the needs for community facilities, community services, special needs populations, business development and jobs, residential infrastructure, neighborhood services, and affordable housing.

Housing Element. In August 2021, a companion survey was disseminated alongside the housing element presentation that asked the community for input on housing issues currently facing the City and to rank priorities for housing policies and programs moving forward. The survey collected responses from residents, people employed in the City, local businessowners, and local property owners. Overall, many participants are content with the success of the City's current programs and wish to maintain the status quo. The topics of affordable housing preservation and homeless services garnered increased interest, with more respondents indicating that additional effort was needed to help those affected by displacement and/or homelessness.

Stakeholder Outreach

In the second half of 2020 through early 2021, the City engaged with various local and regional organizations that advocate for or provide services related to affordable housing and/or special needs groups. Input from these organizations furthered the City's understanding of the housing needs and constraints facing Fountain Valley and other nearby communities. A brief list of stakeholders interviewed and issues raised is provided below. The primary concerns brought forward by stakeholders pertain to the availability of affordable housing options and are directly addressed in the policies and programs associated with Housing Strategy Goals 1, 2 and 3.

- *Fair housing and special needs:* Orange County Housing Authority, Regional Center of Orange County, Innovative Housing Opportunities, and Regional Office of Fair Housing and Equal Opportunity
 - Limited availability of adequate housing opportunities for people with developmental disabilities.
 - Prolonged development timeline for supportive housing increases cost burden.

- CEQA, financial, political, and community engagement present challenges.
- Funding sources can require conflicting regulations, meaning some individuals may be excluded from services.
- Flexibility in development code would allow for more creative ways to integrate supportive housing into existing community.
- Funding is tied to tax revenue, so recessions can severely hamper production.
- *Affordable housing: The Kennedy Commission, Innovative Housing Opportunities*
 - Cities need policies that proactively incentivize affordable housing.
 - Limited workforce housing in Orange County despite large service sector.
 - Periods of economic recessions (like COVID) place even more housing pressure on service sector workers.
 - Collaboration between community organizations and public agencies can facilitate responsible affordable housing development.
 - Limited affordable housing options (single family vs. multi-family) and opportunities for ownership.
 - Clear up misconceptions about affordable housing prevent its production.
 - Target densities far above 30 units per acre, especially to be competitive for tax credit applications.
 - Incorporate equity sharing as a path toward homeownership and so that residents that pay rent and/or a reduced mortgage over decades are not locked out of equity gains.
 - Cities need to adopt inclusionary housing ordinances, ideally with targets that are higher than 15 percent.
 - Cities should also consider commercial linkage fees, anti-displacement policies, rezoning only upon the provision of affordable housing, more aggressive outreach to and promotion of affordable developers, and adaptive reuse ordinance to facilitate more affordable housing, especially given the decline in office and retail sectors
- *Economic development and market rate housing: Building Industry Association of Southern California, Orange County Business Council, and OC Realtors*
 - Hard and soft costs have increased, making housing production more expensive all around.
 - Project streamlining has not proven to be as effective as promised throughout the county.
 - Orange County needs housing products for all buyers: entry level, workforce housing, ADUs, and affordable.
 - Younger generation priced out of the market; influences businesses that remain.

- Underutilized commercial centers are viable opportunities for housing development.
- Single family housing is in highest demand, but preference for ownership opens the door for condominiums.
- Primary issue is severely constrained supply that only increased building can remedy.

Public Review of Draft Document

A profile of the City's existing conditions and housing needs was distributed throughout 2021 as part of various public meetings. In response to community concerns expressed through the surveys and public meetings about the potential effects of lower income housing on property values and crime rates, the City summarized and posted recent research (2016/2019) online that found (consistent with the purpose of AB 686), that concentrating large amounts of lower income housing in areas of existing poverty can lead to lower property values and higher crime rates in those areas of poverty. On the other hand, placing lower income housing in affluent or high opportunity areas, like Fountain Valley, does not lower property values or increase crime rates. The City prepared and released a draft version of the entire Housing Element for public review and comment in October 2021 prior to distribution to the state for official review. The draft documents were posted on the City's website with direct outreach to key stakeholders to ensure awareness and opportunity for comment.

A revised draft was released for public review and comment on July 5, 2022, for an additional week (seven days) prior to distribution to the state for a second round of review. The distribution was made to all individuals and organizations that have previously requested notices and was also made available to the broader public on the City's Housing Element webpage. The City received 20 comments, primarily consisting of residents expressing their concerns about higher density housing. The City considered public comments for a little over two weeks and modified Program 1A to identify additional housing opportunity sites elsewhere in the City by 2024 to expand capacity and create more flexibility for future development sites.

On September 28, 2022, the City published minor edits it made to the draft Element that was submitted to HCD on August 5, 2022. These edits were published for a week (seven days) prior to the City Council hearing on the evening of October 4, 2022. At the City Council hearing, the City Council adopted the Housing Element and authorized staff (explicitly in its resolution) to make additional edits during the course of the following week to respond to HCD's comment letter and complete the certification process prior to October 15, 2022.

Community Profile

Population Characteristics

Population Change

Fountain Valley is a built-out community that has remained relatively stable for decades. From 2010 to 2020, Fountain Valley's population increased by only 3.1%. Growth in neighboring cities varied; Huntington Beach grew by 5.2%, Costa Mesa grew by 9.7%, Westminster grew by 2.2%, and Santa Ana shrank by 4.6%. Orange County experienced substantially more growth by comparison, increasing 7.5%. Table H-1 depicts the 2010 and 2020 population counts and percentage changes for Fountain Valley, neighboring cities, and Orange County.

**TABLE H-1
POPULATION IN AND AROUND FOUNTAIN VALLEY, 2010 & 2020**

Jurisdiction	2010		2020		% Change 2010-2020
	Number	% of County	Number	% of County	
Fountain Valley	55,313	1.9%	57,047	1.8%	3.1%
Costa Mesa	109,316	3.7%	119,918	3.6%	9.7%
Huntington Beach	188,914	6.4%	198,711	6.3%	5.2%
Santa Ana	325,216	11.0%	310,227	10.5%	-4.6%
Westminster	88,921	3.0%	90,911	2.9%	2.2%
Orange County	2,965,525	-	3,186,989	-	7.5%

Source: 2010 Decennial Census; 2020 Decennial Census

Age Characteristics

The age structure of a population is an important factor in evaluating housing needs and planning future housing development. For example, if a city is experiencing an outmigration of young adults (ages 25-34), this may indicate a shortage of first-time homebuyer opportunities and/or well-paying employment opportunities. If a city has a substantial elderly population, special housing types or services may be needed, such as assisted living facilities, housing rehabilitation programs, paratransit, meals on wheels, and home health care services, in order to enable seniors to remain in the community. Table H-2 shows the number and percentages of Fountain Valley residents in each age group.

Fountain Valley is a maturing community. Between 2010 and 2019, the median age of Fountain Valley residents increased from 42.6 to 44.6, while the countywide median increased from 35.2 to 38.1 and the statewide median increased from 36.2 to 36.5. The median age for the City and the state is expected to increase as the Baby Boom generation ages. Fountain Valley has a smaller proportion of children than the County – 16% of Fountain Valley residents were aged 14 or younger, while 18% of County residents were children in this age group. Roughly half of Fountain Valley residents are aged 45 or older compared to only 41% countywide.

**TABLE H-2
POPULATION IN FOUNTAIN VALLEY BY AGE GROUP BY SEX, 2019**

Age Group	Total		Female		Male	
	Number	Percentage	Number	Percentage	Number	Percentage
Under 5	2,526	5%	1,253	4%	1,273	5%
5 to 19	9,988	18%	4,833	17%	5,155	19%
20 to 24	3,140	6%	1,700	6%	1,440	5%
25 to 34	5,887	11%	2,965	10%	2,922	11%
35 to 44	6,765	12%	3,479	12%	3,286	12%
45 to 54	8,487	15%	4,356	15%	4,131	15%
55 to 64	8,243	15%	4,170	15%	4,073	15%
65 to 74	6,396	11%	3,522	12%	2,874	11%
75 to 84	3,310	6%	1,749	6%	1,561	6%
85 and older	1,284	2%	796	3%	488	2%
Total	56,026	100%	28,823	51%	27,203	49%
Median Age	44.6 years		45.4 years		43.7	

Source: 2019 ACS 5-Year Estimates, Table S0101

Race and Ethnicity

As shown in Table H-3, 42% of Fountain Valley’s population was White, slightly lower than the County at 43%. While the City has fewer Hispanic residents (15%) compared to countywide (34%), the City has more Asian residents (40%) compared to countywide (22%). Approximately 6% of Fountain Valley’s residents indicated that they are of “some other race”.

**TABLE H-3
POPULATION BY RACE AND ETHNICITY IN FOUNTAIN VALLEY, 2019**

Race Alone	People	Percentage
One Race	51,258	90%
White	23,895	42%
Black or African American	573	1%
American Indian or Alaskan Native	288	1%
Asian	22,703	40%
Native Hawaiian/ Pacific Islander	135	<1%
Some Other Race	3,664	6%
Two or More Races	5,789	10%
Total	57,047	100%
Hispanic or Latino (of any race)	8,837	15%
Not Hispanic or Latino	48,210	85%
Total	57,047	100%

Source: 2019 ACS 5-Year Estimates, Table DP05

Employment Characteristics

As of 2018, there were approximately 31,421 jobs in Fountain Valley, with about 8% of employed Fountain Valley residents also work within the city. An estimated 68% of Fountain Valley residents work within Orange County, with employed Fountain Valley residents traveling an average of 28 minutes each way to get to their place of employment. Due in large part to the two hospitals located in Fountain Valley, 25% of the city's labor force was employed in healthcare and social services, and another 21% were in retail sales, accommodations, and food services (see Table H-4). Another 10% of the city's labor force was in professional, scientific, and technical services and management. Major employers in the City include Fountain Valley Regional Hospital, Hyundai Motor America, Orange Coast Memorial Hospital, Kingston Technology Company, and Memorial Health Services. Table H-5 displays the average wage of occupations found across the subregion, indicating that many jobs may not earn enough to afford the cost of rent or mortgage.

**TABLE H-4
JOBS IN FOUNTAIN VALLEY BY INDUSTRY, 2018**

Industry	Number	Percentage
Agriculture, Forestry, Fishing and Hunting	16	0.1%
Mining, Quarrying, and Oil and Gas Extraction	2	<0.1%
Utilities	926	2.9%
Construction	1,252	4.0%
Manufacturing	2,222	7.1%
Wholesale Trade	1,529	4.9%
Retail Trade	3,049	9.7%
Transportation and Warehousing	285	0.9%
Information	155	0.5%
Finance and Insurance	668	2.1%
Real Estate and Rental and Leasing	408	1.3%
Professional, Scientific, and Technical Services	2,246	7.1%
Management of Companies and Enterprises	1,080	3.4%
Admin & Support, Waste Mgmt. / Remediation	2,110	6.7%
Educational Services	2,405	7.7%
Health Care and Social Assistance	7,786	24.8%
Arts, Entertainment, and Recreation	500	1.6%
Accommodation and Food Services	3,484	11.1%
Other Services (excluding Public Administration)	1,016	3.2%
Public Administration	282	0.9%
Total	31,421	100%

Source: U.S. Census Bureau, Longitudinal Employer-Household Dynamics 2018

**TABLE H-5
WAGES IN ORANGE COUNTY FOR MAJOR OCCUPATIONAL CATEGORIES, 2020**

Occupational Category	Average Wage		Income Category by Household Size (assumes 1 wage earner/household)		
	Hourly	Annual	1	2	3
Architecture and Engineering	\$47.79	\$99,403	Above Mod	Mod	Mod
Arts, Design, Sports, Media	\$31.55	\$65,612	Low	Low	Low
Building/Grounds Maint.	\$17.25	\$35,880	Very Low	Very Low	Very Low
Business/Financial Operations	\$38.52	\$80,107	Mod	Low	Low
Community and Social Services	\$28.18	\$58,617	Low	Low	Low
Computer and Mathematical	\$46.18	\$96,051	Above Mod	Mod	Mod
Construction and Extraction	\$30.10	\$62,616	Low	Low	Low
Education, Training, Library	\$34.73	\$72,247	Mod	Low	Low
Farming, Fishing, and Forestry	\$16.77	\$34,876	Very Low	Very Low	Very Low
Food Preparation/Service	\$15.68	\$32,613	Very Low	Very Low	Ex Low
Healthcare Practitioners/Tech	\$48.62	\$101,125	Above Mod	Above Mod	Mod
Healthcare Support	\$16.73	\$34,790	Low	Low	Very Low
Installation, Maint./Repair	\$27.21	\$56,597	Low	Low	Very Low
Legal Occupations	\$70.68	\$147,030	Above Mod	Above Mod	Above Mod
Life, Physical, Social Science	\$40.67	\$84,611	Mod	Mod	Low
Management Occupations	\$66.93	\$139,225	Above Mod	Above Mod	Above Mod
Office and Admin Support	\$22.69	\$47,191	Low	Very Low	Low
Personal Care and Service	\$16.70	\$34,725	Very Low	Very Low	Very Low
Production Service	\$20.28	\$42,181	Very Low	Very Low	Very Low
Protective Service	\$27.78	\$57,788	Low	Low	Low
Sales and Related	\$24.71	\$51,402	Low	Low	Very Low
Trans. and Material Moving	\$18.27	\$38,010	Very Low	Very Low	Very Low

Source: California EDD, Occupational Employment and Wage (2020, 1st Quarter) Data, Anaheim–Santa Ana–Irvine Metropolitan Area.

Housing and Households

Information on the existing housing stock and household characteristics is an important indicator of existing housing needs in a community. For example, during public outreach meetings, the community expressed concern on the ability of young, family households to live in Fountain Valley. The majority of housing available in the city is highly valuable single family detached homes. As a result, young families without adequate income, may find themselves priced out of the single family housing market and may also be unable to find alternative housing options within the city boundaries. The following section describes the current makeup of households and the housing stock in Fountain Valley.

A housing unit is defined as a house, apartment, mobile home, or a single room occupied as a separate living quarter or, if vacant, intended for occupancy as a separate living quarter. Separate living quarters are those in which the occupants live and eat separately from any other persons in the building, and which have direct access from the outside of the building or through a common hall.

Put simply, a household is an occupied housing unit. The Census Bureau defines a "household" as "all persons who occupy a housing unit, which may include families or individuals, whether or not they are related. Families are households related through marriage or blood, and a single household refers to individuals living alone. "Other" households reflect unrelated individuals living together (e.g., roommates). Persons living in retirement or convalescent homes, dormitories, or other group living situations are not considered households. Such living situations and their residences are considered to be "group quarters".

Housing Growth Trends

As expected for a largely built-out city, housing growth was incremental and 244 more housing units were constructed since 2010, growing to an estimated 19,408 units in 2021. Table H-6 displays the overall housing growth since 2000. A total of 118 individual single family detached, 73 single family attached, and 53 multifamily units were developed in the past 11 years. With nearly all of the individual single family lots developed, future housing growth will likely be almost exclusively multifamily.

**TABLE H-6
HOUSING GROWTH TRENDS IN FOUNTAIN VALLEY 2000–2021**

Year	Dwelling Units	Cumulative Increase	Percentage Increase
2000	18,473	--	--
2010	19,164	691	3.7%
2021	19,408	244	1.3%

Source: 2000 and 2010 Decennial Census, 2021 Department of Finance Population and Housing Estimates

Housing Type

Fountain Valley is primarily a community of single family houses. As shown in Table H-7, three-quarters of the City’s total housing stock are single family units, most of which are detached. While nearly all ownership households in the city reside in single family homes, nearly 2,000 rental households also live in single family detached or attached units. Of the 321 mobile homes in the city, all are owner-occupied. Conversely, nearly three quarters of rental households live in multifamily housing, particularly buildings that contain 10 or more units, such as apartments.

**TABLE H-7
HOUSING STOCK IN FOUNTAIN VALLEY BY TYPE AND TENURE, 2019**

Type of Unit	2019 Owner		2019 Renter		2019 Total	
	Units	Percent	Units	Percent	Units	Percent
1, detached	10,669	82%	1,532	28%	12,201	66%
1, attached	1,315	10%	435	8%	1,750	9%
2 to 4 units	281	2%	682	12%	963	5%
5 to 9 units	152	1%	508	9%	660	4%
10 units+	216	2%	2,358	43%	2,574	14%
Mobile homes/other	321	2%	0	0%	321	2%
Total	12,954	100%	5,515	100%	18,469	100%

Source: 2019 ACS 5-Year Estimates, Table B25032

Housing Age and Condition

Most housing begin to exhibit signs of decay when they approach 30 years of age. Common repairs needed include new roofs, wall plaster and stucco. Housing built prior to 1990 that deferred maintenance will generally require more substantial repairs, such as new siding, plumbing or multiple repairs to the roof, walls, etc. Rental units are more often maintained in a regular fashion based on state regulations and the need to compete with other rental options and retain occupants. The timing and extent of maintenance of ownership units (primarily single family detached homes) are up to the individual owner and may be deferred for a multitude of reasons, including an inability to fund regular maintenance.

Gaining an accurate understanding of the specific nature and extent of housing conditions can be hard to obtain—often only possible through extensive windshield surveys and internal inspections. In December 2019, City staff conducted a windshield survey of the city to assess the maintenance and rehabilitation needs of the City’s housing stock. Only 475 housing units were identified by staff that showed obvious deferred maintenance issues, all of which could be repaired if the owner had the resources and desire to do so. There were not any properties with deferred maintenance so great they would not be able to be repaired. The great majority of the City’s housing stock was in good or excellent condition and showed the pride of ownership that residents of Fountain Valley strive for and expect. This point is underscored by the vast number of building permits issued each year (an average of 1,500) to upgrade and improve the City’s housing stock. Each of the 475 properties identified were sent information regarding the City’s Home Improvement Program in the hopes they would qualify and apply for City assistance.

As illustrated in Table H-8, the vast majority of Fountain Valley’s housing stock (87% of ownership and 82% of all housing) was constructed prior to 1980. In fact, nearly all of the City’s housing stock was constructed during the 1960s and 1970s, shortly after incorporation occurred in 1957.

Additionally, according to the Census, a fraction of a percent of housing units (about 55) lacks complete plumbing facilities and two percent (370) lack complete kitchen facilities. The absence of fundamental facilities is likely associated with lower income households unable to fund such improvements. Finally, the presence of lead-based paint can be a hazardous condition, but the City estimates the total number to be low. Since testing began in 2002, only two homes of over 100 tested contained any lead-based paint hazards, both of which were minimal amounts.

**TABLE H-8
HOUSING STOCK IN FOUNTAIN VALLEY BY TENTURE BY YEAR BUILT, 2019**

Year Built	Owner		Renter		Total	
	Units	Percent	Units	Percent	Units	Percent
2014 or later	39	0%	0	0%	39	0%
2010 to 2013	146	1%	46	1%	192	1%
2000 to 2009	421	3%	378	7%	799	4%
1990 to 1999	302	2%	414	8%	716	4%
1980 to 1989	961	7%	746	14%	1707	9%
1970 to 1979	5,317	41%	2,037	37%	7354	40%
1960 to 1969	5,198	40%	1,550	28%	6748	37%
1950 to 1959	488	4%	274	5%	762	4%
1940 to 1949	26	0%	26	0%	52	0%
1939 or earlier	56	0%	44	1%	100	1%
Total	12,954	100%	5,515	100%	18,469	100%

Source: 2019 ACS 5-Year Estimates, Table B25036

Household Characteristics

Household Type

There were an estimated 18,469 households in Fountain Valley in 2019. More than three quarters of these households (77%) were family households, which is higher than the overall county average (72%). The single-family nature of Fountain Valley combined with its excellent schools continues to attract more family households compared to elsewhere in the county. There are a total of 5,941 households headed by a senior, which is approximately 32% of all Fountain Valley households.

Compared to 2010, it appears that many households are aging in place as their children grow up and move out. The City expects the married with children percentage to drop as parents age in place. Some may wish to find other housing options without a need for the space desired to raise a family. As housing development has plateaued, so too has household size. Since 2010, the average household size has remained relatively constant, declining slightly to 2.91 persons per household in 2021.

**TABLE H-9
COMPOSITION OF HOUSEHOLDS IN FOUNTAIN VALLEY, 2010 AND 2019**

Characteristics	Households		Percent of Total	
	2010	2019	2010	2019
Families				
Married with Children	4,906	4,652	27%	25%
Married without Children	6,467	6,622	35%	36%
Other Families	2,834	2,945	15%	16%
Nonfamilies				
Single-Person	4,499	4,250	24%	23%
TOTAL	18,706	18,649	100%	100%
Average Household Size	2010: 2.94 / 2021: 2.91			

Source: Census ACS 5-Year Estimates 2015-2019; California Department of Finance (2010 and 2021 household size estimates)

Household Tenure

As previously shown in Table H-7, approximately 70% of housing units in the city are owner occupied, with nearly all ownership households residing in single-family detached and single-family attached housing units. Renter households, representing the balance of 30% of housing units, primarily live in apartment complexes though a large number, (almost 2,000) live in single family homes. The rate of homeownership countywide (57%) is much lower by comparison.

Vacancy Rates

The residential vacancy rate, a translation of the number of unoccupied housing units on the market, is a good indicator of the balance between housing supply and demand in a community. When the demand for housing exceeds the available supply, the vacancy rate will be low. Concurrently, a low vacancy rate drives the cost of housing upward to the disadvantage of prospective buyers or renters.

In a healthy housing market, An optimal vacancy rate is generally considered about 5% for rental units and 2.0% for owner-occupied units. Ideally, these vacant units would be distributed across a variety of housing types, sizes, price ranges and locations within the City. This allows adequate selection opportunities for households seeking new residences.

The State of California Department of Finance reports that the overall City vacancy rate was 3.5% as of January 2021 for all housing units. Census data indicate a 1.3% vacancy for rental and 0.2% for ownership units. Any of these rates indicate that the housing market is fairly tight with little room for buyers or renters to find a suitable unit or negotiate a lower purchase or rental price.

Household Income

One of the most obvious factors in housing affordability is household income. While above-moderate and even moderate income households may have more discretionary income to spend on housing, lower income households will likely expend a larger portion of their income on housing and may have little remaining to secure basic necessities. While 43% of Fountain Valley households have income that is larger than 120% of the county median income, approximately 37% of Fountain Valley households have incomes below 80% of the County median income. The majority of lower-income households are renters, indicating a need for affordable rental opportunities. An estimated 5% of Fountain Valley families had an annual income below the federal poverty level in 2019.

**TABLE H-10
HOUSEHOLD INCOME DISTRIBUTION IN FOUNTAIN VALLEY**

Income Category	Households	Percentage
Very Low (0–50% AMI)	4,135	22%
Low (50–80% AMI)	2,855	15%
Moderate (80–120% AMI)	3,504	19%
Above Moderate (120%+ AMI)	8,033	43%
Total	18,527	100%

Source: SCAG 2021-2029 RHNA Methodology

Housing Inventory and Market Conditions

This section summarizes the housing inventory and prevailing market conditions in the City of Fountain Valley. Analysis of current market conditions provides insight into the City’s existing stock of affordable housing. Understanding past housing trends can also indicate the City’s future ability to meet housing needs.

Housing Costs and Affordability

The affordability of housing concerns the balance between a household’s financial means and the cost of adequate housing and amenities. The costs of homeownership and renting can be compared to a household’s ability to pay for housing, based on a percentage of the median income for Orange County and current market prices. Housing costs are driven by the price of raw land, infrastructure costs (e.g., sewer and water), construction costs, supply relative to demand, and financing costs. The diminishing supply of developable land in Fountain Valley, combined with the ongoing rise in housing prices throughout southern California, have driven up the cost of both ownership and rental housing in Fountain Valley.

Ownership Housing Prices

Most ownership housing in Fountain Valley is single family homes. The value of these homes varies based on the type, size, and location. Smaller condominium units are typically the least expensive, while large, upgraded single-family homes are typically the most expensive.

Average for-sale home price in Fountain Valley reached over \$800,000 in 2019 and now surpasses \$1 million according to recent data from Zillow (as of September 2021). Mortgage rates, however, have steadily declined from 8% in 2000 to less than 5% in 2010 to an average of rate below 3% for a 30-year fixed loan in 2021. Even those with poor to fair credit scores can obtain loans for around 4%. These lower rates offset some portion of the increases in housing costs occurring over the same time period.

However, the overall cost of buying a new home in the City of Fountain Valley will remain an unlikely option for lower and moderate-income households without substantial financial assistance. The existing stock of resale units will provide some homeownership opportunities for moderate income households, particularly for smaller units in older areas of the community and in condominium projects.

Rental Housing Prices

While rental prices have increased more slowly than sale prices, relatively few rental properties have been recently constructed in Fountain Valley. As of September 2021, the average rent was approximately \$1,500 for a studio, \$1,800 for a one-bedroom, \$2,100 for a two-bedroom, and \$3,300 for a three-bedroom, and \$3,900 for a four-bedroom unit in the city (Zumper.com). As previously noted, a large number of single family homes are rented in Fountain Valley; these units tend to have higher rents compared to apartments, though they also offer more bedrooms.

A comparison of market prices with the rental affordability limits presented in Table H-11 indicates that the rental market serves moderate and above moderate-income households, with some existing rental units also priced low enough for some lower income households. Rental units require less land and can be built at higher densities than many ownership products. Additionally, rental units do not require the same level of amenities as is expected in ownership developments. The construction of additional rental units represents a key step in providing affordable housing opportunities for current and future moderate-income households.

Housing Affordability

State housing policy defines housing affordability as housing costs equaling no more than 30% of a household's annual income, although the equity and tax benefits of homeownership may permit a higher percentage of income (35%) to be used for moderate income housing costs. Table H-11 identifies the maximum affordable rents and purchase prices by income category for a one-person, two-person, and four-person household based on 2020 state income limits. Note that the various local, state, and federal housing programs may require different calculations of maximum affordable rent or purchase prices.

**TABLE H-11
AFFORDABLE RENT AND HOME PURCHASE PRICE IN FOUNTAIN VALLEY**

Income Category	Annual Income Limit ¹	Maximum Affordable	
		Rent Payment ²	Purchase Price ³
One-Person Household			
Extremely Low (up to 30%)	\$26,950	\$674	\$84,100
Very Low (31%–50%)	\$44,850	\$1,121	\$176,000
Low (51–80%)	\$71,750	\$1,794	\$314,000
Median Income	\$72,100	\$1,803	\$315,800
Moderate (80 to 120%)	\$86,500	\$2,163	\$389,700
Two-Person Household			
Extremely Low (up to 30%)	\$30,800	\$770	\$103,900
Very Low (31%–50%)	\$51,250	\$1,281	\$208,800
Low (51–80%)	\$82,000	\$2,050	\$366,600
Median Income	\$82,400	\$2,060	\$368,600
Moderate (80 to 120%)	\$98,900	\$2,473	\$453,300
Four-Person Household			
Extremely Low (up to 30%)	\$38,450	\$961	\$143,100
Very Low (31%–50%)	\$64,050	\$1,601	\$279,600
Low (51–80%)	\$102,450	\$2,561	\$471,500
Median Income	\$103,000	\$2,575	\$474,300
Moderate (80 to 120%)	\$123,600	\$3,090	\$580,000

Source: PlaceWorks and Zillow, 2020

1. Annual income limits based on HCD income limits for Orange County for 2020.

2. Calculated as 30% of income divided by 12 months; assumes set-asides for utilities.

3. Includes 10% down payment provided by the owner, 30-year period, 4% APR, 1.1% property tax, and set-asides for monthly debt, utilities, real estate taxes, and homeowners insurance.

Assisted Housing Developments

Inventory of Assisted Units

State law requires the City to identify, analyze, and propose programs to preserve housing units that are currently deed restricted to low income housing use and will possibly be converted to market rates within 10 years of the start of the planning period (2031). There are five housing projects in the city that were funded either exclusively through federal housing programs or with a combination of federal and local sources. They provide affordable housing units for senior citizens, disabled persons, family households, and low and moderate-income households. One project (Heil Park) is at risk of converting to market rate by 2031. After a listing of all assisted units, an analysis of preserving at-risk units is provided.

- **Prado Family Homes.** Through the contribution of over \$8 million in City Redevelopment Funds, the City partnered with Related California to develop a 50-unit affordable housing project along Harbor Boulevard. A total of 41 units will be reserved for lower income households (30% to 60% of AMI), 8 units designated for permanent supportive housing for veterans, and one unit for an onsite manager. Prado Family Homes will offer 23 one-bedroom, 14 two-bedroom, and 13 three-bedroom apartments. The units are currently under

construction with occupancy expected in 2022. Affordability will be preserved for a 55-year term (from date of release of construction covenants) and is therefore not at risk of conversion by 2031.

- **Jasmine at Founders Village Manor.** Situated on a 12-acre site that is owned by the local school district (17911 Bushard Street), the Meta Housing Corporation developed 156 one- and two-bedroom units for lower-income senior households (76 units at max 50% (very low income) and 80 units as max 120% AMI (moderate income)) along with a senior center in 2004. A variety of funding sources enabled the construction of this project, including 9% tax credits, financing from the City's Redevelopment Agency, and financing from the County of Orange. Meta Housing continues to own this apartment community today, subject to a ground lease with the Fountain Valley School District. The Fountain Valley Village Senior Center is now owned and operated by the City of Fountain Valley. Project affordability (55-year term) does not expire until 2058 and is therefore not at risk of conversion by 2031.
- **Liberty at Founders Village.** The Liberty complex is a 54-unit affordable condominium project for low and moderate income persons 55 and older completed in 2004 (directly to the north of the Jasmine at Founders project). Redevelopment housing set-aside funds were used to assist in the development. Project affordability (45-year term) does not expire until 2048 and is therefore not at risk of conversion by 2031.
- **Guadalupe Manor.** Constructed in a C1 Zone at 17103 Magnolia Street, Guadalupe Manor offers 70 units reserved for low-income households (max 50% AMI). The project used a variety of funding sources, including Section 202, Section 8, and CDBG land write-down. Of the 70 units, 17 are studios and 54 are one-bedroom units. Seven units are reserved for low-income disabled persons over the age of 18 and the balance (63 units) are reserved for low-income seniors. The project-based Section 8 contract was renewed in 2018 through 2038 (20-year term) and is therefore not at risk of conversion by 2031.
- **Heil Park.** In 1993, the City of Fountain Valley, through a partnership with the Olson Company, developed 24-unit two- and three-bedroom condos, with the sales price capped at an amount that was affordable to low-income homebuyers earning at or below 80% AMI. The City subsidized the Heil Park project (19110 - 19157 Heil Avenue) with CDBG funds infused through a land sale write-down under which the City-owned site was sold to the developer at a below market price. The developer subsequently sold the units to individual buyers who became the owner and occupants of the units, with restrictions on resale subject to affordability thresholds. Once the 30-year term expires on October 30, 2023, the current property owners will be able to sell the units at the market price and receive the full equity of the sale. While the 24 units are still considered at-risk for conversion during the planning period and will likely transition out of the City's housing stock as income-restricted units, the current owners (who are all occupants) will not be displaced or face higher housing costs. The probability of preservation is low because the City, or other entity, would have to buy each unit (at present market value) and make it available at below market value.

Costs of Replacement or Presevation for Units at Risk

Replacement

The first examined method for preserving at-risk affordable housing is replacement of these units through the construction of new units and the application of new affordability covenants. The cost of developing new affordable housing units varies according to the average land value in the city, type of construction, density, and variety of soft costs. Four newly constructed affordable housing projects were examined to determine the estimated cost to replace at-risk affordable housing units: Prado Family Homes in Fountain Valley, The Crossroads at Washington in Santa Ana, Cass Paloma in Midway City, and The Groves in San Juan Capistrano. The development costs for these projects were analyzed using data from the CTCAC to derive an average per-unit development cost for new construction projects in Orange County. These development costs include land and acquisition, construction, architecture and engineering, interest and financing charges, developer fees, and other miscellaneous soft costs. The average cost to develop a new affordable unit is approximately \$517,000. Therefore, the total cost to build an equivalent number (24) affordable housing units would be \$12.4 million.

Cost of Preservation

The next examined method for preserving at-risk affordable housing is the acquisition of the 24 units and the application of new affordability covenants. The cost of extending affordability is based on the acquisition of the units less the maximum affordable sales price. Based on current data from realty listing services (Realtor.com, Trulia, Redfin, and Zillow as of 2022) for comparable homes in Fountain Valley, the average estimated sales values range from \$600,000 to \$700,000 for the 20, two-bedroom units and \$700,000 to 800,000 for the 4, three-bedroom units. The maximum affordable purchase price (see Table H-11) is \$419,250 for a household of three and \$471,500 for a household of four. Assuming a household of three for 15 of the 20 two-bedroom units and a household of four for 5 of the two-bedroom units and all 4 of the three-bedroom units yields a delta of between \$4,664,870 and \$7,136,870 for all 24 units (estimated sales price compared to the maximum affordable purchase price, plus 3% costs of sale). Aside from the substantial cost, the primary obstacle to preserve units in this fashion would be the willingness of the current owner to sell the home.

Acquisition and Rehabilitation

At-risk affordable housing can be preserved through acquisition and rehabilitation of an existing affordable housing development or market-rate development to extend or apply new affordability covenants. Several recent acquisition and rehabilitation projects were researched and analyzed to determine the estimated cost to acquire and rehabilitate at-risk affordable housing units. The development costs for these projects were analyzed using data from the California Tax Credit Allocation Committee (TCAC) to derive the average per-unit development cost for acquisition and rehabilitation projects in Orange County. The average per-unit development cost for four acquisition and rehabilitation projects in Orange County is approximately \$326,000 (Jamboree Econo Lodge Apartments and Hermosa Village Phase II in Anaheim and Hermosa Vista Apartments and Huntington Pointe Apartments in Huntington Beach). Based on this average, the estimated acquisition and rehabilitation costs to preserve an equivalent number (24) of affordable housing units would total approximately \$7.8 million.

Qualified Entities to Acquire and Manage Affordable Housing

The State maintains a list of Entities Interested in Participating in California’s First Right of Refusal Program. This list, provided below, includes entities interested in properties in Orange County and several entities interested in properties in any county in the State. It is important to note that, if funds are available, the City would also be a qualified entity to acquire and preserve affordable housing. The Fountain Valley Housing Authority is the primary agency providing affordable housing opportunities in Fountain Valley and is the Successor Agency to the former Fountain Valley Redevelopment Agency.

Innovative Housing Opportunities, Inc.	Abbey Road, Inc
ROEM Development Corporation	CSI Support & Development Services
Coalition for Economic Survival	Keller & Company
Poker Flats, LLC	Orange Housing Development Corporation
Riverside Charitable Corporation	Long Beach Affordable Housing Coalition, Inc.
Civic Center Barrio Housing Corp.	Nexus for Affordable Housing, Inc.
The East Los Angeles Community Union	Jamboree Housing Corporation
Housing Corporation of America	City of Newport Beach
Hart Community Homes, Inc.	Century Housing Corporation
Neighborhood Housing Services of the Inland Empire, Inc.	

Financing and Subsidy Resources

A brief list of funding sources that could potentially be used to preserve affordable housing are listed below. Financing affordable housing is a complicated endeavor involving multiple federal, state, and local funding sources. The City is committed to coordinating with property owners of at-risk units and leveraging available resources to provide financial assistance when possible and available to preserve these at-risk units and to extend covenants for as long as possible.

- **Balance of Redevelopment Funds.** The City has approximately \$3.5 million remaining in former Redevelopment funds. These funds could be available for extending the affordability of at-risk units, though the City is also evaluating how to facilitate the development of affordable ADUs.
- **Home Investment Partnership Funds (HOME).** Local jurisdictions may use the federal HOME program funds to develop and support affordable rental housing and homeownership affordability through acquisition and to provide assistance to homebuyers. For the current fiscal year, the City has a fund balance of \$327,000, all of which is already assigned to eligible expenses and activities.
- **Community Development Block Grant Program (CDBG).** Through the Federal CDBG program, HUD provides funding for a range of community development activities. Local jurisdictions can use CDBG funds are awarded for the relevant activities of acquisition, rehabilitation, and homebuyer assistance. The City received an allocation of \$344,000 for the current fiscal year and has a carryover balance of \$133,000, all of which is already assigned to eligible expenses and activities.

Housing Needs

The following analysis of current City housing conditions presents housing needs and concerns relative to various segments of the population. Several factors will influence the degree of demand or need for new housing and housing assistance in Fountain Valley in coming years. The three major categories of existing need considered in this element include:

- Overpayment refers to renters and homeowners who pay more than 30% of their gross incomes for shelter.
- Overcrowding occurs when lower income households cannot afford adequately sized housing and move into a smaller housing unit housing for available money. This may result in overcrowding where more than one person per room occupies a housing unit.
- Special needs are those associated with relatively unusual occupations or demographic groups that call for very specific program responses, such as preservation of residential hotels or the development of four-bedroom apartments. State law specifically requires analysis of the special housing needs of the elderly, the disabled, single-parent households, large families, farm workers, and homeless persons

Overpayment

Overpayment is generally defined as a renter household spending more than 30 percent or an owner household spending more than 35% of gross monthly household income on rent or a mortgage. Eventually this high cost of housing causes individuals with fixed incomes, particularly the elderly and lower income families, to spend a disproportionate percentage of their income for housing. This may cause a series of related financial problems, which may result in a deterioration of housing stock because maintenance must be sacrificed for more immediate expenses such as food, clothing, health care, and utilities. It may also result in the selection of inappropriately sized units that do not suit the space or amenity needs of the household.

Approximately 63% of renter and 42% of mortgage-holding households in Fountain Valley experience some level of overpayment. The vast majority (70%) of the City's renter households that earn less than \$50,000 spent over half of their income on rent, with roughly two-thirds of such households paying at least \$1,500 per month in rent. A portion of ownership households no longer owe any money on their mortgage resulting in a lower rate (30%) of overpayment overall for owner-occupied households.

Based on 2014-2018 HUD CHAS data, 78% of extremely-low income households that are renters in Fountain Valley experience overpayment, and 83% of extremely-low income households that are owners experience overpayment. Nearly all (93%) of very-low income that are renters and 79% of low-income households that are renters experience overpayment. For owners, 51% of very-low income and 48% of low-income households experience overpayment.

Overcrowding

In response to higher housing prices, lower income households often settle for smaller, less adequate housing that results in overcrowding. Overcrowding strains physical facilities and can lead to unsatisfying or even unhealthy living environments.

Both state and federal housing law define overcrowded housing units as those in which there are more persons than rooms. Overcrowding is measured by the number of housing units with 1.01 or more persons per room (severe overcrowding is 1.51 or more). The rooms do not include bathrooms, kitchens, and hallways, but includes other rooms such as living and dining rooms. An overcrowded housing unit does not necessarily imply one of inadequate physical condition.

There are approximately 431 overcrowded rental households in Fountain Valley, representing roughly 8% of all rental households. The balance of overcrowded households (306), were owner households, indicating that less than 2% of owner-occupied households were overcrowded. Despite the City's high housing costs, it appears that most lower income households are willing to pay a larger percentage of their income to avoid living in overcrowded conditions.

Special Needs Groups

Certain segments of the population may have more difficulty finding decent, affordable housing due to special circumstances. These "special needs" groups include the elderly, large families, disabled persons, large households, female-headed households, farm workers, extremely low income households, and the homeless. Under State law, the housing needs of each group are required to be addressed in the Housing Element.

Elderly Persons

The special needs of many elderly households result from their fixed incomes, higher rate of physical disabilities, and need for assistance from others. Elderly is defined as age 65 or older. As of 2019, approximately 10,990 or 20% of Fountain Valley's residents were elderly and 5,941 or 32% of all households. Of these households, 4,825 own their own home or pay a mortgage while 1,116 rent. An estimated 3,038 elderly residents in Fountain Valley have at least one disability.

As previously discussed, the median age for the City, as well as the County and State, is expected to continue to increase. As the elderly population increases, the need for senior housing and related services also is expected to increase. In terms of housing, seniors typically require smaller, more affordable housing options and/or assistance with accessibility and home maintenance. The City's development code allows age-restricted housing in all zones where multifamily housing is permitted and reduces the parking requirement for such developments. They often require ramps, handrails, lower cupboards, and counters to allow greater access and mobility for wheelchairs or walkers. The elderly also benefit from living close to or having transportation assistance to shopping and medical facilities. Finally, while some elderly households may retire

with adequate savings and/or a pension, many elderly households are likely to be on fixed low incomes and at a greater risk of housing over payment.

The Center at Founders Village is the primary public resource available to seniors and active adults aged 55 and older. In addition to being located on the same grounds as two age-restricted communities, The Center offers a wide range of health and educational programs, human services, recreational and social activities, and special events throughout the year. The Center is located at the intersection of two large arterial streets with an east-west bus route that connects to north-south routes one block in either direction.

Disabled Persons

The Federal Rehabilitation Act of 1973 defines a disabled person as "any individual who has a physical or mental impairment which substantially limits one or more major life activities, has record of such impairment, or is regarded as having such impairment." The disabled population encompasses several distinct groups such as, but not limited to, the physically handicapped, developmentally disabled, and severely mentally ill. The special housing needs of these populations include affordable independent living units, supportive housing, and housing with design features that facilitate mobility and independence. Also, many physically disabled or handicapped persons are living on state disability income benefits. The following types of supportive housing may be desirable for this population:

- Affordable to low- and moderate-income persons
- Wheelchair accessible
- Equipped with roll-in showers, grip bars, ceiling fans with extended cords, low sinks and light switches, automatic door openers
- Close to public transportation and stores

The State Department of Developmental Services provides community-based services to developmentally disabled persons through contracted regional centers. The Regional Center Orange County (RCOC) is charged by the State of California with the care of people with developmental disabilities, defined as those with severe, life-long disabilities attributable to mental and/or physical impairments. RCOC serves approximately 400 people in Fountain Valley with a developmental disability, of which most (361) live with a parent or legal guardian.

Approximately 6,114 Fountain Valley residents (11% of the population) have one or more disability. As expected, the rates of disability are more prevalent in the older population, with about half of the individuals with disabilities aged 65 or older (28% of the total senior population). Rates fall below 10% in those younger than 65. Of the 6,114 total residents with one or more disability, individuals with an independent living difficulty make up approximately 39% of the population. These residents are particularly vulnerable to housing inequalities, as they require additional assistance provided by a professional caregiver and/or family member. Program 6a, Support Fair Housing Services, Program 6c, Support for Persons with Disabilities, and Program

6d, Accessibility Modifications for Persons with Disabilities, aim to address the gaps in resources and encourage more equitable housing opportunities.

**TABLE H-12
PREVALENCE OF DISABILITIES IN FOUNTAIN VALLEY BY AGE, 2019**

Disability Type	Under 18 years	18 to 34 Years	35 to 64 Years	65 Years and over	Total
With a hearing difficulty	32	19	385	1,299	1,735
With a vision difficulty	51	51	209	515	964
With a cognitive difficulty	325	492	767	940	2,524
With an ambulatory difficulty	17	219	928	1,771	2,935
With a self-care difficulty	56	114	337	875	1,382
With an independent living difficulty	0	263	704	1,390	2,357
Individuals with one or more disability	419	699	1,958	3,038	6,114
Total individuals	11,025	10,516	23,495	10,990	56,026

Source: 2019 ACS 5-Year Estimates, Table S1810

Large Households

In 2019, Fountain Valley had an estimated 18,469 total households, of which 2,485 were defined as large households—five or more persons. These large households accounted for 13% of the City's total households, as indicated by the data in Table H-13. Approximately 13% (1,566) of the City's owner households and 17% (919) of the City's renter households are large households. Large households need more space at affordable housing costs.

Fortunately, Fountain Valley has the housing stock to accommodate its large households. According to the 2019 ACS, the average number of rooms per housing unit in the City is 6.0. Additionally, approximately 93% of ownership housing contains three or more bedrooms and roughly 42% of all rental housing contains three or more bedrooms (portions of the latter are likely in single family homes that are rented). Ownership households experience very low rates of overcrowding (below 2%), while approximately 8% of rental households experience overcrowding. While the City's rental housing stock offers plentiful options (42% with three or more bedrooms compared to 17% of the rental households categorized as large households), the 8% rate of overcrowding in rental households may indicate a need for more affordable larger-sized rental units. Given the City's access to excellent school districts, some larger families may be willing to live in housing with only 1 or 2 bedrooms to access schools. Alternatively, some families may be taking in elderly parents who are unable to afford their own housing or need additional care.

**TABLE H-13
HOUSEHOLDS IN FOUNTAIN VALLEY BY HOUSEHOLD SIZE AND TENURE, 2019**

Household Size	Owner		Renter		Total	
	Number	%	Number	%	Number	%
1 person	2,014	16%	1,254	23%	3,268	18%
2 persons	4,437	34%	1,722	31%	6,159	33%
3 persons	2,567	20%	939	17%	3,506	19%
4 persons	2,370	18%	681	12%	3,051	17%

**TABLE H-13
HOUSEHOLDS IN FOUNTAIN VALLEY BY HOUSEHOLD SIZE AND TENURE, 2019**

Household Size	Owner		Renter		Total	
	Number	%	Number	%	Number	%
5 persons	893	7%	645	12%	1538	8%
6 persons	325	3%	174	3%	499	3%
7 persons	348	3%	100	2%	448	2%
Total	12,954	70%	5,515	30%	18,469	100%

Source: 2019 ACS 5-Year Estimates, Table B25009

Female Head of Households

Single-parent households require special consideration and assistance because of their greater needs for day care, health care, and other facilities. Households headed by single mothers with children tend to have lower incomes. As of 2019, Fountain Valley had 364 female-headed households with children 18 years or younger; 153 of these households reported an income below the federal poverty level. These special needs households comprise approximately 2% of the City’s total households. Finding quality, affordable childcare is an issue affecting many family households, but especially those headed by single mothers. For any single-parent household, including single-mothers, the cost of childcare may be equivalent to or close to the potential income earned by working. For parents of young children, the parent may face a choice of working 40 hours a week to pay for full-time childcare only to miss the majority of their child’s waking hours. For others, they may work and pay for childcare, but still lack the income to provide for basic necessities, such as food and housing.

Farm Workers

At the county level, the US Department of Agriculture’s 2017 Census of Agriculture identified a total of 1,772 farm workers. Of these individuals, 62% (1,106) are considered seasonal, as they work fewer than 150 days of the year. At the city level, the 2019 ACS estimates that 14 Fountain Valley residents are employed in agriculture or related industries. There are no parcels designated for agriculture in or adjacent to Fountain Valley and the three farms present in the city are all identified for redevelopment by the property owner (with the Miller site having already permanently ceased agricultural operations). Persons employed in this broad category are most likely associated with landscape and horticultural jobs. Therefore, the need for housing generated by farm workers is estimated to be nominal and can be adequately addressed by the City’s other programs focused on affordable housing.

State law (Employee Housing Act, Health and Safety Code, Sections 17000-17062.6) requires the City to explicitly permit farm worker/employee housing. As the City’s Development Code does currently use either term (the closest term would be caretaker’s cottages), Program 6e will amend the code to comply with state law. Once the City’s Code is updated, employee housing that serves six or fewer employees shall not be subject to regulations to which other family dwellings of the same type in the same zone are not likewise subject, and farm worker housing

consisting of up to 36 beds in group quarters (farm worker housing complex) or up to 12 dwelling units shall be subject to the same terms applicable to an agricultural use.

Extremely Low Income Households

Extremely low-income households are defined as those earning no more than 30% of the area median income. Based on 2013-2017 HUD CHAS data, approximately 2,545 households in the city were categorized as extremely low-income households. About half (1,335) were renter households and half (1,210) were ownership households. Many of these extremely low-income households are likely seniors, who are no longer working and are living on a fixed income. Some may be retired households who own their home and no longer pay a mortgage, but others may be living in rental housing and face high ongoing housing costs.

The future housing need for extremely low-income households can be estimated (per state law) at one-half of the City's very low-income housing allocation. The City's very low-income housing allocation for the 2021-2029 planning period is 1,307 units, resulting in projected need of 653 extremely low-income households.

Such households could be on the verge of becoming homeless. An extremely low-income household with annual income up to \$38,450 would be able to spend up to \$961 per month before overpaying for housing. A two-person household with annual income up to \$30,800 would only be able to spend up to \$770 per month before overpaying for housing.

This population can be most effectively served by Section 8 Housing Choice Vouchers and through the construction of second units, single room occupancy units, and income-restricted apartments and senior housing. Public input indicates that it is difficult to find landlords who will accept HUD vouchers, increasing the difficulty of finding housing and increasing the likelihood and duration of homelessness. Program 2a, Housing Choice Vouchers and Program 2c, Nonprofit Development, aim to address the gaps in resources and encourage more equitable housing opportunities. In particular, the Housing Choice Vouchers program operated by the Orange County Housing Authority reserves (per HUD requirements) 75% of new vouchers for extremely low income households.

Zoning for Various Types of Housing

Extremely low income households can be most effectively served by Section 8 Housing Certificates and Vouchers and through the construction of accessory dwelling units (ADUs), small apartments, single room occupancy units (SROs), and low-cost senior housing.

Duplexes are currently permitted by right in all residential zones except Single-Family Residential (R1). Per very recent changes in state law, homeowners may divide their property into two lots and then build two homes on each of those lots, effectively legalizing fourplexes in areas that previously only allowed one home. Multifamily uses (including senior housing) are permitted with a conditional use permit in all multiple dwelling zones (R2, R3, and R4). Although, the City does not have the appropriate building stock to accommodate SRO development (all hotel/motel

businesses are performing well), the City allows single room occupancy (SRO) units in the C-2 zone subject to a conditional use permit.

The City recently amended its Development Code to permit ADUs by right in any zone that permits housing by right consistent with state law. Additionally, parking for a new ADU is not required when it is within a one-half mile walking distance of a public transit. ADUs may be particularly helpful as they may be rented for little or even zero cost (e.g., in the case of a family constructing an ADU for their adult child or aging parent). This pattern was confirmed during a survey of ADU applicants in 2020, which found that 50% of the respondents did not charge rent.

Individuals Experiencing Homelessness

During the past decade, homelessness has become an increasing problem throughout the state. Factors contributing to the rise in homelessness included the general lack of housing affordable to low and very low income persons, an increased number of persons whose incomes fall below the poverty level, reductions in public subsidies to the poor, and the de-institutionalization of the mentally ill.

The City of Fountain Valley is a member of the County' Continuum of Care (COC), which is a regional effort to address homelessness. Fountain Valley commits staff to the COC planning and implementation process and provides the COC Steering Committee critical information regarding the types of resources and programs Fountain Valley currently funds that assist the homeless.

Continuum of Care

A "Continuum of Care" system for homeless persons involves five components:

- **Outreach/Needs Assessment:** A Continuum of Care begins with a point of entry in which the needs of a homeless individual or family are assessed. In most communities, the intake and assessment component is performed by an emergency shelter or through a separate assessment center. To reach and engage homeless persons living on the street, the homeless service system should include a strong outreach component.
- **Emergency Shelter:** The County's 2019 Point in Time (PIT) Survey indicates on a countywide basis that 3,057 individuals and 94 families were experiencing unsheltered homelessness, with 2,661 individual seeking and obtaining shelter.
- **Transitional Housing:** Transitional housing provides rehabilitative services such as substance abuse treatment, short-term mental health services, and independent living skill classes. Appropriate case management should be accessed to ensure that persons receive necessary services. According to the 2019 County PIT Survey, transitional housing facilities experienced an average countywide occupancy rate of 78%.
- **Permanent Supportive Housing:** Once a needs assessment is completed, the person/family may be referred to permanent housing or to transitional housing where supportive services are provided to prepare them for independent living. For example, a homeless person with a substance abuse problem may be referred to a transitional rehabilitation program before

being assisted with permanent housing. Some individuals, particularly persons with chronic disabilities, may require ongoing supportive services once they move into permanent housing.

Countywide Assessment

The County of Orange conducts a countywide housing needs assessment every other year. Needs assessments, point-in-time counts, and gap analysis are not conducted on a city-by-city basis. Instead, information is combined from local organizations that serve the homeless. One organization may respond to the needs of homeless persons originating from several cities; thus, the County's reports provide a countywide overview of the homeless and not any information specific to the City of Fountain Valley.

The County's 2019 and 2022 Point in Time (PIT) Reports (aka Homeless Census & Survey) provide the following estimates of persons and families that compose homeless subpopulations in the Central Service Planning Area, which encompasses Fountain Valley. The Central Service Planning Area stretches from Newport Beach to Seal Beach along the coast and inland to Garden Grove, Santa Ana, and Tustin. Estimates are summarized below:

- It is estimated that on any given day in 2019, there were 3,332 homeless persons in the Central Service Planning Area. About 18% of these individuals experienced homelessness as part of a family, with children making up slightly less than 7% of all homeless persons. In 2022, the total number of estimated homeless persons declined to 2,714.
- In 2019, roughly 54% of all homeless individuals were unsheltered, including 44 children and 140 victims of domestic abuse. Over 900 individuals were unsheltered and suffering from chronic homelessness. In 2022, the percentage of unsheltered individuals increased slightly to 56%.
- Of the homeless surveyed in the Central Service Planning Area, many indicated that they had a disabling condition. These conditions include a physical or developmental disability, mental illness, substance use issues, and HIV/AIDS. Mental health issues, physical disabilities, and substance use issues were most prevalent.

It is difficult to estimate the number of victims of domestic violence in the County since many cases go unreported. Within the network of service providers in the county, several programs specialize in services for homeless subpopulations. Through proactive outreach or referrals, homeless individuals and families may reach any component of the County's system of care. Once in the system, the region's network of service providers is geared toward moving the individual or family through the continuum toward self-sufficiency.

Homelessness in Fountain Valley

In 2019, the PIT count found 42 visible homeless persons living in Fountain Valley, of which 28 were recorded as unsheltered. The 2022 PIT count (postponed from 2021) recorded 38 homeless individuals; however, all of these individuals are unsheltered. As needed, the Police Department

will refer victims of domestic violence to shelters, and other City staff makes referrals to clients who are needing shelter and other supportive services. The backbone of Fountain Valley's outreach efforts to homeless lies in its Public Service Agency Grant Program that gives funds to shelters.

Zoning for Various Facilities and Housing

- **Emergency Shelter.** Pursuant to state law, every jurisdiction must provide one or more zoning categories that allow an emergency shelter by right and have adequate capacity to accommodate the unsheltered need. Emergency shelters with up to 30 occupants are permitted by right in the General Commercial (C2) zone. The City also permits emergency shelters with a conditional use permit in a Local Commercial (C1) zone.

State law requires the City to identify sites with zoning that permits emergency shelters by right to accommodate the number of people experiencing homelessness that are unsheltered in Fountain Valley, which is 38 according to the 2022 PIT. Based on the 30-person threshold for an emergency shelter to be permitted by right in the C2 Zone, the City must identify at least two sites. It is important to note that the decision for these sites to be redeveloped into an emergency shelter is up to the current property owners, although the City, County of Orange, and other agencies or organizations may offer financial or other assistance to facilitate the development of one or more shelters. Other property owners and/or organizations may also develop and/or operate a shelter elsewhere in Fountain Valley. The sites described below are only identified as the best candidates based on current conditions and information.

While there are no vacant parcels zoned C-2, there are at least three sites that are currently in use and zoned C2 that exhibit the desired characteristics to be redeveloped into an emergency shelter. The first is a pair of adjoining parcels (1.06 acres total; 0.84-acre and 0.22-acre) on the southern side of Slater Avenue next to the Fountain Valley Police Department that is currently occupied by a bank, with a single-story building that was constructed in 1969. The site has immediate access to OCTA bus stops along Brookhurst Street. The site is also within a short walking distance of the local library and stores that sell fresh and prepared food. The current 6,400-square foot structure appears to be in good condition and could potentially be reused without significant remodeling. The site and building are large enough to accommodate at least 30 people (allowed by right), and could accommodate the full 38 (or more if needed) with a CUP.

The second and third sites consist of two parcels along the western side of Magnolia Street north of Garfield Avenue. Both parcels currently contain multi-tenant buildings, that were constructed in 1965. The northern-most building is 6,500 square feet and the other building is 3,900 square feet. Both buildings are in good enough condition to be used in their current form as an emergency shelter. While internal access is shared, the buildings operate independently, have their own parking, and are physically disconnected (by roughly 15 feet). Accordingly, each building could be redeveloped independently or developed jointly into an emergency shelter(s). The larger building could easily accommodate at least 30 people

(allowed by right), and could accommodate the full 38 (or more if needed) with a CUP, while the smaller building would likely accommodate a maximum of 15 to 25 people. The sites have immediate access to OCTA bus stops along Brookhurst Street. The sites are also within a short walking distance of the local library and stores that sell fresh and prepared food.

- **Low barrier navigation center.** In accordance with recent changes to state law, low barrier navigation centers must be allowed by right in areas zoned for mixed use and nonresidential zones permitting multifamily uses. 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” means best practices to reduce barriers to entry, and may include, but is not limited to, the following: (1) the presence of partners if it is not a population-specific site, such as for survivors of domestic violence or sexual assault, women, or youth; (2) pets; (3) the storage of possessions; and (4) privacy, such as partitions around beds in a dormitory setting or in larger rooms containing more than two beds, or private rooms. The City, as part of Program 3e, will update its Development Code to be consistent with state law.

In June 2022, the City Council approved a memorandum of understanding with the cities of Garden Grove and Westminster to jointly develop a low barrier homeless navigation center. While a location has not yet been selected, the cooperating agencies are currently evaluating the viability of areas in Westminster and Garden Grove.

- **Transitional and supportive housing.** The City currently allows transitional and supportive housing by right in all residential zones. Supportive housing is housing with no limit on length of stay, that is occupied by a target population, and that is linked to an onsite or offsite service that assists the tenant in retaining the housing; improving their health; and maximizing their ability to live, and, when possible, work in the community. Transitional housing is any housing configured as a rental housing development but operated under program requirements that require the termination of assistance and recirculating of the assisted unit to another eligible program recipient at a predetermined future point in time that shall be no less than six months from the beginning of the assistance. These facilities are subject to the same requirements as a traditional single and multifamily development. The City, as part of Program 3d, will ensure that such uses are also permitted by right in the new zones to be established (R5, MU1, and MU2), consistent with state law.
- **Single room occupancy.** A single room occupancy (SRO) unit is a living unit (alongside five or more other such units in one building) that has a minimum area of one hundred fifty square feet and is limited to persons of low and very-low income. The City permits SROs in the C-2 zone subject to a conditional use permit.

Current facilities serving those experiencing homelessness in Fountain Valley are shown in Table H-14. These facilities offer emergency and short-term shelter, as well as financial, employment and family counseling.

**TABLE H-14
ORANGE COUNTY HOMELESS SHELTERS AND TRANSITIONAL HOUSING**

#	Shelter	Location	Organization	Population Served	Max Stay	Charge
1	Alternative Sleeping Location Day Program	Laguna Beach	Friendship Shelter	Singles	30 days	\$-- (no fee)
2	Armories	Santa Ana; Fullerton	City Net	Open (adults)	n/a	\$-- (no fee)
3	Bethany Women's Shelter	Santa Ana	Mercy House Living Centers	Single women	6 mos.	Sliding Scale
4	Beverly's House	Santa Ana	Orangewood Foundation	Women age 18-24	n/a	n/a
5	Casa Youth Shelter	Los Alamitos	Casa Youth	At risk kids age 12-17	n/a	\$-- (no fee)
6	Domestic Violence Emergency Shelter	Confidential	Human Options	Survivors of domestic violence	45 days	24 at \$4.00/day
7	Domestic Violence Emergency Shelter	Seal Beach	Interval Housing	Survivors of domestic violence and their children	n/a	\$-- (no fee)
8	Domestic Violence Transitional Shelter	Seal Beach	Interval Housing	Survivors of domestic violence and their children	n/a	\$-- (no fee)
9	Eli Home	Seal Beach	Eli Home	Women w/kids 12 years or younger	n/a	sliding scale
10	Emergency Maternity Shelter	Orange	Casa Teresa	Preg. Adults	n/a	\$--(no fee)
11	Family Promise of Orange County, Inc.	Confidential	Family Promise of OC	Couples w/children 18 and under	2 mos.	\$-- (no fee)
12	Gerry House	Santa Ana	Straight Talk Clinic, Inc.	Adult substance users/HIV/AIDS	90 days	sliding scale (accepts MediCal)
13	Hannah's House	Orange	Casa Teresa	Singles and pregnant	n/a	n/a
14	Homeless Intervention Shelter	Placentia	H.I.S. - OC	Families and singles	4 mos.	n/a
15	House of Hope	Confidential	Orange County Rescue Mission	Single women or women w/kids	18 mos.	\$--
16	La Mesa Emergency Shelter	Anaheim	Illumination Foundation	Singles, couples, and/or families	n/a	\$-- (no fee)
17	Laura's House	Garden Grove	Laura's House	Survivors of domestic violence	30-45 days	n/a
18	Laurel House	Tustin	Orange County Rescue Mission	Girls age 12-17	6-18 mos.	sliding scale
19	Mary's Path	Santa Ana	Teen Shelter	Pregnant teens	n/a	\$--
20	Joseph House	Santa Ana	Mercy House	Single men	24 mos.	\$350/month
21	New Vista	Fullerton	Pathways of Hope	Families	30-45 days	\$--
22	Precious Life Shelter	Confidential	Precious Life	Pregnant adults	30 days	\$--

**TABLE H-14
ORANGE COUNTY HOMELESS SHELTERS AND TRANSITIONAL HOUSING**

#	Shelter	Location	Organization	Population Served	Max Stay	Charge
23	Regina House	Confidential	Mercy House	Single women w/kids	30-90 days	\$--
24	Rising Tide Communities	Tustin	Orangewood Foundation	Foster youth age 18 and older	n/a	\$200/month; ↑\$50/3 mos.
25	Salvation Army Hospitality House	Santa Ana	Salvation Army	Homeless men	21 days per 45 days	\$--
26	Salvation Army Human Trafficking Interim Housing	Confidential	Salvation Army	Human trafficking victims	n/a	n/a
27	Salvation Army Transitional Housing	<i>Confidential</i>	Salvation Army	At risk families	n/a	n/a
28	Second Step	Confidential	Human Options	<i>Survivors of domestic violence</i>	12 mos.	1/3 of income
29	South County Outreach	Lake Forest; Laguna Nigel; Mission Viejo	South County Outreach	Families	6-9 mos.	30% of income
30	The Link	Santa Ana	Illumination Foundation	Singles, couples, and/or families		\$-- (no fee)
31	The Sheepfold Transitional Shelter	Orange	The Sheepfold	Survivors of domestic violence and their children	6 mos.	\$-- (no fee)
32	Thomas House	Garden Grove	Thomas House Family Shelter	Families	n/a	0 for 6 mos. 20% of income
33	Veterans First	Santa Ana	Veterans First of OC	Veterans	n/a	25% of income
34	Vietnamese League	Garden Grove	Vietnamese League of OC	Asian refugees	n/a	n/a

Housing Constraints

Governmental Constraints

Housing affordability is influenced by factors in both the private and public sectors. Actions by the City and by the surrounding jurisdictions impact the amount of housing developed, its type, form, location, and final price. Actions, like land use controls, site improvement requirements, building codes, fees, and other local programs, meant to improve the overall quality of housing may have the unintended consequence of serving as a constraint to housing development. Based on the information provided below, the City's land use controls, fees, and permitting processes currently do not present a constraint to residential development.

Land Use Controls

General Plan Land Use Element

State law requires each city to have a general plan that establishes policy guidelines for future development. The land use element identifies the location, distribution, and density of land uses throughout the City, with land use categories designating single family residential, multifamily housing and mixed-use development at a variety of densities. Conventional residential designations currently permit housing at maximum densities up to 30 units per acre. The City also adopts specific plans to allow for a mix of commercial and residential uses at densities that reach well over 30 units per acre. The City will update its Land Use Element to reflect changes in zoning identified in this Housing Element.

Development Code

The City's Development Code and zoning regulations establish requirements related to permitted uses, height, density, lot area, yard setbacks, and minimum parking spaces. Higher residential zoning densities reduce land cost per unit and thus facilitate the development of affordable housing. Generally, restrictions on land use or restrictive development standards, such as high number of parking spaces and large setbacks, can increase housing costs.

The City's Development Code regulates community development by establishing allowable uses and development standards for numerous residential, mixed use, and other zones. Additionally, a Planned Development (PD) overlay zone ensures that new development can be built with similar, more flexible standards (such as setbacks and minimum lot size) as those of development existing at the time of incorporation.

Conventional, supportive, and transitional housing are permitted in the City's residential districts. Emergency shelters are permitted by right in the General Commercial (C2) district and permitted with a conditional use permit in the Local Commercial (C1) district along with single room occupancy units. As shown in Tables H-15 and H-16, these districts allow for a variety of housing types and a range of owner and rental housing options.

Concurrent with the General Plan update, the City will amend the Development Code to add a Very High Density Residential (R5) Zoning District. The R5 Zone will match the development standards and permitted uses for the Mixed Use 1 (MU1) Zone, but only permit residential uses.

**TABLE H-15
ZONING FOR A VARIETY OF HOUSING TYPES IN FOUNTAIN VALLEY**

General Plan Designation	Zoning District		Max Density	Housing Types
Residential				
Low Density Residential	Single-Family Residential	R1	5 du/ac	Detached single family
Low Medium Density Residential	Garden Homes	GH	10.8 du/ac	Detached single family, small lot
	Low Density Multiple Dwelling	R2	10 du/ac	Detached/attached single family, duplex, multifamily
Medium Density Residential	Medium Density Multiple Dwelling	R3	15 du/ac	Detached/attached single family, multifamily
High Density Residential	High Density Multiple Dwelling	R4	30 du/ac	Multifamily
All of the above	All of the above	--	Same as above	ADUs and transitional and supportive housing
Mixed Use				
Mixed Use 1	Mixed Use 1	MU1	65 du/ac	Multifamily
Mixed Use 2	Mixed Use 2	MU2	40/55 du/ac	Multifamily
Commercial				
Local Commercial	Local Commercial	C1	0.35 FAR	Emergency shelter
General Commercial	General Commercial	C2	0.50 FAR	Emergency shelter, low barrier navigation center ¹ , SRO
Office Commercial	Professional Office	CP	0.50 FAR	Care homes

Note:

1. Upon implementation of the related program in the City's Housing Strategy, the City will update its Development Code to be consistent with state law.

**TABLE H-16
ZONING FOR A VARIETY OF HOUSING TYPES IN FOUNTAIN VALLEY**

Residential Use P= Permitted Use (by right) C= Conditional Use Permit	Residential					Commercial			Mixed Use	
	R1	GH	R2	R3	R4	C1	C2	CP	MU1	MU2
Accessory Dwelling Unit	P	P	P	P	P	-	-	-	P	P
Dwelling, Single Family	P	C	P	-	-	-	-	-	-	-
Dwelling, Multiple Family	-	-	C	C	C	-	-	-	P	P
Dwelling, Duplex	-	P	P	P	P	-	-	-	-	P
Emergency Shelter	-	-	-	-	-	C	P	-	-	-
Employee Housing (small) ¹	P	P	P	P	P	-	-	-	-	-
Employee Housing (large) ¹	CUP	CUP	CUP	CUP	CUP	-	-	-	-	-
Low Barrier Nav Center ¹	-	-	P	P	P	-	P	-	-	-
Manufactured Home	P	C	P	-	-	-	-	-	-	-
Mobile Home Park/Subdivision	-	-	-	C	C	-	-	-	-	-

**TABLE H-16
ZONING FOR A VARIETY OF HOUSING TYPES IN FOUNTAIN VALLEY**

Residential Use P= Permitted Use (by right) C= Conditional Use Permit	Residential					Commercial			Mixed Use	
	R1	GH	R2	R3	R4	C1	C2	CP	MU1	MU2
Residential Care Home (small)	P	P	P	P	P	C	-	-	CUP	CUP
Residential Care Home (large)	C	C	C	C	C	C	-	-	CUP	CUP
Single Room Occupancy	-	-	-	-	-	-	C	-	-	-
Supportive Housing	P	P	P	P	P	-	-	-	P	P
Transitional Housing	P	P	P	P	P	-	-	-	P	P

Note:

1. Upon implementation of the related program in the City's Housing Strategy, the City will update its Development Code to be consistent with state law.

**TABLE H-17
RESIDENTIAL ZONE DEVELOPMENT STANDARDS IN FOUNTAIN VALLEY**

Development Standard	Residential Zoning Districts				
	R1	GH	R2	R3	R4
Minimum Lot Area	6-7,200 sf	1,800 sf	7,000 sf	7,200 sf	10,000 sf
Minimum Lot Width	45-65 ft	23 ft	60-65 ft	60-65 ft	60-65 ft
Minimum Lot Depth	90 ft	Varies	-	-	-
Maximum Lot Coverage	45-55%	30%	40%	40%	40%
Maximum Height	27 ft/2 st	30 ft/2 st	28 ft/2 st	28 ft/2 st	35 ft/3 st
Minimum Front Yard Setback	20 ft	Varies	20 ft	20 ft	20 ft
Minimum Side Yard Setback	5-10 ft	Varies	5-10 ft	5-10 ft	5-10 ft
Minimum Rear Yard Setback	10-25 ft	Varies	25 ft	25 ft	25 ft
Minimum Building Separation	-	-	15-20 ft	15-20 ft	15-20 ft
Minimum Open Space, Private (1)	1,000 sf	1,000 sf	100 sf/unit	100 sf/unit	100 sf/unit
Minimum Landscape Coverage	50% frnt yd	25%	15%	15%	15%
Development Standard	Mixed Use Zoning Districts				
	MU-1	MU-2			
Minimum Lot Area	1 acre	5.01 acres			
Minimum Lot Width	-	-			
Minimum Lot Depth	-	-			
Maximum Lot Coverage	-	-			
Maximum Floor Area Ratio	2.25	2.20			
Maximum Height	5 stories & 55 ft	6 stories & 65 ft			
Minimum Front Yard Setback	10 ft average, 5 ft minimum	15 ft average, 10 ft minimum			
Minimum Side Yard Setback	Abutting R1/GH zones – 30ft w/ step-backs or 100 ft no step-backs				
Minimum Rear Yard Setback	Abutting R2/3/4 zones – 10 ft w/ step-backs or 20 ft with no step-backs				
Minimum Building Separation	20 ft average, 10 ft minimum				
Minimum Open Space	10% of site area (<2 acre site) or 15% of site area (>2 acre site) PLUS 100 sf per residential unit				
Minimum Landscape Coverage	15% of site area				

**TABLE H-17
RESIDENTIAL ZONE DEVELOPMENT STANDARDS IN FOUNTAIN VALLEY**

Development Standard	Residential Zoning Districts				
	R1	GH	R2	R3	R4
Development Standard	Commercial Zoning Districts				
	C1	C2	CP		
Minimum Lot Area	10,000 sf	10,000 sf	7,200 sf		
Minimum Lot Width	-	-	-		
Minimum Lot Depth	-	-	-		
Maximum Lot Coverage	-	-	-		
Maximum Height	50 ft/4 st	50 ft/4 st	50 ft/4 st		
Minimum Front Yard Setback	20 ft	20 ft	20 ft		
Minimum Side Yard Setback	0-20 ft	0-20 ft	0-20 ft		
Minimum Rear Yard Setback	0-20 ft	0-20 ft	0-20 ft		
Minimum Landscape Coverage	15%	15%	15%		

Source: Fountain Valley Development Code, Title 21

Note: 1. At least 1,000 square feet of open space in the rear yard is only required for single family detached housing.

Parking Requirements

Parking requirements in the City of Fountain Valley are similar to those imposed by other cities in Orange County. Parking facilities are required to be located on the same lot and reduce the amount of available lot area for housing. Parking requirements generally relate to the housing type and number of bedrooms or units. Some uses, however, require fewer parking spaces, such as accessory dwelling units and senior housing facilities. To facilitate the production of affordable housing, the City maintains reduced parking standards for these uses.

Table H-18 summarizes the current parking standards for residential development in Fountain Valley. Additionally, residential (stand-alone or mixed-use) projects that qualify for a density bonus due to the inclusion of affordable housing are eligible for parking reductions under state law. In compliance with state law, the City has evaluated its parking requirements for emergency shelters and determined that the parking requirements are lower than comparable uses (hotels, motels, SROs, and group quarters, including rooming and boarding houses), and residential care homes (senior congregate care) permitted in the C1 and C2 zoning districts.

**TABLE H-18
REQUIRED PARKING STALLS BY USE IN FOUNTAIN VALLEY**

Use	Required Number of Stalls
Single-Family	
Single-family, detached: Up to 4 bedrooms	2 stalls in a garage
5+ bedrooms or homes larger than 4,000 sf	3 stalls in a garage
Single-family, attached	Same as single family detached
Mobile Home Park	2 covered for unit, plus 0.2 visitor stall / unit provided independent of the unit

**TABLE H-18
REQUIRED PARKING STALLS BY USE IN FOUNTAIN VALLEY**

Use	Required Number of Stalls		
Accessory Dwelling Unit	No parking required beyond that which is required for the primary residence. Pursuant to California Government Code Section 65852.2, replacement parking cannot be required if an existing garage is converted to an ADU.		
Multifamily			
Duplex, condos, other attached dwellings	Stalls per Unit:		
	Covered	Uncovered	Visitor
1 bedroom or less	1.0	0.5	25% of total required spaces
2 bedrooms	1.0	1.0	25% of total required spaces
3 bedrooms	2.0	0.5	25% of total required spaces
More than 3 bedrooms	2.0	0.5/room over 3	25% of total required spaces
Accessory Dwelling Unit	No parking required beyond that which is required for the primary residence. Pursuant to California Government Code Section 65852.2, replacement parking cannot be required if an existing garage is converted to an ADU.		
Age-Restricted or Special Needs Housing			
Convalescent Hospital	1 stall for each bed plus 1 space for each 400 sf of office area		
Emergency shelter	1 space per 4 beds and/or 0.5 spaces per bedroom designed for families with children, plus 1 staff member		
Senior Housing	1 space per unit with half the spaces enclosed, plus 1 guest stall per 10 units		
Senior Congregate Care	0.5 space per unit, plus 1 guest stall for each 4 units		
Single or Multiple Family	Same as single-family and multiple family listed above		
Single Room Occupancy	0.5 spaces per room, with 1.0 spaces per double occupancy room, plus 1 per staff		

Density Bonus

The City follows state law and will update its Development Code regulations on density bonuses to comply with the latest changes in Government Code Section 65915–65918, which require jurisdictions to grant a density bonus in exchange for income-restricted housing. Legislation passed in 2020 increased the maximum amount of density bonus projects could receive. Prior to updating its Development Code, the City will follow and apply state law to proposed projects.

Residential projects that restrict as little as five percent of the proposed housing units as affordable housing would be entitled to a density bonus and additional incentives and concessions, such as a reduction in parking requirements or setbacks. Table H-19 lists the potential density bonuses (per state law as of August 2021) for projects that incorporate income-restricted housing.

**TABLE H-19
DENSITY BONUS FOR PROJECTS WITH INCOME-RESTRICTED HOUSING**

Household Income Category of Affordable Units	Min % of Base Units Reserved to Qualify for Bonus	Density Bonus		
		Min Bonus (% Base Units)	Added Bonus per +1% affordable	Max Bonus (% Base Units)
Very Low	5%	20%	2.5%	50%
Lower	10%	20%	1.5%	50%

**TABLE H-19
DENSITY BONUSES FOR PROJECTS WITH INCOME-RESTRICTED HOUSING**

Household Income Category of Affordable Units	Min % of Base Units Reserved to Qualify for Bonus	Density Bonus		
		Min Bonus (% Base Units)	Added Bonus per +1% affordable	Max Bonus (% Base Units)
1+ acre of land dedication for very low	10%	15%	1%	35%
>80% Low/ <20% Mod	100%	80%	--	80%
Low/mod within ½-mile of major transit stop	100%	No Max	--	No Max
Moderate (Condo)	10%	5%	1%	50%

Source: Sections 65400 and 65915 of the California Government Code, as of August 2021.

Note: Other projects entitled to density bonus include:

10% very low transitional foster youth, disabled veterans, or homeless

20% very low college students in housing dedicated for accredited colleges

Any age-restricted senior housing development or mobile home park (no affordable required)

Accessory Dwelling Unit Requirements

In response to the worsening statewide housing shortage, California Government Code Section 65852.2 streamlines and promote the permitting and approval of accessory dwelling units (ADUs). ADUs are attached or detached structures that are constructed on the same lot as a single or multifamily unit and provide complete independent living facilities for one or more occupant; junior ADUs are enclosed within the primary residence and provide partial independent living facilities for one or more occupant. The state and many jurisdictions throughout California recognize that ADUs can provide housing at below market prices (without public subsidy) and serve to meet the special needs of the elderly and low-income persons such as students or adult children just entering the workforce.

Numerous amendments to state law were made in 2017 and 2020 that require jurisdictions to approve ADUs by right, eliminates or reduces impact fees, and requires jurisdictions to apply only limited objective development standards. The City amended the Development Code in March 2020 to provide standards and procedures for the development of ADUs in accordance with state law. Additional programs in the Housing Strategy and discussion in the section on Residential Land Resources detail additional efforts the City will enact and promote to facilitate ADU development.

Single Room Occupancy

The City of Fountain Valley conditionally permits the development of single room occupancy (SRO) projects in the General Commercial (C2) zoning district. The Development Code requires rates for the rental of units in an SRO project to be restricted so that 100% of the units in the project are affordable to persons of very low or low income. One ADA accessible unit shall be required for each 20 rooms.

The minimum size of each one-person unit is 150 square feet, and a two-person unit must be at least 275 square feet. Double occupancy units are limited to 10% of the project total. Each SRO project must provide full kitchen, bathroom, and laundry facilities either inside each unit or in a common area. Regardless, each SRO unit shall contain a full or partial kitchen, full bathroom, and at least 48 cubic feet of enclosed closet space,

All proposed SRO projects must be renter occupied. For SRO projects that contain 16 or more units, an onsite manager's unit is required. Each SRO project shall provide 0.5 parking stalls for every one-person unit, 1.0 parking stall for every two-person unit, and 1.0 parking stall for each staff member. In addition, each SRO project shall provide 1.0 secure bicycle stall for each 3 units. To ensure that SRO projects remain safe and maintained, each SRO project must be guided by a management plan, which includes, among other things, information about the projected staffing needs, facility management and operations, emergency procedures, security, rental procedures, and proposed rental rates.

Housing for Persons with Disabilities

Building Code Constraints

Under the provisions of California Code of Regulations, Title 24, the City is the enforcement authority for state accessibility laws and regulations when evaluating requests for new construction. Similar to the requirements of the Federal Fair Housing Act of 1998 and the Americans with Disabilities Act (ADA), Title 24 provisions include standards and conditions to be applied to new development to ensure full accessibility for the physically disabled. While compliance with building codes and Title 24 may increase housing construction and rehabilitation costs, such standards are the minimum needed to ensure safety and accessibility for all residents.

The City has adopted the California Building Standards Code and the most recent California Amendments (2019), which includes provisions of the ADA. To further address the needs of disabled residents, the City includes ADA coordination responsibilities to the role of the Building Official. Additionally, the City's Building and Safety Division confirms compliance with all codes and assists residents with the retrofitting of their homes.

Reasonable Accommodation Ordinance

In addition, the City's Reasonable Accommodation Ordinance provides a process for disabled individuals, or those acting on their behalf, to make requests for reasonable accommodation in regard to relief from the various land use, zoning, or building laws, rules, policies, practices, and/or procedures of the City, and includes a provision of assistance in making the request, as well as for appealing a determination regarding the reasonable accommodation to the Planning and Building Director. The City's findings required to approve or deny a request for reasonable accommodation, as stated in the Development Code (§21.08.060 Reasonable accommodation).

- Whether the accommodation is reasonable considering the nature of the applicant’s disability, the surrounding land uses, and the rule, standard, policy, or practice from which relief is sought
- Whether the accommodation is necessary to afford the applicant equal opportunity to enjoy and use a specific dwelling in the city
- Whether the accommodation will have only incidental economic or momentary benefits to the applicant, and whether the primary purpose of the accommodation is to assist with real estate speculation or excess profit making
- Whether the accommodation will create a substantial adverse impact on surrounding land uses, or a public nuisance, that cannot be reasonably mitigated
- Whether the accommodation is reasonably feasible considering the physical attributes of the property and structures
- Whether there are alternative accommodations which may provide an equal level of benefit to the applicant, while minimizing adverse impacts on surrounding land uses and lessening the financial and/or administrative burden of the city
- Whether the requested accommodation would constitute a fundamental alteration of the zoning or building laws, polices or procedures of the city

Definition of Family

In some jurisdictions in California, the use and definition of the term “family” has been used to limit or restrict the formation of households that contain more than one unrelated individual; e.g., restricting occupancy of a single family home to related individuals only, which could exclude occupancy by a disabled individual and their live-in caregiver. Court rulings state that defining a family does not serve any legitimate or useful objective or purpose recognized under the zoning and land planning powers of the city, and therefore violates rights of privacy under the California Constitution. A zoning ordinance also cannot regulate residency by discrimination between biologically related and unrelated persons.

The City’s Development Code is consistent with court rulings and defines “family” as “one or more persons occupying a premises and living as a single nonprofit housekeeping unit, as distinguished from a group occupying a boarding or lodging house, hotel, club, or similar dwelling for group use.” In addition, the City does not condition project approval based on the relationship of persons occupying a proposed residential dwelling. Given these factors, the City’s definition of “family” does not negatively impact the development of housing for persons with disabilities.

Group Facilities

The City permits small residential care homes (also called residential care facilities) that serve 6 or fewer clients in every residential zone. Large residential care homes serving 7 or more clients are permitted in every residential zone pursuant to a conditional use permit. There are no specific findings required to approve a large residential care facility. The only condition that is currently

subjective for a large residential care home serving 7 or more clients is the determination that granting the conditional use permit would not be detrimental to the public convenience, health, interest, safety or welfare, or injurious to persons, property or improvements in the vicinity and zoning district in which the property is located. Although there have been no applications for such a facility, the City anticipates that items of concern would revolve around operational activities that could generate significant sources of noise. However, the City will, through Program 6e of the City's Housing Strategy, conduct further evaluation of the potential constraints imposed by the aforementioned subjective condition of approval and remove unreasonable conditions of approval or other requirements. The Development Code does not regulate concentrations of group homes or contain specific site planning criteria for group homes. Any group home would be regulated by the zoning district in which it locates. There are 45 long-term care facilities in the city caring for approximately 850 dependent adults.

The Development Code provides reduced off-street parking standards for uses such as convalescent facilities, senior housing complexes, and congregate care facilities. Reduced parking standards help reduce the cost of developing projects oriented toward serving disabled or elderly persons. The existence of numerous long-term care facilities within the City suggests that the parking standards do not hinder the development of such uses. The reduced parking standards are as follows:

- Convalescent Hospital: 1 stall for each bed plus 1 space for each 400 sf of office area
- Senior Housing: 1 space per unit with half the spaces enclosed, plus 1 guest stall per 10 units
- Senior Congregate Care Facilities: 0.5 space per unit, plus 1 guest stall for each 4 units

Summary of Impacts of Local Land Use Controls

After reviewing the development code, the City determined that the standards set forth do not adversely impact the development of various housing types. The evaluation first considered the uses permitted in each zone and found them either to be consistent with state guidelines or will come into consistency through the implementation of one or more housing programs contained within this element.

Second, the City evaluated the development standards for each zone that permits residential development, including building envelope, maximum height, and parking requirement. The standards for zones R1, GH, R2, and R3 are not considered a constraint on the development of housing due to the relatively low or medium density nature of the zones. The R1, GH, and R2 zones are intended to accommodate both single family attached and detached products, with the R2 zone maxing out at 10 units per acre. The R3 zone allows up to 15 units per acre and can easily accommodate maximum density within the current standards.

The R4 zone's maximum density was increased from 20 units per acre to 30 units per acre during the 5th Cycle planning period. The City reevaluated the R4 development standards to ensure that development can in fact achieve maximum density. On parcels one acre or larger, a housing

development could achieve maximum density with a mix of studio, one-, and two-bedroom units, served by onsite surface parking. For parcels between one-half and one acre, a housing development could still achieve maximum density with a mix of studio, one-, and two-bedroom units, served by onsite surface parking. For parcels smaller than one-half acre, maximum density could be achieved with a mix of studio, one-, and two-bedroom units, served by a combination of surface and tuck-under parking. This bedroom mix also aligns with the City's average household size of 2.91 and the projected trend of decreasing household sizes across the southern California region.

The recently adopted Slater Avenue mixed-use project provided a case study of the recently adopted Mixed Use 1 (MU1) development standards. The MU1 zone applies to properties smaller than 5 acres and permits residential development up to a maximum height of 55 feet (5 stories) and maximum density of 65 units per acre. The zone also requires at least 10% of the ground floor area be occupied by non-residential uses. Parking requirements are determined based on existing parking standards for both the residential and non-residential components. The Slater project was able to incorporate 270 residential units (81 du/ac; 33 units reserved for lower income households), 6,660 square feet of non-residential uses, and 541 parking spaces (177 more than required) on a 3.34-acre site, with the inclusion of affordable housing and associated waivers/concessions as permitted by state density bonus law provisions.

The applicant was granted the following waivers/concessions: reduction of ground floor retail by 10%; reduction of minimum residential storage requirement by 20%; reduction of publicly accessible open space by 60%; and reduction of minimum square footage for 91 of 129 1-bedroom units by 10%. The City evaluated the project and determined that none of the waivers/concessions would have been required to reach the maximum density of 65 du/ac. Therefore, the development standards are not considered to hinder, or otherwise prevent, the development of residential products at the maximum allowable density. However, the City is, through the implementation of Program 3a, evaluating standards that are cited as required waivers or concessions for proposals that would leverage state density bonus provisions with the inclusion of affordable units, with the intent to revise standards that would inhibit the ability to incorporate affordable housing even with the application of state density bonus law provisions.

Finally, the City reviewed its development code to determine any adverse impacts on the ability to develop housing for individuals with special needs. The review and evaluation found that the City's code is compliant with all legislative mandates, including the Americans with Disabilities Act, accommodating requests for reasonable accommodations, and permitting processes for group care facilities.

Building Codes and Code Enforcement

Building and safety codes adopted by the City are considered necessary to protect public health, safety, and welfare. However, these codes have the potential to increase the cost of housing construction and maintenance. The City has adopted the 2019 California Building Standards Code (CBSC) along with amendments specific to Fountain Valley. Other development codes enforced

by the City include the most recent editions of the California Housing, Electrical, Fire, Plumbing, Mechanical, and Administrative Codes.

The only substantive amendment relates to the fire sprinkler requirement for a single family home renovation or remodel. The CBSC requires the installation of a sprinkler system if 5,000 square feet or more are being renovated or remodeled. The City's amendment lowered the threshold to 3,500 square feet. In addition, the City considers renovations or remodels equal to 75% or more of the total square footage of a single family home to constitute new construction that would therefore be required to install a sprinkler system. This amendment is not considered to increase the cost of new housing beyond current state requirements. The City's definition and threshold for determining new construction could increase costs for single family home renovations equal to 75% or more of an existing home. All other amendments are administrative in nature and minor in scale (e.g., swimming pool safety and preliminary soils reports), and do not increase housing costs.

Code enforcement is a critical component of preserving and improving neighborhood quality and preventing situations that may damage residential structures and resident safety. The City employs one full-time code enforcement officer. Code enforcement officers identify and prescribe solutions to code violations and respond to public complaints. The most common housing code violation related to housing or residential parcels is overgrown vegetation. Vacant lots must be kept relatively free of weeds and vegetation in residential areas must not hang onto sidewalk/street areas. Violators are notified and referred to appropriate sections of the City's Development Code and relevant programs. If the City is unable to gain voluntary compliance on any code violation, the Code Enforcement Division may issue an Administrative Citation or forward violations to the City Attorney for further action. The City created a Home Improvement Program flyer to inform residents about legal requirements and resources to assist in preserving and improving neighborhoods and homes.

Energy Conservation

The City has promoted energy conservation for residential uses on both educational and regulatory levels. The City supports local utilities in their efforts to provide public information and technical assistance to developers and homeowners regarding energy conservation measures and programs. On a regulatory level, the City enforces the State Energy Conservation Standards (Title 24, California Administrative Code). Compliance with Title 24 of the California Administrative Code on the use of energy efficient appliances and insulation has reduced energy demand stemming from new residential development.

Under the 2019 Building Code (in effect as of January 2020), all new single-family homes and low-rise apartment buildings will be required to install solar panels, or tap into community solar power, to compensate for all electricity used by the building (aka zero net energy homes). Homes that truly are not suitable for solar, e.g., shaded by trees or large buildings would be exempt.

While the construction of energy efficient buildings does not necessarily lower the purchase price of housing, it should reduce monthly occupancy costs as consumption of fuel and energy is decreased. Similarly, retrofitting existing structures with energy-conserving features can reduce in utility costs. Examples of energy conservation opportunities include weatherization programs and home energy audits; retrofit to dual components or piggyback the use of evaporative coolers with air conditioning systems; installation or retrofitting of more efficient appliances and mechanical or solar energy systems; and building design and orientation.

The City's Building Division staff established a streamlined approval process electrical vehicle charging stations (for any building/site) and solar photovoltaic projects at or below 10 kilowatts in size (for one- and two-family dwellings). The City will continue to evaluate new opportunities to establish or improve city programs and regulations and partner with Southern California Edison to promote energy conservation programs.

The City has facilitated more efficient land use patterns by approving more intense, mixed-use land use districts in the Crossings Specific Plan, with future higher intensity residential and mixed use zoning identified in this Housing Element. Higher density and mixed-use developments can demand less energy than lower density projects by encouraging walking, a decreased use of automobiles, and smaller housing units that are more efficient to operate.

Other Local Ordinances

The City does not currently maintain any other locally adopted ordinances, such as short-term rental or inclusionary housing ordinances. The City intends to adopt an inclusionary housing ordinance concurrent with the adoption of the General Plan update. As part of Program 3a, the City will evaluate the impact of the inclusionary housing ordinance upon the cost and supply of residential development after two years of implementation. The City is considering the adoption of a short-term rental ordinance that would either prohibit the use or allow them with a moderately restrictive level of regulations, such as limiting one license per owner (to avoid corporate-based ownership models). Whether such an ordinance (or similar) is adopted, the City will evaluate the cumulative impact of short-term rentals on the cost and supply of rental housing in Fountain Valley as part of Program 3a.

Site Improvements

Residential developers are required to provide the improvements necessary to enable the use of developed sites and to pay a pro rata share of offsite improvements. All of the City's remaining vacant or underutilized land is of an infill character, and necessary infrastructure systems are already in place and in good condition. Considering that development and intensification efforts will be infill in character, the need for extensive site improvements is limited and should not be considered a constraint to market rate or affordable housing.

The developer of a residential project is required to provide the connections to public infrastructure to serve the project. This includes, but is not limited to, the provision of storm

drains, water, and sewer connections. Utility lines, including but not limited to electric, communications, street lighting, and cable television, are required to be placed underground in any new, revised, or reactivated residential subdivision. The subdivider works directly with the utility companies for the installation of such facilities. Though most of the City is currently served by adequate roadways and sidewalks, improvements for access or internal navigation may be necessary. Vehicular access to roadways will be determined in accordance with driveway locations and design specifically approved by Public Works.

Offsite improvements are limited to the adjoining public rights-of-way (roadways) and consist of one or more of the following: curb, gutter, sidewalks, streetlights and street trees, and landscaping. Almost all of the City's public rights-of-way are fully improved and few, if any, off-site improvements would be required for new development.

Local Processing and Permit Procedures

The City of Fountain Valley's development review process is designed to accommodate development while ensuring safe and attractive development projects. There are three levels of decision-making bodies in the City that govern the development review process: the Planning and Building Director, the Planning Commission, and the City Council. Generally, the evaluation and review processes may contribute to the cost of housing in that holding costs incurred by developers are ultimately passed along to future occupants as reflected in the unit's rental or selling price. These review processes involve critical safety reviews for compliance with structural and fire codes. However, it is important to note that the City of Fountain Valley's review process has not changed in years and yet the prices and rents of homes has increased dramatically, illustrating the dominate role that the market plays in setting home prices/rents.

The City's goal is to process all residential development applications in a timely manner to facilitate lower housing prices. The City approves residential development either by right (ministerial review), with a conditional use permit, or through a specific plan. The City also applies a level of design review for nearly all residential projects. The City's local processing and permit procedures are described in more detail below. Because of the City's reasonable and relatively quick processing times, particularly for affordable housing, the current procedures and requirements are considered to facilitate new residential development and do not impose any significant constraints.

Ministerial Review

Uses that are permitted ministerially are reviewed over a 10-day period by the Planning and Building staff, subject only to the approval by the Planning and Building Director. The total time to process these permits is typically 30 to 60 days. Examples of uses that are approved in a ministerial process include individual single family houses in the Single-Family Residential (R1) and Low Density Multiple Dwelling (R2) zoning districts, emergency shelters in the General Commercial (C2) zoning district, and ADUs, duplexes, and supportive and transitional housing in any residential district. These uses are subject only to the standards and requirements contained

in the Development Code and are not subject to conditions or the review or approval of the Planning Commission or City Council.

The City also applies the ministerial review process for affordable housing projects, even if the use would otherwise require a conditional use permit. This streamlining option is available for projects that provide a proposed housing project with five units or more that meet the criteria of a qualifying density bonus project under state law. After a preliminary application is submitted by the applicant, the City shall provide a written comment letter to the applicant within 30 days of submittal, incorporating comments from various City departments.

The applicant must then submit a formal application containing a legal description of the proposed project, the identification of and proforma justifying requested concessions, a management plan for complying with the administration and management regarding income qualification and documentation, and a site plan. City staff then produces a staff report to inform the Planning Commission. However, this is only done to keep the Planning Commission informed and the Planning and Building Director is the final approval authority. The only exception is if the application involves a request for direct financial incentives, in which case the decision to provide direct financial incentives (not the use) is brought to the Planning Commission for their recommendation and then to the City Council for their decision.

Design Review

Some projects are subject to the Planning Commission's review of the design and appearance of structures proposed. This review procedure does not pertain to the land use and does not provide the Planning Commission or a member of the public to approve or disapprove the proposed land use. The intent is to ensure that projects comply with all applicable development and design standards/guidelines (in the Development Code and/or a specific plan), and minimize potential adverse effects, in compliance with the actions, goals, objectives and policies of the General Plan. The design review process may be conducted and acted upon concurrently with an application for a conditional use permit, variance, or other matter requiring City approval, but shall be filed before issuance of a building permit. Appeals of the Planning Commission's findings can be made to the City Council. The City conducts two levels of design review:

- A **Development Review** application is required for nonresidential architectural modifications. The City typically processes such applications in two to three months.
- A **Precise Plan of Design** is required for any proposed structures except for those in the R1 zoning district. The City typically processes such applications in two to three months.

Conditional Use Permit

The City requires a conditional use permit (CUP) to allow for specified activities and uses as identified in the various zoning districts whose effect on the surrounding area cannot be determined before being proposed for a particular location. This includes multifamily uses in any residential district, single-family uses in the Garden Homes (GH) zoning district, and emergency shelters in the Local Commercial (C1) zoning district.

The Planning Commission reviews the configuration, design, location, and potential impacts of the proposed use, to evaluate the compatibility of the proposed use with surrounding uses and the suitability of the use to the site, to ensure the protection of the public convenience, health, interest, safety, and welfare. Appeals of the Planning Commission's findings can be made to the City Council. The City typically processes such applications in two to three months.

Specific Plan

The City allows for the preparation of a specific plan for a project area that is at least five acres to replace the base zoning district and provide unique development standards and guidelines. The City has approved a number of specific plans to facilitate residential development, including the Crossings and Warner/Newhope specific plans. The intent of the specific plan process is to allow for a wider variety of residential and nonresidential uses than is permitted in any individual base zoning district, while ensuring a high quality of design and compatibility with the surrounding community. The approval of a specific plan is subject to review by the Planning Commission and approval by the City Council.

General Plan and Zoning Amendments

Projects requiring zone changes or General Plan amendments require the review of the Planning Commission and approval of the City Council. The timing depends upon the nature and scale of the amendment, with simpler amendments taking as little as three to six months and more complex amendments taking additional time. The application processing time is entirely dependent upon the required process under CEQA (California Environmental Quality Act), with the full range consisting of an exemption, addendum, negative declaration, mitigated negative declaration, or environmental impact report.

In all cases, the planner assigned to a project will assess the adequate level of environmental review per the requirements of the California Environmental Quality Act (CEQA). Only projects require discretionary review for the use (those requiring a CUP or processed under a specific plan) are subject to CEQA. Additionally, many infill projects and other small projects are exempt from CEQA per state law. For larger, more complex developments, a consultant may be retained to perform environmental studies. Upon completion of environmental documentation, the project is presented to the Planning Commission and City Council for certification.

Typical Procedures for Single Family and Multifamily Development

As detailed in previous pages, the typical procedures and their impacts on housing cost, supply, timing, and approval certainty varying based on the zoning district and type of housing. Single family housing experiences the lowest impact from local processing and permit procedures as such housing is permitted by right in the R1 and R2 zoning districts, with permitting limited to conformance with required standards and approval by the Planning and Building Director. Duplexes are also permitted by right in the GH, R2, R3, and R4 zoning districts and are processed in a similar manner as single-family uses in the R1 and R2 zoning districts.

Multifamily uses in any residential district and single-family uses in the GH zoning district require a CUP that entails at least one public hearing before the Planning Commission to issue approval. The CUP process typically extends the permitting process by roughly two or three months to enable City staff to review and recommend conditions of approval (including coordination with the applicant) and for the public hearing to be conducted (more time may be necessary if an MND or EIR is needed for CEQA clearance).

As an example of typical conditions of approval, the CUP for the Villa Asteria project proposed 7 units in the GH zoning district includes 75 conditions of approval: 32 Planning Department, 3 Building Department, 7 Fire Department, and 33 Public Works Department conditions. Of the 75, most conditions are administrative conditions (e.g., requiring compliance with federal, state, and local laws; or not deeming resolution effective unless signed; compliance with specifically referenced provisions of the Municipal Code). These types of conditions are standard practice and require minimal cost and time for applicants to consider and review. Some unique conditions of approval related to mitigation measures as outlined in the project's Mitigated Negative Declaration, related primarily to construction activity and ways to minimize dust and noise, as well as a requirement to submit proof of a lack of soil contamination. Other unique conditions related to the site design, such as the requirement for a retaining wall to ensure proper grading and soil stabilization, and the requirement for frosted or opaque windows on the second stories of homes adjacent to surrounding single-story homes and the inclusion of mature specimen trees to maintain privacy for both existing and proposed houses.

Similar conditions of approval and the associated timing, cost, and certainty implications would apply to multifamily uses that require a CUP. Discussions with this applicant and others indicate that the CUP process and these types of conditions of approval do not contribute significantly to the cost of developing housing or reduce the certainty of approval to a meaningful degree.

All residential projects outside out of the R1 zoning district are subject to the requirement of a precise plan of design, which entail City staff review of the overall site plan and building design, typically adding two or three months to the overall process to arrive at a consensus with the applicant prior to proceeding to Planning Commission at a public hearing (this timing runs concurrent with any uses that also require a CUP to develop conditions of approval). The City is evaluating the extent to which the precise plan of design process increases the cost and decreases the certainty of developing housing, and to eliminate unnecessary approvals and requirements, through the implementation of Program 3a.

Development Fees

A variety of fees and assessments are charged by the City and other agencies to cover the cost of processing development permits and providing local services. These fees are necessary to ensure quality development review and adequate public services. However, development fees and exactions are passed down to the homeowner and renter, and therefore affect housing affordability.

Development fees are set annually by the City Council based on the actual cost of services and are posted online for easy access. Fees that apply to residential development in Fountain Valley are relatively low in comparison to most areas in Southern California. Common Planning fees as shown in Table H-20.

**TABLE H-20
PLANNING APPLICATION FEES IN FOUNTAIN VALLEY**

Type of Application	Fee
Zone Change	\$7,110
Parcel Map	\$1,440 plus \$250 for each additional plan review beyond two
Tentative Map	\$5,540 (tract map), \$1,960 (parcel map)
Variance, Major	\$3,355 (\$1,180 as an add-on to a primary application)
Variance, Minor	\$510 (\$205 as an add-on to a primary application)
Development Code Amendment	\$4,745
Development Review	\$1,290
Precise Plan	\$4,715 (≥ 3,500 sf), \$3,480 (<3,500 sf)
Conditional Use Permit	\$3,465 (\$1,005 as an add-on to a primary application)
General Plan Amendment	\$11,595
Specific Plan	\$15,110 (\$11,435 for an amendment)
CEQA (Negative Declaration or EIR)	Cost of consultant plus 15% and county/state filing fees

In addition to fees charged for discretionary permits, fees also are charged for the actual construction of the project. Examples of the fees include plan check fees (building and infrastructure plans) and building permit fees (inspections conducted by building inspectors). All of these fees are used to offset City expenses incurred by the construction of the project.

Other fees are imposed to mitigate potential impacts created by new development. These fees are typically referred to as development impact fees. These fees may include: traffic impact fees, school fees, drainage fees, and fire fees. These types of fees vary widely from city to city and within areas of a given city. Some of these fees or costs may be imposed directly by a city (such as park land dedication and fees) or collected by a city for another entity (such as the Orange County Sanitation District). Table H-21 displays development fees for four types of residential projects in Fountain Valley: an accessory dwelling unit, a single-family house, and a 50-unit apartment project. Overall, the City’s fee structure is not considered a constraint to housing.

**TABLE H-21
RESIDENTIAL DEVELOPMENT FEES FOR SAMPLE PROJECTS IN FOUNTAIN VALLEY**

Fees ¹	Accessory Dwelling Unit (1,200 sq ft)	Single-Family Home ²	Apartment 50-Unit Project
City Fees			
Planning Fees	\$250.41	\$435.26	\$133.43
Engineering Fees	\$7,951.82	\$29,048.00	\$3,947.18
Building Fees	\$4,643.77	\$6,933.51	\$1,711.40
Park In-Lieu (Quimby) ³	\$0.00	\$10,377.00	\$8,282.00

**TABLE H-21
RESIDENTIAL DEVELOPMENT FEES FOR SAMPLE PROJECTS IN FOUNTAIN VALLEY**

Fees¹	Accessory Dwelling Unit (1,200 sq ft)	Single-Family Home²	Apartment 50-Unit Project
Other Governmental Agencies			
School Fees (FVSD) ⁴	\$4,896.00	\$11,424.00	\$5,780.00
Sewer Fees (OCSD) ⁵	\$2,505.60	\$6,362.00	\$4,218.19
TOTAL	\$20,247.60	\$64,579.77	\$1,203,610.00
Per Market Rate Unit	\$20,247.60	\$64,579.77	\$24,072.20

1. Projects may require site-specific environmental assessments, not included in above totals.
2. Single-family home assumed at 2,800 square feet with 400 square foot garage in the R1 zone.
3. Park fees subject to Municipal Code §21.78.070.
4. ADU's smaller than 500 square feet are exempt from paying school fees. Fountain Valley is also served by other school districts.
5. Sewer fees are charged on a per-square foot basis, per Ordinance OC SAN-57.

Increased Transparency of Zoning and Fees

In 2019, state law changed to require increased transparency for residential development project applicants through the web-based publication of current fee schedules, zoning ordinances, and other information. The City currently provides its Development Code online through Quality Code Publishing (with a direct link provided on the City’s website). The City’s website also hosts its fee schedule, with updates published as amendments are adopted by City Council, as well as application forms and other information related to planning and building activity.

Non-Governmental Constraints

Infrastructure Constraints

Since the City of Fountain Valley is relatively built out, the existing infrastructure is extensive and has adequate capacity to support anticipated population and new residential development growth. The City conducted technical studies in 2020 as part of a comprehensive update to the General Plan and confirmed the adequacy of infrastructure systems and water supply.

Water and Wastewater

The City's existing potable water system consists of storage reservoirs, booster pumping stations, groundwater wells, distribution pipelines, valves, fire hydrants, a connection to Metropolitan Water District of Southern California (Metropolitan), and emergency inter-connections with other cities. Water supplies are from local groundwater aquifers managed by Orange County Water District that is pumped from City owned wells and imported water from Metropolitan that is provided by the Municipal Water District of Orange County.

The City owns, operates, and maintains the majority of the sewer collection system within the City boundary. The City's Engineering Department works closely with the Maintenance Division to ensure the sewer system is functioning effectively within the City boundary. Sewer flows from the City ultimately connect into Orange County Sanitation District (OCSD) sewer trunk lines that convey wastewater to OCSD Treatment Plant No. 1 (located within city boundaries).

The majority of the water and sewer system serving the City was built in the 1960's and 1970's and is reported to be in good to excellent condition. Agencies responsible for this infrastructure maintain master plans and identify necessary improvements to the water, wastewater, and recycled water systems. None of the improvements would preclude or inhibit future housing projects in Fountain Valley, and future updates to the master plans will incorporate the City's future growth assumptions.

The City shares the Housing Element with OCSD and OCWD to facilitate their compliance with state law in granting priority for service allocations to proposed developments that include housing units affordable to lower-income households.

Other Utilities

The Southern California Gas Company and Southern California Edison provide natural gas and electrical service to homes and businesses in Fountain Valley. No deficiency exists in the existing electric and natural gas systems in the city, and both companies state that they will be able to expand to accommodate any future growth in the City. All areas of the city have access to high-speed internet service provided by AT&T, Spectrum, and Frontier Communications (all 99% of the city), and Earthlink (77% of the city).

Environmental Constraints

Fountain Valley has relatively few environmental constraints throughout the city. The 100-year flood zone is limited to the northwestern part of the city and does not pose any significant concern. The area covered by the flood zone is entirely developed and current property owners are required to obtain flood insurance.

Many parts of southern California are susceptible to liquefaction, including a large part of Fountain Valley. Liquefaction is a process by which strong earth shaking causes soil that is saturated with groundwater to lose strength and behave like a fluid, and the ground appears to liquefy. Otherwise, there are no topographical constraints (essentially flat) or environmental hazards that would in any way limit the development potential of any of the underutilized sites.

Otherwise, there are no topographical constraints (essentially flat) or environmental hazards that would in any way limit the development potential of any of the underutilized sites. Additional information can be found in the analysis of environmental constraints in the Residential Land Resources section.

Price of Land

Typically, land costs increase as land availability decreases. With a very limited amount of available land the cost of land is a major constraint to housing production in Fountain Valley. In addition, the desirability of this community, with excellent schools, Mile Square Park, and other local amenities, drives prices up. There is no vacant land in Fountain Valley (per listings on LoopNet accessed in September 2021) and samples of property for sale indicate land is priced at \$1.3 to \$5.5 million per acre (1 commercial lot with vacant buildings in Fountain Valley, 2 industrial properties just across the channel in Santa Ana, and 1 residential property just west of Beach Boulevard in Huntington Beach).

The high cost of land increases home prices, which in turn creates more need for large financial subsidies in order to bring the total new housing costs within the economic reach of low-income households. As in the past, the City will actively pursue policies and programs to make extremely low, very low-, low-, and moderate-income housing possible. However, to achieve affordable housing goals, a combination of public and private financing will be needed to overcome the obstacle of high land prices.

Cost of Construction

Construction costs primarily consist of the cost of materials and labor. Both of these factors fluctuate depending on market demand and market-based changes in the cost of materials. Other influences on the cost of construction include the type of unit being built and quality of the product being produced. According to recent analysis of construction costs across California, the per-square-foot hard costs for constructing multifamily housing climbed 25% over the course of a decade (even after adjusting for inflation).

The rise in costs is associated in part with an increasing tightness in the market for skilled labor, with California general contractors indicating difficulty in finding workers such as plumbers, pipelayers, roofers, equipment operators, drywall installers, cement masons, concrete workers, carpenters, and welders. As the ability to find skilled labor becomes more difficult and takes longer, the additional time leads to further financing costs and uncertainty, leading to higher housing costs for the builder and future occupant.

A rise in the cost of materials is another contributor to the increased cost of construction. Wood, plastics, and composites doubled in price between 2014 and 2018. As an example, the price for wood usually ranged from \$350 to \$500 per thousand board feet, but costs surged to a peak of \$1,515 per thousand board feet in May 2020. Various news articles cite that mill operators and lumber dealers forecasted demand based on a soft 2019 market and pulled back on production capacity for 2020. As of late August 2021, lumber prices dropped to \$389 per thousand board feet (the lower end of the typical range) though costs may rise and fall in the future.

To help mitigate constraints posed by construction costs, the City allows manufactured housing in single or multifamily zones. The use of manufactured homes can reduce housing costs by eliminating material waste, avoiding weather delays and theft, reducing labor costs by consolidating and automating activities, and cutting down onsite construction time (which also saves money in land carrying costs). Cumulatively, these factors can result in 20% to 40% lower prices for the housing unit itself. However, the cost of new manufactured housing can be dependent on the distance from the factory, with farther distances increasing transportation costs that may offset some or all of the benefits of a manufactured house.

A number of companies around the world are pushing the envelope of what is possible, and there is a critical mass of thought, research, development, and money being invested into new methods of housing construction. 3D printing, for example, challenges both traditional structural forms as well as the building process. The first 3D-printed zero net energy homes community will be completed in Rancho Mirage in 2022. The company behind the development, Mighty Buildings, claims that the process can cut time in half and reduce labor hours by 95% while producing 10 times less waste than conventional construction.

Financing

The affordability of owning a home is greatly influenced by mortgage interest rates. Increases in interest rates decrease the number of persons able to purchase a home. Conversely, decreasing interest rates result in more potential homebuyers introduced to the market. Mortgage interest rates for new home purchases ranged from 3% to 5% for a fixed-rate, 30-year loan between 2016 and 2020, with an average rate of approximately 3.11% in 2020.

Interest rates are determined by national policies and economic conditions, and there is little that local governments can do to affect these rates. First-time homebuyers are the group impacted the most by financing requirements. Lower initial rates are available with graduated payment mortgages, adjustable-rate mortgages, and buy-down mortgages. However, variable

interest rate mortgages on affordable homes may increase to the point of interest rates exceeding the cost of living adjustments.

Flexible loan programs, such as those for first-time homebuyers, still offer flexible down payment requirements between 5% and 20%. Such programs provide a method to bridge the gap between a required down payment and potential homeowner's available funds. The Federal Housing Administration (FHA) offers loan programs for first time home buyers including low down payments, around 3.5%, low closing costs, and easy credit qualifying.

At this time, the greatest impediment to homeownership is creditworthiness. According to the FHA, lenders consider a person's debt-to-income ratio, cash available for down payment, and credit history when determining a maximum loan amount. Many financial institutions are willing to significantly decrease down payment requirements and increase loan amounts to persons with good credit ratings. Persons with poor credit ratings will likely be forced to accept a higher interest rate or a loan amount insufficient to purchase a house. Poor credit rating can be especially damaging to lower income residents who have fewer financial resources with which to qualify for a loan. The FHA is generally more flexible than conventional lenders in its qualifying guidelines and allows many residents to reestablish a good credit history.

In the goal of producing more affordable housing, all jurisdictions, developers, and potential homeowners/tenants in southern California face the same constraints of elevated construction costs and the financing limitations of lower credit scores. While cities have little ability to directly address either constraint, the City will endeavor to support new construction options and coordinate on expanded financing tools as part of its housing programs.

Typical Timing for Building Activity

The City examined the typical timeframe between a project's approval (entitlement) and the issuance of building permits to understand and illustrate the influence of factors and activities outside of the City's permitting process that could delay building activity. Examples include conducting necessary studies, obtaining financing, completing site design, and other external project logistics. The typical timeframe for recent housing projects in Fountain Valley between approved entitlement and the issuance of building permits is roughly three to six months, with the exception of the influence of the COVID-19 pandemic that stalled constructions activity during the 2019-2021 timeframe.

Residential Land Resources

Regional Housing Needs Assessment

California's housing element law requires that each city and county develop local housing programs designed to meet its "fair share" of existing and future housing needs for all income groups. This effort is coordinated by the jurisdiction's council of governments when preparing the state-mandated housing element of its general plan. This "fair share" allocation concept is intended to ensure that each jurisdiction accepts responsibility for the housing needs of not only its resident population, but for all households who might reasonably be expected to reside within the jurisdiction, particularly lower income households.

The "fair share" allocation process begins with the State Department of Finance's projection of total statewide housing demand, which is then apportioned by the State Department of Housing and Community Development (HCD) among each of the state's official regions. The City of Fountain Valley is in the six-county Southern California region, which includes Orange, Los Angeles, Riverside, San Bernardino, Ventura, and Imperial counties. The agency responsible for assigning fair share targets to each jurisdiction in this region is the Southern California Association of Governments (SCAG).

A local jurisdiction's "fair share" of regional housing need is estimated in terms of four factors:

- The number of units needed to accommodate forecast household growth
- The number of units needed to replace demolitions due to attrition in the housing stock (i.e., fire damage, obsolescence, redevelopment, and conversions to non-housing uses)
- Maintaining an ideal vacancy rate for a well-functioning housing market
- An adjustment to avoid an overconcentration of lower income households in any one jurisdiction

The new construction need is referred to as the regional housing needs assessment (RHNA) and is allocated as a total need and the need broken down into four household income categories used in federal and state housing programs: very low, low, moderate, and above moderate income, defined operationally as households earning up to 50%, 80%, 120%, and more than 120% of the Orange County median income.

The allocations are further adjusted to avoid an overconcentration of lower income households in any one jurisdiction. The fair share allocation also considers the existing deficit of housing resulting from lower income households that pay more than 30% of their incomes for housing costs. This is the threshold used by federal, state, and local governments to determine housing affordability.

2021–2029 RHNA Allocation

HCD allocated a total of 1.34 million units to the SCAG region for the 2021-2029 planning period, a figure that is 300% larger compared to the previous 2014-2021 planning period. The figure was so much larger because of the addition of pent-up demand into the methodology. Whereas the RHNA for past planning periods only considered housing demand based on the growth of new households, the methodology for the 2021-2029 RHNA factored in the unmet housing need of existing households that has been building up over decades. Explicit measures of ‘existing housing need’—mainly overcrowding and cost burden—became part of the state’s formula for determining a region’s total housing needs.

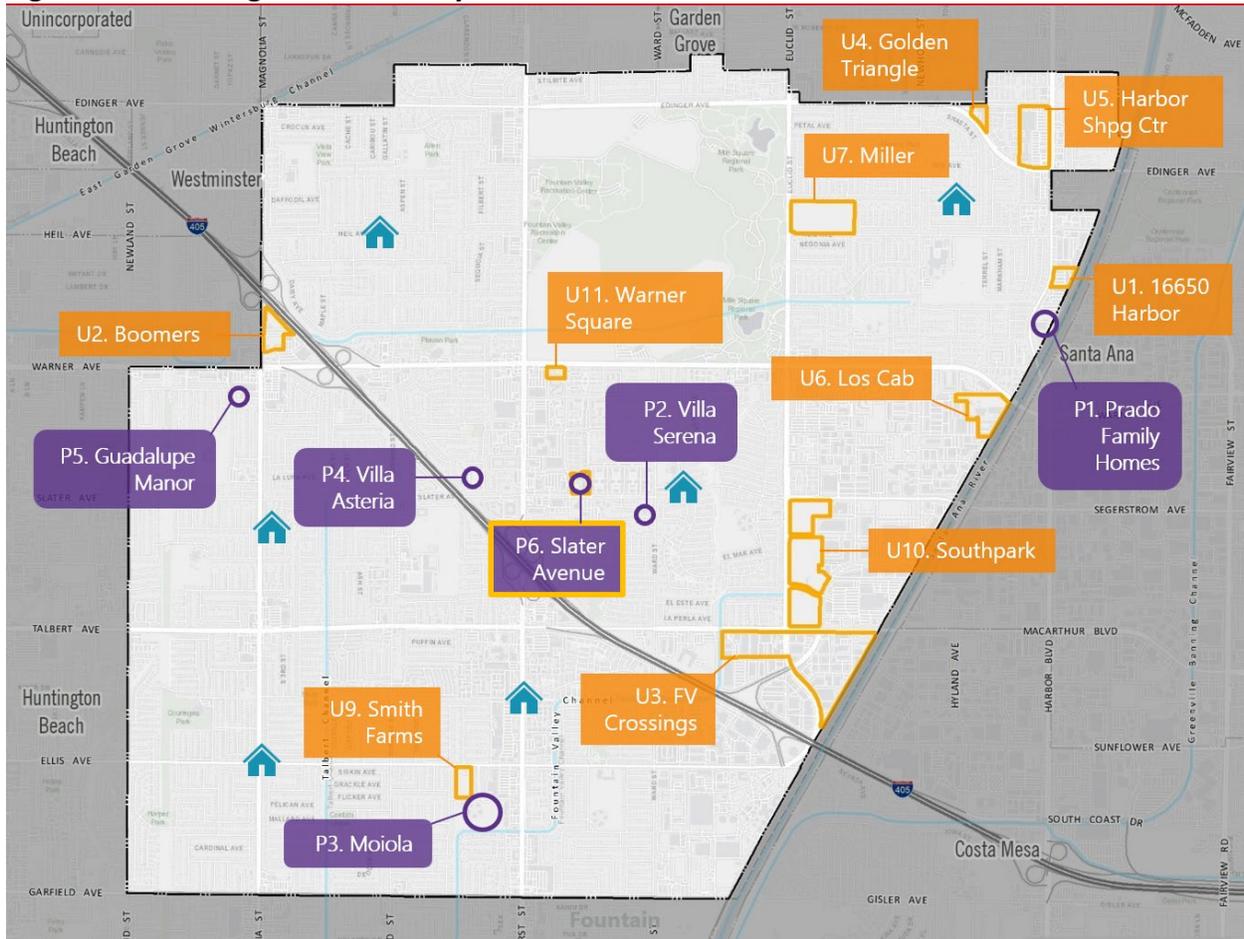
The City of Fountain Valley’s “fair share” of the region’s housing need for the 2021-2029 planning period is 4,839 units: 1,307 very low, 786 low, 834 moderate, and 1,912 above moderate income units. The 2021–2029 RHNA allocates roughly 200 new units based on projected growth of new households and about 4,600 new units based on pent-up demand from existing households and subregional redistribution based on proximity to jobs, proximity to public transit, and social equity adjustment. Additionally, SCAG adjusted its distribution methodology further to shift regional redistribution from jurisdictions in inland counties to jurisdictions in coastal counties.

Summary of Development Capacity

The City is committed to accommodating its RHNA allocation and presents a balanced approach of rezoning to dramatically expand capacity while strongly promoting ADUs through the programs in its Housing Strategy. Note that the RHNA allocation for very low and low income households is combined for the purposes of evaluating capacity.

The following sections describe the City’s capacity to accommodate its RHNA allocation housing projects that are underway, developable sites that are currently zoned for housing, and sites that could be rezoned for housing. Figure H-1 and Table H-22 display and summarize the City’s land inventory of sites suitable for housing either through projects that are already entitled or planned and the potential capacity of underutilized sites to accommodate new residential development. Additional detail and discussion are provided in the pages that follow. A parcel-by-parcel listing is provided in Appendix A.

Figure H-1 Housing Sites Inventory



- U.# - Underutilized sites
- P.# - Pipeline projects
- 🏠 ADU potential (symbolic location)

See Table H-22 for a list of pipeline and underutilized sites and Appendix A for a parcel-by-parcel listing. Note that Slater Avenue was approved in April 2022.

**TABLE H-22
HOUSING SITES INVENTORY**

Map Ref	Site Name	GP ¹	Zone ²	Acres	Density (du/ac)		Housing Capacity by Income Category			
					Assumed	Max	VL/L	M	AM	Total ⁵
P1	Prado Family Homes	HDR	SP	1.95	25.7	30	49	0	1	50
P2	Villa Serena	LMDR	GH	4.07	7.4	10.8	0	0	12	12
P3	Moiola	LMDR	R1/GH	12.9	5.7	5/10.8	0	0	74	74
P4	Villa Asteria	LMDR	GH	1.02	10.8	10.8	0	0	7	7
P5	Guadalupe Manor	MDR	C1	0.73	25.7	46.5	29	0	0	29
P6	Slater Avenue	MU1	MU1	3.34	81	65	33	78	159	270
Planned/Entitled Sites Subtotal				24.0	--	--	111	78	253	442
U1	16650 Harbor	VHDR	R5 ³	3.58	50	65	179	0	0	179
U2	Boomers	MU2	MU2 ^{3,4}	6.88	40	75	41	83	151	275 ^{6a}
U3	FV Crossings	SP	SP ³	48.37	22	--	550	110	440	1,100
U4	Golden Triangle	VHDR	R5 ³	2.34	50	65	117	0	0	117
U5	Harbor Shpg. Center	MU2	MU2 ³	16.69	35	55	53	105	193	351 ^{6b}
U6	Los Cab Sports Vlg.	SP	SP ³	14.74	45	--	99	200	364	663 ^{6c}
V7	Miller Property	HDR	R4 ³	18.64	22	30	62	122	227	411 ^{6d}
U8	Smith Farms	LMDR	GH	4.2	6	10.8	0	9	17	26
U9	Southpark	SP	SP ³	35.35	31	--	570	110	420	1,100
U10	Warner Square	MU1	MU1 ³	1.84	65	75	18	36	66	120 ^{6e}
Vacant and Underutilized Sites Subtotal				152.6	--	--	1,689	775	1,878	4,342
ADUs				--	--	--	310	59	15	384
Total Capacity				176.6	--	--	2,110	834	2,224	5,168
RHNA				--	--	--	2,093	834	1,912	4,839
Surplus Capacity				--	--	--	17	0	312	329

- GP or General Plan.** LMDR = Low Medium Density Residential, HDR = High Density Residential, VHDR = Very High Density Residential, MU1 = Mixed Use 1, MU2 = Mixed Use 2, SP = Specific Plan
- Zone or Zoning.** R1 = Single Family Residential, GH = Garden Homes; C1 = Local Commercial; R4 = High Density Multiple Dwelling, R5 = Very High Density Residential, MU1 = Mixed Use 1, MU2 = Mixed Use 2, SP = Specific Plan
- Rezoning required.** These sites will be rezoned (see Program 1a) in 2023 concurrent with the broader General Plan update.
- Increased maximum density.** Mixed-use zoning allows up to 75 units per acre when the nearest property line of the perimeter of the mixed-use zone is separated from the nearest property line of an R1 zone in the City by either the 405 freeway or 400 feet of distance.
- Assumed Density.** Totals are based upon the Assumed density and not the Maximum density.
- Additional density/capacity.** Through Program 1c, the City will adopt an inclusionary housing ordinance in early 2023. As a result, a number of sites will likely seek additional units through state density bonus provisions. While the totals shown in this table and assumed for the purposes of accommodating the RHNA exclude the application of a density bonus, the City is currently evaluating the implications of increasing total capacity as follows: a) 673, b) 404, c) 812, d) 471, e) 211. These capacity figures have also been vetted with the public and property owners.

Planned/Entitled Residential Development

The City has recently approved a number of housing projects that will be built and occupied during the 2021-2029 planning period. These projects can be counted toward the City's RHNA allocation, as shown in Table H-22. Three projects are market rate single family or garden homes that are likely to be affordable only to above moderate income households. Two other projects will offer affordable housing early in the planning period.

The City contributed substantial funds and partnered with Related California to develop a 50-unit affordable housing project along Harbor Boulevard (a site identified in the previous Housing Element). A total of 41 units are now reserved for lower income households (30% to 60% of AMI), 8 units are designated for permanent supportive housing for veterans, and one unit is set aside for an onsite manager. Prado Family Homes offers 23 one-bedroom, 14 two-bedroom, and 13 three-bedroom apartments. The site also boasts a number of indoor and outdoor recreational and social amenities as well as convenient access to public transportation and the Santa Ana River Trail. The units became fully occupied in 2022.

The property owner of Guadalupe Manor, an existing apartment complex reserved for lower income seniors, has expressed interest, and submitted a preliminary review form to add 29 additional lower income units (14 one-bedroom and 15 studio units) on the existing site. While the site is zoned C1 (Local Commercial), senior housing is a permitted use. A formal application has been filed and is under review.

In April 2022, the City approved a 270-unit mixed-use project (Slater Avenue) on a 3.3-acre site with a MU-1 designation/zone. The project included 237 market-rate units, 33 affordable units (deed-restricted), 6,660 square feet of non-residential uses on the ground floor, and a six-level parking garage with 541 spaces. The project exceeds the MU-1 District's maximum density of 65 units per acre and reaches 81 units per acre through the application of state density bonus provisions. All six planned or entitled housing projects can be viewed on Figure H-1.

Vacant and Underutilized Land

New housing opportunities will rely on the intensification and reuse of property that contains existing uses. When property contains existing uses that are either inactive (e.g., vacant commercial businesses), or may be replaced by more intense and more profitable development, such sites are considered underutilized land resources.

After a multi-year effort that involved eight public meetings and over a dozen meetings with individual property owners, the identified 10 vacant or underutilized sites that are suitable for new residential development to address the City's RHNA allocation. As summarized in Table H-22, these underutilized sites could accommodate up to 1,717 lower income units, 825 moderate income units, and 2,286 above moderate income units. The assumptions are consistent with state

default density thresholds that enable a jurisdiction to assume a developable site could potentially accommodate lower income housing if the zoning allows 30 units per acre or more.

Density Assumptions and Zoning Adequacy

Based on the extremely large RHNA allocation, limited number of vacant or underutilized sites, and public input, the City will amend and create a number of new zoning designations that will facilitate the development of higher density housing. Through the implementation of Program 1a, the City will amend its Development Code to reflect the following.

- **High Density Multiple Dwelling (R4).** To be amended to establish a minimum density of 15 units per acre.
- **Very High Density Multiple Dwelling (R5).** New zone to allow for residential at a minimum density of 30 and a maximum density of 40 units per acre for projects with fewer than 50% of the units reserved for lower income households. For projects that reserve 50% or more of the units for lower income households, the maximum density is increased to 65 units per acre.
- **Mixed Use 1 (MU1).** For sites smaller than five acres, this new zone will allow development up to 65 units per acre at a maximum height of five stories. At least 10% of the ground floor space must be reserved for commercial or office uses. All developments must include a residential component at a minimum density of 30 units per acre.
- **Mixed Use 2 (MU2).** For sites five acres or larger, this new zone will allow development up to 40 units per acre, averaged over the entire project site, at a maximum height of six stories. At least 20% of the ground floor space must be reserved for commercial or office uses. For projects where at least 30% of the ground floor space is for commercial or office uses, the maximum density is increased to 55 units per acre, averaged over the entire project site. All developments must include a residential component at a minimum density of 30 units per acre.
- **Fountain Valley Crossings Specific Plan.** This specific plan currently permits 100% residential projects in the Workplace Neighborhood District and mixed use in Activity Core Overlay, which is where the City would expand residential capacity from 491 units to 1,100. These areas do not permit single family housing and regulates residential development based on a form-based code that allows buildings up to four stories by right (up to six stories with a CUP) and requires zero to 10-foot minimum setbacks. For a limited (500-foot) frontage of Talbert Avenue, setbacks are increased slightly, and maximum height is reduced to 2 or 3 stories to better transition to the surrounding low density properties. The ability to build up to four stories by right is consistent with the density assumption of an average of 22 units per acre (44 units per acre on roughly half of the District). Individual projects could, however, exceed that density substantially, easily up to 90 units per acre.

- **Southpark Specific Plan.** This specific plan does not currently permit residential development but will be amended to permit up to 1,100 units. The development standards will permit residential development by right (design review only through a precise plan) up to six stories and development standards that promote residential densities commensurate with the Very High Density Residential Multiple Dwelling Zone. The assumed density of 31 units per acre is based on 1,100 units averaged over the 35-acre opportunity area. Individual projects could, however, exceed that density substantially, easily up to 90 units per acre.
- **Warner/Newhope Specific Plan.** This specific plan will be amended to permit up at least an additional 676 units in Planning Areas A and C (up to 812 being evaluated based on the potential adoption of an inclusionary housing ordinance and the application of state density bonus provisions). The development standards will permit 100% residential development (design review only through a precise plan), up to six stories and development standards that promote residential densities commensurate with the Very High Density Residential Multiple Dwelling Zone. The assumed density of 45 units per acre is considered moderate given the maximum height allowed and the residential density of individual housing products already built on other parcels within the specific plan (185 units on 2.9-acre parcel or 63 units per acre in Planning Area B, and 24 units on 0.26-acre parcel or 93 units per acre in Planning Area B-2). Individual projects in Planning Areas A and C could easily achieve those densities.

All of the zones listed above allow at least 30 units per acre, with most allowing far higher densities. These zones, therefore, are consistent with the state default density thresholds for determining the adequacy of a zoning district to facilitate lower income housing. While the City has approved projects below maximum density in lower density zoning districts, the density assumptions used in these calculations to determine capacity were confirmed with property owners and the development community, with some expressing a desire to go even higher. The percentage of lower income capacity assumed for each site used the following assumptions:

- **100% capacity.** Sites with zoning that is exclusively residential and very high densities.
- **50% capacity.** Sites in the Crossings and Southpark specific plans, based on the significant amount of overall residential capacity to be provided at high and very high densities. These specific plans could more easily accommodate multiple projects from multiple developers/partners, including those seeking to develop 100% affordable projects.
- **15% capacity.** Sites with zoning (current or future) that permits high and very high density housing, but on sites with capacity that is substantially smaller. Beyond the default density threshold, the 15% assumption is also based in part on the adoption of an inclusionary housing ordinance (see Program 1c).
- **0% capacity.** One site is zoned for lower density housing (max 10.8 du/ac) and would not be considered a likely candidate for lower income housing.

It is important to note that the assumptions used in the calculations to determine capacity to accommodate the RHNA allocation do not include the application of state density bonus. A footnote is provided in Table H-22 indicating sites that would likely expand in capacity once the

City adopts an inclusionary housing ordinance. Discussions with property owners and local residential developers indicated that additional development potential would be sought (near or above the maximum density allowed) on certain sites. Other sites may also seek additional capacity but were considered less likely to see a density bonus solely based on the City's adoption of an inclusionary housing ordinance.

Development Trends, Constraints, and Incentives

The following discussion highlights a number of factors used to better understand the suitability of the underutilized sites for new residential development. The topics listed below apply to all of underutilized sites and is therefore presented as a summary instead of being repeated in the description of each site. Factors include development trends and market conditions, property owner interest and public outreach, environmental or infrastructure constraints, and incentives.

Development Trends and Market Conditions

While the City of Fountain Valley has not grown much in the past few decades, the City is dramatically expanding the opportunity for new housing development in response to state housing law. Interest from property owners and local developers is very high and nearby cities of Costa Mesa, Irvine, and Santa Ana all recently approved projects at densities of 50 to 100 units per acre, with some projects exceeding 100 du/ac. Additionally, nearly all local projects have been either 100% residential or mixed-use with 90% or more residential. This includes the redevelopment of not only commercial and other infill spaces, but also the reuse and transition of larger industrial spaces, such as the Irvine Business Complex (IBC). Irvine adopted a residential overlay for the IBC in 2010 and has since seen 7,384 high density housing units constructed in the area. As of today, the City indicates that the total number of units that are existing, under construction, approved, and under review now exceeds the original 15,000-unit cap (as of 2021).

This indicates a strong market for higher density housing products in the central Orange County area. Indeed, even the strong demand for industrial spaces is outpaced by the demand for housing, particularly in communities with strong school districts. The strong performance of Fountain Valley's school districts is similar to that of Irvine's. Higher density housing would provide housing not only for families seeking addresses within the City's school districts, but also for young professionals looking for entry level housing.

On April 5, 2022, the Fountain Valley City Council adopted the Mixed Use 1 (MU-1) and Mixed Use 2 (MU-2) general plan designations and associated zoning districts. These new land use designations/zones allow for very high density residential development when integrated into a mixed-use building with 10-30% of the indoor, ground floor space occupied by nonresidential uses. The MU-1 District permits 65 units per acre with 10% nonresidential ground floor space and the MU-2 District permits 40 units per acre (averaged over the entire project area) with 20% nonresidential ground floor space and up to 55 units per acre (averaged over the entire project area) with 30% nonresidential ground floor space.

Prior to the adoption of the mixed-use standards, only 239 multifamily units were built between January 2010 and January 2022 in Fountain Valley. In comparison, the Slater Avenue project alone (270 units) will exceed the past 12 years of multifamily growth. Moreover, the Slater Avenue project involved the redevelopment of existing and actively occupied office and restaurant uses, indicating that the new development standards offer strong incentives that can justify the redevelopment of existing non-residential uses into mixed-income, higher-density mixed-use. The City also intends to adopt (and apply to the Golden Triangle and 16650 Harbor sites), a new very high density residential zoning district (R5) that will essentially allow the same maximum residential density (65 units per acre) without requiring any amount of nonresidential (exclusively residential zone). The City anticipates that the very high density residential zoning will offer just as much incentive to redevelop existing uses as the mixed-use zoning.

Both districts require any development to include a residential component at a minimum density of 30 units per acre. Trends observed in mixed-use development throughout southern California and direct proposals from property owners/developers on sites in this Housing Element indicate that nonresidential typically represents 5% to 10% of total building square footage in mixed-use projects and residential densities are not being diluted. For example, recently approved projects in Dana Point (where nonresidential is required for the entire ground floor) are able to achieve between 40 and 75 units per acre on only two upper floors (maximum height allowed on these Dana Point properties is three stories). In comparison, Fountain Valley requires less nonresidential space, allows for greater height (5 stories for MU-1 and 6 stories for MU-2), while allowing similar residential densities. Based on the City's recent market study, there is insufficient demand for retail and office space to justify the redevelopment of an existing use. As stated above, residential demand is extremely high and able to justify redevelopment of an existing, and the City found in its market study that there is also sufficient demand to incorporate roughly 5,000 square feet (for MU-1) to 15-20,000 square feet (for MU-2) of retail space into a mixed-use project. Accordingly, on a smaller site, the residential space would need to represent the vast majority (90% or more) of building space to justify redevelopment of the existing uses. For a larger site, there is enough residential demand that a site could accommodate more than the minimum nonresidential required (i.e., more than 20% to 30% of the ground floor space) without diluting the site's ability to accommodate the residential capacity projected on the sites in this Housing Element.

Concurrent with the establishment of these two new designations/zones, the City approved a 270-unit mixed-use project (Slater Avenue) on a 3.3-acre site with a MU-1 designation/zone. The project included 237 market-rate units, 33 affordable units, 6,660 square feet of non-residential uses on the ground floor, and a six-level parking garage with 541 spaces. The project exceeds the MU-1 District's maximum density of 65 units per acre and reaches 81 units per acre through the application of state density bonus provisions. The City granted a waiver (per state density bonus provisions) to allow the project to proceed with 6,660 square feet of local restaurant and art gallery space (9.14% of the total indoor, ground floor area) instead of the 7,290 square feet (10%) that would otherwise be required. The 630-square feet delta equates to roughly three parking spaces, but the project actually included 177 more parking spaces than required (163 more

residential and 14 more commercial). This waiver was primarily requested and approved so that the project applicant to retain their desired footprint and floorplan configuration for the residential space on the ground floor, the footprint of the outdoor patio for the restaurant, and the conventional (simple rectangle) shape and capacity of the multistory wrap parking structure.

It is important to emphasize that the nonresidential square footage requirement is only a percentage of indoor, ground floor space. Based on the approved Slater Avenue project and proposed concepts for other sites, well over 90% of the building space would be developed as residential. For the Slater Avenue project (MU-1 District), the 10% requirement equates to roughly 2% of the total building square footage, leaving about 98% of the remaining building space for residential. In the MU-2 District, the 20% requirement (for a 40 unit per acre average) would likely represent no more than 5% of the total building space, leaving 95% of the remaining space for residential. To reach 55 units per acre in MU-2, the 30% requirement would likely represent no more than 8% of the total building space, leaving 92% of the remaining space for residential.

The project was the first in the City to utilize the newly adopted MU-1 standards and demonstrates the designation's ability to encourage and support high quality, vertically mixed use products at and even above the stated maximum densities. The MU-1 and MU-2 standards will be tested further as more mixed-use developments are proposed throughout the City, but the initial result is a positive indication of future development. The City has also received interest from property owners and developers to build between 65 and 82 units per acre with 17,600 square feet of ground-floor commercial uses on the Boomers site, (20% of indoor, ground floor space, MU-2 zoning, 3.6% of total proposed building space), and 100 units per acre on the Warner Square site with 6,690 square feet of ground-floor commercial uses (10% of indoor, ground floor space, MU-1 zoning, 3.5% of total proposed building space). Accordingly, the City did not apply any reduction factor on the ability of the mixed-use zoned sites to reach the maximum densities, given evidence from the approved Slater Avenue project and conceptual proposals from property owners and developers illustrating that approved and proposed projects are at or even above the maximum densities permitted. Program 3a includes actions to evaluate the minimum nonresidential space requirement in terms of fiscal benefit, market demand, and development feasibility through the next two proposed projects, and to then revise the requirement as appropriate.

Property Owner Interest and Public Outreach

In anticipation of the update process, the City of Fountain Valley compiled a list of 17 opportunity sites representing the areas where land use changes could likely occur over an 8-year planning period and a longer 20-year planning horizon. As part of its outreach with the general public and property owners, the City led a physical tour of these sites and published a virtual tour on the City's website. The City conducted interviews and meetings with property owners to confirm their interest in developing housing and to identify other properties that may be suitable for housing. The property owners of the listed underutilized sites all expressed direct interest in

creating opportunities for new development, particularly at the higher densities. The City has not received any requests for densities below those identified in the sites inventory.

A number of community members expressed concern about the impact of higher density residential development (e.g., parking and traffic congestion). However, other members of the community indicated that not only was the higher density housing required to conform with state housing law, but new housing options were also necessary to serve the younger generations and families.

Environmental Constraints

As stated in the Housing Constraints section, the only environmental constraint of concern is liquefaction. The California Building Code provides standards on soils and foundations to ensure new development mitigates the risks of liquefaction zone. The presence of liquefaction can make it more difficult and expensive to build subterranean building / parking structures. Fortunately, the development community has favored the use of a “Wrap” building approach where parking is provided in an above-ground parking structure with the residential spaces “wrapped” around the outside of the parking structure. Using this method allows a residential development to achieve the assumed and maximum densities listed in the Table H-22, without being impacted by liquefaction hazards.

Infrastructure Constraints

Fountain Valley is fully urbanized and is well supported by water, wastewater, and stormwater facilities. The City conducted technical studies to evaluate the impact of accommodating the RHNA allocation. The studies determined that the City’s existing infrastructure and already planned improvements were adequate to support growth and none of the underutilized sites would be limited by infrastructure constraints. As previously stated in the Housing Constraints section, all sites have access to stable and reliable electricity, natural gas, and high-speed internet service.

Incentives

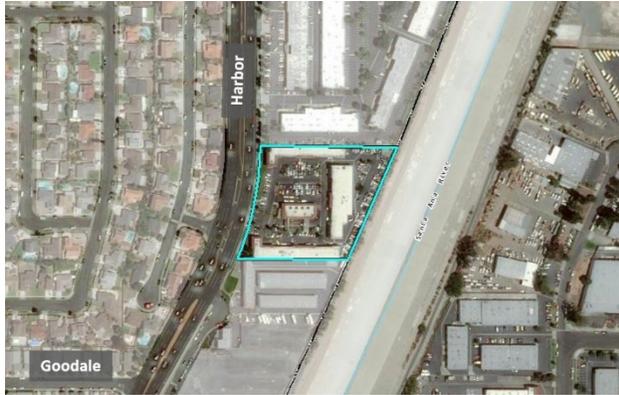
Through rezoning efforts, the City will provide increase the maximum density from 40 to 65 units per acre when a project zoned R5 reserves 50% or more of the units for lower income households. This density increase is before any application of state density bonus provisions. In the MU2 Zone, the maximum residential density is increased from 40 to 55 units per acre, averaged over the entire project site, for projects that incorporate at least 30% of the ground floor space as commercial or office uses.

The City already applies the ministerial review process for affordable housing projects, even if the use would otherwise require a conditional use permit. This streamlining option is available for projects that provide a proposed housing project with five units or more that meet the criteria of a qualifying density bonus project under state law.

Descriptions of Individual Sites

The following provides an analysis of each vacant or underutilized site; a parcel-by-parcel breakdown is provided in Appendix A. Site references include a "V" to indicate entirely vacant sites and a "U" to indicate sites that are partially or entirely occupied by existing uses and are therefore considered underutilized.

U1. 16650 Harbor



This site is a single 3.58-acre parcel on the eastern side of the city, adjacent to the Santa Ana River and the eastern city limit, bounded by Harbor Boulevard to the west and the Santa Ana River to the east. Existing uses consist of an assortment of auto service and repair service shops.

While the shopping center is currently fully leased, the court-appointed receiver and property manager submitted a letter to the

City requesting that the site be rezoned for multifamily residential development. Even without such strong interests in redevelopment, the buildings (constructed in 1985) are of simple construction and do not cover an extensive amount of the site (27%), meaning the costs of demolishing and disposing of the buildings will not be cost-prohibitive. This site is currently zoned as Manufacturing (M1) but will be rezoned to Very High Density Multiple Dwelling (R5). The R5 Zone designation will permit residential development up to 65 units per acre. Assuming residential development at a density of 50 units per acre, approximately 179 units could be constructed on this site. This amount of development potential is considered by the development community to be sufficient to stimulate redevelopment of the site during the planning period.

U2. Boomers



This site consists of approximately 6.88 acres in the northwestern part and along the western edge of the city, bound by the 405 freeway to the east, Recreation Circle to the south, and Magnolia Street to the west.

This site is comprised of five parcels. One owner controls four parcels (5.87 acres), with one of those parcels being a 0.04-acre sliver that would not remain isolated and unused with the site's redevelopment. The fifth parcel (1.01 acres) is

owned by the Orange County Flood Control District. The District-owned property splits the overall site but was used actively (i.e., not set aside for flood control). The site was a former miniature golf park that was closed and sold in 2019. Developers representing the property participated in

public meetings where they displayed concepts with 65 and 82 units per acre and 17,600 square feet of ground-floor commercial uses. When discussion of higher development intensities took place for the Warner Square property, the developers argued that this site (U2) was similarly buffered from surrounding neighborhoods and should also be considered for a maximum density of 100 units per acre.

The site is currently zoned General Commercial (C2) and will be rezoned to Mixed Use 2 (MU2), which will permit 40 units per acre with 20% of ground floor dedicated for commercial and office uses, or 55 units per acre with 30% of ground floor dedicated for commercial and office uses. When the following condition exists, the maximum residential density may be increased to 75 units per acre: the nearest property line of the perimeter of a mixed-use zone is either separated by the 405 freeway from or located at least 400 feet from the property line of an R1 Zone in the City of Fountain Valley. While this site meets the criteria, the City is using a conservative estimate of development capacity for the purposes of accommodating its RHNA allocation and assuming residential development at a density of 40 units per, which would yield approximately 275 units could be constructed on this site.

While the site's proposed density (with rezoning) will meet the state default density threshold for lower income housing, the City is only assuming 15% or 41 of the 275 units could be affordable for lower income households (based on the adoption of an inclusionary housing ordinance).

U3. Fountain Valley Crossings



The site is the Workplace Neighborhood District of the Fountain Valley Crossings Specific Plan in the southeastern part of the City, just north of the 405 freeway and adjacent to the city's eastern boundary. The 48-acre site is bounded by Talbert Avenue to the north, the Santa Ana River to the east, Euclid Street to the south, and a floodway to the west.

This site is currently comprised of a variety of industrial and commercial uses spread across 39 different parcels, of which all but two are between 0.50 and 3.56 acres in size. The two that are smaller than 0.50 acre were not included in the inventory. A number of the sites are controlled by a single property owner, but many are single-use, single-owned sites. While such a pattern is not typically indicative of reuse potential, this area was recently included as part of the Crossings Specific Plan (adopted in 2018). The Specific Plan is similar to the Irvine Business Complex (IBC) Overlay Zone, which facilitated the reuse of hundreds of acres of industrial development into higher density residential. While the scale of the IBC is very large (the Urban Neighborhood District is over 1,000 acres), the ratio of housing potential to acreage is like that envisioned in the Crossings Specific Plan.

Like the Crossing’s Workplace Neighborhood District, the Irvine Business Complex’s Urban Neighborhood District accommodates residential development in a mixed use setting. Although the IBC is much larger in scale, the variety and intensity of existing uses in the IBC was like that which is currently found in the Crossings’ Workplace Neighborhood District. The IBC was once home to numerous furniture and interior decorating establishments that occupied sites zoned for industrial uses, many of which have since become high density residential communities. While the Crossings area was initially envisioned (prior to the specific plan) as a one-stop, home-improvement destination, the market’s shift to online shopping has resulted in higher tenant turnover rates as brick and mortar businesses struggle to compete. The similarities to the IBC were an important factor that gave the City confidence in the Crossing Specific Plan’s redevelopment potential.

The City’s original General Plan designated the land use of what would become the Crossings Specific Plan as industrial and its zoning as Manufacturing (M1). The area filled in with low-rise light industrial development quickly, building its local streets as small loop roads and cul-de-sacs inward from the larger existing arterials. But by the time I-405 was completed and the district was mostly built out (most buildings constructed from 1970 to 1976), heavier manufacturing had been previously established elsewhere in the Los Angeles metro region. Growth in automation and globalization-driven offshoring further transformed the region’s manufacturing, and today most manufacturing-only uses have left the district. Meanwhile, its favorable I-405 access drew tenants that grew a mixed workplace/commercial district as other formats also occupied its medium to large-footprint buildings with uses such as showroom wholesale/commercial and office buildings - alongside traditional “light industrial” warehousing and repair uses.

These uses are aging in place and were constructed as conventional business parks: low density and auto-oriented, inwardly focused, minimally landscaped, and lacking in public space or activity centers. The City found that evolving generational preferences and lifestyles have fundamentally changed how employees, customers, firms, and supply chains interact with each other and with their settings, including a new focus on innovation. The City determined that many existing uses would likely continue but other uses would struggle to transition and adapt to the expectations of future businesses and their employees. Furthermore, there would need to be significant financial investments to augment the area with more desirable amenities—financial investments that individual property owners would likely be unable to justify. Accordingly, the City established a specific plan for the area to provide the regulatory and design structure to facilitate a transition to a 21st century workplace. The infusion of residential and compact retail uses is seen as a vital component to achieve a more desirable and competitive employment hub.

One of the stated community objectives “Help Satisfy Unmet Housing Demand” by accelerating the transformation and conversion of the existing buildings to a cluster of walkable retail and residential development. In particular, the Crossings Specific Plan states its intention to promote the infill of new housing to accommodate compact households (such as workers, small families, students, professionals, empty-nesters, and seniors), and partner with local employers to build workforce housing. While the improvement of the Workplace Gateway and Mixed Industry

districts is expected to take place over a longer term, the incredibly strong demand for housing is expected to be the catalyst for a quicker transition of the Workplace Neighborhood District.

The City has received interest from a number of residential developers, but the arrival of the COVID-19 pandemic less than a couple years after the specific plan's adoption stalled development activity. The forecasted reduction in demand for office space (locally, regionally, and nationally) created by the pandemic's stay-at-home order and multi-year remote work experience would likely reduce projected new office space in the specific plan (currently 785,532 square feet). New residential is a likely replacement for the office space.

It may also be that the total amount and intensity of residential currently allowed (491 medium density units) needs to be augmented to stimulate more interest in site acquisition and redevelopment. To accelerate and expand residential development, the City will amend the Crossings Specific Plan to increase the number of units from 490 to 1,100 higher density units in the Workplace Neighborhood District. While the overall average density would be 22 units per acre, the City anticipates the continued presence of some existing uses and the development of over 100,000 square feet of compact retail space. This means that new residential development would be developed on roughly 30 of the 48 acres, resulting in an average density of 37 units per acre. Based on state default density thresholds, the zoning can facilitate lower income housing. For the purposes of the Housing Element, the projected capacity for lower income units is set at half or 550 units, with the balance addressing the moderate and above moderate RHNA allocation.

U4. Golden Triangle



The site is a 2.34-acre parcel in the northeast area of the City, adjacent to the city's northern border, bounded by Lilac Avenue to the north, Mt Carmel Court to the east, Edinger Avenue to the south, and Richardson Street to the north. Surrounding the site are residential uses on all sides; specifically, single family residential uses to the north and south, and west sides and apartments to the east.

The site currently serves as a commercial strip mall that was built in 1966 with a zoning designation of Local Commercial with Overlay (C1-HO2). While the shopping center is currently fully leased, the buildings have not been modernized or improved since their initial construction 55 years ago, and the property owner is amenable to the potential for residential redevelopment during the planning period. The site was identified in the previous Housing Element as a candidate site but was limited to a density of 30 units per acre.

To stimulate redevelopment, the City will rezone the site from High Density Multiple Dwelling (R4) to Very High Density Multiple Dwelling (R5), increasing the maximum density to 40 units per

acre for market rate housing and 65 units per acre for projects that reserve at least 50% of total units for lower income households. The rezoning more than doubles the site's maximum development potential before the application of state density bonus provisions. The Slater Avenue project proved the market for higher density residential replacing existing commercial businesses. Assuming a density of 50 units per acre, approximately 117 units could be constructed. Based on the site's density and 100% residential zoning, the site is considered a prime candidate for 100% lower income housing.

As this site was previously included in the 5th cycle housing element, state law requires the City's zoning for such sites to permit by right housing developments that propose a density of 20 units per acre or more and in which at least 20% of the units are affordable to lower income households. The R5 Zone will permit such a housing development by right and therefore meet the requirements of state law.

U5. Harbor Shopping Center



The site consists of approximately 16.69 acres in the northeastern corner of the city near the border with the City of Santa Ana. The site is bounded by Lilac Avenue to the north, South Harbor Boulevard to the east, and Edinger Avenue to the south. The site is surrounded by residential uses (specifically apartments to the north and west, with single family residential units to the south) and commercial uses to the east on Harbor Boulevard.

The site is comprised of seven parcels, two of which are owned by a single owner and the others are controlled by individual owners. The site currently serves a strip mall commercial center that was built between 1969 and 1971. The anchor store Curacao sits on the largest parcel (6.07 acres). Two other parcels (1.74 and 3.26 acres) have multiple spaces for inline stores that remain vacant. The parcel structure and nature of the strip center indicates that any development of the site will either take place through redeveloping all or half of the parcels. Overall lot coverage by building space is just over 25%.

The site is currently zoned General Commercial (C1) and will be rezoned Mixed Use 2 (MU2), which permits a density of at least 40 units per acre with 20% of ground floor dedicated for commercial and office uses, or 55 units per acre with 30% of ground floor dedicated for commercial and office uses. At maximum density, the site could accommodate 918 units. However, given the parcel structure, the City is applying more conservative density of 35 units per acre and a further reduction factor of 40% to generate an estimated capacity of 351 units.

While the site's proposed density (with rezoning) will meet the state default density threshold for lower income housing, the City is only assuming 15% or 53 of the 351 units could be affordable

for lower income households (based on the adoption of an inclusionary housing ordinance). The 53 units represents approximately 6% of the site's maximum capacity.

U6. Los Caballeros Sports Village (Los Cab)



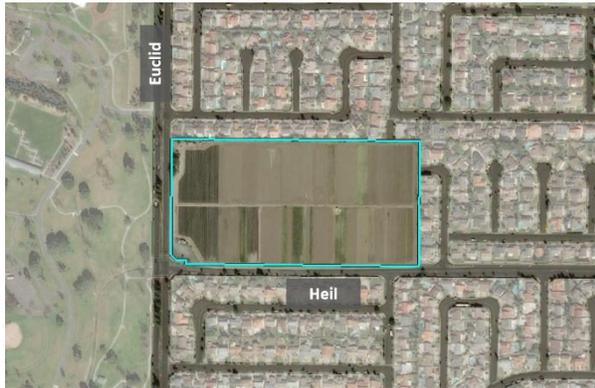
The site is at the eastern edge of the city adjacent to the city's border with the city of Santa Ana. The site is bounded by Warner Avenue to the north, the Santa Ana River to the east, Newhope to the west, and Los Caballeros Village road to the south. To the north is an apartment complex and a nursing home with another condominium complex and business park uses to the south. Additional business park and office uses are to the west.

The site currently consists of two parcels (0.36 and 11.33 acres) that contain outdoor recreational facilities and buildings associated with the Los Caballeros Club (a private sports club). Another parcel is 3.05 acres and contains a two-story professional office building. Discussions with the owner of the larger parcels indicate a desire to redevelop the site with an ongoing softening of club activity, and the other parcel added due to the recent decline in the office market. Although one parcel is larger than 10 acres and one is smaller than 0.5 acres, both parcels are owned by a single entity who has expressed interest in replacing the existing uses with residential development.

The City will amend the Warner/Newhope Specific Plan to allow roughly 700 to 800 units in Planning Areas A and C (and portions of K). The current specific plan measured density as an average over the four northern planning areas (332 units on 19.2 acres or 17.2 units per acre), while permitting 185 units on 2.9-acre parcel (63 units per acre) in Planning Area B, and 24 units on 0.26-acre parcel (93 units per acre) in Planning Area B-2. With the addition of 700 to 800 units, the average density for the entire specific plan would increase to 52.5 units per acre.

However, for the purposes of accommodating its RHNA allocation, the City is using a slightly conservative estimate of development capacity and assuming capacity at 663 units based on an assumed density of 45 units per acre (lower density than housing built elsewhere in the specific plan). While the site's proposed density (with rezoning) will meet the state default density threshold for lower income housing, the City is only assuming 15% or 99 of the 663 units could be affordable for lower income households (based on the adoption of an inclusionary housing ordinance).

V7. Miller Property



The site is a single 18.64-acre parcel in the northern part of the city just east of Mile Square Park. The site is bounded by Euclid Street to the west and Heil Avenue to the south, with single-family residential uses on three sides.

Although the site was previously used for agriculture, the property owner expressed their desire to sell the site to a residential developer and has ceased all operations permanently, rendering the site as vacant. Multiple developers

have expressed interest in the site and concepts were shared at public meetings. A strong emphasis was placed on maximizing compatibility with the surrounding single family homes through design mechanisms such as buffers, limitations on building height near edges, and placement of higher density produce closer to Euclidean Avenue. The proximity to Mile Square Park is a tremendous asset, with future residents able to access a regional park simply by crossing a signal-controlled street.

The site is currently zoned Single-Family Residential (R1), which permits single family housing at a maximum density of 5 dwelling units per acre. The City will rezone the site to High Density Residential and permit a maximum density of 30 units per acre. Based on the need for transition space or a blended density approach, the City is assuming a density of 22 units per acre, which would produce a total of 411 units. The site's size (larger than 10 acres) is not considered a limitation based on the level of interest from the property owner and development community.

While the site's proposed density (with rezoning) will meet the state default density threshold for lower income housing, the City is only assuming 15% or 61 of the 411 units could be affordable for lower income households (based on the adoption of an inclusionary housing ordinance).

U8. Smith Farms



The site consists of a single 4.20-acre parcel in the southern part of the city, which is currently used for agriculture by the long-time owner. The site is bounded by Ellis Avenue to the north and Finch Avenue to the south and is surrounded by single family residential land uses on all sides.

The site is currently zoned Single-Family Residential (R1) but will be rezoned to Garden Homes (GH) and permit residential development at a maximum density of 10.8 units per acre.

Assuming residential development at a density of 6 units per acre, approximately 26 units could

be constructed on this site. For the purposes of the Housing Element, no assumptions for affordable housing are applied given the project's size and density.

U9. Southpark



The site consists of seven parcels that provide a total of 35.4 acres, with parcels ranging from 0.83 acre to 12.1 acres (only one parcel is more than 10 acres). All parcels are owned by the same entity. The site is in the southeastern part of the city, bordered by Euclid Street to the west, Slater Avenue to the north, and Talbert to the south. While single family residential land uses are to the west (across the street), the site directly abuts business park and/or retail uses to the north, east, and south.

Six of the seven parcels are currently vacant. While some of the vacant parcels have been used intermittently for temporary agriculture in the past, the property owner has no plans for future permanent agriculture on any of the parcels. The property owner is currently in the process of considering phasing and site design for up to roughly 800,000 square feet of non-residential building space, up to 300 hotel rooms, and up to 1,100 residential units. The City conducted environmental and technical assessments (including traffic analysis) to support this level of development in the General Plan and an update to the Southpark Specific Plan. Residential development is expected to be similar in terms of scale, intensity, and clustering as is currently permitted in the Activity Core District of the Crossings Specific Plan.

The property owner has expressed support in adding residential entitlement to the site and envisions development scenarios that could involve residential as a stand-alone use on a portion of the site and/or as part of a mixed-use approach. The property owner expressed this opinion at public meetings and in one-on-one discussions with City staff. The property owner sees no issues that would preclude or hinder development based on the size of one parcel that is larger than 10 acres.

The entirety of the site is currently zoned through the Southpark Specific Plan, which was originally adopted in 1987 to serve as a major center for industrial, employment, and commercial uses. The property owner of the housing opportunity sites also controls most of the land within the specific plan boundary. The current specific plan does not permit residential development but will be amended by the City to allow up to 1,100 units together with the anticipated non-residential capacity.

While the overall average density would be 31 units per acre, the upper limit of the permitted density for an individual housing project will be higher based in part on an allowable height of six stories and other development standards will be structured to accommodate the proposed

additional housing together with the existing remaining and future nonresidential development. Based on state default density thresholds, the zoning can facilitate lower income housing. For the purposes of the Housing Element, the projected capacity for lower income units is set at roughly half or 570 units and assumed to take place on the vacant parcels, with the balance addressing the moderate and above moderate RHNA allocation on the parcel currently used for agriculture.

U10. Warner Square



The site is a single 1.84-acre parcel in central Fountain Valley, just across the street from the southern edge of Mile Square Park. The site is bounded by Warner Avenue to the north, San Mateo Street to the east, and La Hacienda Avenue to the south. The site is surrounded by Mile Square Park to the north, multifamily residential uses to the south and east, and commercial uses to the west.

The existing use is a commercial strip center that was built in 1986. While the buildings are currently fully leased, the property owner has expressed a desire to redevelop the site during the planning period into a mixed-use residential property. They shared a development concept at public meetings, including 184 units (100 units per acre) and no more than 7,000 square feet of commercial space, in a 4- or 5-story, vertically mixed-use format.

The site is currently zoned Local Commercial (C1) and will be rezoned to Mixed Use 1 (MU1) and permits mixed use development with a base limit of 65 residential units per. When the following condition exists, the maximum residential density may be increased to 75 units per acre: the nearest property line of the perimeter of a mixed-use zone is either separated by the 405 freeway from or located at least 400 feet from the property line of an R1 Zone in the City of Fountain Valley. While this site meets these criteria, the City is using a conservative estimate of development capacity for the purposes of accommodating its RHNA allocation and assuming residential development at a density of 65 units per acre and a total yield of 120 units.

Accessory Dwelling Units

Like many jurisdictions in southern California, the City of Fountain Valley faces a challenge of accommodating affordable housing on land that is rarely vacant and generally expensive. Additionally, the City’s aging residents and young adults entering the workforce will struggle to maintain or obtain residence in Fountain Valley due to the ever-increasing cost of housing. In 2020, the Pew Research Center is reported that a majority (52%) of young adults in the metropolitan and western parts of the United States are living with their parents (a trend not seen since the Great Depression)¹, and more California seniors are relocating to live with their adult children.² Fortunately, state law recently changed to facilitate the development of accessory dwelling units (ADUs, aka second units or granny flats) on any parcel allowing housing units. The confluence of these factors indicates that ADUs should play a role in the City’s strategy to accommodate and realize its 2021–2029 RHNA allocation.

Accessory Dwelling Units (ADUs)

Detached ADU

Attached ADU

Junior ADU (JADU)

- ADUs are attached or detached structures that provide complete independent living facilities for one or more occupant
- JADUs are enclosed within the primary residence and provide partial independent living facilities for one or more occupant
- Increasingly popular way to provide independent living for adult children, aging parents, or to generate additional income

¹ Fry, Richard, et al. “A Majority of Young Adults in the U.S. Live with Their Parents for the First Time since the Great Depression.” *Pew Research Center*, Pew Research Center, 9 Sept. 2020, www.pewresearch.org/fact-tank/2020/09/04/a-majority-of-young-adults-in-the-u-s-live-with-their-parents-for-the-first-time-since-the-great-depression/.

² Calmatters, Matt Levin. *Meet the PIMBYs: Parents Living in My Backyard; It's a New California Thing*. 29 Aug. 2019, www.oregister.com/2019/05/08/meet-the-pimby-parents-living-in-my-backyard-its-a-new-california-thing/.

ADUs are known to be a good option for property owners seeking to build space for members of their family or to add an additional source of income by renting a unit to another household (which also increases the overall property value). Also, recent changes in legislation elevated the state’s focus on the use of ADUs as a key tool in achieving a greater supply of affordable housing.

Current Rents

California state laws do not require that ADUs be affordable to lower and moderate-income households, however; SCAG conducted a regional study in 2020 and found that 73% of ADUs could be affordable to lower income households in Orange County (even assuming a 50/50 mix of 1- and 2-person households).

Moreover, a City survey of homeowners who built or applied for an ADUs, conducted by City staff with 30 responses, showed that locally constructed ADUs are often rent free or affordable to low-income households. All ADUs surveyed were newly constructed and occupied within the previous three years. The maximum affordable rents of ADUs in the survey responses compare very favorably with the citywide rents for any size³ household earning at least 50 percent of the area median income (AMI)—very low- or higher-income category. Over 90% of ADUs surveyed either did not charge rent (free) or reported rents that could be affordable to a lower income household (adjusted for household size of occupants). At least half of the respondents indicated that no rent was charged, making at least half of the ADUs affordable to extremely low-income households (30 percent of AMI. Table H-23 presents the results of the City’s survey in more detail while Table H-24 compares maximum affordable rents to market rents for ADUs that charged rent (affordability based on 2020 income limits to match the survey year). In 2021, the City approved an additional 20 ADUs, all of which reported rents affordable to very low income households.

**TABLE H-23
CITY ADU SURVEY RESULTS**

Household Size	# of Units ¹	ADU Type ²			Rent Charged			Average Rent ³	Average Unit Size	Interest in grant for 20-year affordability ⁴
		Jr	Att	Det	No	Yes	n/a			
1	11	1	5	5	9	2	-	\$1,550	680 SF	6
2	12	1	5	6	4	5	3	\$1,400	761 SF	6
3	3	-	1	2	1	2	-	\$2,500	1,115 SF	3
4	4	-	2	2	1	3	-	\$1,850	1,065 SF	2
TOTAL	30	2	13	15	15	12	3	\$1,736	869 SF	17

Source: City of Fountain Valley, Phone Survey of ADUs built since 2018, as of May 2020.

Notes:

1. Out of 96 surveyed, a total of 30 responded to the request for information. Two respondents indicated current vacancy but still provided information on intended rental cost; household size assumed at 2. All ADUs in the survey were intended for occupancy (as opposed to an office or guest house).
2. Jr = junior ADU; Att = attached ADU; Det = detached ADU.
3. For those who reported charging rent.
4. Respondent indicated interest in receiving a grant/low-interest loan in exchange for a 20-year term of affordability.

³ The maximum affordable rent for 3- or 4-person households is relevant due to the large portion (31%) of those responding to the City’s ADU survey indicating a household size of 3 or 4. The maximum affordable rent for a 3-/4-person households is: EL - \$866/\$961; VL - \$1,441/\$1,601; L - \$2,306/\$2,561 M - \$2,781/\$3,090.

**TABLE H-24
AFFORDABLE VS ADU MARKET RENTS (AFFORDABLE MINUS MARKET RENT)**

Income Category	Citywide		Central Orange County ADU Rental Rates					
	Affordable Rent ¹		600 SF ADU		800 SF ADU		1,200 SF ADU	
	1 person	2 person	Rent ²	Delta ³	Rent ²	Delta ⁴	Rent ²	Delta ⁴
Extremely Low	\$674	\$770	\$1,257	\$583	\$1,467	\$497	\$1,977	\$1,207
Very Low	\$1,121	\$1,281	\$1,257	\$264	\$1,467	\$214	\$1,977	\$696
Low	\$1,794	\$2,050	\$1,257	(\$537)	\$1,467	(\$583)	\$1,977	(\$73)
Moderate	\$2,163	\$2,473	\$1,257	(\$906)	\$1,467	(\$1,006)	\$1,977	(\$496)

Notes:

1. Calculated by dividing income limit by 12 (months) and multiplying by 30 percent based on 2020 state income limits.
2. Based on a combination of figures provided by a local ADU developer and City survey for those who charge rent; includes \$57 to \$77 in monthly utilities, consistent with the Fountain Valley South Island affordable housing project.
3. Based on Orange County income limits for a 1-person household.
4. Based on Orange County income limits for a 2-person household.

The pattern of 50% of the ADUs foregoing rent suggests that many homeowners are building ADUs to support relatives or close friends who may not otherwise be able to find affordable housing nearby in Orange County. Evidence from other jurisdictions throughout California indicates that between 17 and 50% of ADUs may be rent-free as the property owners provide housing for their adult children and/or aging parents.

Development Costs

Additionally, based on City building records, the sizes of new construction of detached and attached ADUs built since 2018 range from 300 to 1,200 square feet, with an average size of 830 square feet. According to research from local ADU builders, many homeowners opt for a 600 to 800 square foot floorplan (2 bedrooms) and homeowners with larger properties tend to gravitate towards 1,200 square foot floorplans. ADUs created through the conversion of existing space (e.g., a garage), averaged 340 square feet in Fountain Valley.

Table H-25 summarizes construction costs associated with traditional multifamily developments and detached ADUs. A side-by-side comparison illustrates the cost differences between conventional multifamily development and detached ADU construction. In this scenario, the cost to develop an apartment unit is more than three times that of a similarly sized, detached ADU. Further still, a three-bedroom, 1,200 square foot detached ADU is less than half the cost of a 740 square foot apartment unit. While these examples are not necessarily representative of all development, they accurately reflect the reality of the current situation in Fountain Valley.

The cost difference is due in large part to the multifamily project’s need to acquire land while the ADU requires no such acquisition costs. Additionally, the per unit construction costs for single family is lower, due in part to the added labor costs associated with a subsidized project and the expanded building code requirements of a multifamily project.

**TABLE H-25
DEVELOPMENT COSTS FOR NEW CONSTRUCTION OF MULTIFAMILY AND DETACHED ADU**

Expense	Multifamily ¹	Accessory Dwelling Unit ²		
	740 SF	600 SF	800 SF	1,200 SF
Land Acquisition/Improvement	\$128,433	\$0	\$0	\$0
Construction	\$291,515	\$97,500	\$130,000	\$195,000
City/Agency Fees	\$24,072	\$2,448 ³	\$17,780	\$20,248
Other Expenses	\$143,751	\$32,220	\$36,294	\$39,442
TOTAL	\$582,373	\$103,168	\$184,074	\$254,690

Notes:

1. Proportional cost per unit of the South Island affordable housing project per Fountain Valley Housing Authority.
2. Upper end figures from local ADU builders for a detached ADU.
3. ADU's smaller than 750 square feet are exempt from City/Agency Fees except for those levied by school districts.

Trends and Projections

In previous planning cycles, ADUs did not play a substantial role due to the lack of public knowledge and ability to take advantage of the law’s provisions, the availability of other land resources, and the lower costs (relative to today) of building multifamily development. Interest in ADUs has increased substantially since the 2017 laws were enacted.

From 2013 to 2017, the City received 22 applications for Accessory Dwelling Units. Using HCD’s conservative estimate standard, this would project a future capacity for 110 ADUs for the next planning period. Building permit data demonstrates that 96 units were built between January 2018 and May 2020 when the ADU survey was conducted. In the 12 months after the survey (at the peak of the COVID-19 pandemic), the City received an additional 40 ADU applications, with applications rising in 2021 to 61 (though construction activity slowed due in part to rises in construction costs).⁴

While SCAG’s regional survey supports an assumption that 73% of these units could be affordable to lower income households, the City’s survey supports an assumption of over 90% (including a 50 percent assumption for very low and even extremely low-income households). Using the City’s assumption of 90 percent affordability, the conservative estimate for the City’s ADU capacity for lower income housing is 99 units during the planning period.

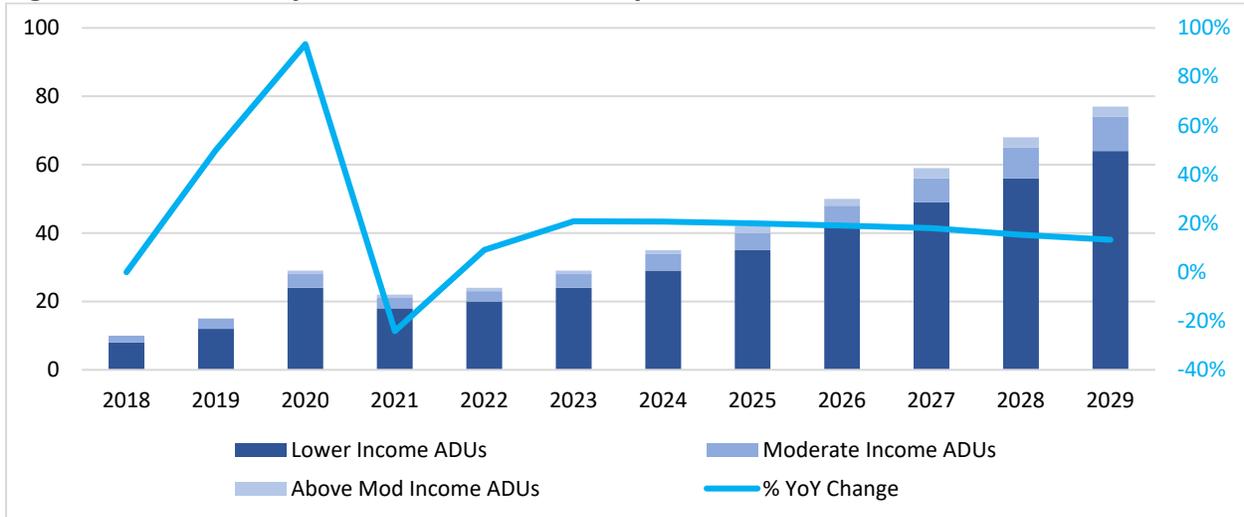
Figure H-2 shows a graph of projected capacity for lower income ADUs in Fountain Valley along with a map of existing (built) ADUs compared to housing resource categories as defined by the California Tax Credit Allocation Committee (TCAC) [higher resource designations are better]. The city conducted a trendline analysis of ADUs interest in Fountain Valley based on the actual increase in ADU permits issued between 2018 and 2021⁵ and projections that assume an initial bump as a result of the City’s implementation of its ADU program (Program 1d), followed by a

⁴ The City is considered above average compared to cities statewide in terms of ADU projects permitted, according to the ADU marketplace Housable. Information retrieved October 7, 2020, from <https://www.housable.com/city/fountain-valley-ca-109714>

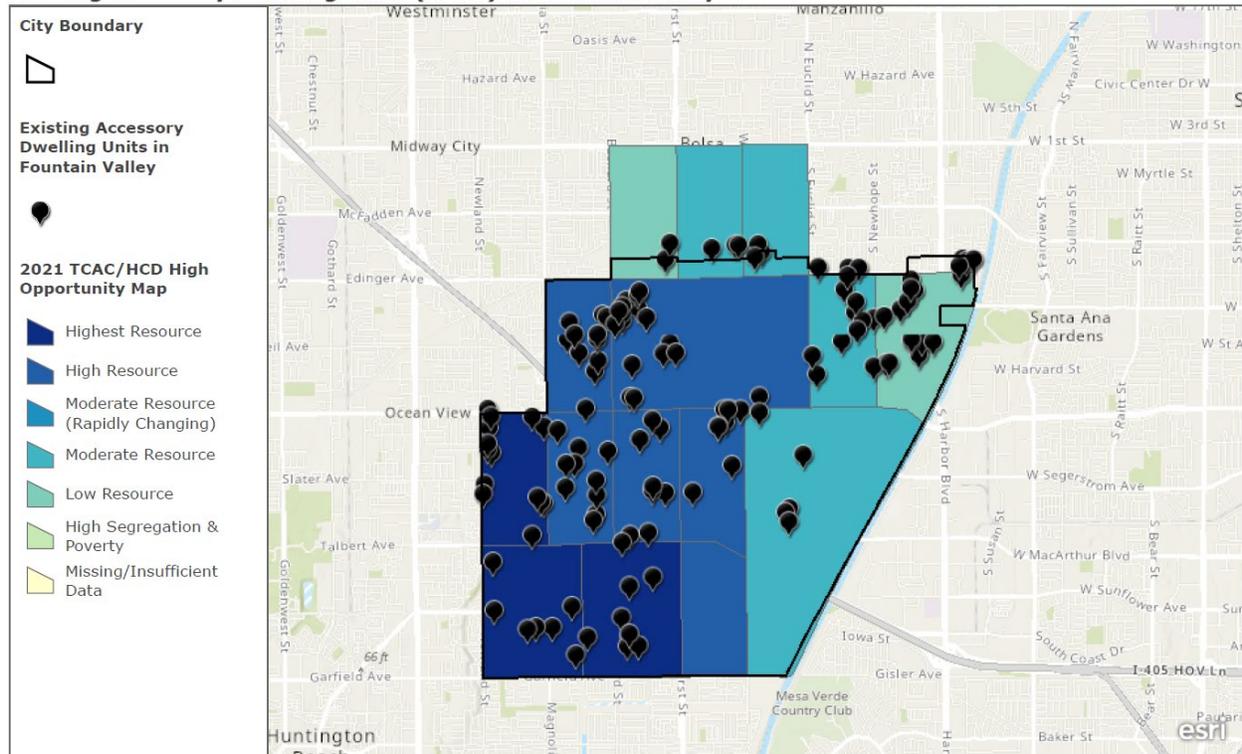
⁵ The figures for 2021 were included despite the likely suppressive impact of COVID-19.

diminishing decrease in the year-over-year annual increase of ADU permits. For a comparison of three different projection scenarios (conservative, theoretical maximum, and trend-based capacity), refer to Table H-25.

Figure H-2 Past & Projected ADU Permit Activity



Existing Accessory Dwelling Units (ADUs) in Fountain Valley



The observed rates of year-over-year increase in ADU permits finalized in 2019 and 2020 was 53% and 93%, respectively, with 2021 figures dropping due in large part to COVID-19 and a spike in construction costs (e.g., lumber rates). The City assumed a 9% year-over-year increase in between 2021 and 2022 with rates rising as the City implements its ADU program (Program 1d) to 21% in 2023 and 2024, and then steadily declining to 13% by 2029. Using these assumptions, the City can project an estimated 384 ADUs to be built or issued permits between 2021 and 2029. After applying an 81% affordability factor (approximate midpoint between the observed rates in the City’s ADU Survey (90%) and SCAG’s ADU Study for all of Orange County (73%)), the City can project a total of 310 ADUs affordable to lower income households between 2021 and 2029 (see Table H-25). The City estimates that the delta between the projected total and lower income capacities (74 ADUs) would be affordable to moderate or above moderate income households.

Importantly, this ADU capacity will not be reduced by new development of housing element sites in the future—. New market-rate housing may actually increase the citywide capacity for additional ADUs.

The City understands that ADUs have not been utilized as a primary means of housing in the past housing cycles. The City is committed to actions and programs to incentivize the construction of ADUs in large numbers. This is no small task, and the City cannot guarantee the construction of ADUs any more than it can guarantee the construction of affordable multifamily housing. However, the City believes it is vital to advance the role of ADUs, which require little to no financial subsidy, in parallel with expanding capacity on underutilized sites. Providing affordable housing through ADUs can offer distinct benefits, such as distributing growth across entire neighborhoods, which avoids a concentration of lower income housing, reduces the strain on existing roadways, reduces the need for greater roadway capacity, and increases density in single family neighborhoods toward levels that could better support transit.

**TABLE H-26
ADU CAPACITY CALCULATIONS**

Conservative Capacity		Theoretical Maximum Capacity		Trend-Based Capacity for Affordable	
ADUs built 2013-2017	22	Single family parcels	12,575	ADUs finalized 2018-21	76
Assumption factor x 5	110	Multifamily units	4,296	Projected ADUs 2021-2029 ³	384
Affordability factor ¹	90%	Capacity per state law ²	26,224	Affordability factor ⁴	81%
Lower income ADUs	99	Capacity at 10%	2,622	Projected affordable ADUs	310

Notes:

1. The conservative capacity utilized the City’s survey data, which indicates an affordability percentage of 90.
2. One ADU and one Junior ADU per single family parcels, plus 1 ADU for up to 25 percent of existing multifamily units.
3. Based on trends in ADU applications from 2018 to 2021 (note the potential dampening factor of the COVID-19 pandemic for 2021), and assuming a conservative and then diminishing annual increase of permitted ADUs over the previous year.
4. A recent City survey indicates 90% of ADUs being built are affordable and a SCAG survey across the region indicated 73% are affordable. The City has opted to use an assumption of 81% that is midway between the City and SCAG survey findings.

Evaluation of Previous Housing Strategies

The previous Housing Element included appropriate goals and policies to encourage affordable housing and meet the requirements of state law. The update to the Housing Element includes the following evaluation of the previous goals, objectives, and policies to better understand how the City can and/or should take stronger action toward providing and maintaining quality affordable and market rate housing in Fountain Valley. Certification of the update is desired not only to meet the intentions of state law, but also to assist the City in implementing programs proposed to meet the housing needs of Fountain Valley residents. Table H-27 identifies and evaluates all of the housing programs in the 2014–2021 Housing Element, including their level of achievement and recommendations for future activity.

**TABLE H-27
EVALUATION MATRIX OF 2014–2021 HOUSING ELEMENT PROGRAMS**

Program	Intent	Objective	Level of Achievement	Evaluation
Goal 1: Encourage the maintenance and rehabilitation of the City’s existing housing stock				
1.a Home Improvement	Provide grants and rebates to income-qualified homeowners through Home Improvement, Energy Efficiency, and Green Rehab programs	16 grants or rebates per year/10 Energy Efficiency Grants per year	Awarded between 15 and 20 grants, rebates, and loans each year (2020 low due to COVID-19); amended the program from 1 grant per property to 1 grant every 10 years to qualifying properties	Successful; consider expanding advertising and access to funds
1.b Infrastructure Improvement	Coordinate Housing Element, CIP, and Consolidated Plan to provide infrastructure for housing projects	Coordination of infrastructure improvements	Staff coordinated infrastructure improvements citywide and for individual projects, such as Prado Family Homes	Successful; City will continue to coordinate plans and programs
1.c Lead Based Paint Hazard Grant	Provide grant funds for the testing and remediation of lead-based paint hazards in the home (qualified owner enrolled in Neighborhood Revitalization Program and receiving CDGB funds)	5 grants/year	Awarded 3 to 5 grants each year	Successful; City will continue program
Goal 2: Promote and encourage the development of a variety of housing opportunities to accommodate current and projected households				
2.a Provision of Adequate Sites	Provide appropriate zoning for sites to ensure capacity to accommodate the City’s 2014-2021 RHNA allocation	Monitor adequate sites	Adopted housing overlay zones Oct 2013	Successful; but discontinue and replace with more intense rezoning based on new RHNA

**TABLE H-27
EVALUATION MATRIX OF 2014–2021 HOUSING ELEMENT PROGRAMS**

Program	Intent	Objective	Level of Achievement	Evaluation
2.b Review Residential Development Standards	Ensure City standards respond and adapt to market conditions and facilitate more housing opportunities	Review and revise development standards as necessary	Standards reviewed and changes deemed unnecessary	Successful; continue based on new RHNA
2.c Mt. Hope / Rancho Las Bolsas	Facilitate affordable rental units on former RDA site	128 new units affordable to lower and moderate income households	Project cancelled and property sold (due to title restrictions); assisted living facility built on site; excess funds redirected to Prado Family Homes	Successful, pivoted and used funds from sale to provide a loan to a developer for acquisition and development of Prado Family Homes (49 affordable units)
Goal 3: Conserve and support affordable housing opportunities in the City				
3.a Housing Choice Vouchers	Coordinate with the Orange County Housing Authority (OCHA) to assist lower-income rental households through Section 8 Housing Choice Vouchers	Assist 460 households per year	Coordinated with OCHA to assist 445 households each year	Successful; continue program
3.b Affordable Housing Monitoring and Preservation	Monitor and maintain affordability of assisted units that could convert to market rate within planning period	70 affordable housing units (+ 1 manager’s unit) in Guadalupe Manor	Guadalupe Manor affordability extended through 2038 through Project-based Section 8; current application to add 27 affordable units	Successful; continue to monitor at-risk units
3.c Support Homeless Services	Support local and inter-jurisdictional efforts to reduce temporary and chronic homelessness, consistent with the Continuum of Care model	Coordinate with County of Orange and other non-profit entities to provide a range of services and housing options	Assisted Interval House – Temporary Shelter, which assisted more than 60 clients each year	Successful; continue program
3.d Promotion of Affordable Housing	Encourage the production of affordable housing through incentives such as incentives and expedited processing	Assist affordable projects with permitting, offsite improvements, or state or federal funding	Amended Harbor Blvd South Island Specific Plan in 2017 to allow affordable housing as a permitted use; provided financial assistance for Prado Family Homes and eliminated requirement for separate water meters and associated fees for each new address	Successful; continue program

**TABLE H-27
EVALUATION MATRIX OF 2014–2021 HOUSING ELEMENT PROGRAMS**

Program	Intent	Objective	Level of Achievement	Evaluation
3.e Explore Alternative Funding and Financing Sources	Proactively explore alternative funding and financing sources such as private funding, joint development, and public-private partnerships	Identify resources to augment the City’s limited funding resources for affordable housing	Staff researched funding opportunities	Successful; funds from sale of property and LMIHF financed purchase and development of Prado Family Homes
Goal 4: Promote housing opportunities for all persons regardless of race, age, religion, sex, marital status, disability status, ancestry, national origin, or color				
4.a Support Fair Housing Services	Provide community education, investigation, and counseling assistance for redress of alleged violations of federal and state housing laws	Contract with and refer inquiries to Fair Housing Council of Orange County (FHC); provide brochures at key locations	Partnered with FHC on educational workshop and fair housing tenant/ landlord disputes; City received and referred five inquiries on fair housing complaints between 2013 and 2021; four dismissed based on lack of response of claimant and one found to have no valid discrimination issue	Successful; continue program
4.b Monitor Potential Constraints	Identify and remove potential constraint to equal housing opportunities	Review and update regulatory provisions and procedures as necessary	Established Disability Modification Grant for lower income households to make ADA improvements; Fair Housing Council of Orange County (FHC) conducted online monitoring of advertised rentals in the city to identify and address discriminatory content; FHC conducted systemic tests for discriminatory rental housing practices via telephone and investigated any alleged violations	Successful; continue program
4.c Support for Persons with Developmental Disabilities	Increase ability of persons with developmental disabilities to live in integrated community settings	Work with Regional Center of Orange County to identify gaps in housing needs and promote opportunities for supportive living services	Partnered with Elwyn California for case management of disabled adults; established Disability Modification Grant for lower income households to make ADA improvements	Successful; continue program

**TABLE H-27
EVALUATION MATRIX OF 2014–2021 HOUSING ELEMENT PROGRAMS**

Program	Intent	Objective	Level of Achievement	Evaluation
4.d Accessibility Modifications for Persons with Disabilities	Provide grants to income-qualified homeowners to make necessary accessibility-related renovations, based on available funding	1 grant per year, as funding allows	Established Disability Modification Grant for lower income households to make ADA improvements; 2 grants awarded	Successful; continue program

Efforts to Address Special Housing Needs

Government Code Section 65588 requires that local governments review the effectiveness of the housing element goals, policies, and related actions to meet the community’s special housing needs. As shown in the Review of Previous Housing Element Table H-27, the 2014 Housing Element included several programs that addressed or supported the needs of extremely low-income households, senior housing needs, individuals experiencing homelessness, and needs for persons with disabilities. Some of the accomplishments are highlighted below:

- Approved the Prado Family Homes housing development, which will add 50 affordable rental units to the City’s housing supply.
- Partnered with the Orange County Housing Authority to successfully house an average of 445 lower income households each year, of which roughly 70-75% were extremely low income households.
- Successfully negotiated an affordability extension for 70 lower income units catering exclusively to seniors.
- Collaborated with Interval House to provide housing and social services to an average of 60 homeless individuals each year.
- Established and administrated a Disability Modification Grant to help lower income households make ADA improvements.

2014–2021 RHNA Allocation

The City received an allocation of 142 lower income units for the 5th Cycle RHNA period, which were to be addressed by the Golden Triangle property (69 units) and the Mt. Hope Specific Plan (agreement for 128 affordable units with the Jamboree Housing Corporation). External factors ultimately led to the cancellation of the Mt. Hope project, which required the City to look elsewhere to accommodate the 73-unit gap. The Harbor Boulevard South Island Specific Plan was selected as a suitable replacement and amended on November 7, 2017, to allow affordable units by-right due to interest expressed by both property owners and an affordable housing developer.

The amended specific plan mandates that affordable housing be developed at a minimum of 25 units per acre, equating to a minimum of 162 units throughout the 6.5-acre plan area. Additionally, every parcel within the specific plan area was (and is) at least 0.75 acre. Accordingly, the rezoning ensured the City complied with state law to permit multifamily development without discretionary review at a minimum density of 20 units per acre, with a site capacity of at least 16 total units (which would require parcels that are at least 0.64 acre).

Assessment of Fair Housing

State law, enacted through Assembly Bill (AB) 686 requires that all housing elements due on or after January 1, 2021, contain an assessment of fair housing consistent with the core elements of the analysis required by the federal Final Rule on affirmatively furthering fair housing (AFFH).

Under state law, affirmatively further fair housing means “taking meaningful actions, in addition to combatting discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics.”

State law also requires the City to complete incorporate the following into the Housing Element:

- An assessment of fair housing that includes a summary of fair housing issues; an analysis of available federal, state, and local data knowledge to identify patterns of segregation or other barriers to fair housing; and prioritization of contributing factors to fair housing issues.
- The identification of sites in the land inventory through the lens of AFFH.
- A program that affirmatively furthers fair housing and promotes housing opportunities throughout the community for protected classes and addresses contributing factors identified in the assessment of fair housing.

Accordingly, the City has completed the following outreach and analysis.

Context

Historical Development of Fountain Valley

The City of Fountain Valley first developed as an agricultural community with an abundant supply of water, producing crop such as strawberries, cabbage, cauliflower, and squash. Landowners began selling large portions of land in the 1930’s, and in 1957 Fountain Valley officially incorporated into Orange County. From incorporation, Fountain Valley adopted a Master Plan in 1962, and slowly developed from farmland into a community. All major streets ran north to south, and all major avenues ran east to west, and over time the farmlands slowly developed into mostly residential development, with areas of the City dedicated to commercial, industrial, and business uses. Tract housing began to be constructed to keep up with the growing population, with most of the current housing stock in Fountain Valley being built between the 1960’s and the 1980’s. The area saw population growth of almost 30,000 people from 1957 to 1970, including an influx of Asian American citizens which remains a predominant population on Fountain Valley today. By the early 1990s, Fountain Valley had almost completely developed into the built-out, suburban residential community of today.

Public Outreach Specific to Fair Housing

In preparing the 2020 Consolidated Plan and the Housing Element, the City conducted a wide range of community engagement efforts. A comprehensive summary of outreach activities is described in “Citizen Participation” section of the Introduction. The following discussion summarizes the outreach efforts pertaining specifically to fair housing issues.

The City published a Community Needs Assessment Survey in mid-November 2019 that was available online from December 1, 2019, to January 30, 2020. The survey, distributed to 25 public agencies and 6,000 subscribers to the City newsletter, asked respondents to prioritize a variety of program areas to help guide the allocation of CDBG funding. From a list of seven program areas, affordable and special needs housing received 16% and 12% of the votes, respectively, suggesting that the provision of housing for lower income households and vulnerable individuals is important to the community. Within the affordable housing program area, 9% of respondents marked fair housing services as their top priority.

Four public meetings were held virtually between January 11, 2021, and April 22, 2021, that included a discussion of how to accommodate the City’s RHNA allocation. The meetings specifically addressed potential approaches to meeting the lower income commitment and weighed a combination of land use, zoning, and programmatic components. Attendees were encouraged to contribute during the meetings as well as submitting comments and questions through the online engagement platforms. Numerous members of the public, and representatives from the Kennedy Commission and UC Irvine School of Social Ecology, voiced concern about how the City planned to ensure the production of affordable units. These members of the public recommended the addition of housing opportunity sites, more strategies to facilitate the use of state density bonus provisions, and a mandatory inclusionary requirement.

Additionally, the City conducted a virtual workshop in August 2021 to address changes to state law, current housing programs, proposed housing programs, and local housing issues. The workshop summarized relevant updates to housing element law and how those changes impact programs currently administered by the City. A large portion of the workshop was reserved for open discussion, which allowed the public ample opportunity to provide input on proposed programs and ask any clarifying questions.

To gather ongoing local input and data and encourage all residents to participate in planning processes, the City has included Program 6a to meet annually with fair housing providers to discuss local fair housing issues and concerns, offer translation services to improve accessibility for all residents, conduct targeted outreach to underrepresented groups, and meet with service providers for special needs and underrepresented groups.

Technical Assessment of Fair Housing

State law requires the City of Fountain Valley to analyze disparities in access to opportunity, areas of segregation, racially or ethnically concentrated areas of poverty, and disproportionate housing

needs, including displacement risk. The State (HCD) released a technical memorandum and compliance checklist in April 2021 to guide jurisdictions on addressing this requirement in housing elements.

HCD's checklist identifies the following five areas that must be analyzed using local and regional patterns/trends, local data and knowledge, and other relevant factors followed by a conclusion and summary of issues.

- Fair housing enforcement and outreach capacity
- Segregation and integration
- Racially/ethnically concentrated areas of poverty (R/ECAP)
- Access to opportunity
- Disparate housing needs and displacement risk

A foundational set of local and regional data is the opportunity area maps prepared by the California Tax Credit Allocation Committee (TCAC). A discussion of these maps for the City of Fountain Valley and the surrounding region is presented prior to the five areas of discussion.

TCAC Opportunity Area Maps

The TCAC opportunity area map identifies areas in every region of the state whose characteristics have been shown by research to support positive economic, educational, and health outcomes for low-income families—particularly long-term outcomes for children. Specifically, TCAC uses a composite score based on education, economic, and environmental indicators to categorize areas as highest resource, high resource, moderate (rapidly changing) resource, moderate resource, low resource, and areas with high segregation and poverty.

According to the 2021 TCAC Opportunity Area Map (Figure H-3), Fountain Valley contains a mixture of highest, high, resource, and low resource areas. This map identifies areas in every region of the state whose characteristics have been shown by research to support positive economic, educational, and health outcomes for low-income families—particularly long-term outcomes for children. TCAC Opportunity Maps use a composite score based on education, economic, and environmental indicators to categorize areas as “high resource,” “moderate resource,” and “low resource.” For purposes of evaluating fair housing, resource levels refer to the geographic proximity and ease of access to resources such as low-cost transportation, jobs, and high-quality schools, with low-resource areas having the most limited access.

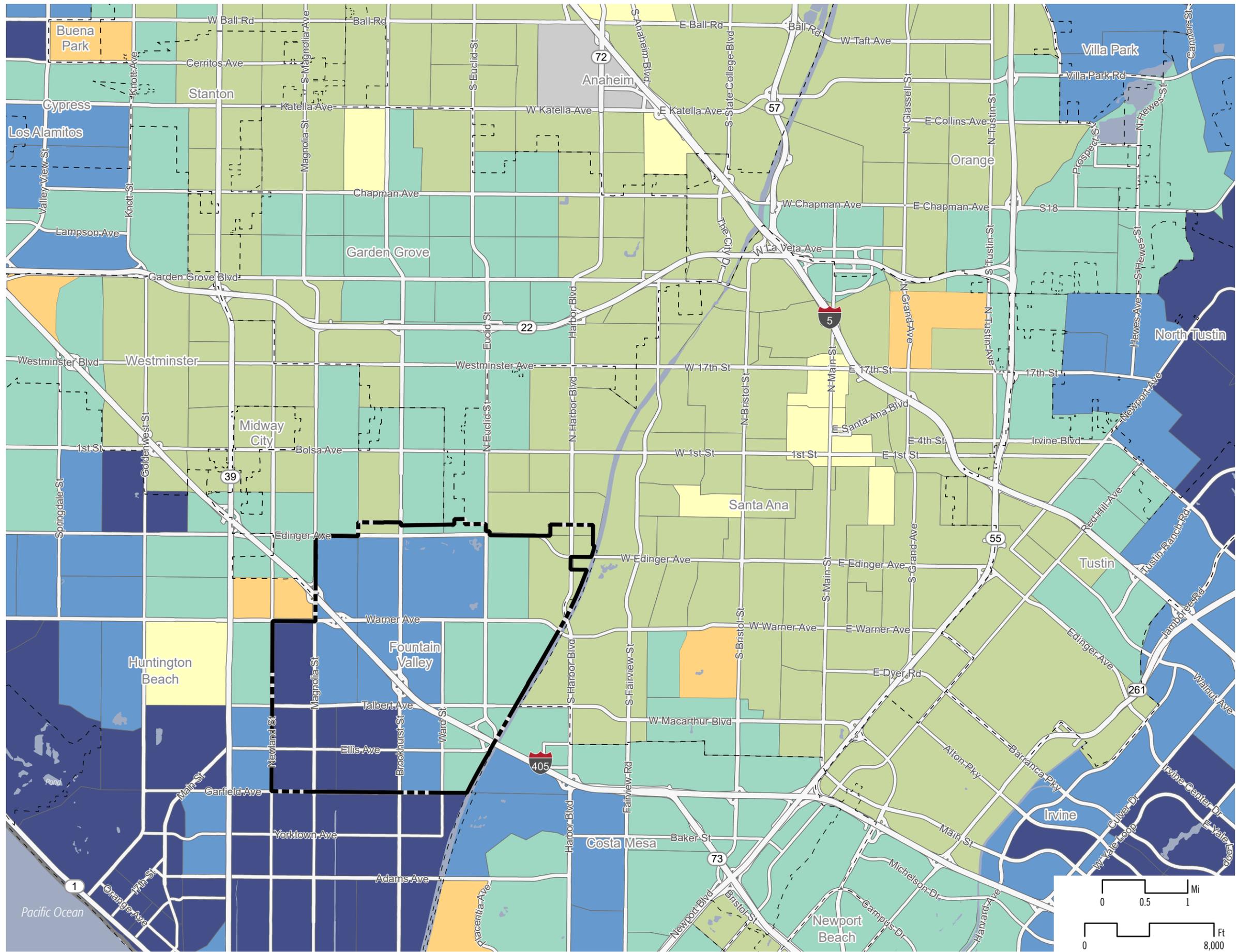
- **Highest resource areas.** Fountain Valley's highest resource area is in the southwest corner of the City, west of Brookhurst street and south of Talbert Avenue. The area is characterized by being predominantly residential single family homes, with access to the Orange Coast Medical Center at the corner of Talbert Avenue and Brookhurst Street, and both Fulton Middle School and Tamura Elementary school along Magnolia Street. This area is the closest

to the coast and contains the census tracts reporting the highest median incomes, which, when combined with good access to education and high value of single family homes contribute to its designation as a “highest” resource area.

- **High resource areas.** The City’s high resource areas are concentrated in the central portion of the City, predominantly north of Talbert Avenue and west of Ward street. This resource area includes a greater variety of housing, including several multifamily apartments along Brookhurst street, as well as access to Fountain Valley High School and Urbain H. Plavin Elementary School. The high resource area of the City also encompasses Mile Square Regional Park, which provides residents with access to substantial outdoor green space and recreational opportunities.
- **Moderate resource areas.** The City’s moderate resource area falls east of Ward Street and largely south of Warner Avenue, with one census tract included in the moderate resource area north Warner Avenue, between Euclid Street and New hope Street. This area reports lower educational scores compared to higher resource areas and is closer to some of the more environmentally challenged areas in Santa Ana. The moderate resource area contains census tracts reporting very low median incomes (with some tracts reporting income below that reported in census tracts in the City’s low resource area). Land uses in the moderate resource area are predominantly manufacturing and commercial office buildings, with areas of single family residential neighborhoods located around Fountain Valley Regional Hospital. The area also includes Coastline Community College Administrative Offices and several public schools within Fountain Valley School District.
- **Low resource areas.** Fountain Valley has one census tract designated as a low resource area. This census tract lies in the northeastern corner of the City, north of Warner Avenue and east of Newhope Street. As with much of Fountain Valley, this area is predominantly made up of a mixture of single-family and multifamily residential homes, with a small section of commercial business along the eastern City border. Los Amigos high school is within the census tract, located along Newhope street at Heli Avenue. The low resource designation of this area is due, in large part, to low educational and environmental domain scores influenced by proximity to lower-performing schools and high-impact uses in neighboring jurisdictions. The nearest school within the City’s boundary, Monroe Elementary, is performing well, with student performance consistently scoring higher than the state average. This census tract directly borders the Santa Ana River, which is designated by the Environmental Protection Agency as having identifiable sources of pollution, likely contributing to this area’s low environmental domain scores (even though proximity to the storm drainage channel does little to increase exposure to pollution for residents in Fountain Valley).
- **High segregation and poverty.** The City does not contain any areas designated as an area of high segregation and poverty, where at least 30 percent of the population is below the federal poverty level (\$26,500 annually for a family of four in 2021), and patterns of racial segregation exist.

- **Regional comparison.** Compared to the Orange County region (see Figure H-3), Fountain Valley contains a blend of resource levels, with more high and highest resource areas compared to cities to the north and east. As one would expect, nearby coastal cities contain more Highest resource areas. Fountain Valley has no areas of high segregation and poverty unlike neighboring jurisdictions and other areas in the northern part of the county.

Figure H-3
AFFH Analysis
 TCAC Opportunity Areas
 (2021) - Tract Level



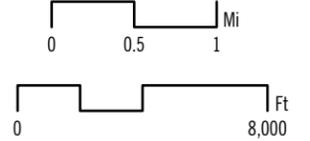
- Fountain Valley City Limits
- County Boundary
- City Boundary

TCAC Opportunity Areas 2021 - Composite Score (Tract)

Resource Category

- Highest Resource
- High Resource
- Moderate Resource (Rapidly Changing)
- Moderate Resource
- Low Resource
- High Segregation & Poverty
- Missing/Insufficient Data

Date: 9/24/2021



Source: U.S. Census Bureau, PlaceWorks 2021

Fair Housing Enforcement and Outreach Capacity

The City of Fountain Valley complies with all state and federal laws related to fair housing. Federal fair housing laws, including the Federal Fair Housing Act of 1968 (FHA) and the Fair Housing Amendments Act of 1988 (FHAA), protect residents from discrimination on the basis of race, color, religion, national origin, sex/gender, handicap/disability, and familial status. The California Fair Employment and Housing Act (FEHA) prohibits discrimination based on marital status, ancestry, source of income, sexual orientation, and arbitrary discrimination in addition to the groups protected under federal fair housing legislation.

The City reviews data related to public housing buildings, the use of housing choice vouchers, and reported fair housing and equal opportunity inquiries to evaluate fair housing issues and enforcement and outreach capacity in Fountain Valley. The Fair Housing Council of Orange County (FHCOC), which was established in 1965, provides fair housing service to multiple cities including Fountain Valley. Fair housing services include discrimination counseling, intake, investigation, and resolution, landlord/tenant fair housing counseling, mediations and training, certificate management training, community outreach, and fair housing education. These services provided by the FHCOC for the City of Fountain Valley meet or exceed HUD requirements concerning Fountain Valley's annual CDBG certification of taking action to truly affirmatively further fair housing.

Prior to the COVID-19 pandemic of 2020, the City of Fountain Valley hosted Fair Housing workshops at City Council chambers, where residents could meet with a representative from the FHCOC. During the 2022-23 fiscal year, the City and FHCOC expects to conduct six community education presentations or outreach activities and hold two housing rights and obligations workshops, one primarily for tenants and another primarily for housing providers, at accessible locations within Fountain Valley. Approximately 500 information packets or other pieces of literature covering a wide array of housing related topics will be distributed either by mail or at presentations to Fountain Valley households. Additionally, 5th and 6th grade classes at Fountain Valley schools will be invited to participate in our annual poster/essay contest about the topic of fair housing.

Fair Housing Inquiries and Complaints

The office of Fair Housing and Equal Opportunity (FHEO) within HUD is responsible for administering and enforcing federal fair housing laws. Reports of discrimination covered under fair housing laws can be filed with local and regional HUD offices. When filed, all reports are reviewed as fair housing inquiries. A HUD official reviews each inquiry to determine if an inquiry will then be converted into an official fair housing discrimination complaint. While not all inquiries are converted into fair housing discrimination complaints, they can provide a resource for jurisdictions to identify concerns of potential discrimination.

The City analyzed fair housing inquiries provided by the Region Nine HUD office from 2013 to March 2021. In that time frame, Fountain Valley received five total FHEO inquiries. Of those five

inquiries, four were related to a general discrimination factor and one inquiry was related to discrimination based on familial status. Of the five total cases, one was found by HUD to have no valid discrimination issue, and four were dismissed due to lack of response by the filer.

As a ratio, from 2013 to 2021 there were 0.08 FHEO inquiries filed per 1,000 people in Fountain Valley, which is comparable to the region at large. Similar rates of FHEO inquiries are shown in Costa Mesa, Garden Grove, Westminster, and Buena Park, while cities like Irvine, Tustin, Huntington Beach, and Newport Beach show higher rates (see Figure H-4).

During the 2020-21 fiscal year in Fountain Valley, the FHCOC assisted 111 lower income households (of which 86 were extremely low), with counseling and resources to address a wide variety of housing related issues, inquiries, or disputes. Another four clients with incomes above CDBG limits were assisted. Roughly 20% of households assisted were elderly (age 62 and older) and roughly 7% (with some overlap) were disabled. About 9% of households were headed by a single female. The racial backgrounds of households served were approximately 60% white, 10% Asian, 3% black, and 27% other racial backgrounds. About 38% of households were of Hispanic background.⁶

The FHCOC received three allegations of possible housing discrimination in Fountain Valley, two of which were meritorious enough to cause the opening of a case file. FHCOC investigated and resolved both cases to the satisfaction of the tenant without referral to outside agencies or services. FHCOC also conducted four systemic rental tests of multifamily rental properties in Fountain Valley as a means of identifying possibly discriminatory housing practices. No discriminatory practices were detected at the four locations tested. Finally, FHCOC assisted two disabled Fountain Valley residents to obtain reasonable accommodation for improvements to their homes. The FHCOC anticipates similar levels of activity in the 2022-2023 fiscal year and throughout the planning period.

Housing Choice Voucher Use

The percent of rental households using housing choice vouchers, a HUD program which provides financial assistance to certain eligible populations, is moderate with an average of 14% citywide and rates as high as 24% in a high resource area on the western edge of the city, and rates as low as 7% in a low resource area the northeastern portion of the city (Figure H-5). Larger, denser cities in northern Orange County such as Westminster and Garden Grove experience higher use of housing choice vouchers than Fountain Valley.

Fountain Valley has similar rates of housing choice voucher use to larger cities in central Orange County like Irvine and Santa Ana. The areas of higher use of housing choice vouchers coincide with the City's areas of high rates of overpayment for renters, particularly along the northern border of the City West of Miles Square Park. This could indicate that renters in these areas face a higher payment burden and could indicate a lack of a range of housing types and range of prices

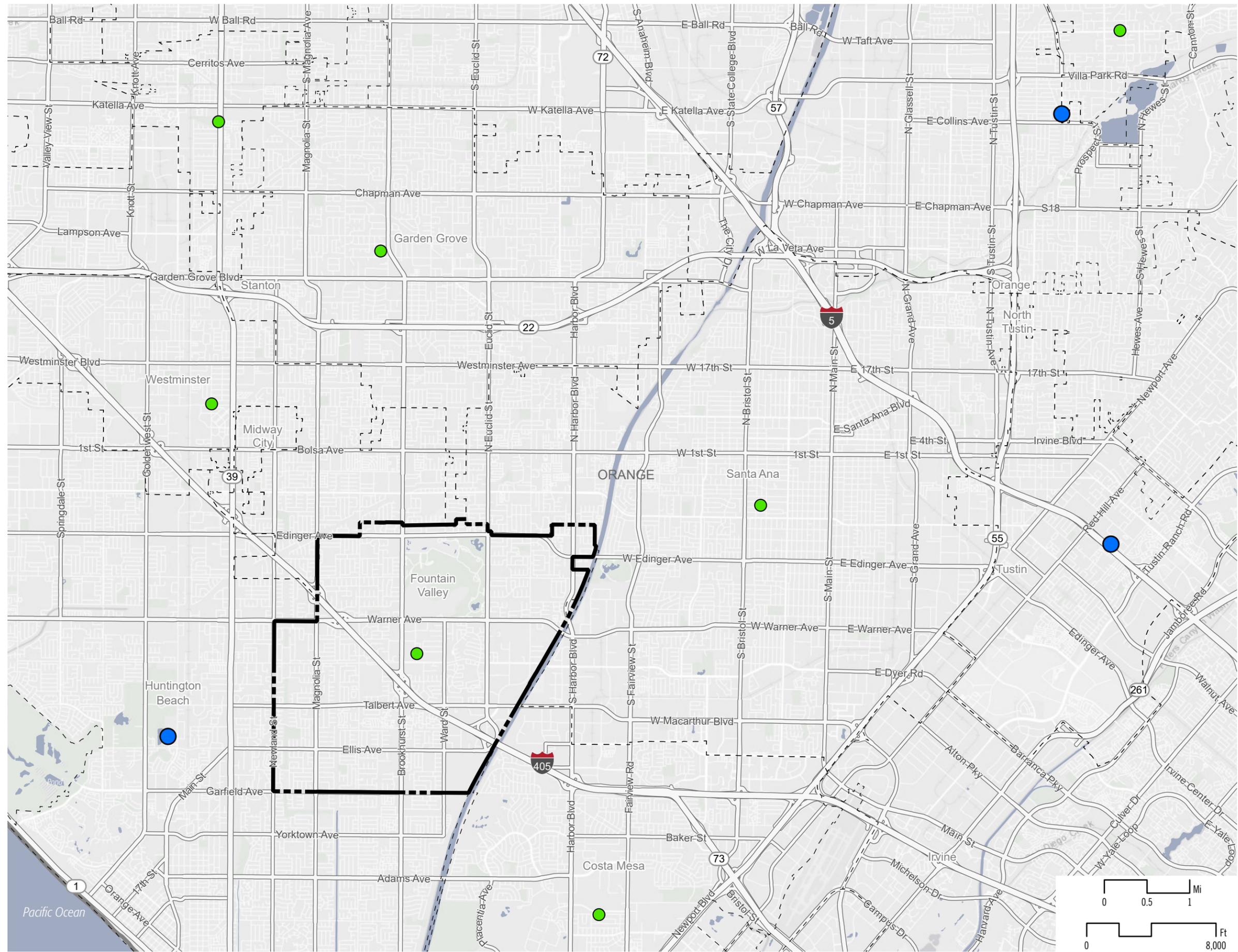
⁶ The numbers were projected to be similar for the 2021-22 fiscal year (which had not been completed at the time of this Element's publication).

available to renters in these areas. Program 2a, Housing Choice Vouchers, commits the City to continued collaboration with the County of Orange on the administration of the program.

Conclusion and Summary of Issues

Although the City coordinates with the Fair Housing Council of Orange County for outreach and enforcement related to fair housing, Program 6a, Support Fair Housing Services, describes how the City will help further the FHCO's mission. The use of housing choice vouchers is moderate, with vouchers used by 14% of rental households on average (maximum of 24% and minimum of 7% in any given census tract). The northeastern part of the City is a logical area of focus for the City to increase voucher use. The number of complaints of housing discrimination is very low (0.08 inquiries per 1,000 people), lower than many of the surrounding communities and the overall county. Public input received during outreach activities indicates strong community support to eliminate housing discrimination and continue working with the Fair Housing Council.

Figure H-4
AFFH Analysis
 FHEO Inquiries (2020)
 - by City



Fountain Valley City Limits
 County Boundary
 City Boundary
Total Inquires per One-Thousand People
 < .25 Inquiries
 < .5 Inquiries
 < 1 Inquiry
 Greater than 1 Inquiry

Date: 9/24/2021

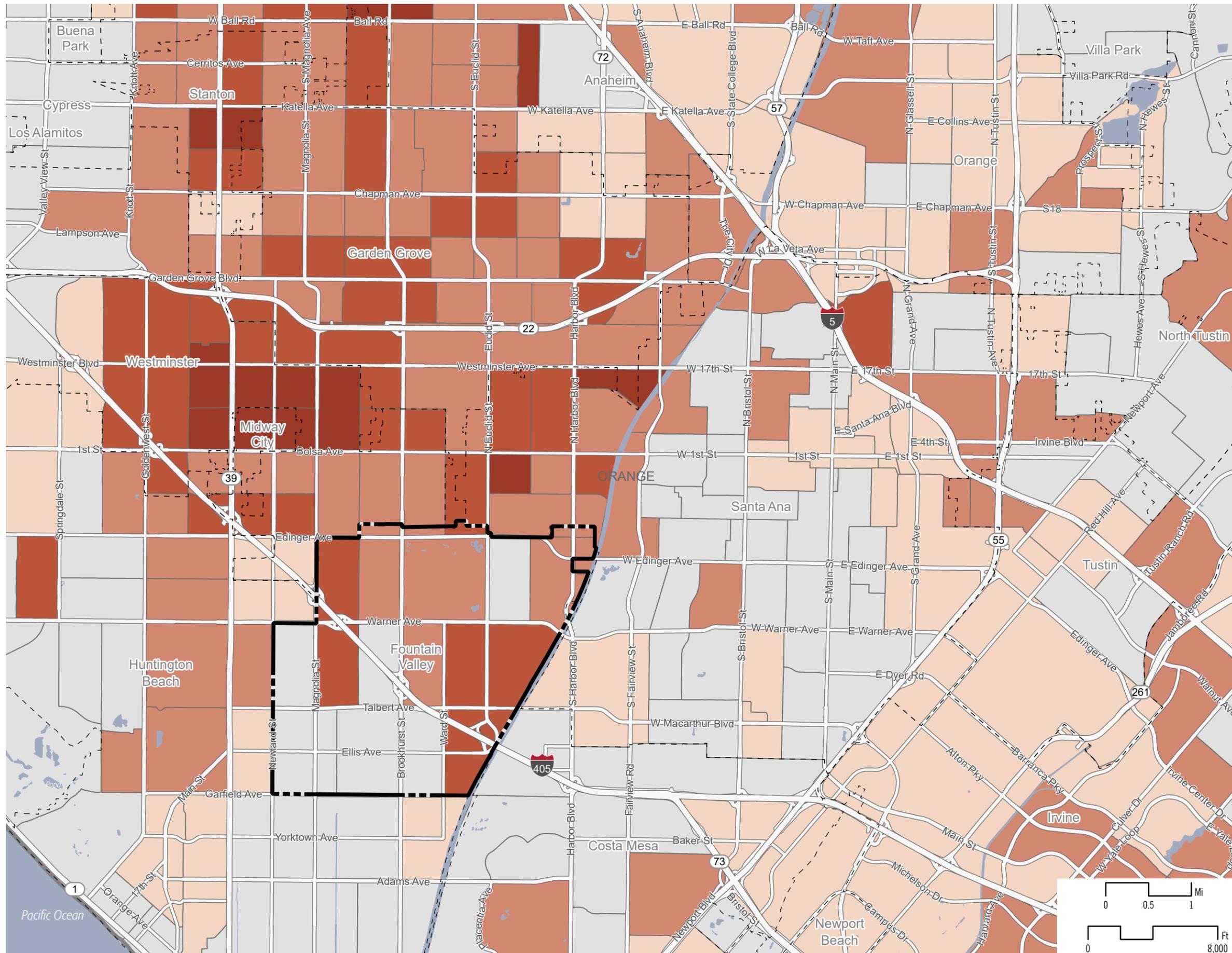


Source: U.S. Census Bureau, PlaceWorks 2021

Figure H-5

AFFH Analysis

Use of Housing Choice Vouchers by Renters (2020) - Tract Level



- Fountain Valley City Limits
- County Boundary
- City Boundary
- HCV Public Percent**
- 0 %
- ≤ 5 %
- ≤ 15 %
- ≤ 30 %
- ≤ 60 %
- ≤ 100 %
- No Data

Date: 9/24/2021



Source: U.S. Census Bureau, PlaceWorks 2021

Patterns of Segregation and Integration

To assess patterns of segregation and integration, the City analyzed four characteristics: race and ethnicity, income, linguistic isolation, familial status, and disability status as of 2019 (2018 data related to the racial diversity index). This information is displayed in Figures H-6 to H-14.

Racial and Ethnicity

According to the ESRI Diversity Index, racial diversity in the City of Fountain Valley has maintained or increased in block groups across the City since 2010. The index shows the likelihood that two people, chosen at random from the same area, belong to different race or ethnic groups. The index ranges from 0 (no diversity) to 100 (complete diversity). In 2010, the area of lowest diversity in Fountain Valley still had a diversity of score of 51, indicating a variety of racial diversity (see Figure H-6). In 2018, this area of lowest diversity in the City actually increased to a diversity score of 55 and falls within the highest resource category. In 2018, the area of highest diversity had a diversity index score of 91 and is within the only designated low resource census tract within the City, north of Warner Avenue and east of Newhope Street (see Figure H-7).

Diversity tends to increase moving north across the SCAG region, into larger population cities like Buena Park. Cities in southern Orange County demonstrate the lowest diversity index scores regionally. As highlighted in the community profile, racial demographic information from the 2015-2019 U.S. Census shows that the predominant racial ethnicity in Fountain Valley was those who identify as White-only at 54% of residents, followed by 35% of residents who identify as Asian. The trend appears to be confirmed by a review of 2020 Census data, which indicates that there are only three census tracts in Fountain Valley where 50% or more residents identify as White (58%, 55%, and 52%) and the citywide average is currently estimated at 42%. In those three census tracts (992.30, .31, and .32, respectively), the percentage of residents that identify as Asian is 24%, 31%, and 31%, respectively, and the percentage of residents that identify as some other race/multiracial is 17%, 12%, and 15%, respectively. Finally, the percentage of residents in these three census tracts that identify as Hispanic or Latino is 15%, 9%, and 12%, respectively. The combined range and mixture of percentages do not indicate racial or ethnic concentration. Census tract 992.30, which contains the highest percentage of White residents (58%), consists of a balance of single family and multifamily housing units and is one of the few neighborhoods that is adjacent to industrial uses in Fountain Valley (including a regional wastewater treatment plant), indicating that the higher percentage of White residents (in comparison to other parts of the City) is not associated with exclusive housing or a greater distance from less desirable uses.

Furthermore, of the 12 census tracts entirely within Fountain Valley, an average of 40% identify as Asian (range of 24% to 59%), and an average of 17% identify as some other race/multiracial (range of 11% to 31%). The percentage of residents that identify as Hispanic or Latino is 16% citywide with a range of 9% to 34% across census tracts. Fountain Valley appears to be increasingly multi-racial and multi-ethnic throughout all census tracts and citywide.

The primary non-White ethnicity in Fountain Valley is Vietnamese ancestry. After the fall of South Vietnam to the Provisional North Vietnamese government in 1975, the United States accepted a substantial number of Vietnamese refugees. A large number congregated in Orange County, particularly near Bolsa Avenue in Westminster—an area that became known as Little Saigon and expanded to portions of Westminster, Garden Grove, and Santa Ana. First and second generation Vietnamese-Americans also settled in Fountain Valley and grew to represent 20% of the City's population in 2010. As of 2016, Fountain Valley was home to the 18th largest number of Americans with Vietnamese ancestry in the United States (other areas with more include Garden Grove, Westminster, Santa Ana, and Anaheim in in Orange County).

Income

Median Income

Overall, the median income in Fountain Valley is above average, with the majority of households falling at or above the 2020 state median income of \$87,100 (see Figure H-8). Median income levels generally vary between 55,000 and \$125,000, with no firm pattern throughout Fountain Valley. One block group in Fountain Valley has a median income that falls below \$55,000: the area bordering the Santa Ana River that coincides with the City's area designated for commercial and manufacturing area. This block group contains very few residents (a couple apartment complexes and a few condominium complexes), currently consists primarily of industrial and commercial businesses, and is within a designated moderate resource area. Thus, while the area encompassing the block group (~800 acres) is quite large, the actual footprint of residential areas is around 45 acres. Additionally, over two-thirds of current residents are at least 60 years of age (2020 ACS) and nearly half (46%) obtain their income through Social Security, while the condominiums are all priced between \$372,000 for a 1-bedroom (572-square feet) and over \$700,000 for a 2-bedroom (800+ square feet), mostly built in the 1960s. This information indicates that the lower median income value reflects retired residents that own their homes rather than lower-income working households that struggle to pay rent or mortgages. This block group is also 44% White, 27% Asian, 25% other/multiracial, and 19% Hispanic or Latino, indicating that this is also not an area that is concentrating older residents by race or ethnicity.

The concentration of the highest median income is in two block groups in the southwestern corner, which is an area of predominantly single family homes, with access to Roch Courregas Elementary School and Courregas Park. This area is in a designated highest resource area. Similar income distributions are seen in neighboring jurisdictions like Huntington Beach, Costa Mesa, and Irvine, with higher average median incomes seen in southern Orange County jurisdictions like Laguna Beach and Laguna Niguel. Median income begins to drop significantly in higher density northern Orange County cities like Santa Ana, Garden Grove, and Stanton, with more block groups in these areas falling below the state median income.

Poverty

Poverty rates within the SCAG region follow a similar pattern of extremely low incidence of poverty in coastal communities with high median incomes. Poverty rates increase in higher

density cities within northern Orange County such as Santa Ana and Anaheim, with more than 30% of the population in some block groups experiencing poverty. In Fountain Valley, rates of poverty are low citywide. While poverty rates have increased between 2014 and 2019 (see Figures H-9 and H-10), there are no census tracts where more than 15% of the population experiences poverty. All other census tracts in Fountain Valley show low rates of poverty (as little as 4% in some areas). The census tract with the highest rate of poverty in the city is between Brookhurst and Bushard street, north of Talbert Avenue and south of Warner Avenue, and is within a high resource area of the City (contains Fountain Valley High School and La Capilla Park; enjoys immediate access to grocery, daycare, transit service, and Mile Square Park). Based on available data, the City estimates there are roughly 150 households living in poverty in this census tract, many of which contain children. The overall neighborhoods and individual housing units in this census tract (primarily of single family homes along with roughly four apartment complexes), appear to be well maintained and are consistent with other residential neighborhoods. For example, all housing appears structurally sound and the paint, exterior walls, fences, signage, and landscaping appear in good condition. From all outward appearances and a lack of code enforcement complaints, the housing in this census tract looks much the same as that throughout Fountain Valley.

Linguistic Isolation

The City uses data from CalEnviroScreen version 4.0 mapping the percentage of households with limited English speaking abilities (Figure H-11) to understand patterns of linguistic isolation. According to the 2019 American Community Survey (ACS) 5-year estimates, approximately 11% of Fountain Valley households were reported as limited English-speaking households. Of the 1,988 households with limited English-speaking skills, 1,512 speak one of many Asian or Pacific Island languages (primarily Vietnamese).

While most census tracts indicate rates of limited English-speaking households below 10%, rates for tracts along the eastern boundary were estimated to be between 13% and 16%. While the census tracts in the northeast (13% rate) are estimated to have median incomes in 2019 between approximately \$87,000 and \$118,000, the median income for the census tract to the southeast is estimated to be just over \$74,000 (roughly \$86,000 for family households and \$47,500 for nonfamily households). In the southeastern census tract (16%) rate, there are a large number of age-restricted and independent living facilities, with retired and fixed-income residents likely contributing to the lower median incomes and limited English-speaking households.

While there is some evidence of linguistic isolation along the city's eastern boundary, the rates are not much higher compared to rates found in many other census tracts. The City employs staff that speak English, Spanish, and Vietnamese, and regularly produces public materials in different languages.

Familial Status

Fountain Valley is a predominantly family-oriented community, with approximately 77% of households reported as residents living as a family (see Table H-9 in the Community Profile

section). Citywide, less than 20% of the adult population identifies as living alone. For families with children, more than 60% of children live in married couple households (see Figure H-12). This pattern of familial status is not uncommon in areas that contain a large number of single family homes. Similar rates of married couple households are seen in communities with similar economic demographics such as Huntington Beach and Costa Mesa. Denser urban areas such as Anaheim and Fullerton have a wider array of population demographics, and demonstrate higher rates of adults living alone, as well as higher rates of single parent, female-headed households. The rezoning efforts to be done to accommodate the RHNA allocation (Program 1a) could yield a large number of multifamily units that are more accessible (financially) and desirable to non-family households.

Disability Status

The percentage of people in Fountain Valley that identifies as having a disability is low, with 11% of residents identifying as having a disability (see Table H-12 in the Community Profile section). People with a disability are distributed throughout the city with no patterns of isolation based on disability status. The overall rates and distribution have not changed substantially since 2015 (see Figures H-13 and H-14). Rates and distribution of disability increased and spread farther in northern Orange County cities like Westminster and Garden Grove. Similarly low rates and distribution of disability are seen in neighboring Huntington Beach and Costa Mesa as well as Irvine, Laguna Niguel, and Aliso Viejo. While Fountain Valley does not have a large percentage of residents with a disability, it is worth considering whether there are factors, such as transit access, cost, or ADA accessible units, that tend to preclude disabled individuals from residing in central Orange County jurisdictions. The City is implementing Program 6c, Support for Persons with Disabilities, to better serve residents with a disability.

Conclusion and Summary of Issues

There is no significant evidence of segregation or concentration of households based on race, ethnicity, familial status, or disability status, and rates are either consistent with or better than regional figures. However, there is evidence that a cluster of lower income households live in apartment complexes adjacent to the Fountain Valley Regional Hospital and light industrial uses. The low incomes are influenced by the large number of retired individuals living on fixed incomes in age-restricted or independent living facilities. Overall, however, the area is designated as a moderate resource area and is within walking distance to primary and secondary schools, a community college, local and regional parks, a regional hospital, and a grocery store.

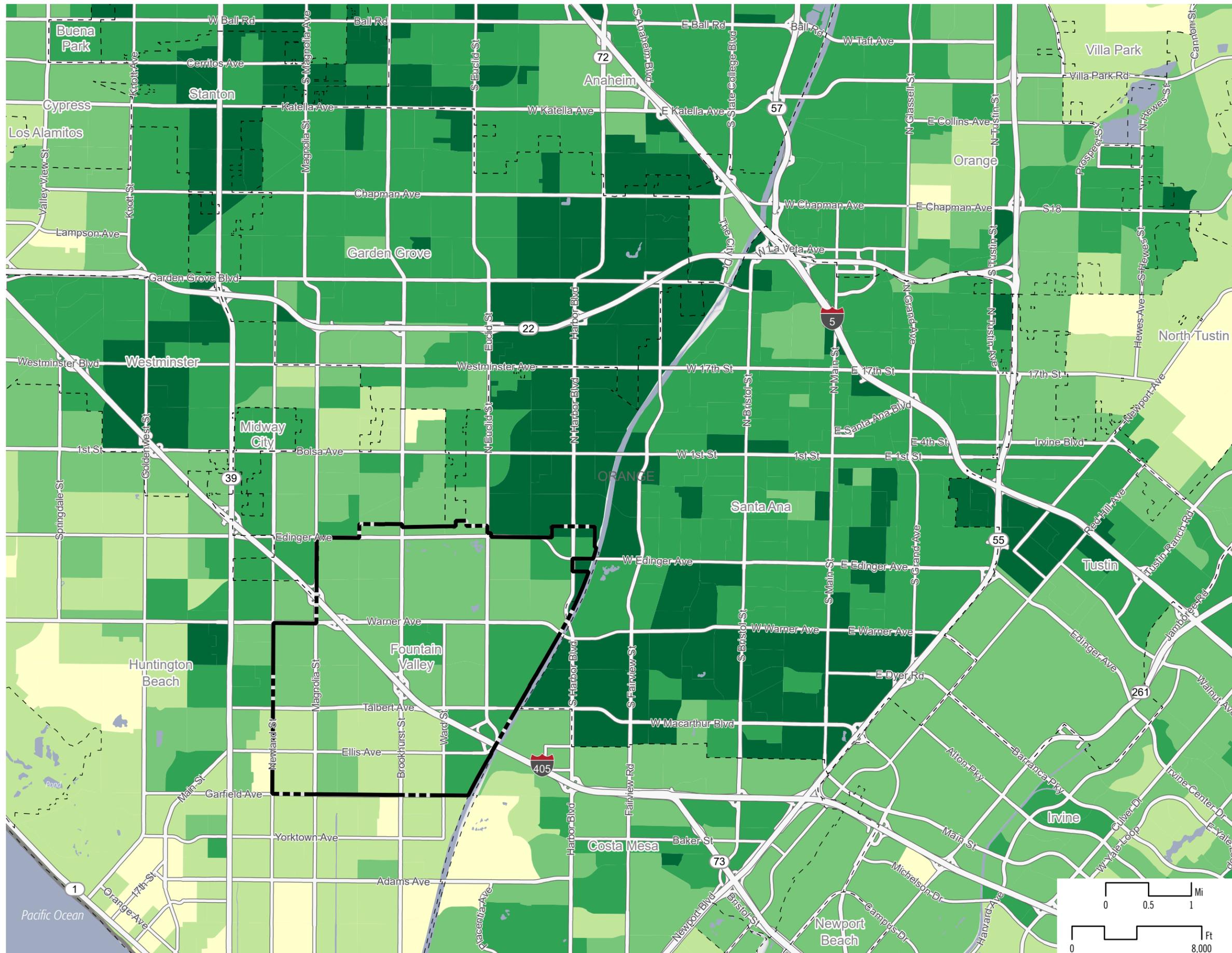
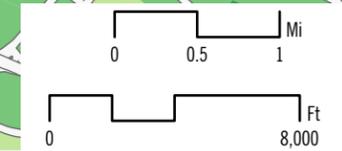


Figure H-6
AFFH Analysis
 Diversity Index
 (2010) - Block Group Level

- Fountain Valley City Limits
- County Boundary
- City Boundary
- Diversity Index 2010
(Block Group)
- Lower Diversity
-
-
- Higher Diversity

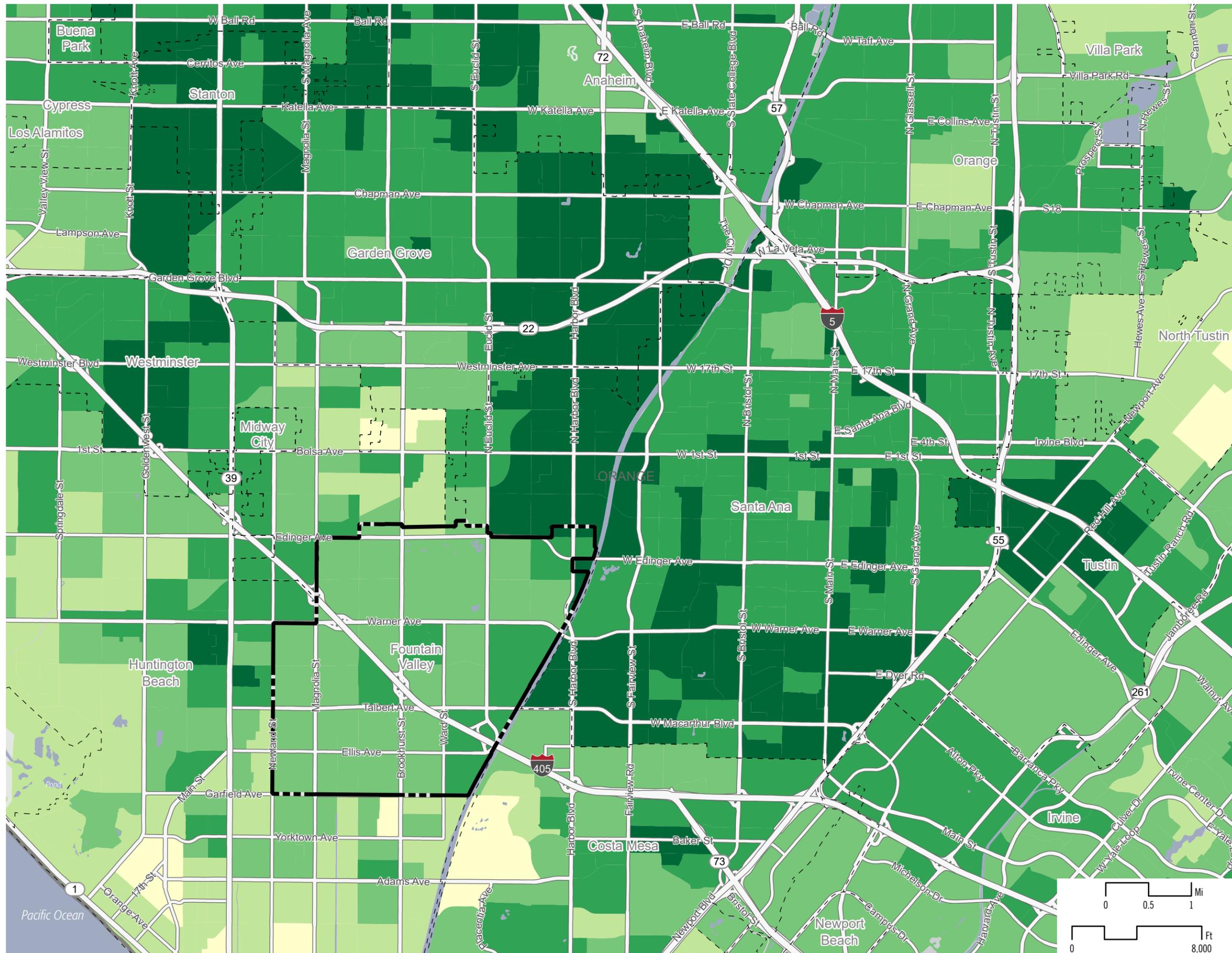


Source: U.S. Census Bureau, PlaceWorks 2021

Date: 9/24/2021



Figure H-7
AFFH Analysis
 Diversity Index
 (2018) - Block Group Level



-  Fountain Valley City Limits
-  County Boundary
-  City Boundary

Diversity Index 2018
 (Block Group)

-  Lower Diversity
- 
- 
-  Higher Diversity

Date: 9/24/2021



Source: U.S. Census Bureau, PlaceWorks 2021

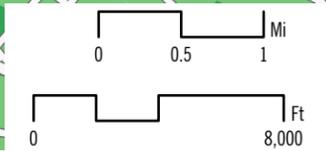
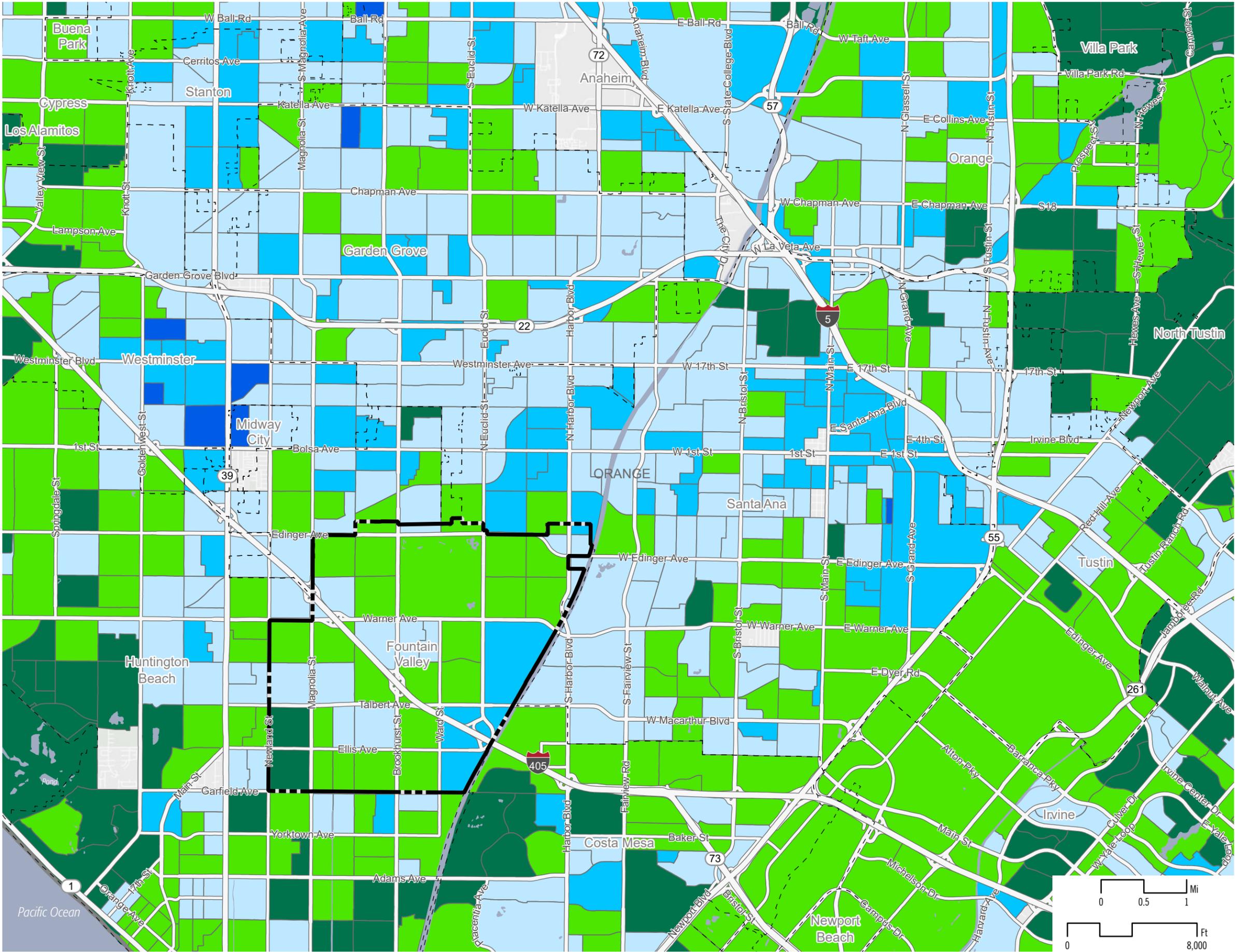


Figure H-8
AFFH Analysis
 Median Income
 (2015 - 2019) - Block Group Level



- Fountain Valley City Limits
- County Boundary
- City Boundary

Median Income

- < \$30,000
- < \$55,000
- < \$87,100 (HCD 2020 State Median Income)
- < \$125,000
- Greater than \$125,000

Date: 9/24/2021



Source: U.S. Census Bureau, PlaceWorks 2021

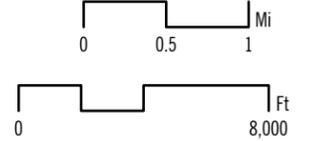
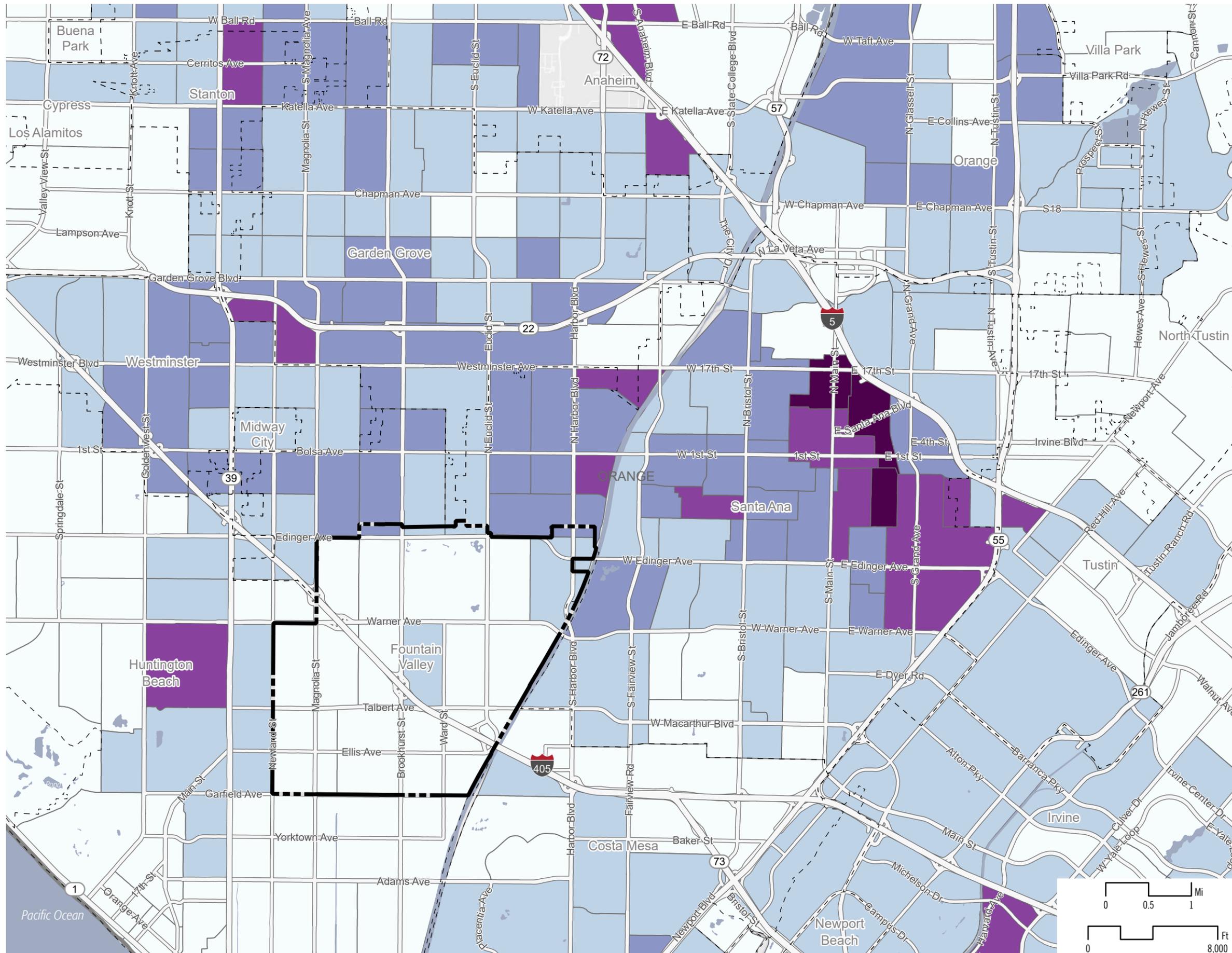


Figure H-9
AFFH Analysis
 Poverty Status
 (2010-2014) - Tract Level



Source: U.S. Census Bureau, PlaceWorks 2021

Date: 9/24/2021

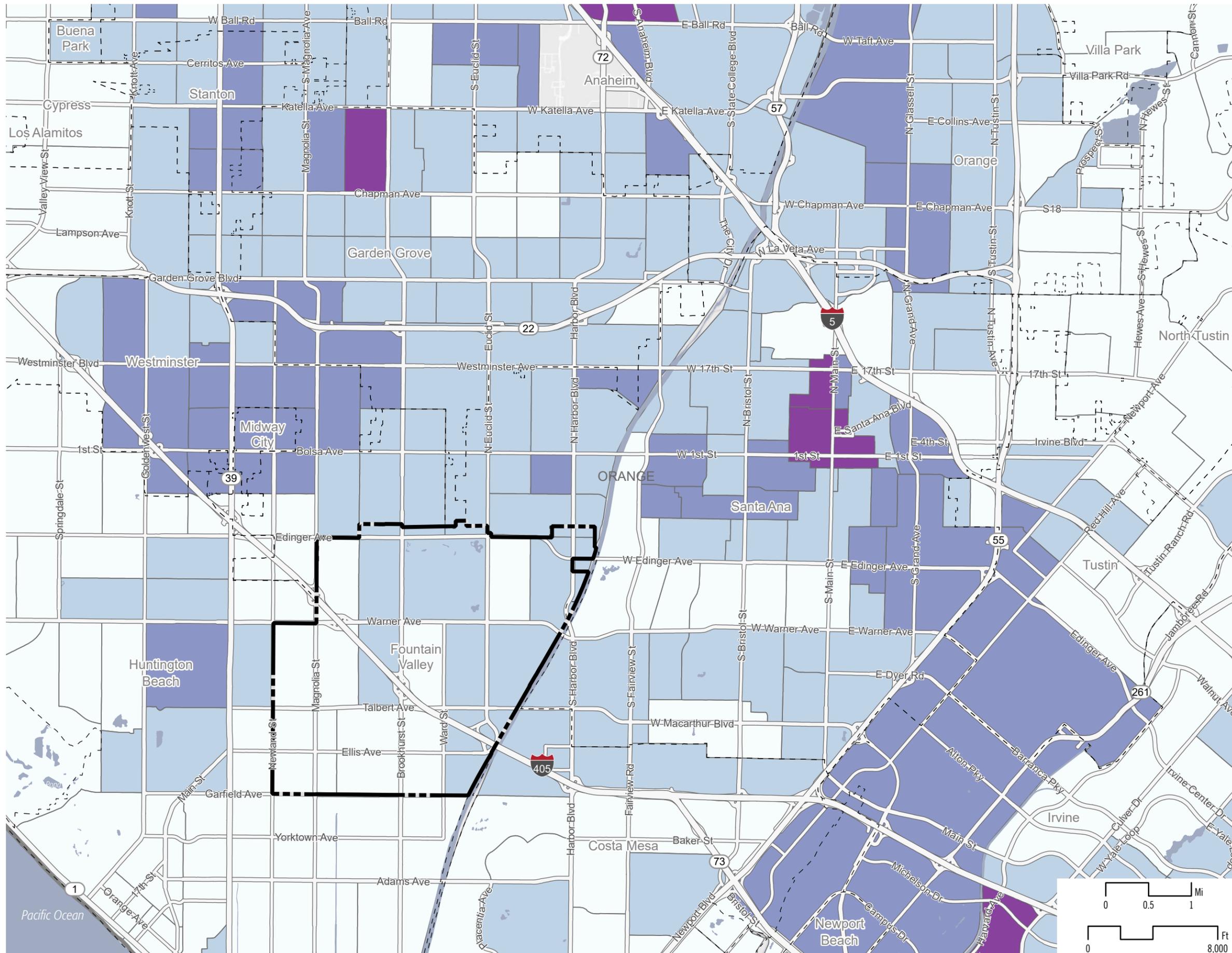


Figure H-10
AFFH Analysis
 Poverty Status
 (2015-2019) - Tract Level

Fountain Valley City Limits
 County Boundary
 City Boundary

Percent of
 Population whose
 income in the past
 12 months is below
 poverty level

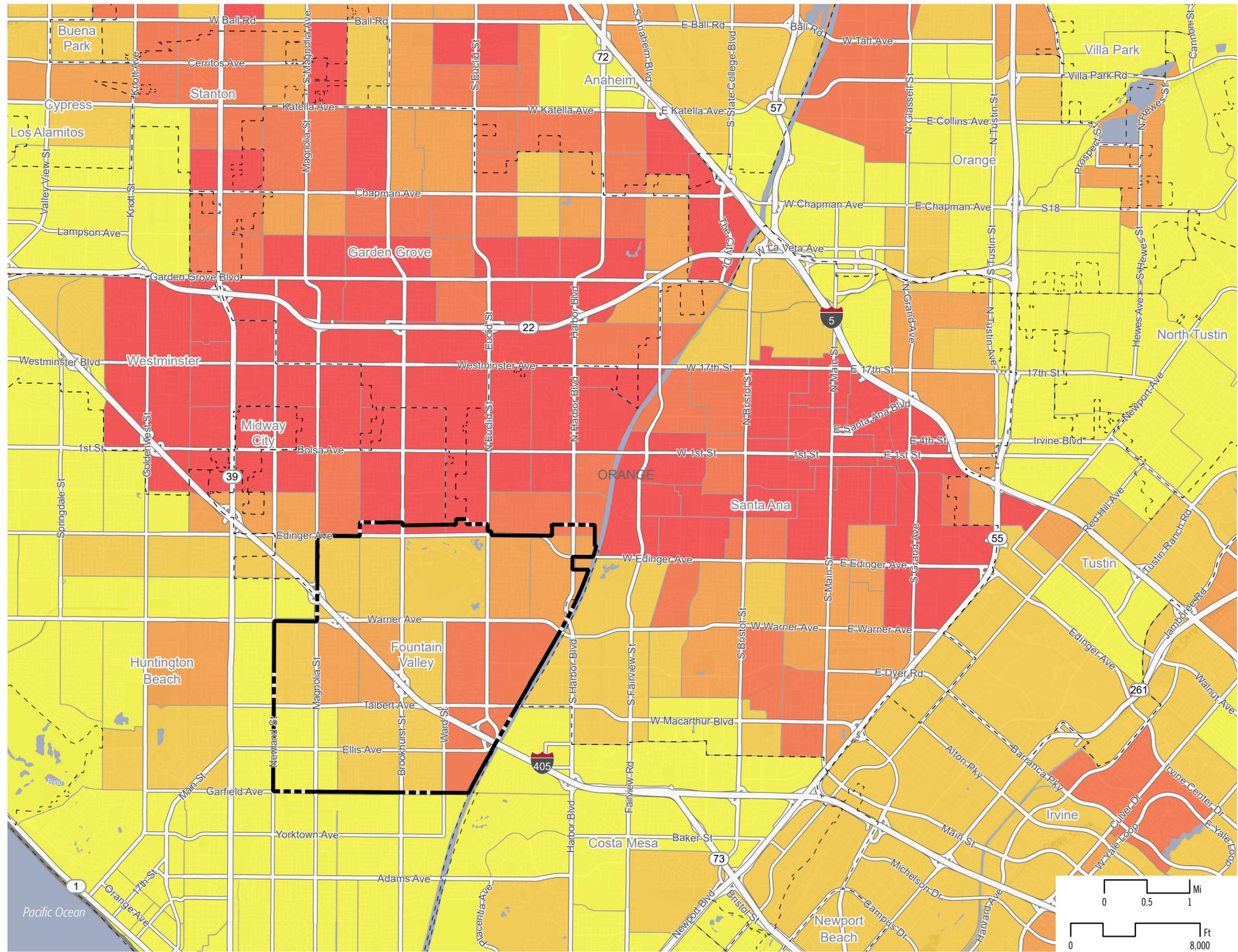
- < 10%
- 10% - 20%
- 20% - 30%
- 30% - 40%
- > 40%

Date: 9/24/2021



Source: U.S. Census Bureau, PlaceWorks 2021

Figure H-11
AFFH Analysis
 Linguistic Isolation
 (2018) - Tract Level



Legend

- Fountain Valley City Limits
- County Boundary
- City Boundary

Percent of Limited English Speaking Households

- Less than 5%
- 5% - 10%
- 10% - 15%
- 15% - 20%
- Greater than 20%

Date: 9/24/2021

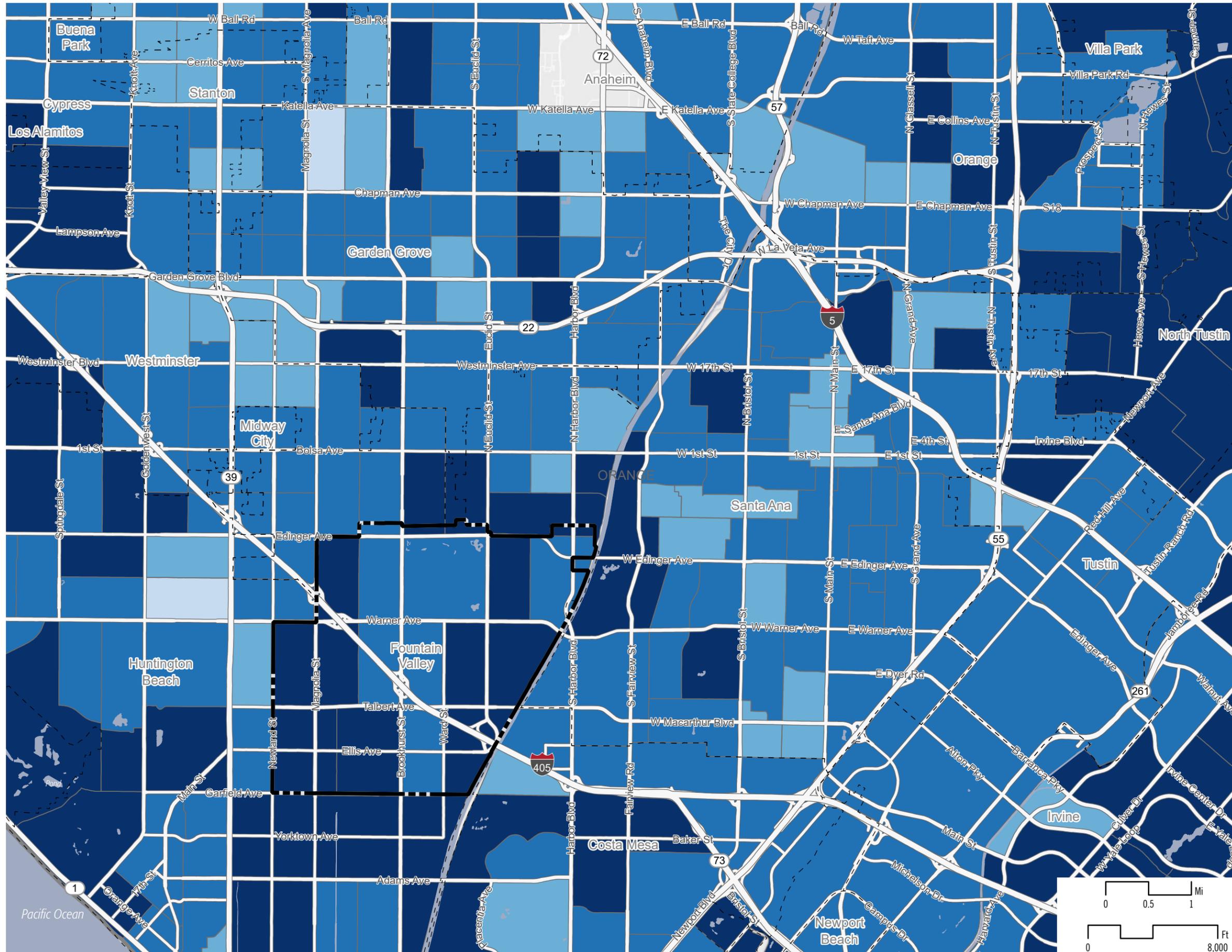


Source: U.S. Census Bureau, PlaceWorks 2021

Figure H-12

AFFH Analysis

Percent of Children in Married Couple Households (2015-2019) - Tract Level



Source: U.S. Census Bureau, PlaceWorks 2021

Date: 9/24/2021



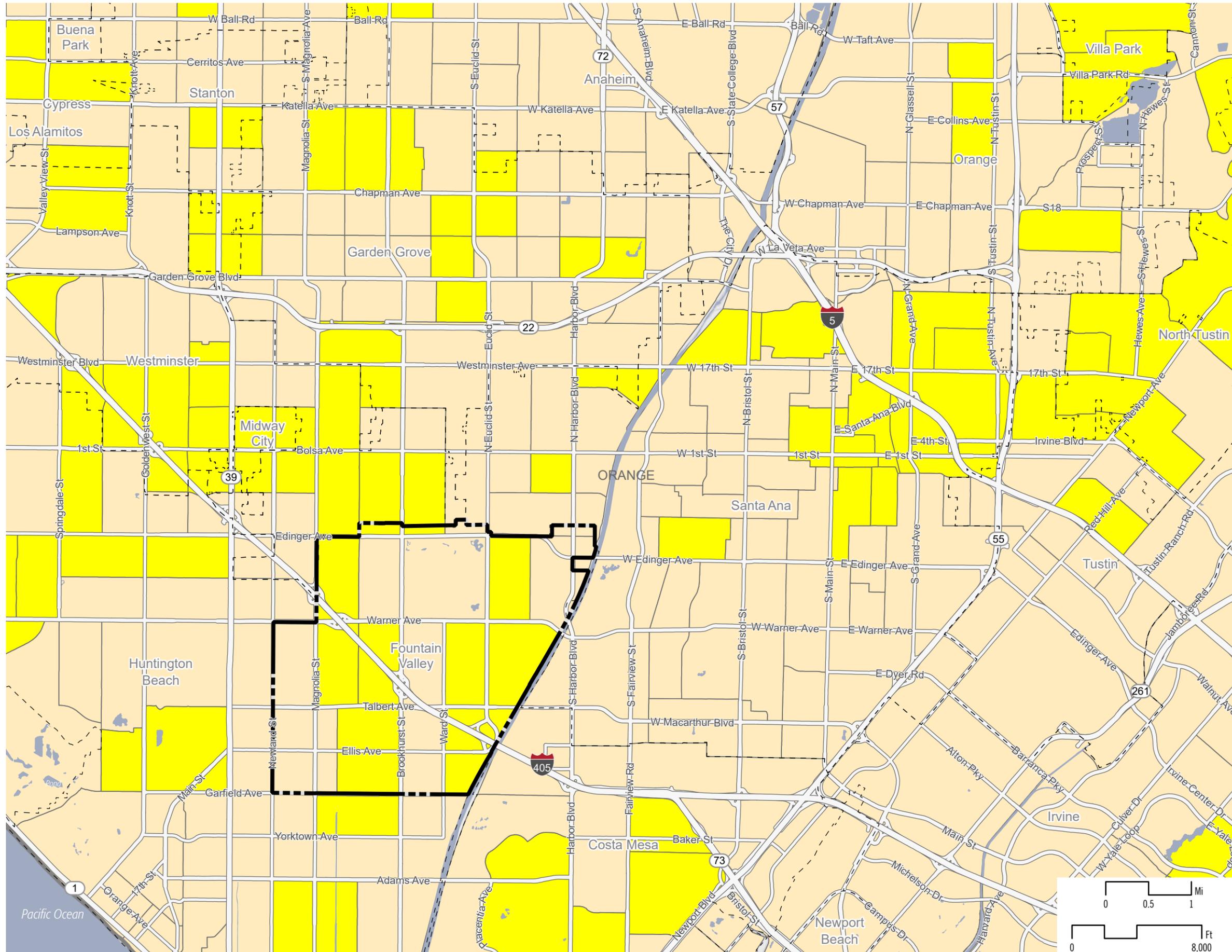


Figure H-13
AFFH Analysis
 Population with a Disability
 (2014) - Census Tract Level

- Fountain Valley City Limits
 - County Boundary
 - City Boundary
- Percent of Population with a Disability
- < 10%
 - 10% - 20%
 - 20% - 30%
 - 30% - 40%
 - > 40%

Source: U.S. Census Bureau, PlaceWorks 2021

Date: 9/24/2021

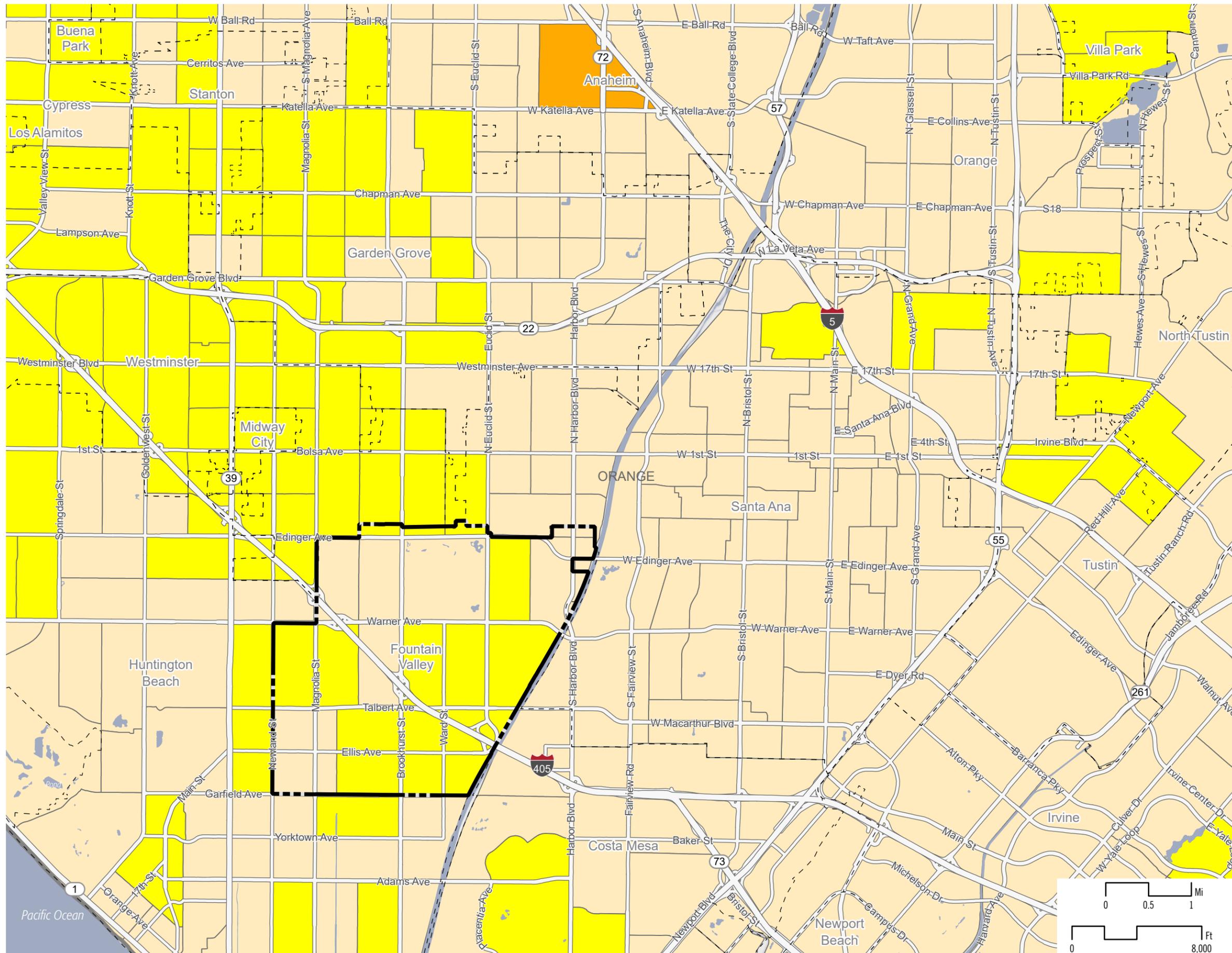
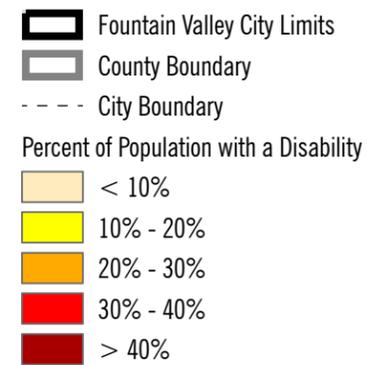


Figure H-14
AFFH Analysis
 Population with a Disability
 (2019) - Census Tract Level



Source: U.S. Census Bureau, PlaceWorks 2021

Date: 9/24/2021

Racially/Ethnically Concentrated Areas of Poverty (R/ECAP)

To help identify areas with racially or ethnically concentrated areas of poverty, HUD developed a definition for racially/ethnically concentrated areas of poverty, or R/ECAPs. HUD defines a R/ECAP at the census tract level, as an area in which the poverty rate exceeds 40 percent or is three or more times the average tract poverty rate for the metropolitan/micropolitan area, whichever threshold is lower. In addition, the area must have a non-white population of 50 percent or more. Census tracts with this poverty rate, that also satisfy the racial/ethnic concentration threshold, are deemed R/ECAPs. Using this methodology, the City of Fountain Valley does not have any census tracts identified as a R/ECAP. There are few R/ECAP areas in the region at large, with only two jurisdictions in Orange County (Santa Ana and Irvine) containing census tracts identified as R/ECAPs. Santa Ana and Irvine are both larger and more diverse jurisdictions compared to Fountain Valley and other southern Orange County cities.

Another method of evaluating patterns of income concentration along racial lines is to identify racially concentrated areas of affluence (RCAA). While there is no regulatory definition for identifying RCAAs, HUD published an article in 2019 titled “Racially Concentrated Areas of Affluence: A Preliminary Investigation”. In this article, the authors found that while “low-wealth communities of color have been thoroughly... portrayed as the most recognizable example of racial and income segregation in the United States, relatively little attention has been given to the other side of the segregation dynamic—the affluent, White community.”

The authors hypothesized that, in the same way that there can be disadvantages for people of color that are living in poverty and are isolated/concentrated, there can be distinct advantages for people living in neighborhoods that are extremely affluent. They also cited previous research indicating that areas of significantly higher affluence that are racially mixed or primarily non-White exhibited a more even distribution of advantages (e.g., good schools and higher property values). In comparison, very affluent areas that are almost or entirely White in racial composition tend to concentrate advantages more intensely. The authors sought to mirror the dimensions and methods that make up the R/ECAP definition and to think of both R/ECAPs and RCAAs as two ends of the same continuum. Accordingly, they defined an RCAA as a census tract in which 80 percent or more of the population is White and has a median income that is roughly double that national median (in their study \$125,000 was about double the 2016 national median household income of \$60,309). Based on a median household income in 2019 of \$77,774 for the Los Angeles-Long Beach-Anaheim metropolitan statistical area, an RCAA is a census tract in which 80 percent or more of the population is White and has a median income of \$155,000. Using this metric, no census tracts qualify as an RCAA in Fountain Valley, no such census tracts throughout the entirety of Orange County, and few throughout the entire SCAG region. Some evidence of concentration begins to emerge once an RCAA is defined as a census tract where both:

- the percentage of White population is 1.5 times higher than the average percentage of total White population for all census tracts in the SCAG region (48% vs 32%); and

- the median household income is 1.5 times higher than the median household income for the SCAG region (\$122,268 vs \$81,512).

It is important to note that this definition is consistent with methodology preferred by HCD, in which a location quotient (1.50 times higher than the average) provides better baseline of comparison across the entire SCAG region and helps to control for extreme outliers compared to a flat rate percentage (80% or greater or more than 200% higher).

There is only one census tract in Fountain Valley that meets these criteria and can be considered a RCAA (see Figure H-15). This census tract is within a designated highest resource area and 55% of the population identifies as White (2020 Census) and a median income of \$142,333. It is important to note, however, that this 64% of the population identified as White alone in the 2010 Census, indicating that the area is becoming more diverse and perhaps transitioning out as an area of concentrated race and affluence. Additionally, according to the 2020 Census, this census tract is 35% Asian, somewhat diminishing the significance of a clustering (55%) of people identifying as White. The majority of this census tract is existing single-family homes with some of the highest values in Fountain Valley. Other uses include Courreges Element School, a number of parks, a couple of townhome tracts, the historic Courreges Ranch, and two neighborhood commercial areas that are performing well.

While there are no opportunities for multifamily infill residential development, the City's opportunity for integrating housing for various economic levels in this census tract is the addition of ADUs on existing lots, as sites in these census tracts are already occupied by existing single-family housing that is unlikely to turn over into a more traditional style of multifamily housing. The addition of ADU's to existing single family lots within these RCAAs provides an opportunity for the City to increase housing opportunities to a more racially and economically diverse population.

New data released by HCD in 2022 appears to indicate a second RCAA in the census tract that contains Mile Square Park (992.25). However, according to the 2020 Census, only 35% of people in the tract identify as White, which would eliminate this tract as an RCAA. Regionally, there are multiple RCAAs identified throughout Orange County. The highest concentration of RCAAs is seen in southern Orange County, and in coastal jurisdictions throughout the county. This trend mimics spatial patterns identified in distribution for median income and percent of non-white population, as expected for the defined criteria of a RCAA. South Orange County and coastal jurisdictions tend to have larger concentrations of residents who identify as White, as well as larger median incomes than larger and more dense jurisdictions to the north, in large part due to the historical discrepancy in housing values between coastal communities and non-coastal communities.

Conclusion and Summary of Issues

While there are no R/ECAPs, the southwest corner of the city demonstrates some potential concentration of residents who are both White and affluent. This area, however, contains 55% White and 35% Asian residents, and patterns indicating growing diversity.

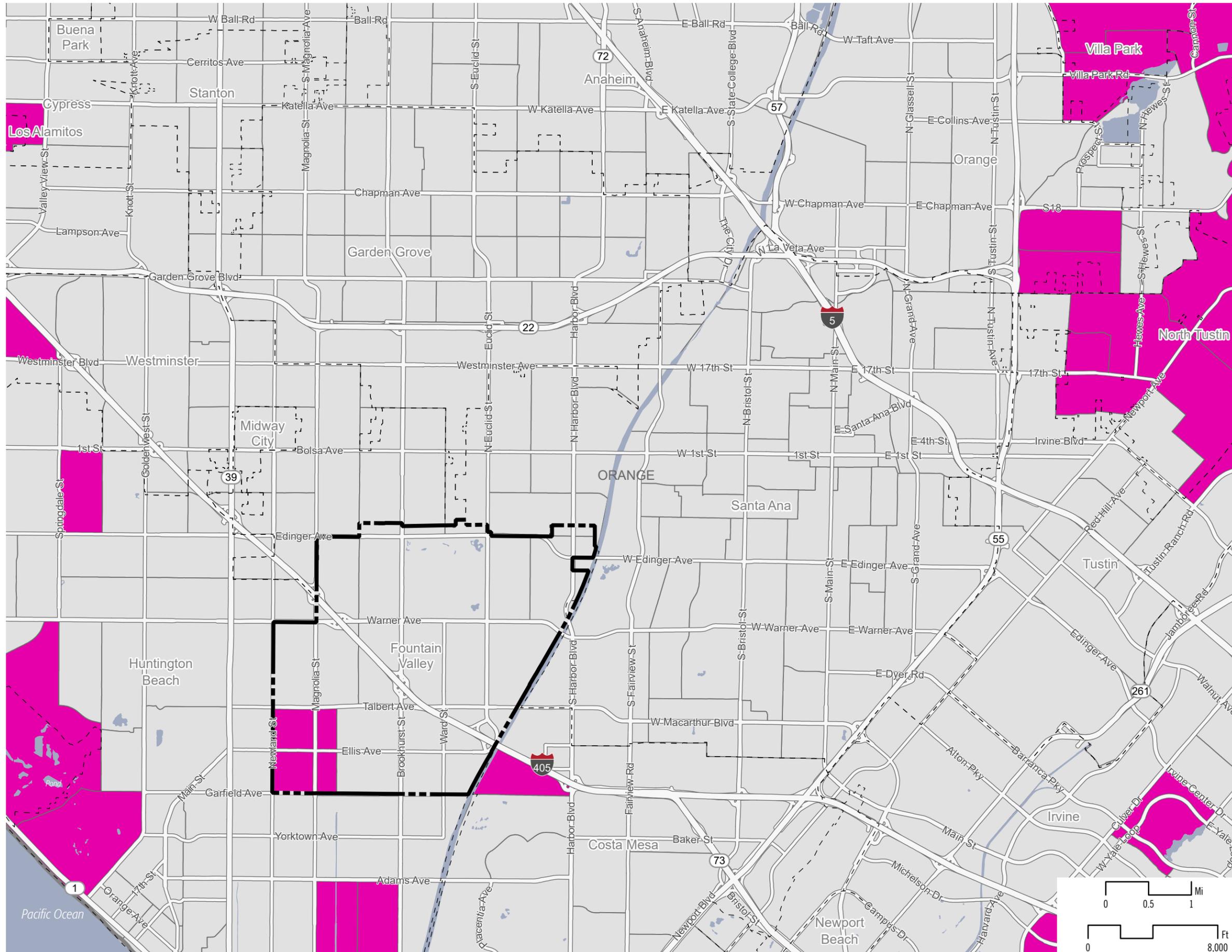
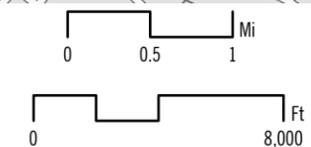


Figure H-15
AFFH Analysis
 Racially Concentrated Areas
 of Affluence - Tract Level

- Fountain Valley City Limits
- County Boundary
- City Boundary
- Racially Concentrated Areas of Affluence**
- 0 - Not a RCA
- 1 - RCA



Date: 9/24/2021



Source: U.S. Census Bureau, PlaceWorks 2021

Access to Opportunity

Jobs Proximity

The City enjoys above average access and proximity to jobs, according to the HUD 2017 Jobs Proximity index scores (see Figure H-16). Higher Index scores indicate a residential neighborhood's proximity to jobs and job centers within a given core-based statistical areas, with larger employment center weighted more heavily. The City's moderate resource area, located along the Santa Ana River on the eastern border of the City boasts a job proximity index score of 91. This high index score is likely based on proximity to a large regional employment hub in and around Irvine. Areas in north and western Fountain Valley see lower index scores, but only drop to a proximity index score of 41 in the lowest scoring areas, still considerably higher than other areas in the region such as Garden Grove and Anaheim, where proximity scores drop to a value as low as 3. Communities in the central Orange County region see more block groups with high proximity scores, with those communities again centered around the regional employment hub in Irvine. In 2019, the mean travel time to work for a commuter in Fountain Valley was 27.7 minutes, just slightly lower than the Orange County average commute time of 28 minutes. Below average commute times may be another factor in the above average jobs proximity index scores in Fountain Valley.

Environmental Burden

In February 2021, the California Office for Environmental Health Hazard Assessment (COEHHA) released the fourth version of CalEnviroScreen (CES), a tool that uses environmental, health, and socioeconomic indicators to map and compare community's environmental scores. A census tract with a high CES score has higher levels of pollution and other negative environmental indicators, while the inverse is true for low CES scores. The CES tool combines over 21 pollution and population factors to create individual and composite CES scores. Those census tracts that are in the upper quartile (75th percentile) compared to all census tracts in California are considered disadvantaged from the perspective of environmental justice.

Most census tracts in Fountain Valley received CES composite scores well below the 60th percentile, with those along the Santa Ana River Channel showing scores between the 55th and 60th percentile. No census tract in Fountain Valley was close to qualifying as a disadvantaged community (75th percentile). One census tract with a score at the 56th percentile correlates with the City's only low resource area and an area of high diversity. Land uses in this census tract are a mix of single and multifamily housing, a high school, and commercial and auto service centers. The primary reason for the 56th percentile score for the census tract in Fountain Valley is proximity to a census tract within Santa Ana across the channel. The census tract in Santa Ana contains multiple sites that have been documented to handle and/or have spilled hazardous chemicals, which increases the potential risk of exposure to pollution for nearby residents. Without proximity to the uses in Santa Ana, the CES composite score for the census tract in Fountain Valley would likely be below the 50th percentile. Additionally, the Santa Ana River Channel serves as a substantial buffer between the two cities and likely decreases the pollution risk for census tracts in Fountain Valley (this buffering is not factored into the CES methodology).

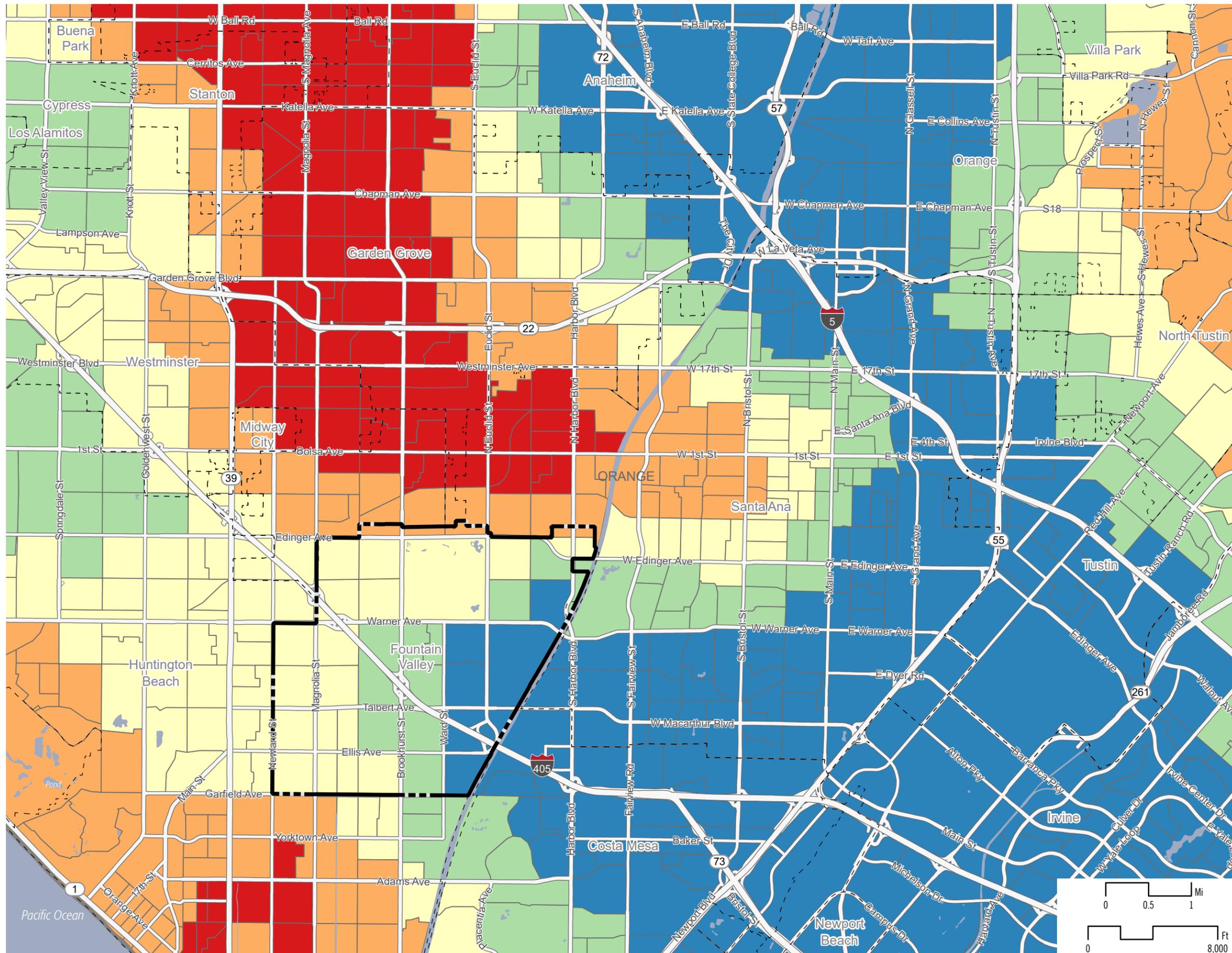


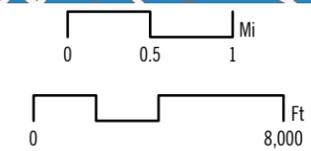
Figure H-16
AFFH Analysis
 Job Proximity Index
 (2017) - Block Group Level

- Fountain Valley City Limits
- County Boundary
- City Boundary
- Jobs Proximity Index**
- < 20 (Furthest Proximity)
- 20 - 40
- 40 - 60
- 60 - 80
- > 80 (Closest Proximity)

Date: 9/24/2021



Source: U.S. Census Bureau, PlaceWorks 2021



Access to Education

Each year, the California Department of Education publishes performance metrics for each school in the state, including student assessment results for English Language Arts and Mathematics as they compare to the state on meeting grade-level standards. Reporting of educational indicators were suspended in 2020 due to the COVID-19 pandemic; therefore, 2019 is the more recent data available.

Schools are fairly well distributed throughout the City with no areas of dramatically lower access or proximity to schools at the elementary level and at all levels for English Language Arts (see Table H-28). Fountain Valleys’ highest performing schools (Ethan B. Allen Elementary, Vista View Middle School, and Fountain Valley High School) are located in high resource areas with low rates of poverty, higher rates of home ownership, and higher median incomes, suggesting residents attending these schools may have more economic and housing stability than residents of low resource areas.

Fountain Valley’s lowest performing school (Mamie L. Northcutt Elementary) is located in a low resource area. Socioeconomically disadvantaged students and students with disabilities had the highest rate of chronic absenteeism (missing more than 10 percent of instructional days) and suspension rate, further indicating the role of housing security in student performance and engagement at school. While most schools in the district perform similarly, there is not a significant difference in access to schools based on proficiency. Overall, addressing housing security and availability may improve educational opportunities for all students, and particularly students residing in low resource areas. Programs 2a, Housing Choice Vouchers and 2c, Nonprofit Development, address housing security and availability concerns, and may improve educational opportunities for all students, and particularly students residing in low resource areas.

**TABLE H-28
SCHOOL PERFORMANCE METRICS, 2019**

School	Scores ▲ above standard ▼ below standard		% Prepared College/Career Prep
	English Language Arts	Mathematics	
Statewide Average	▼ 2.5	▼ 33.5	44.1%
School Districts			
Fountain Valley Elem.	▲ 60.2	▼ 56.5	n/a
Garden Grove Unified	▲ 23.8	▼ 1.3	56.8%
HB Union High	▲ 64.2	▼ 9.0	55.3%
Ocean View	▲ 26.7	▲ 13.8	n/a
High Schools			
Fountain Valley	▲ 94.3	▼ 39.1	68.2%
Los Amigos	▲ 2.9	▼ 74.3	41.6%
Middle Schools			
Harry C. Fulton 6-8	▲ 74.7	▼ 66.6	n/a
Kazuo Masuda 6-8	▲ 52.2	▼ 58.5	n/a
Vista View 6-8	▲ 14.3	▲ 9.0	n/a
Elementary Schools			
Ethan B. Allen K-6	▲ 106.5	▲ 88.1	n/a

TABLE H-28
SCHOOL PERFORMANCE METRICS, 2019

School	Scores ▲ above standard ▼ below standard		% Prepared
	English Language Arts	Mathematics	College/Career Prep
Hisamatsu Tamura K-5	▲ 67.2	▲ 71.2	n/a
James H Cox K-5	▲ 37.2	▲ 42.1	n/a
James Monroe K-6	▲ 4.6	▲ 25.8	n/a
Mamie L. Northcutt K-6	▲ 1.2	▲ 16.7	n/a
Robert Gisler K-5	▲ 45.0	▲ 24.2	n/a
Roch Courreges K-5	▲ 63.7	▲ 63.8	n/a
Urbain H. Plavan K-5	▲ 63.9	▲ 59.9	n/a

Source: California School Dashboard, 2019

Access to Transit

Fountain Valley Residents are served by the Orange County Transit Authority (OCTA) bus system for public transportation, with local bus route and community bus routes and stops throughout Fountain Valley. Routes that operate in Fountain Valley include community route 172 east/west along Garfield Avenue, and local routes 70, 72, and 76 east to west along major thoroughfares including Edinger Avenue, Warner Avenue, and Talbert Avenue. Local routes 33, 35, 37, and 43 operate north to south along Magnolia Street, Brookhurst Street, Euclid Street, and Harbor Boulevard.

Local route 70 operates east to west along Edinger Avenue and provides an opportunity for Fountain Valley residents to connect to the Goldenwest Transportation Center in Huntington Beach, where riders can connect to regional bus lines to the Buena Park Metrolink Link Transportation Station. There are no lines within Fountain Valley that offer 15-minute weekday rush hour frequency (offered in north and west Orange County). Standard fare for OC Bus is \$2 to board and \$5 for a one-day pass (unlimited transfers). Seniors, individuals with disabilities, and youth are eligible for discounted fares; and unlimited 30-day passes are available for \$69.

Rail service is provided by Metrolink, a train system offering connections across southern California, with service Monday through Friday from roughly 4 AM to 8 PM and a reduced schedule on weekends. The nearest Metrolink train stations are the Santa Ana Metrolink Station and the Buena Park Metrolink Station. Metrolink stations offer additional access to destinations and employment centers throughout southern California. Discounts are available for a seven-day (\$42) and monthly (\$168) pass, as well as those who are seniors, students, youths, active military, disabled, or on Medicare. Given that a large number of routes and stops are available to residents, particularly in the City's only low resource area, access to transit is not considered a barrier to fair housing in the City.

Conclusion and Summary of Issues

Overall, all areas in Fountain Valley have good access to economic, education, and transit opportunities. Every part of the city is within close driving distance to nearby employment hubs,

although the eastern half has somewhat better access (including the low resource areas). There are no significant environmental hazards affecting any part of the city, with the only potential pollution hazards essentially a reflection of a census tract in the adjacent city that is separated from Fountain Valley by a drainage channel. Access to high quality education facilities is distributed across the city, though some of the highest performing schools are clustered in the northern part of the high resource area. Access to public transit is best in the low and moderate resource areas, both for local service and access to regional transit hubs.

Disparate Housing Need and Displacement Risk

Overcrowding

As discussed in the housing needs assessment, overcrowding of households is not a prominent issue in Fountain Valley, affecting less than 2% of all households in the City (see Figure H-17). While the data provided by the state reflects the 2006-2010 time period, data from the 2015-2019 time period indicates similar numbers. When rates are broken down by tenure, it appears that rental households experience a higher rate of overcrowding at 8%. In the northeast corner of the city, the only census tract designated as a low resource area, overcrowding decreased from approximately 10% in 2010 to 5% in 2019.

Overcrowding increased in the Green Valley Park neighborhood (census tract north of Talbert Avenue and west of Euclid St), from below 8% in 2010 to 13% in 2019. Median incomes in this census tract, however, are very high at just over \$100,000 (moderate to above moderate income given an average household size of 2.5 for renters and 3.4 for homeowners in the census tract). It is likely that some residents chose to locate in smaller housing units in this area so that their children can walk to Cox Elementary School, Masuda Middle School, and Green Valley Park. Given the income levels in census tracts with higher rates of overcrowding, overcrowding is not considered an issue. Even in the low resource area, median incomes are between \$87,000 and \$118,000 (at least moderate income given an average household size of 2.7).

Fountain Valley experiences lower rates of household overcrowding; in 2019, 3.9% of all households are considered overcrowded, approximately 7.8% of renter households and 3.3% of owner-occupied. This is lower compared to neighboring cities like Santa Ana (29.9%), Garden Grove (14.8%), but higher than Huntington Beach (3.7%). Orange County has a 9.1% overcrowding rate higher than the statewide average of 8.2% and a little over two times higher than the City. Rates of overcrowding for rental households countywide is 15.6%, almost two times higher than the City (7.8%), but significantly lower than Santa Ana (40.7%) and Garden Grove (21.6%). Extremely low-income and very low-income residents have the highest rates (14.6%) of overcrowded households countywide.

Overpayment

Approximately 63% of renter and 42% of mortgage-holding households in Fountain Valley experience some level of overpayment. The pattern of homeowners who are spending more than 30% of their income on housing is relatively even in distribution (see Figure H-18), with few spending more than 50% of their income on housing. This is not unexpected as homeowner households tend to earn much higher incomes and can afford to overpay somewhat due to the tax benefits of homeownership and the amount of discretionary income these households still have even after paying for housing.

In contrast, the vast majority (70%) of the City's renter households that earn less than \$50,000 spent over half of their income on rent, with roughly two-thirds of such households paying at least \$1,500 per month in rent. In some areas of the City, up to 78% of all renters are cost burdened. The dispersion of renter cost burden follows a unique pattern, with areas of highest cost burden concentration appearing in the designated high and highest resource areas of the City, as well as the City's only designated low resource census tract (see Figure H-19). The high quality of school districts serving Fountain Valley likely increases market rents for rental housing, and it is likely that some residents are willing to overpay for rental housing within the city boundaries so that their children can attend schools in Fountain Valley. Programs 2a, Housing Choice Vouchers, and 2e, Homebuyer Assistance, address the overpayment condition experienced by rental and ownership households.

Fountain Valley exhibits both higher rates of overpaying renter and owner households compared to the City of Irvine (48% renter, 33% owner). This City was used for comparison as it also served by a highly-rated school district that attracts families who are willing to overpay to live in the school district boundaries. According to the 2016-2020 ACS, the median income for Irvine (\$108,318) is substantially higher compared to Fountain Valley (\$89,924), while the median rent (\$2,425 for Irvine, \$2,100 for Fountain Valley) is more similar. Countywide, approximately 57% of renter households are spending more than 30% of their income on rent alone, which is lower than Fountain Valley's rate of renter overpayment.

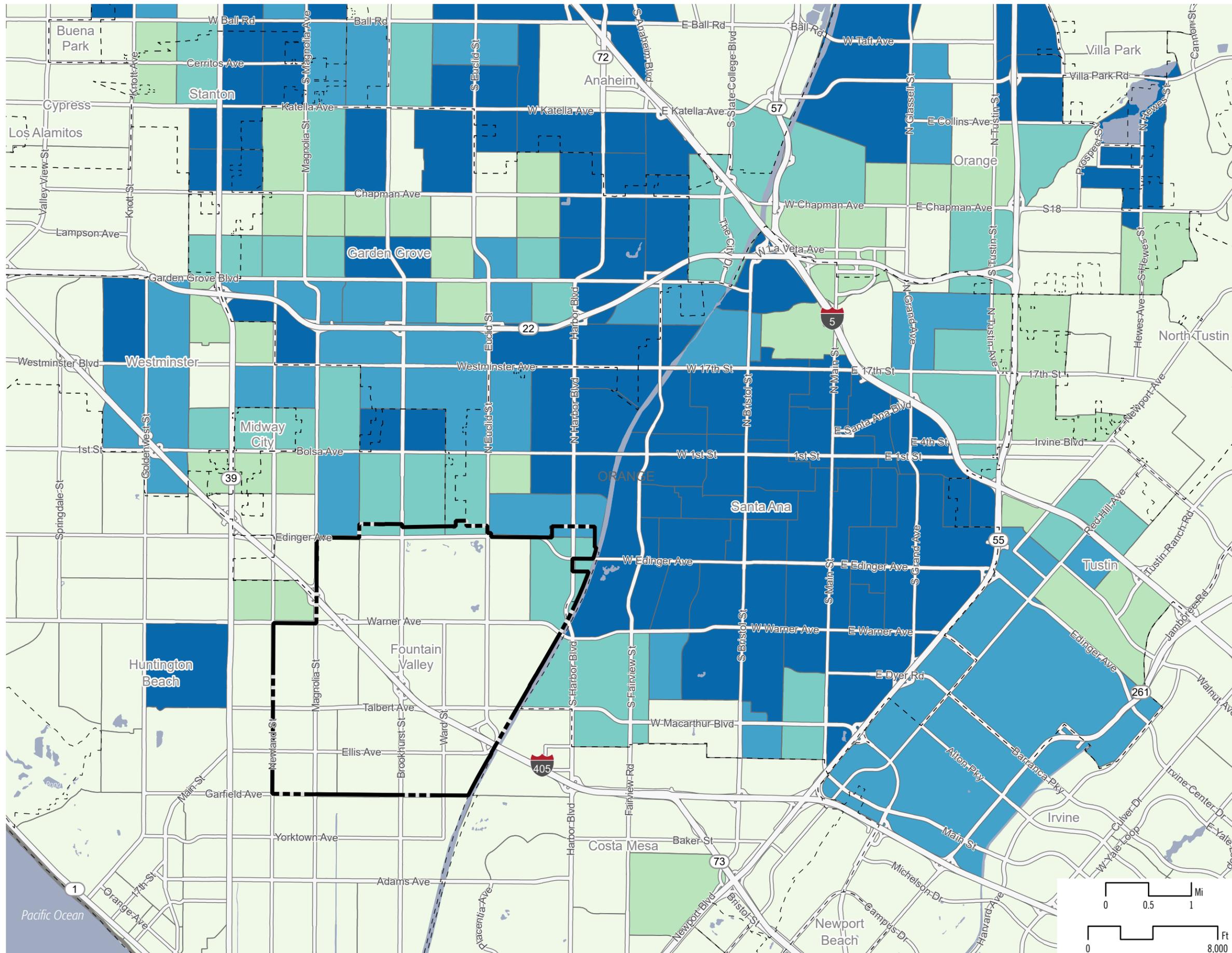


Figure H-17
AFFH Analysis
 Overcrowded Households
 (2006-2010) - Tract Level

- Fountain Valley City Limits
- County Boundary
- City Boundary
- Percent of Overcrowded Households**
- < 8.2% (Statewide Average)
- 8.3% - 12%
- 12.01% - 15%
- 15.01% - 20%
- > 20%

Source: U.S. Census Bureau, PlaceWorks 2021

Date: 9/24/2021

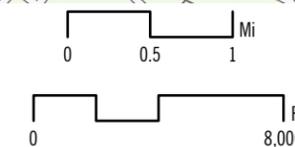
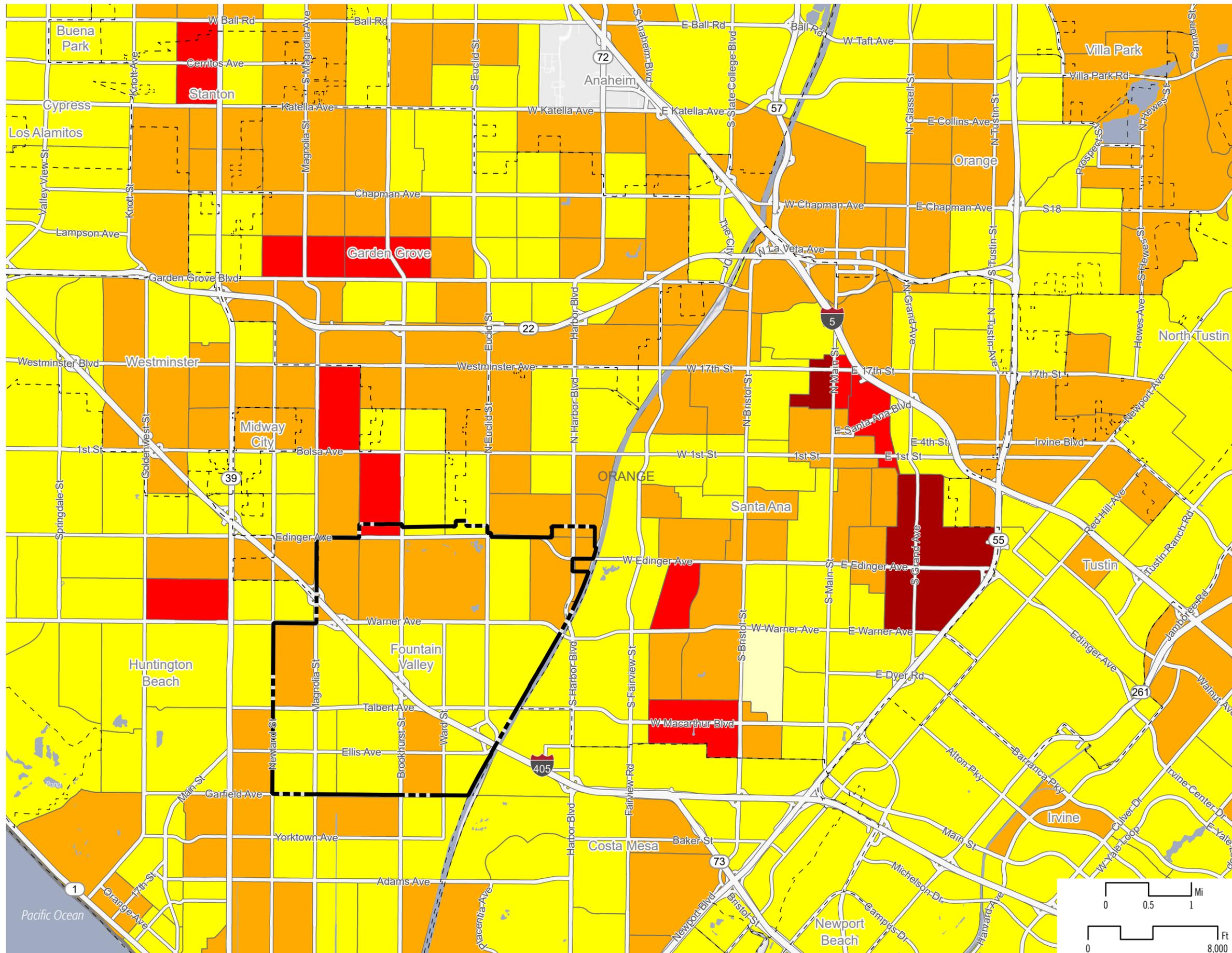


Figure H-18
AFFH Analysis
 Overpayment by Homeowners
 (2015-2019) - Tract Level

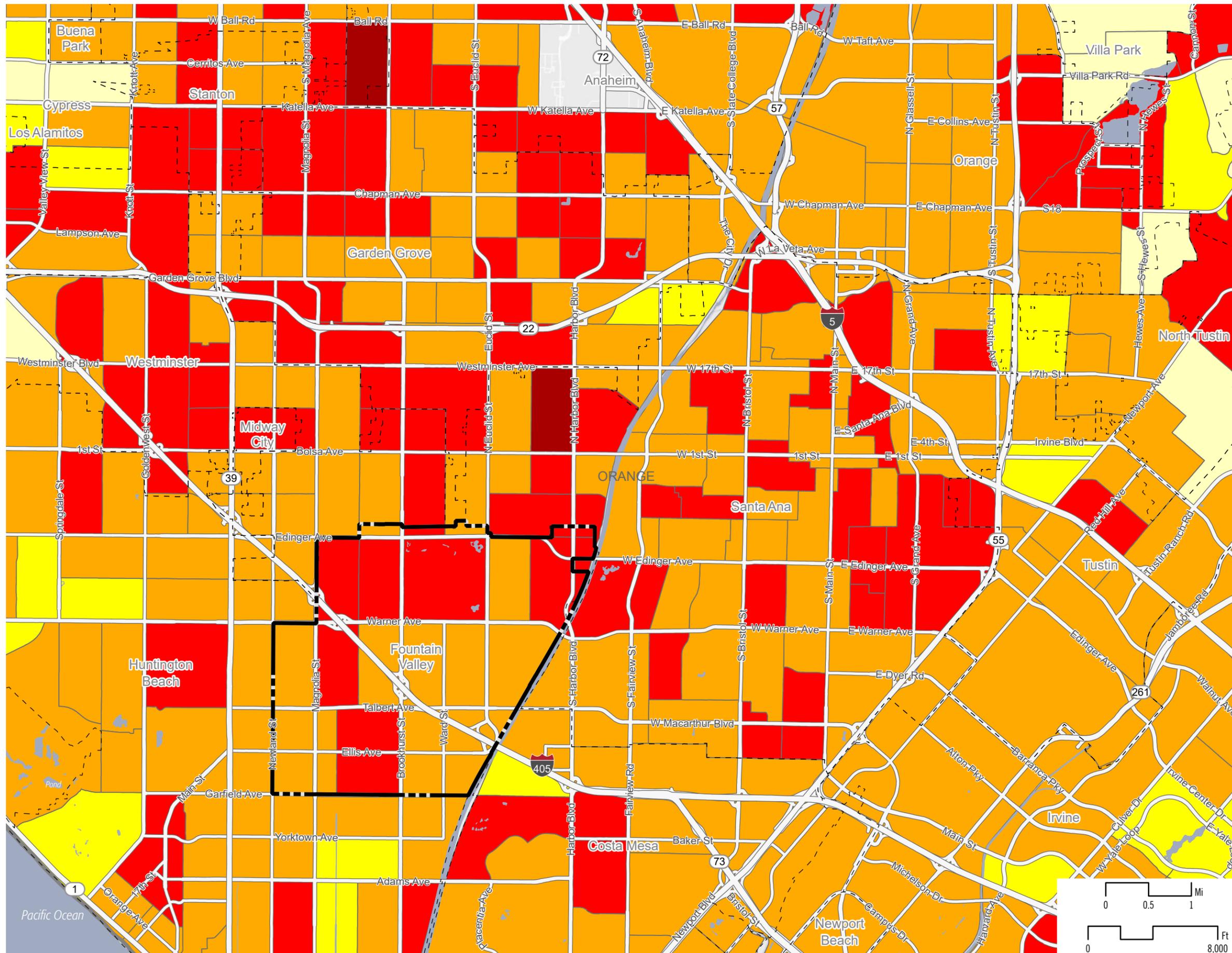


Source: U.S. Census Bureau, PlaceWorks 2021

Date: 9/24/2021



Figure H-19
AFFH Analysis
 Overpayment by Renters
 (2015-2019) - Tract Level



Fountain Valley City Limits
 County Boundary
 City Boundary

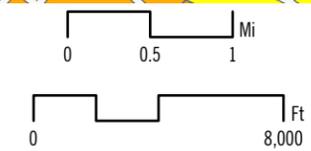
Percent of Renter Households for whom Gross Rent (Contract Rent Plus Tenant-Paid Utilities) is 30.0 Percent or More of Household Income

- < 20%
- 20% - 40%
- 40% - 60%
- 60% - 80%
- > 80%

Date: 9/24/2021



Source: U.S. Census Bureau, PlaceWorks 2021



Substandard Housing

In December 2019, City staff conducted a windshield survey of the city to assess the maintenance and rehabilitation needs of the City's housing stock. Only 475 housing units were identified by staff that showed obvious deferred maintenance issues, all of which could be repaired if the owner had the resources and desire to do so. There were not any properties with deferred maintenance so great they would not be able to be repaired. The great majority of the City's housing stock was in good or excellent condition. Each of the 475 properties identified were sent information regarding the City's Home Improvement Program. By comparison, the County documented approximately 300 units that had fallen into various states of disrepair throughout the unincorporated areas, of which 29 required extensive rehabilitation or wholesale replacement to be considered safe for occupation.

The presence of lead-based paint can also be a hazardous housing condition, but the City estimates the total number to be very low. Since testing began in 2002, only two homes of over 100 tested contained any lead-based paint hazards, both of which were minimal amounts. Programs 4a and 4c, Home Improvement and Lead Based Paint Hazard Grant Programs, are intended to improve the condition of housing throughout the City.

Homelessness

Persons experiencing homelessness, or at risk of becoming homeless, are typically extremely low-income and are displaced from housing due to inability to pay or other issues. In 2022, the Point-in-Time Count recorded approximately 38 unsheltered homeless persons living in the City of Fountain Valley. This is approximately one percent of the total countywide unsheltered population, which has a total of 3,057 persons. Compared to the region, the City has a smaller percentage of its population that is homeless than most central Orange County cities, like neighboring Santa Ana (508), Huntington Beach (188), and Costa Mesa (150). While there are several shelters and homeless resources throughout the region are available to homeless residents of Fountain Valley (Table H-14), there are limited services available inside city limits. The City currently contracts with City Net, a regional non-profit, to assist with outreach and provision of homeless services. Program 5b, Support for Homeless Services, describes the City's commitment to serving persons experiencing homelessness. In order to facilitate the construction of emergency shelters, the City has included Program 3e to allow low-barrier navigation centers in all zones that allow mixed-use and non-residential zones that allow multifamily uses.

Displacement Risk

The Urban Displacement Project (UDP) estimates the displacement risk for census tracts in California by evaluating factors and characteristics that would result in a net migration of lower income renter households out of the census tract. According to this data, released in 2022, every single census tract in Fountain Valley is considered to have a low displacement risk. However, to

be conservative and recognize the UDP's stated limitations, the weighed several other criteria to determine the displacement risk of vulnerable populations at the census tract level. A tract's population was considered vulnerable to displacement if more than 20 percent of households are in the low income category and satisfied two or more of the following criteria: at least 40 percent of households are renters; at least 50 percent of residents are people of color; or the proportion of severely rent-burdened, very-low income households is higher than the county median. So while the UDP attempts to estimate risk based on net migration patterns (amongst other criteria), the City's evaluation considers displacement risk based on conditions that may demonstrate a potential for housing units (and their occupants) to be displaced by new development.

Using the criteria described above, the City identified eight tracts wholly within its boundary with populations vulnerable to displacement (see Figure H-20). Four of the eight tracts span almost the entire width of the City along its midline, with a small protrusion into the southeast corner. Collectively, this central band contains most the City's multifamily residential developments. The easternmost tract in this band contains a significant portion of the City's non-residential uses, a large single family development, and several multifamily communities. The three adjacent tracts in the center contain many of the City's large multifamily developments. The final two tracts with populations vulnerable to displacement are in the northwestern and northeastern corners of the City. Both tracts contain a mix of older single family neighborhoods and multifamily communities. All six census tracts report a history of renter overpayment combined with higher rates of households living below the federal poverty line. Program 2a, Housing Choice Vouchers, includes comprehensive outreach in lower income neighborhoods to promote the availability of the County-administered Section 8 program.

Conclusions and Summary of Issues

Housing in Fountain Valley is uncrowded and in good condition, though attention may be needed to ensure those homes that are aging are well maintained. It is expensive to live in Fountain Valley, particularly for those households with incomes below the state median average. While there are many rental households that may choose to overpay for housing (perhaps to access the school districts), there are likely many other rental households who struggle while spending 30 percent or more on housing costs. New housing opportunities, if affordable, will benefit such households, while new market-rate housing may lead to increased risk of displacement for those rental households spending more than 50 percent of their income on housing. Homelessness remains an issue facing the City of Fountain Valley as well as the greater southern California region, however the City's recent action to pursue a jointly developed low barrier navigation center aims to alleviate the strain on homeless individuals.

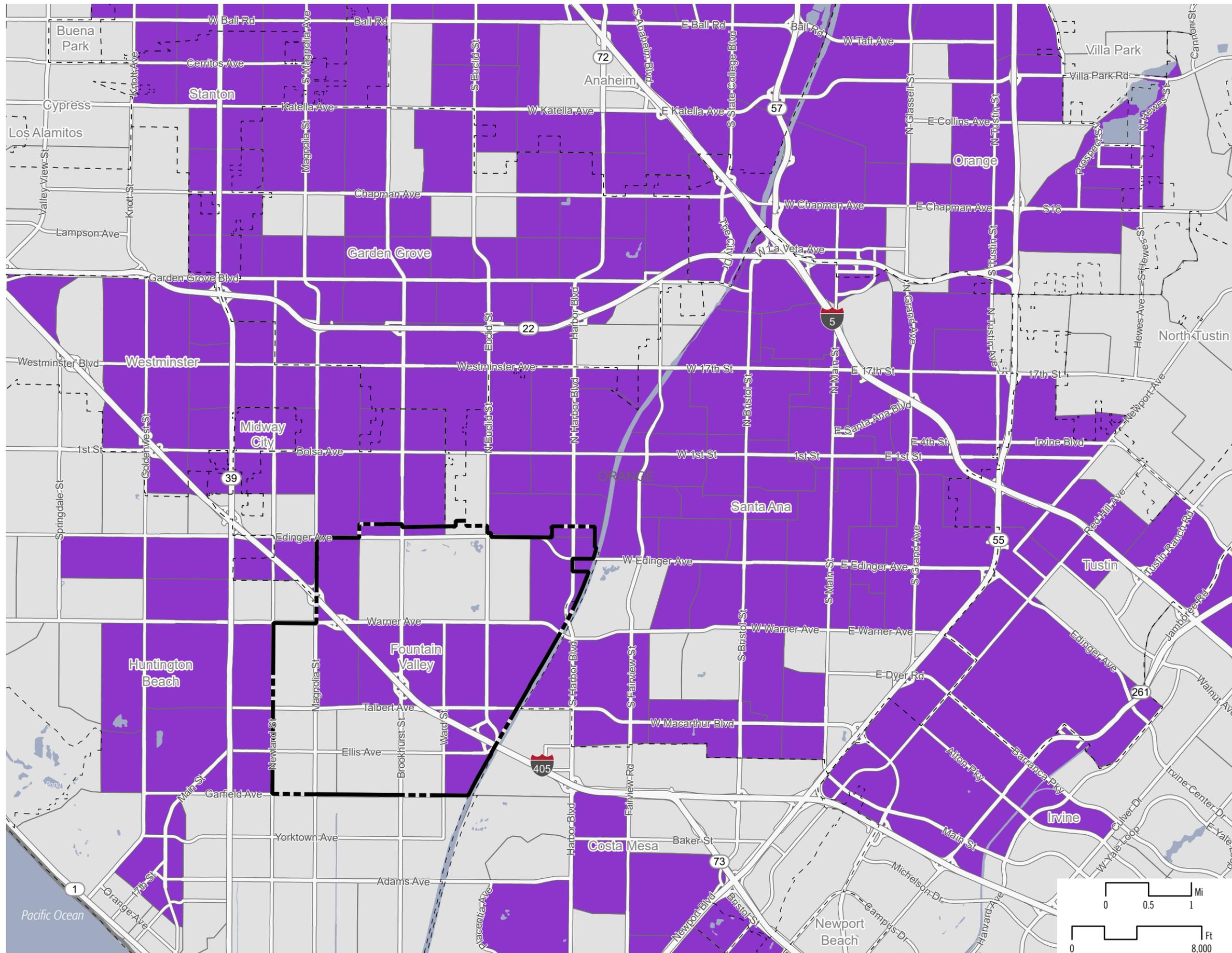


Figure H-20
AFFH Analysis
 Vulnerable Communities
 (2017) - Tract Level

-  Fountain Valley City Limits
-  County Boundary
-  City Boundary
-  Census Tracts Vulnerable to Displacement

Date: 9/24/2021



Source: Urban Displacement Project, PlaceWorks 2021

Site Inventory and Fair Housing Factors Analysis

The location of housing in relation to resources and opportunities is integral to addressing disparities in housing needs and opportunity and to fostering inclusive communities where all residents have access to opportunity. This is particularly important for lower-income households. AB 686 added a new requirement for housing elements to analyze the location of lower-income sites in relation to fair housing factors to determine whether the sites inventory further entrenches existing fair housing issues. When patterns of fair housing issues do overlap with sites identified in the inventory (parcels with pipeline projects, ADUs, parcels that are vacant, and parcels that are considered underutilized), the City is obligated to establish strategies to mitigate and improve conditions contributing to fair housing issues. What follows is an analysis of the distribution of the City’s sites inventory by income category compared to citywide patterns, in the context of the fair housing issues discussed earlier in the Fair Housing Assessment. Figure H-21 illustrates the distribution of the sites inventory on top of the TCAC Opportunity Areas.

Overall Summary

For the purposes of this analysis, the City can be best broken down into three subareas: the residential neighborhoods north of the 405 Freeway that have immediate access to Mile Square Park, the residential neighborhoods south of the 405 Freeway that are adjacent to Huntington Beach, and the business park and industrial lands along the Santa Ana River that are planned to transition to mixed-use and residential. Table H-29 illustrates the distribution of housing opportunities in the sites inventory by affordability and subarea.

**TABLE H-29
HOUSING SITES INVENTORY BY SUBAREA**

SITES	NORTHERN			SOUTHERN			COMM/INDUST TRANS			TOTAL		
	Afford	Market	Total	Afford	Market	Total	Afford	Market	Total	Afford	Market	Total
Planned	82	257	339	29	74	103	-	-	-	111	331	442
ADUs	155	37	192	155	37	192	-	-	-	310	74	384
V/U Sites	429	749	1,178	41	260	301	1,219	1,644	2,863	1,689	2,653	4,342
Subtotal	666	1,043	1,709	225	371	596	1,219	1,644	2,863	2,110	3,058	5,168
% of Total	32%	34%	33%	11%	12%	12%	58%	54%	55%	-	-	-

Afford = housing affordable to very low and low income households; Market = housing renting/selling at market rates affordable to moderate and above moderate income households; V/U Sites = vacant and underutilized sites

Northern Fountain Valley / Mile Square Park

The northern part of Fountain Valley currently contains the most active residential projects (Prado Family Homes and Slater Avenue) with an overall capacity to support roughly a third of the City’s lower income housing sites and a third of the City’s moderate and above moderate housing sites. This part of Fountain Valley enjoys the most direct access to Mile Square Park, with neighborhoods to the west of the park generally designated as high resource areas and the area to the east of the park generally designated as moderate resource areas, with one low resource

area. The low resource designation is likely inaccurate and influenced by pollution concerns and lower performing schools in adjacent jurisdictions. On the eastern side, the housing sites (including ADUs) will not only be within walking distance of Mile Square Park in Fountain Valley but also Centennial Park in Santa Ana, commercial centers, a regional hospital, and schools.

In term of income, most neighborhoods in this subarea have median incomes between \$87,100 and \$125,000, enabling all but one housing site (including ADUs) to distribute lower income housing into affluent neighborhoods. While two of the five opportunity sites are assumed to be 100% affordable based on land use (very high density, 100% residential) and size (2.3 or 3.6 acres), the City is taking other steps to avoid concentrating lower income housing into any given neighborhood. This includes adopting Policy 6.8 to encourage and facilitate mixed-income housing developments and adopting a 15% inclusionary ordinance.

In terms of displacement risk, three of the five vacant or underutilized opportunity sites are in census tracts that may be vulnerable to displacement, although the City is adopting Policy 6.7 and Program 6b to affirmative advertise new housing opportunities to existing residents in the surrounding neighborhoods to minimize and prevent displacement. As of yet, the City has seen no evidence (e.g., resident complaints or property owner interest) that the recent projects (Prado Family Homes and Slater Avenue) are creating any interest in the redevelopment of existing apartments or spikes in rent. The ADU capacity should not increase the chances of displacement.

Overall, the northern part of Fountain Valley should bring a mix of affordable and market rate housing options to affluent neighborhoods that have access to key resources without increasing displacement risks.

Southern Fountain Valley

In southern Fountain Valley, the residential neighborhoods are closer to the ocean and beach areas, as well as the nearly 2-mile long linear park that connects a number of neighborhood parks and schools. Although the neighborhoods and houses are not notably nicer or larger in size, this part of Fountain Valley contains a mix of high and highest resource areas, scoring higher compared to neighborhoods north of Fountain Valley due to higher environmental scores (despite there being little difference in actual environmental risk for either part of Fountain Valley). Roughly 12% of the City's total housing capacity is identified in this subarea, with the promotion of ADUs expanding opportunities for more affordable housing into the high and highest resource areas, as well as the City's only RCAA. The currently proposed Guadalupe Manor will add 29 units of affordable housing into a highest opportunity area while the Boomers site offers a mix of affordable and market rate housing in a high opportunity area.

The southern part of Fountain Valley is less consistent in terms of income distribution by census block group, but the Guadalupe Manor and Boomers site will introduce housing into areas earning between \$87,100 and \$125,000 (the Boomers site is technically within a census block group with a lower median income, but the site area is entirely commercial and physically cut off from the rest of the census block group by the 405 Freeway, meaning the site has a stronger

connection to the neighborhoods to the south, which are higher income). There are no areas that are potentially vulnerable to displacement in southern Fountain Valley where proposed projects or opportunity sites would create pressure. The area around the Boomers site (again, only south of the freeway) is entirely single family and the Boomers project is to be zoned and proposed as a high-density, mixed-use development that should not affect single family rental prices.

Overall, the southern part of Fountain Valley should bring a mix of affordable and market rate housing options to affluent neighborhoods rated as high and highest resource areas without increasing displacement risks.

Commercial / Industrial Transition

The third subarea of Fountain Valley runs along the Santa Ana River on the eastern city boundary and currently contains business park and industrial uses. South of the 405 Freeway, the City intends to retain the existing business park and industrial land use pattern (especially with most of this area used by the Orange County Sanitation District for wastewater treatment). North of the freeway, the City has already planned for a transition to mixed-use residential development in the Crossings Specific Plan and, through subsequent rezoning, will more than double the residential capacity in the specific plan. The City is also looking to expand residential capacity on the site that currently hosts the Los Cab Sports Village and introduce residential development in the Southpark Specific Plan, which contains the City's largest supply of vacant land. Essentially, this part of Fountain Valley is an area in transition from a mostly non-residential area with few existing residents to an entirely new mix of commercial and residential uses that will still enjoy much of the same access to key resources (like Mile Square Park and local schools) as the other areas in northern Fountain Valley. As a result, this subarea represents roughly 58% of the City's capacity for affordable housing and 54% of its capacity for market rate housing.

The income and displacement vulnerability statistics for this area are distorted by the largely non-residential nature of existing land use and the presence of a large proportion of older, retired households that own their homes and maintain themselves through Social Security and/or retirement income. To ensure new housing developments do not concentrate affordable housing, the City is adopting Policy 6.8 to encourage and facilitate mixed-income housing developments and adopting a 15% inclusionary ordinance. Additionally, the City is looking to expand its affordable housing capacity by 100-500 units outside of this area by the first quarter 2024 to potentially allow for sites in this area to develop with a broader blend of affordable and market rate housing while ensuring the City retains capacity to accommodate its entire RHNA allocation. Additionally, the City is adopting Policy 6.7 and Program 6b to affirmatively advertise new housing opportunities to existing residents in the surrounding neighborhoods to minimize and prevent displacement in other parts of Fountain Valley.

Overall, the business park / industrial transition area of Fountain Valley should facilitate an opportunity to introduce a large mix of affordable and market rate housing options alongside new commercial and mixed-use investments within walking distance to other key local resources without increasing displacement risks.

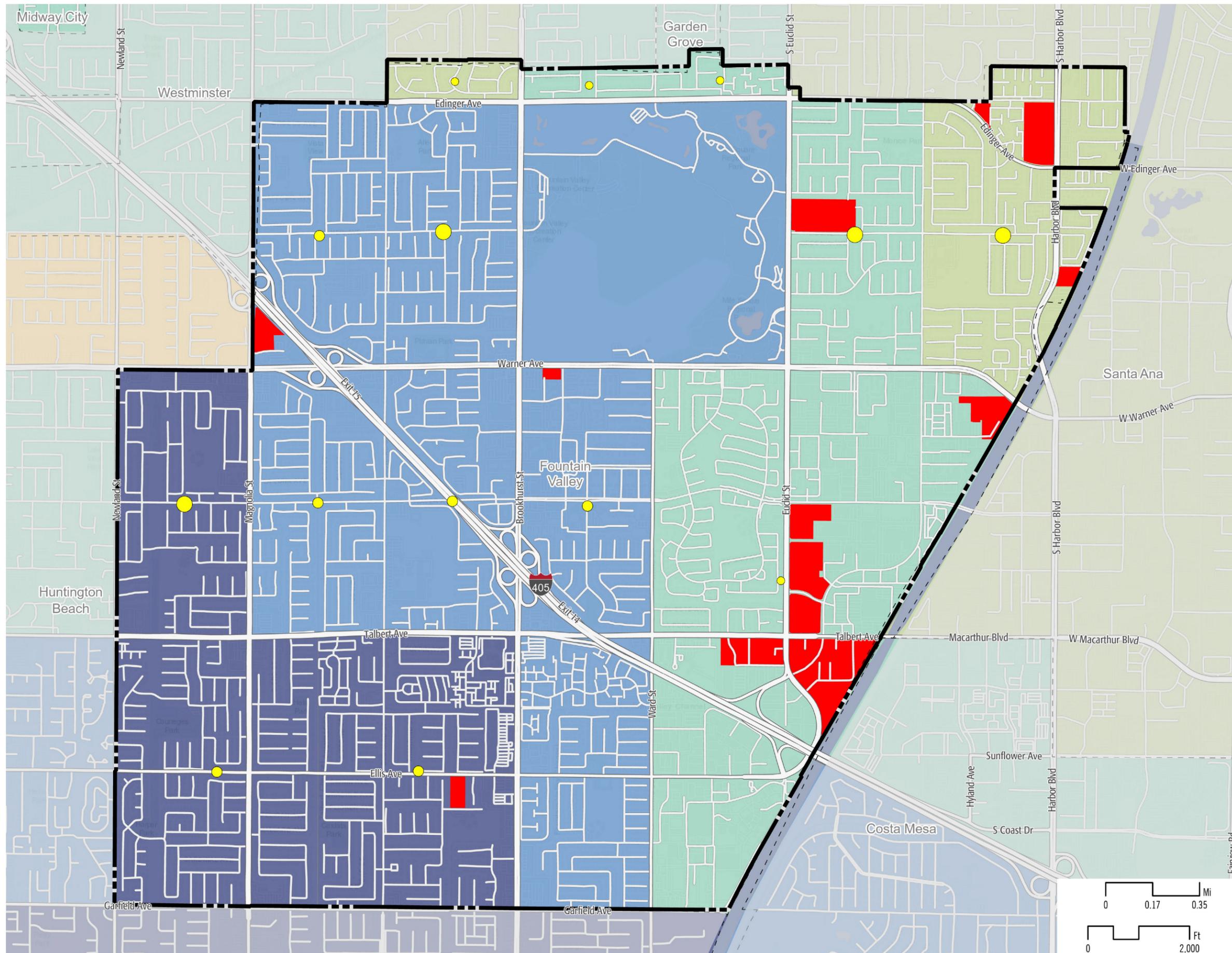
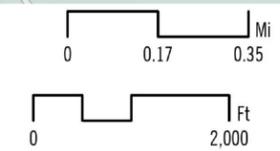


Figure H-21
AFFH Analysis
 TCAC Opportunity Areas
 (2021) - Tract Level

- Housing Opportunity Sites
 - Projected ADUs
 - Fountain Valley City Limits
 - County Boundary
 - City Boundary
- TCAC Opportunity Areas 2021 - Composite Score (Tract)
- Resource Category
- Highest Resource
 - High Resource
 - Moderate Resource (Rapidly Changing)
 - Moderate Resource
 - Low Resource

Source: U.S. Census Bureau, PlaceWorks 2021



Date: 6/30/2022



Factors with no Concentration with or without Sites Inventory

The City confirmed that the following fair housing factors either exhibited no particular pattern or evidence of significant concentration across the city at the census tract or block group level (as analyzed) either in general or in regard to the location of housing sites identified to address the City's RHNA allocation.

- TCAC Opportunity Areas
- Public housing & housing choice vouchers
- Fair housing and complaints
- Race and ethnicity
- Linguistic isolation
- Familial status
- Disability status
- Racially or ethnically concentrated areas of poverty
- School performance
- Transit access
- Economic/employment opportunities
- Environmental conditions
- Overpayment
- Overcrowding
- Substandard housing

Factors with Evidence of Concentration and Comparison to Sites Inventory

The remaining fair housing factors of income and displacement risk demonstrate some type of significant pattern or degree of concentration that have the potential to be exacerbated by the sites inventory. The following charts and narrative presented below is used by the City to guide the creation and implementation of housing strategies that strive to improve conditions related to the fair housing factor. These strategies are presented in the discussion of contributing factors and/or in the City's Housing Strategy.

As in many cities along the coast of Orange and Los Angeles counties, Fountain Valley is essentially built out and will experience growth through the reuse of existing sites. Accommodating the RHNA allocation while viewed through the lens of affirmatively furthering fair housing requires the City to seek out sites that would provide new residents with the best

access to resources, as well as sites that are developable during the planning period. With the exception of a proposed 27 single family development near Ellis Avenue and Brookhurst (Smith Farms site), all potential housing opportunity sites have the proper zoning to accommodate a mix of lower income, moderate income, and above moderate income housing units.

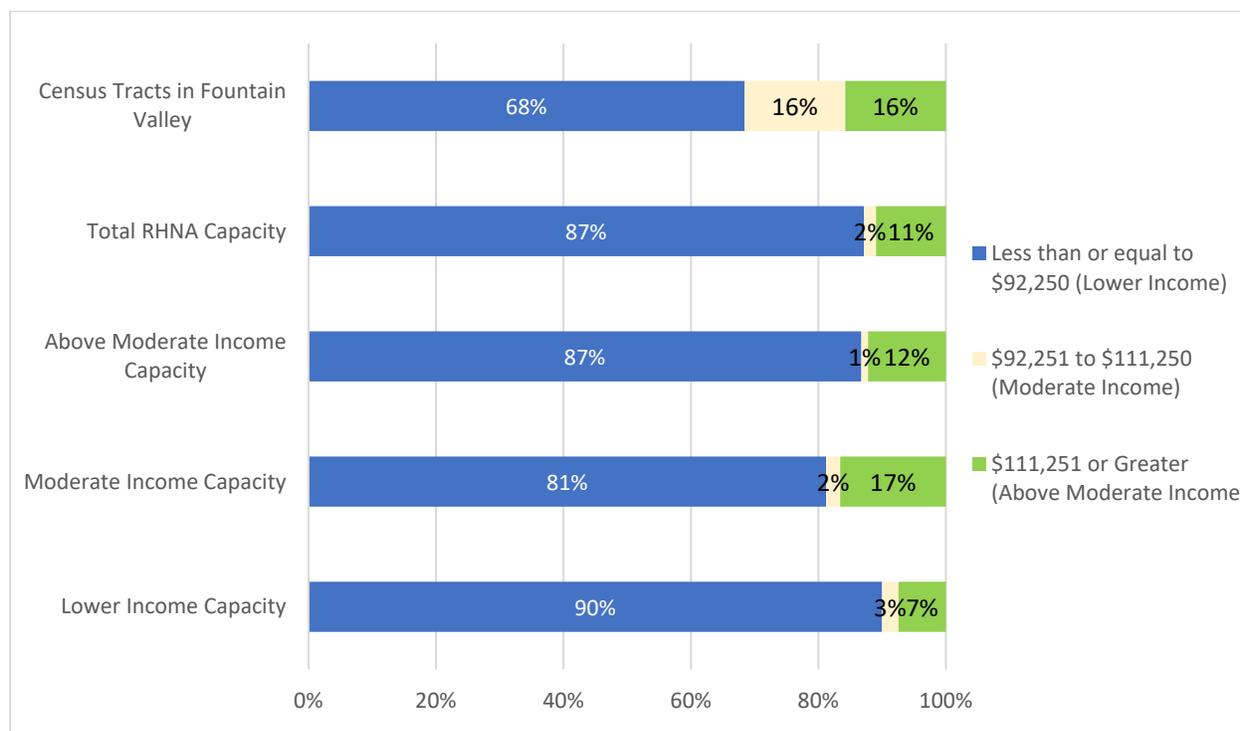
Income

To better understand how the City's sites inventory compares to existing patterns of income distribution, the City refined the income data provided by HCD and presented in the technical assessment in the prior pages. Based on the City's average household size of 2.91, the City used the median income threshold of \$92,251 (HCD income limits) for a three-person household and determined that roughly two-thirds of census tracts in Fountain Valley have a median income that could be considered lower income. It should be noted that Orange County is assigned a higher threshold for lower income by HCD (greater than 50% of area median income) due to high housing costs. This information is displayed as the top bar in Chart H-2, with the lower bars illustrating the distribution of census tracts by median income that contain the sites listed in the City's inventory to address the RHNA allocation.

The majority (90%) of lower income capacity is planned for census tracts below the state median, as these tracts contain the sites most suitable for affordable housing development in the future. This is evidenced by the fact that nearly all of the moderate (81%) and above moderate income (87%) capacity is also planned predominantly in tracts that fall below the state median.

There are benefits and drawbacks to focusing the majority of sites that could support housing that is affordable to lower income households in areas with a median income that is categorized as lower income. For example, in areas that contain lower income renters that are currently overpaying for housing, new affordable units may directly help reduce rates of overpayment and enable a resident to obtain affordable housing while remaining within their current neighborhood. However, if existing renters do not occupy the new lower income units and lower income housing sites are not offered throughout the community, the existing patterns where lower income households are concentrated will only become more concentrated.

Chart H-1 Income: Comparison of RHNA Capacity Distribution and Citywide Distribution



Per Policy 6.7 in the Housing Strategy, the City will actively advertise new income-restricted units to eligible rental households in Fountain Valley (especially those living within the same census tract as the new units), in part to ensure that new affordable housing built in lower income parts of the City are beneficial and do not exacerbate current patterns. Per Policy 6.8 in the Housing Strategy, the City will encourage and facilitate mixed-income housing developments to promote more diversity throughout all parts of Fountain Valley.

Additionally, through Program 1c, the City will introduce an inclusionary housing provision to ensure that at least 15% of new units built are reserved for lower income households. Through Program 1d, the City will actively promote and facilitate the development of ADUs, which have been demonstrated to be affordable to lower income households at market rates, throughout the city’s residential neighborhoods, including those designated as high and highest resource areas by TCAC. Together these policies and programs will facilitate a greater mix of income levels across the potential housing opportunity sites and reduce the concentration of units available to any one income level in a one part of the city.

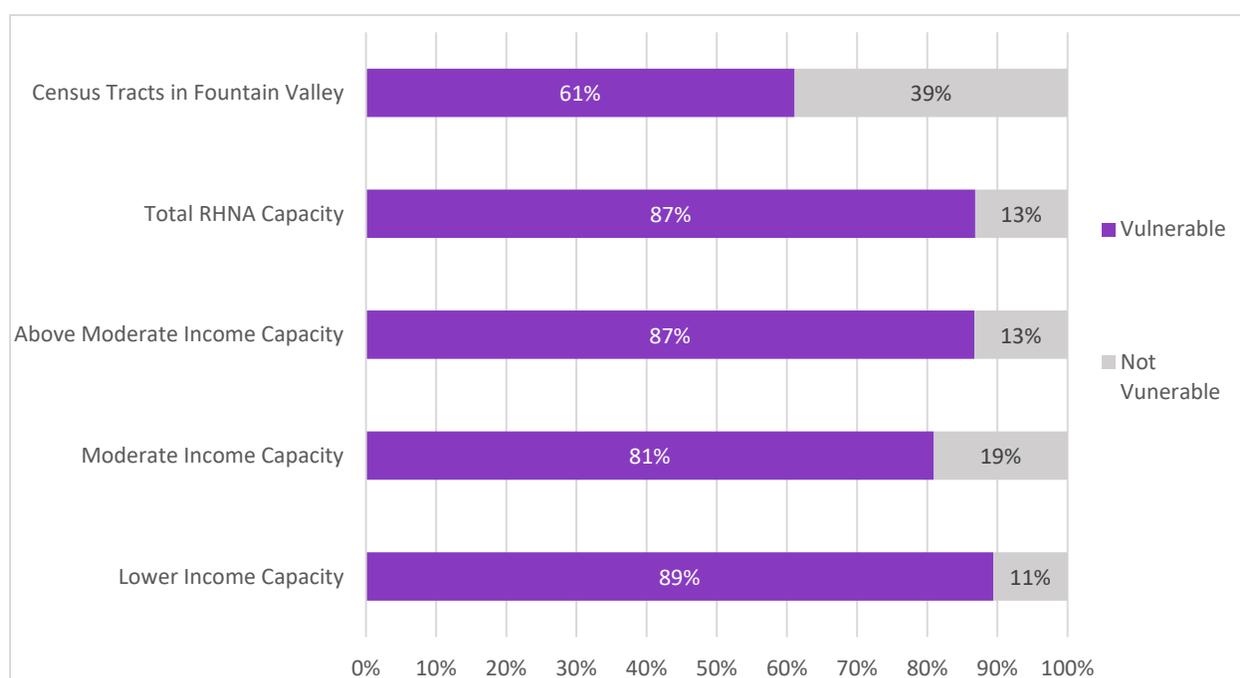
Displacement

Chart H-2 illustrates the proportion of census tracts identified as containing rental housing and tenants that could be at risk of displacement citywide (top bar), with the lower bars illustrating the vulnerability assessment for census tracts that contain the sites listed in the City’s inventory to address the RHNA allocation. Approximately 89% of the new housing sites are in census tracts that may have a higher risk of displacement for renters. This is due primarily to the fact that the sites that are best positioned to be rezoned and support new housing are in areas that already

contain a large amount of multifamily rental housing. This is evidenced by the fact that nearly all of the moderate (81%) and above moderate income (87%) capacity is also planned predominantly in tracts that may have a higher risk of displacement for renters.

Per Policy 6.7 in the Housing Strategy, the City will actively advertise new income-restricted units to eligible rental households in Fountain Valley (especially those living within the same census tract as the new units), in part to ensure that new affordable housing built in lower income parts of the City are beneficial and do not exacerbate current pattern of displacement risk.

Chart H-2 Displacement Risk: Comparison of RHNA Capacity Distribution and Citywide Distribution



Contributing Factors

Based on public outreach and the technical assessment of fair housing in Fountain Valley, Table H-30 identifies the factors that contribute or are the most likely to contribute to fair housing issues. Aside from the issues identified in the technical analysis, potential contributing factors include community opposition to affordable housing, lack of regional cooperation, and lack of public or private investment in affordable housing options.

**TABLE H-30
FACTORS THAT CONTRIBUTE TO FAIR HOUSING ISSUES**

Disproportionate Need & Displacement
Contributing Factors (High Priority)
<p>Stigma associated with Housing Vouchers: A large percentage of rental households in Fountain Valley spend more than 30 and 50 percent of household income on monthly rent and utilities. While this may be due in part to residents being willing to pay more for access to high performing school districts, there may also be a stigma associated with the use of Housing Vouchers, both by property owners and tenants.</p>
Meaningful Actions, Metrics, and Milestones
<p>See Goals 2 and 6 as well as programs:</p> <ul style="list-style-type: none"> - 2a Housing Choice Vouchers - 2e Homebuyer Assistance - 5a Affordable Housing and Preservation - 6b Affirmatively Furthering Fair Housing <p>Through activities associated with the above programs, the City will work to decrease rates of overpayment and displacement risk, and break down the stigma, expand awareness of benefits, and expand usage of housing vouchers (both for tenants and landlords). Actions to be done as part of implementing programs 2a, 2e, 5a, and 6b based on the timeline and metrics listed below.</p> <p>Timeline</p> <p>2022: Coordinate with OCHA to generate a detailed understanding of where overpayment rates are highest in the city (as of latest available Census data), where vouchers are and are not used, and how many tenants could potentially qualify at each multifamily property in target areas</p> <p>2022: Update Development Code consistent with state law and produce residential project flow-chart and/or informational sheets, consistent with SB 35 and SB 330</p> <p>2023: Initiate coordination with Guadalupe Manor on potential funding resources and other steps needed to extend affordability through at least 2058</p> <p>2023: Coordinate with OCHA and FHCOC to develop an outreach plan and materials to communicate the benefits of vouchers</p> <p>2023: Complete study of options to augment/adjust affordable housing preservation program for possible application of funds for those overpaying</p> <p>2024: Distribute outreach materials through means that reach target populations (e.g., those receiving subsidized school lunches). Conduct direct outreach to five properties (tenants and owners) in census tracts illustrating high rates of rental overpayment</p> <p>2029: Secure extended affordability for Guadalupe Manor through at least 2058</p> <p>Metric(s)</p> <ul style="list-style-type: none"> - Expand voucher use by 50 tenants by 2024 - Extend affordability term of 70 units in the Guadalupe Manor an additional 20-30 years (by 2029)

**TABLE H-30
FACTORS THAT CONTRIBUTE TO FAIR HOUSING ISSUES**

Access to Opportunity
Contributing Factors (High Priority)
<p>Lack of additional housing options. Fountain Valley developed as a suburban community dominated by the single family lifestyle throughout the 1960’s, 1970’s, and into the early 1980s. Members of the public and City Council readily acknowledge that the City’s primary appeal is its suburban character and have worked to preserve the features that residents find so desirable. Since the end of the 1980s, the housing supply, number of households, and total population have remained consistent and are evidence that the City has not focused on growth. The City’s location puts it in the middle of a substantial amount of regional pass-through traffic, which has become a sticking point for many. High density development is thought to exacerbate traffic, as well as parking issues and is the primary concern for those opposed to higher density multifamily products and the addition of ADUs into existing single family neighborhoods. As such, the City’s housing supply has not increased at a rate commensurate with regional demand, driving costs higher and limit housing choices for existing residents looking to remain in Fountain Valley (adult children eager to move out of their parent’s house and older adults looking to downsize) and potential new residents looking for more affordable options in Fountain Valley.</p>
Meaningful Actions, Metrics, and Milestones
<p>See Goal 1 as well as programs:</p> <ul style="list-style-type: none"> - 1a Rezone to Accommodate RHNA - 1c Inclusionary Housing Ordinance - 1d Accessory Dwelling Units - 6b AFFH <p>Through activities associated with the above programs, the City will work to expand the number of sites available in Moderate and High resource areas, reduce rates of overpayment, and reduce risks of displacement. Actions to be done as part of implementing programs 1a, 1c, and 1d, based on the timeline and metrics listed below.</p> <p>Timeline</p> <p>2022: Initiate coordination with OCCOG REAP effort to evaluate and identify appropriate pre-vetted ADU site plans</p> <p>2022: Evaluate options to apply Policy 6.7 and Program 6b (affirmative advertising) to income-restricted units in the Slater Avenue project</p> <p>2023: Adopt Inclusionary Housing Ordinance</p> <p>2023: Establish procedures and requirements that will ensure Policy 6.7 and Program 6b (affirmative advertising) is applied to and conducted for all future income-restricted housing developments.</p> <p>2023: Adopt 2045 General Plan</p> <p>2023: Adopt appropriate pre-vetted ADU site plans</p> <p>Metrics</p> <ul style="list-style-type: none"> - Permit 100 ADUs affordable to lower income households in high and highest resources areas by 2024 (as measured from June 30, 2021) - Adopt General Plan in first quarter of 2023 - Policy 6.7 and Program 6b (affirmative advertising) applied to Slater Avenue units (if possible) and regulations in place to apply this policy to future income-restricted units

**TABLE H-30
FACTORS THAT CONTRIBUTE TO FAIR HOUSING ISSUES**

Additional Contributing Factors
Contributing Factors (High Priority)
<p>Lack of regional coordination and lack of public/private investment. Fountain Valley and surrounding cities generally address the need and solutions for affordable housing and homeless shelters in an independent manner, which causes them to compete against one another for funds and eliminates opportunities to pool resources.</p> <p>Potential community opposition. While there is little community opposition to a proposed affordable project (e.g., there was community support for Prado Homes), additional regional collaboration can help to mitigate community opposition that may arise in the future (whether an affordable housing project or homeless shelter).</p>
Meaningful Actions, Metrics, and Milestones
<p>See Goal 6 as well as program:</p> <ul style="list-style-type: none"> - 2b Orange County Housing Finance Trust - 3e Low Barrier Navigation Centers - 5b Support Homeless Services - 6b Affirmatively Furthering Fair Housing <p>Through activities associated with the above programs, the City will work to provide critical gap funding for the development of affordable housing, homeless housing, and supportive services solutions for those in need that reside, work, or go to school in in Fountain Valley and throughout the county. Actions to be done as part of implementing programs 2b, 3e, 5b, and 6b, based on the timeline and metrics listed below.</p> <p>Timeline</p> <p>2021: Coordinate with neighboring jurisdictions and initiate efforts to jointly develop a low barrier navigation center</p> <p>2022: Enter into a memorandum of understanding with Westminster and Garden Grove to jointly develop a low barrier navigation center; participate in evaluation of candidate sites</p> <p>2022: Coordinate through the Orange County Housing Finance Trust (OCHFT) on the use of funding sources (e.g., REAP) and potential to apply for additional funding</p> <p>2022: Coordinate through OCHFT on year two notice of funding availability (NOFA), and subsequent NOFAs for years three, four, and five; advocate for the use of funds in Fountain Valley as appropriate and in surrounding jurisdictions when such location would yield better benefits (more units, deeper level of subsidy, more target populations)</p> <p>2023: Finalize site selection for low barrier navigation center</p> <p>2023: Evaluate potential use of Permanent Local Housing Allocation (PLHA) funding and other partners to rehouse unsheltered homeless need</p> <p>2024: Assist host city in developing and opening low barrier navigation center</p> <p>2024: Assist in the update of the OCHFT five-year strategic plan</p> <p>Metric(s)</p> <ul style="list-style-type: none"> - New low barrier navigation center opened by 2024 - 2,700 new permanent supportive housing units by 2025 (countywide) - 38 people experiencing homeless rehoused into permanent homes by 2025

Housing Strategy

The City's Housing Strategy is based on an evaluation of the City's existing housing conditions, current and future needs, constraints and opportunities, and community input presented and discussed in other sections of the Housing Element. The Housing Strategy consists of a set of goals, policies, programs, and quantified objectives to address the six categories cited in state law (Government Code Section 65583) for the 2021-2029 planning period.

1. Providing adequate sites to achieve a variety and diversity of housing
2. Assisting in the development of affordable housing
3. Removing governmental constraints if necessary
4. Conserving the existing stock of affordable housing
5. Preserve assisted housing developments at-risk of conversion to market-rate
6. Promoting equal housing opportunity

For each topic areas, implementing programs are described in the following detail:

- Brief statement of action, including specific City responsibilities for implementation
- Agency or department responsible for action implementation
- Targeted financing or funding source
- Quantified objectives (where applicable)
- Schedule for implementation

Program Category #1: Adequate Housing Sites

The purpose of this program category is to describe the actions that the City will take to ensure that a variety of housing types can be accommodated, including multifamily rental housing, factory-built housing, emergency shelters, and transitional housing. The City's Land Use Element, Development Code, and specific plans regulate the housing types permitted in the community.

Goal 1: Promote and encourage the development of a variety of housing opportunities to accommodate current and projected households.

Policies

- 1.1 Promote the construction of additional dwelling units to accommodate Fountain Valley's share of regional housing needs in accordance with adopted land use policies.

- 1.2 Provide a variety of housing opportunities for all income levels through different land uses and densities.
- 1.3 Coordinate new residential development with the provision of infrastructure and public services.
- 1.4 Locate higher density residential development close to public transportation.

Program 1a: Rezone to Accommodate RHNA

The City shall amend the General Plan and Development Code to ensure sufficient capacity to accommodate the City's 2021-2029 RHNA allocation and to require a minimum of 20 and allow 30 dwelling units per acre or greater on all sites listed in the sites inventory. This rezoning will ensure adequate capacity to accommodate the City's RHNA allocation of 2,093 units affordable to lower income households, 834 units affordable to moderate income households, and 1,912 units affordable to above-moderate income households. The City is currently in the process of amending the General Plan Land Use map and text and will update the Development Code and relevant specific plans concurrent with the adoption of the 2045 General Plan. While the adoption process will require time beyond the October 15, 2022 deadline, the City will be able to use the EIR associated with the updated General Plan to provide CEQA clearance for the revised zoning.

As Site U4 was included in the previous Housing Element cycle as an underutilized site, state law requires that it be rezoned to permit, by right, housing developments that propose a density of 20 units per acre or more and in which at least 20% of the units are affordable to lower income households. Upon the creation of the R5 Zone, the City will permit such a housing development by right and therefore meet the requirements of state law.

As rezoning is required to address a shortfall of sites, the City is committed to meeting the following requirements for all sites intended to accommodate the lower income RHNA shortfall:

- Permit owner-occupied and rental multi-family uses by-right for projects with 20% or more units affordable to lower income households
- Permit a minimum density of 20 units per acre
- Allow a minimum of 16 units per site

In addition, the City will work to identify surplus housing sites to accommodate between 100 and 500 additional units, with a focus on identifying sites in high and highest resource areas. This effort will be undertaken to reduce the likelihood that the City's capacity will fall short during the planning period and provide greater flexibility for other opportunity sites.

If during the planning period, the City's capacity to meet its RHNA allocation for lower and moderate income units falls below 100%, the City will rezone sites and evaluate potential incentives and flexibility in development standards to encourage new housing construction.

Objective: Maintain capacity to accommodate the unmet RHNA allocation on developable, adequately zoned sites throughout the entire planning period. Complete a general plan update and continue to identify sites after adoption to expand opportunities to build new housing choices and expand affordability in high resource areas. Coordinate with school districts to introduce new school facilities upon new growth in the Crossings, Southpark, and/or Warner/Newhope specific plans, with the intention of maintaining TCAC education score at or above 2021 conditions; facilitate at least 500 linear feet of pedestrian-friendly improvements, as designated on Figure 3.1.2 (Street/Path and Streetscape Network Diagram), into the Crossings Specific Plan to improve the setting for the mixed-use and residential development; reconfigure full extent of Heil Avenue (two linear miles) into a bicycle-friendly street to facilitate improved bicycle access for existing and future residents in the low and moderate resource areas east of Mile Square Park (and in the high resource areas west of Mile Square Park).

Responsibility: Planning and Building Department

Funding Source: General Fund; SB2 / LEAP grants

Timeframe: Update Development Code and General Plan in 2022 for Zoning Districts/Land Use Designations; Revise specific plans by first quarter of 2023 concurrent with adoption of an updated General Plan and certification of the General Plan EIR; identify surplus sites to accommodate 100-500 additional units by first quarter 2024. Coordinate with school districts concurrent with buildout of the specific plans throughout 2021-2029. Incorporate and prioritize street/path network improvements concurrent with the first 100 new units in the Crossings Specific Plan; incorporate other improvements for the Crossings Specific Plan into the City's Capital Improvement Program for the duration of the planning period. Initiate Heil Avenue design options in 2022 and complete redesign/improvements within three years (additional time as needed to incorporate and coincide with right-of-way improvements associated with Miller property).

Program 1b: Residential Density Bonus

Update the City's Density Bonus Ordinance to comply with recently adopted state law, along with additional updates as necessary in response to new state law. Encourage future housing projects to leverage density bonus provisions and provide affordable housing. Incorporate provisions consistent with state law (enacted through Senate Bill 2556, 2016) that would render a proposed project that would replace existing housing that is occupied by lower income households (whether formally/contractually restricted or market rate), as ineligible for a density bonus unless aforementioned units are replaced either on- or off-site. Until the Density Bonus Ordinance is updated, the state density bonus will apply.

Objective: Update Density Bonus Ordinance

Responsibility: Planning and Building Department

Funding Source: General Fund; SB2 / LEAP grants

Timeframe: Update Code in 2022; ongoing updates and promotion of new lower income units throughout planning period

Program 1c: Inclusionary Housing Ordinance

The City will adopt an inclusionary housing ordinance to ensure the provision of affordable housing units in all new residential developments with 10 or more units. This process will include an evaluation of ordinances adopted by jurisdictions in the greater Southern California region. The City is targeting a 15 percent inclusionary requirement.

Objective: Adopt inclusionary housing ordinance leading to 200 to 300 lower income units through new construction in high and highest resource areas, distributed geographically as follows: 100 in northern Fountain Valley, 50 in southern Fountain Valley, and 100 in the commercial/industrial transition area (see Sites Inventory and Fair Housing Factors Analysis).

Responsibility: Planning and Building Department

Funding Source: General Fund

Timeframe: Adopt inclusionary housing ordinance in 2023; unit construction 2021-2029

Program 1d: Accessory Dwelling Units

In March 2020, the City updated its Accessory Dwelling Unit Ordinance to comply with state law. This program proposes additional updates to further encourage development of ADUs citywide. The program consists of the following components:

Education and awareness. A recent study from the UC Berkeley Turner Center for Housing Innovation noted that education and information are crucial to the success of ADU adoption. The City currently provides an information pamphlet to homeowners who are interested in learning more about ADU development and plans to expand its educational efforts to include active property owner outreach. Marketing and promotional materials will be prepared to inform eligible homeowners of ADU programs as they are adopted and launched. Active participation in County educational efforts is anticipated to occur through REAP Grant funding, producing materials such as educational videos. The City will also establish an ADU ombudsman to serve as a central point of information and resource for enhancing awareness.

ADU ordinance update. The City will amend its ADU ordinance to ensure it is consistent with the latest changes in state law. The City submitted its current ordinance in April 2020 but has not yet received confirmation or guidance from HCD regarding compliance with the latest state law. Once direction is provided by HCD, the City will revise the ordinance and submit the adopted ordinance to HCD.

Amnesty. Part of the initial outreach push will include appealing to owners with unreported or non-compliant ADUs to bring their units into compliance through an amnesty program. Owners of unreported units would be offered reduced or waived processing fees to come forward and

register with the City. For ADUs that do not comply with building codes, participating homeowners would have access to grants or loans (see City Funding and Financing below) set aside to help bring units into compliance. In addition to improving the records of ADUs in the City, an amnesty program can also improve tenant safety by ensuring the units are up to code.

Reduced fees and pre-approved site plans. The City will waive building permit and City impact fees for income-restricted ADU rental units. The City will also leverage the work funded by the SB 2 and LEAP grants throughout the state to evaluate standardized and pre-vetted site plans for ADUs to increase approval certainty, reduce development timelines, and eliminate the daunting task of securing independent design and architectural services. The County of Orange is also evaluating the use of REAP funding to develop an ADU plan clearinghouse with a cost estimator function. These efforts will lower the entry cost to building an ADU and streamline its production.

City funding and financing. Fountain Valley staff will evaluate the feasibility of independently facilitating a construction loan program utilizing moneys from the City's Low Moderate-Income Housing Asset Fund (LMIHAF). By offering loans at competitive (or reduced) rates, the City would enable developers and homeowners to access financing mechanisms that are otherwise unavailable through traditional avenues. With complete autonomy over the program, the City could direct funds in a way that uniquely meets the needs of the community. Comparable programs can be found throughout California, such as the Small Homes, Big Impact program coordinated by Housing Trust Silicon Valley Housing. The program, led by the County of Santa Clara and Silicon Valley Leadership Group, offers loans up to \$200,000 on a 36-month term in exchange for two years of guaranteed affordability. Taking the route of loans would enable the City to continually replenish the LMIHF, providing a consistent stream of ADU development moving forward.

As an alternative to the traditional construction loan program, the City will also consider a forgivable loan program funded by the LMIHF. Instead of recouping the principal and interest, the City could forgive the entirety of the loan in exchange for 20 years of guaranteed affordability. Should a property owner fail to rent the unit in compliance with the low-income restriction, the loan would be required to be immediately repaid in full (principal + interest). The property owner could opt out of the agreement at any time by repaying the loan in full. The County of Santa Clara has successfully implemented a forgivable loan program, offering homeowners up to \$40,000 for eligible costs related to ADU development. The City of Napa Valley administers a similar program for Junior Accessory Dwelling Units offering up to \$75,000 for Junior ADU development. Although the loans are forgivable, a home sale during the contract period would require an opt out from the agreement, which could allow the City to recoup the majority of its investments.

The City will also advocate for change to state and federal grant and loan programs, which currently focus largely on conventional multifamily housing, to incentivize and dedicate substantial funding to support the construction and affordability of ADUs.

Monitoring and reporting. The City will monitor the interest in and production of ADUs on an ongoing basis, providing updates to HCD (through the annual progress reports) and to the public

via a biannual report. In these reports, the City will summarize the level of interest expressed through the number of initial and approved applications and the number of constructed units (along with occupancy statistics of affordable units). The City will also report on and evaluate the effectiveness of its ongoing and new ADU-related programs and identify potential changes based on ongoing outreach with property owners and the development community.

In July 2023, the City will ascertain whether the rate of ADU permitting and affordability is on pace to match the projected trendline of 48 lower income ADUs built or permitted annually (as measured between June 29, 2021 (start of RHNA projection period) and June 30, 2023). If the rate of construction/permitting is substantially below the trendline, the City will revise its projections and, if necessary, update its programs to and further incentivize and fund ADUs within six months. Potential adjustments include offering grants instead of loans and strengthening partnerships with ADU developers. Also, if shown necessary, the City will rezone land to accommodate a shortfall in capacity based on the revised projections by October 15, 2024. Monitoring will continue every two years thereafter.

Additional program options. The City is looking to other jurisdictions for inspiration on programs and policies that encourage ADU development. The City of Los Angeles recently partnered with a non-profit architecture and design firm to spearhead The Backyard Homes Project. In collaboration with various public and private partners, the City of Los Angeles is offering homeowners a complete menu of wraparound services, including project management, financing (four to six homeowners), design, permitting, construction, and leasing assistance. The program is currently limited to 10 properties and will guarantee the construction of ADUs reserved for low income households for a minimum of five years. Despite the restriction on the number of participants, the program will explore the viability of public-private partnerships in affordable ADU development. Fountain Valley staff will closely monitor the programs progress and evaluate the possibility of implanting a similar program in the City.

Objective: Permit 180 to 310 lower income ADUs by 2029, with 150 ADUs affordable to lower income households in high and highest resources areas; expand advertising, education, and awareness on ADUs to at least 1,000 homeowners, particularly those in the high and highest resource areas; create ombudsman to serve as a central point of information and resource for enhancing awareness; evaluate and identify appropriate pre-approved ADU site plans.

Continue to track affordability during the permitting stage. Monitor affordability production and trends on a biannual basis, revising targets (and rezoning other land resources as needed) based on ADU trends and City's remaining land resources to accommodate its unmet lower income RHNA allocation. Update ADU ordinance to maintain compliance with state law.

Responsibility: Planning and Building Department

Funding Source: General Fund; SB2 / REAP grants; Low Moderate Income Housing Asset Fund (LMIHAF)

Timeframe: Construction of 100 ADUs by 2024 (as measured from June 30, 2021). Complete the following in 2023: prepare additional education and awareness materials, create ADU ombudsman position, reduce/waive ADU fees, coordinate through OCCOG REAP effort to evaluate and identify appropriate pre-approved ADU site plans, and establish City funding and financing by 2023. Monitor and support throughout planning period. Update ADU ordinance as necessary based upon HCD guidance, and submit revised ordinance to HCD for review within six months of adoption.

Program 1e: Alternative Housing Sites

Should the City's affordable housing capacity fall short early in the planning period, the City may coordinate with appropriate entities to identify existing multifamily housing that could be converted from market-rate housing to permanent lower income housing (including permanent supportive housing). The City may also seek funds that are substantial enough to make the targeted units available for occupancy within two years of the execution date of an agreement. See the Timeframe parameters below for said units to count toward the City's lower income RHNA allocation.

Objective: Identify two sites (targeting housing in census tracts with the highest rates of overpayment and lowest median incomes); identify potential partners and evaluate and pursue available funds

Responsibility: Planning and Building Department

Funding Source: General Fund and external funds as available

Timeframe: If necessary, identify candidate sites by the end of 2022; if suitable sites and partners are identified and adequate funds are available, enter into a legally enforceable agreement by October 15, 2024, and ensure units are available for occupancy within two years of the execution date of an agreement

Program 1f: Senate Bill 330

The City will ensure compliance with state law enacted through Senate Bill 330 and prohibit amendments to the general plan or zoning of properties in a manner that would reduce residential density compared to the designation/district in effect as of January 1, 2018, without concurrent upzoning of equal capacity on property elsewhere in the City.

Objective: Maintain consistency with state law

Responsibility: Planning and Building Department

Funding Source: N/A

Timeframe: Throughout the planning period (subject to sunset provisions in state law, which is currently January 1, 2030)

Program Category #2: Housing Production

The City's existing needs include 63% of renter and 42% of mortgage-holding households that are cost burdened, expending more than 30% of their income toward housing. The City's new construction need includes 2,093 lower, 834 moderate, and 1,912 above moderate-income units, which can be supported by vacant and underutilized land.

Goal 2: Assist in the provision of housing affordable to lower income households.

Policies

- 2.1 Promote infill housing development through the adaptive reuse of underutilized parcels.
- 2.2 Promote and encourage the use of innovative construction methods, design standards, lot configurations, and energy conservation techniques that will facilitate the production of quality, affordable, and attractive new housing which varies in type, design, form of ownership, and size, and is compatible with abutting development.
- 2.3 Encourage new housing construction for rental and ownership housing in a mixture of price ranges.
- 2.4 Promote development of compatible mixed-use projects with residential components at higher densities within commercial designations.
- 2.5 Continue to utilize planned unit developments and specific plans to allow and promote a variety of lot sizes and housing types in new development.

Program 2a: Housing Choice Vouchers

The City will continue to coordinate with the Orange County Housing Authority (OCHA) to assist lower-income households in renting housing units in the City through the use of Section 8 Housing Choice Vouchers. The City will refer persons interested in participating in the Section 8 program, either as tenants or landlords, to the County and work with the County to ensure continued availability of the program.

The City will focus outreach efforts to expand awareness and increase acceptance of vouchers in coordination with OCHA and Fair Housing Council of Orange County (FHCOC) in neighborhoods where there is a higher percentage of households report income below the federal poverty level, high rates of overpayment alongside lower median incomes, and/or TCAC high/highest resource classification. **Objective:** Assist 460 households each year, with 75% targeted for extremely low income households. Coordinate with OCHA and FHCOC to generate a detailed understanding of where overpayment rates are highest in the city (as of latest available Census data), where vouchers are and are not used, and how many tenants could potentially qualify at each multifamily property in target areas. Coordinate with OCHA and FHCOC to develop an outreach plan and materials to communicate the benefits of vouchers and distribute outreach materials through means that reach target populations (e.g., those receiving subsidized school lunches).

Conduct direct outreach to five properties (tenants and owners) in census tracts illustrating high rates of rental overpayment. Expand education and awareness to at least 5 multifamily property owners and increase voucher use by 50 in high and highest resource areas (especially neighborhoods in southwestern Fountain Valley).

Responsibility: Planning and Building Department; Orange County Housing Authority

Funding Source: N/A

Timeframe: 2021-2029 for overall and extremely low income objectives; 2023 target date to generate an understanding of overpayment and voucher trends and to coordinate with OCHA and FHCO on outreach planning and materials; 2024 target for initial distribution of materials and for increasing overall voucher use (with preference for southwest Fountain Valley), with biannual distribution thereafter

Program 2b: Orange County Housing Finance Trust

In 2019, the City of Fountain Valley joined the Orange County Housing Finance Trust as a founding member. As a member, the City makes annual contributions to the trust, which in turn is used to provide critical gap funding for the development of affordable housing, homeless housing, and supportive services solutions throughout the county.

Objective: Make annual contribution to support the development of affordable housing, homeless housing, and supportive housing throughout the county. Represent the interests of the City in discussions about the siting of proposed developments. Contribute to the creation of 2,700 new permanent supportive housing units by 2025 (countywide).

Responsibility: Planning and Building Department; City Manager’s Office

Funding Source: General Fund

Timeframe: 2021-2029 for contribution and coordination; 2025 target year for new housing

Program 2c: Nonprofit Development

The City will continue to engage in partnerships with nonprofit developers (like Related California) to assist the development of housing affordable to extremely low-, very low-, and low-income households. Every one to two years, the City will periodically invite nonprofit developers to discuss the City’s plans, resources, and development opportunities. As appropriate, the City will select a nonprofit developer to pursue development opportunities, assist in the application for state and federal financial resources, and offer a number of incentives such as fee deferrals, priority processing, and relaxed development standards.

Objective: 500 lower income units

Responsibility: Planning and Building Department

Funding Source: Various (General Fund, LMIHAF, CDBG, etc.)

Timeline: Initiate contact with nonprofit development community in 2022; ongoing discourse throughout remainder of planning period

Program 2d: Explore Alternative Funding and Financing Sources

The City of Fountain Valley currently has limited funding and financing sources for the provision of new affordable housing and to reduce displacement. The City will proactively explore alternative funding and financing sources such as private funding, joint development, public-private partnerships.

Objective: Explore and report to City Council on efforts to identify and secure \$1 million for affordable housing development

Responsibility: Housing and Community Development Division

Funding Source: General Fund

Timeframe: 2021-2029

Program 2e: Homebuyer Assistance

The County of Orange administers two programs that provide assistance for homebuyers: Mortgage Credit Certificates (MCC) and Mortgage Assistance Program (MAP).

The MCC program is a Federal Income Tax Credit program administered by the County of Orange. The MCC program increases the loan amount offered to a qualifying homebuyer and reduces federal income taxes by 20% of the annual interest paid on the home mortgage. Home buyers seeking to participate in the program must apply through a participating lender. The program requires the buyer to purchase a single-family detached home, condominium, or townhouse within the program boundaries, including the City of Fountain Valley. The buyer's household income and home purchase price cannot exceed limits established by the County.

The Mortgage Assistance Program (MAP) provides silent second loans to assist very low and low income first-time homebuyers. The 3% simple interest, deferred payment loan has a term of 30 years or upon sale or transfer of property and a maximum loan amount of \$40,000. The buyer must purchase a single-family home, condominium, or home within a planned unit development to occupy as a primary residence. The buyer must contribute a minimum 1% of the purchase price. The buyer's household income and home purchase price cannot exceed limits established by the county.

Objective: Connect qualified homebuyers with the County of Orange MCC and MAP Program Administrator

Responsibility: Housing and Community Development Division

Funding Source: General Fund; County allocated funds

Timeframe: 2021-2029

Program Category #3: Remove Governmental Constraints

The City can best address the removal of governmental constraints for housing in its Development Code, development processes, and by implementing state law such as density bonus provisions. Facilitating the development of housing is critical to reduce costs and time needed to build and maintain housing, ensuring the purchase prices and rental rates are as low as possible for both market-rate and affordable housing.

Goal 3: Address and, where possible, remove governmental constraints to the maintenance, improvement, and development of housing, including housing for people at all income levels, as well as housing for people with disabilities.

Policies

- 3.1 Encourage regulatory incentives that streamline the development and maintenance of housing, with additional incentives to develop and retain affordable housing.
- 3.2 Adopt new City requirements with the intent of reducing costs for housing. When new City requirements would increase costs, seek alternative options, and provide exemptions for affordable housing.
- 3.3 Implement the City's Development Code to permit the development of single room occupancy units, accessory dwelling units, and transitional, supportive, and emergency housing (including low barrier navigation centers) in specified zones.

Program 3a: Update Residential Development Standards and Processes

In response to recent state legislation (such as Senate Bill 9) and changing market trends, the City will review and revise the existing Development Code, including residential development standards. The City shall evaluate modifications and or revisions that further increase the feasibility of residential development as appropriate.

Objective: Review and revise residential development standards and regulations as necessary to reflect changes in state law and market trends, and to reduce costs and other constraints on the cost and supply of housing.

- **Employee housing.** Update the Development Code to explicitly permit employee housing in compliance with the Employee Housing Act.
- **Mixed-use nonresidential requirements.** During the next two mixed-use development applications, evaluate the 10-30% ground flood nonresidential space requirement in

terms of fiscal benefit, market demand, and development feasibility, revising as appropriate to facilitate residential development while retaining fiscal sustainability. Also evaluate other standards that are cited as required waivers or concessions for proposals that would leverage state density bonus provisions with the inclusion of affordable units.

- **Conditional use permit for multifamily.** Review standard and other potential conditions, both objective and subjective, applied to multifamily development in the R2, R3, and R4 zones, and evaluate the impact on development feasibility. Eliminate unnecessary conditions and convert subjective conditions to objective conditions in order to remove constraints and enable multifamily development to be permitted in an administrative, ministerial manner by City staff.
- **Design Review.** Assess the design review requirements and processes applied to housing projects and evaluate the impact on cost and approval timeline. Eliminate unnecessary approvals and requirements in order to remove constraints for multifamily development and incorporate the design review process into the non-discretionary approval process by City staff.
- **Inclusionary housing.** Evaluate the impact of the inclusionary housing ordinance upon the cost and supply of residential development in Fountain Valley after two years of implementation.
- **Short-term rental housing.** Evaluate the impact of short-term rentals on the cost and supply of rental housing, including consideration of the application of or lack of local regulations.

Responsibility: Planning and Building Department

Funding Source: General Fund

Timeframe: 2021-2029 as necessary; update the Development Code for employee housing in 2022; evaluate MU-1/MU-2 nonresidential space requirement, CUP requirements for multifamily, and Design Review process by 2024; evaluate the impact of short-term rental housing in 2025; evaluate the impact of inclusionary housing in 2025

Program 3b: Review Development Fees

Development fees are critical to ensure that public services and standards associated with the creation of new housing are adequately funded and maintained. The level of such services and standards desired by the community, however, can increase costs for new housing. The City must strike a balance to ensure a high quality of life and standard of living in Fountain Valley without creating unnecessarily burdensome development fees. The City will periodically conduct a study to ensure that development fees are reasonable and identify possible reductions for special needs housing projects. The City will evaluate the option of fee waivers for lower income housing

and evaluate other options to further reduce costs for affordable housing in periodic updates, including options to facilitate more affordable housing in high resource areas.

Objective: Regularly update the City’s schedule of fees

Responsibility: Finance, Public Works, Fire, and Planning and Building Department

Funding Source: General Fund

Timeframe: Conduct a development fee periodically or as needed

Program 3c: Streamline Residential Project Review

New laws (Senate Bills 35 and 330) were enacted to streamline review times for residential applications in an effort to stimulate and facilitate the construction of market rate and affordable housing.

While the RHNA allocation identifies the state’s projection of new housing needed for the planning period, the City does not build housing directly and must rely upon property owners and other entities from the development industry (private and not-for-profit) to construct new housing. In 2018, new provisions of state law were enacted through Senate Bill 35 (Government Code Section 65913.4), to facilitate the construction of housing in jurisdictions where housing production falls below the pace projected by the RHNA allocation. For Fountain Valley, these provisions will take effect any time the rate of housing production/permits falls below the following rates by the end of each year listed:

Income Threshold	Cumulative total by reporting period (units constructed or permitted)	
	2021-2024	2025-2029
Lower	1,046	1,047 or the balance of 2,093
Above Mod	956	956 or the balance of 1,912

The City will update its Development Code consistent with state law to provide for a streamlined and ministerial process (projects to be reviewed against existing objective standards rather than a discretionary process) for projects that provide:

- At least 15% affordable to lower-income households if proportional housing production and permitting levels fall below those listed above for above moderate income housing
- At least 50% affordable to lower-income households if proportional housing production and permitting levels fall below those listed above for lower income housing

Other requirements for a project to be eligible for such streamlining include:

- Contain at least two multifamily units
- Provide a specific level of affordability

- On an eligible site in an urbanized area or urban cluster
- Comply with residential and mixed-use general plan or zoning provisions
- Comply with other requirements, such as locational and/or demolition restrictions

SB 35 streamlining does not apply to projects located in places a floodway or floodplain without a no-rise certification, or if the new development would require the demolition of affordable housing or a listed historic structure.

Senate Bill 330 (Government Code Section 65941.1, et al.), provided a second set of streamlining provisions, including a limitation of a jurisdiction's ability to change development standards, zoning, and fees applicable to the project once a preliminary application has been submitted. The changes in law also limit jurisdictions on the number of public hearings and length of the overall entitlement process. This streamlining applies to all development independent of the provisions enacted through Senate Bill 35.

Until the Development Code is updated to reflect the above, the City will apply state law.

The City will also evaluate its overall approval development process and identify requirements and processes that are unnecessary and/or duplicative to streamline residential applications and reduce costs.

Objective: Update Development Code consistent with state law and produce residential project flow-chart and/or informational sheets, consistent with SB 35 and SB 330 by 2023; evaluate and revise as necessary the overall development approval process to further streamline residential development applications by 2023

Responsibility: Planning and Building Department

Funding Source: General Fund

Timeframe: Update Development Code and produce flow-charts/info sheets by 2022

Program 3d: Transitional and Supportive Housing

The City currently permits transitional and supportive housing by right in all existing residential, mixed use, and non-residential zones that allow multifamily (pursuant to AB 2162, 2018). The City will amend its Development Code to permit transitional and supportive housing in accordance with state law in all new zones created as a part of the rezoning program and during the update to the General Plan.

Objective: Amend the Development Code per state law

Responsibility: Planning and Building Department

Funding Source: General Fund

Timeline: Update Development Code by 2022

Program 3e: Low Barrier Navigation Centers

The City will amend its Development Code to permit low barrier navigation centers by right in nonresidential zones that permit multifamily and mixed use zones (per Government Code Sections 65660–65668, enacted through AB 101). Low barrier navigation centers provide temporary living facilities while case managers connect individuals experiencing homelessness to income, public benefits, health services, shelter, and housing. Low barrier navigation centers reduce barriers to use by those seeking shelter by allowing for pets and storage of possessions and by providing increased privacy and security.

The City also entered into a memorandum of understanding with the cities of Garden Grove and Westminster to jointly develop a low barrier homeless navigation center. While a location has not yet been selected, the cooperating agencies are currently evaluating the viability of areas in Westminster and Garden Grove.

Objective: Amend the Development Code per state law; jointly develop a low barrier navigation center in coordination with Garden Grove and Westminster

Responsibility: Planning and Building Department

Funding Source: General Fund

Timeframe: Update Development Code by 2022; evaluate sites in 2022 and 2023 with an intent to finalize site selection in 2023 and develop center in 2024

Program Category #4: Housing Maintenance and Improvement

The emphasis of this program category is the maintenance and improvement of Fountain Valley's existing affordable housing supply. Another purpose of this program category is to describe actions that will mitigate the loss of housing to both the housing market and the residents of the existing dwelling units. Many of the City's current activities satisfy the requirements of this program category: for example, code enforcement and infrastructure improvement.

Goal 4: Encourage the maintenance and rehabilitation of the City's existing housing stock.

Policies

- 4.1 Concentrate proactive code enforcement and rehabilitation efforts in areas with deteriorated housing conditions.
- 4.2 Encourage private efforts to rehabilitate the existing housing stock.

- 4.3 Provide rehabilitation assistance to ensure maintenance of the older housing stock.
- 4.4 Continue to enforce health, safety, and development codes to eliminate conditions that are detrimental to the health, safety, and general welfare of residents.
- 4.5 Provide public services and improvements that enhance and create neighborhood stability.

Program 4a: Home Improvement Program

The City will continue to provide grants, rebates, and low-interest, deferred payment loans to income qualified homeowners to make needed repairs to owner-occupied single family and mobile homes. The City will continue to promote the Home Improvement Programs through information on the City’s website and by distributing information to homeowners receiving code violation notices. The City will focus its advertising and mailings of informational material into neighborhoods that are high or highest resource areas.

Objective: 15 Home Improvement grants, rebates, and low-interest, deferred payment loans per year; of the 15, 4 to be in neighborhoods rated as highest resource areas

Responsibility: Housing and Community Development Division; Code Enforcement

Funding Source: CDBG

Timeframe: 2021-2029

Program 4b: Infrastructure Improvement Program

Adequate infrastructure and community facilities support housing through the development of complete neighborhoods. The City will coordinate the annual Capital Improvements Program and Consolidated Plan processes with the Housing Element policies and programs to ensure infrastructure is available to support current and projected housing needs and identify areas for improvements.

Objective: Coordination of infrastructure improvements

Responsibility: Public Works Department

Funding Source: General Fund, CDBG

Timeframe: 2021-2029

Program 4c: Lead Based Paint Hazard Grant Program

The City will continue to provide grant funds for the testing and remediation of lead based paint hazards in the home. This program is utilized when a qualified homeowner is enrolled in the Neighborhood Revitalization Program and is receiving CDBG funds for their project. The City will

focus its advertising and mailings of informational material into neighborhoods that are rated with the highest potential risk (as reported by CalEnviroScreen).

Objective: 5 grants per year (40 total, of which at least 20 targeted in census tracts where the lead risk (individual factor) is at the 40th percentile or higher)

Responsibility: Housing and Community Development Division; Code Enforcement

Funding Source: CDBG

Timeframe: 2021-2029

Program 4d: Code Enforcement

The Code Enforcement Division promotes, maintains, and enforces ordinances and laws to preserve, protect, and enhance the quality of life in Fountain Valley. Code Enforcement officers actively work with community members and neighborhood organizations in assuring the City remains a healthy and welcoming place to live, work, and visit. The City recognizes the importance of community wide code compliance and has made it one of the focuses of the latest strategic plan update.

Objective: Ensure compliance with City codes, with a focus on substandard housing in low resource areas, which includes garage conversions and unpermitted additions; provide technical assistance and information to address code violations to 50 households / property owners

Responsibility: Code Enforcement

Funding Source: CDBG Fund

Timeframe: 2021-2029

Program Category #5: Affordable Housing Opportunities

The purpose of this program category is to describe actions that the City will take to preserve the affordability of existing housing units that are eligible to change from low income housing uses due to termination of subsidy contracts, mortgage prepayment, or expiration of restrictions on use. "Assisted housing developments" include: federally assisted projects; state and local multifamily revenue bond–financed projects; developments assisted by CDBG and local in-lieu fees; and density bonus units. In addition, this program category describes other actions of the City to preserve the affordability of the existing housing supply.

Goal 5: Conserve and support affordable housing opportunities in the City.

Policies

- 5.1 Promote and expand affordable home ownership opportunities for lower and moderate income households in the City.
- 5.2 Pursue available housing funds provided by federal, state, private, and/or local sources to preserve affordable housing.
- 5.3 Continue to support innovative public, private, and non-profit housing development organizations' efforts in the provision of affordable housing, particularly for special needs groups.
- 5.4 Address the long and short-term needs of those who are experiencing homelessness through continued support of local private and non-profit groups that provide shelter and services.
- 5.5 Conserve the existing stock of affordable rental housing. Limit the proportion of multifamily housing units permitted to convert to owner-occupied status.

Program 5a: Affordable Housing Preservation

There are currently 24 housing units (Heil Park) in Fountain Valley that are at-risk of converting from affordable, deed-restricted units to market-rate units in late 2023. However, these units are owner occupied and the current owners will be able to sell the units at market price and receive the full equity of the sale. Accordingly, while the units will likely transition out of the City's housing stock as income-restricted units in late 2023, the current owners (who are all occupants) will not be displaced or face higher housing costs. The cost of preserving these units, even if the City or other entity were able to convince a current owner to sell, would be extremely high. Additionally, as all of the current occupants are also the property owners, the State Preservation Notice Law does not apply.

Therefore, the City will instead focus on extending the affordability of Guadalupe Manor, which contain 70 units that could expire by 2038. While 2038 is still in the somewhat distant future, the project-based Section 8 funding was only secured for a 20-year term in 2018. The City will work with the current property owners to seek an extension of this term beyond 2038 using funds from various sources. During the next housing element cycle, the City will ensure this property owner's compliance with the State Preservation Notice Law.

Objective: Extend affordability for 70 units at Guadalupe Manor

Responsibility: Housing and Community Development Division

Funding Source: To be determined; possible sources could include LMIHAF, CDBG, etc.

Timeframe: Ongoing monitoring; replacement as needed; coordinate with property owners of Heil Park in 2022 and 2023 to facilitate preservation through 2053 (or longer) and, if preservation is not possible, to ensure tenant notification and education requirements are being followed

Program 5b: Support Homeless Services

The City will continue to support local and inter-jurisdictional efforts to reduce temporary and chronic homelessness. The City will continue to promote a comprehensive approach to addressing homelessness consistent with the Continuum of Care model. The City shall coordinate with non-profit entities, the County of Orange, and other applicable organizations to provide a range of services and housing opportunities for homeless persons in Fountain Valley. The City will leverage its projected Permanent Local Housing Allocation (PLHA) funding from the state through 2023 to fund homeless outreach services, partner with an experienced homeless services provider to offer resources, and ultimately find housing, for the City's homeless population

Objective: Support homeless services and rehouse 38 people experiencing homelessness into permanent homes

Responsibility: Police Department

Funding Source: CDBG, PHLA

Timeframe: 2021-2029

Program Category #6: Equal Housing Opportunities

Goal 6: Promote housing opportunities for all persons regardless of race, age, religion, sex, marital status, disability status, ancestry, national origin, or color.

Policies

- 6.1 Promote fair housing practices throughout the City.
- 6.2 Promote a variety of housing types to meet the special needs of persons with disabilities, elderly households, and others who may need assisted living.
- 6.3 Minimize the displacement of lower income and special needs households.
- 6.4 Continue to require compliance with the Americans with Disabilities Act standards in all new residential developments and continue to enforce the building code provisions requiring accessible design.
- 6.5 Continue working with various organizations and agencies that assist those with special needs, such as persons experiencing homelessness, persons with disabilities, low income households, and elderly persons.
- 6.6 Monitor, on an annual basis, the effectiveness of current City regulations that permit emergency shelters/homeless services and adjust development standards, incentives, and approval processes, as appropriate, to ensure existing policies continue to provide opportunities for homeless and transitional housing in Fountain Valley.

- 6.7 Advertise the availability of new income-restricted housing, with a particular focus on reaching eligible residents living in the same census tract as the income-restricted units.
- 6.8 Encourage and facilitate housing developments that provide units affordable to a mix of lower, moderate, and above moderate income households.

Program 6a: Support Fair Housing Services

The City will continue to contract with the Fair Housing Council of Orange County (FHCO), or another fair housing service provider, to provide community education, investigation, and counseling assistance for redress of alleged violations of federal and state housing laws. In order to reach out to the community more effectively, the City will provide informational brochures at City Hall, the Center at Founder’s Village, and other locations frequented by the public. The City will continue to refer inquiries to the Fair Housing Council.

Objective: Refer persons in need of housing assistance to the FHCO and other community housing resources. Assist and coordinate as necessary for the FHCO to provide counseling and resources to 50 to 100 lower income households on an annual basis. Assist FHCO as necessary to resolve all cases of possible housing discrimination.

Responsibility: Planning and Building Department

Funding Source: CDBG Fund

Timeframe: 2021-2029

Program 6b: Affirmatively Furthering Fair Housing

Guided by state law enacted through Assembly Bill 686 (2018), the City will develop a plan to affirmatively further fair housing efforts. The City acknowledges that significant disparities exist in housing need and opportunity and will work to promote equitable access for all persons protected by the California Fair Employment and Housing Act, persons identified by Section 65008, and applicable federal and state housing and planning laws. The City will develop and implement an Affirmatively Furthering Fair Housing Plan that incorporates the following actions. Relevant housing programs are listed in parentheses to further inform the nature of the actions and opportunities for parallel, complementary, and supportive activities.

- Target community revitalization through place-based programs, enhancing mobility between neighborhoods, and developing strategies to reduce displacement risk in areas of higher concentration of lower-income households and overpayment; and facilitating affordable housing in places close to transit, parks, job opportunities, and essential shops and services, as well as high resource areas (Programs 1c, Inclusionary Housing Ordinance; 1d, Accessory Dwelling Units; 2a, Housing Choice Vouchers; 3b, Review Development Fees).

- Seek annual funding to provide rehabilitation efforts in high resource areas and prioritize place-based revitalization (Programs 4a, Home Improvement Program; 4c, Lead Based Paint Hazard Grant Program; and 6d, Accessibility Modifications for Persons with Disabilities).
- Work with Fair Housing Council of Orange County (coordinated with Program 6a, Fair Housing Services, with other programs listed as appropriate) to:
 - Educate the community about fair-housing and equal housing opportunities, providing housing counseling services and family resource information and referral. Topics include, but are not limited to tenant rights, legal resources, rehabilitation grants and loans, first-time homebuyer programs, and Section 8 programs. Distribute materials in English and Vietnamese through City Hall, City libraries, City websites, and the Fair Housing Council website.
 - Track fair housing issues and identify patterns in the City, including meeting annually to check on the status of active cases (see Program 6a).
 - Promote fair housing opportunities through various financial assistance initiatives and affordable housing/neighborhood revitalization programs (Programs 4a, Home Improvement Program; and 4c, Lead Based Paint Hazard Grant Program).
 - Actively recruit residents from neighborhoods in low resource areas to serve or participate on boards, committees, and local government bodies.
 - Encourage more affordable housing through ADUs and multifamily housing in high and highest resource areas (Programs 1d, Accessory Dwelling Units; and 3b, Review Development Fees).
 - Preserve existing affordable housing in high and highest resource areas (Program 5a, Affordable Housing Preservation)
 - Expand assistance efforts such as those conducted in other cities with Orange County United Way to promote improved educational outcomes for lower income and underserved students at schools in or serving Fountain Valley.
 - As part of the City's Housing Element Annual Report, continue to annually monitor development regulations to ensure compliance with fair housing laws.
- Develop a marketing and outreach program to advertise new income-restricted units to eligible rental households. Efforts will be multilingual (English, Vietnamese, and Spanish) and will include additional efforts to reach rental households within the same census tract as the proposed units.

Objective: Develop and implement the Affirmatively Furthering Fair Housing Plan

Responsibility: Planning and Building Department

Funding Source: General Fund

Timeframe: Develop AFFH plan in 2023 and implement actions within the planning period

Program 6c: Support for Persons with Disabilities

The City will work with the Regional Center of Orange County to identify the gaps the housing needs of persons served by the Center, promote opportunities for supportive living services and support efforts increase the ability of persons with developmental disabilities to live in integrated community settings.

Objective: Assist in the development or rehabilitation of up to 20 housing units for persons with disabilities, including persons with developmental disabilities. Coordinate with the Regional Center for Orange County to establish relationship with interested developers.

Responsibility: Planning and Building Department

Funding Source: General Fund

Timeframe: 2021-2029

Program 6d: Accessibility Modifications for Persons with Disabilities

The City will continue to provide grants to income-qualified homeowners to make necessary accessibility-related renovations, based on available funding. Accessibility-related renovations may include exterior and interior modifications such as ramps, grab bars, and other alterations that allow for functional use of the dwelling. The City will focus its advertising and mailings of informational material into neighborhoods where disability rates are higher than 10%, based on the latest available Census data.

Objective: 3 grants per year (24 by 2029), or as funding allows; half of these in neighborhoods where disability rates are higher than 10%

Responsibility: Housing and Community Development Division

Financing Source: CDBG

Timeframe: 2021-2029

Program 6e: Development Code Updates for Persons with Disabilities

The City will review its development standards, terms, and approval processes and evaluate their impact on the ability to ensure barrier-free housing opportunities for persons with disabilities.

- **Reasonable accommodation.** Evaluate and remove subjective standards and findings regarding whether the accommodation will create a substantial adverse impact on surrounding land uses.

- **Definition of family.** Evaluate whether any changes are needed to the City’s definition of “family” to ensure compliance with fair housing laws.
- **Parking.** Update the development code to ensure compliance with state law and establish parking standards for residential care homes that are no different from similar residential uses.
- **Residential care homes for seven or more persons.** Evaluate the City’s conditional use permit process, including the requirements to identify and remove constraints to the production of residential care facilities serving seven or more persons. The evaluation will include interviews with current operators in the Orange County region and a specific focus on the current condition that granting the conditional use permit would not be detrimental to the public convenience, health, interest, safety or welfare, or injurious to persons, property or improvements in the vicinity and zoning district in which the property is located. To ensure that this condition is not an unreasonable requirement, the City will evaluate the CUP process for a group home or residential facility serving more than six people as a constraint and remove unreasonable conditions of approval or other requirements.

Objective: Eliminate unnecessary constraints potentially created through definitions, subjective standards, and the discretionary conditional use permit process. Establish new objective development standards to eliminate subjective components of the discretionary conditional use permit process and ensure barrier-free housing choices for persons with disabilities.

Responsibility: Housing and Community Development Division

Financing Source: General Fund

Timeframe: Conduct evaluation of terms, standards, and processes in 2023; update Development Code based the findings in 2024

Quantified Objectives

Overall, the City's planned/entitled units, remaining vacant lands, and underutilized parcels are of sufficient number, zoning, and size to accommodate the potential growth for all income levels forecasted in the City's RHNA. However, HCD provides guidance on its website that indicates the construction objectives do not have to equal the RHNA allocation. For different figures to be cited, the Housing Element must describe the analysis used to establish different quantified objectives.

Based in part on stakeholder input, SCAG staff worked diligently and developed a recommended RHNA allocation methodology, which was introduced in September 2019 at a public workshop, subsequently reviewed and approved by both the SCAG RHNA Subcommittee and the SCAG Community, Economic and Human Development Committee, and recommended for SCAG Regional Council approval before submittal to HCD. Under this recommended methodology, the proposed RHNA allocation for the City of Fountain Valley was 1,372 units. This figure represents a 383% increase over the 5th cycle RHNA allocation and would still require that Fountain Valley take unexpected and extraordinary measures to plan for new housing units.

A substitute motion was introduced by an inland county jurisdiction at the November 7, 2019, meeting of the SCAG Regional Council. This recommendation was not based on local input or growth forecast data but was instead based on a policy recommendation to shift growth away from developing areas in jurisdictions in Riverside and San Bernardino counties to largely coastal areas such as Orange County. A modified RHNA that was based on that late, substitution motion increased the City's allocation to 4,827 (increased to 4,839 after reallocation based on two successful RHNA appeals, with either number over 350% larger compared to the previously recommended RHNA allocation).

Accordingly, while the City will rezone property to ensure that there is the capacity to accommodate the final RHNA allocation (4,839), the City believes that the methodology derived from SCAG staff's final recommendation (1,372) is a more accurate reflection of growth potential.

Additionally, special programs for housing assistance, rehabilitation, and preservation will help meet the City's existing and future housing needs during the 2021–2029 planning period. A summary of quantified objectives is provided in Table H-31 below.

**TABLE H-31
QUANTIFIED OBJECTIVES BY INCOME CATEGORY**

Activity/Program	Extremely Low¹	Very Low	Low	Moderate	Above Moderate	Total
New Construction²						
Planned/Entitled	-	45	31	-	94	170
Vacant Land	-	-	-	-	-	-
Underutilized Land ³	113	122	138	212	437	1,022
ADUs ⁴	73	20	54	25	8	180
TOTAL	186	187	223	237	539	1,372
Rehabilitation						
4a. Home Improvement	12	50	50	8	-	120
4c. Lead Based Paint Hazard	-	15	20	5	-	40
4d. Code Enforcement	-	5	15	15	15	50
6c. Support for Persons with Disabilities	2	9	9	-	-	20
Assistance, Conservation, or Preservation						
1e. Alternative Housing Sites	5	5	10	-	-	20
2a. Housing Choice Vouchers	345	60	55	-	-	460
5a. Affordable Housing Preservation	-	-	70	-	-	70
5b. Homeless Services	38	-	-	-	-	38 ⁵
6d. Accessibility Mods for Persons with Disabilities	-	6	6	6	6	24
Affirmatively Furthering Fair Housing (that are not otherwise already referenced or listed above)						
1d. Accessory Dwelling Units	50	50	50	-	-	150
2b. OCHFT (aggregate total throughout all member jurisdictions)		2,700		-	-	2,700

Notes:

1. While the RHNA methodology and allocation does not provide a figure for extremely low income households, state law directs the City to address the existing and future housing need for extremely low-income households. Future need can be estimated at one-half of the City's very low-income housing allocation (adjusted above to reflect total quantified objective for new construction of 1,372).
2. Figures include 200 to 300 lower income units based on inclusionary housing as identified in Program 1c.
3. Figure includes 100-500 additional units of capacity to supplement what was adopted in 2022 as identified in Program 1a.
4. Figure includes 150 ADUs as identified in Program 1d.
5. Figure represents number of individuals successfully placed into permanent/long-term transitional housing.

Appendix A Sites Inventory by Parcel

**TABLE HA-1
SITES INVENTORY BY PARCEL**

Location	APN	Consolidated Group	Ownership Group	Future GP/Zoning	Min Density	Assumed Density	Max Density	Acres	Existing Use	Existing Units	Environmental Constraints	Infrastructure Available	Publicly-Owned	Identified in Last/Last Two Planning Cycle(s)	Vacant or Nonvacant	Lower Income Capacity	Moderate Income Capacity	Above Moderate Income Capacity	Total Capacity	Other Information
16650 HARBOR BLVD.	144-251-32	U1	A	VHDR/R5	20	50	65	3.58	Commercial and Services	0	No	Yes	No	No	Nonvacant	179	0	0	179	Rezoning
9063 RECREATION	143-301-31	U2	B	MU2/MU2	20	40	75	0.89	Commercial and Services	0	No	Yes	No	No	Nonvacant	5	11	20	36	Rezoning
9063 RECREATION	143-294-02	U2	B	MU2/MU2	20	40	75	0.04	Commercial and Services	0	No	Yes	No	No	Nonvacant	0	0	1	1	Rezoning
9063 RECREATION	143-294-01	U2	B	MU2/MU2	20	40	75	3.27	Commercial and Services	0	No	Yes	No	No	Nonvacant	20	39	72	131	Rezoning
9063 RECREATION	143-301-37	U2	C	MU2/MU2	20	40	75	1.01	Commercial and Services	0	No	Yes	Yes	No	Nonvacant	6	12	22	40	Rezoning
9063 RECREATION	143-301-32	U2	B	MU2/MU2	20	40	75	1.67	Commercial and Services	0	No	Yes	No	No	Nonvacant	10	20	37	67	Rezoning
18300 EUCLID ST	156-171-32	U3	D	SP/SP	20	22	N/A	2.08	Commercial and industrial	0	No	Yes	No	No	Nonvacant	24	5	19	48	Rezoning
18250 EUCLID ST	156-171-41	U3	X	SP/SP	20	22	N/A	3.56	Commercial and industrial	0	No	Yes	No	No	Nonvacant	41	8	30	79	Rezoning
11200 CONDOR AVE	156-171-23	U3	T	SP/SP	20	22	N/A	1.90	Commercial and industrial	0	No	Yes	No	No	Nonvacant	22	4	17	43	Rezoning
11152 CONDOR AVE E	156-171-24	U3	E	SP/SP	20	22	N/A	0.99	Commercial and industrial	0	No	Yes	No	No	Nonvacant	11	2	9	22	Rezoning
11070 CONDOR AVE	156-171-40	U3	AC	SP/SP	20	22	N/A	1.66	Commercial and industrial	0	No	Yes	No	No	Nonvacant	19	4	15	38	Rezoning
18170 EUCLID ST	156-171-51	U3	R	SP/SP	20	22	N/A	0.58	Commercial and industrial	0	No	Yes	No	No	Nonvacant	7	1	5	13	Rezoning
11065 CONDOR AVE	156-171-50	U3	AB	SP/SP	20	22	N/A	0.55	Commercial and industrial	0	No	Yes	No	No	Nonvacant	6	1	5	12	Rezoning
18124 MOUNT WASHINGTON ST	156-171-14	U3	W	SP/SP	20	22	N/A	0.82	Commercial and industrial	0	No	Yes	No	No	Nonvacant	9	2	7	18	Rezoning
11185 CONDOR AVE	156-171-12	U3	Z	SP/SP	20	22	N/A	2.18	Commercial and industrial	0	No	Yes	No	No	Nonvacant	25	5	20	50	Rezoning
11165 CONDOR AVE	156-171-34	U3	L	SP/SP	20	22	N/A	3.14	Commercial and industrial	0	No	Yes	No	No	Nonvacant	36	7	29	72	Rezoning
11115 CONDOR AVE	156-171-33	U3	M	SP/SP	20	22	N/A	0.50	Commercial and industrial	0	No	Yes	No	No	Nonvacant	6	1	5	12	Rezoning
18090 NEWHOPE ST	156-171-63	U3	Q	SP/SP	20	22	N/A	1.27	Commercial and services	0	No	Yes	No	No	Nonvacant	14	3	12	29	Rezoning
18093 NEWHOPE ST	156-171-56	U3	Q	SP/SP	20	22	N/A	0.94	Commercial and services	0	No	Yes	No	No	Nonvacant	11	2	9	22	Rezoning
18085 EUCLID ST	156-161-16	U3	AD	SP/SP	20	22	N/A	0.74	Commercial and industrial	0	No	Yes	No	No	Nonvacant	8	2	7	17	Rezoning

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Location	APN	Consolidated Group	Ownership Group	Future GP/Zoning	Min Density	Assumed Density	Max Density	Acres	Existing Use	Existing Units	Environmental Constraints	Infrastructure Available	Publicly-Owned	Identified in Last/Last Two Planning Cycle(s)	Vacant or Nonvacant	Lower Income Capacity	Moderate Income Capacity	Above Moderate Income Capacity	Total Capacity	Other Information
18100 MOUNT WASHINGTON ST	156-171-16	U3	O	SP/SP	20	22	N/A	0.84	Commercial and industrial	0	No	Yes	No	No	Nonvacant	10	2	8	20	Rezoning
18095 MOUNT SHAY ST	156-164-09	U3	Y	SP/SP	20	22	N/A	1.13	Commercial and industrial	0	No	Yes	No	No	Nonvacant	13	3	10	26	Rezoning
10865 KALAMA RIVER AVE	156-161-17	U3	AD	SP/SP	20	22	N/A	1.07	Commercial and industrial	0	No	Yes	No	No	Nonvacant	12	2	10	24	Rezoning
10835 KALAMA RIVER AVE	156-161-18	U3	AD	SP/SP	20	22	N/A	1.27	Commercial and industrial	0	No	Yes	No	No	Nonvacant	14	3	12	29	Rezoning
10925 KALAMA RIVER AVE	156-161-06	U3	F	SP/SP	20	22	N/A	1.05	Commercial and industrial	0	No	Yes	No	No	Nonvacant	12	2	10	24	Rezoning
10885 KALAMA RIVER AVE	156-161-08	U3	F	SP/SP	20	22	N/A	1.05	Commercial and industrial	0	No	Yes	No	No	Nonvacant	12	2	10	24	Rezoning
18060 MOUNT WASHINGTON ST	156-171-03	U3	S	SP/SP	20	22	N/A	0.97	Commercial and industrial	0	No	Yes	No	No	Nonvacant	11	2	9	22	Rezoning
18060 EUCLID ST	156-171-53	U3	K	SP/SP	20	22	N/A	2.43	Commercial and services	0	No	Yes	No	No	Nonvacant	28	6	22	56	Rezoning
18065 MOUNT SHAY ST	156-164-10	U3	AD	SP/SP	20	22	N/A	0.81	Commercial and industrial	0	No	Yes	No	No	Nonvacant	9	2	7	18	Rezoning
18065 EUCLID ST	156-161-15	U3	AD	SP/SP	20	22	N/A	0.90	Commercial and industrial	0	No	Yes	No	No	Nonvacant	10	2	8	20	Rezoning
18030 NEWHOPE ST	156-171-66	U3	Q	SP/SP	20	22	N/A	1.97	Commercial and services	0	No	Yes	No	No	Nonvacant	22	4	18	44	Rezoning
18030 MOUNT WASHINGTON ST	156-171-45	U3	V	SP/SP	20	22	N/A	1.79	Commercial and industrial	0	No	Yes	No	No	Nonvacant	20	4	16	40	Rezoning
11240 TALBERT	156-171-26	U3	N	SP/SP	20	22	N/A	2.89	Commercial and industrial	0	No	Yes	No	No	Nonvacant	33	7	26	66	Rezoning
11180 TALBERT AVE	156-171-20	U3	H	SP/SP	20	22	N/A	1.02	Commercial and industrial	0	No	Yes	No	No	Nonvacant	12	2	9	23	Rezoning
18010 NEWHOPE ST	156-171-65	U3	Q	SP/SP	20	22	N/A	0.55	Commercial and services	0	No	Yes	No	No	Nonvacant	6	1	5	12	Rezoning
18011 NEWHOPE ST	156-171-54	U3	Q	SP/SP	20	22	N/A	0.98	Commercial and services	0	No	Yes	No	No	Nonvacant	11	2	9	22	Rezoning
11060 TALBERT AVE	156-171-28	U3	J	SP/SP	20	22	N/A	0.75	Commercial and services	0	No	Yes	No	No	Nonvacant	9	2	7	18	Rezoning
18030 EUCLID ST	156-171-09	U3	U	SP/SP	20	22	N/A	0.8	Commercial and services	0	No	Yes	No	No	Nonvacant	9	2	7	18	Rezoning
10910 TALBERT AVE	156-161-19	U3	AE	SP/SP	20	22	N/A	1.57	Commercial and industrial	0	No	Yes	No	No	Nonvacant	18	4	14	36	Rezoning
10870 TALBERT AVE	156-161-12	U3	AD	SP/SP	20	22	N/A	1.18	Commercial and industrial	0	No	Yes	No	No	Nonvacant	13	3	11	27	Rezoning

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10840 TALBERT AVE	156-161-11	U3	G	SP/SP	20	22	N/A	1.18	Commercial and industrial	0	No	Yes	No	No	Nonvacant	13	3	11	27	Rezoning
10810 TALBERT AVE	156-161-10	U3	I	SP/SP	20	22	N/A	0.73	Commercial and industrial	0	No	Yes	No	No	Nonvacant	8	2	7	17	Rezoning
10770 TALBERT AVE	156-164-11	U3	P	SP/SP	20	22	N/A	0.53	Commercial and industrial	0	No	Yes	No	No	Nonvacant	6	1	5	12	Rezoning
11701 EDINGER AVE	144-162-02	U4	AF	VHDR/R5	20	50	65	2.34	Commercial and services	0	No	Yes	No	Last cycle - underutilized	Nonvacant	117	0	0	117	Rezoning
16225 HARBOR BLVD	144-241-12	U5	AG	MU2/MU2	20	35	55	0.51	Commercial and services	0	No	Yes	No	No	Nonvacant	2	3	6	11	Rezoning
16201 HARBOR BLVD	144-241-14	U5	AH	MU2/MU2	20	35	55	2.65	Commercial and services	0	No	Yes	No	No	Nonvacant	8	17	31	56	Rezoning
16181 HARBOR BLVD	144-241-16	U5	AI	MU2/MU2	20	35	55	3.26	Commercial and services	0	No	Yes	No	No	Nonvacant	10	20	38	68	Rezoning
16141 HARBOR BLVD	144-241-15	U5	AJ	MU2/MU2	20	35	55	1.84	Commercial and services	0	No	Yes	No	No	Nonvacant	6	11	21	38	Rezoning
16123 HARBOR BLVD	144-241-17	U5	AI	MU2/MU2	20	35	55	1.74	Commercial and services	0	No	Yes	No	No	Nonvacant	6	11	20	37	Rezoning
16111 HARBOR BLVD	144-241-18	U5	AK	MU2/MU2	20	35	55	0.61	Commercial and services	0	No	Yes	No	No	Nonvacant	2	4	7	13	Rezoning
16111 HARBOR BLVD	144-241-20	U5	AK	MU2/MU2	20	35	55	6.07	Commercial and services	0	No	Yes	No	No	Nonvacant	19	39	70	128	Rezoning
17272 NEWHOPE ST	169-421-11	U6	AL	SP/SP	20	45	N/A	3.05	Commercial and services	0	No	Yes	No	No	Nonvacant	21	40	80	141	Rezoning
17272 NEWHOPE ST	169-422-46	U6	AL	SP/SP	20	45	N/A	0.36	Commercial and services	0	No	Yes	No	No	Nonvacant	2	5	11	17	Rezoning
2017272 NEWHOPE ST	169-421-29	U6	AL	SP/SP	20	45	N/A	11.33	Commercial and services	0	No	Yes	No	No	Nonvacant	76	155	273	505	Rezoning
16300 EUCLID ST	144-111-01	V7	AM	HDR/R4	20	22	30	18.64	Vacant	0	No	Yes	No	No	Vacant	62	122	227	411	Rezoning
9736 ELLIS AVE	157-033-40	U8	AO	LMDR/GH	5	6	10.8	4.2	Agriculture	1	No	Yes	No	No	Nonvacant	0	9	17	26	Rezoning
11049 SOUTHPARK AVE	169-223-02	U9	AP	SP/SP	20	31	N/A	9.97	Vacant	0	No	Yes	No	No	Vacant	241	27	42	310	Rezoning
11049 SOUTHPARK AVE	169-221-10	U9	AP	SP/SP	20	31	N/A	2.59	Vacant	0	No	Yes	No	No	Vacant	64	16	0	80	Rezoning
11049 SOUTHPARK AVE	169-221-09	U9	AP	SP/SP	20	31	N/A	0.89	Vacant	0	No	Yes	No	No	Vacant	22	6	0	28	Rezoning
11230 GRACE AVE	169-221-16	U9	AP	SP/SP	20	31	N/A	12.13	Agriculture	0	No	Yes	No	No	Nonvacant	0	0	378	378	Rezoning
11230 GRACE AVE	169-224-05	U9	AP	SP/SP	20	31	N/A	3.98	Vacant	0	No	Yes	No	No	Vacant	99	25	0	124	Rezoning
11230 GRACE AVE	169-224-02	U9	AP	SP/SP	20	31	N/A	3.24	Vacant	0	No	Yes	No	No	Vacant	80	20	0	100	Rezoning

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11230 GRACE AVE	169-224-01	U9	AP	SP/SP	20	31	N/A	2.55	Vacant	0	No	Yes	No	No	Vacant	64	16	0	80	Rezoning
10130 WARNER AVE	169-041-24	U10	AQ	MU1/MU1	20	65	75	1.84	Commercial and services	0	No	Yes	No	No	Nonvacant	18	36	66	120	Rezoning

Note: Sites U2 and U10 would, upon rezoning, be permitted to reach a maximum of 75 units per acre, however, the City is only considering the maximum of 55 units per acre for the purposes of calculating RHNA capacity.