



CITY OF BREA 2008-2014 HOUSING ELEMENT

FINAL

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CITY OF BREA
DEVELOPMENT SERVICES DEPARTMENT
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BREA, CA 92821

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2. HOUSING NEEDS ASSESSMENT



This section of the Housing Element discusses the characteristics of the City's population and housing stock as a means of better understanding the nature and extent of unmet housing needs. The Housing Needs Assessment is comprised of the following components: A) Demographic Profile; B) Household Profile; C) Housing Stock Characteristics; and D) Regional Housing Needs. A variety of housing needs maps are presented based on census tract data; Figure 1 depicts the 2000 census tract and block group boundaries for Brea.

A. DEMOGRAPHIC PROFILE

Demographic changes such as population growth or changes in age can affect the type and amount of housing that is needed in a community. This section addresses population, age, race and ethnicity, and employment of Brea residents.

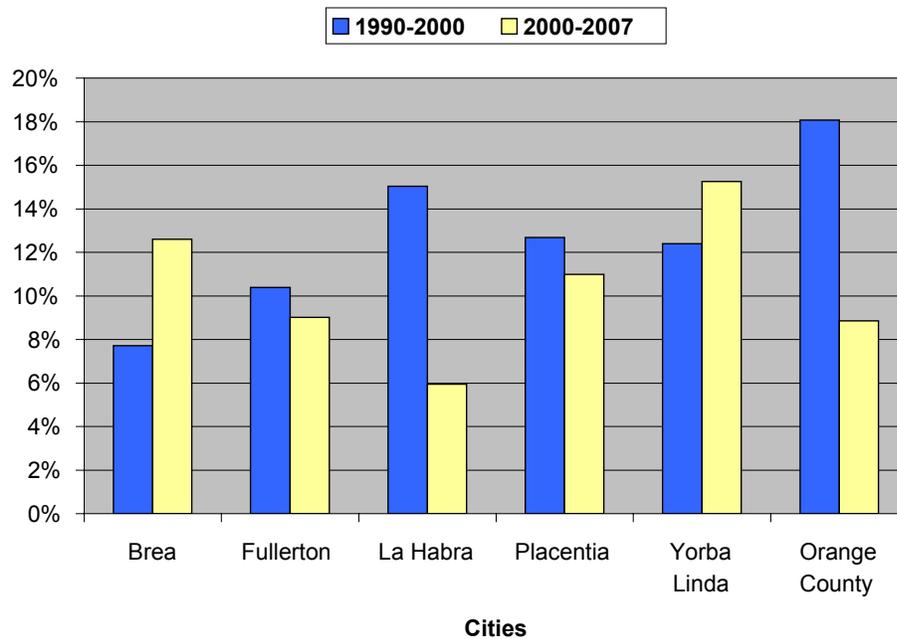
1. Population Growth Trends

Table HE-1 presents population growth trends in Brea, and compares this growth to neighboring cities and the entire County of Orange. This Table illustrates the high level of population growth in Orange County during the 1990s, with growth levels in the more established north Orange County communities somewhat lower than the Countywide average. Population growth was particularly limited in Brea, with the City's 8 percent growth less than half that of the County (18%). In contrast, since 2000 growth levels in Brea have been among the highest in the north Orange County region. According to 2007 State Department of Finance estimates, Brea has a current population of 39,870, representing an increase of thirteen percent since 2000. A significant amount of the City's population growth is a result of the 600+ units developed in Olinda Ranch in the City's eastern hillside areas.

**Table HE-1
Regional Population Growth Trends 1990 – 2007**

| Jurisdiction | 1990 | 2000 | 2007 | Percent Change | |
|---------------|---------------|---------------|---------------|----------------|------------|
| | | | | 1990-2000 | 2000-2007 |
| Brea | 32,873 | 35,410 | 39,870 | 8% | 13% |
| Fullerton | 114,144 | 126,003 | 137,367 | 10% | 9% |
| La Habra | 51,266 | 58,974 | 62,483 | 15% | 6% |
| Placentia | 41,259 | 46,488 | 51,597 | 13% | 11% |
| Yorba Linda | 52,422 | 58,918 | 67,904 | 12% | 15% |
| Orange County | 2,410,556 | 2,846,289 | 3,098,121 | 18% | 9% |

Source: 1990 and 2000 Census. State Department of Finance, May 2007.



According to Orange County Projections (OCP) 2006, the population of Brea is expected to grow to 45,416 by 2015, a 15 percent increase over the 2005-2015 period. OCP Projections show a slowing in growth after this time, with just a two percent increase in population between 2015-2025, and continued two percent growth between 2025-2035. These patterns of growth are consistent with projections Countywide that identify nearly 60 percent of the population increase through 2035 to occur within the 2005-2010 period.

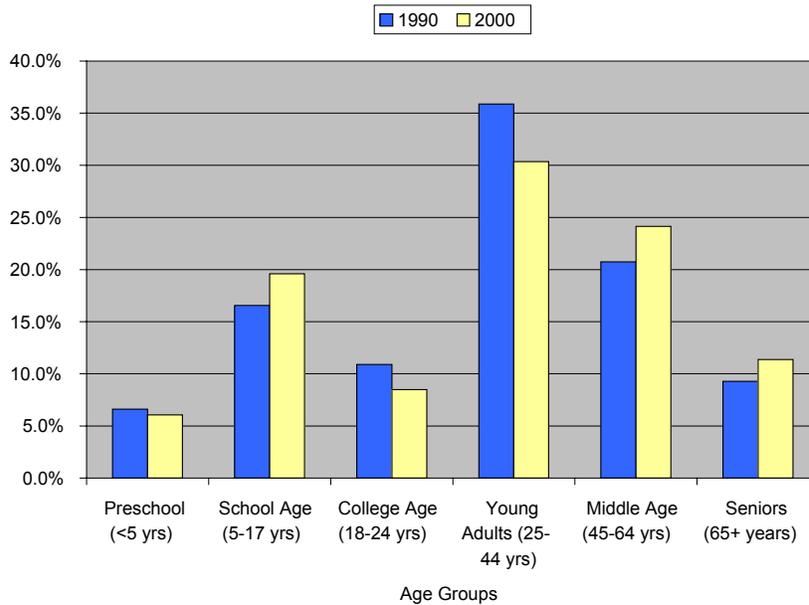
Figure 1 Census Tract Boundaries

addition to a growing middle age population, the City added nearly 1,000 seniors to its population over the decade. These population shifts have contributed to an overall aging of Brea’s population: the 2000 Census puts Brea’s median age at 36.4 years, well above the 33.5 years ten years prior.

**Table HE-2
Age Distribution 1990 – 2000**

| Age Group | 1990 | | 2000 | | |
|--------------------------|---------------|-------------|---------------|-------------|--------------|
| | Persons | Percent | Persons | Percent | Orange Co. % |
| Preschool (<5 yrs) | 2,176 | 6% | 2,145 | 6% | 8% |
| School Age (5-17 yrs) | 5,449 | 17% | 6,937 | 20% | 19% |
| College Age (18-24 yrs) | 3,583 | 11% | 3,011 | 9% | 9% |
| Young Adults (25-44 yrs) | 11,791 | 36% | 10,749 | 30% | 33% |
| Middle Age (45-64 yrs) | 6,822 | 21% | 8,545 | 24% | 21% |
| Seniors (65+ years) | 3,052 | 9% | 4,023 | 11% | 10% |
| Total Population | 32,873 | 100% | 35,410 | 100% | 100% |
| MEDIAN AGE | 33.5 years | | 36.4 years | | 33.3 years |

Source: U.S. Census 1990 and 2000.



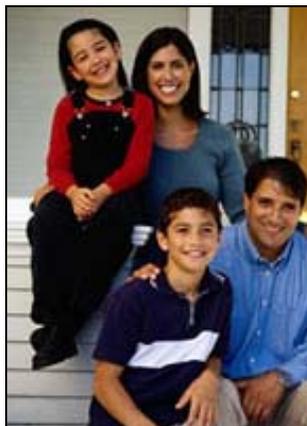
3. Race and Ethnicity

Table HE-3 displays the racial/ethnic composition of Brea’s population in 1990 and 2000, and compares this with the countywide distribution. White residents continue to comprise the vast majority of the City’s population, although the proportion of Whites in Brea decreased from approximately three-quarters to two-thirds of the population over the decade. In contrast, Hispanic residents increased from 15 to 20 percent, Asians increased from 6 to 9 percent, and “Other” races increased from 1 to 3 percent. Despite Brea’s increasing ethnic diversity, Brea remains less ethnically diverse than Orange County as a whole.

**Table HE-3
Racial and Ethnic Composition 1990 – 2000**

| Racial/ Ethnic Group | 1990 | | 2000 | | |
|---------------------------|---------------|-------------|---------------|-------------|-----------------|
| | Persons | Percent | Persons | Percent | Orange Co. % |
| White | 25,359 | 77% | 23,541 | 66% | 51% |
| Hispanic | 5,078 | 15% | 7,205 | 20% | 31% |
| Asian/Pacific Islander | 1,957 | 6% | 3,255 | 9% | 14% |
| African American | 332 | 1% | 409 | 1% | 1% |
| American Indian | 115 | <1% | 111 | <1% | <1% |
| Other Race | 32 | <1% | 889 | 3% | 2% |
| Total Population | 32,873 | 100% | 35,410 | 100% | 100% |

Source: U.S. Census 1990 and 2000.



4. Employment

Brea has a very strong employment base, with 1.15 jobs per resident, compared to the County with just .52 jobs per resident. The City's diversified employment includes five primary sectors: retail trade (27%), manufacturing (21%), services (20%), finance, insurance and real estate (12%), and wholesale trade (10%). Orange County Projections (OCP) 2006 document the City's 2005 employment base at 40,231 jobs, and projects an increase to 44,490 jobs by 2015, an eleven percent increase. Employment growth is projected to continue to occur in the City's five primary sectors.

According to the 2000 Census, 18,931 Breans were in the labor force. (The labor force includes employed and unemployed persons aged 16 years and above.) This represents a labor force participation rate of 70 percent. As shown in Table HE-4, most residents were employed in two occupational categories: managerial and professional specialty (44%); and sales, technical, and administrative support (31%). The numbers of residents employed in managerial/professional occupations has increased dramatically over the decade (from 37% in 1990 to 44% in 2000), indicating the City's transition to a predominately white collar community.

The City's unemployment rate in 2000 was 2.5 percent. According to the State Employment Development Department, Brea's unemployment rate in 2006 remained very low at 2.4 percent, about 1 percentage point lower than the countywide unemployment rate of 3.4 percent.

**Table HE-4
Occupation of Residents 1990 – 2000**

| Job Category | Number | % of Total (2000) | % of Total (1990) |
|--|---------------|------------------------------|------------------------------|
| Managerial/Professional | 8,051 | 44% | 37% |
| Sales, Technical, Administrative (Support) | 5,651 | 31% | 36% |
| Service Occupations | 1,948 | 11% | 8% |
| Construction, Extraction & Maintenance | 894 | 5% | 9% |
| Production, Transportation & Material Moving | 1,663 | 9% | 9% |
| Farming, Forestry, & Fishing | 0 | 0% | 1% |
| Total Employed Persons | 18,207 | 100% | 100% |

Source: U.S. Census 1990 and 2000.

B. HOUSEHOLD PROFILE

Household type and size, income levels, and the presence of special needs populations all affect the type of housing needed by residents. This section details the various household characteristics affecting housing needs in Brea.

1. Household Type

A household is defined as all persons living in a housing unit. Families are a subset of households, and include persons living together related by blood, marriage, or adoption. A single person living alone is also a household. "Other" households are unrelated people residing in the same dwelling unit. Group quarters, such as dormitories or convalescent homes are not considered households.

According to the 2000 Census, 13,067 households reside in Brea, with an average household size of 2.70 persons (refer to Table HE-5). This represents a relatively stable household size (2.68) from 1990, and remains below the Orange County average household size of 3.00. In Brea, trends of an aging population with smaller households are offset by increases in the number of families with children, averaging out to little change in household size.

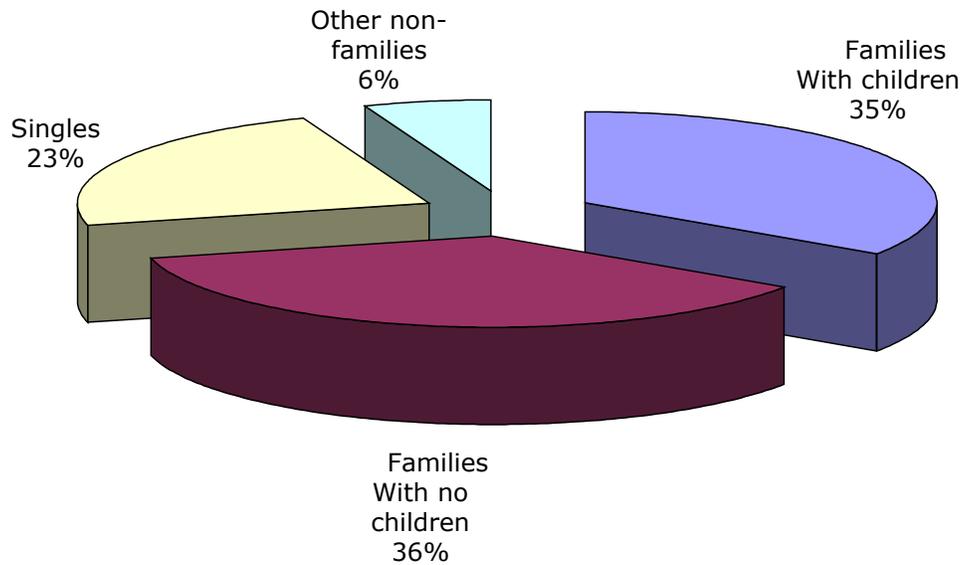
Families comprise the majority of households in Brea (71%), including families with children (34%), and those without children (37%). During the 1990s, the City experienced an increase in nearly 450 families with children, consistent with the increasing school age population and illustrating Brea's continued attractiveness as a family-oriented community.



**Table HE-5
Household Characteristics 1990 - 2000**

| Household Type | 1990 | | 2000 | | Percent Change |
|-------------------------|---------------|-------------|---------------|-------------|----------------|
| | Households | Percent | Households | Percent | |
| Families | 8,624 | 70% | 9,301 | 71% | +8% |
| <i>With children</i> | 4,073 | 33% | 4,515 | 34% | +11% |
| <i>With no children</i> | 4,551 | 37% | 4,786 | 37% | +5% |
| Singles | 2,656 | 22% | 3,011 | 23% | +13% |
| Other non-families | 944 | 8% | 755 | 6% | -20% |
| Total Households | 12,224 | 100% | 13,067 | 100% | +7% |
| Average Household Size | 2.68 | | 2.70 | | +1% |
| Average Family Size | 3.15 | | 3.21 | | +2% |

Source: U.S. Census 1990 and 2000.



2. Household Income

Household income is one of the most important factors affecting housing opportunity and determining a household's ability to balance housing costs with other basic necessities of life.

Income Definitions

The State and Federal government classify household income into several groupings based upon the relationship to the County (area) median income (AMI), adjusted for household size. The State of California utilizes the income groups presented in Table HE-6. However, federal housing programs utilize slightly different income groupings and definitions, with the highest income category generally ending at >95% AMI. For purposes of the Housing Element, the State income definitions are used throughout, except where the data has been compiled by the federal Department of Housing and Urban Development (HUD) and is specifically noted.

**Table HE-6
State Income Categories**

| Income Category | % Area Median Income (AMI) |
|-----------------|----------------------------|
| Extremely Low | 0-30% AMI |
| Very Low | 31-50% AMI |
| Low | 51-80% AMI |
| Moderate | 81-120% AMI |
| Above Moderate | 120%+ AMI |

Source: Section 5000093 of the California Health and Safety Code.

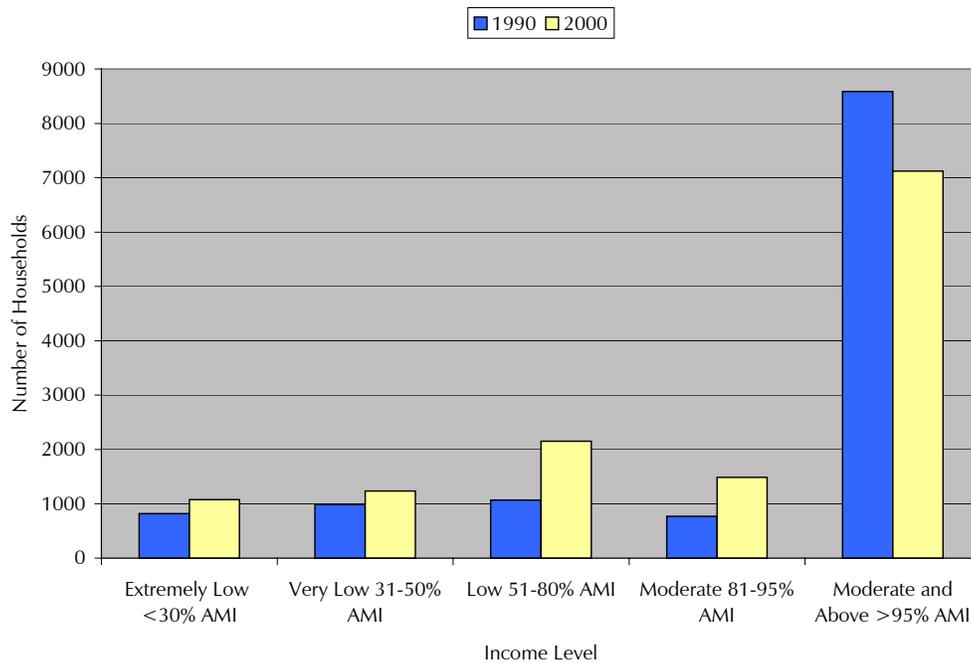
Income Characteristics

Between 1990 and 2000, the median income in Brea grew from \$51,253 to \$59,759, an increase of 17 percent. While the median income in Brea remains slightly above that of Orange County (\$58,820), the City experienced significant increases in its lower and moderate income population, with households earning less than 95 percent AMI increasing from 30 to 45 percent. Nonetheless, Brea remains a predominantly above moderate income community, with over half of its households earning greater than 95 percent AMI.

Table HE-7
Household Income Levels 1990 - 2000

| Income Level | 1990 | | 2000 | | Percent Change |
|---------------------------|---------------|-------------|---------------|-------------|----------------|
| | Households | % | Households | % | |
| Extremely Low (<30% AMI) | 817 | 7% | 1,078 | 8% | +32% |
| Very Low (31-50% AMI) | 985 | 8% | 1,234 | 9% | +25% |
| Low (51-80% AMI) | 1,066 | 9% | 2,151 | 17% | +102% |
| Moderate (81-95% AMI) | 770 | 6% | 1,484 | 11% | +93% |
| Above Moderate (>95% AMI) | 8,586 | 70% | 7,120 | 55% | -17% |
| Total | 12,224 | 100% | 13,067 | 100% | n/a |

Source: SCAG Existing Housing Needs (HUD User WebPage).



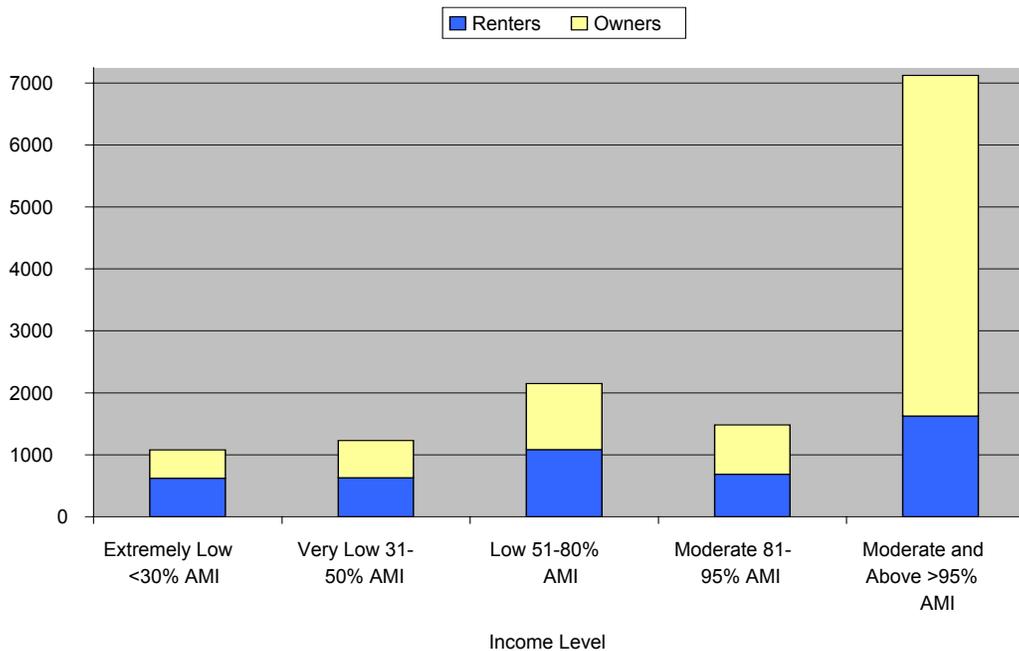
Income by Household Type and Tenure

Table HE-8 shows the income level of Brea residents by household tenure. As could be expected, a significantly higher percentage of renter households (50%) were lower income (<80% AMI) compared to residents who owned their homes (25%). The median income of renter households was \$41,586, \$30,000 below the \$71,504 homeowner median.

Table HE-8
Income by Owner/Renter Tenure 2000

| Income Level | Renters | | Owners | | Total % |
|---------------------------|--------------|-------------|--------------|-------------|-------------|
| | Households | % | Households | % | |
| Extremely Low (<30% AMI) | 622 | 13% | 456 | 5% | 8% |
| Very Low (31-50% AMI) | 632 | 14% | 602 | 7% | 9% |
| Low (51-80% AMI) | 1,083 | 23% | 1,068 | 13% | 17% |
| Moderate (81-95% AMI) | 687 | 15% | 797 | 10% | 11% |
| Above Moderate (>95% AMI) | 1,624 | 35% | 5,496 | 65% | 55% |
| Total | 4,648 | 100% | 8,419 | 100% | 100% |

Source: SCAG Existing Housing Needs (HUD User WebPage).

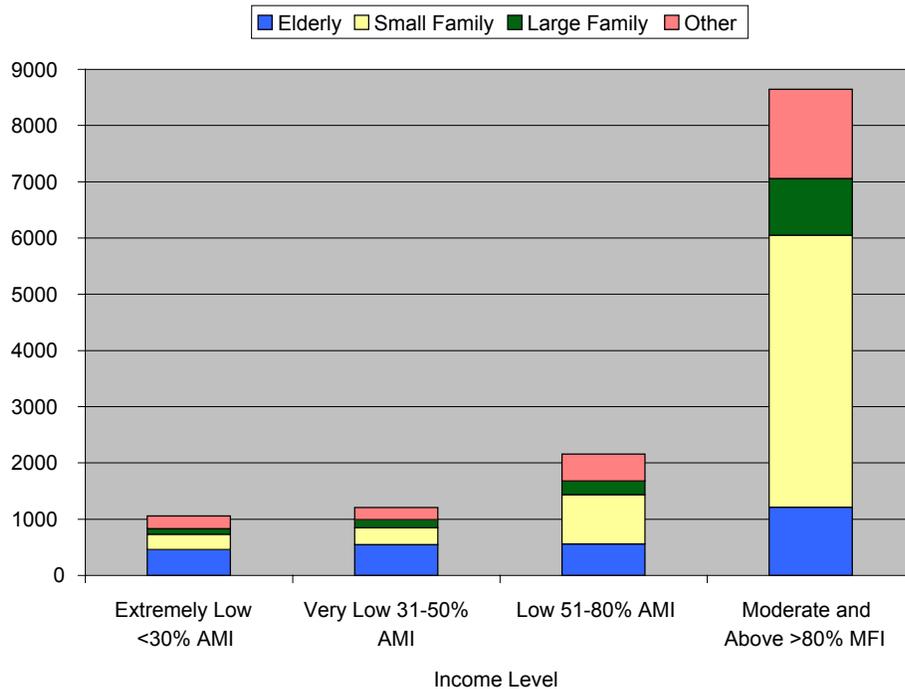


While renters were more likely to have lower incomes than owners, there is also significant variation in income levels by household type, as presented in Table HE-9. Over half of Brea’s elderly households have lower incomes, with approximately one-fifth having extremely low incomes; these elderly households are particularly vulnerable to any increase in housing costs. About one-quarter of small families and one-third of large families have lower incomes.

**Table HE-9
Income Level by Household Type 2000**

| Income Level | Elderly | Small Family (2-4 person) | Large Family (5+ person) | Other |
|-------------------------------|--------------|---------------------------|--------------------------|--------------|
| Extremely Low (<30% AMI) | 463 | 269 | 99 | 227 |
| Very Low (31-50% AMI) | 551 | 299 | 144 | 214 |
| Low (51-80% AMI) | 557 | 879 | 244 | 478 |
| Moderate and Above (>80% AMI) | 1,212 | 4,838 | 1,011 | 1,582 |
| Total | 2,783 | 6,285 | 1,498 | 2,501 |

Source: SCAG Existing Housing Needs (HUD User WebPage)



Households in Poverty

The federal government publishes national poverty thresholds that define the minimum income level necessary to obtain the necessities of life. For example, the 2000 U.S. poverty threshold for a family of four was \$17,463. As indicated in Table HE-10, about 5 percent of all Brea residents lived in poverty in 2000, an increase of 714 persons living below the poverty line since 1990. About 7 percent of all children under the age of 18 in Brea live in poverty. As a group, female-headed households with children are most impacted by poverty, with 14 percent of this group living in poverty.

Figure 2 illustrates levels of poverty in Brea by census block group. The highest concentrations of poverty (10-18%) are located in the southwest quadrant of the City, generally south of Birch Street and west of Randolph Street. These areas also correspond to high levels of renter households (Figure 4).

**Table HE-10
Poverty Status 1990 – 2000**

| Groups in Poverty | 1990 | | 2000 | |
|----------------------------------|----------------------|---------|----------------------|---------|
| | Persons/ Families | Percent | Persons/ Families | Percent |
| Individuals | 1,160 | 4% | 1,874 | 5% |
| <i>Children (under 18)</i> | 297 | 4% | 603 | 7% |
| Families | 146 | 2% | 318 | 3% |
| <i>Female-Headed w/ Children</i> | 57 | 12% | 92 | 14% |

Source: U.S. Census 1990 and 2000.

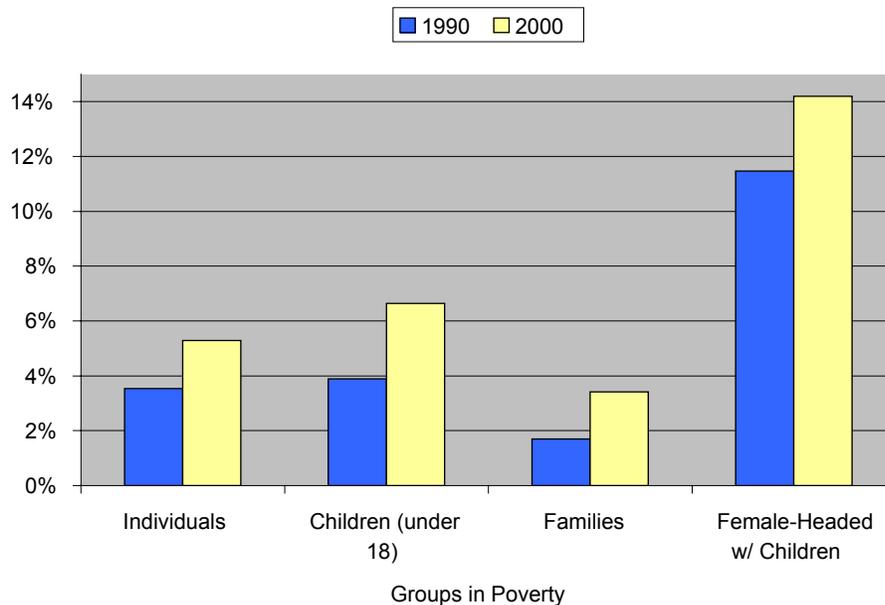


Figure 2. Population in Poverty

3. Special Needs Populations

Special State law recognizes that certain households have more difficulty in finding decent and affordable housing due to special circumstances including, but not limited to the following: economic status, age, disability, household size and household type. Special needs populations in Brea include large households, the elderly, persons with disabilities, female-headed households, and the homeless. Table HE-11 summarizes the number of households or persons in each of these special needs groups in the City.

**Table HE-11
Special Needs Populations 2000**

| Special Needs Groups | Persons | Households | Percent |
|---------------------------------|---------------|---------------|---------|
| Large Households | | 1,517 | 12% |
| <i>Renter</i> | | 463 | (30%) |
| <i>Owner</i> | | 1,054 | (70%) |
| Seniors (65+) | 4,023 | | 11% |
| <i>With a Disability</i> | 1,554 | | (39%) |
| Senior Households | | 2,543 | 20% |
| <i>Renter</i> | | 680 | (27%) |
| <i>Owner</i> | | 1,863 | (73%) |
| Seniors Living Alone | 1,091 | | (27%) |
| Persons with Disability | 5,204 | | 15% |
| Female-Headed Households | | 3,388 | 26% |
| <i>with Related Children</i> | | 652 | 19% |
| Farmworkers* | 24 | | <1% |
| Total Persons/Households | 35,410 | 13,067 | |

Source: U.S. Census 2000.

*Persons employed in Farming, Forestry or Fishing Occupations



Large Households



Large households consist of five or more persons and are considered a special needs population due to the limited availability of affordable and adequately sized housing. The lack of large units is especially evident among rental units. Large households often live in overcrowded conditions, due to both the lack of large enough units, and insufficient income to afford available units of adequate size.

Brea is home to 1,517 large households, and at 12 percent of all households, represents a significant special needs group in the City. Of these large households, 30 percent are renters and the majority of these large renter households (61%) earn lower incomes. Based on the CHAS (Comprehensive Housing Affordability Strategy) Databook prepared by HUD, 81 percent of Brea's large renter households suffer from one or more housing problems, including housing overpayment, overcrowding and/or substandard housing conditions.

The CHAS Databook identifies 713 rental units in Brea with three or more bedrooms, in general, the appropriate sized unit for a large household of five or more members. In contrast, the City is home to 442 large renter households, indicating that Brea has an adequate supply of rental units for the City's large families. However, the fact that 40 percent of Brea's large renter households are overpaying for housing would indicate the ability to afford adequately sized units remains an issue for these households.

Through its Family Resource Center (FRC), the City provides youth and family services to meet the needs and concerns of families. Services include: individual and family counseling, parenting classes, debt management and financial workshops, plus health screenings, support groups and social service agency referrals. Most services are free or offered at low cost through the support of local sponsorships and grants. FRC offices are located within the Brea Community Center where numerous programs are conducted throughout the year.

Senior Households

Approximately 11 percent of Brea residents are over age 65, and about 20 percent of all households are headed by seniors. Most of the City's seniors are homeowners (73%), and about 27 percent of the City's elderly live alone. Almost 40 percent of elderly residents in Brea have some type of disability, which may limit their abilities to live independently. Figure 3 illustrates locations in Brea with high concentrations of senior households.

Figure 3
Senior Households



The elderly have a number of special needs including housing, transportation, health care, and other services. For those seniors who live on their own, many may not be able to maintain their homes or perform minor repairs as a result of their age and/or income limitations. Furthermore, the installation of grab bars and other assistance devices in the home may be needed. Rising rents are a particular concern due to the fact that most seniors are on fixed incomes. Of Brea's approximately 680 senior renter households, 80 percent are lower income. The City and its Redevelopment Agency have assisted in the development of five senior housing projects, providing approximately 250 rental units affordable to very low, low and moderate income households (refer to Table HE-23). The City also offers a rent subsidy program for lower income seniors, assisting 120 seniors monthly with rent subsidies of \$246 paid directly to the landlord. The State of California Community Care Licensing Division identifies eleven residential care homes for the elderly in Brea, providing 166 beds for seniors requiring 24 hour assisted living.



The Brea Senior Center offers many opportunities for seniors to learn new skills and share activities with other seniors. The Center works to meet the social, recreational and service needs of Brea's senior population. A variety of services are provided including: homemaker services, social services, health services, and recreational and educational activities. Free tax assistance is also provided.

The Senior Center is staffed with a paralegal from the Legal Aid Society of Orange County, offering seniors free assistance with questions regarding: landlord-tenant issues, creditor problems, contracts and leases, retirement benefits, defense against lawsuits, and other basic legal issues. The Brea Home Delivered Meals Program delivers three meals per weekday on a donation basis of \$4.50 per day to homebound seniors in Brea who cannot prepare their own meals.

Female-Headed Households

Single-parent households typically have a special need for such services as childcare and health care. Female-headed households with children in particular tend to have lower incomes, which limits their housing options and access to supportive services. The 2000 Census reports 3,388 female-headed households in Brea; 652 of these households had children. Of those households with children, 14 percent lived in poverty. These households need assistance with housing subsidies, as well as accessible and affordable day care.



The Brea Community Center offers after school programs during the school year with its After School Program and Homework Club. The After School Program runs Monday through Friday and provides youth with a variety of activities in a positive environment. The Homework Club provides Brea children, Grades 1-6, supervised help with their homework every weekday afternoon.

KidWatch Babysitting service is available at the Brea Community Center for adults attending classes or activities at the Center. Babysitting is available on a drop-in basis for children 18 months or older. The City also offers comprehensive sports programs for youth open to boys and girls of all ages and ability levels.

A disability is defined as a long lasting condition that impairs an individual's mobility, ability to work, or ability to care for them self. Persons with disabilities include those with physical, mental, or emotional disabilities. Disabled persons have special housing needs because of their fixed income, shortage of affordable and accessible housing, and higher health costs associated with their disability.

Persons with Disabilities

Approximately 15 percent of Brea residents (5,204 persons) have one or more disabilities. An estimated 1,977 residents have a physical disability, 2,109 residents have a work disability, and 2,262 have mobility/self-care limitations. Of the City's senior population, 39 percent have one or more types of disabilities.

The living arrangements for persons with disabilities depends on the severity of the disability. Many persons live at home in an independent environment with the help of other family members. To maintain independent living, disabled persons may require assistance. This can include special housing design features for the physically disabled, income support for those who are unable to work, and in-home supportive services for persons with medical conditions. Brea has two small group homes for adults with developmental disabilities: the Carmel Family Home and the Harvey Family Home, each with capacity for six adults.

Accessibility Accommodations: Both the federal Fair Housing Act and the California Fair Employment and Housing Act impose an affirmative duty on local governments to make reasonable accommodations (i.e. modifications or exceptions) in their zoning and other land use regulations when such accommodations may be necessary to afford disabled persons

an equal opportunity to use and enjoy a dwelling. For example, it may be a reasonable accommodation to allow ramps in the setbacks of properties that have already been developed to accommodate residents with mobility impairments. The City of Brea allows homeowners to build ramps into single-family dwellings to allow first floor access for physically disabled residents. Such ramps or guardrails (up to 30" in height) are permitted to intrude into the standards setbacks required under zoning, and are subject only to a building permit, eliminating the need to obtain a zoning variance. In order to better facilitate the provision of housing for persons with disabilities, the Housing Element establishes a program for the City to adopt specific, written procedures for reasonable accommodation requests.

The Brea Economic Development Department makes available grant funds to income qualified households for accessibility improvements.

In 2001, the Brea City Council supported a process that requests all residential homebuilders to address universal design principles when submitting proposed developments in the City. The goal of universal design is to accommodate a wide range of abilities including children, aging populations, and persons with disabilities by providing features in residential construction that enhance accessibility. The City has developed a brochure entitled *Universal Design Principles and Modifications for Residential Home Builders in Brea*. Development Services staff provide this brochure to all residential developers proposing to build in Brea and request that plans incorporate universal design features to allow homeowners to gracefully age in place.

Farmworkers

Farmworkers are traditionally defined as persons whose primary incomes are earned through seasonal agricultural work. Farm workers have special housing needs because they earn lower incomes than many other workers and move throughout the season from one harvest to the next. According to U.S. Census Data from 2000, 24 Brea residents were employed in farming, fishing or forestry industries, representing less than one percent of the City's total population. Given the extremely limited presence of farmworkers in the community, the City has no specialized housing programs targeted to this group beyond overall programs for housing affordability.

Homeless



The City's Community Services Department operates the Brea Family Resource Center, offering a range of services to persons and families at-risk of homelessness, including: case management and referrals; transportation assistance, (bus passes, gas cards); food vouchers; and one-time rental assistance. The Family Resource Center is staffed with a supervisor and full time case manager, and is funded through Brea General Fund revenues. Services provided through the Center are primarily funded through non-profit service agencies and fundraising activities. The Center's supervisor conducts extensive community outreach throughout Brea to inform residents of services available through the Center.

During 2006/07, the Family Resource Center assisted 109 individuals with crisis intervention, including emergency rental assistance and motel vouchers. Of those assisted, 27 were homeless, although none of the homeless were Brea residents. According to Family Center staff, although the City does have a transitional housing facility, the City does not have a permanent homeless population. Annual reporting of homeless youth by the Brea Olinda Unified School District to the County Department of Education confirms the limited homeless population in Brea, with 3 homeless youth reported in 2005-07, and 13 in 2006-07 (Note: School Districts' definition of homeless include families sharing housing with others on a temporary basis).

The Family Resource Center serves as an "out station" for the Salvation Army, serving approximately 8,000 persons in need annually. The Resource Center works closely with two local non-profit human services agencies in fundraising and providing assistance to persons at-risk of homelessness. Active Christians Today operates a food pantry and provides emergency clothing, and the Brea Emergency Council works with low income residents in preventing homelessness. These two service agencies assist in funding the One Time Rental Assistance Program to provide necessary funds to low income households to prevent eviction.

Table HE-12 lists the major homeless shelters and facilities in nearby north Orange County jurisdictions. The Family Resource Center provides case management and referral of homeless to these and other shelters in Orange County. Within Brea, the Sheepfold Christian organization operates a transitional housing facility for battered and homeless women and their children. The Sheepfold can house up to six families, and all services and daily necessities are provided free of charge.

**Table HE-12
Inventory of Homeless Facilities and Services- North Orange County**

| Organization | Beds and/or Services Provided |
|--|--|
| City of Brea Community Services Department Brea Family Resource Center 695 Madison Way, Brea (714) 990-7776 | Provides individual and family counseling, parenting classes, debt management and financial workshops, plus health screenings, support groups and social service agency referrals. Emergency assistance includes case management, motel lodging, rental assistance and shelter referral. Most services are free or low cost through the support of local sponsorships and grants. |
| Active Christians Today 5855 Walnut Avenue, Brea (714)529-6776 | Operates a food pantry, provides emergency clothing, rental and utility bill assistance. |
| Brea Emergency Council 1 Civic Center Drive, Brea (714)671-4452 | Homeless prevention services, including rental and utility bill assistance. Community Christmas food and gift basket program. |
| Brea Ministerial Association North Hills Church 3000 E. Birch Street, Brea (714)529-1642 | Consortium of churches in Brea. Provide emergency housing in extreme crisis situations. Meet monthly - location alternates among churches. |
| Sheepfold Women's Services Anaheim, CA (714) 237-1444 <i>(Transitional Housing Facility in Brea)</i> | Transitional housing facility in Brea for battered and homeless women and their children with capacity for up to 6 families. House Managers help each resident to establish a financial plan and explore housing and employment options. Women's Service Center in Anaheim provides a range of services, including helping to enroll children in school, assistance with legal obligations, and medical and dental appointments. |
| Anaheim Interfaith Shelter P.O. Box 528 Anaheim, CA 92815 (714) 774-8502 | Provides transitional housing and supportive services for nine homeless families for a 6-9 month period. Adults must be employed full time or in school with part-time employment. Eighty percent of family income is designated for savings. Weekly case management, goal setting and budgeting are required. |
| H.I.S. House 907 N. Bradford St. Placentia, CA 92870 (714) 993-5774 | Provides 40 beds for families and individuals for up to 6 months. Services include financial planning, parenting classes, drug and health education, moving assistance, counseling, and job training. |
| Lutheran Social Services 2560 N. Santiago Orange, CA 92867 (714)685-1800 | Provides clothing, limited transportation, referrals, prescriptions, utilities and rental assistance (when funds are available), counseling and English as a Second Language (ESL) classes. |
| New Vista Shelter (Fullerton Interfaith Emergency Services) Fullerton, CA 92634 (714) 680-3691 | Provides transitional housing, food, and basic supplies for up to 120 days. Case management, life skills classes, assistance with childcare and other living essentials are also supplied. |

Source: Karen Warner Associates

C. HOUSING STOCK CHARACTERISTICS

This section identifies the characteristics of Brea’s physical housing stock. This includes an analysis of housing growth trends, housing conditions, housing prices and rents, and housing affordability.

1. Housing Growth

Table HE-13 displays housing production in the City, compared to neighboring cities and the entire Orange County region. Between 1990 and 2000, Brea’s housing stock grew by 5 percent, in contrast to the County of Orange which evidenced a growth rate approximately double that of Brea. During the 2000s, housing growth dropped somewhat throughout the region, but growth in Brea actually continued to increase. Brea has added 1,190 new units since 2000.

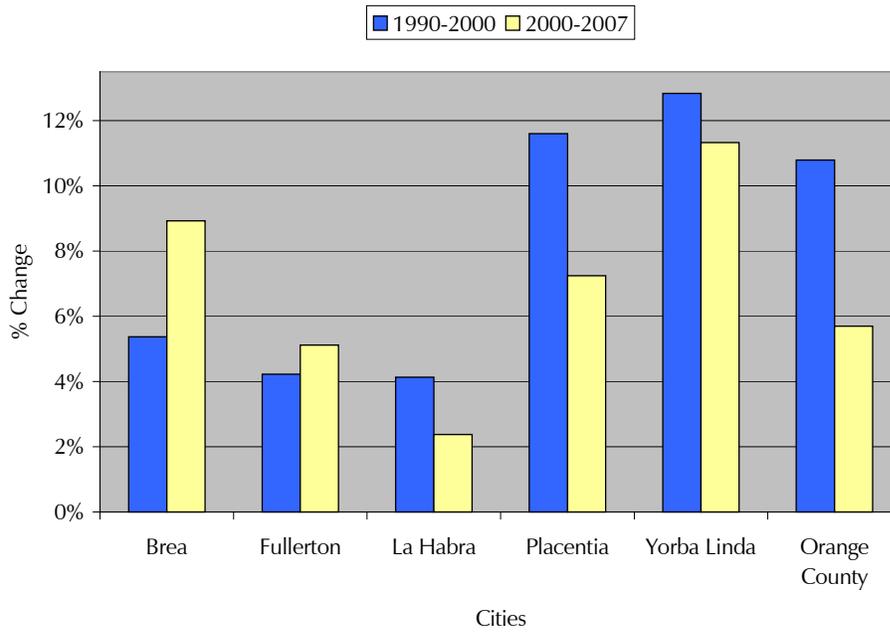
According to the State Department of Finance (2007), Brea currently has a housing stock of 14,517 units, representing an increase of about 9 percent since 2000. Whereas during the 1990s the majority of housing developed received some form of assistance from the Brea Redevelopment Agency, housing developed during the current decade has resulted almost entirely from private market development. Residential development in Olinda Ranch contributed over 600 units to the housing stock.



**Table HE-13
Regional Housing Growth Trends**

| Jurisdiction | 1990 | 2000 | 2007 | Percent Change | |
|---------------|---------------|---------------|---------------|----------------|-------------|
| | | | | 1990-2000 | 2000-2007 |
| Brea | 12,648 | 13,327 | 14,517 | 5.4% | 8.9% |
| Fullerton | 42,956 | 44,771 | 47,061 | 4.2% | 5.1% |
| La Habra | 18,670 | 19,441 | 19,902 | 4.1% | 2.4% |
| Placentia | 13,733 | 15,326 | 16,436 | 11.6% | 7.2% |
| Yorba Linda | 17,341 | 19,567 | 21,783 | 12.8% | 11.3% |
| Orange County | 875,072 | 969,484 | 1,024,692 | 10.8% | 5.7% |

Source: U.S. Census 1990 and 2000. Department of Finance 2007 Population and Housing Estimates.



2. Housing Type and Tenure

Table HE-14 presents the mix of housing types in Brea. Unlike many urbanized communities, single-family homes have increased slightly in relative proportion and number over the past two decades, from 56 percent (7,100 units) in 1990 to 58 percent (8,488 units) in 2007. In comparison, the proportion of multi-family units has decreased from 30 to 28 percent. Still, the mix of multi-family housing in Brea is relatively high in comparison to the nearby cities of Placentia and Yorba Linda, where the vast majority of housing is single-family homes and where apartments are limited in supply. Brea also contains five mobile home parks with capacity for 870 mobile homes, including the 100 space Rancho Brea Mobile Home Park with 60 affordable spaces purchased by a non-profit with Redevelopment Agency assistance.

Table HE-14
Housing Type 1990 - 2007

| Unit Type | 1990 | | 2000 | | 2007 | |
|------------------------------------|---------------|-------------|---------------|-------------|---------------|-------------|
| | Units | Percent | Units | Percent | Units | Percent |
| <i>Single-Family (SF) Detached</i> | 7,170 | 56% | 7,477 | 56% | 8,488 | 58% |
| <i>SF Attached</i> | 779 | 6% | 1,073 | 8% | 1,095 | 8% |
| Total Single-Family | 7,949 | 62% | 8,554 | 64% | 9,583 | 66% |
| <i>2 to 4 Units</i> | 466 | 4% | 426 | 3% | 563 | 4% |
| <i>5 or more units</i> | 3,232 | 26% | 3,461 | 26% | 3,501 | 24% |
| Total Multi-Family | 3,698 | 30% | 3,887 | 29% | 4,064 | 28% |
| Mobile Homes | 894 | 8% | 857 | 7% | 870 | 6% |
| Other (Boat, RV, Van, etc) | 107 | | 10 | | | |
| Total Housing Units | 12,648 | 100% | 13,327 | 100% | 14,517 | 100% |
| Vacancy Rate | 3.4% | -- | 2.0% | -- | 1.9% | -- |

Source: U.S. Census 1990 and 2000. Dept of Finance 2007 Population and Housing Estimates.

Housing tenure refers to whether a housing unit is owned or rented. Tenure influences residential mobility, with owner units generally evidencing lower turnover rates than rental housing. Housing tenure has remained constant in Brea between the 1990 and 2000 Census, with homeowners comprising 64 percent of the City's households, and renters comprising the remaining 36 percent. At 61 percent, the homeownership rate in Orange County is slightly below that of Brea.

**Table HE-15
Housing Tenure**

| Occupied Housing Units | 1990 | | 2000 | |
|------------------------|--------|---------|--------|---------|
| | Units | Percent | Units | Percent |
| Renter | 4,460 | 36% | 4,675 | 36% |
| Owner | 7,764 | 64% | 8,392 | 64% |
| Total | 12,224 | 100% | 13,067 | 100% |

Source: U.S. Census 1990 and 2000.

As indicated in Figure 4, the highest concentrations of renter households are generally located in Brea’s central core, and off South Brea Boulevard around Imperial Highway in particular. Two other concentrations of renters are evident: 1) multi-family neighborhoods north of Lambert, west of North Brea Boulevard; and 2) the neighborhood immediately east of the 57 freeway between Birch and Lambert.

Vacancy Rate

A vacancy rate measures the overall housing availability in a community and is often a good indicator of how efficiently for-sale and rental housing units are meeting the current demand for housing. A vacancy rate of five percent for rental housing and two percent for ownership housing is generally considered healthy and suggests that there is a balance between the demand and supply of housing. A lower vacancy rate may indicate that households are having difficulty in finding housing that is affordable, leading to overcrowding or households having to pay more than they can afford. A low vacancy rate or a particularly ‘tight’ housing market may also lead to high competition for units, raising rental and housing prices substantially.

As measured by the 2000 Census, the residential vacancy rate in Brea was 0.5 percent for homeowners and 2.1 percent for renters, indicating vacancy rates well below optimal levels. Since that time, rental vacancies in the City’s apartment complexes have increased somewhat, from 5.3 percent in 2006, to 6.4 percent in 2nd quarter 2007 (Real Facts – Brea Apartment Survey). Within the greater North Orange County submarket, of which Brea is a part, the overall apartment vacancy was 3.5 percent in 2006², well below Brea’s 5.3 percent vacancy rate for the same period.

² 2007 Southern California Multi-family Market Report, Casden Forecast, USC Lusk Center for Real Estate.

Imagine Brea

Figure 4 Renter-Occupied
Units (Tenure)

3. Age and Condition of Housing



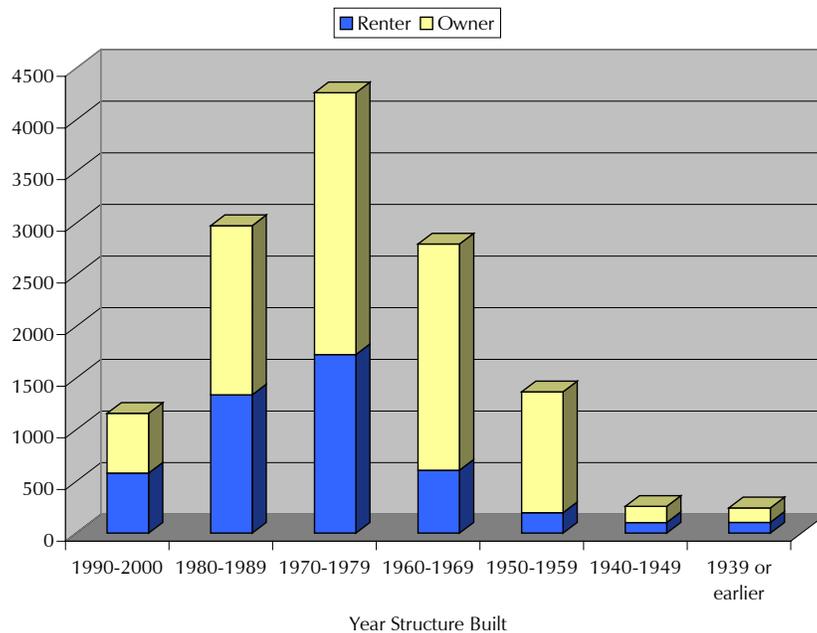
Brea Single-Family Neighborhood

The age of a community’s housing stock can provide an indicator of overall housing conditions. Typically housing over 30 years in age is likely to have rehabilitation needs that may include new plumbing, roof repairs, foundation work and other repairs. As indicated by Table HE-16, a large majority of Brea’s housing stock is at or approaching the 30-year age mark. Generally, Brea’s renter-occupied housing is newer than its owner-occupied housing. Among owner-occupied units, 44 percent are over 30 years in age, whereas only 21 percent of renter-occupied units are over 30 years.

**Table HE-16
Age of Housing Stock 2000**

| Year Structure Built | Renter Occupied Housing | Percent Renter | Owner Occupied Housing | Percent Owner | Total Percent |
|----------------------|-------------------------|----------------|------------------------|---------------|---------------|
| 1990-2000 | 580 | 13% | 580 | 7% | 9% |
| 1980-1989 | 1,338 | 29% | 1,637 | 19% | 23% |
| 1970-1979 | 1,729 | 37% | 2,535 | 30% | 33% |
| 1960-1969 | 609 | 13% | 2,190 | 26% | 21% |
| 1950-1959 | 198 | 4% | 1,169 | 14% | 10% |
| 1940-1949 | 102 | 2% | 156 | 2% | 2% |
| 1939 or earlier | 105 | 2% | 139 | 2% | 2% |
| Total | 4,661 | 100% | 8,406 | 100% | 100% |

Source: U.S. Census 2000.



Most of Brea’s housing stock is in good condition, although like most cities, there are a number of areas showing scattered deterioration. To address these conditions, in 1999 the City prepared a *Neighborhood Enhancement Plan* which identified six “Focus Neighborhoods” for focused code enforcement and rehabilitation efforts. In 2005, a Core Group of interdepartmental City staff members re-evaluated conditions in the Focus Neighborhoods, as well additional neighborhoods, to ensure those neighborhoods exhibiting deteriorated housing remained the focus of attention. As a result of the Core Group’s findings, the 1999 Neighborhood Enhancement areas were refined into seven areas, and a Neighborhood Coordinator position was activated to provide additional education and outreach. Figure 5 presents the current Neighborhood Enhancement boundaries, and Table HE-17 summarizes the characteristics in each area.

**Table HE-17
Neighborhood Enhancement Areas**

| | Land Use | Neighborhood Conditions |
|----|---|---|
| #1 | - Land use: 9 single-family homes, 9 condo units, 3 apartment complexes - Average unit age: 1930 | - Single-family housing stock 70+ years old and deteriorating |
| #2 | - Land use: 199 single-family homes, 2 apartment complexes totaling 6 units - Average unit age: 1953 | - Scattered single-family homes evidencing deferred maintenance - High renter population - Possible high renter overcrowding |
| #3 | - Land use: 34 single-family homes, 30 condominium units, 6 apt complexes - Average unit age: 1932 | - Scattered single-family homes evidencing deferred maintenance - Rental in need of upgrading - High renter population - High proportion senior households |
| #4 | - Land use: 21 single-family homes, 5 condos, 3 apartment complexes - Average unit age: 1957 | - Scattered single-family homes evidencing deferred maintenance - High renter population |
| #5 | - Land use: 218 single-family homes, 10 condominium units, 4 apt complexes - Average unit age: 1944 | - Few single-family homes evidencing some deferred maintenance - High renter population - Alleyways need attention |
| #6 | - Land use: 147 single-family homes, 24 condominium units, 10 apt complexes - Average unit age: 1940 | - Some older apartment complexes in need of rehabilitation - High renter population - Possible high renter overcrowding |
| #7 | - Land use: 9 apartment buildings/fourplexes - Average unit age: 1968 | - Deteriorated fourplex properties - Redevelopment Agency recently purchased 16 units for rehabilitation and provision as affordable housing |

Figure HE-5 Neighborhood Enhancement Areas

4. Housing Costs and Affordability

The following section begins by presenting current information on housing sales prices and rents in Brea and the North Orange County subregion. The affordability of the local housing market to different income levels is then presented.

Rental Housing Market

Regional Trends

According to the USC/Casden Multi-Family Market Report³, the supply of apartments in Orange County far exceeded demand during 2006. The North Orange County submarket, of which Brea is a part, witnessed a negative net absorption of 170 units, in contrast to an absorption of 600 units in 2005. Rents increased by 5.9 percent in North Orange County to an average of \$1,350 per month. Despite the increase in rents, the rental market in North Orange County remained tight, with a 2006 apartment vacancy rate of 3.5 percent. However, within the City of Brea, apartment vacancies were at a healthy 5.3 percent in 2006. With two new apartment projects in Brea planned to come on line in the near future (Olen Pointe and Tonner Hills Apartments, totaling over 350 units), the City should be able to maintain a healthy 5 percent rental vacancy rate.

Brea Rents

As illustrated in Table HE-18, during the 2nd quarter of 2007, the average rents in Brea ranged from \$1,030 for a studio, \$1,238 for a one-bedroom, and \$1,558 to \$1,601 for a two-bedroom (1 to 2 bath).

In order to examine rental trends within a longer time frame, Table HE-18 also provides information on the history of rental costs for the 2,003 units in Brea's eight major apartment complexes from 2001 through the second quarter of 2007. As indicated by this data, overall rents increased by seven percent during 2001-2003, and another fifteen percent during 2004-2006, for an average annual rent increase of around four percent in each of the last four years. In contrast, comparing average 2nd quarter 2006 rent levels (\$1,348) with the year-long average 2006 rent level (\$1,357) indicates an increase of one percent in what equates to a six month period, confirming the rent increases for the past four years.

³ 2007 Southern California Multi-family Market Report, Casden Forecast, USC Lusk Center for Real Estate.

**Table HE-18
Annual Rent Trends By Unit Type
2001-2007**

| Unit Type (Bd/Bth) | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2Q 2007 | % Change 2001-2003 | % Change 2004-2006 | % Change 2Q 2006-2Q 2007 |
|--------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------------|--------------------|--------------------------|
| Studio | \$840 | \$873 | \$905 | \$925 | \$1,099 | \$1,083 | \$1,030 | 8% | 17% | -6% |
| 1 | \$948 | \$975 | \$1,006 | \$1,044 | \$1,166 | \$1,223 | \$1,238 | 6% | 17% | 2% |
| 2/1 | \$1,188 | \$1,227 | \$1,292 | \$1,353 | \$1,476 | \$1,525 | \$1,558 | 9% | 13% | 3% |
| 2/2 | \$1,258 | \$1,294 | \$1,337 | \$1,386 | \$1,505 | \$1,572 | \$1,601 | 6% | 13% | 3% |
| 2 TH | \$1,123 | \$1,170 | \$1,271 | \$1,392 | \$1,515 | \$1,525 | \$1,598 | 13% | 10% | 3% |
| Average | \$1,064 | \$1,096 | \$1,135 | \$1,180 | \$1,304 | \$1,357 | \$1,376 | 7% | 15% | 2% |

Source: REALFACTS, July 2007. Note: TH= Townhomes

In tracking year-to-year rent increases, REALFACTS identifies Brea as evidencing the lowest increase of any of the 23 Orange County area cities surveyed during second quarter 2006 – second quarter 2007. The average rent increase in Brea during this period was two percent. Jurisdictions in the REALFACTS survey with the highest rent increase over the past year were as follows:

| | |
|-----------------|--------|
| Orange | 14.2% |
| Placentia | 8.9% |
| Westminster | 8.4% |
| La Habra | 8.0% |
| Fountain Valley | 6.8% |
| Costa Mesa | 6.4% |
| Irvine | 6.3% |
| Aliso Viejo | 6.3% |
| Newport Beach | 6.0% |
| Garden Grove | 6.0% |
| (Brea) | (2.0%) |

Average rent levels in second quarter 2007 among the 23 surveyed jurisdictions was \$1,551, substantially higher than Brea’s average rents of \$1,376. This would indicate that while rents have risen in Brea over the past year, they are still within the average range for the greater Orange County area. In contrast, REALFACTS documents average rents of \$2,012 in Newport Beach, \$1,850 in Irvine, \$1,695 in Aliso Viejo, \$1,586 in Orange, and \$1,578 in Costa Mesa.

Occupancy levels in Brea's 2,003 surveyed units have fluctuated somewhat, from 95.3% in 2004, to 92.9% in 2005, and 94.7% in 2006. Second quarter 2007 occupancy levels were measured at 93.6%, the fourth lowest among the 23 Orange County cities surveyed. As a matter of reference, rental vacancy levels of around 5% (95% occupancy) are considered ideal by SCAG for sufficient tenant mobility.

Homeownership Market

Regional Trends

Southern California is experiencing a significant decline in the volume of single-family and condominium sales, placing downward pressure on home prices. DataQuick reports sales have been dropping for the past two years, with the initial decline in sales just coming off the frenzied pace of 2004 and 2005 and not putting that much downward pressure on prices. However, beginning in January 2007, Southern California sales prices were about two percent below the prior year's levels; as of December 2007, prices were down 13 percent from the prior year.

Within Orange County, prices fell 10 percent between December 2006 – December 2007. More remarkable is the decline in sales volume – a 42 percent drop in the number of single-family homes sold. Slow sales, flat appreciation, and subprime lending activity have all contributed to significant increases in foreclosures, with the number of mortgage default notices in Southern California the highest in ten years.

Brea Housing Sales



**New Housing in Olinda
Ranch**

Table HE-19 compares single-family and condominium sales prices in Brea and nearby communities by zip code during calendar year 2007. A total of 249 single-family homes were sold within central Brea (zip code 92821) during 2007, commanding a median sales price of \$610,000. Another 45 single-family homes were sold within the Carbon Canyon area (zip code 92823) for a median sales price of \$699,000. Median housing prices in Brea were closest to those in Placentia (\$625,000) and Fullerton (\$555,000-\$805,000), and comparable to the County as a whole (\$688,000). Single-family home prices fell by 7 percent in central Brea and 8 percent in the eastern Carbon Canyon area, a somewhat greater decline than in most surrounding areas and the County as a whole (-0.2%).

Only 33 condominiums were sold in Brea in 2007, indicative of the limited number of condominium projects in the City. With a median sales price of \$408,000, condominium values in Brea were most comparable to those in Yorba Linda, although approximately 10 percent below the Countywide median of \$447,000. Condominium values in Brea declined 20 percent during 2007 compared to the prior year, a substantially greater drop than other North Orange County communities and the County as a whole.

**Table HE-19
Single-Family Homes and Condominium Sales 2007
Brea and Nearby Communities**

| Community | Zip Code | # Homes Sold | Median Home Price | % Change from 2006 | # Condos Sold | Median Condo Price | % Change from 2006 |
|---------------|---------------|--------------|-------------------|--------------------|---------------|--------------------|--------------------|
| Brea | 92821 | 249 | \$610,000 | -6.9% | 33 | \$408,000 | -20.0% |
| | 92823 | 45 | \$699,000 | -8.0% | n/a | n/a | N/a |
| Fullerton | 92831 | 146 | \$605,000 | -7.6% | 56 | \$368,000 | 0.7% |
| | 92832 | 99 | \$555,000 | -5.1% | 17 | \$229,000 | 32.4% |
| | 92833 | 350 | \$630,000 | 2.4% | 100 | \$475,000 | 0% |
| | 92835 | 177 | \$805,000 | 3.9% | 31 | \$354,000 | -7.1% |
| La Habra | 90631 | 336 | \$585,000 | 0.8% | 80 | \$340,000 | -4.4% |
| Placentia | 92870 | 294 | \$625,000 | -3.1% | 61 | \$404,000 | -1.4% |
| Yorba Linda | 92886 | 397 | \$820,000 | 4.2% | 80 | \$401,000 | -3.0% |
| | 92887 | 179 | \$850,000 | -4.4% | 43 | \$410,000 | -10.4% |
| Orange County | All Zip Codes | 16,499 | \$688,000 | -0.2% | 6,751 | \$447,000 | -1.8% |

Source: DQNews – 2007 Los Angeles Times Zip Code Chart, <http://www.dqnews.com>

While the prior Table HE-19 provides an overview of the subregional housing sales market, the following Table HE-20 provides detailed information on all sales of existing and new single-family homes and condominiums within Brea during calendar year 2007. A total of 294 single-family home sales were recorded during this period. Three- and four-bedroom units were the most prevalent homes sold, characteristic of Brea's newer single-family housing stock of larger sized units. For example, the average unit size among the 136 three-bedroom units sold was 1,720 square feet, and the average year built was 1970. Median sales prices ranged from \$485,000 (two-bedroom) to \$770,000 (five-bedroom) depending on size, amenities and location. The overall median home price in Brea was \$615,000 for a 1,770 square foot home, comparable to the \$610,000 and \$699,000 median prices recorded for the 92821 and 92823 zip codes (Table HE-19).

Only 26 units sold in Brea were condominiums. Median prices for condominiums ranged from \$300,000 (one-bedroom) to \$530,000 (three-bedroom), with an overall median price of \$382,000 for a 1,045 square foot unit. Condominiums continue to offer a lower cost homeownership option in Brea relative to comparably sized single-family homes.

**Table HE-20
Home and Condominium Sales Prices in Brea
January 1 - December 31, 2007**

| # Bdrms | Units Sold | Price Range | Median Price | Avg. Unit Size | Avg. Lot Size | Avg. Year Built |
|----------------------------|------------|------------------------------|------------------|----------------------|----------------------|-----------------|
| <i>Single-Family Homes</i> | | | | | | |
| 1 | 1 | \$432,000 | \$432,000 | 930 sq. ft. | 7,000 sq. ft. | 1922 |
| 2 | 42 | \$325,000-\$899,000 | \$485,000 | 1,170 sq. ft. | 7,415 sq. ft. | 1955 |
| 3 | 136 | \$281,000-\$1,075,000 | \$591,000 | 1,720 sq. ft. | 5,940 sq. ft. | 1970 |
| 4 | 94 | \$342,000-\$1,000,000 | \$650,000 | 1,990 sq. ft. | 6,715 sq. ft. | 1969 |
| 5 | 21 | \$575,000-\$2,275,000 | \$770,000 | 2,610 sq. ft. | 8,580 sq. ft. | 1966 |
| Total | 294 | \$281,000-\$2,275,000 | \$615,000 | 1,770 sq. ft. | 6,685 sq. ft. | 1966 |
| <i>Condominiums</i> | | | | | | |
| 1 | 7 | \$268,000-\$360,000 | \$300,000 | 725 sq. ft. | -- | 1980 |
| 2 | 14 | \$343,000-\$525,000 | \$390,000 | 1,180 sq. ft. | -- | 1981 |
| 3 | 5 | \$455,000-\$580,000 | \$530,000 | 1,480 sq. ft. | -- | 1984 |
| Total | 26 | \$268,000-\$580,000 | \$382,000 | 1,045 sq. ft. | -- | 1980 |

Source: Dataquick On-Line Real Estate Database. Compiled by Karen Warner Associates.

Housing Affordability

The affordability of housing in Brea can be assessed by comparing market rents and sales prices with the amount that households of different income levels can afford to pay for housing. Compared together, this information can reveal who can afford what size and type of housing as well as indicate the type of households that would most likely experience overcrowding or overpayment.

California Health and Safety Code⁴ defines affordable owner and rental housing costs as follows:

Affordable Ownership Housing Cost – moderate income

- Housing costs consist of mortgage debt service, homeowner association dues, insurance, utility allowance and property taxes.
- Affordable costs are up to 35% of the defined household income.
- Affordable costs for moderate income households are based on a standard of 110% of area median income for a household size equal to one more person than the number of bedrooms in the unit.

Affordable Renter Housing Cost

- Housing costs include rent plus utilities paid for by the tenant.
- Affordable costs are up to 30% of the defined household income
- Affordable rents are based on a standard of 50% AMI for very low income households; 60% AMI for low income households; and 110% AMI for moderate income households for a household size equal to one more person than the number of bedrooms in the unit.

The HUD published 2007 Area Median Income (AMI) for a four-person household in Orange County is \$78,700.

⁴ Health and Safety Code Section 50052.5 establishes affordable housing cost, and Section 50053 establishes affordable rents.

Homeowner Affordability

Based on these definitions of income and affordable housing cost, Table HE-21 presents the maximum affordable purchase price for moderate income households (110% AMI), and compares this with market sales prices for single-family homes and condominiums in Brea as previously documented in Table HE-20. As illustrated below, median single-family home prices in Brea are well beyond the level of affordability for moderate income households. For example, the maximum affordable purchase price for a moderate income four person household is \$306,500, whereas the median priced three bedroom home in Brea is \$591,000, an affordability gap of \$284,500.

Escalation in sales prices over the past several years have placed even condominiums out of reach to households earning moderate incomes. As shown in Table HE-21, the maximum affordable purchase price for a three person household is \$278,500, whereas the median priced two-bedroom condominium in Brea sells for \$390,000, an affordability gap of \$111,500.

**Table HE-21
2007 Maximum Affordable Housing Cost (Orange County)**

| Moderate Income Affordable Housing Cost | 1 Bedroom (2 persons) | 2 Bedroom (3 persons) | 3 Bedroom (4 persons) | 4 Bedroom (5 persons) |
|--|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Household Income @ 110% Median | \$69,300 | \$77,880 | \$86,570 | \$93,500 |
| Income Towards Housing @ 35% Income | \$24,255 | \$27,258 | \$30,300 | \$32,725 |
| Less Ongoing Expenses: | | | | |
| Maintenance/Insurance/HOA | (\$2,700) | (\$3,000) | (\$3,200) | (\$3,600) |
| Utilities | (\$924) | (\$1,080) | (\$1,596) | (\$1,704) |
| Taxes (1.10% affordable hsg price) | (\$2,727) | (\$3,065) | (\$3,370) | (\$3,625) |
| Total Ongoing Housing Expenses | \$6,351 | \$7,145 | \$8,166 | \$8,929 |
| Income Available for Mortgage | \$17,904 | \$20,113 | \$22,134 | \$23,796 |
| Supportable Mortgage @ 6.5% interest | \$236,100 | \$265,200 | \$291,900 | \$313,800 |
| Homebuyer Downpayment (5%) | \$11,800 | \$13,300 | \$14,600 | \$15,700 |
| Maximum Affordable Purchase Price | \$247,900 | \$278,500 | \$306,500 | \$329,500 |
| Brea Median Single-Family Sales Price | \$432,000 | \$485,000 | \$591,000 | \$650,000 |
| Brea Median Condo Sales Price | \$300,000 | \$390,000 | \$530,000 | n/a |

Source: Karen Warner Associates; Keyser Marston Associates.

Renter Affordability

Table HE-22 presents the maximum affordable rents for very low, low and moderate income households by household size, and compares with median apartment rents on vacant units in Brea, as documented in Table HE-18. As the table below indicates, Citywide median rents are well above the level of affordability for very low and low income households, with the affordability gap ranging from \$280 to \$800, depending on household size. As household size increases, so does the affordability gap. Only households earning moderate incomes and above are able to afford market rents in Brea.

**Table HE-22
2007 Maximum Affordable Rents (Orange County)**

| Income Level | Maximum Affordable Rent After Utilities Allowance | | | |
|------------------------------------|---|----------------------|----------------------|----------------------|
| | Studio (1 person) | 1 Bedroom (2 person) | 2 Bedroom (3 person) | 3 Bedroom (4 person) |
| Very Low Income | \$680 | \$694 | \$780 | \$842 |
| Low Income | \$746 | \$852 | \$957 | \$1,038 |
| Moderate Income | \$1,435 | \$1,640 | \$1,842 | \$2,022 |
| Brea Median Apartment Rents | \$1,030 | \$1,238 | \$1,580 | n/a |

*For comparability with apartment rents which don't typically include utilities, the following utility expenses are subtracted based on the OC Housing Authority schedule: studio - \$80, 1 bdrm - \$93, 2 bdrm - \$105, 3 bdrm - \$142.
Source: Karen Warner Associates



Olen Pointe Apartments Site - 260 Units

5. Assisted Housing At Risk of Conversion

State Housing Element law requires an analysis of the potential for currently rent-restricted low income housing units to convert to market rate housing, and to propose programs to preserve or replace any units “at-risk” of conversion. This section presents an inventory of all assisted rental housing in Brea, and evaluates those units at risk of conversion during the ten year, 2008-2018 planning period.

Brea has an active history of supporting affordable housing development in its community. As illustrated in Table HE-23, the City has facilitated the development of fifteen rental projects, providing 512 rent-restricted units for very low, low and moderate income households. This inventory includes all multi-family units assisted under federal, state, and local programs, including HUD, state/local bond programs, density bonus, inclusionary, and local redevelopment programs.

At-Risk Projects

This section evaluates those lower income rental projects in Brea at risk of converting to market-rate uses prior to June 30, 2018. As shown in Table HE-23, three affordable housing projects are considered to be at risk during this period – Brea Woods Senior Apartments, Civic Center Apartments, and Town and County Apartments. All three of these projects are mixed income, including both market rate and affordable units. Redevelopment Agency staff report that two of the projects – Civic Center Apartments and Town & Country Apartments – have paid off their loans early in anticipation of converting their affordable units to market rents at the end of their terms. Brea Woods is a density bonus project and currently receives no public funding. This project represents the City’s most promising opportunity for preservation, which given the project’s twenty year age, could potentially be linked to rehabilitation assistance.

**Table HE-23
Assisted Rental Housing**

| Project Name and Address | Total Units | Affordable Units | Potential Conversion Date | Source of Assistance | Tenant Type |
|---|--------------------|---------------------------------------|-------------------------------------|---|--------------------|
| Birch Street Loft Apartments 330 W. Birch Street 215 S. Brea Blvd. | 30 32 | 25 – Low/Mod 8 - Low | 2029-2030 | RDA Set-Aside | Families |
| Birch Terrace Apartments 651 E. Birch Street | 36 | 11 - Very Low 7 - Low | 2031 | RDA Set-Aside; HOME | Families |
| Brea Woods Senior Apartments 195 W. Central Avenue | 151 | 36 - Low 39 – Mod | 2014 | Density Bonus | Seniors |
| BREAL 111 N. Orange Avenue | 30 | 30 - Very Low | 2048 | RDA Set-Aside; City Land Lease | Seniors |
| Civic Center Apartments 647-669 Birch Street | 30 | 14 - Very Low 2 - Low | 2014 | RDA Set-Aside; HOME | Families |
| Foursquare Church 123 W. Ash Street | 9 | 6 - Very Low 3 - Low | 2029 | RDA funds (non-housing) | Families |
| Imperial Terrace* 430 W. Imperial Highway | 37 | 11 - Very Low 7 - Low | 2011/ 2063 | RDA Set-Aside; HOME funds | Families |
| Orange Villa Senior Apartments 137 N. Orange Avenue | 37 | 9 – Low | 2019 | RDA Set-Aside; Density Bonus | Seniors |
| Rancho Brea Mobile Home Park 1414 W. Central Avenue | 100 | 20 – Very Low 25 – Low 15 - Mod | 2027 | RDA Set-Aside; Tax-exempt revenue bonds | Families |
| South Walnut Bungalows 302-314 S. Walnut Avenue | 9 | 9 – Very Low | 2060 | RDA Set-Aside; Inclusionary; Tax Credits | Families |
| Tamarack Pointe Villas 330 W. Central Avenue | 48 | 3 - Low 2 - Mod | 2026 | Inclusionary Ordinance | Families |
| Town & Country Apartments 800 S. Brea Boulevard | 122 | 25 - Low 25 - Mod | 2009 (38 low/mod) 2024 (12 low/mod) | RDA Set-Aside; Tax-exempt revenue bonds | Families |
| Vintage Canyon Apartments 855 N. Brea Boulevard | 105 | 105 -Very Low | 2029 | Tax credits; Density Bonus; Parking Reduction | Seniors |
| Walnut Village Apartments 523 S. Walnut Avenue | 47 | 47 - Very Low | 2035 | RDA Set-Aside; Tax Credits; HOME | Families |
| William’s Senior Apartments 212 S. Orange Avenue | 28 | 28 - Low/Mod | 2019 | Density Bonus | Seniors |
| Total Units | 851 | 512 | | | |

Source: Brea Economic Development Dept.

* Affordability to be extended 55 years in 2008 as part of project acquisition/rehab

Preservation and Replacement Options

Preservation or replacement of the three at-risk projects in Brea can be achieved through: 1) transfer of ownership to non-profit organizations; 2) provision of rental assistance to tenants using other funding sources; and 3) replacement or development of new assisted units. Each of these options are described below, along with a general cost estimate for each.

Option 1: Transfer of Ownership

Transferring ownership of the at-risk projects to non-profit organizations has several benefits: 1) affordability can be secured indefinitely; and 2) projects become eligible for a greater range of governmental assistance. The feasibility of this option is dependent both on the willingness of the owner to sell the property, and the existence of qualified non-profit purchasers.

The current market value for Brea Woods, Civic Center Apartments, and Town and Country Apartments can generally be estimated based on each projects' potential annual income and standard costs associated with apartment maintenance and management. While each of these projects contain both market rate and assisted units, transfer of ownership involves purchase of the entire project, therefore rendering this preservation option more expensive than others involving subsidizing or replacing only the 129 assisted units. As shown in Table HE-24, the market value of the total 303 project units is generally estimated at \$38.5 million.

**Table HE-24
Market Value of At-Risk Projects**

| Project Units | Brea Woods | Civic Center Apts | Town and Country Apts | Total |
|-----------------------|--------------|-------------------|-----------------------|--------------|
| Studio | 16 | -- | -- | 16 |
| 1 bdrm | 133 | 26 | 61 | 220 |
| 2 bdrm | 1 | 4 | 61 | 66 |
| 3 bdrm | 1 | -- | -- | 1 |
| Total | 151 | 30 | 122 | 303 |
| Annual Operating Cost | \$934,000 | \$194,700 | \$871,000 | |
| Gross Annual Income | \$2,100,000 | \$440,000 | \$1,960,000 | |
| Net Annual Income | \$1,166,000 | \$245,300 | \$1,089,000 | |
| Est. Market Value | \$18,000,000 | \$3,700,000 | \$16,800,000 | \$38,500,000 |

Market value for each project based on the following assumptions:

1. Average market rents: studio \$1,030, 1-bd \$1,238, 2-bd \$1,580, 3-bd \$1,700
2. Vacancy Rate = 5%
3. Annual operating expense = 35% gross income + 1.1% property taxes
4. Market value based on 6.5% capitalization rate

Option 2: Rental Assistance/Rent Buy-Down

Brea Woods Senior Apartments maintains a Section 8 contract for rental assistance. If Section 8 rent subsidies are terminated at the federal level, rent subsidies using alternative State or local funding sources could be used to maintain affordability. Subsidies could be structured similar to the Section 8 program, where HUD pays the owners the difference between what tenants can afford to pay (30% income) and what HUD establishes as the Fair Market Rent on the unit.

The feasibility of this alternative depends on the willingness of property owners to accept rental vouchers and limit rents to fair market levels. Given the 129 at-risk units in Brea Woods, Civic Center Apartments, and Town and Country Apartments, the total cost of subsidizing rents in these projects is estimated at approximately \$60,000 per month, or \$730,000 annually, translating to \$40 million in subsidies over a 55-year period.

**Table HE-25
Required Subsidies for At-Risk Projects**

| # Bdrms | # Units | Fair Market Rent | Hhld Size | Hhld Income (50% AMI) | Max. Afford Rent | Per Unit Subsidy | Total Monthly Subsidy | Total Annual Subsidy |
|--------------|------------|------------------|-----------|-----------------------|------------------|------------------|-----------------------|----------------------|
| Studio | 10 | \$1,103 | 1 person | \$30,300 | \$688 | \$415 | \$4,150 | \$49,800 |
| 1 bdrm | 98 | \$1,238 | 2 person | \$34,650 | \$788 | \$450 | \$44,100 | \$529,200 |
| 2 bdrm | 21 | \$1,485 | 3 person | \$38,950 | \$885 | \$600 | \$12,600 | \$151,200 |
| Total | 129 | | | | | | \$60,850 | \$730,200 |

Source: Orange County Housing Authority, 2007; Stradling, Yocca, Carlson & Rauth; Karen Warner Associates.

Another way rent subsidies could be structured is as a rent buy-down. This would involve the Agency providing a one-time assistance loan to the property owner to cover the present value of the decrease in rents associated with the extended affordability term compared with market rents achievable on the units. This approach offers a benefit to the owner in that they receive cash upfront from the loan. The disincentive is that the use of Redevelopment set-aside funds for the rent buy-down necessitates a 55 year affordability covenant on the units.

Option 3: Construction/Purchase of Replacement Units

The construction or purchase of a replacement building is another option to replace at-risk units. Recent apartment acquisitions by the Redevelopment Agency at appraised value show current purchase prices for apartment buildings to be in

the range of \$220,000 to \$320,000 per unit, including rehabilitation costs. Therefore, the cost to replace the 129 at-risk units in Brea can be estimated to range anywhere from \$28 to \$41 million.

Cost Comparisons

In terms of cost effectiveness for preservation of the 129 at-risk units, 55 years worth of rent subsidies (\$40 million) are fairly comparable to transfer of ownership (\$38 million). The cost of purchase or construction of replacement units (\$28-\$41million) varies depending on factors related to the quality of development, and may result in either higher or lower costs than the other two options. The Agency's preferred approach may be a one-time rent buy-down loan, which could potentially be linked with Agency rehabilitation assistance. As the expiration dates on these at-risk projects approach, the Agency's economic consultant will perform the present value analysis to determine the cost of a rent buy-down loan on each of these projects. In addition, the City plans on exploring funding sources and programs through the California Housing Partnership Corporation which is chartered for the purpose of preserving existing affordable housing units at risk of conversion.



Brea Woods Apartments



Civic Center Apartments



Town and Country Apartments

D. REGIONAL HOUSING NEEDS

State law requires all regional councils of governments, including the Southern California Association of Governments (SCAG) to determine the existing and projected housing need for its region and determine the portion allocated to each jurisdiction within the SCAG region. This is known as the “Regional Housing Needs Assessment “ (RHNA) process.

1. Existing Housing Needs

Overcrowding

The Census defines overcrowding as an average of more than one person per room in a housing unit (excluding kitchens, porches, and hallways); Table HE-26 shows the incidence of household overcrowding in Brea by tenure.

**Table HE-26
Overcrowded Households 2000**

| Overcrowding | Households | Percent | Orange Co.% |
|---------------------------|--------------|-----------|-------------|
| Owners | | | |
| Overcrowding | 343 | 4% | 8% |
| Severe Overcrowding | 154 | 2% | 4% |
| Renters | | | |
| Overcrowding | 678 | 15% | 28% |
| Severe Overcrowding | 386 | 8% | 19% |
| <i>Total Overcrowding</i> | <i>1,021</i> | <i>8%</i> | <i>16%</i> |

Source: U.S. Census, 2000.

In 2000, there were 1,021 households living in overcrowded conditions in Brea, representing 8 percent of all households. Approximately 15 percent of renter households were overcrowded compared to just 4 percent of owner households. About 390 renter households (8%) experienced severe overcrowding, defined as more than 1.5 persons per room. Figure 6 shows the incidence of severe renter overcrowding by census block group. The highest incidence of overcrowding (>25%) occurs in the neighborhoods immediately west of the 57 Freeway between Lambert and Imperial Highway. Neighborhoods west of Brea Boulevard also evidence relatively high levels (15-25%) of severe renter overcrowding. Portions of both of these areas fall within Brea’s Neighborhood Enhancement Areas.

Figure 6: Severe Renter Overcrowding 2000

Overpayment

Housing overpayment remains a critical need for low and moderate-income households, who are disproportionately affected by this burden compared to other households. Affordability problems occur when housing costs become so high in relation to income that households have to pay an excessive proportion of their income for housing, leaving less income remaining for other basic essentials. Housing overpayment occurs when a household spends more than 30 percent of its income on housing; severe overpayment refers to spending greater than 50 percent of income on housing. Table HE-27 shows the incidence of overpayment in Brea.

**Table HE-27
Housing Overpayment**

| Overpayment | Households | Percent | Orange Co. % |
|--|-------------------|----------------|---------------------|
| <i>Owners</i> | | | |
| Overpayment (>30% income on housing) | 2,063 | 29% | 32% |
| Severe Overpayment (>50% income on housing) | 649 | 9% | 10% |
| <i>Renters</i> | | | |
| Overpayment (>30% income on housing) | 1,841 | 41% | 44% |
| Severe Overpayment (>50% income on housing) | 697 | 16% | 19% |
| <i>Total Overpayment</i> | 3,904 | 34% | 37% |

Source: U.S. Census, 2000.

Note: Severe overpayment is a subset of overpayment.

The 2000 Census documents 41 percent of renters and 29 percent of homeowners in Brea were spending more than 30 percent of their incomes on housing, just slightly below the levels of overpayment experienced Countywide. Severe overpayment impacts 16 percent of the City’s renters, which, while significant, is still below the Countywide average of 19 percent.

Figure 7 shows locations in Brea with concentrations of severe overpayment among the renter population. High levels of overpayment (>25%) are evident in the Tamarack/Mariposa neighborhood located north of Central; this neighborhood also contains a large number of senior households. The neighborhood immediately east of the 57 Freeway and north of Imperial Highway also exhibits high renter overpayment.

Figure 7: Severe Renter Overpayment 2000

Table HE-28 provides a more detailed review of Brea households that experienced severe housing overpayment. Among renters, the elderly were most impacted by severe overpayment, with nearly one-third of the City’s total 784 elderly renters spending more than half their income on rent. Large renter households also evidenced high levels of severe overpayment. Among homeowners, elderly and “other” households experienced fairly comparable levels of severe overpayment, ranging from 12-19 percent. These households are most at risk of foreclosure, particularly in a declining housing market with rising interest rates.

**Table HE-28
Severe Housing Cost Burden by Type and Tenure**

| | Elderly | Small Family (2-4 person) | Large Family (5+ person) | Other | Total |
|---------------------------------|----------------|--------------------------------------|-------------------------------------|--------------|--------------|
| <i>Renter Households</i> | | | | | |
| Total # by household type | 784 | 1,845 | 444 | 1,575 | 4,648 |
| % with severe cost burden | 32% | 9% | 18% | 11% | 15% |
| <i>Owner Households</i> | | | | | |
| Total # by household type | 2,000 | 4,442 | 1,054 | 923 | 8,419 |
| % with severe cost burden | 12% | 8% | 6% | 19% | 10% |

Source: SCAG Existing Housing Needs (HUD User WebPage).

2. Five-Year Projected Housing Growth Needs

California's Housing element law requires that each city and county develop local housing programs to meet its "fair share" of existing and future housing needs for all income groups, as determined by the jurisdiction's Council of Governments. This "fair share" allocation concept seeks to ensure that each jurisdiction accepts responsibility for the housing needs of not only its resident population, but also for the jurisdiction's projected share of regional housing growth across all income categories. Regional growth needs are defined as the number of units that would have to be added in each jurisdiction to accommodate the forecasted number of households, as well as the number of units that would have to be added to compensate for anticipated demolitions and changes to achieve an "ideal" vacancy rate.

In the six-county southern California region, which includes Brea, the agency responsible for assigning these regional housing needs to each jurisdiction is the Southern California Association of Governments (SCAG). The regional growth allocation process begins with the State Department of Finance's projection of Statewide housing demand for a five-year planning period, which is then apportioned by the State Department of Housing and Community Development (HCD) among each of the State's official regions.

SCAG has determined the projected housing need for its region for the 2008-2014 Housing Element cycle, and has allocated this housing need to each jurisdiction by income category. This is referred to as the Regional Housing Needs Assessment (RHNA) process. The RHNA represents the minimum number of housing units each community is required to provide "adequate sites" for through zoning and is one of the primary threshold criteria necessary to achieve HCD approval of the Housing Element.

In allocating the region's future housing needs to jurisdictions, SCAG is required to take the following factors into consideration:

- ✓ Market demand for housing
- ✓ Employment opportunities
- ✓ Availability of suitable sites and public facilities

- ✓ Commuting patterns
- ✓ Type and tenure of housing
- ✓ Loss of units in assisted housing developments
- ✓ Over-concentration of lower income households
- ✓ Geological and topographical constraints

As defined by the RHNA, Brea’s new construction need for the 2008-2014 period has been established at 2,048 new units, distributed among the four income categories as shown in Table HE-29. The City will continue to provide sites for a mix of single-family, multi-family and mixed use housing, supported by a variety of programs to enhance affordability to accommodate its RHNA and contribute towards addressing the growing demand for housing in the southern California region.

**Table HE-29
Regional Housing Needs Assessment*
2008-2014**

| Income Level | Percent of AMI** | Units | Percent |
|----------------|------------------|-------|---------|
| Very Low*** | 0-50% | 441 | 21.5% |
| Low | 51-80% | 356 | 17.4% |
| Moderate | 81-120% | 404 | 19.7% |
| Above Moderate | 120%+ | 847 | 41.4% |
| Total | | 2,048 | 100% |

Source: <http://SCAG.ca.gov/Housing/rhna.htm>

*Building permits issued since 1/2006 are credited towards the 2008-2014 RHNA

** AMI – Area Median Income for Orange County

*** An estimated half of Brea’s very low income housing needs (220 units) are for extremely low income households earning less than 30% AMI.

3. HOUSING CONSTRAINTS



The provision of adequate and affordable housing is constrained by a number of factors. This section assesses the various market, governmental, and environmental factors that may serve as a potential constraint to housing development and improvement in Brea.

A. MARKET CONSTRAINTS

1. Construction Costs

A major cost associated with the development of housing is the cost of building materials, which have risen dramatically in recent years. According to the U.S. Department of Labor, the overall cost of residential construction materials rose 22 percent between 2004-2006, with steel costs increasing 63 percent and the cost of cement increasing 27 percent. However, with the slow down in the real estate market, the price of construction materials is finally beginning to level off.⁵

Hard construction costs include building shell costs, on and off-site improvements, parking and all contractor costs.⁶ Construction costs for high density (25 du/acre) apartment development run around \$150,000 per unit, including \$10,000/unit for structured parking. Hard construction costs for development of a three-story 100 unit condominium project over ground floor retail and below grade parking run approximately \$250,000 per unit, including \$45,000 per unit for the parking structure.

A reduction in amenities and the quality of building materials (above a minimum acceptability for health, safety, and adequate performance) can result in lower development costs. As part of the City's inclusionary housing and density bonus programs, the City could allow for affordable units to be smaller in size (maintaining the same number of bedrooms) and have different features and interior finishes than market rate units, provided all project units were comparable in construction quality and exterior design. Another factor

⁵ www.dcd.com/pdf_files/0701trends.pdf

⁶ Contractor costs encompass the contractor's fee, general conditions, insurance and bonds, and construction contingency.

related to construction costs is the number of units built at one time. As that number increases, overall costs generally decrease as builders are able to take advantage of the benefits of economies of scale.

2. Land Costs

A key component of the total cost of housing is the price of raw land and any necessary improvements. The diminishing supply of land available for residential construction combined with a fairly high demand for such development has served to keep the cost of land relatively high, particularly in Orange County cities. In Brea, an October 2006 land appraisal conducted for the Redevelopment Agency valued a one acre, R-3 property at \$58 per square foot, or \$87,500 per residential unit. In contrast, the City's 2000 Housing Element documented residential land costs at \$11 to \$17 per square foot, illustrating the significant escalation in residential land values over the period. Particularly in such a high cost environment, the Brea Redevelopment Agency plays an important role in both land assembly and write-down in support of affordable housing.

3. Availability of Mortgage and Rehabilitation Financing

The availability of financing in a community depends on a number of factors, including the type of lending institutions active in the community, lending practices, rates and fees charged, laws and regulations governing financial institutions, and equal access to those institutions. Through analysis of Home Mortgage Disclosure Act (HMDA) data on the disposition of residential loan applications, an assessment can be made of the availability of residential financing within a community.

Residential lending activity in Brea is high, with 1,747 applications for home purchase, 2,735 applications for refinance, and 580 applications for home improvement loans during 2006. Table HE-30 provides information on the status of residential loan applications in both Brea and Orange County. As illustrated by this table, at 69 percent, approvals for conventional mortgage loans in Brea were higher than the County approval rate of 65 percent. An even greater

discrepancy is evident among approval rates for refinancing loans, with 77 percent loan approval in Brea compared to only 61 percent in the County. While income plays a key factor in loan approvals, household incomes in Brea are only slightly above that of the County.

Of the 580 applications for home improvement loans in Brea, 64 percent were approved, compared to 62 percent in the County. In general, home improvement loans have a higher denial rate compared to mortgage loans as owners often have a high debt-to-income ratio.

Review of loan approvals in Brea by census tract identifies fairly consistent approvals for mortgage and refinance loans throughout the City (refer to Figure 1 for census tract map). However, approval rates for home improvement loans identify two census tracts with loan approval rates significantly below the 64 percent citywide average: census tract 15.07 (29 applications, 48% approvals), and census tract 14.04 (35 applications, 54% approvals). Household incomes in both these tracts are below the County median, at 92 percent AMI and 69 percent AMI respectively. The higher denial rates for home improvement loans – particularly in these two census tracts - supports the importance of City sponsored rehabilitation assistance. These neighborhoods will continue as part of the City’s focus in code enforcement, rehabilitation, and provision of affordable housing, including homebuyer assistance, all which help to improve access to credit.

**Table HE-30
Home Purchase, Refinance and Improvement Loans - 2006**

| Loan Type | # Loan Applications in Brea | % Approved | | % Denied | | % Withdrawn. | |
|------------------|-----------------------------|------------|------------|----------|------------|--------------|------------|
| | | Brea | Orange Co. | Brea | Orange Co. | Brea | Orange Co. |
| Home Purchase | 1,747 | 69% | 65% | 19% | 21% | 12% | 14% |
| Home Refinance | 2,735 | 77% | 61% | 21% | 21% | 2% | 18% |
| Home Improvement | 580 | 64% | 62% | 25% | 25% | 11% | 13% |

Source: Home Mortgage Disclosure Act (HMDA) data, 2006

Note: Approved loans include loans originated and applications approved but not accepted.

Withdrawn applications include those withdrawn by the applicant and those deemed incomplete by the lender.

B. GOVERNMENTAL CONSTRAINTS

Aside from market factors, actions by the City can have an impact on the price and availability of housing. Land use controls, site improvement requirements, building codes, fees, and other local programs intended to improve the overall quality of housing may serve as potential constraints to the development and improvement of housing.

1. Land Use Controls

The Land Use Element of the General Plan sets forth the City's policies for guiding local development and growth. These policies, together with existing zoning regulations, establish the amount and distribution of land uses within the City. The General Plan provides for five residential land use categories, ranging from Hillside Residential with densities based on average slopes, to High Density Residential, permitting densities up to 25 units/acre (refer to Table HE-31).

In 2003, the City of Brea completed a comprehensive update of its General Plan. A key feature of the new Plan was the establishment of mixed use districts in the older, more centrally located areas of the City to provide opportunities for people to live, work, shop and recreate without having to use their cars. Both vertical (residential above ground-floor commercial) and horizontal, side-by-side integration of uses is permitted, with an emphasis on tying together uses with pedestrian linkages. Densities range from 18 units/acre in areas designated MU-III, up to 50 units/acre in MU-I areas.

Another important land use policy of the updated General Plan was the designation of the 1,600+ acres of hillsides in Brea's sphere of influence as Hillside Residential. Properties designated Hillside Residential are moderately to severely constrained by a variety of environmental factors, including: steep/unstable slopes, ridgelines, earthquake faults, landslides, wildland fire hazards and sensitive habitat. As these properties are annexed into the City, development will be subject to the City's Hillside Management Ordinance, with permitted densities based upon average slope calculations, protection of environmental resources, and conformance with performance criteria.

**Table HE-31
Residential Land Use Designations**

| Residential Land Use Category | Corresponding Zoning District(s) | Dwelling Units per Acre | Description |
|--------------------------------------|---|--|---|
| Hillside | HR | Based upon calculated property slope; biological resources; performance standards. | Areas constrained by natural features such as topography, environmental resources and hazards. Development subject to Hillside Management Ordinance. Single-family detached homes permitted; clustering encouraged to preserve resources. |
| Very Low Density | HR, R-1 | 1.0 – 2.0 | Areas moderately constrained by topographic or geologic conditions, accessibility issues, and/or wildland fire hazards. Properties <i>may</i> be subject to Hillside Management Ordinance. Single-family detached homes permitted. |
| Low Density | R-1 | 1.0 - 6.0 | Single family homes developed on conventional lots. |
| Medium Density | R-1 (5,000) and R-2 | 6.1 - 12.0 | Multiple family housing including existing mobile home parks, condominiums and apartments. |
| High Density | R-3 and R-3-I | 12.1 - 24.89 | Multiple family housing consisting of condominiums and apartment developments. |
| Mixed Use III | MU-III | 6.1-18 | Provides for revitalization of deteriorated commercial corridors and centers located on arterials by allowing the development of neighborhood-serving commercial uses paired with residential uses. |
| Mixed Use II | MU-II | 6.1-40 | Provides for coordinated development of urban villages that offer a diverse range of complementary land uses in close proximity to one another. |
| Mixed Use I | MU-I | 12.1-50.0 | Intense, mixed-use urban environments that offer opportunities for people to live, work, shop, and recreate without having to use their vehicles. |

Source: Land Use Element, City of Brea General Plan, August 2003

In addition to the base land use districts, the City has adopted several specific plans for areas requiring focused planning efforts, including Olinda Ranch, Tomlinson Park, and Birch Hills. (The Brea Towne Plaza and Carbon Canyon Specific Plans have been rescinded). Each of these specific plans has its own unique zoning districts and set of development standards tailored to guide development in that particular area. As a general practice, however, the City will discourage further use of Specific Plans unless circumstances indicate that a specific plan represents the best method of achieving a cohesive land use plan for a property.

Growth Management

The Revised Traffic Improvement and Growth Management Plan (Measure M) was adopted by Orange County voters in 1990 and extended in 2007, establishing a one-half cent sales tax for countywide transportation improvements. Eligible jurisdictions receive a portion of this sales tax revenue to use for local projects provided they have a local Growth Management Plan. In response, the City of Brea has adopted a Growth Management Element as part of its General Plan. The Element aims to ensure that growth and development are balanced with the City's ability to provide an adequate circulation system. A key goal of Measure M is to better balance jobs and housing as related to transportation demand; Brea's use of mixed-use zoning has created opportunities for housing and jobs to be located in close proximity to each other, thereby reducing vehicle trips. Unlike growth control measures enacted by some jurisdictions, Brea's Growth Management Element does not limit housing growth to an established maximum level or serve as a constraint to housing development.

2. Residential Development Standards

Brea's Zoning Ordinance provides for the following residential zones:

- Hillside Residential (HR)
- Single Family Residential (R-1)
- Single Family Residential (R-1 5,000)
- Multiple Family Residential (R-2)
- Multiple Family Residential (R-3)
- Mixed-Use (MU-I, MU-II, and MU-III)

The development standards for these zones are summarized in Table HE-32. Brea's standards for dwelling unit size establish opportunities for a diverse housing mix. These standards range from 450 square feet for a studio unit in the R-3 district to 2,500 square feet for a single-story unit in the HR zone. Small lot single-family subdivisions as well as townhomes are provided for in the R-1 (5,000) zone, with minimum unit sizes of 800 square feet. These standards, when viewed in the context of the entire community, offer a positive balance of home sizes.

Apart from the maximum density permitted by the Zoning Ordinance, standards that may impact the number of units that can be constructed on a given lot are maximum lot coverage and height limits. The Zoning Ordinance restricts the amount of lot area that may be covered by development to 50 percent in R-2 and 60 percent in R-3 zones. Three-story (35') building heights are permitted in R-2 and R-3 zones, with additional height of up to 75' permitted in R-3 zones based on distance from R-1, R-2 or HR zone districts. The maximum building envelope achievable under the lot coverage and height requirements does not serve as a constraint to achieving close to the maximum permitted densities in the City's R-2 and R-3 zone districts. For example, the City has a current development application for 22 units on a one acre R-3 parcel, translating to 92 percent of the maximum permitted density.

Subsequent to adoption of the General Plan update, the City adopted new zoning standards in 2005 for implementation of

the mixed-use land use designations. Brea's three mixed-use zones offer generous development standards as a means of enhancing design flexibility and achieving planning goals such as pedestrian orientation and provision of public open space amenities. Residential uses are permitted both as stand-alone multi-family and vertical mixed-use above ground floor commercial. However, densities at the higher end of the mixed-use density range are only permitted for developments that incorporate a mix of uses. Examples of completed or entitled development projects within the mixed use districts include:

Mixed Use III

South Walnut Bungalows: 9 very low income units on .5 acres (18 du/acre) *completed*

South Brea Lofts: 47 live/work townhomes, 10 moderate income, on 2.8 acres (17 du/acre) *completed*

Mixed Use II

Olen Pointe Apartments: 260 apartments, 26 moderate income, on 6.5 acres (40 du/acre) *entitled*

In order to encourage the assembly of smaller existing parcels into larger parcels that can be more efficiently developed as a mixed-use project, the City provides for numerous incentives, including parking reductions, increased parcel coverage, reduction in open space requirements, fast-track processing, and City participation in infrastructure.



South Walnut Bungalows

**Table HE-32
Residential Development Standards**

| Standards | HR | R-1 | R-1 (5,000) | R-2 | R-3 | MU-I | MU-II | MU-III |
|--|---|-------------------------|------------------------------------|---------------------------------------|--|---|--|--|
| Primary Housing Type | Cluster-type and estate-type single family dwellings | Single family dwellings | Single family dwellings, townhomes | Low-density multiple family dwellings | High-density multiple family dwellings, i.e. apartments & condominiums | Single family dwellings, townhomes, and high-density multiple family dwellings | Single family dwellings, townhomes, and high-density multiple family dwellings | Single family dwellings, townhomes, and low-density multiple family dwellings |
| Density - Maximum Dwelling Units | Based on average property slope | 6 units/acre | 8.7 units/acre | 12.0 units/acre | 24.9 units/acre | 12.1 - 50 units/acre | 6.1 - 40 units/acre | <i>Mixed-Use</i> 6.1 - 18 units/acre <i>Standalone Residential</i> 6.1 - 14 units/acre |
| Minimum Lot Area / Project Size (for Mixed Use zones) | Bldg Pad- 6,000 sq ft 10,000 sq ft for custom lots | 7,200 sq ft | 5,000 sq ft | 9,000 sq ft | R-3 - 10,000 sq ft R-3-I - 7,000 sq ft | <i>Mixed-Use</i> 7,000 sq ft <i>Standalone Residential</i> 2,500 sq ft | <i>Mixed-Use</i> 10,000 sq ft <i>Standalone Residential</i> 2,500 sq ft | <i>Mixed-Use and Standalone Residential</i> 7,500 sq ft |
| Maximum Building Coverage | None | 35% | 50% | 50% | 60% | None | None | 65% |
| Minimum Dwelling Unit Size | | 1,000 sq ft | 800 sq ft | 800 sq ft | Bach – 450 sq ft 1 BR - 650 sq ft 2 BR – 800 sq ft | | | |
| Maximum Building Height | 35 ft - detached 45 ft - attached | 30 ft | 35 ft | 35 ft | 35 - 75 ft | 100 ft | 60 ft | 35 ft |

Source: Zoning Ordinance, City of Brea, 2008

* Greater than 1.0 unit per lot permitted where planned unit techniques are employed.

The Zoning Ordinance calculates parking requirements by unit type, and on a per bedroom basis for multi-family units, as illustrated in Table HE-33. Carports for multi-family units are permitted, serving to reduce development costs in contrast to the provision of separate garages. In addition, to facilitate the development of affordable housing and to reflect the actual parking demands created by these developments, the City has granted parking reductions for senior housing, loft housing and affordable housing in general.

**Table HE-33
Parking Requirements**

| Unit Type | Parking Requirement |
|--|--|
| Single-family | 2 covered spaces for each unit |
| Single-family: attached | 2 covered spaces for each unit, plus 0.5 uncovered spaces for each unit |
| Two or more units on a building site/ lot | Bachelor unit = 1.5 spaces per unit* 1-Bedroom units = 1.75 spaces per unit* 2-Bedroom units = 2 spaces per unit* 3-Bedroom or more dwelling units = 2.5 spaces per unit** * of which 1 space shall be located within a garage or 3-sided carport ** of which 2 spaces must be covered for each dwelling unit, plus 0.5 off-street parking spaces must be provided for each bedroom in excess of 3. |
| Five or more units on a building site/ lot | In addition to the required number of spaces stated above for multi-family units: 0.2 guest parking space shall be provided for each dwelling unit. A maximum of 25 percent of the required uncovered spaces may be of compact car size, provided such spaces are clearly and individually marked. |

Source: Zoning Ordinance, City of Brea, 2008

In order to specifically facilitate the development of affordable housing, the City utilizes two primary regulatory mechanisms: Development Agreements and the Affordable Housing Ordinance.

Development Agreements

The Brea Redevelopment Agency assists in the development of new affordable housing units by entering into Disposition Development Agreements (DDA) or Owner Participation Agreements (OPA) with developers. DDAs or OPAs may provide for the disposition of Agency-owned land at a price which can support the development of units at an affordable housing cost for low- and moderate-income households. These agreements may also provide for development assistance, usually in the form of a density bonus or the payment of specified development fees or other development costs which cannot be supported by the proposed development.

Affordable Housing Ordinance

The purpose of Brea's Affordable Housing Ordinance is to expand the affordable housing stock in proportion with the overall increase in residential units in the City. Adopted in 1993, the Ordinance requires developers of residential projects with 20 or more units to provide 10 percent of the units for affordable housing, provided that the City determines the development of the affordable units does not place an economic burden on the developers or future homeowners. To determine the economic feasibility of providing the affordable units, the developer is required to submit an Impact Analysis for review by the City. If application of the combination of incentives provided for in the Ordinance does not offset the cost of the required affordable units, then the number of affordable units may be reduced by the City until the project becomes economically feasible.

To offset the costs of developing affordable units, the City offers the following incentives:



South Brea Lofts



Courtyard of the South Brea Lofts

- Density bonus⁷;
- Flexible development standards, such as a reduction in unit square footage, on-site requirements, and off-site improvements;
- Deferral of development impact fees;
- Use of Building Code alternatives;
- Assistance in application for public funds, such as rent subsidies, bond financing, community development block grants (CDBG);
- Redevelopment housing set-aside funds; and
- Any other lawful means of offsetting the costs of providing affordable units

All affordable units developed under the Ordinance must remain as units affordable to lower and moderate-income households for forty-five years for ownership units and fifty-five years for rental units. Since adoption of the ordinance, numerous projects have met the 20-unit threshold which triggers implementation of the Ordinance, including Vintage Canyon, Tamarack Pointe, Olinda Ranch, Berkeley Townhomes, Arbors, Laurel Walk, South Walnut Bungalows and South Brea Lofts. In addition, the City has several projects in the pipeline which will be subject to the Inclusionary Ordinance, including Canyon Crest, La Floresta, and Olen Pointe Apartments. To provide even

⁷ The State's density bonus program fulfills the requirements of Brea's Affordable Housing Program and may be used in place of Brea's program.

greater flexibility in the way the City's affordable housing requirements are fulfilled, the Ordinance allows for payment of an in-lieu fee for ownership housing projects, described below.

In-Lieu Fees: The option to allow a project's affordable unit contribution to be provided in whole or in part through payment of an in-lieu fee is determined by the City Council on a case-by-case basis. Factors considered in determining if the in-lieu fee option may be approved include: economic profile of the development, site conditions, number of units, and feasibility of the fees to generate the in-lieu units. Fees collected are deposited in the Affordable Housing Trust Fund to be used exclusively for the development or maintenance of housing affordable to low- and moderate-income households.

The methodology for calculating in-lieu fees is based on an approximation of the cost of providing the required affordable (inclusionary) housing units required by the project. Fees are determined by the following formula:

$$\begin{aligned} & \text{Median sales price of new home in Brea} \\ - & \\ & \text{— } \underline{\text{Max affordable sales price (moderate income)}} \\ = & \text{ In Lieu Fee} \end{aligned}$$

The fee per units is calculated by subtracting the current market value for comparable units from the established maximum affordable home price for moderate-income households. The formula included in the Ordinance calls for the City to calculate the fee each time a developer wishes to apply for the in-lieu fee option.

3. Provision for a Variety of Housing Types

Housing element law specifies that jurisdictions must identify adequate sites to be made available through appropriate zoning and development standards to encourage the development of various types of housing for all economic segments of the population, including multi-family rental housing, factory-built housing, mobile homes, emergency shelters, and transitional housing. Table HE-34 summarizes housing types permitted in each of the residential zone districts in Brea.

**Table HE-34
Housing Types by Residential Zone Category**

| Residential Housing Type | HR | R-1 | R-1 (5,000) | R-2 | R-3 | MU-I | MU-II | MU-III | C-RC | C-G | C-N | C-P | C-C |
|--|-------------------------|------------|--------------------|------------|------------|-------------|--------------|---------------|-------------|------------|------------|------------|------------|
| Conventional Single Family | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | | | | |
| Cluster Single Family | | ✓ | ✓ | ✓ | | | | | | | | | |
| Estate Single Family | ✓ | | | | | | | | | | | | |
| Planned Unit Development | | ✓ | ✓ | ✓ | | | | | | | | | |
| Second Units | ✓ | ✓ | | | | | | | | | | | |
| Manufactured Housing | ✓ | ✓ | ✓ | ✓ | ✓ | | | | | | | | |
| Mobile Home Parks | | | | C | C | | | | | | | | |
| Multiple Family | | | | ✓ | ✓ | C* | C* | C* | | | | | |
| Townhouses | | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | | | | |
| Live/Work Facilities | | | | | | ✓ | ✓ | ✓ | | | | | |
| Residential Care Facility: 1-6 persons | ✓ | ✓ | ✓ | ✓ | ✓ | | | | | | | | |
| Residential Care Facility: 7+ persons | | | | | C | | | | C | C | C | C | C |
| Transitional Housing | ✓ | ✓ | ✓ | ✓ | ✓ | | | | C | C | C | C | C |
| Emergency Shelters | Not currently specified | | | | | | | | | | | | |

Source: Zoning Ordinance, City of Brea, 2008

✓ = Permitted C = Conditionally Permitted

*Multi-family uses permitted by right in a mixed-use configuration

Second Units

Brea's Zoning Ordinance defines second dwelling units as "an attached or detached dwelling unit which provides complete, independent living facilities for one or more persons and includes permanent provisions for living, sleeping, eating, cooking and sanitation on the same parcel as the existing single-family dwelling unit is located." The City permits second dwelling units by right in the HR and R-1 zones. Zoning provisions allow one second dwelling unit per lot provided that: (1) the lot contains one existing single-family dwelling unit; (2) the occupant of either the existing dwelling unit or the second unit is the owner of both units; (3) the second unit meets the development standards for such a unit in the R-1 Zone; and (4) the second unit does not cause the existing dwelling to conflict with the minimum standards applicable to the single family zone on which it is located. Between 1987-2005, the City processed 25 applications for second units, indicating this is a viable housing type in the community.

Mobile Homes/ Manufactured Housing

About seven percent of the housing stock in Brea consists of mobile homes, with the following five mobile home parks in the City: Bandera Estates, Crestmont, Hollydale, Lake Park Brea, and Rancho Brea. Mobile home parks are conditionally permitted in the R-2 and R-3 zones. Mobile homes not on a permanent foundation used as residences, other than those located within an authorized mobile home park, are prohibited in all residential zones.

Pursuant to State law, manufactured housing placed on a permanent foundation is permitted in all residential zones. Such housing is subject to the same development standards and design review criteria as stick-built housing as set forth by the zoning district.

Multi-Family Rental Housing

Multi-family housing makes up nearly one-third of Brea's housing stock. The Zoning Ordinance provides for multiple family developments by right in the R-2 and R-3 multiple family residential zones. Stand-alone multi-family residential is also conditionally permitted in the three mixed-use zones, and permitted by right when integrated with a commercial component, either in a vertical or horizontal format. A developer may receive a density bonus from the City to offset its costs of providing affordable housing units.

Community Care Facilities

The Lanterman Developmental Disabilities Services Act is that part of California law that sets out the rights and responsibilities of persons with developmental disabilities. The Lanterman Act impacts local zoning ordinances by requiring the use of property for the care of six or fewer disabled persons to be classified as a residential use under zoning. More specifically, a State-authorized, certified or licensed family care home, foster home, or a group home serving six or fewer disabled persons or dependent and neglected children on a 24-hour-a-day basis is considered a residential use that is to be permitted in all residential zones. No local agency can impose stricter zoning or building and safety standards on these homes. Due to the unique characteristics of larger (more than six persons) community care facilities, most jurisdictions require a Use Permit to ensure neighborhood compatibility in the siting of these facilities.

The Brea Zoning Code defines Residential Care Facilities as State-licensed facilities where 24 hour a day non-medical care is provided to persons residing on the premises in need of assistance, personal services, supervision and training essential for sustaining the activities of daily living or for the protection of the individual. The Care Facilities category also includes children's homes, orphanages, rehabilitation centers, self-help group homes, and transitional housing. Brea allows residential care facilities (for 6 or fewer persons) by right in the HR, R-1, R-1 5000, R-2 and R-3 zones. Residential care facilities for 7 or more persons are conditionally permitted in the R-3, C-RC, C-G, C-P, C-N, and C-C zones.

Accessibility Accommodations/ Universal Design

Both the federal Fair Housing Act and the California Fair Employment and Housing Act impose an affirmative duty on local governments to make reasonable accommodations (i.e. modifications or exceptions) in their zoning and other land use regulations when such accommodations may be necessary to afford disabled persons an equal opportunity to use and enjoy a dwelling. For example, it may be a reasonable accommodation to allow ramps in the setbacks of properties that have already been developed to accommodate residents with mobility impairments.

The City has conducted a review of zoning and building code requirements, and has not identified any barriers to the provision of accessible housing. Brea accommodates most accessibility modifications through issuance of a simple building permit. However, the City has not yet developed

specific procedures for requesting a reasonable accommodation for accessibility modifications, and will include this as a program in the updated Housing Element.

Handicapped ramps or guardrails (up to 30" in height) are permitted to intrude into the standard setbacks required under zoning to allow first floor access for physically disabled residents. The Development Services Director maintains the authority, without a public hearing, to grant setback and other minor modifications to the Zoning Code. The City also makes available housing rehabilitation funds to income qualified households for accessibility improvements.

Brea's universal design program accommodates a wide range of physical abilities including children, aging populations, and persons with disabilities by providing features in residential construction that enhance accessibility. Examples of universal design features include:

- Entrances without steps that make it easier for persons of all ages to enter the home
- Wider doors that enhance interior circulation and accommodate strollers and wheelchairs
- Stepless showers with built-in seats

In 2001, the Brea City Council supported a process that requests all residential homebuilders to address universal design principles when submitting proposed developments in the City. The City has developed a brochure entitled *Universal Design Principles and Modifications for Residential Home Builders in Brea*. Development Services staff provide this brochure to all residential developers proposing to build in Brea and request that plans incorporate universal design features to allow homeowners to gracefully age in place.

Transitional Housing and Emergency Shelters

Transitional housing is temporary housing (generally six months to two years) for a homeless individual or family transitioning to permanent housing. This housing can take several forms, including group housing or multi-family units, and often includes a supportive services component to allow individuals to gain necessary life skills in support of independent living. The Brea Zoning Code accommodates transitional housing within several zoning districts depending on the project's physical structure: 1) transitional housing is included within the City's Residential Care Facilities designation, and depending on the number of occupants, is permitted/conditionally permitted in most residential and commercial districts; and 2) "multi-family residential" is

permitted/conditionally permitted in all residential and mixed use zone districts. The Sheepfold Christian organization operates a transitional housing facility for battered and homeless women and children in Brea, housing six families.

Supportive housing is generally defined as permanent, affordable housing with on-site services that help residents transition into stable, more productive lives. Services may include childcare, after-school tutoring, career counseling, etc. Most transitional housing includes a supportive services component. The City of Brea regulates supportive housing as a residential use, provided supportive services are ancillary to the primary use.

Brea's Zoning Code defines emergency shelters as facilities that provide immediate and short-term housing and supplemental services to homeless persons or families. Supplemental services may include counseling, food, and access to social programs. While the City's Zoning Code provides a definition of emergency shelters, it does not explicitly identify shelters as a permitted/conditionally permitted use within any zoning district, leaving the Code open to interpretation.

Pursuant to recent changes in State law (SB 2), the City has included a program within the Housing Element to modify its Zoning Code to allow emergency shelters by right within the M-1, Light Industrial zone, subject to objective development standards designed to enhance the compatibility of shelters with surrounding uses. City staff has conducted a land use analysis of the M-1 zone, and has concluded it provides sufficient capacity for development of an emergency shelter. The following areas within the M-1 district have been identified as potentially suitable for shelter use: approximately ten vacant acres near Imperial Highway on the east side of town located near bus stops on Imperial; approximately five vacant acres near Lambert Road in central Brea close to medical facilities and bus transit on Lambert; and potential reuse of existing buildings within light industrial areas in both these locations.

Single Room Occupancy Hotels (SROs)

Brea classifies Single Room Occupancy (SRO) uses the same as hotels and motels. SROs typically have individual bathrooms for each unit, and thus similar to hotels, are permitted/conditionally permitted in commercial and mixed use districts.

3. Site Improvements

Developers of single-family residential tracts in the City are required to install arterial and local streets: curbs, gutters, sidewalks; water lines: sewer; street lighting: and trees in the public right-of-way within and adjacent to a tract. These facilities are in most cases dedicated to the City or other agencies that are responsible for maintenance. Without the site improvement requirement there are no other means of providing necessary infrastructure to the City's land parcels. Requirements for site improvements are at a level necessary to meet the City's costs.

The cost of these required off-site improvements vary depending on the nature of development (i.e., hillside or flatland development). Brea imposes impact fees for traffic, fire, water, and dispatch services as a means of recovering some of the costs of installing off-site improvements including upgrading the circulation system and other urban service systems to serve increased density.

The Circulation Element of the Brea General Plan establishes the City's street width standards. The City's street standards are consistent with those of Orange County, and include the following for residential streets:

- Collector Roadways (2 lane) - 40 foot curb-to-curb width, with five foot wide sidewalks.
- Secondary Arterials (4 lane) – 64 foot curb-to-curb width, with eight foot sidewalks

The City allows deviation from these standards in certain cases due to physical constraints or where preservation of community character dictates special treatment.

The City has in place an Art in Public Places program. This program requires developers of commercial, industrial and residential projects of five or more units with a minimum established building valuation to select, purchase and install a permanent outdoor sculpture accessible by the general public. For custom home developments, the art requirement is based on an estimate of the homes' market value.

4. Development and Planning Fees

The Development Services Department collects various fees from developers to cover the costs of processing permits and providing necessary services and infrastructure. As of this writing, fees for staff time spent on a project are based on three levels of hourly rate service: \$126 per hour for “Management Staff,” \$94 per hour for “Technical Staff,” and \$82 per hour for “Inspection Staff.” Typically, most work is performed by technical and inspection staff. The Department requests a deposit at the time it begins to process a project based on an estimate of how much time will be spent. If the project ends up requiring more time, an invoice is processed for additional funds. If the project is completed before the entire deposit is used, a refund is processed. The City adopted the fee deposits as a measure to save costs for smaller and less complicated developments, in contrast to an average fee being applied to all projects. Table HE-35 is a list of deposit amounts charged by the City. Not all projects are processed using the hourly rate formula. For inspection of small projects, flat fees are charged.

**Table HE-35
Development Deposits**

| Fee Type | Fees |
|---------------------------------------|---|
| Appeal Processing | Residents: \$50 flat fee Developers: \$1,000 deposit |
| Certificate of Occupancy | \$60 fee |
| Conditional Use Permit | \$2,000 deposit |
| Development Agreement | \$5,000 deposit |
| Environmental Clearance by Consultant | Varies With Project |
| General Plan Amendment | \$2,000 deposit |
| Plan Review | \$2,000 deposit |
| Precise Development | \$2,000 deposit |
| Subdivision Map | \$2,000 deposit |
| Zone Change | \$2,000 deposit |
| Zone Variance | \$2,000 deposit |
| Zoning Code Amendment | \$2,000 deposit |

Source: Development Services Department, City of Brea, 2008

New residential development projects in Brea are subject to various impact fees, which include Traffic Impact Fees, Water Impact Fees, Fire Impact Fees, and Dispatch Impact Fees. Established in 1995, these fees apply to new developments in the City and annexed portions of its Sphere of Influence.

Traffic Impact Fees

“Traffic Impact Fees” are required, in part, by Orange County’s Measure M, a transportation initiative passed in 1990. These are fair-share based fees designed to offset traffic impacts caused by new developments. In some cases, a developer may be required to make certain traffic improvements in addition to, or in-lieu of paying traffic impact fees. However, the total cost of traffic improvements and/or fees will not exceed the development’s fair-share toward mitigating its own impacts. The required fees must be paid prior to the issuance of any building permits. Table HE-36 is a schedule of the traffic impact fee.

**Table HE-36
Traffic Impact Fee Schedule by Residential Land Uses**

| Land Use Category | Unit of Development | City west of Orange Freeway | City east of Orange Freeway | Western Sphere of Influence | Eastern Sphere of Influence |
|--------------------------------|----------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Low Density Residential | Per Unit | \$693 | \$2,683 | \$1,841 | \$5,693 |
| Medium Density Residential | Per Unit | \$561 | \$2,171 | \$1,490 | \$4,606 |
| High Density Residential | Per Unit | \$428 | \$1,659 | \$1,138 | \$3,519 |
| Commercial, Office, Industrial | Per Square Foot | \$1.51 | \$5.86 | \$4.02 | \$12.44 |
| All Other Uses | Per Trip End | \$70 | \$271 | \$186 | \$575 |

Source: Development Services Department, City of Brea, 2008

Water Impact Fees

“Water Impact Fees” are assessed to ensure that adequate water infrastructure and facilities are provided to new development projects. In March 2003, the City Council adopted an updated Water Master Plan, which modified the water impact fee schedule originally adopted in 1995. In some cases, a developer may be required to make certain water improvements in addition to, or in-lieu of paying water impact fees. However, the total cost of water improvements and/or fees will not exceed the development’s fair-share of providing the water infrastructure or facilities. The amount of fees per dwelling unit varies depending upon a project’s geographical location and elevation. In some instances, the exact amount of fee will only be able to be determined when the actual elevation or pressure service zone is precisely defined by the proposed development improvement plans. The water impact fee is automatically adjusted annually to account for inflation.

Fire Impact Fees

“Fire Impact Fees” are one-time fees established to fund the cost of building a fire station and purchasing new fire engines and equipment required to serve new development. Fire impact fees are determined on a per residential dwelling unit basis and range from \$731-\$1,029.

Prototypical Project Development Fees

As a means of assessing the cost that fees contribute to development in Brea, the City has calculated the total fees associated with development of a prototypical single-family and multi-family project, and modeled after two recent projects in the City. The single-family prototype is based on a 54 lot subdivision consisting of 2,100 square feet, four-bedroom units; the multi-family prototype is based on a 9 unit multi-family development consisting of 1,400 square feet, two-bedroom units. As indicated in Table HE-37, development fees for the prototypical single-family project run approximately \$35,000 per unit, whereas per unit fees for the multi-family project are around \$20,000. While the City can defer certain fees for affordable projects, the waiver of fees triggers prevailing wage requirements for the entire project (Labor Code Section 1720), substantially increasing the costs of development.

**Table HE-37
Summary of Development Fees – Prototypical Projects**

| Fee Type | Cost per Single-Family Unit | Cost per Multi-Family Unit |
|---|------------------------------------|-----------------------------------|
| Development Services Fees | | |
| Planning/Building/Engineering Fees* | \$3,547 | \$2,723 |
| School Fees (\$2.63/sq.ft.) | \$5,523 | \$3,627 |
| Parks/Recreation (fee) | \$9,818 | \$5,611 |
| Environmental Review -Exemption | -- | \$470 |
| Environmental Review – Negative Declaration/EIR | \$6,804 | -- |
| Other Fees (records management/seismic) | \$50 | \$28 |
| Subtotal Development Services Fees: | \$25,742 | \$12,459 |
| City/County Infrastructure Fees | | |
| Sewer – City | \$120 | \$100 |
| Water – City | \$2,306 | \$2,306 |
| Sanitation District Fees | \$5,377 | \$3,500 |
| Subtotal Infrastructure Fees: | \$7,803 | \$5,906 |
| Impact Fees | | |
| Traffic | \$561 | \$428 |
| Water | \$313 | \$313 |
| Fire | \$1,029 | \$1,029 |
| Dispatch | \$133 | \$133 |
| Subtotal Impact Fees: | \$2,036 | \$1,903 |
| Total Per Unit Fees | \$35,581 | \$20,268 |

Source: Development Services Department, City of Brea, 2008

* Includes fees for Plan Review, Subdivision Review, Building Plan Check and Inspections, Grading Permit, Engineering Inspections, Landscape Plan Check and Inspections, and Fire Plan Check and Inspections.

5. Building Codes and Enforcement

Brea has adopted the 2007 Edition of the California Code of Regulations, Title 24. For the first time, California's Code is based upon the new International Code of Building Officials, which brings California building codes into consistency with the rest of the country. As part of the City's efforts to enhance the safety of building construction in Brea, the City's Building and Safety Manager participated in the Orange County code Uniformity Group sponsored by the International Code Council. This group of 24 Orange County Building Officials coordinated their efforts to develop local amendments to the Code necessary to reflect local conditions.

Brea has adopted local amendments to the California Building Code to protect the public health and safety from hazards indigenous to the City. Amendments include:

- Fire sprinklers are required in buildings exceeding 6,000 square feet.
- The hillside areas in Brea and its sphere of influence have been identified as a High Fire Hazard Severity Zone/Wildland Urban Interface. These areas are conducive to uncontrollable fires due to topography and native vegetation. Development in these areas is required to comply with the construction requirements of the Very High Fire Hazard Area Requirements Manual, including:
 - Fire sprinklers in all buildings
 - Ignition resistant construction materials
 - Class A roofing materials and assemblies
 - 180 foot fuel modification around structures
 - 24 foot two-lane street widths
- Proposed development within areas designated as having potential for methane gas generation are required to comply with the requirements of the City's Combustible Soil Mitigation System Installation and Inspection Requirements Manual. Soil sampling and testing is required for sites within 300 feet of historic oil wells, and to the extent oil or tar seeps are identified, the following mitigation is required:
 - Installation of underground collection systems to collect water and oil

- Installation of an impermeable membrane or “liquid boot” under residential structures
- Installation of subslab venting systems
- Venting of all wells

As discussed earlier, the 1,600+ acres of Hillside Residential within Brea’s sphere of influence are constrained by a variety of environmental factors, including wildland fire hazards and methane gas. As these properties are annexed into the City, development will be subject to Fire and Building Codes necessary to ensure public health and safety. With several major hillside developments completed/underway/or under review - including Olinda Ranch (639 units), Pepper Tree/Tonner Hills (795 units), and Canyon Crest (165 units) – the City’s standards have not served as a constraint to development.

6. Local Processing and Permit Procedures

Brea permits single-family development by right in all residential districts, and multi-family development by right in all multi-family districts. Due to potential compatibility issues associated with introducing residential uses within commercial districts, residential uses within Brea’s mixed use districts require either Precise Development Review (mixed-use projects with 5+ units), or a Conditional Use Permit (exclusively residential projects).

Development within the Hillside Residential zoning district is required to obtain a hillside development permit. Applications for hillside permits are processed concurrently with any other required development permits, and approved by the same decision-making body.

Brea’s development process can be summarized in the following steps, although all steps may not be necessary depending on the nature of a project. The City continues to focus on process improvements through its no cost screen check service, focused staffing on development projects through the cost center system, streamlining of permit processing through automation, and concurrent processing of entitlement and plan check processes. Furthermore, the City has developed a “User-Friendly Handbook to Brea’s Development Process” which it publishes on the City’s website and provides as a handout to project applicants.

Screen Check

The Screen Check process is a free service that allows a developer to meet with staff from various City departments before filing an application that initiates the development process. City staff help developers by assessing proposed projects, discussing concerns, and explaining any special requirements of the projects. Screen Check can potentially save developers time and money by addressing potential concerns at an early stage thereby avoiding delays later.

Application Submittal

The “Planning (or Application) Submittal” process is when a developer submits an application, a deposit (amount depending on the complexity of the proposed project), and other necessary forms, such as “Environmental Information” or “Hazardous Waste and Substance Site Statement”.

Plan Review

The Plan Review process begins after the application plans and required deposit have been submitted. A planner is assigned to serve as the developer’s liaison helping to expedite the permit process and coordinating any department reviews required. The developer’s application submittal is distributed to the appropriate City departments for review and comment. An initial review of the environmental issues associated with the proposed project [as required by the California Environmental Quality Act (CEQA)] will also be completed at this time. All discretionary projects (those requiring Planning Commission approval) require an Environmental Review. For any project not requiring Planning Commission review, the Director shall provide the applicant a written decision within 30 days of submittal of a complete application.

Precise Development Review (Mixed Use Zones)

The Precise Development Review (PD) process is used for review and analysis of mixed-use residential projects with five or more units within the Mixed Use zoning districts. The focus of the review is upon project specific details including site planning, architecture, landscaping, parking configuration, etc., to assess a project’s compliance with development standards, compatibility with the neighborhood setting, and overall design quality. The PD Review process culminates with a public hearing before the Planning Commission concurrent with the any other entitlement associated with the project. In addition, applicants have the opportunity to concurrently process construction documents for building code compliance (Plan Check) during the course of PD Review. PD Review from initial submittal through public hearing can be accomplished within 90 days, depending on the level of necessary environmental clearance.

Conditional Use Permit (Mixed Use Zones)

To ensure compatibility when introducing residential uses within Brea's commercial districts, the City requires a Conditional Use Permit (CUP) for exclusively residential projects within Mixed Use zones. The emphasis of the CUP is to provide any necessary safeguards as conditions of approval to protect the health, safety and general welfare of future occupants of the proposed residential development. Particularly since the majority of Brea's MU-I and MU-III zones front on the City's primary arterial roadways, the CUP process is utilized to address the incompatibilities inherent in placing street-level housing on high volume arterials. Findings required for approval of the CUP include: use is desirable for the development of the community and in harmony with the objectives of the General Plan, and site is of adequate size and shape to accommodate proposed development with all the necessary setbacks, landscaping and other buffers to ensure compatibility; these findings are consistent with the inclusion of housing within the Mixed Use zones.

Similar to the PD process described above, applicants have the opportunity to concurrently process construction documents for Plan Check during processing of the CUP, resulting in minimal, if any, additional processing time. Depending on the necessary environmental clearance, CUP review from initial submission through public hearing can be achieved in 90 days.

Planning Commission Approval

If a project is determined to require discretionary action, it is scheduled on the Planning Commission's agenda and public notice is given. Property owners within 500 feet of the proposed project are notified. Hearings are scheduled at least 10 days and not more than 40 days after acceptance of the application. The developer is strongly encouraged to work out potential problems with neighboring residents or business owners before the Commission meeting.

A developer may appeal most Planning Commission actions to the City Council. In some instances, the project may require City Council approval. Still, other projects may never go to either the Commission or the Council. The level of review is dictated by the location and use of a project.

Plan Check

The Plan Check step verifies that all building, fire, mechanical, plumbing, and electrical code requirements are fulfilled in compliance with Brea’s Building and Zoning codes. The developer’s application is reviewed by the City’s Engineering, Planning, Fire, and Building divisions. Any requirements or problems identified during the Plan Review phase are completed or rectified. Once the application submittal is complete, the City performs the Plan Check. The Plan Check turnaround times are as follows:

| | |
|-------------------------------------|---------|
| Minor repair projects | 10 days |
| Tenant improvements, room additions | 15 days |
| Full development projects | 90 days |

As described previously under PD and CUP requirements in Mixed Use zones, Brea offers concurrent processing of entitlements and construction documents for building code compliance (Plan Check), resulting in minimal additional project processing time for discretionary entitlements.

Building Permit

Once Plan Check is completed, the developer will need to submit final plans with any revisions required by the City Council, Planning Commission or City Staff. Final plans must be submitted in order to receive the building permit(s).

A building permit is required before construction can begin. Throughout construction, regular inspections are required. The final inspection involves all of the appropriate City departments.

Prior to submitting an application for a building permit, a certificate of compatibility is required for individual single-family homes, including manufactured housing and mobile homes. The purpose of the certificate of compatibility is to coordinate land use planning, architecture and aesthetic cohesiveness within Brea’s single-family neighborhoods. The Director maintains responsibility for issuing the compatibility certificate as an administrative action. On an annual basis, approximately 3-4 individual homes undergo compatibility review in Brea.

Project Final

Once the final inspection on residential construction is completed, the developer secures a project final from all City Departments.

Summary of Processing Procedures

In summary, a major goal of Brea’s Development Services Department is to maintain efficient project processing procedures as a means of facilitating development. The Department’s Development Process handbook provides an informative step-by-step guide aimed at simplifying the development process. The no-charge Screencheck service provides project applicants an up front discussion of project processing needs to better enable preparation of a complete application at initial submittal. At the Plan Review stage, each project is assigned a Project Liason to help expedite the permit process and coordinate any necessary department reviews. And for projects requiring discretionary entitlements, concurrent processing with Plan Check processes results in significant time savings.

As a means of demonstrating the efficiency of Brea’s processing procedures, the following summarizes the start to finish processing steps for a hypothetical mixed-use project in the MU I zone district. As the project contains a mix of both residential and commercial uses and includes more than 5 units, Precise Development Plan review before the Planning Commission is required. Assuming proper applicant prepared plans, a realistic processing example could be as follows:

| | |
|------------|--|
| Day 1 | Screen Check |
| Day 2 | Application Submittal |
| Days 2-21 | Staff review of plans, any comments delivered to applicant. |
| Days 21-35 | Applicant prepares revisions, any other responses to staff comments. |
| Days 35-45 | Any further comment, revision of plans, technical coordination between staff and applicant. |
| Days 45-90 | Final coordination of details, confirm qualification for CEQA Class 32 exemption, preview to Planning Commission, public hearing notification, Planning Commission hearing and action. |

As illustrated in this example, complete project processing – including discretionary review before the Planning Commission and concurrent Plan Check processing – can occur within a 90 day window. As the majority of future residential development is focused in the City’s mixed use districts, this exemplifies the approval process for many of Brea’s future projects, and given the expedited time frame, clearly does not serve as a constraint to development.

C. ENVIRONMENTAL AND INFRASTRUCTURE CONSTRAINTS

Brea is subject to the following environmental and infrastructure constraints. Carbon Canyon, in particular, is an area with high risks of being affected by these environmental hazards. The geology and soils of the canyon area present constraints upon development due to the presence of the Whittier Fault zone, landslides and related slope stability issues.

1. Seismic Hazards

The City is likely to experience ground shaking associated with the active and potentially active fault systems in the surrounding area. The most severe ground shaking would result from earthquake activity on the Whittier fault zone. The Whittier fault is active and cuts across Brea and the Sphere of Influence diagonally (northwest/southeast orientation).

2. Slope Stability - Landslides and Subsidence

Stability of natural slopes in the rugged Carbon Canyon area is a significant concern. The numerous landslides that have occurred in this area attest to its stability hazards. There is some potential for erosion and slope instability related to stream activity along major canyons and drainage courses. Liquefaction may also occur in areas of Carbon Canyon and along the major drainages of Brea Creek and Fullerton Creek where perched water may exist.

3. Wildland Fire Hazards

Carbon Canyon and a significant portion of Brea's sphere of influence remain undeveloped, consisting of rugged topography with highly flammable native vegetation. Orange County has designated much of the hillsides Special Fire Protection Areas (SFPA) for wildland and urban interface fire risks. SFPA are geographic areas subject to uncontrollable

fires due to formidable fire conditions, such as topography and native vegetation. As discussed in the earlier section on Building Codes and Enforcement, development within these High Fire Areas is required to comply with special construction requirements addressing construction and roofing materials, fire sprinklers, fuel modification, and street widths.

4. Flooding

All major tributary courses throughout the City are areas of potential flooding. Specifically, Carbon Canyon stream and its tributaries, Telegraph Canyon Creek and Soquel Canyon Creek, which flow into the Carbon Canyon Dam area, exhibit some hazardous flooding during high intensity storms. Flooding may also occur in areas surrounding the Carbon Canyon Dam and at the Orange County reservoir should there be dam failure. There is currently an inundation map to guide development in areas that would be affected by dam failure.

5. Public Services and Facilities

As an urbanized community, the majority of Brea has already in place all of the necessary infrastructure to support future development. All land currently designated for residential use is served by sewer and water lines, streets, storm drains, and telephone, electrical, and gas lines. Future development in the hillsides and Carbon Canyon area will result in the need for additional infrastructure (roads, facilities providing water and power etc.) and public safety facilities including police, fire and paramedic services. These additional services and facilities will be funded by developers who are required to pay various impact fees.

4. HOUSING RESOURCES



This section presents the various resources available for the development, rehabilitation, and preservation of housing in Brea. This includes the availability of land resources to accommodate future growth needs; financial resources available to support housing in the community; administrative resources available to assist in implementing Brea’s housing programs; and resources for energy conservation.

A. AVAILABILITY OF SITES FOR HOUSING

SCAG has determined the projected housing need for its region for the 2008-2014 Housing Element cycle, and has allocated this housing need to each jurisdiction by income category. This Regional Housing Needs Assessment (RHNA) represents the minimum number of housing units each community is required to plan for by providing “adequate sites” through the general plan and zoning. An important component of the Housing Element is the identification of adequate sites for future housing development, and evaluation of the adequacy of these sites in fulfilling the City’s share of regional housing needs (RHNA). Brea has a RHNA allocation of 2,048 units distributed among the following income groups: 441 very low income; 356 low income; 404 moderate income; and 847 above moderate income units.

The City plans to fulfill its share of regional housing needs using a combination of the following methods:

- Vacant and underdeveloped residential sites;
- Focused development sites within mixed-use areas;
- Residential projects with development entitlements;
- Existing market rate units that will be units provided at affordable levels with the City’s committed assistance; and
- Residential permits issued during the RHNA “gap period” (January 2006 – December 2007).

In aggregate, the City’s residential sites capacity from the above sources provides for 4,051 additional units, including sites suitable for development of 1,518 lower income, 282 moderate income and 2,251 above moderate income units, reviewed in detail in the following narrative. Parcel specific site inventories and maps are included in Appendix B to the Element.

1. Vacant/Underutilized Residential Sites

Brea’s incorporated city limits encompass nearly ten square miles, totaling over 6,100 acres. Approximately one-fifth of the City’s acreage is comprised of hillsides and open space, much of which has historically been used for oil production. Brea’s 2003 General Plan established a Hillside Residential land use designation to provide for limited development within the privately-owned hillside areas of the City, as well as the 1,600 acres of hillsides within Brea’s sphere of influence. Properties designated Hillside Residential are subject to the City’s Hillside Management Ordinance, with permitted densities based upon average slope calculations, protection of environmental resources, and conformance with performance criteria.

As illustrated in Table HE-38, Carbon Canyon in Brea’s eastern foothills contains over 700 vacant acres of Hillside Residential (excluding the 398 acre Canyon Crest project currently undergoing entitlements). Analysis of the parcelization and ownership of this hillside acreage results in an estimated development potential for 206 new single-family units. Any projects with more than 10 units would be subject to Brea’s 10 percent inclusionary requirement, resulting in 16 units required to be provided at levels affordable to moderate income homebuyers.

In addition to Carbon Canyon, Brea contains 141 vacant acres designated Hillside Residential at the southwest corner of Valencia and Lambert adjacent to Olinda Ranch. This acreage could support 55 units, at an average density of one unit per 2.5 acres.

Two primary areas of vacant Low Density (R-1) Residential remain in Brea: 94 acres west of Valencia at Lambert, immediately west of Olinda Ranch; and 5 acres in northwestern Brea on a site occupied by an oil pipeline station currently undergoing closure. These Low Density sites can yield 395 units, including 39 moderate income units.

**Table HE-38
Vacant and Underutilized Residential Sites**

| Land Use District | Realistic Residential Density (du/ac) | Acreage | Total Dwelling Units | Moderate Income (Inclusionary) Units |
|----------------------------------|--|----------------|-----------------------------|---|
| Hillside (HR) – Carbon Canyon | Varies based on slope | 738 | 206 | 16 |
| Hillside (HR) – Valencia/Lambert | 1 du/2.5 acres | 141 | 55 | 5 |
| Low Density (R-1) | 4 du/acre | 99 | 395 | 39 |
| High Density (R-3) | 20 du/acre | 1.1 | 22 | 11 |
| Total | | 979 | 678 | 71 |

Source: Vacant Land Survey, Development Services Department, City of Brea, 2007

Brea contains two adjacent underutilized high density (R-3) parcels currently developed as a non-conforming, stone manufacturing facility surrounded by residential uses. The Redevelopment Agency is in the process of purchasing these sites for development with 22 units of higher density housing within walking distance of Downtown Brea.

2. Mixed Use Sites

In addition to providing for sensitive development within the City's hillsides, another key tenet of Brea's new General Plan is the establishment of mixed-use districts in the City's older, more centrally located districts. Downtown Brea and the Birch Street Corridor are designated MU-I, providing for residential densities of up to 50 units/acre. Mixed Use II provides for up to 40 units/acre and applies to the former Unocal Research property and similar larger properties that would benefit from an integrated approach to development; the 260 unit Olen Pointe Apartments is an example of 40 unit/acre residential being integrated within an exiting office complex in the MU-II district. The MU-III designation is designed to facilitate the revitalization of deteriorated commercial corridors, such as South Brea Boulevard and portions of Imperial Highway, by allowing the integration of residential uses at densities up to 18 units/acre. The award winning South Brea Lofts, which provides 47 live/work townhomes, was recently developed in MU-III.



South Brea Lofts

The City's vision for development within the three mixed use districts, as articulated in the General Plan, is predominately residential in focus to help realize Brea's goals for workforce housing. Within the highest density MU I district, affordable and mixed-income rental housing is emphasized, as exemplified by the Birch Street Lofts which provides 62 rental units, including 33 affordable units, at a density of 41 units per acre. All mixed use districts permit residential densities exclusive of commercial uses, which are separately regulated through floor area ratios (FAR). A description of Brea's vision for the future pattern of development within each of the three mixed use districts is presented in Appendix B to the Element.

While the General Plan designates a significant amount of land for mixed use (58 acres MU-I; 119 acres MU-II; 25 acres MU-III), for purposes of the 2008-2014 Housing Element, a two-tiered approach has been utilized to assess those mixed-use parcels most suitable for development during this six year planning period. First, City staff developed an inventory of mixed use parcels that

were either vacant or developed with an existing building greater than 30 years in age, and thereby more likely to be redeveloped. As indicated in Table HE-39, this reduces the developable acreage to 43.6 acres in MU-I and 17 acres in MU-III.⁸



Focused Development Site

As a second refinement, the City identified “Focused Development Sites” from groupings of contiguous parcels which met one or more of the following criteria: development sites are anchored by Agency-owned or vacant parcels; sites include a high ratio of surface parking lots; City is aware of development interest on the site; a single parcel is of significant size (> 1 acre); and/or existing uses are particularly underutilized and marginal. As presented in Table HE-39, this second tier of refinements yields 34.5 acres of MU-I and 9 acres of MU-III.

In terms of estimating the residential development capacity on these Focused Development Sites, the City selected a development density based on recent projects built under the new mixed use standards. For MU-III, the maximum density of 18 units/acre is utilized, the density of the recently built South Walnut Bungalows project developed on .5 acres in the MU-III district. South Brea Lofts was also built to MU-III standards, but due to the project’s larger unit sizes (up to 2,200 square feet), densities were slightly lower at 17 du/acre.

Since Brea has not yet had a project developed in the MU-I district, for purposes of estimating development potential, MU-I densities are conservatively estimated at 80 percent of the maximum, or 40 units/acre. The achievement of this density under MU-I development standards is confirmed through review of a recent site planning concept submitted to the City for Focused Development Site #2 (refer to Appendix B). The preliminary site plan for this 25,916 square foot site proposes 27 units, translating to 45 units per acre. Planning staff have reviewed the proposed site plan against the MU-I development standards and found it to be consistent with code criteria. While the site plan concept has not yet been developed to an extent providing for architectural concepts and other relevant project details, staff believes these issues could be successfully resolved without sacrificing density. Birch Street Lofts, while built prior to adoption of the mixed-use zoning standards, serve as a model for MU I development, with two stories of rental housing above ground floor retail at a density of 41 units per acre.

⁸ MU-II sites were not included in this analysis because the La Floresta projects already have entitlements pending for Brea’s MU-II sites.

As presented in Table HE-39, using these realistic development densities, a total of 304 new units can be accommodated within the MU-III district, with 157 of these units on Focused Development Sites. Within the MU-I district, 1,744 high density units can be developed, including 1,380 units on Focused Development Sites.

A detailed inventory of all the MU-I and MU-III parcels included in the Housing Element sites inventory is presented in Appendix B to the Element. Parcels which comprise the Focused Development Sites are highlighted in the inventory, with a separate map presented for each area. As a means of documenting how Focused Development Sites can realistically be assembled and developed during in the planning period, a detailed “Sites Suitability Analysis” narrative has been prepared for each of the seven MU-I sites, also included in Appendix B. This analysis further details existing conditions, including the presence of economically marginal uses, underutilized parking lots, and Agency owned parcels, as well as where there has been recent development interest on the sites.

**Table HE-39
Mixed Use Residential Sites**

| Land Use District | Realistic Density | Tier 1 Vacant /Use >30 years | | Tier 2 Focused Development Sites | |
|-------------------|-------------------|---------------------------------|----------------|-------------------------------------|----------------|
| | | Acres | Unit Potential | Acres | Unit Potential |
| Mixed Use III | 18 du/acre | 16.9 | 304 | 9 | 157 |
| Mixed Use I | 40 du/acre | 43.6 | 1,744 | 34.5 | 1,380 |
| Total | | 60.5 | 2,048 | 43.5 | 1,537 |

Source: Land Use Survey, Development Services Department, City of Brea, 2007

As a means of encouraging lot consolidation within its mixed-use zones, the City has adopted the following incentives: reduced parking; increased parcel coverage (up to 10%); reduced open space (up to 10%); priority permit processing; City participation in infrastructure (e.g. installation of street, gutter and sidewalk, installation of streetscape, undergrounding/upgrading of utilities, etc.); and increased sign area (up to 20%).

3. Projects in Process

Several large residential projects in various stage of entitlement would contribute towards addressing the City’s housing needs:

Entitled Projects

- Olen Point Apartments will provide 260 apartment units, including 26 moderate income units, within an existing office park setting. Olen Pointe received a General Plan amendment from commercial to MU-II to accommodate this integrated office/residential development.
- Peppertree Hills in the recently annexed Tonner Hills will provide 795 new single-family homes, including 46 moderate income units. This project is being processed under the County of Orange, and pursuant to a written agreement between Brea and the County, these units are credited under the County’s Housing Element.



La Floresta Site Plan

Projects in Process

- La Floresta #1 is a 120 acre, 1,088 unit mixed-use community planned for the former Unocal Research Center, encompassing active adult single-family homes, condominiums, and independent living, as well as non-age restricted single-family homes, townhomes, and live/work lofts. The 14 acre village core will provide specialty retail, restaurants and offices.
- La Floresta #2 is proposed on the Birch Hills Golf Course and will include 132 townhomes and 115 affordable workforce housing units being developed by Jamboree Housing, including 41 extremely low income units. A new community recreation center will be provided adjacent to the redesigned public golf course.
- Canyon Crest will provide 165 market rate single-family homes in the east end of Carbon Canyon.

Not including Peppertree Hills’ 795 units, these four projects would contribute 1,760 new units to Brea, including 115 lower income units and 44 moderate income units.

HE-40

Projects with Entitlements or Pending Entitlements

| Project Name | Total Units | Extremely Low Income | Very Low Income | Low Income | Moderate Income | Market Rate |
|------------------|--------------|----------------------|-----------------|------------|-----------------|--------------|
| Olen Pointe Apts | 260 | | | | 26 | 234 |
| La Floresta #1 | 1,088 | | | | 18 | 1,070 |
| La Floresta #2 | 247 | 41 | 34 | 40 | | 132 |
| Canyon Crest | 165 | | | | | 165 |
| Total | 1,760 | 41 | 34 | 40 | 44 | 1,601 |

Source: Brea Development Services Department, January 2008.

4. Committed Assistance

Government Code Section 65583.1[c] permits jurisdictions to rely on existing units to fulfill up to 25 percent of their residential sites requirement (RHNA) in the Housing Element. The following activities may be eligible:

- Substantial rehabilitation of substandard rental housing
- Conversion of multi-family rental units from non-affordable to affordable
- Preservation of at-risk housing

To qualify, a community must provide “committed assistance” to specified projects within the first two years of the planning period through a legally enforceable agreement. Units must be provided at affordable rent levels to very low and low income households, with affordability terms ranging from 20 – 55 years, depending on the activity.

The City of Brea has committed to providing financial assistance to purchase affordability covenants on the 16 unit Acacia Street Apartments, and is seeking to apply credits towards the City’s RHNA obligations (refer to Appendix C - Adequate Sites Program for documentation on compliance with the statutes).



**Acacia Apartments
Prior to Rehabilitation**



**Acacia Apartments
After Rehabilitation**

In summary, the Acacia Apartment project involves the Redevelopment Agency purchase of four parcels on which there are 16 apartment units; eminent domain was not used in the acquisition of these properties. The Agency is in the process of completely renovating the interior of the units and repairing the outside of the buildings, including landscaping and courtyard enhancements. Upon completion of the property rehabilitation, the Agency will sell the property to a non-profit developer at a reduced cost in exchange for conversion of the project’s market rents to levels affordable to 13 very low and 3 low income households for a minimum 55 year term. Rehabilitation improvements on all units will be completed by mid 2008, at which time the Agency will issue a Request for Proposal for non-profit purchase and management, and enter into a Loan Agreement for committed assistance with the selected non-profit, targeted for August 2008.

Existing rent levels at Acacia Apartments are documented in Table 1, included in Appendix C. Of the project’s 16 units, ten units have rents above the level of affordability to low income households, and four units have rents above the level of affordability to very low income households (but within the level affordable to low income). The remaining two units are already

renting at levels affordable to very low income households, and while affordability covenants will be placed on these units, these units will not be counted for Housing Element purposes. In terms of RHNA credit and net increase in affordable units, eleven units that the Agency will restrict as very low income that are not currently available at rents affordable to very low income households will be credited, and the three units that the Agency will restrict as low income that are not currently affordable at low income rent will be credited.

The level of “committed assistance” provided by the Redevelopment Agency for Acacia Apartments reflects the difference in what the Agency paid for the project, including rehabilitation costs, versus the reduced cost the Agency will sell the project for to a non-profit in exchange for the affordability covenants. The Agency purchase and rehabilitation costs are estimated to run around \$5.3 million, whereas the Agency’s economic consultant estimates the post-rehabilitation sales price at \$2 million. The Agency estimates total committed assistance for Acacia Apartments at between \$2 - \$4 million.

During rehabilitation of the units, temporarily displaced tenants are provided relocation assistance. Tenants who are “over income” (>80% AMI), and households considered overcrowded pursuant to Redevelopment statutes will not qualify to remain within the project after rehabilitation and will be provided permanent relocation. The project is estimated to cause the permanent displacement of four households. The Redevelopment Agency has prepared a Relocation Plan for the project.

The Acacia Apartments project fulfills the alternative sites requirements under Housing Element statutes, allowing it to be credited against the City’s RHNA. As presented in Table HE-43 in the Housing Plan, Brea has fulfilled a portion of its affordable housing needs for very low and low income households in the prior planning period, rendering the City eligible to utilize the alternative sites program. The Housing Element includes a program to obligate the City to provide committed assistance to Acacia Apartments. Pursuant to Government Code Section 65583.1[c], the City of Brea will report to the State Department of Housing and Community Development (HCD) on the status of purchasing affordability covenants on Acacia Apartments no later than July 1, 2010. If the City has not entered into an enforceable agreement of committed assistance for the units specified, it will amend the Housing Element to identify additional appropriately zoned and suitable sites.

5. Comparison of Sites Inventory with RHNA

As presented in Table HE-41, Brea’s new construction need (RHNA) for the 2008-2014 period is for 2,048 new units. Housing units receiving building permits during the 2006-2007 RHNA “gap period” can be credited towards the RHNA. Review of building permit records indicate a total of 62 residential permits were issued in Brea during this period, including: Walnut Bungalows (9 very low income units), South Brea Lofts (47 units, including 10 moderate income); 5 single-family homes and 1 duplex.



S. Walnut Bungalows under Construction

Table HE-41 compares Brea’s RHNA for 2,048 new units with the City’s aggregate residential sites inventory derived from the following:

- 62 units issued building permits in 2006-2007
- 678 units on vacant and underutilized residential sites
- 1,537 units on Focused Development Sites within the MU-I and MU-III districts
- 1,760 units in projects with entitlements/pending entitlements - Olen Pointe, La Floresta, Canyon Crest
- 14 units through committed assistance for purchase of affordability covenants

**Table HE-41
Comparison of Regional Housing Growth Need and Residential Sites**

| Income Category | Building Permits (1/2006 – 12/2007) | Entitled Projects/ Pending Entitlements | Committed Assistance | Minimum Density Guidelines | Sites Inventory | Total Unit Potential | Total RHNA |
|--------------------|-------------------------------------|---|----------------------|----------------------------|-----------------|----------------------|------------|
| Very Low | 9 | 75 | 11 | ≥30 units/acre | 1,380 | 1,518 | 441 |
| Low | 0 | 40 | 3 | | | | 356 |
| Moderate | 10 | 44 | 0 | ≥15 units/acre | 228 | 282 | 404 |
| Above Moderate | 43 | 1,601 | 0 | <15 units/acre | 607 | 2,251 | 847 |
| Total Units | 62 | 1,760 | 14 | | 2,215 | 4,051 | 2,048 |

In terms of evaluating the adequacy of these sites to address the affordability targets established by the RHNA, Housing Element

statutes now provide for use of “default densities” to assess affordability. Based on its population, Brea falls within the default density of 30 units/acre for providing sites affordable to very low and low income households. For moderate income households, based on several moderate income projects developed in the City, the City has chosen a threshold of 15 units/acre to reflect a reasonable density with which moderate income development can be achieved. Allocating Brea’s residential sites inventory based on these density thresholds, combined with the affordability mix anticipated in both entitled and projects with pending entitlements, results in the provision of sites suitable for development of 1,518 units affordable to lower income households, 282 units affordable to moderate income households, and 2,251 units for above moderate income households.

In summary, Brea has provided more than adequate sites to fulfill its regional housing needs by income category. The City will further encourage and facilitate production of affordable units on these sites through regulatory incentives and direct financial assistance, and has allocated \$12.7 million in Redevelopment housing set-aside and Housing In-Lieu Fee resources towards Affordable Housing Development Assistance during the planning period.

Availability of Public Facilities and Services

As an urbanized community, the majority of Brea has already in place all of the necessary infrastructure to support future development. All land currently designated for residential use is served by sewer and water lines, streets, storm drains, and telephone, electrical, and gas lines. To assure that future development can be served in the less developed, hillside areas of Brea such as Carbon Canyon, the City collects various impact fees from developers to cover the costs of providing necessary services and infrastructure. These fees apply to new developments in the City and annexed portions of the Sphere of Influence.

SB 1087, effective January 2006, requires water and sewer providers to grant priority for service allocations to proposed developments that include units affordable to lower income households. Pursuant to these statutes, upon adoption of its Housing Element, Brea will immediately deliver the Element to local water and sewer providers, along with a summary of its regional housing needs allocation.

B. FINANCIAL RESOURCES

A variety of funding sources are available to support affordable housing activities in Brea. Due to the high cost of developing and preserving housing and limitations on both the amount and uses of funds, the City leverages local funds with numerous outside sources. The following summarizes the major sources of housing funds available to Brea during the planning period.

1. Redevelopment Housing Set-Aside

Redevelopment housing set-aside funds are the primary source of funds for affordable housing activities in Brea. As required under California Redevelopment Law, the Brea Redevelopment Agency sets aside 20 percent of all tax increment revenue generated from the redevelopment project area for the purpose of increasing and improving the community's supply of housing for low- and moderate-income households. These set-aside funds are placed in a separate Low- and Moderate-Income Housing Fund.

Housing units developed using the Agency's housing set-aside funds must remain affordable to the targeted income group for the longest feasible period of time and not less than 55 years for rental housing and 45 years for ownership housing. In addition, housing set-aside expenditures by income group must be in proportion to the City's regional housing needs (RHNA) as defined in the housing element. For Brea, this means that set-aside expenditures over the 2002-2014 year compliance period must include a minimum of 37 percent of funds directed towards very low income households, and no more than 33 percent of funds directed towards moderate income households. Finally, age proportionality requirements specify that set-aside expenditures directed towards seniors are limited to the proportion that seniors age 65+ represent in the City's population, which for Brea is 11 percent.

The Brea Redevelopment Agency generates approximately \$4.7 million in gross redevelopment set-aside funds annually. Approximately \$3.1 million of these funds are pledged to repayment of outstanding bonds, leaving approximately \$1.6 million available to fund housing activities. During the entire six year Housing Element cycle (2008-2014), a total of \$16.4 million in set-aside funds are anticipated to be available for housing program implementation, including net set-aside contributions; a \$2.3 million set-aside fund balance (July 1, 2008); land sales and loan repayments.

In addition to the \$16.4 million in redevelopment housing funds, Brea is projected to accumulate \$5.2 million in Housing In-Lieu funds, and receive an additional \$600,000 in CDBG funds, providing a total of \$22.2 million in housing funds available during the planning period. (While Brea leverages these funds with a variety of outside sources described below, these three sources represent the only funds the City is certain of receiving). Based on the program goals established in the Housing Element, these resources are allocated among the following activities:

- Affordable Housing Development Incentives - \$12.7 million
- Homebuyer Assistance - \$5 million
- Senior Subsidy and other Rental Assistance - \$1.8 million
- Preservation of At-Risk Housing - \$1.1 million
- Housing Rehabilitation (owner and rental)- \$1.6 million

The Brea Redevelopment Agency is also pursuing issuance of bond refunding from Project Area C. If the bond refunding goes forward, a net \$2.5 million in additional set-aside funds would become available during the Housing Element planning period.

2. Housing In-Lieu Fee

The City allows the payment of in-lieu fees to fulfill the inclusionary housing requirement under the Affordable Housing Ordinance. The City Council decides, on a case by case basis, whether a developer can pay in-lieu fees instead of providing the required affordable housing units. The in-lieu fees collected are deposited in an Affordable Housing Trust Fund to be used exclusively for the development or maintenance of housing affordable to low- and moderate-income households.

As of January 2008, the Agency had a balance of \$1.6 million in the Affordable Housing Trust Fund. During the 2008-2014 Housing Element planning period, and based on housing projects in the pipeline, an additional \$3.6 million in in-lieu fee revenues are projected.

3. Community Development Block Grant (CDBG) Funds

Through the CDBG program, the federal Department of Housing and Urban Development (HUD) provides funds to local governments for funding a wide range of community development activities benefiting low-income persons. The CDBG program provides formula funding to larger cities and counties, while

smaller cities (less than 50,000 population) generally compete for funding that is allocated to and administered by the state or county. As a smaller city, Brea applies annually to the Orange County Housing and Community Services Department for CDBG funds. The City receives approximately \$100,000 in annual funds, which it uses to fund its Residential Rehabilitation programs and Neighborhood Enhancement Program.

4. HOME Investment Partnership Program

The HOME program is designed to improve and/or expand a jurisdiction's affordable housing stock, and can be used for the following activities benefiting lower income households: land and building acquisition; new construction; moderate or substantial rehabilitation; homebuyer assistance; and tenant-based assistance.

The County of Orange Housing and Community Services Department (HCS) periodically releases Notices of Funding Availability (NOFA) for HOME funds for specified activities. The December 2006 Multi-family Affordable Rental Housing NOFA provided \$6 million in funding from HOME, OCDA, and Mental Health Services Act funds for the development of affordable rental housing. Brea responds to the County's NOFAs as they are made available.

5. Tax Exempt Multi-family Revenue Bonds

The construction, acquisition, and rehabilitation of multi-family rental housing developments can be funded by tax exempt bonds which provide a lower interest rate than is available through conventional financing. Projects financed through these bonds, which can be issued by the Redevelopment Agency, are required to set aside 20 percent of the units for occupancy by very low-income households or 40 percent of the units for households at 60 percent of the area median income. Tax exempt bonds for multi-family housing may also be issued to refinance existing tax exempt debt, which are referred to as a refunding bond issue.

6. Housing Agreements

The Brea Redevelopment Agency assists in the development of new affordable housing units by entering into Disposition and

Development Agreements (DDA) or Owner Participation Agreements (OPA) with developers. DDAs or OPAs may provide for the disposition of Agency-owned land at a price which can support the development of units at an affordable housing cost for low- and moderate-income households. These agreements may also provide for development assistance, usually in the form of a density bonus or the payment of specified development fees or other development costs which cannot be supported by the proposed development.

7. Low Income Housing Tax Credits (LIHTC)

The federal LIHTC program is used to encourage the construction and rehabilitation of low-income rental housing, and represents the deepest federal subsidy available for rental housing. In 1987, the California legislature created a state LIHTC program to supplement the federal credit. Both programs are structured to allow investors an annual tax credit over a ten-year period, provided that housing meets low-income occupancy requirements: 20 percent very low income (50% AMI) units, or 40 percent low income (60% AMI) units. Developers apply to the State Tax Credit Allocation Committee (TCAC) in one of two annual rounds for 9 percent tax credits, or on an ongoing basis for 4 percent credits. Competition for state and federal LIHTC is intense. TCAC's highest funding priority is for rental housing for large families. Preservation of at-risk rental housing is also an eligible activity under tax credits.

8. State Dept of Housing & Community Development (HCD) Programs

Proposition 46 (2002) and Proposition 1C (2006) provide funding for numerous housing programs offered through HCD, including several new programs to be initiated in 2008. Major programs with potential applicability in Brea include the following:

- **Multi-family Housing Program:** Low interest loans for development of affordable rental housing. \$70 million available in 2008.
- **Multi-family Housing Program – Supportive Housing:** Loans for rental housing with supportive services for the disabled who are homeless or at risk of homelessness. \$37 million available in 2008.
- **Building Equity and Growth in Neighborhoods (BEGIN):** Grants to cities to provide downpayment assistance

(\$30,000) to low and moderate income purchasers of new homes in projects with affordability enhanced by local regulatory incentives or barrier reductions.

- **Infill Infrastructure Grant Program:** Funding of public infrastructure (water, sewer, traffic, parks, site clean-up, etc) to facilitate infill housing development. \$240 million allocated.
- **Transit-Oriented Development Program:** Funding for housing and related infrastructure near transit stations. \$95 million allocated.

9. California Housing Finance Agency (CalHFA) Programs

CalHFA administers a Residential Development Loan program, providing low interest (3%), short term (4 year) loans to local governments for site acquisition and predevelopment expenses related to development of affordable infill, owner occupied housing. The Development Loan Program links with CalHFA's Downpayment Assistance Program to provide subordinate loans to first-time buyers. Through the Downpayment Assistance Program, CalHFA makes below market loans to first-time buyers of up to 3 percent of the sales price. CalHFA also provides loans for non-profit agencies to acquire and preserve at-risk rental housing.

10. CalHOME

CalHOME provides grants to cities and non-profit developers to fund first-time homebuyer mortgage assistance and owner-occupied housing rehabilitation; \$50 million is available in 2008. CalHome loans are available to cities and non-profits to fund homeownership development projects, with \$20 million available in 2008. Funds become grants as qualifying households occupy units.

C. ADMINISTRATIVE RESOURCES

Described below are several non-profit agencies that can serve as resources in implementation of Brea's housing activities, including acquisition/rehabilitation, preservation of assisted housing, development of affordable housing.

Jamboree Housing Corporation (JHC): JHC is a non-profit developer that has developed and implemented numerous affordable housing projects throughout Orange County and the State. Jamboree has also established an in-house social services division, "Housing with a HEART," that operates at most properties to assist residents in maintaining self-sufficiency. JHC is currently developing 94 affordable rental units in Tonner Hills, and has been selected as the developer for 115 affordable rental housing units in La Floresta, including 41 units affordable to extremely low income households.

Habitat for Humanity: Habitat is a non-profit, Christian organization that builds and repairs homes for very low income families with the help of volunteers and homeowner/partner families. Habitat homes are sold to partner families at no profit with affordable, no interest loans. The City has supported Habitat in the development of seven new homes in Brea.

Orange Housing Development Corporation (OHDC): OHDC is a non-profit housing developer founded in 1990. Located in the City of Orange, the Agency's start-up costs were originally funded by the Orange Redevelopment Agency. OHDC's primary focus is within Orange County, but has developed over 3,000 units in communities throughout California.

Southern California Housing Development Corporation: SoCal Housing is a nonprofit developer with in-house capacity to construct and renovate large scale developments, with 4,500 units throughout Southern California. Its mission is to create affordable housing communities that contribute to neighborhood vitality. Community resource centers are provided at all SoCal Housing's properties, administered by the Hope Through Housing Foundation.

Southern California Presbyterian Homes (SCPH): SCPH is an experienced non-profit housing developer, with over 30 senior housing communities throughout southern California. In addition to assisted living and continuing care communities, SCPH has utilized a variety of federal, state and local funds to develop 23 affordable housing projects for seniors.

D. OPPORTUNITIES FOR ENERGY CONSERVATION

Conventional building construction, use and demolition along with the manufacturing of building materials have multiple impacts on our environment. In the United States, building construction, use and demolition accounts for:

- ✓ 65 percent of electricity consumption
- ✓ 30 percent of greenhouse gas emissions
- ✓ 30 percent of raw materials use
- ✓ 30 percent of landfill waste
- ✓ 12 percent of potable water consumption

Interest in addressing these impacts at all levels of government has been growing. In 2004, the State of California adopted legislation requiring LEED (Leadership in Energy and Environmental Design) certification for new and renovated public buildings. Some local jurisdictions have not only adopted similar standards for their public buildings, but have also recently required LEED certification for larger commercial and residential developments.

LEED certification building standards are one piece of a coordinated green building program. Why would a city adopt a green building program? Most local building standards already consider energy and stormwater issues. In addition, many jurisdictions have programs related to energy, recycling, water conservation, stormwater management, land use, and public health. However, these programs are often overlapping and uncoordinated. One of the primary goals behind establishing a green building program is to create a holistic, integrated design approach to green building.

A green building program considers a broad range of issues including community and site design, energy efficiency, water conservation, resource-efficient material selection, indoor environmental quality, construction management, and building maintenance. The end result will be buildings that minimize the use of resources, are healthier for people, and reduce harm to the environment.

Both the public and private sectors currently offer grants, refunds, and other funding for green building. In addition, developments built to green standards assist both the owners and tenants with energy and maintenance costs over time.

The following presents a variety of ways in which Brea can promote energy conservation and green building:

- Advertise utility rebate programs and energy audits available through Edison and Southern California Gas, particularly connected to housing rehabilitation programs. Lower-income households are also eligible for State sponsored energy and weatherization programs.
- Develop green (energy-efficient and environmentally-sensitive) building standards for public buildings.
- Provide incentives, such as expedited plan check, for private developments that are building green.
- Support the elimination of contamination in older buildings (lead-based paint, asbestos, etc.) during rehabilitation and code inspections.
- Promote funding opportunities for private green buildings, including available rebates.
- Promote financial resources available through the California Energy Commission for use of solar panels.
- Provide resource materials and training opportunities regarding green building and energy conservation.
- Apply green building criteria to rehabilitation of single and multi-family buildings.

Standards for green building are currently being developed at several different levels. The California Building Standards Commission is developing a State Green Building Standard; the International Code Council is developing a residential green standard in conjunction with the Building Industry of America; and the California Energy Commission (CEC) is publishing new energy regulations which are expected to be 50% above the national energy baseline. The Brea Planning Commission is evaluating various options for a local green building ordinance to reduce the City's carbon footprint.

A major tenet of Brea's 2003 General Plan is to create a more sustainable community for existing and future residents. Building upon an extensive community input process, the General Plan establishes the following Vision for Brea 2020:

Brea will be a community that provides great places to live, work, learn, and play, places that respect the community's natural and cultural resources, provide open space and public spaces that appeal to all Breans, encourage economic vitality, and enhance the overall quality of life for residents.

In support of this vision statement, the community defined four overarching goals that embody the community's values and will guide all decisions made pursuant to the General Plan.

Goal 1

Create an inclusive community that strives to meet the needs of residents of all ages, income levels, occupations, family types, and lifestyles.

Goal 2

Plan for the sustainable stewardship of natural resources.

Goal 3

Provide a range of mobility options that reduce dependence on the automobile.

Goal 4

Maintain a sustainable economic base to provide a solid fiscal foundation and diverse employment opportunities, and to ensure the provision of quality community facilities and services.

Policies which embody these goals for sustainability are integrated throughout the various elements of Brea's General Plan; the following highlights but a few:

Policy CD-1.9 Encourage new development that is organized around compact, walkable, mixed-use neighborhoods and districts to conserve open space resources, minimize infrastructure costs, and reduce reliance on the automobile.

Policy CD-8.3 Require developers to employ sustainable approaches to development and environmentally sensitive design.

Policy CD-12.4 Implement local transit or paratransit service to provide efficient connections from residential neighborhoods to and among urban centers and Downtown.

Policy CD-12.5 Require new developments to incorporate transit-oriented design features, as appropriate.

Policy CD-13.4 Require new developments to provide for the use of alternative modes of transit via internal trails or travel ways – public or private – for pedestrians and vehicles other than cars. New developments shall include such features as well-designed sidewalks and parkways, bike lanes and paths, and dedicated bus turn-outs.

Goal CR-11 Conserve and protect water resources through water conservation standards, sustainable development practices, and water quality standards.

Policy CR-13.5 Encourage alternative modes of transportation, such as walking, biking, and public transportation to reduce emissions associated with automobile use.

In 2002, Brea joined the Community Energy Partnership, a coalition of ten diverse southern California cities and Southern California Edison and Southern California Gas. The goal of the Partnership is to engage communities in responsible energy use by raising awareness about energy efficiency, the importance of peak demand reductions, and renewable energy. Through the Partnership, Brea has distributed (free of charge) numerous energy-saving products to residents and small businesses, such as compact fluorescent light bulbs, fluorescent touchiere lamps, faucet aerators, and low flow showerheads.

The Brea Redevelopment Agency was an active partner in the development of South Brea Lofts, a sustainable mixed use project consisting of 47 live/work units (10 affordable) and 7,500 square feet of retail located south of Brea's downtown. The project sets an example of successful sustainability options in a mixed-use development, and has been awarded the California Redevelopment Association's 2008 Award of Excellence for Sustainability; the 2007 SCAG Compass Blueprint Award for Visionary Planning in Sustainability; and the 2007 American Planning Association, Orange County section Outstanding Planning Project Award.



NEV at Brea Lofts

South Brea Lofts introduces a concept new to Brea: each residential loft unit comes with a street legal Neighborhood Electric Vehicle (NEV). These zero emission vehicles can travel 30 miles on one charge, and serve as a convenience for local trips. The NEVs are transferred with the sale of the townhome and are managed under a NEV Operating Plan by the homeowners association. In addition to the NEVs, South Brea Lofts integrates numerous additional green building features, including: an innovative storm water retention and treatment system; 85% drought tolerant landscaping; and two-stage HVAC units which reduce household utility expenses by more than 50%.

5. HOUSING PLAN



Sections 2 through 4 of the Housing Element establish the housing needs, opportunities and constraints in the City of Brea. The following Housing Plan section first evaluates the accomplishments of the last adopted housing element and then presents the City's 2008-2014 Housing Plan. This Plan sets forth Brea's goals, policies, and programs to address the identified housing needs of the City.

A. EVALUATION OF ACCOMPLISHMENTS UNDER ADOPTED HOUSING ELEMENT

Under State Housing Element law, communities are required to assess the achievements under their adopted housing programs as part of the five-year update to their housing elements. These results should be quantified where possible (e.g. the number of units that were rehabilitated), but may be qualitative where necessary (e.g. mitigation of governmental constraints). The results should then be compared with what was projected or planned in the earlier element. Where significant shortfalls exist between what was planned and what was achieved, the reasons for such differences must be discussed.

Brea's prior Housing Element was adopted in 2000, and sets forth a series of housing programs with related objectives for the following topic areas: housing conservation and maintenance; provision of adequate affordable housing; provision of adequate housing sites; removal of governmental constraints; and promotion of equal housing opportunities. Table HE-42 summarizes the progress in implementation of these programs since 2000, their effectiveness, and continued appropriateness to the 2008-2014 Housing Element. The section concludes with an overall summary of Brea's accomplishments and progress in meeting its quantified objectives for new construction, rehabilitation, and conservation of housing. The results of this analysis provide the basis for developing the comprehensive program strategy presented in Part C of this section.

Table HE-42
Review of Accomplishments under 2000 Housing Element

| Policy/Program | Accomplishments |
|--|---|
| Goal: Conserve Existing Supply of Affordable Housing | |
| <p>1. Neighborhood Enhancement Plan <u>Action:</u> Undertake activities identified in the 1999 Neighborhood Enhancement Plan to facilitate neighborhood upgrading in the six Focus Areas, including: 1) assistance to non-profits for acquisitions/rehab; 2) programs based on “critical need”; 3) rehabilitation loan program</p> | <p><u>Progress:</u> A part-time Neighborhood Coordinator position has been added to provide more staff outreach. <u>Effectiveness:</u> Through the use of a team of experienced staff members, in 2005 the City revisited the neighborhoods identified in the 1999 Neighborhood Enhancement Plan. Their evaluation revealed an overall improvement but the continuation of pockets – often a single parcel or two – that are in significantly poorer conditions than their neighbors. One means of addressing such problems has been through working with a non-profit organization, Paint Your Heart Out Anaheim (PYHOA). Through this program, assistance is provided to low-income homeowners to refurbish the exteriors of their homes utilizing a volunteer workforce; a total of 30 homes have received assistance under the Paint Your Heart Out Program. Of the homes that have been upgraded in this program, some are in the identified neighborhoods. Other City programs and grant applications have been focused on the identified neighborhoods. For instance, a CDBG grant has been obtained to upgrade an alley in FY 2007-2008 that would not have been addressed through the City’s ongoing alley improvement program for several years to come. Periodic newsletters and community meetings have been used to relay information of interest to residents of specific neighborhoods and to highlight housing programs available to them. <u>Appropriateness:</u> The City will continue this program to counter neighborhood deterioration that might otherwise take place.</p> |
| <p>2. Single-Family Rehabilitation Program <u>Action:</u> Provide low-interest rehabilitation loans to lower income homeowners with the goal of issuing 18 loans annually.</p> | <p><u>Progress:</u> Achieved rehabilitation of 88 housing units city-wide for families earning 80% or less of the County median income. Many of these were grants to very low income mobile home park tenants. Handicapped accessibility improvements were also provided, including access ramps. <u>Effectiveness:</u> Very successful. The City manages Federal funds, allocated through the County of Orange, to help families finance home repairs. RDA set-aside funds have also been used for more extensive improvements, such as room additions to alleviate overcrowding. <u>Appropriateness:</u> As a large portion of Brea’s single-family housing stock reaches the age of needed upgrading and repairs, the Single-Family Rehabilitation program remains integral to maintaining the quality of the City’s housing.</p> |
| <p>3. Rental Rehabilitation and Assistance Program <u>Action:</u> Provide rehabilitation and refinancing loans to qualifying owners of rental properties and mobile-home parks. Inform owners about program, with goal of rehabilitating 25 units annually.</p> | <p><u>Progress:</u> Achieved rehabilitation of 36 unit Birch Terrace Apartments, with 18 units reserved for lower income households. <u>Effectiveness:</u> Successful in upgrading rental housing and preserving for low- and moderate-income households. However, in current high rent market, difficult to attract property owners into program due to required rent and income restrictions. Original program goal for 25 units annually was unachievable under current market conditions. <u>Appropriateness:</u> The City/Agency will continue this program to assist multi-family owners, and conduct targeted marketing within Neighborhood Enhancement areas.</p> |

**Table HE-42
Review of Accomplishments under 2000 Housing Element (cont'd)**

| Policy/Program | Accomplishments |
|---|--|
| <p>4. Multi-family Housing Acquisition/ Rehabilitation <u>Action:</u> Identify apartments in need of rehabilitation, and work with non-profits to acquire and rehabilitate units.</p> | <p><u>Progress:</u> The Redevelopment Agency acquired 4 substandard fourplexes (16 units) on Acacia Street, which are being rehabilitated and will be sold to a non-profit for long-term management as affordable housing. The Agency also recently provided a loan to KDF Communities for the purchase of Imperial Terrace and Imperial Park Apartments for the acquisition and rehabilitation of 92 units, and preservation as long term affordable housing. Both of these projects will be completed during the future 2008-2014 planning period. <u>Effectiveness:</u> Very successful when working with established and experienced non-profit entities. With financial assistance from the City/Agency, the non-profits are able to oversee the acquisition and rehabilitation process and stay in place as long-term owners and operators. In return for City/Agency financial assistance, deed restrictions are recorded which assure long-term affordability and help meet legal requirements for sustaining affordability. <u>Appropriateness:</u> The acquisition/rehabilitation program provides a mechanism for upgrading Brea's rental housing stock, improving the quality of life in neighborhoods, and providing long-term affordable housing, and remains appropriate for the Housing Element.</p> |
| <p>5. Senior Subsidy Program <u>Action:</u> Provide rental subsidies to very low income seniors, with the goal of assisting 120 seniors monthly.</p> | <p><u>Progress:</u> The Senior Subsidy Program was designed to assist senior tenants on fixed incomes. There are 120 allotted spaces in the Program. Eligible seniors are those who are 62 years of age or older whose incomes are below 50% of the area median income. <u>Effectiveness:</u> The Agency continues to keep the allotted spaces filled with 120 participants. <u>Appropriateness:</u> This much needed program is very popular with Brea's seniors. The program continues to remain appropriate for the future planning period.</p> |
| <p>6. Section 8 Rental Assistance (Certificate/Voucher) Program <u>Action:</u> Continue current levels of Section 8 assistance, and direct eligible households to the County program.</p> | <p><u>Progress:</u> A total of 158 Brea households are assisted under the Section 8 program, compared to 51 in 2000. <u>Effectiveness:</u> Very successful, especially with assisting senior citizens. <u>Appropriateness:</u> This program has enabled Brea to assist many more seniors than just the 120 in the Senior Subsidy Program, and is also responsible for assisting some of Brea's very-low-income families.</p> |
| <p>Goal: Assist in Provision of Housing</p> | |
| <p>7. Homebuyer Assistance Program <u>Action:</u> Provide second mortgages to help lower and moderate-income families purchase homes in Brea.</p> | <p><u>Progress:</u> Between 2000-2006, Agency provided 59 down payment assistance loans. <u>Effectiveness:</u> In 2004, the City raised the down payment assistance level from \$40,000 to \$95,000 in response to increasing housing prices. In 2005, the level was increased to \$225,000. <u>Appropriateness:</u> With home prices as high as they are, this Program is much needed in Brea, but works best if combined with an Agency-restricted sales price (inclusionary unit).</p> |
| <p>8. Mortgage Credit Certificate (MCC) Program <u>Action:</u> Help first-time homebuyers qualify for first mortgage loans by increasing their after-tax income.</p> | <p><u>Progress:</u> From 2000 to 2004, six Mortgage Credit Certificates were issued to Brea homebuyers. <u>Effectiveness:</u> Works best when interest rates are high, so there was little activity during the period. <u>Appropriateness:</u> The County has discontinued the MCC Program.</p> |

Table HE-42
Review of Accomplishments under 2000 Housing Element (cont'd)

| Policy/Program | Accomplishments |
|--|--|
| <p>9. Affordable Housing Development <u>Action:</u> Provide financial and regulatory incentives to developers to increase affordable housing. Focus portion of Agency assistance towards rental projects for lower income renters and large families.</p> | <p><u>Progress:</u> Provided land for development of 7 Habitat units for very-low-income households. Also provided adjacent land for the development of the South Walnut Bungalows, a 9-unit very-low-income rental complex. Tonner Hills Apartments have received entitlements, and grading is currently under way for this 94-unit family complex being developed by Jamboree Housing, known for its high quality and well-managed projects. The Acacia Apartments mentioned in item #4 above includes 4 three-bedroom units for large families. The Agency has invested in the apartment complex across the street from the Acacia Apartments, continuing to improve this neighborhood and stimulating improvements by other property owners. <u>Effectiveness:</u> The City has been effective in the provision of a variety of affordable housing throughout the community. Tonner Hills will bring affordable rental units to the east side of town, thereby helping to integrate affordable housing throughout the City. <u>Appropriateness:</u> Brea's affordable housing development program continues to provide needed housing for the community and its workforce, and remains appropriate to the Housing Element.</p> |
| <p>10. Affordable Housing Ordinance <u>Action:</u> Require developers of residential projects with 20 or more units to provide 10 percent of the units for housing affordable to low- and moderate-income households, or pay an in-lieu fee. Adopt modified fee structure by 2000.</p> | <p><u>Progress:</u> In 2004, adopted Implementation Program (Guidelines) to provide longer term affordability restrictions, and provide greater detail on Ordinance requirements. Completed following new housing projects with affordable inclusionary units during 1998-2005: Vintage Canyon (105 very low units); Artisan Walk (106 units/3 median); City Walk (40 units/20 moderate); Birch Street Lofts (62 units/8 low, 25 moderate); Olinda Ranch (658 units/25 median, 39 moderate); Tomlinson Park (231 units/7 moderate + \$750,000 in-lieu fee); Berkeley Townhomes (83 units/8 median); Laurel Creek Phase II (3 units/2 moderate); Walden Estates (54 units/2 low, 3 moderate off-site); Habitat for Humanity (7 homes). <u>Effectiveness:</u> With 252 affordable units produced during the planning period and over 200 planned in future projects, the ongoing use of the mandatory 10% inclusionary housing program has been key to Brea's success in producing affordable housing. <u>Appropriateness:</u> The inclusionary program remains appropriate, and will be evaluated for an increase to 15% within RDA Project Areas.</p> |
| <p>11. Housing Breans Advisory Board <u>Action:</u> Provide community input into the City's housing efforts. Conduct regular meetings to involve the Board in affordable housing activities.</p> | <p><u>Progress:</u> With the City Council's implementation of the Agency's Affordable Housing Strategy, "Housing Breans" in 1991, and the adoption of Agency's Housing Replacement Plan in 1992, it became a priority to increase Brea's affordable housing resources. <u>Effectiveness:</u> The Housing Breans Advisory Board makes recommendations regarding all facets of the Agency's housing programs and reviews the City's and Agency's progress toward meeting the overall affordable housing goals. The Board meets as needed and is active in early concept stages and in the selection of developers. The Board is made up of 5 members of the Brea community who are appointed by the City Council for four-year terms. <u>Appropriateness:</u> The Housing Breans Board works well in conjunction with Brea's housing programs and plays an integral role in providing input and insight into the community's housing needs and priorities.</p> |

Table HE-42
Review of Accomplishments under 2000 Housing Element (cont'd)

| Policy/Program | Accomplishments |
|---|--|
| Goal: Provide Adequate Housing Sites | |
| <p>12. Land Use Element <u>Action:</u> Maintain an inventory of residential sites and provide appropriate land use designations to fulfill regional housing needs.</p> | <p><u>Progress:</u> The City adopted a comprehensive update to its General Plan in 2003, and was awarded a State American Planning Association Award for the Plan. As part of the Plan update, a comprehensive analysis of residential development potential was conducted. New mixed-use zoning was adopted in 2006 that allows for higher density development and encourages housing in the older, more centrally located areas of Brea, as well as within several large opportunity areas identified as underutilized with current development. <u>Effectiveness:</u> The update of the Land Use Element was highly effective in providing additional sites for housing in Brea. <u>Appropriateness:</u> Implementation of the Land Use Element remains an appropriate program for the Housing Element, along with maintaining an inventory of suitable sites for residential and mixed use development.</p> |
| <p>13. Specific Plans <u>Action:</u> Ensure specific plans are properly implemented to provide housing of varying types and costs.</p> | <p><u>Progress:</u> Implementation of the Olinda Heights (Ranch) Specific Plan contributed over 600 units to Brea’s housing stock, and the Tomlinson Park and Birch Hills Specific Plans also provided for residential development. With Brea’s adoption of the 2003 General Plan and subsequent hillside development standards and mixed use zoning, the Brea Towne Plaza and Carbon Canyon Specific Plans were no longer necessary and were therefore rescinded. <u>Effectiveness:</u> While specific plans have been used in the past to effectively guide development in the City’s hillsides and in the downtown, the City’s new General Plan and zoning now establish detailed parameters for development, thereby streamlining development approvals and eliminating the need for specific plans. <u>Appropriateness:</u> Brea’s General Plan discourages the use of specific plans, unless necessary to achieve a cohesive land use plan for a property. Therefore, this program is no longer appropriate for the Housing Element.</p> |
| <p>14. Annexation of Areas in Sphere of Influence <u>Action:</u> Pursue phased annexation of the Sphere of Influence as a means of accommodating future housing growth.</p> | <p><u>Progress:</u> Since adoption of the 2000 Housing Element, the City has annexed over 800 acres within its Sphere of Influence, providing significant additional opportunities for residential growth. <u>Effectiveness:</u> Brea’s annexation program has been effective in providing additional sites into the City for housing development. <u>Appropriateness:</u> This program remains appropriate to the updated Housing Element.</p> |

Table HE-42
Review of Accomplishments under 2000 Housing Element (cont'd)

| Policy/Program | Accomplishments |
|--|--|
| Goal: Remove Governmental Constraints | |
| <p>15. Regulatory and Financial Assistance <u>Action:</u> Continue to offer incentives for affordable housing. Periodically review all regulations, ordinances and fees.</p> | <p><u>Progress:</u> Prior to adoption of the Mixed Use III zoning standards, a Development Agreement was used to provide flexible development standards for the South Brea Lofts project. The Agency provided land for development of South Walnut Bungalows (9 units), and Habitat for Humanity homes. The Agency is currently working on an agreement to assist the 260 unit Olen Pointe Apartment project to restrict a proportion of the units as long term affordable housing. <u>Effectiveness:</u> With 161 affordable units produced during the planning period, Brea has been effective in utilizing a combination of regulatory and financial incentives to achieve affordable units. With Brea's new mixed use zoning specifically designed to facilitate higher density development, the City's intent is to minimize the need for further zoning incentives. <u>Appropriateness:</u> While this program remains appropriate to the Element, it will focus on regulatory incentives through density bonus and other mechanisms, whereas financial assistance will be part of the Affordable Housing Development program.</p> |
| <p>16. Efficient Project Processing <u>Action:</u> Continue to offer streamlined development processing, and periodically review procedures.</p> | <p><u>Progress:</u> Efforts to minimize project processing times include continued focus on process improvements such as: no cost screen check service, staffing development projects through a dedicated project planner, and streamlining of permit processing through concurrent review. <u>Effectiveness:</u> The City has been effective in providing efficient processing of projects. <u>Appropriateness:</u> The time and uncertainty involved with processing development projects can contribute significantly to project costs, serving as a disincentive to development. Brea's continued focus on efficient processing through its Development Services Department remains integral to the way the City does business.</p> |
| Goal: Promote Equal Housing Opportunity | |
| <p>17. Fair Housing Program <u>Action:</u> Promote fair housing practices. Provide educational information on fair housing to the public. Refer fair housing complaints to the Orange County Fair Housing Council.</p> | <p><u>Progress:</u> The City continues to contract with the Fair Housing Council of Orange County to implement the regional Fair Housing Plan (AI), and to offer fair housing services and tenant/landlord counseling to residents. <u>Effectiveness:</u> Fair housing brochures are provided at City Hall, the Brea Community Center, and at other public locations throughout the community. The program has been effective in promoting fair housing and disseminating information on available services. <u>Appropriateness:</u> The Fair Housing Program provides an important service to residents and landlords in the community, and remains appropriate for the Housing Element update.</p> |

Summary of Housing Accomplishments

Since the adoption of the 2000 Housing Element, the City of Brea has made significant progress in achieving its housing goals:



**Downtown Brea – Birch Street
Lofts**



**Brea Boulevard – City Walk
Townhomes**

- Comprehensive General Plan update in 2003, providing areas for higher density housing within 3 new mixed-use districts. Adoption of mixed-use zoning standards in 2006.
- Provision of approximately 250 new workforce housing units through Redevelopment Agency assistance and Brea’s inclusionary housing ordinance, with an additional 200+ workforce units planned in future projects.
- Provision of 59 loans for moderate income first-time homebuyers.
- Ongoing provision of 120 rent subsidies for very low income seniors through the Senior Subsidy Program.
- Redevelopment Agency acquisition and rehabilitation of 16 deteriorated apartment units (Acacia St. Apts), and preservation as long term affordable housing. Additional 92 units underway (Imperial Terrace, Imperial Park Apts).
- Provision of 88 single-family rehabilitation loans to lower income single-family homeowners. Rehabilitation of 36 rental units (Birch Terrace Apartments), with 18 affordable to lower income households.
- Initiation of the “Paint Your Heart Out” program, providing volunteers to refurbish home exteriors occupied by lower income households, with 30 homes assisted or refurbished.
- Amendment of Affordable Housing Ordinance to meet longer term restrictions for affordable housing and revision of Guidelines to provide greater detail on implementation.
- Ongoing meetings of the Housing Breans Advisory Board to provide community input into the City’s housing efforts.
- Improved housing conditions via refinement of the Neighborhood Enhancement target areas. Hiring of Neighborhood Coordinator to focus on this program.

Table HE-43 summarizes Brea’s progress in meeting its 2000 Housing Element quantified objectives.

**Table HE-43
Summary of Quantified Objectives**

| Income Level | New Construction* | | Rehabilitation** | | Conservation*** | |
|----------------|-------------------|--------------------|------------------|-----------------|-----------------|------------------|
| | Goal | Progress | Goal | Progress | Goal | Progress |
| Very Low | 203 | 110 (54%) | 150 | 73 (49%) | 171 | 289 (169%) |
| Low | 136 | 10 (7%) | 65 | 33 (51%) | -- | 7 |
| Moderate | 212 | 139 (66%) | -- | 18 | -- | |
| Above Moderate | 502 | 1,115(222%) | -- | | -- | |
| Totals | 1,052 | 1,374(130%) | 215 | 124(58%) | 171 | 296(172%) |

* Reflects RHNA

** Reflects single-family (88 units) and rental (36 units) rehabilitation projects

*** Reflects preservation of Section 8 (158 households), Senior rent subsidies (120 households), affordable units in Imperial Terrace Apartments (18 units).

Based on review of residential building permits issued between January 1998 – December 2005, Brea fulfilled 130 percent of its regional housing construction needs, or “RHNA.” However, given the strong real estate market in Brea during this period, housing to meet the needs of lower and moderate income households was not produced without public subsidy and/or incentive.



Brea Lofts Under Construction

Brea’s Affordable Housing Ordinance was effective in producing 132 moderate income units; 7 second units were also developed, providing rentals affordable to moderate income households. In total, Brea was able to fulfill two-thirds of its 212 unit goal for moderate income units. The City, its Redevelopment Agency, and Brea’s various housing partners were able to achieve the development of 110 units affordable to very low income households, and 10 units affordable to low income households.

In terms of housing rehabilitation, the City provided assistance to 88 lower income single-family homeowners, meeting its 90 unit rehab goal. Brea also achieved rehabilitation of 36 rental units, although this fell short of the goal for 25 units annually which was not achieved primarily due to the disincentive of high market rents in comparison to the program’s required rent restrictions. While Brea’s rental rehabilitation program will remain in place, the Agency’s primary focus is on the acquisition and rehabilitation of deteriorated apartment complexes.

Finally, the City met and exceeded its conservation goal through expanded participation in the Section 8 rental assistance program, through locally funded senior rent subsidies, and preservation of 18 affordable units at risk of conversion through acquisition and rehabilitation of Imperial Terrace Apartments.

B. GOALS AND POLICIES

This section of the Housing Element contains the goals and policies the City intends to implement to address Brea’s identified housing needs and other important housing related issues.

Housing Conservation and Maintenance

GOAL 1.0 To maintain and improve the quality of existing housing and residential neighborhoods in Brea.

Policy 1.1 Preserve the character, scale and quality of established residential neighborhoods.

Policy 1.2 Undertake comprehensive revitalization efforts and community outreach within the City’s Neighborhood Enhancement Areas to improve housing conditions and the overall quality of life.

Policy 1.3 Continue to provide rehabilitation and home improvement assistance to lower income households, seniors, and the disabled.

Policy 1.4 Preserve and improve the quality of rental housing by providing rehabilitation and refinancing assistance to owners of rental properties in exchange for affordability controls on a portion of the units.

Policy 1.5 Encourage resident involvement in identifying and addressing maintenance of housing in their neighborhoods.

Policy 1.6 Coordinate with non-profit housing providers in the acquisition and rehabilitation of older apartment complexes, and maintenance as long term affordable housing.

Policy 1.7 Work with property owners, tenants, and non-profit purchasers to facilitate preservation of assisted rental housing at risk of conversion to market rents.

Policy 1.8 Encourage preservation of Brea’s mobile home parks. Evaluate adoption of a local mobile home park ordinance or policy.

Provision of Housing

- GOAL 2.0** To assist in the provision of adequate housing to meet the needs of the community. Establish a balanced approach to meeting housing needs that includes the needs of both renter and owner households.
- Policy 2.1** Provide financial and/or regulatory incentives to facilitate the development of affordable housing.
- Policy 2.2** Maintain the Inclusionary Housing Ordinance to ensure that new housing developments provide a percentage of units affordable to low- and moderate-income households or pay an in-lieu fee to support the provision of affordable housing.
- Policy 2.3** Provide homeownership assistance to low and moderate income households.
- Policy 2.4** Support the provision of rental housing to accommodate large families.
- Policy 2.5** Facilitate the development of senior housing with supportive services.
- Policy 2.6** Promote the City's Affordable Housing Programs with employers in Brea.
- Policy 2.7** Support collaborative partnerships with non-profit organizations, affordable housing builders, and for-profit developers to provide greater access to affordable housing funds.
- Policy 2.8** Encourage use of sustainable and green building design in new and existing housing.

Provision of Adequate Housing Sites

- GOAL 3.0** To provide adequate housing sites through appropriate land use, zoning, and specific plan designations to accommodate the City’s share of regional housing needs.
- Policy 3.1** Provide site opportunities for development of housing that responds to diverse community needs in terms of density, location, and cost.
- Policy 3.2** Provide opportunities for mixed use and infill housing development in downtown Brea as part of the City’s overall revitalization strategy for the area. Encourage and facilitate the provision of housing affordable to lower income households within Mixed Use districts, with an emphasis on rental housing within the MU I zone.
- Policy 3.3** Maintain an up-to-date inventory of sites available for future development within Mixed Use zones, and provide to the development community. Utilize Redevelopment Agency powers to assemble land and provide land write-downs in exchange for development of affordable units.
- Policy 3.4** Promote mixed use development where housing is located close to jobs, shopping and services.
- Policy 3.5** Explore reuse opportunities on obsolete commercial or industrial sites.
- Policy 3.6** Take advantage of existing infrastructure and public improvements to provide additional rental housing by allowing second units within residential neighborhoods.
- Policy 3.7** Base allowable densities in Brea’s hillsides on the ability of infrastructure, landform, physical constraints, and emergency response capabilities to support new development.
- Policy 3.8** Pursue phased annexation of Brea’s Sphere of Influence to provide additional growth opportunities consistent with infrastructure capacities.

Removal of Governmental Constraints

- GOAL 4.0** To mitigate potential governmental constraints to housing production and affordability.
- Policy 4.1** Offer financial and/or regulatory incentives, including density bonuses, where feasible to offset or reduce the costs of developing affordable housing.
- Policy 4.2** Periodically review City regulations, ordinances, and residential fees to ensure that they do not constrain housing development.
- Policy 4.3** Maintain the City's expedited and coordinated permit processing system.
- Policy 4.4** Explore more innovative parking solutions, such as tandem parking, garage lifts, shared parking, to ensure that parking requirements do not constrain housing development.
- Policy 4.5** Revise the City's Development Code to clarify provisions for emergency shelters.

Equal Housing Opportunity

- GOAL 5.0** To promote equal opportunity for all residents to reside in the housing of their choice.
- Policy 5.1** Support the provision of fair housing services and tenant/landlord mediation to City residents.
- Policy 5.2** Provide services to persons and families at-risk of homelessness through Brea's Family Resource Center and local human services agencies.
- Policy 5.3** Continue to address the special housing needs of seniors through provision of affordable housing and referrals, and case management services. Evaluate establishing a senior shared housing program.
- Policy 5.4** Continue to address the special needs of persons with disabilities through provision of supportive housing, accessibility grants, and encouraging universal design in new residential development.
- Policy 5.5** Continue to provide opportunities for public input and representation in the City's housing efforts through the Housing Breans Advisory Board.

C. HOUSING PROGRAMS

The goals and policies contained in the Housing Element address Brea's identified housing needs, and are implemented through a series of housing programs offered through the Development Services Department and Redevelopment Agency. Housing programs define the specific actions the City will undertake to achieve the stated goals and policies. According to Section 65583 of the State Government Code, a city's housing programs must address the following five major areas:

- Conserving the existing supply of affordable housing;
- Assisting in the provision of housing;
- Providing adequate sites to achieve a variety and diversity of housing;
- Removing governmental constraints as necessary; and
- Promoting equal housing opportunity

Brea's housing plan for addressing unmet needs, removing constraints, and achieving quantitative and qualitative objectives is described in this section according to the above five areas. The housing programs described on the following pages include existing programs as well as several new programs which have been added to address the City's unmet housing needs. The program summary (Table HE-44) included at the end of this section specifies for each program the following: five-year objective(s), funding source(s), and agency responsible for implementation of the program.

Housing Element statutes now require an analysis of the needs of extremely low income (<30% AMI) households, and programs to assist in the creation of housing for this population. The Brea Housing Element sets forth several programs which help to address the needs of extremely low income households, including: Preservation of Assisted Housing (Program #6); Senior Subsidy Program (Program #7); One-Time Rental Assistance (Program #8); Section 8 Rental Assistance (Program #9); Affordable Housing Development Assistance (Program #11); Zoning Ordinance Revision to address emergency shelters (Program #19); and Senior Shared Housing (Program #22).

CONSERVING THE EXISTING SUPPLY OF AFFORDABLE HOUSING

Conserving and improving the housing stock is an important goal for Brea. Approximately two-thirds of the housing stock is 30 years or older, the age when most homes begin to experience rehabilitation needs. Through implementation of the Neighborhood Enhancement Plan for aging neighborhoods, the City is taking a pro-active approach to conserving its current housing stock. The acquisition and rehabilitation of older apartment complexes through non-profit partnerships further improves housing conditions, in addition to providing long term affordable units.

1. Neighborhood Enhancement Program

Brea's Neighborhood Enhancement Plan sets forth a comprehensive program to improving housing and neighborhood conditions within seven identified Focus Areas (refer to Figure HE-5). Program components include:

- ✓ Encouraging property maintenance
- ✓ Providing housing rehabilitation assistance
- ✓ Upgrading public facilities
- ✓ Emphasizing crime prevention programs
- ✓ Engaging residents through community outreach and improving communication regarding City activities and programs

The City has established a Neighborhood Coordinator position dedicated to providing additional staff outreach within the Focus Neighborhoods. Residents and property owners are encouraged to participate in various rehabilitation, home improvement, and other assistance programs offered through the City. The overall goal of the program is to encourage investment, increased property maintenance, and heightened community identity to counteract neighborhood deterioration that might otherwise take place.

2008-2014 Objective: The City will continue to undertake program activities identified in the Neighborhood Enhancement Plan to facilitate neighborhood upgrading within the seven Focus Areas, with particular emphasis on community outreach.

2. Single-Family Rehabilitation Program

Brea offers a 0% interest, deferred payment rehabilitation loan program for lower income (80% AMI) single-family homeowners. Grants of up to \$7,500 are also available for very low income (50% AMI) households. The maximum loan amount is \$35,000, although loan amounts typically vary from \$15,000 to \$25,000. Homeowners may receive loans to address the following types of problems: painting, plumbing, leaks, sagging ceiling, electrical problems, termite damage, damaged floor tile and carpeting, poor drainage, crumbling chimney, roof leaks and related improvements. The City may also provide funding for room additions to alleviate overcrowded conditions. The City conducts focused marketing of housing rehabilitation programs within the Neighborhood Enhancement areas, as well as advertising Citywide through the City's newsletter, website, and on the City's cable access channel. City staff also offers technical assistance to the property owner, including determining the needed repairs, completing the loan application, and negotiating with contractors.

2008-2014 Objective: The City will continue to provide rehabilitation loans and grants to qualified lower income homeowners. The objective is to issue 4 loans and 18 grants annually, dependent upon funding levels.

3. Paint Your Heart Out Brea

Paint Your Heart Out Anaheim (PYHOA), which began in 1991, is a non-profit organization developed to assist lower income homeowners refurbish the exteriors of their homes utilizing a volunteer workforce. In 2004, Brea entered into an agreement with PYHOA to create a similar program in Brea, with thirty homes assisted to date. The program is primarily targeted within the Neighborhood Enhancement areas where volunteers work over a series of weekends to upgrade home exteriors including painting, replacing broken windows, weatherizing, and general yard clean-ups. An average of \$4,000 worth of improvements are completed at each home.

2008-2014 Objective: The City's goal is to paint and perform minor exterior repairs on a minimum of five homes annually.

4. Rental Rehabilitation Program

The Rental Rehabilitation Program provides rehabilitation and refinancing loans to qualified owners of rental properties and mobile home parks. Typical loan amounts range between \$10,000 to \$20,000 per unit with fixed interest rates and 30-year terms. These loans make it possible for apartment and/or mobile home park owners to afford high standards of housing maintenance. In return for the loans, property owners must: (1) maintain affordable rent levels for a portion of the units as determined by the Redevelopment Agency; (2) provide property maintenance covenants; and (3) provide and maintain a significant level of affordability for the long term.

2008-2014 Objective: The City will continue to inform owners of apartments about the Rental Rehabilitation Program. The objective is to rehabilitate twenty-five (25) units.

5. Multi-family Housing Acquisition and Rehabilitation

A key program in Brea's overall strategy to provide affordable housing to lower income households is through the acquisition and rehabilitation of aging and/or deteriorating apartment complexes. Under this program, the Agency acquires or assists in the acquisition of a problem apartment complex and then works with the development partner to coordinate the rehabilitation, maintenance, and management of the project as long term affordable housing. The Redevelopment Agency has demonstrated that this is a successful program and is integral to improving the City's aging stock of multi-family rental units.

2008-2014 Objective: The City will identify apartments in need of rehabilitation, and cooperate with non-profit housing corporations to acquire and rehabilitate the units. Projects will be focused in the Neighborhood Enhancement areas to contribute to revitalization efforts in these neighborhoods. Complete a minimum of 92 units within the Imperial Park Apartments and 16 units within Acacia Street Apartments.

5a. Acacia Apartments - Committed Assistance

As detailed in the Resources chapter of the Element, the City has committed to providing financial assistance to purchase

affordability covenants on the 16 unit Acacia Street Apartments in conjunction with the acquisition/rehabilitation of the property described in Program 5 above. Affordability covenants will be structured to provide RHNA credits as follows: 11 units not currently available at very low income rents will be covenanted for very low income households, and 3 units not currently available at low income rents will be covenanted as low income.

2008-2014 Objective: By August 2008, enter into a legally enforceable agreement for \$2-\$4 million in committed assistance to purchase affordability covenants on 11 very low income and 3 low income units in Acacia Apartments. Report to HCD on the status of purchasing affordability covenants no later than July 1, 2010, and to the extent an agreement is not in place, amend the Housing Element as necessary to identify additional sites.

6. Preservation of Assisted Housing

Brea contains three projects at risk of conversion to market rate during the 2008-2018 planning period – Brea Woods Apartments (75 low/mod units), Civic Center Apartments (16 very low/low units), and Town & Country Apartments (38 low/mod units). All three of these projects are mixed income, including both market rate and affordable units. Two of these projects – Civic Center Apartments and Town & Country – have paid off their loans early in anticipation of converting their units to market rents. Brea Woods is a density bonus project and currently receives no public funding. This project represents the City’s most promising opportunity for preservation, which given the project’s twenty year age, could potentially be linked to rehabilitation assistance.

As presented in the Housing Needs Assessment, preservation through financial assistance is more cost effective than transfer of ownership to a non-profit or replacing affordable units through new construction. The following are strategies the City will undertake to work towards preservation of its 129 units of at-risk rental housing:

- ✓ **Monitor At-Risk Units:** Contact property owners within at least one year of the affordability expiration date to discuss City’s desire to preserve as affordable housing.
- ✓ **Economic Analyses:** As the expiration dates on each of these projects nears, conduct economic analyses to determine the present-value cost of buying-down rents.
- ✓ **Explore Funding Sources/Program Options:** As necessary, contract with the California Housing Partnership Corporation to explore outside funding sources and program options for preservation.

- ✓ **Negotiate with Property Owners:** Present options to owners for a one-time rent buy-down, rehabilitation assistance and/or mortgage refinance in exchange for long-term use restrictions.
- ✓ **Tenant Education:** Property owners are required to give a nine month notice of their intent to opt out of low income use restrictions. The City will work with tenants, and as necessary contract with specialists like the California Housing Partnership to provide education regarding tenant rights and conversion procedures.

2008-2014 Objective: Contact property owners at Brea Woods, Civic Center Apartments, and Town & Country Apartments to initiate preservation discussions. Based on the outcome of these discussions, the City will: 1) provide preservation incentives to owners; 2) work with priority purchasers; and 3) provide technical assistance and education to affected tenants. Financial assistance may include RDA set-aside, HOME, CDBG, and State preservation funds to incentivize owners to maintain affordable rents, or in the case of transfer of ownership to a non-profit, assistance in property acquisition and rehabilitation.

7. Senior Subsidy Program

As a means of addressing the affordable housing needs of its senior renter population, Brea offers a rent subsidy program for extremely low and very low-income seniors 62 years of age and above. Seniors participating in the program are allowed to apply the subsidy towards rent at the dwelling of their choice. The program provides 120 seniors with approximately \$250 per month each in rent subsidies.

2008-2014 Objective: The City's objective is to provide rental subsidies to approximately 120 extremely low and very low income seniors monthly.

8. One-Time Rental Assistance Program

The purpose of this emergency program is to provide one-time subsidies to extremely low to low income persons in order to stay evictions, assist in extreme financial crisis, or pay initial move-in costs.

2008-2014 Objective: The City's objective is to provide one-time rent subsidies to families in need of emergency assistance on an as needed basis.

9. Section 8 Rental Assistance Program

The Section 8 Rental Assistance Program extends rental subsidies to extremely low and very low-income households who spend more than 30 percent of their gross income on housing. Rental assistance not only addresses housing affordability, but also overcrowding by allowing families that may be “doubling up” to afford their own housing. The Orange County Housing Authority coordinates Section 8 rental assistance on behalf of the City. Based on current HUD regulations, of those households admitted to the Section 8 program, 75 percent must have incomes less than 30 percent of the area median, making Section 8 one of the key ways in which the City can address the needs of extremely low income households.

2008-2014 Objective: The City’s objective is to continue current levels of Section 8 rental assistance, and to direct eligible households to the County program. Encourage landlords to register units with the Housing Authority and undergo education on the Section 8 program. Currently, approximately 160 Brea households are assisted under the Section 8 program.

ASSISTING IN THE PROVISION OF HOUSING

Brea’s Redevelopment Agency actively works with both non-profit and for profit developers in the production of affordable for-sale and rental housing. The City’s Affordable Housing Ordinance, targeted at addressing the needs of Brea’s workforce, requires market-rate housing developments to provide a portion of units affordable to low- and moderate-income households. To enable more households to attain homeownership in Brea, the Redevelopment Agency continues to offer a Homebuyer Assistance Program, as funds are available.

10. Homebuyer Assistance Program

The Homebuyer Assistance Program provides up to \$225,000 in financial assistance to help moderate income households purchase homes in Brea, providing homeownership opportunities both to residents and the local workforce. The Agency’s no-interest loan is recorded as a second mortgage on the property with no payments in the first five years and principal only payments in years six through thirty. Instead of collecting interest, the Redevelopment Agency shares in the appreciation of the home

when it is sold. To be eligible, families must meet the specified income requirements and be able to pay a 3-percent downpayment and related closing costs on their home.

Program applicants receive preference points based on the following criteria:

- ✓ Brea residency
- ✓ Brea employment
- ✓ Household overcrowding
- ✓ Monthly housing cost overpayment
- ✓ Displacement due to Brea government action
- ✓ Amount of time on waiting list

The City has assisted a total of 171 households under the Homebuyer Assistance Program since its inception in 1993.

2008-2014 Objective: Assist five (5) households annually through the Homebuyer Assistance Program. Provide an educational forum to assist households at risk of foreclosure.

11. Affordable Housing Development Assistance

The City and its Redevelopment Agency play an active role in facilitating development of affordable housing in Brea, providing land assembly and write-downs, regulatory incentives, and direct financial assistance to both for-profit and non-profit housing developers. The City also provides technical assistance to developers in support of affordable housing development, including evaluation of projects for appropriate use of funding sources and assistance in moving projects forward through the public review process.

The following affordable housing projects in Brea have either recently been completed within the current Housing Element cycle, or are currently underway:

Affordable Projects Completed since 2006

- ✓ South Brea Lofts – 47 ownership units (10 affordable)
- ✓ South Walnut Bungalows – 9 very low income rental units

Affordable Projects Currently Planned

- ✓ Tonner Hills Apts – 94 affordable units, including 29 3-bdrm (units credited towards County)
- ✓ La Floresta (Jamboree) – 115 affordable rental units, including 41 extremely low income, and 36 3-bdrm units
- ✓ Olen Pointe Apts – 260 units (26 affordable)
- ✓ Mirada Stone Yard – 24 condos (8 affordable)

The City will specifically encourage and facilitate the provision of housing affordable to lower income households, and on MU I zoned sites in particular, through several tools. The Economic Development Department will maintain a current list of potential development sites suitable for affordable housing - including both private and Agency-owned land - and can assist in assembly of sites within Redevelopment Project Areas. MU I zoning regulations facilitate provision of lower cost development options, including densities up to 50 units/acre, 100 foot height limits, no lot coverage requirements, and allowances for 100 percent residential projects without a mandatory commercial component. And as indicated in the Financial Resources section of the Element, a projected \$12.7 million in Redevelopment housing set-aside and Housing In-Lieu Fee resources will be used to support development of affordable housing during the planning period.

2008-2014 Objective: The City will continue to provide financial and regulatory incentives to private developers to increase the supply of affordable housing in Brea. Within the MU I district, emphasize development of affordable and mixed income rental housing, and monitor development to ensure affordable housing opportunities are being provided. The City will focus a portion of Agency assistance towards rental projects which meet the needs of extremely low to low-income renters, and large families.

12. Affordable Housing Ordinance

In 1993, the City adopted the Affordable Housing Ordinance which requires projects with 20 or more units to allocate 10 percent for housing affordable to low- and moderate-income households (provided that the City determines the provision of the affordable units does not make the project economically infeasible). The Redevelopment Agency can approve various financial or regulatory incentives to offset the costs of developing the required affordable units, including: reduced unit sizes; flexible development standards for on and off-site improvements; deferral of development impact fees; use of Building Code alternatives; and direct financial assistance. Instead of providing the required affordable units, at the discretion of the City Council, a developer may be allowed to pay in-lieu fees to be deposited into an Affordable Housing Trust Fund. The State density bonus program fulfills the requirements of Brea's Affordable Housing Ordinance and may be used in place of Brea's program. With over 160 inclusionary units produced during the prior Housing Element, and nearly 250 units planned in future projects, implementation of the City's mandatory 10 percent inclusionary housing program has been key to Brea's success in producing workforce housing units.

In 2004, the City adopted Implementation Program Guidelines to provide greater detail on Brea's Affordable Housing Ordinance. While page 1 of the Guidelines indicate developers may elect to follow the state density bonus program (Govn Code Section 65915 et seq.) in place of Brea's inclusionary requirements, the specific parameters of state density bonus law are not presented. In order to better facilitate the use of density bonus incentives, the City will augment its current Affordable Housing Guidelines to delineate density bonus incentives and procedures consistent with State law.

2008-2014 Objective: The City will continue to utilize the Affordable Housing Ordinance as a tool to integrate affordable housing within market rate developments, or alternatively, to generate fees in support of affordable developments in off-site locations. The City will conduct a public process to evaluate amending the current Ordinance within the Redevelopment Project Area - which encompasses all of Brea's mixed-use districts - to increase the affordability requirement from 10 to 15 percent. The Affordable Housing Guidelines will be augmented to incorporate state density bonus provisions and to reflect any changes to made the Ordinance .

13. Housing Breans Advisory Board

The Housing Breans Advisory Board was formed to provide community input into the City's housing efforts. Specifically, the Board has provided valuable input on the review of affordable housing projects and programs, and has supported the City's efforts to provide quality housing opportunities to all economic segments of the community. The Board is comprised of five members of the Brea community.

2008-2014 Objective: The City will continue to conduct regular meetings to involve the Housing Breans Advisory Board in the City's housing efforts.

PROVIDING ADEQUATE HOUSING SITES

A key element in satisfying the housing needs of all segments of the community is the provision of adequate sites for all types, sizes and prices of housing. The City's General Plan, Zoning Ordinance, and specific plans dictate where housing may locate, thereby affecting the supply of land available for residential development. Future housing growth in Brea will be accommodated through development on vacant residential sites; development of residential and mixed use infill in the downtown and on key

commercial corridors; development of second units on single-family parcels; and annexation of areas in the sphere of influence.

14. Land Use Element and Sites Inventory

The Land Use Element of the General Plan provides for a variety of housing types in Brea, with densities ranging from one unit per five acres to 50 dwelling units per acre. Mixed use districts within the older, more centrally located areas of the City provide opportunities for people to live, work, shop and recreate without having to use their cars. The residential sites analysis demonstrates the availability for development of approximately 4,000 units during the 2008-2014 Housing Element time frame, including over 1,500 medium and high density mixed use units.

This residential development potential is more than adequate to address the City's share of regional housing needs, identified as 2,048 new dwelling units. As part of this Housing Element update, City staff performed a parcel-specific vacant and underutilized sites analysis that can now be used to assist developers in the identification of potential sites.

In order to encourage the assembly of smaller existing parcels into larger sites that can be more efficiently developed as a mixed-use project, the City provides for numerous incentives, including parking reductions, increased parcel coverage, reduction in open space requirements, fast-track processing, and City participation in infrastructure.

2008-2014 Objective: The City will continue to provide appropriate land use designations to address its share of regional housing needs, and provide incentives for consolidation of smaller parcels for development. In addition, staff will maintain an inventory of potential residential and mixed use sites to provide to developers in conjunction with information on available development incentives for development of affordable units. The City will provide information on its website on Focused Development Sites.

15. Annexation of Sphere of Influence

Brea has a sizable Sphere of Influence. The annexation of these areas will increase the City's capacity to accommodate future housing growth. In addition, since any new housing development will be subject to the City's Affordable Housing Ordinance, which

requires 10 percent affordable units in projects with 20 or more units, additional affordable housing will be provided in the Sphere of Influence. If developers choose not to provide the required units, then they will have the option of paying an in-lieu fee, resulting in additional funds for affordable housing production.

2008-2014 Objective: The City will pursue phased annexation of the Sphere of Influence to provide additional growth opportunities consistent with infrastructure capacities.

16. Second Units

A second unit is an attached or detached dwelling unit which provides complete, independent living facilities for one or more persons on the same parcel as the primary single-family dwelling. Second units offer several benefits. First, they typically rent for less than apartments of comparable size, and can offer affordable rental options for seniors and single persons. Second, the primary homeowner receives supplementary income by renting out their second unit, which can help many modest income and elderly homeowners remain in or afford their homes. Brea permits second units by right in the HR and R-1 zones. Between 1987-2005, the City processed 25 applications for second units, indicative of the viability of such units in Brea. The City has also approved single-family subdivisions which have incorporated second units within their design, such as the Centex Tomlinson Park project.

2008-2014 Objective: The City will continue to implement its second unit ordinance to provide expanded rental housing sites.

REMOVING GOVERNMENTAL CONSTRAINTS

Under current State law, the Housing Element must address, and where legally possible, remove governmental constraints affecting the maintenance, improvement, and development of housing. The following programs are designed to mitigate government constraints on residential development and facilitate the development of a variety of housing.

17. Regulatory Incentives

Brea has a strong track record in providing regulatory incentives to facilitate the development of affordable housing. The City provides the following incentives to developers to off-set or reduce

the costs of providing affordable housing: density bonus, deferral of development impact fees, flexible development standards, use of building code alternatives, assistance in applying for public funds as well as any other viable means. Where direct Agency assistance is involved, the City typically enters into a Development Agreement which provides regulatory relief from density, parking, and other multi-family development standards in exchange for affordable housing. The City also uses the Administrative Adjustment Process to provide flexibility in height, setback, open space, parking and other requirements.

2008-2014 Objectives: The City will continue to offer regulatory incentives to facilitate the provision of affordable housing by private developers. The City will periodically review all regulations, ordinances, and residential fees related to housing rehabilitation and/or construction to assess their impact on housing costs, and revise as appropriate.

18. Efficient Project Processing

A major goal of Brea's Development Services Department is to maintain streamlined project processing procedures. The Department's Development Process handbook provides an informative step-by-step guide aimed at simplifying the development process. The no-charge Screencheck service provides project applicants an up front discussion of project processing needs to better enable preparation of a complete application at initial submittal, saving developers time and money. The City assigns a project "case manager" to each development project to serve as the City's central liaison and expedite projects from initial filing through entitlement. And for projects requiring discretionary entitlements, concurrent processing with Plan Check processes results in significant time savings. Another way the City assists developers in project processing is through the Guaranteed Second Opinion Program. Developers are given the opportunity to ask for a second opinion on how a regulation or policy is interpreted at any point during the permit process.

2008-2014 Objective: The City will continue to offer streamlined development processing, and will periodically review departmental processing procedures to ensure efficient project processing.

19. Zoning for Emergency Shelters

As discussed under the Governmental Constraints section of the Housing Element, pursuant to SB 2, jurisdictions are now required

to identify zone districts where emergency shelters for the homeless will be permitted by right. Pursuant to this new requirement, Brea has conducted a review of its Light Industrial (M-1) zone district, and concluded it provides suitable and available sites for the provision of an emergency shelter. Emergency shelters will be subject to the same development and management standards as other permitted uses in M-1 zone. The City will however develop written, objective standards to regulate the following, as permitted under SB 2, which may include:

- The maximum number of beds or persons permitted to be served nightly by the facility;
- Off-street parking based on demonstrated need, but not to exceed parking requirements for other residential or commercial uses in the same zone;
- The size and location of exterior and interior onsite waiting and client intake areas;
- The provision of onsite management;
- The proximity of other emergency shelters;
- The length of stay;
- Lighting;
- Security during hours of operation.

2008-2014 Objective: Amend the zoning ordinance by June 2009 to make explicit provisions for emergency shelters. Develop objective standards to regulate emergency shelters as provided for under SB 2.

PROMOTING EQUAL HOUSING OPPORTUNITIES

To adequately meet the housing needs of all segments of the community, the housing program must include actions that promote housing opportunities for all persons regardless of race, religion, sex, family size, marital status, ancestry, national origin, color, age, or physical disability. More generally, this program component entails ways to further fair housing practices, including accommodations for persons with disabilities.

20. Fair Housing Program

The City uses the services of the Orange County Fair Housing Council for fair housing outreach and educational information, fair housing complaints, tenant/landlord dispute resolution, and housing information and counseling. The role of the Council is to provide services to jurisdictions, agencies, and the general public to further fair housing practices in the sale or rental of housing.

2008-2014 Objective: The City will continue to promote fair housing practices, and refer fair housing complaints to the Orange County Fair Housing Council. As a means of furthering fair housing education and outreach, the City will advertise the fair housing program through placement of fair housing services brochures at the public counter, the Community Center, and through the City's newsletter.

21. Accessible Housing

The City adopts updates to Uniform Building and Housing Codes to reflect current accessibility requirements in new construction. Pursuant to Senate Bill 520, jurisdictions are required to analyze constraints to the development, maintenance, and improvement of housing for persons with disabilities and take measures to remove constraints. As part of this Housing Element, Brea has conducted a review of zoning, building codes, and permit processing procedures and has not identified any institutional barriers to the provision of accessible housing. However, the City has not yet developed specific procedures for requesting a reasonable accommodation for accessibility modifications, and will commit to a program to clarify and add certainty to exception procedures.

The goal of Universal Design is to accommodate a wide range of abilities including children, aging populations, and persons with disabilities by providing features in residential construction that enhance accessibility. Brea has adopted Universal Design principles and modifications for residential homebuilders, and requests all developers to research and address Universal Design principles when submitting proposed designs to the City.

2008-2014 Objective: As a means of providing accessible housing to persons with disabilities, the City will:

- Develop written procedures for reasonable accommodation requests with respect to zoning, permit processing, and building laws. Procedures will specify who may request an accommodation, time frame for decision-making, and modification provisions.
- Continue to adopt accessibility updates to building and housing codes.
- Provide all residential development applicants with a copy of the City's *Universal Design Principles and Modifications for Residential Homebuilders* brochure.
- Provide rehabilitation grants to income qualified households for accessibility improvements.

22. Senior Shared Housing

The Brea Senior Center staff indicates there is a need for additional housing for seniors in the community. Brea's senior housing projects all have lengthy waiting lists, as does the Section 8 program, making these programs inaccessible to seniors on fixed incomes facing immediate housing needs.

As a means of assisting seniors, as well as other lower income persons in locating rentals in the community, the City proposes establishing a Housemate Matching Program. Approximately 500 seniors in Brea own their homes and live alone, providing a significant resource for potential room rentals. Approximately 40 percent of Brea's elderly residents have some type of disability, which may limit their abilities to maintain a home on their own. A program to match Brea's senior homeowners with compatible tenants can provide an effective tool to allow seniors to remain independent in their homes, while providing needed lower cost rentals in the community.

2008-2014 Objective: Evaluate the parameters for establishing and funding a local Senior Shared Housing Program.

**Table HE-44
Housing Implementation Program Summary**

| Housing Program | Program Goal | 2008-2014 Objective/ Time Frame | Funding Source(s) | Responsible Department or Agency |
|---|---|---|---|---|
| Conserving the Existing Supply of Affordable Housing | | | | |
| 1. Neighborhood Enhancement Program | Conserve and improve housing in the seven focus neighborhoods. | Undertake program activities identified in the Plan, with emphasis on community outreach. | CDBG; HOME; Redevelopment Set-Aside Funds | Economic Development |
| 2. Single-Family Rehabilitation Program | Provide loans to lower income homeowners to help them rehabilitate their homes. | Issue an average of 4 loans and 18 grants on an annual basis. | CDBG; HOME Redevelopment Set-Aside Funds | Economic Development |
| 3. Paint Your Heart Out Brea | Provide a volunteer workforce to assist lower income homeowners refurbish their home's exterior. | Paint and perform minor exterior repairs on five homes annually. | Redevelopment Set-Aside Funds | Economic Development |
| 4. Rental Rehabilitation and Assistance Program | Provide rehabilitation and refinancing loans to owners of rental properties. | Inform apartment owners about the program. Rehabilitate 25 units over the planning period. | CDBG; HOME; Redevelopment Set-Aside Funds | Economic Development |
| 5. Multi-Family Acquisition and Rehabilitation | Upgrade deteriorated apartment buildings, and provide affordable rental housing to very low- and low-income households. | Identify deteriorated apartments, partner with non-profits to acquire & rehabilitate. Complete a minimum of 107 units over planning period. | Redevelopment Set-Aside Funds; Low Income Housing Tax Credits; Tax Exempt Bonds | Economic Development |
| 5a. Committed Assistance – Acacia Apartments | Purchase affordability covenants on market rate units to provide 11 very low and 3 low income units. | By August 2008, enter into a legally enforceable agreement for \$2-\$4 million in committed assistance on Acacia Apartments. | Redevelopment Set-Aside Funds | Economic Development |
| 6. Preservation of Assisted Housing | Preserve the existing affordable rental stock at-risk of conversion to market rents. | Contact property owners at Brea's 3 at-risk projects. Provide preservation incentives; work with priority purchasers; provide tenant education. | CDBG; HOME; Redevelopment Set-Aside Funds; Section 8; other State and Federal funds | Economic Development |
| 7. Senior Subsidy Program | Provide rental subsidies to extremely low and very low-income seniors. | Assist a minimum of 120 seniors monthly. | Redevelopment Set-Aside Funds | Economic Development |
| 8. One-Time Rental Assistance Program | Provide emergency assistance to stay evictions, assist in financial crisis, or assist in move-in costs. | Assist extremely low to low income tenants on an as-needed basis. | Redevelopment Set-Aside Funds; Brea Community Council; Emergency Council; Active Christians Today | Community Services |

| Housing Program | Program Goal | 2008-2014 Objective/ Time Frame | Funding Source(s) | Responsible Department or Agency |
|--|---|---|---|---|
| 9. Section 8 Rental Assistance Program | Provide rental subsidies to extremely low and very low-income households. | Maintain current levels of rental assistance (130 households) and direct eligible households to the County program. Encourage landlords to register units with the County. | HUD Section 8 | Orange County Housing Authority |
| Assisting in the Provision of Housing | | | | |
| 10. Homebuyer Assistance Program | Expand homeownership opportunities for lower and moderate-income homebuyers. | Provide loans to 5 households annually. Conduct workshop for households at-risk of foreclosure in 2008. | Redevelopment Set-Aside Funds | Economic Development |
| 11. Affordable Housing Development Assistance | Facilitate affordable housing development by for-profit and non-profit housing developers/corporations. | Provide financial and regulatory incentives and focus portion of assistance towards rental projects for lower income renters and large families. Annually monitor development within the MU I zone to ensure affordable housing is being provided. | Redevelopment Set-Aside Funds; Affordable Housing Trust Fund; Co. of Orange RFPs; State MHP grants; Tax Credits; Tax Exempt Bonds | Economic Development |
| 12. Affordable Housing Ordinance | Integrate housing affordable to low- and moderate-income households within market rate developments. | Continue to implement Ordinance to achieve affordable units, and generate in-lieu fee revenues. By 2009, conduct a public process to evaluate increasing requirement to 15% in RDA Project Areas. Incorporate state density bonus provisions into Guidelines. | Redevelopment Set-Aside Funds; Affordable Housing Trust Funds | Economic Development |
| 13. Housing Breans Advisory Board | Provide for community input in the City's housing efforts. | Continue to conduct regular meetings to involve the Board in affordable housing activities. | None required - Volunteer Board | Economic Development |
| Providing Adequate Residential Sites | | | | |
| 14. Land Use Element and Sites Inventory | Provide adequate sites for future housing development. | Maintain a current inventory of residential and mixed use sites and provide to developers along with information on available development incentives. Place inventory on City's website by end of 2008. | General Fund | Development Services |
| 15. Annexation of Areas in Sphere of Influence | Increase the City's capacity to accommodate future housing growth. | Pursue phased annexation of the Sphere of Influence consistent with infrastructure capacities. | General Fund | Development Services |

| Housing Program | Program Goal | 2008-2014 Objective/ Time Frame | Funding Source(s) | Responsible Department or Agency |
|--|---|---|--------------------|--|
| 16. Second Units | Provide sites for rental housing within existing neighborhoods. | Implement the City's ordinance to accommodate second units. | General Fund | Development Services |
| Removing Governmental Constraints | | | | |
| 17. Regulatory Incentives | Facilitate the production of affordable housing through provision of regulatory incentives. | Continue to offer incentives for affordable housing. Periodically review all regulations, ordinances, and fees. | General Fund | Development Services |
| 18. Efficient Project Processing | Provide efficient development processing procedures to reduce the cost of development. | Continue to offer streamlined development processing, and periodically review procedures to ensure efficiency | General Fund | Development Services |
| 19. Zoning for Emergency Shelters | Provide appropriate zoning to facilitate the provision of emergency shelters for the homeless. | Amend the City's Zoning Ordinance by 2009 to make explicit provisions for shelters in the M-1 zone. | General Fund | Development Services |
| Promoting Equal Housing Opportunities | | | | |
| 20. Fair Housing Program | Further fair housing practices in the community. | Continue to promote fair housing practices and refer fair housing complaints to the Orange County Fair Housing Council. By 2009, provide educational information on fair housing to the public. | General Fund | Economic Development; Development Services; Orange County Fair Housing Council |
| 21. Accessible Housing | Provide accessible housing to persons with disabilities. | Develop reasonable accommodation procedures by 2009; encourage Universal Design in new development; provide rehabilitation grants for accessibility improvements. | General Fund; CDBG | Economic Development; Development Services; |
| 22. Senior Shared Housing | Enhance utilization of the housing stock by matching senior homeowners with compatible tenants. | Evaluate the parameters for establishing and funding a senior shared housing program by 2009. | General Fund | Community Services |

Five-Year Goals Summary:

TOTAL UNITS TO BE CONSTRUCTED: 2,048 (220 Extremely Low, 221 Very Low, 356 Low, 404 Moderate, 847 Above Moderate)

TOTAL UNITS TO BE REHABILITATED: 294 (173 Very Low, 121 Low)

TOTAL UNITS TO BE CONSERVED: 325 (120 Extremely Low and Very Low [*Senior Rent Subsidies*]; 130 Extremely Low and Very Low [*Section 8 Rent Subsidies*]; 36 Low and 39 Moderate [*Brea Woods preservation*])