
SUMMARY OF ISSUES, NEEDS CONSTRAINTS AND OPPORTUNITIES

This section of the Housing Element summarizes Tustin’s current and projected housing needs to form the basis for establishing program priorities and quantified objectives in the Housing Element. This section also:

- Estimates the number of households that meet Federal or State criteria for special considerations when discussing specialized needs;
- Evaluates assisted units at risk of conversion;
- Describes constraints that may discourage the construction of new housing; and
- Examines housing opportunity sites.

SUMMARY OF HOUSING NEEDS

A number of factors will influence the degree of demand or “need” for housing in Tustin. The major “needs” categories considered in this Element include:

- Housing needs resulting from increased population and employment growth in the City and the surrounding region;
- Housing needs resulting from household overcrowding;
- Housing needs resulting from the deterioration or demolition of existing units;
- Housing needs that result from when households are paying more than they can afford for housing;
- Housing needs resulting from the presence of “special needs groups” such as the seniors, large families, female-headed households, persons with disabilities (including physical and mental disability), and persons experiencing homelessness; and
- Housing needs resulting from the conversion of assisted housing developments to market rate housing.

Population Growth

As shown in Table H-II-1, between 2010 and 2014 the City’s population grew steadily from 75,540 to 80,617, an increase of 5.6 percent. Between 2014 and 2018, Tustin’s population growth decreased by approximately 1.0 percent, with a decrease from 80,617 to 79,787. The population growth in Tustin is comparable to the countywide growth rate. However, Tustin’s 5.6 percent population growth rate within the 2010-

2018, eight-year period is greater than the nearby cities of Anaheim, Garden Grove, Orange and Santa Ana. These other cities experienced growth rates in the range of 1.0 percent to 4.7 percent, compared to Tustin's 5.6 percent population increase. The City of Irvine experienced the largest population increase, with an increase of 33.1 percent within the same eight-year period.

TABLE H-II- 1
POPULATION GROWTH 2010-2018, CITY OF TUSTIN, NEARBY JURISDICTIONS
AND ORANGE COUNTY

| Jurisdiction | 2010 ¹ | 2014 ² | 2018 ³ | Percent Growth | |
|---------------|-------------------|-------------------|-------------------|----------------|-----------|
| | | | | 2014-2018 | 2010-2018 |
| Tustin | 75,540 | 80,617 | 79,787 | -1.0% | 5.6% |
| Anaheim | 336,265 | 346,961 | 352,018 | 1.5% | 4.7% |
| Garden Grove | 170,883 | 175,085 | 172,652 | -1.4% | 1.0% |
| Irvine | 212,375 | 248,521 | 282,584 | 13.7% | 33.1% |
| Orange | 324,528 | 139,826 | 139,502 | -0.2% | 2.0% |
| Santa Ana | 325,483 | 334,924 | 332,727 | -0.1% | 2.2% |
| Orange County | 3,018,963 | 3,145,515 | 3,185,968 | 1.3% | 5.5% |

Sources: 1 2010 U.S. Census

2 2014 U.S. Census

3 American Community Survey (5-Year Estimate) 2018

Population projections are shown in Table H-II-2. According to Orange County Projections (OCP) 2020 Modified data, the population in the City of Tustin is expected to increase by approximately 6.3 percent within a 20-year period (2025-2045), from 84,265 persons in 2025 to 92,564 persons by the year 2045.

TABLE H-II- 2
POPULATION PROJECTIONS 2025-2045

| | 2025 | 2030 | 2035 | 2040 | 2045 | Percent Change (2025- 2045) |
|--------|--------|--------|--------|--------|--------|--------------------------------|
| Tustin | 84,265 | 85,239 | 87,932 | 90,576 | 92,564 | 6.30% |

Source: OCP 2020 Modified, Prepared by Center for Demographic Research.

Employment

An assessment of the needs of the community must take into consideration the type of employment held by City residents. Incomes associated with different jobs and the number of workers in a household determines the type and size of housing a household can afford.

The American Community Survey (ACS) provides information about employment, specifically the number of City residents by industry type, who are employed by businesses either outside or within their community. As of 2018, the largest occupational category in the City was the service occupation in which a total of 17,418 residents (41.10 percent) were employed. The second largest category was the sales and office occupations, employing 9,585 residents (22.60 percent). Both of these categories and respective percentages are very similar to the previous housing cycle and have not changed significantly. Table H-II-4 shows the breakdown of employment by occupation.

Table H-II-3 provides employment projections between the years 2016 and 2040. According to OCP-2018 Modified data, employment in the City of Tustin is expected to increase by approximately 42 percent between 2016 and 2040. The largest percentage of employment by occupation includes service occupations (41.1 percent). However, given the changes in retail shopping trends and more customers making purchases online, there is and will likely continue to be less demand for retail space in the future, which could potentially impact retail employment as well.

**TABLE H-II- 3
EMPLOYMENT PROJECTION**

| | 2016 | 2020 | 2025 | 2030 | 2035 | 2040 | Percent Change (2016- 2040) |
|--------|--------|--------|--------|--------|--------|--------|-----------------------------|
| Tustin | 49,200 | 53,029 | 54,831 | 61,752 | 66,579 | 69,752 | 41.77% |

Source: Center for Demographic Research at Cal State Fullerton - OCP, 2018

**TABLE H-II- 4
EMPLOYMENT BY OCCUPATION, 2018 CITY OF TUSTIN**

| Occupational Category | Number | % |
|--|---------------|---------------|
| Management, business, science, and arts occupations | 8,293 | 19.5% |
| Service occupations | 17,418 | 41.10% |
| Sales and office occupations | 9,585 | 22.60% |
| Natural resources, construction, and maintenance occupations | 2,581 | 6.1% |
| Production, transportation, and material moving occupations | 4,571 | 10.8% |
| Total | 42,448 | 100.0% |

Source: U.S. Census: 2014-2018 American Community Survey

Table H-II-5 provides a list of the largest employers in Tustin in 2020. The list includes a variety of industries, including education, financial, government, manufacturing, health care and wholesale trade. There are fewer major retail employers within the City than in the past planning period.

**TABLE H-II- 5
LIST OF MAJOR EMPLOYERS IN TUSTIN, CA 2020**

| Company/Address | No. Emp. | Product/Service |
|--|-----------------|------------------------|
| Tustin Unified School District 300 South C St. - Tustin 92780 | 2,850 | Education |
| SchoolsFirst 14171 Red Hill Avenue, Tustin, CA | 983 | Financial Services |
| Young's Market Co LLC 14402 Franklin Ave Tustin, CA 92780 | 681 | Distributor |
| Costco Wholesale 2700 Park Ave. - Tustin 92780; 2655 El Camino Real, Tustin, CA | 658 | Wholesale Trade |
| City of Tustin 300 Centennial Way - Tustin 92780 | 409 | Government |
| Avid Bioservices, Inc. 2642 Michelle Dr # 200, Tustin 92780 | 230 | Manufacturing |
| Vita Best Nutrition 2802 Dow Ave, Tustin, 92780 | 215 | Manufacturing |
| Kaiser Permanente 2521 Michelle Dr. Tustin 92780; 17452 17 th St, Tustin 92780 | 200 | Medical |
| Logomark, Inc. 1201 Bell Ave. - Tustin 92780 | 196 | Wholesale Trade |

Source City of Tustin Comprehensive Annual Financial Report for the Year Ended, 2020

Jobs-Housing Balance

The jobs-housing ratio in a jurisdiction is a general measure of the total number of employment opportunities and housing units within the geographic area. The jobs-to-housing balance is a planning tool to review whether a community has a healthy balance between jobs and the housing supply available to potentially house workers for those jobs. This balance may be impacted by the match between wage levels and housing costs; whether all workers in a house have employment in the community in which they live; whether preferences are met within the community for either housing or employment; and whether options are available nearby for either housing or employment. A desired target is a jobs-to-housing-units ration of 1:1, indicating a jurisdiction has reached an equilibrium between employment and housing opportunities.

Table H-II-6 shows the 2018 jobs-housing balance for Tustin, Orange County and the Southern California (SCAG) region. Recent data indicate that Tustin had a jobs-housing ratio of 1.78 in 2018, indicating that the City is jobs-rich in comparison to the countywide ratio of 1.57 and the SCAG region ratio of 1.28.

**TABLE H-II- 6
JOBS-HOUSING BALANCE
CITY/COUNTY/REGION
2019**

| | Tustin | Orange County | SCAG Region |
|--------------------|---------------|----------------------|--------------------|
| Total Jobs | 50,169 | 1,726,003 | 8,465,304 |
| Housing Units | 28,118 | 1,094,169 | 6,629,879 |
| Jobs-Housing Ratio | 1.78 | 1.57 | 1.28 |

Sources: SCAG Local Profile City of Tustin 2019

Overcrowding

“Overcrowding” is generally defined as a housing unit occupied by more than one person per room in housing unit (including living room and dining rooms, but excluding hallways, kitchen, and bathrooms). An overcrowding can be caused by lack of affordable housing (which forces more than one household to live together) and/or a lack of available, adequately sized housing units. Overcrowding is an indicator of inadequate supply of affordable housing, especially for large families. Overcrowded and severely overcrowded households contribute to faster rates of deterioration due to more intensive use of individual housing units. The faster rates of deterioration are caused by excessive wear and tear, and the potential cumulative effect of overburdening infrastructure systems and exceeding service capacities. Furthermore, overcrowding in neighborhoods contributes to overall declines in social cohesion and environmental quality. Such decline can often spread geographically

from housing units to neighborhoods and impact the overall quality of life and the economic vitality of a community."

According to the 2019 American Community Survey, 447 owner-occupied and 2,769 renter-occupied households in Tustin had more than 1.0 occupant per room. This data shows that overcrowding disproportionately affects renters, with 25 percent of renter-occupied units overcrowded compared to three percent of owner-occupied units.

Substandard Units - Type, Age and Condition of Housing Stock

Age is one measure of housing stock conditions and a factor for determining the need for rehabilitation. Without proper maintenance, housing units deteriorate over time. Thus, units that are older are more likely to be in need of major repairs (e.g., a new roof or plumbing). As a general rule of thumb, houses 30 years old or older are considered aged and are more likely to require major repairs.

According to the ACS of 2019, Tustin offers a mix of housing choices. Of the 25,315 housing units in the City, 54.5 percent (13,815) are comprised of one-unit (either attached or detached) structures, 20 percent (5,093) are comprised of 2-9 units structures, approximately 24 percent (6,041) are comprised of 10 or more units structures, and 2 percent (524) are mobile homes.

As of 2020, approximately 64 percent (17,816) of the City's existing housing stock is over 30 years old, the age at which housing tends to require significant repairs.

The ACS of 2019 quantifies "Selected Conditions" which is a measure of substandard housing. The selected conditions are: incomplete plumbing or kitchens, overcrowding and 30 percent of the household income spent on rent or monthly owner costs. Of the 12,453 owner-occupied housing units, only 245 (less than two percent) housing units were indicated to have two or more "selected conditions". Of the 12,862 renter occupied housing units, 1,901 (14.77 percent) were indicated to have two or more "selected conditions". At this time the City's Building Division (Code Enforcement) estimates that approximately ten percent of the City's housing stock is in need of varying degrees of repairs, which is generally consistent with the "selected conditions" data.

Single Room Occupancy (SRO):

Single Room Occupancy (“SRO”) units are one-room units intended for occupancy by a single individual and typically range in size from 250-500 square feet. SROs are typically more affordable than other housing and can be a source of housing for low- and moderate-income households. They are distinct from a studio or efficiency unit, in that a studio is a one-room units that must contain a kitchen and a bathroom. Although SRO units are not required to have a kitchen or a bathroom, many SROs have one or the other and could be equivalent to an efficiency unit. SRO units are allowed within the City’s Multiple Family Residential districts and Planning Area 3 of the Tustin Legacy Specific Plan area. SRO units such as rest homes are also conditionally-permitted within Commercial Districts in the city. The City will review the Zoning Code and Tustin Legacy Specific Plan to determine if other zones or planning areas are appropriate for inclusion of SROs.

Affordability Gap Analysis

The purpose of the affordability gap analysis is to illustrate the "gap" between the cost of what households pay toward their housing expenses in relation to their incomes. State and federal guidelines indicate that a household paying more than 30 percent of its income for housing is overpaying. Those who pay an excessing amount of their income on housing are referred to as "cost-burdened." Overpayment for housing can create an imbalance in a household’s overall budget. Evaluating incidents of overpayment can influence the supply and demand of housing. Federal and State agencies use cost burden indicators to determine the extent and level of funding and support that should be allocated towards a community. The cost burden is the ratio of housing costs to household income. For renters, housing cost is gross rent (contract rent plus utilities). For owners, housing cost is "select monthly owner costs," including mortgage payment, utilities, association fees, insurance, and real estate taxes.

**TABLE H-II- 7
TUSTIN HOUSEHOLD INCOME DISTRIBUTION OVERVIEW 2017**

| Income | Owner | Owner (%) | Renter | Renter (%) | Total |
|--|-------|-----------|--------|------------|-------|
| Household Income less-than or= 30% AMI | 1,155 | 31.8 | 2,470 | 68.1 | 3,625 |
| Household Income >30% to less-than or= 50% AMI | 1,075 | 27.5 | 2,840 | 72.5% | 3,915 |
| Household Income >50% to less-than or= 80% AMI | 1,820 | 36.7 | 3,135 | 63.3% | 4,955 |
| Household Income >80% to less-than or=100% AMI | 1,450 | 47.3% | 1,610 | 52.6% | 3,060 |

**TABLE H-II- 7
TUSTIN HOUSEHOLD INCOME DISTRIBUTION OVERVIEW 2017**

| | | | | | |
|----------------------------|--------|---|--------|---|--------|
| Household Income >100% AMI | 7,085 | - | 3,540 | - | 10,625 |
| Total Households | 12,590 | - | 13,595 | - | 26,185 |

Source: Comprehensive Housing Affordability Strategy (CHAS), 2013-2017 estimates.

The state and federal standard for housing cost burden is based on the income-to-housing cost ratio of 30 percent and above. According to the most recent Comprehensive Housing Affordability Strategy (CHAS) data published by the U.S. Department of Housing and Urban Development (HUD), 43.44 percent of Tustin households overpaid for housing in 2017. However, the total cost-burdened households have decreased by 5.82 percentage points, from the 49.26 percent reported in 2012. In addition, the number of households that pay 50 percent or more of their gross income toward housing has decreased by 16 percent within five years, from 21.95 percent in 2012 to 18.48 percent in 2017.

**TABLE H-II- 8
NUMBER OF HOUSEHOLDS WITH COST BURDEN (2012 AND 2017
COMPARISON)**

| Income | Cost burden > 30% | | Cost burden > 50% | | Total | |
|---|----------------------|--------|----------------------|-------|--------|--------|
| | 2012 | 2017 | 2012 | 2017 | 2012 | 2017 |
| Household Income less-than or= 30% AMI | 2,980 | 2,845 | 2,685 | 2,300 | 3,455 | 3,625 |
| Household Income >30% to less-than or= 50% AMI | 2,870 | 3,345 | 1,540 | 1,715 | 3,340 | 3,915 |
| Household Income >50% to less-than or= 80% AMI | 2,875 | 2,710 | 640 | 590 | 4,840 | 4,955 |
| Household Income >80% to less-than or= 100% AMI | 1,125 | 1,120 | 190 | 125 | 2,420 | 3,060 |
| Household Income >100% AMI | 2,325 | 1,355 | 365 | 110 | 10,665 | 10,625 |
| Total | 12,175 | 11,375 | 5,424 | 4,840 | 24,715 | 26,185 |

Source: Comprehensive Housing Affordability Strategy (CHAS), 2008-2012 estimates and 2013-2017 estimates.

As exhibited in Table H-II-9 below, both owner and renter households in Tustin may be cost burdened. Overall, there is a higher rate of cost burden, among renters with

26.85 percent experiencing a cost burden whereas 16.61 percent of owners experience cost burden.

**TABLE H-II- 9
NUMBER OF HOUSEHOLDS WITH COST BURDEN (2012 AND
2017 COMPARISON)**

| Cost Burden | Owner | Renter | Total |
|---------------------------------------|---------------|---------------|---------------|
| Cost Burden less-than or= 30% | 8,150 | 6,415 | 14,565 |
| Cost Burden >30% to less-than or= 50% | 2,870 | 3,670 | 6,540 |
| Cost Burden >50% | 1,480 | 3,360 | 4,840 |
| Cost Burden not available | 90 | 150 | 240 |
| Total | 11,375 | 13,595 | 26,185 |

Source: Comprehensive Housing Affordability Strategy (CHAS), 2013-2017 estimates.

Special Needs Groups

State law identifies certain households that historically have more difficulty in finding adequate and affordable housing due to special needs. Special needs populations include seniors, persons with disabilities, female-headed households, large households, and farmworkers. Many persons within these special needs groups often have lower than average incomes because of their special needs. Special needs may be related to a person’s employment and income, family characteristics, disability and household characteristics, or other factors. Consequently, certain residents in Tustin may experience higher incidences of housing overpayment (cost burden), overcrowding, or other housing problems. Special needs groups required to be analyzed in the Housing Element include seniors, persons with physical and developmental disabilities, persons experiencing homelessness, single parents, large households, and farmworkers

Demographics regarding special needs groups are presented in Appendix D. Appendix D discussion incorporates planning and analysis, which is collectively referred to as an assessment of fair housing (AFH), and generally includes:

- A summary of fair housing issues in the City of Tustin and an assessment of the jurisdiction’s fair housing enforcement and outreach capacity; and
- An analysis and summary of fair housing issues and identification of trends and patterns within the City of Tustin in comparison to surrounding cities and the larger Orange County region, including the topics of:
 - Integration and segregation;
 - Racially or ethnically concentrated areas of poverty;
 - Disparities in access to opportunity, including for persons with disabilities; and

- Disproportionate housing needs (such as overpayment, overcrowding, housing conditions disproportionately affecting protected classes), and displacement risk. where the City’s.

Discussion below includes a brief overview of these topics.

Seniors (65+)

The needs of many senior households are a result of their low and fixed incomes, physical disabilities/limitations, and need for assistance. The four main concerns for the 65+ age population are:

- Housing: considering that many seniors live alone, they may have difficulty maintaining their home
- Income: this population is typically retired and live on a limited income
- Healthcare: due to health conditions, they are likely to spend high amounts on health care
- Transportation: a decline in strength, vision, reaction times, and short-term memory may make it unsafe for a senior to drive thus may rely on public transportation

Table H-II-10 shows the tenure of households with the head of household aged 65 years or older in the City in 2018. The City had 1,596 renter households and 2,913 owner households with a head of household aged 65 years or older. Households with a senior householder represented 17.3 percent of all households in the City. This is a 1.6 percent increase since 2011.

| Tenure | Head of Household 65 Years or Older | |
|-------------------------|--|--------------------------|
| | # Households | % Households |
| Renters | 1,596 | 6.1% ¹ |
| Owners | 2,913 | 11.2% ² |
| Total Households | 4,509 | 17.3%³ |

1 As a percentage of 13,600 renter households.
 2 As a percentage of 12,532 owner households.
 3 As a percentage of 26,132 total households.
 Source: U.S. Census, 2014-2018 American Community Survey

Table H-II-11 shows the estimated householder income distribution for householders aged 65 years or older in 2018. Approximately 18.2 percent of elderly senior

households in Tustin earned less than \$25,000 annually or about 25.3 percent of AMI for a household of two persons in 2018.

| Income Range | Number | Percent | Cumulative % |
|-------------------------|--------------|---------------|--------------|
| Less Than \$10,000 | 318 | 7.05% | 7.05% |
| \$10,000-\$24,999 | 821 | 18.2% | 25.3% |
| \$25,000-\$34,999 | 400 | 8.8% | 34.1% |
| \$35,000-\$49,999 | 543 | 12.0% | 46.2% |
| \$50,000-\$74,999 | 725 | 16.1% | 62.3% |
| \$75,000-\$99,999 | 413 | 9.16% | 71.4% |
| \$100,000 or More | 1,289 | 28.6% | 100.0% |
| Total Households | 4,509 | 100.0% | |

Source: U.S. Census Bureau: 20014-2018 American Communities Survey. Table B19037

According to the American Community Survey 2014-2018 5-year estimates, Tustin's seniors (65 and older) makeup 9.88 percent of the population, which is 4 percentage points lower than the regional share of 13.9 percent. As illustrated in Table H-II-12 below, in the City of Tustin, 64.6 percent, or 2,913, of all senior (65 years or older) headed households were owners. In comparison, 35.4 percent, or 1,596, of all senior-headed households were renters. However, countywide 75.7 percent of senior-headed households are owners, and 24.3 percent of senior-Headed Households are renters. However, both owners and renters are cost-burdened at a higher percentage in Tustin than in the County overall, despite having a lesser percentage of the elderly population.

| Jurisdiction | Total Elderly Population | Senior- Headed Households | Owner | Renter | Owner costs as a percentage of household income 30% > | Gross rent as a percentage of household income |
|--------------|--------------------------------|---------------------------------|-------|--------|---|---|
| | | | | | | |

**TABLE H-II- 12
SENIOR HOUSEHOLDS BY TENURE, 2018**

| | | | | | | 30% > |
|---------------|---------|---------|---------|--------|-------|-------|
| Tustin | 7,914 | 4,509 | 2,913 | 1,596 | 37.1% | 73.2% |
| Orange County | 440,488 | 246,942 | 186,944 | 59,998 | 33.0% | 63.4% |

Source: American Community Survey, 5-Year Estimates, 2014-2018

City demographics for senior households are further discussed in Appendix D.

Minority Populations

The City of Tustin racial demographic data is provided in Table H-II-13. The most common race/ethnicity amongst the city’s population is persons of Hispanic ethnicity (41.22 percent). The second largest population included persons White, Non-Hispanic (30.36 percent) followed by Asian/Pacific Island, Non- Hispanic (21.93. percent). Minority populations (non-White) are considered special needs population. Additional data and analysis is provided in Appendix D regarding racial and ethnic patterns within Tustin.

**TABLE H-II- 13
RACE AND ETHNICITY
(Tustin, CA CDBG) Jurisdiction**

| Race/Ethnicity | Count | Percent |
|------------------------------------|--------|---------|
| White, Non-Hispanic | 24,289 | 30.36% |
| Black, Non-Hispanic | 1,926 | 2.41% |
| Hispanic | 32,982 | 41.22% |
| Asian/Pacific Island, Non-Hispanic | 17,542 | 21.93% |
| Native American, Non-Hispanic | 418 | 0.52% |
| Two+ Races, Non-Hispanic | 1,949 | 2.62% |
| Other, Non-Hispanic | 169 | 0.23% |

Source: County of Orange, Analysis of Impediments, 2020

Persons With Disabilities

Physical and developmental disabilities can hinder access to housing units of traditional design and potentially limit the ability to earn an adequate income. According to the 2013-2018 ACS, 6.89 percent or 5,525 persons in Tustin between 18 and 65 years of age reported a disability in 2018. While 6.12 percent or 4,905 total persons over age 65 reported a disability in 2018.

Special housing needs of disabled individuals include wheelchair accessibility, railings, and special construction for interior living spaces. The Housing Element sets forth policies to encourage the development of disabled-accessible housing (see policies 1.1 and 2.5). The City's process and policies to provide reasonable accommodation to populations with disability are discussed within Housing Constraints, below. Additional information is also provided in Appendix D.

Large Households

The U.S. Census Bureau considers a household containing five or more persons is a large family. According to the County AI, the city contains 3,775 large family households. Large families are identified as groups with special housing needs because of the limited availability of adequately sized, affordable housing units. Large families are often lower-income, frequently resulting in the overcrowding of smaller dwelling units and accelerating unit deterioration. Data shows that the large families experience greater proportions of housing problems than other family types in the city (see Appendix D). Special needs of large family households in the city and policies to address identified needs are further discussed in Appendix D.

Female-Headed Households

Female-headed households require special consideration and assistance because of their greater need for daycare, health care, and other supportive services. Female-headed households with children, in particular, tend to have lower-incomes, thus limiting housing availability to this group. According to 2014-2019 ACS, there are 3,684 female householders and 1,799 female householders with children in the city. As identified in Appendix D, one census tract, 755.14, contained a substantial population of female-headed households. Additionally, 75 to 100 percent of households in this census tract were also identified as low to moderate income. Special needs of female-parent households in the city and policies to address identified needs are further discussed in Appendix D.

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. Statewide, farmworker housing is of unique concern and of unique importance. While only a small share of SCAG region jurisdictions have farmworkers living in them, they are essential to the region's economy and food supply.

According to the 2014-2018 ACS, 415 residents of Tustin's residents were employed in agriculture, forestry, or fishing, and hunting occupations, with 258 being employed full-time, year-round. Tustin is an urbanized community with no undeveloped parcels zoned for agriculture as a principal use; however, some residential zones allow a range of agriculture and related uses. However, some farmworkers may commute to nearby farming operations outside of the city.

**TABLE H-II-14
TUSTIN EMPLOYMENT IN AGRICULTURE INDUSTRY, 2018**

| Total | Percent | Employment |
|-------|---------|--|
| 415 | 0.98% | Total in agriculture, forestry, fishing, and hunting |
| 258 | 0.86% | Full-time, year-round in agriculture, forestry, fishing, and hunting |

Source: American Community Survey 2014-2018 5-year estimates.

Persons Experiencing Homelessness

Measuring the extent of the homeless population, specifically in Tustin, remains a challenge for community leaders. To complicate the challenge of meeting homeless persons' needs, the issue of homelessness is considered regional in nature. Nomadic tendencies of homeless persons make it challenging to assess the population accurately on a citywide basis; therefore, homelessness should be addressed on a countywide basis, in conjunction with cities and local non-profit organizations.

State law (Section 65583 (1) (6)) mandates that municipalities address the special needs of homeless individuals within their jurisdictional boundaries. The U.S. Department of Housing and Urban Development (HUD) defines homelessness as:

- (1) Individuals and families who lack a fixed, regular, and adequate nighttime residence and includes a subset for an individual who is exiting an institution where he or she resided for 90 days or less and who resided in an emergency shelter or a place not meant for human habitation immediately before entering that institution;

- (2) Individuals and families who will imminently lose their primary nighttime residence;
- (3) Unaccompanied youth and families with children and youth who are defined as homeless under other federal statutes who do not otherwise qualify as homeless under this definition; or
- (4) Individuals and families who are fleeing, or are attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member.
 - a) In accordance with HUD's Continuum of Care (CoC) Program, Orange County's 2019 Sheltered Point In Time Count, Everyone Counts, is a biennial unsheltered count and an annual sheltered count of all individuals experiencing homelessness in the community on a single point in time, took place the night of Tuesday, January 22, 2019. The count revealed that 6,860 individuals in the County were experiencing homelessness. Although some individuals may identify with more than one subpopulation of the individuals counted, 52.02 percent were chronically homeless, 33.73 percent had substance use issues, 31.17 percent had a physical disability, 26.82 percent had mental health issues, 14.03 percent has a developmental disability, 9.50 percent experienced domestic violence, and 1.80 percent were HIV/AIDS positive. The City of Tustin had 359 individuals total, 95 unsheltered and 264 sheltered.

There are numerous factors that contribute to homelessness in Tustin and Orange County. The known causes of homelessness include unemployment, limited skills, and a breakdown in the family as a social and economic unit. Additionally, cutbacks in social service programs and the de-institutionalization of the mentally ill have contributed to the homeless population. A new trend, however, is emerging as a significant contributing element to homelessness: a fast-growing lack of affordable housing, which could exacerbate any of the above conditions, but may increasingly become a standalone cause of homelessness.

Homelessness is further discussed in Appendix D.

PRESERVATION OF UNITS 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 Tustin, and evaluates those units at risk of conversion during the ten-year, 2021-2031 planning period.

At-Risk Units Inventory

Tustin Gardens is a 99-unit Section 223(a) (7)/221(D) (4) project with a Section 8 contract for 100 units Tustin Gardens is extended on an annual basis. Their current contract is due to expire on July 31, 2022 and the City has recently been notified that the existing contract has been extended for a new 20-year period which would mean the contract would expire on July 31, 2041. As a result, these housing units are no longer considered at risk for this housing cycle. Westchester Park (150-units), Flanders Pointe (49-units) and Chatam Village (210-units) are other at-risk communities within Tustin that could also be converted towards the end of the planning period.

Various restrictions and incentives affect the likelihood that at-risk units will convert to other uses. Depending on the circumstances, different options may be used to preserve or replace the units. Preservation options typically include: (1) transfer of units to non-profit ownership; (2) provision of rental assistance to tenants using other funding sources; and (3) purchase of affordability covenants.

Transfer of Ownership

Transferring ownership of an at-risk project to a non-profit housing provider is generally one of the least costly ways to ensure that the at-risk units remain affordable over an extended period of time. By transferring property ownership to a non-profit organization, low income restrictions can be secured and the project would potentially become qualified for additional governmental assistance. This may be an option for Westchester Park, Flanders Pointe and Chatam Village developments and City staff will explore this option and others as a program to maintain the at-risk units.

Rent Subsidy

Tenant-based rent subsidies could also be used to preserve the affordability of housing. Similar to Section 8 vouchers, the City, through a variety of potential funding sources, could provide rent subsidies to tenants of at-risk units. The level of the subsidy required to preserve the at-risk units is estimated to equal the Fair Market Rent (“FMR”) for a unit minus the housing costs affordable by a lower income

household. The FMR for Orange County for Fiscal Year (FY) 2020 and 2021 is identified below.

| Year | Efficiency | One- Bedroom | Two- Bedroom | Three- Bedroom | Four- Bedroom |
|---------|------------|-----------------|-----------------|-------------------|------------------|
| FY 2021 | \$1,678 | \$1,888 | \$2,331 | \$3,227 | \$3,716 |
| FY 2020 | \$1,563 | \$1,785 | \$2,216 | \$3,098 | \$3,578 |

Source: HUD User FY 2021 Fair Market Rent Documentation System

Purchase of Affordability Covenant

Another option to preserve the affordability of at-risk units is to provide an incentive package to the owner(s) to maintain the project as affordable housing. Incentives could include writing down the interest rate on the remaining loan balance, providing a lump-sum payment, and/or supplementing the rents to market levels. The feasibility and cost of this option depends on whether the units are too highly leveraged and interest on the owner’s behalf to utilize the incentives found in this option.

Table 23 of Appendix B is an inventory of all units assisted under federal, state, and/or local programs, including HUD programs, state and local bond programs, City programs, and local in-lieu fee, inclusionary, density bonus, or direct assistance programs. The inventory includes all units that are eligible to convert to non-lower income housing uses due to termination of subsidy contract, mortgage prepayment, or expiring use restrictions.

Programs for Preservation of At-Risk Units

The City will make efforts to preserve units “at risk” at, Westchester Park, Flanders Pointe and Chatam Village. The cost of acquiring and preserving each of the at-risk developments is less than replacing the units with new construction. The actual amount required to preserve each project is currently unknown.

The City will also be looking at possible work with nonprofits in the community to explore acquisition of existing buildings with at risk units by nonprofit organizations. The specific actions that the City will take to protect (or replace) at-risk units are identified in the Housing Element Implementation Program.

SUMMARY OF HOUSING ISSUES

Housing is a fundamental component of land use within a community necessary to support the resident population. Obtaining affordable housing has been an ongoing issue for persons of all income groups in California. Housing trends and data, specifically regarding special needs groups, are discussed in Appendix D. Section C.2.5 identifies disproportionate housing needs of various groups within the City of Tustin.

Disproportionate Housing Needs generally refers to a condition in which there are significant disparities in the proportion of members of a protected class experiencing a category of housing need when compared to the proportion of members of any other relevant groups, or the total population experiencing that category of housing need in the applicable geographic area. For purposes of this definition, categories of housing need are based on such factors as cost burden and severe cost burden, overcrowding, homelessness, and substandard housing conditions.

The following conclusions were identified upon analysis of available data and documentation available regarding housing trends and characteristics within the City of Tustin:

- A higher percent of non-White households experienced housing problems than White households in Tustin.
- Non-White households that experienced the greatest proportion of housing problems include Hispanic (71.19 percent), Black (62.40 percent), and Native American (50.00 percent).
- The same trend occurred for the county population.
- A higher proportion of households are considered overcrowded in southern Tustin, which overlaps with census tracts that contain greater proportions of minority population and low-income households.
- According to the Orange County's 2020 Analysis of Impediments to Fair Housing Choice (AI), displacement of residents due to economic pressures may be a significant contributing factor to fair housing issues in Orange County and, in particular, in parts of Orange County that have historically had concentrations of low-income Hispanic and Vietnamese residents.

Additional data and analysis of housing issues can be found in Appendix D.

HOUSING CONSTRAINTS

Actual or potential constraints on the provision and cost of housing affect the development of new housing and the maintenance of existing units for all income levels. Market, governmental, infrastructure, and environmental constraints to housing development in Tustin are summarized below and discussed in greater detail in the Housing Element Technical Memorandum.

Market Constraints

High cost of renting or buying adequate housing is a primary ongoing constraint. High construction costs, rising land costs, labor shortages, market financing constraints and neighborhood opposition make it expensive for developers to build housing.

Construction Costs:

Construction costs can vary depending on the type of development with multi-unit housing typically less costly to construct than single-unit homes. Such costs are also dependent on materials used and building height, as well as regulations set by the City's adopted Building Code.

The International Code Council (ICC) compiles an indicator of construction costs at six (6) month intervals which is referred to as 'Building Valuation Data'. The ICC was established in 1994 with the goal of developing a single set of national model construction codes, known as the International Codes, or I-Codes. These estimates provide the average cost of labor and materials for typical Type VA wood frame housing construction and are based on "good quality" construction, providing for materials and fixtures well above the minimum required state and local building codes.

In February 2021, the ICC estimates that the average per square foot for good quality housing was approximately \$125.18 for multi-unit housing and \$138.79 for single-unit homes. A reduction in amenities and quality of building materials (above a minimum acceptability for health, safety, and adequate performance) could lower costs and associated rents and sales prices. Additionally, pre-fabricated, factory-built housing may provide for lower priced housing by reducing construction and labor costs. An additional factor related to construction costs is the number of units built at the same time. As the number of units developed increases, construction costs over the entire development are generally reduced, based on economies of scale. This reduction in costs is of particular benefit when density bonuses are utilized for the provision of affordable housing. Although it should be noted that the reduced costs are most attributed to a reduction in land costs; when that cost is spread on a per unit basis.

According to an Orange County Register article published on March 12, 2021, California contractors are continuing to be confronted with a higher cost for materials, problems with the supply chain and project delays or cancellations due to COVID-19 – one year after the worldwide pandemic began. As a result, the overall cost of the housing unit is affected and this cost is a considerable factor during this particular planning period.

Another key component of construction cost is labor. Depending on the availability of construction worker and their respective wages can also affect the overall cost of the housing. The State of California does not have sufficient numbers of construction workers to meet Governor Newsom’s stated housing goals. According to a study for Smart Cities Prevail, the State of California has a shortage of over 200,000 construction workers. The study concludes that California has lost about 200,000 construction workers since 2006 as a result of the economic recession and/or workers finding work in other industries. This, in turn, has impacted housing costs.

Overall, although construction costs are a significant portion of the overall development costs, they are consistent throughout the region and, especially in light of land costs, are not considered a major constraint to housing production in Tustin.

Land:

Raw land and improvement costs comprise approximately 40-50 percent of the total development costs of a residential unit. Prices for land in Tustin have risen significantly in recent years. As referenced previously, basic construction costs including labor and materials for residential projects have increased rapidly, and together with land costs, have increased the cost of housing making homeownership unattainable for many households. These costs are fairly consistent throughout the region as the main components of labor and materials do not fluctuate much be area. Preparation of a site can be a substantial cost, but the variations and factors are more a function of the site, than of the jurisdiction.

Financing:

The availability of financing affects a person’s ability to purchase or improve a home. Interest rates can have an impact on housing costs. Some mortgage financing is variable rate, which offers an initial lower rate than fixed financing. The ability of lending institutions to raise rates to adjust for inflation will cause existing households to overextend themselves financially, and create situations where high financing costs constrain the housing market.

Even if Tustin homebuyers are able to provide a 3 percent down-payment and obtain a 3.2 percent 30-year loan (average loan rate for FHA or VA guaranteed loans for May

2021), monthly mortgage payments on median priced single-family detached homes in the City place such homes out of the reach of moderate and lower-income households in the City. At a 3.6 percent interest rate, monthly mortgage payments on median priced condominiums and townhouses can place such units out of reach of Tustin's low and very low-income households (see Tables H-II-16 and H-II-17).

**TABLE H-II- 16
NEW AND RESALE PRICE OF HOMES AND CONDOMINIUMS
TUSTIN AND NEIGHBORING JURISDICTIONS 2020**

| City | Zip Code | Median Home Price- Q2 2020 1 | Median Home Price- Q2 2019 1 | % Change from 2019 |
|--------------|----------|------------------------------|------------------------------|--------------------|
| Tustin | 92780 | \$702,000 | \$648,500 | +8.2% |
| Tustin | 92782 | \$779,000 | \$805,000 | -3.2% |
| Anaheim | 92801 | \$495,000 | \$525,000 | -5.7% |
| | 92802 | \$520,000 | \$557,500 | -6.7% |
| | 92804 | \$565,500 | \$573,000 | -1.3% |
| | 92805 | \$582,500 | \$550,000 | +5.9% |
| | 92806 | \$631,000 | \$635,000 | -0.6% |
| | 92807 | \$721,500 | \$703,000 | +2.6% |
| | 92808 | \$703,000 | \$688,000 | +2.2% |
| Garden Grove | 92840 | \$682,000 | \$552,500 | +23.4% |
| | 92841 | \$715,000 | \$615,000 | +16.3% |
| | 92843 | \$431,000 | \$560,000 | -22.9% |
| | 92844 | \$425,000 | \$485,000 | -12.4% |
| | 92845 | \$749,000 | \$659,000 | +13.7% |
| Irvine | 92602 | \$1,300,000 | \$1,243,500 | +4.5% |
| | 92603 | \$970,000 | \$1,087,500 | -10.8% |
| | 92604 | \$811,500 | \$750,000 | +8.2% |
| | 92606 | \$815,000 | \$799,500 | +1.9% |
| | 92612 | \$686,500 | \$663,500 | +3.5% |
| | 92614 | \$820,500 | \$730,000 | +12.4% |
| | 92618 | \$920,000 | \$966,750 | -4.8% |
| | 92620 | \$954,500 | \$1,030,000 | -7.3% |
| Orange | 92865 | \$755,000 | \$640,000 | +18.0% |
| | 92866 | \$735,000 | \$738,500 | -0.5% |
| | 92867 | \$737,500 | \$737,000 | +0.1% |
| | 92868 | \$550,000 | \$472,500 | +16.4% |
| | 92869 | \$655,250 | \$670,000 | -2.2% |
| Santa Ana | 92701 | \$300,000 | \$380,000 | -21.1% |
| | 92703 | \$575,000 | \$493,000 | +16.6% |
| | 92704 | \$550,000 | \$510,000 | +7.8% |
| | 92705 | \$1,060,000 2 | \$930,000 2 | +17.2% |
| | 92706 | \$730,000 | \$650,000 | +12.3% |
| | 92707 | \$497,500 | \$500,000 | -0.5% |

1 Data include all home sales, new and resale, and condominiums.

2 Includes Lemon/Cowan Heights (outside Tustin)

Source: Orange County Register, August 12, 2020, August 21, 2019, August 18, 2019, August 15, 2019, August 14, 2019

The greatest impediment to homeownership, however, is credit worthiness. According to the Federal Housing Authority, lenders consider a person’s debt-to-income ratio, cash available for down payment, and credit history, when determining a maximum loan amount. Many financial institutions are willing to significantly decrease down payment requirements and increase loan amounts to persons with good credit rating.

**TABLE H-II- 17
AVERAGE RENTAL RATES 2021 - 1ST QUARTER
CITY OF TUSTIN**

| Number of Bedrooms | Number of Units | Average Square Footage | Average Rent |
|---------------------------|------------------------|-------------------------------|---------------------|
| Studio | 834 | 425 SF | \$1,678 |
| 1 bedroom | 3,727 | 516 SF | \$1,888 |
| 2 bedroom | 6,325 | 720 SF | \$2,331 |
| 3 bedroom | 2,044 | 1,087 SF | \$3,227 |
| 4 bedroom | 576 | N/A | \$3,716 |
| 5 or more bedroom | 94 | N/A | \$N/A |
| Total | 13,600 | 687 SF | \$2,568 |

Source: OCACS 2018 Housing Characteristics for Cities Places (2020), HUD FY 2021 Fair Market Rent (2021), Rent Café (2021)

*2021 Fair Market Rent indicates 92780 zip code.

Persons with poor credit ratings may be forced to accept a higher interest rate or a loan amount insufficient to purchase a house. Poor credit rating can be especially damaging to lower-income residents, who have fewer financial resources with which to qualify for a loan. The FHA is generally more flexible than conventional lenders in its qualifying guidelines and allows many residents to re-establish a good credit history.

Governmental Constraints

In addition to market factors, housing affordability is also affected by factors in the public sector. Local policies and land use regulations can impact the price and availability of housing, and the provision of affordable housing.

Land Use Controls

In efforts to protect the public's health, safety, and welfare, government agencies may place administrative constraints on growth through the adoption and implementation of land use plans and ordinances. The General Plan may restrict growth if only limited areas are set aside for residential land uses, and if higher residential densities are not accommodated. The zoning ordinance may impose further restrictions if development standards are too rigid, or if zoning designations do not conform to existing land uses. On the contrary, the zoning ordinance may also be utilized as a tool in encouraging and directing affordable housing, i.e. relaxed development standards, higher density, provision of incentives (waiver of fees, expedited review process, etc.) in exchange of the production of affordable housing, etc.

Residential Land Use Designations

Tustin's existing zoning ordinance allows for a range of residential densities from an effective density of 4.35 units per net acre in the E-4 Residential Estate District to 24.9 units per net acre in the R-3 Multiple Family Residential District. Tustin's General Plan allows a maximum of seven (7) units per acre with effective density of 5.61 dwelling units per acre within the Low-Density Residential land use to a maximum of 25 units per acre with effective density of 21.53 dwelling units per acre within High Density Residential land use. Ten (10) units per net acre are also permitted in the MHP Mobile home Park District (see Table H-II-18).

Residential projects, regardless of the number of units or density (even if density proposed is below anticipated level of density or development standard for that zone), can submit a preliminary review application for City Staff review and obtain City comments prior to submitting a formal application for review. This review process takes 30-days, requires a deposit and is facilitated by the Planning Division with written comments provided from the Building, Planning and Public Works Divisions or any other applicable divisions or agencies to the developer or applicant. This process facilitates a more streamlined review of a project prior to submitting for a formal review and provides certain project assurances to the developer or applicant. Other processes were presented as Programs in the Housing Element to support in streamlining development applications, including 1.11 Development and Permit Streamlining and 1.5 Zoning Code Streamlining Program. When a formal application

is submitted for a new construction project in the R-2 or R-3 zones formal Design Review is required and approval by the Planning Commission. Approximate application processing time can range from 3 months, for smaller projects, to 9 months, for larger projects depending on if there is a subdivision included with the application and the level of environmental review.

Parking requirements could be a potential constraint for single-family and multi-family residential development. Required parking for multi-family projects is two covered spaces, in either a garage or carport, for each dwelling unit, plus one unassigned guest space for every four units. For Tustin, this is not considered overly excessive given the older age of many of the existing multiple family residential units and the fact that many units or complexes have non-conforming parking. Parking requirements for single-family residential includes two-car garage per dwelling, or three-car garage per dwelling with five or more bedrooms. Parking is a significant area of concern within several areas of the City, especially in the higher-density residential areas.

At the time of this update, the City is currently reviewing the City's permit parking requirements and overall process. A new program has been included in this Housing Element, Program 1.2a., that commits to adopting new objective design standards that facilitate high-quality residential development; while ensuring the provision of adequate parking. Additionally, Program 1.14 a. commits to promoting adaptive reuse of historic resources for affordable housing and evaluate the use of alternate parking strategies. As existing multi-family parcels are recycled to conform to current parking requirements, the parking provided is more reflective of the actual occupancy and potential demand within the unit. A decrease in the number of required residential off-street parking spaces is allowed and limited to a maximum reduction of one (1) parking space through approval of a Minor Adjustment. Minor Adjustments are reviewed administratively by the Zoning Administrator and can take approximately 1 to 3 months to process the application.

Within the Multi-Family Residential District (R-3), a 35-foot height limitation and 65 percent coverage preclude the development of housing projects with building height above the 35-foot height limitation. While these height limits may place some restrictions on housing development, these limits are designed to maintain compatibility ~~between of land use types and intensities~~ intensity. ~~They ensure proper and effective transportation within the community and are commonly used by local governments as a development tool.~~ When designed properly, housing developments with certain design features and/or stepped building heights ~~such as limited windows and door openings along the walls facing single family zoned properties, or using stepped building heights and design to~~ can be incorporated to

minimize intrusion into the privacy of existing residents. ~~The granting of a Conditional Use Permit is a tool that can be used for such development projects to provide flexibility in allowing additional building height while maintaining compatibility with the surroundings. have been granted.~~ In addition, the City's proposed Program 1.2a, will result in objective design standards which will further aid in streamlining housing development application reviews. This program will ensure that the City can provide local objective design guidance to facilitate high quality residential development.

The Land Use Element indicates that residential development that supports commercial uses may also be permitted in the City's Old Town commercial area and along a portion of Red Hill Avenue just north and south of the Interstate-5 freeway. To ensure compatibility of residential uses with the commercial area, the location, density, and building intensity standards for these residential units will be governed by the respective specific plans for each area. New multi-family residential development continues to be an important supporting use for the City's mixed-use commercial/retail development areas.

Specific Plans

In 2018, the City of Tustin has adopted two specific plans, which offer a range and mix of uses and housing types. The City anticipates that while much of the residential growth will continue to be focused within the Tustin Legacy Specific Plan as the City owns and controls this land, the two specific plan areas will also accommodate additional residential units. These plans include:

**TABLE H-II-18
SUMMARY OF RESIDENTIAL ZONING REGULATIONS
CITY OF TUSTIN**

| Zoning | Minimum Lot Area | Density Max. du/ac | Lot Coverage | Building Height | Front Yard | Interior Side Yard | Corner Side Yard | Rear Yard | Parking |
|--|--------------------|--------------------|--------------|-----------------|------------|--------------------|------------------|--|---|
| R-A Residential Agricultural District | 7,200 square feet | 7 | 40 percent | 30 feet | 20 feet | 5 feet | 10 feet | 5 feet, but no less than 1,000 feet clear and unobstructed on open space. | 2 car garage per dwelling, 3 car garage per dwelling with five or more bedrooms |
| E-4 Residential Estate District | 10,000 square feet | 7 | 40 percent | 30 feet | 20 feet | 10% of lot width | 10% of lot width | 20 percent lot depth | 2 car garage per dwelling, 3 car garage per dwelling with five or more bedrooms |
| R-1 Single-Family Residential District | 7,200 square feet | 7 | 40 percent | 30 feet | 20 feet | 5 feet | 10 feet | 5 feet, but no less than 1,000 feet clear and unobstructed on rear 1/3 of lot. | 2 car garage per dwelling, 3 car garage per dwelling with five |

| | | | | | | | | | |
|--|-------------------|----|------------|----------------------|---------|--------|---------|---------|--|
| | | | | | | | | | or more bedrooms |
| R-2 Duplex Residential District | 3,500 square feet | 15 | 40 percent | 30 feet | 20 feet | 5 feet | 10 feet | - | 2 car garage per dwelling; one of which shall be garage space |
| R-2 Duplex Residential District (single structure) | 3,500 square feet | 15 | 50 percent | 35 feet | 20 feet | 5 feet | 10 feet | 10 feet | 2 car garage per dwelling; one of which shall be garage space |
| R-3 Multiple Family Residential District | 1,750 square feet | 25 | 65 percent | 35 feet | 15 feet | 5 feet | 10 feet | 10 feet | 2 assigned covered spaces per unit, plus one unassigned open space per 4 units |
| R-4 Suburban Residential District | 7,200 square feet | 25 | | 2 stories or 35 feet | 20 feet | 5 feet | 10 feet | 25 feet | 2 assigned covered spaces per unit, plus one |

| | | | | | | | | | |
|----------------------------------|--|--|------------|--|---|--|--|--|--|
| | | | | | | | | | unassigned open space per 4 units |
| MPH Mobile Home Park District | Minimum 5 acre site for mobile home park. Travel trailer shall not exceed 10% of total spaces in mobile home park. | 10 | 75 percent | 30 feet | Trailer park-none. Individual lot-5 feet (measure from curb to actual structure, hitch excluded). | | | | 2 spaces per mobile home lot, plus 1 guest space for each 10 mobile home lots. |
| P-D Planned Development District | 10,000 | Range Incl. 4.485 (low) 11.834 (med) 17.39 (high) | | To be determined with adoption of P-D District | To be determined with adoption of P-D District | To be determined with adoption of P-D District | To be determined with adoption of P-D District | To be determined with adoption of P-D District | 2 assigned covered spaces per unit, plus one unassigned open space per 4 units |

Source: City of Tustin, Zoning Code, 2021.

- Downtown Commercial Core Specific Plan (adopted July 3, 2018)
- Red Hill Avenue Specific Plan (adopted November 6, 2018)

The Downtown Commercial Core Specific Plan (DCCSP) introduced mixed-use and infused the potential for 887 units into the area through a Residential Allocation Reservation (RAR) review process. To date, 140 new non-mixed-use units were constructed. While this development entailed all market rate units, the developer participated in the in-lieu fee option regarding affordable housing provisions.

The Red Hill Avenue Specific Plan (RHASP) introduced mixed-use to the area and similarly identified the potential for 500 new units in conjunction with the RAR review process. No units have been constructed in this area to date; however, there is an application pending for a development project currently under consideration within this area.

East Tustin Specific Plan

The East Tustin Specific Plan provides for single-family detached products to be developed at a variety of densities. The Low-Density designation requires a minimum lot area of 5,000 net square feet while the Medium-Low designation requires a minimum lot area of 3,000 net square feet and densities not to exceed 5 and 10 units per net acre respectively.

Tustin Legacy Specific Plan (formally MCAS Tustin)

The MCAS Tustin Specific Plan designation provides opportunities for development of a variety of residential products at varied density ranging up to 25 dwelling units per acre. In addition, the Specific Plan allows for density bonuses and density averaging. For example, in Neighborhood D, the maximum density on an individual parcel may exceed 25 units per acre as long as the total dwelling units allocated to Neighborhood D is not exceeded. Consistent with the City's policy to increase homeownership to maintain a balanced community, the majority of residential units authorized within the Specific Plan are owner-occupied units. However, in response to market demand, the City processed an amendment to the MCAS Tustin Specific Plan that allowed for additional renter-occupied units, including affordable rental units.

Within Neighborhood D of the MCAS Tustin Specific Plan, a 150-foot height limitation up to 180 foot if approved by the Community Development Director would be allowed which provides for layering products (i.e., stacked flats, podium style, etc.) with mixed use developments, thereby providing opportunities for the development of higher density residential products.

Within Neighborhood G of the Specific Plan, there is a completed 225-unit affordable housing community with a 375-unit single-family neighborhood. This area is intended to include a range of housing types for single-family and multi-family residential (i.e., detached homes, carriage way units, courtyard housing, townhomes and flats. Similar to Neighborhood D, this area allows for up to six (6) stories in building height for multi-family, commercial and non-residential and up to three (3) stories in height for single-family units, thereby providing opportunities for the development of higher density residential products.

Tustin Legacy has been undergoing development since the early 2000's. Ultimate buildout is expected by 2035. There are two primary factors that influence the timing of development at Tustin Legacy: 1) market demand for the uses planned; and 2) the complexity and timing of environmental clean-up efforts.

Where adequate infrastructure is in place and supports new development, this Phasing Plan would enable earlier response to positive market conditions and result in more rapid buildout of the Specific Plan area. Where a proposed development project is not supported by existing infrastructure, conditions of approval shall be established to ensure that appropriate infrastructure is constructed in accordance with this Phasing Plan and mitigation adopted in the supporting environmental documentation. Appendix B includes discussion of available housing opportunity within the MCAS Tustin Specific Plan area.

Limited residential uses are also permitted in areas designated Public/Institutional provided the intended occupants are associated with the primary institutional uses. Additionally, homeless facilities are permitted by right in the MCAS Tustin Specific Plan and are allowed throughout the remainder of the City either as an outright permitted or conditionally permitted use depending on the number of residents in the project.

The City's Zoning Ordinance calculates parking requirements by unit type (See HTM-32 for summary of parking requirements). Parking requirements in Tustin are generally two spaces per unit, with an additional requirement of one guest space per every four units in multi-family development. Carports for multi-family units are permitted which would reduce development costs in contrasts to the provision of garages. Furthermore, affordable and senior housing development meeting the State Density Bonus Law would be eligible to use the reduced parking standards under the State Law.

The City's land use regulatory mechanisms accommodate the development of housing at a range of densities and products and do not constrain the potential for new construction at densities suitable to meet the needs of all income ranges,

although assistance may be required for units offered at prices affordable to lower income households.

Overlay Zones and Other Districts

Planned Development (PC) Zone

The Planned Community District has authorized residential subdivisions with single-family lots of 3,500-5,000 net square feet, which significantly increases density potential. The Planned Community Development also provides incentives such as no height limits when certain criterion are met and for innovative designs that incorporate small lots, residential clustering, mixed density, and mixed income types which also provides flexibility in overall density.

Cultural Resource District

The Cultural Resource District is an overlay district that applies to those properties, structures and sites that are designated within the City. Currently there are 397 total residential structures (365 single-family and 32 multi-family), 73 commercial structures, 13 mixed use and 12 institutional structures designated as historic within the City. All of the residentially-zoned sites within this district can accommodate ADUs.

Density Bonus and Workforce Housing Ordinance

Government Code Section 65915 requires a jurisdiction to provide density bonus or other incentives or concessions for the production of lower income housing units or for the donation of land within the development if the developer agrees to construct a specified percentage of units for very low, low, and/or moderate-income households. Density bonus is a California state requirement and as a result, is not subject to discretionary review of local agencies or jurisdictions.

Current state law requires that jurisdictions must provide density bonuses and development incentives to all developers who propose to construct affordable housing on a sliding scale, whereby the amount of density bonus and number of incentives vary according to the number of affordable housing units to be provided.

AB2345 passed in September 2020, amended the Density Bonus Law to increase the maximum density bonus from 35 percent to 50 percent. For a developer to obtain the maximum density ,a project must set aside a higher percentage of total units at a certain income level. Similarly, levels of density bonus between 35 and 50 percent are granted on the sliding scale.

The State's Density Bonus Law and City's Workforce Housing Ordinance (adopted in 2018) encourages development of housing for lower income households within the

Red Hill Avenue and Downtown Commercial Core Specific Plan areas. The City's density bonus program is in compliance with current State law.

Housing or Persons with Disabilities/Reasonable Accommodation

The City of Tustin recognizes the importance of addressing the housing needs for persons with disabilities. The City's Zoning Code defines "family" as "an individual or two (2) or more persons living together as a single housekeeping unit in a dwelling unit." This definition accommodates unrelated persons living together in a dwelling unit; thus, the City's definition for a family would not constrain the development and rehabilitation for persons with disabilities.

The City requires each development to comply with Title 24 of the California Code. All multi-family complexes are required to provide accessible parking spaces based upon the prescribed State code requirements. For development of special needs housing such as housing for the disabled, senior housing, etc., parking requirements would be determined based upon parking demand analysis which by nature would allow for lower parking ratio in comparison to those required for multiple family residential units. In addition, an off-street parking ordinance adopted by the City allows for the reduction in parking due to an American with Disabilities Act (ADA) upgrade. The Community Development Director is authorized to allow the reduction in the number of required parking spaces when the site is brought up to ADA standards. This provision provides incentives to property owners to provide reasonable accommodation to the disabled.

The City also requires new multi-family housing units and apartment conversions to condominiums to comply with State specifications pursuant to SB 520 for accommodation of the disabled.

A Residential Care facility serving six (6) or fewer persons is a permitted use in all residential districts. The City's Zoning Ordinance does not contain maximum concentration requirements for a residential care facility serving six (6) or fewer persons. Facilities serving more than six (6) persons are conditionally permitted within Planned Development District (P-D), Multiple Family Residential District (R-3), Suburban Residential District (R4), and Retail Commercial District (C-1).

It is the policy of the City of Tustin to comply with the federal Fair Housing Amendments Act of 1988 and the California Fair Employment and Housing Act to provide individuals with disabilities reasonable accommodation in regulations and procedures to ensure equal access to housing and to facilitate the development of housing for individuals with disabilities. Tustin City Code Section 9278, Reasonable Accommodation, addresses this and establishes a process for individuals with disabilities to make requests for reasonable accommodation when reasonable accommodation is warranted based upon sufficient evidence.

A completed development application form is required providing specific information as identified in TCC Section 9278d1. A filing fee in the amount required for a Minor Amendment application pursuant to the City's current adopted fee schedule is required to accompany the completed application. The property for which the reasonable accommodation is being requested must be in compliance with the codes and regulations existing at the time of application submittal.

Reasonable accommodation requests are considered without a public hearing by the Community Development Director. The Director may either grant, grant with conditions, or deny a request for reasonable accommodation in accordance with the required findings set forth in TCC Section 9278f. If additional entitlement(s) are requested in addition to the request for reasonable accommodation, then, the approval body for the entire application, including the request for reasonable accommodation, is the same body that acts on both. Other provisions, as applicable, are identified in Section 9278 of the TCC. The City's Community Development Department may inspect annually or more often. A deed restriction is recorded against the property to ensure compliance with conditions of approval, potential removal of the accommodation, and use restrictions.

Homeless Accommodation

Recent legislation (AB 101 and AB 139) require revisions to local zoning regulations regarding the provision of Low Barrier Navigation Centers (LBNC) and emergency shelters. Specifically, AB 139 requires the assessment of shelter needs be based on the most recent Point-in-Time Count and the parking standards for shelters be based on staffing levels. Homelessness within the City is further discussed in Appendix D.

Emergency Shelters, Transitional Housing, and Supportive Housing

To address the regional needs of homeless individuals and families, the City of Tustin participates in the Continuum of Care (CoC) program sponsored through the County of Orange. The purpose of the Continuum of Care Homeless Assistance Programs is to fund projects that will fill gaps in locally developed Continuum of Care systems to assist homeless persons to move to self-sufficiency and permanent housing. An important element of meeting this objective is to fund projects that will meet the goal of ending chronic homelessness.

The Orange County Continuum of Care system consists of six basic components: Advocacy on behalf of those who are homeless or at-risk of becoming homeless; A system of outreach, assessment, and prevention for determining the needs and conditions of an individual or family who is homeless; Emergency shelters with appropriate supportive services to help ensure that homeless individuals and families receive adequate emergency shelter and referrals; Transitional housing to

help homeless individuals and families who are not prepared to make the transition to permanent housing and independent living; Permanent housing, or permanent supportive housing, to help meet the long term needs of homeless individuals and families; Reducing chronic homeless in Orange County & addressing the needs of homeless families & individuals using motels to meet their housing needs.

As part of the City of Tustin's participation in the CoC program, and in partnership with 2-1-1 Orange County, on January 22, 2019, a Point-In-Time Homelessness count was conducted in Tustin. The count provided data which indicated that 73 percent of Tustin's homeless population lives in Transitional Housing or Emergency Shelters, while 26 percent reside in places not meant for human habitation. The data collected from the Point-In-Time Count will provide direction to the City of Tustin's overall efforts to address homelessness within the City.

In March 2019, the City of Tustin opened a new low-barrier temporary homeless shelter in the Tustin Legacy Specific Plan area, with 57 emergency shelter beds for men, women, and families with children. Recently, in response to the Covid-19 pandemic, additional facilities have been installed and the capacity of this shelter has been increased to 84 beds. This facility is operated by Temporary Shelter, Inc., and will include a variety of wrap-around and other supportive services to be administered at the site. This is a legally-compliant shelter which does not have any religious component. This site is being established to ensure that unsheltered homeless individuals with ties to Tustin have the opportunity to be provided with a bed and shelter. The site also has potential to expand in the future, should the need arise.

In addition to the City's participation in the County of Orange Continuum of Care, the City of Tustin will continue to provide funding to homeless service providers who provide emergency and transitional shelter resources, along with additional support services for homeless and at-risk homeless individuals.

Within the City there are several Non-Profit Organizations (NPOs) that provide direct housing and related services to homeless persons. These include Village of Hope, Sheepfold, Families Forward, Olive Crest and Laurel House. Additional details regarding these providers and services is included in Appendix D.

In the Tustin Legacy Specific Plan, Planning Area 3 is a designated transitional/emergency housing site currently operated by the Orange County Rescue Mission. This site includes the reuse of two existing barracks (Building Numbers 553 and 554) and accompanying parking areas for an emergency homeless shelter or transitional housing for homeless persons. Supporting social services and food services are also allowed within this Planning Area.

Transitional Housing

The City of Tustin currently supports transitional housing facilities, including Village of Hope and House of Ruth. The House of Ruth is within the City's R4 zone and Village of Hope is within the Tustin Legacy Specific Plan as permitted in the zones. The House of Ruth is a seven (7) unit multi-family residential facility and family resource center to provide transitional housing and related support to families with children who are experiencing homeless or are at-risk. The Village of Hope is a 387 transitional housing program for homeless men, women and children. Transitional Housing is allowed in zones where multi-family housing is permitted.

Supportive Housing

Supportive Housing – Supportive housing is defined as permanent (no limit on the length of stay), provides supportive services and is occupied by low-income persons with disabilities and certain other disabled persons. Services may include assistance designed to meet the needs of the target population in retaining housing, career counseling, mental health treatment, and life skills. Tustin's Zoning Code permits supportive housing as a residential use, provided supportive services are ancillary to the primary use.

Recent changes to State law under AB 2162 and AB 2988 would expand the provision of supportive housing to be permitted by right where multi-family and mixed uses are permitted.

Residential Care Facilities:

In 1969, the Lanterman Developmental Disabilities Services Act (aka Lanterman Act) was adopted by the California state legislature which stipulates that small State-licensed residential care facilities for six or fewer persons must be treated as regular residential uses and permitted in all residential districts; the City of Tustin is compliant with the Lanterman Act.

State-licensed residential care facilities for more than six persons are similar to “rest homes, extended care facilities, convalescent hospitals and sanitariums” as defined in the Tustin City Code and are conditionally permitted in the R-3 and R-4 zones. The Land Use Element and Tustin Zoning Code provide for the development of multifamily housing in the R-2, R-3 and R-4 zones. Traditional multifamily housing for persons with special needs, such as apartments for seniors and the disabled, are considered regular residential uses permitted in these zones. The City’s land use policies and zoning provisions do not constrain the development of such housing.

State-licensed residential care facilities for more than six persons are also conditionally permitted within the City’s Tustin Legacy Specific Plan, Red Hill Avenue Specific Plan and Downtown Commercial Core Specific Plan areas. Potential conditions for approval for these uses may include hours of operation, security measures, loading requirements, and management. Conditions would be similar to those for other similar uses in the same zones and would not serve to unduly constrain the development of residential care facilities for more than six persons. Occupancy standards for residential care facilities are the same as occupancy standards for all other residential uses. The City has not adopted a spacing requirement for residential care facilities.

Fees and Improvements:

Various fees and assessments are charged by the City and other outside agencies (e.g., school districts) to cover costs of processing permits and providing services and facilities, such as utilities, schools and infrastructure. These fees are assessed based on the concept of cost recovery for services provided. Additionally, planning fees cover the cost of City resources in reviewing and assisting in processing of proposed ministerial and discretionary planning actions.

Tustin is urbanized with most of the necessary infrastructure, such as streets, sewer and water facilities in place. Nonetheless, site improvements can significantly add to the cost of producing housing. Cost-effective site planning can minimize site improvement costs. ~~The The Housing Element Technical Memorandum describes in detail rDetails required site improvements and provides a relative to a list of~~ fees

associated with development ~~are listed in can be found in~~ (Tables H-II-19a, H-II-19b, and in Figure H-II below. ~~4~~).

Planning and Permitting fees are charged on an at-cost basis to cover staff services and administrative expenses for processing development applications. Development impact fees are required to provide essential services and infrastructure to serve new residents. Impact fees are governed by State law to demonstrate a nexus between development and potential impacts. The City permitted a condominium project of 140 units in the Red Hill Avenue Specific Plan Area. The project fees for this project were \$496,780.25. Fee costs respective to overall development costs and anticipated cost of units are considered insignificant. Development fees are not considered a constraint to housing. However, fees do contribute to the total cost of development and impact the final purchase or rental price.

Table II-19a. Development Fees

| City of Tustin Development Impact Fees | | | |
|---|--|--|---|
| FEE TYPE | LAND USE | IMPACT FEE RATE | |
| <u>New Construction Fees</u> | ☐ Residential | Single Family Dwellings | \$350.00 per unit |
| | | Duplexes | \$350.00 per unit |
| | | Multifamily dwellings, Townhouses, or Condominiums | \$350.00 per unit plus \$100.00 per bedroom over one (1) in each unit |
| | | Mobile home park pads | \$100.00 per pad |
| | ☐ Commercial/Industrial | Commercial/Industrial | \$0.10 per sq. ft. of gross floor area, including any area upon or within a building designed for parking |
| | | Hotel or motel rental unit without a kitchen | \$100.00 per unit |
| <u>Park Fees</u> | <p>When a public park or public recreational facility is not provided within a proposed residential subdivision, the subdivision is less than fifty (50) parcels, or the project is a conversion of an existing apartment complex to a multi-owner occupancy not exempted in the Subdivision Code, a park fee will be required. A park fee is also required for non-subdivisions within the Downtown Commercial Core Specific Plan (DCCSP) and the Red Hill Avenue Specific Plan (RHASP).</p> | | <p>The fee is calculated on a per unit basis for each project, reflecting the fair market value of land required for park purposes. The value shall be determined by a Master Appraisal Institute (MAI) appraiser acceptable to the City and the expense of the subdivider.</p> <p>DCCSP: The fee shall be based upon the fair market value of the amount of land which would otherwise be required for dedication.</p> <p>RHASP: Calculate the amount of land which would otherwise be required for dedication:</p> <p>(# of Dwellings) x (0.003 Acre/Person) x (2.24 Person/Dwelling Unit)</p> <p>Afterwards multiply the amount of land computed required for dedication by \$2,500,000/Acre</p> |
| <u>School District Fees</u> <small>(Updated every July 1st)</small> | Tustin Unified School District | ☐ Residential | \$4.08 per sq. ft. of building area |
| | | ☐ Commercial/Industrial | \$0.66 per sq. ft. of building area |
| | Irvine Unified School District | ☐ Residential | \$4.08 per sq. ft. of building area |
| | | ☐ Commercial/Industrial | \$0.66 per sq. ft. of building area |

Table II-19b. Development Fees

| City of Tustin Development Impact Fees | | | |
|---|--|---|-------------------------------------|
| FEE TYPE | LAND USE | IMPACT FEE RATE | |
| <u>Transportation Corridor Fees</u> Foothill/Eastern Transportation Corridor Agency (Updated every July 1st) | <input type="checkbox"/> Zone A | Single Family | \$6,056 per unit |
| | | Multi-Family | \$3,536 per unit |
| | | Non-Residential | \$8.42 per sq. ft. of building area |
| | <input type="checkbox"/> Zone B | Single Family | \$4,310 per unit |
| | | Multi-Family | \$2,513 per unit |
| | | Non-Residential | \$4.88 per sq. ft. of building area |
| <u>Affordable Housing Fees</u> | Any residential project providing voluntary workforce housing incentive units pursuant to Subsection (a)(3) of Tustin City Code B9923 must also pay the City a voluntary workforce housing incentive program in-lieu fee calculated by either: Effective January 2021 – January 2022 Fee=\$12,946 p/unit | 1: Multiplying the voluntary workforce housing incentive program in-lieu fee by one-half (½) the number of base units provided on-site $\frac{(\text{In-Lieu Fee}) \times (\text{Base Units Provided On-site})}{2}$ | |
| | | 2: Multiplying the voluntary workforce housing incentive program in-lieu fee by one-half (½) the residential project's total square feet of residential area $\frac{(\text{In-Lieu Fee}) \times (\text{Residential Project's Total Sq.Ft. of Residential Area})}{2}$ | |
| | | For residential projects where an application was received but not deemed complete on or before April 17, 2018, use calculations from 2 above. | |

Figure H-II-2. Planning Fees

| <u>PLANNING DIVISION AND REDEVELOPMENT FEES</u> | |
|--|---|
| <u>TYPE OF CHARGE (See "Criteria for Determining Planning Fees" below)</u> | <u>FY 08-09 Fees</u> <small>(1) (10)</small> |
| Appeals | ½ Application Fee |
| Certificate of Compliance | \$95.00 |
| City Attorney / Special Counsel / City and Agency Staff / Outside Consultants | Actual Costs ⁽²⁾ |
| Code Amendment ^{(2) (10)} | \$950.00 |
| Concept Plan Review ^{(2) (10)} | \$3,000 Deposit ⁽⁹⁾ |
| Conditional Use Permits and Amendments ^{(2) (10)} | |
| Major | \$3,000 Deposit ⁽⁹⁾ |
| Minor (new development) | \$665.00 |
| Minor (existing development) | \$350.00 |
| Amendment to Conditions of Approval | \$350.00 |
| ABC License | \$255.00 |
| Time Extensions | \$250.00 |
| Design Reviews and Amendments ^{(2) (10)} | |
| Major New | \$3,000 Deposit ⁽⁹⁾ |
| Major Remodel | \$635.00 |
| Minor New | \$510.00 |
| Minor Remodel | \$350.00 |
| Sign | \$65.00 |
| Amendment to Conditions of Approval | \$350.00 |
| Time Extensions | \$250.00 |
| Development Agreements ^{(2) (10)} | \$2,000 ^{(2) (11) (12)} |
| Miscellaneous Research / Legal opinions for Extraordinary Research (City Attorney; Special Counsel Fees; City and/or Agency staff; and outside consultant costs) | Actual Costs |
| Environmental | |
| EIR Major (Deposit) | \$4,000 ⁽²⁾⁽⁴⁾ |
| EIR Minor (Deposit) | \$2,500 ⁽²⁾⁽⁴⁾ |
| Supplemental EIR | Actual Cost ⁽²⁾ |
| Addendum EIR | Actual Cost ⁽²⁾ |
| Initial Study | \$95.00 |
| Negative Declaration | \$125.00 ⁽⁴⁾ |

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Figure H-II-2. Planning Fees (cont.)

| <u>PLANNING DIVISION AND REDEVELOPMENT FEES</u> | |
|--|---|
| <u>TYPE OF CHARGE (See "Criteria for Determining Planning Fees" below)</u> | <u>FY 08-09 Fees</u> <small>(1) (10)</small> |
| Notice of Completion | \$50.00 |
| Notice of Determination | \$25.00 |
| Notice of Exemption | \$25.00 ⁽⁴⁾ |
| General Plan Amendments | |
| Land Use Map | \$985.00 |
| Major Text Amendment | \$2,000 ⁽²⁾ |
| Minor Text Amendment | \$750.00 |
| Large Family Day Care Review | \$350.00 |
| Lot Line Adjustment | \$255.00 |
| Lot Merger | \$190.00 |
| Miscellaneous Documents | \$190.00 ⁽³⁾ |
| Newsrack Permit | |
| (per permit location | \$125.00 |
| (4+ permit locations) | \$500.00 deposit |
| Temporary Use Permit (TUP) | \$95.00 |
| Time extension on TUPs | \$50.00 |
| Subdivisions and Amendments ^{(2) (10)} | |
| Tentative Tract Map | \$3,000 Deposit ⁽⁹⁾ |
| Tentative Parcel Map | \$3,000 Deposit ⁽⁹⁾ |
| Tentative Tract Map (ET Project) | \$2,730 |
| Tentative Tract Map (ET Sector) | \$5,715 |
| Final Tract Map | \$1,335 |
| Final Parcel Map | \$1,110 |
| Amendment to Conditions of Approval | \$350.00 |
| Reversion to Acreage | Map Fee + \$65.00 |
| Time Extension | \$250.00 |
| Master Association Documents, CC&R review | Actual Cost ⁽²⁾ |
| Use Interpretations | \$125.00 |
| Variations and Amendments ^{(2) (10)} | |
| Major | \$3,000 Deposit ⁽⁹⁾ |
| Minor | \$380.00 |

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Figure H-II-2. Planning Fees (cont.)

PLANNING DIVISION AND REDEVELOPMENT FEES

| <u>TYPE OF CHARGE (See "Criteria for Determining Planning Fees" below)</u> | <u>FY 08-09 Fees</u> <small>(1) (10)</small> |
|--|---|
| Amendments to Conditions of Approval | \$350.00 |
| Time Extensions | \$250.00 |
| Zone Change | \$950.00 |
| Zoning Administrator Action | |
| Administrative Adjustment/Minor Adjustments | \$95.00 |
| Soil Remediation | \$95.00 |
| Minor Conditional Use permits (existing development) | <small>(5)</small> |
| Time Extensions | <small>(6)</small> |
| Amendment to Conditions of Approval | <small>(7)</small> |
| Design Review (RDA) | <small>(8)</small> |
| Written zoning confirmation/non-conforming status letter (Hourly) | \$50.00 |
| Planning review of plan check submittals | 20% of Building Division Plan Check or Permit Fee |

CRITERIA FOR DETERMINING PLANNING FEES

CONDITIONAL USE PERMITS

- MAJOR CUP: New uses in combination with new construction or existing development in excess of 5,000 square feet of floor area, new auto services or repair related uses, and new apartment or condominium projects in excess of 3 dwelling units, condominium conversions.
- MINOR CUP: New uses in combination with new construction or existing development with 5,000 square feet or less of floor area, new uses within existing structures, expanded or modified existing uses, signs, new apartment or condominium project with 3 dwelling units or less, second single family dwellings.

Figure H-II-2. Planning Fees (cont.)

CRITERIA FOR DETERMINING PLANNING FEES

DESIGN REVIEW

| | |
|----------------|---|
| MAJOR NEW: | New development in excess of 5,000 square feet of floor area or building relocations. |
| MINOR NEW: | New development with less than 5,000 square feet of floor area. |
| MAJOR REMODEL: | Modifications to existing structures or site which include an increase in existing floor area in excess of 50%, and/or existing façade or site modifications which constitute a change in 3 or more major design elements on a building elevation or site which result in a complete façade upgrade. Definition of an element includes windows, doors, colors, materials, parking lot changes, etc. |
| MINOR REMODEL: | Modifications to existing structures which include an increase in existing floor area of 50% or less, and/or existing façade or site modifications which constitute a change in 3 or less major design elements which do not result in a complete façade upgrade, single family homes not part of a subdivision, residential room additions, and new or modified accessory structures associated with existing development. |

VARIANCES

| | |
|-----------------|--|
| MAJOR VARIANCE: | New development that deviates from a specific development standard, all existing development which deviates from a standard by more than 10%. |
| MINOR VARIANCE: | Existing development that deviates from a specific development standard by less than 10%, new single family homes not part of a subdivision, or projects where the site will contain less than 3 new apartments or new condominiums. |

NOTE: Where there is a question as to what category a project should be classified, the Director reserves the right to determine the applicable category a project should fall within.

Footnotes:

- (1) Includes cursory review of applications by building staff.
- (2) City Attorney; Special Counsel; City and Agency staff; and outside consultant fees to be reimbursed at the actual cost incurred to City.
- (3) Examples: Parking Agreements, Access Agreements, Deed Restrictions.

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Figure H-II-2. Planning Fees (cont.)

Footnotes:

- (4) The applicant will be required to provide the City with a cashier's check for \$43, payable to the Orange County Clerk-Recorder within 48 hours of project approval, for filing of environmental documents. Substantial additional fees may be required by the Orange County Clerk-Recorder when the City files the Notice of Determination, in accordance with AB 3158, as established by the California State Department of Fish and Game. If additional fees are required, the applicant will be required to provide the City with a cashier's check for the additional fees, payable to the Orange County Clerk-Recorder within 48 hours of project approval.
- (5) See fee for Minor CUP (existing development).
- (6) See fee for Time Extensions (CUP, Design Review, Variance and Subdivision)
- (7) See fee for Amendment to Conditions of Approval (CUP, Design Review, Variance, and Subdivision)
- (8) See fees for Design Reviews.
- (9) Initial deposit fees are required at the time of application submittal for large developments. Actual staff costs will be subtracted from the deposit and any additional staff costs incurred above the initial deposit will be due to the City.
- (10) Fees are intended to cover the cost of processing a standard application typically including but not more than two (2) meetings with the applicant. Requests or requirements for additional staff meetings, responses to correspondence/e-mails, the need for the City to engage outside consultants are to be reimbursed at actual staff and City Attorney/Special Counsel costs.
- (11) This fee is for a Development Agreement as provided for under Government Code Section 65864 and does not apply to an Agency or City "Disposition and Development Agreement". A deposit of \$2,000 shall be required and actual costs reimbursed based on the same parameters as established in footnote 2, unless an agreement is reached with the developer to modify this requirement.
- (12) Initial and any on-going deposits and costs to reimburse the City or Agency for actual city attorney, special counsel or actual staff or outside consultant costs unless an agreement is reached with developer to modify this requirement.

Building Codes and Enforcement:

Building and safety codes regulate new construction, alteration, and reconstruction of buildings, and are intended to protect occupants from unnecessary risk of fire, structural collapse, unsanitary conditions, and injury or loss of life. While building and safety codes are adopted for the purposes of preserving public health and safety, and ensuring the construction of safe and decent housing, they have the potential to increase the cost of housing construction and/or maintenance. The City of Tustin's building codes are based on regulations necessary to protect the public health, safety, and welfare of its residents. The City has adopted into its Codes and Ordinances the 2019 California Building Code, based on the 2018 International Building Code, as published by the International Code Council, which establish construction standards for all residential buildings. The City has adopted minor amendments to the CBC, none of which are expected to pose a constraint to development.

Compliance with the CBC should not significantly add to the cost of construction since the Code is mandated to be enforced statewide and costs should be relatively uniform across the State of California. Any costs associated with Building Code standards are necessary to protect the health safety and welfare of the citizens. Compliance ensures that all new or renovated buildings are structurally sound, have proper exiting and are equipped with necessary fire protection features.

Local Processing and Permit Procedures:

The evaluation and review process required by City procedures contributes to the cost of housing. State law establishes maximum time limits for project approvals and City policies provide for the minimum processing time necessary to comply with legal requirements and review procedures.

The City of Tustin encourages the simultaneous processing of related applications for a single project and the Community Development Department serves as the coordinating agency to facilitate reviews with other in-house departments such as Police, Public Works/Engineering, and Parks and Recreation.

Larger-scale discretionary residential projects within the Tustin Legacy area of the City include design review, conditional use permit(s), development/housing and/or reimbursement agreements, tentative tract map, and sometimes minor adjustments or modifications (i.e. minor deviations). For these projects, the environmental analysis has already been completed under the Final Program EIS/EIR for MCAS Tustin and supplemental addendums and other analyses that have been prepared so future projects tier off of the Final Program EIS/EIR for MCAS Tustin which helps to streamline the review. Processing time for these projects may take approximately 6-

10 months and depends upon the various agreements that may be required between the applicant and the City.

For Tustin Legacy, developments under the former Master Developer footprint (approximately 800 acres) are also subject to the Legacy Park Design Guidelines to ensure compatibility of products proposed by vertical builders. The design guidelines present minimum design criteria for the achievement of functional, quality, and attractive development expected at the Tustin Legacy. The guidelines are intended to complement the Tustin Legacy Specific Plan district regulations and to provide staff, builders, design professionals, and other users with a concise document when dealing with Design Review process to avoid ambiguity. Together the Tustin City Code, Design Review provisions, the Legacy Park Design Guidelines, and the "one-stop" processing system provide certainty to developers seeking approval for the development of residential projects in this area.

Smaller discretionary residential projects outside of the Tustin Legacy area may include design review, conditional use permit(s), tentative parcel maps and minor adjustments or modifications as well as necessary CEQA analysis. Depending on the project details, additional CEQA review time may or may not be necessary as part of the entitlement application and these projects may take approximately 3-5 months to process. The time to process either large or small-scale residential development applications depends on the completeness of the application at the time of submittal and the team that the applicant has assembled to process their project with City staff.

The City has eliminated the potential increase in financing costs caused by a delay in permit processing by assigning priority to the plan review and permit issuance for low-income housing projects. If a complete application is submitted, all Design Review Committee members (if the project requires discretionary review) and plan checking departments (if the project does not require a discretionary review) simultaneously review the plans. The Design Review application does not necessarily require a public hearing or Planning Commission approval. The Tustin City Code authorizes the Community Development Director to approve development plans when findings can be made that the location, size, architectural features and general appearance of the proposed development will not impair the orderly and harmonious development of the area. In making such findings, the Zoning Code provides items to be considered such as height, bulk, setbacks, site planning, exterior materials and colors, relationship of the proposed structures with existing structures in the neighborhood, etc. Project applications which comply with all the development standards prescribed by the district in which the project is located would not be required to go through any other discretionary approval. As part of Program 1.2, the City will provide and adopt objective design standards to further ensure that the City

can provide local guidance on design standards to facilitate high-quality, streamlined residential development. These standards would further increase certainty and reduce inefficiencies related to project's design review and approval.

As discussed above, when a formal application is submitted for a new construction project in the R-2 or R-3 zones formal Design Review is required and approval by the Planning Commission. Approximate application processing time can range from 3 months, for smaller projects, to 9 months, for larger projects depending on if there is a subdivision included with the application and the level of environmental review.

For development proposed that constitutes as a new use in combination with new construction or existing development in excess of 5,000 square feet of floor area and new apartment or condominium projects in excess of 3 dwelling units or condominium conversions, a Major Conditional Use Permit would be required in addition to Design Review by the City. For new uses with new construction or existing development including 5,000 square feet or less, a Minor Conditional Use Permit would be required in addition to Design Review. Depending upon the parking provided versus that which is required in the Tustin City Code, respective Specific Plan or other planned community, an additional Conditional Use Permit may be required for shared or joint use parking. All projects that trigger a Conditional Use Permit for parking, must be reviewed and approved by the Planning Commission.

The number and/or type discretionary applications does not infer that additional time is needed or required to process them. The review of all development is considered and reviewed in a timely manner by City staff. A thorough review and complete review of proposed development is in the interest of public welfare and safety to ensure development would be compatible with existing and future land uses, so as not to induce environmental or health risk as a result of project operation. Therefore, the discretionary or non-discretionary development approval process would be considered reasonable and beneficial, and would not be considered a constraint on housing supply and affordability.

For projects of significant benefit to the low-income community, costs can be waived by the City Council.

In 2020, City staff developed a streamlined application and implemented a complimentary streamlined review system (i.e., Residential Allocation Reservation or "RAR process") for projects located in the DCCSP and the RHASP. The RAR process, which is an integral part of each plan, is a preliminary review of the project prior to formal submittal for entitlements whereby residential units are potentially allocated to a project based on certain findings. An application with project

description, parking management plan, scaled and dimensioned site plan and architectural elevations are required for the submittal. The allocation is not final until the formal application for the project is submitted, reviewed and approved by the City following required hearings before the Planning Commission and City Council.

Additionally, City staff is currently developing citywide ADU design guidelines and updating the Zoning Code to streamline the ability to construct ADUs as an affordable housing option (see Program 1.8 of Section IV).

Another governmental constraint is the number of staff and amount of staff time available for processing development projects. Since the workload is determined by outside and uncontrolled forces (economy and market for housing and availability of general fund revenue), a shortage of staff time may occur which could lead to increased processing time for development projects.

Cumulative

In 2018, with the adoption of the Red Hill Avenue Specific Plan (RHASP) and Downtown Commercial Specific Plan (DCCSP), new mixed-use housing opportunities were created along Red Hill Avenue and in certain segments in the City's downtown area. A Voluntary Workforce Housing Incentive Ordinance was also adopted during this same timeframe and is applicable to both Specific Plan areas to encourage development of affordable housing. The Ordinance mirrors the State Density Bonus Law and allows for concession and/or incentives under State Law. At the time of this update, the first mixed use project along Red Hill Avenue within the RHASP is under City review. This is the first project to comply with this Ordinance and includes the provision of ~~520~~ percent affordable housing (with a 20% density bonus) with and a concession and incentive request for a reduction in open space and a waiver for park fees for the affordable units provided. The waiver of park fees is an option subject to approval by the City Council. The project will be using the State parking ratios for affordable housing. Since adoption of either plan, the City has not received any requests for projects below the City's allowable densities. New construction in the city has continued primarily within the Tustin Legacy area with recycling of older single-family units into new single-family homes or smaller multi-family complexes. Remodeling and rehabilitation of existing residential structures is also significant. Other than the Tustin Legacy area and some vacant parcels within the DCCSP, the City is primarily built out.

The cumulative effect of the City's residential development standards does not constrain the expansion of the housing opportunities. Density standards contained with the City's Zoning Ordinance are consistent with densities established in the General Plan. With the establishment of mixed-use zones in the Red Hill Avenue and

Downtown Commercial Core Specific Plan areas the City has established increased height limits, eliminated setbacks and included provisions to allow a reduction in parking and/or modifications to the parking standards.

The City closely monitors its development standards and land use controls and their impact on development. The City does ~~not have currently have locally an~~ adopted ~~ordinances such as~~ inclusionary housing ordinance s which applies only to the Red Hill Avenue and Downtown Commercial Core Specific Plan areas, but it does not apply Citywide. The City does not have a ~~or~~ short-term rental ordinances that could directly impact the cost and supply of residential development. Amendments are made as necessary to the Tustin City Code to ensure development responds to housing market trends. During this monitoring process, the City will also continue to look at ways to further reduce governmental constraints.

HOUSING OPPORTUNITIES

During the past several years, a number of changes to Statutes resulting from new or amended laws have occurred which focus on housing and, particularly housing opportunities and site identifications and associated required assessments. The changes to the law are a result of Chapter 375, Statutes of 2017 (AB 1397), Chapter 958, Statutes of 2018 (AB 686), Chapter 664, Statutes of 2019 (AB 1486), and Chapter 667, Statutes of 2019 (SB 6).

Appendix B, Housing Sites Inventory Assessment, with associated Attachments provides the analysis. The purpose of the Housing Element's site inventory is to identify and analyze specific land (sites) that is available and suitable for residential development in order to determine the City's capacity to accommodate residential development and reconcile that capacity with the City's RHNA. The intent of the required site inventory is to ensure the City determines whether there are sufficient adequate sites to accommodate the RHNA by income category. The site inventory and analysis help to determine whether program actions must be adopted to "make sites available" with appropriate zoning, development standards, and infrastructure capacity to accommodate the new development need. As identified in Appendix B, the City has adequate opportunity sites to develop for anticipated growth and RHNA allocation.