

Chapter 4: Housing Element

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Housing Element

Introduction

This chapter focuses on the policy aspect of housing. Appendix C: Housing Element Technical Appendix contains the data and analysis that shape and inform the policy commitments. Combined, this chapter and Appendix C cover the scope required by the California Government Code for Housing Elements in local General Plans.

Nearly half of our City is zoned for residential use, and La Palma's foundation was as a bedroom community. The first city plan provided for housing of all types to accommodate diverse needs and preferences. Quality housing and quality neighborhoods define La Palma. Thus, continuing to plan for housing—from maintenance to meeting the evolving needs of residents—is very important to our community. In this Housing Element, we identify and establish our goals, policies, and programs for meeting the housing needs of our existing and future residents. We also outline an action plan that will guide the implementation of our housing goals. In implementing this plan, we seek to contribute to the statewide housing goal of “early attainment of decent housing and a suitable living environment for every California family,” as well as to respond to housing conditions and needs unique to the City of La Palma.



La Palma General Plan

For this document to play a meaningful role in guiding our actions, we must periodically evaluate its effectiveness. Our Regional Housing Needs Assessment (RHNA) was updated by the Southern California Association of Governments in 2021, and this Housing Element covers the planning period from October 15, 2021 through October 15, 2029.

Our Housing Plan identifies specific actions we will take to implement the goals and policies of this Housing Element. Pursuant to state law (Government Code §65583), our plan must accomplish the following:

- Provide adequate sites to achieve a variety and diversity of housing types
- Facilitate the development of affordable housing stock
- Promote equal housing opportunity
- Remove potential constraints to affordable housing development
- Address and, if necessary, improve the existing affordable housing

Housing Plan

The goals we have set in this plan respond to the overarching objectives listed above, and our housing programs implement the respective policies of these goals. Included in each program are a description of its primary components, the timeframe for accomplishment, available funding source, and the key objective of each program. Each objective establishes a benchmark of implementing each housing program during the 2021-2029 Housing Element period.

SB 1087 of 2005 requires cities to provide a copy of their Housing Elements to local water and sewer providers, and also requires that these agencies provide priority hookups for developments with lower-income housing. The Housing Element will be provided to these agencies immediately upon adoption.





Goals and Policies

Our goals and policies for housing in the City of La Palma for the 2021-2029 planning period are described below:

Adequate Sites and Diversity of Housing Options

A range of housing options is necessary to support an economically and socially diverse community such as ours. Adequate public facilities and services are important to maintain the quality of life valued by all of our City’s residents. We also value the important investment represented by our existing housing stock.

GOAL 1: Continue to keep land use regulations in place that allow for diverse housing opportunities that satisfy the physical, social, and economic needs of existing and future La Palma residents, including those with special needs (large families, single parent households, senior citizens, persons with physical and developmental disabilities, and the homeless).

Policy 1.1 Maintain a diversity of zoning districts that allow for new residential development at a range of densities.

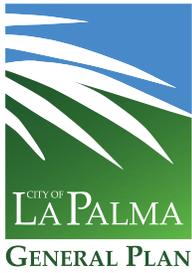
Policy 1.2 Ensure that housing and neighborhoods are provided with public services that provide for safe and sanitary living conditions.

Policy 1.3 Support innovative public, private, and nonprofit efforts in the development of affordable housing, particularly for special needs groups.

High-Quality Residential Development

Our City celebrates our high-quality single-family neighborhoods. It is essential to the social, physical, and economic well-being of the City that this housing stock be actively maintained and enhanced through the policies and programs in this Housing Element.

GOAL 2: Achieve high design quality in all residential developments to ensure that investments in neighborhoods, as well as safety and aesthetic value, are respected and maintained.



Policy 2.1 Enforce Municipal Code regulations that promote the maintenance of residential properties.

Policy 2.2 Provide public services and improvements that support and improve neighborhood longevity and cohesion.

Removal of Housing Constraints

Government constraints are City policies, standards, or requirements that may have the potential to constrain the production of affordable housing under certain circumstances. High development fees, complicated processing procedures, and challenging development standards are often cited as factors that impact the ability of developers to provide market rate and affordable housing.

GOAL 3: Optimize City processes and regulations that relate to the maintenance, improvement, and development of housing.

Policy 3.1 Remove land use barriers that pertain to emergency and transitional housing.

Policy 3.2 Assist developers of emergency and transitional housing in locating sites, and streamline the approval and permitting process for this type of housing.

Policy 3.3 Use the B-1 Mixed Use Business zone to promote the development of high-quality, high-density housing that is affordable to households of all income ranges.

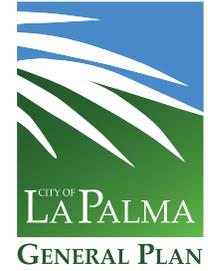
Policy 3.4 Periodically review development standards and procedures to ensure consistency with the General Plan and streamline the development review process.

Policy 3.5 Facilitate high-quality workforce housing developments.

Equal Housing Opportunity

Discriminatory housing practices are prohibited by national and state fair housing laws. Discriminatory practices impede housing opportunities for all La Palma residents.

GOAL 4: Ensure that housing opportunities are available to all persons.



Policy 4.1 Support the enforcement of laws and regulations that prohibit discrimination in mortgage lending practices and in the sale or rental of housing.

Policy 4.2 Support efforts aimed at guaranteeing unrestricted access to housing for all segments of the community.

Policy 4.3 Encourage and support private and nonprofit groups in their efforts to address the housing needs of the homeless and other disadvantaged groups.

Housing Programs and Action Plan

The City’s housing programs for the 2021-2029 planning period are described below.

Housing Programs

1. Section 8 Rental Assistance

The Orange County Housing Authority administers the Section 8 Voucher Program for several Orange County cities, including La Palma. The Section 8 program provides rental assistance (subsidies) to low- and moderate-income families, the elderly, and disabled persons who spend more than 30 percent of their monthly income on rent. The subsidy represents the difference between 30 percent of the recipient’s monthly income and the federally approved fair market rent (FMR). This program helps to address problems of overpayment and overcrowding.

Under the Housing Choice Voucher program, the landowner enters into a contract with the local Housing Authority. Eligible tenants must pay the difference between the fair market rate for rent and the actual rent. Housing subsidized through this program must meet the standards of safety and sanitation established by HUD.

The City cannot directly influence the number of Section 8 certificate/vouchers available to residents; however, the City supports the efforts of the Housing Authority to obtain additional funding from HUD to provide subsidies.

Responsible Agency: Orange County Housing Authority (OCHA)

Timeframe: Ongoing

Funding Source: HUD (limited City staff time)

Objective: Support OCHA’s efforts to increase the amount of funding allocated to HUD programs. Provide referrals to apartment complex owners for information on the Section 8 Housing Choice Voucher program.



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Continue to participate in the County Housing Authority's Committee for Municipalities participating in Section 8 County-Administered programs.

2. Funding for Preservation and Rehabilitation of Affordable Housing

Through the federal Community Development Block Grant (CDBG) program, HUD provides funds to local governments for a range of community development activities that benefit lower-income households. The Orange County Community Services Department is responsible for distributing CDBG funds to the smaller cities in Orange County under the Urban County program. The City Council maintains a Cooperative Agreement with the County of Orange to participate in the annual CDBG and HOME fund Urban County competitive process. The City intends to continue the agreement in order to ensure that local affordable housing opportunities remain.

In addition, the City will participate with non-profit housing authorities to preserve lower-income multi-family housing in the City and/or to convert market-rate multi-family housing into covenanted affordable housing, as opportunities arise. Funding for the program will be provided through the issuance of tax-exempt affordable housing bonds. Such funding will be utilized to preserve low- and very-low-income units. This program helps to address the needs of extremely-low-income households and related problems of overpayment and overcrowding.

Responsible Agency: Community Development Department; Orange County Community Services Department

Timeframe: Ongoing

Funding Source: CDBG grant funds (HUD); Affordable Housing Bonds

Objective: Apply for and utilize CDBG and HOME and/or other available funds to preserve and rehabilitate affordable housing units. Participate with non-profit housing entities to preserve at-risk affordable multi-family housing and/or convert market-rate housing into covenanted affordable housing.

3. Mortgage Assistance Certificate Program

A Mortgage Assistance Program for low-income first-time homebuyers is administered by the Affordable Housing Clearinghouse under contract with Orange County Housing & Community Services. The program provides down payment assistance, targeted at the population with incomes at or below 80 percent of the area median income. The City could increase participation in the program by actively publicizing it on the City's website.

The City will publicize the availability of the Mortgage Assistance Program to local residents. Potential avenues of advertisement include:

- Publishing information about these programs in the City's quarterly La Palma newsletter, which is distributed to all households; and



- Posting information about these programs in the City’s public library and community center, on the City Hall bulletin board, on the community center reader board, and on the City website.

Responsible Agency: Orange County Community Services (Affordable Housing Clearinghouse)

Timeframe: Ongoing

Funding Source: Cal Home funds and federal tax credits

Objective: Publicize availability of Orange County mortgage assistance programs by providing links between the County’s and City’s websites.

4. Mortgage Credit Certificate Program

The Mortgage Credit Certificate (MCC) Program is a federal Income Tax Credit Program administered by the County of Orange. The MCC program was originally created by Congress through the Tax Reform Act of 1986. The program provides assistance to first-time homebuyers in the purchase of owner-occupied residential units. The MCC program increases the loan amount offered to a qualifying homebuyer and reduces federal income taxes by 15% of the annual interest paid on a home mortgage. The MCC program entitles qualified home buyers to reduce the amount of their federal income tax liability by an amount equal to a portion of the interest paid during the year on a home mortgage. This tax credit allows the buyer to qualify more easily for a loan by increasing the effective income of the buyer. Because the borrower's taxes are being reduced by the amount of the credit, this increases the take-home pay by the amount of the credit, thus enabling the buyer to qualify for a larger loan than would otherwise be possible.

The City will publicize the availability of the Mortgage Credit Certificate Program to local residents. Potential avenues of advertisement include:

- Publishing information about these programs in the City’s quarterly La Palma newsletter, which is distributed to all households; and
- Posting information about these programs in the City’s public library and community center, on the City Hall bulletin board, on the community center reader board, and on the City website.

Responsible Agency: Orange County Community Services (Affordable Housing Clearinghouse)

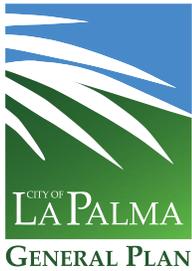
Timeframe: Ongoing

Funding Source: Cal Home funds and federal tax credits

Objective: Publicize availability of Orange County mortgage assistance programs by providing links between the County’s and City’s websites.

5. Reverse Mortgage Program

This program targets elderly homeowners who are cash poor but have substantial equity in their homes. Homeowners can draw needed income from the accumulated equity in their home through a reverse mortgage.



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The reverse mortgage is a deferred payment loan, or a series of such loans, for which a home is placed as security. Reverse mortgage programs typically permit homeowners to borrow up to 80 percent of the assessed value of their property, receive needed principal of up to 25 percent of the loan, and receive monthly annuity payments for the life of the loan.

NeighborWorks Orange County provides information to seniors seeking this type of loan. Responsibilities include providing counseling to seniors interested in applying, working with private lending institutions, and working with seniors to complete applications.

The City will publicize the availability of the reverse mortgage program. Potential avenues of advertisement include:

- Publishing information about the program in the City's quarterly La Palma newsletter, distributed to all households
- Posting information about the program in the public library and community center, on the City Hall bulletin board, on the community center reader board, and on the City website
- Referral of eligible senior homeowners to the County Housing Authority to obtain counseling

Responsible Agency: Community Development Department, NeighborWorks Orange County

Timeframe: Ongoing

Funding Source: Private sector

Objective: Publicize the availability of the reverse mortgage program. Refer all eligible parties who contact the City with an interest in this program to NeighborWorks Orange County.

6. Section 202 Elderly or Handicapped Housing

Under this federally administered program, direct loans are made to eligible, private nonprofit sponsors to finance the development of rental or cooperative housing facilities for occupancy by elderly or handicapped persons. The interest rate on such loans is determined annually. Section 8 funds are made available for all of the Section 202 units for the elderly. Rental assistance for 100 percent of the units for handicapped persons is also available.

Private nonprofit sponsors may qualify for Section 202 financing. Households of one or more persons, the head of which is at least 62 years old or is a qualified non-elderly handicapped between the ages of 18 and 62, are eligible to live in these units.

While directed at the elderly and handicapped, this program helps to address the needs of extremely low-income households and related problems of overpayment and overcrowding.

Responsible Agency: Community Development Department (oversight)

Timeframe: Ongoing



Funding Source: HUD Section 202 funds

Objective: Facilitate development of elderly and handicapped housing by assisting with federal housing applications, providing density bonus incentives, and providing “gap” financing where possible, such as through application for CDBG funds. Support all viable nonprofit entities seeking Section 202 funding.

7. Home Spotlight Award Program

The majority of the housing stock in the City was constructed by the late 1970s. The stock is aging but of high quality, and is a source of pride in the community. To ensure the continued maintenance of the housing stock, the Home Spotlight Award program will continue to recognize homes within the community as an incentive for home maintenance and upkeep. Awards will be made to occupants demonstrating home maintenance values the City wishes to promote in areas such as exterior upkeep of the property and landscaping.

Responsible Agency: Community Activities and Beautification Committee

Timeframe: Ongoing as funds allow

Funding Source: General Fund

Objective: As funds allow, continue the Home Spotlight Award Program rewarding high standards of property maintenance.

8. Emergency, Transitional and Supportive Housing

The homeless are those persons lacking consistent and adequate shelter. Homeless persons can be considered extremely-low-income residents (those remaining in an area year-round) or transient. Emergency shelters, transitional housing, and supportive housing can help to address the needs of the homeless.

Emergency shelters provide short-term aid to persons who are homeless and involve limited supplemental services. Transitional and supportive housing, in contrast, is directed at removing the basis for homelessness. Transitional and supportive housing is provided for an extended period of time, and is combined with other social services and counseling to assist in the transition from homelessness to self-sufficiency. The General Industrial District allows emergency shelters by-right and has sufficient capacity to accommodate the City’s need for emergency shelter facilities.

In 2018 AB 2162 amended State law to require that supportive housing be a use by-right in zones where multi-family and mixed uses are permitted, including non-residential zones permitting multi-family uses, if the proposed housing development meets specified criteria. AB 101 (2019) added the requirement that *low barrier navigation centers* meeting specified standards be allowed by-right in areas zoned for mixed use and in non-residential zones permitting multi-family uses pursuant to Government Code §65660 et seq. The City is currently processing a



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Development Code amendment to allow supportive housing and low barrier navigation centers consistent with State law.

Responsible Agency: Community Development Department

Timeframe: Development Code amendments related to low-barrier navigation centers and supportive housing in 2021

Funding Source: General Fund

Objectives:

- 1) Permit low barrier navigation centers meeting specified standards by-right in areas zoned for mixed use and in non-residential zones permitting multi-family uses pursuant to Government Code §65660 et seq.
- 2) Allow supportive housing be a use by-right in zones where multi-family and mixed uses are permitted, including non-residential zones permitting multi-family uses, if the proposed housing development meets specified criteria.

9. Density Bonus

Under State law (California Government Code §69915) a density bonus and regulatory concessions are available to developments that provide affordable housing.

State Density Bonus law was recently amended to provide additional incentives for affordable housing production. Section 44-305 of the Municipal Code incorporates current density bonus regulations in conformance with State law.

The City will continue to promote the Density Bonus program to encourage its use. Possible avenues of advertisement include developing a handout to be placed at the Planning and Building Counter in City Hall; these handouts may be delivered to local developers, property owners, and business groups such as the Orange County Business Council and the Building Industry Association of Southern California.

Responsible Agency: Community Development Department

Timeframe: Ongoing implementation

Funding Source: General Fund

Objective: Encourage the development of affordable housing by promoting the Affordable Housing Regulations to interested developers and property owners.

10. Residential Land Use Designations and Controls

This Housing Element update reflects current General Plan land use designations that respond to the needs of the City. The City will continue



to monitor changes in State law related to housing that could affect City land use regulations and process any amendments that may be necessary to comport with new legislation.

In recent years, the State Legislature has adopted several bills addressing housing production and established that if a residential addition or a remodel construction complies with Municipal Code standards and does not require a variance, then the City shall approve it administratively without a public hearing. The City will review and amend its residential addition and remodel review process in the Municipal Code and process an Ordinance accordingly to ensure Municipal Code compliant residential additions and remodels are reviewed and approved administratively.

The City will also continue to monitor changes in State housing law and amend City regulations as necessary to ensure conformance with State law.

Responsible Agency: Community Development Department

Timeframe: Municipal Code amendment in 2021; ongoing monitoring

Funding Source: General Fund

Objective: Ensure consistency between the General Plan, the Development Code, and State law.

11. Affirmatively Furthering Fair Housing

The Fair Housing Council of Orange County provides a range of fair housing services, including housing discrimination response, landlord-tenant relations, housing information and counseling, and community education programs. Many of the persons served by this program are likely to be extremely-low-income. The City will support the Fair Housing Council by promoting these services. Potential avenues of advertising include publishing information in the quarterly La Palma newsletter, which is distributed to all households, placing flyers at the library and the community center, and posting information on the City’s website.

In addition, the City will:

- Ensure that all development applications are considered, reviewed, and approved without prejudice to the proposed residents, contingent on the development application’s compliance with all entitlement requirements.
- Accommodate persons with disabilities who seek reasonable waiver or modification of land use controls and/or development standards pursuant to procedures and criteria set forth in the applicable development regulations.
- Work with the County to implement the regional Analysis of Impediments to Fair Housing Choice and HUD Consolidated Plan.
- Facilitate public education and outreach by posting informational flyers on fair housing at public counters and libraries, and on the City’s website.
- Conduct public meetings at suitable times, accessible to persons with disabilities, and near public transit. Resources will be invested



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to provide interpretation and translation services when requested at public meetings when feasible.

- Encourage community and stakeholder engagement during development decisions.

Responsible Agency: Community Development Department

Timeframe: Ongoing

Funding Source: General Fund

Objective: Support the activities of the Fair Housing Council by publicizing its referral service to local residents and continue to affirmatively further fair housing.

12. Reasonable Accommodation for Persons with Disabilities

In conjunction with each Housing Element update, the City will analyze whether City practices or other factors place constraints on the development, maintenance, and improvement of housing intended for persons with disabilities, consistent with Senate Bill 520. As the policies in this element indicate, the City is committed to amending land use controls, permit and processing procedures, and building codes to removing any perceived constraints. The City developed reasonable accommodation procedures in 2013 and will continue to make information regarding the process available at City counters.

Responsible Agency: Community Development Department

Timeframe: Ongoing

Funding Source: General Fund

Objective: Make reasonable accommodation information readily available to the public.

13. Facilitate Housing Development to Accommodate Regional Needs

The Regional Housing Needs Assessment (RHNA) allocation to the City of La Palma for very low-, low-, moderate-, and above moderate-income units for the 2021-2029 planning period is as follows:

- Very Low Income: 224 units
- Low Income: 140 units
- Moderate Income: 137 units
- Above Moderate: 301 units

The City's Residential Land Inventory (Appendix C, Table C-34) demonstrates that adequate sites are available to accommodate the RHNA.

Responsible Agency: Community Development Department



Timeframe: Ongoing

Funding Source: General Fund

Objective: Continue to provide appropriate land use designations to accommodate a range of housing types, particularly at densities that accommodate development of affordable housing. Waive application fees for lot merger and/or rezoning on sites identified to meet the RHNA. Accommodate the RHNA for each income category during the 2021-2029 planning period. Provide technical assistance and information on available parcels for lower-income developments at the request of private or non-profit housing providers. Technical assistance includes land development counseling by City planners; sites identified in the Housing Element will be discussed with interested parties. Maintain the sites inventory and Housing Element on the City’s website.

Quantified Objectives

The City’s quantified objectives for new construction are presented in Table 4-1. No quantified objectives are provided for rehabilitation, because no funds can be identified for rehabilitation programs. However, policies are in place to allow for rehabilitation in the event funding sources become available during the planning period.

Table 4-1
Quantified Objectives – 2021-2029

	Income Category					
	Ex. Low	Very Low	Low	Mod	Upper	Total
New Construction¹	112	112	140	137	301	802
Conservation²	0	0	0	0	0	0

Notes:

1. Quantified objective for new construction is for the period 7/1/2021 – 10/15/2029 per the RHNA.
2. No assisted units are at risk of conversion



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