

## IV. HOUSING RESOURCES

This chapter describes and analyzes resources available for the development, rehabilitation, and preservation of housing in the City of Cypress. This includes the availability of land resources, financial resources available to support the provision of affordable housing, administrative resources available to assist in implementing the City's housing programs, and resources for energy conservation.

### A. AVAILABILITY OF SITES FOR HOUSING

SCAG has determined the projected housing need for its region for the 2008-2014 Housing Element cycle, and has allocated this housing need to each jurisdiction by income category. This Regional Housing Needs Assessment (RHNA) represents the minimum number of housing units each community is required to plan for by providing "adequate sites" through the general plan and zoning. An important component of the Housing Element is the identification of adequate sites for future housing development, and evaluation of the adequacy of these sites in fulfilling the City's share of regional housing needs (RHNA). Cypress has a RHNA allocation of 451 units distributed among the following income groups: 98 very low income; 79 low income; 89 moderate income; and 185 above moderate income units.

The City plans to fulfill its share of regional housing needs using a combination of the methods below, which are further described in the following narrative:

- Vacant sites currently zoned for residential development;
- Underutilized sites zoned for residential uses (built to a lesser density than allowed by Code or developed with a non-residential use);
- Existing assisted units that will be units preserved at affordable housing costs with the City's committed assistance; and
- Residential permits issued during the RHNA "gap period" (January 2006-December 2007).

In aggregate, the City's residential sites capacity from the above sources provides for 625 additional units, including 14 lower, 247 moderate and 294 above moderate income. Because this represents a shortfall in sites necessary to fulfill Cypress' lower income housing needs, the City is committing to an "adequate sites" program by amending the Lincoln Avenue Specific Plan as provided for under Housing Element statutes,<sup>1</sup> detailed within this section.

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<sup>1</sup> AB 2348 amended Government Code sections 65583(c)(1)(A) and (B) to clarify requirements for a "adequate sites" program within the Housing Element to address a shortfall in sites for very low and low income households.

# 1. Vacant and Underutilized Land

The City has conducted a comprehensive review of all vacant and underutilized sites currently designated for residential and mixed-use development in Cypress. This included reviewing assessor parcel data and building permits, conducting windshield surveys, and using GIS to evaluate existing building footprints. Table IV-1 provides a summary of those sites identified as suitable for future residential development by General Plan/Zoning category, along with their realistic development potential. The parcel-specific sites inventory is included in Appendix A to the Element, and their general locations are mapped in Figure 7.

**Table IV-1  
Developable Available Residential Sites**

General Plan Category	Zoning	Permitted Density	Assumed Density	Acres	Potential Dwelling Units
<b>VACANT SITES</b>					
Low Density Residential	RS-6000	5 du/acre	5 du/acre	3.37	16 units
<b>UNDERUTILIZED SITES</b>					
Low Density Residential	RS-6000	5 du/acre	5 du/acre	0.92	4 units
Medium Density Residential	RM-15	15 du/acre	13 du/acre	6.92	50 units
High Density Residential	RM-20	20 du/acre	18 du/acre	7.09	99 units
Specific Plan (Lincoln Avenue)	PC - Lincoln	15 du/acre	13 du/acre	0.34	5 units
Specific Plan (Lincoln Avenue)	PC - Lincoln	20 du/acre	18 du/acre	7.27	135 units
<b>TOTAL AVAILABLE SITES</b>				<b>25.91</b>	<b>309 units</b>

Source: City of Cypress Land Survey, March 2008.

As shown in Table IV-1, approximately 309 additional units can be developed on vacant and underutilized sites under existing General Plan and zoning designations based on the development assumptions detailed below. Only one vacant residential parcel remains in Cypress, accommodating 16 single-family units. Future growth will continue to occur predominately through intensification in multi-family neighborhoods and through residential and mixed-use infill within the Lincoln Avenue commercial district.

## Underutilized Multi-Family Properties

Cypress' two multi-family zoning districts (RM-15 and RM-20) are characterized by numerous properties developed with an older, single-family unit. The City has experienced significant activity in recent years by property owners in these districts adding additional units as permitted under zoning. For example, in one RM-15 "North End" Cypress neighborhood annexed by the City in 1981, the existing

housing stock is dominated by small (800 square feet), older bungalows, with property owners taking advantage of the zoning to build a second, larger unit. The owners often move to the larger unit and use the smaller bungalow to supplement their income or to provide housing for extended family. This neighborhood, with a mix of owner-occupied and rental units, has been popular with first time homebuyers. Another “North End” Cypress neighborhood, annexed by the City in 1988 and zoned RM-20, is also experiencing the addition of one or two units on existing single-family parcels. Also, through combining of two lots, developers have in recent years replaced the existing single-family residences with up to 9 condominium units. Staff indicates that interest in this type of infill development remains strong, despite the current downturn in the housing market. Given the decline in sales prices, however, staff is now seeing interest in the development of infill apartments rather than condominiums.

For purposes of the Housing Element planning period, not all underutilized RM-15 and RM-20 sites have been assumed to intensify. City staff analyzed the site size and the placement of existing buildings, and then conducted a windshield survey to confirm underutilized sites that could accommodate one or more additional units. Staff also considered: the number of units developed on RM-15 and RM-20 lots during the last planning period; the trends of rental stability versus the decreased sales price in the for-sale market; and the increased property owner inquiries regarding this type of development. Therefore, for those parcels with potential to add just one to two additional units, a factor of 20 percent has been applied. For example, of the RM-15 parcels developed with a single unit (identified in Appendix A), the sites inventory assumes that 20 percent of these parcels might reasonably intensify by 2014, reducing the unit potential from a total of 171 to 34 units likely to be developed within the planning period. Similarly, on smaller infill sites in the RM-20 zone district, a 20 percent development factor is also assumed, resulting in 13 units expected to develop within the planning period. The sites inventory also identifies four larger RM-15 parcels and twelve larger RM-20 parcels developed with an existing single-family unit with potential to add between three to eleven additional units; 100 percent of these parcels have been included in the sites inventory.

### **Lincoln Avenue Specific Plan**

The Lincoln Avenue Specific Plan, adopted in 1999, encourages both higher density multi-family residential and mixed-use development as a means of stimulating pedestrian and transit-oriented activity along this street. The Specific Plan divides the corridor into four districts: Residential Mixed Use (RM), Commercial Mixed Use (CM), Campus Village (CV), and Downtown (D). The RM district, primarily intended for residential development, allows medium density residential (15 units per acre), high density (20 units per acre), and mixed used high density (20 units per acre) along with limited commercial development. The CM district offers the widest range of commercial uses, along with high density residential and mixed use high density (20 units per acre). The CV and D districts allow high density residential or mixed

use high density at 20 units per acre. A Conditional Use Permit is currently required for all residential and mixed use projects in the Lincoln Avenue Specific Plan.

In order to identify sites within the Lincoln Avenue Specific Plan most suitable for residential development within the Housing Element timeframe, staff initially identified parcels developed with older uses non-conforming with the Specific Plan. These sites were then evaluated in terms of realistic redevelopment potential and economic viability of the existing use, eliminating those sites likely to retain the existing developed use despite legal non-conforming status. As a means of assessing the number of units each site could reasonably accommodate, staff considered the configuration of each site and existing building footprint. Although a recent project developed at 20 units per acre demonstrates the viability of achieving maximum densities, the current development trend is still predominantly detached condominium units with 3-4 bedrooms at a lower density. Therefore, this Housing Element applies a realistic development density of 13 units per acre in Medium Density areas and 18 units per acre in High Density areas was applied to each parcel (approximately 90% of maximum). However, with the shift in the market towards apartment development, the City anticipates an attached product type and smaller unit sizes which is built to maximize densities. In total, 21 parcels have been identified as suitable for residential development within the Lincoln Avenue Specific Plan, providing for 140 residential units.

In general, lot consolidation is not required to achieve the level of residential development assumed on Lincoln Avenue, with two exceptions. Within the Downtown District of the PC-Lincoln Avenue Specific Plan Zone, four smaller adjacent parcels have been identified as suitable for consolidation and development with housing, consistent with the Plan's goal of establishing a traditional, pedestrian-oriented Downtown. In addition, three larger parcels immediately adjacent to a newer condominium project provide a prime opportunity for consolidation in an area of Lincoln Avenue envisioned to develop with primarily high density residential use. The property owners of these parcels have not expressed interest in development of residential or mixed-use projects. However, as other properties in the Specific Plan area are redeveloped as residential or mixed-use, existing property owners and/or other developers are likely to reassess these properties for development. In addition, the Redevelopment Agency offers financial incentives for lot consolidation to develop affordable housing.

### **Summary of Residential Development Potential Under Existing Zoning**

In summary and as indicated in Table IV-1, the residential sites inventory identifies a total of 379 units which can realistically be developed in Cypress on sites currently designated for residential use. Of these sites, those in the RM-20 and the PC-Lincoln Avenue Specific Plan Zones with a density of 20 units per acre provide densities appropriate to support moderate income development. The remaining single-family and multi-family sites in the City would support housing for above-

moderate income households. Since the City's very low and low income RHNA need (at the required "default density" of 30 units per acre) cannot be accommodated within the City's currently designated residential sites, as part of the Housing Element update, Cypress will amend the Lincoln Specific Plan to designate sites suitable for higher density development.

## Figure 7 Residential Sites Available Map

## 2. Adequate Sites for Lower Income Development

Pursuant to AB 2348, a program to provide adequate sites to address a RHNA shortfall for lower income units must adhere to the following parameters:

- Sites must be able to accommodate 100% of the RHNA shortfall for very low and low income units
- Sites for lower income households must accommodate residential uses “by right”
- Sites must be able to accommodate a minimum of 16 units
- At least 50 percent of sites to address the lower income housing shortfall need to be accommodated on sites designated for exclusively residential use

The following describes Cypress’ adequate sites program structured to fulfill the parameters of AB 2348 and address the City’s shortfall of 163 lower income units. When evaluating the adequacy of sites to address the affordability targets established by the RHNA, Housing Element statutes now provide for the use of “default densities” to assess affordability. Based on its population and location within Orange County, Cypress falls within the default density of 30 units per acre for providing sites affordable to very low and low income households. This default density is greater than the City’s current RM-20 and PC-Lincoln zone district allowing 20 units per acre. The City of Cypress is committed to addressing the affordable housing needs of the community, and has identified several sites within the Lincoln Avenue Specific Plan suitable for redesignation at 30 units per acre. These sites were selected based on several factors: current land use; feasibility of higher density residential development; proximity to compatible uses; community context; and location within a Redevelopment Project Area.

Table IV-2 provides a summary of the six sites within the Planned Community Zone for Lincoln Avenue (PC-Lincoln) to be amended to accommodate densities at 30 units per acre. All sites are located within a Redevelopment Project Area and are eligible for the following incentives provided to offset the financial burden of affordable residential development:

- Streamlined processing
- Flexibility in development standards for on-site or off-site improvements
- Reduction in square footage of affordable units
- Payment by the Agency of certain development fees (such as sewer, water, and drainage)
- Technical assistance to a developer applying for public funds or gap financing for a project
- Direct financial assistance from the Agency
- Other creative and lawful means of offsetting the cost of providing affordable units

The first sites listed in Table IV-2 will be amended as a new R30 Residential district within the PC-Lincoln Zone and will be designated for exclusively residential use. These sites, totaling 4.82 acres, can accommodate a total of 143 units. The 1.8 acre western-most parcel currently houses two older office buildings and has been on the market for the past several years for redevelopment with housing, but due to the current 20 unit per acre density limitations, has not been economically feasible. The owner has indicated a strong interest in redeveloping the site based on the increase in density to 30 units per acre. The two other sites in the new R30 zone district house older auto repair shops which are legal non-conforming uses in the PC-Lincoln Zone district. The auto repair shop owner immediately adjacent to the office buildings has been interested in expanding the business, but has been unable to do so because of the non-conforming status of the auto use. The increased residential density increases the value of the property, providing the owner an opportunity to sell the property and move to a location better suited to an expanded auto repair business. The office building site was recently purchased by a developer interested in residential development under the proposed R30 zone district. The developer has approached City staff to learn more about the adjacent property to explore the potential for residential development on that site as well.

The second list of sites in Table IV-2 are immediately adjacent to the parcels to be redesignated R30. These three will remain part of the Residential Mixed Use (RM) district in the PC-Lincoln Zone, but allow for an increased residential density of 30 units per acre. The Lincoln Avenue RM district is intended primarily for residential development, while also allowing for limited, neighborhood-serving commercial development. While amendment of the RM district to 30 units per acre will extend to all parcels within the district, the Housing Element sites inventory identifies three particular sites currently developed with non-conforming uses most likely to redevelop with housing. The largest, an 11.6 acre parcel, extends deep into the residential neighborhood to the south, and is developed with a die-casting business. Existing non-conforming uses on the adjacent two sites include an older auto body/towing business and a strip commercial building with self-storage. While both properties are in fairly good condition, with the increase in permitted density, the owners have greater economic incentive to redevelop all or part of their property to include residential development. In total, these three RM sites provide for 473 residential units at a density of 30 units per acre. Other sites in the RM district of the PC-Lincoln zone have been recently redeveloped and are unlikely to add residential uses during this Housing Element period.

**Table IV-2  
Lincoln Avenue Specific Plan Amendment  
Sites for Redesignation to 30 Units/Acre**

<b>Assessors' Parcel Number</b>	<b>Existing Use</b>	<b>Proposed Zoning Designation</b>	<b>Acreage</b>	<b>RDA</b>	<b>Unit Yield</b>
<b>AMENDMENT TO R30 – EXCLUSIVELY RESIDENTIAL</b>					
244-351-23	Older Office Building	R30	1.78	Y	53
244-351-03	Older Auto Repair	R30	0.89	Y	26
244-351-24	Older Auto Repair	R30	2.15	Y	64
<b>TOTAL R30</b>			<b>4.82</b>		<b>143</b>
<b>AMENDMENT OF RM (RESIDENTIAL MIXED-USE) DISTRICT TO ALLOW 30 UNITS/ACRE</b>					
244-361-04	Older Light Industrial	PC-Lincoln: RM	11.59	Y	347
244-361-03	Auto Repair/Towing	PC-Lincoln: RM	1.85	Y	55
244-361-24	Older Strip Commercial/Self-Storage	PC-Lincoln: RM	2.39	Y	71
<b>TOTAL PC-LINCOLN RM</b>			<b>15.83</b>		<b>473</b>
<b>TOTAL AT DENSITY OF 30 UNITS/ACRE</b>					<b>616</b>

### 3. Committed Assistance

Government Code Section 65583.1(c) permits jurisdictions to rely on existing units to fulfill up to 25 percent of their residential sites requirement (RHNA) for a specific income category in the Housing Element, pursuant to specified criteria. The following activities may be eligible:

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

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

The City of Cypress has committed to providing financial assistance towards the conversion of 14 multi-family units from **low income affordability to very low income affordability** for a period of 55 years, and is seeking to apply credits towards the City’s RHNA obligations (refer to Appendix B - Adequate Sites Program Alternative Checklist). The City of Cypress is eligible to use the alternate adequate sites program because, 2 low income units were constructed during the last Housing Element cycle, and 7 very low income units have been constructed in the current Housing Element cycle. Affordability of the units was established through long-term covenants tied to the units.

On October 22, 2007 the Cypress Redevelopment Agency directed staff to negotiate with Cypress-Tara Village, LP, owners of the Tara Village apartment complex with 170 family apartment units to enter an affordable housing agreement to lengthen the affordability covenants on 80 units and provide greater affordability within the complex. Tara Village was acquired and rehabilitated by Cypress-Tara Village, LP in 2005 using mortgage revenue bonds allocated by the State. The bond financing requires 34 units to be affordable to very low income households, and 136 units to be affordable to low income households for a term of 30 years. The Agency desires to lengthen the term of affordability on at least 80 units to 55 years. In addition, the Agency is purchasing additional affordability for 14 two-bedroom units, changing the level of affordability from low to very low income. Staff is currently in negotiations and expects to enter an agreement with the owners by August 2008 to commit approximately \$6.8 million of Redevelopment housing set-aside funds to the project. The Agency has allocated a portion of the funds for the project in the current budget, and will budget the remaining funds in the next fiscal year, starting in July 2008. **These funds are sufficient to provide the extension of the term of affordability as well as conversion of the 14 units.** The units will become very low income as occupancy changes, so relocation will not be required for the 14 units. **The owner has indicated**

that approximately 1-2 units become vacant each month. Therefore, it is anticipated that the 14 units with committed assistance will be available to very low income households within the next two years. The City's committed assistance to Tara Village will both extend the affordability term of 80 units to a 55 year period and change the level of affordability for 14 of the 80 units from low income to very low income. The units will be decent, safe and sanitary upon occupancy.

Program 15 in the Housing Element obligates the Agency to provide committed assistance for converted units at Tara Village. Pursuant to Government Code Section 65583.1[c], the City will report to the State Department of Housing and Community Development (HCD) on the status of the converted units no later than July 1, 2010. If the City has not entered into an enforceable agreement of committed assistance for the units specified in this program, it will amend the Housing Element, as necessary, to identify additional appropriately zoned and suitable sites. The City is interested in programs similar to this in the future, as additional funding becomes available.

#### **4. Residential Development Potential Compared with Cypress' Regional Housing Needs**

As defined by the RHNA, Cypress' new construction need for the 2008-2014 period is 451 new units, distributed among four income categories. The following is a summary of the City of Cypress' plan to provide adequate sites to meet the RHNA. Table IV-3 then compares the RHNA with the City's provision of adequate sites.

##### **Vacant and Underutilized Sites**

The City's current zoning for vacant and underutilized sites allows development of 309 units, of which 234 address the moderate income housing need (at 20 units per acre) and 75 address the above moderate income housing need.

##### **Rezoning (Amendment of Lincoln Avenue Specific Plan)**

The City will amend the PC-Lincoln zone to include a R30 (Residential) district for exclusively residential use and increase the RM (Residential Mixed-Use) district's residential density to 30 units per acre. The R30 designation will affect a total of 4.82 acres, accommodating development of 143 units. Since most of the RM district has already been redeveloped, three candidate sites with existing non-conforming uses have been identified as likely to redevelop. These three RM sites total 15.83 acres, accommodating development of 473 units. In total, these amendments to the Lincoln Avenue Specific Plan provide for 616 units at the lower income "default" density of 30 units per acre, more than addressing Cypress' 177 unit lower income housing need.

## Converted Affordable Housing

The City will provide financial assistance to 80 of the 170 units at Tara Village, of which 14 units can be applied towards addressing the City's very low income new construction housing need. These 14 units will convert affordability from low income to very low income households.

## Existing Building Permits, Completed Projects, and Approved Projects

Housing units receiving building permits during the 2006-2007 RHNA "gap period" can also be credited towards the RHNA. Between January 1, 2006 and December 31, 2007 permits have been issued for 15 units, of which 3 are apartments accommodating moderate income households. From January 1, 2006 through December 31, 2007, certificates of occupancy have been released to 137 completed units, including 7 moderate income apartment units. The City regularly tracks completed projects in an annual report to the Orange County Fire Authority, the California Department of Finance, and the Orange County demographer (Center for Demographic Research at California State University, Fullerton) providing an accurate measure of development activity. In addition to projects with building permits, the City has approved or entitled nine residential projects with a total of 80 units expected to be completed by 2009. In aggregate, the total units represented by permits, completed projects and approved projects are 232, of which 21 accommodate moderate income households. (Refer to Appendix A for detailed information on approved, permitted and completed projects).

The above efforts result in sufficient sites capacity to address the City's regional housing growth needs by income level, as illustrated in Table IV-3.

**Table IV-3  
Comparison of Regional Growth Need and Residential Sites**

Income Group	Total RHNA	Approved Projects and Building Permits Issued (1/2006 – 12/2007)*	Site Inventory Feasible Units Capacity**	Total Unit Capacity
Very Low	98	0	630	630
Low	79	0		
Moderate	89	13	234	247
Above Moderate	185	219	75	294
<b>Total</b>	<b>451</b>	<b>232</b>	<b>939</b>	<b>1,171</b>

\* Includes 137 units completed and 15 units with permits issued from January 1, 2006-December 31, 2007, and 9 approved/entitled projects with a total of 80 units.

\*\* Includes vacant and underutilized land (Table IV-1); committed assistance to Tara Village; and sites to be redesignated at default densities (Table IV-2).

## **5. Availability of Infrastructure and Public Services**

Incorporated in 1956, Cypress is a younger suburban community with the necessary infrastructure in place to support future development. The City annexed one area in 1971 and two additional areas in the 1980s. In the older areas, generally along Lincoln Avenue and in the annexed areas, the infrastructure is beginning to need some repair and will be included in the City's Capital Improvement Program as deemed necessary by the Public Works Department.

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

## **B. FINANCIAL RESOURCES**

There are a variety of potential funding sources available for housing activities in Cypress. Due to both the high cost of developing and preserving housing, and limitations on both the amount and uses of funds, layering of funding sources may be required for affordable housing programs and projects. Table IV-4 lists the potential funding sources that are available for housing activities. They are divided into five categories including: federal, state, county, local, and private resources.

The primary source of funds for affordable housing activities in Cypress is derived from the Redevelopment Agency housing set-aside fund. As required by California Redevelopment Law, the Cypress Redevelopment Agency sets aside 20 percent of all tax increment revenue generated from the redevelopment project areas for the purpose of increasing and improving the community's supply of housing for low- and moderate income households. These set-aside funds are placed in a separate Low- and Moderate-Income Housing Fund. Interest earned on money in the Fund, and repayments from loans, advances or grants are returned to the Fund and used to assist other affordable housing projects and programs.

The Cypress Redevelopment Agency (Agency) is in the last two years of its 2005-2009 Implementation Plan, adopted on November 22, 2004. The Plan presents the estimated revenues and expenditures for 2005-2009. The Plan also describes the housing programs the Agency expects to begin or continue during that period, as indicated below:

- Multi-Family Assistance
  - Rental Deposit Guarantee
  - Community Rental Rehabilitation
  - Mixed-Use Housing Development
- Single Family Projects
  - Neighborhood Clean-Up
  - First Time Homebuyer
  - Single Family Residential Rehabilitation
- Preservation of Affordable Units

In 2009, the Agency Plan will be updated, reflecting the programs described in this Housing Element. Anticipated Redevelopment housing set-aside revenues range from \$1.26 - \$1.5 million annually, for an estimated total of \$9.6 million from 2008-2014. In addition to the Redevelopment housing set-aside funds, the Agency anticipates receiving inclusionary in lieu funds from housing developers during this Housing Element period. During the past Housing Element period, the Agency received \$35,000 from a developer as inclusionary in lieu fees. Another \$80,000 for a recently entitled 16 unit project is pending.

**Table IV-4  
Financial Resources Available for Housing Activities**

<b>Program Name</b>	<b>Description</b>	<b>Eligible Activities</b>
<b>1. Federal Programs</b>		
Community Development Block Grant (CDBG)	The City applies to Orange County annually for CDBG grant funds. Historically, Cypress has received approximately \$100,000 each year. However, the County anticipates a decrease in CDBG funds and Cypress anticipates a reduction to \$75,000. The City uses CDBG funds for the on-going HELP II single-family rehabilitation program.	<ul style="list-style-type: none"> <li>▪ Acquisition</li> <li>▪ Rehabilitation</li> <li>▪ Homebuyer Assistance</li> <li>▪ Economic Development</li> <li>▪ Homeless Assistance</li> <li>▪ Public Services</li> </ul>
HOME	Cypress does not receive HOME funds directly from the Federal government. However, Cypress can apply for HOME funds through the State of California's annual NOFA. Affordable rental housing projects in Cypress can apply for HOME funds through the County of Orange annual NOFA. HOME funds are used to assist low income (80% AMI) households.	<ul style="list-style-type: none"> <li>▪ New Construction</li> <li>▪ Acquisition</li> <li>▪ Rehabilitation</li> <li>▪ Homebuyer Assistance</li> <li>▪ Rental Assistance</li> </ul>
Section 8 Rental Assistance	Rental assistance payments to owners of private market rate units on behalf of low-income (50% MFI) tenants. Administered by the Orange County Housing Authority.	<ul style="list-style-type: none"> <li>▪ Rental Assistance</li> </ul>
Section 202	Grants to non-profit developers of supportive housing for the elderly.	<ul style="list-style-type: none"> <li>▪ Acquisition</li> <li>▪ Rehabilitation</li> <li>▪ New Construction</li> </ul>
Section 811	Grants to non-profit developers of supportive housing for persons with disabilities, including group homes, independent living facilities and intermediate care facilities.	<ul style="list-style-type: none"> <li>▪ Acquisition</li> <li>▪ Rehabilitation</li> <li>▪ New Construction</li> <li>▪ Rental Assistance</li> </ul>
<b>2. State Programs</b>		
Low-income Housing Tax Credit (LIHTC)	Tax credits are available to persons and corporations that invest in low-income rental housing. Proceeds from the sale are typically used to create housing.	<ul style="list-style-type: none"> <li>▪ New Construction</li> </ul>
Multi-Family Housing Program (MHP)	Deferred payment loans to local governments, non-profit and for-profit developers for new construction, rehabilitation and preservation of permanent and transitional rental housing for lower income households. Two funding rounds annually through 2009.	<ul style="list-style-type: none"> <li>▪ New Construction</li> <li>▪ Rehabilitation</li> <li>▪ Preservation</li> <li>▪ Conversion of nonresidential to rental</li> <li>▪ Social services within project</li> </ul>

**Table IV-4 (continued)  
Financial Resources Available for Housing Activities**

<b>Program Name</b>	<b>Description</b>	<b>Eligible Activities</b>
Building Equity and Growth in Neighborhoods (BEGIN)	Grants to cities to provide downpayment assistance (up to \$30,000) to low and moderate income first-time homebuyers of new homes in projects with affordability enhanced by local regulatory incentives or barrier reductions. One funding round annually through 2009.	<ul style="list-style-type: none"> <li>▪ Homebuyer Assistance</li> </ul>
CalHome	Grants to cities and non-profit developers to offer homebuyer assistance, including downpayment assistance, rehabilitation, acquisition/rehabilitation, and homebuyer counseling. Loans to developers for property acquisition, site development, predevelopment and construction period expenses for homeownership projects. One funding round annually through 2011.	<ul style="list-style-type: none"> <li>▪ Predevelopment, site development, site acquisition</li> <li>▪ Rehabilitation</li> <li>▪ Acquisition/rehab</li> <li>▪ Downpayment assistance</li> <li>▪ Mortgage financing</li> <li>▪ Homebuyer counseling</li> </ul>
Transit-Oriented Development Program	Funding for housing and related infrastructure near transit stations. One funding round annually through 2009.	<ul style="list-style-type: none"> <li>▪ Regulations under development</li> </ul>
Affordable Housing Innovation Fund	Funding for pilot programs to demonstrate innovative, cost-saving ways to create or preserve affordable housing.	<ul style="list-style-type: none"> <li>▪ Regulations pending</li> </ul>
Infill Incentive Grant Program	Funding of public infrastructure (water, sewer, traffic, parks, site clean-up, etc) to facilitate infill housing development. One funding round annually.	<ul style="list-style-type: none"> <li>▪ Regulations pending</li> </ul>
CalHFA Residential Development Loan Program	Low interest, short-term loans to local governments for affordable infill, owner-occupied housing developments. Links with CalHFA's Downpayment Assistance Program to provide subordinate loans to first-time buyers. Two funding rounds per year.	<ul style="list-style-type: none"> <li>▪ Site acquisition</li> <li>▪ Pre-development costs</li> </ul>
CalHFA Homebuyer's Downpayment Assistance Program	CalHFA makes below market loans to first-time homebuyers of up to 3% of sales price. Program operates through participating lenders who originate loans for CalHFA. Funds available upon request to qualified borrowers.	<ul style="list-style-type: none"> <li>▪ Homebuyer Assistance</li> </ul>

**Table IV-4 (continued)**  
**Financial Resources Available for Housing Activities**

<b>Program Name</b>	<b>Description</b>	<b>Eligible Activities</b>
<b>3. County Programs</b>		
Mortgage Assistance Program (MAP)	The County of Orange provides mortgage loans to first time homebuyers. The Affordable Housing Clearinghouse provides the homebuyer services for the County.	<ul style="list-style-type: none"> <li>▪ Homebuyer Assistance</li> </ul>
Mortgage Credit Certificate (MCC)	The County of Orange offers the MCC program in partnership with Affordable Housing Applications. The MCC is a Federal Income Tax Credit program, effectively reducing the applicant's taxes and increasing their net earnings. Program currently on hold.	<ul style="list-style-type: none"> <li>▪ Homebuyer Assistance</li> <li>▪ Income Tax Credit</li> </ul>
<b>4. Local Programs</b>		
Redevelopment Housing Fund	State law requires that 20% of Redevelopment Agency funds be set aside for a wide range of affordable housing activities governed by State law. The Cypress Redevelopment Agency estimates that \$1.26 - \$1.5 million will be contributed to the Low/Mod Housing Fund annually from 2008-2014 for a total of \$9.6 million.	<ul style="list-style-type: none"> <li>▪ Acquisition</li> <li>▪ Rehabilitation</li> <li>▪ New Construction</li> </ul>
Housing Trust Fund	Inclusionary housing in-lieu fees as negotiated with the Redevelopment Agency. The Agency uses the fees to provide affordable housing.	<ul style="list-style-type: none"> <li>▪ Pre-development costs</li> <li>▪ Land acquisition</li> <li>▪ Rehabilitation</li> <li>▪ Land Write-downs</li> <li>▪ Interest rate subsidies</li> </ul>
Tax Exempt Housing Revenue Bond	The City can support low-income housing by holding the required TEFRA hearing prior enabling the issuance of housing mortgage revenue bonds. The bonds require the developer to lease a fixed percentage of the units to low-income families at specified rental rates.	<ul style="list-style-type: none"> <li>▪ New Construction</li> <li>▪ Rehabilitation</li> <li>▪ Acquisition</li> </ul>
<b>5. Private Resources/Financing Programs</b>		
Federal National Mortgage Association (Fannie Mae)	Fixed rate mortgages issued by private mortgage insurers; mortgages which fund the purchase and rehabilitation of a home; low down-payment mortgages for homes in underserved areas.	<ul style="list-style-type: none"> <li>▪ Homebuyer Assistance</li> </ul>

**Table IV-4 (continued)**  
**Financial Resources Available for Housing Activities**

<b>Program Name</b>	<b>Description</b>	<b>Eligible Activities</b>
Federal Home Loan Bank Affordable Housing Program	Direct Subsidies to non-profit and for profit developers and public agencies for affordable low-income ownership and rental projects.	<ul style="list-style-type: none"> <li>▪ New Construction</li> </ul>
Savings Association Mortgage Company Inc.	Pooling process to fund loans for affordable ownership and rental housing projects. Non-profit and for profit developers contact member institutions.	<ul style="list-style-type: none"> <li>▪ New Construction</li> </ul>
Freddie Mac	HomeWorks-1 <sup>st</sup> and 2 <sup>nd</sup> mortgages that include rehabilitation loan; City provides gap financing for rehabilitation component. Households earning up to 80% MFI qualify.	<ul style="list-style-type: none"> <li>▪ Home Buyer Assistance combined with Rehabilitation</li> </ul>

Source: Karen Warner Associates

## **C. ADMINISTRATIVE RESOURCES**

Described below are several non-profit agencies that are currently active and have completed projects in Orange County. These agencies serve as resources in meeting the housing needs of the City, and are integral in implementing activities for acquisition/rehabilitation, preservation of assisted housing, and development of affordable housing.

### **Habitat for Humanity**

Habitat is a non-profit, Christian organization that builds and repairs homes for sale to very low income families with the help of volunteers and homeowner/partner families. Habitat homes are sold to partner families at no profit with affordable, no interest loans. The local affiliate, Habitat for Humanity Orange County has been active in Cypress, having built 7 homes for very low income families in the last Housing Element period.

### **Jamboree Housing Corporation (JHC)**

JHC is a non-profit developer that has developed and implemented numerous affordable housing projects throughout Southern California as well as the State. Jamboree has also established an in-house social services division to assist residents in maintaining self-sufficiency. "Housing with a HEART" (Helping Educate, Activate and Respond Together) now operates at most Jamboree-owned properties. Jamboree recently worked with the City of Cypress to develop a Neighborhood Improvement Plan for the Lemon-Lime neighborhood. This Plan was recently adopted by the City Council and some infrastructure improvements have begun.

### **Mercy Housing California**

Mercy Housing has offices in Los Angeles, San Francisco and Sacramento. Mercy Housing serves more than 10,000 people at about 100 properties. Residents range from families to people with special needs to seniors. Mercy Housing has approached City staff about developing affordable housing in Cypress.

### **Orange Housing Development Corporation (OHDC)**

OHDC is a non-profit housing developer founded in 1990. Located in the City of Orange, the Agency's start-up costs were originally funded by the Orange Redevelopment Agency. OHDC's primary focus is within Orange County, but has developed over 3,000 units in communities throughout California. OHDC, along with the for-profit developer C&C Development Company, has approached the City of Cypress about potential motel conversions. Both developers have experience in converting existing motels to affordable housing.

## **D. OPPORTUNITIES FOR ENERGY CONSERVATION**

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

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

Interest in addressing these impacts at all levels of government has been growing. In 2004, the State of California adopted legislation requiring LEED (Leadership in Energy and Environmental Design) certification for new and renovated public buildings. Some local jurisdictions have not only adopted similar standards for their public buildings, but have also recently required LEED certification for larger commercial and residential developments. For example, the City of Pasadena requires the LEED certified level for commercial construction of 25,000+ square feet and residential buildings with 4+ stories. Other Southland cities that have adopted similar requirements are Calabasas, Santa Monica, Long Beach, and Los Angeles.

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

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

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

Other efforts by cities related to energy conservation include: providing information regarding energy efficient techniques for rehabilitation; referrals for residents and businesses to energy conservation programs; and local incentives for building green.

The following presents a variety of ways in which Cypress can promote energy conservation:

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

Global Green, a leader in the green building field, has designed a step-by-step guide for local governments interested in creating a green building program. The steps are outlined as follows:

1. Establish Your Baseline - what are current local policies, ordinances, and environmental programs; identify gaps
2. Analyze Building Trends - what are past trends, planned city and major private projects, and projected growth
3. Review Existing Guidelines - do they fit with local climate, city procedures, local building practice, and address local priorities
4. Conduct Outreach - form city staff team and citizen committee; convene groups; and identify issues and priorities
5. Establish Framework - identify priority sectors; determine phasing; set incentives; and determine administration
6. Implementation - adopt policy; prepare and provide resources and materials; hold workshops and trainings; identify additional staff needs

To further green building goals, residential and mixed-use developments receiving Redevelopment Agency assistance may be required to include sustainable design features to the extent financially feasible, such as:

- Energy and water reduction strategies
- Building design that maximizes sunlight for heat and light, and maximizes air flow for natural cooling
- Solid waste reduction technologies
- Storm water mitigation
- Gray water recycling

### **Southern California Edison Energy Efficiency Programs** ([www.sce.com](http://www.sce.com))

Southern California Edison (SCE) offers a Multi-Family Energy Efficiency Rebate Program that provides property owners and managers incentives on a broad list of energy efficiency improvements in lighting, HVAC, insulation and window categories. Edison's refrigerator and freezer recycling program provides cash rebates and free pick up of old appliances as an encouragement to residents to replace old appliances with new energy-efficient ones.

The following three programs are offered by SCE to help low income customers reduce energy costs and control their energy use:

- **Energy Management Assistance Program** – Pays for the cost of purchasing and installing energy efficient appliances and equipment
- **California Alternate Rates for Energy (CARE)** - Offers very low income customers a discount of 20% or more off their monthly electric bill. The Family Electric Rate Assistance (FERA) program also offers reduced rates for lower income families.
- **Energy Assistance Fund** - Assists income qualified customers with their electric bill once in a 12 month period

### **Southern California Gas Company Energy Efficiency Programs**

([www.socalgas.com](http://www.socalgas.com))

The Southern California Gas Company offers several energy efficiency programs, including home energy rebates for energy efficient appliances; multi-family rebates for energy saving improvements; and home energy and water efficiency kits. Similar to SCE, several programs are available to assist lower income customers with energy bills:

- **California Alternate Rates for Energy (CARE)** - Offers very low income customers a discount of 20% or more off their monthly gas bill.
- **No-Cost Energy Saving Home Improvements** - Service provides free weatherization for the homes or apartments of lower income families.
- **One-Time Bill Assistance** - Up to \$100 in one-time assistance on the gas bill.

- **Medical Baseline Allowance** - Households with a seriously disabled member, or person with life-threatening illness, may qualify for additional gas at a reduced rate schedule.