

*City of* CYPRESS



2021-2029

Housing Element Update

Study Session



# Presentation Overview

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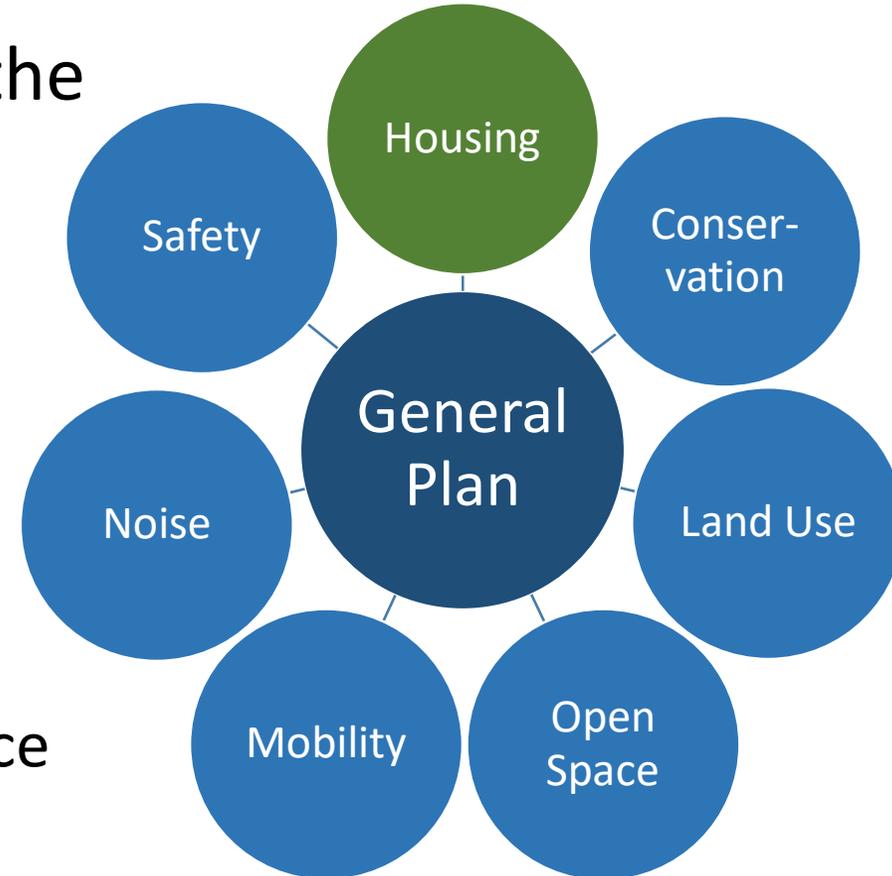
- **What is the Housing Element?**
- **Housing Element Requirements**
- **Cypress Today**
- **Regional Housing Needs Assessment (RHNA) / Sites Inventory**
- **Update Process and Timeline**
- **Discussion**



# What is the Housing Element?

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- One of seven required elements of the General Plan
- Assessment of City's housing needs and how best to accommodate existing and future housing needs
- Update required every 8 years
  - Deadline: Oct. 15, 2021 + 120-day grace period
- Reviewed for compliance by Dept. of Housing and Community Development (HCD)



# Housing Element Requirements

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- Accommodate projected housing demand, as mandated by the State (RHNA)
- Includes policies and programs to:
  - Preserve existing affordable housing
  - Improve the safety, quality and condition of existing housing
  - Facilitate the development of housing for all income levels and household types including special needs populations
  - Promote fair housing choice for all



# Consequences of Noncompliance

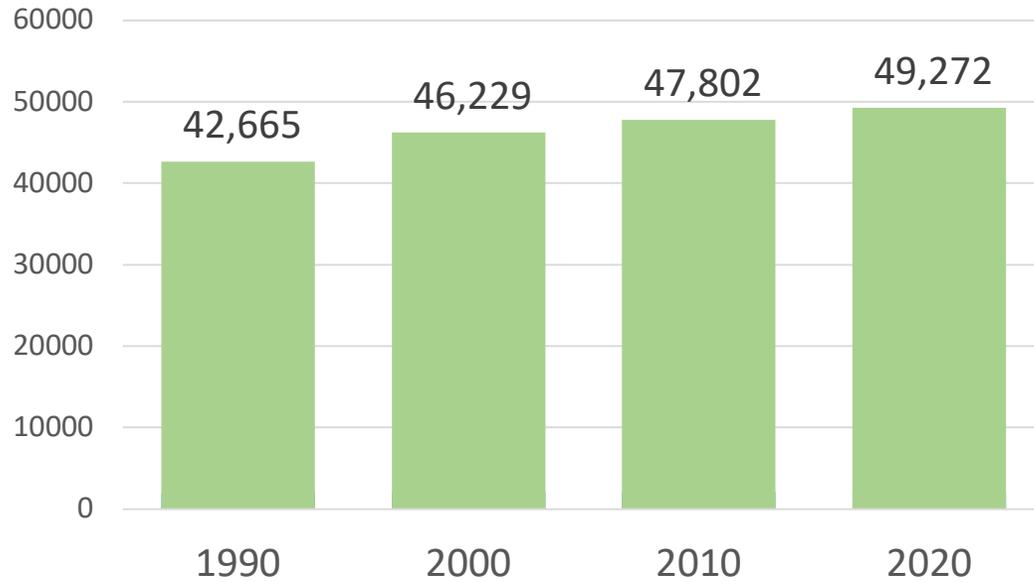
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- Risk of Litigation (AB 72, AB 101)
  - HCD monitors for non-compliance; reports to Attorney General (AG)
  - Court imposed fines up to \$100k per month
  - Huntington Beach and Pleasanton sued by AG
  - Pomona and San Clemente sued by nonprofits
- Ineligibility for State grants
  - SB 2 / LEAP
  - Other infrastructure/transportation funds being considered



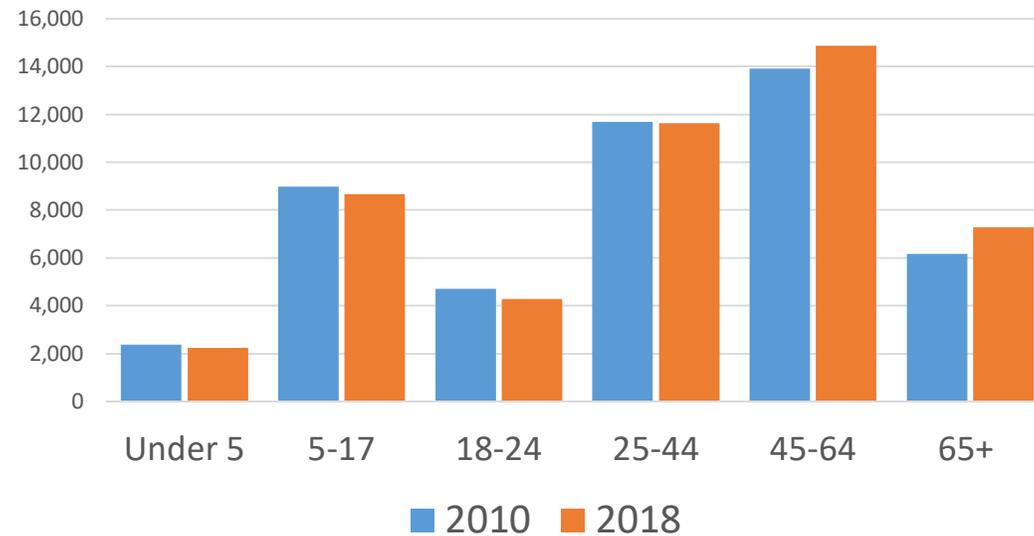
# Cypress Today

## Cypress Population



Source: Census Bureau (2010); CA Dept. of Finance (2020)

## Change in Age Group

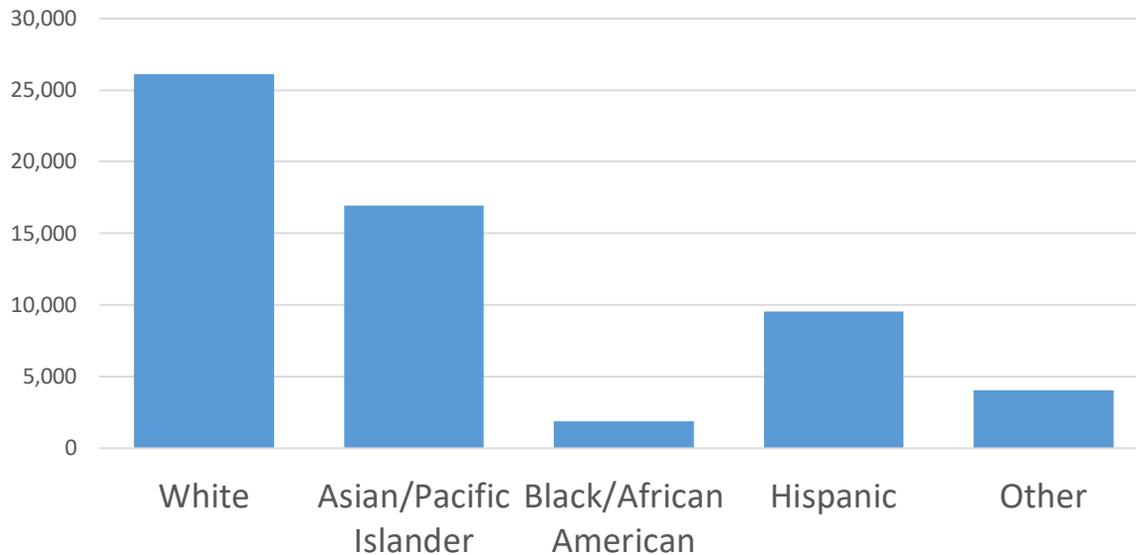


Source: Census Bureau, 2010 Census & American Community Survey (2014-2018)

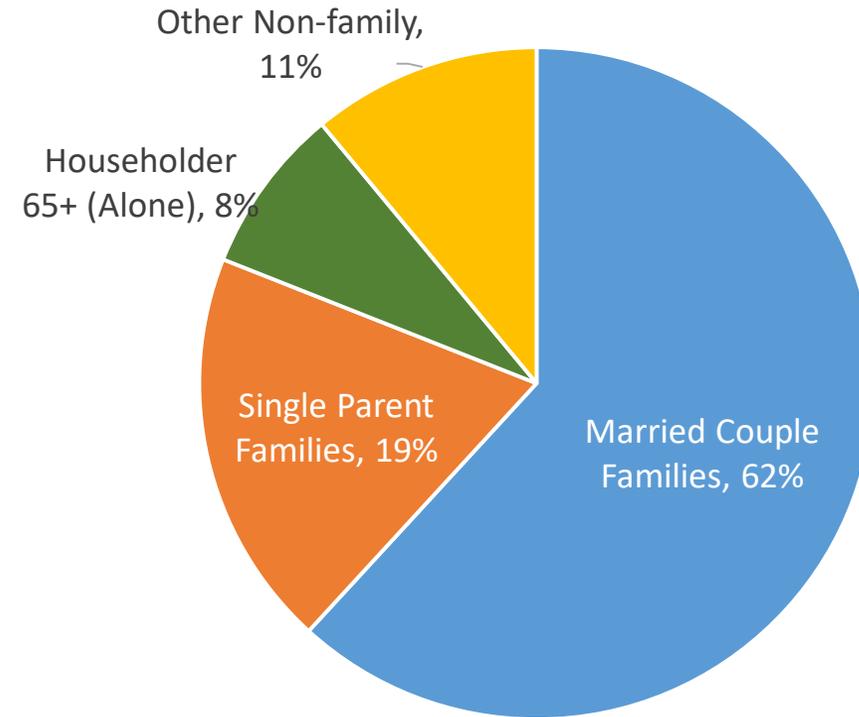


# Cypress Today

## Population by Race/Ethnicity (2018)



Source: Census Bureau, 2010 Census & American Community Survey (2014-2018)



## Household Types (2018)

Source: Census Bureau, American Community Survey (2014-2018)



# Cypress Today

## Income Distribution

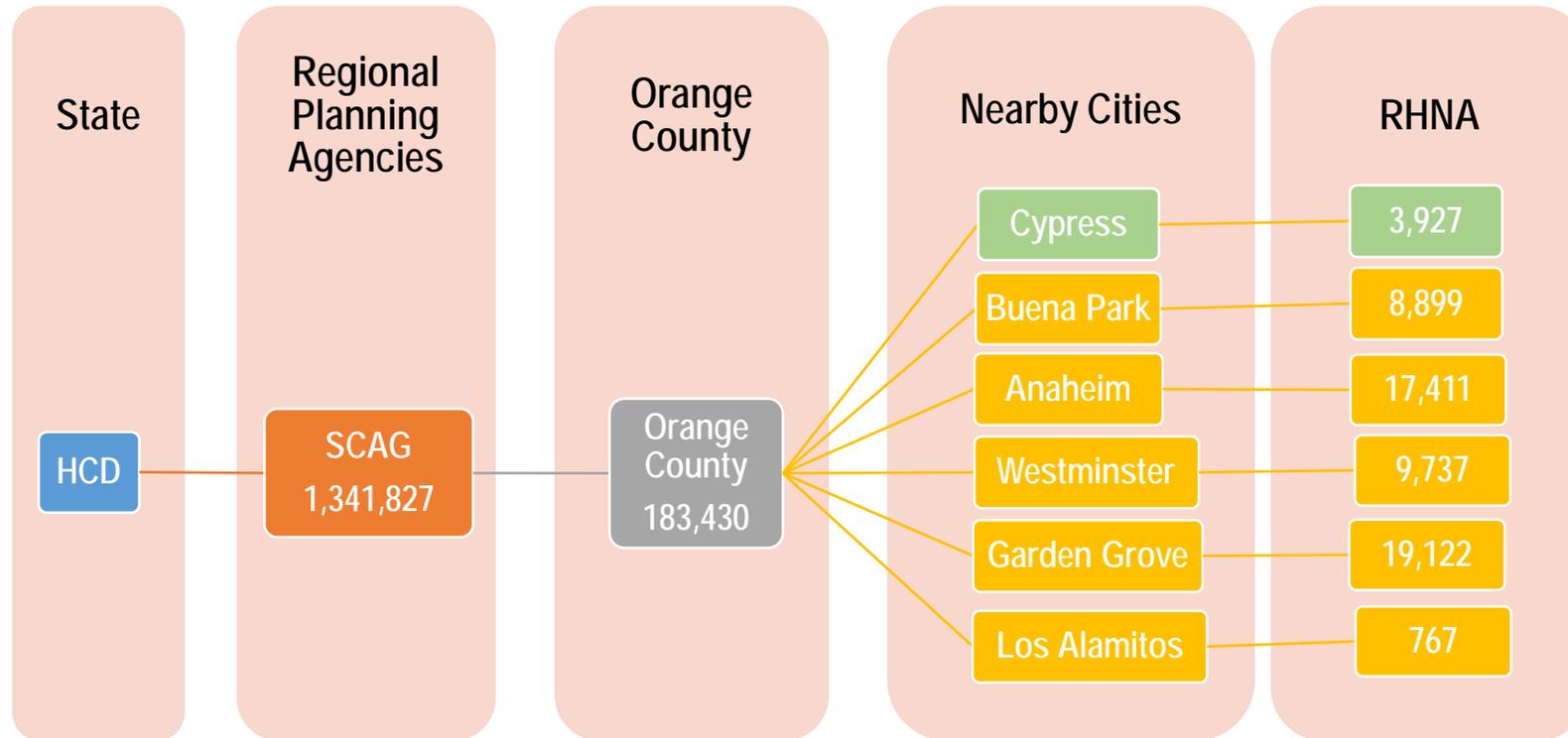
| Income Category (% of County AMI)  | Households | Percent |
|------------------------------------|------------|---------|
| Extremely Low (<30% AMI)           | 1,625      | 10.3%   |
| Very Low (31-50% AMI)              | 1,595      | 10.1%   |
| Low (51-80% AMI)                   | 2,800      | 17.7%   |
| Moderate/Above Moderate (>80% AMI) | 9,820      | 62.0%   |
| Total                              | 15,840     | 100.0%  |

Source: HUD Comprehensive Housing Affordability Strategy (CHAS ) data, 2013-2017

- Income categories are defined by the State; based on varying percentages of Area Median Income (AMI)
- Housing is considered “affordable” if occupants pay no more than 30% of their income on housing costs



# Regional Housing Needs Assessment (RHNA)



Each jurisdiction must demonstrate in its Housing Element that it can accommodate its total RHNA number and its allocations by income level.



# Regional Housing Needs Assessment (RHNA)

| Income Category | Cypress RHNA                      |       |                                   |       |
|-----------------|-----------------------------------|-------|-----------------------------------|-------|
|                 | 5 <sup>th</sup> Cycle (2013-2021) |       | 6 <sup>th</sup> Cycle (2021-2029) |       |
| Very Low        | 71                                | 23.1% | 1,147                             | 29.2% |
| Low             | 50                                | 16.2% | 656                               | 16.7% |
| Moderate        | 56                                | 18.2% | 622                               | 15.8% |
| Above Moderate  | 131                               | 42.5% | 1,502                             | 38.2% |
| Total           | 308                               | 100%  | 3,927                             | 100%  |



# Regional Housing Needs Assessment (RHNA)

| Orange County<br>AMI = \$103,000 | Household Size | 1-person | 2-person | 3-person  | 4-person  | 5-person  |
|----------------------------------|----------------|----------|----------|-----------|-----------|-----------|
|                                  | Extremely Low  | \$26,950 | \$30,800 | \$34,650  | \$38,450  | \$41,550  |
|                                  | Very Low       | \$44,850 | \$51,250 | \$57,650  | \$64,050  | \$69,200  |
|                                  | Low            | \$71,750 | \$82,000 | \$92,250  | \$102,450 | \$110,650 |
|                                  | Moderate       | \$86,500 | \$98,900 | \$111,250 | \$123,600 | \$133,500 |



# Regional Housing Needs Assessment (RHNA)

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## No Net Loss Law (SB 166)

- Requires sufficient adequate sites to be available at all times throughout the RHNA planning period
- Must replenish sites capacity, if:
  - Sites are developed with fewer units than assumed in Housing Element
  - Sites are developed for higher income/affordability level than assumed in Housing Element
- Recommended that the City create a buffer in the housing element inventory of at least 15-30% more capacity than required
- City often has projects built at lower density than code allows



# Regional Housing Needs Assessment (RHNA)

| Meeting the RHNA   |              |
|--|--------------|
| <b>RHNA Total</b>  | <b>3,927</b> |
| ADU Construction   | 20           |
| Pipeline Projects  | 386          |
| Prior Cycle Sites  | 346          |
| Cypress Town Center & Commons 2.0 (Race Track redevelopment) | 1,115        |
| <b>Total Identified</b>                                      | <b>1,867</b> |
| <b>Total Unidentified</b>                                    | <b>2,060</b> |

| Income Level                       | # of units |
|------------------------------------|------------|
| Lower<br>(30 du/acre)              | 1,803      |
| Moderate and Above<br>(25 du/acre) | 2,124      |



# Sites Inventory

## Previous Cycle Sites

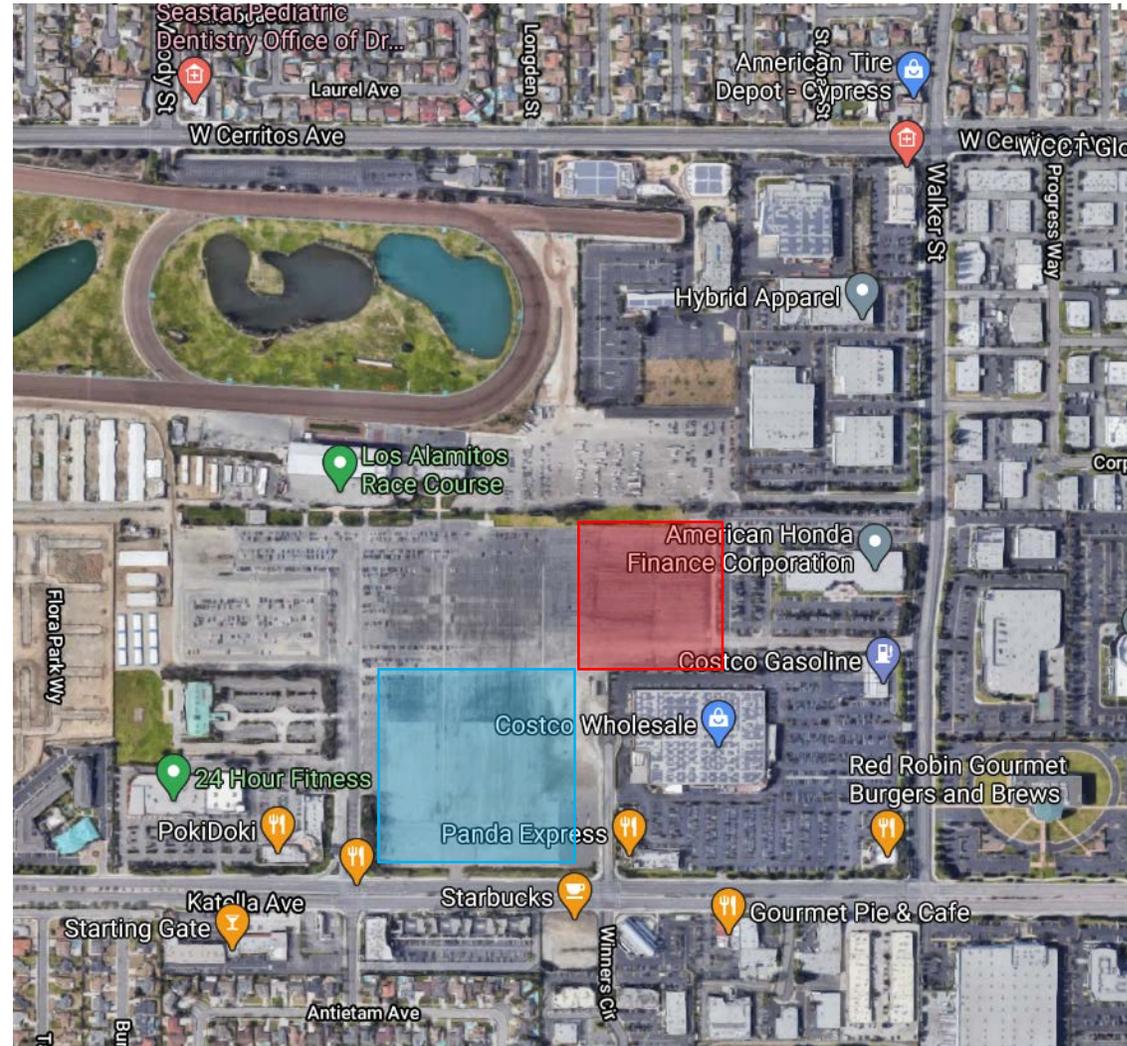
- 6 sites identified
- All but one have been developed
- 4656 Lincoln Ave (346 units)



# Sites Inventory

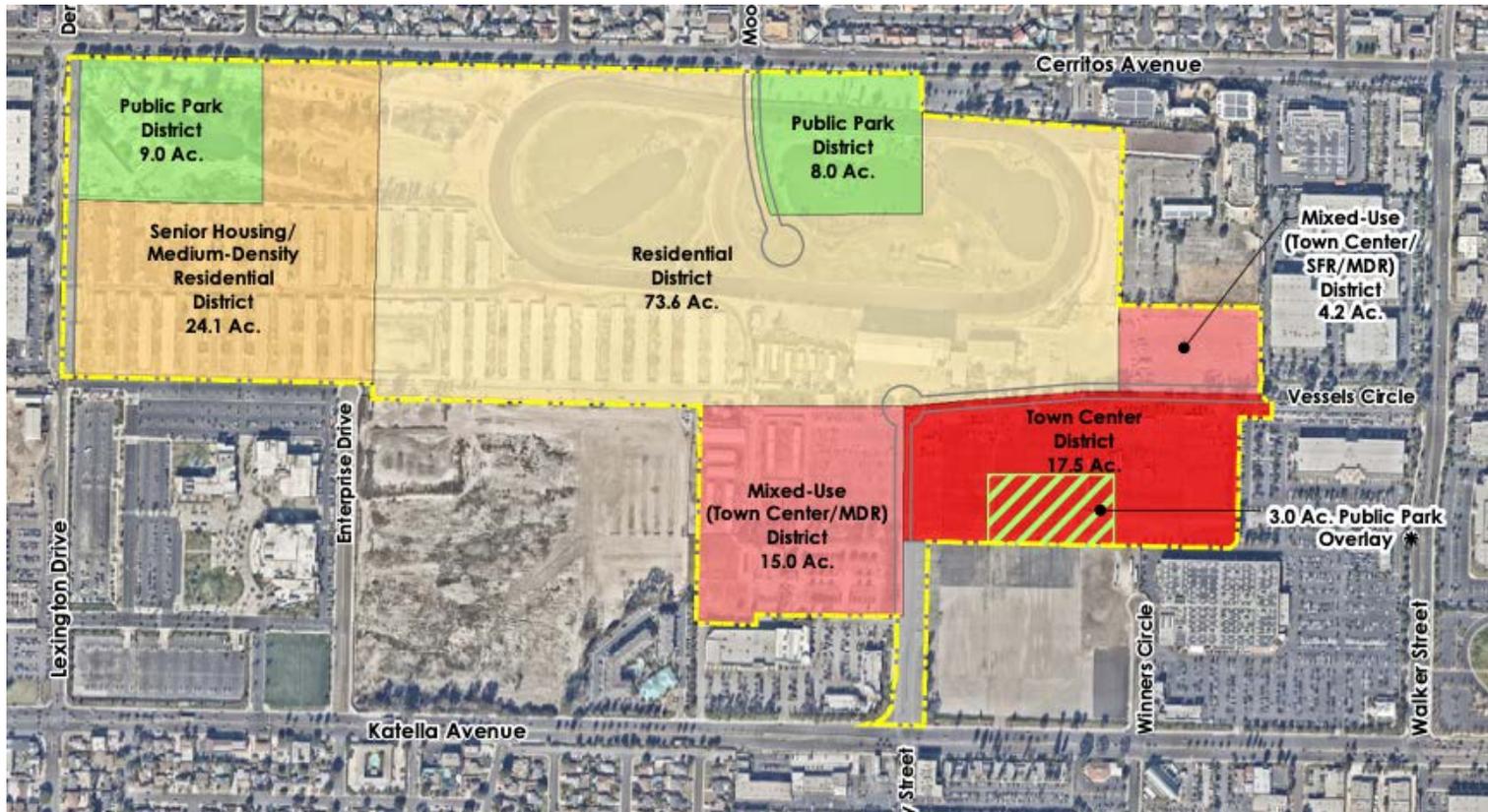
## Pipeline Projects

- Cypress City Center (Shea Homes) – 251 Apartments
- Cypress Town Center (Melia Homes) – 135 Condos/townhomes



# Sites Inventory

## Cypress Town Center & Commons Specific Plan 2.0



| District                        | Density     | # of units |
|---------------------------------|-------------|------------|
| Town Center                     | 20 du/ac    | 250        |
| Residential                     | 5-10 du/ac  | 1,000      |
| Senior Housing/MDR              | 15-20 du/ac |            |
| Mixed Use (Town Center/MDR)     | 15-20 du/ac |            |
| Mixed-Use (Town Center/SFR/MDR) | 8-20 du/ac  |            |



# Sites Inventory

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## Criteria for Selecting Candidate Sites

- Existing use – high vacancy/turnover rates, declining/marginal operations, outdated model of business
- Age and condition of structure
- Existing use of land – existing number of units on site or Floor Area Ratio
- Expressed interest of property owners or developers for redevelopment
- Areas exhibiting active development activities



# Update Process and Timeline

|                                   | Oct-20 | Nov-20 | Dec-20 | Jan-21 | Feb-21 | Mar-21 | Apr-21 | May-21 | Jun-21 | Jul-21 | Aug-21 | Sep-21 | Oct-21 |
|-----------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Develop Draft HE                  |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Community Outreach                |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Council/Public Review of Draft HE |        |        |        |        |        |        |        |        |        |        |        |        |        |
| CEQA Clearance (MND)              |        |        |        |        |        |        |        |        |        |        |        |        |        |
| HCD Review                        |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Adoption Hearing                  |        |        |        |        |        |        |        |        |        |        |        |        |        |



# Discussion

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We welcome your feedback!

