Appendices
Housing Needs

This chapter analyzes demographic, economic, housing, and special needs groups in Santa Ana to understand housing needs in the community and provide a foundation for the development of responsive housing goals, policies, and implementation programs to address that need.

OVERVIEW

Over the past decade, Santa Ana has seen significant challenges to housing its population and workforce. Population increase, changes to the economy, the housing market boom and downturn, and other factors affect Santa Ana’s ability to address its housing challenges. This Housing Needs Assessment is designed to explore many of these factors that influence the City’s housing needs today and define the challenges to addressing these needs.

The Housing Needs Assessment is divided into five sections, each providing information and analysis that augments discussion provided in the Framework.

- **Demographic Characteristics.** Demographic characteristics, including population growth and change, race and ethnicity, age characteristics, and household composition and type.

- **Economic Characteristics.** Employment trends, occupations of residents, household income and distribution, and other factors that affect the demand for housing and the ability to afford housing.

- **Neighborhood and Housing Profile.** Inventory of housing, including its supply, characteristics, vacancy and tenure, housing prices, and affordability to residents of different income levels.

- **Special Needs.** Special needs in the City, including seniors, people with disabilities, large families, single-parent families, people who are homeless, and other special needs groups.

- **Housing Needs.** An assessment of housing production needs, housing rehabilitation, and the preservation of housing.
DEMographic Characteristics

This section analyzes the primary demographic characteristics of Santa Ana residents, including population growth, race and ethnicity, age characteristics, and household characteristics to identify housing needs in Santa Ana.

Population Growth

Santa Ana is the 2nd largest of 34 cities in Orange County. The county experienced rapid growth in the 1980s and 1990s, with the majority of growth occurring in new communities in southern Orange County and unincorporated areas. From 1980 to 1990, the county’s population increased 25 percent, followed by an 18 percent increase between 1990 and 2000, and a 6 percent increase between 2000 and 2010. Santa Ana also experienced a rapid increase of residents between 1980 and 1990 (44 percent), primarily due to in-migration of residents from other countries or areas outside of the City.

Unlike surrounding communities and the county as a whole, during this period the City of Santa Ana did not experience a residential construction boom. Rather, the City experienced an increase in household size due in part to immigration from other countries and natural increase. During the 1990s the City experienced significantly slower population growth (15 percent). Slowing population growth is reflective of the built-out nature of the City’s residential areas and low vacancy rates. Between 2000 and 2010 the City’s population decreased by about 4 percent.

In 2010, the City of Santa Ana’s estimated population of 324,528 represented approximately 11 percent of the county’s total population, ranking Santa Ana as the second most populated city in the county behind Anaheim. According to the Center for Demographic Research at California State University, Fullerton, Santa Ana’s population is projected to increase, but at a slower rate than in nearby cities (Chart A-1). Santa Ana’s population is expected to decrease by 4 percent through the planning period, and is expected to downtrend through 2035.

Chart A-1: Population Growth Trends

After a sharp growth in the early 1980s and 1990s, Santa Ana is projected to grow more slowly as it approaches buildout. Santa Ana is projected to remain one of the top two most populous cities in Orange County.

Source: Center for Demographic Research, Cal State Fullerton, Orange County Projections, 2010.
RACE AND ETHNICITY

Santa Ana is known for its international population. As the county seat and one of the oldest cities in Orange County, Santa Ana is a major gateway for newcomers from all over the world, particularly Latin America, Southeast Asia, and the Philippines. The various ethnic groups that constitute Santa Ana’s population have helped create a rich pattern of cultural experiences and diversity. Although 78 percent of the City’s population is Hispanic, Santa Ana also has one of the larger Vietnamese-American populations in the county. The Vietnamese population represents 7 percent of the City’s total population and experienced a 20 percent increase between 2000 and 2010.

Santa Ana experienced slight demographic changes in the early 2000s. Between 2000 and 2010, the Hispanic population increased its share of the total population by 3 percent, while the non-Hispanic White population declined by 29 percent. The Asian population had the most significant gain, increasing by 15 percent, while all others (e.g., African Americans, Native Americans, multiple races) decreased by an average of 17 percent (Chart A-3). According to the 2010 Census, the City of Santa Ana has the highest percentage of Hispanics of any other Orange County city.

Santa Ana has a large population of foreign-born residents: 48 percent of the City’s population is foreign born compared to 31 percent countywide. During the 1990s, one in every four new immigrants to Orange County moved to Santa Ana. Significant research has been published regarding the changing economic status, household characteristics, and housing needs of this group (see Population Dynamics Group at the University of Southern California, Center for Demographic Research at California State University of Fullerton (CDR), and the Federal Department of Housing and Urban Development).

Although no single study describes the characteristics of foreign-born residents, the research collectively yields useful insights about demographic trends that may affect housing needs. Research shows that many immigrant households, particularly those with limited English skills, earn lower incomes than later generations. This increases the difficulty of finding adequate and affordable housing. With slowing immigration patterns, housing needs could likely be more influenced by second and third generations of immigrant families. Santa Ana’s future households may tend to be more affluent than previous generations and prefer smaller family sizes and homeownership opportunities. Research continues to examine the extent to which the housing market can best serve this growing segment of the population in California.
AGE CHARACTERISTICS

Age characteristics profoundly influence housing needs. Typically, younger households look for more affordable rental opportunities as they begin their careers and accumulate wealth. As adults begin to form families, the demand increases for larger rentals or more affordable single-family homes that can accommodate children. Demand for move-up housing is strongest as residents approach the peak earning years of 45–64. As retirement approaches, seniors may wish to downsize into smaller units that are more easily maintained.

As a result of population decrease, Santa Ana experienced a decline in its child, college age, and family-forming population subgroups between 2000 and 2010. In 2010, children under age 20 and family-forming adults (25 to 44) each comprised about 33 percent of the City’s residents. The college age subgroup represented 9 percent of the population. The number of children and youth under age 20 decreased by 13 percent, and the college and family-forming population each decreased by 11 percent in that period.

Both the middle age and senior populations grew between 2000 and 2010. Growth in both of these subgroups coincides with the nationwide aging baby boomer generation. These changes, shown in Chart A-4, indicate that residents in Santa Ana are aging in place, which may create additional demand for affordable housing opportunities as these subgroups become dependent on fixed incomes. New housing types such as multigenerational and cohousing could also be viable options for this segment of the City’s population.

With the aging of the baby boom population, Santa Ana can expect to see a modest increase in demand for senior housing. However, since Santa Ana has a lower percentage of middle-aged adults compared to other cities in Orange County, the impact may be less than expected. These demographic trends shape housing demand and provide an opportunity to institute responsive policies and programs.
HOUSEHOLD CHARACTERISTICS

Household characteristics are equally important in determining housing need in Santa Ana. According to the 2010 Census, the City of Santa Ana has 73,174 households, an increase of 174 households since the 2000 Census. Typical of a city near buildout, the composition and corresponding needs have not significantly changed over the past decade.

Household Type

Summarized in Chart A-5, the City of Santa Ana has seen a decrease in the number of married families with children. However, the number of married families without children has increased, while the number in the “other families” category has slightly increased. Single persons and other nonfamilies have seen the greatest decline during the early 2000s. Today, the City household composition is 81 percent families, which is 15 percent higher than the national average (66 percent). This trend suggests a continued need for larger family housing than other communities.

Household Size

The City’s household characteristics and trends have resulted in an average household of 4.4 persons. According to the 2013 Orange County Community Indicators Report, Santa Ana has the largest household size in Orange County (Chart A-6) and the 10th highest in the nation. During the early 2000s, the number of single persons and small families with two to four family members increased in number, while the number of large families with five, six, and seven members decreased. Part of this is due to the economic downturn, which helped to balance rental prices, potentially reducing the number of shared residences by multiple families. Although family sizes are becoming smaller; the 2010 Census shows Hispanics in Santa Ana have the largest average family size, with an average of 5.2 persons per household.

Changes in household type and size together significantly affect the need for different types of housing. Preserving and rehabilitating the existing supply of housing may provide opportunities and help alleviate some of the overcrowding pressures in the City. At the same time, providing more housing opportunities for the aging baby boomers will allow seniors a greater opportunity to stay in the community.
ECONOMIC CHARACTERISTICS

The economy plays a fundamental role in defining housing needs by creating a demand for housing, determining the wages paid to employees, and ultimately influencing the ability to afford housing. This section explores some of the more fundamental economic forces shaping housing needs in Santa Ana.

SANTA ANA JOB MARKET

Santa Ana has a lot to offer the business community. With lower lease and sales prices than in adjacent communities, its central location in Orange County, proximity to transportation hubs (e.g., John Wayne Airport and major freeways, a major railroad line, and the Santa Ana Regional Transportation Center), Santa Ana is a competitive place for locating business. The California Employment Development Department provides the following composition of industries in Santa Ana.

Government and Education. As the county seat, Santa Ana is a public sector job center. The County of Orange is the City’s largest employer, providing over 12,000 jobs in 2012. Taking into account Santa Ana Unified School District, Rancho Santiago Community College District, City of Santa Ana, and the US Postal Service, the public sector provides nearly 20,000 jobs. At least one in every ten jobs in Santa Ana takes place in a government or educational institution.

- Professional Workforce. Santa Ana employs a large number of professionals involved in the information, banking, real estate, management, and technical sectors. Excluding professionals employed in the government and education industries, one in five jobs in Santa Ana is in a professional field. Ingram Micro, for example, a Fortune 100 company, is headquartered in the City of Santa Ana and employs more than 4,000 people.

- Administrative Support. More than 15,000 administrative support occupations work in many of the same locations as those in the government and education sector. This sector encompasses industries that support business activity and includes temp agencies and janitorial and landscaping services. While companies in this sector tend to be smaller, DMS Services and Ponderosa Builders are two of the City’s largest employers in this sector.

- Manufacturing Sector. The City’s established manufacturing base provides 14 percent of jobs in Santa Ana. The top three manufacturers are TTM Technologies, Aluminum Products Inc., and Brasstech.
Resident Occupations

The ability to afford housing depends on household income, which is influenced by employment status and occupation. The California Employment Development Department provides annual and monthly estimates of labor force participation, employment levels, and unemployment rates in cities. The number of employed residents in Santa Ana increased 7 percent, from 136,400 in 2000 to 146,300 in July 2013. With the downturn in the regional economy since 2008, Santa Ana’s unemployment rate has risen considerably over the past decade, from 5.7 percent in 2000 to 8.5 percent in 2008 and hitting its peak at 14.9 percent in 2010. The job market has started to recover, and unemployment was down to 10.4 percent in July of 2013. Santa Ana’s unemployment rate has been consistently higher than the county’s which also reached its peak in 2010 at 9.5 percent. The county’s rate for July 2013 was 6.5 percent.

Chart A-7 shows the industries that employ Santa Ana residents according to the US Census Bureau’s 2010 Longitudinal Employer-Household Dynamics. Nearly one in five employed Santa Ana residents (18 percent) works in manufacturing, and another 11 percent work in retail trade. The administrative support, waste management, and remediation sector also employs 14 percent of Santa Ana residents. This sector encompasses service industries that support business activity, including temporary agencies, janitorial and landscaping services, and others.

As shown in Table A-1, the Census reports that 16 percent of Santa Ana residents work in management and professional jobs, 27 percent in services, 23 percent in sales, 13 percent in construction, extraction/maintenance occupations, and 21 percent in production/transportation/material-moving jobs. The 2012 National Compensation Survey shows that managerial and professional occupations pay an average salary of more than $90,000. However, most jobs held by Santa Ana residents pay average wages below $53,000 annually.

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<tr>
<th>Table A-1</th>
<th>Average Wage Levels by Occupational Group</th>
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<tr>
<td>Occupation</td>
<td>Percent of Job Base</td>
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<tr>
<td>Management, business, science, and arts</td>
<td>23,188</td>
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<tr>
<td>Service occupations</td>
<td>38,735</td>
</tr>
<tr>
<td>Sales and office</td>
<td>34,028</td>
</tr>
<tr>
<td>Construction, extraction, and maintenance</td>
<td>18,755</td>
</tr>
<tr>
<td>Production, transportation, and material moving</td>
<td>30,945</td>
</tr>
</tbody>
</table>

An important consideration in addressing housing needs is the commute patterns of residents and the workforce and the extent to which a balance in jobs and housing is desired. In a large metropolitan area where employment centers cross municipal boundaries, a jobs/housing balance is more often achieved at a regional level, as opposed to a city level. However, to the extent that minimizing commutes and improving air quality are important objectives, striving to achieve an acceptable jobs/housing balance is worthwhile.

Illustrated in the map below and in Chart A-8, the majority of Santa Ana’s working residents—approximately 72 percent—are employed within Orange County. While the majority of employed Santa Ana residents work outside of the City, approximately 20 percent work within the City. The top six places where Santa Ana residents work are in Santa Ana, Irvine, Anaheim, Costa Mesa, the City of Los Angeles, and Orange, according to the 2010 US Census.

Source: Longitudinal Employer-Household Dynamics based on the 2010 Census
HOUSEHOLD AND FAMILY INCOME

Household Income

Except for housing costs, household income is the most critical factor affecting the ability to afford housing. According to the 2011 ACS, Santa Ana’s median household income was $54,399, compared to $75,762 for Orange County. Santa Ana’s household income is one of the lowest among Orange County cities; the City of Stanton and the retirement communities of Laguna Woods and Seal Beach are the three lowest. The following describes and analyzes the differences in household income by family type (married families, married families with children, non-families, etc.) and distribution.

Like most cities, household income also varies significantly by household age. For households under age 25, the median income was $43,994 and increased to $54,389 for householders between the ages of 35 and 44 as of the year 2011. The median household income progressively increased to $63,070 for householders 45–64 years of age, the prime working years. Following retirement, however, the median income drops to $36,658, slightly higher than the youngest age group. The fact that Santa Ana’s population is the youngest in Orange County is another reason for the City’s low median household income.

Income by Family Type

The Census defines a family as two or more people related by birth, marriage, or adoption residing in the same housing unit. The median family income of Santa Ana residents varies significantly among different types of families, shown in Chart A-9. As shown, married couples without children, which comprise 22 percent of all households, earn the highest median income at $63,408. Married couples with children under 18 years of age comprise 34 percent of all households and earn the second highest median income of $46,986. Other family and nonfamily households, collectively comprising 43 percent of all households, earn in the lower $40,000s.

Other household characteristics are associated with differences in the median household income of Santa Ana households. According to the 2011 ACS, household income varies between foreign (non-citizen) and native residents. The median income for foreign-born, non-U.S. citizen households in Santa Ana was $47,493 versus $59,876 for native residents (Chart A-10). These differences do not reflect patterns or trends associated with education, occupation, country of origin, or other factors.

The ACS tracks the median income household of foreign-born residents and their progression in housing ownership and attainment. Forty-five percent of foreign born residents own a home with an average household size of 5.3 persons. Renters on the other hand have a lower household size with an average of 4.9 persons. Recent literature from the Population Dynamics Center at the University of Southern California suggests that median household incomes and housing

Chart A-9: Median Family Income by Family Type


Chart A-10: Median Income by Nativity

opportunities gradually improve as immigrants become more educated, learn English skills, assimilate into the country, and gain more productive and higher paying jobs. A key challenge facing Santa Ana for years to come will be how to facilitate greater housing opportunities and move-up options for its population.

**Income Distribution**

On an annual basis, the Department of Housing and Urban Development conducts household income surveys of each county in the nation. The State Department of Housing and Community Development uses these household income surveys to identify the need for housing assistance in communities. As summarized below, there are five primary income categories based on Area Median Income (AMI) and adjusted for household size:

- Extremely low: households earning 30 percent or less of AMI
- Very low: households earning 31 to 50 percent of AMI
- Low: households earning 51 to 80 percent of AMI
- Moderate: households earning 81 to 120 percent of
- Above Moderate: households earning above 120 percent of AMI

State housing program guidelines also often combine extremely low and very low income into one category, called very low income. The extremely low, very low, and low income categories are also often considered “lower” income. These terms are used throughout the Housing Element.

Table A-2 shows the household income distribution in Santa Ana according to the 2012 SCAG Existing Housing Needs Data Report (based on 2005–2009 ACS). Approximately 54 percent of households earn lower incomes, 21 percent earn moderate incomes, and 25 percent earn above moderate incomes. Renters typically have the highest percentage of very low income households, and homeowners have the higher percentages of moderate and above moderate income households. However, both renters and homeowner groups have an equal percentage of low income households (Chart A-11).

**Table A-2**

<table>
<thead>
<tr>
<th>Income Category</th>
<th>Percent of Area Median Income (AMI)</th>
<th>Median Income in 2010 (4-person household)</th>
<th>Households</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Number</td>
</tr>
<tr>
<td>Extremely low</td>
<td>0 to 30% MFI</td>
<td>$27,850</td>
<td>11,370</td>
</tr>
<tr>
<td>Very low</td>
<td>31% to 50% MFI</td>
<td>$46,450</td>
<td>12,486</td>
</tr>
<tr>
<td>Low</td>
<td>51% to 80% MFI</td>
<td>$74,300</td>
<td>16,919</td>
</tr>
<tr>
<td>Moderate</td>
<td>81% to 120% MFI</td>
<td>$104,650</td>
<td>15,657</td>
</tr>
<tr>
<td>Above moderate</td>
<td>121% + MFI</td>
<td>Above $104,350</td>
<td>18,827</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>75,259</strong></td>
</tr>
</tbody>
</table>

Source: SCAG Existing Housing Needs Data Report using 2005-2009 ACS.
Note: 1. CA HCD, 2010, AMI for Orange County was $87,200.
NEIGHBORHOOD AND HOUSING PROFILE

Neighborhood and housing characteristics define the nature of housing needs in Santa Ana. This section analyzes housing growth patterns, housing characteristics, tenure and vacancy trends, housing prices, and affordability.

NEIGHBORHOOD CHARACTERISTICS

Santa Ana has a rich mosaic of neighborhoods, each distinguished by its history, architecture, housing types, and amenities. Sixty-four neighborhood associations have been formed to address neighborhood issues. Approximately 70 percent of all residential areas in the City are single-family neighborhoods. To preserve neighborhoods, the 1998 Land Use Element redesignated some areas of the community for single-family housing. Many of these neighborhoods are established, well maintained, and contain historic resources.

Santa Ana has many neighborhoods made up of a variety of residential uses: a mixture of single-family, townhouses, apartments, and a combination of industrial and residential uses. The diversity of these neighborhoods is great, and each neighborhood varies widely in condition. The diverse urban and suburban fabric of many of these neighborhoods has been woven over time and reflects the complexity of land use policies implemented over the long history of Santa Ana. The City has undertaken extensive efforts to stabilize neighborhoods through appropriate land use direction and housing programs. The City has also introduced live-work opportunities in some areas.

To protect and stabilize residential neighborhoods, support the City’s economic base, and provide housing for the local workforce, Santa Ana is developing new residential neighborhoods close to employment centers. These district centers include the Metro East, MacArthur Place, Downtown, City Place, and similar locations. Reflective of modern employment centers, Santa Ana’s district centers are defined by eclectic skylines of high-rise residential projects, townhouses and apartments, and mixed-use residential/commercial projects. These residential neighborhoods are intensely urbanized, transit oriented, and explicitly designed to support the future economic development of Santa Ana.
HOUSING GROWTH

Like many Southern California cities, the City of Santa Ana experienced a post–World War II residential construction boom. During the 1940s three military facilities were opened adjacent to the City, providing thousands of jobs and a need for additional housing opportunities in the area. Santa Ana’s housing construction boom spanned three decades; two-thirds of the City’s housing was built between 1950 and 1979. In addition, significant housing construction continued during the 1980s, though to a much lesser degree.

By the late 1980s, however, the City of Santa Ana faced a number of challenges regarding its housing, particularly apartments. Recently constructed multiple-family structures had a lack of adequate open space, low quality architectural designs, and poor use of quality materials. The City was also impacted by crime, overcrowding, and need for community services in these areas. Coupled with poor maintenance practices, these properties generated a poor image for higher density residential development. Further, many of these apartment structures were built in stable single-family neighborhoods.

In response to these challenges, the City developed strategies to stabilize residential neighborhoods and control the quality of development. This included design guidelines, traffic management plans, and neighborhood revitalization programs. In the interim, the City reevaluated the general plan land use designation for many areas in 1991. The demolition of dilapidated units, construction of lower density projects, and market slowdown resulted in the addition of less than 900 new units from 2008–2012 (DataQuick). Additionally, the population decreased by about 43,000 people, reducing the demand for housing.

With the City’s adoption of the 1998 General Plan Land Use Element, preparation of residential design standards, and implementation of the various Specific Plan and Specific Development Zone process, the City has put in place the necessary regulatory tools to ensure quality residential development. These tools will benefit the City and residents by helping to provide dignified housing opportunities, improve neighborhoods, and contribute to long-term economic goals of the community. The Framework sets forth land use strategies to increase housing production in a manner that achieves larger Citywide goals.


Number of Housing Units in Thousands

Approximately 67 percent of the City’s housing was built between 1950 and 1979. During this time, housing growth kept pace with population growth. Rezoning in the 1990s and a soft housing market decreased the City’s residential activity. Population growth outpaced housing growth from the 1990s to early 2000s. From 2000 to 2010 population growth and housing production slowed; this downtrend is expected to continue through 2030.

HOUSING TYPE

As the county seat and most diverse population in the county, Santa Ana has a broad range of housing needs. It is thus important for the City of Santa Ana to maintain an equal diversity of housing types and prices that can accommodate the varied lifestyles and housing needs of people of all walks of life.

The City of Santa Ana has 76,896 housing units as of the 2010 Census. Shown in Chart A-13, these homes predominantly consist of single-family detached homes (46 percent), and 7 percent are townhouses. Multiple-family housing comprises 41 percent of all housing, of which 10 percent are duplexes, triplexes, and fourplexes. Mobile home units make up the remaining 6 percent of all housing in the City. In addition, a small percentage of the existing single-family and multiple-family units are reserved for group quarter purposes.

As Santa Ana’s population has diversified and housing needs have become more differentiated, the City has experienced significant levels of construction in innovative housing types other than single-family homes and apartments. High-rise and mixed-use condominiums are under construction near major employment centers. Mixed-use and live-work units are sensitively integrated into industrial/residential neighborhoods and near employment centers. Artist’s lofts have added vibrancy to special districts.

Housing for people with special needs is located in commercial corridors and residential neighborhoods. Many of these homes are standard single-family and multiple-family housing, but are used for group quarters and shared by residents. A number of specialized facilities, including residential care facilities (serving six or fewer persons), senior housing, emergency and transitional housing, and other special needs housing are also in Santa Ana.
HOUSING TENURE

The American dream is often represented by homeownership, as this can provide financial independence, economic stability, and personal safety. Home investment, pride in homeownership, and the physical presence of homeowners are perceived to contribute to neighborhood quality and stability. The 2010 Census reported 73,174 occupied housing units, of which 47 percent (34,756) were owner occupied. This is a lower homeownership rate than for the county at large (59 percent).

Homeownership is a long-term financial and personal investment. Historically, homeownership was reserved for those who accrued sufficient wealth to meet large down payment requirements and obtain long-term mortgage loans. Federal housing and banking policies in the 1950s expanded homeownership opportunities to a much larger portion of society—particularly the working and middle class. The national homeownership rate surpassed 60 percent by 1960 and has remained between 64 and 68 percent since (see Chart A-14).

In the 1990s, a deregulated lending environment improved access to homeownership by allowing less qualification and down payment requirements. Creative loans, such as short-term adjustable rate mortgages (ARMs), became the norm and allowed previously unqualified buyers to buy a home. However, the economy receded in 2008 and housing prices fell dramatically. As ARMs readjusted, many homeowners found themselves unable to afford their higher payments and could only sell their home at a significantly lower price. As a result, many homeowners face the possibility of foreclosure.

A recovering economy and stringent mortgage lending standards from 2007 to 2010 have led to an increased preference for renting. The 2010 Census reported that 53 percent of occupied housing units (38,418 households) were rented in Santa Ana. Growth in renter households in 2010 outpaced both the construction of rental units and the conversion of single-family homes to rental units. The City recognizes the importance of a range of rental opportunities to meet the varied lifestyles of individuals and families in the community and propose policies to support increasing the supply of quality rental housing opportunities in the City.
HOUSING SUPPLY

Housing Vacancy

An adequate supply of housing is essential to maintaining adequate choices for residents, moderating housing prices, and encouraging the normal maintenance of properties. This is a delicate balance that must be maintained. Low vacancy rates result in price and rent escalation, while excess vacancy rates result in price depreciation, rent declines, and deferred maintenance. Although market forces are beyond the control of any one city, maintaining an optimal balance of housing supply and demand is a desirable goal.

The building industry assumes that a housing vacancy rate of 1.5–2.0 percent for ownership units and 5–6 percent for rental units are optimal and offer a variety of choices for residents. In 2000, the vacancy rate was 2.2 percent for renters and 0.9 percent for owners. In 2010, the vacancy rate saw a significant increase at 4.9 percent for rental units and 1.9 percent for homeowners. The 2010 Census estimates the Citywide housing vacancy rate at 4.8 percent, which was lower than the county rate of 5.4 percent.

Housing Size

Chart A-15 compares the percentage of renter and owner households with the percentage of appropriately sized units for renters and owners by family size. Shown below, the size of units available for homeowners generally matches the size of households. The same is true for renter households with the exception of large-family households. According to the 2011 ACS, 38 percent of all families who rent have five or more members, but only 22 percent of the rental units available (apartments and single-family homes) are adequately sized with three or more bedrooms. This translates into a shortage of about 5,940 large-family rental units.

Chart A-15: Access to Housing Stock by Tenure

Although there is a balance of ownership units, the city has an excess supply of smaller rental units and a shortage of large rental units with three or more bedrooms.

HOUSING PRICES AND AFFORDABILITY

Housing Prices

This decade has seen unparalleled changes in the housing market. Fueled by historically low interest rates, overly flexible lending, and pent-up demand for housing, the prices of single-family homes soared. Between 2000 and 2007, the median sales prices increased 300 percent; since then housing prices have fallen by about 50 percent. Shown in Chart A-16, the recent market decline has caused prices of single-family homes to drop to $350,000 and condominium prices to drop to $150,000 (2012 price levels).

Chart A-16: Housing Price Trends in Santa Ana
Prices in Thousands of Dollars
Source: DataQuick, 2013.
Housing Affordability

The Santa Ana housing market has plateaued since the 2007–2008 decline. Of the seven largest Orange County cities, Santa Ana has consistently had the lowest median home price during the early 2000s. Single-family home prices in Santa Ana are mostly affordable to moderate and above moderate income households. Shown in Chart A-17, in 2012 the average price for a single-family detached home is affordable to households earning $100,450 or more annually. However, newer single-family homes or those within certain neighborhoods of Santa Ana (e.g., north Santa Ana) will cost substantially more and require an even higher income.

Condominiums provide low income households, moderate income households, seniors, and first-time homebuyers with a more affordable and lower maintenance opportunity than single-family detached homes. In 2012 condominiums were affordable to households earning about $48,900. The price range of affordability depends on the size of the down payment and the cost burden assumed. New condominiums are typically priced at levels affordable only to moderate and above moderate income households.

Despite increased affordability, homeownership is beyond many households. The average annual income in the Santa Ana/Anaheim/Irvine metropolitan area is $28,820 for a manufacturing assembler, $27,900 for a retail salesperson, $31,650 for an office clerk, $68,620 for an elementary school teacher, $70,010 for a firefighter, and $52,510 for a postal service clerk. Even with two wage earners in one household, the annual income needed to purchase a condominium may be beyond the income earned by many Santa Ana residents.

![Chart A-17: Income Needed to Afford Housing in Santa Ana](image-url)

Source: DataQuick, 2013; RealFacts, 2013; and Trulia, 2013.
HOUSING NEEDS

HOUSING RENTS AND AFFORDABILITY

Apartments and rental single-family homes provide an important housing option for young adults, families, and seniors. The majority of Santa Ana’s apartments were constructed prior to 1980. These apartments therefore generally do not support the demographics of the City’s current renter households. Whereas 23 percent of Santa Ana’s households consist of six or more people, a survey of over 8,500 units in multi-family apartment complexes in Santa Ana revealed that only approximately 3 percent offer three or more bedrooms (see Chart A-18).

RealFacts reports that out of the City’s 38 apartment complexes there is only one Class A apartment property in Santa Ana. A Class A apartment is one in a favorable location with high quality in-unit features, on-site amenities, and good accessibility. There is also only one Class B property; typically this class of property is older than Class A and in less favorable locations but has a lower rent. The majority of the apartment properties (roughly 90 percent) are categorized as Class C, older units with deferred maintenance that are often in lower income areas of the City.

According to RealFacts, the average Santa Ana apartment rent in 2007 was $1,363 (equal to $1,535 in 2013 inflation adjusted dollars). Although home sales prices have dropped rental prices have not kept pace with inflation. The average apartment rent in Santa Ana was $1,497 in July of 2013, a 13 percent increase over 4 years. Santa Ana is not the only Orange County city to experience rising rental costs—rents throughout the county have reached an all-time high. Although rents have increased over the decade while the median income of Santa Ana’s renter households has remained relatively flat, on average the units surveyed remained affordable to low and moderate income households, as shown in Table A-3. The benefit of an older apartment stock is that it largely stays more affordable as newer housing is constructed.

| Unit Size | Number of Units | Average Rent | Combined Household Income | Household Size | Income Group
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<td></td>
<td></td>
<td></td>
<td>Annual</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Studio</td>
<td>375</td>
<td>$1,098</td>
<td>$39,541</td>
<td>2</td>
<td>Low</td>
</tr>
<tr>
<td>1 bedroom</td>
<td>3,677</td>
<td>$1,242</td>
<td>$44,704</td>
<td>2</td>
<td>Low/Moderate</td>
</tr>
<tr>
<td>2 bedrooms</td>
<td>4,218</td>
<td>$1,661</td>
<td>$59,809</td>
<td>4</td>
<td>Low/Moderate</td>
</tr>
<tr>
<td>3 bedrooms</td>
<td>219</td>
<td>$1,696</td>
<td>$61,039</td>
<td>5</td>
<td>Low/Moderate</td>
</tr>
</tbody>
</table>

While Class B and C apartments provide a valuable source of affordable housing, they do not provide opportunities for Orange County’s growing executive class. Without additional Class A apartments the City cannot attract above moderate income renters. The nearby cities of Costa Mesa and Irvine offer several executive rental opportunities for professionals who would potentially choose to live in Santa Ana should the proper location, amenities, and price be offered in Class A housing. New housing development will provide additional Class A rental housing in Santa Ana. The City’s District Centers including MacArthur Place to the south and CityPlace to the north will offer amenities attractive to above moderate income renters to professionals.

Housing Problems

The federal government considers housing overcrowding or housing overpayment to be evidence of a housing problem. These conditions also lead to a number of hardships for households, including insufficient income to afford other necessities, undue burden on families, and accelerated wear on a home. In some cases, the inability to afford housing can lead to foreclosures or otherwise loss of housing. The following defines and describes the prevalence of overcrowding and overpayment in Santa Ana.

Overcrowding

Overcrowding is a critical issue for many communities. In recent years, considerable public concern has been voiced regarding the level of overcrowding in Santa Ana and its impact on available parks and recreation services, facilities for students, parking and traffic management, and overall condition of infrastructure and its ability to support residents. In order to understand the issue, two working definitions for overcrowding are cited.

- **State Standard.** The State of California has occupancy standards governing the number of people who may legally reside in a habitable space, based on regulations in the Uniform Housing Code. Under California’s Maximum Occupancy Standard, 10 persons would be allowed to reside in a one-bedroom apartment of no more than 454 square feet. In contrast, the federal standard indicates that if more than 2 persons occupied the same sized unit, the household would be considered as living in overcrowded conditions.

- **Federal Standard.** According to the Department of Housing and Urban Development (24 CFR 791.402[b]), housing overcrowding refers to a household that has more members than habitable rooms in a home. Moderate overcrowding refers to 1.0 to 1.5 persons per room and severe overcrowding refers to more than 1.5 persons per room. In keeping with the ACS 2011 data (Chart A-19), this standard is used as a reference guide in this housing element.

According to the 2011 ACS, approximately 24,281 households in Santa Ana (33 percent) are overcrowded. Approximately 18 percent of the City’s occupied housing units are moderately overcrowded, and 15 percent are severely overcrowded. The ACS acknowledges error rates of 25 to 50 percent (based on
HOUSING NEEDS

sampling methodology), so these figures may not reflect current housing problems.

Housing overcrowding is most severe among lower income households and lower income, large, renter families. Based on recent demographic and housing trends, it is unclear whether this level of housing overcrowding will decline.

According to the 2011 ACS, approximately 21 percent of home owners (8,020) live in overcrowded conditions, with many severely overcrowded. In contrast, 43 percent of renters (16,311) live in overcrowded housing. Forty-five percent of the foreign born population in Santa Ana live in overcrowded conditions, while it is estimated that only 9 percent of native residents live in overcrowded situations. The non-citizen, foreign born residents experience a lower income and have a larger household size (6.2) than family size (5.3), indicating that these households are comprised of families and unrelated people living under the same roof.

Housing Overpayment

Housing overpayment is also a significant problem in Santa Ana. The state-recognized definition of overpayment is spending 30 percent or more for a renter and 35 percent or more for a homeowner of one’s income on housing. Housing overpayment is a critical issue in that households spending too much for housing must often forego other necessities, including health insurance and adequately-sized housing. In recent years, the housing boom artificially pushed up unprecedented increases in sales prices. Many low and moderate income households purchased homes in the past decade with adjustable rate mortgages and are now incurring high cost burdens.

Overpayment occurs at two levels. Moderate overpayment refers to housing costs between 30 to 50 percent of gross income; severe overpayment refers to housing costs in excess of 50 percent of gross income. The 2011 ACS reports 31,676 households (43 percent) overpaid for housing. Of this total, 57 percent were renters (21,496 households) and 39 percent were owners (13,867 households). Housing overpayment is most severe among extremely low and low income households and special needs groups. Of the 40,775 lower income households in the City, 17,534 (43 percent) overpaid for housing. Approximately 64 percent of lower income renters and roughly 73 percent of lower income owners allocate more than 30 percent of their income for housing costs. The ACS acknowledges error rates of 25 to 50 percent (based on sampling methodology), so these figures may be exaggerated. Nevertheless, it is safe to assume that a majority of lower income households currently pay more than 30 percent of their income in housing costs.
SPECIAL HOUSING NEEDS

Certain segments of the population have special housing needs because of a special difficulty in finding adequate and affordable housing. Circumstances may include income, household characteristics, disability, or medical conditions. Within the City of Santa Ana, special needs groups may include seniors, disabled persons, large families, single-parent households, extremely low income households, farm workers, and homeless persons.

SENIORS

Many seniors with fixed incomes have limited income for housing expenses. Seniors may also be less mobile due to disabilities and require building features to allow greater mobility and provide a safer living environment. Seniors with limited vision or mobility may need transportation assistance to meet primary needs such as grocery shopping and medical care. All of these issues can make it difficult for seniors to find suitable and affordable housing.

According to the 2010 Census, 21,911 Santa Ana residents are 65 years of age and older, accounting for approximately 7 percent of the City’s total population. Seniors account for 20 percent of owner-unit householders, and 8 percent of rental-unit householders. The ACS reports that of the 10,303 total senior households in 2011, 7,212 (70 percent) were owner households and 3,090 (30 percent) were renter households. As the baby boom generation ages, the City will experience a continued increase in its senior population, potentially creating demand for lower-income housing, barrier-free housing, and supportive services that target seniors.

Since many seniors live on fixed incomes, overpaying for housing is a major concern. The median income of a senior household in Santa Ana is $36,658, which is considered lower income. Lower income senior households overpaying for housing have less income to spend on food, health care, and transportation. Of the City’s senior households, approximately 33 percent of owner households and 59 percent of renter households overpay for housing.

Santa Ana’s senior population is diverse in age, income, and housing needs. Between 2000 and 2010 the senior population increased by 21 percent; seniors age 80 years and older had the largest increase at 69 percent. Each of these groups has different health, transportation, and housing needs. The magnitude and complexity of senior housing needs in Orange County recently led to the Orange County Grand Jury encouraging jurisdictions to provide greater policy and program guidance to meet the housing needs of this fast-growing group. The Framework sets forth appropriate senior programs.
Housing and Services

The City of Santa Ana permits a wide range of senior housing to allow residents to stay within the community. These include age-restricted apartments, mobile homes, and continuing care facilities:

- **Age-Restricted Apartments.** As shown in Chapter 4, the City of Santa Ana has publicly subsidized affordable apartment projects, providing approximately 944 units of housing for lower income seniors.

- **Residential Care Facilities.** These Residential Elderly State licensed facilities provide care, supervision, and assistance with activities of daily living for persons 60 years of age and over. The City has 356 beds in facilities that are often called assisted living facilities, retirement homes, and board-and-care homes.

- **Senior-Only Mobile homes.** An internet survey of mobile home parks in Santa Ana and phone call survey revealed that seven parks were age-restricted to persons over 55 years. These parks provide 1,114 units restricted for seniors.

- **Continuing Care Facilities.** The City is home to a large continuing care facility, Town and Country Manor, which provides 240 beds in a variety of settings. They are proposing the addition of independent apartments.

Whereas the focus is often on providing housing, support services are essential to help seniors live as independently as possible without having to move. Services can include transportation, health care, home maintenance assistance, low-cost loans or grants to rehabilitate homes, referral services, and many other services that can improve the lives of our seniors. Orange County’s Office on Aging is the lead advocate for addressing the needs of seniors in the county.

Santa Ana operates two community centers exclusively for seniors, out of which recreational, social, health, education, and other programs are administered. Seniors also have access to low-cost public transportation and services. These are just some of the many services provided by the City and other public agencies. Table A-4 summarizes senior housing options in Santa Ana.

<table>
<thead>
<tr>
<th>Type of Housing</th>
<th>Number of Facilities</th>
<th>Capacity (beds or units)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Apartments</td>
<td>6</td>
<td>944 units</td>
</tr>
<tr>
<td>Senior Mobile Homes</td>
<td>7</td>
<td>1,114 units</td>
</tr>
<tr>
<td>Continuing Care Facility</td>
<td>1</td>
<td>184 beds</td>
</tr>
<tr>
<td>Residential Care Facility for the Elderly</td>
<td>15</td>
<td>356 beds</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>29</strong></td>
<td><strong>2,580 units</strong></td>
</tr>
</tbody>
</table>

Source: California Department of Social Services, 2013; City of Santa Ana 2010–2015 Consolidated Plan.
PEOPLE WITH DISABILITIES

As a large urban area, Santa Ana has a significant population of people with physical, mental, developmental, or other disabilities. People with disabilities, including the developmentally disabled, have special needs in that many earn very low incomes, have higher health costs, and are often dependent on supportive services. People with disabilities also may face discrimination in the housing market, because landlords may be concerned about how a disability is perceived by other tenants or the disabled person’s ability to afford a unit.

Disabilities fall within several categories:

- **Developmental.** The Regional Center of Orange County (RCOC) is contracted by the State Department of Developmental Services to provide community-based services to developmentally disabled persons. RCOC estimates that they served 2,565 residents in Santa Ana in 2012. Table A-5 summarizes the number of developmentally disabled residents in Santa Ana.

- **Physical.** According to the 2010 Census, the City of Santa Ana has approximately 20,248 people in the community with a physical or other Census-reported disability who live in a non-institutional setting.

- **Mental.** The 2010–2015 Consolidated Plan reports that approximately 3,438 residents who suffer from some form of severe mental illness need housing assistance, based on national prevalence estimates that are extrapolated to Santa Ana.

- **Substance Abuse.** The 2010–2015 Consolidated Plan reports that 8 percent of Santa Ana residents over age 12 are substance dependent or substance abusers, based on national prevalence estimates that are extrapolated to Santa Ana.

### Table A-5

**Developmentally Disabled Residents by Age in Santa Ana**

<table>
<thead>
<tr>
<th>Zip Code</th>
<th>0–14 Years</th>
<th>15–22 Years</th>
<th>23–54 Years</th>
<th>55–64 Years</th>
<th>65+ Years</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>92701</td>
<td>197</td>
<td>59</td>
<td>75</td>
<td>5</td>
<td>0</td>
<td>336</td>
</tr>
<tr>
<td>92703</td>
<td>237</td>
<td>78</td>
<td>134</td>
<td>20</td>
<td>9</td>
<td>478</td>
</tr>
<tr>
<td>92704</td>
<td>252</td>
<td>93</td>
<td>158</td>
<td>19</td>
<td>5</td>
<td>527</td>
</tr>
<tr>
<td>92705</td>
<td>120</td>
<td>45</td>
<td>58</td>
<td>11</td>
<td>7</td>
<td>241</td>
</tr>
<tr>
<td>92706</td>
<td>123</td>
<td>47</td>
<td>93</td>
<td>15</td>
<td>5</td>
<td>283</td>
</tr>
<tr>
<td>92707</td>
<td>197</td>
<td>68</td>
<td>117</td>
<td>16</td>
<td>12</td>
<td>410</td>
</tr>
<tr>
<td>92708</td>
<td>119</td>
<td>60</td>
<td>97</td>
<td>11</td>
<td>3</td>
<td>290</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1245</strong></td>
<td><strong>450</strong></td>
<td><strong>732</strong></td>
<td><strong>97</strong></td>
<td><strong>41</strong></td>
<td><strong>2,565</strong></td>
</tr>
</tbody>
</table>

Note: "Developmental disability" means a disability that originates before an individual attains age 18 years, continues, or can be expected to continue, indefinitely, and constitutes a substantial disability for that individual. Developmental disabilities can include mental retardation, cerebral palsy, epilepsy, and autism.

Source: Regional Center Orange County, 2013
Housing Needs

Meeting the complexity of housing and service needs of people with disabilities in Santa Ana requires a comprehensive housing strategy. The strategy should include facilitating independent living through in-home modifications, providing suitable housing opportunities, allowing for supportive services, and implementing existing state and federal law. In other cases, the preferred strategy is to provide, through land use planning and zoning, appropriate locations where supportive housing can be provided.

For people with physical or mobility limitations, the California Administrative Code Title 24 sets forth access and adaptability requirements that apply to public buildings, employee housing, manufactured housing, and privately funded and newly constructed apartment houses. For federally assisted new construction, federal law requires that at least 5 percent of dwelling units must be accessible to persons with mobility disabilities, and an additional 2 percent of units must be accessible to persons with hearing or visual disabilities.

Although home modifications can improve the ability of people to live in independent housing, many individuals may require more extensive care. Table A-6 and the discussion below summarize the various licensed care housing options for people with disabilities in Santa Ana.

- **Adult Residential Care.** These facilities provide 24-hour nonmedical care for adults ages 18–59 who are unable to provide for their own daily needs. Adults may be physically, developmentally, and/or mentally disabled.
- **Group Homes.** Group homes are facilities that provide 24-hour nonmedical care and supervision to children in a structured environment. Group homes provide social, psychological, and behavioral programs for troubled youths.
- **Alcohol and Drug Rehabilitation.** These are facilities licensed by the Department of Alcohol and Drug Programs for 24-hour residential nonmedical alcoholism or drug abuse recovery or treatment serving adults.
- **Skilled Nursing.** These facilities are institutions that are primarily engaged in providing skilled nursing care and related services for residents who require medical or nursing care, or rehabilitation services.
- **Immediate Care Facility.** A facility for individuals ages 0–59 with developmental disabilities who require higher level assistance in meeting daily living needs. The facility’s focus is to provide care to residents ranging from 24 hour personal care to supportive health services.

Several agencies provide services to people with disabilities. The Dayle McIntosh Center and Goodwill Industries provide programs to improve the income and quality of life of disabled persons, such as job training, independent living skills training, and barrier-free housing referrals. Goodwill Industries also operates a fitness center in Santa Ana designed for people with disabilities. Their specialized equipment, classes, and staff fill the gap between conventional fitness centers and the needs of the disabled.
The Orange County Regional Center also provides services for developmentally disabled residents they have partnerships with several other community based groups including Orange County STEP, a behavior management day service for adults with developmental disabilities. Santa Ana College, Work Creation Program, and the Adaptive Behavior Center all offer a variety of classes to promote independent living and job training. Several of these providers also offer day programs, group homes, and community living facilities.

<table>
<thead>
<tr>
<th>Type of Housing</th>
<th>Facilities</th>
<th>Capacity (beds or units)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adult Residential Care(^1)</td>
<td>33</td>
<td>243 beds</td>
</tr>
<tr>
<td>Group Homes (for children)(^1)</td>
<td>3</td>
<td>62 beds</td>
</tr>
<tr>
<td>Alcohol and Drug Rehabilitation(^2)</td>
<td>17</td>
<td>265 beds</td>
</tr>
<tr>
<td>Skilled Nursing Facilities(^3)</td>
<td>7</td>
<td>1,114 beds</td>
</tr>
<tr>
<td>Intermediate Care Facilities(^3)</td>
<td>2</td>
<td>12 beds</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>62</strong></td>
<td><strong>1,696 beds</strong></td>
</tr>
</tbody>
</table>

Sources:
FAMILIES

State law specifies that large families and female-headed households are a special need group. Cities are also allowed to consider other groups as having special needs. Because 82 percent of the City’s households are families, the average family size is 4.4 persons, and the large number of single-parent households, many of whom are female-headed, this section takes a broader perspective on special needs. Given the shortage of affordable and adequately sized housing (particularly large rental units) and service needs, many families have special needs.

Large Households

Large households consist of five or more persons. Approximately 28,034 households in Santa Ana (38 percent) are large, of which 13,660 are owners and 14,374 are renters. These households often have difficulty in finding and affording adequately sized housing. As of 2010, 22 percent of rental units contain three or more bedrooms, whereas 38 percent of renter households are large households. The City has 8,433 occupied rental units with three or more bedrooms for its 14,374 large renter families, yielding a shortfall of 5,940 units.

Single Parents

According to the 2010 Census, 12 percent (8,853) of Santa Ana households are single parents with children, of which 67 percent (5,934) are female headed. The 2010 Census reports that the median income of single-parent households ranged from $35,770 (female-headed family) to $43,593 (male-headed family) versus a median of $61,228 for married couples with children. Additionally, 30 percent of all female single-parent households earned incomes below the poverty level compared to a rate of 17 percent for the Citywide population. The availability and accessibility of affordable child care (including before-school, after-school, and day care) is thus essential for single parents. These basic services are an important factor that limits the opportunity to find suitable housing. Without them, single-parent families are at risk of overcrowding, overpayment, and simply being unable to adequately provide for basic family needs.
HOUSING NEEDS

Housing and Services

As noted by the Anne Casey Foundation, the shortage of affordable family housing continues to create its own crisis in family well-being, education, and health. Unsafe and overcrowded housing makes parenting difficult and places enormous stress on parent-child relationships. Living in substandard housing can lead to health problems in children, particularly lead exposure and respiratory diseases. Living in poor quality housing may also result in frequent moves by a family, leading to poorer school performance among children. The following ideas can address the needs of families.

Create Affordable Rental Housing

Homeownership opportunities are not immediately feasible or affordable for many large families or families earning low and moderate incomes. The City provides more than 1,500 units of family housing affordable to very low and low income residents through Section 8 vouchers. While publicly subsidized housing can meet a portion of the extremely low income need, the resources are too limited to address existing unmet need. The creation of affordable family rental housing, including large units with three or more bedrooms, continues to be a priority to assist the large number of families who are overpaying for housing and live in overcrowded conditions.

In addition, the City’s Housing Opportunity Ordinance was designed to support the production of affordable housing. Passed in 2011, the Ordinance requires eligible ownership projects to set aside at least 15 percent of the units as affordable to moderate income households for at least 45 years. Eligible rental projects are required to set aside at least 15 percent of the units as affordable to lower income households for at least 55 years. Programs 25–29 of the Framework provide financial and technical assistance for those in need of lower income rental housing.

Improve Housing Conditions

The City of Santa Ana has a large number of multiple-family housing projects that were built before the City instituted modern residential design guidelines. Although safeguards are in place to ensure that new apartments are built to modern standards, many older apartment projects need rehabilitation. Poor housing conditions include the physical condition of the unit, the lack of or condition of utilities, the lack of open space and recreational amenities, and insufficiently sized units that are unhealthy for parents and their children. Programs 7 and 8 of the Framework constitute the City’s Community Building Initiatives providing guidance for building both healthy communities and supporting collaborative projects to improve neighborhood livability.

Santa Ana is actively involved in the acquisition and rehabilitation of multiple-family housing as a means to improve the living conditions of residents and provide a long-term or permanent source of affordable housing. Although state law focuses on increasing the supply of housing as a key driver of long-term affordability, simply increasing the supply will not address the need to maintain
and improve the existing housing stock. The Framework contains programs to encourage and facilitate the preservation and rehabilitation of housing.

**Promote Homeownership**

Homeownership is one of the key ways to accumulate wealth. It can provide physical, emotional, and financial security to low income families and can assist in strengthening neighborhoods. But for many lower income families homeownership is largely unattainable without financial assistance. Santa Ana has the opportunity to promote homeownership in several ways. With the market adjustments, current condominium prices are such that the gap between the sales price and what low and moderate income families can afford is not as large as prior years. The Housing Plan states that the City will investigate the feasibility of reconstituting its homeownership program to allow residents to afford housing. In addition, the City can continue to advocate and lobby Congress to address the causes of the foreclosure crisis and provide assistance to families in need. Programs 40–42 are designed to support existing and prospective homeowners.

**Promote Mixed Income Housing**

Many affordable multiple-family residential projects were built as stand-alone affordable projects, and state and federal funding sources still encourage and facilitate these types of development. While these affordable projects tend to compete well for limited government funding, many now believe that the most vibrant neighborhoods are ones with a mixture of affordable and market-rate housing. This approach allows lower and moderate income households, many of which are younger, newly forming families and seniors, the opportunity to live in the same neighborhood.

In recent years, the City of Santa Ana has supported the production of multiple-family housing consisting of a range of unit sizes and affordability levels. Table A-7 shows projects built or approved during the housing element planning period that provide a broad mix of housing types and sizes.

<table>
<thead>
<tr>
<th>Project</th>
<th>Residential Type</th>
<th>Zero-One</th>
<th>Two</th>
<th>Three +</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Place</td>
<td>Market Rate Live Work</td>
<td>87</td>
<td>28</td>
<td>70</td>
</tr>
<tr>
<td>Skyline</td>
<td>Market Rate Condos</td>
<td>66</td>
<td>283</td>
<td>0</td>
</tr>
<tr>
<td>Avenue E</td>
<td>Market Rate Townhomes</td>
<td>0</td>
<td>14</td>
<td>30</td>
</tr>
<tr>
<td>17th Street Senior</td>
<td>Affordable Senior Apts.</td>
<td>83</td>
<td>6</td>
<td>0</td>
</tr>
<tr>
<td>The Marke</td>
<td>Market Rate Condos/Rental</td>
<td>0</td>
<td>14</td>
<td>30</td>
</tr>
<tr>
<td>The MET</td>
<td>Market Rate Condos/Rental</td>
<td>0</td>
<td>14</td>
<td>30</td>
</tr>
<tr>
<td>The 301</td>
<td>Market Rate Apartments</td>
<td>0</td>
<td>14</td>
<td>30</td>
</tr>
<tr>
<td>Town and Country</td>
<td>Sr Apartments for Continuum Care</td>
<td>73</td>
<td>99</td>
<td>2</td>
</tr>
<tr>
<td>Lyon Communities</td>
<td>Market Rate Apts/Townhomes</td>
<td>131</td>
<td>122</td>
<td>11</td>
</tr>
<tr>
<td>Vista del Rio</td>
<td>Affordable Special Needs</td>
<td>36</td>
<td>5</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: City of Santa Ana, 2013.
**Provide the Service Network**

Many families depend on a network of services to meet their needs. This includes the provision of childcare services near where they work or live to allow parents the opportunity to be close to their children. The availability of adequate parks, open space, and recreational amenities near homes is also a critical need for children. Even income support services and rental assistance, such as the vouchers available from the Housing Authority, are important ways to support families. The City has made it a priority to include these types of services in its apartment projects selected for acquisition, major rehabilitation, and reconfiguration. Programs 52–54 of the Framework detail the City resources and actions toward helping families in Santa Ana.

**EXTREMELY LOW INCOME HOUSEHOLDS**

Extremely low income households are those earning annual incomes that are 30 percent or less of the area median income. Based on state income limits for 2013, a four-person, extremely low income household earns no more than $28,900, and can afford approximately $585 per month for rent. Homeownership opportunities for extremely low income households are generally considered financially infeasible throughout much of California, including Santa Ana, due to the levels of subsidies required for a single unit.

According to the 2012 SCAG Existing Housing Needs Report, 11,370 households (15 percent) in Santa Ana earn extremely low income. This is the average income in service occupations. Extremely low income households experience a broader range and severity of housing problems than other households.

According to the Southern California Association of Governments, the City of Santa Ana has a construction goal of 45 very low income units from 2014 through 2021. Of that total, the City estimates that the construction need for extremely low income units is 50 percent of that total, or 23 units. The City has a carryover of 111 very low units from the 2006 through 2014 planning period. This adds about 55 units to the City’s extremely low allocation, bringing the total number to 78 units. This is based on a methodology approved by the Department of Housing and Community Development for estimating the need for extremely low income housing. Meeting the goal of providing housing affordable to extremely low income housing is challenging due to the present fiscal and economic climate and the financial subsidies required to make these projects financially feasible.

The following are ways that the City is addressing the need for extremely low income households to secure housing in Santa Ana.
HOUSING NEEDS

Housing and Services

The City of Santa Ana’s housing strategy for extremely low income households is focused on rental assistance, housing rehabilitation and preservation, and new construction to meet the needs of extremely low income households.

Rental Assistance

The Santa Ana Housing Authority issues an estimated 2,699 housing vouchers to Santa Ana residents, predominantly those with extremely low incomes. Given the magnitude of need, vouchers serve less than one-quarter of the need. As of September 2013, 31 percent of the housing vouchers issued were for families. The Housing Element proposes that the Santa Ana Housing Authority seek additional vouchers, where feasible, to serve extremely low income households.

Housing Rehabilitation

The City of Santa Ana is acquiring multiple-family apartments, rehabilitating them, reconfiguring units to create large-family housing, and deed restricting the units as affordable to low/extremely low income.

New Construction

The City of Santa Ana is also encouraging new multiple family units that would be deed restricted as affordable to the extremely low income through implementation of the City’s Housing Opportunity ordinance and community partnerships.

FARM WORKERS

Farm workers are a special needs group because their limited income, coupled with the lack of affordable housing, places them in a precarious situation. Although the community has an agricultural past, Santa Ana is now completely urbanized, with only one active farming operation. The 2010 Census reported that 1,131 Santa Ana residents, or 1.1 percent of the employed population, held farming, fishing, and forestry occupations. The average annual wage of Santa Ana farm workers was $18,390, which is very low income. Therefore, based on the seasonal nature of the work, not just income, the primary housing need for this group is permanent affordable housing.
PEOPLE WHO ARE HOMELESS

As the primary health and welfare service center in Orange County, Santa Ana has a significant number of individuals and families who are homeless. The County of Orange conducts an annual homeless needs assessment and biennial point in time count. The 2011 Point in Time Survey estimated 6,939 people were homeless in Orange County. This count does not include persons at risk of becoming homeless, such as people living in transient motels, or those living in homes at risk of foreclosure, or other precarious arrangements. In 2013, the Point in Time (PIT) Survey estimated 4,251 people were homeless in Orange County.

Based on the PIT Survey, roughly 20 percent of the people counted reported Santa Ana as their last place of residence before becoming homeless. Therefore, the City estimates that approximately 850 people were homeless in Santa Ana as of 2013.

Numerous factors contribute to homelessness, such as unemployment, mental illness, family problems, and substance abuse. Homeless people also have a variety of unmet needs: medical care, job training, childcare, mental health care, credit counseling, substance abuse treatment, and/or English language education. The City’s homeless population is especially vulnerable and at risk of premature loss of life due to untreated medical conditions, substance abuse, crime and violence, and exposure to the elements.

The 2013 PIT Survey revealed the following characteristics of the homeless population countywide, as summarized in Table A-8.

<table>
<thead>
<tr>
<th>Survey Findings</th>
<th>Percent</th>
<th>Survey Findings</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chronic Homeless Individuals</td>
<td>28%</td>
<td>Severely Mentally Ill</td>
<td>17%</td>
</tr>
<tr>
<td>Chronically Homeless Families</td>
<td>0.4%</td>
<td>Chronic Substance Abuse</td>
<td>34%</td>
</tr>
<tr>
<td>Persons of Chronically Homeless Families</td>
<td>1%</td>
<td>Persons with HIV/AIDS</td>
<td>3%</td>
</tr>
<tr>
<td>Veterans</td>
<td>16%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female Veterans</td>
<td>1%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: County of Orange Point in Time Survey, 2013
Housing and Services

Santa Ana’s comprehensive continuum of care approach is predicated on the understanding that homelessness is caused by underlying physical, economic, and social needs. People who are homeless require a range of services to reenter the mainstream. Beyond bringing persons into the system through outreach, the Continuum of Care Program is based on the provision of:

- **Prevention.** Santa Ana and nonprofit agencies provide monetary assistance and counseling/support services to households at risk of becoming homeless.

- **Emergency Shelter.** Short-term facilities, detoxification programs, and vouchers. This includes transitional shelter and case management services to prepare residents to obtain and maintain housing and live self-sufficiently. The City has also amended its Zoning Code in compliance with SB2 to allow emergency shelters in industrial zones.

- **Residential Rehabilitation/Substance Abuse.** A residence that provides housing for up to six months and provides specialized treatment and active rehabilitation for alcoholism and other drug-related issues on-site.

- **Transitional Housing.** A residence that provides a stay of up to two years, during which residents are provided case management services that prepare them to obtain and maintain housing and live self-sufficiently.

- **Permanent Supportive Housing.** A residence that provides permanent affordable housing for formerly homeless individuals and families that is linked with ongoing support services.

Based on the 2013 estimate of approximately 850 homeless people and the current stock of 318 emergency shelter beds in Santa Ana, the City has an unsheltered homeless population of approximately 532 people (see Table A-9).

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Point in Time 2011</th>
<th>Point in Time 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orange County</td>
<td>6,939</td>
<td>4,251</td>
</tr>
<tr>
<td>Santa Ana (20% of Orange County)</td>
<td>1,388</td>
<td>850</td>
</tr>
<tr>
<td>Emergency Shelter Beds in Santa Ana</td>
<td>318</td>
<td>318</td>
</tr>
<tr>
<td>Unsheltered Homeless Need in Santa Ana</td>
<td>1,070</td>
<td>532</td>
</tr>
</tbody>
</table>

Source: City of Santa Ana Planning and Building Agency, 2013.

Note: Table does not include seasonal emergency shelter beds provided by the Winter Armory program.

The estimated homeless bed need in the 17th and Tustin Avenue County Island within the City’s sphere is approximately four beds, based on a population estimate of 306 for that area. The additional homeless need associated with this County Island could be accommodated in Santa Ana’s available industrial zones, per the City’s adopted Senate Bill 2 ordinance.
HOUSING NEEDS

The City of Santa Ana has a wide range of housing needs related to the production of new housing, rehabilitation, and preservation of housing. This section provides a summary of these needs in Santa Ana.

HOUSING PRODUCTION NEEDS

State law requires cities to plan to accommodate population and employment growth through implementing housing programs. The Southern California Association of Governments (SCAG) prepares housing construction needs goals for each city in Southern California as part of the Regional Housing Needs Assessment (RHNA). All local governments are required to set aside sufficient land, adopt programs, and provide funding, to the extent feasible, to facilitate and encourage housing production commensurate with that need.

Santa Ana’s RHNA for the 2014–2021 planning period is 204 new housing units divided into four household income/affordability groups (Table A-10).

2006–2014 RHNA

In accordance with state law, this housing element also addresses the RHNA that was not accommodated through rezoning in the previous planning period (January 1, 2006, to June 30, 2014). The City has a remaining RHNA balance of 201 lower income units (111 very low and 90 low based on the 2006–2014 distribution ratio). These 201 units must be accommodated through land rezoned exclusively for residential development. A discussion of the carryover RHNA is provided in Appendix C, Housing Resources. The City’s carryover and combined RHNA is also provided in Table A-11.

Population and Job Growth

The first component of the RHNA is the number of units needed to accommodate projected growth in both households and employment levels. The household growth component is determined by calculating the expected population growth that will occur during the planning period. According to the 2010 Orange County Projections, the City of Santa Ana is expected to increase in population by approximately 13,000 residents from 2010 to 2020 but then decrease in population by 900 residents between 2020 and 2035. Areas in Santa Ana that will accommodate new housing include the Harbor Mixed Use Transit Corridor Specific Plan area, Metro East, City Place, and other infill sites.

Santa Ana’s employment opportunities have been declining; the 2010 Orange County Projections estimate that the City will lose about 2,000 jobs between 2010 and 2020. However, the local employment base is expected to begin growing again toward the end of the decade. Employment opportunities are expected to increase by about 3,400 jobs from 2020 to 2035.
Housing Factors

Whereas population and job growth are key influences in housing demand, the RHNA also includes factors to address the supply of new housing. The RHNA is adjusted to accommodate a certain number of vacant units to allow for sufficient choice for consumers, maintain rents and prices at adequate levels, and create an environment conducive to housing maintenance and repair. In built-out cities such as Santa Ana, new residential development requires the demolition or removal of existing uses. SCAG adjusts the City’s housing planning goals for the RHNA by a standard “replacement factor” based on the historical rate of units lost to demolition. However, for the upcoming planning period, residential growth is proposed in underutilized commercial areas (in the case of Harbor Boulevard and Metro East), though additional replacement of housing is likely in areas such as Downtown and other district centers.

Fair Share Factor

Santa Ana’s housing construction need represents the total construction need to accommodate expected population and employment growth, while accommodating a normal amount of vacancies and replacement units. This need is furthered divided into four household income categories defined by state law. As illustrated earlier in this appendix, these categories are based on the 2010 Census County Median Family Income and include four different income categories that are summarized in Table A-11.

California law states that the RHNA is required to avoid or mitigate the overconcentration of income groups to achieve its objective of increasing supply and mix of housing types, tenure, and affordability in an equitable manner. The idea is to require cities with a smaller proportion of lower income units to provide a larger share of those units as part of their construction need to compensate for cities that accommodate more than their fair share. Targets are set to encourage cities to house their fair share of all economic groups.

Table A-10 sets forth the City’s housing planning goals for the 2014–2021 planning period covered by the Housing Element.

<table>
<thead>
<tr>
<th>Table A-10</th>
<th>Regional Housing Needs Allocation 2014–2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Very Low (0–50% of MFI)</td>
</tr>
<tr>
<td>2014–2021 RHNA</td>
<td>45</td>
</tr>
<tr>
<td>Carryover 2006-2014 RHNA</td>
<td>111</td>
</tr>
<tr>
<td>Combined RHNA</td>
<td>156</td>
</tr>
</tbody>
</table>

Source: SCAG, 2012
Note: Household goals based on 2010 Census County Median Family Income ($83,735).
HOUSING REHABILITATION NEEDS

Well-maintained housing is a critical part of safe and healthy neighborhoods. Housing conditions also influence property values and the City’s image. In the absence of a comprehensive survey, the age of a home is often used to identify housing repair needs. Generally, homes less than 30 years old are in good condition and begin to require rehabilitation after that. Generally, homes built 50 or more years ago (unless well maintained) are more likely to require substantial repairs than newer homes.

While the 14,377 homes built in the last 30 years are presumed in good condition, Santa Ana homes built between 1960 and 1980 may begin to require rehabilitation. Much of Santa Ana’s housing was built during this period, before the development of the latest in residential design standards. Typically, these homes require reroofing, repainting, and other exterior work. In other cases, more significant repairs may be needed, depending on the use.

Homes more than 50 years old are typically most in need of rehabilitation. An estimated 26,766 housing units, or 35 percent of the housing stock, were built before 1960. Unless periodically repaired, many of these housing units will require significant repair, rehabilitation, and in some cases replacement. Typical rehabilitation needs include the replacement of major subsystems, such as the electrical, plumbing, and other systems.

Different definitions of substandard housing exist, depending on the source of information used. Substandard housing conditions may refer to structural deficiencies, such as leaking roofs, holes in the floor or walls, sloping walls, or crumbling foundations. Substandard housing can refer to a lack of adequate facilities: for example, frequent lack of hot water or heating systems that emit unsafe fumes or frequently break down. These and other considerations are important to note when discussing housing conditions.
The 2010 Census, 2011 American Housing Survey, and City surveys provide an indication of housing repair and rehabilitation needs in Santa Ana. Because of the different methodologies used, differences in data cannot be reconciled. The point here is to provide the best available information, understanding limitations in data sources, so as to inform the development of housing policy. The latest information references three substandard housing conditions:

- **Deficient Utilities.** The 2011 ACS reported that 765 units lack complete kitchen facilities, of which 589 are renter occupied and 176 are owner occupied. The 2011 ACS also reported that 395 units lack complete plumbing facilities. Approximately 65 percent of these units are renter occupied.

- **Structural Inadequacies.** Structural inadequacies include leaks, holes in the floor or walls, loose or missing steps, sloping exterior walls, sagging foundations, and other conditions. According to the 2011 American Housing Survey for the Anaheim/Santa Ana Metropolitan Area, approximately 5,600 homes have holes in their roofs, 7,500 are missing outside wall material, 12,700 have broken windows, and 36,700 have crumbling foundations or foundations with large cracks or holes.

- **Lead-Based Paint.** Lead paint hazards are typically found in buildings constructed prior to 1978. HUD estimates that 74 percent of dwellings built prior to 1980 have some level of lead-based paint. Lead poisoning can affect nearly every system in the body, leading to learning disabilities, behavioral problems, and medical conditions. According to the Consolidated Plan, approximately 10,640 housing units may have lead-based paint hazards. According to the County of Orange Health Care Agency, the number of children diagnosed with elevated blood levels of lead has averaged approximately 100 annually.

The 2010–2015 Consolidated Plan cites local surveys and estimates that define substandard housing in the context of housing units with serious building code violations that require multiple inspections and aggressive corrective action. The definition does not include housing units with minor code violations that are easily correctable or do not require repeated enforcement (e.g., removal of debris, proper installation of water heaters, broken windows).

The 2010–2015 Consolidated Plan cites that there are approximately 15,400 housing units in Santa Ana that are substantially substandard according to input by the City’s Community Preservation Division. Code enforcement staff estimates that approximately 8,000 multiple-family units are substandard and an additional 7,442 single-family units are considered substandard.
HOUSING PRESERVATION

With the downturn in the California economy and collapse of the housing market, foreclosures have become a critical policy issue. Volumes of research have documented the extensive causes of the foreclosure crisis, including the proliferation of adjustable rate mortgages in the 2000s, the reduction in income and down payment required by financial institutions, subprime lending issues, and historically low interest rates that artificially increased housing prices. Table A-11 summarizes foreclosures in Santa Ana for 2008 through 2012.

The City of Santa Ana had nearly 5,661 foreclosures over the past five years. The number of foreclosures has decreased and is expected to remain low over the next several years.

<table>
<thead>
<tr>
<th>Table A-11</th>
<th>Foreclosures in Santa Ana, 2008–2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2008</td>
</tr>
<tr>
<td>Condos</td>
<td>832</td>
</tr>
<tr>
<td>Single Family Residential</td>
<td>1,377</td>
</tr>
<tr>
<td>Total</td>
<td>2,209</td>
</tr>
</tbody>
</table>

Source: DataQuick, 2013.

The City Council passed a resolution in 2007 declaring their commitment to proactively seek ways to preserve homeownership. To facilitate that effort, Santa Ana helped form the Orange County Home Preservation Collaborative to reach out to homeowners, improve the availability of counseling for those at risk of losing their homes, secure financing options, and pursue other solutions. In 2008, the City also applied for and received a $5.8 million grant from the federal government to address the impacts of the foreclosures in Santa Ana. Other efforts are underway to further stem the tide of foreclosures anticipated to affect Santa Ana as additional adjustable rate mortgages reset in 2010–2011.
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