

Section 3: Resources and Constraints Analysis

A. GOVERNMENTAL CONSTRAINTS

Governmental constraints are policies, standards, requirements, and actions imposed by various levels of government upon land and housing use and development. These constraints may include building codes, land use controls, growth management measures, development fees, processing and permit procedures, and site improvement costs. State and federal agencies play a role in the imposition of governmental constraints, however these agencies are beyond the influence of local government. Therefore the focus of this analysis is on the constraints that may result from local government.

1. Land Use Controls

Land use controls include General Plan policies, zoning designations (and the resulting use restrictions, development standards, and permit processing requirements), and development fees.

a. General Plan

Every city in California must have a General Plan, which establishes policy guidelines for all development within the City. The General Plan is the foundation of all land use controls in a jurisdiction. The Land Use Element of the General Plan identifies the location, distribution, and density of the land uses within the City. General Plan residential densities are expressed in dwelling units per acre. The Fullerton General Plan identifies five residential land use designations. Table 3-1 summarizes the residential land use designations and their associated acreages and density ranges.

**Table 3-1
General Plan
Residential Land Use Designations**

Designation	Description	Acres	Density Range
Low Density	Conventional single-family, detached dwellings, and Planned Residential Developments.	4,658.2	0-6.0 du/ac
Low/Medium Density	Multiple-unit attached dwellings including duplexes, townhouses, condominiums, and mobile home parks; and Planned Residential Developments.	262.63	0-15.0 du/ac
Medium Density	Multiple-unit attached dwellings including duplexes, garden apartments, and multi-family attached dwellings	767.6	0-28.0 du/ac
High Density	Multi-family attached dwellings	Over 55 acres	Over 28.0 du/ac
Greenbelt Concept	Detached single-family dwellings on lots of varying sizes, clusters of detached single-family dwellings, and clusters of multi-family attached dwellings	1,461	Average 3.0 du/ac

Source: City of Fullerton General Plan 1996

The General Plan anticipates a total of 49,138 dwelling units at build-out. The Department of Finance (DOF) reports 47,061 dwelling units have been developed as of January 2007.

Depending on land costs, certain densities are needed to make a housing project economically feasible. The following densities required to accommodate construction affordable to specific income levels are generally accepted by HCD:

- Very-low and Low Income: 30 dwelling units per acre minimum
- Moderate Income: 11-30 dwelling units per acre minimum
- Above-moderate Income: Up to 11 dwelling units per acre

b. Zoning Code

The Zoning Code is the primary tool for implementing the General Plan. It is designed to protect and promote public health, safety, and welfare. Fullerton’s residential zoning designations control both the use and development on a parcel level and regulate residential development. Table 3-2 summarizes the single-family residential zoning designations and their requirements. Table 3-3 summarizes the multi-family residential designations and requirements. Tables 3-4 and 3-5 further reviews lot coverage and building setback requirements.



**Table 3-2
Summary of Single-Family Residential Zoning Requirements**

Zone	Minimum Lot Area (Sq. Ft.)	Maximum Lot Coverage	Minimum Lot Area Per Unit (Sq. Ft.)	Maximum Building Height	Minimum Front Yard (Ft.)	Minimum Interior Side Yard (Ft.)	Minimum Street Side Yard (Ft.)	Minimum Rear Yard (Ft.)
R-1	No new lot shall be created which is less in area than the minimum lot size indicated on the City's official Zoning Map for the area in which it is located ¹	Refer to Table 3-4	Refer to Table 3-4	One-story – 20 ft. above natural grade Two-story – 30 ft. above natural grade	Refer to Table 3-5	Refer to Table 3-5	Refer to Table 3-5	Refer to Table 3-5
R-1P	No new lot shall be created which is less in area than the minimum lot size indicated on the City's official Zoning Map for the area in which it is located ¹	Refer to Table 3-4	Refer to Table 3-4	One-story – 20 ft. above natural grade Two-story – 30 ft. above natural grade	Refer to Table 3-5	Refer to Table 3-5	Refer to Table 3-5	Refer to Table 3-5

Notes:

¹Or when lots are consolidated, or when subterranean parking is used.

Source: City of Fullerton Municipal Code, Chapter 18



**Table 3-3
Summary of Multiple-Family Residential Zoning Requirements**

Zone	Minimum Lot Area (Sq. Ft.)	Maximum Lot Coverage	Minimum Lot Area Per Unit (Sq. Ft.)	Maximum Building Height	Minimum Front Yard (Ft.)	Minimum Interior Side Yard (Ft.)	Minimum Street Side Yard (Ft.)	Minimum Rear Yard Through Lot (Ft.)
R-2	6,000 for new lots	Refer to Table 3-4	Refer to Table 3-4	One-story – 20 ft. above natural grade Two-story – 30 ft. above natural grade	Refer to Table 3-5	Refer to Table 3-5	Refer to Table 3-5	Refer to Table 3-5
R-2P	6,000 for new lots	Refer to Table 3-4	Refer to Table 3-4	One-story – 20 ft. above natural grade Two-story – 30 ft. above natural grade	Refer to Table 3-5	Refer to Table 3-5	Refer to Table 3-5	Refer to Table 3-5
R-G	7,200	60%	3,600	20 ft./ 1 story if within 50 ft. of R-1 property; 30 ft./ 2 stories if 50-100 ft. of R-1 property; unlimited otherwise	15	Depends on window type, building height, and the type of room where the window is located.	15	15
R-3R	8,800	60%	2,200	Same as R-G	15	Same as R-G	15	15



**Table 3-3
Summary of Multiple-Family Residential Zoning Requirements**

Zone	Minimum Lot Area (Sq. Ft.)	Maximum Lot Coverage	Minimum Lot Area Per Unit (Sq. Ft.)	Maximum Building Height	Minimum Front Yard (Ft.)	Minimum Interior Side Yard (Ft.)	Minimum Street Side Yard (Ft.)	Minimum Rear Yard Through Lot (Ft.)
R-3P	10,000	60%	1,600 for bachelor unit ¹ , increasing by 100 s.f. per bedroom to 1,900 s.f. for 3+ bedroom unit	Same as R-G	15	Same as R-G	15	15
R-3	10,000	60%	Same as R-3P	Same as R-G	15	Same as R-G	15	15
R-4	20,000	60%	1,150	Same as R-G	15	Same as R-G	15	15
R-5	30,000	60%	N/A	Same as R-G	15	Same as R-G	15	15
R-MH	5 acres	70%	4,000	35 ft.	15	10	15	15

Notes:
¹Except as provided in Title 16 of the Fullerton Municipal Code.
 Source: City of Fullerton Municipal Code, Chapter 18



**Table 3-4
Lot Coverage and Floor Area Ratio Requirements**

Zone	Maximum Lot Coverage	Maximum Floor Area Ratio (FAR)
R-1 (7,200 or less)	60%	50%
R-1 (7,200- 10,000)	55%	45%
R-1 (10,000- 20,000)	50%	35%
R-1 (20,000 and above)	45%	30%
R-2	60%	--

Source: City of Fullerton Municipal Code, Chapter 18



**Table 3-5
Building Setbacks for R-1, R1-P, R-2 and R-2P Zones**

	R-1 (7,200 or under) (ft.)	R-1 (7,200 – 10,000) (ft.)	R-1 (10,000 – 20,000) (ft.)	R-1 (20,000 and over) (ft.)	R-1P (ft.)	R-2 and R-2P (ft.)
Along a public street:						
Front yard	15	20	25	35	20 ¹	15
Side yard	5	5	5	5	5	5
Rear yard (through lot)	See Note ²	See Note ²	See Note ²	See Note ²	See Note ²	See Note ²
Along a public alley or flood control channel:						
Rear yard (first-story)	0	0	0	0	0	0
Rear yard (second-story)	0	0	0	0	0	2.5
Along another property line (i.e. an interior lot line):						
Side yard	5	5	7	10	5	Total of 10 feet
Rear yard (first-story)	15	15	20	25	15	0
Rear yard (second-story)	20	20	25	30	20	0

Notes:

¹In the R-1P zone, proposals requesting a front setback less than the predominant setback on the street shall be subject to approval by the Landmarks Commission as a Development Project.

²The front yard setback required by the underlying zone shall apply on both street frontages of a through lot, except that fences no more than eight feet in height, non-habitable buildings, and detached accessory structures are permitted at the rear yard property line of a through lot that has an R-1, R-1P, R-2 or R-2P zone, when all vehicular access rights on that street frontage side have been dedicated to the City or have been restricted by parcel map, site plan, or tract map.

Source: City of Fullerton Municipal Code, Chapter 18

The single-family residential zones are R-1 and R-1P (single-family residential preservation). Single-family, detached units are permitted by right in all of the residential zones, except in R-MH zones.

The City has different types of multiple-family residential zones: R-2, R-2P (two-family residential preservation), R-G (garden-type multiple-family residential), R-3R (restricted multiple-family residential), R-3P (multiple-family residential preservation), R-3, R-4, R-5, and R-MH (Mobile Home Park). Two-family residential homes are allowed in all two-family residential zones and multi-family residential zones. Multi-family developments are allowed by right in all multi-family residential zones, except in two-family residential zones and R-MH zones.

2. Density Bonus Ordinance

As an incentive to encourage the construction of low-cost housing the City of Fullerton has adopted a Density Bonus for Affordable Housing (Section 15.17.120 of the Municipal Code). The City grants a density bonus of 25 percent, or other incentives of equivalent financial value based on land cost per dwelling unit, when an applicant for five or more housing units agrees to set aside at least 10 percent of the units for very-low income households, or 20 percent of the units for low income households, or 50 percent of the units for senior citizens. These percentages are firm even if the developer does not wish to take advantage of the full density bonus. The City has not yet revised its Zoning Code to conform to the density bonus provisions of Senate Bill 1818.

The City may also provide other incentives at its discretion. Developments must meet the requirements of the ordinance for 15 years if no incentives beyond the density bonus have been provided, or 30 years if additional incentives have been provided.

a. Density Bonus for Rental Projects

The ordinance specifies the priority order for selecting tenants:

1. Very-low income Fullerton resident/worker households without Section 8 certificates;
2. Very-low income households without Section 8 certificates;
3. Very-low income Fullerton resident/worker households;
4. Low income Fullerton resident/worker households;
5. Low income households.

In addition, the ordinance states that household size must be taken into account, so that households of two persons have priority over single-person households for units with zero or one bedrooms, households of four persons have priority for units with two bedrooms, and households of six persons have priority for units with three bedrooms.

If the set-aside units are not fully occupied, the ordinance specifies minimum actions that must be taken to market the units. Tenants whose income increases so that they no longer qualify for units may be charged market rent, and another unit must be designated as a set-aside unit instead. Subletting is only allowed to tenants who meet the income requirements.

b. Density Bonus for Ownership Projects

Households with more than \$30,000 in cash assets cannot qualify for a set-aside unit, regardless of whether they otherwise meet the income requirements. Owners must occupy their units. Limits on sales as provided by the ordinance must be incorporated into deed restrictions and monetary liens must be recorded in favor of the City to discourage speculation. Units must be held until they are sold to qualifying buyers.

c. Additional Incentives

In addition to the density bonus, the City may grant other incentives requested by the applicant to make the project economically feasible or to help achieve the City's low-cost housing goals as set forth in the Housing Element. Requests may also be denied for reasons such as public health and safety.

The following incentives may be requested:

- Reduction in minimum lot size required;
- Increase in maximum lot coverage allowed;
- Increase in maximum building height;
- Reduction in minimum property line, street, and setbacks required;
- Reduction in minimum distance between buildings on the same property;
- Increase in amount of compact parking allowed;
- Reduction in minimum driveway widths;
- Additional increases in density.

Other regulatory concessions may also be considered, including permit fee and/or plan check fee reductions, allowing mixed-use (either residential/commercial or residential/office-professional), use of redevelopment funds, provision of required infrastructure, and/or other means of direct financial assistance.

Requests for additional incentives must be submitted to the Director of Community Development as part of the project application. The Director of Community Development evaluates requests using the criteria in the ordinance and makes recommendations to the Planning Commission. Final approval of the request is made by the Planning Commission, unless direct financial assistance is requested, in which case the Planning Commission makes a recommendation, and the City Council makes the final decision.

3. Senior Housing

Small residential care facilities for seniors over 60 years old, which care for up to six people, are permitted by right in all residential zones. Larger residential care facilities are allowed with conditional use permits in R-3, R-3P, R-4, and R-5 zones. Residential care facilities for seniors are allowed with conditional use permits in all commercial zones. The Zoning Code specifies six different types of retirement complexes, each of which is permitted in at least two residential

zones with a conditional use permit. For instance, while a complex of detached cluster units may be permitted in lower density zones, a mid/high-rise retirement hotel is permitted with a conditional use permit only in R-4 and R-5 zones. The denser types are allowed in the O-P (office professional) and C-1 (limited commercial) zones, subject to conditional use permits.

Residential care facilities and retirement complexes must meet requirements for height, lot coverage, density, open space, and parking. In addition, these developments are encouraged to have a residential character and an arrangement of buildings compatible with surrounding development types.

4. Emergency Shelters and Transitional Housing

State Housing Law requires that cities identify sites that are adequately zoned for homeless shelters and transitional housing. Additionally, cities must not unduly discourage or deter these uses. To meet the requirements of Senate Bill 2, the City will identify a zone or zones in which emergency shelters and transitional housing will be permitted by right. Table 3-6 summarizes the emergency and transitional shelter facilities located in Fullerton. There are currently one emergency shelter and three transitional shelters that provide a total of 240 beds.

**Table 3-6
Emergency and Transitional Shelters**

Shelter Name	Type of Shelter	Target Population	Number of Beds
National Guard Armory	Emergency/ Cold Weather	Individuals	125
New Vista (Fullerton Interfaith Emergency Services)	Transitional	Families	50
Interfaith Shelter Network	Transitional	Single Adults	12
Women's Transitional Living Center	Transitional	Women and Children	53
Total Beds			240

Source: City of Fullerton Consolidated Plan, 2005; Phone conversations with shelters, 5/20/2008

Transitional housing for the homeless is defined as “a dwelling unit or units designed for non-transient living for person or persons who temporarily are unable to find permanent or safe shelter from the environment.” Transitional housing for the homeless shall only be in dwellings designed for non-transient living (a residency longer than 30 days) located in multiple-family residential zones. The City allows transitional housing for the homeless, subject to a Conditional Use Permit in the R-G, R-3R, R-3, R-3P, R-4, and R-5 zones. The Conditional Use Permit shall be subject to the review by the Planning Commission at the end of one and two years after initial approval. The Conditional Use Permit application will be evaluated based on relationships between proposed and existing/surrounding uses, potential impacts on surrounding uses involving noise, parking, traffic, activity and security, provision of a full-time on-site manager,

and location relevant to transit and social service agencies. The City's Municipal Code does not address the provision of emergency shelters.

5. Single Room Occupancy Units

Single Room Occupancy (SRO) units provide an opportunity to meet the needs of very-low income persons and households. The City of Fullerton defines a SRO Unit as a living unit within an SRO residential hotel consistent with Section 17958.1 of the California Health and Safety Code, which is rented to the same person for a period of more than 30 consecutive days at a rate at or below 30 percent of the monthly median income adjusted for a household size of one, as defined by the U.S. Department of Housing and Urban Development for the Standard Metropolitan Statistical Area of Anaheim - Santa Ana - Garden Grove. SRO residential hotels may be located in General Commercial (C-2), Central Business District Commercial (C-3), and Commercial, Highway (C-H) zones, subject to a conditional use permit.

The Director of Community Development must approve a management plan for SRO residential hotels and they must meet development standards, including minimum unit size, a minimum five-foot setback to any window, minimum interior common area, access to public transportation, parking requirements, provision of shower/bath and laundry facilities, and safety features.

6. Building Codes and Enforcement

Building and safety codes are adopted to preserve public health and safety and ensure the construction of safe and decent housing. These codes and standards also have the potential to increase the cost of housing construction or maintenance.

a. Building Codes

The City of Fullerton has adopted the 2007 California Building Code (Code), which establishes construction standards for all residential buildings. The City amends the Code as needed to further define requirements based on the unique local conditions. The Code is designed to protect the public health, safety, and welfare of Fullerton's residents. Code enforcement in the City is performed both proactively and on a complaint basis.

b. Fair Housing and Americans with Disabilities Act

The federal Fair Housing Act of 1998 (FHA) and the Americans with Disabilities Act (ADA) are federal laws intended to assist in providing safe and accessible housing. ADA provisions include requirements for a minimum percentage of units in new developments to be fully accessible for persons with physical disabilities. Compliance with these regulations may increase the cost of housing construction as well as the cost of rehabilitating older units, which may be required to comply with current codes. However, the enforcement of ADA requirements is not at the discretion of the City, but is mandated under federal law.

7. Development Fees

Various development and permit fees are charged by the City and other agencies to cover administrative processing costs associated with development. These fees ensure quality development and the provision of adequate services. Often times, development fees are passed through to renters and homeowners in the price/rent of housing; thus, affecting the affordability of housing.

The Building Industry Association (BIA) of Orange County provides a yearly land development fee survey for Orange County jurisdictions. Table 3-7 shows the results of the survey and provides a comparative summary for Fullerton and surrounding jurisdictions. The fee survey utilizes a hypothetical subdivision and house size to standardize the reporting of fees. The prototype subdivision used in 2006-2007 was 50 units on 10 acres at a density of 5 dwelling units per acre. The building fees are based on a 2,500 square foot, single-family detached unit with a 400 square foot garage. The building is valued at \$177,970 and contains 4 bedrooms and 3 bathrooms.

**Table 3-7
Comparative Development Fee Summary (2006-2007)**

Fee Charges	Fullerton	Anaheim	Santa Ana	Stanton
Planning Fees				
Environmental				
Initial Determination	N/A	N/A ¹	\$200	\$205
Negative Declaration	\$330 + recordation	Included in Zone Change	\$2,920 or 10% of consultant fee, whichever is greater	\$275
EIR Processing	Actual cost; \$5,000 minimum deposit	\$181.10/hour; \$30,000 deposit	\$11,700 or 10% of consultant fee, whichever is greater	Actual cost + \$5,150 review fee
Categorical Exemption	Recordation fee only	\$181.10/hour; \$5,000 deposit	\$200	\$205
Planning				
General Plan Amendment	\$3,572	N/A	\$2,390	\$2,510
Zone Change	\$3,572	\$181.10/hour; \$10,000 deposit	\$1,910	\$2,510

**Table 3-7
Comparative Development Fee Summary (2006-2007)**

Fee Charges	Fullerton	Anaheim	Santa Ana	Stanton
Planning Fees				
Tentative Tract Map	\$3,316 + \$49/lot	\$181.10/hour; \$10,700 deposit	\$2,355 + \$28/lot	\$1,645 + \$25/lot
Site Plan Review	\$2,816 + time & materials	N/A	\$490-\$1385 + 3/10 of 1% of building value	\$845
Planned Development Review	\$2,371 + \$18/lot	N/A	Actual cost; \$3,430 deposit	N/A
Conditional Use Permits and Variances	\$2,846	\$181.10/hour; \$10,000 deposit	\$2,155	\$1,970/\$930
Building				
Building	\$1,038.18	\$705.42	\$1089.80	\$1337.25
Plan Check	\$738.29	\$1,150.94	\$708.37	\$1002.94
Electrical	\$96.61	\$542.71	\$131.10	\$64.25
Mechanical	\$96.61	\$446.66	\$273.75	\$85
Plumbing	\$132.26	\$397.08	\$203.29	\$163
SMIP	\$6.14	\$17.80	0.0001 plus valuation	\$17.80
Energy	\$154.18	Incl. in plan check	\$22/1,000 sq. ft.	\$468.04
Permit Issuance	\$21.78	N/A	\$34	\$15
Engineering and Subdivision				
Final Tract Map	Time and materials	\$709/lot; \$35,450 deposit	\$1214.13/10 hours +\$121.41/additional hour	\$1,055 + County charges
Sewer Studies	Time and materials	\$109-153/hour	\$121.41/hour	\$960 or 5% of offsite costs if greater
Storm Drain/Water Quality	Time and Materials	\$9.46/l.f.	\$121.41/hour	\$960 or 5% of off-site costs if greater

**Table 3-7
Comparative Development Fee Summary (2006-2007)**

Fee Charges	Fullerton	Anaheim	Santa Ana	Stanton
Planning Fees				
Street Improvement	Time and Materials	\$9.46/l.f.	\$121.41/hour	\$960 or 5% of off-site costs if greater
Sewer Improvement	N/A	\$9.46/l.f.	N/A	N/A
Grading	\$2,951.71	\$98-119/hour	\$121.41/hour	Hourly;\$510 deposit
Surface Drainage	N/A	\$98-119/hour	\$117.51/hour	N/A
Capital Facilities and Connections				
Water	N/A	\$3,100/acre, \$7/l.f. of frontage	\$60	\$700
Sewer	N/A	\$350/acre, \$250 minimum	\$74.21/fixture unit	Varies by area
Traffic/Road fees	\$325.50/unit (Single-Family)	\$796/unit	\$4,500	\$698/unit
In-lieu Park Facilities Fee	\$9,500	\$6,936.46/unit (Single-Family)	N/A	\$5556.78/unit
School Facilities	\$2.63/ sq. ft.	\$2.63/s.f.	\$3.56/s.f.	\$2.24/s.f.

Notes: N/A= fee not included in survey response

Source: BIA OC 2006-2007 Land Development Fee Survey

8. Local Processing and Permit Procedures

Delays in development and building permit processing can lead to considerable holding costs that may affect the price of housing. The City of Fullerton's requirements and process for development review are based on the complexity of the project and the type of entitlement. Residential projects in the R-1 (single-family) and R-2 (two-family) zones are exempt from discretionary review, so long as the project is not proposing deviations from the Zoning Code and is not within a historic neighborhood. These projects can be submitted to the Community Development Department for plan check and building permits. Table 3-8 summarizes the local development processing time for the City. The initial plan check takes approximately two weeks. The applicant also has the option of requesting expedited plan check, for an extra fee, where the initial review is completed in two days.

Multi-family projects, as well as subdivisions, are subject to discretionary review. The City has four discretionary review bodies: Staff Review Committee (SRC), Redevelopment Design Review Committee (RDRC), Planning Commission (PC), and City Council.

a. Staff Review Committee

Once a complete application is received by the Community Development Department, the SRC reviews projects requiring discretionary review. The SRC is comprised of City Staff from Engineering, Community Development, Fire, and other departments with interests in development within the City. The SRC works to streamline the development review and approval process by coordinating review by these departments. SRC is the approving body for Minor Site Plan applications. SRC reviews and makes recommendations on any projects where Planning Commission or City Council is the final approving body.

b. Redevelopment Design Review Committee

The RDRC also reviews projects within a Community Improvement District (CID) or redevelopment area and any construction in a Preservation Zone, Potential Landmark District or to a recognized historic building. RDRC is the approving body for Minor Development Projects. RDRC reviews Major Development Projects and makes recommendations to the Planning Commission.

c. Planning Commission

The Planning Commission is the approving body for Major Site Plans, Variances, Conditional Use Permits, Major Development Projects, and Parcel Maps. Planning Commission reviews and makes recommendations on all projects where the City Council is the approving body.

d. City Council

The City Council is the approving body for zone changes, tract maps, and General Plan Amendments. The City Council also hears any appeals to Planning Commission decisions.

**Table 3-8
Local Development Processing Time, City of Fullerton**

Item	Approximate Length of Time from Submittal to Public Hearing
Conditional Use Permit	8 weeks
Site Plan Review – Minor	2 weeks
Site Plan Review – Major	8 weeks
Development Project Review – Minor	3 weeks
Development Project Review – Major	8 weeks
Parcel Map	8 weeks
Tentative Tract Map	3 months
Variance	8 weeks
Zoning Amendments or Zone Change	3 months
General Plan Amendment	3 months
Environmental Documentation	3 months (depending on documentation required)

Source: City of Fullerton

9. Environmental and Infrastructure Constraints

Environmental hazards affecting housing units include geologic and seismic conditions, which provide the greatest threat to the built environment. The following hazards may impact future development of residential units in the City.

a. Environmental Constraints

i. Seismic Hazards

Similar to most southern California cities, Fullerton is located within an area considered to be seismically active. Eight faults could potentially cause damage to the City. Only one, the Norwalk Fault, actually traverses the City. All other faults that could result in earthshaking and damage in Fullerton are: the Whittier-Elsinore fault, the Newport-Inglewood fault, the Sierra Madre-San Fernando-Santa Susana fault, the Palos Verdes fault, the San Jacinto fault, and the San Andreas fault (south and central).

ii. Landslides

Landslides often occur during or after strong earthquakes. Areas subject to seismically induced landslides are limited to the steeper portions of the East and West Coyote Hills. The probability of seismically induced bedrock landslides occurring elsewhere is low. Additionally, small soil slips can occur throughout the Coyote Hills. Adequate plans for the prevention of the landslides in the Coyote Hills have been made in the Grading and Development Guidelines sections of the Specific Plans.

iii. Flooding

Floodplain studies have been performed for Fullerton as part of the National Flood Insurance Program. There are areas in the 100-year flood zone that can create a hazardous condition in the City. The 100-year flood zone areas are generally adjacent to creeks and channels within the City; however, there are some small, scattered areas in the southern portion of the City subject to flooding hazards.

Several major watercourses and dam facilities provide protection against major flood flows from runoff generated in watershed north and east of the City. Smaller drainage facilities that drain into the major channels and reservoirs are the responsibility of the City for construction, operation and maintenance. For the most part, the existing local drainage facilities within the City have capacity to carry floods from storms of less than a 10-year interval. The construction of the Commonwealth/State College Storm Drain project has removed the threat of flooding from major portions of the eastern section of the City.

iv. Toxic and Hazardous Wastes

There are a number of land uses within the City that handle hazardous materials. The Fire Department is responsible for safety inspections of commercial buildings as well as environmental protection responsibilities. The Fire Department has actively collected hazardous materials information from approximately 300 businesses that meet the threshold disclosure requirements. This program also includes the administration of underground storage tank regulations.

v. Fire Hazards

The City continues to address the need to defend persons and property from urban and wildland fires. Because Fullerton's climate includes long periods of hot-dry weather combined with high-velocity desert winds, the potential exists for large, spreading fires. While not considered to have significant areas subject to wildland fire hazard, the City does have large, undeveloped oil lands that are generally covered with grass and light brush. Firebreaks are maintained throughout these areas. The City's Community Preservation Division also actively enforces the City's weed abatement ordinance.

The Fullerton Fire Department provides fire protection. Firefighting operations include six fire stations, with a total of 10 pieces of apparatus, including nine fire engines and one aerial ladder truck. Emergency medical services are integrated within the firefighting force—three of the six pumpers are equipped with required paramedic equipment and staffed with four personnel, including two certified mobile intensive care paramedics.

vi. Noise.

Residential land uses are generally considered to be the most sensitive to loud noises. Noise within the City originates from either stationary or mobile sources. Stationary sources include noise generators such as the airport, industrial and construction activities, air conditioning/refrigeration units, and home appliances. Many stationary noise sources are

typically accepted as part of the ambient or background noise level. Mobile noise sources are typically transportation-related and include aircrafts, trains, automobiles, trucks, buses, motorcycles, and off-road vehicles.

Motor vehicles are the single largest source of continuous noise in the City. Major roadways carry appreciable volumes of both truck and commuter traffic. Residential zones adjacent to these roadways in the City are affected by motor vehicle noise. Other transportation sources in the City that contribute to noise levels include the Atcheson Topeka & Santa Fe (AT& SF) and Union Pacific (UP) railroad trains and aircraft accessing the Fullerton Municipal Airport.

b. Infrastructure Constraints

i. Water

Water for Fullerton's service area is derived from both underground and imported sources. Underground supply comes from wells located in the Orange County Groundwater Basin. The Metropolitan Water District of Southern California (MWD), through their regional water supply system delivers, imported water to the service area. As of 2005, the City's water system has over 430 miles of transmission and distribution mains, 16 reservoirs with a capacity of 89.5 million gallons, 12 pumping stations, and 11 active wells. According to the 2005 Urban Water Management Plan, total water use for residential areas is expected to increase by three percent and serve a population of 144,700 people by 2030. Fullerton will continue to meet its future demands with groundwater supplies and imported water.

ii. Sewer

The City of Fullerton's sewer system consists of trunk lines, main lines, and laterals. The larger trunk lines are owned and maintained by the Sanitation District of Orange County (SDOC); the remaining trunk lines and main lines are the responsibility of the City's Engineering Department. Developers are required to install lateral lines (the lines that go between structures and the main line), and in some cases, the main lines, in conjunction with new construction. The City's Drainage Master Plan identifies ultimate capacity requirements and potential deficiencies to be corrected. The report has identified eleven high priority areas with sewer deficiencies. The City continues the development of site plan standards that require developers to install sewer facilities as well as the issuance of sewer permits and inspection of completed sewer hookups. This is supported by periodic review of the sewer relief facility priority list and construction of relief sewers in a logical, priority-oriented sequence.

10. Fullerton Redevelopment Agency Housing Set-aside Fund Resources

The City of Fullerton Redevelopment Agency (Agency) provides the funding sources for many housing-related activities in the City. Table 3-9 shows the housing set-aside fund projections from fiscal year 2004/2005 through fiscal year 2013/2014. Housing fund revenues include property tax increment funding, interest income, loan repayments, and rental/lease income.



**Table 3-9
Projections for Housing Set-Aside Fund (in dollars), 2004-2014**

Revenue Source	2004/ 2005	2005/ 2006	2006/ 2007	2007/ 2008	2008/ 2009	2009/ 2010	2010/ 2011	2011/ 2012	2012/ 2013	2013/ 2014
Cash Balance	11,914,574	14,706,432	13,702,267	8,082,777	1,037,025	4,528,036	3,983,640	3,518,169	3,099,755	2,731,341
Total Revenues	3,909,598	4,358,228	3,998,623	4,113,266	4,066,799	4,048,666	4,145,383	4,210,766	4,279,641	2,442,101
<i>Cash Balance + Total Revenues</i>	15,824,172	19,064,660	17,700,890	12,196,043	5,103,824	8,576,702	8,129,023	7,728,935	7,379,396	5,173,442
Bond Debt Service	0	0	0	0	0	0	0	0	0	0
Administrative Costs	1,035,213	770,404	542,736	559,018	575,788	593,062	610,854	629,180	648,055	667,497
Land Assemblage	0	4,509,009	9,075,377	10,000,000	0	0	0	0	0	0
Housing Programs and Projects	82,527	82,980	0	600,000	0	4,000,000	4,000,000	4,000,000	4,000,000	4,505,945
Balance/(Loss)	14,706,432	13,702,267	8,082,777	1,037,025	4,528,036	3,983,640	3,518,169	3,099,755	2,731,341	0

Source: Fullerton Redevelopment Agency Five-Year Implementation Plan 2004-2009

The 2004-2009 Implementation Plan outlines the following projects and programs the Agency will pursue within the five-year term:

- Administration of Agency's Seismic Rehabilitation Loan Program, Commercial Rehabilitation Loan Program, and the Tenant Improvement Loan Program to provide assistance to eligible property owners, businesses, and tenants.
- Continued Agency support of improvements to parks and public facilities of a community-wide benefit.
- Various physical infrastructure projects providing repairs and enhancements to streets and highways; traffic signals; street lighting; curbs; sidewalks and gutters; handicapped accessibility; and water, sewer and drainage systems will continue to be a priority of the Agency.
- Promoting home ownership continues to be the target of the Agency's affordable housing efforts. The Agency's efforts will continue to focus on improving and expanding the City's housing stock in order to provide quality affordable housing for residents.
- The Agency will continue to pursue development and participation agreements to provide developer assistance for projects through funding of appraisals, acquisitions, and land and/or lease write-downs to address blighting conditions.
- Payment of existing Agency obligations for various bond issues and reimbursement agreements, which comprise about a third of the Agency's annual tax increment revenues.
- Funding for salaries, operations, and maintenance to administer Agency programs and projects.

a. Inclusionary Housing Requirements

The City of Fullerton, in accordance with California Community Redevelopment Law, requires the production of housing based on activities in the redevelopment areas. These requirements are as follows:

- At least 30 percent of all new and substantially rehabilitated dwelling units developed by the Agency shall be available at affordable cost to low and moderate income households. Of these low-to-moderate units, 50 percent must be affordable to low income households.
- At least 15 percent of all new dwelling units within a project area developed by an entity other than the Agency must be affordable to low and moderate income households. Of these low-to-moderate units, 40 percent must be affordable for low income households.

11. Community Development Block Grant (CDBG) and HOME Program

CDBG and HOME Program funds are the largest source of federal funding for housing and housing related activities in Fullerton.

CDBG funds can be used for the following activities:

- Acquisition
- Rehabilitation

- Home Buyer Assistance
- Economic Development
- Homeless Assistance
- Public Services
- Public Improvements
- Rent Subsidies

HOME funds can be used for the following activities:

- New Construction
- Acquisition
- Rehabilitation
- Home Buyer Assistance
- Rental Assistance

B. NON-GOVERNMENTAL CONSTRAINTS

1. Vacant and Underutilized Land

A thorough analysis of vacant and underutilized land within the City of Fullerton is provided in Appendix B: Land Resources.

2. Land Prices

Land costs influence the cost of housing. Land prices are determined by a number of factors, most important of which are land availability and permitted development density. As land becomes less available, the price of land increases. The price of land also increases as the number of units permitted on each lot increases. In Orange County, undeveloped land is limited, and combined with a rapidly growing population, land prices have in turn increased.

Throughout the City, the land values fluctuate significantly based on site and neighborhood characteristics. Based on recent land transactions and appraisals, vacant residential land averages \$35 to \$50 per square foot.

3. Construction Costs

Construction costs are primarily determined by the costs of materials and labor. They are also influenced by market demands and market-based changes in the cost of materials. Construction costs depend on the type of unit being built and the quality of the product being produced. Table 3-10 summarizes the estimated construction costs based on type of development in Fullerton.

Table 3-10
Construction Cost Estimates

Development Type	Cost per Square Foot
Single-Family Residential	\$100-\$125
Townhome	\$159-\$180
Multi-Family Garden Apartment	\$200
Multi-Family Podium	\$250

Source: RBF Consulting, 2007

4. Financing

Mortgage interest rates have a large influence over the affordability of housing. Higher interest rates increase a homebuyer's monthly payment and decrease the range of housing that a household can afford.

When interest rates rise, the market typically compensates by decreasing housing prices. Similarly, when interest rates decrease, housing prices begin to rise. There is often a lag in the market, causing housing prices to remain high when interest rates rise until the market catches up. Lower income households often find it most difficult to purchase a home during this time period.

As shown in Table 3-11, the number of loan applications increases as income increases. The percentage of persons denied for a home loan in Orange County is highest for the very-low income (less than 50 percent of the MFI) category with 31 percent.

Table 3-11
Mortgage Lending Rates- 2006
Santa Ana- Anaheim- Irvine Metropolitan Division

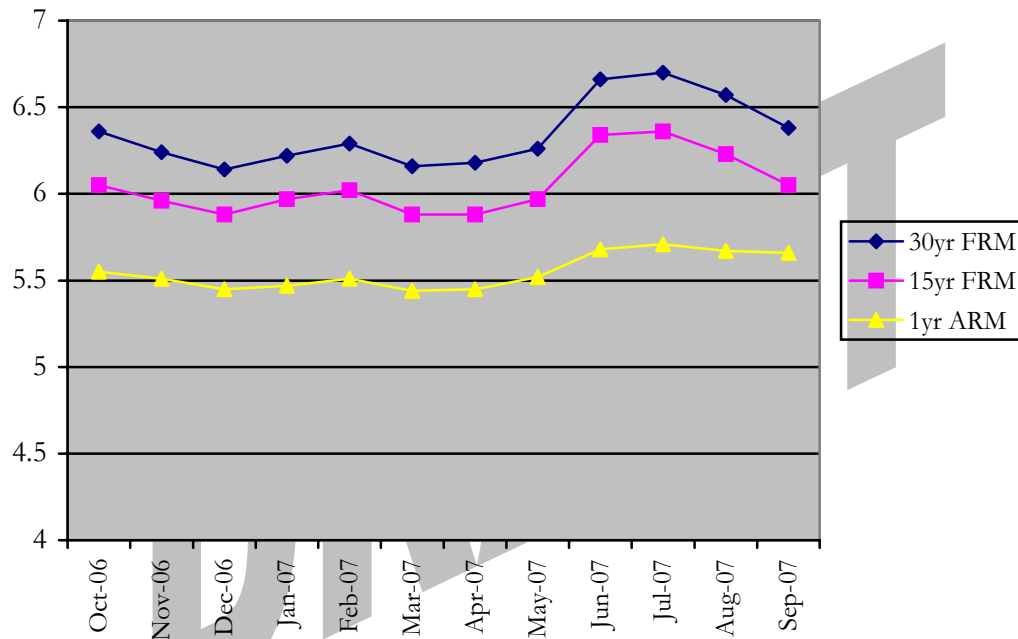
Income Group	Total Applications	Loans Originated	Applications Denied	Percentage Denied
< 50% MFI	633	189	199	31.4%
50-79% MFI	2,226	998	399	17.9%
80-99% MFI	3,261	1,663	647	19.8%
110-119% MFI	4,836	2,648	977	20.2%
>= 120% MFI	73,237	39,855	15,168	20.7%
Total	84,193	45,353	17,390	20.7%

Source: Federal Financial Institutions Examination Council, HMDA Data, 2006

Figure 3-1 shows the average interest rates between October 2006 and September 2007. The interest rates fluctuated slightly until May 2007. Interest rates reached a high point in July 2007 and have decreased since. Interest rates are determined by national policies and economic conditions and there is little that a local government can do to affect these rates. However, in order to extend home buying opportunities to lower income households, jurisdictions can offer

interest rate write-downs. Additionally, government insured loan programs may be available to reduce mortgage down payment requirements.

Figure 3-1



Source: Freddie Mac Primary Mortgage Market Survey

There have been recent changes in the qualifications and lending standards for home loans. Nationwide there has been a large increase in the number of delinquencies and foreclosures in the residential mortgage loans. As a result, lenders have developed more stringent qualifications for home loans and lower income households may find it more difficult to qualify.

5. Energy Conservation

The City continues to promote energy conservation efforts in the construction of new housing and the rehabilitation of older units. Energy conservation serves to reduce energy costs, and therefore overall housing costs. The City's Building Division reviews construction drawings for compliance with Title 24 of the California Administrative Code. Compliance with Title 24 of the California Administrative Code on the use of energy efficient appliances and insulation has reduced energy demand stemming from new residential development.

Southern California Edison, which provides electricity service in the City of Fullerton, offers public information and technical assistance to developers and homeowners regarding energy conservation. Southern California Edison also provides incentives for energy efficient new construction and home improvements. Through the California Energy Star® New Homes

program, builders can receive up to \$700 per single-family unit or \$275 per multi-family unit for constructing homes that are 15-20 percent more energy efficient than the Title 24 requirements. Builders also have the option of installing efficient appliances, insulation, and/or tight ducts to receive similar monetary incentives. Owners of existing homes can receive monetary incentives for purchasing Energy Star qualified appliances or making other energy-saving improvements such as installing a whole-house fan in the attic.

The City also supports various water conservation efforts being implemented by the Municipal Water District of Orange County. These programs include the Clothes Washer Rebate Program, the Smart Timer Rebate Program, the Toilet Rebate Program, the Rotating Nozzles Rebate Program, and the Synthetic Turf Rebate Program. All programs promote water use efficiency and offer financial rebates to households who install water efficient appliances and fixtures.

One of the more recent strategies in building energy efficient homes is the use and adoption of green building guidelines and programs by cities and developers. Some of the more popular programs within the housing industry include:

- U.S. Green Building Council's LEED green building program(s),
- Build it Green's Green Point Rated program,
- National Association of Home Builders Model Green Home Building program,
- U.S. Environmental Protection Agency's Energy Star® for Homes program, and
- Building Industry Institute's California Green Builder program.

Many of these programs have been designed to reduce the impacts associated with the construction and operation of residential buildings through reductions in energy and water use, use of innovative technologies, reduced maintenance costs, and improved occupant satisfaction. These programs and other programs similar to these have been applied to numerous single- and multi-family residential projects throughout California and nationwide.