

## 2. HOUSING NEEDS ASSESSMENT



This section of the Housing Element discusses the characteristics of the City's population and housing stock as a means of better understanding the nature and extent of unmet housing needs. The Housing Needs Assessment is comprised of the following components: A) Demographic Profile; B) Household Profile; C) Housing Stock Characteristics; and D) Regional Housing Needs. A variety of housing needs maps are presented based on census tract data; Figure 1 depicts the 2000 census tract and block group boundaries for Brea.

### A. DEMOGRAPHIC PROFILE

Demographic changes such as population growth or changes in age can affect the type and amount of housing that is needed in a community. This section addresses population, age, race and ethnicity, and employment of Brea residents.

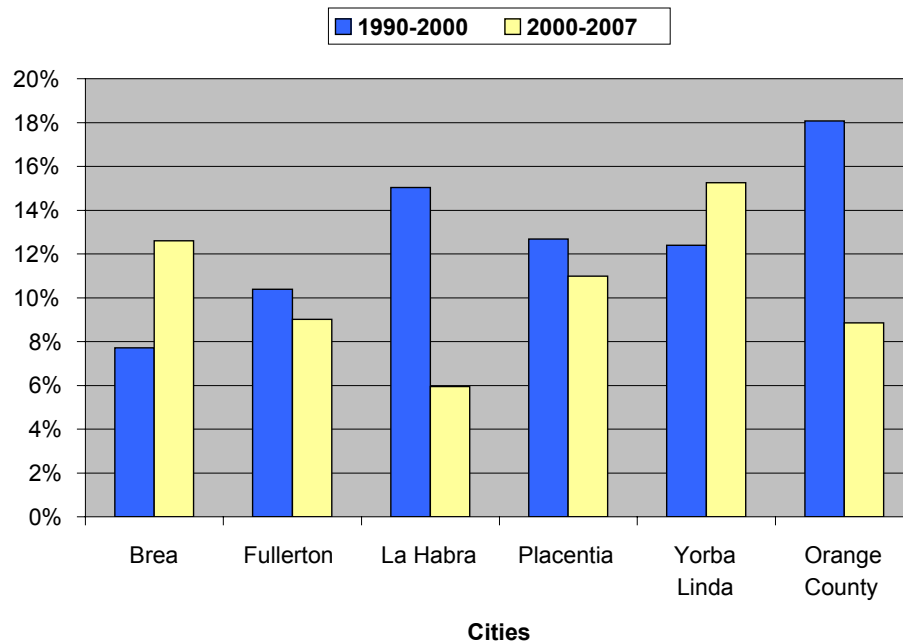
#### 1. Population Growth Trends

Table HE-1 presents population growth trends in Brea, and compares this growth to neighboring cities and the entire County of Orange. This Table illustrates the high level of population growth in Orange County during the 1990s, with growth levels in the more established north Orange County communities somewhat lower than the Countywide average. Population growth was particularly limited in Brea, with the City's 8 percent growth less than half that of the County (18%). In contrast, since 2000 growth levels in Brea have been among the highest in the north Orange County region. According to 2007 State Department of Finance estimates, Brea has a current population of 39,870, representing an increase of thirteen percent since 2000. A significant amount of the City's population growth is a result of the 600+ units developed in Olinda Ranch in the City's eastern hillside areas.

**Table HE-1  
Regional Population Growth Trends 1990 – 2007**

Jurisdiction	1990	2000	2007	Percent Change	
				1990-2000	2000-2007
<b>Brea</b>	<b>32,873</b>	<b>35,410</b>	<b>39,870</b>	<b>8%</b>	<b>13%</b>
Fullerton	114,144	126,003	137,367	10%	9%
La Habra	51,266	58,974	62,483	15%	6%
Placentia	41,259	46,488	51,597	13%	11%
Yorba Linda	52,422	58,918	67,904	12%	15%
Orange County	2,410,556	2,846,289	3,098,121	18%	9%

Source: 1990 and 2000 Census. State Department of Finance, May 2007.



According to Orange County Projections (OCP) 2006, the population of Brea is expected to grow to 45,416 by 2015, a 15 percent increase over the 2005-2015 period. OCP Projections show a slowing in growth after this time, with just a two percent increase in population between 2015-2025, and continued two percent growth between 2025-2035. These patterns of growth are consistent with projections Countywide that identify nearly 60 percent of the population increase through 2035 to occur within the 2005-2010 period.

Figure 1 Census Tract Boundaries

## 2. Age Characteristics

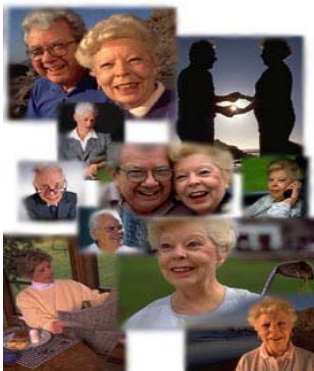
Housing need is often affected by the age characteristics of residents in the community. Different age groups have different lifestyles, income levels, and family types that influence housing needs.



Traditionally, the assumption has been that young adults (20 to 34 years old) prefer apartments, low- to moderate-cost condominiums, and smaller single-family units. Adults between 35 and 65 years old provide the major market for moderate- to high-end apartments, condominiums, and single-family homes. The senior population (65 years and older) tends to demand low- to moderate-cost apartments and condominiums, group quarters, and mobile homes.



Table HE-2 displays the age distribution of the City's population in 1990 and 2000, and compares this with Orange County. As indicated by this Table, 26 percent of Brea's population in 2000 was comprised of children under the age of 18, fairly comparable to the 27 percent children Countywide. Over the past decade, the City experienced a significant increase in the proportion of school age children (5-17 years) from 17 to 20 percent. This growth in school age children did not lead to a corresponding increase in public school enrollment, with enrollment in the Brea School District remaining relatively stable during the 1990s. Since 2000, however, student enrollment has declined, from a high of 6,220 enrolled students in 2004 to a projected low of 5,965 enrolled students in 2008. The School District expects to see a reversal of this trend beginning in 2009. New development in the Pepper Tree Hills area is expected to increase student enrollment in 2009 to 6,150 students.<sup>1</sup>



The biggest change to Brea's age profile occurred in the young adult (25-44 years) and middle age (45-64 years) groups. Both the proportion and number of young adults declined significantly over the decade, from 36 to 30 percent and dropping by over 1,000 residents. Conversely, the City's middle age population increased by over 1,700 residents and now comprises one-quarter of the population. Factors contributing to this shift in population's age structure include an aging in place of young adults into the middle age bracket, and the limited number of new young adults moving into the community due in part to Brea's high housing costs. In

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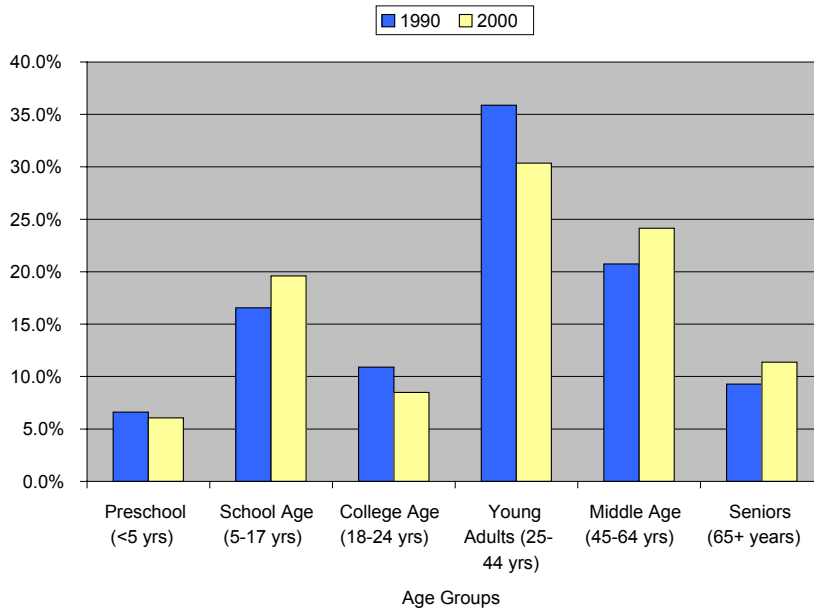
<sup>1</sup> Assistant Superintendent Skip Roland, Brea School District, June 2007

addition to a growing middle age population, the City added nearly 1,000 seniors to its population over the decade. These population shifts have contributed to an overall aging of Brea’s population: the 2000 Census puts Brea’s median age at 36.4 years, well above the 33.5 years ten years prior.

**Table HE-2  
Age Distribution 1990 – 2000**

Age Group	1990		2000		
	Persons	Percent	Persons	Percent	Orange Co. %
Preschool (<5 yrs)	2,176	6%	2,145	6%	8%
School Age (5-17 yrs)	5,449	17%	6,937	20%	19%
College Age (18-24 yrs)	3,583	11%	3,011	9%	9%
Young Adults (25-44 yrs)	11,791	36%	10,749	30%	33%
Middle Age (45-64 yrs)	6,822	21%	8,545	24%	21%
Seniors (65+ years)	3,052	9%	4,023	11%	10%
<b>Total Population</b>	<b>32,873</b>	<b>100%</b>	<b>35,410</b>	<b>100%</b>	<b>100%</b>
MEDIAN AGE	33.5 years		36.4 years		33.3 years

Source: U.S. Census 1990 and 2000.



### 3. Race and Ethnicity

Table HE-3 displays the racial/ethnic composition of Brea’s population in 1990 and 2000, and compares this with the countywide distribution. White residents continue to comprise the vast majority of the City’s population, although the proportion of Whites in Brea decreased from approximately three-quarters to two-thirds of the population over the decade. In contrast, Hispanic residents increased from 15 to 20 percent, Asians increased from 6 to 9 percent, and “Other” races increased from 1 to 3 percent. Despite Brea’s increasing ethnic diversity, Brea remains less ethnically diverse than Orange County as a whole.

**Table HE-3  
Racial and Ethnic Composition 1990 – 2000**

Racial/ Ethnic Group	1990		2000		
	Persons	Percent	Persons	Percent	Orange Co. %
White	25,359	77%	23,541	66%	51%
Hispanic	5,078	15%	7,205	20%	31%
Asian/Pacific Islander	1,957	6%	3,255	9%	14%
African American	332	1%	409	1%	1%
American Indian	115	<1%	111	<1%	<1%
Other Race	32	<1%	889	3%	2%
<b>Total Population</b>	<b>32,873</b>	<b>100%</b>	<b>35,410</b>	<b>100%</b>	<b>100%</b>

Source: U.S. Census 1990 and 2000.



## 4. Employment

Brea has a very strong employment base, with 1.15 jobs per resident, compared to the County with just .52 jobs per resident. The City's diversified employment includes five primary sectors: retail trade (27%), manufacturing (21%), services (20%), finance, insurance and real estate (12%), and wholesale trade (10%). Orange County Projections (OCP) 2006 document the City's 2005 employment base at 40,231 jobs, and projects an increase to 44,490 jobs by 2015, an eleven percent increase. Employment growth is projected to continue to occur in the City's five primary sectors.

According to the 2000 Census, 18,931 Breans were in the labor force. (The labor force includes employed and unemployed persons aged 16 years and above.) This represents a labor force participation rate of 70 percent. As shown in Table HE-4, most residents were employed in two occupational categories: managerial and professional specialty (44%); and sales, technical, and administrative support (31%). The numbers of residents employed in managerial/professional occupations has increased dramatically over the decade (from 37% in 1990 to 44% in 2000), indicating the City's transition to a predominately white collar community.

The City's unemployment rate in 2000 was 2.5 percent. According to the State Employment Development Department, Brea's unemployment rate in 2006 remained very low at 2.4 percent, about 1 percentage point lower than the countywide unemployment rate of 3.4 percent.

**Table HE-4  
Occupation of Residents 1990 – 2000**

<b>Job Category</b>	<b>Number</b>	<b>% of Total (2000)</b>	<b>% of Total (1990)</b>
Managerial/Professional	8,051	44%	37%
Sales, Technical, Administrative (Support)	5,651	31%	36%
Service Occupations	1,948	11%	8%
Construction, Extraction & Maintenance	894	5%	9%
Production, Transportation & Material Moving	1,663	9%	9%
Farming, Forestry, & Fishing	0	0%	1%
<b>Total Employed Persons</b>	<b>18,207</b>	<b>100%</b>	<b>100%</b>

Source: U.S. Census 1990 and 2000.

## B. HOUSEHOLD PROFILE

Household type and size, income levels, and the presence of special needs populations all affect the type of housing needed by residents. This section details the various household characteristics affecting housing needs in Brea.

### 1. Household Type

A household is defined as all persons living in a housing unit. Families are a subset of households, and include persons living together related by blood, marriage, or adoption. A single person living alone is also a household. "Other" households are unrelated people residing in the same dwelling unit. Group quarters, such as dormitories or convalescent homes are not considered households.

According to the 2000 Census, 13,067 households reside in Brea, with an average household size of 2.70 persons (refer to Table HE-5). This represents a relatively stable household size (2.68) from 1990, and remains below the Orange County average household size of 3.00. In Brea, trends of an aging population with smaller households are offset by increases in the number of families with children, averaging out to little change in household size.

Families comprise the majority of households in Brea (71%), including families with children (34%), and those without children (37%). During the 1990s, the City experienced an increase in nearly 450 families with children, consistent with the increasing school age population and illustrating Brea's continued attractiveness as a family-oriented community.

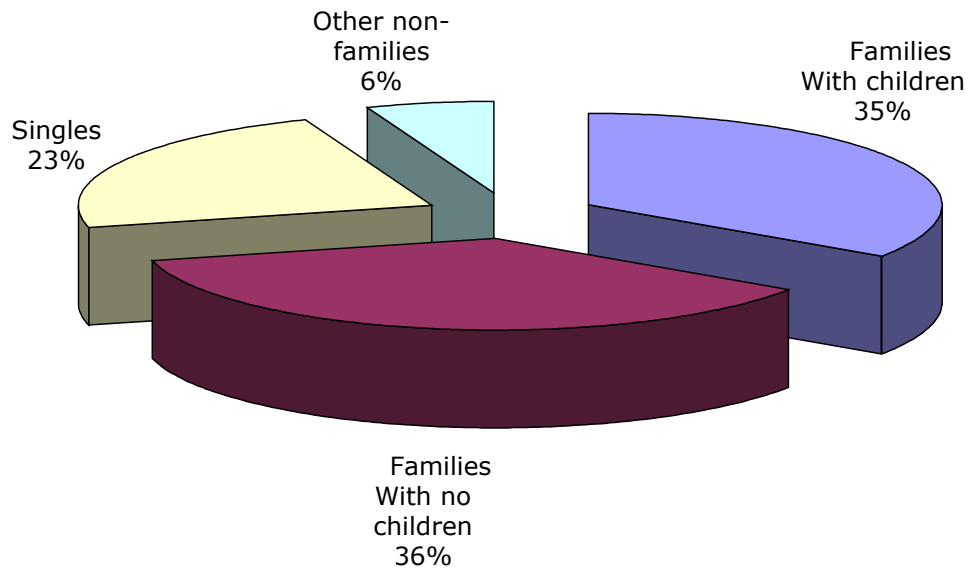




**Table HE-5  
Household Characteristics 1990 - 2000**

Household Type	1990		2000		Percent Change
	Households	Percent	Households	Percent	
Families	8,624	70%	9,301	71%	+8%
<i>With children</i>	4,073	33%	4,515	34%	+11%
<i>With no children</i>	4,551	37%	4,786	37%	+5%
Singles	2,656	22%	3,011	23%	+13%
Other non-families	944	8%	755	6%	-20%
<b>Total Households</b>	<b>12,224</b>	<b>100%</b>	<b>13,067</b>	<b>100%</b>	<b>+7%</b>
Average Household Size	2.68		2.70		+1%
Average Family Size	3.15		3.21		+2%

Source: U.S. Census 1990 and 2000.



## 2. Household Income

Household income is one of the most important factors affecting housing opportunity and determining a household's ability to balance housing costs with other basic necessities of life.

### Income Definitions

The State and Federal government classify household income into several groupings based upon the relationship to the County (area) median income (AMI), adjusted for household size. The State of California utilizes the income groups presented in Table HE-6. However, federal housing programs utilize slightly different income groupings and definitions, with the highest income category generally ending at >95% AMI. For purposes of the Housing Element, the State income definitions are used throughout, except where the data has been compiled by the federal Department of Housing and Urban Development (HUD) and is specifically noted.

**Table HE-6  
State Income Categories**

Income Category	% Area Median Income (AMI)
Extremely Low	0-30% AMI
Very Low	31-50% AMI
Low	51-80% AMI
Moderate	81-120% AMI
Above Moderate	120%+ AMI

Source: Section 5000093 of the California Health and Safety Code.

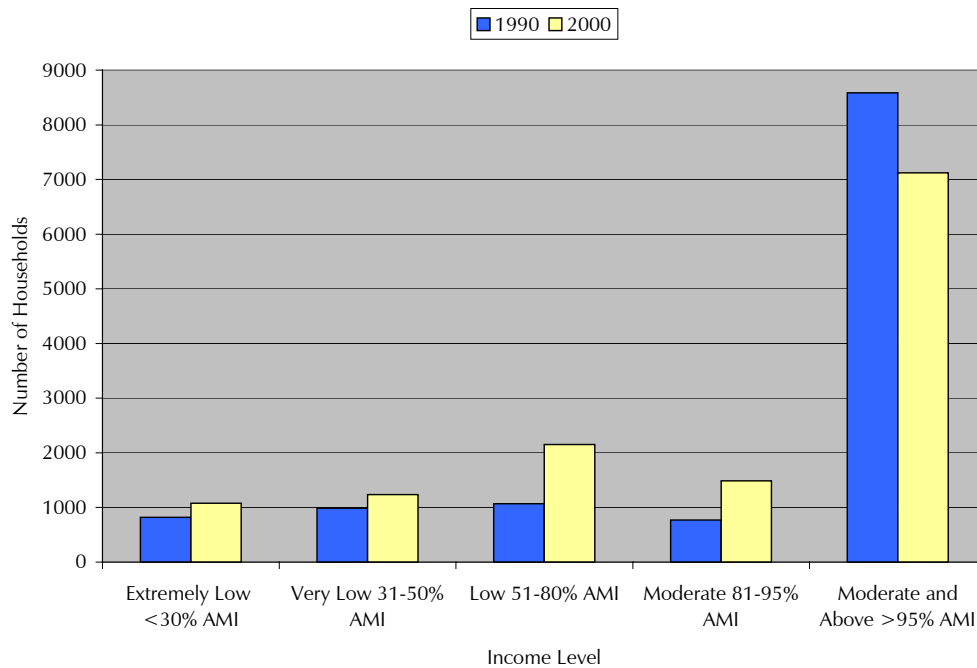
### Income Characteristics

Between 1990 and 2000, the median income in Brea grew from \$51,253 to \$59,759, an increase of 17 percent. While the median income in Brea remains slightly above that of Orange County (\$58,820), the City experienced significant increases in its lower and moderate income population, with households earning less than 95 percent AMI increasing from 30 to 45 percent. Nonetheless, Brea remains a predominantly above moderate income community, with over half of its households earning greater than 95 percent AMI.

**Table HE-7**  
**Household Income Levels 1990 - 2000**

Income Level	1990		2000		Percent Change
	Households	%	Households	%	
Extremely Low (<30% AMI)	817	7%	1,078	8%	+32%
Very Low (31-50% AMI)	985	8%	1,234	9%	+25%
Low (51-80% AMI)	1,066	9%	2,151	17%	+102%
Moderate (81-95% AMI)	770	6%	1,484	11%	+93%
Above Moderate (>95% AMI)	8,586	70%	7,120	55%	-17%
<b>Total</b>	<b>12,224</b>	<b>100%</b>	<b>13,067</b>	<b>100%</b>	<b>n/a</b>

Source: SCAG Existing Housing Needs (HUD User WebPage).



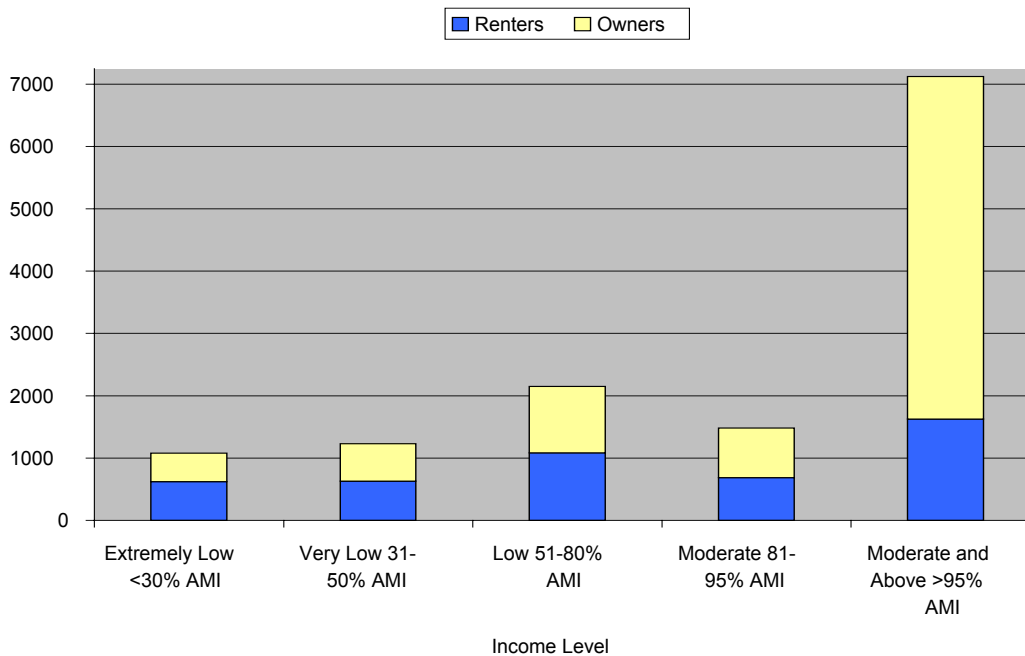
## Income by Household Type and Tenure

Table HE-8 shows the income level of Brea residents by household tenure. As could be expected, a significantly higher percentage of renter households (50%) were lower income (<80% AMI) compared to residents who owned their homes (25%). The median income of renter households was \$41,586, \$30,000 below the \$71,504 homeowner median.

**Table HE-8**  
**Income by Owner/Renter Tenure 2000**

Income Level	Renters		Owners		Total %
	Households	%	Households	%	
Extremely Low (<30% AMI)	622	13%	456	5%	<b>8%</b>
Very Low (31-50% AMI)	632	14%	602	7%	<b>9%</b>
Low (51-80% AMI)	1,083	23%	1,068	13%	<b>17%</b>
Moderate (81-95% AMI)	687	15%	797	10%	<b>11%</b>
Above Moderate (>95% AMI)	1,624	35%	5,496	65%	<b>55%</b>
<b>Total</b>	<b>4,648</b>	<b>100%</b>	<b>8,419</b>	<b>100%</b>	<b>100%</b>

Source: SCAG Existing Housing Needs (HUD User WebPage).

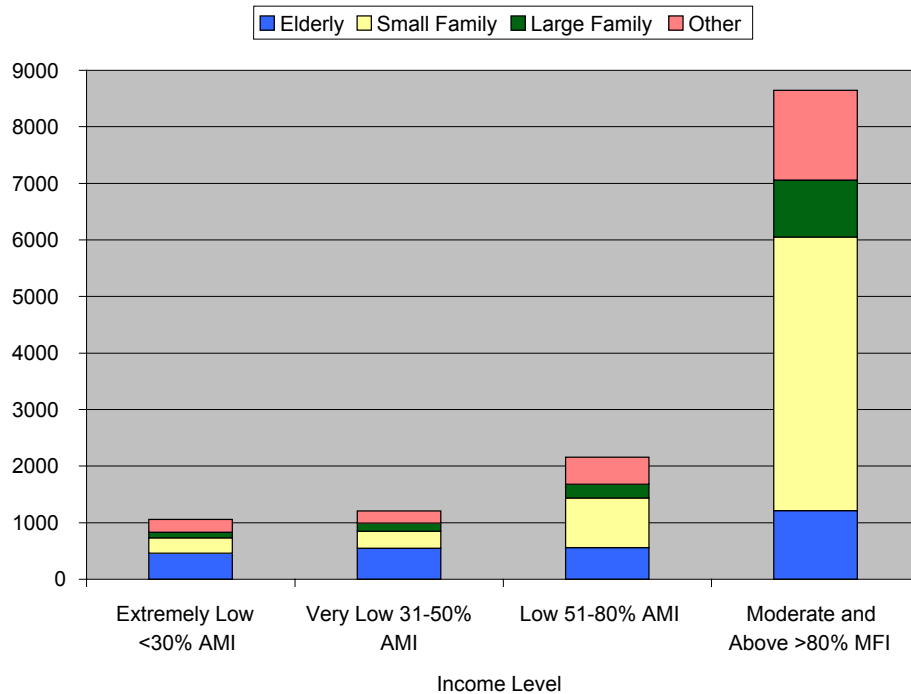


While renters were more likely to have lower incomes than owners, there is also significant variation in income levels by household type, as presented in Table HE-9. Over half of Brea’s elderly households have lower incomes, with approximately one-fifth having extremely low incomes; these elderly households are particularly vulnerable to any increase in housing costs. About one-quarter of small families and one-third of large families have lower incomes.

**Table HE-9  
Income Level by Household Type 2000**

Income Level	Elderly	Small Family (2-4 person)	Large Family (5+ person)	Other
Extremely Low (<30% AMI)	463	269	99	227
Very Low (31-50% AMI)	551	299	144	214
Low (51-80% AMI)	557	879	244	478
Moderate and Above (>80% AMI)	1,212	4,838	1,011	1,582
<b>Total</b>	<b>2,783</b>	<b>6,285</b>	<b>1,498</b>	<b>2,501</b>

Source: SCAG Existing Housing Needs (HUD User WebPage)



## Households in Poverty

The federal government publishes national poverty thresholds that define the minimum income level necessary to obtain the necessities of life. For example, the 2000 U.S. poverty threshold for a family of four was \$17,463. As indicated in Table HE-10, about 5 percent of all Brea residents lived in poverty in 2000, an increase of 714 persons living below the poverty line since 1990. About 7 percent of all children under the age of 18 in Brea live in poverty. As a group, female-headed households with children are most impacted by poverty, with 14 percent of this group living in poverty.

Figure 2 illustrates levels of poverty in Brea by census block group. The highest concentrations of poverty (10-18%) are located in the southwest quadrant of the City, generally south of Birch Street and west of Randolph Street. These areas also correspond to high levels of renter households (Figure 4).

**Table HE-10  
Poverty Status 1990 – 2000**

Groups in Poverty	1990		2000	
	Persons/ Families	Percent	Persons/ Families	Percent
Individuals	1,160	4%	1,874	5%
<i>Children (under 18)</i>	297	4%	603	7%
Families	146	2%	318	3%
<i>Female-Headed w/ Children</i>	57	12%	92	14%

Source: U.S. Census 1990 and 2000.

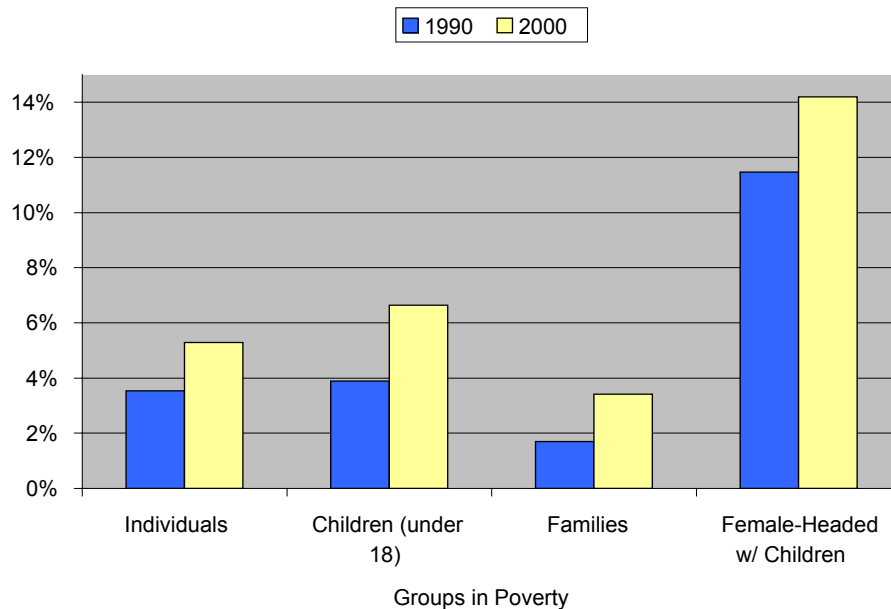


Figure 2. Population in Poverty

### 3. Special Needs Populations

Special State law recognizes that certain households have more difficulty in finding decent and affordable housing due to special circumstances including, but not limited to the following: economic status, age, disability, household size and household type. Special needs populations in Brea include large households, the elderly, persons with disabilities, female-headed households, and the homeless. Table HE-11 summarizes the number of households or persons in each of these special needs groups in the City.

**Table HE-11  
Special Needs Populations 2000**

Special Needs Groups	Persons	Households	Percent
Large Households		1,517	12%
<i>Renter</i>		463	(30%)
<i>Owner</i>		1,054	(70%)
Seniors (65+)	4,023		11%
<i>With a Disability</i>	1,554		(39%)
Senior Households		2,543	20%
<i>Renter</i>		680	(27%)
<i>Owner</i>		1,863	(73%)
Seniors Living Alone	1,091		(27%)
Persons with Disability	5,204		15%
Female-Headed Households		3,388	26%
<i>with Related Children</i>		652	19%
Farmworkers*	24		<1%
<b>Total Persons/Households</b>	<b>35,410</b>	<b>13,067</b>	

Source: U.S. Census 2000.

\*Persons employed in Farming, Forestry or Fishing Occupations





## Large Households



Large households consist of five or more persons and are considered a special needs population due to the limited availability of affordable and adequately sized housing. The lack of large units is especially evident among rental units. Large households often live in overcrowded conditions, due to both the lack of large enough units, and insufficient income to afford available units of adequate size.

Brea is home to 1,517 large households, and at 12 percent of all households, represents a significant special needs group in the City. Of these large households, 30 percent are renters and the majority of these large renter households (61%) earn lower incomes. Based on the CHAS (Comprehensive Housing Affordability Strategy) Databook prepared by HUD, 81 percent of Brea's large renter households suffer from one or more housing problems, including housing overpayment, overcrowding and/or substandard housing conditions.

The CHAS Databook identifies 713 rental units in Brea with three or more bedrooms, in general, the appropriate sized unit for a large household of five or more members. In contrast, the City is home to 442 large renter households, indicating that Brea has an adequate supply of rental units for the City's large families. However, the fact that 40 percent of Brea's large renter households are overpaying for housing would indicate the ability to afford adequately sized units remains an issue for these households.

Through its Family Resource Center (FRC), the City provides youth and family services to meet the needs and concerns of families. Services include: individual and family counseling, parenting classes, debt management and financial workshops, plus health screenings, support groups and social service agency referrals. Most services are free or offered at low cost through the support of local sponsorships and grants. FRC offices are located within the Brea Community Center where numerous programs are conducted throughout the year.

## Senior Households

Approximately 11 percent of Brea residents are over age 65, and about 20 percent of all households are headed by seniors. Most of the City's seniors are homeowners (73%), and about 27 percent of the City's elderly live alone. Almost 40 percent of elderly residents in Brea have some type of disability, which may limit their abilities to live independently. Figure 3 illustrates locations in Brea with high concentrations of senior households.

Figure 3  
Senior Households



The elderly have a number of special needs including housing, transportation, health care, and other services. For those seniors who live on their own, many may not be able to maintain their homes or perform minor repairs as a result of their age and/or income limitations. Furthermore, the installation of grab bars and other assistance devices in the home may be needed. Rising rents are a particular concern due to the fact that most seniors are on fixed incomes. Of Brea's approximately 680 senior renter households, 80 percent are lower income. The City and its Redevelopment Agency have assisted in the development of five senior housing projects, providing approximately 250 rental units affordable to very low, low and moderate income households (refer to Table HE-23). The City also offers a rent subsidy program for lower income seniors, assisting 120 seniors monthly with rent subsidies of \$246 paid directly to the landlord. The State of California Community Care Licensing Division identifies eleven residential care homes for the elderly in Brea, providing 166 beds for seniors requiring 24 hour assisted living.



The Brea Senior Center offers many opportunities for seniors to learn new skills and share activities with other seniors. The Center works to meet the social, recreational and service needs of Brea's senior population. A variety of services are provided including: homemaker services, social services, health services, and recreational and educational activities. Free tax assistance is also provided.

The Senior Center is staffed with a paralegal from the Legal Aid Society of Orange County, offering seniors free assistance with questions regarding: landlord-tenant issues, creditor problems, contracts and leases, retirement benefits, defense against lawsuits, and other basic legal issues. The Brea Home Delivered Meals Program delivers three meals per weekday on a donation basis of \$4.50 per day to homebound seniors in Brea who cannot prepare their own meals.

## Female-Headed Households

Single-parent households typically have a special need for such services as childcare and health care. Female-headed households with children in particular tend to have lower incomes, which limits their housing options and access to supportive services. The 2000 Census reports 3,388 female-headed households in Brea; 652 of these households had children. Of those households with children, 14 percent lived in poverty. These households need assistance with housing subsidies, as well as accessible and affordable day care.



The Brea Community Center offers after school programs during the school year with its After School Program and Homework Club. The After School Program runs Monday through Friday and provides youth with a variety of activities in a positive environment. The Homework Club provides Brea children, Grades 1-6, supervised help with their homework every weekday afternoon.

KidWatch Babysitting service is available at the Brea Community Center for adults attending classes or activities at the Center. Babysitting is available on a drop-in basis for children 18 months or older. The City also offers comprehensive sports programs for youth open to boys and girls of all ages and ability levels.

A disability is defined as a long lasting condition that impairs an individual's mobility, ability to work, or ability to care for them self. Persons with disabilities include those with physical, mental, or emotional disabilities. Disabled persons have special housing needs because of their fixed income, shortage of affordable and accessible housing, and higher health costs associated with their disability.

## Persons with Disabilities

Approximately 15 percent of Brea residents (5,204 persons) have one or more disabilities. An estimated 1,977 residents have a physical disability, 2,109 residents have a work disability, and 2,262 have mobility/self-care limitations. Of the City's senior population, 39 percent have one or more types of disabilities.

The living arrangements for persons with disabilities depends on the severity of the disability. Many persons live at home in an independent environment with the help of other family members. To maintain independent living, disabled persons may require assistance. This can include special housing design features for the physically disabled, income support for those who are unable to work, and in-home supportive services for persons with medical conditions. Brea has two small group homes for adults with developmental disabilities: the Carmel Family Home and the Harvey Family Home, each with capacity for six adults.

**Accessibility Accommodations:** Both the federal Fair Housing Act and the California Fair Employment and Housing Act impose an affirmative duty on local governments to make reasonable accommodations (i.e. modifications or exceptions) in their zoning and other land use regulations when such accommodations may be necessary to afford disabled persons

an equal opportunity to use and enjoy a dwelling. For example, it may be a reasonable accommodation to allow ramps in the setbacks of properties that have already been developed to accommodate residents with mobility impairments. The City of Brea allows homeowners to build ramps into single-family dwellings to allow first floor access for physically disabled residents. Such ramps or guardrails (up to 30" in height) are permitted to intrude into the standards setbacks required under zoning, and are subject only to a building permit, eliminating the need to obtain a zoning variance. In order to better facilitate the provision of housing for persons with disabilities, the Housing Element establishes a program for the City to adopt specific, written procedures for reasonable accommodation requests.

The Brea Economic Development Department makes available grant funds to income qualified households for accessibility improvements.

In 2001, the Brea City Council supported a process that requests all residential homebuilders to address universal design principles when submitting proposed developments in the City. The goal of universal design is to accommodate a wide range of abilities including children, aging populations, and persons with disabilities by providing features in residential construction that enhance accessibility. The City has developed a brochure entitled *Universal Design Principles and Modifications for Residential Home Builders in Brea*. Development Services staff provide this brochure to all residential developers proposing to build in Brea and request that plans incorporate universal design features to allow homeowners to gracefully age in place.

## Farmworkers

Farmworkers are traditionally defined as persons whose primary incomes are earned through seasonal agricultural work. Farm workers have special housing needs because they earn lower incomes than many other workers and move throughout the season from one harvest to the next. According to U.S. Census Data from 2000, 24 Brea residents were employed in farming, fishing or forestry industries, representing less than one percent of the City's total population. Given the extremely limited presence of farmworkers in the community, the City has no specialized housing programs targeted to this group beyond overall programs for housing affordability.

## Homeless



The City's Community Services Department operates the Brea Family Resource Center, offering a range of services to persons and families at-risk of homelessness, including: case management and referrals; transportation assistance, (bus passes, gas cards); food vouchers; and one-time rental assistance. The Family Resource Center is staffed with a supervisor and full time case manager, and is funded through Brea General Fund revenues. Services provided through the Center are primarily funded through non-profit service agencies and fundraising activities. The Center's supervisor conducts extensive community outreach throughout Brea to inform residents of services available through the Center.

During 2006/07, the Family Resource Center assisted 109 individuals with crisis intervention, including emergency rental assistance and motel vouchers. Of those assisted, 27 were homeless, although none of the homeless were Brea residents. According to Family Center staff, although the City does have a transitional housing facility, the City does not have a permanent homeless population. Annual reporting of homeless youth by the Brea Olinda Unified School District to the County Department of Education confirms the limited homeless population in Brea, with 3 homeless youth reported in 2005-07, and 13 in 2006-07 (Note: School Districts' definition of homeless include families sharing housing with others on a temporary basis).

The Family Resource Center serves as an "out station" for the Salvation Army, serving approximately 8,000 persons in need annually. The Resource Center works closely with two local non-profit human services agencies in fundraising and providing assistance to persons at-risk of homelessness. Active Christians Today operates a food pantry and provides emergency clothing, and the Brea Emergency Council works with low income residents in preventing homelessness. These two service agencies assist in funding the One Time Rental Assistance Program to provide necessary funds to low income households to prevent eviction.

Table HE-12 lists the major homeless shelters and facilities in nearby north Orange County jurisdictions. The Family Resource Center provides case management and referral of homeless to these and other shelters in Orange County. Within Brea, the Sheepfold Christian organization operates a transitional housing facility for battered and homeless women and their children. The Sheepfold can house up to six families, and all services and daily necessities are provided free of charge.

**Table HE-12  
Inventory of Homeless Facilities and Services- North Orange County**

Organization	Beds and/or Services Provided
City of Brea Community Services Department Brea Family Resource Center 695 Madison Way, Brea (714) 990-7776	Provides individual and family counseling, parenting classes, debt management and financial workshops, plus health screenings, support groups and social service agency referrals. Emergency assistance includes case management, motel lodging, rental assistance and shelter referral. Most services are free or low cost through the support of local sponsorships and grants.
Active Christians Today 5855 Walnut Avenue, Brea (714)529-6776	Operates a food pantry, provides emergency clothing, rental and utility bill assistance.
Brea Emergency Council 1 Civic Center Drive, Brea (714)671-4452	Homeless prevention services, including rental and utility bill assistance. Community Christmas food and gift basket program.
Brea Ministerial Association North Hills Church 3000 E. Birch Street, Brea (714)529-1642	Consortium of churches in Brea. Provide emergency housing in extreme crisis situations. Meet monthly - location alternates among churches.
Sheepfold Women’s Services Anaheim, CA (714) 237-1444 <i>(Transitional Housing Facility in Brea)</i>	Transitional housing facility in Brea for battered and homeless women and their children with capacity for up to 6 families. House Managers help each resident to establish a financial plan and explore housing and employment options. Women’s Service Center in Anaheim provides a range of services, including helping to enroll children in school, assistance with legal obligations, and medical and dental appointments.
Anaheim Interfaith Shelter P.O. Box 528 Anaheim, CA 92815 (714) 774-8502	Provides transitional housing and supportive services for nine homeless families for a 6-9 month period. Adults must be employed full time or in school with part-time employment. Eighty percent of family income is designated for savings. Weekly case management, goal setting and budgeting are required.
H.I.S. House 907 N. Bradford St. Placentia, CA 92870 (714) 993-5774	Provides 40 beds for families and individuals for up to 6 months. Services include financial planning, parenting classes, drug and health education, moving assistance, counseling, and job training.
Lutheran Social Services 2560 N. Santiago Orange, CA 92867 (714)685-1800	Provides clothing, limited transportation, referrals, prescriptions, utilities and rental assistance (when funds are available), counseling and English as a Second Language (ESL) classes.
New Vista Shelter (Fullerton Interfaith Emergency Services) Fullerton, CA 92634 (714) 680-3691	Provides transitional housing, food, and basic supplies for up to 120 days. Case management, life skills classes, assistance with childcare and other living essentials are also supplied.

Source: Karen Warner Associates

## C. HOUSING STOCK CHARACTERISTICS

This section identifies the characteristics of Brea's physical housing stock. This includes an analysis of housing growth trends, housing conditions, housing prices and rents, and housing affordability.

### 1. Housing Growth

Table HE-13 displays housing production in the City, compared to neighboring cities and the entire Orange County region. Between 1990 and 2000, Brea's housing stock grew by 5 percent, in contrast to the County of Orange which evidenced a growth rate approximately double that of Brea. During the 2000s, housing growth dropped somewhat throughout the region, but growth in Brea actually continued to increase. Brea has added 1,190 new units since 2000.

According to the State Department of Finance (2007), Brea currently has a housing stock of 14,517 units, representing an increase of about 9 percent since 2000. Whereas during the 1990s the majority of housing developed received some form of assistance from the Brea Redevelopment Agency, housing developed during the current decade has resulted almost entirely from private market development. Residential development in Olinda Ranch contributed over 600 units to the housing stock.

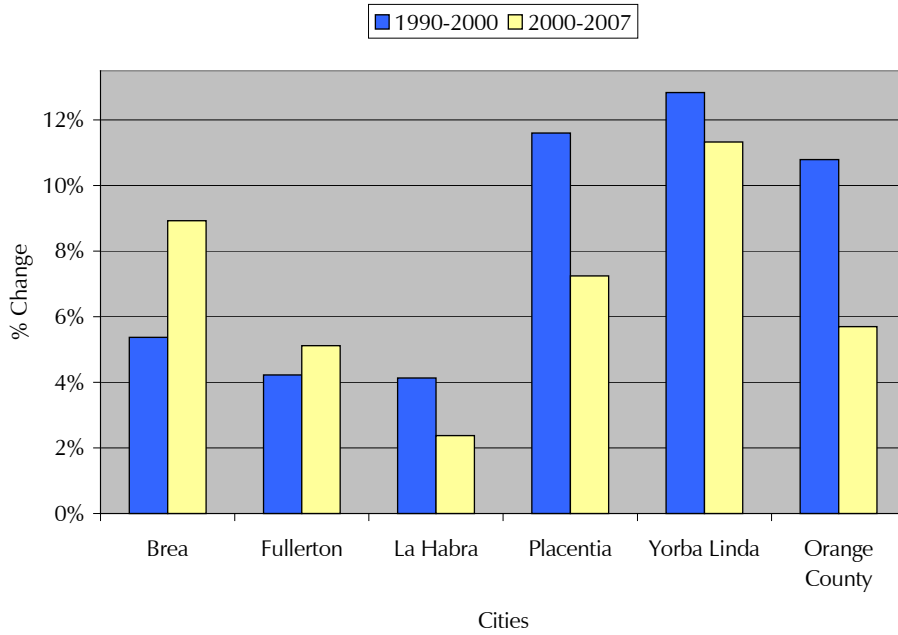




**Table HE-13  
Regional Housing Growth Trends**

Jurisdiction	1990	2000	2007	Percent Change	
				1990-2000	2000-2007
<b>Brea</b>	<b>12,648</b>	<b>13,327</b>	<b>14,517</b>	<b>5.4%</b>	<b>8.9%</b>
Fullerton	42,956	44,771	47,061	4.2%	5.1%
La Habra	18,670	19,441	19,902	4.1%	2.4%
Placentia	13,733	15,326	16,436	11.6%	7.2%
Yorba Linda	17,341	19,567	21,783	12.8%	11.3%
Orange County	875,072	969,484	1,024,692	10.8%	5.7%

Source: U.S. Census 1990 and 2000. Department of Finance 2007 Population and Housing Estimates.



## 2. Housing Type and Tenure

Table HE-14 presents the mix of housing types in Brea. Unlike many urbanized communities, single-family homes have increased slightly in relative proportion and number over the past two decades, from 56 percent (7,100 units) in 1990 to 58 percent (8,488 units) in 2007. In comparison, the proportion of multi-family units has decreased from 30 to 28 percent. Still, the mix of multi-family housing in Brea is relatively high in comparison to the nearby cities of Placentia and Yorba Linda, where the vast majority of housing is single-family homes and where apartments are limited in supply. Brea also contains five mobile home parks with capacity for 870 mobile homes, including the 100 space Rancho Brea Mobile Home Park with 60 affordable spaces purchased by a non-profit with Redevelopment Agency assistance.

**Table HE-14**  
**Housing Type 1990 - 2007**

Unit Type	1990		2000		2007	
	Units	Percent	Units	Percent	Units	Percent
<i>Single-Family (SF) Detached</i>	7,170	56%	7,477	56%	8,488	58%
<i>SF Attached</i>	779	6%	1,073	8%	1,095	8%
<b>Total Single-Family</b>	<b>7,949</b>	<b>62%</b>	<b>8,554</b>	<b>64%</b>	<b>9,583</b>	<b>66%</b>
<i>2 to 4 Units</i>	466	4%	426	3%	563	4%
<i>5 or more units</i>	3,232	26%	3,461	26%	3,501	24%
<b>Total Multi-Family</b>	<b>3,698</b>	<b>30%</b>	<b>3,887</b>	<b>29%</b>	<b>4,064</b>	<b>28%</b>
<b>Mobile Homes</b>	<b>894</b>	<b>8%</b>	<b>857</b>	<b>7%</b>	<b>870</b>	<b>6%</b>
Other (Boat, RV, Van, etc)	107		10			
<b>Total Housing Units</b>	<b>12,648</b>	<b>100%</b>	<b>13,327</b>	<b>100%</b>	<b>14,517</b>	<b>100%</b>
<b>Vacancy Rate</b>	<b>3.4%</b>	<b>--</b>	<b>2.0%</b>	<b>--</b>	<b>1.9%</b>	<b>--</b>

Source: U.S. Census 1990 and 2000. Dept of Finance 2007 Population and Housing Estimates.

Housing tenure refers to whether a housing unit is owned or rented. Tenure influences residential mobility, with owner units generally evidencing lower turnover rates than rental housing. Housing tenure has remained constant in Brea between the 1990 and 2000 Census, with homeowners comprising 64 percent of the City's households, and renters comprising the remaining 36 percent. At 61 percent, the homeownership rate in Orange County is slightly below that of Brea.

**Table HE-15  
Housing Tenure**

Occupied Housing Units	1990		2000	
	Units	Percent	Units	Percent
Renter	4,460	36%	4,675	36%
Owner	7,764	64%	8,392	64%
Total	12,224	100%	13,067	100%

Source: U.S. Census 1990 and 2000.

As indicated in Figure 4, the highest concentrations of renter households are generally located in Brea’s central core, and off South Brea Boulevard around Imperial Highway in particular. Two other concentrations of renters are evident: 1) multi-family neighborhoods north of Lambert, west of North Brea Boulevard; and 2) the neighborhood immediately east of the 57 freeway between Birch and Lambert.

## Vacancy Rate

A vacancy rate measures the overall housing availability in a community and is often a good indicator of how efficiently for-sale and rental housing units are meeting the current demand for housing. A vacancy rate of five percent for rental housing and two percent for ownership housing is generally considered healthy and suggests that there is a balance between the demand and supply of housing. A lower vacancy rate may indicate that households are having difficulty in finding housing that is affordable, leading to overcrowding or households having to pay more than they can afford. A low vacancy rate or a particularly ‘tight’ housing market may also lead to high competition for units, raising rental and housing prices substantially.

As measured by the 2000 Census, the residential vacancy rate in Brea was 0.5 percent for homeowners and 2.1 percent for renters, indicating vacancy rates well below optimal levels. Since that time, rental vacancies in the City’s apartment complexes have increased somewhat, from 5.3 percent in 2006, to 6.4 percent in 2<sup>nd</sup> quarter 2007 (Real Facts – Brea Apartment Survey). Within the greater North Orange County submarket, of which Brea is a part, the overall apartment vacancy was 3.5 percent in 2006<sup>2</sup>, well below Brea’s 5.3 percent vacancy rate for the same period.

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<sup>2</sup> 2007 Southern California Multi-family Market Report, Casden Forecast, USC Lusk Center for Real Estate.

*Imagine Brea*

Figure 4 Renter-Occupied  
Units (Tenure)

### 3. Age and Condition of Housing



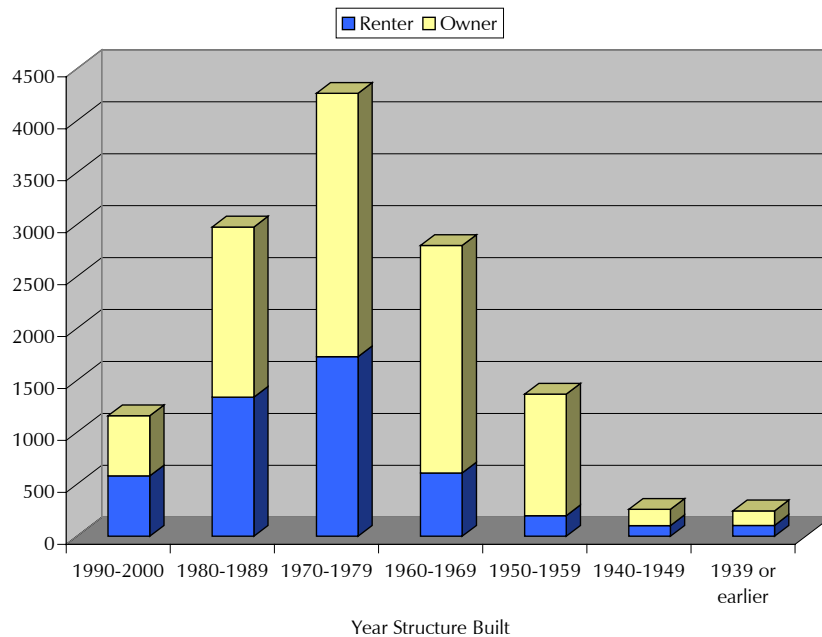
**Brea Single-Family Neighborhood**

The age of a community’s housing stock can provide an indicator of overall housing conditions. Typically housing over 30 years in age is likely to have rehabilitation needs that may include new plumbing, roof repairs, foundation work and other repairs. As indicated by Table HE-16, a large majority of Brea’s housing stock is at or approaching the 30-year age mark. Generally, Brea’s renter-occupied housing is newer than its owner-occupied housing. Among owner-occupied units, 44 percent are over 30 years in age, whereas only 21 percent of renter-occupied units are over 30 years.

**Table HE-16  
Age of Housing Stock 2000**

Year Structure Built	Renter Occupied Housing	Percent Renter	Owner Occupied Housing	Percent Owner	Total Percent
1990-2000	580	13%	580	7%	9%
1980-1989	1,338	29%	1,637	19%	23%
1970-1979	1,729	37%	2,535	30%	33%
1960-1969	609	13%	2,190	26%	21%
1950-1959	198	4%	1,169	14%	10%
1940-1949	102	2%	156	2%	2%
1939 or earlier	105	2%	139	2%	2%
<b>Total</b>	<b>4,661</b>	<b>100%</b>	<b>8,406</b>	<b>100%</b>	<b>100%</b>

Source: U.S. Census 2000.



Most of Brea’s housing stock is in good condition, although like most cities, there are a number of areas showing scattered deterioration. To address these conditions, in 1999 the City prepared a *Neighborhood Enhancement Plan* which identified six “Focus Neighborhoods” for focused code enforcement and rehabilitation efforts. In 2005, a Core Group of interdepartmental City staff members re-evaluated conditions in the Focus Neighborhoods, as well additional neighborhoods, to ensure those neighborhoods exhibiting deteriorated housing remained the focus of attention. As a result of the Core Group’s findings, the 1999 Neighborhood Enhancement areas were refined into seven areas, and a Neighborhood Coordinator position was activated to provide additional education and outreach. Figure 5 presents the current Neighborhood Enhancement boundaries, and Table HE-17 summarizes the characteristics in each area.

**Table HE-17  
Neighborhood Enhancement Areas**

	<b>Land Use</b>	<b>Neighborhood Conditions</b>
#1	- Land use: 9 single-family homes, 9 condo units, 3 apartment complexes - Average unit age: 1930	- Single-family housing stock 70+ years old and deteriorating
#2	- Land use: 199 single-family homes, 2 apartment complexes totaling 6 units - Average unit age: 1953	- Scattered single-family homes evidencing deferred maintenance - High renter population - Possible high renter overcrowding
#3	- Land use: 34 single-family homes, 30 condominium units, 6 apt complexes - Average unit age: 1932	- Scattered single-family homes evidencing deferred maintenance - Rental in need of upgrading - High renter population - High proportion senior households
#4	- Land use: 21 single-family homes, 5 condos, 3 apartment complexes - Average unit age: 1957	- Scattered single-family homes evidencing deferred maintenance - High renter population
#5	- Land use: 218 single-family homes, 10 condominium units, 4 apt complexes - Average unit age: 1944	- Few single-family homes evidencing some deferred maintenance - High renter population - Alleyways need attention
#6	- Land use: 147 single-family homes, 24 condominium units, 10 apt complexes - Average unit age: 1940	- Some older apartment complexes in need of rehabilitation - High renter population - Possible high renter overcrowding
#7	- Land use: 9 apartment buildings/fourplexes - Average unit age: 1968	- Deteriorated fourplex properties - Redevelopment Agency recently purchased 16 units for rehabilitation and provision as affordable housing

Figure HE-5 Neighborhood Enhancement Areas

## 4. Housing Costs and Affordability

The following section begins by presenting current information on housing sales prices and rents in Brea and the North Orange County subregion. The affordability of the local housing market to different income levels is then presented.

### Rental Housing Market

#### Regional Trends

According to the USC/Casden Multi-Family Market Report<sup>3</sup>, the supply of apartments in Orange County far exceeded demand during 2006. The North Orange County submarket, of which Brea is a part, witnessed a negative net absorption of 170 units, in contrast to an absorption of 600 units in 2005. Rents increased by 5.9 percent in North Orange County to an average of \$1,350 per month. Despite the increase in rents, the rental market in North Orange County remained tight, with a 2006 apartment vacancy rate of 3.5 percent. However, within the City of Brea, apartment vacancies were at a healthy 5.3 percent in 2006. With two new apartment projects in Brea planned to come on line in the near future (Olen Pointe and Tonner Hills Apartments, totaling over 350 units), the City should be able to maintain a healthy 5 percent rental vacancy rate.

#### Brea Rents

As illustrated in Table HE-18, during the 2nd quarter of 2007, the average rents in Brea ranged from \$1,030 for a studio, \$1,238 for a one-bedroom, and \$1,558 to \$1,601 for a two-bedroom (1 to 2 bath).

In order to examine rental trends within a longer time frame, Table HE-18 also provides information on the history of rental costs for the 2,003 units in Brea's eight major apartment complexes from 2001 through the second quarter of 2007. As indicated by this data, overall rents increased by seven percent during 2001-2003, and another fifteen percent during 2004-2006, for an average annual rent increase of around four percent in each of the last four years. In contrast, comparing average 2nd quarter 2006 rent levels (\$1,348) with the year-long average 2006 rent level (\$1,357) indicates an increase of one percent in what equates to a six month period, confirming the rent increases for the past four years.

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<sup>3</sup> 2007 Southern California Multi-family Market Report, Casden Forecast, USC Lusk Center for Real Estate.



**Table HE-18  
Annual Rent Trends By Unit Type  
2001-2007**

Unit Type (Bd/Bth)	2001	2002	2003	2004	2005	2006	2Q 2007	% Change 2001-2003	% Change 2004-2006	% Change 2Q 2006-2Q 2007
Studio	\$840	\$873	\$905	\$925	\$1,099	\$1,083	\$1,030	8%	17%	-6%
1	\$948	\$975	\$1,006	\$1,044	\$1,166	\$1,223	\$1,238	6%	17%	2%
2/1	\$1,188	\$1,227	\$1,292	\$1,353	\$1,476	\$1,525	\$1,558	9%	13%	3%
2/2	\$1,258	\$1,294	\$1,337	\$1,386	\$1,505	\$1,572	\$1,601	6%	13%	3%
2 TH	\$1,123	\$1,170	\$1,271	\$1,392	\$1,515	\$1,525	\$1,598	13%	10%	3%
<b>Average</b>	<b>\$1,064</b>	<b>\$1,096</b>	<b>\$1,135</b>	<b>\$1,180</b>	<b>\$1,304</b>	<b>\$1,357</b>	<b>\$1,376</b>	<b>7%</b>	<b>15%</b>	<b>2%</b>

Source: REALFACTS, July 2007. Note: TH= Townhomes

In tracking year-to-year rent increases, REALFACTS identifies Brea as evidencing the lowest increase of any of the 23 Orange County area cities surveyed during second quarter 2006 – second quarter 2007. The average rent increase in Brea during this period was two percent. Jurisdictions in the REALFACTS survey with the highest rent increase over the past year were as follows:

Orange	14.2%
Placentia	8.9%
Westminster	8.4%
La Habra	8.0%
Fountain Valley	6.8%
Costa Mesa	6.4%
Irvine	6.3%
Aliso Viejo	6.3%
Newport Beach	6.0%
Garden Grove	6.0%
(Brea)	(2.0%)

Average rent levels in second quarter 2007 among the 23 surveyed jurisdictions was \$1,551, substantially higher than Brea’s average rents of \$1,376. This would indicate that while rents have risen in Brea over the past year, they are still within the average range for the greater Orange County area. In contrast, REALFACTS documents average rents of \$2,012 in Newport Beach, \$1,850 in Irvine, \$1,695 in Aliso Viejo, \$1,586 in Orange, and \$1,578 in Costa Mesa.

Occupancy levels in Brea's 2,003 surveyed units have fluctuated somewhat, from 95.3% in 2004, to 92.9% in 2005, and 94.7% in 2006. Second quarter 2007 occupancy levels were measured at 93.6%, the fourth lowest among the 23 Orange County cities surveyed. As a matter of reference, rental vacancy levels of around 5% (95% occupancy) are considered ideal by SCAG for sufficient tenant mobility.

## Homeownership Market

### Regional Trends

Southern California is experiencing a significant decline in the volume of single-family and condominium sales, placing downward pressure on home prices. DataQuick reports sales have been dropping for the past two years, with the initial decline in sales just coming off the frenzied pace of 2004 and 2005 and not putting that much downward pressure on prices. However, beginning in January 2007, Southern California sales prices were about two percent below the prior year's levels; as of December 2007, prices were down 13 percent from the prior year.

Within Orange County, prices fell 10 percent between December 2006 – December 2007. More remarkable is the decline in sales volume – a 42 percent drop in the number of single-family homes sold. Slow sales, flat appreciation, and subprime lending activity have all contributed to significant increases in foreclosures, with the number of mortgage default notices in Southern California the highest in ten years.

### Brea Housing Sales



**New Housing in Olinda  
Ranch**

Table HE-19 compares single-family and condominium sales prices in Brea and nearby communities by zip code during calendar year 2007. A total of 249 single-family homes were sold within central Brea (zip code 92821) during 2007, commanding a median sales price of \$610,000. Another 45 single-family homes were sold within the Carbon Canyon area (zip code 92823) for a median sales price of \$699,000. Median housing prices in Brea were closest to those in Placentia (\$625,000) and Fullerton (\$555,000-\$805,000), and comparable to the County as a whole (\$688,000). Single-family home prices fell by 7 percent in central Brea and 8 percent in the eastern Carbon Canyon area, a somewhat greater decline than in most surrounding areas and the County as a whole (-0.2%).

Only 33 condominiums were sold in Brea in 2007, indicative of the limited number of condominium projects in the City. With a median sales price of \$408,000, condominium values in Brea were most comparable to those in Yorba Linda, although approximately 10 percent below the Countywide median of \$447,000. Condominium values in Brea declined 20 percent during 2007 compared to the prior year, a substantially greater drop than other North Orange County communities and the County as a whole.

**Table HE-19  
Single-Family Homes and Condominium Sales 2007  
Brea and Nearby Communities**

Community	Zip Code	# Homes Sold	Median Home Price	% Change from 2006	# Condos Sold	Median Condo Price	% Change from 2006
Brea	92821	249	\$610,000	-6.9%	33	\$408,000	-20.0%
	92823	45	\$699,000	-8.0%	n/a	n/a	N/a
Fullerton	92831	146	\$605,000	-7.6%	56	\$368,000	0.7%
	92832	99	\$555,000	-5.1%	17	\$229,000	32.4%
	92833	350	\$630,000	2.4%	100	\$475,000	0%
	92835	177	\$805,000	3.9%	31	\$354,000	-7.1%
La Habra	90631	336	\$585,000	0.8%	80	\$340,000	-4.4%
Placentia	92870	294	\$625,000	-3.1%	61	\$404,000	-1.4%
Yorba Linda	92886	397	\$820,000	4.2%	80	\$401,000	-3.0%
	92887	179	\$850,000	-4.4%	43	\$410,000	-10.4%
Orange County	All Zip Codes	16,499	\$688,000	-0.2%	6,751	\$447,000	-1.8%

Source: DQNews – 2007 Los Angeles Times Zip Code Chart, <http://www.dqnews.com>

While the prior Table HE-19 provides an overview of the subregional housing sales market, the following Table HE-20 provides detailed information on all sales of existing and new single-family homes and condominiums within Brea during calendar year 2007. A total of 294 single-family home sales were recorded during this period. Three- and four-bedroom units were the most prevalent homes sold, characteristic of Brea's newer single-family housing stock of larger sized units. For example, the average unit size among the 136 three-bedroom units sold was 1,720 square feet, and the average year built was 1970. Median sales prices ranged from \$485,000 (two-bedroom) to \$770,000 (five-bedroom) depending on size, amenities and location. The overall median home price in Brea was \$615,000 for a 1,770 square foot home, comparable to the \$610,000 and \$699,000 median prices recorded for the 92821 and 92823 zip codes (Table HE-19).

Only 26 units sold in Brea were condominiums. Median prices for condominiums ranged from \$300,000 (one-bedroom) to \$530,000 (three-bedroom), with an overall median price of \$382,000 for a 1,045 square foot unit. Condominiums continue to offer a lower cost homeownership option in Brea relative to comparably sized single-family homes.

**Table HE-20  
Home and Condominium Sales Prices in Brea  
January 1 - December 31, 2007**

# Bdrms	Units Sold	Price Range	Median Price	Avg. Unit Size	Avg. Lot Size	Avg. Year Built
<i>Single-Family Homes</i>						
1	1	\$432,000	\$432,000	930 sq. ft.	7,000 sq. ft.	1922
2	42	\$325,000-\$899,000	\$485,000	1,170 sq. ft.	7,415 sq. ft.	1955
3	136	\$281,000-\$1,075,000	\$591,000	1,720 sq. ft.	5,940 sq. ft.	1970
4	94	\$342,000-\$1,000,000	\$650,000	1,990 sq. ft.	6,715 sq. ft.	1969
5	21	\$575,000-\$2,275,000	\$770,000	2,610 sq. ft.	8,580 sq. ft.	1966
<b>Total</b>	<b>294</b>	<b>\$281,000-\$2,275,000</b>	<b>\$615,000</b>	<b>1,770 sq. ft.</b>	<b>6,685 sq. ft.</b>	<b>1966</b>
<i>Condominiums</i>						
1	7	\$268,000-\$360,000	\$300,000	725 sq. ft.	--	1980
2	14	\$343,000-\$525,000	\$390,000	1,180 sq. ft.	--	1981
3	5	\$455,000-\$580,000	\$530,000	1,480 sq. ft.	--	1984
<b>Total</b>	<b>26</b>	<b>\$268,000-\$580,000</b>	<b>\$382,000</b>	<b>1,045 sq. ft.</b>	<b>--</b>	<b>1980</b>

Source: Dataquick On-Line Real Estate Database. Compiled by Karen Warner Associates.

## Housing Affordability

The affordability of housing in Brea can be assessed by comparing market rents and sales prices with the amount that households of different income levels can afford to pay for housing. Compared together, this information can reveal who can afford what size and type of housing as well as indicate the type of households that would most likely experience overcrowding or overpayment.

California Health and Safety Code<sup>4</sup> defines affordable owner and rental housing costs as follows:

### Affordable Ownership Housing Cost – moderate income

- Housing costs consist of mortgage debt service, homeowner association dues, insurance, utility allowance and property taxes.
- Affordable costs are up to 35% of the defined household income.
- Affordable costs for moderate income households are based on a standard of 110% of area median income for a household size equal to one more person than the number of bedrooms in the unit.

### Affordable Renter Housing Cost

- Housing costs include rent plus utilities paid for by the tenant.
- Affordable costs are up to 30% of the defined household income
- Affordable rents are based on a standard of 50% AMI for very low income households; 60% AMI for low income households; and 110% AMI for moderate income households for a household size equal to one more person than the number of bedrooms in the unit.

The HUD published 2007 Area Median Income (AMI) for a four-person household in Orange County is \$78,700.

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<sup>4</sup> Health and Safety Code Section 50052.5 establishes affordable housing cost, and Section 50053 establishes affordable rents.

## Homeowner Affordability

Based on these definitions of income and affordable housing cost, Table HE-21 presents the maximum affordable purchase price for moderate income households (110% AMI), and compares this with market sales prices for single-family homes and condominiums in Brea as previously documented in Table HE-20. As illustrated below, median single-family home prices in Brea are well beyond the level of affordability for moderate income households. For example, the maximum affordable purchase price for a moderate income four person household is \$306,500, whereas the median priced three bedroom home in Brea is \$591,000, an affordability gap of \$284,500.

Escalation in sales prices over the past several years have placed even condominiums out of reach to households earning moderate incomes. As shown in Table HE-21, the maximum affordable purchase price for a three person household is \$278,500, whereas the median priced two-bedroom condominium in Brea sells for \$390,000, an affordability gap of \$111,500.

**Table HE-21  
2007 Maximum Affordable Housing Cost (Orange County)**

<b>Moderate Income Affordable Housing Cost</b>	<b>1 Bedroom (2 persons)</b>	<b>2 Bedroom (3 persons)</b>	<b>3 Bedroom (4 persons)</b>	<b>4 Bedroom (5 persons)</b>
Household Income @ 110% Median	\$69,300	\$77,880	\$86,570	\$93,500
Income Towards Housing @ 35% Income	\$24,255	\$27,258	\$30,300	\$32,725
Less Ongoing Expenses:				
Maintenance/Insurance/HOA	(\$2,700)	(\$3,000)	(\$3,200)	(\$3,600)
Utilities	(\$924)	(\$1,080)	(\$1,596)	(\$1,704)
Taxes (1.10% affordable hsg price)	(\$2,727)	(\$3,065)	(\$3,370)	(\$3,625)
Total Ongoing Housing Expenses	\$6,351	\$7,145	\$8,166	\$8,929
Income Available for Mortgage	\$17,904	\$20,113	\$22,134	\$23,796
Supportable Mortgage @ 6.5% interest	\$236,100	\$265,200	\$291,900	\$313,800
Homebuyer Downpayment (5%)	\$11,800	\$13,300	\$14,600	\$15,700
<b>Maximum Affordable Purchase Price</b>	<b>\$247,900</b>	<b>\$278,500</b>	<b>\$306,500</b>	<b>\$329,500</b>
Brea Median Single-Family Sales Price	\$432,000	\$485,000	\$591,000	\$650,000
Brea Median Condo Sales Price	\$300,000	\$390,000	\$530,000	n/a

Source: Karen Warner Associates; Keyser Marston Associates.

## Renter Affordability

Table HE-22 presents the maximum affordable rents for very low, low and moderate income households by household size, and compares with median apartment rents on vacant units in Brea, as documented in Table HE-18. As the table below indicates, Citywide median rents are well above the level of affordability for very low and low income households, with the affordability gap ranging from \$280 to \$800, depending on household size. As household size increases, so does the affordability gap. Only households earning moderate incomes and above are able to afford market rents in Brea.

**Table HE-22  
2007 Maximum Affordable Rents (Orange County)**

Income Level	Maximum Affordable Rent After Utilities Allowance			
	Studio (1 person)	1 Bedroom (2 person)	2 Bedroom (3 person)	3 Bedroom (4 person)
Very Low Income	\$680	\$694	\$780	\$842
Low Income	\$746	\$852	\$957	\$1,038
Moderate Income	\$1,435	\$1,640	\$1,842	\$2,022
<b>Brea Median Apartment Rents</b>	<b>\$1,030</b>	<b>\$1,238</b>	<b>\$1,580</b>	<b>n/a</b>

\*For comparability with apartment rents which don't typically include utilities, the following utility expenses are subtracted based on the OC Housing Authority schedule: studio - \$80, 1 bdrm - \$93, 2 bdrm - \$105, 3 bdrm - \$142.  
Source: Karen Warner Associates



**Olen Pointe Apartments Site - 260 Units**

## 5. Assisted Housing At Risk of Conversion

State Housing Element law requires an analysis of the potential for currently rent-restricted low income housing units to convert to market rate housing, and to propose programs to preserve or replace any units “at-risk” of conversion. This section presents an inventory of all assisted rental housing in Brea, and evaluates those units at risk of conversion during the ten year, 2008-2018 planning period.

Brea has an active history of supporting affordable housing development in its community. As illustrated in Table HE-23, the City has facilitated the development of fifteen rental projects, providing 512 rent-restricted units for very low, low and moderate income households. This inventory includes all multi-family units assisted under federal, state, and local programs, including HUD, state/local bond programs, density bonus, inclusionary, and local redevelopment programs.

### At-Risk Projects

This section evaluates those lower income rental projects in Brea at risk of converting to market-rate uses prior to June 30, 2018. As shown in Table HE-23, three affordable housing projects are considered to be at risk during this period – Brea Woods Senior Apartments, Civic Center Apartments, and Town and County Apartments. All three of these projects are mixed income, including both market rate and affordable units. Redevelopment Agency staff report that two of the projects – Civic Center Apartments and Town & Country Apartments – have paid off their loans early in anticipation of converting their affordable units to market rents at the end of their terms. Brea Woods is a density bonus project and currently receives no public funding. This project represents the City’s most promising opportunity for preservation, which given the project’s twenty year age, could potentially be linked to rehabilitation assistance.



**Table HE-23  
Assisted Rental Housing**

<b>Project Name and Address</b>	<b>Total Units</b>	<b>Affordable Units</b>	<b>Potential Conversion Date</b>	<b>Source of Assistance</b>	<b>Tenant Type</b>
<b>Birch Street Loft Apartments</b> 330 W. Birch Street 215 S. Brea Blvd.	30 32	25 – Low/Mod 8 - Low	2029-2030	RDA Set-Aside	Families
<b>Birch Terrace Apartments</b> 651 E. Birch Street	36	11 - Very Low 7 - Low	2031	RDA Set-Aside; HOME	Families
<b>Brea Woods Senior Apartments</b> 195 W. Central Avenue	151	36 - Low 39 – Mod	2014	Density Bonus	Seniors
<b>BREAL</b> 111 N. Orange Avenue	30	30 - Very Low	2048	RDA Set-Aside; City Land Lease	Seniors
<b>Civic Center Apartments</b> 647-669 Birch Street	30	14 - Very Low 2 - Low	2014	RDA Set-Aside; HOME	Families
<b>Foursquare Church</b> 123 W. Ash Street	9	6 - Very Low 3 - Low	2029	RDA funds (non-housing)	Families
<b>Imperial Terrace*</b> 430 W. Imperial Highway	37	11 - Very Low 7 - Low	2011/ 2063	RDA Set-Aside; HOME funds	Families
<b>Orange Villa Senior Apartments</b> 137 N. Orange Avenue	37	9 – Low	2019	RDA Set-Aside; Density Bonus	Seniors
<b>Rancho Brea Mobile Home Park</b> 1414 W. Central Avenue	100	20 – Very Low 25 – Low 15 - Mod	2027	RDA Set-Aside; Tax-exempt revenue bonds	Families
<b>South Walnut Bungalows</b> 302-314 S. Walnut Avenue	9	9 – Very Low	2060	RDA Set-Aside; Inclusionary; Tax Credits	Families
<b>Tamarack Pointe Villas</b> 330 W. Central Avenue	48	3 - Low 2 - Mod	2026	Inclusionary Ordinance	Families
<b>Town &amp; Country Apartments</b> 800 S. Brea Boulevard	122	25 - Low 25 - Mod	2009 (38 low/mod) 2024 (12 low/mod)	RDA Set-Aside; Tax-exempt revenue bonds	Families
<b>Vintage Canyon Apartments</b> 855 N. Brea Boulevard	105	105 -Very Low	2029	Tax credits; Density Bonus; Parking Reduction	Seniors
<b>Walnut Village Apartments</b> 523 S. Walnut Avenue	47	47 - Very Low	2035	RDA Set-Aside; Tax Credits; HOME	Families
<b>William’s Senior Apartments</b> 212 S. Orange Avenue	28	28 - Low/Mod	2019	Density Bonus	Seniors
<b>Total Units</b>	<b>851</b>	<b>512</b>			

Source: Brea Economic Development Dept.

\* Affordability to be extended 55 years in 2008 as part of project acquisition/rehab

## Preservation and Replacement Options

Preservation or replacement of the three at-risk projects in Brea can be achieved through: 1) transfer of ownership to non-profit organizations; 2) provision of rental assistance to tenants using other funding sources; and 3) replacement or development of new assisted units. Each of these options are described below, along with a general cost estimate for each.

### Option 1: Transfer of Ownership

Transferring ownership of the at-risk projects to non-profit organizations has several benefits: 1) affordability can be secured indefinitely; and 2) projects become eligible for a greater range of governmental assistance. The feasibility of this option is dependent both on the willingness of the owner to sell the property, and the existence of qualified non-profit purchasers.

The current market value for Brea Woods, Civic Center Apartments, and Town and Country Apartments can generally be estimated based on each projects' potential annual income and standard costs associated with apartment maintenance and management. While each of these projects contain both market rate and assisted units, transfer of ownership involves purchase of the entire project, therefore rendering this preservation option more expensive than others involving subsidizing or replacing only the 129 assisted units. As shown in Table HE-24, the market value of the total 303 project units is generally estimated at \$38.5 million.

**Table HE-24  
Market Value of At-Risk Projects**

Project Units	Brea Woods	Civic Center Apts	Town and Country Apts	Total
Studio	16	--	--	16
1 bdrm	133	26	61	220
2 bdrm	1	4	61	66
3 bdrm	1	--	--	1
Total	151	30	122	303
Annual Operating Cost	\$934,000	\$194,700	\$871,000	
Gross Annual Income	\$2,100,000	\$440,000	\$1,960,000	
Net Annual Income	\$1,166,000	\$245,300	\$1,089,000	
Est. Market Value	\$18,000,000	\$3,700,000	\$16,800,000	\$38,500,000

Market value for each project based on the following assumptions:

1. Average market rents: studio \$1,030, 1-bd \$1,238, 2-bd \$1,580, 3-bd \$1,700
2. Vacancy Rate = 5%
3. Annual operating expense = 35% gross income + 1.1% property taxes
4. Market value based on 6.5% capitalization rate

**Option 2: Rental Assistance/Rent Buy-Down**

Brea Woods Senior Apartments maintains a Section 8 contract for rental assistance. If Section 8 rent subsidies are terminated at the federal level, rent subsidies using alternative State or local funding sources could be used to maintain affordability. Subsidies could be structured similar to the Section 8 program, where HUD pays the owners the difference between what tenants can afford to pay (30% income) and what HUD establishes as the Fair Market Rent on the unit.

The feasibility of this alternative depends on the willingness of property owners to accept rental vouchers and limit rents to fair market levels. Given the 129 at-risk units in Brea Woods, Civic Center Apartments, and Town and Country Apartments, the total cost of subsidizing rents in these projects is estimated at approximately \$60,000 per month, or \$730,000 annually, translating to \$40 million in subsidies over a 55-year period.

**Table HE-25  
Required Subsidies for At-Risk Projects**

# Bdrms	# Units	Fair Market Rent	Hhld Size	Hhld Income (50% AMI)	Max. Afford Rent	Per Unit Subsidy	Total Monthly Subsidy	Total Annual Subsidy
Studio	10	\$1,103	1 person	\$30,300	\$688	\$415	\$4,150	\$49,800
1 bdrm	98	\$1,238	2 person	\$34,650	\$788	\$450	\$44,100	\$529,200
2 bdrm	21	\$1,485	3 person	\$38,950	\$885	\$600	\$12,600	\$151,200
<b>Total</b>	<b>129</b>						<b>\$60,850</b>	<b>\$730,200</b>

Source: Orange County Housing Authority, 2007; Stradling, Yocca, Carlson & Rauth; Karen Warner Associates.

Another way rent subsidies could be structured is as a rent buy-down. This would involve the Agency providing a one-time assistance loan to the property owner to cover the present value of the decrease in rents associated with the extended affordability term compared with market rents achievable on the units. This approach offers a benefit to the owner in that they receive cash upfront from the loan. The disincentive is that the use of Redevelopment set-aside funds for the rent buy-down necessitates a 55 year affordability covenant on the units.

**Option 3: Construction/Purchase of Replacement Units**

The construction or purchase of a replacement building is another option to replace at-risk units. Recent apartment acquisitions by the Redevelopment Agency at appraised value show current purchase prices for apartment buildings to be in

the range of \$220,000 to \$320,000 per unit, including rehabilitation costs. Therefore, the cost to replace the 129 at-risk units in Brea can be estimated to range anywhere from \$28 to \$41 million.

### **Cost Comparisons**

In terms of cost effectiveness for preservation of the 129 at-risk units, 55 years worth of rent subsidies (\$40 million) are fairly comparable to transfer of ownership (\$38 million). The cost of purchase or construction of replacement units (\$28-\$41million) varies depending on factors related to the quality of development, and may result in either higher or lower costs than the other two options. The Agency's preferred approach may be a one-time rent buy-down loan, which could potentially be linked with Agency rehabilitation assistance. As the expiration dates on these at-risk projects approach, the Agency's economic consultant will perform the present value analysis to determine the cost of a rent buy-down loan on each of these projects. In addition, the City plans on exploring funding sources and programs through the California Housing Partnership Corporation which is chartered for the purpose of preserving existing affordable housing units at risk of conversion.



**Brea Woods Apartments**



**Civic Center Apartments**



**Town and Country Apartments**

## D. REGIONAL HOUSING NEEDS

State law requires all regional councils of governments, including the Southern California Association of Governments (SCAG) to determine the existing and projected housing need for its region and determine the portion allocated to each jurisdiction within the SCAG region. This is known as the “Regional Housing Needs Assessment “ (RHNA) process.

### 1. Existing Housing Needs

#### Overcrowding

The Census defines overcrowding as an average of more than one person per room in a housing unit (excluding kitchens, porches, and hallways); Table HE-26 shows the incidence of household overcrowding in Brea by tenure.

**Table HE-26  
Overcrowded Households 2000**

Overcrowding	Households	Percent	Orange Co.%
<b>Owners</b>			
Overcrowding	343	4%	8%
Severe Overcrowding	154	2%	4%
<b>Renters</b>			
Overcrowding	678	15%	28%
Severe Overcrowding	386	8%	19%
<i>Total Overcrowding</i>	<i>1,021</i>	<i>8%</i>	<i>16%</i>

Source: U.S. Census, 2000.

In 2000, there were 1,021 households living in overcrowded conditions in Brea, representing 8 percent of all households. Approximately 15 percent of renter households were overcrowded compared to just 4 percent of owner households. About 390 renter households (8%) experienced severe overcrowding, defined as more than 1.5 persons per room. Figure 6 shows the incidence of severe renter overcrowding by census block group. The highest incidence of overcrowding (>25%) occurs in the neighborhoods immediately west of the 57 Freeway between Lambert and Imperial Highway. Neighborhoods west of Brea Boulevard also evidence relatively high levels (15-25%) of severe renter overcrowding. Portions of both of these areas fall within Brea’s Neighborhood Enhancement Areas.

Figure 6: Severe Renter Overcrowding 2000

## Overpayment

Housing overpayment remains a critical need for low and moderate-income households, who are disproportionately affected by this burden compared to other households. Affordability problems occur when housing costs become so high in relation to income that households have to pay an excessive proportion of their income for housing, leaving less income remaining for other basic essentials. Housing overpayment occurs when a household spends more than 30 percent of its income on housing; severe overpayment refers to spending greater than 50 percent of income on housing. Table HE-27 shows the incidence of overpayment in Brea.

**Table HE-27  
Housing Overpayment**

<b>Overpayment</b>	<b>Households</b>	<b>Percent</b>	<b>Orange Co. %</b>
<b><i>Owners</i></b>			
Overpayment (>30% income on housing)	2,063	29%	32%
Severe Overpayment (>50% income on housing)	649	9%	10%
<b><i>Renters</i></b>			
Overpayment (>30% income on housing)	1,841	41%	44%
Severe Overpayment (>50% income on housing)	697	16%	19%
<b><i>Total Overpayment</i></b>	<b>3,904</b>	<b>34%</b>	<b>37%</b>

Source: U.S. Census, 2000.

Note: Severe overpayment is a subset of overpayment.

The 2000 Census documents 41 percent of renters and 29 percent of homeowners in Brea were spending more than 30 percent of their incomes on housing, just slightly below the levels of overpayment experienced Countywide. Severe overpayment impacts 16 percent of the City’s renters, which, while significant, is still below the Countywide average of 19 percent.

Figure 7 shows locations in Brea with concentrations of severe overpayment among the renter population. High levels of overpayment (>25%) are evident in the Tamarack/Mariposa neighborhood located north of Central; this neighborhood also contains a large number of senior households. The neighborhood immediately east of the 57 Freeway and north of Imperial Highway also exhibits high renter overpayment.

Figure 7: Severe Renter Overpayment 2000



Table HE-28 provides a more detailed review of Brea households that experienced severe housing overpayment. Among renters, the elderly were most impacted by severe overpayment, with nearly one-third of the City’s total 784 elderly renters spending more than half their income on rent. Large renter households also evidenced high levels of severe overpayment. Among homeowners, elderly and “other” households experienced fairly comparable levels of severe overpayment, ranging from 12-19 percent. These households are most at risk of foreclosure, particularly in a declining housing market with rising interest rates.

**Table HE-28  
Severe Housing Cost Burden by Type and Tenure**

	<b>Elderly</b>	<b>Small Family (2-4 person)</b>	<b>Large Family (5+ person)</b>	<b>Other</b>	<b>Total</b>
<b><i>Renter Households</i></b>					
Total # by household type	784	1,845	444	1,575	4,648
% with severe cost burden	32%	9%	18%	11%	15%
<b><i>Owner Households</i></b>					
Total # by household type	2,000	4,442	1,054	923	8,419
% with severe cost burden	12%	8%	6%	19%	10%

Source: SCAG Existing Housing Needs (HUD User WebPage).

## 2. Five-Year Projected Housing Growth Needs

California's Housing element law requires that each city and county develop local housing programs to meet its "fair share" of existing and future housing needs for all income groups, as determined by the jurisdiction's Council of Governments. This "fair share" allocation concept seeks to ensure that each jurisdiction accepts responsibility for the housing needs of not only its resident population, but also for the jurisdiction's projected share of regional housing growth across all income categories. Regional growth needs are defined as the number of units that would have to be added in each jurisdiction to accommodate the forecasted number of households, as well as the number of units that would have to be added to compensate for anticipated demolitions and changes to achieve an "ideal" vacancy rate.

In the six-county southern California region, which includes Brea, the agency responsible for assigning these regional housing needs to each jurisdiction is the Southern California Association of Governments (SCAG). The regional growth allocation process begins with the State Department of Finance's projection of Statewide housing demand for a five-year planning period, which is then apportioned by the State Department of Housing and Community Development (HCD) among each of the State's official regions.

SCAG has determined the projected housing need for its region for the 2008-2014 Housing Element cycle, and has allocated this housing need to each jurisdiction by income category. This is referred to as the Regional Housing Needs Assessment (RHNA) process. The RHNA represents the minimum number of housing units each community is required to provide "adequate sites" for through zoning and is one of the primary threshold criteria necessary to achieve HCD approval of the Housing Element.

In allocating the region's future housing needs to jurisdictions, SCAG is required to take the following factors into consideration:

- ✓ Market demand for housing
- ✓ Employment opportunities
- ✓ Availability of suitable sites and public facilities

- ✓ Commuting patterns
- ✓ Type and tenure of housing
- ✓ Loss of units in assisted housing developments
- ✓ Over-concentration of lower income households
- ✓ Geological and topographical constraints

As defined by the RHNA, Brea’s new construction need for the 2008-2014 period has been established at 2,048 new units, distributed among the four income categories as shown in Table HE-29. The City will continue to provide sites for a mix of single-family, multi-family and mixed use housing, supported by a variety of programs to enhance affordability to accommodate its RHNA and contribute towards addressing the growing demand for housing in the southern California region.

**Table HE-29  
Regional Housing Needs Assessment\*  
2008-2014**

Income Level	Percent of AMI**	Units	Percent
Very Low***	0-50%	441	21.5%
Low	51-80%	356	17.4%
Moderate	81-120%	404	19.7%
Above Moderate	120%+	847	41.4%
<b>Total</b>		<b>2,048</b>	<b>100%</b>

Source: <http://SCAG.ca.gov/Housing/rhna.htm>

\*Building permits issued since 1/2006 are credited towards the 2008-2014 RHNA

\*\* AMI – Area Median Income for Orange County

\*\*\* An estimated half of Brea’s very low income housing needs (220 units) are for extremely low income households earning less than 30% AMI.