

Affordable Housing Plan



Affordable Housing Plan for Horizon Studios

Prepared For: Passive Partners Capital Group

Location: 7039 Orangethorpe Avenue, Buena Park, California

Project Type: Mixed-Use Motel Conversion Development

Total Units: 104

[revised – November 06, 2025]

Prepared by: Sustainable



SUSTAINABLE

I. Introduction

The Horizon Studios project represents a transformative effort to address the affordable housing crisis in Buena Park, Orange County, and the State of California. This mixed-use development proposes the conversion of an underutilized motel into a vibrant, inclusive, and supportive residential community. It will deliver 104 quality residential rental units, including a designated percentage for Very Low-, Low-, and Extremely Low-Income households.

This Affordable Housing Plan (AHP) has been designed to comply with and exceed the requirements of the City of Buena Park's Affordable Housing Ordinance (Buena Park Municipal Code Chapter 8.60), Orange County Housing Authority (OCHA) Affordable Housing Guidelines, and applicable California state housing laws, including the State Density Bonus Law (Government Code §65915), Senate Bill 330, and other enabling legislation.

This plan aims to assist the Buena Park Planning Commission, City staff, and partner agencies in assessing and approving the project's affordable housing components. It demonstrates compliance with mandatory provisions and highlights Horizon Studios' proactive commitment to advancing affordability, accessibility, sustainability, and community impact.

Of the 104 proposed studio units, 62 (60%) will be restricted as affordable under a 55-year recorded covenant. The affordability breakdown will be: 25 units at 30% AMI; 20 units at 50% AMI; and 17 units at 80% AMI. All 104 units will be eligible to accept tenant-based rental assistance vouchers, including VASH, HCV and Section 8. The affordability set-aside will prioritize veterans through targeted outreach and coordinated supportive services. The 62-unit (60%) commitment is the Developer's binding CUP commitment for entitlement review; any additional affordability will be pursued if subsidy awards are received.

II. Project Overview

- Project Name: Horizon Studios
- Developer: Passive Partners Capital Group
- Location: 7039 Orangethorpe Avenue, Buena Park, CA 90621
- APN:

- Total Site Area: 1.73 net acres
- Total Units: 104 (including Density Bonus units)
- Unit Mix: Studio multifamily rental units
- Affordability Commitment: 62 units (60% of total) reserved for Extremely Low, Very Low, and Low-Income households (55-year covenant)
- Voucher Eligibility: All 104 units can accept tenant-based rental assistance (including VASH and Section 8) however 40% of the property is geared towards General Population/ Conventional
- Zoning: Housing Incentive Overlay Zone, Commercial General (CG)

III. Local Ordinances and Zoning Compliance

A. Buena Park Municipal Code – Chapter 8.60 (Affordable Housing Ordinance)

Per §8.60.040 of the Buena Park Municipal Code:

- All new residential developments of five (5) or more units must provide at least 10% of units as affordable to Very Low-Income households ($\leq 50\%$ AMI).
- Affordable units must be constructed concurrently with market-rate units.
- Developers may seek relief or alternatives via in-lieu fees, land dedication, or off-site development only upon proving infeasibility.

This project meets these conditions by committing to:

- On-site construction of 60-104 affordable units
- Recording of a 55-year regulatory agreement
- Full integration of affordable units with market-rate counterparts

B. Buena Park 2021–2029 Housing Element

The project supports the Housing Element’s goals:

- Rehabilitating aging or underutilized motels into affordable rental housing (Program HE-1.2.4)
- Encouraging affordable units through the Housing Incentive Overlay Zone (Policy HE-3.1)
- Addressing the City's RHNA requirement for Low and Very Low-Income housing

C. Zoning and Housing Incentive Overlay Zone

Zoning under the CG (Commercial General) designation with Housing Incentive Overlay permits:

- Residential conversion of non-residential properties, including motels
- Height and density modifications (up to 30 du/ac)
- Reduced parking standards (0.5–1 space/unit)

- The proposed density (60 units/acre) with incentives complies with overlay allowances when paired with affordable housing set-asides.

IV. State Housing Laws Compliance

A. California Density Bonus Law – Gov. Code §65915 (SB 1818)

The Horizon Studios project is structured to fully leverage California's Density Bonus Law, which provides a powerful incentive for developers to include affordable housing in new developments. By committing 60% of its total units to Low and Very Low-Income households, the project qualifies for a density bonus of up to 20% and multiple development incentives and concessions.

This strategic use of the Density Bonus Law enables:

- Construction of 104 total units (including bonus units), exceeding base zoning capacity while maintaining alignment with the Housing Element goals of infill development.
- Reduced on-site parking requirements, which lowers costs and allows for better use of land for residential amenities.
- Relief from certain zoning restrictions (e.g., setbacks, open space requirements), allowing the design to maximize utility and affordability without compromising neighborhood character.

The law directly supports Horizon Studios' vision by enabling financially viable mixed-income housing that meets both city and RHNA goals. Additionally, this aligns with the California Department of Housing and Community Development's (HCD) push for sustainable, higher-density, transit-oriented housing options.

B. SB 330 – Housing Crisis Act of 2019

The Housing Crisis Act of 2019 (SB 330) strengthens the project's entitlement pathway by streamlining approvals and preserving the city's zoning allowances in place at the time of application. Under SB 330:

- Horizon Studios benefits from expedited review processes.
- Objective design and zoning standards protect the project from changes that could impact feasibility or delay development.
- Since no tenants are being displaced, the project is exempt from the requirement to replace protected units, further simplifying compliance.

The protections and timelines afforded by SB 330 enhance predictability for the Developer and reduce pre-development risk, encouraging early-stage financing commitments.

C. Senate Bill 9 (SB 9)

While SB 9 primarily targets single-family residential lots, it exemplifies the state's aggressive policy posture toward densification and affordable infill housing. Horizon Studios embodies this vision by converting underutilized commercial lodging into long-term, multifamily affordable units—an act that directly supports the goals articulated under SB 9's broader legislative intent.

V. Affordable Housing Obligations and Unit Summary

A. Standard Compliance Scenario

Affordability Level	% of Total Units	Number of Units	Term of Affordability
Extremely Low – Income (30% AMI)	30%	30	55 years
Very Low-Income (50% AMI)	30%	30	55 years
Low-Income (80% AMI)	40%	44	55 years
Total	100%	104	

B. Buydown Subsidy Scenario (revision made on 11/06/2025 for clarity)

The language previously describing an OCHA or buydown award is illustrative of potential supplemental funding only and does not alter the Developer’s enforceable CUP commitment of 62 restricted units (60% of the project) under a 55-year covenant. If OCHA or similar grant funds are awarded, those funds will be used to deepen tenant affordability (lower restricted rents), expand on-site supportive services, or reduce developer gap financing as permitted by the funder; such awards are additive and will not reduce the recorded unit set-aside. All 104 units will remain voucher-eligible, and veteran households will be prioritized for the deed-restricted units through affirmative marketing and coordinated services.

VI. Density Bonus Incentives and Development Flexibility

In compliance with Government Code §65915, Horizon Studios requests the following density bonus incentives:

1. **Density Increase:** The base zoning allows for approximately 30 dwelling units per acre. With the use of the density bonus, the project is able to achieve 104 total units on a 1.73-acre parcel (approx. 60 DU/acre), nearly doubling the base capacity through the inclusion of affordable units.
2. **Parking Reduction:** For units designated affordable, the project qualifies for reduced parking standards (0.5 spaces per bedroom), significantly easing site constraints and allowing for the preservation of open space and community amenities.
3. **Setback and Height Modifications:** The project seeks modest deviations in rear and side setbacks and building height to improve constructability and optimize building envelope usage, particularly for corner units and community space.

Each of these incentives supports financial feasibility while maintaining aesthetic integration with the neighborhood and ensuring that affordable units are equitably distributed across the development. In addition, these requests align with Buena Park's Housing Incentive Overlay and are subject to Planning Division review.

VII. Financing and Affordability Assurance

A. Funding Stack

- Local: Orange County Housing Finance Trust (Gap and Operating Subsidies), City of Buena Park Affordable Housing Program
- State: None
- Federal: None
- Private: Construction/permanent financing, philanthropic investment, Grants

Note: Affordability Structure and Funding Alignment-

The affordability mix shown in this plan reflects the Developer's current funding strategy. The 62-unit (60%) commitment is recorded as the project's CUP commitment; the Developer will pursue additional local/subsidy awards (e.g., OCHA buydown) to expand affordability if awarded

B. The developer will enter into Regulatory Agreements which will require:

1.) *Affirmative marketing*- to ensure that affordable units are made available to eligible households in a fair and transparent manner.

The Developer will:

- Advertise affordable units through public outreach, housing authority listings, and nonprofit partnerships to ensure equitable access.
- Comply with Fair Housing laws, ensuring that no discrimination occurs based on race, ethnicity, disability, veteran status, or other protected categories.
- Maintain records of outreach efforts, including advertisements, community engagement events, and applicant demographics.
- Prioritize applicants who meet income eligibility requirements and special housing needs, such as veterans, seniors, and individuals with disabilities

2.) *Operating reserves*- To ensure financial stability and long-term viability, the Developer will maintain operating reserves and asset management protocols as

part of the Regulatory Agreement. Operating reserves are funds set aside to cover unexpected expenses, maintenance costs, and financial fluctuations.

The Developer will:

- Maintain a reserve fund to cover property maintenance, emergency repairs, and tenant support services.

- Ensure reserves meet OCHA and Buena Park’s financial requirements, ensuring sustainability of affordable housing operations.
- Submit annual financial reports detailing reserve balances, expenditures, and future projections.

3.) *Asset management*- to ensure that affordable housing units remain in good condition and continue to serve low-income households effectively.

The Developer will:

- Conduct regular property inspections to ensure compliance with habitability standards.
- Implement long-term maintenance plans, ensuring that affordable units remain safe, functional, and well-maintained.
- Provide financial oversight, ensuring that funding sources, subsidies, and operational costs are managed efficiently.
- Submit asset management reports to Buena Park and OCHA, detailing property conditions, occupancy rates, and financial sustainability

VIII. Supportive Services and Resident Stability

Recognizing that affordability extends beyond rent levels, Horizon Studios will incorporate a comprehensive supportive services program tailored to promote long-term resident stability and well-being. These services will be delivered through a combination of on-site staff, nonprofit partnerships, and remote access technologies.

Supportive services include:

- **Resident Navigation & Intake Support:** Assistance during lease-up with documentation, referrals, and welcome orientations.
- **Case Management & Counseling:** Dedicated professionals providing support for mental health, behavioral wellness, and conflict mediation.
- **Employment & Financial Empowerment:** Job placement support, resume coaching, financial literacy workshops, and access to local workforce development programs.
- **Health & Wellness Resources:** On-site or mobile clinic partnerships offering basic health screenings, wellness classes, and referrals.
- **Veteran-Focused Services:** If awarded Veterans Affairs Supportive Housing (VASH) vouchers, services will be expanded to include benefits navigation and peer mentoring for formerly homeless or at-risk veterans.

All services are voluntary and designed to promote housing retention, upward mobility, and community integration. An annual resident satisfaction and needs survey will guide the program's continuous improvement.

In addition to providing supportive services for individuals who qualify, Horizon Studios will also incorporate resident services for those who may not meet the criteria for traditional supportive programs but still require assistance.

This comprehensive service model ensures that all residents—regardless of their Area Median Income (AMI) level—have access to resources that promote housing stability, financial security, and overall well-being.

Our consultants at Sustainable have proposed this inclusive housing approach to create a fully supported living environment that addresses the diverse needs of residents. By integrating resident services alongside supportive services, we aim to:

- Bridge the gap for individuals who may not qualify for specialized programs but still need assistance.
- Enhance community engagement by providing access to educational workshops, financial counseling, employment assistance, and wellness programs.
- Ensure long-term housing stability by offering preventative support to residents who may be at risk of housing insecurity.

This holistic housing model designed by our consultants at Sustainable aligns with best practices in affordable and supportive housing, ensuring that all individuals, regardless of income level, receive the necessary support to thrive.

IX. Development Timeline and Concurrency

To ensure seamless development and compliance with Buena Park Municipal Code Chapter 8.60, all affordable units within Horizon Studios will be constructed, permitted, marketed, and leased in alignment with the market-rate units. This concurrency model is designed to:

- Prevent delays in occupancy certification
- Ensure equitable access to housing opportunities
- Streamline the development and lease-up process

Concurrency Measures

1. Construction Alignment

- Affordable units will be built concurrently with market-rate units, ensuring that all residents—regardless of income level—have access to high-quality, well-integrated housing. We expect this phase to be approximately 220 days from start to occupancy.
- This approach can eliminate the risk of segregated development timelines, ensuring that affordable housing is not delayed or deprioritized.

2. Permitting & Approval Process

- Affordable units will be included in the same permitting schedule as market-rate units, ensuring that building permits, inspections, and approvals are processed simultaneously.
- This strategy reduces administrative delays and ensures that affordable housing units are ready for occupancy at the same time as market-rate units.

Marketing & Lease-Up Strategy

- Affordable units will be marketed and leased on a timeline parallel to the remainder of the property, ensuring that all units—affordable and market-rate—are available for occupancy at the same time.
- This approach avoids gaps in lease-up, ensuring that affordable housing units are not left vacant due to delayed marketing efforts

Compliance & Project Timeline

This concurrency model supports compliance with Buena Park Municipal Code Chapter 8.60 and ensures that affordable housing obligations are met without unnecessary delays.

Attached in our exhibits is the detailed project timeline, outlining the rehabilitation and conversion process from initial construction through lease-up projections. This timeline provides a clear roadmap for the completion of the project, ensuring efficient execution and full compliance with local and state regulations.

X. Regulatory Compliance and Enforcement

The Developer will enter into a 55-year affordability covenant with the City of Buena Park and the Orange County Housing Authority (OCHA) to ensure long-term affordability of designated units. This covenant is a legally binding agreement that guarantees the continued affordability of the units for low-income, very low-income, and extremely low-income households.

The Developer will execute and record a 55-year affordability covenant with Buena Park and OCHA, ensuring compliance with local and state affordable housing regulations. This covenant will be attached to the property deed, making affordability restrictions enforceable for the entire duration.

The Developer will submit annual compliance certifications to Buena Park and OCHA, verifying that all affordable units remain occupied by eligible households at the designated income levels. These certifications will include tenant income verification, rent schedules, and occupancy reports.

Inspections & Income Documentation Audits

The Developer will allow periodic inspections by Buena Park and OCHA to ensure that affordable units meet habitability standards and remain occupied by qualified tenants. Income documentation audits will be conducted to verify that tenants meet the Area Median Income (AMI) requirements for their designated affordability level. The Developer will submit updated maps and affordability breakdowns if modifications are requested.

The developer notes that The 55-year affordability requirement is a standard provision in California affordable housing agreements, ensuring long-term affordability for low-income households. This requirement is enforced through:

- Buena Park Municipal Code Chapter 8.60 (Affordable Housing Ordinance)
- California Density Bonus Law (SB 1818)
- Orange County Housing Authority (OCHA) Affordable Housing Guidelines

XI. Administrative Authority and Amendments

City staff and the Planning Division may need to approve:

- Minor revisions to unit mix (bedroom type, square footage)
- Adjustments due to funding source requirements
- Modifications to affordability distribution within prescribed limits

All substantial modifications shall be returned to Planning Commission for review and approval.

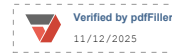
XIII. Exhibits (Attached Separately)

1. Exhibit 1: Site Map and Affordable Unit Location Chart
2. Exhibit 2: Unit Mix Breakdown
3. Exhibit 3: Project Construction Timeline
4. Exhibit 4: “True Concurrency” Permit Schedule

XIII. Developer Acknowledgement

I hereby attest that this Affordable Housing Plan has been prepared in accordance with the Buena Park Municipal Code Chapter 8.60, State of California Density Bonus Law, and Orange County Housing Authority standards. All information is accurate and complete to the best of my knowledge and presented for formal entitlement review and approval.

Authorized Signature



Passive Partners Capital Group

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Date: 11/12/25 _____