

Housing



Introduction

The residents of Laguna Hills take great pride in their city. Preserving the City's small town feel by maintaining the existing housing stock and the scale and character of the community is particularly important to the City's residents. Residents also recognize the importance of providing housing opportunities for all members of the community by providing more diverse housing types. A variety of housing options will enable older and younger generations to remain in the community as well as those of all economic levels and those with special needs. Providing housing opportunities to all, on an equal basis, is important to the community.

Accordingly, this Housing Element identifies issues, strategies, and programs that focus on:

1. Neighborhood and housing preservation;
2. Housing availability;
3. Equal housing opportunity; and
4. Implementation and monitoring of the Housing Element.

The Laguna Hills Housing Element comprises the following major components:

- An analysis of the City's population, housing, and employment base, and the characteristics of the City's housing stock to define the nature and extent of unmet housing needs (Housing Needs Assessment).
- A review of potential constraints to meeting the City's identified housing needs (Constraints on Housing Production).
- An evaluation of opportunities that will further the development of new housing (Housing Resources).
- A plan to address the identified housing needs in Laguna Hills by reviewing past accomplishments, establishing goals and policies, and crafting programs that will enable the City to achieve housing objectives (Housing Plan).

Purpose and Scope of the Housing Element

Every California city and county is required to include a housing element in its general plan

which establishes housing goals, policies, and programs that respond to community housing conditions and needs. The purpose of this Housing Element is to identify housing opportunities and solutions specific to the housing issues of the City of Laguna Hills (City).

Related Plans and Programs

The City's 2013-2021 Housing Element is directly related to a number of State and federally mandated requirements for housing policy and planning. A description of these plans and programs follows.

REGIONAL HOUSING NEEDS ASSESSMENT

State housing element law requires that Southern California Association of Governments (SCAG) determine the amount of housing needed in its region and allocate the need to each community. The allocation of housing need is based on statewide and local projections of population, employment, and housing need. State law requires cities to ensure that adequate sites, public facilities, and services are available to facilitate housing production commensurate with their housing need. Laguna Hills' Housing Element identifies programs to address its share of the region's housing need.

HOUSING ELEMENT CYCLE

This Element has been prepared in compliance with the 2013-2021 planning cycle for cities within the SCAG region. The Housing Element covers an eight year planning period from October 15, 2013 - October 15, 2021, and the SCAG RHNA period from January 1, 2014 - 2021.

Relationship to Other General Plan Elements

The Laguna Hills General Plan includes the following components: (1) Introduction to the General Plan; (2) seven elements, including, Land Use, Mobility, Conservation and Open Space, Community Services and Facilities, Safety, Noise and Housing; and (3) an Implementation Program. Background information and policy direction presented in one element are also reflected in other General Plan elements. For example, residential development capacities established in the Land Use Element are incorporated into the Housing Element.

This Housing Element builds upon other General Plan Elements and is consistent with the policies and proposals set forth by the General

Plan. For example, the Land Use Element identifies use designations at densities that will facilitate the provision of a range of residential housing products for all income groups. The Mobility Element plays a role in the location of residential development in relation to roads, transit, pedestrian, and bicycle facilities. The Noise Element establishes noise levels appropriate for residential uses. Whenever an element in the General Plan is amended, the Housing Element will be reviewed and modified, as necessary, to ensure the continued consistency between elements.

Citizen Participation

California law requires that local governments make a diligent effort to achieve public participation from all economic segments of the community in the development of the Housing Element. Public participation played an important role in the formulation and refinement of the City's housing goals and policies and in the development of the housing plan for the City of Laguna Hills. Laguna Hills' residents had several opportunities to recommend strategies, review, and comment on the Housing Element. The following information details outreach efforts and citizen participation efforts by the City of Laguna Hills:

- Information posted on the City's website.
- Articles about the Housing Element update in the City's quarterly newsletter, which is sent to every household in the City.
- **City Council Meetings:** Two City Council meetings occurred on June 25, 2013, and October 8, 2013 in which the public had the opportunity to address decision makers directly regarding housing issues, goals, and policies, as well as other general comments and concerns regarding housing. These meetings were advertised in a manner consistent with City policy for public meetings.
- **Housing Stakeholder Workshops:** On February 7 and May 9, 2013, the City held workshops targeting residents, the general public, and various organizations that provide housing services to Laguna Hills. Table H-1 identifies the housing-related organizations that were invited to participate in the workshop.

SUMMARY OF INPUT

During the meetings and workshops, participants were provided with an overview of the Housing Element update process and content. Participants, which included residents and other stakeholders, identified and discussed challenges, opportunities, and resources related to housing



in Laguna Hills. Comments received through the outreach activities have been considered in the development of the housing plan for the City of Laguna Hills.

Valuable input on the Laguna Hills Housing Element occurred during the Housing Stakeholder Workshops (summarized below). Although additional input was received, community input centered around two recurring themes: senior housing needs and affordable housing in Laguna Hills. Many community members and stakeholders commented on the aging population in the region and a need for additional senior housing in the City. Affordable housing concerns in Laguna Hills centered on understanding what constitutes affordable housing in Laguna Hills, where existing affordable housing is located, and the need to provide additional affordable housing opportunities in the City.

Housing Stakeholder Workshops Summary

On February 7, 2013 and May 9, 2013, the representatives from the City of Laguna Hills Community Development Department held Housing Stakeholder Workshops targeting residents, the general public, and various organizations that provide housing services to Laguna Hills. Table H-1 identifies the housing-related organizations that were invited to participate in the workshops. Thirty-two stakeholders were mailed announcements and phoned by City Staff inviting them to attend the workshop.

Participants

Representatives from the following organizations participated in the Housing Stakeholder Workshops:

- Kennedy Commission
- Orange County Association of Realtors (OCAR)
- Regional Center of Orange County

Comments

During the Housing Stakeholder Workshops the following comments and ideas were provided by stakeholders:

- What about the housing recently approved for the Oakbrook Village project?
- Did the City have to change the zoning for the Oakbrook project because it is a residential project in a commercial area?
- Did the City Council change the plan a bit to allow less open space for the Oakbrook Village project? How were they able to do that?
- OCAR offers its support to the City in whatever way they can.
- What will the cost be to put together the Housing Element? What



Table H-1
Housing Stakeholders

Kennedy Commission	Society of St. Vincent De Paul, Laguna Hills
Fair Housing Council of Orange County	Catholic Charities of Orange County
Salvation Army, Orange County	Jewish Family Service of Orange County
Shelter For the Homeless	Lutheran Social Services of Southern California
OC Partnership	Orange County Association of Realtors
Families Forward	Habitat for Humanity – Orange County
Southern California Association of Nonprofit Housing	Orange County Housing Authority
Mercy House	Orange County Housing and Community Services
Orange County Rescue Mission	Jamboree Housing Corporation
Friendship Shelter	Bridge Housing
South County Outreach	Legal Aid Society of Orange County and Community Legal Services
Regional Center of Orange County	Senior Legal Advocacy Program
Orange County Business Council	Public Law Center
Florence Sylvester Memorial Senior Center	Orange County Office on Aging
South Orange County Regional Chamber of Commerce	Orange County Housing Providers
Building Industry Association of Orange County	South County Senior Services

is the benefit of doing one? Are there funds from the State available for this?

- Does the City have a redevelopment agency? Does the City have any in-lieu fees for affordable housing? Has the City ever gotten involved in directly funding affordable housing?
- Home prices are going up. Rents are going up, too. Orange County has the 5th highest apartment rent in the State. Suggests the City create a plan for providing housing for seniors, low-income families, and disabled persons who want to live here.
- 17,000 disabled persons in Orange County, 186 with developmental disabilities in Laguna Hills. One hundred percent of individuals living on a maximum of \$890 per month. Without subsidy or voucher of some sort, living on own is impossible. The Regional Center of Orange County offers its support to the City in whatever way they can.
- The City needs to pave the way for people to develop the housing.
- The City's RHNA number is a minimum- a starting point. There is hope the City will go above and beyond that number. The Kennedy Commission offers its support in whatever way they can.

- Does the City have any apartment complexes applying for ownership or condominium conversion?
- Why doesn't the City have any information on its Hispanic population?

Letters Received

The City also received one survey addressing housing issues from Age Well Senior Services since a representative was not able to attend the Workshop. The survey identifies affordable housing for the elderly as the housing-related challenge faced by their organization. Age Well Senior Services is a nonprofit organization providing critical services, resources, and programs to home bound and low income senior citizens living in South Orange County.

Housing Needs Assessment

This section of the Housing Element describes the supply and demand for housing in Laguna Hills and is divided into subsections that address the characteristics of population, employment, households, special needs populations, and housing stock. This analysis provides the basis for developing a successful housing strategy that meets the needs of the community.

Community Profile

The City of Laguna Hills is located in the San Joaquin Hills in southern Orange County, approximately 60 miles south of Los Angeles and 70 miles north of San Diego. Laguna Hills is bounded by the cities of Irvine and Lake Forest to the north; Interstate 5 and the cities of Mission Viejo and Lake Forest to the east; the City of Laguna Niguel to the south; and, the cities of Aliso Viejo and Laguna Woods to the west.

In 1991, the City of Laguna Hills incorporated with an original land area of 3,325 acres. Two subsequent annexations in 1995 and 2000 have increased the land area of the City to 4,234 acres or 6.6 square miles.

The City is predominantly residential in character and contains a variety of diverse residential neighborhoods, ranging from estate residences to high density districts. The City is also home to over 500 businesses and contains a strong commercial base anchored by the regional Laguna Hills Mall, the Oakbrook Village Shopping Center, and Saddleback Memorial Hospital.

Population Characteristics

POPULATION GROWTH TRENDS

According to the Census, the population of Laguna Hills was 30,344 in 2010 (Table H-2). The California Department of Finance estimates the population was 30,618 in 2012, representing a small increase in population from 2010-2012. However, overall population change from the 2000 Census to the 2012 Department of Finance estimates show a slight decrease in population of about 1.8 percent.

By contrast, all cities surrounding Laguna Hills had positive population growth between 2000 and 2012, except Laguna Woods, which showed a 1 percent decrease in population. The population growth rate in Orange County also exceeded that of Laguna Hills during this period.

Table H-2 Population Growth 2000-2012				
	2000	2010	2012	% Change 2000-2012
Laguna Hills	31,178	30,344	30,618	-1.8
Aliso Viejo	40,166*	47,823	48,988	22
Mission Viejo	93,102	93,305	94,196	1.2
Laguna Woods	16,507	16,192	16,334	-1
Laguna Niguel	61,891	62,979	63,691	2.9
Lake Forest	58,707	77,264	78,036	32.9
Orange County	2,846,289	3,010,232	3,055,792	7.4
Sources: 2000 Census; 2010 Census; California Department of Finance. *Date is for Aliso Viejo CDP because Aliso Viejo incorporated in 2001.				

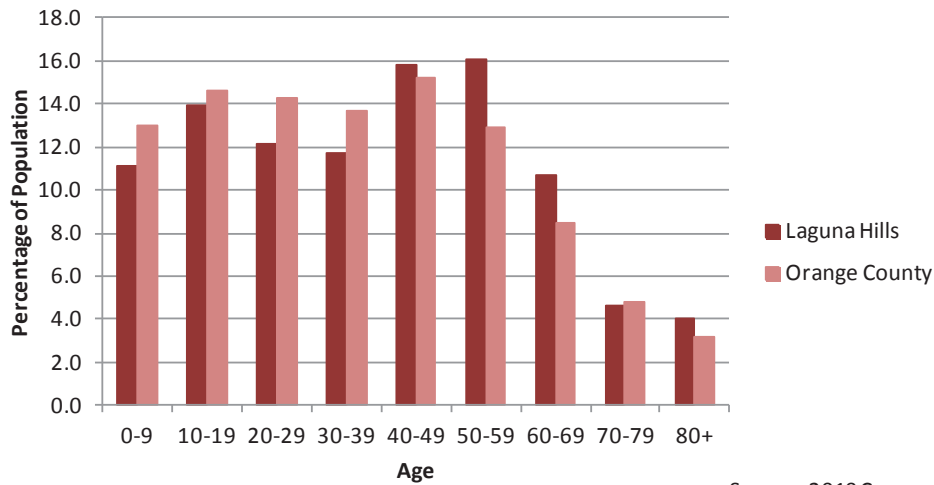
AGE CHARACTERISTICS

The age distribution of a population is an important factor in evaluating housing and community development needs and determining the direction of future housing development. Typically, each age group has distinct lifestyles, family types and sizes, income and housing preferences. As people move through each stage of life, housing needs and preferences change. For example, young householders without children will have different housing preferences than middle-age householders with children or senior householders living alone. Consequently, evaluating the age characteristics of a community is important in determining the housing needs of residents.

As illustrated in Figure H-1, the 2010 population of Laguna Hills was older on average than that of the county as a whole, with a higher distribution of residents between the ages of 40-69. The median age for residents in Laguna Hills was 40.8 years, while the county median age was 36.2.

Since 2000, the median age has increased in the City. The median age for the City of Laguna Hills in 2000 was 37.7. A similar increase in median age can be seen in Orange County with the median age increasing from 33.3 years in 2000 to the 2010 median age of 36.2. The Orange County Business Council indicates that the population of Orange County is growing older rapidly, with Laguna Hills expected to experience a similar trend. This may indicate a need for more housing targeted to seniors, support for more accessible units, and/or assisted living facilities in Laguna Hills.

**Figure H-1
Age Distribution, 2010**



RACE/ETHNICITY CHARACTERISTICS

The racial and ethnic composition of a population affects housing needs because of the unique household characteristics of different racial/ethnic groups. These characteristics tend to correlate with other factors, such as family size, housing location choices, and mobility. As shown in Table H-3, the majority (73 percent) of the 2010 population in Laguna Hills was White, with Asians making up the next largest ethnic group (13 percent). In Orange County, Whites constituted a lower proportion (61

**Table H-3
Race and Ethnicity, 2010**

Race	Laguna Hills Residents*	% of Laguna Hills Population*	Orange County Residents*	% of Orange County Population*
White	22,045	72.7	1,830,758	60.8
Black or African American	420	1.4	50,744	1.7
American Indian and Alaska Native	101	0.3	18,132	0.6
Asian	3,829	12.6	537,804	17.9
Native Hawaiian and Other Pacific Islander	58	0.2	9,354	0.3
Some Other Race	2,470	8.1	435,641	14.5
Two or More Races	1,421	4.7	127,799	4.2
Total	30,344	100	3,010,232	100

* A portion of each of the race categories may also contain those identifying as Hispanic.

Source: 2010 Census

percent) of the population than in Laguna Hills. Twenty-one percent of residents in Laguna Hills of any race identified as Hispanic or Latino, compared with 34 percent of people county-wide (Table H-3a).

Table H-3a Population Identifying as Hispanic or Latino

	Laguna Hills		Orange County	
	Number	Percent	Number	Percent
Total population	30,344	100	3,010,232	100
Hispanic or Latino (of any race)	6,242	20.6	1,012,973	33.7
Not Hispanic or Latino	24,102	79.4	1,997,259	66.3

Source: 2010 Census

Employment Characteristics

OCCUPATION AND LABOR PARTICIPATION

Employment has an important impact on housing needs. Different jobs and income levels determine the type and size of housing a household can afford. In addition, employment growth within a region typically results in an increase in housing demand.

Table H-4

Employment Profile, 2009-2011*

Occupation of Residents	Laguna Hills		Orange County	
	Estimate**	Percent of Total	Estimate**	Percent of Total
Management, business, science, and arts occupations:	6,919	46.1%	564,052	39.5%
Sales and office occupations:	4,044	26.9%	381,501	26.7%
Service occupations:	2,090	13.9%	240,170	16.8%
Production, transportation, and material moving occupations:	834	5.6%	143,170	10.0%
Natural resources, construction, and maintenance occupations:	1,131	7.5%	99,272	7.0%
Total*	15,018	100.0%	1,428,165	100.0%

Source: 2009-2011 American Community Survey 3-Year Estimates

*ACS numbers are estimates; there is a variable margin of error for all numbers.

**Civilian employed population 16 years and over.

According to the American Community Survey (2009-2011) 16,678 Laguna Hills residents were in the civilian labor force, representing a labor participation rate of approximately 67 percent. (The labor force includes employed and unemployed persons aged 16 years and above.) Similar to Orange County, Laguna Hills residents were employed in three major occupation categories, management, business, science, and arts; sales and office; and service occupations (Table H-4). The first two categories tend to provide higher paying jobs than service occupations, which tend to be lower paying (Table H-5). According to the State Employment Development Department, the unemployment rate in April 2013 in Laguna Hills was 4.8 percent, lower than the countywide rate of 5.7 percent and the statewide rate of 9.0 percent.

Table H-5
Average Yearly Salary by Occupation
Orange County MSA, 2012

Occupations	Average Salary
Architecture and Engineering	\$87,056
Arts, Design, Entertainment, Sports, and Media	\$53,520
Building and Grounds Cleaning and Maintenance	\$26,141
Business and Financial Operations	\$73,187
Community and Social Services	\$51,991
Computer and Mathematical	\$85,644
Construction and Extraction	\$52,247
Education, Training, and Library	\$60,659
Farming, Fishing, and Forestry	\$23,058
Food Preparation and Serving Related	\$22,801
Healthcare Practitioners and Technical	\$81,240
Installation, Maintenance, and Repair	\$47,953
Legal	\$107,520
Life, Physical, and Social Science	\$72,501
Management	\$125,218
Office and Administrative Support	\$38,614
Personal Care and Service	\$26,502
Production	\$33,129
Protective Service	\$51,495
Sales and Related	\$45,147
Transportation and Material Moving	\$32,108
All Occupations	\$51,672

Source: State Employment Development Department, 2012

Table H-6 provides the employment structure of Laguna Hills. Approximately 15,300 jobs were located in the City in 2011. The largest employment classifications included educational services (18.4 percent); professional, scientific, and technical services (14.3 percent); retail (14.2 percent); and manufacturing (11.8 percent). Although specific wage levels are not available, wage data for the employment structure of Laguna Hills can be inferred from Table H-5. Of the largest employment sectors in Laguna Hills, professional, scientific, and technical services, and finance and insurance sectors appear to provide higher wages, while retail jobs appear to provide lower wages.

Table H-6 Employment Structure by North America Industry Classification System (NAICS) Sector, 2011		
Employment Sectors	Employment	Percentage
Agriculture	5	0.03
Arts, Entertainment, and Recreation	1,237	8.1
Construction	1,063	7
Education Services	2,809	18.4
Finance and Insurance	1,693	11.1
Information	230	1.5
Manufacturing	1,804	11.8
Other Services	690	4.5
Professional, Scientific, and Technical Services	2,180	14.3
Public Administration	485	3.2
Retail Trade	2,167	14.2
Transportation and Warehousing	520	3.4
Wholesale Trade	408	2.7
Total	15,291	100.0

Source: American Community Survey, 2007-2011.

Housing Characteristics

HOUSEHOLD TYPE AND SIZE

Household characteristics are important indicators of the type of housing needed in a community. The Census defines a household as all persons who occupy a housing unit, which may include families related through marriage or blood, unrelated individuals living together, or individuals living alone. People living in group quarters, such as retirement or convalescent homes, dormitories, or other group living situations, are not considered households.

In 2010, there were 10,469 households in Laguna Hills (Table H-7). Families constituted 74 percent of households in the City, a proportion slightly greater than that found in Orange County (71.4 percent). For Hispanic and Asian households within Laguna Hills, families accounted for 84 percent and 81 percent of those households, respectively (Table H-7a). Families with children represented 32 percent of households in Laguna Hills and 34 percent in Orange County. Single-person households represented approximately 20 percent of households in Laguna Hills, while single-person households in Orange County were slightly greater at approximately 21 percent.

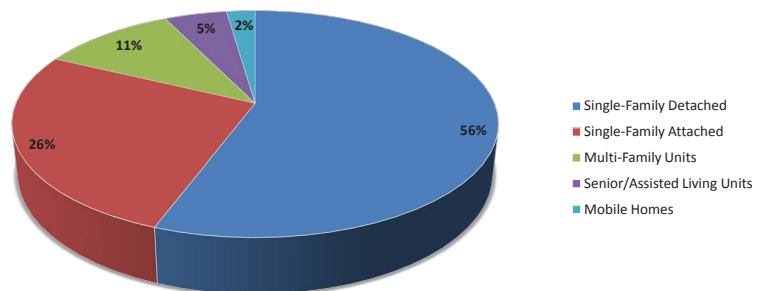
Housing needs generally vary by household type. Families typically occupy single-family homes. However, some families are unable to purchase or rent a home and may reside in multifamily apartments, condominiums, or townhome units. Single-person households, typified by seniors or young adults, tend to reside in apartment units, condominiums, townhomes, or smaller single-family homes. The Laguna Hills housing stock (Figure H-2) provides a range of unit types. The housing stock comprises 56 percent single-family detached units, 26 percent single-family attached units, 11 percent multifamily units, such as apartments and condominiums, and 2 percent mobile homes or other units.

Household size identifies sources of population growth and household overcrowding. A city's average household size will increase over time if there is a trend toward larger families. In communities where the population is aging, the average household size may decline. The average household size in Laguna Hills in 2010 (2.86) was lower than the County average household size (2.99). For Hispanic and Asian households, household size was larger than the average household size for Laguna Hills as a whole, at 4.04 and 3.16, respectively.

Table H-7 Household Characteristics				
Household Type	Orange County		Laguna Hills	
	Number of Households	Percent of Households	Number of Households	Percent of Households
Families	708,491	71.4%	7,733	73.9%
With Children	335,587	33.8%	3,327	31.8%
Single Persons	207,849	20.9%	2,041	19.5%
65 Years and Older	78,985	8.0%	822	7.9%
Other	76,441	7.7%	695	6.6%
Total Households	992,781	100.0%	10,469	100.0%
Average Persons per Household	3.0		2.9	
Source: 2010 Census				

Table H-7a Asian and Hispanic Households in Laguna Hills				
	Hispanic Households*		Asian Households**	
	Number of Households	Percent of Households	Number of Households	Percent of Households
Families	1,227	84.0%	922	80.8%
Total Households	1,461	100.0%	1,141	100.0%
Average Persons per Household	4.0		3.2	
Source: 2010 Census				
*Households where householder identifies as Hispanic (any race)				
**Household where householder identifies as Asian only.				

Figure H-2
Laguna Hills Housing Stock Composition



Source: City of Laguna Hills, 2009

Figure H-2
Housing Stock Composition

HOUSEHOLD INCOME

The income earned by a household is an important indicator of the household's ability to acquire adequate housing. While upper income households have more discretionary income to spend on housing, lower and moderate income households are more limited in the range of housing that they can afford. Typically, as household income decreases, the incidence of overpayment and overcrowding increases.

HCD has developed the following income categories:

- Extremely low income households earn between 0 and 30 percent of the County Median Family Income (MFI), adjusted for household size;
- Very low income households earn between 0 and 50 percent of the County MFI, adjusted for household size;
- Low income households earn between 51 and 80 percent of the County MFI, adjusted for household size;
- Moderate income households earn between 81 and 120 percent of the County MFI, adjusted for household size; and
- Above moderate/upper income households earn over 120 percent of the County MFI, adjusted for household size.

Similarly, the U.S. Department of Housing and Urban Development (HUD) uses Census data to develop special tabulation by HUD income group and household type. This data set is known as the Comprehensive Housing Availability Strategy (CHAS). The federal CHAS data separates California's very low income category into extremely low (0–30 percent MFI) and very low (31–50 percent MFI) incomes, and combines California's moderate income and upper income categories.

CHAS income distributions for Laguna Hills and Orange County are presented in Table H-8. According to CHAS data, almost 11 percent of the City's households in 2009 qualified as extremely low income (0–30 percent MFI), more than 10 percent as very low income (31–50 percent MFI), and greater than 12 percent as low income (51–80 percent MFI). More than 50 percent of renter households qualified as low income or below, compared with 24 percent of owner households. In Orange County, over 42 percent of households were considered low income or below, compared with 33 percent of households in the City of Laguna Hills. During the planning period, the extremely low income housing need is one unit, which is derived from presuming 50 percent of the very low income housing need (1 unit) from the Regional Housing Need Assessment.

Table H-8 Household Income by Income Group, 2009				
Income Group	City of Laguna Hills			Orange County
	Owner Households	Renter Households	Total Households	
Extremely Low Income	7%	24%	11%	11.7%
Very Low Income	6%	22%	10%	12.4%
Low Income	11.0%	12%	12%	18.3%
Moderate and Above	75%	42%	68%	57.6%
Total	100.0%	100.0%	100.0%	100.0%

Source: CHAS Data, 2005-2009.

There were several questions and comments from community members and stakeholders regarding affordable housing in Laguna Hills. City staff informed the General Plan Advisory Committee and the City Council about the location and quantity of affordable housing in Laguna Hills. The Housing Element contains programs that may benefit extremely low, very low, and low income households. Some of these programs include: Promote the Urban Village Specific Plan Area for Housing Opportunities; Promote Alicia Gateway for Housing Opportunities; Second Units; Section 8 Rental Assistance, and Partner with Affordable Housing Developers.

OVERCROWDING

An overcrowded household is typically defined as one with more than one person per room, excluding bathrooms, kitchens, hallways, and porches. A severely overcrowded household is defined as one with more than 1.5 persons per room. Overcrowding results from either a lack of affordable housing and/or lack of available housing units of adequate size.

According to the American Community Survey estimates (2009-2011), approximately 390 households or 3.6 percent of the households in Laguna Hills were living in overcrowded conditions (Table H-9). Less than 1 percent of households experienced severely overcrowded conditions. The rate of overcrowding in Laguna Hills is significantly lower than the rate in Orange County, which is approximately 10 percent. In both the City of Laguna Hills and county-wide, owner-occupied households experienced overcrowded or severely overcrowded conditions less than renter-occupied households.

Table H-9
Overcrowded Households, 2009-2011*

	Owner	Renter	Total	Percentage of Occupied Units
Occupied Units:	8,175	2,675	10,850	100.0%
Overcrowded Units	271	119	390	3.6%
Severely Overcrowded Units	45	20	65	0.6%

Source: 2009-2011 American Community Survey 3-Year Estimates
*ACS numbers are estimates; there is a variable margin of error for all numbers.

OVERPAYMENT

State and federal standards for housing cost burden (overpayment) consider a household as overpaying for housing if it spends more than 30 percent of its gross income on housing. A household spending more than it can afford for housing has less money available for other necessities and emergency expenditures. Very low income households overpaying for housing are more likely to be at risk of becoming homeless than other households. Renter households overpay for their housing costs more often than owner households because of their typically lower incomes.

Table H-10
Overpayment by Income and Tenure, 2009-2011*

Household Income	Renter			Owner			Total		
	Total HH	Overpaying HH	Percentage Overpaying	Total HH	Overpaying HH	Percentage Overpaying	Total HH	Overpaying HH	Percentage Overpaying
Less than \$20,000	433	418	96.5%	479	452	94.4%	912	870	95.4%
\$20,000 to \$34,999	510	489	95.9%	402	299	74.4%	912	788	86.4%
\$35,000 to \$49,999	305	305	100.0%	741	457	61.7%	1,046	762	72.8%
\$50,000 to \$74,999	617	334	54.1%	1,384	735	53.1%	2,001	1,069	53.4%
\$75,000 or more	700	226	32.3%	5,124	1,550	30.2%	5,824	1,776	30.5%
All Income Categories	2,675	1,772	66.2%	8,175	3,493	42.7%	10,850	5,265	48.5%

Source: 2009-2011 American Community Survey 3-Year Estimates
*ACS numbers are estimates; there is a variable margin of error for all numbers.

Table H-10 shows the number and proportion of households with housing cost burden by income range and tenure. According to the American Community Survey estimates (2009-2011), approximately 49 percent of Laguna Hills households overpaid for housing. Approximately 66 percent of renter households and 43 percent of owner households in the City use more than 30 percent of their incomes to cover housing costs. Not surprisingly, the percentage of households overpaying declines significantly as household income rises.

For Orange County, American Community Survey (2009-2011) data indicate that approximately 47 percent of households overpaid for housing, which is 2 percentage points lower than in Laguna Hills.

Special Needs Populations

Certain segments of the population may have more difficulty in finding decent, affordable housing due to special needs or circumstances. Special circumstances may be related to one's employment and income, family characteristics, disability, and household size, among other things. As a result, certain segments of residents in Laguna Hills may experience a higher prevalence of overpayment, overcrowding, or other housing problems. "Special needs" groups include senior households, agricultural workers, female-headed households, disabled persons, large households, and the homeless.

SENIOR HOUSEHOLDS

Senior or elderly households are those headed by individuals aged 65 or older. The special needs of the elderly are a function of their often lower or fixed incomes, disabilities or limitations, and dependency needs. There are four main concerns with this group of the population: limited and often fixed income; poor health and associated high health care costs; mobility limitations and transit dependency; and high costs of housing. In addition, housing for the elderly often requires special attention to design to allow greater access and mobility. Housing located within the vicinity of community facilities and public transportation also facilitates mobility of the elderly in the community.

According to the 2010 Census, Laguna Hills had 3,890 residents age 65 or older, representing 13 percent of the total population. Also in 2010, 2,210 senior households existed in Laguna Hills, constituting roughly 21 percent of the City's total households (Table H-11). Of these households, about 75 percent were owner households, while almost 25 percent were renter households.

Table H-11
Senior Households, 2010

Householder Age	Owners		Renters		Total Senior Households	
	Number of Households	% of Senior Households	Number of Households	% of Senior Households	Number of Households	% of Senior Households
65 - 74 years	1,074	48.6%	135	6.1%	1,209	54.7%
75 - 84 years	438	19.8%	128	5.8%	566	25.6%
85 years plus	151	6.8%	284	12.9%	435	19.7%
Total:	1,663	75.2%	547	24.8%	2,210	100.0%

Source: 2010 Census

According to CHAS data, over 46 percent of all senior households were of extremely low, very low, or low incomes (Table H-12). Approximately 67 percent of total senior renter households were of extremely low, very low, or low incomes compared with 39 percent of senior owner households.

According to the Census, a substantial increase in the number of older people will occur during the 2010 to 2030 period, after the first Baby Boomers turn 65 in 2011. The older population in 2030 is projected to be twice as large as that in 2000, representing nearly 20 percent of the total U.S. population at the latter date. Orange County including Laguna Hills is expected to experience similar trends.

Table H-12
Senior Households by Income and Tenure, Laguna Hills, 2000

Income Group	Senior Owner Households	% of Total Senior Households	Senior Renter Households	% of Total Senior Households	Total Senior Households	% of Total Senior Households
Extremely Low Income	<u>185</u>	<u>9.0</u>	<u>155</u>	<u>7.5</u>	<u>340</u>	<u>16.5</u>
Very Low Income	<u>205</u>	<u>10.0</u>	<u>130</u>	<u>6.3</u>	<u>335</u>	<u>16.3</u>
Low Income	<u>220</u>	<u>10.7</u>	<u>55</u>	<u>2.7</u>	<u>275</u>	<u>13.3</u>
Moderate Income and Above	<u>945</u>	<u>45.9</u>	<u>165</u>	<u>8.0</u>	<u>1,110</u>	<u>53.9</u>
Total	<u>1,555</u>	<u>75.5</u>	<u>505</u>	<u>24.5</u>	<u>2,060</u>	<u>100.0</u>

Source: CHAS Data, 2005-2009

California Department of Finance projections indicate that the population aged 65 and over in Orange County will increase from 282,479 in 2000 to 504,266 in 2020, an increase of over 78 percent. By 2030, the senior population will increase to 693,602, a 146 percent increase from 2000.

As the number of older people and life expectancies increase, the demand for a variety of senior housing options will also increase. In addition to traditional facilities that offer independent living units, demand for intermediate care and assisted living will also increase, as well as for facilities offering a full range of living arrangements. Laguna Hills currently has two housing developments that provide housing for seniors. The Willows contains 152 ground level housing units and Villa Valencia contains 396 units with options for independent living, assisted living, and nursing care.

Concerns were voiced during the Housing Stakeholder meeting in February 2013 and other public meetings about an aging population in Orange County and Laguna Hills and the need to provide additional senior housing. The Housing Element contains programs that may benefit the senior population and could provide additional senior housing opportunities, including Senior/Disabled or Limited Income Repair Loan and Grant Program; Promote the Urban Village Specific Plan Area for Housing Opportunities; Promote Alicia Gateway for Housing Opportunities, and Second Units.

AGRICULTURAL WORKERS

The special housing needs of farm workers result from their low wages and the seasonal nature of their employment. According to the American Community Survey (2009-2011) no residents of Laguna Hills were employed in farming, forestry, or fishing occupations. Therefore, demand for housing generated by agricultural workers in the City is nominal and could be addressed adequately by overall housing affordability programs in the City and County.

FEMALE-HEADED HOUSEHOLDS

Single-parent families with children often require special attention due to their needs for affordable childcare, health care, and housing assistance. Female-headed families with children particularly tend to have lower incomes, thus limiting housing availability for this group. According to the American Community Survey (2009-2011), of the 7,723 family households in Laguna Hills, 973 were female-headed family households, or about 13%. In the 2009-2011 estimates, approximately 5 percent of all families in Laguna Hills were under the poverty level, with that

number jumping to 7.4 percent of female-headed families with children under 18. It is important to note, however, that only 2.6 percent of female-headed families were under the poverty level.

The Housing Element contains programs that could benefit single-parent, female-headed households. These programs include: Promote the Urban Village Specific Plan Area for Housing Opportunities; Promote Alicia Gateway for Housing Opportunities; Continuum of Care Funding and Consolidated Plan Participation; and Partner with Affordable Housing Developers. The Housing Element also contains programs targeted to low income households which may benefit female-headed households.

Table H-13
Female-Headed Family Households, 2009-2011*

	Estimate	% under Poverty Level
Total Family Households	7,723	5.0%
Total Female-Headed Family Households	973	4.6%
Female-Headed Family HH with Children Under 18	405	7.4%
Female-Headed Family HH without Children Under 18	568	2.6%
Source: 2009-2011 ACS		
*ACS numbers are estimates; there is a variable margin of error for all numbers.		

PERSONS WITH DISABILITIES

Disability is a physical or mental condition that substantially limits one or more major life activities. Physical disabilities can hinder access to housing units of conventional design, as well as limit the ability to earn adequate income. The American Community Survey defines six types of disabilities: hearing, vision, cognitive, ambulatory, self-care, and independent living difficulty. A more detailed description of each disability is provided below:

- Hearing difficulty: Deaf or having serious difficulty hearing.
- Vision difficulty: Blind or having serious difficulty seeing, even when wearing glasses.
- Cognitive difficulty: Because of a physical, mental, or emotional problem, having difficulty remembering, concentrating, or making decisions.
- Ambulatory difficulty: Having serious difficulty walking or climbing stairs.
- Self-care difficulty: Having difficulty bathing or dressing.
- Independent living difficulty: Because of physical, mental, or

emotional problem, having difficulty doing errands alone such as visiting a doctor's office or shopping.

The 2011 American Community Survey 3-year estimates show approximately 2,185 people or approximately 7.2 percent of Laguna Hills residents reported having one or more disabilities (Table H-14). The senior population in Laguna Hills has a higher incidence of disability, with approximately 33percent of the population 65 and older reporting a disability.

Physical and mental disabilities can hinder a person's access to traditionally designed housing units (and other facilities) as well as potentially limit the ability to earn income. The most obvious housing need for persons with disabilities is housing that is adapted to their needs. Most multistory single-family homes are inaccessible to people with mobility and sensory limitations. Housing may not be adaptable to widened doorways and hallways, access ramps, larger bathrooms, lowered

Table H-14
Disabled Population, 2009-2011*

	Estimate	% of Total Population
Total Population (civilian noninstitutionalized)	30,288	100.0%
<5 Years with Disability	0	0.0%
5 to 17 years with Disability	93	0.3%
18 to 64 Years with Disability	816	2.7%
65 Years + with Disability	1,276	4.2%
Total Population with Disability	2,185	7.2%
Source: 2009-2011 American Community Survey 3-Year Estimates		
*ACS numbers are estimates; there is a variable margin of error for all numbers.		

Table H-14a
Employment for Disabled Population Age 18-64, 2009-2011*

	Estimate	% of Population Age 18-64
Total Population	20,057	100.0%
Employed with Disability	254	1.3%
Unemployed with Disability	57	0.3%
Not in Labor Force with Disability	505	2.5%
Total Population with Disability	816	4.1%
Source: 2009-2011 American Community Survey 3-Year Estimates		
*ACS numbers are estimates; there is a variable margin of error for all numbers.		

countertops, and other features necessary for accessibility. The cost of retrofitting a home often prohibits homeownership, even for individuals or families who could otherwise afford a home. Furthermore, some providers of basic home buying services do not have offices or materials that are accessible to people with mobility, visual, or hearing impairments.

A recent change in state law required that the Housing Element discuss the housing needs of persons with developmental disabilities. As defined by federal law, “developmental disability” means a severe, chronic disability of an individual that:

- Is attributable to a mental or physical impairment or combination of mental and physical impairments;
- Is manifested before the individual attains age 22;
- Is likely to continue indefinitely;
- Results in substantial functional limitations in three or more of the following areas of major life activity: a) self-care; b) receptive and expressive language; c) learning; d) mobility; e) self-direction; f) capacity for independent living; or g) economic self-sufficiency; and
- Reflects the individual’s need for a combination and sequence of special, interdisciplinary, or generic services, individualized supports, or other forms of assistance that are of lifelong or extended duration and are individually planned and coordinated.

The Census does not record developmental disabilities. According to the U.S Administration on Developmental Disabilities, an accepted estimate of the percentage of the population that can be defined as developmentally disabled is 1.5 percent. This equated to approximately 456 persons in the City of Laguna Hills with developmental disabilities, based on the 2010 Census population.

According to the State’s Department of Developmental Services, approximately 186 Laguna Hills residents with developmental disabilities sought services at the Regional Center of Orange County. Most of these individuals reside in a private home with a parent or guardian.

Many developmentally disabled persons can live and work independently within a conventional housing environment. More severely disabled individuals require a group living environment where supervision is provided. The most severely affected individuals may require an institutional environment where medical attention and physical therapy are provided. Because developmental disabilities exist before adulthood, the first issue in supportive housing for the developmentally disabled is the transition from the person’s living situation as a child to an appropriate level of interdependence as an adult.

RESOURCES

The State Department of Developmental Services (DDS) currently provides community-based services to approximately 243,000 persons with developmental disabilities and their families through a statewide system of 21 regional centers, four developmental centers, and two community-based facilities. The Regional Center of Orange County (RCOC) is one of 21 regional centers in California that provides point of entry services for people with developmental disabilities. The RCOC is a private, non-profit community agency that contracts with local businesses to offer a wide range of services to individuals with developmental disabilities and their families.

Any resident of Orange County who has a developmental disability that originated before age 18 is eligible for services. Services are offered to people with developmental disabilities based on Individual Program Plans and may include: Adult day programs; advocacy; assessment/consultation; behavior management programs; diagnosis and evaluation; independent living services; infant development programs; information and referrals; mobility training; prenatal diagnosis; residential care; respite care; physical and occupational therapy; transportation; consumer, family vendor training; and vocational training. RCOC also coordinates the state-mandated Early Start program, which provides services for children under age three who have or are at substantial risk of having a developmental disability. According to the RCOC February 2010 Facts and Statistics data, the RCOC currently serves approximately 16,728 individuals.

The mission of the Dayle McIntosh Disability Resource Centers is to advance the empowerment, equality, integration and full participation of people with disabilities in the community. The Center is not a residential program, but instead promotes the full integration of disabled persons into the community. Dayle McIntosh Center is a consumer-driven organization serving all disabilities. Its staff and board are composed of over 50% of people with disabilities. Its two offices service over 500,000 people in Orange County and surrounding areas with disabilities. The Center's South County branch is located in Laguna Hills.

Vocational Visions, a non-profit organization located in Mission Viejo, has provided services to south Orange County residents with developmental disabilities in partnership with Saddleback Valley Unified School District since 1974 when the program began with 30 clients and staff of five. This organization currently has over 400 clients and a staff of over 100 people.

Vocational Visions has helped thousands of men and women with disabilities obtain employment, further education and reach both professional and personal goals. Effective treatment increases the level of functioning for many of these clients, thus maximizing their quality of life vocationally, economically, and socially. Services are provided to qualifying persons at no charge.

Vocational Visions is accredited by the Commission on Accreditation of Rehabilitation Facilities (CARF) and is the only family-based program in south Orange County. It offers eight comprehensive programs

Table H-15 Persons with Disability by Type, 2009-2011*

	Persons with a Disability	Percentage of Disabled Population
Total Disabled Population	2,185	100.0%
5-17 Years	93	4.3%
With a hearing difficulty	0	0.0%
With a vision difficulty	0	0.0%
With a cognitive difficulty	93	4.3%
With an ambulatory difficulty	28	1.3%
With a self-care difficulty	0	0.0%
18-64 Years	816	37.3%
With a hearing difficulty	153	7.0%
With a vision difficulty	143	6.5%
With a cognitive difficulty	384	17.6%
With an ambulatory difficulty	433	19.8%
With a self-care difficulty	170	7.8%
With an independent living difficulty	323	14.8%
65 Plus Years	1,276	58.4%
With a hearing difficulty	627	28.7%
With a vision difficulty	211	9.7%
With a cognitive difficulty	371	17.0%
With an ambulatory difficulty	802	36.7%
With a self-care difficulty	382	17.5%
With an independent living difficulty	643	29.4%

Source: 2009-2011 American Community Survey 3-Year Estimates

*ACS numbers are estimates; there is a variable margin of error for all numbers.

including: Day Training Activity Program, Health Related Services Program, Emeritus Program, Adult Development Program, Work Activity Program, Vocational Rehabilitation Work Activity Program, Supported Employment, and South County Clubhouse.

Housing opportunities for disabled persons can be addressed through the provision of affordable, barrier-free housing. In addition to the development of new units, rehabilitation assistance can also be provided to disabled residents to make necessary improvements to remove architectural barriers to existing units. The Housing Element contains programs to create reasonable accommodations procedures and to consider the provision of universal design features. These programs address concerns from the Fall Prevention Center of Excellence and other stakeholders regarding incorporating universal design features and reasonable accommodations procedures into the Housing Element. Examples of universal design features include roll-in showers and grab bars, push/pull lever faucets, wide swing hinges, and additional stairwell and task lighting.

LARGE HOUSEHOLDS

Large households (with five or more persons) are identified as a group with special housing needs based on the limited availability of adequately sized, affordable housing units. Large households are often of lower income, frequently resulting in the overcrowding of smaller dwelling units and, in turn, accelerating unit deterioration. The American Community Survey (2009-2011) estimates that 1,007 households in Laguna Hills have five or more members, representing 9 percent of all City households. Among the large households, 74 percent were owner households and 26 percent were renter households.

Typically, the availability of adequately sized and affordable housing units is an obstacle facing large households. Since only 9 percent of Laguna Hills households are large households, Laguna Hills' housing stock should be adequate to meet the needs of larger households. According to American Community Survey estimates (2009-2011), Laguna Hills had 3,285 three-bedroom housing units and another 4,484 housing units with four or more bedrooms. However, lower income large renter households may have greater difficulty securing adequately sized units than other large renter households.

HOMELESS

According to HUD, a person is considered homeless if he/she is not imprisoned and:

- Lacks a fixed, regular, and adequate nighttime residence;
- The primary nighttime residence is a publicly or privately operated shelter designed for temporary living arrangements;
- The primary residence is an institution that provides a temporary residence for individuals that should otherwise be institutionalized; or
- The primary residence is a public or private place not designed for or ordinarily used as a regular sleeping accommodation.

Homelessness is a regional problem throughout Southern California. The Orange County homeless population includes families and individuals representing every race, age group, and community in Orange County. Much of Orange County's homeless population consists of working families and individuals. Many live in cars, parks, under bridges, motels, and in homeless shelters. Many homeless within the County remain hidden.

The City of Laguna Hills is part of the Orange County Continuum of Care System. HUD created the Continuum of Care process in 1994 to foster a single, coordinated, comprehensive planning process to create long-term solutions to the problem of homelessness and to serve as an application mechanism to apply for HUD homeless assistance program funds. Continuum of Care is an umbrella term that covers the planning process involving government agencies, service providers, and advocates in the creation of a plan to assess the needs of homeless people and to devise a plan for delivering housing and services to meet those needs. Once a plan is developed, "the Continuum" or "the CoC," as these planning bodies are generically called, apply for homeless assistance funds to develop and/or operate transitional housing, supportive services, and permanent housing for homeless people.

Orange County's Continuum of Care System comprises a network of public, private, faith-based, for-profit, and nonprofit service providers. County agencies such as the Housing and Community Services Department (HCS), Health Care Agency, Social Services Agency, and other county agencies provide direct services for the homeless and/or significant resources for agencies serving the homeless. The region's 34 municipalities also provide substantial resources for services that assist the homeless and those at risk of becoming homeless. A partnership exists between HCS's Homeless Prevention Programs, 211 (formally known as Info Link Orange County), and OC Partnership (formerly known as Shelter and Hunger Partnership) to conduct community forums to focus on the entire system of care. These forums provide regional and coordinated meetings that focus on all issues relating to the County's Continuum of Care System. Issues include temporary shelter and affordable housing, health care, case management, education,

legal issues, transportation, supportive services, legislation, funding, and other related issues. Numerous public/private partnerships and collaboratives have been and continue to be developed and have enabled Orange County to expand the system of care through year-round, regional planning and coordinated efforts to better assist the homeless. When combined, these coordinated efforts decrease fragmentation and strengthen Orange County's Continuum of Care System.

The estimate of the number of homeless people in Orange County consists of a point-in-time count of the homeless, a needs assessment which estimates the number of homeless over a given year, and a housing inventory that identifies the number of beds available to house the homeless. The housing inventory is conducted annually, whereas the comprehensive needs assessment and the point-in-time count are biennial.

Table H-16 details the estimate of the homeless in Orange County. According to the point in time survey, 6,939 unduplicated persons were found to be homeless in shelters and on the streets in Orange County on January 22, 2011. According to HUD, counting only the homeless persons found in the point-in-time count could under-represent the number of individuals who experience homelessness during other times of the year. Point-in-time estimates capture a higher share of chronically homeless individuals and families who use shelters or transitional shelters for long periods of time and under represent people whose homelessness is episodic. To obtain an accurate annual estimation of the number of homeless persons in Orange County, the 2011 Orange County Homeless Census & Survey combined data from the point-in-time count with data on homeless persons who had become homeless within the last 7 days of the count and those who had previously experienced a homeless episode

Table H-16 Summary of Homeless Estimates	
Homeless Episodes Source	Estimate of Homeless
Point-in-time Count*	6,939 (one day)
Point-in-time Count Annualized	18,325 (annual)
Point-in-time Survey for Laguna Hills in 2008	20
Point-in-time Survey for Laguna Hills in 2011	8
*Point-in-time count occurred on January 22, 2011. Source: www.ocpartnership.net .	

within the past 12 months. This methodology resulted in an estimated total of 18,325 homeless incidents (incidents of homelessness) over a 12-month period in Orange County.

According to the 2007 needs assessment, total homeless episodes in Orange County amounted to 35,065 in 2006. This number is derived from 2006 caseload data collected from shelter providers and indicates the total number of times homeless persons were sheltered and turned away from shelters over a 12-month period. Also included is the total number of chronically homeless individuals (street homeless) that typically do not seek shelter.

The 2006 housing inventory survey identified 68 temporary shelters providing 3,400 beds for the homeless on any given night. These beds consist of 1,512 emergency shelter beds, 1,888 transitional shelter beds, and 1,875 permanent supportive housing beds. Most of these shelters are located in central and north Orange County. While shelters provide emergency and transitional housing for the homeless, most shelters provide services to designated subpopulations such as veterans, victims of domestic violence, and persons with HIV/AIDS, etc., which limits the availability of shelters to serve all populations.

Between 1996 and 2012, HUD has conditionally awarded Orange County \$169.9 million in homeless assistance grants under the SuperNOFA Continuum of Care Homeless Assistance Grant funding program. The SuperNOFA is an annual process and the grant award to the County of Orange, with Housing and Community Services as the lead agency, is a direct result of the County's partnership with cities and hundreds of nonprofit organizations to address the issue of homelessness in Orange County. The grant award provides transitional shelter and supportive services for families and individuals as well as permanent supportive housing for the disabled and special needs homeless populations.

The Constraints on Housing Production section did not identify any constraints to the provision of housing facilities for homeless in Laguna Hills. The City's Zoning Ordinance defines an emergency shelter as "housing with minimal supportive services for homeless persons that is limited to occupancy of six months or less by a homeless person, or as may be amended by Health and Safety Code Section 50801(e). No individual or household may be denied emergency shelter because of an inability to pay." The City permits supportive and transitional housing facilities for six (6) or fewer persons in all residential zones as a residential use. Emergency shelters are permitted by right in the Mixed Use zone and are subject to development and management standards. As of May 2013, the City has not received applications to construct emergency shelters, and none have been constructed.



Based on the information available, it is not possible to accurately estimate the number of homeless in Laguna Hills, although it does appear that a small number of homeless persons in Orange County lived in Laguna Hills at some point.

Housing Stock Characteristics

A community’s housing stock is defined as the collection of all housing units located within the jurisdiction. The characteristics of the housing stock, including growth, type, age and condition, tenure, vacancy rates, costs, and affordability are important in determining the housing needs for the community. This section details the housing stock characteristics of Laguna Hills in an attempt to identify how well the current housing stock meets the needs of current and future residents of the City.

HOUSING GROWTH TRENDS

The 2010 Census reported that Laguna Hills had 11,046 housing units. On January 1, 2012, the California Department of Finance reported that Laguna Hills had a total of 11,049 housing units (Table H-17). From 2008 to 2012, the housing stock decreased in Laguna Hills by approximately 104 units. As of January 2008, single-family homes constituted over 75 percent of the City’s housing stock. Multifamily units constituted 9 percent, while mobile homes constituted 3 percent of the City’s housing stock (Figure H-2).

Table H-17 Housing Stock Composition		
Housing Type	January 2012	
	Number	Percentage
Single-family Detached	6,431	58.2
Single-family Attached	1,927	17.4
Multifamily 2–4 Units	574	5.2
Multifamily 5+ Units	1,763	16.0
Mobile Homes and Other	354	3.2
Total Units	11,049	100.0

Source: State Department of Finance January 2012.

TENURE

The tenure distribution of a community's housing stock (owner versus renter) influences several aspects of the local housing market. Residential stability is influenced by tenure, with ownership housing evidencing a much lower turnover rate than rental housing. Housing overpayment, while faced by many households, is far more prevalent among renters. Tenure preferences are primarily related to household income, composition, and age of the householder.

Table H-18 details tenure by housing unit type for Laguna Hills and Orange County for 2009-2011. Approximately 75 percent of Laguna Hills residents owned the units they occupied, while approximately 25 percent rented. This rate of homeownership is over 16 percentage points higher than the countywide rate.

Table H-18
Housing Tenure by Units in Structure, 2009-2011*

	Laguna Hills		Orange County	
	Estimate	Percentage	Estimate	Percentage
Owner-occupied housing units:	8,175	75.3%	585,483	59.2%
Single-family (attached or detached)	7,472	68.9%	519,868	52.6%
2-4 units	218	2.0%	13,627	1.4%
5 or more units	299	2.8%	29,564	3.0%
Mobile home	186	1.7%	22,087	2.2%
Other	0	0.0%	337	0.0%
Renter-occupied housing units:	2,675	24.7%	402,871	40.8%
Single-family (attached or detached)	987	9.1%	115,384	11.7%
2-4 units	468	4.3%	73,012	7.4%
5 or more units	1,136	10.5%	208,179	21.1%
Mobile home	84	0.8%	5,778	0.6%
Other	0	0.0%	518	0.1%
Total:	10,850	100.0%	988,354	100.0%

Source: 2009-2011 American Community Survey 3-Year Estimates

*ACS numbers are estimates; there is a variable margin of error for all numbers.

VACANCY

A certain number of vacant units are needed to moderate the cost of housing, allow sufficient choice for residents, and provide an incentive for unit upkeep and repair. Specifically, vacancy rates of 1.5 to 2 percent for ownership housing and 5 to 6 percent for rental housing are considered optimal to balance demand and supply for housing.

In 2010, the Census indicated that the overall vacancy rate in Laguna Hills was 5.2 percent (Table H-19). Specifically, the vacancy rate for ownership housing was 1.0 percent, while the rental vacancy rate was 3.0 percent.

The low ownership housing vacancy rate in Laguna Hills is attributed to the lack of developable land for additional housing unit construction and pent-up demand for ownership housing opportunities.

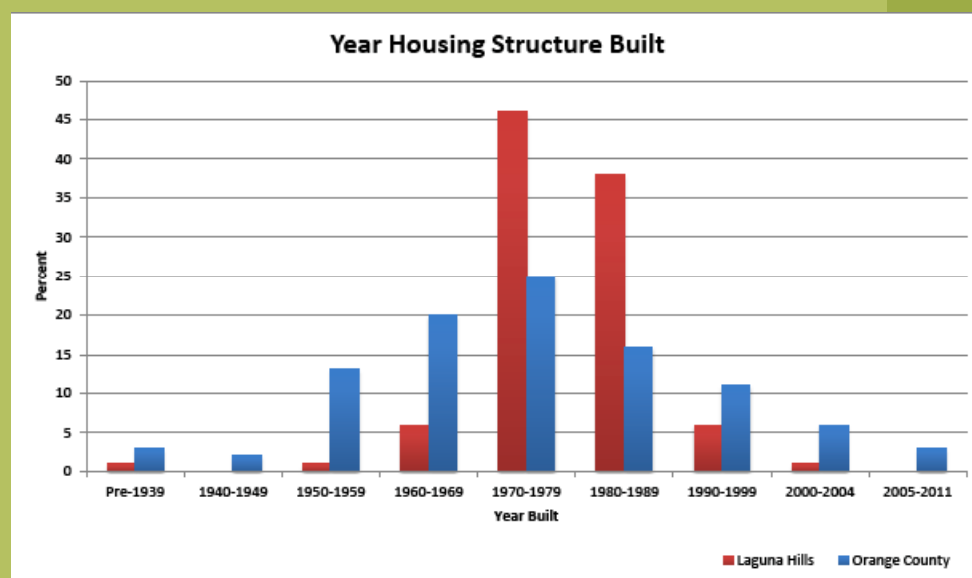
Table H-19
Vacancy Rates, 2010

	Number	Percentage
Total Housing Units	11,046	100.0%
Occupied	10,469	94.8%
Vacant	577	5.2%
For rent	335	3.0%
For sale only	110	1.0%
Rented or sold, not occupied	34	0.3%
For seasonal, recreational, or occasional use	46	0.4%
For migrant workers	0	0.0%
Other vacant	52	0.5%
Source: 2010 Census		

AGE AND HOUSING STOCK CONDITIONS

The age of housing is commonly used as a measure of when housing may begin to require major repairs. In general, housing units over 30 years old are likely to exhibit signs of rehabilitation needs, such as new roofing, foundation work, and new plumbing.

As depicted in Figure H-3, the housing stock in Laguna Hills is newer than that of Orange County. About 49 percent of the City's housing stock was constructed after 1980 versus 35 percent for Orange County.



Source: American Community Survey, 2009-2011

Figure H-3
Year Structure Built

At the same time, about 51 percent of the housing stock in Laguna Hills was constructed prior to 1980. Therefore, nearly half of the housing stock is of sufficient age to be susceptible to deterioration, requiring maintenance or rehabilitation by the end of this planning period (2013-2021).

Citywide windshield surveys were conducted to identify general housing conditions within Laguna Hills. The majority of the City's housing stock is not considered substandard or in need of rehabilitation or replacement. However, many of the units within the Aliso Meadows Condominium Development may be considered substandard due to pest damage, dry rot, heating ductwork issues, and water heater closet issues. As of early 2008, the City has used Community Development Block Grant (CDBG) funds to renovate 136 housing units in the 248-unit Aliso Meadows Condominium Development. The City continues to use CDBG funds to renovate units with this development. The Housing Element contains the Housing Rehabilitation Program to rehabilitate the remaining units (approximately 112.)

Housing Costs and Affordability

The cost of housing is directly related to the extent of housing problems in a community. If housing costs are relatively high in comparison to household income, there will be a correspondingly higher prevalence of



housing cost burden and overcrowding. This section summarizes the cost and affordability of the housing stock to Laguna Hills residents.

HOMEOWNERSHIP MARKET

Prices for single-family homes and condominiums in Laguna Hills were collected using data provided by the Orange County Association of Realtors. Prices for single-family homes and condominiums in Laguna Hills during the period from January 1, 2012 to January 1, 2013, by housing type, number sold, price range, and median sale price are shown in Table H-20. According to the Orange County Association of Realtors, 433 homes and condominiums were sold during the 1-year period. The median resale price for condominiums was \$225,000 and the median resale price for single-family homes was \$580,000. The overall median sales price for both condominiums and single-family homes was \$425,000.

Market data for October 2012 housing prices for the City of Laguna Hills and nearby communities is shown in Table H-21. As the table indicates, after Laguna Niguel, Laguna Hills has the second highest median selling prices for single-family homes.

RENTAL MARKET

With renters constituting approximately 24 percent of the City's households, it is important to understand the rental market in Laguna Hills. Rental price information was collected for five apartment communities in January 2013 by calling the apartment complexes identified in Table H-22. The rental range for one-bedroom units ranged from \$1,190 to \$1,525. Two-bedroom units were offered at rents ranging from \$1,325 to \$1,825. No apartment complexes offering market rate studio units or three-bedroom units or greater were identified.

HOUSING AFFORDABILITY BY HOUSEHOLD INCOME

Housing affordability is dependent upon income and housing costs. Using set income guidelines, current housing affordability can be estimated. According to the HCD income guidelines for 2013, the Area Median Income (AMI) in Orange County was \$87,200 (adjusted for household size). Assuming that the potential homebuyer within each income group has sufficient credit, downpayment (10 percent), and maintains affordable housing expenses (i.e., spends no more than 30 percent of their gross income on the mortgage, taxes, and insurance), the maximum affordable home price can be determined for each income group. Table H-23 shows the maximum housing prices affordable to the



Table H-20
House and Condominium Sales
January 1, 2012 through January 1, 2013

Unit Type/Size	Number Sold	Range	Median Sale Price
Homes	249	\$265,000 - \$2,700,000	\$580,000
2 BR	7	\$319,199 - \$390,000	\$338,000
3 BR	68	\$265,000 - \$1,325,000	\$450,000
4 BR	119	\$362,000 - \$1,516,000	\$630,000
5+ BR	55	\$465,000 - \$2,700,000	\$925,000
Condominiums	184	\$85,000 - \$590,000	\$225,000
1 BR	32	\$121,000 - \$243,000	\$150,000
2 BR	81	\$85,000 - \$355,000	\$205,000
3+ BR	71	\$132,000 - \$320,000	\$275,000
TOTAL	433	\$85,000 - \$2,700,000	\$425,000

Source: Len Herman, Orange County Association of Realtors, June, 2013.

Table H-21
Housing Values, City of Laguna Hills and Surrounding Jurisdictions
October 2012

City	Zip Code	Single-family Units Sold	Median Sale Price	% Change from October 2011	Condo Units Sold	Median Sale Price	% Change from October 2011
Laguna Hills	92653	21	\$666,000	33%	26	\$270,000	24%
Aliso Viejo	92656	24	\$565,000	-8%	72	\$333,000	10%
Mission Viejo	92691 92692	118	\$508,000	10%	49	\$299,000	24%
Laguna Woods	92637	N/A	N/A	N/A	53	\$207,000	14%
Laguna Niguel	92677	84	\$671,000	0.6%	48	\$321,000	9%
Lake Forest	92630	58	\$511,000	6%	33	\$239,000	15%

Source: www.zillow.com

Table H-22 Apartment Rental Rates January 2013	
Apartment Complex	Rental Price Range
Alicia Plaza	
1 Br	\$1,190-\$1,340
2 Br	\$1,325-\$1,785
Alicia Village	
1 Br	\$1,215-\$1,360
2 Br	\$1,360-\$1,645
Villa Solana	
1 Br	\$1,410-\$1,505
2 Br	\$1,570-\$1,625
Creekside Laguna	
1 Br	\$1,525
2 Br	\$1,825
Prado at Laguna Hills	
1 Br	\$1,290-\$1,420
2 Br	\$1,595-\$1,705
Average	
1 BR	\$1,378
2 BR	\$1,626

various income groups. Households in the lower end of each category can afford less by comparison than those at the upper end. The market affordability of Laguna Hills' housing stock for each income group is discussed below.

Extremely Low Income Households: Extremely low income households earn 30 percent or less of the AMI. The maximum affordable rental payment ranges from \$406 per month for a one person household to \$531 per month for a family of five. The maximum affordable home purchase price for extremely low income households ranges from \$83,059 for a one-person household to \$128,780 for a five-person household (Table H-23).

Very Low Income Households: Very low income households are classified as those earning 50 percent or less of the AMI. The maximum affordable rental payment ranges from \$744 per month for a one-person household to \$1,051 per month for a family of five. The maximum affordable home purchase price for very low income households ranges from \$146,571 for a one-person household to \$229,396 for a five-person household (Table H-23).

Based on the rental data presented in Table H-22, extremely low and very low income households of all sizes would be unlikely to secure adequately sized and affordable rental housing in Laguna Hills. According to the Orange County Association of Realtors real estate sales data, no condominiums or houses were sold at prices affordable to extremely low and very low income households (Table H-20).

Low Income Households: Low income households earn 51 to 80 percent of the County AMI. The maximum home price that a low income household can afford ranges from \$239,186 for a one person household to \$377,869 for a five-person family. Affordable rental rates for low income households would range from \$1,249 for a one-person household to \$1,831 for a five-person household.

Table H-23
Housing Affordability Matrix Orange County

Income Group	Income Levels		Housing Cost		Maximum Affordable Price	
	Annual Income	Affordable Payment	Utilities	Taxes and Insurance	Home	Rental
Extremely Low (0–30% AMI)						
One Person	\$20,250	\$506	\$100	\$100	\$83,059	\$406
Small Family	\$26,050	\$651	\$150	\$125	\$107,339	\$501
Large Family	\$31,250	\$781	\$250	\$150	\$128,780	\$531
Very Low (31–50%)						
One Person	\$33,750	\$844	\$100	\$125	\$146,571	\$744
Small Family	\$43,350	\$1,084	\$150	\$150	\$190,471	\$934
Large Family	\$52,050	\$1,301	\$250	\$175	\$229,396	\$1,051
Low (51–80% AMI)						
One Person	\$53,950	\$1,349	\$100	\$175	\$239,186	\$1,249
Small Family	\$69,350	\$1,734	\$150	\$200	\$312,037	\$1,584
Large Family	\$83,250	\$2,081	\$250	\$225	\$377,869	\$1,759 \$1,831
Moderate (81–120% AMI)						
One Person	\$71,650	\$1,791	\$100	\$225	\$319,557	\$1,691
Small Family	\$92,100	\$2,303	\$150	\$275	\$413,467	\$2,153
Large Family	\$110,550	\$2,764	\$250	\$325	\$497,866	\$2,514

Source: California Department of Housing and Community Development 2013; www.bankrate.com

Notes: 2013 AMI = \$87,200

Small Family = three persons; Large Families = five or more persons.

Utility costs for renters assumed at \$100/\$150/\$250 per month.

Monthly affordable rent based on payment of no more than 30% of household income.

Property taxes and insurance based on estimated averages for the region.

Calculation of affordable home sales prices assumes affordable payment, down payment of 30% annual income, annual interest rate of 4%, 30-year mortgage, and housing costs.

Based on the sales data provided by the Orange County Association of Realtors, low income households can afford some condominiums within Laguna Hills. However, no single-family homes were sold at prices affordable to low income households (Table H-20). Many low income households can afford rental housing within Laguna Hills (Table H-22).

Moderate Income Households: Moderate income households earn up to 120 percent of the County AMI. The maximum affordable home price for moderate income households ranges from \$319,557 for a one-person household to \$497,866 for a family of five. A moderate income household can afford rental rates of \$1,691 to \$2,514 per month depending on household size.

Based on these maximum affordable home prices and the real estate data provided by the Orange County Association of Realtors and presented in Table H-20, moderate income households could afford a number of condominiums sold in Laguna Hills, but moderate income households would have difficulty purchasing a single-family home that could accommodate their household size.

Moderate income households can comfortably afford rental housing within Laguna Hills (Table H-22). However, the number of apartment complexes offering three-bedroom units in Laguna Hills is limited, so moderate income households with large households may have difficulty finding housing.

This Housing Element includes a variety of programs designed to improve the adequacy and affordability of housing in Laguna Hills and to assist renters and homeowners who cannot afford housing (see the Housing Plan section).

Table H-24 presents a summary of housing affordability and availability in Laguna Hills. The table indicates that extremely low and very low income households cannot afford to rent market rate rentals in Laguna Hills. Low income and moderate income households in Laguna Hills can generally afford market rate rentals. Additionally, there were homes and condominiums available for purchase within all income category ranges according to sale prices over the previous year. It should be noted that at the extremely low and very low income levels, housing stock for sale is much more limited than at higher income levels.

Figure H-4 summarizes the availability of multifamily housing sites in Laguna Hills. The figure depicts the location of affordable condo sales (low income and above) during the 1-year period May 1, 2007, to May 1, 2008, affordable apartments (extremely low income and above), moderate income apartments, and all other multifamily units in the City.

Table H-24
Summary of Housing Affordability and Availability

Income Group	Annual Income (Family of Four)	Monthly Rental Range	Available	Sales Price	Available
Extremely Low (0–30% AMI)	\$28,900	\$406 - \$531	No	\$83,059 - \$128,780	Yes
Very Low (31–50%)	\$48,150	\$744 - \$1,051	No	\$146,571 - \$229,396	Yes
Low (51–80% AMI)	\$77,050	\$1,249 - \$1,831	Yes	\$239,186 - \$377,869	Yes
Moderate (81–120% AMI)	\$102,350	\$1,691 - \$2,514	Yes	\$319,557 - \$497,866	Yes

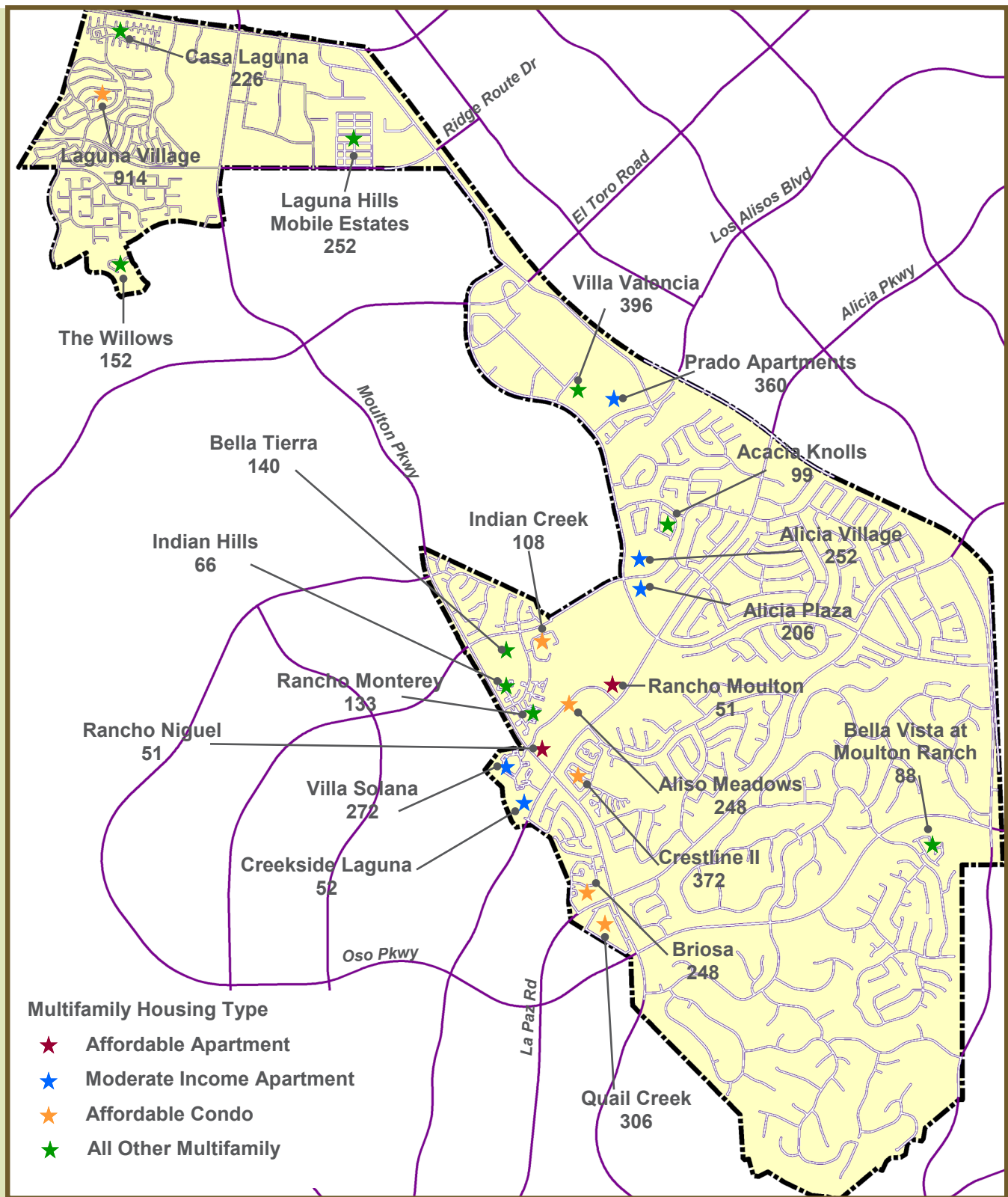
At-Risk Rental Housing

Existing housing that receives governmental assistance is often a significant source of affordable housing in many communities. This section identifies the publicly assisted rental housing in Laguna Hills, evaluates the potential for those units to convert to market rates during a 10-year period (2013-2023), and analyzes the cost to preserve those units. Laguna Hills has two assisted housing developments that provide 102 affordable housing units (Table H-25).

ASSISTED HOUSING INVENTORY

State housing element law requires cities to prepare an inventory including all assisted multifamily rental units that are eligible to convert to non-low income housing uses due to termination of subsidy contract, mortgage prepayment, or expiring use restrictions.

Table H-25 is an inventory of assisted rental housing projects in Laguna Hills. A total of 102 assisted units are provided by the Rancho Moulton and Rancho Niguel developments. Both Rancho Moulton and Rancho Niguel are projects built in the early 1980s with Section 8 construction funds. The projects were approved in one action by the County of Orange in 1980 as affordable to low and moderate income residents. Project approval included first-time homebuyer/renter qualifications, an anti-speculation program, and a method of assuring continued affordability of the units to low and moderate income individuals or families. Furthermore, project approval mandated that 29 percent of total units be made available to individual or families earning 80 percent and below AMI, 30 percent of total units be made available to individuals or families earning 81 percent to 100 percent of AMI, and 41 percent of total units be made available to individuals or families earning 101 to 120 percent AMI.



Source: EDAW, 2008

Figure H-4
Multifamily Housing Sites, Laguna Hills

Table H-25
Inventory of Assisted Rental Housing

Project Name	Type	Total Units	Assisted Units	Number of Bedrooms	Funding Source	Earliest Potential Conversion Date	At Risk?
Rancho Moulton	Family	51	51	40 – 2 BR 6 – 3 BR 5 – 4 BR	Section 8	2022	Yes
Rancho Niguel	Family	51	51	40 – 2 BR 6 – 3 BR 5 – 4 BR	Section 8	2024	No

Source: Orange County Housing Authority 2013.

AT-RISK HOUSING

During the 2013-2023 planning period, the Rancho Moulton federally assisted housing project in Laguna Hills is at risk of converting to market rate housing. The Section 8 contract for Rancho Moulton was set to expire in 2012, and was recently renewed for 10 years. The new contract will expire in 2022, near the end of the planning period. This project, totaling 51 affordable units, is assisted with project-based Section 8 rental assistance. The Section 8 contract for Rancho Niguel was extended for 20 years in 2004 and is due to expire in 2024. The City continues to pursue the extension of affordability controls with the owners of the Rancho Moulton development.

The City will continue to monitor the status of at-risk units. Should a notice of intent to convert to market rate be filed, the City will work with potential purchasers to preserve the units and ensure that tenants are properly notified of their rights under California law.

PRESERVATION OPTIONS

Preservation of the at-risk units can be achieved in several ways: (1) facilitate transfer of ownership of these projects or purchase of similar units by nonprofit organizations; (2) purchase of affordability covenant; and (3) provide rental assistance to tenants using funding sources other than Section 8.

Transfer of Ownership

Long-term affordability of low income units can be secured by transferring ownership of these projects to nonprofit housing organizations. By doing so, these units would be eligible for a greater range of government assistance. Table H-26 presents the estimated



market value for the 51 units at Rancho Moulton Apartments and establishes an order of magnitude for assessing preservation costs. As shown, the total market value of these units is over \$10,089,000. Assuming a 5-percent down payment is made on the project, at least a \$504,000 down payment would be required to transfer ownership of these buildings to nonprofit organizations. Unless some form of mortgage assistance is available to interested nonprofit organizations, rental income alone from the low income tenants would not likely be adequate to cover the mortgage payment, and rental subsidy would be required.

Purchase of Affordability Covenant

Another option to preserve the affordability of at-risk projects is to provide an incentive package to the owners to maintain the projects as low income housing. Incentives could include writing down the interest rate on the remaining loan balance, and/or supplementing the Section 8 subsidy amount received to market levels.

Rent Subsidy

Tenant-based rent subsidies could be used to preserve the affordability of housing. Similar to Section 8 vouchers, the City through a variety of potential funding sources may provide a voucher to lower income households. The level of the subsidy required to preserve the at-risk affordable housing is estimated to equal the fair market rent for a unit minus the housing cost affordable by a very low income household. Table H-27 estimates the rent subsidies required to preserve the housing affordability for the residents of the 51 at-risk units. Based on the estimates and assumptions shown in this table, approximately \$356,000 in rent subsidies would be required annually.

Table H-26 Market Value of At-Risk Housing Units	
Project Units	Rancho Moulton
2 BR (954 sq. ft.)	40
3 BR (1,187 sq. ft.)	6
4 BR (1,420 sq. ft.)	5
Total	51
Annual Operating Cost	\$235,719
Gross Annual Income	\$1,042,872
Net Annual Income	\$807,153
Market Value	\$10,089,413

Table H-27
Rent Subsidies Required

Project Units	Rancho Moulton
2 BR (954 sq. ft.)	40
3 BR (1,187 sq. ft.)	6
4 BR (1,420 sq. ft.)	5
Total	51
Total Monthly Rent Income Supported by Affordable Housing Cost of Very Low Income Households	\$61,391
Total Monthly Rent Allowed by Fair Market Rents	\$91,073
Total Annual Subsidies Required	\$356,184
Average Annual Subsidy per Unit	\$6,984
Average Monthly Subsidy per Unit	\$582
<p>Average subsidy per unit is estimated with the following assumptions: A 2-BR unit is assumed to be occupied by a three-person household, a 3-BR unit by a five-person household, and a 4 BR unit by a seven-person household. Vacancy rate = 5%. Based on 2011 AMI in Orange County, affordable monthly housing cost for a three-person very low income household is \$948, \$1,053 for a five-person household, and \$1,137 for a seven-person household. HUD 2013 fair market rent in the Orange County MSA is \$1,527 for a 2-BR, \$2,137 for a 3-BR, and \$2,379 for a 4-BR.</p>	

REPLACEMENT COSTS

The cost of developing new housing depends on a variety of factors such as density, size of units, location and related land costs, and type of construction. A typical two-bedroom apartment costs approximately \$200,000 to develop. Assuming a three-bedroom apartment would cost 20 percent more to develop than a two-bedroom unit, and a four-bedroom unit would cost 20 percent more than a three-bedroom unit, the total cost of constructing 51 new units to replace at risk units would be approximately \$10,880,000.

COST COMPARISON

The cost to build new housing to replace the 51 at-risk units was estimated at more than \$10,880,000. This cost estimate is higher than the cost associated with transfer of ownership (\$10,089,000). This analysis indicated that providing rent subsidies similar to Section 8 vouchers for 20 years (\$7,600,000) could cost less than building new housing and transferring ownership.

ESTIMATES OF HOUSING NEEDS

The CHAS developed by the Census for HUD provides detailed information on housing needs by income level for different types of households in Laguna Hills. Detailed CHAS data based on the 2012

Census are displayed in Table H-28. Based on CHAS, housing problems in Laguna Hills include:

- Units with physical defects (lacking complete kitchen or bathroom);
- Overcrowded conditions (housing units with more than one person per room);
- Housing cost burden, including utilities, exceeding 30 percent of gross income; or
- Severe housing cost burden, including utilities, exceeding 50 percent of gross income.

Disproportionate Needs

The types of problems vary according to household income, type, and tenure. Some highlights include:

- In general, renter households had a higher level of housing problems (40 percent) than owner households (16 percent).
- Small family renter households had the highest level of housing problems regardless of income level (56 percent).
- Approximately 70 percent of extremely low income renters, 76 percent of very low income renters, and 54 percent of low income renters had a housing problem.
- Approximately 51 percent of extremely low income owners, 33 percent of very low income owners, and 27 percent of low income owners had a housing problem.
- Approximately 100 percent of the extremely low and very low income large family owners and 92 percent of low income large family owners suffered from a housing problem.

Constraints on Housing Production

Despite the great need for housing in general and the demand for affordable housing in particular, a number of constraints exist that could limit the development, preservation, and improvement of housing. These barriers or constraints include governmental, environmental, infrastructure, and market-related factors. These constraints may result in housing that is not affordable to extremely low, very low, low, and moderate income households; not available to households with special needs; or may render residential construction economically infeasible for developers. These factors are discussed in this section. Constraints on the production of housing related to the national economy cannot be effectively mitigated by local government and, accordingly, are beyond the scope of this section.

Table H-28
Housing Assistance Needs of Low and Moderate Income Households in Laguna Hills

Household by Type, Income and Housing Problem	Renters				Owners			Total Households
	Elderly	Small Families	Large Families	Total Renters	Elderly	Large Families	Total Owners	
Extremely Low Income (0–30% MFI)	155	325	0	600	185	120	545	1,145
% with any housing problem	61.3	100	0	70	83.8	100.0	50.5	60.7
% with cost burden >30%	61.3	100	0	70	83.8	100.0	50.5	60.7
% with cost burden >50%	54.8	100	0	68.3	59.5	75	36.7	53.3
Very Low Income (31–50% MFI)	130	270	70	535	205	55	520	1,055
% with any housing problem	73.1	94.4	100	78.5	56.1	100.0	32.7	55.9
% with cost burden >30%	15.4	94.4	100	64.5	56.1	100.0	32.7	48.8
% with cost burden >50%	57.7	46.3	0	37.4	48.8	81.8	27.9	32.7
Low Income (51–80% MFI)	55	135	15	305	220	195	930	1,235
% with any housing problem	72.7	81.5	100	54.1	34.1	92.3	27.4	34
% with cost burden >30%	72.7	7.4	100	21.3	34.1	79.5	24.7	23.9
% with cost burden >50%	27.3	0	100	9.8	18.2	30.8	10.8	10.5
Total Households	505	1,235	165	2,485	1,555	1,025	8,135	10,620
% with any housing problem	46	56	52	40	22	35	9	16

Source: HUD Comprehensive Housing Affordability Strategy (CHAS), 2012.

Notes: Data presented in this table are based on special tabulations from sample Census data. The number of households in each category usually deviates slightly from the 100.0% count due to the need to extrapolate sample data out to total households. Interpretations of these data should focus on the proportion of households in need of assistance rather than on precise numbers.

Governmental Constraints

The intent of local government regulations is to protect public health and safety, and to ensure a decent quality of life for the community. However, local policies and regulations affect the price and availability of housing and, in particular, the provision of affordable housing. Land use controls, site improvement requirements, fees and exactions, permit processing procedures, and other factors can constrain the maintenance, development, and improvement of housing.

State and federal regulations also affect the availability of land for housing and the cost of producing housing. Regulations related to environmental protection, building codes, and other topics have significant, often adverse, impacts on housing cost and availability. Perhaps one of the greatest constraints to the production of housing

affordable to lower income households is the chronic shortage of state and federal financial assistance for such housing.

While constraints exist at other levels of government, the City has little or no control over these regulations and no ability to directly mitigate their effects on housing. The City's efforts, therefore, emphasize policies and regulations that can be mitigated by the City.

LAND USE CONTROLS

The Laguna Hills General Plan and Zoning Ordinance provide for a wide range of residential land use designations/zoning districts in the City, as illustrated in Table H-29.

Table H-29 Residential Land Uses and Zones		
General Plan Land Use Designation	Maximum Use Intensity	Corresponding Zoning District
Estate Residential	3.5 du/ac	Estate Residential (ER)
Low Density	3.0 to 6.5 du/ac	Low Density Residential (LDR)
Medium-Low Density	6.5 to 12.5 du/ac	Medium-Low Density Residential (MLDR)
Medium Density	12.5 to 18.0 du/ac	Medium Density Residential (MDR)
High Density	18.0 to 30.0 du/ac	High Density Residential (HDR)
Mixed Use	20.0 du/ac	Mixed Use (MU)
Neighborhood Mixed Use ¹	.08 FAR residential	Neighborhood Mixed Use (MX-UN)
Planned Community ²	0.5 to 18.0 du/ac	Laguna Hills Planned Community (PC)
Planned Community ² Residential	up to 600 units	Planned Community - Via Lomas (PCR)
Village Commercial ²	30 to 50 du/ac ³	Village Commercial (VC)

1. General Plan Land Use Designation.

2. These nonresidential General Plan land use designations allow residential development.

3. The allowed development intensity is regulated based upon trip generation limits to ensure that the City's General Plan Circulation Element level of service standard "D" is not exceeded at any of the intersections within the area. du/ac = dwelling units per acre.

ZONING DISTRICTS ALLOWING RESIDENTIAL DEVELOPMENT

The intent and purpose of the zoning districts allowing residential development are as follows:

- **Estate Residential (ER)** – The Estate Residential district is established to provide for low density, rural, and equestrian

oriented residential neighborhoods in hillside areas. This district is characterized by large lot single-family homes permitting large animal husbandry.

- **Low Density (LDR)** – The Low Density Residential district is established to provide for low density, single-family detached housing neighborhoods. Typically this district is characterized by medium to large lot single-family homes.
- **Medium-Low Density (MLDR)** – The Medium-Low Density Residential district is established to provide for medium low density attached or detached residential neighborhoods. This district is characterized by small lot single-family homes, patio homes, duplexes, condominiums, and townhouses.
- **Medium Density (MDR)** – The Medium Density Residential district is established to provide for medium density attached or detached residential neighborhoods. This district is characterized by condominiums, apartments, and townhouses.
- **High Density (HDR)** – The High Density Residential district is established to provide for high density attached or detached residential neighborhoods compatible with adjacent or abutting urban uses. This district is characterized by condominiums, apartments, and residential towers.
- **Mixed Use District (MXU)** – The Mixed Use district provides for areas where a variety of goods and services can be obtained within an overall planned environment. This zone permits commercial, recreational, residential, and light industrial uses.
- **Neighborhood Mixed Use District (NMU)** – The intent of the Neighborhood Mixed Use designation is to provide a variety of compact, multi-family housing types close to jobs and services; create a more active, vibrant street life; increase pedestrian activity and reduce vehicular traffic; provide storefront style shopping streets; and/or encourage walking and social interaction. Within the Neighborhood Mixed Use designation, appropriate land uses include mid-box anchors; administrative and professional uses; grocery and specialty stores; business support uses; eating and drinking establishments; cinemas; personal services; residential condos, apartments, and townhomes; and mixed use structures.
- **Planned Community (PC) and Planned Community Residential (PCR)** – The Planned Community districts provide the authority, regulations, and procedures whereby large land areas can be

planned, zoned, developed and administered as individual integrated communities.

- **Village Commercial (VC)** – The Village Commercial district is established to develop an urban core in which a variety of public, regional commercial, recreational, and high density residential uses work in concert to create an urban village. All development within the village commercial district is subject to the Urban Village Specific Plan.

The City's General Plan, which was updated in 2009, added additional development capacity in the Urban Village Specific Plan (UVSP) area of 117,000 square feet of retail space, and included an Implementation Program requiring that the information be inserted into the UVSP. The updated General Plan's Housing Element (Housing Element 2008-2014) also required that the UVSP be amended to establish a minimum residential density of 30 units per acre and reduce high open space standards that discourage affordable housing. In 2011, the City amended the UVSP to ensure consistency with the General Plan and to help implement the General Plan goals and policies.

Development standards for residential development established in the City's Zoning Ordinance are designed to protect and promote the health, safety, and general welfare of residents, as well as implement the General Plan. These standards also help preserve the character and integrity of existing neighborhoods.

The development standards in Table H-30 can have an effect on the ability of property owners to construct and maintain housing. The City has very few opportunities for new development, as there is little vacant, buildable land remaining in the City. Selected residential development standards in Laguna Hills were compared to those in jurisdictions surrounding Laguna Hills (Table H-31). The comparison indicates that the minimum open space percentage of 40 percent for the HDR district in Laguna Hills may be high compared to that for Laguna Niguel (25 percent) and that for Mission Viejo (80 sq. ft. of private open space), which could discourage the construction of high density residential projects in the City. The City will decrease the open space requirement for the HDR district. Additionally, maximum lot coverage in the MXU district in Laguna Hills may be considered low at 40 percent, which could also discourage the construction of mixed use projects in the City. The City will increase the maximum lot coverage requirement for the MXU district. These recommendations are included in the Programs section of this Housing Element. As illustrated in Table H-31, many residential development standards in some of the jurisdictions surrounding Laguna Hills are not specified to the same level of detail as



they are in Laguna Hills. Therefore, an exact comparison of residential development standards with Laguna Hills is not possible.

Overall, the City's development standards for residential development have not constrained housing development in the City as development can still occur up to the maximum densities allowed by the General Plan and zoning regulations.



Table H-30
Basic Standards for Residential Development

Characteristic of Lot, Location, Height	ER	LDR	MLDR	MDR	HDR	VC	MXU	NMU ⁴
Minimum Lot Size (sq. ft.)	10,000	7,200	7,200	7,200	7,200	10,000	7,200	10,000
Minimum Lot Width (sq. ft.)								
Standard	80	60	60	50	50	100	60	50
Cul-de-sac	30	30	30	30	30	-	-	
Flag	20	20	20	20	20	-	-	
Minimum Lot Depth (sq. ft.)	100	80	80	100	100	100	100	100
Maximum Lot Coverage (%)	35	35	60	50	50	70 ¹	40	50
Maximum Density (du/gross acre)	0–3.5	3.0–6.5	6.5–12.5	12.5–18.0	12.5–18.0	50.0	20.0	10-20 ²
Maximum Building Height (ft.)	35	35	35	35	35	75	35	40
Minimum Front Setback								
From Ultimate Right of Way	20	20	20	20	20	-	-	10 ³
From Access Connection to Main Lot	15	15	15	15	15	-	-	
for Flag Lots	-	-	-	-	-	20	20	
From Parking Lot, Structure, or Building								
Minimum Side Yard Setback								
Interior	8	5	5	5	5		5	10
Street	10	10	10	15	15	10-	15	
Flag	10	10	10	10	10		0	
Minimum Rear Yard Setback								
Standard	25	20		25	25		20	10 ⁵
Through	25	20	25	25	25		-	
Cul-de-sac/Gore Shaped Lots	15	15	25	25	25	20	-	
Laguna Terrace Tracts	-	15	15	15	15		-	
Minimum Open Space (percentage)	-	-	-	-	40	10	35	N/A

¹ Unlimited for projects with density over 30 du/ac. ² 110 maximum units. ³ 10 ft. from parking lot, 20 ft. from parking structure, 10 ft. from building. ⁴ setbacks may be modified in connection with a precise plan of development as set forth in Section 9-29.050 of the City's Development Code. ⁵ 20 ft. abutting residential, Sq. ft. = square feet; du/gross acre = dwelling units per gross acre.
Source: City of Laguna Hills Municipal Code 2013.

Table H-31
Comparison of Residential Development Standards – Surrounding Jurisdictions

Residential District	Development Standard	Irvine	Lake Forest*	Laguna Niguel	Mission Viejo
Estate Residential	Maximum Density	1.0 du/acre	Not specified	Not specified	3.5 du/acre
	Maximum Height	50 ft.	35 ft.	35 ft.	35 ft.
	Maximum Lot Coverage	25%	35%	Not specified	60%
	Minimum Open Space	Not specified	Not specified	Not specified	500 sq. ft. (private outdoor living space)
Low Density, Single-family Residential	Maximum Density	6.5 du/ac	Not specified	Not specified	6.5 du/ac
	Maximum Height	35 ft.	35 ft.	35 ft.	35 ft.
	Lot Coverage	50%	Not specified	Not specified	60%
	Minimum Open Space	Not specified	Not specified	Not specified	450 sq. ft. (private outdoor living space)
Medium Density Residential	Maximum Density	12.5 du/ac	Not specified	Not specified	14 du/ac
	Maximum Height	35 ft.	35 ft.	35 ft.	35 ft.
	Lot Coverage	Not specified	35%	Not specified	50%
	Minimum Open Space	Not specified	Not specified	Not specified	200 sq. ft. (private outdoor living space)
High Density Residential	Maximum Density	50 du/ac	43.5 du/ac	Not specified	30 du/ac
	Maximum Height	50 ft.	35 ft.	35 ft.	35 ft.
	Lot Coverage	Unlimited	Not specified	Not specified	50%
	Minimum Open Space	Not specified	Not specified	25%	80 sq. ft. (private outdoor living space)
Mixed Use	Maximum Density	50 du/ac	14.5 du/ac	No Comparable Zone	No Comparable Zone
	Maximum Height	70 ft.	35 ft.		
	Lot Coverage	65%	Not specified		
	Minimum Open Space	15% site landscaping	Not specified		

* The City of Lake Forest has adopted major portions of the Orange County Municipal Code. Unless specified, regulations cited for Lake Forest are based upon the Orange County Municipal Code.

du/ac = dwelling units per acre., sq. ft. = square feet.

Land Uses Compared:

Estate Residential: Irvine = 2.1; Lake Forest = RE; Laguna Niguel = RS-2; Mission Viejo = RPD 3.5;

Low Density, Single-family Residential: Irvine = 2.2; Lake Forest = R1; Laguna Niguel = RS-3; Mission Viejo = RPD 6.5;

Medium Density Residential: Irvine = 2.3; Lake Forest = RS; Laguna Niguel = RS-4; Mission Viejo = RPD 14.0.

High Density Residential: Irvine = 2.4; Lake Forest = R2; Laguna Niguel = RM; Mission Viejo = RPD 30.0.

Mixed Use: Irvine = 3.1; Lake Forest = RP.

PARKING STANDARDS

Excess parking requirements can reduce the number of housing units that can be achieved on a given site. The City's parking requirements are illustrated in Table H-32, while Table H-33 shows parking requirements for surrounding jurisdictions. The parking requirements in Laguna Hills are not considered overly excessive when compared with those in surrounding jurisdictions. For affordable housing projects qualified for a density bonus, the City has adopted the parking requirements mandated by state density bonus law (refer to Section 9-72.030 of the Laguna Hills Municipal Code).

PROVISION FOR A VARIETY OF HOUSING

The City recognizes the need for a variety of housing types to meet the needs of the City's diverse population, particularly segments with special housing needs. The following analysis reviews the City's Zoning Ordinance to evaluate potential constraints to developing housing for persons with special needs. Table H-34 summarizes the key zoning provisions for various housing types in the City. As shown, the City's zoning provisions for special needs housing are flexible and offer ample opportunities for such uses.

SINGLE-FAMILY DWELLINGS

Detached, single-family dwellings are permitted in all residential zones. As the City is nearly built out, only six vacant single-family home parcels remain within the Nellie Gail Ranch area.

SINGLE-FAMILY ATTACHED DWELLINGS

Attached single-family dwellings are permitted in the medium-low, medium, and high density zoning districts of the City.

DUPLEX DWELLINGS

Duplex dwellings are permitted in the medium-low, medium, and high density zoning districts of the City.

MULTIFAMILY DWELLINGS

Multifamily developments are permitted in the medium-low, medium, and high density zoning districts of the City, subject to a site development permit. The maximum density in these districts ranges from 12.5 dwelling units per acre in the medium-low district to 30.0 dwelling units per acre in the high density residential zone. Multifamily development in the Urban Village Specific Plan area is permitted at a minimum density of 30.0 dwelling units per acre to a maximum density of 50.0 dwelling units per acre.



Table H-32
Parking Requirements for Residential Uses

Use	Parking Requirement		
Single-family, detached Up to 4 BR Over 4 BR	2 garage spaces 2 garage spaces, plus 1 covered stall for every 2 BR over 4 BR		
Single-family, attached	2 assigned and covered parking stalls within a garage or parking structure, plus .3 stalls unassigned per dwelling unit		
Duplex	2 car garage (for each unit)		
Second Unit	1 covered parking stall per bedroom		
Mobile Home Park	1 covered and assigned parking stall, plus 2 visitor stalls per mobile home		
Senior Citizen Housing Complex	1 covered and assigned parking stall, plus 2 visitor stalls per dwelling unit, plus 1 stall for the resident manager		
Multifamily Units	Covered	Uncovered ¹	Visitor
1 BR or less	1.0	0.5	0.2
2 BR	1.0	1.0	0.2
3 BR	2.0	0.5	0.2
More than 3 BR	2.0	0.5 ²	0.2

¹ Covered stalls shall be assigned; uncovered stalls shall not be assigned.

² Plus 0.5 uncovered parking stalls per additional bedroom in excess of three.

Source: City of Laguna Hills Municipal Code 2013.

Table H-33
Regional Comparison of Parking Requirements

Use	Requirement			
	Irvine ¹	Lake Forest	Laguna Niguel	Mission Viejo
Single-family	2.0/unit 3.0/unit for 4 BR or more	2.0/unit	2.0/unit	2.0/unit
Multifamily Units	1.5			
1 BR or less	2.0	1.5	1.5	1.5
2 BR	0.7/unit if resident garages	2.0	2.0	2.0
3 BR or more	0.4/unit if resident carports	2.5 ²	2.52	2.5
Visitor	Or 1.0/4 units	0.2/unit	0.5/unit	1.0/3 units
Second Unit	1.0/unit	1.0/unit	1.0/unit for units 640 sq. ft. or less 2.0/unit for units greater than 640 sq. ft.	1.0/unit or bedroom, whichever is greater

1. The Irvine Zoning Ordinance distinguishes between ownership and rental attached housing (multifamily). The more rigorous parking requirements were listed in this table for comparison purposes.

2. For each bedroom in excess of three, add 0.5 additional off-street parking spaces.

Table H-34
Provisions for a Variety of Housing

Housing Type	Zone													
	ER	LDR	MLDR	MDR	HDR	OP	VC ¹	FC	CC	MXU	C/PI	PC	PCR	NMU
Accessory Living Quarters/ Second Unit Housing	P	P	P	P	P									
Boarding House			C	C	C	S	P	S	S	S				
Community Care Facilities ≤6)	P	P	P	P	P					P	P	P	P	P
Community Care Facilities (7+)						◇	◇				◇			
Duplex			P	P	P							S		
Family Day Care Home – Large	C	C	C	C	C		C			C	C	C	C	C
Family Day Care Home – Small (≤8)	P	P	P	P	P		P			P	P	P	P	P
Manufactured Housing (Mobile Homes)	S	S	S	S	S							S		
Mobile Home Park				C	C					C		S		
Multifamily Dwellings			S	S	S		P			C	C	S		P
Single-family, Attached			P	P	S		P			S		S		P
Single-family Detached	P	P	P	P	P							S		
Single Room Occupancy Housing Facility						S	C	S	S	C				
Transitional Housing	◇	◇	◇	◇	◇		◇			◇	◇	◇	◇	◇
Supportive Housing	◇	◇	◇	◇	◇		◇			◇	◇	◇	◇	◇
Emergency Shelter										◇				

P = Permitted; C = Conditional Use; S = Site Development Permit Required;

T = Temporary Use; ◇ = Special Requirements (refer to Chapter 9-64 of the Zoning Ordinance); U = See Urban Village Specific Plan.

Accessory Living Quarters/
Second Unit Housing A structure attached to or detached from a principal building or incorporated within such buildings located on the same lot and customarily incidental to the principal structure, including living areas such as employee quarters and second unit housing.

Boarding House A dwelling unit or part thereof in which, for compensation, lodging and meals are provided; personal and financial services may be offered as well.

Community Care Facility Any facility, place, or building that is maintained and operated to provide nonmedical residential care, day treatment, adult day care, or foster family agency services for children and/or adults, including but not limited to the physically handicapped, mentally impaired, incompetent persons, and abused or neglected children.
Community care facilities for six or fewer individuals include: (1) residential care facilities for the elderly; (2) drug abuse and alcoholism recovery facilities; (3) intermediate care facilities; (4) dependent and neglected children homes (foster homes); (5) social rehabilitation facility; (6) congregate living health facility; (7) facilities for people with HIV or AIDS; (8) home for the mentally and physically disabled; and (9) transitional shelter care facilities/emergency shelters.

Duplex A building containing two single-family dwelling units totally separated from each other by a common wall (the wall may only go to the ceiling)

Multifamily Dwellings A building on a single lot containing two or more dwelling units, each of which is totally separated from the other by an unpierced wall extending from ground to roof or an unpierced ceiling and floor extending from exterior wall to exterior wall, except for a common stairwell exterior to both dwelling units.

Single-family, Attached Residential housing units where independent units are created but are attached by common walls such that not more than three units are so joined.

Single-family Detached A building containing one dwelling unit that is not attached to any other dwelling by any means and is surrounded by open space and yards.

Family Day Care Home – Large A home that provides family day care for 7 to 14 children, including children under the age of 10 years who reside at the home.

Table H-34 (continued)
Provisions for a Variety of Housing

Housing Type	Zone											
	ER	LDR	MLDR	MDR	HDR	OP	VC ¹	FC	CC	MXU	C/PI	
Family Day Care Home – Small	A home that provides family day care for 8 or fewer children, including children under the age of 10 years who reside at the home.											
Manufacturing Housing (Mobile Homes)	Factory built, single-family structures that meet the National Manufactured Home Construction and Safety Standards Act (42 U.S.C. Sec. 54010), commonly known as HUD (U.S. Department of Housing and Urban Development) code.											
Mobile Home Park	A site containing spaces with required improvements and utilities that are leased for the long-term placement of manufactured houses and that may include services and facilities for the residents.											
Single Room Occupancy Housing Facility	A housing type consisting of one room, often with cooking facilities and with private or shared bathroom facilities.											
Emergency Shelter	Housing with minimal supportive services for homeless persons that is limited to occupancy of six months or less by a homeless person, or as may be amended by Health and Safety Code Section 50801(e). No individual or household may be denied emergency shelter because of an inability to pay.											
Supportive Housing	Housing with no limit on length of stay that is occupied by the target population, and that is linked to on-site or off-site services that assist the supportive housing resident in retaining housing, improving his or her health status, and maximizing his or her ability to live, and, when possible, work in the community, or as may be amended by Health and Safety Code Section 50675.14(b).											
Transitional Housing	Buildings configured as rental housing developments, but operated under program requirements that call for the termination of assistance and recirculation of the assisted unit to another eligible program recipient at some predetermined future point in time, which shall be no less than six months, or as may be amended by Health and Safety Code Section 50675.2(h).											

Notes:

1 The land use matrix for the Village Commercial district is provided in the Urban Village Specific Plan.

Zoning District Key:

ER = Estate Residential	LDR = Low Density Residential
MLDR = Medium-Low Density Residential	MDR = Medium Density Residential
HDR = High Density Residential	OP = Office Professional
VC = Village Commercial	FC = Freeway Commercial
CC = Community Commercial	MXU = Mixed Use
C/PI = Community/Private Institution	

MANUFACTURED HOUSING (MOBILE HOMES)

Manufactured housing offers an affordable housing option to many low and moderate income households. According to the California Department of Finance, there were 217 mobile homes in the City in January 2008. The City permits manufactured housing placed on a permanent foundation in all residential districts, subject to a site development permit. The City also conditionally permits mobile home parks in the MDR, HDR, and MXU districts.

BOARDING HOUSE

The City's Zoning Ordinance defines a boarding house as a dwelling unit or part thereof, at which, for compensation, lodging and meals are provided; personal and financial services may be offered as well. The City

permits boarding homes in the VC district. In the FC, CC, and MXU districts, boarding homes are permitted subject to a site development permit.

ACCESSORY LIVING QUARTERS/SECOND UNIT HOUSING

Accessory living quarters/second unit housing provide complete independent living facilities for one or more persons, including permanent provisions for living, sleeping, cooking, and sanitation. These units may be an alternative source of affordable housing for lower income households and seniors.

California law requires local jurisdictions to adopt ordinances that establish the conditions under which second dwelling units are permitted (Government Code, Section 65852.2). A jurisdiction cannot adopt an ordinance that precludes the development of second units unless findings are made acknowledging that allowing second units may limit housing opportunities of the region and result in adverse impacts on public health, safety, and welfare. An amendment to the state's second unit law in September 2002 requires local governments to use a ministerial rather than discretionary process for approving second units (i.e., second units otherwise compliant with local zoning standards can be approved without a public hearing).

Second dwelling units are permitted in all residential zones in Laguna Hills pursuant to Section 9-68 of the Zoning Ordinance. Section 9-68 contains the following standards and criteria for accessory living quarters/second unit housing:

- The second unit is not intended for sale and may be rented.
- The lot must contain at least, but not more than, one single-family unit.
- Attached second units shall not exceed 30 percent of the existing dwelling unit living area.
- Detached second units shall not exceed one 1,200 sq. ft. of floor area.
- The second unit shall be compatible in materials, colors, and architecture to the primary dwelling unit.
- Second units must conform to development standards and all other applicable requirements of the zone in which developed.
- One parking spot per unit is required.
- The owner of both units shall occupy either the primary or the second unit.
- The owner shall record a use restriction with the Orange County Recorder's Office so that all present and future property owners

understand the obligations and limitations of these standards and criteria (Section 9-68 of the Zoning Ordinance).

The City's criteria and standards for second unit developments are not considered overly excessive. As of May 2013, four accessory living quarters/second units have been constructed in the City.

SINGLE-ROOM OCCUPANCY HOUSING FACILITY

The City's Zoning Ordinance defines a single room occupancy housing facility (SRO) as a housing type consisting of one room, often with cooking facilities and with private or shared bathroom facilities. As of May 2013, no SRO has been constructed in the City.

The City provides opportunities for the location of SROs in nonresidential districts. SROs are permitted in the VC and MXU districts with a conditional use permit subject only to those restrictions or conditions that may apply to other residential uses of the same type in the same zone. In the OP, FC, and CC districts, SROs are permitted with a site development permit. Site development permits involving projects that have four or fewer residential units and non-residential uses of less than 20,000 square feet may be processed by the Community Development Director administratively. Anything above those thresholds must go to the City Council acting as the Planning Agency. However, whether a project goes to the City Council or is approved by staff (administratively), the findings are the same:

1. That the site design complies with standards of the development code;
2. That the site is suitable for the proposed development;
3. That the project is consistent with the general plan and applicable design guidelines;
4. That the site design and structural components are appropriate for the site and function of the proposed uses.

The findings for a site development permit do not require "that the use be compatible with surrounding uses/properties." Therefore, it is not considered discretionary from a "use" perspective.

Chapter 9-72 of the Zoning Ordinance describes housing development incentives that are available to developers of affordable housing, which could include SROs. Incentives include both fiscal and procedural incentives, such as:

- A 50% reduction in application fees;

- Waiver or reduction in building permit fees;
- Financial assistance for acquisition of property, mortgage assistance, sale of housing bonds, rent subsidies, or provision of improvements to serve the site;
- Combining all required applications for one review hearing;
- Fast-tracking; and
- Providing priority processing and scheduling for review.

The procedural incentives noted above ensure priority processing of SROs. With the City's already streamlined review process (1-2 months for administrative and 2-3 months for discretionary projects) and the ability for priority processing, no governmental constraint to developing SROs exists in Laguna Hills.

COMMUNITY CARE FACILITIES (SIX OR FEWER INDIVIDUALS)

Community care facilities for six or fewer individuals consist of the following per the City's Zoning Ordinance:

- Residential care facilities for the elderly;
- Drug abuse and alcoholism recovery facilities;
- Intermediate care facilities;
- Dependent and neglected children homes (foster homes);
- Social rehabilitation facility;
- Congregate living health facility;
- Facilities for people with HIV or AIDS;
- Homes for the mentally and physically disabled;
- Supportive housing facilities; and
- Transitional housing facilities; and
- Facilities for wards of the juvenile court.

These facilities are permitted by right in all residential zones, with the exception of facilities for wards of the juvenile court which require a conditional use permit.

COMMUNITY CARE FACILITIES (SEVEN OR MORE INDIVIDUALS)

Table H-35 shows where various community care facilities for seven or more individuals may be permitted or conditionally permitted in Laguna Hills. The table also indicates when a conditional use permit may be required.

LARGE FAMILY DAY CARE HOMES

Large family day care homes, for 7 to 14 children under the age of 10 years are conditionally permitted in all residential zones of the City.

SMALL FAMILY DAY CARE HOMES

Small family day care homes for eight or fewer children are permitted by right in all of the City's residential districts.

Table H-35 Required Permit for Community Care Facilities (≥ Seven Individuals)			
Land Use	Zones	Permitted	Permits Required
Large Family Day Care (14 children maximum)	All Residential Zones	C	CUP*
Day Care Center	OP VC MXU	C C C	CUP CUP CUP
Residential Care Facility for the Elderly	VC MXU	C C	CUP CUP
Drug Abuse and Alcoholism Recover Facility (Community Treatment/Rehabilitation Facility)	VC MXU	C C	CUP CUP
Dependent and Neglected Children Homes (Foster Homes)	VC MXU	C C	CUP CUP
Facilities for People with HIV or AIDS	VC MXU	C C	CUP CUP
Homes for the Mentally and Physically Disabled	VC MXU	C C	CUP CUP
Facilities for Wards of the Juvenile Court	VC MXU	C C	CUP CUP
Social Rehabilitation Facility	VC MXU C/PI	C C C	CUP CUP CUP
Intermediate Care Facility/Nursing Facility	VC MXU	C C	CUP CUP
Supportive Housing	All Residential Zones	C	CUP
Transitional Housing	All Residential Zones	C	CUP

P = Permitted; C = Conditional Use; CUP = Conditional Use Permit.

Zoning District Key:

OP = Office Professional

VC = Village Commercial

MXU = Mixed Use

C/PI = Community/Private Institution

*Refer to Chapter 9-92 of the Laguna Hills Zoning Ordinance for special process requirements.

TRANSITIONAL CARE FACILITIES/ EMERGENCY SHELTERS

The City's Zoning Ordinance provides definitions for "supportive housing," "transitional housing," and "emergency shelter" that are consistent with the California Health and Safety Code. Supportive housing and transitional housing for six or fewer individuals are treated as residential uses subject only to those restrictions that apply to other residential uses in the same zone.

The following community care facilities are located in the City of Laguna Hills as of January 31, 2008.

- Adult residential facility (developmentally disabled) - 1 facility
- Child care center (commercial) – 3 facilities
- Large family day care homes – 8 homes
- Small family day care homes – 32 homes
- Infant centers (commercial) – 1 facility
- Residential care for the elderly – 43 facilities
- Alcoholism or drug abuse recovery, residential (state licensed) – 1 facility
- Alcoholism or drug abuse recovery, commercial/office (state licensed) – 3 facilities
- Sober living homes – 2 homes

As noted above, the City does not require permits for community care facilities serving six or fewer individuals. Therefore, additional community care facilities may exist within the City.

In accordance with SB2, the Municipal Code was amended to allow emergency shelters "by right" within the defined emergency shelter overlay area of the Mixed Use (MXU) district subject to objective development standards without a conditional use permit or other discretionary approval. The MXU district encompasses approximately 284 acres, 20% (55 acres) of which meets the overlay criteria for emergency shelters sites (See Figure H-4a). The MXU district is served by transit and commercial services. Development Code Section 9-64.040.(D) establishes the following standards for emergency shelters:

1. An emergency shelter shall be located at least five hundred (500) feet from any residential use, public or private park, public or private K-12 school, church, or other religious institution.
2. An emergency shelter shall be located at least three hundred (300) feet from other emergency shelters.

3. The cumulative total of the number of beds provided by all emergency shelters established within the mixed use zone shall not exceed twenty (20).
4. The maximum stay at the emergency shelter shall not exceed one hundred and eighty (180) consecutive days.
5. Off-street parking shall be provided in the ratio of one space for every three beds, plus one parking space for each staff member.
6. A client intake and waiting area shall be provided that is at least two hundred (200) square feet in size. A client intake and waiting area less than two hundred (200) square feet in size may be provided if it can be demonstrated that the size of the intake and waiting area is sufficient to accommodate the demand for the facility.
7. Lighting shall be provided in accordance with the standards set in Sections 9-40.170 and 9-44.060(I) of the Development Code.
8. An operational plan shall be provided prior to the issuance of a certificate of use and occupancy for review and approval by the Community Development Director. At minimum, the plan shall contain provisions addressing the following:
 - a. Security and Safety. The plan shall include provision of on-site management, facility rules, and procedures for maintaining a safe environment within and outside the shelter.
 - b. Management of Outdoor Areas. The plan shall describe procedures for admittance and discharge of clients, and describe measures aimed at minimizing the congregation of clients outside the shelter when not accepting clients.
 - c. Staff Training. The plan shall describe the staffing required for the shelter and outline required training programs that provide staff with the knowledge and skills to assist clients in obtaining permanent shelter.
 - d. Referral Service. The plan shall include provision of a kiosk providing information on other programs available to clients for obtaining permanent shelter, mental and health counseling, job placement, educational, legal, and other supportive services.

Factors 1 and 2 define the overlay area, and parcels meeting these criteria are shown in Figure H-4a.

A critical component of SB 2 is identifying the City's need for an

emergency shelter. Many jurisdictions determine this by estimating the homeless population using “point-in-time” counts of the number of people using existing shelters within their jurisdiction on a given day and time and averaging the data. Since Laguna Hills does not operate its own shelter or currently have an operating private, faith-based or non-profit shelter in the city to draw data from, the City has relied on data provided by the County to estimate the homeless population in Laguna Hills. Each year, the County conducts a point-in-time count of the homeless population at its shelters and conducts a demographic survey which includes a question about where the individual was living prior to becoming homeless. The Laguna Hills 2008-2014 Housing Element cites a 2008 survey, which showed that a total of 20 people served by Orange County shelters reported living in Laguna Hills prior to becoming homeless. The most recent survey available from 2011 indicates that this number has since dropped to eight. However, the more conservative need of 20 persons was used as the basis for planning for emergency shelters since the County’s point-in-time survey is taken once per year and a need of 20 persons will better take into account fluctuations in the homeless population throughout the year.

The standards for the MXU overlay area do not significantly constrain the location of emergency shelters within the MXU district because the overlay area contains approximately 55 acres of land and more than a sufficient number of parcels to accommodate the City’s need for emergency shelters.

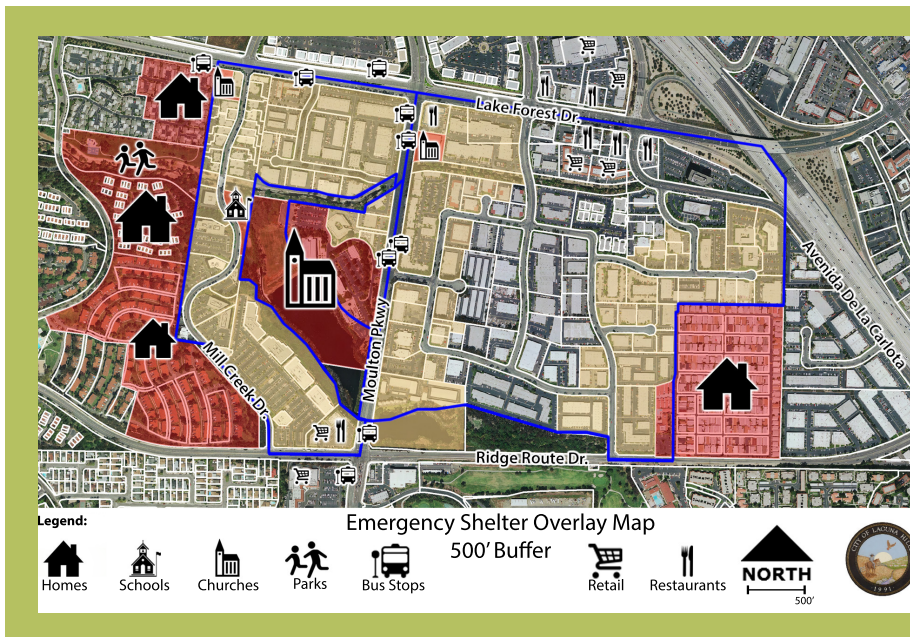


Figure H-4a
Emergency Shelter Overlay Map

The MXU Zone contains primarily offices and businesses. No vacant land is available in this zone for construction of a new shelter. However, as identified in the City's Land Use Element, the Mixed Use Zone contains underutilized parcels with one-story, tilt-up buildings. One-story tilt-up concrete buildings are very easy to convert to other uses, including emergency shelters and transitional housing. Additionally, larger and better designed buildings could be built, which would also provide opportunities for emergency shelters. This area is also served by transit and is located within an area providing significant employment resources.

FARM WORKER HOUSING

No land within the City of Laguna Hills is designated for agricultural use. The 2000 U.S. Census identified zero persons employed in farm, fishing, or forestry occupations. Therefore, Laguna Hills has no specific need for farm worker housing.

Housing for Persons with Disabilities

Land Use Controls: The Lanterman Development Disabilities Service Act (Sections 5115 and 5116) of the California Welfare and Institutions Code declares that mentally and physically disabled persons are entitled to live in normal residential surroundings. The use of property for the care of six or fewer persons with disabilities is a residential use for the purposes of zoning. A state-authorized or certified family care home, foster home, or group home serving six or fewer persons with disabilities or dependent and neglected children on a 24-hour-a-day basis is considered a residential use that is permitted in all residential zones.

As demonstrated in Table H-34 and discussions above, the City's Zoning Ordinance complies with the Lanterman Act and permits small community care facilities (including adult and senior residential facilities, as well as small family homes) in all residential zones. Facilities for more than six persons are conditionally permitted in most the VC and MXU districts (Table H-34). Potential conditions for approval of a conditional use permit may include hours of operation, security, loading requirements, and management. Conditions would be similar to those for other similar uses in the same zones and would not serve to constrain the development of such facilities.

Definition of Family: The City's Zoning Ordinance defines "family" as a group of individuals not necessarily related by blood, marriage,

adoption, or guardianship living together in a dwelling unit as a single housekeeping unit under a common housekeeping management plan based on an intentionally structured relationship providing organization and stability. This definition is not considered restrictive or constraining to the development of housing for persons with disabilities.

Reasonable Accommodation: Under state and federal laws, local governments are required to provide “reasonable accommodation” to persons with disabilities when exercising planning and zoning powers. The City has a formal policy for processing requests for reasonable accommodation for persons with disabilities and special housing needs.

Development Fees and Entitlements

Various types of development impact fees and entitlement fees to cover the cost of processing permits to provide necessary services and facilities may add substantially to the cost of housing. These include road assessments, park, and permit/development processing fees. The City does not charge library development impact fees. Additionally, an applicant pays water, storm drain, and sewer fees directly to the provider(s). Development impact fees can be a constraint on housing development and compromise market rate affordability because the additional cost borne by developers contributes to overall increased housing unit cost. However, the fees are necessary to maintain adequate planning services and other public services and facilities in the City.

A typical new, single family unit that requires no discretionary review from the City would only be required to pay the City public park in-lieu fee of \$7,392. An infill, 4-unit, multifamily residential development project outside of the Urban Village area that required approval of a Major Site Development Permit would cost approximately \$8,392 per unit (\$4,000 site development permit deposit plus \$7,392 per unit for the public park in-lieu fee). In the Urban Village area, a recently approved 489 unit multifamily residential project (with mixed use commercial) will pay approximately \$7,902 per unit in development and entitlement fees (approximately \$160 per unit in entitlement processing fees, \$7,392 per unit for the public park in-lieu fee, and approximately \$350 per unit for the urban village traffic impact fee).

The City’s fee schedule is provided in Table H-36. Table H-37 compares various planning fees in surrounding jurisdictions with those in Laguna Hills. Planning fees in Laguna Hills are in most cases consistent with or lower than those in surrounding jurisdictions and, therefore, do not present a constraint to development.

Table H-36
Planning and Development Fees

Impact Fees and Exactions	Fee/Deposit	
Roads (per unit costs) San Joaquin Hills Transportation Corridor Moulton Parkway CARITS ¹ Zone 2D	Single-family	Multifamily
	\$4,902	\$2855
	\$361	\$211
	\$1751	\$1401
School (Saddleback Valley Unified School District Fees)	\$3.20/sq. ft. on new residential development except for areas already within community facilities districts.	
Water and Storm Drain Improvement Fees	Applicant pays directly to provider	
Sewer Impact Fees	Applicant pays directly to provider	
Processing and Permit Procedures		
Annexation/Detachment	\$6,000 deposit	
Conditional Use Permit	\$4,000 deposit	
Development Agreement	\$10,000 deposit	
Environmental Impact Report	\$10,000 deposit	
Extension of Time	\$1,000 actual cost deposit	
General Plan Amendment	\$6,000 deposit	
Lot Line Adjustment	\$1,000 deposit	
Precise Plan (Mixed Use District Only)	\$4,000 deposit	
Preliminary Project Review	\$600 set fee	
Site Development Minor (Administrative)	\$800 deposit	
Site Development Major (Planning Agency)	\$4,000 deposit	
Specific Plan	\$10,000 deposit	
Specific Plan Amendment	\$5,000 deposit	
Tentative Tract Map	\$6,000 deposit	
Tentative Parcel Map	\$4,500 deposit	
Variance to Planning Agency	\$3,500 deposit	
Zone Change	\$6,000 deposit	

Source: City of Laguna Hills Community Development Department 2013.

¹ CARITS = Coastal Area Road Improvements and Traffic Signals Fee Program.

Table H-37
Planning Application Fees — Surrounding Jurisdictions

Planning Case Type	Laguna Hills	Irvine	Lake Forest	Laguna Niguel	Mission Viejo
Conditional Use Permit	\$4,000 deposit	\$12,000 deposit; \$1,500 minor deposit	\$6,500 deposit	\$3,800 deposit; \$1,600 minor deposit	\$2,500
General Plan Amendment	\$6,000 deposit	\$12,000 deposit	\$10,000 deposit	\$5,000 deposit	\$5,000 deposit
Site Development Permit ¹	\$800 minor (administrative) deposit; \$4,000 major (Planning Agency), \$3,000 deposit	No comparable permit	\$2,500 administrative review; \$7,000 discretionary review	\$4,400 deposit; \$2,000 minor deposit	\$2,500 administrative action; \$4,200 planning commission action
Tentative Tract Map	\$6,000 deposit	\$4,000 deposit	\$8,000 deposit	\$1,425 screencheck; \$2,925 filing + \$20/each number of lots	\$3,900 filing
Variance	\$3,500 deposit	\$1,500 deposit	\$6,000 deposit	\$3,800 deposit	\$2,100 single-family dwelling; \$4,500 all others
Zone Change	\$6,000 deposit	\$12,000 deposit	\$10,000 deposit	\$5,000 deposit	\$5,000 deposit

Source: Cities of Laguna Hills, Irvine, Lake Forest, Laguna Niguel, Mission Viejo 2013.

¹ The City of Mission Viejo uses the term planned development permit, which is generally comparable to a site development permit in Irvine, Lake Forest, and Laguna Niguel.

On- and Off-site Improvement Requirements

The City adopted the County of Orange subdivision ordinance and manual as the City's subdivision ordinance upon incorporation on December 20, 1991.

Commonly required on-site improvements for residential projects include the following:

- Internal circulation system – public/private roads, drives, curbs, gutters, vehicle (including fire protection and emergency vehicle) turnarounds
- Water and wastewater disposal systems

- Utilities systems
- Walls/fencing
- Landscaping
- Recreational facilities for multifamily projects
- Parking facility (covered/uncovered)

Commonly required off-site improvements for residential projects include the following:

- Traffic signalization
- Roadway improvements
- Water and wastewater disposal systems
- Schools (fee program)

The City's few vacant parcels are located in the Nellie Gail Ranch area, where there are likely to be very few site improvement requirements. Therefore, the costs of on-site and off-site improvements do not serve as constraints on development.

The City's street improvement requirement and/or dedication requirements are determined as part of the process for a tentative subdivision map and/or conditions of approval. Improvement and/or dedication requirements must be consistent with public streets in the area. The requirements are necessary to achieve the health and safety requirements of the City and are not considered a constraint to affordable housing development.

Building Codes and Enforcement

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

The City of Laguna Hills has adopted the 2010 California Building Code, which establishes construction standards for all residential buildings. The City amends the code as needed to further define requirements based on the unique local conditions. The code is designed to protect the public health, safety, and welfare of Laguna Hills' residents. Code enforcement in the City is performed proactively and on a complaint basis.

Processing and Permit Procedures

The City's Zoning Ordinance defines requisite discretionary permits and establishes requirements for submission of applications for the discretionary permits. The City's Community Development Department prepares and maintains information and materials for each permit required by the Zoning Ordinance. These materials include application forms, questionnaires, and other information that addresses content of applications, fee information, and general processing procedures and requirements.

The City's established processing and permit procedures are designed to expedite project approvals to avoid unnecessary timing constraints on development. For a typical project, Community Development Department staff conduct an initial discussion with applicants/developers and provide information about the subject property's zoning, permitted uses, development standards, approval authority (administrative or discretionary), and required environmental documentation. During the next step of the process, initial plan review, Planning Staff review the project site plan and determine if the project complies with the Zoning Code, development standards and design guidelines. Project applicants then formally submit materials to the Community Development Department, where Planning Staff has 30 days to determine the completeness of the application. Once the application is deemed complete, the next step, plan check, is initiated. Initial plan check takes approximately 3 weeks. Plan check two, if necessary, takes 1–2 weeks, while subsequent plan checks require approximately 1 week of processing time.

Those discretionary permits pertaining most closely to provision of housing affordable to low and moderate income and special needs populations are general plan amendments, precise (specific) plans, conditional use permits, site development permits and variances. The permit, processing time, and approval bodies are described below. (Note that the Planning Agency refers to the City Council serving in its dual role as the planning commission, or hearing body for planning related matters.)

- **General Plan Amendments** – A general plan amendment may be proposed to change general plan land use designations. A general plan amendment may require a processing time of 12 months or more, depending in part on the environmental determination accompanying the amendment processing. The City Council is the

approval body for both major and minor general plan amendments, while the Community Development Director approves minor, technical general plan amendments.

- **Precise (Specific) Plan** – A precise (specific) plan is required for developments within the Mixed Use and Neighborhood Mixed Use districts whenever more than one variety of land use is proposed for a single property or a limited collection of abutting properties. Processing time is approximately 6 to 12 months or more, depending in part on the environmental determination. The City Council approves specific plans and amendments to specific plans.
- **Conditional Use Permit** – A conditional use permit is used to evaluate uses that may have a moderate to high potential for adverse impact to adjacent or abutting uses or the surrounding community due to operating characteristics. Processing time is approximately 3 to 4 months. Conditional use permits are approved by the Planning Agency.
- **Site Development Permit** – A site development permit is used to evaluate site planning and design considerations and is the lowest level planning permit for development projects. A site development permit is required for most development projects, is issued in absence of any other specified permit or approval, and may be required in addition to other approvals. A minor site development permit takes 4 to 6 weeks to review. A major site development permit takes 2 to 3 months to review and requires that a noticed public hearing be held prior to a decision on the application by the Planning Agency. The notice must be published/ provided at least 10 days prior to the public hearing. Minor site development permits are approved by the Community Development Director, while major site development permits are approved by the Planning Agency.

The Community Development Director has the authority to review and approve all site development permits meeting the following criteria:

- Developments of nonresidential uses and or buildings not exceeding twenty thousand (20,000 square feet whether in one or more structures on a single parcel;
- Four or fewer residential structures or dwellings in a single project;
- Temporary uses not involving use or public facilities or rights-of-way;
- Master sign programs for properties containing less than five nonresidential units;
- Change plans, or minor changes to any plan or permit previously approved provided such change does not exceed ten percent of the gross square footage of the original project;
- Site development permits for retaining walls that are greater than thirty (30) inches in height.

The Planning Agency has jurisdiction and review authority over all site development permits exceeding the criteria specified above. Additionally, the Community Development Director may forward any project over which he or she has authority or which he or she shall deem of sufficient interest on a broader land use policy scale to the Agency for their consideration. The Community Development Director reviews and makes recommendations regarding all site development permits forwarded to the Agency and insures all environmental and notice requirements are met.

Prior to issuing a site development permit, the Community Development Director or Planning Agency shall make the following findings:

- That the site design complies with standards of the development code;
- That the site is suitable for the proposed development;
- That the project is consistent with the general plan and applicable design guidelines; and
- That the site design and structural components are appropriate for the site and function of the proposed uses.

The findings relate back to whether or not the site is suitable for development and is limited to physical development of the site. Since the SDP process relies exclusively on the Development Code for determining whether or not the project complies with the Development Code, it also incorporates Chapter 9-72 of the Development Code which identifies housing development incentives available to a developer who may be seeking to develop affordable housing. These incentives are completely consistent with state law.

- **Variance** – A variance may be granted from any development standard or criteria affecting establishment of a use in a zoning district but may not be granted to approve a use which would otherwise be prohibited by a zoning district. A variance takes approximately 3 weeks to 3 months to review. The Planning Agency is the approval body for variances.

SITE DEVELOPMENT PERMIT

For residential projects, a major site development permit that is approved by the Planning Agency is required as follows:

- Estate Residential district – manufactured housing
- Low Density Residential district – manufactured housing
- Medium-Low Density Residential district – manufactured housing

and multifamily dwellings

- Medium Density Residential district – manufactured housing and multifamily dwellings
- High Density Residential district – manufactured housing, multifamily dwellings, and single-family attached dwellings

The City has previously eliminated the conditional use permit process for the residential projects discussed above. Instead, the City uses the site development permit process to assess site planning and design issues.

DISCRETIONARY PERMIT(S) PROCESSING TIMES

Laguna Hills does not have a separate Planning Commission (the City Council acts as its own Planning Agency) so the processing of all projects is more streamlined than in other municipalities. Permit processing times differ for various discretionary permits in the City. Typically in Laguna Hills, a project receives a final decision within 2 to 3 months of having submitted a complete application. Projects requiring an EIR generally take 6 to 9 months.

A general plan amendment may take 12 or more months to process should an environmental impact report be required. A precise plan (specific plan) may take between 6 to 12 months to process, depending on the required and appropriate environmental documentation. The precise plan is required for developments with more than one proposed land use for a single property or for a limited collection of abutting properties. The processing time for a conditional use permit is approximately 2 to 3 months, unless detailed environmental documentation is required that would lengthen the processing time. This permit evaluates uses that may adversely impact adjacent or abutting uses or the surrounding community due to operating characteristics of the proposed use. A major or discretionary (Planning Agency) site development permit takes 2 to 3 months to process in the City. This permit type is required for some residential (and nonresidential) development projects and is issued in absence of another specified permit or approval. A site development permit may be required in addition to other discretionary or ministerial permits. A discretionary variance application takes 2 to 3 months to process. The Planning Agency may grant a variance from any development standard or criteria affecting the establishment of a use in a zoning district, but may not be granted to approve a use that would otherwise be prohibited by a zoning district.

As indicated above, the processing time for various land use actions within the City depends on the type of development or action requested and whether environmental documentation is required and the scope of

that environmental documentation. Each development project does not necessarily require multiple discretionary actions (i.e., small scale projects consistent with general plan and zoning designations do not generally require general plan amendments, rezones, or variances).

The City does not have a backlog of development applications and is able to process applications in a timely manner. As already indicated, the City has very little vacant land available for development.

Remaining parcels are designated as estate residential within the Nellie Gail Ranch area of the City. According to the City's Building Division, the majority of single-family residential development applications involve redevelopment/demolition of existing single-family homes and construction of much larger single-family homes. The City will continue to pursue the extension of affordability controls for 51 units, either in the existing Rancho Moulton housing development or as part of new or redevelopment activities in the Via Lomas area or other areas of the City. The City will annually prepare a "Risk of Assessment" report provided by the California Housing Partnership Corporation (CHPC). Projects determined high risk are those most likely to decline continued federal assistance because they currently have rents below market rate(s) and are owned by profit-motivated entities. Should a notice of intent to convert to market rate be filed, the City will work with potential purchasers to preserve 51 units in the existing development or in new development by finding an interested non-profit entity and securing funding to acquire and preserve the property. The City will use HCD resources listed on the HCD website, as well as other resources, to locate potential funding sources as needed for the preservation of affordable housing. The City will work with tenants of at-risk units and provide them with education regarding tenant rights, notification procedures, and conversion procedures. The City will also provide tenants in at-risk projects information from the Orange County Housing Authority regarding Section 8 rental assistance.

Processing Times for New Housing

As indicated in the Housing Resources section, underutilized land in Laguna Hills will be used to meet the City's Regional Housing Need Assessment requirements. The underutilized areas include the Urban Village Specific Plan area and the Alicia Gateway. Within the UVSP area, high density, multiple family housing or single family attached housing can be constructed. Both multiple family and single family attached projects in the Urban Village area are permitted uses, subject only to a site development permit. A major site development permit is required for five or more residential units. A minor site development permit is required for four or fewer residential structures or dwellings in a single project. Development requests for the UVSP area would

likely involve more than five units; hence, a major site development permit would be required. A major site development permit would require 2 to 3 months for approval by the Planning Agency; 3 to 4 months if a negative declaration prepared; and, 6 to 9 months if an EIR is required. A minor site development permit would require 1 to 2 months for approval because limited environmental review is required and the Community Development Department Director is the approval authority.

Within the Alicia Gateway area, the existing Mixed Use Zone requires a conditional use permit for multiple-family housing and a site development permit for single-family attached housing. The processing time is typically the same for a major site development permit and a conditional use permit.

The City's processing and permit procedures do not appear to unduly constrain the development of housing. Nevertheless, the City will continue to monitor its development review procedures to ensure a streamlined processing procedure. Section 9-92 of the City's Zoning Ordinance details the specific application process and submittal requirements for various land use actions in the City.

Measure M

In November 1990, Orange County voters approved the Revised Traffic Improvement and Growth Management Ordinance (Measure M). Measure M implemented a half-cent local transportation sales tax to fund transportation improvements. The Measure M sales tax includes an apportionment to local jurisdictions for street maintenance and improvements. The Orange County Transportation Authority (OCTA) is the agency responsible for administering proceeds of the Measure M sales tax.

On November 7, 2006, Orange County voters approved the renewal of Measure M, for an additional 30 years beginning in 2011 until 2041. Renewed Measure M is expected to raise \$11.8 billion to improve Orange County's transportation system.

Every year, OCTA determines if a local jurisdiction is eligible to receive Measure M turnback funds. Prior to the renewal of Measure M, the City received approximately \$500,000 per year in turnback funds. Under the Measure M Renewal, the City anticipates receiving an increased allocation of \$750,000 per year beginning in 2011. In addition, the Measure M renewal will enable the City to compete for discretionary Measure M funding, for which the City has historically been very successful. To date, the City of Laguna Hills has received approximately \$11.4 million from Measure M funds to improve its

transportation. Among the several requirements a local jurisdiction must satisfy to receive turnback funds, they must be in compliance with the requirements of a Countywide Growth Management Program. Each local jurisdiction is required to produce a Growth Management Element as part of its participation in the Countywide Growth Management Program. The Growth Management Element must contain eight elements. Three of these elements relate directly to the Laguna Hills Housing Element: a development phasing program; a development mitigation program; and a program addressing balanced housing options and employment opportunities within the City. The Laguna Hills General Plan Growth Management Element has as its goal to reduce traffic congestion, mitigate traffic impacts of new development by requiring new development to pay its fair share toward local and regional roadway/transportation improvements, and tie timing of new development to availability of facilities needed to support that development.

The City of Laguna Hills has based its approach to the Measure M requirement for adoption of a Growth Management Element on the Model Growth Management Element developed jointly by the County of Orange and the Orange County Division of the League of California Cities. The Growth Management Element of the Laguna Hills General Plan encompasses all required policy provisions necessary to comply with Measure M. The City Growth Management Element contains an implementation plan to ensure that required programs (Development Mitigation Program; Development Phasing Program; Annual Monitoring Program) in the Growth Management Element are applied consistently to the City development review process.

Implementation of the City of Laguna Hills Growth Management Element – Growth Management Program will result in a more equitable balance between housing opportunities and employment opportunities within the City, which will allow residents to live closer to their jobs and thereby reduce commuting distance and times. A complementary commitment of development mitigation, development phasing, and performance monitoring is necessary to achieve a coordinated land use development and transportation infrastructure. The City of Laguna Hills will ensure that the actions described below will be applied to applicable development projects and a citywide assessment of land use development/transportation infrastructure capacity will be conducted in conjunction with fee program implementation and capital improvement program development.

Development Mitigation Program – To compensate the public for any increased burden on public services attributed to new development, jurisdictions have the authority to impose reasonable fees or required

related improvements. The County of Orange and the City of Laguna Hills have imposed development fees on development transportation improvements within the City. The City of Laguna Hills Development Mitigation Program requires that development proposals be reviewed so new development may pay its share of costs associated with that development on existing and planned transportation facilities.

Development Phasing Program – The City of Laguna Hills will review traffic levels of service on City arterials, contrast operating levels of service with General Plan performance standards, and program necessary improvements in conjunction with the annual development of its Capital Improvement Program. This information will be shared with participating jurisdictions in applicable Growth Management Area Interjurisdictional Planning Forums.

The City of Laguna Hills will also maintain adopted traffic performance standards by outlining and coordinating necessary transportation improvements, including a 7-Year Capital Improvements Program, and Traffic Improvement/Public Facilities Development Agreements consistent with the Growth Management Element, and its implementing ordinances, plans, and programs. In addition, the City is an active participant in interjurisdictional forums for Orange County jurisdictions that address area-wide transportation improvement projects. Furthermore, the City of Laguna Hills endorses alternative transportation modes and strategies to reduce vehicular trips and has adopted programs to reduce trip generation, including a Transportation Demand Management Ordinance to assist in reducing trips to and from employment.

The goals and implementation programs described above enable the City of Laguna Hills to attain the most equitable balance possible between housing opportunities and employment opportunities within the City. This balance is maintained further by planning and housing opportunities affordable to low income and moderate income families within the Urban Village Specific Plan area of Laguna Hills because this additional housing opportunity is located close to a collection of land uses (existing and planned) that are employment intensive. The urban village context represents land uses within the area designated on the City of Laguna Hills General Plan land use map as Village Commercial that would create pedestrian-oriented mixed use retail, office service, and multifamily residential area.

Regulatory Concessions and Incentives

To mitigate the impacts of government policies, rules, and regulations on the development and improvement of housing, the City offers a number of regulatory concessions and incentives to help offset the costs.

In 2005, the City amended its Zoning Ordinance to define specific housing development incentives, to implement General Plan Housing Element objectives, including incentives for the production of housing for very low to moderate income, and senior citizens in accordance with state density bonus law under Section 65915 of the Government Code. Chapter 9-72 of the City's Zoning Ordinance enumerates the housing development incentives approved by the City.

The City offers a density bonus and/or concessions or incentives for: (1) at least 10 percent of the total units of a housing development are affordable to lower income households; (2) at least 5 percent of the total units of a housing development are affordable to very low income households; (3) senior citizen housing developments; and (4) at least 10 percent of the total units in a condominium project or in a planned development are affordable to moderate income households.

The City also offers a density bonus for condo conversions, where 33 percent of the total units of the proposed condominium project are affordable to low or moderate income households, or 15 percent of the total units are affordable to low income households.

The City also provides opportunities to develop housing in certain nonresidential districts of the City, which includes boarding homes, community care facilities, emergency shelters, single room occupancy housing facilities, and mobile home parks. Chapter 9-72.030(C) of the Zoning Ordinance details the requirements and location of housing in nonresidential districts throughout the City.

Fiscal incentives available to developers of affordable housing include waiver or reduction in fees, low interest loans or subsidies, and financial or mortgage assistance for acquisition of property.

Procedural incentives available to developers of affordable housing include consolidation of applications for consideration at one hearing, fast tracking of all housing development projects, and priority processing and scheduling for review of housing projects.

Market Constraints

Locally and regionally there are several constraints that hinder the ability to accommodate affordable housing demand in Laguna Hills. The high cost of land, rising development costs, and neighborhood

opposition make it expensive for developers to build affordable housing. These constraints may result in housing that is not affordable to low and moderate income households or may render residential construction economically infeasible for developers.

LAND COSTS

The cost of land is another major impediment to production of affordable housing. Land costs are influenced by many variables, including scarcity and developable density, location, unique features, and the availability of public utilities. The cost of land in Laguna Hills reflects its proximity to major employment centers and the rapid appreciation of land cost throughout Southern California in the past decade. Besides the few vacant remaining parcels within the Nellie Gail Ranch section of the City, vacant land available for development of any type is nonexistent within the City.

CONSTRUCTION AND LABOR COSTS

The cost of construction is dependent primarily on the cost of labor and materials. Construction factors such as type of construction, custom versus tract development, materials, site conditions, finishing details, amenities, square footage, and structural configuration can increase the cost of housing. Table H-38 summarizes the estimated construction costs based on type of development in the City of Laguna Hills.

Future costs are difficult to predict given the cyclical fluctuations in demand and supply that in large part are created by fluctuations in the state and national economies. Such fluctuations do not usually result in favoring development in one geographic area over another and, therefore, are not considered a major constraint to housing production.

Table H-38 Construction Cost Estimates (2007)	
Development Type	Cost per Square Foot
Single-family Residential	\$100 - \$1125
Townhomes/Condominiums	\$150 - \$180
Multifamily (garden style apartments)	\$200
Multifamily (stacked flats with structured parking)	\$250

Source: RBF Consulting as cited in the City of Orange 2006-2014 Housing Element.

FINANCING

Construction Financing

Prior to the recession of the early 1990s, and significant changes in lending practices following the savings and loan scandal of the late 1980s, developers could receive loans for 100 percent or more of a project's estimated future value. Now, construction and permanent loans are almost never available for over 75 percent of the future project value for multifamily developments. This means that developers must usually supply at least 25 percent of the project value.

The financing of a residential project, particularly affordable housing, is quite complex. No firm threshold determines an acceptable "return" on investment or the maximum equity contribution at which an otherwise feasible project becomes infeasible. Upfront cash commitment may not be problematic for some developers as long as the project can generate an acceptable net cash flow to meet the acceptable returns. Although financing costs impact project feasibility, these problems are generally equal across jurisdictions and thus are not a unique constraint to housing production in Laguna Hills.

Mortgage Financing

The availability of financing affects a person's ability to purchase a home or to perform necessary maintenance and repairs. The availability of financing can also serve as a constraint to housing production. Many communities have experienced a pattern where households looking to purchase a home have had more difficulty in obtaining financing in lower income neighborhoods. The Community Reinvestment Act was passed in an effort to address this issue. In tandem with the Home Mortgage Disclosure Act (HMDA), lenders must now disclose information on the disposition of home loan applications by the income, gender, and race/ethnicity of the applicants.

The Federal Financial Institutions Council (FFIEC) compiles HMDA data according to the income characteristics of the census tracts where the dwelling units are located, based on the following FFIEC definitions. Income limits are determined based upon the MFI for the relevant Metropolitan Statistical Area (MSA). Low to moderate income tracts have a MFI below 80 percent of the MFI for the MSA. Middle income tracts have a median family income from 80 to 120 percent of the MFI for the MSA. Finally, upper income tract have a MFI above 120 percent of the MFI for the MSA.

Table H-39 illustrates the disposition of home purchase loans by census tract based upon information provided by the FFIEC for loan

applications in 2011. During 2011, 404 applications were filed for home purchase loans in the City of Laguna Hills. It is important to note that in many cases census tracts are not contiguous with the City's jurisdictional boundary. Therefore, some census tracts were excluded from this analysis because they contain a preponderance of nonresidential uses or contain only small geographic areas within the City of Laguna Hills and much larger geographic areas located within another jurisdiction.

Overall, the upper income census tracts showed the highest loan origination rate (68 percent).

Because income is often a limiting factor in securing home purchase loans, the percentage of loan originations was lower in both the middle and the low/moderate income census tracts, at 61 percent and 63 percent, respectively. Denial rates were 15 percent, 14 percent, and 23 percent, in the upper, middle, and low/moderate income census tracts, respectively.

Table H-39
Disposition of Home Purchase Loans by Census Tract

Census Tract	Tract Income Level	Total Applications	% Originated ¹	% Approved but not Accepted	% Denied	% Other ²
0423.27	Upper	96	66	6	17	11
0423.28	Upper	35	60	11	20	8
0423.33	Upper	36	78	5	8	8
Total Upper Income		167	68	7	15	9
0423.07	Middle	75	69	4	8	19
0626.21	Middle	105	53	15	20	11
Total Middle Income		180	61	10	14	15
0626.25	Low/Moderate	57	61	9	23	7
Total Low/Moderate Income		57	61	9	23	7
City Total		404	63	9	52	10

1. Originated applications are those approved by the lenders and bought by the applicants.

2. "Other" includes applications that were withdrawn by the applicants and those closed by the lenders due to incomplete information.

Source: Home Mortgage Disclosure Act (HMDA) data for 2011, FFIEC.

Troubled Subprime Loans and Foreclosures

The growing use of alternative mortgage products (graduated payment mortgages, variable and adjustable rate mortgages, interest-only loans, "stated income" loans with no income verification, zero down payment loans, etc.) has allowed more individuals to qualify for home loans.

Loans with low initial payments often had provisions for substantial payment increases after several years (usually between 1 and 3 years). These loan products enticed many investors into the single-family market in the Orange County region, including Laguna Hills. The increasing availability of these loan products also allowed homebuilders to qualify many more households for home purchase and provided more business opportunities for virtually every profession linked to the homebuilding and residential real estate markets (mortgage brokers, real estate agents, title companies, etc.).

Rapidly rising housing prices since the late 1990s provided homebuyers and investors a sense of security that, even if loan payments adjusted upward significantly after an initial period, the growth in home equity would allow the borrower to either refinance or resell the home and thus avoid financial difficulties. The ability to “grow” one’s way out of potential financial trouble with equity growth changed dramatically after 2005, when home prices began to level off and then decline in many parts of the Orange County region for both new and existing homes.

Many borrowers who purchased homes in the past 2 years, particularly those with subprime loans, found that they owed more on their homes than their homes were worth. The changing mortgage market also affected borrowers without subprime loans in more expensive housing markets in California. In these more expensive markets (such as Laguna Hills), borrowers have to qualify for “jumbo” loans—relatively large loans that are not federally backed. A jumbo mortgage is a loan amount above conventional conforming loan limits set by Fannie Mae (FNMA) and Freddie Mac (FHLMC), federally chartered financial institutions that purchase the bulk of residential mortgages in the United States. Individuals who, 2 or 3 years ago, could qualify to purchase high-priced homes with jumbo loans have found it increasingly difficult to find willing lenders. They set a limit on the maximum dollar value of any mortgage they will purchase from an individual lender.

The confluence of flattening or declining home prices and the growing number of subprime and alternative loans resulted in a spike in defaults on home loans beginning in 2007. The number of defaults continued rising through 2008 and began to decline after the volume of troubled subprime and alternative mortgages funded between 2004 and 2006 resolved (either through refinancing, the sale of homes with troubled mortgages, or foreclosures). In 2011, almost forty percent of home sales were distressed sales in Laguna Hills. In January of 2013, the percentage of distressed sales made up less than ten percent of total sales in Laguna Hills.

The American Community Survey estimates that between 2009-2011,

approximately 50 percent of Orange County homeowners spent more than 30 percent of their gross income on housing. The high percentage of homeowners spending a disproportionate percentage of income on housing combined with a large number of troubled subprime loans suggest that homebuyers in the Orange County region will continue to face near-term challenges in making mortgage payments.

Environmental Constraints

Laguna Hills is impacted by various environmental hazards that include steep slopes/hillsides, flooding, and earthquakes.

Hillsides: The City has special development regulations that apply to all property within the City having a slope gradient, whether natural or manufactured, of 15 percent or greater.

Flooding: Portions of the City's Open Space – 2 Drainage Facilities District may be located in the flood plain overlay zone established by the Federal Emergency Management Administration (FEMA) maps. The City does not allow any permanent building or structure development to occur within a floodplain except those that meet FEMA standards and criteria.

Earthquakes: There are no active or potentially active faults known within the City of Laguna Hills. However, the active Newport Inglewood Fault Zone is 3 miles southwest of the City.

Development in areas with known hazards must ensure that adequate precaution and mitigation are afforded to protect public health and safety. No vacant, developable land and no infill development is planned in the City that is located in proximity to areas subject to flooding or in areas subject to special hillside development regulations. Potential infill or redevelopment sites within the City are located in areas that are generally level. Infill and/or redevelopment activities within Laguna Hills would be subject to seismic activity, as is all of Southern California.

Infrastructure Constraints

Another factor adding to the cost of new home construction is the cost of providing adequate infrastructure, such as streets, curbs, gutters, sidewalks, water and sewer lines, and street lighting. The cost of these additions or improvements is borne by developers and then, to the extent possible, added to the cost of new housing units, impacting affordability.

As redevelopment or infill development occurs within the City, infrastructure may need to be upgraded to accommodate intensification which could present a constraint to development.

Housing Resources

State housing element law requires that a local jurisdiction accommodate a share of the region's projected housing needs for the planning period. This share, called the Regional Housing Needs Allocation, is important because state law mandates that jurisdictions provide sufficient land to accommodate a variety of housing opportunities for all economic segments of the community. Compliance with this requirement is measured by the jurisdiction's ability to provide adequate land to accommodate the RHNA. This section summarizes the resources available for the development of housing in Laguna Hills. The analysis includes an evaluation of the adequacy of the City's land inventory to accommodate Laguna Hills' regional housing needs goals for the 2013-2021 planning period. This section also analyzes the financial resources available to support housing activities and the administrative resources available to assist in implementing the City's housing programs. Finally, this section documents the City's accomplishments during the 2008-2014, Housing Element planning period.

Available Sites for Housing

State law requires communities to play an active role in ensuring that enough housing is available to meet expected population growth in the Southern California region. Approximately every 8 years, the SCAG is authorized to set forth specific goals for the amount of new housing that should be planned in each jurisdiction over a specified time period, in this case 2013-2021. This section discusses how Laguna Hills will plan for the provision of housing for all economic segments by 2021.

FUTURE HOUSING NEED

For the 2013-2021 Housing Element cycle, HCD projected a need for 412,137 new housing units in a six-county Southern California region (encompassing the counties of Los Angeles, Orange, Riverside, San Bernardino, Ventura, and Imperial). The SCAG is responsible for allocating this future housing need to the 193 jurisdictions within the region. In this capacity, SCAG developed a Regional Housing Needs Assessment that determines each jurisdiction's share of the forecasted growth. Laguna Hills' share of the regional housing need for the period 2013-2021 is allocated by SCAG based on a number of factors,



including recent growth trends, income distribution, and capacity for future growth.

The RHNA is divided into the four income groups established by HCD. Pursuant to state housing element law, a jurisdiction must demonstrate in its housing element that it has adequate residential sites at appropriate densities and development standards to accommodate its RHNA.

According to the RHNA, Laguna Hills has a RHNA of two additional units. This need for new housing is divided into two income categories as follows:

- Extremely low income (0-30 percent MFI) - one unit
- Low income (51 to 80 percent MFI) – one unit

CREDITS TOWARD THE RHNA

The City has no units that can be credited toward the RHNA.

RESIDENTIAL SITES INVENTORY

An important component of the Laguna Hills Housing Element is the identification of sites for future housing development and evaluation of the adequacy of this site inventory in accommodating the City's share of regional housing growth.

Vacant Land

Because of the built out nature of Laguna Hills, the supply of vacant land suitable for residential development is very limited. A GIS and building permit analysis of land resources identified six vacant parcels located in the Nellie Gail Ranch area of the City. Each of the vacant sites has public infrastructure to accommodate development and is currently zoned for residential development. The capacity of each site was based on established land use controls and development standards. Figure H-5 depicts the location of available, vacant land suitable for residential development in the City.

Table H-41 quantifies the number and type of housing units that could be accommodated on the City's vacant residential land.

Underutilized Land

Local governments with limited vacant land resources may rely on nonvacant and underutilized residential sites to accommodate their respective portion of the regional housing need. For the Housing Element, underutilized parcels are defined as property that is either

developed but could accommodate greater intensity or vacant land that is not currently zoned for residential uses. Underutilized land may address the City's future housing needs if the element describes the realistic development potential based on several factors, including existing uses, proposed uses, recent development trends, recent market conditions, and existing or proposed incentives.

Table H-41
Vacant Sites Inventory

Vacant Site No.	APN	General Plan	Zone	Maximum Density	Potential New Units	Affordability
1	627-192-07	ER	ER	3.5 du/ac	1	Above moderate
2	636-211-05	ER	ER	3.5 du/ac	1	Above moderate
3	636-342-05	ER	ER	3.5 du/ac	1	Above moderate
4	636-351-10	ER	ER	3.5 du/ac	1	Above moderate
5	636-351-04	ER	ER	3.5 du/ac	1	Above moderate
6	627-482-05	ER	ER	3.5 du/ac	1	Above moderate
Total					6	Above moderate

Source: City of Laguna Hills Community Development Department, 2013.

Urban Village Specific Plan

The Urban Village Specific Plan (UVSP), adopted in November 2002, is a 240-acre area bounded by Paseo de Valencia on the north and west, Los Alisos Boulevard on the south, and Interstate 5 on the east.

The UVSP provides for a continuing mixture of land uses, including retail, residential hotel, medical offices, and general offices. The UVSP allows residential development at high density development only, up to 50 dwelling units per acre. The UVSP area is designated in the City's General Plan and Zoning Ordinance as Village Commercial. All new development within the Village Commercial district is subject to the UVSP.

Existing Use. Existing uses include a mix of retail, office, financial, medical, residential, and transportation uses. The area currently consists of approximately 527,000 sq. ft. medical center, approximately 633,000 sq. ft. of office space and 1,124,000 sq. ft. of retail space. The employment base within the UVSP area contains approximately 5,000 workers. The existing 756 residential uses in the UVSP area include the Prado apartment complex (360 units) and the Villa Valencia senior citizen development (396 units).

The size of the UVSP area allows residential development and adjacent

uses will not impede residential development.

Proposed Use. The purpose of the UVSP area is to develop an urban core in which a variety of public, regional commercial, recreational, and high density residential uses work in concert to create an urban village. The UVSP area allows residential development at high density development only, at a maximum of 50 dwelling units per acre. This is in addition to the existing 756 units within the UVSP area, none of which will be removed as development/redevelopment occurs within this area. The City amended the UVSP in 2011 to establish a minimum residential development density of 30 dwelling units per acre in the UVSP area. No pre-established limit of residential units previously existed in the UVSP.

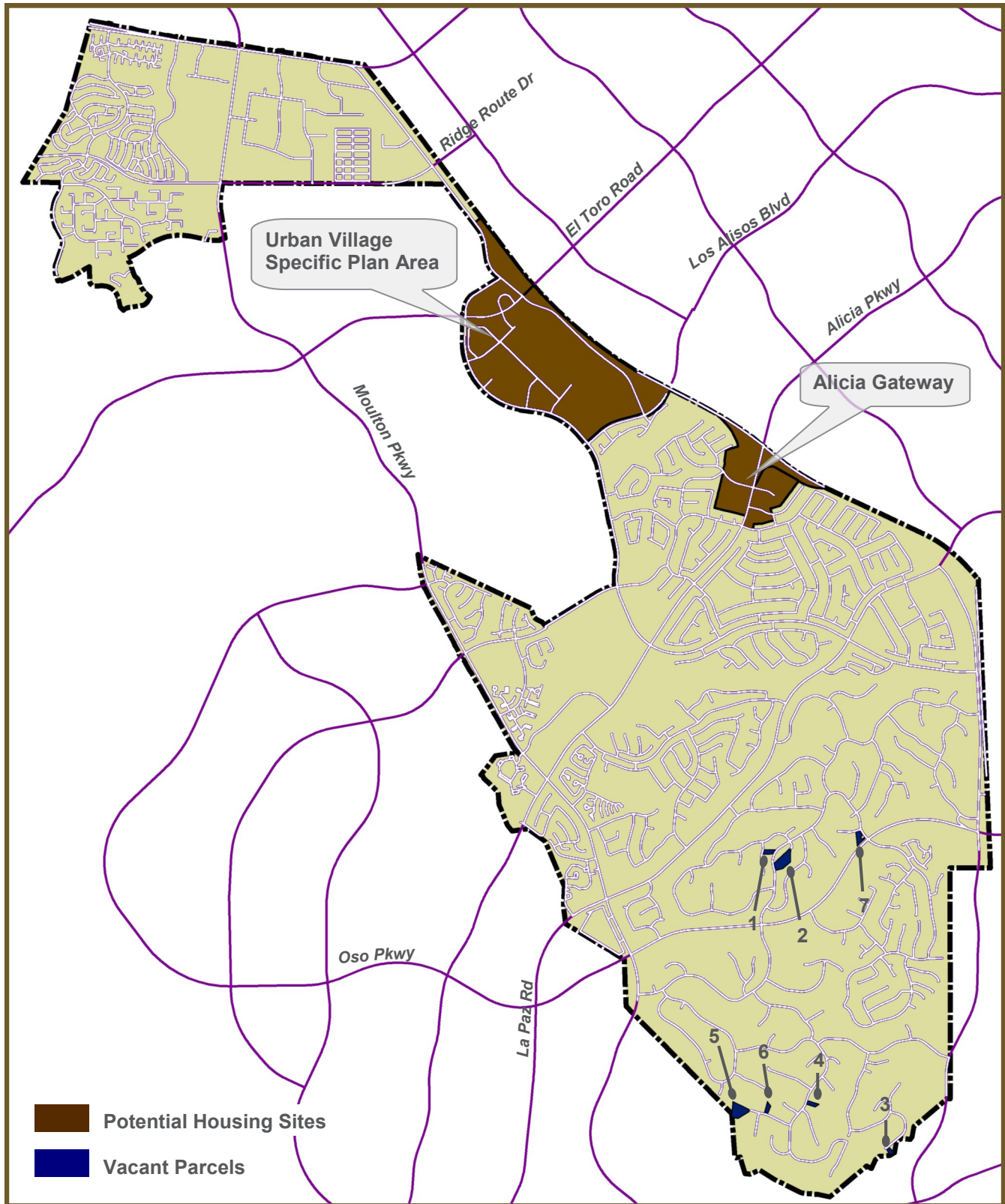
The allowed development intensity in the UVSP area is regulated based on trip generation limits to ensure that the City's General Plan Circulation Element Level of Service Standard D is not exceeded at any of the intersections within the area. A traffic study analyzed "trip budgets" available to accommodate new development within the UVSP area. At present, the remaining trip budget from the Urban Village area is 1,049 AM peak hour trips and 2,228 PM peak hour trips. Prior to redevelopment or new development, project proponents must provide an analysis that indicates that the proposed project does not exceed the remaining trip budgets allowed in the UVSP area.

The City has taken steps toward attracting residential development to the UVSP area. The City has worked with real estate and development interests to develop residential mixed use in the UVSP area. Over the past eight years, the City has held numerous meetings with property owners and residential builders to promote new residential development in the UVSP area.

In 2012, the City worked with the Fritz Duda Company (owner of the Oakbrook Village Shopping Center) for almost a year to approve plans for a two-phased, redevelopment project of a portion of the Oakbrook Village Shopping Center. The mixed-use, redevelopment project includes the development of up to 489 residential units (289 in Phase One and up to 200 in Phase Two) in multi-story residential buildings and up to 82,574 square feet of retail space (23,974 in Phase One and 58,600 in Phase Two).

The City continues to engage residential builders about development opportunities that exist in the UVSP area, and other locations in the community.

Figure H-6 depicts the parcels and acreage within the UVSP area, and potential development areas.



Source: EDAW, 2008

Figure H-5
Housing Opportunity Areas



Infrastructure Availability. Infrastructure and public services are readily available within the UVSP area. Water is provided to the UVSP area by El Toro Water District (ETWD). Water service is provided through a network of pipelines varying from 6 to 24 in. in size. ETWD will review proposed site-specific projects as they are proposed to determine if upgrades to existing facilities or construction of new facilities will be required. Wastewater services are also provided by ETWD with treatment provided by the ETWD Water Recycling Plant through a series sanitary sewer pipelines varying from 6 to 24 in. in size. ETWD will review proposed site-specific projects as they are proposed to determine if upgrades to existing facilities or construction of new facilities will be required. The recent update to the El Toro Water District's Water and Sewer Master Plan accounted for the potential water and sewer needs within the Urban Village Specific Plan. The District has adequate water supply and sewage treatment capacity to accommodate the development as proposed. Specific improvements to the water distribution system or sewer collection system that may be necessary to accommodate the development would be evaluated and defined at the time development occurs. The cost of any improvements necessary to provide water or sewer service to the development would be borne by the developer.

Recent Development Trends. Several redevelopment projects have occurred in Laguna Hills during the past several years. The old Circuit City site at Avenida de la Carlota and El Toro has been redeveloped to add an additional 5,949 square feet of retail space that now serves as the new home to Ashley Furniture, Total Wine and More, and Chick-Fil-A. The Taj Mahal Office Complex was renovated to include expanding the complex by 6,100 square feet to provide medical office space. In April 2012, the City approved plans for the redevelopment of the Moulton Las Paz Shopping Center to include the addition of 29,098 square feet of general commercial space. The Center will be anchored by The Fresh Market, the chain's first store in Southern California and the second in the State.

Market Conditions. Although the housing market in southern California has softened, home prices in Laguna Hills remain high. The median home price for single-family homes during the period January 1, 2012, to January 1, 2013, was \$580,000, while the median home price for condominiums was \$225,000. The City continues to experience high land and construction costs. Furthermore, as already noted, besides the vacant Estate Residential parcels within the Nellie Gail Ranch area, Laguna Hills contains no vacant residential land for new housing development. Therefore, conditions for redevelopment and reuse are favorable in Laguna Hills.



Source: EDAW, 2008

Figure H-6
Urban Village Specific Plan Area



Concessions and Incentives. The Regulatory Concessions and Incentives section of this Housing Element (see Constraints on Housing Production section) describes the numerous regulatory concessions and incentives available to developers of affordable housing in Laguna Hills. These concessions and incentives include density bonuses, opportunities to develop housing in certain nonresidential districts of the City, fiscal incentives, and procedural incentives. Refer to the Regulatory Concessions and Incentives section for a detailed discussion.

Potential UVSP Area Housing Development Summary

- Density: Minimum 30 dwelling units per acre;
Maximum 50 dwelling units per acre; high density residential only
- Maximum Units: Maximum determined by trip limits
- Potential Units: At least 489
- Affordability: Extremely low income through moderate income and above

Alicia Gateway

The Alicia Gateway area is a 40.4-acre site located just west of Interstate 5 and is bisected by Alicia Parkway from north to south, and Hon Avenue and Paseo de Alicia from east to west. The City's General Plan and Zoning Ordinance designate the site as Neighborhood Mixed Use. The site contains approximately 439,263 square feet of commercial development. No residential development is located within the current boundaries of Alicia Gateway. The area is generally surrounded by single-family homes on the east, south, and west.

Existing Use. Existing land uses consist of a variety of commercial and office uses, including retail sites, restaurants, local services, fast food establishments, medical offices, and two gas stations. Additionally, the site contains a business park, a used car lot, and a public storage facility.

The southeast portion of Alicia Gateway contains a parcel of approximately 5.1 acres, containing approximately 20,777 sq. ft. of improvements supporting a used car lot and car repair services. The property owner of this site has engaged in extensive discussions with the City to discontinue the current use of automobile sales and services. Discontinuation of the present use is expected within the Housing Element planning period and redevelopment is anticipated to occur. Environmental constraints may be present on this site due to the current use.



Commercial Underutilized Sites (see Table H-41a)

Source: EDAW, 2008

Figure H-7
Alicia Gateway



Proposed Use. The City's General Plan designates the entire Alicia Gateway as neighborhood mixed use. The neighborhood mixed use designation will create a moderate density center and gathering place. This designation will promote a mix of retail, housing, and office uses; walkable connections, plazas and green space for community gathering; high quality design and architecture; orientation of buildings toward the street and pedestrians; and accessibility to transit. The neighborhood mixed use designation promotes the development of vertical and horizontal mixed use. Allowed uses include commercial, retail, office, and residential. Standalone residential is prohibited. The maximum height is three stories, and the expected housing density range is between 10 and 20 dwelling units per acre with a maximum of 110 dwelling units on this site.

A preliminary traffic review of Alicia Gateway indicated that the mixture of uses proposed under the neighborhood mixed use designation (including 110 dwelling units) actually results in a slight decrease in traffic currently being generated. As a result, daily trip generation would not be expected to cause any adverse impacts to surrounding traffic operations.

Figure H-7 depicts the parcels and acreage within the Alicia Gateway area.

Infrastructure Availability. Infrastructure and public services are readily available within Alicia Gateway. Water and sewer service is provided by MNWD. MNWD has adequate wastewater treatment capacity and sufficient potable water capacity to serve the development of the area with a mixture of commercial and residential uses. However, some replacement of the transmission systems may be required to meet MNWD standards. It is expected that any proposed redevelopment would require an assessment of the adequacy of water and sewer services to determine if upgrades to existing facilities or construction of new facilities would be required.

Recent Development Trends. Several redevelopment projects have occurred in Laguna Hills during the past several years. The old Circuit City site at Avenida de la Carlota and El Toro has been redeveloped to add an additional 5,949 square feet of retail space that now serves as the new home to Ashley Furniture, Total Wine and More, and Chick-Fil-A. The Taj Mahal Office Complex was renovated to include expanding the complex by 6,100 square feet to provide medical office space. In April 2012, the City approved plans for the redevelopment of the Moulton Las Paz Shopping Center to include the addition of 29,098 square feet of general commercial space. The Center will be anchored by The Fresh

Market, the chain's first store in Southern California and the second in the State.

Market Conditions. As noted previously, although the housing market in southern California has softened, home prices in Laguna Hills remain high, as do land and construction costs. Additionally, besides the vacant Estate Residential parcels within the Nellie Gail Ranch area, Laguna Hills contains no vacant residential land for new housing development. The neighborhood mixed use land use designation may stimulate interest in residential development of this area by allowing mixed use residential development by right. Therefore, conditions for redevelopment and reuse are favorable in Laguna Hills.

Concessions and Incentives. The Regulatory Concessions and Incentives section of this Housing Element (see Constraints on Housing Production section) describes the numerous regulatory concessions and incentives available to developers of affordable housing in Laguna Hills. These concessions and incentives include density bonuses, opportunities to develop housing in certain nonresidential districts of the City, fiscal incentives, and procedural incentives. Refer to the Regulatory Concessions and Incentives section for a detailed discussion.

Potential Alicia Gateway Housing Development

Summary

- Density: 10–20 dwelling units per acre
- Maximum Units: 110
- Potential Units: 110
- Affordability: Moderate income and above

Table H-41a summarizes the inventory of commercial underutilized sites in Laguna Hills.

COMPARISON OF SITES INVENTORY AND RHNA

Properties identified in the sites inventory have the combined capacity to accommodate sufficient housing units on vacant and underutilized properties in Laguna Hills (Table H-42) and meet the remaining RHNA for the 2013-2021 planning period. The UVSP was amended to accommodate residential development at a minimum of 30 dwelling units per acre to its current maximum of 50 dwelling units per acre. The UVSP will continue to allow residential development “by right.” The UVSP site provides opportunities at a density suitable to accommodate the development of lower income housing in Laguna Hills.

Table H-41a
Commercial Underutilized Sites Inventory

Underutilized sites	Acres	APN	General Plan	Zone	Maximum Density	Potential New Units in this Housing Element Cycle	Existing Uses
UVSP							
Oakbrook Village (Fritz Duda)	9.8	621-491-07 621-491-08 621-051-10 621-051-11 621-051-12	VC	VC	30-50 du/ac	489	Strip Mall
Alicia Gateway*							
Laguna Hills Plaza (Sylmar Apts., LLC)	9.6	620-011-89	NMU	NMU	.08 FAR	28	Strip Mall
Honali Plaza (Alicia Center Co.)	7.9	620-461-10 620-461-12	NMU	NMU	.08 FAR	23	Strip Mall
Phillips Auto Dealership (EMJ Ltd.)	5	620-231-08 620-231-09	NMU	NMU	.08 FAR	15	Auto Dealership
*Total potential units in Alicia Gateway is 110 dwelling units.							

Table H-42
Summary of Residential Sites Inventory

Income Category	Vacant Residential Sites	Underutilized Sites	Total Sites	Remaining RHNA	Difference
Total	6	599	605	2	-

Financial Resources

The City of Laguna Hills has access to several federal and local resources to achieve its housing and community development goals. Specific funding sources will be utilized based on the eligibility and requirements of each project or program. The City leverages, to the maximum extent feasible, local funds with federal and state funds in meeting its housing and community development objectives.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

The Community Development Block Grant (CDBG) Program is administered by HUD. Through this program, the federal government provides monies to cities to undertake certain kinds of community development and housing activities.

Activities proposed by the City must meet the objectives and eligibility criteria of CDBG legislation. The primary CDBG objective is the development of viable urban communities, including decent housing and a suitable living environment, and expanding economic opportunity, principally for persons of low and moderate income. Each activity must meet one of the three broad national objectives:

- Benefit low and moderate income families
- Aid in the prevention or elimination of slums or blight
- Meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community

Over the past 8 years, the City has been awarded CDBG funds totaling approximately \$2.1 million. These funds were used to renovate over 136 housing units in the 248-unit Aliso Meadows Condominium Development, which primarily houses low income households, although is not deed restricted as such.

SECTION 8 HOUSING CHOICE VOUCHER PROGRAM

The Housing Choice (Section 8) voucher program (HCVP) is the federal government's major program for assisting very low income families, seniors, and the disabled to rent decent, safe, and sanitary housing in the private market. Since the rental assistance is provided on behalf of the family or individual, participants are able to find and lease privately owned housing, including single-family homes, townhouses, and apartments from landlords who accept vouchers.

The Orange County Housing Authority (OCHA) coordinates and administers Section 8 rental assistance on behalf of the City of Laguna Hills. According to OCHA, approximately 19 households are receiving Section 8 assistance in Laguna Hills.

Like many other urban areas, the demand for rental assistance in Orange County is very high. For the first time in more than 4 years, OCHA opened the HCVP waiting list during the month of November 2005. Approximately 20,000 applications were received within this 30-day period. By June 1, 2006, OCHA had established a new wait list containing 18,601 applicant names and began processing elderly

and disabled veterans and families headed by a veteran from the list. At the end of December 2006, OCHA had issued 1,064 Housing Choice Vouchers to applicants on the new waiting list. It could take several years to deplete the current waiting list and accept applications for a new list.

Energy Conservation

Government Code Section 65583(a)(78) requires that the City of Laguna Hills Housing Element include an analysis of opportunities for energy conservation with respect to residential development.

The City of Laguna Hills fully enforces provisions of Title 24 of the California Administrative Code, which requires energy conservation measures in all new residential buildings (and additions to residential buildings) except hotels, motels, and buildings with four or more habitable stores and hotels. The regulations specify energy saving design for walls, ceilings, and floor installations, as well as heating and cooling equipment and systems, gas cooling devices, conservation standards, and the use of nondepleting energy sources, such as solar energy or wind power. Standards in Title 24 create energy savings of approximately 50 percent over residential construction practices utilized prior to the Title 24 enactment.

Planning to maximize energy efficiency and the incorporation of energy conservation and green building features can contribute to reduced housing costs for homeowners and renters, in addition to promoting sustainable community design, reduced dependence on vehicles, and reduced greenhouse gases.

The City updated its General Plan and incorporated sustainability measures into the General Plan, including energy conservation opportunities.

The City will adopt a sustainable development program (Land Use Implementation Program LU-8) with the goal of reducing ownership costs, reducing water and energy consumption, reducing driving, and reducing greenhouse gas emissions.

The current General Plan incorporates sustainability by establishing implementation programs that address the following: green building standards; mixed use; additional bikeways, sidewalks, walkways, crosswalks to reduce driving; increasing transit use by coordinating with the Orange County Transportation Authority; drafting a climate action plan; increasing water conservation; increasing recycled and reclaimed water; and promoting community gardens. In addition to the above implementation programs in the General Plan, the City will also consider

incorporating additional components into the Sustainable Development Program not directly addressed in these implementation programs such as:

- Adopting a formal green building program, such as Leadership in Energy and Environmental.
- Design (LEED), GreenPoint Rated and/or other programs applicable to Laguna Hills.
- Providing developer incentives for green buildings.
- Adopting a native tree preservation ordinance and encourage planting of new, drought-tolerant trees.
- Promoting and incentivizing alternative energy such as wind and solar in new development and revitalization projects.
- Instituting green purchasing practices in all City operations, including alternative or very fuel efficient vehicles.
- Establishing a marketing and education plan for City residents to encourage green building standards, alternatives to driving, energy conservation through high efficiency lighting and appliances, and alternative energy such as wind and solar.
- Measuring annual progress in City operations, and private development as applicable.
- Participating in utility-sponsored (e.g., Southern California Edison) sustainability programs.

Housing Plan

Evaluation of Accomplishments under Adopted Housing Element

Government Code Section 65588(a) requires each jurisdiction to review its housing element as frequently as appropriate to evaluate:

- The appropriateness of the housing goals, objectives, and policies in contributing to the attainment of the state housing goal;
- The effectiveness of the housing element in attainment of the community's housing goals and objectives; and
- The progress of the city, county, or city and county in implementation of the housing element.

This section documents the City's achievements under the 2008-2014

Housing Element. This section describes the relative success of the City's efforts to implement the programs identified in the previous housing element and contains recommendations for program retention, revision, deletion, or addition to address current and projected needs and state requirements between 2013-2021.

Table H-43 lists the housing programs found in the 2008-2014 Housing Element and provides a summary of accomplishments under the Housing Element cycle.

Table H-43 Review of Accomplishments under 2008 Housing Element		
Program	Objectives	Accomplishments
H-1. Code Enforcement Program	<ul style="list-style-type: none"> Enforce zoning and building codes to reduce health and safety hazards. 	<p>Zoning and building code enforcement is provided by the Laguna Hills Community Development Department (CDD) and the City Attorney. Annually, approximately 100 health and safety violations are addressed and abated.</p> <p>Continued Appropriateness: This program is included in the 2013-2021 Housing Element.</p>
H-2 State Franchise Tax Board Code Enforcement	<ul style="list-style-type: none"> Enforce California Revenue and Taxation Code prohibiting owners of rental property from claiming certain tax benefits if they maintain substandard rental housing. 	<p>Zoning and building code enforcement are provided by the City. At present, the City has no substandard housing and has not had to notify the Franchise Tax Board of substandard rental housing.</p> <p>Continued Appropriateness: This program is included in the 2013-2021 Housing Element.</p>
H-3 Housing Rehabilitation	<ul style="list-style-type: none"> Institute rehabilitation loan and grant program with assistance from OCHA and HCD for low and moderate income homeowners and rental property landlords. 	<p>To date, the City has been awarded CDBG funds totaling approximately \$2.1 million, which resulted in the rehabilitation of 136 affordable housing units for low and moderate income households. .</p> <p>Continued Appropriateness: This program is included in the 2013-2021 Housing Element.</p>
H-4 At-Risk Units	<ul style="list-style-type: none"> Contact owners of affordable units to discern plans for continuing affordability of those units. 	<p>The City continues to pursue the extension of affordability controls for the Rancho Moulton housing development. The City prepares a Risk Management Assessment report provided by the California Housing Partnership Corporation.</p> <p>Continued Appropriateness: This program is included in the 2013-2021 Housing Element.</p>
H-5 Foreclosure Referral Program	<ul style="list-style-type: none"> Address increased incidence of residences facing foreclosure. 	<p>Provide foreclosure information on City's website. Refer residents to external agencies to assist in reducing incidence of foreclosures.</p> <p>Continued Appropriateness: This program is included in the 2013-2021 Housing Element.</p>

Table H-43 (continued)
Review of Accomplishments under 2008 Housing Element

Program	Objectives	Accomplishments
H-6 UVSP Area for Housing Opportunities	<ul style="list-style-type: none"> Provide housing opportunities in the UVSP area. 	<p>City continues to inform existing property owners and prospective developers that housing opportunities are available in the UVSP area. In November 2012, the City approved a mixed use project at Oakbrook Village (in the UVSP area), which includes the development of 489 multi-family residential units in two phases.</p> <p>Continued Appropriateness: This program is included in the 2013-2021 Housing Element.</p>
H-7 Alicia Gateway for Housing Opportunities	<ul style="list-style-type: none"> Provide housing opportunities in the Alicia Gateway area. 	<p>City continues to inform prospective developers that housing opportunities are available in the Alicia Gateway area.</p> <p>Continued Appropriateness: This program is included in the 2013-2021 Housing Element.</p>
H-8 Neighborhood Mixed Use Land Use Designation and Zone District	<ul style="list-style-type: none"> Promote the development of mixed use to create a moderate density center and gathering place in key, centrally located areas in Laguna Hills. 	<p>The City adopted a Neighborhood Mixed Use designation and zone district.</p> <p>Continued Appropriateness: This program was completed in 2009 and is not included in the 2013-2021 Housing Element.</p>
H-9 Zoning Ordinance Update	<ul style="list-style-type: none"> Remove constraints for the development of housing for affordable to low and moderate income households with special needs. 	<p>The City adopted an amendment to the UVSP in April 2011.</p> <p>Continued Appropriateness: This program is included in the 2013-2021 Housing Element.</p>
H-10 Second Units	<ul style="list-style-type: none"> Provide housing opportunities 	<p>The City continues to implement the Second Unit provisions of the Zoning Ordinance consistent with state law-City permits second units by right in all residential zones of the City, requiring only ministerial approval.</p> <p>Continued Appropriateness: This program is included in the 2013-2021 Housing Element.</p>
H-11 CDBG Funding for Shelter for the Homeless	<ul style="list-style-type: none"> Housing Apply for HUD CDBG funds and allocate a portion of such funds to subrecipients who provide shelter for the homeless. 	<p>The City participates in the County's Continuum of Care Program, which addresses homeless needs on a regional basis.</p> <p>Continued Appropriateness: This program is included in the 2013-2021 Housing Element.</p>

Table H-43 (continued)
Review of Accomplishments under 2008 Housing Element

Program	Objectives	Accomplishments
H-12 Continuum of Care Funding and Consolidated Plan Participation	<ul style="list-style-type: none"> Affordable housing and related social services for special needs. 	<p>The City continues to participate in the OC Consolidated Plan Programs and in the OC Continuum of Care local housing process to facilitate obtaining funds for affordable housing and related social services for special needs populations.</p> <p>Continued Appropriateness: This program is included in the 2013-2021 Housing Element.</p>
H-13 Section 8 Rental Assistance	<ul style="list-style-type: none"> Cooperate with the Orange County Housing Authority (OCHA), who currently administers the Section 8 Rental Assistance program on behalf of the City. 	<p>The City continues to cooperate with OCHA and provide referral services and information to the City's residents.</p> <p>Continued Appropriateness: This program included in the 2013-2021 Housing Element.</p>
H-14 Affordable Housing Developer Partnerships	<ul style="list-style-type: none"> Partner with mainstream and/or special needs affordable housing developers that could result in set-asides for low income housing projects and/or provide a range of housing options. 	<p>City does not have a redevelopment agency. City has contacted mainstream affordable housing developers regarding housing development opportunities in the City.</p> <p>Continued Appropriateness: This program is included in the 2013-2021 Housing Element.</p>
H-15 Fair Housing Program	<ul style="list-style-type: none"> Distribute fair housing education services. Receive and refer fair housing complaints. 	<p>Periodically, the City requests, and receives, Fair Housing Educational Brochures for distribution to the public. The City regularly receives phone calls and emails requesting the Fair Housing Council contact information, which is provided.</p> <p>Continued Appropriateness: This program is included in the 2013-2021 Housing Element.</p>
H-16 Reasonable Accommodation Procedures	<ul style="list-style-type: none"> Adopt a Reasonable Accommodation Ordinance 	<p>The City adopted a formal Reasonable Accommodation procedure in 2012.</p> <p>Continued Appropriateness: This program is completed and not included in the 2013-2021 Housing Element.</p>
H-17 Universal Design Features in Housing	<ul style="list-style-type: none"> Provide equal housing opportunities 	<p>The City is exploring programs, an ordinance, and incentives to encourage provision of universal design features in housing. The City's Building Code allows builders to develop units that support universal design.</p> <p>Continued Appropriateness: This program is included in the 2013-2021 Housing Element.</p>
H-18 Annual Progress Reports	<ul style="list-style-type: none"> Prepare annual reports on citywide housing programs as part of annual General Plan review. Distribute annual report on Housing Element implementation to HCD. 	<p>The City prepares an annual progress report each year and submits it to HCD.</p> <p>Continued Appropriateness: This program is included in the 2013-2021 Housing Element.</p>

Table H-43 (continued)
Review of Accomplishments under 2008 Housing Element

Program	Objectives	Accomplishments
H-19 Housing Issues Monitoring	<ul style="list-style-type: none"> • Monitor existing and proposed affordable housing developments in the City. • Monitor legislation, trends, and policy issues related to the development and maintenance of affordable housing in Laguna Hills. 	<p>Ongoing. The City continues monitor housing issues in the City.</p> <p>Continued Appropriateness: This program is included in the 2013-2021 Housing Element.</p>
H-20 Local Housing Efforts Coordination	<ul style="list-style-type: none"> • Coordinate local housing efforts with appropriate jurisdictions and agencies and cooperate with intergovernmental housing program implementation. • Submit CDBG applications to assist in preserving existing affordable units. 	<p>The City continues to apply for (and receive) CDBG funds each year to rehabilitate and preserve existing affordable housing units. 136 units have been rehabilitated.</p> <p>Continued Appropriateness: This program is included in the 2013-2021 Housing Element.</p>

Goals and Policies of 2013-2021 Housing Element

The goals and policies described in this section will formulate the City's housing strategy and guide the implementation of the Housing Element programs. The policies are intended to guide the City in making decisions related to housing issues, the City staff in the daily administration of the General Plan, and the public in understanding the general direction of the City's housing policies.

NEIGHBORHOOD AND HOUSING PRESERVATION

Preserving the City's residential neighborhoods and maintaining the City's housing stock are essential steps to retaining the City's livability and character. Preserving and or replacing units affordable to low income households and those with special needs is also important. Preservation efforts must carefully consider environmental, physical, and economic constraints. To this end, the following policies seek to facilitate neighborhood and housing preservation in Laguna Hills.

GOAL H-1: Maintain and preserve existing housing and residential neighborhoods in Laguna Hills.

Policy H-1.1: Invest public and private resources in the maintenance and rehabilitation of existing housing to prevent or reverse neighborhood deterioration.

Policy H-1.2: Allocate federal and state resources toward the preservation of residential units, particularly those that are affordable to extremely low, very low, and lower income households.

Policy H-1.3: Maintain and improve community facilities, public housing services, and infrastructure, where necessary, to enhance the livability and vitality of neighborhoods.

Policy H-1.4: Support neighborhood preservation programs, such as graffiti abatement, code enforcement, abandoned or inoperative automobile removal, tree planting, and trash and debris removal.

Policy H-1.5: Preserve the City's affordable housing stock for low and moderate income households and special needs households.

HOUSING AVAILABILITY

Residents of Laguna Hills recognize the need to provide housing opportunities for all segments of the community. Providing a greater diversity of housing types, such as multifamily apartments, condominiums, townhomes, and senior housing facilities, will allow both younger and older generations of Laguna Hills's residents to remain in the community. Housing variety will also enable citizens from a wide range of economic levels to live within the City. Accordingly, the following policies are designed to facilitate a diverse housing supply. The amount, type, and design of new development should be compatible with existing neighborhoods.

GOAL H-2: Facilitate the development of a range of housing types, densities, and affordability levels to meet the diverse needs of the community for all economic levels and age groups and special needs groups, such as large families, female-headed households, the disabled, seniors, and the homeless.

Policy H-2.1: Provide opportunities for higher density residential development, mixed use residential/commercial development, and transit-oriented development in appropriate areas of the City.

Policy H-2.2: Promote zoning designations and commensurate development standards for residential development that encourage flexibility in permitted land use types, which also respond to changing market forces and/or urban planning trends.

Policy H-2.3: Consider standards and incentives that encourage higher density and mixed use development in appropriate areas such as the Urban Village Specific Plan area, Via Lomas housing area, and Alicia Gateway.

Policy H-2.4: Support the development of more sustainable projects that reduce demand for water and energy resources, reduce commute times, and incorporate alternative modes of travel.

Policy H-2.5: Revise governmental regulations and policies that constrain the provision of housing production, including affordable housing and housing for persons with special needs.

Policy H-2.6: Coordinate with the private sector in the development of affordable and special needs, rental, and ownership housing.

Policy H-2.7: Continue to support public and private sector organizations in their efforts to construct, acquire, and improve housing to provide access to housing affordable to lower and moderate income households.

Policy H-2.8: Expand and extend affordability of Rancho Niguel and Rancho Moulton apartments.

Policy H-2.9: Work with nonprofit agencies and private sector developers to encourage development of housing and services that meet the needs of the disabled and elderly, such as assisted living facilities (single-story houses and apartments), and the use of universal design features.

EQUAL HOUSING OPPORTUNITY

Obtaining adequate housing without discrimination is an important component of a diverse housing supply. Laguna Hills will support the provision of fair housing opportunities through the following goal and policies.

GOAL H-3: Ensure that adequate housing opportunities are available to all persons in Laguna Hills without discrimination in accordance with federal and state fair housing laws.

Policy H-3.1: Support the enforcement of laws against illegal acts of housing discrimination based on race, color, ancestry, national origin, religion, sexual orientation, marital status, familial status, age, disability, source of income, or any arbitrary reason excluding persons from housing choice.

Policy H-3.2: Promote equal opportunity in housing and community development programs citywide.

Policy H-3.3: Encourage housing design to accommodate the special needs of the disabled, seniors, large families, single-parent households, and low income households. Designs may include single-story units, units with three, four, or five bedrooms; on site child care facilities; or on-site job training facilities.

IMPLEMENTATION AND MONITORING

Monitoring, enforcement, and preservation in housing should be established and maintained as an ongoing function of the City. An effective monitoring program provides the City with an important tool to gauge the success of the City's housing programs and to address emerging housing needs as appropriate.

GOAL H-4: Plan for and monitor the long-term affordability of sound, quality housing.

Policy H-4.1: Enforce and enhance the housing monitoring system to ensure compliance with funding program regulations and compliance with local, state, and federal laws.

Policy H-4.2: Ensure collaboration among various City departments in the delivery of housing and related services.

Summary of Approach

The goals, policies, and programs of the Housing Element will help the City to provide housing opportunities for all segments of the community while enhancing the quality of its neighborhoods and housing stock. Table H-44 identifies the four major issues guiding the Housing Element. These major issues represent the direction the City will take in its goals, policies, and programs to implement the vision of Laguna Hills as captured in the Guiding Themes and expressed in the Housing Plan.

Quantified Objectives

Table H-45 summarizes the City's quantified objectives for construction, rehabilitation, and preservation over the 2013-2021 Housing Element planning period.

As indicated in Table H-45, the City's new construction objective totals two units. The City's rehabilitation objective is 216 units at the Aliso


Table H-44
Description of Actions to Address Housing Issues

Issue	Element	Section	Policy	Program	Figure	Table
Neighborhood and Housing Preservation	Land Use	Respect for Existing Neighborhoods	LU-2.1 through LU-2.8	LU-6		
	Housing	Neighborhood and Housing Preservation	H-1.1 through H-1.5	H-1 through H-5		
Housing Availability	Land Use	Sustainable and Creative Infill Development	LU-3.1 through LU-3.13	LU-3, LU-4, LU-8, LU-9, LU-10	LU-7 through LU-13 (Opportunity Areas)	LU-1 (Land Use Designations)
	Housing	Housing Availability	H-2.1 through H-2.9	H-6 through H-14	H-5 through H-7	H-40, H-41, H-41a, H-42
Equal Housing Opportunity	Housing	Equal Housing Opportunity	H-3.1 through H-3.4	H-15 through H-17		
Implementation and Monitoring	Housing	Implementation and Monitoring	H-4.1 and H-4.2	H-18 through H-20		H-43, H-45

Table H-45
Quantified Objective Summary (2013-2021)

Income	New Construction	Rehabilitation	Conservation
Extremely Low (<30% AMI)	-	-	-
Very Low (<50% AMI)	1	-	25
Low (51–80% AMI)	1	-	26
Moderate (81%-120% AMI)	-	-	-
Above Moderate (>120% AMI)	-	-	-
Total	2	216	51

Meadows Condominium development, which is a nonincome-restricted development. Therefore, the objectives are not quantified by income level. The rehabilitation objective is contingent upon current federal funding levels being maintained.



The City also has two publicly assisted rental housing developments, Rancho Moulton and Rancho Niguel. Affordability controls extend well beyond the planning period of this Housing Element for the Rancho Niguel housing development. The City's preservation goal is 51 units at risk of converting to market rate, currently located in the Rancho Moulton housing development.

APPENDIX A.

Implementation Program

SPECIFIC IMPLEMENTATION PROGRAMS

Housing

NEIGHBORHOOD AND HOUSING PRESERVATION

H-1. Code Enforcement Program

The City of Laguna Hills will enforce building code regulations and abate code violations, nuisances, and existing uses, activities, buildings, or structures that pose a threat to public health, safety, or welfare. Enforcement activities will focus on property maintenance, such as eliminating derelict or abandoned vehicles, outdoor storage, or other situations that may constitute health, safety, or fire hazards.

Responsible Agency:	Community Development
Funding Source:	General fund
Time Frame:	Ongoing

H-2. State Franchise Tax Board Code Enforcement

To promote maintenance of existing rental properties, the City shall work with the California State Franchise Tax Board to enforce provisions of California Revenue and Taxation code Sections 17274 and 24436.5, which prohibit owners of substandard rental housing from claiming depreciation, amortization, mortgage interest, and property tax deductions of state income tax. The City will notify the State Franchise Tax Board if substandard rental housing is identified.

Responsible Agency:	Community Development
Funding Source:	General Fund
Time Frame:	Ongoing

H-3. Housing Rehabilitation

The City will continue to work with the Orange County Housing and Community Services Department to receive rehabilitation loans and grants for low and moderate income homeowners and rental property owners, including senior/disabled households, to maintain housing stock. Efforts will focus on rehabilitating approximately 148 units in the Aliso Meadows Condominium Development. The rehabilitation loan and grant program will use CDBG funds distributed by the County as appropriate. The City will publicize the availability of this program in local newspapers, on the City’s website, at the Community Development

Department, and in information items at Planning Agency Public Hearings. Modifications for accessibility/universal design are eligible activities under this program (see also Housing Element Implementation Program H-6 and H-17).

Responsible Agency: Community Development
 Funding Source: CDBG
 Time Frame: Annually by September of each year or as otherwise required by the County CDBG schedule

H-4. At-Risk Units

The City will continue to pursue the extension of affordability controls for 51 units, either in the existing Rancho Moulton housing development or as part of new or redevelopment activities in the Via Lomas area or other areas of the City. . The City will annually prepare a “Risk Assessment” report provided by the California Housing Partnership Corporation (CHPC). Projects determined high risk are those most likely to decline continued federal assistance because they currently have rents below market rate(s) and are owned by profit-motivated entities. The City will work with potential purchasers to preserve 51 units in the existing development or in new development by finding an interested non-profit entity and securing funding to acquire and preserve the property. The City will use HCD resources listed on the HCD website, as well as other resources, to locate potential funding sources as needed for the preservation of affordable housing. As needed, the City will work with tenants of at-risk units and provide them with education regarding tenant rights, notification procedures, and conversion procedures. The City will also provide tenants in at-risk projects information from the Orange County Housing Authority regarding Section 8 rental assistance.

Responsible Agency: Community Development
 Funding Source: General Fund
 Time Frame: By January of each year.

H-5. Foreclosure Referral Program

Based on current dynamics, the City seeks to address the increased incidence of residents facing foreclosure. The City will provide foreclosure information on the City’s website, and provide resources at the City to refer residents to external agencies to assist in reducing incidents of foreclosures in Laguna Hills.

Responsible Agency: Community Development
 Funding Source: General Fund
 Time Frame: January 2014

HOUSING AVAILABILITY

H-6. Urban Village Specific Plan Area for Housing Opportunities

The City shall inform existing property owners and prospective developers that housing opportunities are available in the Urban Village Specific Plan area. Housing opportunities include market rate housing units and could also include housing for low and moderate income households, families, seniors, and special needs households. City staff will inform prospective developers at time of project application meeting(s). Additionally, the City will promote the UVSP area on the City's website and will also promote housing development incentives consistent with Chapter 9-72 of the Zoning Ordinance. The UVSP area will also be promoted through the City's Economic Development Strategy (see the Land Use Element Implementation Program LU-14).

Responsible Agency: Community Development
 Funding Source: CDBG
 Time Frame: Ongoing; The City will post the information on the website by December 2013 and it will be updated annually.

H-7. Alicia Gateway for Housing Opportunities

The City shall inform existing property owners and prospective developers that housing opportunities are available in the Alicia Gateway. Housing opportunities could include market rate housing units and could also include housing for low and moderate income households, families, seniors and special needs households. City staff will inform prospective developers at time of project application meeting(s). Additionally, the City will promote Alicia Gateway on the City's website and will also promote housing development incentives consistent with Chapter 9-72 of the Zoning Ordinance. Alicia Gateway will also be promoted through the City's Economic Development Strategy (see the Land Use Element Implementation Program LU-14).

Responsible Agency: Community Development
 Funding Source: CDBG
 Time Frame: The information will be posted on the website by December 2013 and will be updated annually.

Additionally, the City participates annually in the ICSC conferences to promote the opportunity areas in the City.

H-8. Zoning Ordinance Update

The implementation of housing goals, policies, and programs will require updating the City's Zoning Ordinance. In addition, certain City rules and regulations may constrain the development of housing affordable to low and moderate income households with special needs. To mitigate potential constraints and implement housing goals, policies, and programs, the City will update the following regulations in the Zoning Ordinance:

1. Consolidate and remove duplicitous definitions of manufactured housing and mobile homes and ensure consistency in the Zoning Ordinance, use regulations, and development standards.
2. Reduce the open space requirement in the High Density Residential district;
3. Increase the maximum lot coverage requirement in the Mixed Use district.
4. Transitional and supportive housing will be permitted as a residential use and only subject to those restrictions that apply to other residential dwellings of the same type in the same zone (Government Code Section 65583 (a)(5)).

Responsible Agency:	Community Development
Funding Source:	General Fund
Time Frame:	October 2014

H-9. Second Units

The City shall continue to implement the Second Unit provisions of the Zoning Ordinance consistent with state law. The City will continue to permit second units by right in all residential zones of the City, requiring only ministerial approval. Residential second units provide a viable option for providing additional housing opportunities which could include affordable housing for lower income seniors, single persons, or small households within existing neighborhoods.

Responsible Agency:	Community Development
Funding Source:	General Fund
Time Frame:	Ongoing

H-10. CDBG Funding for Shelter for the Homeless

The City shall apply for United States Department of Housing and Urban Development CDBG funds and allocate a portion of such funds to subrecipients who provide shelter for the homeless.

Responsible Agency:	Community Development
Funding Source:	CDBG
Time Frame:	Annually by September of each year or as otherwise required by the County CDBG schedule

H-11. Continuum of Care Funding and Consolidated Plan Participation

The City shall continue to participate in the Orange County Consolidated Plan Programs and in the Orange County Continuum of Care local housing planning process to facilitate obtaining funds for affordable housing and related social services for special needs populations. The Continuum of Care local housing and service delivery system focuses on homeless prevention, outreach, and assessment, emergency shelters, transitional housing, supportive services, and permanent supportive housing for homeless individuals and families. The City shall pursue homeless assistance grants through the Continuum. The City will assist public and private nonprofit housing developers in preparation of funding applications for special needs populations.

Responsible Agency:	Community Development
Funding Source:	CDBG
Time Frame:	Annually by September of each year or as otherwise required by the County CDBG schedule

H-12. Section 8 Rental Assistance

The Orange County Housing Authority currently administers the Section 8 Rental Assistance program on behalf of the City. Currently the program assists renter households in the City of Laguna Hills. Based on future congressional appropriations, the County Housing Authority will apply for additional funding which will enable the Housing Authority to administer additional vouchers for families, seniors, and disabled persons over the Housing Element planning period. The City of Laguna Hills will continue to provide referral services and information to the City's residents.

Responsible Agency: Community Development
 Funding Source: HUD
 Time Frame: Ongoing

H-13. Affordable Housing Developer Partnerships

The City will continue to develop partnerships with mainstream and/or special needs affordable housing developers that could result in set-asides in existing and planned low income housing projects. These partnerships may include incentives (such as expedited processing, fee waivers, and density bonuses) provided by the City to facilitate the set-asides for planned low income units and actively cooperating with the owners of existing units to secure appropriate federal funding necessary to maintain existing affordability. The City will promote lower income housing development incentives on the City's website, consistent with Chapter 9-72 of the Zoning Ordinance. The City will use HCD's housing resources website to locate available sites and potential funding sources as needed for the development of affordable housing.

Responsible Agency: Community Development
 Funding Source: General Fund
 Time Frame: Ongoing; The information will be posted on the website by December 2013 and updated annually.

EQUAL HOUSING OPPORTUNITY

H-14. Fair Housing Program

The City will continue to maintain services and personnel to receive housing complaints and continue to address or resolve complaints. The City will also continue to refer fair housing complaints to the Fair Housing Council if they cannot be resolved at the City level. The City will also continue to disseminate written literature about fair housing laws, resident rights, and remedies for fair housing complaints. The City will ensure that fair housing literature is available in the Community Development Department, on the City's website, and at the Laguna Hills Technology Library. The City will monitor these sites to ensure timely, accurate information is available.

Responsible Agency: Community Development
 Funding Source: General Fund
 Time Frame: Ongoing; The information will be posted on the website by December 2013 and updated annually.

H-15. Universal Design Features in Housing

The City recognizes that all people have varying abilities and that many people will encounter temporary or permanent changes in ability to conduct the tasks necessary for daily living throughout their lives. Universal design features create housing suited for people of all abilities and can allow residents to stay in their homes over their lifetime. The City will explore programs, an ordinance, and incentives to encourage provision of universal design features in housing. The City will refer to the HCD website for guidelines and a model ordinance consistent with the principles of universal design. The universal design ordinance will address such topics as findings, definitions, scope and application, standards, and enforcement. City staff will encourage prospective developers to provide universal design features at the time of project application meeting(s).

Responsible Agency:	Community Development
Funding Source:	General Fund
Time Frame:	October 2014

IMPLEMENTATION AND MONITORING

H-16. Annual Progress Reports

The City will report annually on progress toward implementation of the Housing Element and residential development activities citywide.

State law requires that each local jurisdiction submit an annual progress report on the implementation of its General Plan. For the Housing Element, the reporting must include the following:

1. Annual building activity by unit type, tenure, affordability level, deed restriction, and financial assistance;
2. Progress in achieving its RHNA;
3. Program-by-program account of implementation status; and
4. Outcome/disposition of development applications identifying location, size, type, and status of residential development proposals for citywide use and for submittal to Center for Demographic Research at California State University and to the California Department of Finance.

Responsible Agency:	Community Development
Funding Source:	General Fund
Time Frame:	Prepare an annual report for submittal to HCD by April 1 of each year in the planning period

H-17. Housing Issues Monitoring

The City will monitor existing and proposed affordable housing developments in the City. The City will also monitor legislation, trends, and policy issues related to the development and maintenance of affordable housing in Laguna Hills. Ongoing efforts throughout the planning period include but are not limited to:

1. Monitoring development proposals in the City that could be used to maintain, increase, or enhance affordable housing opportunities;
2. Monitoring and market housing opportunities in the UVSP area, including affordable housing opportunities, through Planning Agency public hearings and project preapplication meetings;
3. Monitoring existing programs designed to preserve assisted housing developments for low income households to determine whether additional actions are needed to protect these developments;
4. Monitoring of mobile home park for conversion to nonresidential use;
5. Attending housing and legislative review conferences;
6. Attending training workshops;
7. Participating in regional planning efforts coordinated by the SCAG; and
8. Interfacing with City agencies and the public.

Responsible Agency: Community Development
 Funding Source: General Fund
 Time Frame: Ongoing

H-20. Local Housing Efforts Coordination

The City shall coordinate local housing efforts with appropriate federal, state, regional, and local government and/or agencies and cooperate in implementation of intergovernmental housing programs to ensure maximum effectiveness in solving local and regional housing problems. The City will submit CDBG applications to assist in preserving existing affordable housing stock.

Responsible Agency: Community Development
 Funding Source: CDBG and General Fund
 Time Frame: December 2009