



**City of Laguna Hills**  
**City Council/Planning Agency**  
**Staff Report**

**DATE:** June 29, 2021  
**TO:** Mayor/Chair and Council/Agency Members  
**FROM:** David Chantarangsu  
 Community Development Director  
**ISSUE:** Village at Laguna Hills Continued Public Hearing

**RECOMMENDATION:** That the City Council and Planning Agency take the following actions:

- 1) Resume the Joint Public Hearing;
- 2) That the Planning Agency and City Council:
  - a) Independently consider the City of Laguna Hills General Plan Program Environmental Impact Report (PEIR) (State Clearinghouse No. 20080811100) as previously addended for the Five Lagunas Project along with the Fifth Addendum to the PEIR;
  - b) Adopt a Resolution entitled: "A Joint Resolution of the Planning Agency and the City Council of the City of Laguna Hills, California, adopting the Fifth Addendum to the 2009 General Plan Program Environmental Impact Report as previously addended for the Five Lagunas Project and a Mitigation Monitoring and Reporting Program for the Village at Laguna Hills Project pursuant to the California Environmental Quality Act";
- 3) Adopt a Resolution entitled: "A Joint Resolution of the Planning Agency and City Council of the City of Laguna Hills, California, approving Site Development Permit, Master Sign Program, Conditional Use Permit, Vesting Tentative Tract Map, Development Agreement, Precise Plan No. USE-0010-2019, a request by MGP Fund X Laguna Hills, LLC, to modify the previously approved Five Lagunas Project to continue to redevelop the former Laguna Hills Mall site located at 24155 Laguna

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**Hills Mall, and making certain findings in connection therewith”;**

**4) That the City Council introduce for first reading, read by title only, and waive further reading of an Ordinance entitled: “An Ordinance of the City Council of the City of Laguna Hills, California, approving and adopting a Development Agreement between the City of Laguna Hills and MGP Fund X Laguna Hills, LLC for the Village at Laguna Hills Project.”**

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**SUMMARY:**

On April 27, 2021, the City Council and Planning Agency conducted a joint public hearing (the Hearing) to consider approval of resolutions and conduct the first reading of an ordinance approving and adopting a proposed Development Agreement pertaining to the redevelopment of the former Laguna Hills Mall for the Village at Laguna Hills (the Project). The Project is a modification to the previously approved Five Lagunas project. No action was taken on the Project at that Hearing; the City Council voted to keep the public hearing open and to continue the item to June 24, 2021 at 5:00p.m., in the Laguna Hills Community Center Heritage Room. At the continued public hearing on June 24, 2021, the City Council and Planning Agency received additional public comment, and closed the public comment portion of the Public Hearing. The City Council also voted to continue the Public Hearing to today’s meeting.

**BACKGROUND:**

All hearing materials from the April 27, 2021, meeting are incorporated herein and are included in Attachment a by hyperlink to the City’s website. The hearing materials from the June 24, 2021, meeting are incorporated herein and are included as Attachment b by hyperlink to the City’s website.

Population Clarifications

At the June 24, 2021, meeting, the City Council discussed the topic of future population projections at the Project. The proposed Fifth Addendum for the General Plan PEIR relies on a population estimate for the Project that was derived from a 2015 study previously used to update the City’s Quimby fee (Park In-Lieu Fee per Laguna Hills Municipal Code (LHMC) Chapter 8-07) which was prepared by Willdan Financial Services (Willdan). Willdan studied the City’s population as determined by the 2010 Census and found that in areas where housing density exceeded 18 units per acre, a population of

1.42 persons per household, on average, existed in the City. The 1.42 persons per household figure was used to determine a population estimate for the Project since it exceeds 18 units per acre. This figure was used in the Project CEQA document and fiscal impact study since it had a basis in factual data the City has relied on in the past.

Public comment was received supporting the use of population figures based on a “two plus one rule”, indicating that each bedroom in a unit could support two persons, and that each unit could support one additional person. This approach appears to be based on a 1991 memorandum (the “Keating Memo”) issued by the U.S. Department of Housing and Urban Development (HUD) that dealt with HUD policies aimed at preventing housing discrimination against families with children. The Keating Memo describes how HUD could determine what the maximum occupancy of a housing unit might be relative to a family’s circumstances including bedroom and unit size, age of children in a family, and unit configuration. The Keating Memo expressly states that it is not intended to “establish occupancy policies or requirements for any particular type of housing.” In other words, it is not a population projection model.

A regulation the City maintains related to the number of occupants in a housing unit is LHMC Chapter 10-24 which is known as the “Laguna Hills Housing Code” (Housing Code). The Housing Code adopts the 1997 Uniform Housing Code which is still used nationwide (even though there have been updates), to enable cities to pursue code enforcement actions to eliminate substandard housing. For example, the Housing Code could be used to determine if a dwelling unit was large enough to accommodate the number of people who might be residing in a dwelling unit. Chapter 5 of the 1997 Uniform Housing Code contains regulations regarding “Space and Occupancy Standards”. Section 503.2 provides the following with respect to occupancy:

“503.2 Floor Area. Dwelling units and congregate residences shall have at least one room that shall have not less than 120 square feet (11.2 m<sup>2</sup>) of floor area. Other habitable rooms, except kitchens, shall have an area of not less than 70 square feet (6.5 m<sup>2</sup>). Where more than two persons occupy a room used for sleeping purposes, the required floor area shall be increased at the rate of 50 square feet (4.65 m<sup>2</sup>) for each occupant in excess of two.”

Using the requirements above, it could be determined whether or not a substandard living condition existed due to the number of people living in a dwelling unit and the size of a dwelling unit. However, this regulation is not used to project the number of

residents that will be occupying a residential unit, rather it is solely a code enforcement tool.

The owner of a luxury residential building has the authority, and has a self-interest, through terms of a rental or lease agreement to control the number of residents in each unit. Given the proposed Project Conditions of Approval requires each unit to be provided parking spaces at least meeting the City Code, and also provides for tow away authority for any vehicles found to be parked overnight in the retail parking spaces, the population in each unit is self-managed. Staff re-affirms its use of data supporting 1.42 persons per household on average for the Project.

#### Parking Standards

As indicated in previous Staff Reports and supporting information, the Residential Use on the Project site meets the City Parking Requirements on a standalone basis. Separately, the balance of the Project site meets the City Parking Requirements on the basis of Shared Parking. The Project boundaries include the parking that is provided on Calle de la Louisa and such parking will also be subject to parking controls established in the Conditions of Approval.

#### Applicant Comment Letter

Staff has attached a comment letter dated June 28, 2021, from the Applicant addressing Project consistency with the UVSP as Attachment c.

#### Public Comments

Since the June 24, 2021, continued public hearing, the City has received 12 additional written public comments as of June 24, 2021, 3:00 PM through Monday, June 28, 2021, at 3:00 PM. These are included as Attachment d.

#### Updated Resolutions and Ordinance

Staff has updated the resolutions and ordinance associated with the Project to reflect the continued public hearing dates. These are included as Attachments e through g.

#### **CEQA FINDINGS:**

See the April 27, 2021 staff report.

**FISCAL IMPACT:**

See the April 27, 2021, staff report.

**ATTACHMENTS:**

- Attachment a - Village at Laguna Hills April 27, 2021 Staff Report & Attachments
- Attachment b - Village at Laguna Hills June 24, 2021 Staff Report & Attachments
- Attachment c - June 28, 2021 Applicant Comment Letter
- Attachment d - Comment Letters Received After 3PM June 24, 2021
- Attachment e - Resolution Approving the Fifth Addendum
- Attachment f - Resolution of Approval
- Attachment g - Development Agreement Ordinance