

Housing Element Update

Laguna Hills City Council Workshop

May 3, 2022



Process to Date

- » **Aug. 2020** – PlaceWorks Hired by City
- » **Nov. 10, 2020** - City Council Meeting
 - Topic: Introduction to Housing Element Process
- » **Jan. – Feb. 2021** - Stakeholder Consultations
- » **Jun. – Aug. 2021** Online Survey
- » **Jun. 30, 2021** - Virtual Public Workshop
- » **Aug. 5, 2021** - In-Person Public Workshop
- » **Oct. 18, 2021** - Public Review Draft Released and Announced
- » **Oct. 26, 2021** - City Council Meeting
 - Topic: Public Review Draft
- » **Nov. 4, 2021** - Draft Submitted to HCD
- » **Jan. 4, 2022** – HCD Comments to City
- » **Jan. 11, 2022** - City Council Meeting
 - Topic: HCD Review Comments
- » **Mar. 26, 2022** - City Council Public Workshop
 - Topic: Candidate Rezone Sites
- » **May 3, 2022** - City Council Public Workshop
 - Topic: Candidate Rezone Sites

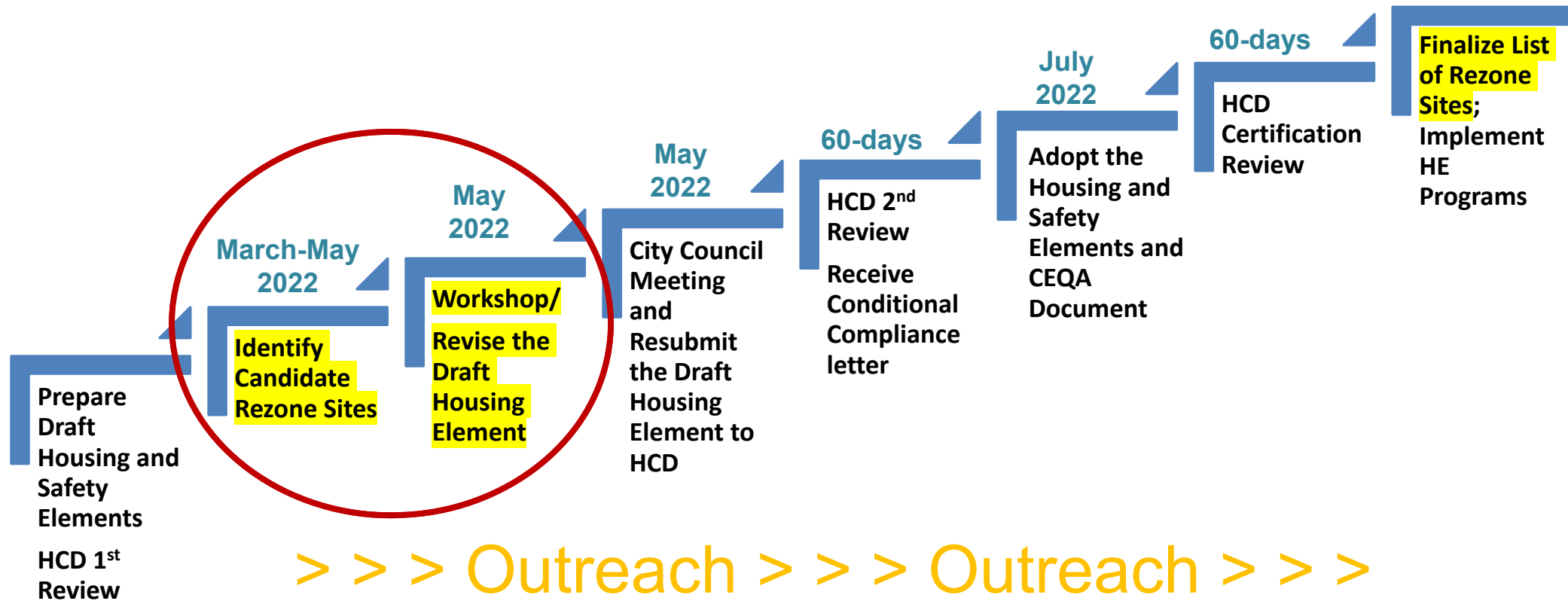


Presentation Agenda

- » Where are we?
- » Related Efforts
- » Workshop Goals
- » Housing Element Overview
- » State Regulatory Environment
- » Approach to Meet RHNA
- » Visualizing Density and Mixed Uses
- » Candidate Sites and Mapping Scenarios
- » Comments and Discussion



Where are we in Laguna Hills' Housing and Safety Elements Update Process?



Safety Element and CEQA

» Safety Element

- Laguna Hills is required to update its Safety Element concurrent with the Housing Element
- The focus is on climate change adaptation and consistency with the State's statutory requirements

» CEQA

- Will cover the Housing Element and Safety Element
- Specific sites for rezoning not selected yet, analysis will determine the CEQA level of review
- No policies would change the physical environment
- CEQA document will analyze overall citywide impacts
- Environmental benefits (air quality, greenhouse gas emissions, and noise) may come from rezoning (reduction in vehicle miles travelled)

Goals for Workshop

- » Provide current status of the Housing Element update
- » Receive direction on the approaches to meet the Regional Housing Needs Allocation (RHNA):
 - Receive direction on selection of “candidate sites” where zoning may be changed to facilitate progress towards meeting Laguna Hills’ housing needs
 - Ask questions



Key Questions for Discussion

Need to identify 30 to 50* acres for revised candidate rezone list. This assumes a 15% buffer.

1. Are there any options that should be taken "off the table" at this time?
2. Are we missing any types of sites or priorities?
3. Should larger sites, like 132 just receive the new zoning on a portion of the site?
4. Things to consider later during final selection of rezone sites
 - a) Density at 30 or 50 units per acre?
 - b) Residential uses at 50 or 100 percent?
 - c) Hybrid? If so, based on what?

**Depending upon density selection*



Housing Element Overview

About the Housing Element

- » Plans for housing needs of all economic segments of the community
 - Must have adequate zoning to meet the housing needs (ordinance and zoning changes may be required as a result of the Housing Element)
 - Must include goals and policies to ensure the City provides adequate housing opportunities for the entire community, including special needs households.
- » Does not:
 - Require the City to build homes
 - Provide funding to build homes
 - Approve specific residential developments or projects



About the Housing Element

» It's required

- One of the mandated General Plan elements
- Heavily regulated by State law
- Must be reviewed and certified by California Department of Housing and Community Development (HCD)

» State sets schedule

- Housing Element Planning Period for SCAG Region:
 - 5th Cycle: October 15, 2013 – October 15, 2021 (8 years)
 - 6th Cycle: October 15, 2021 – October 15, 2029 (8 years)
 - Planning period: 2021-2029
 - Due date: October 15, 2021



About the Housing Element: RHNA

» The Regional Housing Needs Allocation (RHNA) increased significantly

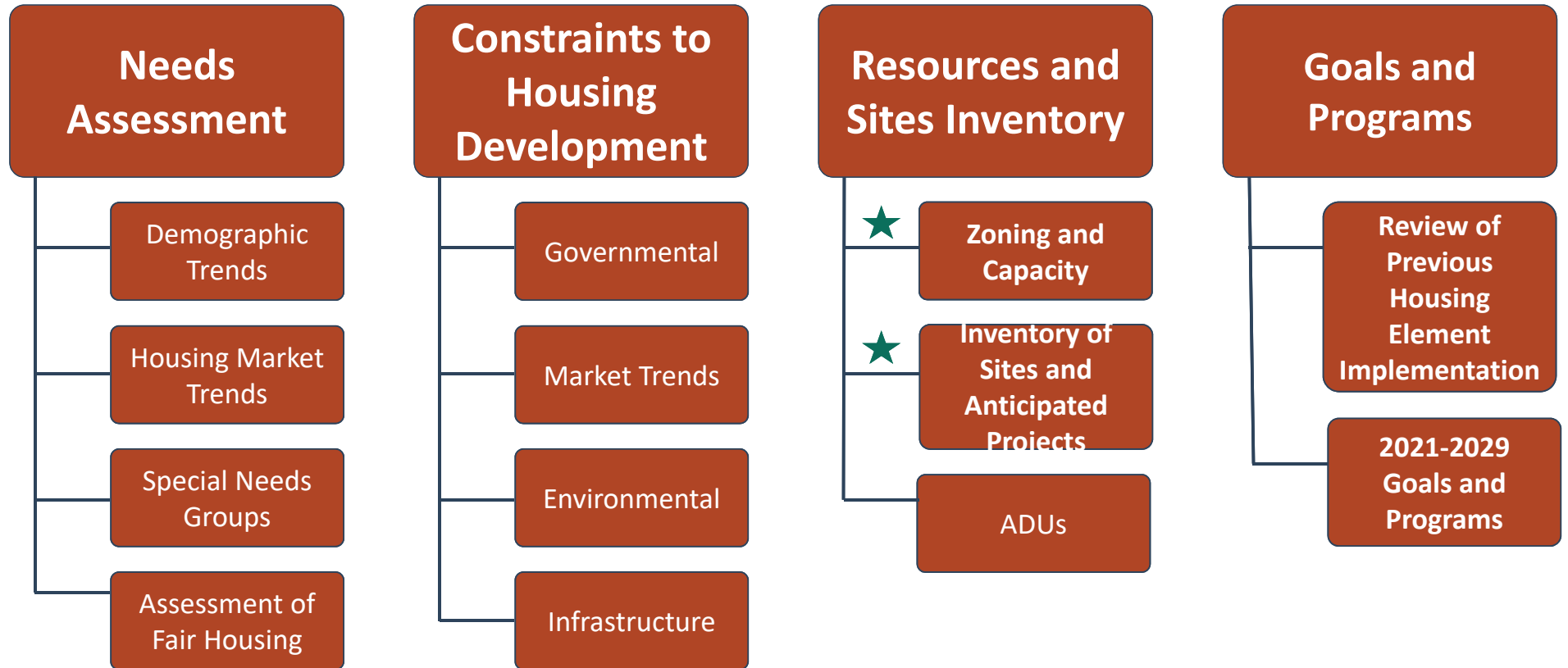
- 5th Cycle (2014-2021): 2 units
- 6th Cycle (2021-2029): 1,985 units

» The City must plan for additional sites (buffer) to avoid a “no net loss” situation

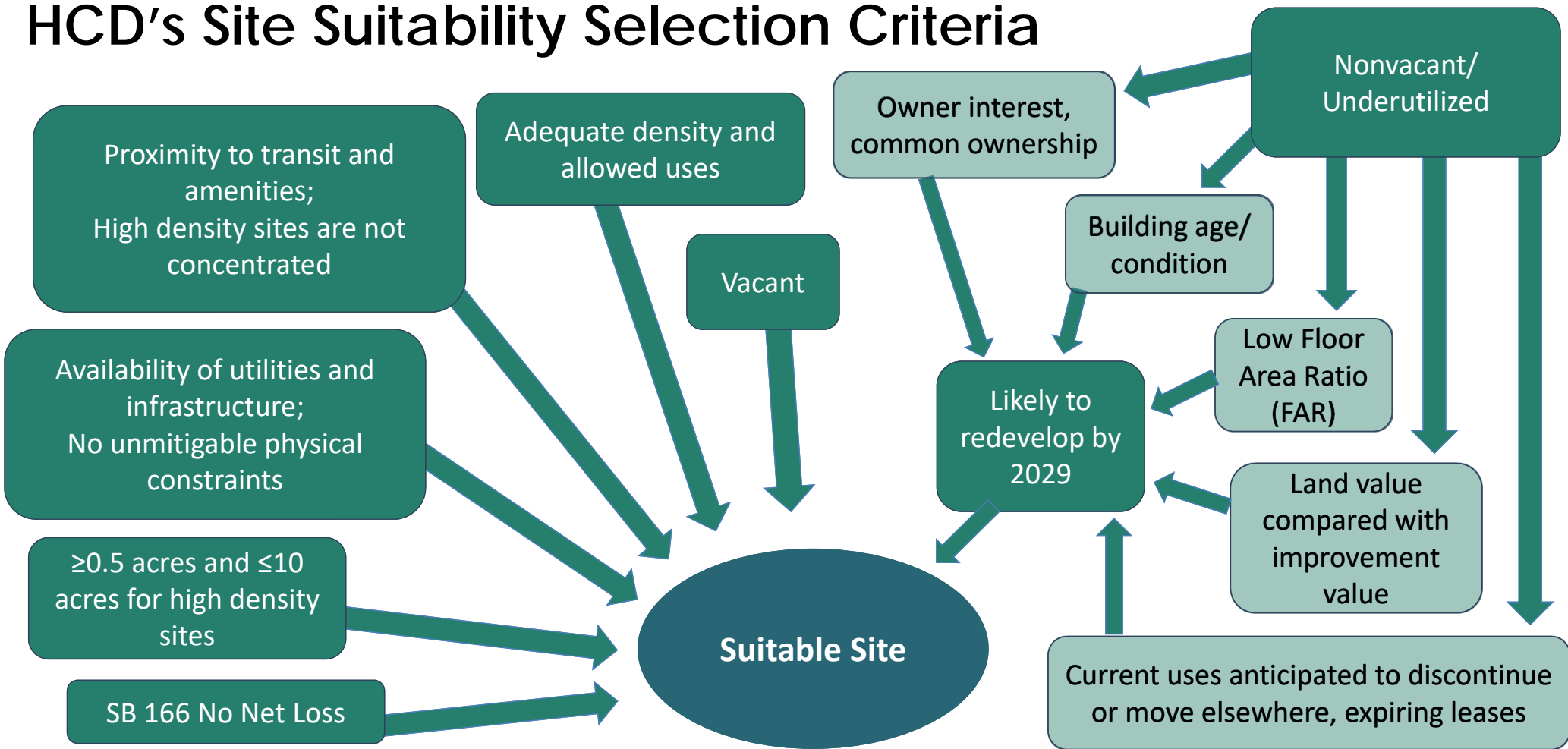
- A Net Loss would occur if a site planned for housing is developed at a different number and income level than identified in the Land Inventory, and if the remaining undeveloped sites on the list cannot address the remaining RHNA



Housing Element Contents



HCD's Site Suitability Selection Criteria





State Regulatory Environment

State Regulatory Environment, Since 5th Cycle

» The State of California is focused on housing supply and affordability:

- Accessory Dwelling Units (Multiple updates to state law in last 5 years)
- Sites Inventory Updates (AB 879, AB 1397)
- Streamlined Approval for Housing Projects (SB 35 and SB 330)
- No Net Loss of Housing (SB 166)
- Density Bonus Law Updates (AB 2753, AB 2372, AB 1227, AB 2345 and others)
- Housing Accountability Act (AB 3194, AB 72 and others)
- Supportive Housing Updates (AB 2162)
- Low Barrier Navigation Centers (AB 101)
- Government-Subsidized Affordable Units (SB 1521)
- Affirmatively Furthering Fair Housing (AB 686)



New State Requirements

» AB 1398

- Removed penalty to move from 8-year to 4-year housing element update for jurisdictions that do not adopt a housing element within 120 days of the due date.
- Implemented requirement that any needed rezones must be completed within one year of the due date for jurisdictions that do not adopt an HCD-approved, compliant housing element by the Housing Element due date.

» AB 1397

- If more than 50% of lower-income units are accommodated on non-vacant sites, the law assumes that the existing use will prevent redevelopment unless there is evidence to the contrary



Rezoning to Correct a Shortfall and Government Code 65583.2(h):

- » If rezoning is needed to provide adequate sites to meet RHNA and it is done after day 1 of the planning period (October 15, 2021):
 - Rezoned sites must allow owner-occupied and rental multifamily housing “by right” without discretionary review if 20 percent or more of the units are affordable to those with lower incomes.
 - Sites rezoned to accommodate lower-income RHNA must be able to fit a minimum of **16 units** per site (given the required development standards).
 - Certain percentages of residential use is required:
 - At least **50 percent** of the lower-income RHNA shall be accommodated on sites designated/zoned for **residential uses only**, OR
 - All of the lower-income RHNA may be accommodated on sites designated for mixed uses if:
 - Those sites allow **100-percent residential** use AND
 - Require that residential uses occupy a minimum of **50 percent** of the total floor area of a mixed-use project.

No Net Loss

- » The City must plan for additional sites (buffer) to avoid a “no net loss” situation
- » A Net Loss would occur if a site planned for housing is developed at a different number and income level than identified in the Land Inventory, and if the remaining undeveloped sites on the list cannot address the remaining RHNA





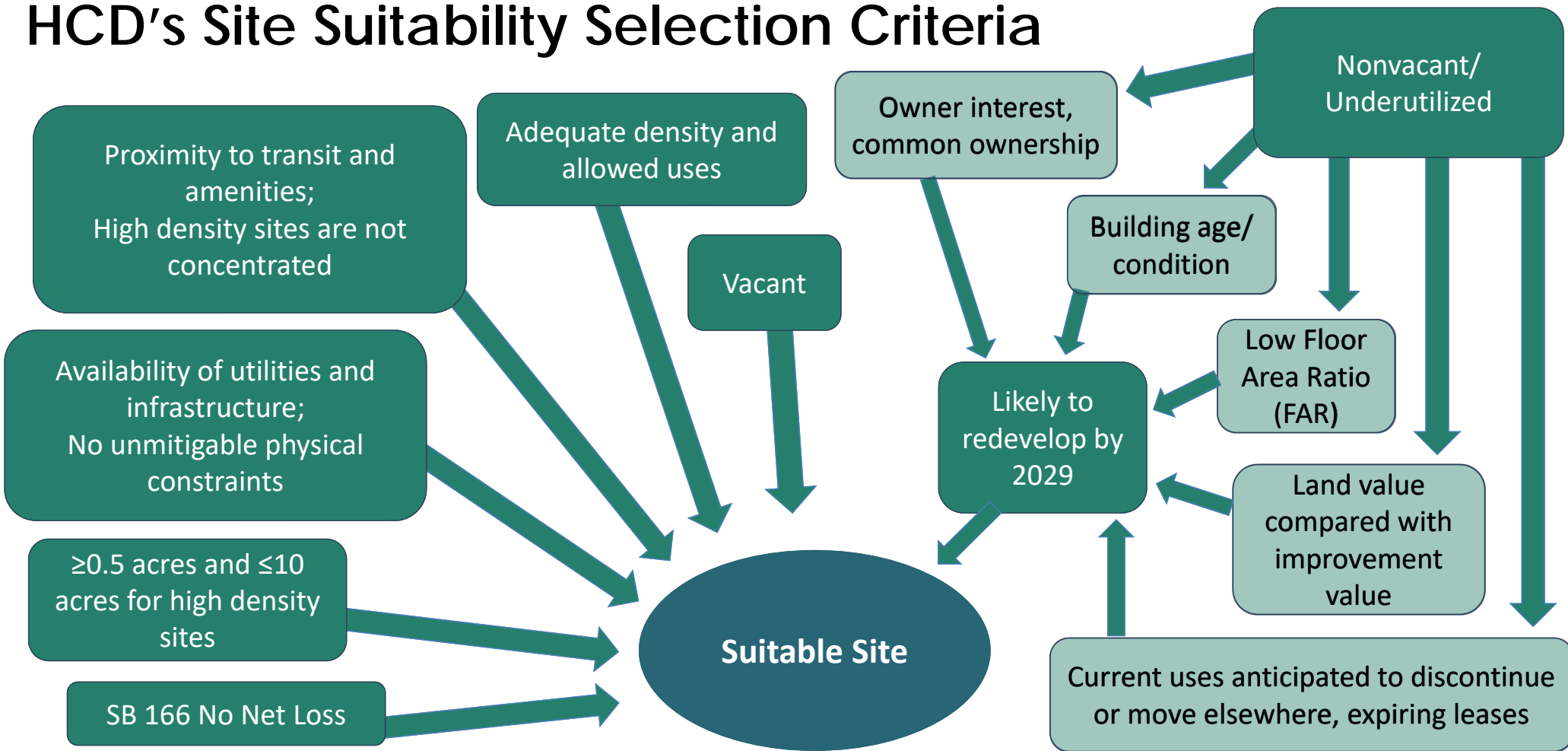
Approach to Meeting RHNA

Regional Housing Need Allocation by Income Categories, Laguna Hills

Income Category	2021-2029 RHNA	
	Number	Percent
Lower (<80% AMI)	921	46%
Moderate (81–120% AMI)	354	18%
Above Moderate (>120% AMI)	710	36%
Total	1,985	100%

AMI = Area Median Income
Source: SCAG RHNA, 2021

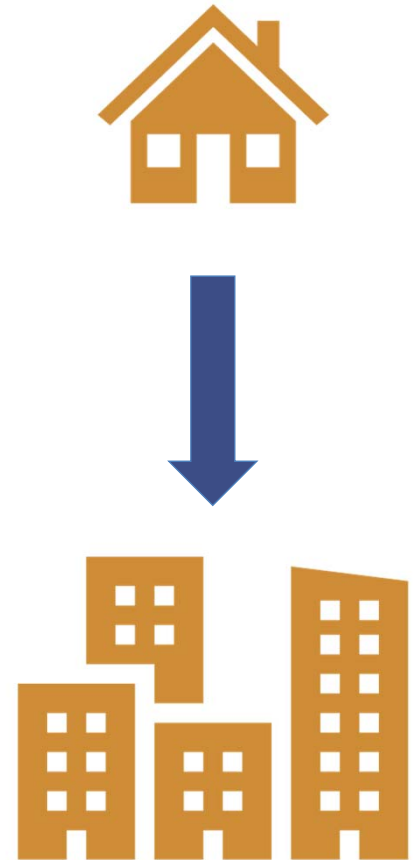
HCD's Site Suitability Selection Criteria



Accommodating the RHNA

- » Cities and counties must show adequate land zoned for housing to accommodate the RHNA at each income level
- » Default minimum density standard for lower-income housing (Section 65583.2(c)(3)(B)):

Type of Jurisdiction	Default Density
Metropolitan jurisdictions	30 units per acre
Suburban jurisdictions	20 units per acre
Nonmetropolitan jurisdictions with a micro-metropolitan area	15 units per acre
Nonmetropolitan jurisdictions	10 units per acre



Anticipated Projects and ADUs

- » **Oakbrook Village:** Existing Development Agreement with the Fritz Duda Company for 489 units. 289 built; capacity for **200** additional units.
- » **The Village at Laguna Hills:** **1,500** units approved in 2022. (**1,300** market-rate, **100** deed-restricted moderate-income and **100** deed-restricted low-income).
- » **Planned Community Via Lomas (PCV):** General Plan designates a maximum of 600 units. 350 built; capacity for **250** additional units.
- » **Accessory Dwelling Units (ADUs):** Ten ADUs built between 2016 and 2021. **Eighteen** additional ADUs counted towards RHNA.

Progress Towards 2021-2029 RHNA

Income Category	2021-2029 RHNA	Under-utilized Sites, VC Zone ¹	Anticipated Projects			Anticipated ADUs	Remaining Need
			Oakbrook Village	Village at Laguna Hills	Planned Community Via Lomas (PCV)		
Lower (<80% AMI)	921	169	0	100	0	10	642 ²
Moderate (81–120% AMI)	354	0	50	350 ⁴	0	5	-51 ³
Above Moderate (>120% AMI)	710	0	150	713	250	3	-406 ³
Total	1,985	169	200	1,163	250	18	642

1. Based on existing Village Commercial zoning which allows 50 units per acre.

2. Meeting Lower RHNA requires updates to the City's Zoning Code.

3. Moderate and Above Moderate RHNA met through anticipated development

4. 100 moderate units deed restricted to remain affordable in perpetuity, 250 anticipated affordable to moderate income households at market rates

Accommodating Remaining RHNA (642 units)

- » Allowed uses must include multifamily residential
- » Maximum density must allow at least 30 units per acre
- » Accounting for commercial or office uses means more acres need to be rezoned
- » Allowing greater density means fewer acres need to be rezoned

Option	Units per Acre	Residential Use	Minimum Number of Acres to Rezone for 642 Units	Minimum Number of Acres to Rezone for 642 Units + 15% Cushion (738 Units)
1	50	100% Required	12.84	14.77
2	30	100% Required	21.4	24.61
3	50	50% Required*	25.68	29.53
4	30	50% Required*	42.8	49.22
5	Hybrid approach, depending on site suitability and context			

**100% residential allowed*



Visualizing Density and Mixed Uses

Examples of 30 and 50 Units per Acre



Madison Place at Monte Vista, San Jose
148 units on 4.7 acres; 31 units/acre



Presidio Apartments,
Santa Clara
40 units on 0.81 acres
49 units/acre



Local Examples of Residential Density

Oakbrook Village
Laguna Hills
289 units
48 units/acre



Local Examples of Residential Density



Central Park West
Irvine
285 units
48 units/acre



2152-2182 Alton
Irvine
357 units
35 units/acre

Local Examples of Residential Density



Residential Buildings –
Village at Laguna Hills
50 du/ac



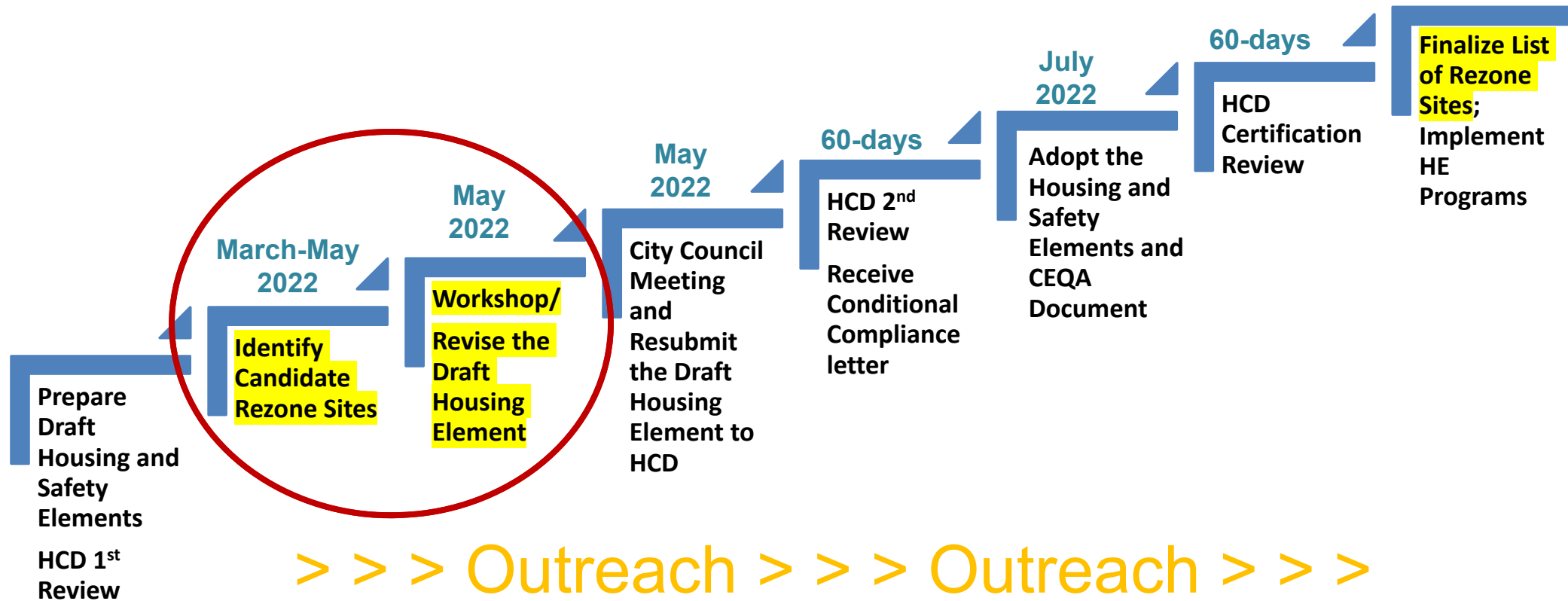
Examples of Mixed-Uses, Throughout California





Candidate Sites & Mapping Scenarios

Where are we in Laguna Hills' Housing and Safety Elements Update Process?



Candidate Rezone Sites

» Started with 245.66 acres

» Removed sites with one or more of these characteristics:

- Smaller than one acre
- Estimated age of structure
- Potential flood hazard
- Improvement value as a percent of total property value is relatively high (~35%+)
- *Exceptions were made for sites with owners interested in redeveloping*

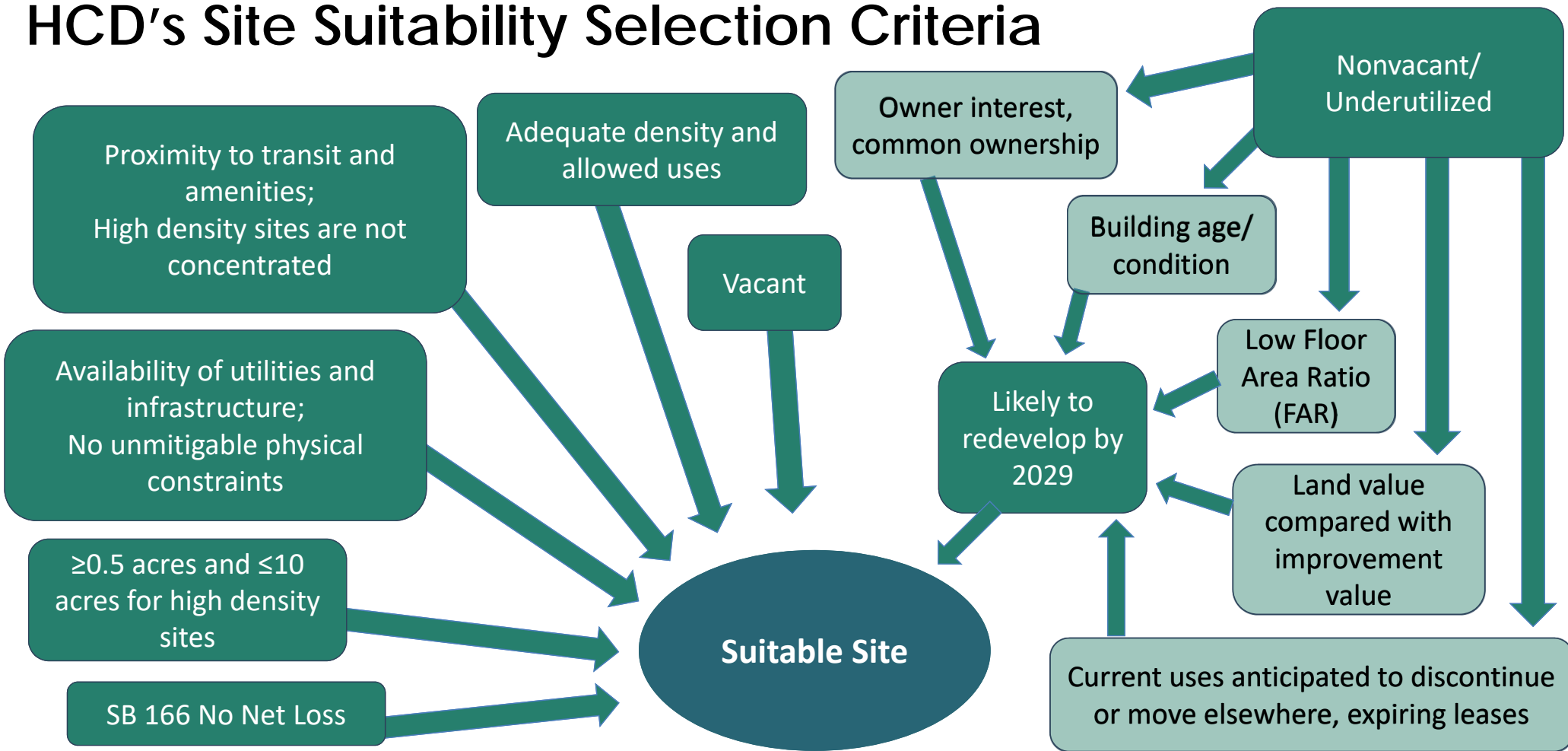
» March 26 workshop: 18 candidate sites; 73.65 acres

» May 3 workshop: 5 scenarios

Accommodating Remaining RHNA (642 units)

- » All candidate rezone sites are **non-vacant**
- » For Housing Element Certification, HCD requires additional supporting analysis for non-vacant sites:
 - Examples of **similar recent redevelopment trends** in the community and/or region
 - The impact of **local market conditions** on redevelopment or reuse strategies
 - A description of **incentives** that can encourage and facilitate additional residential development
 - **Site specific factors**, as shown on the next slide

HCD's Site Suitability Selection Criteria



Accommodating Remaining RHNA (642 units)

- » Allowed uses must include multifamily residential
- » Maximum density must allow at least 30 units per acre
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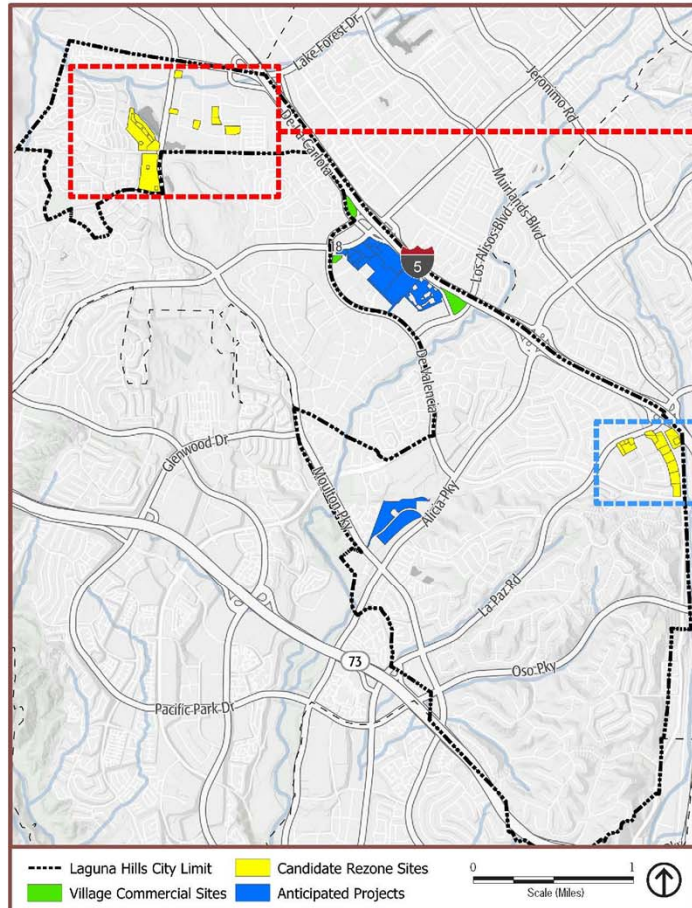
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3	50	50% Required*	25.68	29.53
4	30	50% Required*	42.8	49.22
5	Hybrid approach, depending on site suitability and context			

**100% residential allowed*

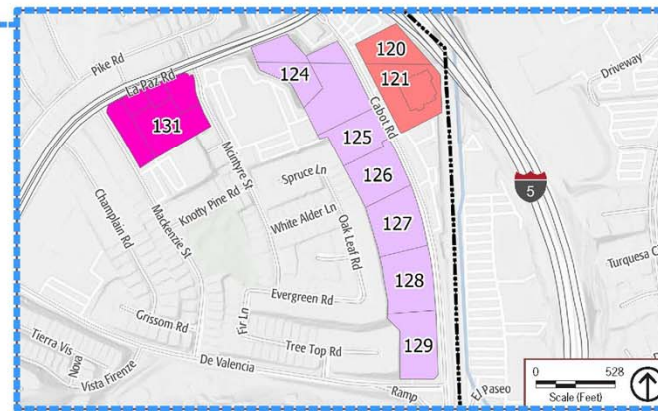
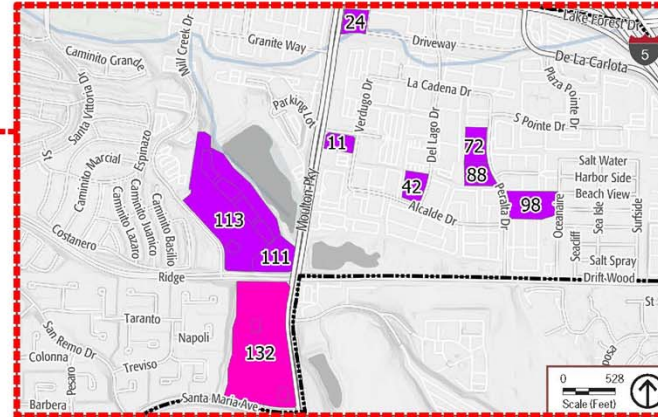
Laguna Hills City Council Workshop, March 26, 2022



Draft Housing Element Sites



Candidate Rezone Sites: North Laguna Hills



Candidate Rezone Sites Summary

Area	Number of Sites	Acres
North Laguna Hills	8	28.75
La Paz and Cabot	10	44.9
Total	18	73.65

Minimum number of acres to rezone for 642 Units + 15% Cushion (738 Units); between 14.77 and 49.22, depending on density and percent residential use

Candidate Rezone Sites: La Paz and Cabot

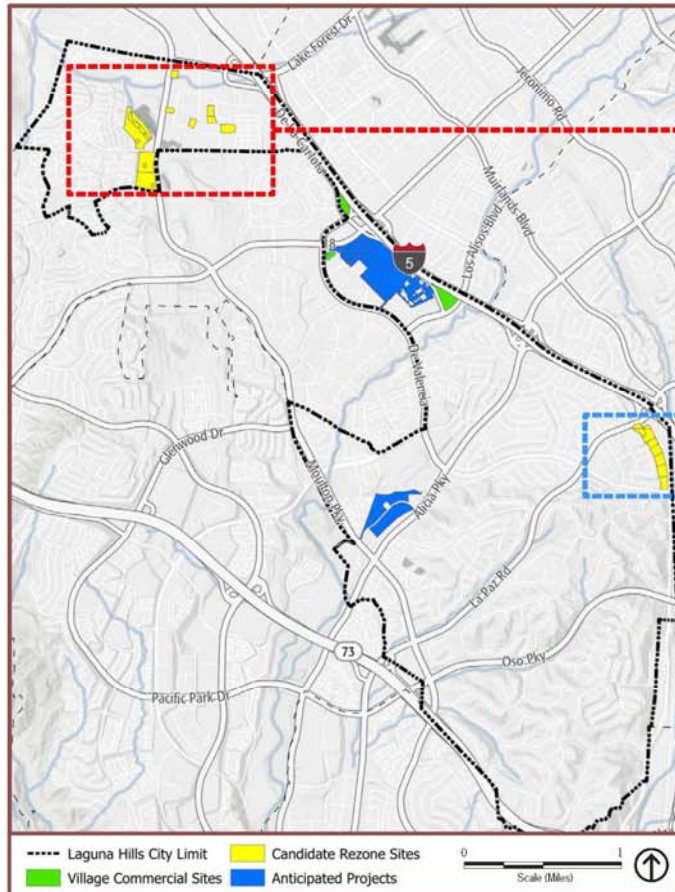
Current Zoning	
■ Community Commercial	■ Mixed Use
■ Freeway Commercial	■ Office Professional



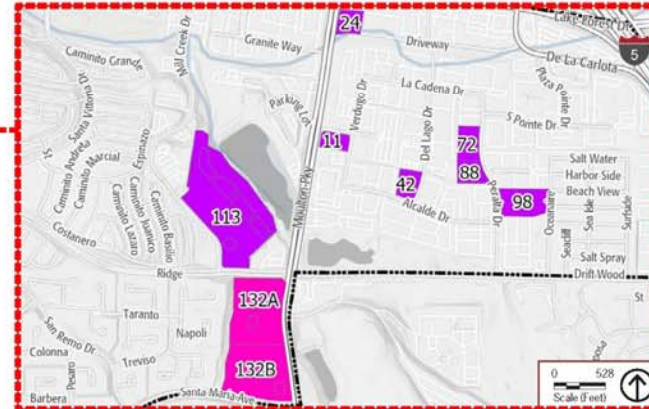
Laguna Hills City Council Workshop, May 3, 2022: **Scenario A**



Draft Housing Element Sites



Candidate Rezone Sites: North Laguna Hills



Candidate Rezone Sites Summary Scenario A

Area	Number of Sites	Acres
North Laguna Hills	9	42.61
La Paz and Cabot	6	18
Total	15	60.61

Minimum number of acres to rezone for 642 Units + 15% Cushion (738 Units): between 14.77 and 49.22, depending on density and percent residential use

* Sites match 3/26/22, minus sites 111, 120, 121, and 131.

Candidate Rezone Sites: La Paz and Cabot

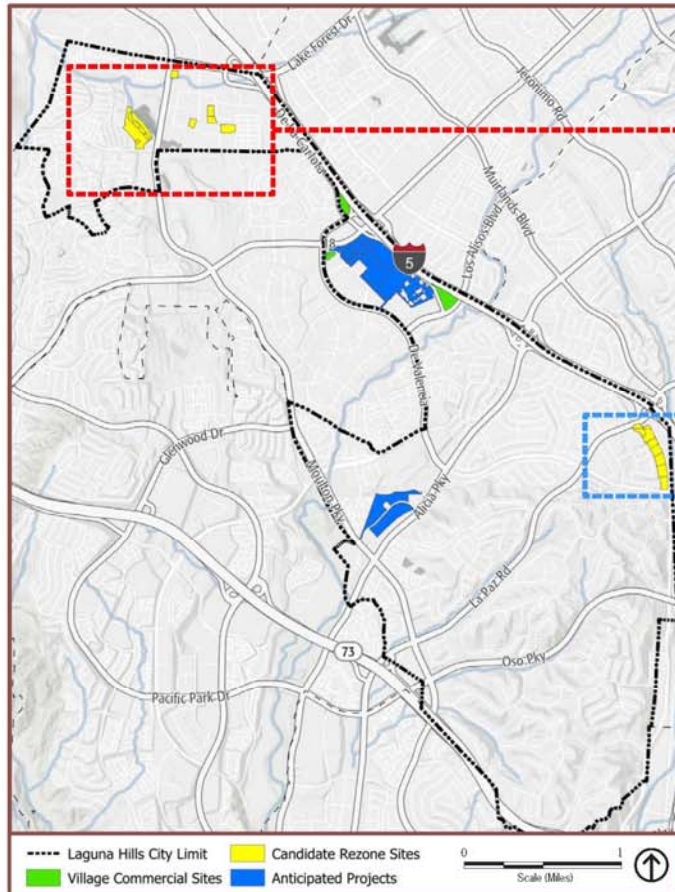
Current Zoning	
Community Commercial	Mixed Use
Freeway Commercial	Office Professional



Laguna Hills City Council Workshop, May 3, 2022: **Scenario B**



Draft Housing Element Sites



Candidate Rezone Sites: North Laguna Hills



Candidate Rezone Sites Summary Scenario B

Area	Number of Sites	Acres
North Laguna Hills	6	25.04
La Paz and Cabot	6	18
Total	12	43.04

Minimum number of acres to rezone for 642 Units + 15% Cushion (738 Units): between 14.77 and 49.22, depending on density and percent residential use

* Sites match Scenario A, minus sites 132, and 11.

Candidate Rezone Sites: La Paz and Cabot

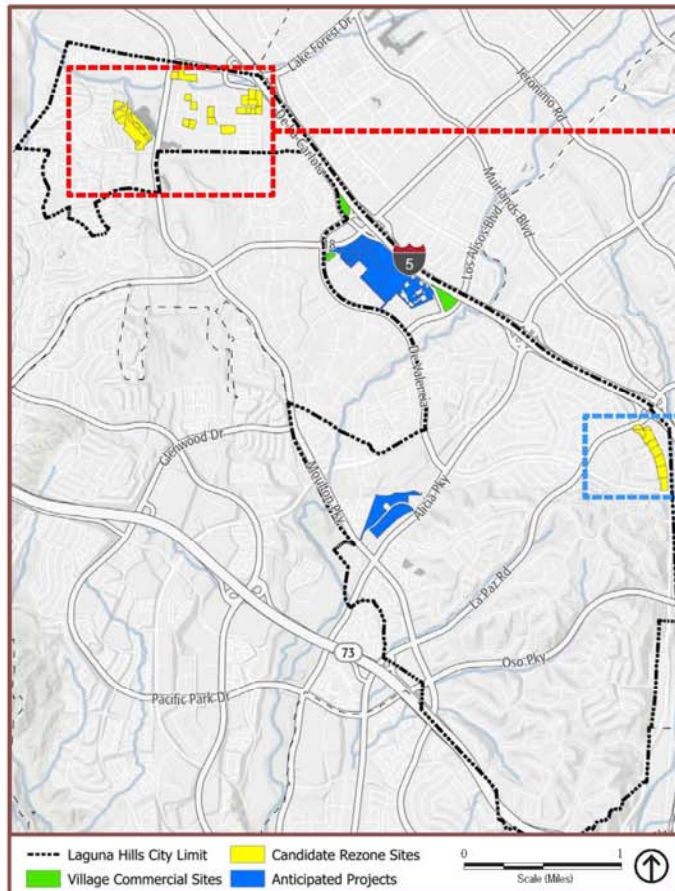
Current Zoning	
■ Community Commercial	■ Mixed Use
■ Freeway Commercial	■ Office Professional



Laguna Hills City Council Workshop, May 3, 2022: **Scenario C**



Draft Housing Element Sites



Candidate Rezone Sites: North Laguna Hills



Candidate Rezone Sites Summary Scenario C

Area	Number of Sites	Acres
North Laguna Hills	22	51.55
La Paz and Cabot	6	18
Total	28	69.55

Minimum number of acres to rezone for 642 Units + 15% Cushion (738 Units): between 14.77 and 49.22, depending on density and percent residential use

* Sites match Scenario B, plus sites with yellow labels.

Candidate Rezone Sites: La Paz and Cabot

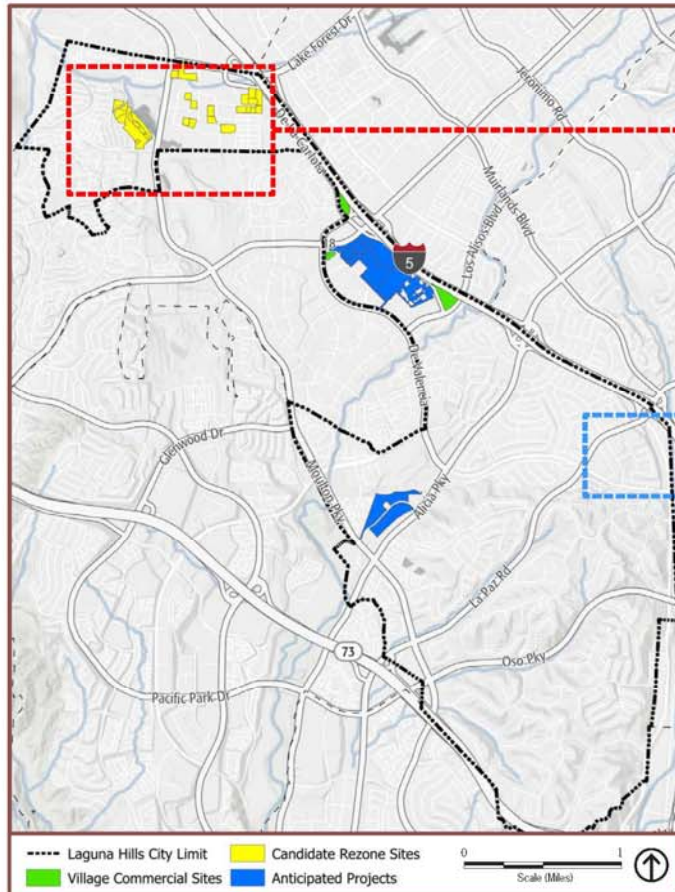
Current Zoning	
■ Community Commercial	■ Mixed Use
■ Freeway Commercial	■ Office Professional



Laguna Hills City Council Workshop, May 3, 2022: **Scenario D**



Draft Housing Element Sites



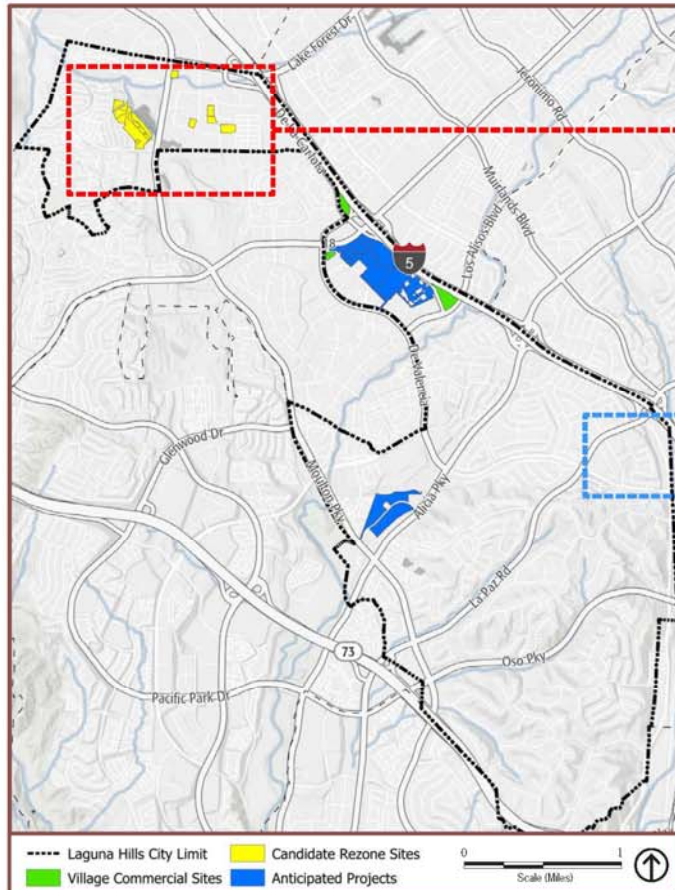
Candidate Rezone Sites: North Laguna Hills



Laguna Hills City Council Workshop, May 3, 2022: **Scenario E**



Draft Housing Element Sites



Candidate Rezone Sites: North Laguna Hills



Candidate Rezone Sites Summary Scenario E

Area	Number of Sites	Acres
North Laguna Hills	10	31.3
La Paz and Cabot	0	0
Total	10	31.3

Minimum number of acres to rezone for 642 Units + 15% Cushion (738 Units): between 14.77 and 49.22, depending on density and percent residential use

* Sites match Scenario D, minus sites 26, 29, 33, 63, 69, 90, 99, 101, 103, 105, 106, 107.

Candidate Rezone Sites: La Paz and Cabot

Current Zoning			
■ Community Commercial	■ Mixed Use	■ Office Professional	
■ Freeway Commercial			



Example Site

- » **Site:** 98
- » **Address:** 23342 Peralta Drive
- » **Current zone:** MXU (20 units/acre)
- » **Total size:** 3.13 acres

Unit Potential	50% Res.	100% Res.
30 u./ac	47	94
50 u./ac	78	157





City Council Comments and Discussion

Key Questions for Discussion

Need to identify 30 to 50* acres for revised candidate rezone list. This assumes a 15% buffer.

1. Are there any options that should be taken "off the table" at this time?
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