



City of
Laguna Hills

2021-2029 Housing Element Update

Adopted March 26, 2024



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City of Laguna Hills 2021-2029 Housing Element Update

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Executive Summary

Purpose of the Housing Element

The Housing Element is part of the City of Laguna Hill's General Plan. The City's General Plan is a comprehensive long-range planning document that directs the physical development of the City. The core purpose of the Housing Element is to identify and plan for the existing and projected housing needs of all segments of the community, such as seniors, families, workers, and the disabled. The Housing Element describes housing needs and conditions in Laguna Hills and establishes goals, policies, and programs to improve future housing opportunities. The planning period for this Housing Element is October 15, 2021, to October 15, 2029.

Regional Housing Needs Assessment

California Government Code Section 65584 requires that each city and county plan to accommodate a fair share of the region's housing construction needs. The Southern California Association of Governments (SCAG) prepares the Regional Housing Needs Assessment (RHNA) for the region based on existing and projected regional trends in population growth, household sizes, job accessibility, and transportation access. The City must plan for and help facilitate the development of 1,985 new homes in the community but is not obligated to build these units.

Overview

The Housing Element includes:

- **Introduction:** Describes the purpose and scope of the Housing Element, relationship to other General Plan element, and public participation. Identifies common themes expressed by stakeholders and residents through various outreach activities.
- **Housing Needs:** Describes the supply and demand for housing in Laguna Hills.
- **Constraints on Housing Production:** Provides an analysis of constraints to the maintenance, improvement, or development of housing.
- **Fair-Housing Assessment:** Analyzes the conditions that historically limited the range of housing choices or limited a person's access to housing and develops solutions to mitigate or remove such impediments for these persons.
- **Housing Resources:** Provides an approach for meeting the RHNA throughout the planning period.

- **Housing Plan:** A summary and evaluation of the previous Housing Element, which covered the 2013-2021 planning period (5th cycle).
- **Appendix A, Implementation Program:** Updated programs from the 2013-2021 Housing Element based upon new state legislation and the housing needs that were identified during the drafting of this Housing Element.
- **Appendix B, Summary of Online Survey and Community Workshop:** Provides details about the online survey and community workshop outreach activities.

Public Outreach

As part of this update, the City conducted outreach activities, including:

- City Council Meeting: November 10, 2020
Topic: Introduction to Housing Element Process
- Stakeholder Consultations: January - February 2021
- Online Survey: June 15 - August 15, 2021
- Virtual Public Workshop: June 30, 2021
- In-Person Public Workshop: August 5, 2021
- City Council Meeting: October 26, 2021
Topic: Public Review Draft
- City Council Meeting: January 11, 2022
Topic: HCD Review Comments
- City Council Workshop March 26, 2022 (rescheduled from February 15)
Topic: Candidate Rezone Sites
- City Council Workshop: May 3, 2022
Topic: Candidate Rezone Sites
- City Council Meeting: May 24, 2022
Topic: Revised Public Review Draft Launch
- City Council Hearing: June 28, 2022
Topic: Adoption Hearing

Housing Needs

- The total population in Laguna Hills was 31,508 in 2020, representing a small increase in population from 2010, when it was 30,270.
- The City's housing stock is primarily detached single-family homes with 23.3 percent of the units being multifamily units, such as apartments and condominiums.
- There is a need for affordable housing in Laguna Hills. Approximately 40 percent of Laguna Hills households are paying more than 30 percent of their income on housing.
- About 54 percent of renter households have lower incomes (80 percent

or less of the Area Median Income [AMI], compared with 27.2 percent of owner households).

- Vacancy rates are low (ownership housing is 0.6 percent and rental housing 2.9 percent), indicating a shortage of available housing and high competition, which generally leads to higher housing prices and diminished affordability.
- Reserved affordable units in Laguna Hills and throughout the region have long waiting lists and vacancies are rare.

Housing Resources

The Housing Resources section provides a strategy to meet the RHNA. Since Laguna Hills is a built-out community, the City must look to underutilized sites to accommodate the RHNA. The land must have appropriate zoning, meaning development standards and regulations that facilitate housing development for all income categories. Density is one of the most important factors that affect the feasibility of housing that is affordable to households with lower incomes. Higher density reduces the land cost for each housing unit, thereby reducing total development cost. “Default” densities that are presumed to be suitable for lower-income housing are set by California statute. For Laguna Hills, like most cities in metropolitan areas, the default density is 30 housing units per acre. To satisfy the lower-income RHNA, the City will identify and rezone selected areas within the first year of the planning period.

Three anticipated projects are included in the strategy to meet the RHNA:

- Additional development at Oakbrook Village,
- Additional development in the Planned Community Via Lomas (PCV) area, and
- The former mall redevelopment project, currently known as the Village at Laguna Hills.

The remaining RHNA will be accommodated on land that the City will identify and rezone within the first year of the planning period. A list of potential candidate sites is provided in the Housing Resources section.

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 its housing objectives (Housing Plan).
- An assessment of fair housing.

Purpose and Scope of the Housing Element

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

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 Housing Element has been prepared in compliance with the 2021-2029 planning cycle for cities within the SCAG region. The Housing Element covers an eight-year planning period from October 15, 2021–October 15, 2029, and the SCAG Regional Housing Needs Assessment (RHNA) period from June 30, 2021–October 15, 2029.

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. The City is updating its Safety Element concurrently with this 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.

Public 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 City's website details the Housing Element Update process and components.

PUBLIC REVIEW DRAFTS

The first Public Review Draft Housing Element was posted on the City's website on October 18, 2021, and an announcement of its availability was emailed to stakeholders. The Public Review Draft Housing Element was discussed at City Council meeting that was open to the public on October 26, 2021. The draft was submitted to HCD for the initial 60-day review on November 5, 2021. The City received a call from HCD on December 13, 2021 with preliminary comments on the draft. The City revised the draft in response to those comments and released a revised second Public Review Draft on December 21, 2021. HCD issued a formal Housing Element review letter on January 4, 2022. The City Council discussed HCD's review letter at a meeting on January 11, 2022. At this meeting, the City Council directed staff to schedule a public workshop to further discuss the Housing Element Update, including a draft inventory of housing sites. Public workshops were conducted on March 26, 2022, and May 3, 2022, including discussion of different housing site scenarios. At the May 3 Workshop, a majority of the City Council reached consensus on specific parcels to include in the City's housing site inventory and directed staff to prepare a revised third Public Review Draft Housing Element for consideration at the City Council's regularly scheduled meeting of May 24, 2022.

A summary of input from the public gained via the following avenues is described herein.

- Stakeholder consultations
- Online community outreach survey
- Letters received
- Workshops and meetings

SUMMARY OF INPUT

The City sought feedback in a variety of ways. 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. Public input on the selection of candidate rezone sites at City Council workshops was integral to the development of the sites inventory. Many action items were added to the programs based on input in letters from housing advocates, including greater emphasis on promoting available incentives and permit streamlining for residential development that includes affordable housing, a multifaceted effort to facilitate the production of accessory dwelling units and designing an inclusionary housing program.

Stakeholder Consultations

In January and February 2021, the City reached out to 12 stakeholders representing various public and private sectors and completed eight one-on-one consultations. Participants included two building industry experts, two homelessness service providers, and three community-based organizations. Additionally, the United States Department of Housing and Urban Development's (HUD's) Regional Office for Fair Housing and Equal Opportunity provided data on fair housing. The following is a list of stakeholders that the City consulted with.

- Orange County Business Council
- Mercy House
- Kennedy Commission
- Family Assistance Ministries
- Orange County Association of Realtors
- Regional Center of Orange County
- Building Industry Association of Southern California, Orange County chapter
- HUD's Regional Office for Fair Housing and Equal Opportunity

For organizations working with special-needs populations, the biggest barrier for securing decent, affordable housing is the lack of housing supply and assistance to provide the services needed. For developers and housing advocates, the challenge is the lack of incentive to build affordable housing, considering the high construction costs, fees, and time required for California Environmental Quality Act (CEQA) compliance and council approval. Stakeholders shared similar sentiment about the lack of political support from government or community to prioritize affordable housing, including the pressures of individuals and groups who express opposition to homeless shelters, affordable housing development, and other housing services in their communities. To address this housing issue, **Program H-6** is included which encourages the City to continue partnerships with affordable and special needs housing developers to expand housing opportunities, including the Urban Village Specific Plan Area and inform existing property owners that housing development potential is an allowed land use in the UVSP area to promote housing mobility opportunities for all income levels within higher resource areas of the City, and **Program H-15**) which stipulates that the City continue to develop developer partnerships

and provide incentives, such as reducing, waiving, and/or deferring fees, where feasible, or offering fast track/priority processing and permit streamlining, expedited processing for 100 percent affordable projects, density bonuses, and flexibility in development standards, that could result in set-asides in existing and planned low-income housing projects. To address homelessness, **Program H-12** is included which specifies that the City will apply for CDBG funding to continue its partnership with Mercy House, a non-profit service provider to individuals and families experiencing homelessness (

Stakeholders identified strategic and innovative opportunities to help accelerate the production of housing. The most common opportunities are establishing partnerships amongst public agencies and community organizations and forming a regional approach to address housing issues. Developers and housing advocates also mentioned that the reuse of underutilized or vacant properties can serve as new sites for housing development. In terms of promoting an equitable approach for housing, community organizations mentioned inclusive housing policies and programming, and a plan for assisting families living in affordable housing to obtain homeownership or market-rate housing. The Assessment of Fair Housing (AFH) section of this Housing Element includes an analysis of fair housing choice in the City, identifies potential barriers to affordable housing, and sets meaningful actions to promote inclusive housing. These actions are enumerated in **Program H-16**, which commits the City to maintain services and personnel to receive housing complaints or refer fair housing complaints to the Fair Housing Council, as well as continue to disseminate written literature about fair housing laws, resident rights, and remedies for fair housing complaints, Housing Choice Vouchers (HCV) acceptance and rental assistance marketing programs, promotion of housing opportunities outside low-resource neighborhoods, and actions supporting housing and quality of life for special needs populations.

Orange County is a highly desirable place to live. Stakeholders acknowledged that single-family housing is the housing type most in demand but building for all other housing types is needed. Regarding the types of housing density needed, stakeholders offered various perspectives. Community-based organizations stated that all types of housing densities could work. For affordable housing development, developers may need at least 60 units per project to be profitable. In Laguna Hills, the densities that work best for housing and that are desirable is attached housing with 18 to 23 dwelling units per acre (du/ac.), according to a developer. To ensure there is sufficient land available for higher density development to support affordable housing for lower income households, **Program H-11** is included which commits the City to rezone and/or increase the allowable density, as required by state law (California Government Code Sections 65583(c)(1)(A) and 65583(c)(1)(B))

The COVID-19 pandemic resulted in various challenges and opportunities for stakeholders. Developers first faced a slower production process but have since recovered. Real estate leaders shared about the increase in home sales

and housing boom now that employment trends have turned to more flexible and work-from-home opportunities. However, for the most vulnerable residents, the pandemic has increased housing insecurity and exposed the existing disparities and systemic issues. Stakeholders working directly with vulnerable populations expect a shift in future discussion about how the City and county will address homelessness and prioritize policy and funding. The City commits to address homelessness and provide services to individuals and families that are at risk of homelessness through the inclusion of: **Program H-3** which directs the City to 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; **Program H-4** which commits the City to continue to pursue the extension of affordability controls for 51 units that are set to expire in 2032, and provide technical assistance to preserve the units 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 (particularly in moderate- and high-resource areas of the City), as deemed feasible; **Program H-12** which stipulates the City shall apply for CDBG funds and allocate a portion of such funds to subrecipients who provide shelter for the homeless, and continue to contract with Mercy House to help residents experiencing homelessness obtain services; and **Program H-14** which commits the City to reduce potential for displacement of lower-income households through: HCV outreach and information dissemination; exploring eliminating application fees for voucher holders and encouraging landlords to follow HUD's guidance on the use of criminal backgrounds in screening tenants; considering the feasibility of a landlord incentive program for landlords that choose to accept voucher holding tenants; require replacement housing units subject to the requirements of SB 330 and Government Code, section 65915, subdivision (c)(3) on sites identified in the site inventory; considering adopting a local Just Cause Eviction Ordinance which strengthens the requirements of AB 1482 to further protect renters from unreasonable evictions, foreclosure-related evictions, or other arbitrary and discriminatory actions; exploring the feasibility of adopting a rent stabilization ordinance strengthening the requirements established by AB 1482 to further protect renters against displacement from arbitrary or significant rent hikes; and exploring the feasibility of piloting a multi-lingual Right to Counsel program to ensure legal representation for tenants in landlord-tenant proceedings.

Online Community Outreach Survey

The City's Planning Division created a survey for residents of Laguna Hills to determine how the Housing Element should plan for the City's share of the RHNA. The survey was available from June 15, 2021, to August 15, 2021. See Appendix B: Summary of Online Survey and Community Workshop for additional details about the online survey, including an expanded list of key findings. The key findings that resulted in program actions that the City will implement during the Housing Element planning period are described herein:

Letters Received

Prior to the release of the Public Review Draft Housing Element

As of September 21, 2021, the City received four public comments from community representatives addressing current housing issues and providing recommendations for the Housing Element and development plans of the City. (See this Introduction Chapter and Appendix B, Summary of Online Survey and Community Workshop for details on outreach activities and how the input received was incorporated into the City's Housing Element Programs.)

- **Kennedy Commission** addressed the need to implement diverse community participation and outreach in the Housing Element planning process. Recommendations include community participation at all stages of the planning process, promotion of various levels of engagement, creation of a Housing Element workgroup, and engagement with the most vulnerable community members.
- **Providence Community Health Investment** encouraged the City Council to enact bold measures to increase the quality and quantity of affordable housing. Based on the results from their local community health needs assessment, the impact of stable housing is valuable for health and wellness. Providence encourages the City to increase affordable housing and leverage existing development opportunities to meet these goals. To address these needs the following programs are included in the Housing Element: **Program H-7** which commits the City to update or consider adopting the following regulations in the Zoning Ordinance to mitigate potential City rules and regulations that may constrain the development of housing affordable to lower-income households, increase the ability to develop multifamily and higher density housing in the City, bring the Zoning Ordinance into compliance with State law; and implement housing goals, policies, and programs, to low- and moderate-income households with special needs to avoid further concentration of affordable housing in areas with higher rates of diversity, overpayment and overcrowding; Density Bonus, ADUs, Transitional and Supportive Housing, Employee Housing, Emergency Shelters, Residential Care Facilities, adopt an Adaptive Reuse Ordinance, adopt Inclusionary Housing requirements, protect Manufactured Homes,

review development standards and permitting requirements; **Program H-8** which commits the City to amend its Accessory Dwelling Unit (ADU) ordinance to comply with recent changes to state law regarding ADUs and create reference information available to property owners listing benefits and opportunities for constructing ADUs; **Program H-11** which commits the City to meet the 2021-2029 Regional Housing Needs Allocation (RHNA) and to ensure a sufficient selection of sites are available for higher-density development, by amending the General Plan and the Zoning Codes, as needed, to provide adequate sites for 413 lower-income units on sites with capacity identified in the Sites Inventory, or in certain zones, thus promoting housing supply, choices and affordability in areas of high opportunity, outside of areas with concentrations of lower income households, overpayment, or a prevalence of populations of communities of color; **Program H-13** which stipulates 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; **Program H-15** which stipulates that the City continue to develop partnerships with mainstream and special-needs affordable housing developers that could result in set-asides in existing and planned low-income housing projects, which may include incentives, such as reducing, waiving, and/or deferring fees, where feasible, or offering fast track/priority processing, expedited processing for 100 percent affordable projects, and permit streamlining, density bonuses, and flexibility in development standards, and positions the City to evaluate alternative funding resource strategies for financial assistance; **Program H-16** which commits the City to maintain services and personnel to receive housing complaints or refer fair housing complaints to the Fair Housing Council, as well as continue to disseminate written literature about fair housing laws, resident rights, and remedies for fair housing complaints, HCV acceptance and rental assistance marketing programs, promotion of housing opportunities outside low-resource neighborhoods, and actions supporting housing and quality of life for special needs populations; **Program H-19** which provides monitoring of existing and proposed affordable housing developments in the City as well as legislation, trends, and policy issues related to the development and maintenance of affordable housing in Laguna Hills; **Program H-20** which commits the City to 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; and **Program H-21** which commits the City to develop and implement strategies to encourage and facilitate lot consolidation and phasing of residential and mixed-use developments on large sites, provide incentives for residential and mixed-use development on the sites in the land inventory, pursue partnerships and coordination with other public agencies that own suitable parcels within Laguna Hills

or that might be interested in joint development projects, explore the potential to partner with a nonprofit organization to offer a program based on the Community Land Trust model, and conduct regular outreach to owners of properties in the land inventory and affordable housing developers in the City to ensure that housing is developed that is appropriate for identified income categories on identified sites.

- **Tapestry, a Unitarian Universality Congregation**, encouraged the City to consider the housing needs of the homeless and those in the workforce. Tapestry would like the City to implement an inclusionary housing policy that would require 15 percent of units to be reserved as affordable, implement density-bonus incentives, identify sites to repurpose or rezone for housing, ease governmental constraints (streamline process and offer flexibility in development standards), and explore new financial resources for affordable housing. To meet these identified needs, the programs as described above to address the Providence Community Health Investment's concerns shall be implemented. (Programs H-7, H-8, H-11, H-13, H-15, H-16, H-19, H-20 and H-21)
- A group of concerned organizations on the development and planning of the Village at Laguna Hills (former mall redevelopment) submitted public comment. The organizations, led by the **Kennedy Commission**, included **Tapestry, a Unitarian Universality Congregation, Orange County United Way, People for Housing Orange County, CLUE (Clergy and Laity United for Economic Justice), Homeless Advocacy Team from League of Women Voters of Orange Coast, Welcoming Neighbors Home, Christ Community Church, Neighborhood Church Laguna Beach, Affordable Housing Clearinghouse and Interfaith Council of Greater Rancho Santa Margarita**. The letter provided recommendations to increase the quality and quantity of attainable housing for those who live and work in Laguna Hills by increasing the number of units for extremely low-income and very low-income, prioritizing the production of all 225 units; increasing the total amount of affordable housing units, and updating the General Plan environmental impact report (EIR) with information on jobs/housing balance. To meet these identified needs, the programs as described above to address the Providence Community Health Investment's concerns shall be implemented. (Programs H-7, H-8, H-11, H-13, H-15, H-16, H-19, H-20 and H-21)

After the release of the Public Review Draft Housing Element

Between the release of the Public Review Draft on October 18, 2021, and May 16, 2022, the City received 16 public comments from community representatives in response to the Public Review Draft Housing Element and City Council Workshops where candidate rezone sites were considered.

- **Welcoming Neighbors Home** submitted letters dated January 20, 2022, February 14, 2022 and May 13, 2022. The letters acknowledge that the City made little progress in facilitating the development of housing affordable to households with lower incomes in the 5th cycle. To remedy this situation and increase affordable housing production in the 6th cycle, Welcoming Neighbor Homes (in consultation with the Kennedy Commission) recommends an inclusionary housing ordinance, affordable, congregational, mixed-use housing overlay zones, an adaptive reuse ordinance, an affordable ADU program, a community land trust, density bonuses (for lower-income households), incentives for affordable housing, a land value recapture, and affordable housing linkage fee. Welcoming Neighbors Home urges the City to strengthen the potential inclusionary housing policy found in the latest draft of the Housing Element by committing the commission to a feasibility study within one year of the adoption of the housing element. Lastly, due to the No Net Loss Law (Senate Bill (SB) 166 – 2017), Welcome Home Neighbors would like the City to identify a surplus of available sites for lower income housing throughout the City so that all residents will have fair access to shopping, schools, transit, jobs, and other amenities. To address these needs, the following Programs H-4, H-7, H-8, H-11, H-13, H-15, H-16, H-19, H-20 and H-21) have been included (refer to description of programs above).

While preparing revisions to the adopted Housing Element, the City prepared and delivered a written response to Welcoming Neighbors Home's comment letters, including those submitted directly to HCD. In this letter, City staff provided a thorough response to all points raised by Welcoming Neighbors Home. In particular, City staff reiterated the variety of Programs included in the Housing Element designed to promote fair and affordable housing opportunities throughout the community, and the City's commitment to study the validity of an inclusionary housing ordinance and other mechanisms to promote the production of additional affordable units, including evaluating a congregational overlay and adaptive reuse ordinance.

- **Kennedy Commission** addressed the need to implement diverse community participation and outreach in the Housing Element planning process. Additional recommendations include the development of various affordable housing policies and strategies such as inclusionary housing, increasing housing density, affordable housing, congregation housing, mixed-use housing overlay, and an affordable ADU program in order to serve lower income households. The Kennedy Commission also recommended the development of a community land trust, an adaptive reuse ordinance, and a program to incentivize 100 percent affordable development on city owned, private land, and surplus property. To address the need for affordable housing policies and strategies, the following Programs H-4, H-7, H-8, H-11, H-13, H-15, H-16, H-19, H-20 and H-21) have been included (refer to description of programs above).
- Ahead of a City Council workshop to discuss candidate rezone sites, several **residents in the La Paz and Cabot area and community representatives** submitted comments to discuss the candidate rezone sites in the La Paz and Cabot area. Most people who submitted comments were concerned that the rezoning sites in this area to allow high density housing would create more traffic in an already congested area, lower property value, generate crime and disturb the community character of this area. In addition, other community members voiced how more vehicles on the street will increase pedestrian accidents especially since this area is a school community. Others thought sites in the La Paz and Cabot area were ideal for a mixed-use overlay zone and wanted the City to include these sites in the housing element inventory and commit to requiring 15 percent of new housing units on these sites to be affordable to lower income households. To address these concerns Program H-7, item 10 is included which proposes that the City will consider creative parking reduction alternatives, **Program H-7** which commits the City to consider adopting an Inclusionary Housing Ordinance, and **Program H-21** which commits the City to develop and implement strategies to encourage and facilitate lot consolidation and phasing of residential and mixed-use developments on large sites, provide incentives for residential and mixed-use development on the sites in the land inventory.

After the Housing Element Adoption Hearing

- The **Kennedy Commission** submitted a letter to the City on July 18, 2022 in response to the Adopted Housing Element. The Commission referenced the potential impacts and effectiveness of density bonus provisions in promoting affordable housing in portions of the City where rezoning, upzoning, and the Urban Village Specific Plan allow for higher density but don't require the affordable units, thus negating the potential for affordable units that the density bonus ordinance requires as a condition of increased density potential. The Commission recommends that increased density or upzoning be accompanied by inclusionary requirements. As well, the Commission addressed sites identified to meet the RHNA, recommending inclusionary housing and congregational

overlay strategies to incentivize development in the Urban Village Specific Plan area and apply inclusionary housing ordinance measures on the Village at Laguna Hills project site to capture 20 percent of the proposed 1,163 units for lower income households. The final comment was to encourage investment and conservation of affordable housing in the low resource areas. To address these housing issues, **Program H-16** has been included which identifies AFFH actions to comply with AB 686, and address significant disparities in housing needs, including promote housing opportunities in high and highest resource areas, promote accessibility programs focused on improving access to housing, transit, public buildings and facilities, sidewalks, pedestrian crossings, and businesses, explore programs and/or partnerships to ensure that a share of the jurisdiction's purchases of goods and services come from local businesses, engage with the local school district to explore a program to address school boundaries and access to proficient education, specifically for the Via Lomas neighborhood, and partner with Orange County Housing and Community Services Department and/or local non-profits to consider expanding programs offering first-time homebuyer assistance. In addition, **Program H-7** is included which commits the City to consider adopting an Inclusionary Housing Ordinance within one year after adoption.

While preparing modifications to the adopted Housing Element, City staff prepared and delivered a detailed response to the Kennedy Commission which addressed the Commission's July 18, 2022 letter. As part of the City's response, staff provided additional context on HCD's updated methodology related to how opportunity areas are mapped, including HCD's transition to the COG Geography TCAC/HCD Opportunity Map (versus the original TCAC/HCD Opportunity Map which was not calibrated to evaluate census tracts against other tracts in the same COG region). As described later in the Housing Element, the updated methodology illustrates that all census tracts in Laguna Hills, except one tract that is half located in Laguna Woods (which is moderate opportunity), are identified in the COG Geography TCAC/HCD Opportunity Map as areas of high or highest opportunity.

- On September 8, 2022 **Josh Albrekston** submitted a comment letter directly to HCD in response to the Adopted Housing Element. Mr. Albrekston expressed concern with the inclusion of various sites in the Housing Element and took issue with the potential for redevelopment given existing uses. As part of the letter, Mr. Albrekston identified three sites within the City's Village Commercial Zone and nineteen sites identified as underutilized sites. The City has analyzed each site individually based on direction provided in HCD's Housing Element Site Inventory Guidebook Government Code Section 65583.2 and the sites that remain in the Housing Element have been found to meet the requirements for inclusion given a variety of quantified and qualified indicators, including low improvement to land value ratio, low lot

coverage, age of existing structures, and (importantly) strong property owner interest in redeveloping the site for residential uses during the planning period. The City has included numerous letters of property owner support in Appendix C, many of which correspond directly to the sites identified by Mr. Albrekston.

While preparing modifications to the adopted Housing Element, the City once again evaluated the validity of sites included in the inventory and provided further evidence, including new letters of support from property owners and developers, to support the inclusion of specific sites in the inventory and demonstrate that the site is likely to redevelop during the planning period. City staff prepared and delivered a detailed written response to Mr. Albrekston to address the comments in his letter. In this response, the City reiterated the methodology used to identify and evaluate sites included in the inventory. As part of this review, in an abundance of caution, the City decided to remove four sites from the inventory given that these sites exhibited a lower level of likelihood of redevelopment compared to other sites and, ultimately, recognition that inclusion of these sites in the inventory is not necessary to accommodate the City's RHNA. These sites include 23402 South Pointe Dr (Site 101), 23461 South Pointe Dr (Site 103), and the AV and AP Apartments. Although these sites may redevelop during the planning period, the City has determined that their inclusion in the inventory is not necessary to meet its RHNA and absence additional evidence, they should be removed.

In response to Mr. Albrekston's letter, HCD noted the importance of reconsidering three sites: 24422 Avenida de la Carlota (Site 116), 23802 Avenida de la Carlota (Site 115), and 23201 Mill Creek Rd (Site 70). The City has fully evaluated these sites and finds, based on substantial evidence as described in the Housing Resources section of this Housing Element, that existing uses are likely to discontinue during the planning period and that these sites, among others, are viable and desirable candidates for redevelopment with residential and/or mixed-use projects. In all three cases, the existing uses on the site have been found to not preclude development and there is strong property owner interest to develop residential uses at these sites during the planning period.

Workshops and Meetings

City staff include Spanish speakers who were available for translation at each of these workshops and meetings. No translation was requested.

- **November 10, 2020, City Council Workshop:** A workshop was held at a regularly scheduled City Council meeting where 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. A presentation to the City Council and the public on the RHNA and Housing Element Update process was provided. This meeting was advertised in a manner consistent with City policy for public meetings. No public comments were received.
- **June 30, 2021, Virtual Workshop:** A workshop was held virtually to share information and obtain public input. However, no public comment was received.
- **August 2021, Community Workshop:** An in-person community workshop was held at the Laguna Hills Community Center. See Appendix B: Summary of Online Survey and Community Workshop.
- **October 26, 2021, City Council Meeting:** Public Review Draft Launch
- **January 11, 2022, City Council Meeting:** Discuss HCD's comments on the draft Housing Element
- **March 26, 2022, City Council Workshop:** Discuss candidate rezone sites (rescheduled from February 15)
- **City Council Workshop, May 3, 2022:** Discuss candidate rezone sites
- **City Council Meeting, May 24, 2022:** Discuss third Revised Public Review Draft
- **City Council Hearing to Adopt the Housing Element, June 28, 2022**
- **City Council Hearing to Readopt the Housing Element, March 26, 2024**

Ongoing Stakeholder Communication

Throughout the entire process to update its Housing Element, City staff has been committed to dialoging with interested stakeholders, including individual residents, housing advocates, property owners, and housing developers. The ongoing communication regularly includes meeting in person and corresponding via email and telephone to collect input, provide information, and solicit feedback on strategies designed to improve housing opportunities for current and future residents. The consultation is ongoing and City staff continues to be available to discuss the City's housing needs with all interested parties.

Housing Needs

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, housing stock, housing cost and affordability, and at-risk rental housing. 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 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 Oakbrook Village Shopping Center and MemorialCare Saddleback Medical Center. The Laguna Hills Mall was a shopping mall that is being redeveloped by the owners as The Village at Laguna Hills. The proposed redevelopment includes residences (see Section 5, Housing Resources), a movie theater, a hotel, retail, office space, and parking structures.

Population Characteristics

POPULATION GROWTH TRENDS

According to the California Department of Finance, E-5 Population and Housing Estimates, the population of Laguna Hills was 31,131 in 2015 (Table H-1). In 2020, the most current data available, the total population in Laguna Hills was 31,508, representing a small increase in population from 2015 to 2020. In 2010, the population in the City was 30,270. The overall population growth rate in Laguna Hills was 4.1 percent from 2010 to 2020.

Only one of the surrounding cities, Laguna Woods, experienced a decline in population from 2010 to 2020. All other nearby cities, including the unincorporated area of Orange County, had a positive population growth rate between 2010 and 2020, similar to Laguna Hills. The population growth rate in Lake Forest, Aliso Viejo, and the unincorporated area of Orange County exceeded that of Laguna Hills during this period.

| City/Area | 2010 | 2015 | 2020 | Percentage Change 2010-2020 |
|------------------------------|---------|---------|---------|-----------------------------|
| Laguna Hills | 30,270 | 31,131 | 31,508 | 4.1% |
| Aliso Viejo | 47,816 | 49,496 | 50,044 | 4.7% |
| Mission Viejo | 93,174 | 95,953 | 94,267 | 1.2% |
| Laguna Woods | 16,273 | 16,600 | 16,243 | -0.2% |
| Laguna Niguel | 62,979 | 64,457 | 65,316 | 3.7% |
| Lake Forest | 77,395 | 79,376 | 84,711 | 9.5% |
| Unincorporated Orange County | 121,160 | 123,635 | 128,421 | 6.0% |

Sources: California Department of Finance E-5 Population and Housing Unit Estimates, SCAG Housing Element Data

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-aged 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 Table H-2, Laguna Hills has a high percentage of people between the ages 45 and 74. Laguna Hills currently has two housing developments that provide housing explicitly for seniors. The Willows contains 152 ground-level housing units and Meridian contains 396 units with options for independent living, assisted living, and nursing care. Staff processed an application for a residential care facility for the elderly within the Alicia Gateway neighborhood. As of October 2021, it was under construction and expected to open in the fourth quarter of 2021.

Table H-2
Total Population by Age, 2014-2018

| Age | Total | Percentage of Total Population |
|--|-------|--------------------------------|
| 0 to 9 | 3,373 | 10.8% |
| 10 to 19 | 3,739 | 12.0% |
| 20 to 24 | 1,821 | 5.8% |
| 25 to 34 | 3,522 | 11.3% |
| 35 to 44 | 4,244 | 13.6% |
| 45 to 59 | 7,064 | 22.7% |
| 60 to 74 | 5,422 | 17.4% |
| 75 to 84 | 1,186 | 3.8% |
| 85 and over | 814 | 2.6% |
| <small>Source: 2014-2018 American Community Survey Notes: American Community Survey numbers are estimates; there is a variable margin of error for all numbers. Due to rounding, totals may not equal 100%.</small> | | |

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 (70.0 percent) of the 2018 population in Laguna Hills was White, with Asians making up the next-largest ethnic group (15.0 percent). In Orange County, Whites also made up the majority of the population but constituted a slightly lower proportion (61.7 percent) of the population than in Laguna Hills. As shown in Table H-4, 21.0 percent of residents in Laguna Hills identified as Hispanic or Latino, compared with 34.1 percent of people county-wide.

| Table H-3 Race and Ethnicity, 2014-2018 | | | | |
|--|---------------|-------------|------------------|---------------|
| Race | Laguna Hills | | Orange County | |
| | Number | Percentage | Number | Percentage |
| White | 21,819 | 70.0% | 1,950,902 | 61.7% |
| Black or African American | 557 | 1.8% | 54,732 | 1.7% |
| American Indian and Alaska Native | 52 | 0.2% | 14,466 | 0.5% |
| Asian | 4,681 | 15.0% | 635,672 | 20.1% |
| Native Hawaiian and Other Pacific Islander | 15 | 0.0% | 9,442 | 0.3% |
| Some Other Race | 1,986 | 6.4% | 370,679 | 11.7% |
| Two or More Races | 2,075 | 6.7% | 128,289 | 4.1% |
| Total | 31,185 | 100% | 3,164,182 | 100.0% |

Source: 2014-2018 American Community Survey
Notes: A portion of each of the race categories may also contain those identifying as Hispanic. See also Table H-4.

| Table H-4 Hispanic or Latino Population, 2014-2018 | | | | |
|---|---------------|---------------|------------------|---------------|
| | Laguna Hills | | Orange County | |
| | Number | Percentage | Number | Percentage |
| Total population | 31,185 | 100.0% | 3,164,182 | 100.0% |
| Hispanic or Latino (of any race) | 6,540 | 21.0% | 1,080,195 | 34.1% |
| Not Hispanic or Latino | 24,645 | 79.0% | 2,083,987 | 65.9% |

Source: 2014-2018 American Community Survey

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 that a household can afford. In addition, employment growth within a region typically results in an increase in housing demand.

According to the American Community Survey (ACS), the unemployment rate in 2018 in Laguna Hills was 3.4 percent, which was similar to the county-wide rate of 3.3 percent, and lower than the state-wide rate of 4.2 percent.

| Table H-5 Unemployment Rate, 2018 | | | |
|--|--------------|---------------|------------|
| | Laguna Hills | Orange County | California |
| Unemployment Rate | 3.4% | 3.3% | 4.2% |
| Source: 2018 American Community Survey | | | |
| Notes: Data includes the civilian population ages 16 years and over. American Community Survey numbers are estimates; there is a variable margin of error for all numbers. | | | |

According to the 2014-2018 American Community Survey, 16,348 Laguna Hills residents were in the civilian labor force. The labor force includes employed and unemployed persons aged 16 years and above. Table H-6 shows groups of occupations and the numbers of Laguna Hills and Orange County residents whose jobs are in these categories. Table H-7 shows average annual salaries by occupational title.

In both Laguna Hills and Orange County, a majority of residents were employed in the fields of professional services, education, social services, business, information, and arts. These categories include some of the highest-paying types of jobs, including those in architecture and engineering (\$183,039), management (\$139,225), healthcare (\$101,125), and legal (\$147,030). Approximately a third of the residents of both Laguna Hills and Orange County were employed in the fields of retail, public administration, manufacturing, transportation, and wholesale trade occupations. These categories include some of the lowest-paying types of jobs, including those in food preparation and serving (\$32,613), transportation and material moving (\$38,010), sales (\$51,402), and office support (\$47,191). Within Laguna Hills, Saddleback Memorial Medical Center is the largest employer of Laguna Hills residents. The Center for Demographic Research estimates that 1,636 residents work for the hospital, comprising approximately 10 percent of Laguna Hills residents in the civilian labor force based on 2014-2018 American Community Survey data. Other major employers include Valley Insurance Service, Inc. (approximately 458 employees), Productive Playhouse Inc (approximately 268 employees) and Allied Business Schools, Inc. (approximately 250 employees).

**Table H-6
Employment Profile, 2014-2018**

| Occupation | Laguna Hills | | Orange County | |
|--|---------------|---------------|------------------|---------------|
| | Number | Percentage | Number | Percentage |
| Business, management, information, and arts occupations | 3,808 | 23.3% | 340,636 | 21.6% |
| Retail and public administration occupations | 2,548 | 15.6% | 209,865 | 13.3% |
| Professional services, education, and social services occupations | 5,782 | 35.4% | 531,713 | 33.7% |
| Manufacturing, transportation, and wholesale trade occupations | 2,318 | 14.2% | 310,297 | 19.7% |
| Agriculture, construction, and other occupations | 1,892 | 11.6% | 185,568 | 11.8% |
| Total | 16,348 | 100.0% | 1,578,079 | 100.0% |
| Source: 2014-2018 American Community Survey Notes: Data includes the civilian employed population ages 16 years and over. American Community Survey numbers are estimates; there is a variable margin of error for all numbers. | | | | |

**Table H-7
Average Salary by Occupation, 2020**

| Major Occupations | Average Annual Salary |
|--|-----------------------|
| Architecture and Engineering | \$183,039 |
| Arts, Design, Entertainment, Sports, and Media | \$65,620 |
| Building and Grounds Cleaning and Maintenance | \$35,880 |
| Business and Financial Operations | \$80,107 |
| Community and Social Services | \$58,617 |
| Computer and Mathematical | \$96,051 |
| Construction and Extraction | \$62,616 |
| Education and Library | \$72,247 |
| Farming, Fishing, and Forestry | \$34,876 |
| Food Preparation and Serving Related | \$32,613 |
| Healthcare Practitioners and Technical | \$101,125 |
| Installation, Maintenance, and Repair | \$56,597 |
| Legal | \$147,030 |
| Life, Physical, and Social Science | \$84,611 |
| Management | \$139,225 |
| Office and Administrative Support | \$47,191 |
| Personal Care and Service | \$34,724 |
| Production | \$42,181 |
| Protective Service | \$57,788 |
| Sales and Related | \$51,402 |
| Transportation and Material Moving | \$38,010 |
| All Major Occupations | \$72,455 |
| All Occupations | \$61,720 |
| Source: State Employment Development Department, 2020 | |
| Notes: Data includes the Anaheim-Santa Ana-Irvine metropolitan statistical area (MSA). | |

COMMUTE PATTERNS

Commute times can be an important indicator of the jobs-housing balance both within the City and the region. Long commute times can influence residents' quality of life and the affordability of their cost of living. Low-cost housing that is very far from job centers may have a net effect of being expensive, particularly if low-cost transportation options, such as high-frequency transit, are not available. The majority of employed Laguna Hills residents have a commute time of less than 24 minutes, and the mean commute time is 24.7 minutes. This suggests that while the City should still

be mindful of future development sites and their proximity to employment centers, most residents do not currently experience long commutes. A notable minority of residents (18.7 percent) have commutes of 35 minutes or more, suggesting that they may work in northern Orange County or the Los Angeles area.

Housing Characteristics

HOUSEHOLD TYPE AND SIZE

Household characteristics are important indicators of the type of housing needed in a community. The United States Census defines a household as all persons who occupy a housing unit, which may include families related by birth, marriage, or adoption, 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. The Census defines a family as a group of two people or more (one of whom is the householder) related by birth, marriage, or adoption and residing together.

In 2018, there were 10,555 households in Laguna Hills (Table H-8). Families constituted 72.7 percent of households in the City, a proportion slightly greater than in Orange County (71.8 percent). Families with children represented 26.5 percent of households in Laguna Hills and 31.5 percent in Orange County. Single-person households represented 19.6 percent of households in Laguna Hills, while there were slightly more single-person households in Orange County (21.1 percent).

Housing needs generally vary by household type. Families are more likely to occupy detached single-family homes than single-person households, particularly in suburban communities like Laguna Hills. However, some families are unable to purchase or rent a detached single-family 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, detached single-family homes. The Laguna Hills housing stock (Table H-22) provides a range of unit types. The housing stock comprises 56.7-percent single-family detached units; 17.0 percent single-family attached units; 18.2 percent multifamily units, such as apartments and condominiums; and 3.1 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 for Laguna Hills in the 2014-2018 period was 2.9, which was slightly lower than Orange County, with an average household size of 3.0.

Table H-8
Household Characteristics, 2014-2018

| Household Type | Orange County | | Laguna Hills | |
|---|---------------|---------|--------------|---------|
| | Number | Percent | Number | Percent |
| Families | 741,721 | 71.8% | 7,670 | 72.7% |
| With Children | 324,922 | 31.5% | 2,793 | 26.5% |
| Single Persons | 217,407 | 21.1% | 2,074 | 19.6% |
| 65 Years and Older | 93,044 | 9.0% | 901 | 8.5% |
| Non-family | 290,652 | 28.2% | 2,885 | 27.3% |
| Total Households | 1,032,373 | 100.0% | 10,555 | 100.0% |
| Average Household Size | 3.0 | | 2.9 | |
| Average Family Size | 3.5 | | 3.4 | |
| Source: 2014-2018 American Community Survey | | | | |

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.

The California Department of Housing and Community Development (HCD) has developed the following income categories:

- Extremely low-income households earn between 0 and 30 percent of the County Area Median Income (AMI), adjusted for household size;
- Very low-income households earn between 31 and 50 percent of the County AMI, adjusted for household size;
- Low-income households earn between 51 and 80 percent of the County AMI, adjusted for household size;
- Moderate-income households earn between 81 and 120 percent of the County AMI, adjusted for household size; and
- Above-moderate/upper-income households earn over 120 percent of the County AMI, 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 AMI) and very low (31–50 percent AMI) 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-9. Laguna Hills is generally more affluent, as compared with Orange County as a whole. As seen in Table H-9, 35.1 percent of all households in Laguna Hills and 44.8 percent of all households in Orange County have low, very low, and extremely low-incomes; whereas 64.7 percent of all households in Laguna Hills and 55.2 percent of all households in Orange County have moderate and above-moderate incomes.

According to CHAS data, almost 10 percent of the City's households from 2013 to 2017 qualified as extremely low income (0–30 percent AMI) and very low income (31–50 percent AMI). During the same time, 15.6 percent of the City's households qualified as low income (51–80 percent AMI).

About 54 percent of renter households qualified as low income or below, compared with 27.2 percent of owner households. In Orange County, over 44 percent of households were considered low income or below, compared with 35.2 percent of households in the City of Laguna Hills.

During the planning period, the extremely low-income housing need is projected to be 284 units, which is derived from presuming 50 percent of the very low-income housing need (568 units) from the Regional Housing Need Assessment. The housing needs of households with extremely low incomes are discussed in the section below on Special-Needs Populations.

| Table H-9 Households by Income Group, 2013-2017 | | | | | | | |
|--|------------------|--------------------------------|-------------------|---------------------------------|------------------|--------------------------------|---------------|
| City of Laguna Hills | | | | | | | Orange County |
| Income Group | Owner Households | Percentage of Owner Households | Renter Households | Percentage of Renter Households | Total Households | Percentage of Total Households | |
| Extremely Low Income (0-30% AMI) | 470 | 6.4% | 540 | 17.8% | 1,010 | 9.7% | 14.9% |
| Very Low Income (31-50% AMI) | 635 | 8.7% | 385 | 12.7% | 1,020 | 9.8% | 12.5% |
| Low Income (51-80% AMI) | 885 | 12.1% | 735 | 24.2% | 1,620 | 15.6% | 17.4% |
| Moderate and Above (greater than 80% of AMI) | 5,330 | 72.8% | 1,380 | 45.4% | 6,710 | 64.7% | 55.2% |
| Total | 7,320 | 100.0% | 3,040 | 100.0% | 10,360 | 100.0% | 100.0% |

Source: CHAS Data, 2013-2017.

OVERCROWDING

An overcrowded household is typically defined as one with more than one person per room, excluding bathrooms, kitchens, hallways, and porches. According to the U.S. Census, 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 (2014-2018), approximately 479 households, or 4.5 percent, of the households in Laguna Hills were living in overcrowded conditions (Table H-10).

About 1.2 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 9 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-10 Overcrowded Households, 2014-2018 | | | | |
|---|-------|--------|--------|------------------------------|
| | Owner | Renter | Total | Percentage of Occupied Units |
| Occupied Units | 7,567 | 2,988 | 10,555 | 100.0% |
| Overcrowded Units | 135 | 344 | 479 | 4.5% |
| Severely Overcrowded Units | 10 | 120 | 130 | 1.2% |
| Source: 2014-2018 American Community Survey Notes: American Community Survey 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-11 shows the number and proportion of households with housing cost burden by income range and tenure. According to CHAS data, 40.7 percent of Laguna Hills households overpaid for housing. Approximately 51.3 percent of renter households and 36.3 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 above the area median. Across Orange County as a whole, CHAS data indicate that approximately 40.5 percent of households overpaid for housing, which is approximately the same rate as Laguna Hills.

| Household Income | Renter Households | | | Owner Households | | | Total Households | | |
|--|-------------------|--------------|-----------------------|------------------|--------------|-----------------------|---------------------------|--------------|-----------------------|
| | Total | Overpaying | Percentage Overpaying | Total | Overpaying | Percentage Overpaying | Total | Overpaying | Percentage Overpaying |
| Extremely Low Income (0-30% AMI) | 540 | 435 | 80.6% | 470 | 400 | 85.1% | 1,010 | 835 | 82.7% |
| Very Low Income (31-50% AMI) | 385 | 355 | 92.2% | 635 | 480 | 75.6% | 1,020 | 835 | 81.9% |
| Low Income (51-80% AMI) | 735 | 605 | 82.3% | 885 | 650 | 73.4% | 1,620 | 1,255 | 77.5% |
| Moderate and Above (greater than 80% of AMI) | 1,380 | 165 | 12.0% | 5,330 | 1130 | 21.2% | 6,710 | 1,295 | 19.3% |
| Total | 3,040 | 1,560 | 51.3% | 7,320 | 2,660 | 36.3% | 10,360¹ | 4,220 | 40.7% |

Source: CHAS Data, 2013-2017.

¹ Total number of households differs from other sections of the Housing Needs Assessment due to the use of different data sources (CHAS vs. ACS). Differences are typically due to the sample size for a particular category of data and are subject to sampling variability.

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. According to the California Department of Housing and Community Development (HCD) "special needs" groups include senior households, agricultural workers, female-headed households, disabled persons, large households, extremely low-income 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 incomes, poor health and associated high healthcare 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 within the vicinity of community facilities and public transportation also facilitates mobility of the elderly in the community.

According to the American Community Survey estimates (2014-2018), Laguna Hills had 5,086 individuals aged 65 or older, representing 16.3 percent of the total population. In the same year, Laguna Hills had 2,744 senior households, constituting roughly 26 percent of the City’s total households (Table H-12). Of the senior households, 74.4 percent were owner households, while 25.6 percent were renter households.

| Householder Age | Senior Owner Households | | Senior Renter Households | | Total Senior Households | |
|--|-------------------------|--------------|--------------------------|--------------|-------------------------|---------------|
| | Number | Percentage | Number | Percentage | Number | Percentage |
| 65 - 74 years | 1,361 | 49.6% | 308 | 11.2% | 1,669 | 60.8% |
| 75 - 84 years | 528 | 19.2% | 102 | 3.7% | 630 | 23.0% |
| 85 years plus | 152 | 5.5% | 293 | 10.7% | 445 | 16.2% |
| Total | 2,041 | 74.4% | 703 | 25.6% | 2,744 | 100.0% |
| Source: 2014-2018 American Community Survey, SCAG Housing Element Data | | | | | | |

According to CHAS data, over 48 percent of all senior households had extremely low, very low, or low incomes (Table H-13). Approximately 73 percent of total senior renter households were of extremely low, very low, or low incomes, compared with 40 percent of total senior owner households.

| Income Group | Senior Owner Households | | Senior Renter Households | | Total Senior Households | |
|--|-------------------------|--------------|--------------------------|--------------|-------------------------|---------------|
| | Number | Percentage | Number | Percentage | Number | Percentage |
| Extremely Low Income (0-30% HAMFI) | 265 | 9.3% | 210 | 7.4% | 475 | 16.7% |
| Very Low Income (31-50% HAMFI) | 260 | 9.1% | 110 | 3.9% | 370 | 13.0% |
| Low Income (51-80% HAMFI) | 340 | 12.0% | 190 | 6.7% | 530 | 18.6% |
| Moderate and Above (greater than 80% of HAMFI) | 1,280 | 45.0% | 190 | 6.7% | 1,470 | 51.7% |
| Total | 2,145 | 75.4% | 700 | 24.6% | 2,845 | 100.0% |

Source: CHAS Data, 2012-2016, SCAG Housing Element Data
Notes: HAMFI refers to Housing Urban Development Area Median Family Income.

California Department of Finance projections indicate that the population aged 65 and over in Orange County may increase from 525,927 in 2020 to 802,158 in 2040, an increase of over 52 percent. By 2050, the senior population is projected to increase to 823,154, a 56.5-percent increase from 2020.

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 explicitly for seniors. The Willows contains 152 ground-level housing units and Meridian contains 396 units with options for independent living, assisted living, and nursing care. Staff processed an application for a residential care facility for the elderly within the Alicia Gateway neighborhood. As of October 2021, it was under construction and expected to open in the fourth quarter of 2021. The Housing Element contains programs that will benefit the senior population and provide additional senior housing opportunities (Programs H-3, H-6, H-7, H-8, H-14, H-16, and H-17).

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 (2014-2018), less than 1 percent of Laguna Hills residents 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. The 2017 US Department of Agriculture Census of Farmworkers identifies 1,772 persons employed as agricultural workers in Orange County. Of these workers, 1,106 work less than 150 days per year and are considered seasonal farmworkers. The City's current Zoning Code does not presently specify regulation of farmworker or employee housing. As part of Program H- 7, the City will amend the Zoning Code to comply with the Employee Housing Act, Health and Safety Code Sections 17000-17062.5, permitting farmworker housing consisting of up to 36 beds in group quarters (farmworker housing complex) or up to 12 dwelling units subject to the same terms applicable to an agricultural use. Additionally, employee housing that serves six or fewer employees shall not be subject to regulations to which other family dwellings of the same type in the same zone are not likewise subject.

FEMALE-HEADED HOUSEHOLDS

Single-parent families with children often require special attention because of their needs for affordable childcare, healthcare, and housing assistance. Female-headed families with children in particular tend to have lower incomes, thus limiting housing availability for this group. According to the American Community Survey (2014-2018), of the 10,555 family households in Laguna Hills, 1,019 were female-headed family households, or 9.7 percent (Table H-14). In this period, approximately 3.7 percent of all families in Laguna Hills were under the poverty level. It is important to note, however, that only 1.3 percent of female-headed families were under the poverty level.

The Housing Element contains programs that could benefit single-parent, female-headed households. The Housing Element also contains programs targeted to low-income households, which may benefit female-headed households (Programs H-3, H-6, H-7, H-8, H-14, H-16, and H-17).

| Table H-14 Female-Headed Family Households, 2014-2018 | | |
|--|----------|--------------------------------|
| | Estimate | Percentage under Poverty Level |
| Total Family Households | 10,555 | 3.7% |
| Total Female-Headed Family Households | 1,019 | 1.3% |
| Female-Headed Family Households with Children | 125 | 1.2% |
| Female-Headed Family Households with 3 or more Children | 106 | 1.0% |
| Source: 2014-2018 American Community Survey, SCAG Housing Element Data Notes: American Community Survey 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 2014-2018 American Community Survey five-year estimates show approximately 2,508 people, or approximately 8.1 percent of Laguna Hills residents, reported having one or more disabilities (Table H-15). The senior population in Laguna Hills has a higher incidence of disability, with approximately 1,305 individuals, or 4.2 percent, 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 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.

| Table H-15 Disabled Population, 2014-2018 | | |
|--|---------------|-----------------------|
| | Estimate | % of Total Population |
| Total Population (civilian noninstitutionalized) | 31,028 | 100.0% |
| <5 Years with Disability | 0 | 0.0% |
| 5 to 17 years with Disability | 169 | 0.5% |
| 18 to 64 Years with Disability | 1,034 | 3.3% |
| 65 Years + with Disability | 1,305 | 4.2% |
| Total Population with Disability | 2,508 | 8.1% |
| Source: 2014-2018 American Community Survey | | |
| Notes: American Community Survey numbers are estimates; there is a variable margin of error for all numbers. | | |

Additionally, some disabilities may limit a person’s ability to earn income, or to access higher-income jobs. Of the approximately 1,034 Laguna Hills residents between the ages of 18 and 64 with disabilities, over half (544 residents) are not in the labor force, and an additional 64 are in the labor force but unemployed, for a total of 58.8 percent of residents between the ages of 18 and 64 with disabilities that are either not in the labor force or are in the labor force but unemployed (Table H-16). This highlights the need for a variety of types of accessible housing that is affordable to individuals and households that cannot participate in the labor market.

| Table H-16 Employment for Disabled Population, 2014-2018 | | |
|--|-----------------|--------------------------------------|
| | Estimate | % of Population Age 18-64 |
| Total Population (Age 16-64) | 19,588 | 100.0% |
| Employed with Disability | 426 | 2.2% |
| Unemployed with Disability | 64 | 0.3% |
| Not in Labor Force with Disability | 544 | 2.8% |
| Total Population with Disability | 1,034 | 5.3% |
| Source: 2014-2018 American Community Survey | | |
| Notes: American Community Survey numbers are estimates; there is a variable margin of error for all numbers. | | |

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 473 persons in the City of Laguna Hills with developmental disabilities, based on the California Department of Finance population estimates.

According to the State’s Department of Developmental Services, approximately 230 Laguna Hills residents with developmental disabilities sought services at the Regional Center of Orange County. Almost two-thirds of these individuals are over the age of 18; however, about 37 percent are less than 17 years old.

Many persons with developmental disabilities 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.

The State Department of Developmental Services (DDS) currently provides community-based services to approximately 362,000 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, nonprofit 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 daycare 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 January 2021 Facts and Statistics data, the RCOC currently serves approximately 22,000 individuals.

The Dayle McIntosh Center is a private, nonprofit organization serving Orange County that partners with people with disabilities to address barriers preventing individuals with disabilities from achieving independence and self-sufficiency. The Center is one of over 500 designated centers for independent living in the nation. Most of the staff and board members are individuals with disabilities who have achieved independence themselves. Although the Center does not own or operate any housing units nor have funds for emergency shelter, programs provided include community transition services, housing assistance, independent living skills for the deaf, independent living skills training, peer counseling, and more. From 2019-2020, the Center served a total of 804 individuals who received ongoing service delivery and provided resources to an addition 932 contacts.

Vocational Visions, a nonprofit organization 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 a staff of 5. This organization currently has over 500 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, 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.

As shown in Table H-17, just over half of the total disabled population is 65 years of age or older. In that group, the most common types of disability are ambulatory, independent living difficulty and hearing difficulty. Forty-one percent of the total disabled population is between the ages of 18 and 64. For this group, the most common types of disability are cognitive, ambulatory and independent living difficulty. People under 18 years of age with a disability make up 6.7 percent of the total disabled population. For this group, the most common type of disability is cognitive.

Table H-17
Persons with Disability by Type, 2014-2018

| | Persons with a Disability | Percentage of Disabled Population |
|--|---------------------------|-----------------------------------|
| Total Disabled Population | 2,508 | 100.0% |
| Under 18 Years | 169 | 6.7% |
| With a hearing difficulty | 52 | 2.1% |
| With a vision difficulty | 59 | 2.4% |
| With a cognitive difficulty | 163 | 6.5% |
| With an ambulatory difficulty | 52 | 2.1% |
| With a self-care difficulty | 68 | 2.7% |
| 18-64 Years | 1,034 | 41.2% |
| With a hearing difficulty | 289 | 11.5% |
| With a vision difficulty | 277 | 11.0% |
| With a cognitive difficulty | 631 | 25.2% |
| With an ambulatory difficulty | 506 | 20.2% |
| With a self-care difficulty | 393 | 15.7% |
| With an independent living difficulty | 499 | 19.9% |
| 65-Plus Years | 1,305 | 52.0% |
| With a hearing difficulty | 468 | 18.7% |
| With a vision difficulty | 143 | 5.7% |
| With a cognitive difficulty | 336 | 13.4% |
| With an ambulatory difficulty | 733 | 29.2% |
| With a self-care difficulty | 283 | 11.3% |
| With an independent living difficulty | 547 | 21.8% |
| Source: 2014-2018 American Community Survey | | |
| Notes: American Community Survey numbers are estimates; there is a variable margin of error for all numbers. | | |

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 be used to make necessary improvements to remove architectural barriers to existing units. The Housing Element contains programs to create reasonable accommodations procedures and educate residents about housing services available to persons with disabilities (H-17), and to continue programs that provide rehabilitation assistance (H-3).

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. Some large households are lower income, resulting in the overcrowding of smaller dwelling units and, in turn, accelerating unit deterioration. The American Community Survey (2014-2018) estimates that 1,288 households in Laguna Hills have five or more members, representing 12.2 percent of all City households. Among the large households, 58.9 percent were owner households and 41.1 percent were renter households.

Typically, the availability of adequately sized and affordable housing units is an obstacle facing large households. Since only 12.2 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 (2014-2018), Laguna Hills had 5,126 two or three-bedroom housing units and another 4,206 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.

The City has retained the nonprofit service provider Mercy House to help homeless individuals and families in Laguna Hills to obtain services and participates in regional efforts to address homelessness issues.

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 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, healthcare, 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.

Table H-18 details the estimate of the homeless population in Orange County. According to the 2019 point-in-time survey (most current available data, as of March 2021), 6,860 persons were found to be homeless in shelters and on the streets in Orange County on January 22, 2019. Of those counted in the survey, 24 unsheltered and 0 sheltered residents were counted in Laguna Hills. According to the South County Street Outreach Program Monthly Report for May 2021 by Mercy House, sixty-one people moved from the streets into permanent housing and 119 people moved from the streets to temporary housing, emergency shelter or institutional care. From October 2019-May 2021 the outreach program served 26 clients, provided 124 services and 27 referrals in the City Laguna Hills. Program services include engagement, completing housing assessments to enter the Coordinated Entry System (CES) connecting individuals to the system of care including physical and mental health services, drug and alcohol rehabilitation, housing and other social services such and General Relief, CALFresh, Medi-Cal and addressing other conditions that may exist.

The South County Street Outreach Program is a regional approach funded by HEAP and City partners to address homelessness. Coordinated by Mercy House, the Outreach Program reported that for the month of November 2020, there was one person who exited the streets to permanent housing and three people exited the streets to temporary housing, emergency shelter, or institutional care. In Laguna Hills, the outreach program has served 19 clients to date and provided 63 services and 18 referrals. Program services include engagement, completing housing assessments to enter to Coordinated Entry

Systems, connecting individuals to the system of care for physical or mental services, drug and alcohol rehabilitation, housing, and other social services such as General Relief, CAL Fresh, and Medi-Cal. Friendship Shelter is a nonprofit organization that provides year-round shelter and rehabilitation to homeless adults in South Orange County and is focused on finding the most appropriate permanent housing solution for each individual. According to the organization's data analyst, Connor Stephenson, Friendship Shelter has a capacity for 91 beds in permanent supportive housing throughout south Orange County, largely funded by HUD. Friendship Shelter also has two emergency shelters in Laguna Beach with total capacity for 75 beds. The emergency shelters are funded by various sources, such as the City of Laguna Beach, County funding, private foundations, ESG (Emergency Solutions Grant), and a contract with Mission Hospital for six beds for their homeless discharges.

The COVID-19 pandemic intensified conditions for people experiencing homelessness. Friendship Shelter participated in Project Toolbelt, a program to house people experiencing homelessness during the pandemic and into hotels or other permanent housing. Since March 2020, there have been 143 individuals enrolled, according to the organization's data analyst, Connor Stephenson. Of the total enrollees, 35 individuals have ended their episode of homelessness and 64 are currently active in the program.

Family Assistance Ministries (FAM) is a faith-based charitable nonprofit organization assisting the homeless population in South Orange County with resources for food, shelter, and personalized supportive counsel. According to Chief Executive Director Elizabeth Andrade, FAM has a total of 10 permanent housing units, which are at capacity year-round. FAM provides emergency shelter for families with young children and for single women. The emergency shelter has 12 total units and 38 total beds available, of which, 90 to 95 percent of beds are used throughout the year. There is a 92-percent success rate of clients who move from an emergency shelter into permanent housing. For the emergency shelter, funding is provided through First Five of Orange County. For the permanent supportive housing, FAM is a recipient of a grant held by Mercy House. Common referral services are made to Social Services, CalWorks or CalFresh, Child Guidance Center, and One Stops. From July 2019 to June 2020, FAM is expected to serve over 200 clients or households in rental assistance.

Since the COVID-19 pandemic increased housing insecurity, FAM partnered with Orange County on Project Room Key, a program intended to house homeless individuals. FAM can refer clients that have tested positive for COVID or that have been exposed to hotels. There is capacity for 10 clients or households at a time. Since May, FAM has had capacity to house 17 households and could house more if they had more staff available. As of 2021, \$750,000 has been allocated with an additional \$1 million to be provided.

| Table H-18 Summary of Homeless Estimates, 2019 | |
|---|----------------------|
| Homeless Episodes Source | Estimate of Homeless |
| Point-in-time Count* Orange County | 6,860 (one day) |
| Point-in-time Count Orange County, unsheltered | 3,961 |
| Point-in-time Survey Laguna Hills, unsheltered | 24 |
| Point-in-time Survey Laguna Hills, sheltered | 0 |
| *Point-in-time count occurred on January 22, 2019. Source: www.ocpartnership.net. | |

The 2019 Orange County Sheltered Point-in-Time Count and Survey provides a snapshot of the Orange County Continuum of Care’s inventory of housing resources. These housing resources include emergency shelter, transitional housing, rapid rehousing, permanent supportive housing, and other permanent housing that are dedicated to serve people who are homeless and specific subpopulations (Table H-20). The total number of beds provided on a given night for emergency shelters was 2,539, and for transitional housing it was 1,135 (Table H-19).

The 2019 Sheltered Point-in-Time numbers are based on surveys received from 32 Orange County homeless provider agencies regarding clients served on the night of January 22, 2019. Final Sheltered Point-in-Time numbers were tabulated from 76 different Emergency Shelter and Transitional Housing projects targeting homeless clients in Orange County. Point-in-Time data was received from 99 percent of the projects expected to provide a response. Major homeless facilities/providers in Orange County and resources they provide are listed in Table H-21.

| Table H-19 Sheltered Count and Bed Occupancy, Orange County, 2019 | | | | |
|--|-------------------------------------|-------------|------------|-------------------|
| Housing Type | 2019 Point-in-Time Sheltered People | Vacant Beds | Total Beds | Average Occupancy |
| Emergency Shelter | 2,011 | 528 | 2,539 | 79.2% |
| Transitional Shelter | 888 | 247 | 1,135 | 78.2% |
| Total Shelter Inventory | 2,899 | 775 | 3,674 | 78.9% |
| Source: 2019 Orange County Sheltered Point-in-Time Count and Survey | | | | |

| Table H-20 Housing Inventory Chart, Orange County, 2019 | | | |
|---|-------------------------|--------------|--------------|
| Household Type | Individuals | Families | Total |
| Emergency Shelters | 1,798 (400 seasonal) | 590 | 2,388 |
| Transitional Housing | 319 | 816 | 1,135 |
| Rapid Rehousing | 159 | 615 | 774 |
| Permanent Supportive Housing | 1,711 | 516 | 2,227 |
| Other Permanent Housing | 88 | 16 | 104 |
| Total | 4,075 | 2,553 | 6,628 |
| Source: 2019 Orange County Sheltered Point-in-Time Count and Survey | | | |

| Table H-21 Major Homeless Facilities/Providers in Orange County | | | |
|--|--------------|---|--|
| Name | Location | Type | Resources Available |
| Families Forward | Irvine | Housing Assistance | Housing placement and case management. Food assistance and low-cost counseling services. |
| Family Promise of Orange County | Orange | Emergency Shelter, Transitional Housing | Provides emergency shelter, transitional housing, and case management. |
| Homeless Intervention Services (HIS) | Placentia | Transitional Housing | Runs HIS House, a non-emergency sober transitional housing environment. Also, case management services and job training. Manages a home-share program for homeless students and housing placement program. |
| Laura's House | Ladera Ranch | Emergency Shelter | Provides emergency shelter and counseling for those fleeing domestic violence. |
| Mercy House | Santa Ana | Emergency Shelter, Permanent Supportive Housing | Navigation center, rapid rehousing, and permanent supportive housing locations across Orange County. Also runs the South County Outreach program to connect homeless residents with housing services. |

| Table H-21 Major Homeless Facilities/Providers in Orange County | | | |
|--|------------|---|---|
| Name | Location | Type | Resources Available |
| Pathways of Hope | Fullerton | Emergency Shelter, Permanent Supportive Housing | Emergency shelter, rapid rehousing, bridge housing, and permanent supportive housing. |
| Project Hope Alliance | Costa Mesa | Rapid Rehousing | Rapid rehousing for families facing homelessness, combined with early education and literacy programs for school-aged children. |
| Serving People in Need (SPIN) | Costa Mesa | Rental Assistance | Provides move-in costs for individuals moving into permanent housing. |
| Women's Transitional Living Center (WTLC) | Fullerton | Rapid Rehousing | Immediate housing for individuals fleeing domestic violence. |
| Source: Families Forward Community Resource Guide, 2018. | | | |

During the COVID pandemic, Orange County contracted with a 76-bed hotel at 23061 Avenida de la Carlota in Laguna Hills as a temporary housing and medical facility for homeless residents at risk of exposure to COVID. This temporary housing was part of the State’s Project Room Key program and was closed on October 16, 2020.

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 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 February 2023, the City has not received applications to construct emergency shelters, and none have been constructed. The Housing Element includes Program H-7 to update the Zoning Ordinance for emergency shelters to ensure compliance with Government Code Section 65583(a)(4) and to allow transitional and supportive housing (including transitional and supportive housing with seven or more residents) as a residential use in all zones allowing residential uses.

EXTREMELY LOW INCOME

Lower-income households generally have a higher incidence of housing challenges and tend to overpay for housing (paying 30 percent or more of their monthly income toward housing costs). Households that earn 30 percent or less than the County’s median income (up to \$40,350 for a family of four in 2021, based on HCD Income Limits) are considered “extremely low-income.” Extremely low-income households typically consist of minimum-wage workers, seniors on fixed incomes, disabled persons, and farmworkers. To estimate the number of households in this income category, the City reviewed 2013–2017 Comprehensive Housing Affordability Strategy (CHAS) data for the number of households in the extremely low-income (ELI) range.

As shown in Table H-9, there are a total of 1,010 ELI households in Laguna Hills, comprising 9.7 percent of the total number of households. ELI households represent a smaller percentage of households in Laguna Hills when compared to the County as a whole, where ELI households comprise 14.9 percent of the total number of households. In Laguna Hills, ELI households are more likely to be renters than owners. Based on 2013–2017 CHAS data, ELI households comprise 6 percent of owner-occupied households (470 of 7,325 total owner-occupied units), compared to comprising 18 percent of renter-occupied households (540 of 3,040 total renter-occupied units). ELI households are particularly susceptible to cost burden, or paying at least 30 percent of gross monthly income toward housing-related costs, reducing the ability for households to have money available for other necessities and emergency expenditures. Severe cost burden, or paying at least 50 percent of monthly income toward housing costs, further constrains a household’s ability to pay for necessities while maintaining housing. Cost-burdened ELI households are particularly vulnerable to displacement and experiencing homelessness. When looking at rates of cost burden in housing units occupied by ELI households, approximately 83 percent of housing units occupied by ELI households pay at least 30 percent of monthly income toward housing costs. Among ELI households in owner-occupied housing units, 86 percent (405 units) are occupied with households experiencing cost burden. Of these units, 83 percent (335 units) are severely cost-burdened, paying at least 50 percent of monthly income toward housing costs. Again, over 80 percent of ELI households in renter-occupied units overpay for housing costs (435 units), with nearly all of these units experiencing severe cost burden (395 units, or 91 percent of renter-occupied units). The majority of ELI, cost-burdened households in owner-occupied housing units are seniors aged 62 and above (51 percent or 210 units). In renter-occupied units, small families (between 2–4 persons) comprise 37 percent of ELI housing units experiencing cost burden and large families (5 or more persons) comprise 36 percent. Further, the small families and large families are all experiencing severe cost burden and vulnerable to displacement if housing costs increased.

In the past 10 years, the City undertook the following actions to support extremely low-income households, including seniors and families:

- From 2013-2021, the City retained the non-profit service provider Mercy House to help homeless residents obtain services. Mercy Housing connects persons/households at-risk for homelessness to services, including to social services, CalWorks or CalFresh, Child Guidance Center, and One Stops.
- The City updated the Second Unit provisions to comply with the new State Accessory Dwelling Unit (ADU) regulations. Residential second units can provide additional affordable housing opportunities for lower-income seniors, single persons, or small households within existing neighborhoods.
- From 2013-2021, City staff continued to monitor and respond to housing complaints and referred residents to various agencies that provide fair housing services in Orange County.
- In December 2012, City Council adopted an amendment to the City's Municipal Code to allow supportive housing and transitional housing as residential uses in all residential zones.
- The City was awarded Community Development Block Grant (CDBG) funding in 2014 and 2015 (\$80,000 each program year). Those funds were spent rehabilitating Aliso Meadows, one of two publicly-assisted housing development in Laguna Hills.

The extremely low-income housing need is projected to be 284 units, which is derived from presuming 50 percent of the very low-income housing need (568 units) from the Regional Housing Need Assessment. The City has included Implementation Program H-11 to undertake a rezoning effort to accommodate the 284 units for ELI households. Additionally, the City has included Implementation Programs H-3, H-4, H-13, H-14, H-16 and H-21 to further provide assistance to ELI households, through the following actions:

- Facilitate housing repair and/or rehabilitation programs that assist lower-income households occupying housing in need of repair (H-3).
- Provide Technical Assistance to preserve 51 at-risk units, preparing "Risk Assessment" reports and work with responsible entities to ensure tenants receive education of housing rights and preservation/acquisition status (H-4).
- Develop partnerships with mainstream and/or special-needs affordable housing developers that could result in set-asides in existing and planned lower 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 lower income units and actively cooperating with the owners of existing units to secure appropriate federal funding necessary to maintain existing affordability (H-13).

- Continue to provide referral services and information on Housing Choice Vouchers to the City’s residents (H-14).
- 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 (H-13).
- Develop affirmative marketing targeted at property owners to encourage acceptance of vouchers and/or other rental assistance programs, promoting equal access to government-assisted housing and to promote housing opportunities outside low-resource neighborhoods and neighborhoods along Via Lomas. Additionally, develop affirmative marketing strategies to promote services for persons at-risk of homelessness or experiencing homelessness through partnership with Mercy House, aimed at protecting residents from risk of displacement (H-16).
- Encourage development of affordable housing that meets the needs of diverse households and family structures, including affordable units with three or more bedrooms, during meetings with prospective developers (H-16).
- Investigate the potential adoption of an Inclusionary Housing Ordinance (H-8).
- Facilitate housing on identified sites and ensure that housing is developed that is appropriate for identified income categories on identified sites (H-21)

Housing Stock Characteristics

A community’s housing stock is defined as the collection of all housing units 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 California Department of Finance reported that Laguna Hills had a total of 11,298 housing units (Table H-22). From 2010 to 2020, the housing stock increased in Laguna Hills by approximately 252 units. As of January 2020, single-family homes constituted over 73 percent of the City’s housing stock. Multifamily units constituted 23.3 percent, while mobile homes constituted 3.1 percent of the City’s housing stock (Table H-22). This section relies on a variety of data sources. Table H-22 shows total housing units by type with 2020 data from the California Department of Finance (DOF). The most recent data available on tenure by number of units in the structure (Table H-23) and numbers of units built by year (H-25) is from the 2014-2018

American Community Survey (ACS). Variation in the total number of units is due to different sampling methods used by DOF and ACS, and the time frames that the data pertain to. Additionally, the total housing units in tables H-23 and H-25 are different because H-23 shows all occupied housing units, while H-25 shows all housing units.

| Table H-22 Housing Stock Composition, 2020 | | |
|---|---------------|-------------|
| Housing Type | January 2020 | |
| | Number | Percentage |
| Single-family Detached | 6,404 | 56.7% |
| Single-family Attached | 1,917 | 17.0% |
| Multifamily 2–4 Units | 573 | 5.1% |
| Multifamily 5+ Units | 2,052 | 18.2% |
| Mobile Homes and Other | 352 | 3.1% |
| Total Units | 11,298 | 100% |
| Source: SCAG Housing Element Data, CA DOF E-5 Population and Housing Unit Estimates, 2020 | | |

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 status is primarily related to household income, composition, and age of the householder.

Table H-23 details tenure by housing unit type for Laguna Hills and Orange County for 2014-2018. As shown in Table H-23, 71.7 percent of Laguna Hills residents owned the units they occupied, while 28.3 percent rented. This rate of homeownership is 14.3 percentage points higher than the county-wide rate.

| Table H-23 Housing Tenure by Units in Structure, 2014-2018 | | | | |
|--|---------------|---------------|------------------|---------------|
| | Laguna Hills | | Orange County | |
| | Estimate | Percentage | Estimate | Percentage |
| Owner-occupied housing units: | 7,567 | 71.7% | 592,269 | 57.4% |
| Single-family (attached or detached) | 6,893 | 65.3% | 527,962 | 51.1% |
| 2-4 units | 233 | 2.2% | 14,643 | 1.4% |
| 5 or more units | 253 | 2.4% | 28,247 | 2.7% |
| Mobile home | 188 | 1.8% | 21,238 | 2.1% |
| Other | - | 0.0% | 179 | 0.0% |
| Renter-occupied housing units: | 2,988 | 28.3% | 440,104 | 42.6% |
| Single-family (attached or detached) | 1,060 | 10.0% | 127,816 | 12.4% |
| 2-4 units | 601 | 5.7% | 74,197 | 7.2% |
| 5 or more units | 1,327 | 12.6% | 230,643 | 22.3% |
| Mobile home | - | 0.0% | 7,144 | 0.7% |
| Other | - | 0.0% | 304 | 0.0% |
| Total: | 10,555 | 100.0% | 1,032,373 | 100.0% |
| Source: 2014-2018 American Community Survey | | | | |
| Notes: American Community Survey 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. A higher vacancy rate may indicate an excess in the supply of units and a softer market, which results in lower housing prices. A lower vacancy rate may indicate a shortage of housing and high competition for available housing, which generally leads to higher housing prices and diminished affordability.

The 2014-2018 American Community Survey indicated that the overall vacancy rate in Laguna Hills was approximately 3.9 percent (Table H-24). Specifically, the vacancy rate for ownership housing was 0.6 percent, while the rental vacancy rate was 2.9 percent.

The low ownership housing vacancy rate in Laguna Hills could be attributed to the lack of developable land for additional housing construction.

**Table H-24
Vacancy Rates, 2014-2018**

| | Number | Percentage |
|---|---------------|---------------|
| Total Housing Units | 10,980 | 100.0% |
| Occupied | 10,555 | 96.1% |
| Vacant | 425 | 3.9% |
| For rent | 89 | 0.8% |
| For sale only | 0 | 0.0% |
| Rented or sold, not occupied | 49 | 0.4% |
| For seasonal, recreational, or occasional use | 24 | 0.2% |
| For migrant workers | 263 | 2.4% |
| Other vacant | 0 | 0.0% |
| Ownership Vacancy Rate | 0.6% | |
| Rental Vacancy Rate | 2.9% | |
| Source: 2014-2018 American Community Survey | | |

AGE AND HOUSING STOCK CONDITIONS

The age of housing is commonly used as a measure of when housing may begin to require major repairs. Without proper maintenance, housing units deteriorate over time. 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 Table H-25, 13.9 percent of the City's housing stock was constructed after 1990, while 86.1 percent of the housing stock in Laguna Hills was constructed before 1989. Therefore, the majority of the housing stock may be susceptible to deterioration and require maintenance or some type of rehabilitation. However, homeowners in Laguna Hills have a track record of maintaining their properties. As of December 2021, approximately a third of a percent of the total housing stock in Laguna Hills is in need of rehabilitation (37 homes out of 10,980). The City's annual average for rehabilitation permits is approximately 1,300 permits, demonstrating there is a relatively small percentage of homes in need of rehabilitation. Although a high percentage of the City's homes are more than 30 years old, and as such may require more regular maintenance and repair, this consistent average confirms that property owners are maintaining their homes. No homes needed replacement. Program H-3 is included to assist low- and moderate-income homeowners and rental property owners, including senior/disabled households, to access rehabilitation loans and grants through the Orange County Housing and Community Services Department, particularly in the Via Lomas neighborhood.

| Table H-25 Housing Units by Year Built, 2014-2018 | | |
|--|---------------|---------------|
| | Number | Percentage |
| 1939 & Earlier | 44 | 0.4% |
| 1940-1949 | 48 | 0.4% |
| 1950-1959 | 182 | 1.7% |
| 1960-1969 | 847 | 7.7% |
| 1970-1979 | 4,031 | 36.7% |
| 1980-1989 | 4,303 | 39.2% |
| 1990-1999 | 1,077 | 9.8% |
| 2000-2009 | 303 | 2.8% |
| 2010-2013 | 54 | 0.5% |
| 2014 & Later | 91 | 0.8% |
| Total | 10,980 | 100.0% |
| Source: 2014-2018 American Community Survey, SCAG Housing Element Data | | |

Between January 2013 and October 2020, 1,343 building permits were issued for building alterations or additions, and 945 building permits for roof work were issued. Additionally, 5 permits were issued for plumbing repair in residential buildings and 2,769 building permits were issued for alterations to residential electrical systems during this time period. The age, scope of repair required, and overall condition of the houses for which the permits were issued varies; however, this indicates that many property owners undertake regular maintenance to maintain their properties.

The majority of the City's housing stock is not considered substandard or in need of rehabilitation or replacement. Beginning in 2013 and continuing through Fiscal Year 2014-2015, the City used Community Development Block Grant (CDBG) funds to renovate 21 housing units in the 248-unit Aliso Meadows Condominium Development. The City has identified the Via Lomas neighborhood as an area of the City that might exhibit a small percentage of housing with some deferred maintenance. The City will focus future housing rehabilitation efforts under Program H-3 in this neighborhood.

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 list prices available on Zillow in February 2021. These are shown by housing type, price range, and median sale price in Table H-26. According to Zillow, the median sale price for condominiums was \$505,950 and the median sale price for single-family homes was \$659,000. The overall median sales price for both condominiums and single-family homes was \$599,988, which is higher than the affordable purchase price for very low- and extremely low-income households of four.

As is shown in Table H-27, the majority of single-family homes sold between 2017 and 2020 were either three- or four-bedroom homes, and most condominiums sold had either two or three bedrooms. Compared to 2021 listings, homes sold from 2017 to 2020 had a lower mean sale price, indicating that some homes that were previously listed were sold at prices that lower-income households could afford.

| Table H-26 House and Condominium Listings, February 2021 | | |
|---|-------------------------------|-------------------|
| Unit Type/Size | List Price | Median List Price |
| Homes (single-family detached) | \$82,000 - \$4,990,000 | \$659,000 |
| 2 BR | \$82,000 - \$659,000 | \$459,500 |
| 3 BR | \$119,900 - \$850,000 | \$559,999 |
| 4 BR | \$169,000 - \$1,765,000 | \$850,000 |
| 5+ BR | \$1,550,000 - \$4,990,000 | \$2,975,000 |
| Condominiums | \$340,000 - \$585,000 | \$505,950 |
| 1 BR | \$340,000 | \$340,000 |
| 2 BR | \$360,000 - \$559,900 | \$488,500 |
| 3+ BR | \$539,000 - \$585,000 | \$545,000 |
| Total | \$82,000 - \$4,990,000 | \$599,988 |
| Source: Zillow, February 2021 | | |

| Table H-27 Single-Family Detached Homes and Condominium Sales, 2017-2020 | | |
|--|-------------|-----------------|
| Unit Type/Size | Number Sold | Mean Sale Price |
| Homes (single-family detached) | | |
| 2 BR | 108 | \$347,279 |
| 3 BR | 541 | \$367,411 |
| 4 BR | 822 | \$511,942 |
| 5 BR | 258 | \$633,781 |
| Condominiums | | |
| 1 BR | 172 | \$184,249 |
| 2 BR | 409 | \$236,663 |
| 3 BR | 407 | \$276,120 |
| Source: City of Laguna Hills, 2021. | | |

RENTAL MARKET

With renters constituting approximately 28 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 February 2021 by using Zillow to search apartment rental rates, as shown in Table H-28. The rental range for one-bedroom units ranged from \$1,315 to \$2,825. Two-bedroom units were offered at rents ranging from \$1,630 to \$3,000.

Table H-28
Sample Apartment Rental Rates, 2021

| Apartment Complex | Rental Price Range |
|-------------------------------|--------------------|
| Reata Oakbrook Village | |
| 1 Br | \$2,092-\$2,230 |
| 2 Br | \$2,397-\$2,800 |
| Meridian | |
| 1 Br | \$2,100-\$2,825 |
| 2 Br | \$3,000 |
| Sofi Laguna | |
| 1 Br | \$1,861-\$2,039 |
| 2 Br | \$2,352-\$2,444 |
| Villa Solana | |
| 1 Br | \$1,847-\$1,895 |
| 2 Br | \$2,243-\$2,387 |
| Prado at Laguna Hills | |
| 1 Br | \$1,315-\$1,345 |
| 2 Br | \$1,630-\$1,675 |
| Average | |
| 1 BR | \$1,955 |
| 2 BR | \$2,325 |
| Source: Zillow, February 2021 | |

At present, two properties with deed-restricted affordable units are available in the City: Rancho Moulton and Rancho Niguel, which both explicitly accept Housing Choice Vouchers (Section 8). According to a comment letter submitted to the City by a community organization (Welcoming Neighbors Home) in June 2021, neither apartment complex had vacancies. As of that time, Rancho Niguel was not adding names to its waiting list, as the waiting list was estimated to be between 5 and 10 years in length.

The Welcoming Neighbors Home letter also included surveys of apartment buildings in neighboring jurisdictions, including Mission Viejo, Laguna Niguel, Lake Forest, and Aliso Viejo. As in Laguna Hills, deed-restricted affordable properties throughout the region either indicated that they had no vacancies or that they had closed waitlists, including some waitlists of as many as six years. Higher-end rental properties tended to have more vacancies throughout the region, as did several mid-range apartment properties in Laguna Niguel with rental rates similar to those of Reata and Meridian in Laguna Hills (see Table H-29). Apartments in this range are likely to be affordable to moderate-income households and some larger low-income households. Properties with rental rates that might be affordable to very low-income households did not have many vacancies as of June 2021.

HOUSING AFFORDABILITY BY HOUSEHOLD INCOME

Housing affordability is dependent on income and housing costs. Using set income guidelines, current housing affordability can be estimated.

According to the HCD income guidelines for 2020, the Area Median Income (AMI) in Orange County was \$103,000 (adjusted for household size). Assuming that the potential homebuyer within each income group has sufficient credit, down payment (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-29 shows the maximum affordable housing and rental prices for the 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 is \$667 per month for a family of four. The maximum affordable home purchase price for extremely low-income household is \$82,000 for a four-person household (Table H-29).

Based on the data presented in Tables H-28 and H-26, extremely low-income households would be unlikely to secure adequately sized and affordable rental or ownership housing in Laguna Hills.

Very Low-Income Households: Very low-income households are classified as those earning 31-50 percent of the AMI. The maximum affordable rental payment is \$1,141 per month for a family of four. The maximum affordable home purchase price for very low-income households is \$150,999 for a four-person household (Table H-28).

Based on the rental data presented in Table H-25, very low-income households typically cannot afford rental housing available in Laguna Hills. According to Zillow, a limited number of condominiums or houses are available at a sales price affordable to very low-income households (Table H-26). However, with the low vacancy rates in the City, finding available homes at affordable prices can be a challenge.

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 is \$232,300 for a four-person family. An affordable rental rate for low-income households is \$1,699 for a four-person household.

Based on sale listings available on Zillow, low-income households can afford some condominiums and houses in Laguna Hills (Table H-26). Many low-income households can afford rental housing within Laguna Hills (Table H-27). However, with the low vacancy rates in the City, finding available homes at affordable prices can be a challenge.

Moderate-Income Households: Moderate-income households earn up to 120 percent of the County AMI. The maximum affordable home price for moderate-income households is \$451,010 for a four-person household. A moderate-income household can afford rent of \$3,202 per month for a four-person household.

Based on the maximum affordable home price and listing sale prices available on Zillow presented in Table H-26, moderate-income households could afford a number of condominiums and single-family homes for sale in Laguna Hills. Moderate-income households can afford rental housing within Laguna Hills (Table H-27).

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 Programs H-3, H-6, H-14, H-15, and H-16).

Table H-29 presents a summary of housing affordability and availability in Laguna Hills. As described, the table indicates that extremely low-income households typically cannot afford to rent market-rate rentals in Laguna Hills. Extremely low-income households may have difficulty finding an affordable single-family home that could accommodate their household size at a price they can afford; households at the lower end of this income range would be unlikely to find housing for sale at prices affordable with their income. Very low-income households can afford some rental housing available at a lower rate in Laguna Hills, as well as some condominiums or single-family detached homes but may have difficulty finding a home that is both affordable at their income level and sized appropriately for their household. Low-income and moderate-income households in Laguna Hills can generally afford market-rate rentals. Additionally, there were single-family detached homes and condominiums available for purchase at list prices within these income category ranges according to sale price listings on Zillow. It should be noted that at the extremely low and very low-income levels, housing stock for sale is expected to be much more limited than at higher income levels.

| Income Group | Annual Income (Family of Four) | Maximum Affordable Rent (Monthly) | Maximum Affordable Sales Price |
|---------------------------|--------------------------------|-----------------------------------|--------------------------------|
| Extremely Low (0–30% AMI) | \$38,450 | \$961 | \$82,000 |
| Very Low (31–50%) | \$64,050 | \$1,601 | \$150,999 |
| Low (51–80% AMI) | \$102,450 | \$2,561 | \$232,300 |
| Moderate (81–120% AMI) | \$123,600 | \$3,090 | \$451,010 |

Calculation of affordable home sales prices assumes affordable payment, down payment of 3.5%, highest national average mortgage interest rate from 2019, 30-year mortgage, private mortgage insurance premium, property tax rate of 1.1%, homeowners' insurance, 1% of sales price for maintenance, customary costs for water, sewer and waste removal. Income limits based on HCD Maximum Income Limits, 2020

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 (2021-2029), and analyzes the cost to preserve those units. Laguna Hills has two assisted housing developments that provide 101 affordable housing units (Table H-30).

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 market-rate housing uses due to termination of subsidy contract, mortgage prepayment, or expiring use restrictions.

Table H-30 is an inventory of assisted rental housing projects in Laguna Hills. A total of 101 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.

| Table H-30 Inventory of Assisted Rental Housing, 2023 | | | | | | | |
|--|--------|-------------|----------------|-----------------------------------|-------------------------|------------------------------------|----------|
| 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 | HUD Section 8 | 2032 | No |
| Rancho Niguel | Family | 51 | 50 | 40 – 2 BR 6 – 3 BR 5 – 4 BR | HUD Section 8 and LIHTC | 2059 | No |

Source: Orange County Housing Authority 2023

AT-RISK HOUSING

During the 2021-2029 planning period, there are no affordable units at risk of converting to market-rate housing in Laguna Hills. The Section 8 contract for Rancho Moulton was set to expire in 2022 and was renewed for 10 years; the earliest potential date of conversion is 2032. This project, totaling 51 affordable units, is assisted with project-based Section 8 rental assistance. The Section 8 contract for Rancho Niguel was recently extended and is due to expire in 2059. 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. (See Program H-4).

PRESERVATION OPTIONS

Preservation of 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. While there are no affordable units at-risk of converting to market-rate housing during the 2021-2029 planning period, the City has analyzed preservation options related to the 51 units at Rancho Moulton; the earliest date of conversion of these units is 2032, and analysis of these options can help the City proactively support their long-term preservation.

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. While no multifamily apartment buildings were for sale in Laguna Hills in June 2021 to provide a cost comparison, a nearby 10-unit apartment building in Irvine was for sale for \$3,200,000, or a cost of \$320,000 per unit. At a similar rate, the Rancho Moulton project would cost approximately \$16,320,000 to purchase and transfer to a nonprofit. 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 future 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 future 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-31A estimates the rent subsidies required to preserve the housing affordability for the residents of the 51 units at Rancho Moulton. Based on the estimates and assumptions shown in this table, approximately \$565,881 in rent subsidies would be required annually.

**Table H-31A
Rent Subsidies Required**

| Project Units | Rancho Moulton | Total Monthly Rent Income Supported by Affordable Housing Cost of Very Low Income Households | Fair Market Rent | Monthly Subsidies Required per Unit | Annual Subsidy per Unit | Annual Subsidy, All Units |
|-------------------------|----------------|--|------------------|-------------------------------------|-------------------------|---------------------------|
| 2 BR (954 sq. ft.) | 40 | \$1,441 | \$2,216 | \$775 | \$9,297 | \$371,880 |
| 3 BR (1,187 sq. ft.) | 6 | \$1,730 | \$3,098 | \$1,368 | \$16,416 | \$98,496 |
| 4 BR (1,420 sq. ft.) | 5 | \$1,986 | \$3,578 | \$1,592 | \$19,101 | \$95,505 |
| Total | 51 | | | | | \$565,881 |

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.

Based on 2020 AMI in Orange County, affordable monthly housing cost for a three-person very low-income household is \$1,441, \$1,730 for a five-person household, and \$1,986 for a seven-person household.

REPLACEMENT COSTS

The cost of developing new housing depends on a variety of factors such as density, size of units, location, related land costs, and type of construction.

COST COMPARISON

The 2020 University of California, Riverside, study, *Demystifying the High Cost of Multifamily Housing Construction in Southern California*, estimated that the cost to construct a multifamily building in nearby Anaheim was \$477,293 per unit. Using this estimate, the cost to build new housing to replace the 51 units at Rancho Moulton was estimated to be \$24,341,943. This cost estimate is higher than the cost associated with transfer of ownership (\$16,320,000). This analysis indicated that providing rent subsidies similar to Section 8 vouchers for 20 years (\$11,317,620) could cost less than building new housing and transferring ownership.

QUALIFIED ENTITIES

Owners of government-assisted developments cannot terminate subsidy contracts, prepay a federally assisted mortgage, or discontinue use restrictions without first providing an exclusive "notice of opportunity to submit an offer to purchase" to qualified entities (California Government Code, Section 65863.11). Qualified entities in Orange County, CA are listed in Table H-31B with contact information.

| Table H-31B Qualified Entities in Orange County, CA | | | |
|--|---|----------------|----------------|
| Organization | Address | Phone Number | Contact Person |
| Neighborhood Housing Services of Orange County Inc. | 350 Hillcrest La Habra, CA 90631 | (562) 694-2051 | Diane Stewart |
| Civic Center Barrio Housing Corp. | 1665 E. 4th St, Ste. 210 Santa Ana, CA 92701 | (714) 835-0406 | Helen Brown |
| Long Beach Affordable Housing Coalition, Inc | 5855 Naples Plaza, Suite 209 Long Beach, CA 90803 | (562) 434-3333 | H. Kim Huntley |
| Housing Corporation of America | 31423 Coast Highway, Ste. 7100 Laguna Beach, CA 92677 | (323) 726-9672 | Carol Cromar |
| Nexus for Affordable Housing | 1572 N. Main Street Orange, CA 92867 | (714) 282-2520 | Bruce Solari |
| Orange Housing Development Corporation | 414 E. Chapman Avenue Orange, CA 92866 | (714) 288-7600 | Todd Cottle |

| Table H-31B Qualified Entities in Orange County, CA | | | |
|--|--|----------------|----------------------|
| Organization | Address | Phone Number | Contact Person |
| Riverside Charitable Corporation | 3803 E. Casselle Ave Orange, CA 92869 | (714) 628-1650 | Kenneth S. Robertson |
| Hart Community Homes | 2807 E. Lincoln Ave, Anaheim, CA 92086 | (714) 630-1007 | William Hart |
| Jamboree Housing Corporation | 17701 Cowan Ave, #200 Irvine, CA 92614 | (949) 214-2395 | Roger Kinoshita |
| Innovative Housing Opportunities, Inc. | 19772 Macarthur Bv., Ste. 110 Irvine, CA 92612 | (949) 863-9740 | Patricia Whitaker |
| Source: HCD, 2021 | | | |

POTENTIAL FUNDING SOURCES TO PRESERVE AFFORDABLE HOUSING

The funding sources that can potentially be used to preserve affordable housing are listed herein.

Home Investment Partnerships Funds

The Federal HOME program was created as a result of the Cranston-Gonzalez National Affordable Housing Act of 1990. Local jurisdictions may use HOME funds to develop and support affordable rental housing and homeownership affordability through acquisition and to provide assistance to homebuyers. This includes new construction; reconstruction or rehabilitation of non-luxury housing with suitable amenities, including real property acquisition, site improvements, conversion, demolition, and other expenses, such as financing costs; and relocation expenses of any displaced people, families, businesses, or organizations. HOME funds may also be used to provide tenant-based rental assistance. Housing developed with HOME funds must serve low- and very-low-income households.

Community Development Block Grant Program

Through the Federal CDBG program, HUD provides funding for a range of community development activities. The primary objectives of the CDBG program are decent housing, suitable living environments, and expanded economic opportunities for people with low and moderate incomes (“low income” is defined as household income at 80 percent or less of AMI and includes the local and State definition of “very low income”). CDBG funds are awarded for housing activities, including acquisition and rehabilitation, homebuyer assistance, economic development, homelessness services, and public services. CDBG funds are subject to certain restrictions and generally cannot be used for new housing construction.

Section 108 Loan Guarantee Program

The Section 108 Loan Guarantee Program is the loan guarantee provision of the CDBG program. This provision provides communities with a source of financing for various housing and economic development activities. Rules and requirements of the CDBG program apply, and therefore, projects and activities must principally benefit people with low and moderate incomes, aid in the elimination or prevention of blight, and/or meet urgent needs of the community. Activities eligible for these funds include economic development activities eligible under CDBG; acquisition of real property; rehabilitation of publicly owned property; housing rehabilitation eligible under CDBG; construction, reconstruction, or installation of public facilities; related relocation, clearance, or installation of public facilities; payment of interest on the guaranteed loan and issuance costs of public offerings; debt service reserves; and public works and site improvements.

Housing Choice Voucher (Section 8) Program

The Federal Housing Choice Voucher (Section 8) Program provides rental assistance to lower income households earning up to 80 percent of the Orange County AMI. The Orange County Housing Authority (OCHA) oversees HUD public housing programs for participating jurisdictions, including the City. The OCHA administers the Section 8 Program, providing affordable housing, for low-income households, seniors, and people with disabilities.

Low Income Housing Tax Credits

The CTCAC administers the Low-Income Housing Tax Credit (LIHTC) program to encourage private investment in affordable rental housing for households meeting certain income requirements. Credits are available for new construction projects or existing properties undergoing rehabilitation. Two types of Federal tax credits are available and are generally referred to as 9 percent and 4 percent credits, respectively. The competition for each type is fierce. Because 9 percent credits are so desirable and in limited supply, the CTCAC awards them through a competitive process twice per year. Projects

compete on point scoring, but because most projects receive the maximum point score, the CTCAC's tiebreaker formula generally decides the outcome. Tax credits of 4 percent derive from a project's use of tax-exempt bond authority allocated by the California Debt Limit Allocation Committee (CDLAC). The California Legislature authorized a State LIHTC program to augment the Federal LIHTC program. Because State LIHTCs are also in limited supply, the CTCAC awards them competitively. In total, 85 percent of the State LIHTCs are integrated into 9 percent tax credit projects, while the remainder are reserved for 4 percent tax credit projects. As of 2020, the trend has been that an award of 9 percent tax credits is not feasible for projects that do not include some component of permanent supportive housing. Thus, projects focused on low-income units or a mix of very-low- and low-income units, are now applying for 4 percent tax credits, which represent significantly less funding. Overall, the demand for this significant funding source critical to the development of lower-income housing greatly outweighs the supply of funding.

ESTIMATES OF HOUSING NEEDS

The CHAS (Comprehensive Housing Affordability Strategy) developed by the Census for HUD provides detailed information on housing cost burden by tenure and income level for households with an elderly householder, large families (five or more members), and small families (less than five members). Detailed CHAS data based on the 2013-2017 American Community Survey for households in Laguna Hills are displayed in Table H-32. CHAS classifies households paying more than 30 percent of their income on housing costs as cost burdened and households paying more than 50 percent of their income as severely cost burdened. Trends shown in Table H-32 include:

- Cost burdens and severe cost burdens were extremely common among large families, including renter and ownership households and especially for extremely low- and very low-income households (earning less than 50 percent of the HAMFI [Housing Urban Development Area Median Family Income]).
- Housing cost remains a significant issue for extremely low- and very low-income households (earning less than 50 percent of the HAMFI). For these households, paying more than 30 or more than 50 percent of a household's income was very common. However, for low-income households (earning 51-80 percent of the HAMFI), while paying more than 30 percent of a household's income on housing remained very common, paying more than 50 percent of income on housing costs was much less common, including for elderly, large households, renters, and owners.

Table H-32
Housing Cost Burdens by Income, Tenure, and Household Type,
Laguna Hills, 2013-2017

| | Renters | | | | Owners | | | Total Households |
|---|------------|----------------|----------------|---------------|--------------|----------------|--------------|------------------|
| | Elderly | Small Families | Large Families | Total Renters | Elderly | Large Families | Total Owners | |
| Extremely Low Income (0–30% HAMFI) | 170 | 160 | 155 | 540 | 270 | 50 | 470 | 1,010 |
| % with cost burden >30% | 61.8% | 100.0% | 100.0% | 80.6% | 77.8% | 100.0% | 86.2% | 83.2% |
| % with cost burden >50% | 38.2% | 100.0% | 100.0% | 73.1% | 27.8% | 100.0% | 71.3% | 72.3% |
| Very Low Income (31–50% HAMFI) | 110 | 150 | 20 | 385 | 270 | 15 | 635 | 1,020 |
| % with cost burden >30% | 94.5% | 100.0% | 100.0% | 90.6% | 83.3% | 100.0% | 75.4% | 81.2% |
| % with cost burden >50% | 81.8% | 56.7% | 100.0% | 51.9% | 42.6% | 100.0% | 61.4% | 57.8% |
| Low Income (51–80% HAMFI) | 160 | 290 | 205 | 735 | 310 | 65 | 885 | 1,620 |
| % with cost burden >30% | 81.3% | 86.2% | 68.3% | 82.3% | 72.6% | 84.6% | 25.4% | 51.2% |
| % with cost burden >50% | 18.8% | 17.2% | 4.9% | 13.6% | 37.1% | 23.1% | 30.5% | 22.8% |
| Total Households | 660 | 1,295 | 520 | 3,040 | 2,195 | 609 | 7,325 | 10,370 |

Source: HUD Comprehensive Housing Affordability Strategy (CHAS), 2013-2017.

Notes: Notes: HAMFI refers to Housing Urban Development Area Median Family Income. Data presented is based on 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 experiencing cost burdens rather than on precise numbers

Regional Housing Needs Assessment Allocation

The Regional Housing Needs Assessment (RHNA) plan is required by state law and is part of the statewide statutory mandate to address future housing issues. The RHNA plan allocates a “fair share” of the region’s projected housing needs to each city and county. These allocations are provided per household income group and are for the upcoming housing element planning period from October 2021 through October 2029.

Table H-33 shows the Southern California Association of Governments (SCAG) RHNA plan allocation for Laguna Hills. As shown in the table, the RHNA plan allocated 1,985 new housing units to Laguna Hills for the planning period. Of the 1,985 new housing units for which the City must plan for during this period, 284 units are to be affordable to extremely low-income households, 284 units are for very low-income households, 353 units are for low-income households, and 1,064 units are for moderate and above-moderate income households.

| Income Category | 2013-2021 RHNA | 2021-2029 RHNA |
|-------------------------------|----------------|----------------|
| Extremely Low | 0 | 284 |
| Very Low | 1 | 284 |
| Low | 1 | 353 |
| Moderate | 0 | 354 |
| Above Moderate | 0 | 710 |
| Total | 2 | 1,985 |
| Source: SCAG RHNA, 2014, 2021 | | |

Constraints on Housing Production

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. The City does not have a short-term rental ordinance, inclusionary requirements, moratoriums on development, or other local ordinances that may constrain the development of housing.

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-34. Information about land use controls is available on the City's website. Laguna Hills as it is known today was largely developed between 1960 and 1990, before the City's incorporation in 1991. Under the land use controls imposed by the County of Orange, single-family neighborhoods were the predominant type of development, with very limited amounts of high-density housing built. **The cumulative impact of the land use controls** in place during the buildout of what is now the City of Laguna Hills is a limited variety of housing types to meet a range of incomes. The City has reviewed the cumulative impact of the land use controls on recent developments. The development standards in the UVSP and VC zone are not a constraint, as evidenced by the approved Village at Laguna Hills project in the UVSP and the approved and constructed Reata Apartments in the VC zone. Both projects have densities of approximately 50 units per acre. The cumulative impact of the land use controls in the

MXU zone are potentially constraining for residential development. Therefore, **per Program H-7**, “The City will evaluate development standards including open space requirements, lot coverage, and heights, as well as permit requirements for multifamily developments. The City is committed to amending development standards to ensure these requirements are not so restrictive that they constrain residential development. The City will continue to update the Municipal Code as needed to implement this program.”

To facilitate a variety of housing types and address the housing needs of households at all income levels, the City has included several Housing Element Programs including H-6, H-8, H-9, H-10, H-11, H-15 and H-21.

| Table H-34 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 | 0.08 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) |
| Public/ Institutional ² | 1 DU/2,500 sq. ft. of floor area of associated use | Community/Private Institution |
| Notes: du/ac = dwelling units per acre. 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. | | |

ZONING DISTRICTS ALLOWING RESIDENTIAL DEVELOPMENT

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

- **Community/Private Institution** – The Community/Private Institution district includes City facilities; public and private schools; fire and sheriff stations; hospitals; libraries; post offices; and other public, quasi-public, and institutional uses. Multifamily residential is allowed in association with other uses.
- **Estate Residential (ER)** – The Estate Residential district includes 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 Residential (LDR)** – The Low-Density Residential district includes low-density, single-family detached housing neighborhoods. Typically, this district is characterized by medium- to large-lot single-family homes.
- **Medium/Low-Density Residential (MLDR)** – The Medium/Low-Density Residential district provides 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 Residential (MDR)** – The Medium-Density Residential district includes medium-density attached or detached residential neighborhoods. This district is characterized by condominiums, apartments, and townhouses.
- **High-Density Residential (HDR)** – The High-Density Residential district includes 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 includes 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, multifamily 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)** – 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.
- **Planned Community Residential (PCR)** – The Planned Community Residential district provides for a wide range of medium/low-density to high-density multifamily housing types, which include apartments, attached townhomes, condominiums, and clustered multifamily arrangements. Appropriate land uses include residential and recreational land uses, such as parks and open space, as set forth in the Land Use Element in the City’s General Plan.
- **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.

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 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 General Plan’s fourth-cycle Housing Element update (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.

The development standards in Table H-35 influence the ability of property owners to construct and maintain housing. Laguna Hills has very few opportunities for new development, as there is almost no vacant, buildable land remaining in the City. As discussed in the Housing Resources section, the City must rezone land to meet the Regional Housing Needs Assessment (RHNA). Program H-11 commits the City to doing so. As a part of this program, the City will evaluate development standards for the rezone sites, including open space requirements, lot coverage, and heights. The City will ensure these standards are not so restrictive that they constrain residential development. Generally, building heights are restricted to 35 feet in low- and medium-density zones in Laguna Hills.

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. Lack of vacant land is the primary constraint.

Urban Village Specific Plan

The 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 (VC). 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.

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. 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. 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.

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

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 |

**Table H-35
Basic Standards for Residential Development**

| Characteristic of Lot, Location, Height | ER | LDR | MLDR | MDR | HDR | VC | MXU | NMU ² | C/PI |
|--|----------|----------|----------|-----------|-----------|--------------------------------------|-----------------|-------------------|------------------------------------|
| Minimum Lot Size (sq. ft.) | 10,000 | 7,200 | 7,200 | 7,200 | 7,200 | 10,000 | 7,200 | 10,000 | -. ⁸ |
| Minimum Lot Width (sq. ft.) | 80 | 60 | 60 | 50 | 50 | 100 | 60 | 50 | -. ⁸ |
| 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 | -. ⁸ |
| Maximum Lot Coverage (%) | 35 | 35 | 60 | 50 | 40 | 70 ⁷ | 40 | 50 | -. ⁸ |
| Maximum Density (du/gross acre) | 0-3.5 | 3.0-6.5 | 6.5-12.5 | 12.5-18.0 | 18.0-30.0 | 30.0-50.0 | 20.0 | 0.08 FAR | 1 DU / 2,500 sq. ft. of floor area |
| Maximum Building Height (ft.) | 35 | 35 | 35 | 35 | 65 | 75 | 35 ⁹ | 40 | -. ⁸ |
| Minimum Front Setback | | | | | | | | | -. ⁸ |
| From Ultimate Right-of-Way | | | | | | | | | -. ⁸ |
| From Access Connection to Main Lot | 20 15 | 20 15 | 20 15 | 20 15 | 20 15 | - - 20 ^{1,2} | - - 20 | - | -. ⁸ |
| for Flag Lots | - | - | - | - | - | | | - | -. ⁸ |
| From Parking Lot, Structure, or Building | | | | | | | | 10 ^{2,5} | -. ⁸ |
| Minimum Side Yard Setback | | | | | | | | | -. ⁸ |
| Interior Street | 8 10 | 5 10 | 5 10 | 5 15 | 5 15 | 10 ^{2,3} 10 ² | 5 15 | 10 | -. ⁸ |
| Flag | 10 | 10 | 10 | 10 | 10 | - | 0 | | -. ⁸ |
| Minimum Rear Yard Setback | | | | | | | | | -. ⁸ |
| Standard | 25 | 20 | | | | | 20 | | -. ⁸ |
| Through Cul-de-sac/ Gore Shaped Lots | 25 15 | 20 15 | 25 15 | 25 15 | 25 15 | 20 ^{2,3} | - - | 20 ⁶ | -. ⁸ |
| Laguna Terrace Tracts | - | 15 | | | | | - | | -. ⁸ |
| Minimum Open Space (percentage) | - | - | - | - | 40 | 10 ⁴ | 35 | N/A | N/A |

- Parking lots shall be setback 10 feet from the property line.
- The setbacks may be modified in connection with a site development permit or a precise plan of development to promote increased pedestrian activity, provide for unified street frontage, ensure privacy and light for residential uses, provide for public spaces, and promote compatibility with existing development and the goals of the Urban Village Specific Plan.
- The minimum interior side setback is 10 feet when abutting residential and zero feet when abutting nonresidential.
- The open space requirement is in addition to the minimum landscape coverage requirements (15 percent).
- Parking structures shall be setback 20 feet from the property line.
- The minimum rear setback is 20 feet when abutting residential and 10 feet when abutting nonresidential.
- Unlimited for projects with density over 30 du/ac.
- Residential uses only allowed in concert with other allowed use and subject to those development standards.
- The City will review development standards in the MXU, particularly height limits and adjust as needed to remove barriers to producing housing (Programs H-7 and H-11).

Table H-36 compares the allowable densities and densities of representative projects. Built densities tend to be approximately at the midpoint of each specified range.

| Table H-36 Typical Built Densities | | | | | | | | | | |
|---------------------------------------|-------------|--------------|----------------------|-----------------------------|-------------|-----------|------------------|----------|-------------------|---|
| Density (du/ gross acre) | ER | LDR | MLDR | MDR | HDR | VC | MXU | NMU | UVSP ³ | C/PI |
| Maximum | 0–3.5 | 3.0–6.5 | 6.5–12.5 | 12.5–18.0 | 18.0–30.0 | 30.0-50.0 | 20.0 | 0.08 FAR | 30.0 – 50.0 | 1 DU / 2,500 sq. ft. of floor area ² |
| Typical Built | 1.3 | 6.1 | 8.9 | 9.6 | 19.7 | N/A | N/A ¹ | N/A | 44.2 | N/A |
| Representative Project(s) | Nellie Gail | Sunset Place | Willows, Bella Vista | Acacia Knolls, Alicia Plaza | Quail Creek | Reata | N/A | N/A | Reata | N/A |

Source: City of Laguna Hills, 2021

- The proposed Mall redevelopment project is likely to have a density of approximately 20 units per acre.
- DU/2,500 sq. ft. of floor area of associated use.
- UVSP refers to the Urban Village Specific Plan area which is located in the VC zone.

PARKING STANDARDS

Excessive 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-37. 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). Covered parking is not considered a constraint by local developers.

| Table H-37 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 0.3 stalls unassigned per dwelling unit | | |
| Duplex | 2-car garage (for each unit) | | |
| Accessory Dwelling Unit (ADU) | 1 parking space ¹ | | |
| 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 ² | Uncovered ² | 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 ³ | 0.2 |
| Source: City of Laguna Hills Municipal Code, 2021. | | | |
| 1. The required parking space may be permitted in setback areas in locations approved by the Community Development Director or through tandem parking. Program H-8 is included to bring the City's zoning code into compliance with California Accessory Dwelling Unit (ADU) law. | | | |
| 2. Covered stalls shall be assigned; uncovered stalls shall not be assigned. | | | |
| 3. Plus 0.5 uncovered stall per additional bedroom in excess of three bedrooms. | | | |

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-38 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 the estate, low-density, medium/low-density, and high-density residential zoning districts.

Additionally, detached, single-family dwellings are permitted in the planned community zoning district with an approved site development permit.

SINGLE-FAMILY ATTACHED DWELLINGS

Attached single-family dwellings are permitted in the MLDR, MDR, VC, and PCR zoning districts by right; and permitted in the HDR, MXU, and PC zoning districts with an approved site development permit. Attached single-family dwellings are permitted in the NMU zone, but only as a part of a mixed-use project.

DUPLEX DWELLINGS

Duplex dwellings are permitted in the MLDR, MDR, HDR, and PCR zoning districts of the City by right. Duplex dwellings require an approved site development permit to be located in PC zoning districts.

MULTIFAMILY DWELLINGS

Multifamily developments are permitted in the MLDR, MDR and HDR 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 MLDR district to 30.0 dwelling units per acre in the HDR zone. Multifamily development in the UVSP 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. Multifamily development is permitted by right in the NMU zoning district, but only as a part of a mixed-use project. Multifamily is only permitted in the Community/Private Institution (C/PI) and MXU zoning districts with an approved conditional use permit. As discussed in the Housing Resources section, the City must rezone land to meet the RHNA. Program H-11 commits the City to doing so. As a part of this program, the City will evaluate permit requirements for multifamily developments for the rezone sites. The City will ensure these requirements are not so restrictive that they constrain residential development.

**Table H-38
Provisions for a Variety of Housing³**

| Housing Type | Housing Type | | | | | | | | | | | | | |
|--|--------------|-----|------|-----|-----|----|-----------------|----|----|-----------------|-----------------|-----------------|-----------------|-----------------|
| | ER | LDR | MLDR | MDR | HDR | OP | VC ¹ | FC | CC | MXU | C/PI | PC | PCR | NMU |
| Accessory Dwelling Unit / Second Unit Housing | P | P | P | P | P | | .. ⁴ | | | .. ⁴ |
| Boarding House | | | C | C | C | S | P | S | S | S | | | | |
| Community Care Facilities (≤6) | P | P | P | P | P | | | | | P | P | P | P | |
| Residential Care Facility for Elderly (7+) | | | | | | | C | | | C | | | | C |
| Drug Abuse & Alcoholism Recovery Facility | | | | | | | C | | | C | | | | |
| Dependent & Neglected Children Home (7+) | | | | | | | C | | | | | | | C |
| Facilities for Persons with HIV or AIDs | | | | | | | C | | | C | | | | |
| Homes for Mentally & Physically Disabled (7+) | | | | | | | C | | | C | | | | |
| Facilities for Ward of Juvenile Court (7+) | | | | | | | C | | | C | | | | |
| Social Rehabilitation Facility (7+) | | | | | | | C | | | C | C | | | |
| Intermediate Care Facility/Nursing Facility (7+) | | | | | | | C | | | C | | | | |
| Duplex | | | P | P | P | | | | | | | S | P | |
| Family Day Care Home – Large | 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 | S | S | S | S | S | | | | | | | S | P | P ² |
| Mobile Homes | S | S | S | | | | | | | | | | | |
| Mobile Home Park | | | | C | C | | | | | C | | S | | |
| Multifamily Dwellings | | | S | S | S | | P | | | C | C | S | P | P ² |
| Single-family, Attached | | | P | P | S | | P | | | S | | S | P | P ² |
| Single-family Detached | P | P | P | P | P | | | | | | | S | | |
| Single-Room Occupancy Housing Facility | | | | | | S | C | S | S | C | | | | |
| Transitional Housing (≤6) | P | P | P | P | P | | P | | | | P | P | P | P |
| Transitional Housing (7+) | C | C | C | C | C | | C | | | | C | C | C | C |
| Supportive Housing (≤6) | P | P | P | P | P | | P | | | | P | P | P | P |
| Supportive Housing (7+) | C | C | C | C | C | | C | | | | C | C | C | C |
| Emergency Shelter | | | | | | | | | | P | | | | |

**Table H-38 (continued)
Provisions for a Variety of Housing³**

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

1. All Development in the village commercial district shall be subject to the Urban Village Specific Plan.
2. Allowed only in conjunction with a mixed-use project.
3. See Program H-7. Zoning Ordinance Update.
4. Per Government Code Section 65852.150, the City will allow ADUs in all zones where single-family and multifamily housing are allowed Program H-7.

Accessory Dwelling Unit

A structure attached to or detached from a principal building or incorporated within such buildings located on the same Second Unit Housing 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.

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 Facility

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’s 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)
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.

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 352 mobile homes in Laguna Hills in January 2020. 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, and permits mobile home parks in the PC zoning district with an approved site development permit. Laguna Hills Estates is the City’s only mobile home park. It is located at 23301 Ridge Route Drive. According to its website, it has 252 spaces. Manufactured housing and mobile homes are treated as different land uses in Municipal Code Section 9-10.050, Uses within Zones. However, they have the same definition in the code. Program 7 commits the City to addressing this.

BOARDING HOUSE

The City's Zoning Ordinance defines a boarding house as a residence other than hotel or single-family housekeeping unit, wherein three or more rooms are rented under three or more separate written or oral rental agreements, leases, subleases, or combination thereof, whether or not the owner, agent, or rental manager resides within the residence. Meals and lodging may be provided as part of the compensation paid by the tenants, as well as personal and financial services.

The City permits boarding homes in the VC district. In the Freeway Commercial (FC), Community Commercial (CC), and mixed-use (MXU and NMU) districts, boarding homes are permitted subject to a site development permit. Boarding houses require an approved conditional use permit in the MDR, MLDR, and HDR districts.

ACCESSORY DWELLING UNITS

An ADU is defined as an attached or detached residential dwelling unit that provides complete independent living facilities for one or more persons. It shall include permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the single-family dwelling. An ADU also includes an efficiency unit, as defined in California Health and Safety Code Section 17958.1, and a manufactured home, as defined in California Health and Safety Code Section 18007.

These units may be an alternative source of affordable housing for lower-income households and seniors. The City will promote and incentivize ADU construction through Program H-8.

California law requires local jurisdictions to adopt ordinances that establish the conditions under which second dwelling units are permitted (California Government Code, Section 65852.2). Program H-7 is included to bring the City's code into compliance with all recent ADU laws.

ADUs are permitted in the estate residential, low-density, medium/low-density, medium-density and high-density residential zones in Laguna Hills pursuant to Section 9-68 of the Zoning Ordinance. Per Government Code Section 65852.150, the City will allow ADUs in all zones where single-family and multifamily housing are allowed and update its Municipal Code to bring it into compliance with all recent ADU laws. (Programs H-7 and H-8). At the time of Housing Element preparation, the City's Municipal Code, Section 9-68 contains the following standards and criteria for ADUs:

- The ADU is not intended for sale and may be rented.
- Attached ADUs shall not exceed 50 percent of the existing dwelling unit living area.
- Detached second units shall not exceed one 1,200 sq. ft. of floor area.

- ADUs must conform to development standards and all other applicable requirements of the zone in which developed.
- One parking spot per unit is required, except in the following circumstances: the unit is located within one-half mile of public transit; the unit is located within an architecturally and historically significant district; the unit is part of the proposed or existing primary residence or an existing accessory structure; when on-street parking permits are required but are not offered to the occupant of the unit; or, when there is a car-share vehicle located within one block of the unit.
- The owner of both units shall occupy either the primary or the ADU.
- 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. Between 2016 and 2021, ten ADUs were constructed in Laguna Hills (see Table H-39). According to City staff, all the constructed units are only affordable to above-moderate income households.

| Table H-39 Accessory Dwelling Units Constructed 2016-2021 | | | | | |
|--|-------------|---------------------|-----|-----|----------|
| Year | Total Units | Affordability level | | | |
| | | Very Low | Low | Mod | Abv. Mod |
| 2021 ¹ | 2 | 0 | 0 | 0 | 2 |
| 2020 | 2 | 0 | 0 | 0 | 2 |
| 2019 | 3 | 0 | 0 | 0 | 3 |
| 2018 | 0 | 0 | 0 | 0 | 0 |
| 2017 | 1 | 0 | 0 | 0 | 1 |
| 2016 | 2 | 0 | 0 | 0 | 2 |

Source: City of Laguna Hills, 2021
¹Through October, 2021

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 August 2021, no SROs, have been constructed in the City.

The City provides opportunities for the location of SROs in nonresidential districts. SROs are permitted in the VC district 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, MXU,

and CC districts, SROs are permitted with a site development permit. Site development permits involving projects that have four or fewer residential units and nonresidential 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 maximum of 50-percent 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;
- Low-interest loans or subsidies to promote rehabilitation or remodeling of housing units to serve very low- or low-income residents;
- Combining all required applications for one review hearing;
- Fast-tracking; and
- Providing priority processing and scheduling for review.

These procedural incentives 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

Community Care Facilities for six or fewer individuals include any state-licensed 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. A community care facility may also include

family day care homes and day care centers. Chapter 9-64 of the Municipal Code contains a list of such facility types.

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’s 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;
- 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.

Table H-40 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. Supportive and transitional housing are permitted in all residential zones with a conditional use permit. Residential care homes for the elderly with seven or more residents are permitted with a conditional use permit in the VC, MXU, and NMU zones.

| Table H-40 Required Permit for Community Care Facilities (≥ Seven Individuals) | | | |
|---|--------------------------|------------------------|-------------------------------|
| Land Use | Zones | Permitted ¹ | Permits Required ¹ |
| Large Family Day Care (14 children maximum) | All Residential Zones | C | CUP* |
| Day Care Center | OP | C | CUP |
| | VC | C | CUP |
| | MXU | C | CUP |
| | C/PI | C | CUP |
| Residential Care Facility for the Elderly | VC | C | CUP |
| | MXU | C | CUP |
| | NMU | C | CUP |
| Drug Abuse and Alcoholism Recovery Facility (Community Treatment/ Rehabilitation Facility) | VC | C | CUP |
| | MXU | C | CUP |

| Table H-40 Required Permit for Community Care Facilities (≥ Seven Individuals) | | | |
|--|-----------------------|------------------------|-------------------------------|
| Land Use | Zones | Permitted ¹ | Permits Required ¹ |
| Dependent and Neglected Children's Homes (Foster Homes) | VC | C | CUP |
| | MXU | C | CUP |
| Facilities for People with HIV or AIDS | VC | C | CUP |
| | MXU | C | CUP |
| Homes for the Mentally and Physically Disabled | VC | C | CUP |
| | MXU | C | CUP |
| Facilities for Wards of the Juvenile Court | VC | C | CUP |
| | MXU | C | CUP |
| Social Rehabilitation Facility | VC | C | CUP |
| | MXU | C | CUP |
| | C/PI | C | CUP |
| Intermediate Care Facility/ Nursing Facility | VC | C | CUP |
| | MXU | C | CUP |
| Supportive Housing | All Residential Zones | C | CUP |
| Transitional Housing | All Residential Zones | C | CUP |

Source: City of Laguna Hills, 2021
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
NMU = Neighborhood Mixed-Use
¹See Program H-7. Zoning Ordinance Update.
*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 September 21, 2021.

- Adult residential facility (developmentally disabled) – 3 facilities

- Childcare center (commercial) – 8 facilities
- Large family day care homes – 11 homes
- Small family day care homes – 11 homes
- Infant centers (commercial) – 2 facilities
- Residential care for the elderly – 30 facilities
- Alcoholism or drug abuse recovery, residential (state licensed) – 4 facility
- Alcoholism or drug abuse recovery, commercial/office (state licensed) – 8 facilities
- Sober living homes – 1 home

As noted previously, 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 Senate Bill 2, the Municipal Code was amended to allow emergency shelters “by right” within the MXU district subject to objective development standards without a conditional use permit or other discretionary approval. The MXU district encompasses approximately 260 acres. There are no vacant parcels in the MXU zone; however, a portion of the sites are considered underutilized and could potentially accommodate an emergency shelter. 124 underutilized sites are shown in Table H-48: Candidate Rezone Sites, with a total of 215 acres. The average size is 1.73 acres. None of the individual parcels are smaller than a half-acre (except a few that comprise a larger site, with the same combined address). The MXU zone contains primarily offices and businesses. As identified in the City’s Land Use Element, the MXU zone contains underutilized parcels with one-story, tilt-up buildings. One-story tilt-up concrete buildings are very easy to convert to other uses. 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 and commercial services.

Development Code Section 9-64.040.(D) establishes the following standards for emergency shelters:

- An emergency shelter shall be located at least 500 feet from any residential use, public or private park, public or private K-12 school, church, or other religious institution. An emergency shelter shall be located at least 300 feet from other emergency shelters. The City will amend the Zoning Ordinance (Program H-7) to ensure compliance with California Government Code Section 65583(a)(4), including siting requirements in relationship to schools and other emergency shelters.
- The cumulative total of the number of beds provided by all emergency shelters established within the mixed-use zone shall not exceed 20. (As noted in Section 2, Housing Needs Assessment, according to the 2019 point-in-time survey there were 24 homeless individuals counted in Laguna Hills. The limit of 20 total beds in the MXU zone would be insufficient to shelter these individuals. Through Program H-7, the City

will update standards for emergency shelters to allow a greater number of beds.

- The maximum stay at the emergency shelter shall not exceed 180 consecutive days.
- Off-street parking shall be provided in the ratio of one space for every three beds, plus one parking space for each staff member. Through Program H-7, the City will review and revise parking requirements for emergency shelters to ensure that parking standards are sufficient to accommodate all staff, provided standards do not require more parking for emergency shelters than other residential or commercial uses within the MXU district, per California Government Code Section 65583(a)(4).
- A client intake and waiting area shall be provided that is at least 200 square feet in size. A client intake and waiting area less than 200 square feet 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.
- Lighting shall be provided in accordance with the standards set in Sections 9-40.170 and 9-44.060(I) of the Development Code.
- 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 a minimum, the plan shall contain provisions addressing the following:
 - 1 **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.
 - 2 **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.
 - 3 **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.
 - 4 **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.

FARM WORKER HOUSING

No land within the City of Laguna Hills is designated for agricultural use. According to 2019 American Community Survey (ACS) 5-year estimates, there are 66 persons in Laguna Hills employed in agriculture, forestry, fishing and hunting, and mining occupations. These persons may work outside of Laguna Hills. 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-38 and previous discussions, 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. Depending on the specific subtype of facility, facilities for more than six persons are conditionally permitted in most of the VC and MXU districts, as well as the NMU, and C/PI districts in some cases (Table H-38). 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. To ensure that the City does not unduly restrict or constrain the development of housing for persons with disabilities, per **Program H-7**, it will update the definition of family to "One or more individuals, living together as a single-family housekeeping unit. Members of the family do not need to be related by blood, marriage or in any other legal capacity."

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 codified a procedure for reviewing and approving requests for reasonable accommodation for persons with disabilities and special housing needs (Chapter 9-93 of the Zoning Ordinance). The Community Development Director has approval authority for requests for reasonable accommodation, unless the applicant seeks concurrent approval of a project that will be reviewed by the Planning Agency, then the Planning Agency will also act as the authority for the reasonable accommodation application.

The appropriate review authority must make the following findings for approval. The review authority may also impose conditions of approval.

1. The requested accommodation is requested by or on the behalf of one or more individuals with a disability protected under the fair housing laws;
2. The requested accommodation is necessary to provide one or more individuals with a disability an equal opportunity to use and enjoy a dwelling;
3. The requested accommodation will not impose an undue financial or administrative burden on the City;
4. The requested accommodation will not result in a fundamental alteration in the nature of a City program or law, including, but not limited to, land use or zoning; and
5. The requested accommodation will not, under the specific facts of the case, result in a direct threat to the health and safety of other individuals or substantial physical damage to the property of others.

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, where applicable, park, and permit/development processing fees. The City's Planning Fee Schedule is available online on the City's website. The City does not charge library development impact fees. Additionally, an applicant pays water 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.

The Laguna Hills City Council has adopted three types of development impact fees that it imposes on development projects:

- Public Art Fees provide funding for Public Art throughout the Urban Village, thereby enhancing the cultural and aesthetic environment of the City and to encourage creativity, education, and the appreciation of the arts.
- Traffic Mitigation Fees provide funding for additional or improved traffic signal, operation, and infrastructure improvements for which the need is generated by new development within the Urban Village.
- Quimby Act Fees. Quimby Fees are fees authorized by State law which the City collects to build new park and recreation facilities, or rehabilitate existing facilities, when new multi-family residential development occurs.

Chapter 8-06 of the City's Municipal Code establish the procedures for requiring the dedication of land, the payment of fees in-lieu thereof (or a combination of both) to serve new residential subdivisions that are approved by the City Council in accordance with the requirements of the City's General Plan. For the Quimby Act Fees, the amount of the fee is based upon the residential density classification of the proposed subdivision and the fair market value of undeveloped residential real property as applicable to the density classification of the proposed subdivision. The formula for the in-lieu Quimby fee is calculated by multiplying the acreage amount of land, using the formula from Municipal Code Section 8-06.050A by the fair market value of undeveloped residential property as applicable to the density classification of the proposed subdivision ($A = 5(DU \times PPD) / 1000$) (*In - Lieu Fee = A × FM*). For the fiscal year ending June 30, 2019, there was no revenues from Quimby Act Fees. The City of Laguna Hills makes development impact fees available for public review through an annual report.

The City's fee schedule is provided in Table H-41A. A comparison of a selection of the City's fees is included as Table H-41B. Examples of fee amounts for example single-family and multi-family projects are included in Table H-41C.

| Table H-41A Planning and Development Fees | |
|--|--|
| Impact Fees and Exactions | Fee/Deposit |
| School (Saddleback Valley Unified School District Fees) | \$3.20/sq. ft. on new residential development except for areas already within community facilities districts |
| Water Improvement Fees | Applicant pays directly to provider |
| Sewer Impact Fees | Applicant pays directly to provider |
| Processing and Permit Procedures | |
| Annexation/Detachment | \$10,874 deposit |
| Conditional Use Permit | \$8,148 deposit |
| Development Agreement | \$10,982 deposit |
| Environmental Impact Report | \$20,065 deposit |
| Extension of Time | \$1,143 deposit |
| General Plan Amendment | \$7,547 deposit |
| Lot Line Adjustment | \$1,136 deposit |
| Precise Plan (Mixed-Use District Only) | \$10,975 deposit |
| Preliminary Project Review | \$637 set fee |
| Site Development Minor (Administrative) | \$1,095 deposit |
| Site Development Major (Planning Agency) | \$6,488 deposit |
| Specific Plan | \$30,472 deposit |
| Specific Plan Amendment | \$14,832 deposit |
| Tentative Tract Map | \$9,182 deposit |
| Tentative Parcel Map | \$9,182 deposit |
| Variance to Planning Agency | \$6,293 deposit |
| Zone Change | \$10,522 deposit |
| Source: City of Laguna Hills Community Development Department, 2021. | |

Separate from the fee schedule in Table H-41A, development activity within the Urban Village Specific Plan area is subject to a Trip Budget and the payment of a Trip Impact Fee, where applicable. Table H-41B provides a comparison of fee types and costs in Laguna Hills and surrounding cities, including Laguna Woods, Laguna Niguel, and Lake Forest. Overall, development fee costs slightly vary between cities; however, Laguna Hills's fees tends to be higher in cost. The City uses funds accumulated through these fees to maintain the quality and efficiency of our planning and public services. Program H-15 commits the City to incentivizing residential development with affordable housing by reducing, waiving, and/or deferring fees, where feasible.

| Table H-41B Comparable Fees (Other Cities) | | | | |
|--|--------------|--------------|---|---------------|
| Fee Type | Laguna Hills | Laguna Woods | Laguna Niguel | Lake Forest |
| Conditional Use Permit | \$8,148 | \$4,000 | \$3,800 | \$2,400-5,000 |
| Variance | \$6,293 | \$3,500 | \$3,800 | \$5,000 |
| Zone Change | \$10,522 | \$10,000 | \$3,800 | \$10,000 |
| General Plan Amendment | \$7,547 | \$10,000 | \$5,000 | \$10,000 |
| Tentative Tract Map | \$9,182 | Varies | <ul style="list-style-type: none"> • Preliminary Screen check - \$1,425 (Flat) • Filing: \$2,925 + \$25/ each lot (Deposit) • Added lots to Filed Map: \$36/ each lot (Flat) • Changed Map: \$370 (Flat) • Appeal to City Council: \$585 (Flat) • Amendment to Conditions: \$155 (Flat) • Amend Approved Map: \$1,000 + \$36/each numbered lot (Deposit) | \$7,500 |
| Tentative Parcel Map | \$9,182 | Varies | <ul style="list-style-type: none"> • Preliminary Screen check: \$980 (Flat) • Filing: \$2,080 (Deposit) • Appeal to City Council: \$235 (Flat) • Amendment to Conditions: \$155 (Flat) • Amend Approved Map: \$1,000 + \$36/ each numbered lot (Deposit) | - |
| Sources: City of Laguna Woods (2020); City of Laguna Niguel (2020); City of Laguna Hills (2020); City of Lake Forest (2020). Note: The fees listed above are generally approximated base fees or deposits; if the cost of providing the service exceeds the base fee or deposit, the balance is collected from the applicant. | | | | |

Table H-41C displays the City’s current costs of two example residential projects, single-family and multi-family, based on recent developments. Development fees typically represent approximately five percent of a residential project’s total valuation in Southern California. The City’s fees are consistent with this industry trend. As previously mentioned, the City maintains its fees to be able to provide adequate planning and public services within the City’s jurisdiction.

| Table H-41C Permit/Development Impact Fees | | |
|--|----------------------------------|---------------------------------|
| Building Permits | | |
| | Single-Family¹ | Multi-Family² |
| Plan Check | \$9,948.15 | \$30,530.01 |
| Permit Issuance | \$92.08 | \$26.00 |
| Permit/Inspection Fee | \$8,397.44 | \$18,820.24 |
| Electrical | \$3,623.52 | \$57,141.60 |
| Mechanical | \$1,787.27 | \$54,667.70 |
| Plumbing | \$1,787.27 | \$54,667.70 |
| CASp | \$4.00 | -- |
| State Title 24 | \$72.00 | \$1,571.00 |
| Strong Motion Imp. Program (SMIP) | \$234.00 | \$10,883.64 |
| Grading Permits | | |
| Grading Plan Check/Permit (est.) | -- | \$256,578 |
| Impact Fees | | |
| Park In-lieu Fees (Quimby Act) | N/A | \$2.2M |
| Public Art In-lieu Fees | N/A | \$196,363.00 |
| School Facilities | Assessed by School District | Assessed by School District |
| CARITS | \$3,035.00 | \$292,424.52 |
| Moulton Pkwy Road Fees | \$625.00 | \$6,491.00 |
| SJHTC Zone A Fee | \$6,050.00 | \$256,234.50 |
| Water | Assessed by Water District | Assessed by Water District |
| Sewer | Assessed by Water District | Assessed by Water District |
| 4. The single-family example is based on a new single-family residence that is 5,718 square feet with a 1,432 square foot garage, a 1,296 square foot patio cover, and a 184 square foot deck. | | |
| 5. The multifamily example is based on 298 unit apartment project using the 2014 fee schedule. | | |
| Source: City of Laguna Hills, 2022 | | |

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)

Since vacant parcels do not exist, previously developed sites will be redeveloped. These sites typically already have on- and off-site improvements. 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 2019 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. Due to climate, topographic, and soil conditions in the area, the City elected to adopt minor amendments to the 2019 California Building Code, primarily related to wildfire risk exposure and mitigation, and are not considered a constraint to development. Code enforcement in the City is performed 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, it goes through staff review. Once it is approved by either the Community Development Director or City Council, plan check, is initiated. Initial plan check takes approximately three weeks. Plan check two, if necessary, takes one to two weeks, while subsequent plan checks require approximately one week of processing time.

If an applicant submits a building permit application the day after entitlement is granted, the typical amount of time between entitlement and pulling building permits is approximately six months. Factors that influence the time period include civil engineering requirements (grading plan check, water quality management plan (WQMP) and hydro-modification requirements. Typically, the building plan check is finished by the time project civil engineering is ready.

The City does not currently have a Senate Bill (SB) 35 streamlined permit process in place. Program H-10 is included to address this. Additionally, objective design standards have not yet been established as part of the City's design review process, but the City received an Senate Bill (SB) 2 grant to fund the development of these standards. Program H-9 is included to address this.

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 herein. (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 9 to 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 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 because of operating characteristics. Processing time is approximately three to four months. Conditional use permits are approved by the Planning Agency. To approve an application for a CUP for a multifamily development, the following findings must be made:

- 1 That the proposed use is consistent with the general plan;
- 2 That the nature, condition and development of adjacent uses, buildings and structures have been considered and the proposed conditional use will not adversely effect or be materially detrimental to the adjacent uses, buildings, or structures;
- 3 That the proposed site is adequate in size and shape to accommodate the use and integrate it with the existing and planned uses in the vicinity;
- 4 That all required development standards prescribed by this code can be achieved;
- 5 That the conditions and limitations placed upon the use are necessary to ensure compatibility with adjacent or abutting uses and the preservation of the public peace, safety, and welfare.

(Laguna Hills Municipal Code, Section 9-92 Application Process and Submittal Requirements, 2021)

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. Detached single family homes do not require an site development permit, they are permitted by-right through building permit plan check only.

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 and multifamily dwellings
- 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

Program H-7 is included to commit the City to updating its Municipal Code to allow both manufactured housing and mobile homes in all zones where single-family homes are allowed with the same approval process that is used with single-family homes.

A minor site development permit takes four to six weeks to review. A major site development permit takes two to three 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 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 10 percent of the gross square footage of the original project; and
- Site development permits for retaining walls that are greater than 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 Planning Agency for their consideration. The Community Development Director reviews and makes recommendations regarding all site development permits forwarded to the Planning Agency and ensures 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:

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

(Laguna Hills Municipal Code, Section 9-92 Application Process and Submittal Requirements, 2021). 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 site design 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 want to develop affordable housing. These incentives are consistent with state law.

During the previous planning period, the City approved 97 percent of the site development permits that were submitted. However, the denied site development permits were for commercial projects. The City approved 100 percent of the residential site development permits that were submitted. Further, none of the site development permit applications were referred to the Planning Agency, suggesting that most development projects can receive approval in up to six weeks and avoid the public hearing process. Because the City does not have a Planning Commission or a design review board, it helps keep the process moving.

- **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 that would otherwise be prohibited by a zoning district. A variance takes approximately three weeks to three months to review. The Planning Agency is the approval body for variances.

Findings to be made in order to grant a variance shall address the following as a minimum.

1. That the strict application of the development code deprives the

property owner of privileges enjoyed by other properties in the vicinity and in an identical land use designation because of special circumstances applicable to the subject property or intended use of the property that do not generally apply to other properties in the same zoning district such as size, shape, topography, location or surroundings;

2. That the grant of the variance does not constitute the grant of special privilege not available to other properties under similar circumstance in the same zoning district;
3. That the variance is granted upon hardship and not convenience;
4. That the grant of variance will not be detrimental to the public health, safety, and welfare of the community, nor be injurious to properties, uses, or improvements in the vicinity;

That the variance does not grant a use not permitted by the zoning district.

The City has not received requests to develop housing at densities below those identified or intended for a particular Zoning District, General Plan Area or Specific Plan Area.

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 two to three months of having submitted a complete application. Projects requiring an environmental impact report (EIR) generally take six to nine months.

A general plan amendment may take 12 or more months to process should an EIR 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 two to three 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 from operating characteristics of the proposed use. A major or discretionary (Planning Agency) site development permit takes two to three 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 two to three 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 previously, 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. According to the City's Building Division, the single-family residential development applications typically involve redevelopment/demolition of existing single-family homes and construction of typically larger single-family homes.

Processing Times for New Housing

As indicated in the Housing Resources section, underutilized land in Laguna Hills will be rezoned and used to meet the City's Regional Housing Need Assessment requirements. The underutilized areas include the Urban Village Specific Plan area and North Laguna Hills. 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 Specific Plan 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. Once the application is deemed complete, a major site development permit typically requires two to three months for approval by the Planning Agency; three to four months if a negative declaration is prepared; and six to nine months if an EIR is required. A minor site development permit typically requires one to two months for approval because limited environmental review is required and the Community Development Department Director is the approval authority. See the preceding pages for information on the site development process and findings that are required for approval.

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. See the preceding pages for information on the conditional use permit process and findings that are required for approval.

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. Measure M is not considered to be a constraint on the production of housing.

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 comply 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 has eight required components. Three of these components 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, found within the City's General Plan Mobility Element, aims 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's 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 here 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 California Government Code. Chapter 9-72 of the City's Zoning Ordinance enumerates the housing development incentives approved by the City. The City will amend its Density Bonus ordinance to address recent updates to address recent updates to state law (Program H-7).

The City offers a density bonus and/or concessions or incentives for developments that meet the following:

- (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.

Program H-15 is included to commit the City to promoting and offering incentives to facilitate affordable housing development and/or preservation throughout the City. Program H-6 is included to focus these efforts in the Urban Village Specific Plan (UVSP) area.

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 and lack of developable land that is either vacant or underutilized, 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.

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-42 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.

According to a construction cost data estimation tool (www.building-cost.net) provided by the Craftsman Book Company, a wood-framed single-story four-cornered home in Laguna Hills is estimated to cost approximately \$292,365, excluding the cost of buying land. This cost estimate is based on a 2,000-square-foot house of good quality construction including a two-car garage and forced-air heating. Table H-42 summarizes the projected construction costs.

| | Materials | Labor | Equipment | Total |
|---|------------------|------------------|----------------|------------------|
| Direct Job Costs (e.g., foundation, plumbing, materials) | \$113,175 | \$120,140 | \$5,096 | \$238,411 |
| Indirect Job Costs (e.g., insurance, plans, and specifications) | \$18,740 | \$1,836 | - | \$20,576 |
| Contractor Markup | \$33,378 | - | - | \$33,378 |
| Total Cost | \$165,293 | \$121,976 | \$5,096 | \$292,365 |

Source: Building-Cost.net, September 2020

According to a study by the University of California at Riverside, the typical per-unit cost to construct a multifamily house within the City of Anaheim was \$477,293 in 2020. This is based on a prototype 75-unit building with a floor-area ratio (FAR) of 2.5, 113 parking spaces, and no affordability requirement. This estimate also included land and financing costs. Within the five jurisdictions included in this study, Anaheim's estimated construction cost was over \$100,000 per unit less than the highest estimated cost, that of Los Angeles, which was largely due to significantly higher land costs and approximately \$2,000 lower than the next-highest (Riverside), which was partly due to slightly lower direct costs.

FINANCING

Construction Financing

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 affordability of owning a home is greatly influenced by mortgage interest rates. Increases in interest rates decrease the number of persons able to purchase a home. Conversely, decreasing interest rates result in more potential homebuyers introduced to the market. Mortgage interest rates for new home purchases ranged from 3 to 5 percent for a fixed-rate, 30-year loan between 2016 and 2020, with an average rate of approximately 3.11 percent in 2020.

Interest rates are determined by national policies and economic conditions, and there is little that local governments can do to affect these rates. First-time homebuyers are the group impacted the most by financing requirements. Lower initial rates are available with graduated payment mortgages, adjustable-rate mortgages, and buy-down mortgages. However, variable interest rate mortgages on affordable homes may increase to the point of interest rates exceeding the cost of living adjustments.

Flexible loan programs, such as those for first-time homebuyers, still offer flexible down payment requirements between 5 and 20 percent. Such programs provide a method to bridge the gap between a required down payment and potential homeowner’s available funds. The Federal Housing Administration (FHA) offers loan programs for first-time home buyers, including low down payments, around 3.5 percent, low closing costs, and easy credit qualifying.

At this time, the greatest impediment to homeownership is creditworthiness. According to the FHA, lenders consider a person’s debt-to-income ratio, cash available for down payment, and credit history when determining a maximum loan amount. Many financial institutions are willing to significantly decrease down payment requirements and increase loan amounts to persons with good credit ratings. Persons with poor credit ratings will likely be forced to accept a higher interest rate or a loan amount insufficient to purchase a house. Poor credit rating can be especially damaging to lower-income

residents who have fewer financial resources with which to qualify for a loan. The FHA is generally more flexible than conventional lenders in its qualifying guidelines and allows many residents to reestablish a good credit history.

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 median family income (MFI) for the relevant Metropolitan Statistical Area (MSA). Low- to moderate-income tracts have an MFI below 80 percent of the MFI for the MSA. Middle-income tracts have an MFI from 80 to 120 percent of the MFI for the MSA. Finally, upper income tracts have an MFI above 120 percent of the MFI for the MSA.

Table H-43 illustrates the disposition of home purchase loans by census tract based on information provided by the FFIEC for loan applications in 2019. During 2019, 477 applications were filed for home purchase loans in the City of Laguna Hills. Overall, the upper-income census tracts showed the highest loan origination rate (68 percent). Just under two-thirds (65.6 percent, or 313 applications) of home purchase loan applications made in Laguna Hills during 2019 were originated, meaning that the loan was approved by the lender and bought by the applicant. Approximately one-quarter (24.9 percent, or 119 applications) were neither denied nor originated, such as those where the applicants withdrew their application, or the file was closed before a decision was made. Census tract 423.33, which represents the southern end of Laguna Hills, had a notably higher rate of application denials than surrounding tracts, more than three percentage points higher than the next highest rate of denial. This may correspond to higher home prices within this neighborhood in the City as compared to neighboring Census tracts during 2019.

Many borrowers who purchased homes in the mid-2000s, 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 could qualify to purchase high-priced homes with jumbo loans in the past have found it increasingly difficult to find willing lenders. Reliance on jumbo loans appears to have slowed in recent years, possibly as a result. Of the total 477 loan applications submitted in Laguna Hills in 2019, 349 were for conforming loans and 128 were for jumbo loans. According to the real estate listing website Redfin, as of March 2021, the median sale price for a home in Laguna Hills was \$625,000. The 2021 conforming loan limit for Orange County was \$822,375. This indicates that higher-priced, non-conforming loans are not necessary to purchase a home at the median sale price.

**Table H-43
Disposition of Home Purchase Loans by Census Tract, 2019**

| Census Tract ³ | Total Applications | Originated ¹ | | Approved but not Accepted | | Denied | | Other ² | |
|---------------------------|--------------------|-------------------------|------------------------------|---------------------------|------------------------------|-----------|------------------------------|--------------------|------------------------------|
| | | Number | Percentage of Total in Tract | Number | Percentage of Total in Tract | Number | Percentage of Total in Tract | Number | Percentage of Total in Tract |
| 423.07 | 114 | 80 | 69.6% | 5 | 4.3% | 4 | 3.5% | 25 | 22.0% |
| 423.27 | 90 | 60 | 65.9% | 1 | 1.1% | 8 | 8.8% | 21 | 23.4% |
| 423.28 | 42 | 27 | 62.8% | 2 | 4.7% | 1 | 2.3% | 12 | 28.7% |
| 423.33 | 91 | 53 | 57.6% | 3 | 3.3% | 11 | 12.0% | 24 | 26.5% |
| 626.25 | 83 | 52 | 61.9% | 2 | 2.4% | 7 | 8.3% | 22 | 26.6% |
| 626.47 | 51 | 41 | 78.8% | 0 | 0.0% | 1 | 1.9% | 9 | 17.7% |
| City Total | 471 | 313 | 65.6% | 13 | 2.7% | 32 | 6.7% | 113 | 23.7% |

Source: Home Mortgage Disclosure Act (HMDA) data for 2019, FFIEC.

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 because of incomplete information.
3. Census Tract numbers changed for the 2020 Census; the above tracts correspond to those used in the 2010 Census.

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 floodplain 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 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 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, storm drains 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. However, since Laguna Hills is built out, new housing will be developed by redeveloping sites that have existing access to streets, curbs, gutters, sidewalks, water and sewer lines, and street lighting. 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.

The availability of dry utilities is not considered a constraint to development in Laguna Hills. Electricity and natural gas, telephone, and cable and internet service are available throughout the City. Electricity is provided by Southern California Edison and San Diego Gas and Electric, depending upon location. Natural gas is provided by Southern California Gas Company. Telephone, cable, and internet are provided by AT&T and Cox Communications. Several major cell phone service providers are available.

Wastewater services are provided to the City of Laguna Hills by the El Toro Water District (ETWD) and Moulton Nigel Water District (MNWD), under the purview of the South Orange County Wastewater Authority (SOCWA). MNWD and ETWD also provides water to Laguna Hills, under the purview of the Municipal Water District of Orange County (MWDOC) who is a wholesale importer of water from the Metropolitan Water District of Southern California (MET). According to the 2018 Integrated Regional Water Management (IRWM) Plan by SOCWA, the capacity for water and wastewater for Laguna Hills is influenced by many factors such as population growth, economic conditions, and hydrologic conditions. Per Program H-21, The City will provide the adopted Housing Element to the South Orange County Wastewater Authority (SOCWA). The City will Assist South Coast Water District (SCWD) in adopting written procedures to provide priority service to lower income residential projects.

The MNWD water demand is estimated to grow by 0.45 percent from 2025 to 2040 while the ETWD water demand is estimated to decrease by 1.2 percent. One of the ways the IRWM plan aims to tackle disruption in water supply is through the implementation of water usage effectiveness (WUE) programs as well as developing local supply sources. The Orange County Model Water Efficient Landscape Ordinance was developed and adopted in 2015. In addition, the ETWD is expanding its existing Water Recycling Plant. The project is called the Recycled Water System Expansion Project and aims to increase the treatment and delivery of recycled water from 500 acre-feet to up to 1,400 acre-feet per year. In addition, about 100,000 feet or 19 miles of recycled water pipeline is being constructed beneath the roadways in portions of Laguna Woods (the city adjacent to Laguna Hills to the north) and the northwest portion of Laguna Hills. There is sufficient water and wastewater capacity for current and anticipated residential growth in Laguna Hills.

Fair-Housing Assessment

Assembly Bill (AB) 686 requires that all housing elements due on or after January 1, 2021, contain an Assessment of Fair Housing (AFH) consistent with the core elements of the analysis required by the federal Affirmatively Furthering Fair Housing (AFFH) Final Rule of July 16, 2015.

Under state law, AFFH means “taking meaningful actions, in addition to combatting discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics.”

AB 686 requires all jurisdictions in the state to complete three major requirements as part of the housing element update:

1. Include a program that Affirmatively Furthers Fair Housing and promotes housing opportunities throughout the community for protected classes (applies to housing elements beginning January 1, 2019).
2. Conduct an Assessment of Fair Housing, which includes summary of fair housing issues, an analysis of available federal, state, and local data and local knowledge to identify, and identify patterns of segregation or other barriers to fair housing, and prioritization of contributing factors to fair housing issues.
3. Prepare the Housing Element Land Inventory and identification of sites through the lens of Affirmatively Furthering Fair Housing.

In order to comply with AB 686, the City has completed the following outreach and analysis. Some of the information is based on the Orange County Regional Analysis of Impediments (AI) that was completed in 2020.

Outreach

As discussed in the Introduction, multiple workshops, stakeholder consultations, and hearings were conducted in conjunction with the preparation of this Housing Element. Prior to the release of the Public Review Draft, a City Council Meeting took place on November 10, 2020. Public workshops were held (1) virtually on June 30, 2021, and (2) in person on August 5, 2021. As described herein and in the Introduction to this Housing Element, the input that the City received during the drafting of the Housing Element and the subsequent public review period, was considered and incorporated into numerous program actions that the City will implement during the Housing Element planning period. All events were open to the public, organizations providing community and social services in the City, and affordable housing developers. Spanish translation was available upon request. From January to February 2021, the City met with local stakeholders to learn about the housing conditions, barriers to access affordable housing, and fair housing issues in Laguna Hills. The consultations were conducted one-on-one with stakeholders, which included two building industry experts, two homelessness service providers, and three community-based organizations. Letters from community members and housing advocates were received and considered throughout the Housing Element update process.

Additionally, outreach completed for the Orange County Regional Analysis of Impediments to Fair Housing was incorporated and considered through the Housing Element update process. The Orange County Regional Analysis of Impediments to Fair Housing was prepared by the Lawyers' Committee for Civil Rights Under Law ("Lawyers' Committee") (a civil rights organization), in consultation with Orange County jurisdictions and with input from a wide range of stakeholders through a community participation process. Outreach was conducted through community meetings, focus groups, and public hearings with tenants, landlords, homeowners, fair housing organizations, civil rights and advocacy organizations, legal services providers, social services providers, housing developers, and industry groups to hear directly about fair housing issues affecting residents of Orange County. Beginning in October, 2019, the Lawyers' Committee held meetings with individual stakeholders throughout the County. In January and February 2020, evening community meetings were held in Mission Viejo, Westminster/Garden Grove, Santa Ana, and Fullerton. Also in February, the Lawyers' Committee held a focus group with a wide array of nonprofit organizations and government officials. Geographically specific community meetings were held across Orange County, including the South, West, Central, and North parts of the County. Additional outreach was conducted for members of protected classes, including the Latino and Vietnamese communities. All community meetings had translation services available if requested in Spanish and Vietnamese. In addition, all meetings were held in locations accessible to people with mobility issues. The Executive Summary of the AI will be translated into

Spanish and Vietnamese. Public hearings and City Council meetings were held throughout the County during the Spring. Due to the prohibition of gatherings due to COVID, hearings and meetings were held remotely.

1) Public Comments

As described previously, comments were received before, during, and after public workshop events, which included fact sheets, maps, and other information directly related to the Assessment of Fair Housing and affirmatively furthering fair housing. Several comments were made with specific relevance to fair housing issues. Residents commented on locations they felt future housing should and should not be built and the types of housing that could potentially be built, and expressed concerns regarding limited resources for new developments, and the desire to preserve Laguna Hills's suburban characteristics. Several attendees expressed support for housing development, especially affordable housing and mixed-use, where those developments are "responsibly planned" and provide appropriate resources and infrastructure to ensure the continued quality of life that Laguna Hills residents enjoy. Several residents expressed support for mixed-use developments and developments that account for increased transportation and infrastructure demands. Residents expressed a need for housing for low-income residents, and for senior citizens, veterans, and essential workers who are unable to afford housing and commute from outside of the City. Residents expressed a need for housing for residents living with disabilities, as well as teachers, healthcare workers, and young adults. Residents expressed support for ADUs and other means of assisting lower- and moderate-income homeowners with housing costs. The City has incorporated comments received through public workshops with relevance to fair housing issues in the development of **Programs H-4, H-8, H-9, H-15, H-16, and H-17.**

2) Stakeholder consultations

Comments were received from several local stakeholders with specific relevance to fair housing issues. A list of stakeholders can be found under “Stakeholder Consultations”. The Welcoming Neighbors Home (WNH) Initiative expressed a need for lower-income housing dispersed more evenly rather than concentrated in a particular area, ensuring that all residents have fair access to shops, schools, transit, jobs, and other resources and amenities. The Kennedy Commission emphasized the importance of support for affordable and inclusionary housing, mixed-use housing, adaptive reuse, and affordable ADUs. The Commission also comments on City-owned sites and surplus property, and density bonus law. Organizations working with residents who live with disabilities identified a need for more housing supply and assistance for these populations. Stakeholders emphasized the need to promote an equitable approach for housing, inclusive housing policies and programming, and ways to assist families living in affordable housing to obtain homeownership or market-rate housing. The City has incorporated comments received through stakeholder consultations with specific relevance to fair housing issues in the development of **Programs H-5, H-6, H-7, H-8, H-13, H-16, and H-17.**

3) Online Community Outreach Survey

The City’s Planning Division created a survey for residents of Laguna Hills to determine how the Housing Element should plan for the City’s share of the RHNA. The survey was available from June 15, 2021, to August 15, 2021. Several responses to the online community outreach survey had specific relevance to fair housing issues. Residents expressed the importance of considering the needs of senior citizens, people with disabilities, veterans, young people (particularly those who grew up in Laguna Hills and who cannot afford to raise their children near family members) and those earning “working class” salaries. The City has incorporated comments received through the online community outreach survey with specific relevance to fair housing issues in the development of **Programs H-6, H-8, H-13, H-15, H- 15, and H-17.**

Assessment of Fair Housing Issues

The California Government Code Section 65583 (10)(A)(ii) requires the City of Laguna Hills to analyze areas of racially or ethnically concentrated areas of poverty, disparities in access to opportunity, and disproportionate housing needs, including displacement risk.

Using data provided by HCD in its AFFH Data Viewer (Figure H-1, *COG Geography TCAC Opportunity Map*), Laguna Hills contains a mix of highest, high, and moderate-resource areas. The “COG Geography TCAC/HCD Opportunity Map” uses the same methodology as the TCAC/HCD Opportunity Map but incorporates the following changes:

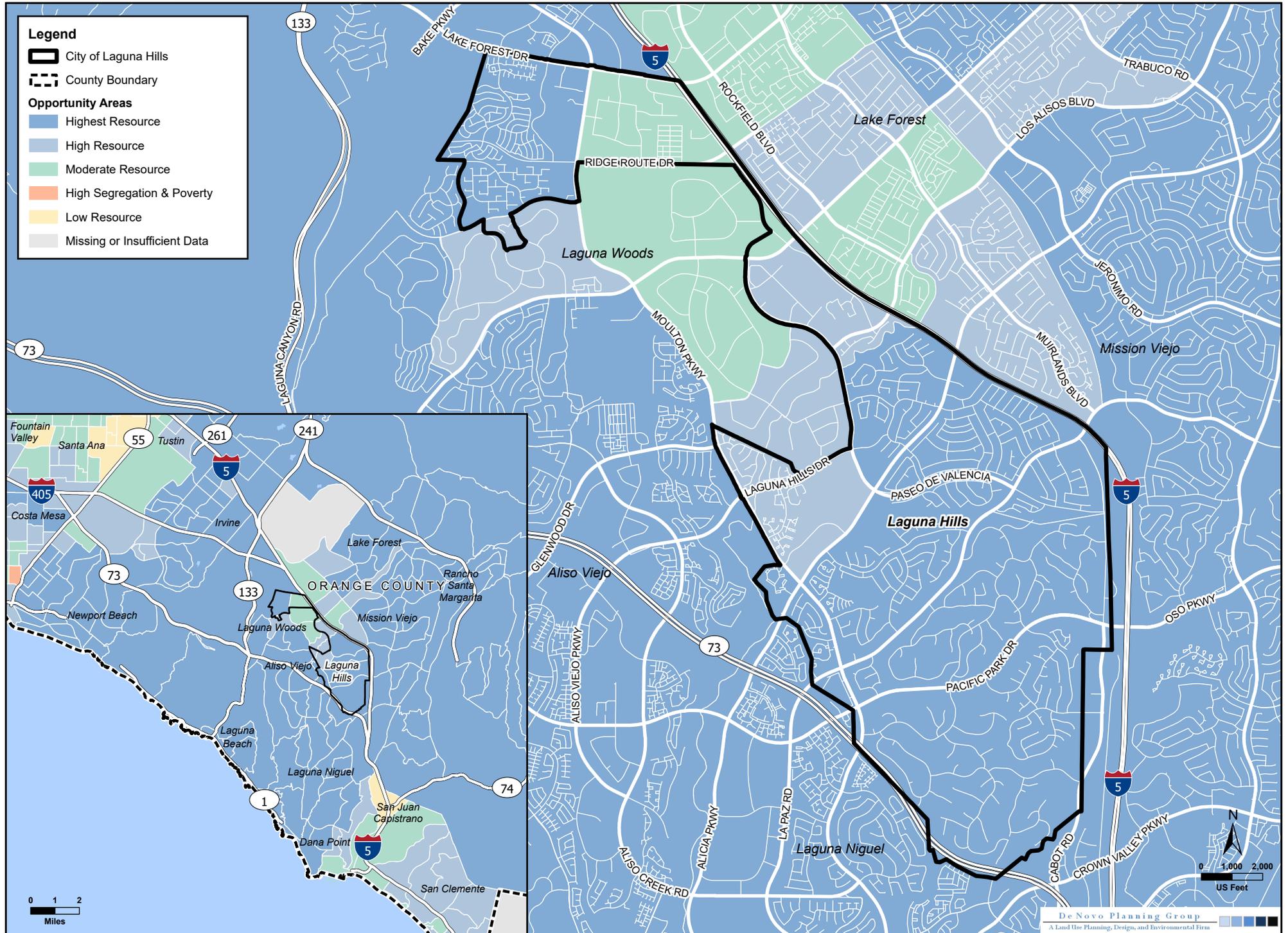
- The reference geography is changed from the California Tax Credit Allocation Committee (TCAC) region to the Council of Governments (COG).
- All tracts within COGs are scored against each other. Tracts that do not fall within a COG are scored against tracts within their county.
- All areas are assessed at the tract level.

Similar to the TCAC/HCD Opportunity Map, this layer seeks to identify areas in every region of the state whose characteristics have been shown by research to support positive economic, educational, and health outcomes for low-income families—particularly long-term outcomes for children. The methodology changes described above are intended to better align the map with RHNA and Housing Element goals and geographies.

For example, this map scores areas against all other areas within the same COG—or the same county, for non-COG areas—rather than against TCAC-defined regions, which are different than COGs. The TCAC/HCD Opportunity Map uses TCAC regions as the reference geography because the map was specifically designed for application in the 9% LIHTC program, which ranks affordable housing funding projects against other projects in the same TCAC-defined region.

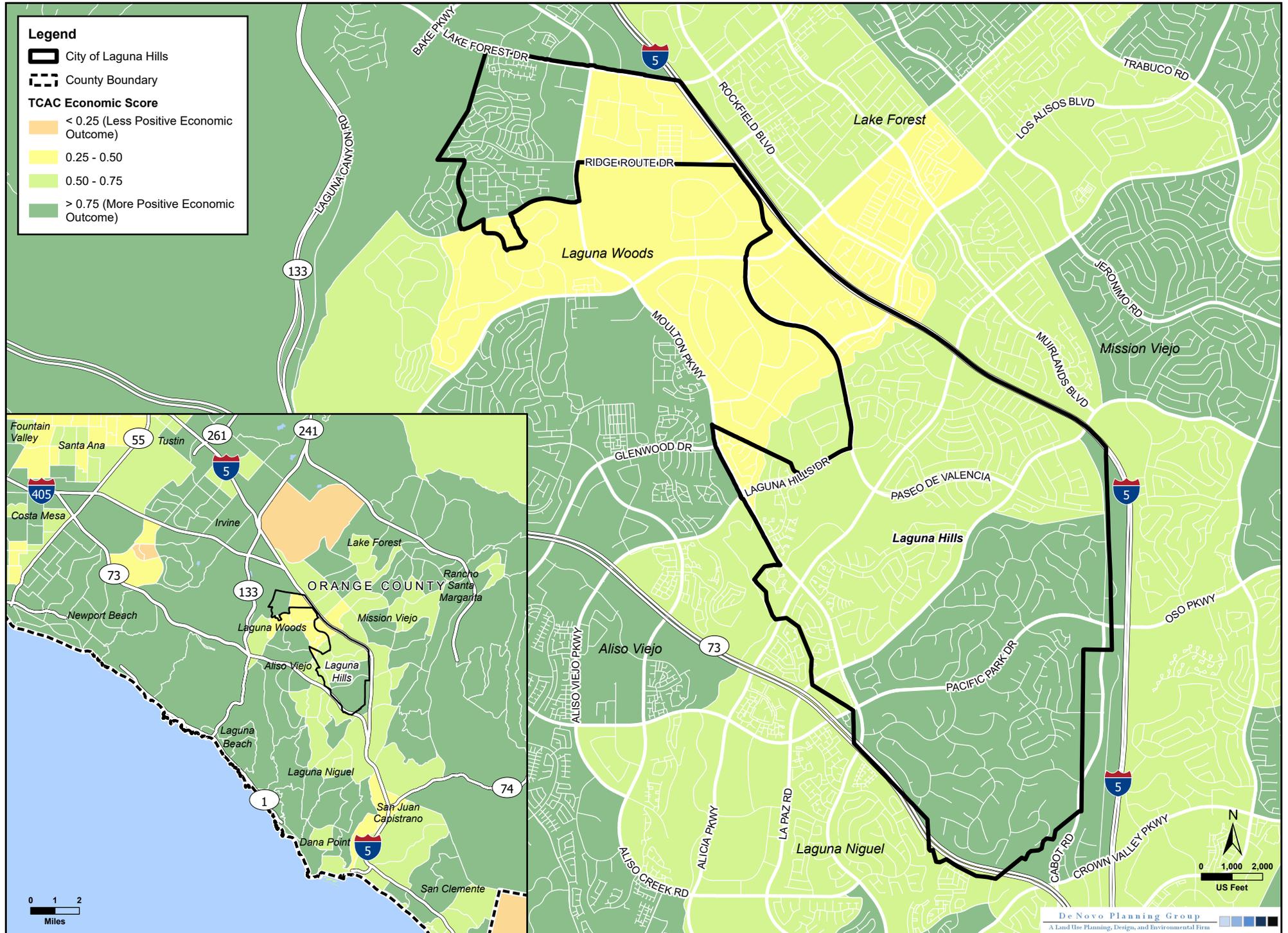
In addition, this map does not designate nor adopt a distinct approach to scoring rural areas, but instead scores all areas in the same region on the same scale and at the tract level. This approach contrasts with the TCAC/HCD Opportunity Map, which scores rural areas separately—because rural affordable housing developments compete in a separate funding pool.

FIGURE H-1A: TCAC OPPORTUNITY AREAS BY CENSUS TRACT



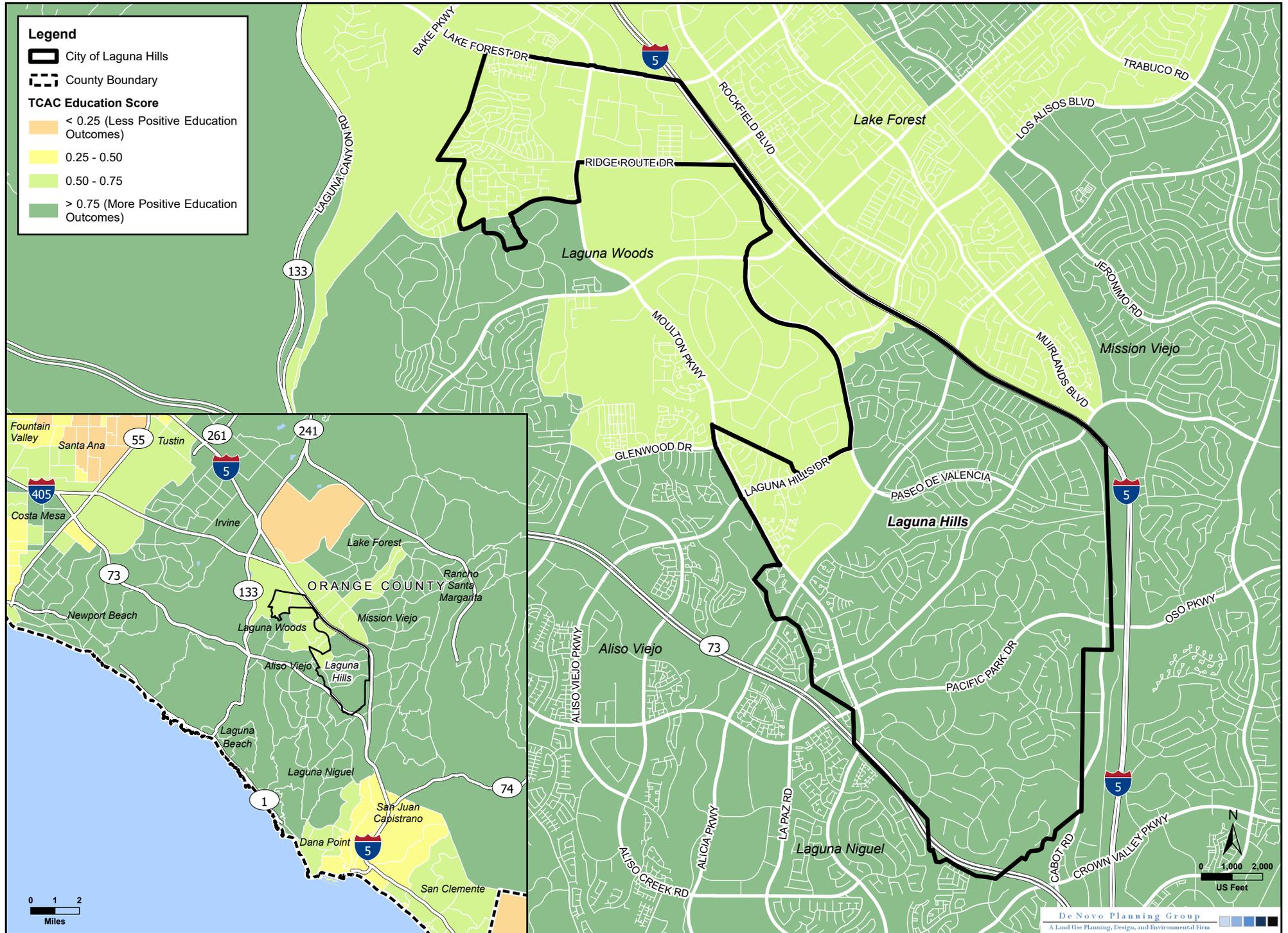
Sources: AFFH Data and Mapping Resources, California Department of Housing and Community Development, "TCAC_OpportunityAreas_Tract_2022." Map date: February 14, 2023.

FIGURE H-1B: TCAC ECONOMIC SCORE BY CENSUS TRACT



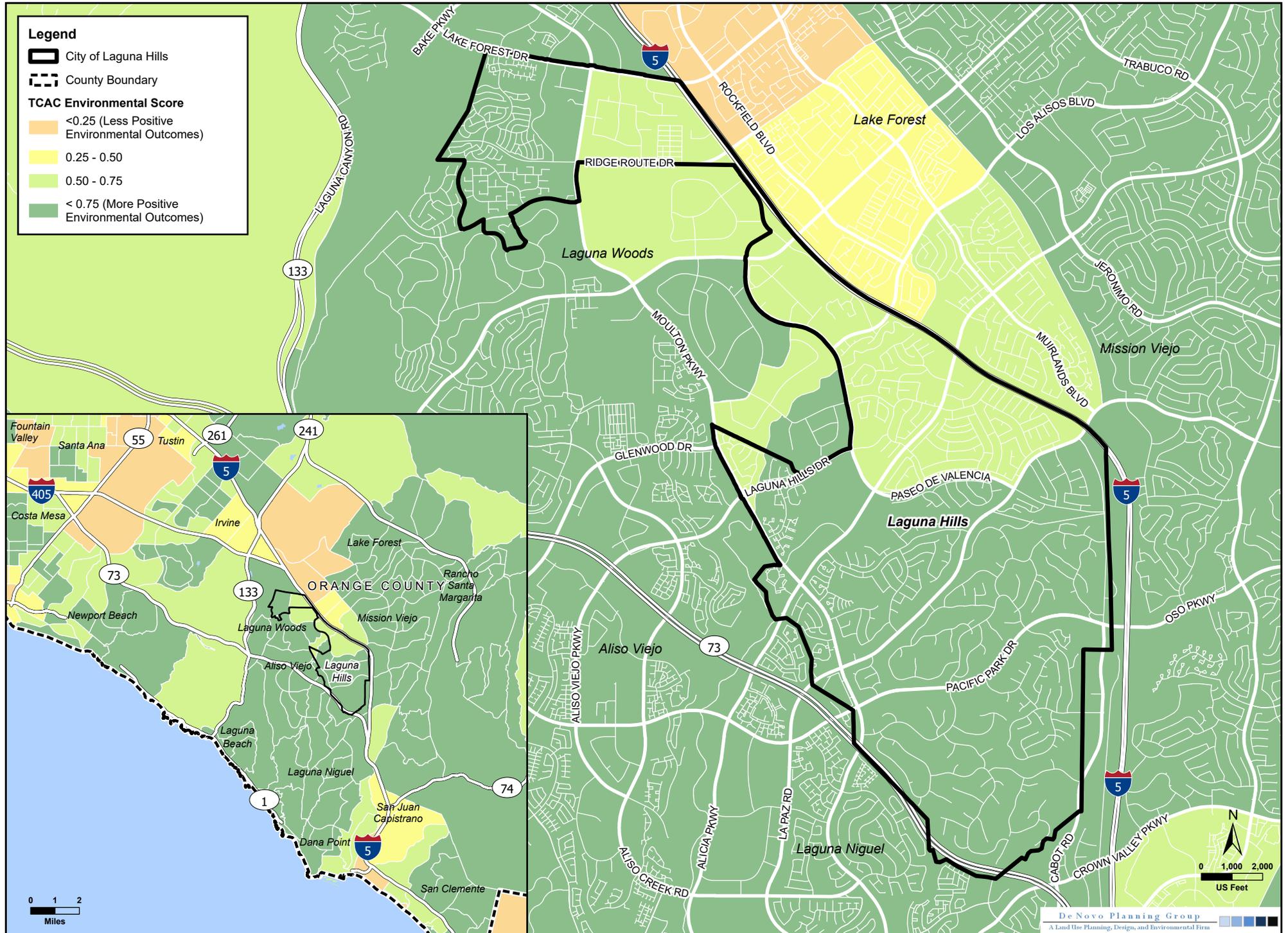
Sources: AFFH Data and Mapping Resources, California Department of Housing and Community Development, "TCAC_OpportunityAreas_Tract_2022." Map date: February 14, 2023.

FIGURE H-1C: TCAC EDUCATIONAL SCORE BY CENSUS TRACT



Sources: AFFH Data and Mapping Resources, California Department of Housing and Community Development, "TCAC_OpportunityAreas_Tract_2022." Map date: February 14, 2023.

FIGURE H-1D: TCAC ENVIRONMENTAL SCORE BY CENSUS TRACT



Sources: AFFH Data and Mapping Resources, California Department of Housing and Community Development, "TCAC_OpportunityAreas_Tract_2022." Map date: February 14, 2023.

The distribution of resource categorization within Laguna Hills reflects the public outreach feedback from residents and stakeholders that Laguna Hills is a desirable area in south Orange County. Like many cities located in the “South Orange County” region, the City is predominantly comprised of single-family neighborhoods; in Laguna Hills, these homes were primarily built before the City’s incorporation in 1991. Laguna Hills as it is known today was largely developed between 1960 and 1990 to meet the growing demand for single-family suburban development in southern California. There is limited multifamily housing in Laguna Hills and the surrounding region. As such, residential lot size, proximity to commercial centers, and access to proficient schools and greenspace influence housing affordability in Laguna Hills’ single-family neighborhoods.

Laguna Hills’ highest-resource areas are concentrated in the southern half of the City, generally located south of Alicia Parkway, Paseo de Valencia, and La Paz Road. This area is largely residential, made up of single-family homes and expansive green spaces. The northwest corner of the City, located west of Moulton Parkway, is also identified as an area of highest-resource. There are several small commercial centers in the City’s high resource areas which provide residents of Laguna Hills, Aliso Viejo, Lake Forest, Laguna Niguel, and Mission Viejo with convenient access to vital goods and services (including grocery stores, banks, and pharmacies) and local job opportunities. The developable portions of this area are completely built-out, with no developable vacant land remaining. Laguna Hills’ highest-resource area concentration is adjacent to Laguna Niguel and Aliso Viejo, which are predominantly made up of high- and highest-resource areas.

There is one census tract (06059062622), only partially located in Laguna Hills (approximately 50% of the total census tract area), that is identified as an area of moderate opportunity. This tract is generally bounded by Moulton Parkway/Paseo de Valencia to the west, Lake Forest Drive to the north, I-5 to the east, and El Toro Road on the south. Within Laguna Hills, this area is comprised of lower intensity commercial development, public uses (including the Laguna Hills Civic Center), and very limited residential development (Laguna Hills Estates, an all-age mobile home community). This moderate-resource area has access to many of the same resources as the high- and highest-resource areas, but has lower TCAC economic score (this is discussed later in more detail).

As will be discussed, the Via Lomas neighborhood has the highest diversity of any neighborhood in the City (Figure H-4), as well as the highest concentration of poverty and linguistic isolation (Figure H-7), limited access to proficient schools, and coincided with high rates of cost burdened renting households (Figure H-12). Designated as high-resource area, the relatively lower access to opportunity within the Via Lomas neighborhood (compared to other areas of the City designated as highest-resource) may reinforce the spatial segregation of low-income communities of color, particularly residents in the assisted housing developments. Currently, both Rancho Moulton and Rancho Niguel do not have any available units, according to the 2021

Welcoming Neighbors Home Initiative, which conducted research in April, May, and June of 2021. The waitlist for Rancho Niguel is 5 to 10 years long and is not accepting new potential residents.

Laguna Hills' moderate- and high-resource areas are primarily commercial areas that encompass isolated residential developments, such as the Laguna Hills Estate mobile home park (discussed previously as located within the City's only moderate-resource census tract) and the multifamily apartments, Prado, south of the former Laguna Hills Mall. Moderate and high-resource areas typically have more relatively limited access to education and employment opportunities than the highest-resource areas, and generally have relatively lower environmental quality. Based on the HCD/TCAC methodology, Laguna Hills does not have an area of high racial/ethnic segregation and poverty. In an area of high racial/ethnic segregation and poverty, at least 30 percent of the population is below the federal poverty level, and patterns of racial segregation exist. The moderate- and high-resource areas do coincide with lower median incomes and a higher percentage of overpayment by renters relative to the highest-resource areas. The City also individually analyzed these factors and several other factors, described below, to assess patterns that may further fair housing issues and identify actions to combat these.

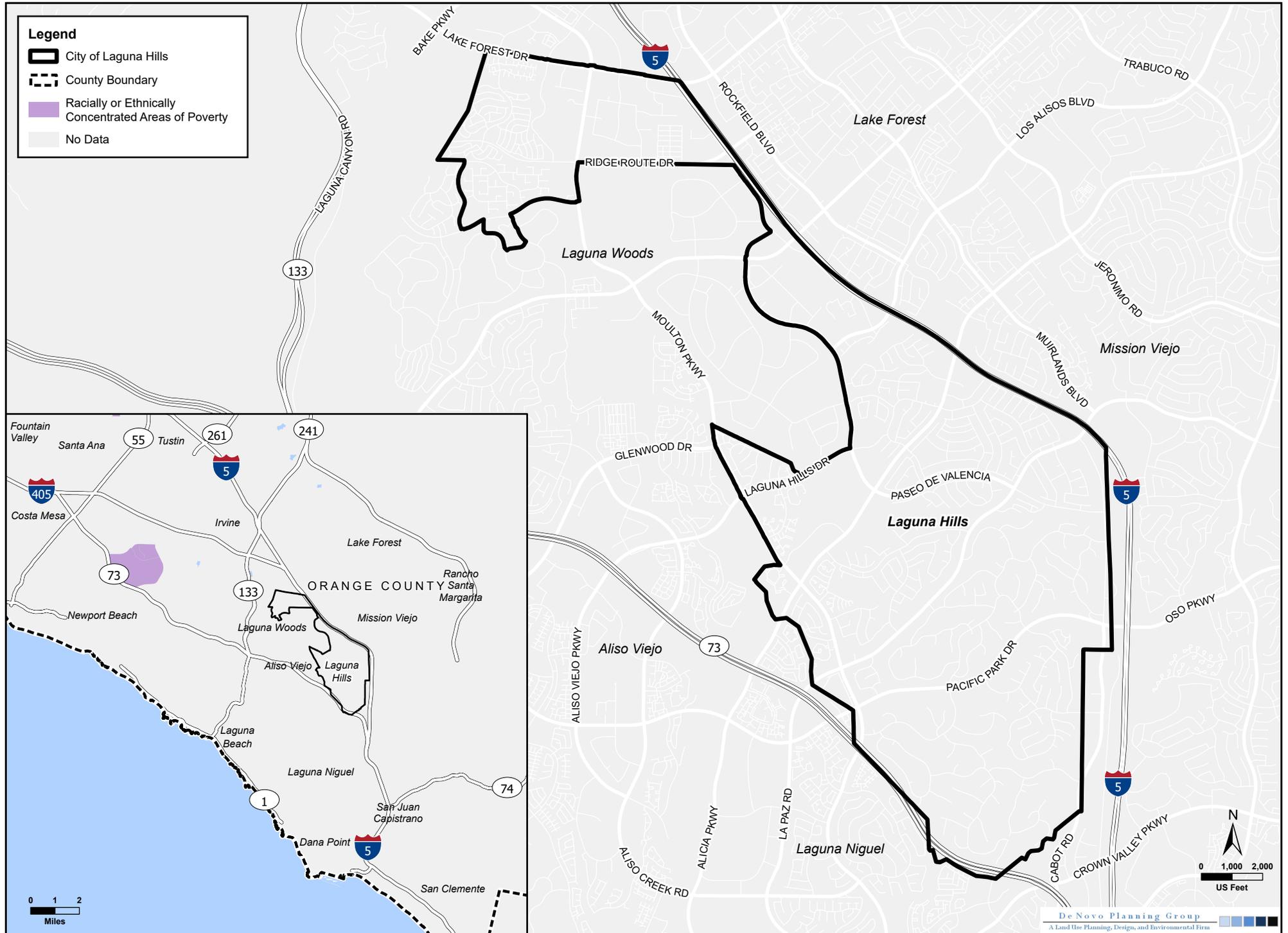
The City has conducted the following analysis of available data to assess local access to opportunities and indicators of fair-housing issues, in addition to the designations provided by the COG Geography TCAC Opportunity Map 2022. Data for disability, poverty, and familial status was available at the census-tract level, and data for rates of opportunity areas, overpayment, jobs proximity, and diversity were available at the block group level. The City has used the most localized level of data available for the analysis.

1. *Patterns of Integration and Segregation*

To assess patterns of segregation and integration, the City analyzed six characteristics: diversity, household median income, poverty status, linguistic isolation, familial status, and disability. Household median income, poverty status, familial status, and disability rely on American Community Survey (ACS) 2015-2019 data, and diversity and linguistic isolation rely on CalEnviroScreen 3.0 data from 2018. While there are not any racially or ethnically concentrated areas of poverty (R/ECAPs) in the City of Laguna Hills, there are concentrated areas of poverty that correspond with areas of high racial/ethnic diversity and concentrated areas of affluence that correspond with White majority population (Figure H-2). Racially concentrated areas of affluence (RCAAs), while not formally defined, signify the opposite of R/ECAPs; that is, areas in Laguna Hills that are largely exclusive to non-Hispanic White households who earn the highest incomes. RCAAs are typically understood to be an area made up of at least 80 percent White households earning a median income exceeding 150 percent of the 2021 HCD median income for a four-person household. Since Orange County's median income trend is nearly 20 percent higher than the statewide

median, this analysis relies on the 150 percent (\$160,050) of the median income for a four-person household in Orange County. Laguna Hills racial and ethnic composition has remained largely unchanged since 2010, with the majority of Laguna Hills population in 2018 identifying their race as White (70.0 percent). Areas with a predominant White-majority population are primarily concentrated in south Laguna Hills, coinciding with the City's highest-resource areas, suggesting Laguna Hill's White population have greater access to educational and economic mobility than any other race or ethnicity in Laguna Hills. In the highest resource areas south of La Paz Road, all but one block group earn a median income over \$160,050 (the remaining block group has a median income of \$152,857). While no block group in Laguna Hills has a White population exceeding 80 percent, the White population comprise at least 75 percent in block groups with a median income greater than \$160,050. The percentage of Laguna Hills' population that identify as Hispanic has remained at approximately 21 percent since 2010. Laguna Hills' Asian population has grown slightly from 12.6 percent in 2010 to 15 percent in 2018. According to the Orange County Regional AI, Laguna Hills' Filipino population and Hispanic population are concentrated in central and north Laguna Hills, coinciding with the City's moderate- and high-resource areas adjacent to Interstate 5. Within Orange County, the existing R/ECAPs are in the City of Santa Ana and coincide with areas of high diversity with a predominantly Hispanic-majority population. Additionally, these areas received a TCAC low-resource designation, correlating with negative educational and economic outcomes. While Orange County does contain some concentrated areas of poverty that correspond with areas of high diversity, Laguna Hills is situated within a largely affluent, predominantly White part of Orange County. Neighboring cities of Laguna Beach and Laguna Niguel are largely designated as high or highest resource on the HCD/TCAC Opportunity Map with predominantly White-majority populations. For example, as a highly desirable coastal city, Laguna Beach contains block groups earning more than \$160,050 with a White population exceeding 80 percent that could be considered RCAAs.

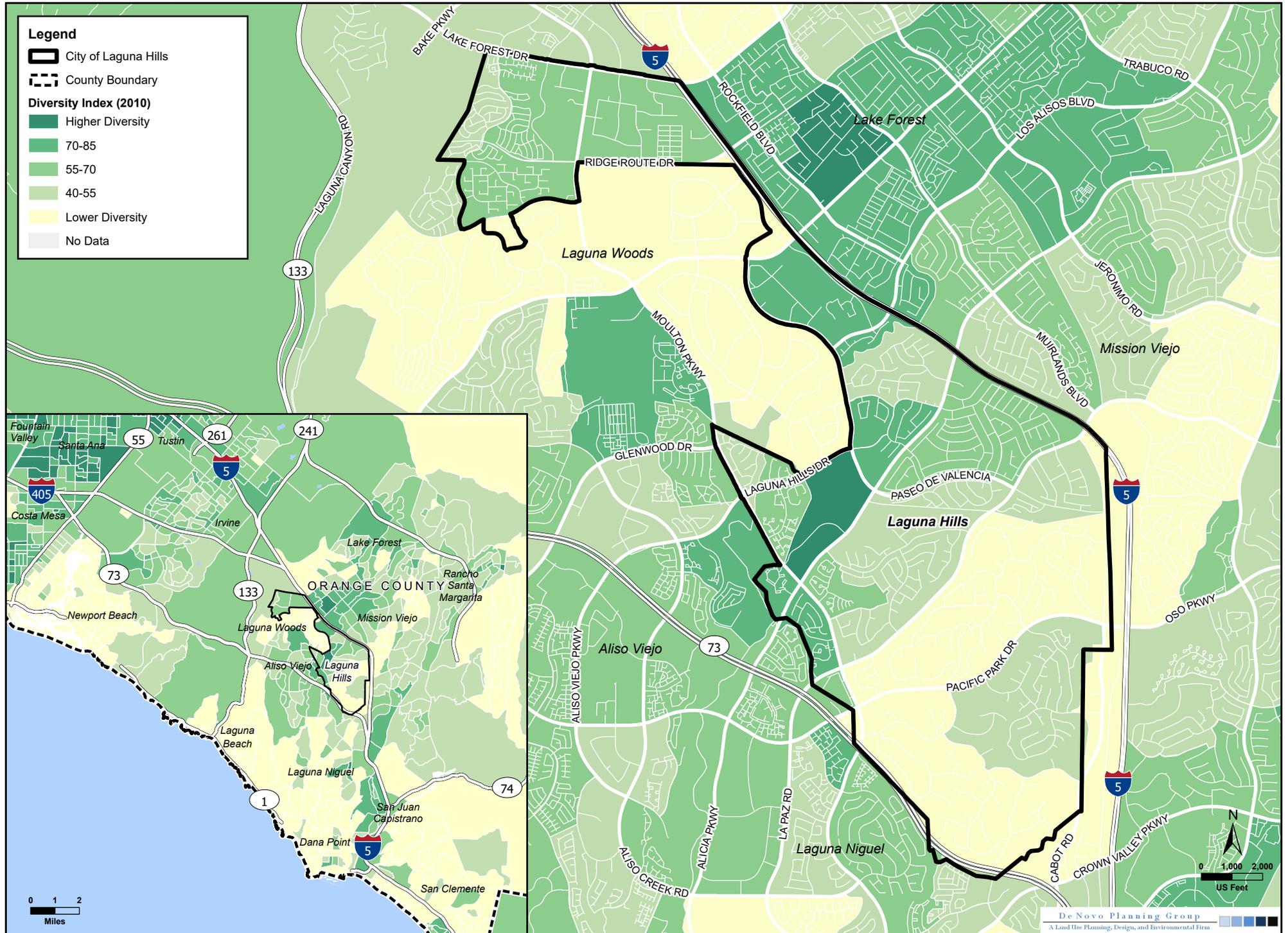
FIGURE H-2: RACIALLY AND ETHNICALLY CONCENTRATED AREAS OF POVERTY - CENSUS TRACT (2009-2013)



Sources: AFFH Data and Mapping Resources, California Department of Housing and Community Development, "Racially_or_Ethnically_Concentrated_Areas_Poverty_RECAs." Map date: February 14, 2023.

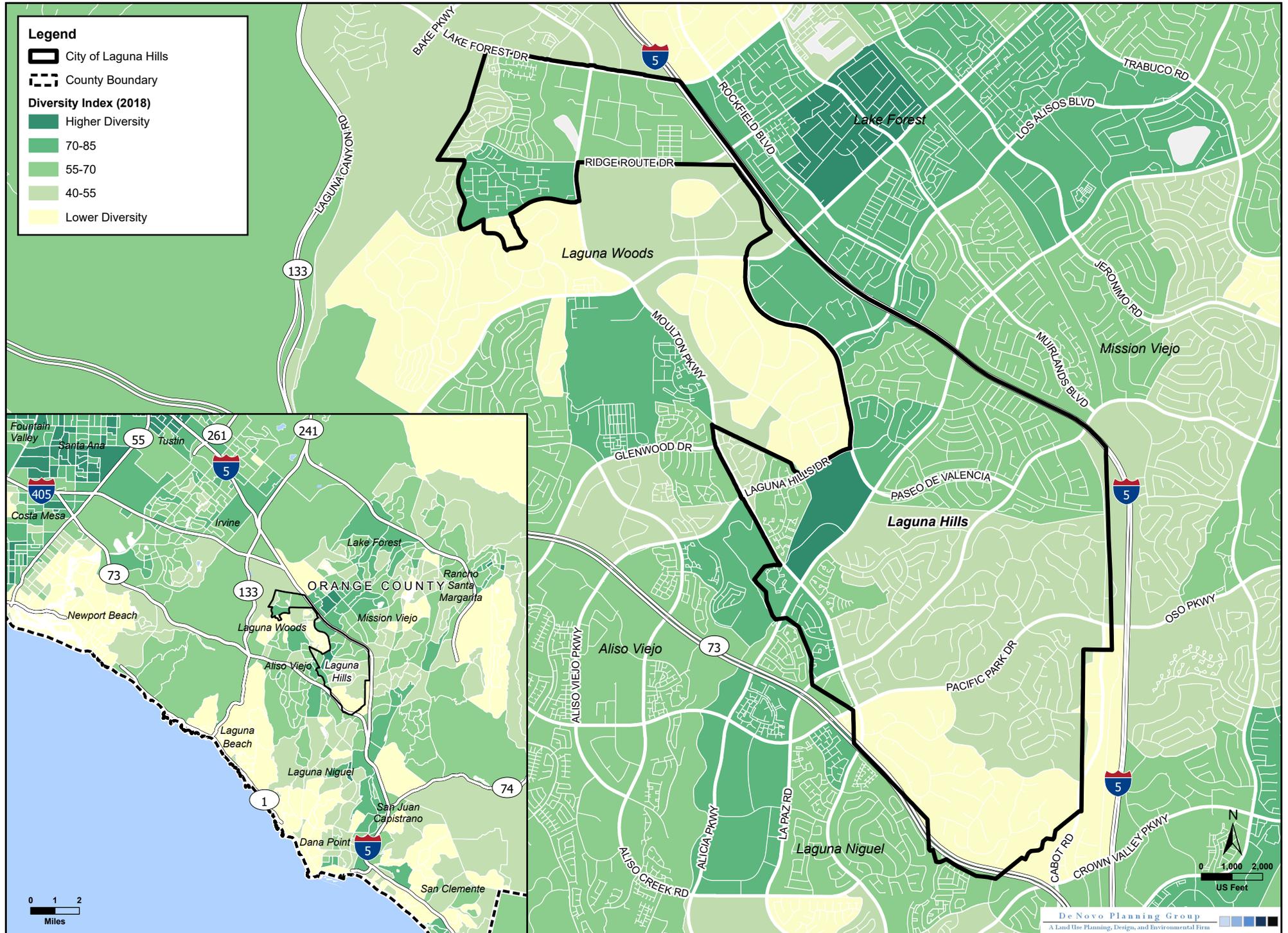
The 2010 Diversity Index (Figure H-3) largely matches the patterns of opportunity seen in the HCD/TCAC map. The diversity analysis assigns a diversity score based on the probability that two persons within a block group will be of differing races and ethnicities, signaling levels of integration or segregation. In Laguna Hills in 2010, diversity increased moving northward, with areas of least diversity coinciding with Laguna Hills' highest-resource areas in the south and areas of high diversity located in moderate- and high-resource areas, including areas adjacent to Interstate 5. The 2018 Diversity Index (Figure H-4) shows diversity increased citywide since 2010, including in the highest-resource areas in south Laguna Hills, suggesting that Laguna Hills neighborhoods are moving towards greater integration. Consistently since 2010, the Via Lomas neighborhood has the highest diversity in the City (Diversity Index score of greater than 85), which is designated as a high-resource area on the HCD/TCAC map. The Via Lomas neighborhood has a predominantly Hispanic population, with 83 percent of the population identifying as Hispanic. This is the only neighborhood with a majority Hispanic population. The former Laguna Hills Mall and neighborhood south of Stockport Park and north of Alicia Parkway each have a Hispanic population greater than 30 percent, but the White population is still the predominant population in the block group (Figure H-5). This history of high diversity within the Via Lomas neighborhood compared to the rest of the City suggests high rates of racial and/or ethnic concentration persist and coincides with the location of the City's two assisted housing developments. Laguna Hills and surrounding cities of Aliso Viejo, Laguna Niguel, and Mission Viejo have higher diversity than the coastal cities of Laguna Beach and Dana Point, which are predominantly low diversity. While Laguna Hills and surrounding areas-maintained neighborhoods of low diversity since 2010, the larger, denser cities in northern Orange County, such as Irvine, Garden Grove, Anaheim, and Buena Park are predominantly highly diverse, with diversity scores of 70 and above. To address factors that result in the high rates of racial and/or ethnic concentration in the Via Lomas neighborhood, the City will encourage the development of publicly assisted units in moderate and high resource areas of the City (Program H-4), promote development (particularly housing affordable to lower-income households) in the USVP area (H-6), and develop affirmative marketing strategy targeted at property owners in moderate and high resources areas to expand Housing Choice Voucher acceptance (H-16). The City will focus its Rehabilitation Program in the Via Lomas neighborhood (Program H-3).

FIGURE H-3: DIVERSITY INDEX (2010)



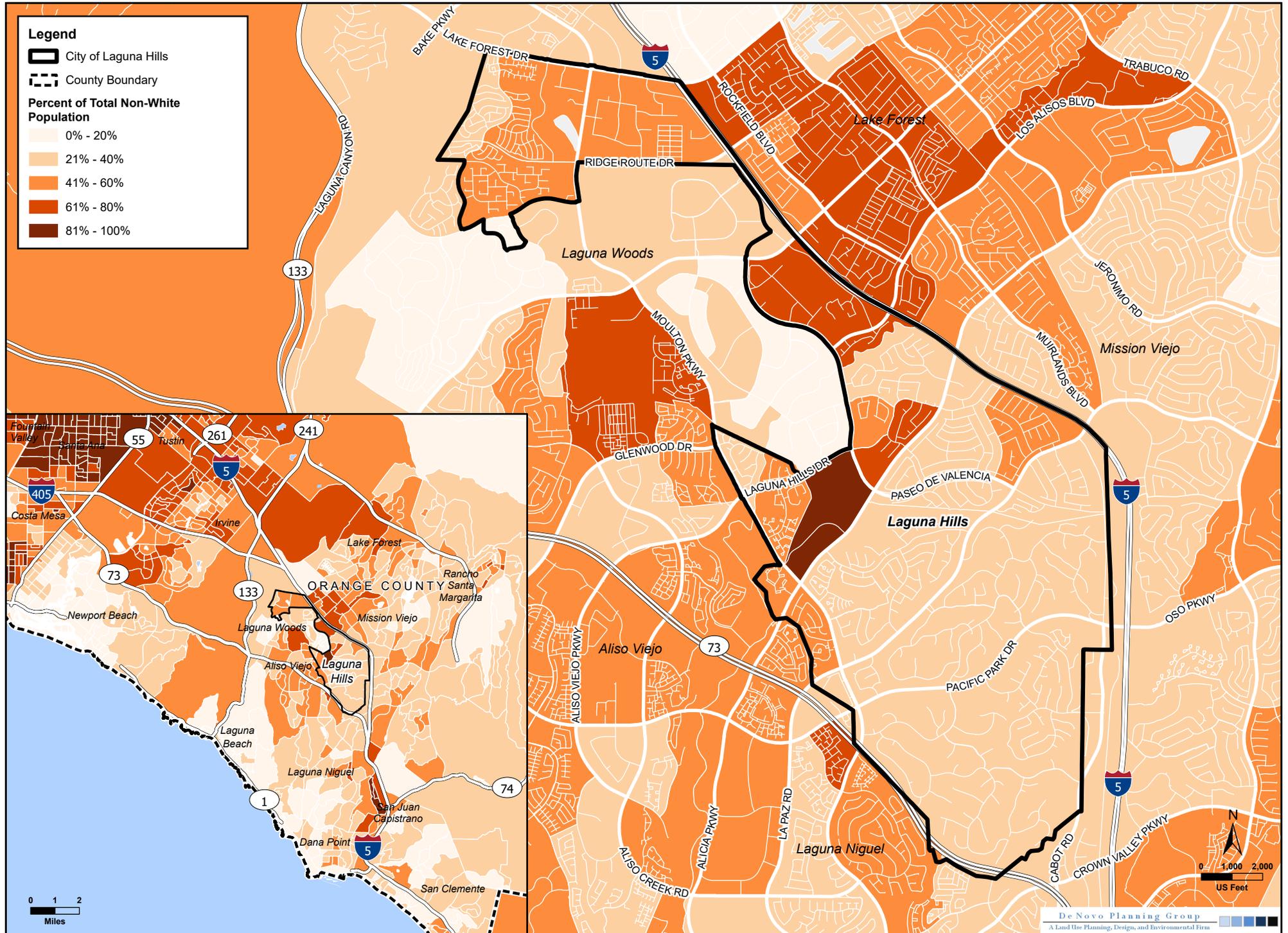
Sources: AFFH Data and Mapping Resources, California Department of Housing and Community Development, "RaceDemographics_BlockGrp_2010." Map date: February 14, 2023.

FIGURE H-4: DIVERSITY INDEX (2018)



Sources: AFFH Data and Mapping Resources, California Department of Housing and Community Development, "RaceDemographics_BlockGrp_2018." Map date: February 14, 2023.

FIGURE H-5: RACIAL DEMOGRAPHICS (2018)



Sources: AFFH Data and Mapping Resources, California Department of Housing and Community Development, "RaceDemographics_BlockGrp_2018." Map date: February 14, 2023.

As shown in Figure-H-6, *Median Household Income (2015-2019)*, the areas with the highest median household income (over \$145,000) are concentrated in Laguna Hills' southern, highest-resource areas. Areas with the lowest median household income (up to \$48,000) are concentrated in moderate- and high-resource areas, including the housing adjacent to Interstate 5 and the former Laguna Hills Mall, and areas of high diversity. Households in the Via Lomas neighborhood, the neighborhood with the highest diversity in the City, have the lowest median income. While Laguna Hills largely maintains low rates of poverty within the City, poverty has increased in Laguna Hills since 2010. In 2010, Laguna Hills' individuals experiencing poverty was concentrated in the Via Lomas neighborhood (about 10-20 percent of the neighborhood); by 2018, poverty status grew to include the moderate- and high-resource areas along Interstate 5 in central and north Laguna Hills, where between 10 and 20 percent of residents in these neighborhoods experienced poverty. As one of few neighborhoods with affordable housing, the concentration of low median income in the Via Lomas neighborhood reflects concerns shared by both stakeholders and some residents that the lack of affordable housing limits access to securing housing for lower-income residents (such as seniors, veterans, and essential workers), resulting in creating income-exclusive neighborhoods. Overall, Laguna Hills households and the surrounding areas have very high incomes, especially moving westward toward the coast. This contrasts drastically with north Orange County, particularly the denser, urban cities of Santa Ana, Garden Grove, and Anaheim, where many households earn less than the 2020 HCD State Median Income (\$87,100). This may be an indication that Laguna Hills and surrounding cities may be generally unaffordable to those living in poverty, restricting housing opportunities in south and west Orange County. To address potential fair housing issues with respect to areas of homogeneous incomes, the City will implement Program H-15, committing the City to develop partnerships with affordable housing developers to expand affordable housing opportunities, including projects that could offer ownership opportunities to lower income households. The City will also seek out partnerships with Orange County Housing and Community Services Department or other non-profits to create programs offering first-time homebuyer assistance program (Program H-16).

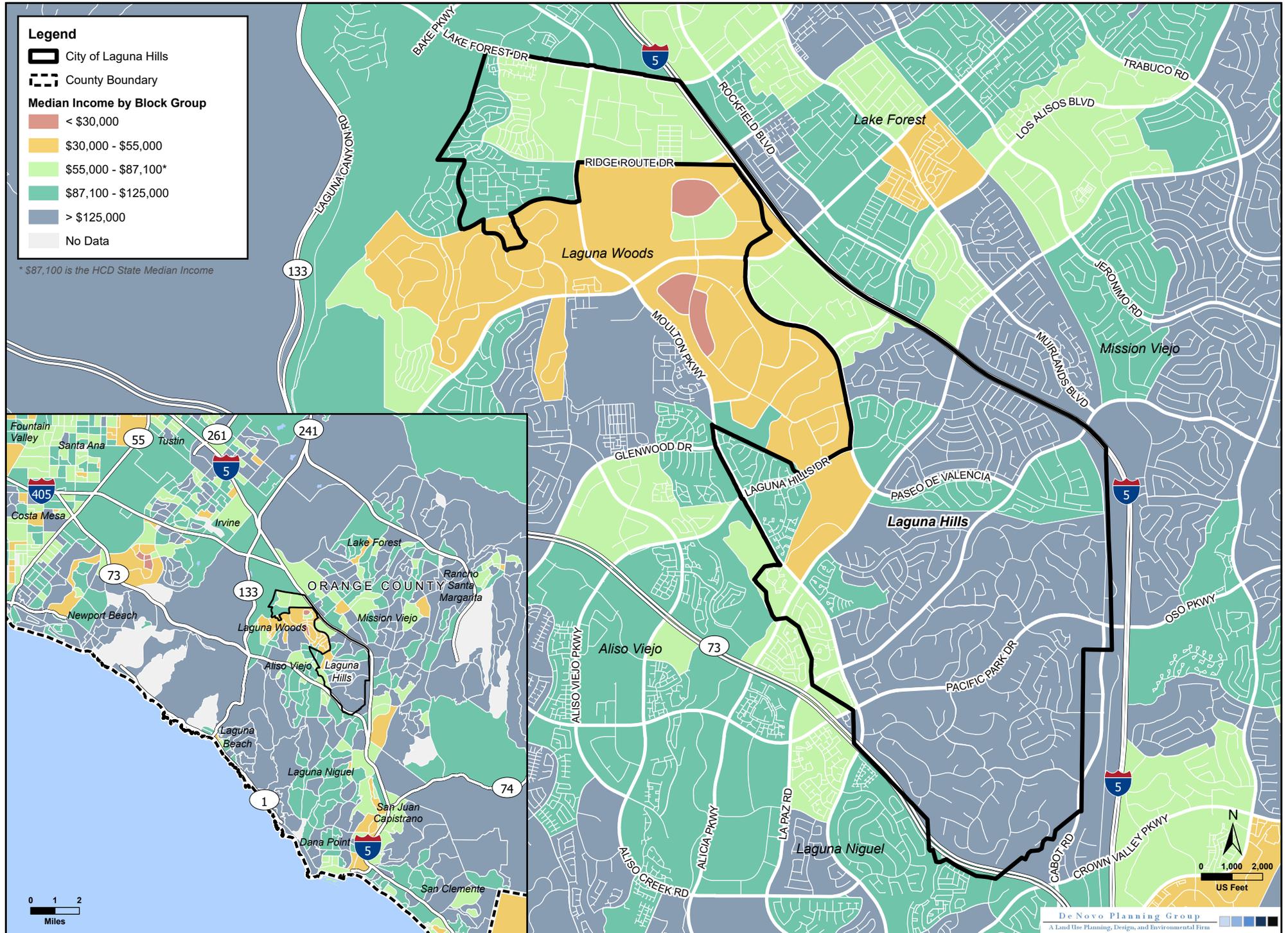
Laguna Hills' areas of concentrations of poverty and high diversity are also consistent with areas of linguistic isolation, as shown in Figure H-7, *Percentage of Population Linguistically Isolated*, particularly in the Via Lomas neighborhood and the moderate- and high-resource areas adjacent to Interstate 5. Up to 80 percent of the population in the Via Lomas neighborhood and the Laguna Hills Estate mobile home park experience linguistic isolation. Wealth inequality can result in areas of homogeneous incomes. Factors affecting wealth inequality include access to education, transportation, social networks, and primary language. Laguna Woods, Mission Viejo, and San Juan Capistrano similarly have neighborhoods along the Interstate 5 corridor that experience linguistic isolation. Conversely, the coastal cities of Newport Beach and Laguna Beach have low rates of linguistic isolation, likely due to the conformity of languages spoken in these areas (English). The City will address potential fair housing issues related to linguistic barriers through

offering resources in multiple languages and providing translation services (Program H-1, H-3, H-16, and H-17)

As shown in Figure H-8, *Percentage of Population 18 Years and Over Living Alone*, the percentage of Laguna Hills residents over 18 years living alone (versus with a spouse and/or children) increases in the City's moderate- and high-resource areas along Interstate 5 and the Via Lomas neighborhood, with single-person households comprising up to 35 percent of the resident population in these areas and exceeding 35 percent in the Laguna Hills Estate mobile home park neighborhood. Single-person households only comprise up to 10 percent of resident population living in the highest-resource areas in south Laguna Hills. The excessive concentration of single-person households in Laguna Hills indicates an uneven distribution of unit types and reflects concerns shared by Laguna Hills residents during public outreach events that seniors and young adults (including young adults that grew up in Laguna Hills) have limited affordable housing opportunities in Laguna Hills. The moderate- and high-resource areas adjacent to Interstate 5 and the Via Loma neighborhood provide multifamily residential in addition to single-family homes, which are more likely to provide studio and one-bedroom units appropriately sized for a single-person household. The highest-resource areas in south Laguna Hills are characterized by single-family residential that may be both inappropriately sized for a single-person household and unaffordable for a single income. Single-person households are more integrated in the cities surrounding Laguna Hills, with single adults typically comprising between 15 and 25 percent of the resident population, suggesting these cities provide a more even distribution of housing types. This includes high-resource coastal cities of Laguna Beach, Laguna Niguel, and Dana Point.

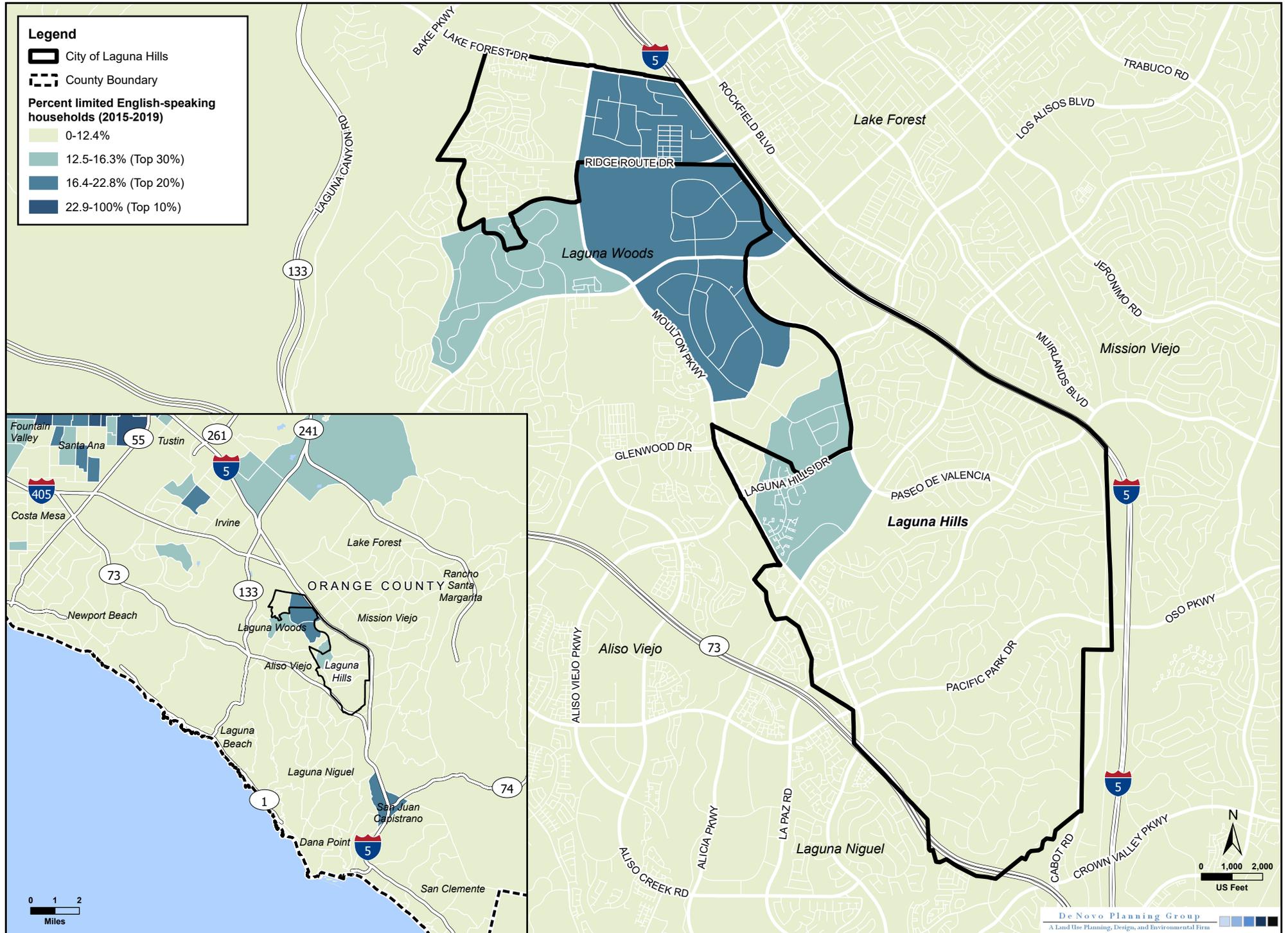
Single-parent households are at particular risk of fair housing access issues and displacement due to income and childcare challenges. Furthermore, single-parent female-headed households are considered to have a greater risk of experiencing poverty and displacement than single-parent male-headed households due to factors including the gender wage gap and difficulty in securing higher-wage jobs. As shown in Figure H-9, Laguna Hills and the surrounding region sees generally low rates of children in single-parent female-headed households, with higher rates in Laguna Hills found in the Via Lomas neighborhood, the Urban Village Specific Plan area, and in the eastern half of North Laguna Hills. These areas coincide with TCAC/HCD Opportunity area designations indicating moderate- and high-resource access. The City will implement Program H-15 to develop partnerships with affordable housing developers and Program H-7 to update the Zoning Code to facilitate the development of housing, ensuring the development of a variety of affordable housing types, including in high-resource areas.

FIGURE H-6: MEDIAN HOUSEHOLD INCOME (2015-2019)



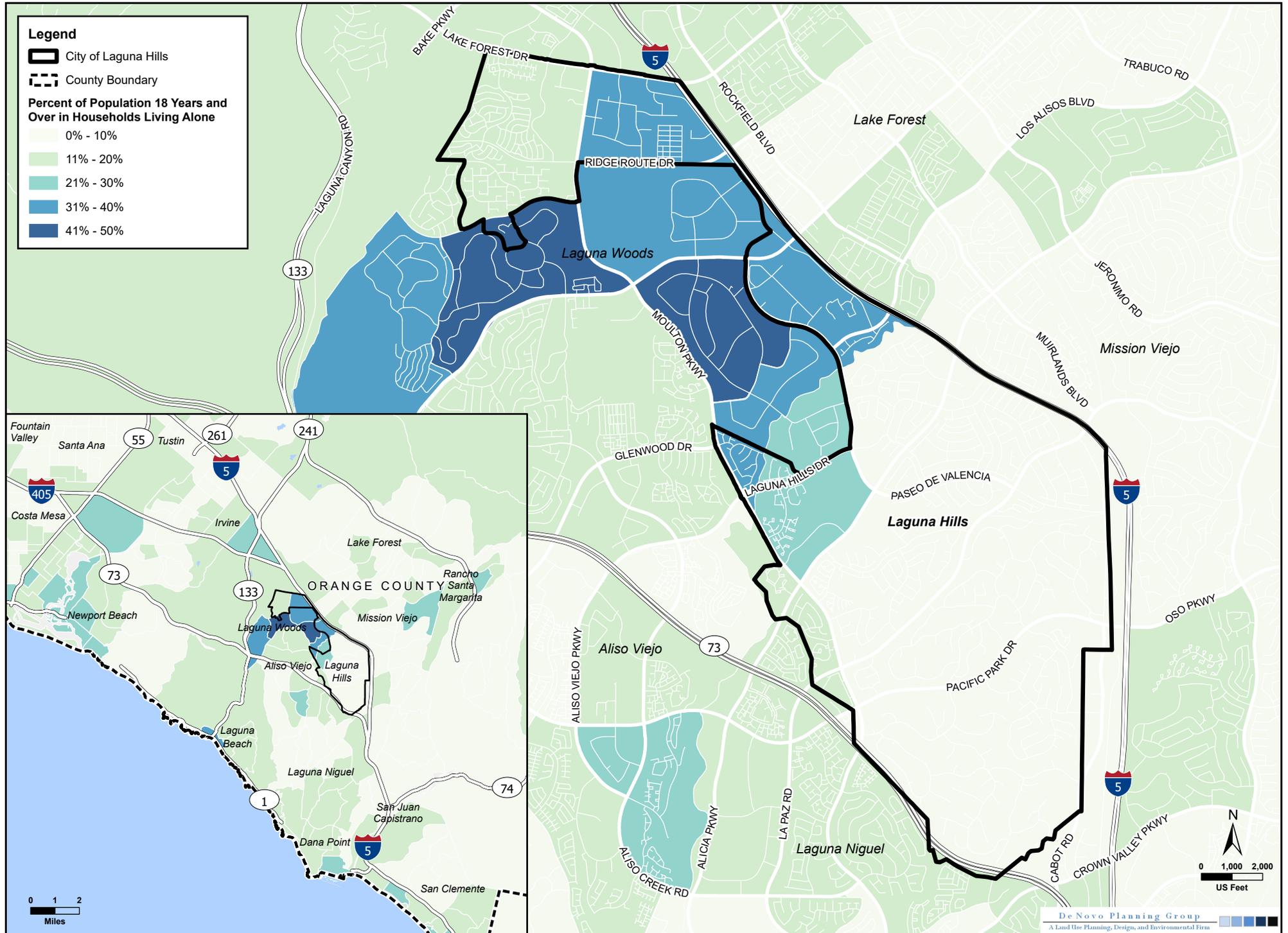
Sources: AFFH Data and Mapping Resources, California Department of Housing and Community Development, "MedianIncome_BlockGrp_2015_19." Map date: February 14, 2023.

FIGURE H-7: PERCENT OF POPULATION LINGUISTICALLY ISOLATED



Sources: AFFH Data and Mapping Resources, California Department of Housing and Community Development, "CalEnviroScreen04_DraftResults_2021." Map date: February 14, 2023.

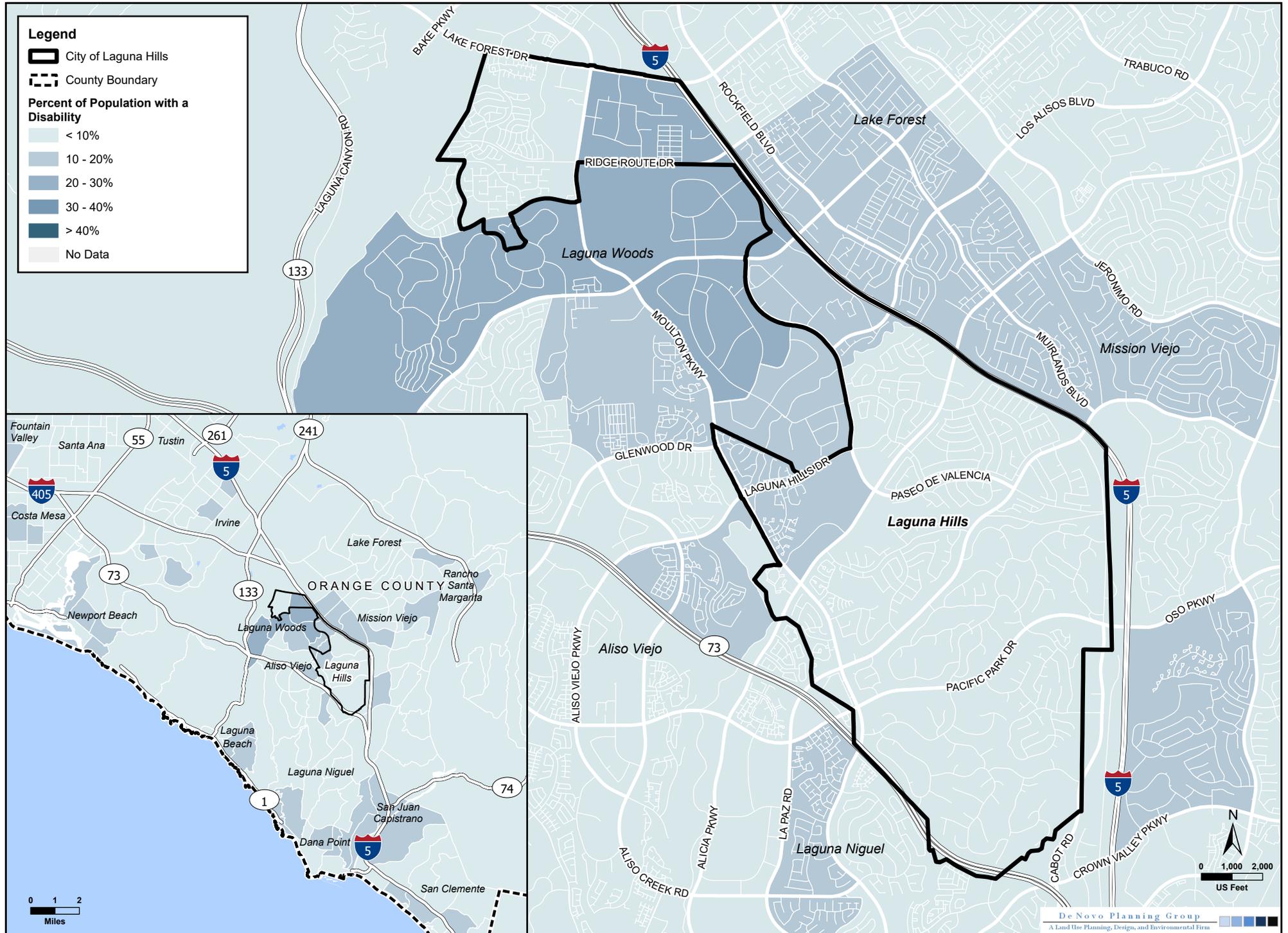
FIGURE H-8: PERCENT OF POPULATION 18 YEARS AND OVER LIVING ALONE



Sources: AFFH Data and Mapping Resources, California Department of Housing and Community Development, "FamilyStatus_Tract_2015_19." Map date: February 14, 2023.

Similarly, residents of Laguna Hills living with a disability primarily reside in the moderate- and high-resource areas along Interstate 5, with between 20 and 30 percent of the resident population in these neighborhoods living with a disability (see Figure H-10, *Population with Disability [2015-2019]*). Less than 10 percent of residents in the highest resource neighborhoods in south Laguna Hills live with a disability. Individuals living with disabilities are particularly vulnerable from a fair housing perspective because of accessibility concerns or risk of discriminatory actions from landlords. Further, individuals with disabilities can have specific considerations for housing, such as affordability for fixed incomes, accessibility features, and access to transit and other resources, that limit access to available housing types. The type and affordability of housing available in the highest-resource areas in south Laguna Hills may preclude disabled individuals from residing in these neighborhoods. The adjacent city of Laguna Woods has a higher population of persons with a disability (between 20 and 30 percent), likely from the significant senior population that live in Laguna Woods Village, a private gated retirement community that comprises about 90 percent of the city. Outside of Laguna Woods, higher percentages of persons with disabilities are concentrated in the low-resource areas in northern Orange County, particularly Westminster, Stanton, Fountain Valley, and Cypress. This indicates that Laguna Hills and surrounding high-resource cities of Aliso Viejo and Laguna Niguel do not have sufficient housing available and/or do not have housing appropriate for persons with disabilities. Respondents of an online survey that were supportive of increasing housing supply expressly identified the need for housing for senior citizens and persons with disabilities, suggesting that housing needs for seniors and persons with disabilities are not fully met in Laguna Hills. For these reasons, this Housing Element includes programs to ensure that existing housing may be appropriately retrofitted for Americans with Disability Act (ADA) accessibility through continuing code enforcement and rehabilitation programs and developing informational material on housing services available for persons with disabilities (Program H-1, H-3, H-16, and H-17).

FIGURE H-10: POPULATION WITH A DISABILITY (2015-2019)



Sources: AFFH Data and Mapping Resources, California Department of Housing and Community Development, "DisabilityPopulation_Tract_2015_19." Map date: February 14, 2023.

2. *Displacement Risk*

The annual rate of increase in average home value or rental prices compared with annual changes in the average income in the City indicates an increased risk of displacement due to housing costs outpacing wage increases, a trend that is felt throughout the region, state, and nation. The American Community Survey reported 5-year estimates for median rent gross rent in Laguna Hills as \$2,111 in 2019, \$1,819 in 2015, and \$1,727 in 2010, with median household incomes of \$102,358 in 2019, \$89,754 in 2015, and \$87,337 in 2010. During this period rent increased 22.2 percent, while median household income increased only 17.2 percent. This data indicates that increases in rental prices have outpaced rises in income in Laguna Hills, suggesting that renting residents, comprising most of the City’s lower-income households, may be at risk of displacement.

The Urban Displacement Project has developed a database identifying neighborhoods in Southern California that are vulnerable to gentrification and displacement as a part of their project to predict trends of gentrification and displacement based on community-engaged research process of market trends, housing, and jobs growth. The Urban Displacement Project defines gentrification as “a process of neighborhood change that includes economic change in a historically disinvested neighborhood — by means of real estate investment and new higher-income residents moving in — as well as demographic change — not only in terms of income level, but also in terms of changes in the education level or racial make-up of residents”.¹ Renewed interest in city neighborhoods can lead to or accelerate the displacement of city residents, typically low-income communities of color, due to rising commercial and residential rents.

The HCD/Urban Displacement Project’s Estimated Displacement Risk model for California identifies two census tracts within Laguna Hills as “at risk of displacement” (06059062647 and 06059062622); the rest of the City is identified as having a “lower displacement risk”. The “at risk” areas of Laguna Hills correspond to areas identified as moderate- or high-opportunity areas and include the Laguna Hills Estate mobile home park and the multifamily apartments, Prado, south of the former Laguna Hills Mall. The data indicate that residents living in the City’s relatively lower (i.e., moderate- and high-) opportunity areas have a higher risk of displacement than the highest-opportunity areas in the southern half of Laguna Hills. Areas with a higher risk of displacement generally have a higher proportion of renters and low-income households than areas with a lower displacement risk. It is important to note that both of the “at risk” census tracts in Laguna Hills are only partially located within city limits, with approximately half of the land area located outside of city limits in the Laguna Woods Village, an age-restricted retirement community. Residents of Laguna Woods Village are likely to be seniors on a fixed income; therefore, the high proportion of renters and low-income households is not necessarily representative of conditions within adjacent areas of Laguna Hills. Nonetheless, the City recognizes the importance of protecting residents from displacement and

has included a number of programs to prevent and/or mitigate the effects of displacement, including Programs H-5, H-12, H-14, H-15, and H-16.

3. *Access to Opportunity*

Access to proficient schools was a significant compelling factor in the development of suburban cities in Southern California between the 1960s and 1980s, and continues to hold considerable influence in housing choice. A New York Times article from 1977 titled “Los Angeles Schools Plan Busing Amid White Flight” suggested that middle-class families that could not afford private school transplanted to suburban areas, such as Orange County, to avoid court-ordered busing (Lindsey, 1977). There are nine census tracts located wholly or partially in Laguna Hills. All census tracts except one are designated as TCAC high or highest opportunity areas, and this designation applies to tracts in the north (north of Santa Marie Avenue/west of Moulton Parkway) and south areas (south of El Toro Road) of the community. Access to opportunity is not concentrated in any one specific geographic area. **Table H-44A** identifies the TCAC/HCD Opportunity resources levels by census tract and the corresponding scores for economic, educational, and environmental indicators. Possible scores range from 0.0 (least positive) to 1.0 (most positive).

| Census Tract | Opportunity Category | Economic Score | Educational Score | Environmental Score |
|--------------|----------------------|----------------|-------------------|---------------------|
| 626.21 | Highest | 0.84 | 0.73 | 0.80 |
| 626.22 | Moderate | 0.25 | 0.54 | 0.74 |
| 626.47 | High | 0.50 | 0.61 | 0.66 |
| 626.25 | High | 0.55 | 0.74 | 0.90 |
| 423.07 | Highest | 0.71 | 0.86 | 0.67 |
| 423.20 | Highest | 0.70 | 0.87 | 0.94 |
| 423.27 | Highest | 0.70 | 0.86 | 0.98 |
| 423.28 | Highest | 0.90 | 0.81 | 0.93 |
| 423.33 | Highest | 0.90 | 0.89 | 0.91 |

Source: HCD Regional Housing Needs Allocation, TCAC/HCD Opportunity Area Maps, City of Laguna Hills, 2022.

There is one census tract (06059062622), only partially located in Laguna Hills (approximately 50% of the total census tract area), that is identified as an area of moderate opportunity. The portion of this tract that is in Laguna Hills is primarily composed of lower intensity commercial development (majority office), public uses (including the Laguna Hills Civic Center), and very limited residential development (Laguna Hills Estates, an all-age mobile home community). The other half of this tract, located in the City of Laguna Woods, is composed of the Laguna Woods Golf Course (approximately 25%

of the total census tract area) and age-restricted low intensity multifamily development.

All census tracts in Laguna Hills have positive levels of education and environmental opportunity, with domain scores of 0.50 or greater. These patterns are described below in more detail and are generally consistent with the region, where census tracts in adjacent jurisdictions exhibit similar scores and patterns of opportunity (it is noted that across I-5, Laguna Hills' neighbor the City of Lake Forest has lower environmental domain scores for tracts along the freeway). The differentiating factor between the majority of Laguna Hills' census tracts (where levels of opportunity are high or highest) and the single tract with a moderate level of opportunity is the economic domain score; for this single tract, half of which is located in Laguna Woods, the lower economic domain score reduces the composite score enough to designate the tract as moderate resource opportunity. However, as described below, the indicators used to determine the economic domain score would be expected to be low in a community like Laguna Woods, where most residents are retired and living on fixed incomes (this is reinforced by the fact that the other tracts located exclusively in Laguna Woods have similarly low economic domain scores). When focusing exclusively on the portion of the census tract that is in Laguna Hills, the indicators related to economic opportunity are largely consistent with the other tracts in the City.

Education

As shown in HCD's AFFH Data Viewer (Figure H-1c) and Table H-44-A, the majority of Laguna Hills has positive educational opportunity (i.e., domain scores above 0.5), with educational scores ranging from 0.54 to 0.89 and a median score of 0.81. Educational scores are based on three indicators: math and reading proficiency, high school graduation rate, and student poverty. Education scores in Laguna Hills as a whole are relatively high when compared to other areas within the COG; however, within Laguna Hills, lower educational scores are located in the northern half of the City and correspond to moderate-, high-, and highest-opportunity areas, while the southern half of the City has relatively higher educational scores and correspond to highest-opportunity areas. This indicates that while all areas of the City have access to high-quality education, there is somewhat of an educational disparity between the more diverse and lower-income northern portion of the City and the wealthier and less racially-diverse southern portion of the City.

During the in-person workshop for the Housing Element, the potential for decreased school quality was a frequently expressed concern among Laguna Hills residents that opposed more housing development, suggesting that retaining access to high quality schools is a high priority for residents. There are four public schools within Laguna Hills City limits, three of which are located in south Laguna Hills (two elementary schools and a high school) and one located in north Laguna Hills (an elementary school). All four schools are within the Saddleback Valley Unified School District, which encompasses

all of Laguna Hills as well as Mission Viejo, Lake Forest, Rancho Santa Margarita, and Foothill Ranch. In a state review of 2016 California Assessment of Student Performance and Progress (CAASPP) test scores listed on School-Ratings.com, the three schools located in south Laguna Hills are ranked in the 74th percentile or higher when compared to other similar schools across the state. The elementary school located in north Laguna Hills is only ranked in the 34th percentile and serves students residing in the low- and moderate-resource areas of north Laguna Hills, including the low-resource areas adjacent to Interstate 5. According to data provided on School-Ratings.com, the ethnicity of a majority of the student population of the elementary school located in north Laguna Hills is Hispanic or Latino (61 percent). The other two elementary schools serve central and south Laguna Hills; however, this does not include the Via Lomas neighborhood despite its location in west-central Laguna Hills. Elementary students residing in the Via Lomas neighborhood attend elementary school in Mission Viejo, located east of Laguna Hills. The assigned elementary school is over two miles from the Via Lomas neighborhood, exceeding reasonable walking or cycling distance for students. This school ranked in the 35th percentile, indicating that 65 percent of similar schools performed higher than this school, including the two elementary schools located closer to the Via Lomas neighborhood. The high school, which ranked in the 89th percentile, serves all of Laguna Hills. While all Laguna Hills residents have access to a high-performing high school, residents of the moderate- and high-resource areas in north Laguna Hills and the Via Lomas neighborhood have limited access to proficient school opportunities for early education because of the quality of the schools. To address this, the City will engage with the local school district to create a program to address school boundaries and access to proficient education, specifically for the Via Lomas neighborhood (Program H-16).

Transportation

Laguna Hills is served by the OC Bus system, which provides public transportation for Orange County, and Metrolink, a train system providing connection across Southern California. The Laguna Hills Transportation Center (located close to the former Laguna Hills Mall) serves as the central transportation hub in the City with bus lines running north-south and east-west to connect the City. The OC Bus system has three lines that run north-south (lines 90, 83, and 91) and three lines that run east-west (lines 177, 87, and 89). However, there are no lines within Laguna Hills that offer 15 minutes weekday rush-hour frequency, which is offered in north and west Orange County. Standard fare for OC Bus is \$2.00 to board and \$5.00 for a one-day pass (unlimited transfers). Seniors, individuals with disabilities, and youth are eligible for discounted fares; and unlimited 30-day passes are available for \$69.00. The local Metrolink station (Laguna Niguel/Mission Viejo Station) is located in south Laguna Hills and provides transport through north Orange County to the Los Angeles Union Station. Residents in north Laguna Hills are closer to the Irvine station and would need to travel there to access Metrolink. Metrolink lines provide service Monday through Friday from roughly 4 a.m. to 8 p.m. on weekdays. A reduced schedule is offered on weekends.

All Transit, an online resource for transit connectivity, access and frequency data, explores metrics that reveal the social and economic impact of transit, specifically looking at the economy, equity, health, transit quality and mobility network. According to All Transit, Laguna Hills has a score of 4.1 out of 10, with a score of 10 being high connectivity, access to jobs and frequency of service. Areas of the City with relatively high transit scores are generally located near the former Laguna Hills Mall site, in the middle and eastern portion of the City, and along Paseo de Valencia.

Regionally, the Orange County Regional Analysis of Impediments to Fair Housing (AI) found that for the County as a whole, White residents have the lowest scores on the low transportation cost index (indicating greater access to low-cost transportation), while Hispanic residents have the highest score. There are no significant disparities between racial/ethnic groups in the low transportation cost index in most jurisdictions in Orange County. The County AI also found that transit index scores do not vary significantly by racial or ethnic group in most jurisdictions. Low transportation cost index scores as well as transit index scores are generally higher in north Orange County than south Orange County. Scores are generally higher in jurisdictions with greater levels of density.

Economic

As a suburban city of Los Angeles, Santa Ana, and other urban areas in North Orange County and Los Angeles County, Laguna Hills as it is known today was developed to provide middle-class families a separation between urban employment centers and suburban residential areas, relying on a network of freeways to provide access to employment centers. Laguna Hills is predominantly comprised of single-family residential subdivisions with limited commercial areas, but has grown to offer employment opportunities for range of incomes and education level. The MemorialCare Saddleback Hospital, located near the former Laguna Hills Mall, is the largest employer of Laguna Hills residents, employing approximately 10 percent of Laguna Hills civilian labor force. Figure H-11, *Jobs Proximity Index*, shows that low-wage workers across Laguna Hills, including the City's low-resource areas, benefit from greater access to nearby job centers based on the United States Department of Housing and Urban Development's (HUD's) job proximity index for 2014-2017, which calculates scores based on the number of jobs filled by workers with less than a bachelor's degree that fall within a typical commute distance in the region. No areas of Laguna Hills receive scores falling into "furthest proximity" categories, indicating low-wage workers would have to travel long distances to access jobs or job centers. North and south Laguna Hills have very close proximity to local job centers that can employ low-wage workers, most notably to the job centers in Irvine, Santa Ana, and other areas of north Orange County. The mean commute time for Laguna Hills is 25 minutes, which is less than the mean travel time for the Los Angeles-Long Beach-Anaheim Metro Area (31 minutes), which includes Orange County, and the national average (27 minutes). Neighboring cities, including Mission Viejo, Laguna Woods, Laguna Beach, and Laguna Niguel have respective mean commute times of approximately 28, 23, 27, and 28 minutes. In the wake of the pandemic in 2020, local real estate leaders shared through consultations that shifting to work-from-home has accelerated home sales and selling prices. While Laguna Hills features relatively good access to employment centers locally and in the County, flexible work schedules renewed interest in suburban cities like Laguna Hills since access to employment centers is less of a priority.

As shown in in HCD's AFFH Data Viewer (Figure H-1b) and Table H-44-A, the majority of Laguna Hills has positive economic opportunity (i.e., domain scores above 0.5), with a median economic score of 0.70. The single census tract in Laguna Hills with a moderate opportunity score has relatively low economic domain score (0.25), which is the primary factor in reducing the composite opportunity score for this tract below the other tracts in the City (i.e., those with high or highest levels of opportunity). The indicators used to influence the economic domain score include poverty, adult education, employment, job proximity, and median home value. As described below, one of these indicators—employment—should be expected to be significantly lower in the Laguna Woods portion of the census tract than the Laguna Hills portion, given that Laguna Woods is an age-restricted retirement community and its residents are primarily retired. Another indicator—median home value—is also significantly different when comparing values (by block group) between the Laguna Woods portion of the moderate resource census tract to the median home values of Laguna Hills homes on the north side of the City. The remaining economic indicators—poverty, adult education, job proximity—are not significantly different between this census tract and other tracts in Laguna Hills, which illustrates that these factors are not contributing to this tract's designation as a moderate opportunity area. Rather, the designation of moderate opportunity is primarily a result of the fact that half of this single census tract is located in the City of Laguna Woods and includes a golf course and age-restricted residential development. The natural characteristics of the development pattern in Laguna Woods, combined with the very limited existing residential development in the Laguna Hills side of the census tract, has resulted in a low economic score for the tract as a whole, but should not be taken to indicate that future residents who locate to this area as a result of development of the City's opportunity sites would have lower levels of opportunity; rather, based on this research, it would be expected that if TCAC scores were assigned at the block group level, it would be expected that the Laguna Hills portion of the tract would be an area of high or highest opportunity, consistent with tract 06059062621, immediately to the west. New residents of this area will enjoy similar access to opportunity consistent with the other neighborhoods of Laguna Hills, and the introduction of new residents, at all income levels, will help to improve some of the indicators of this tract with lower scores, such as employment. Moreover, new residential development is expected to occur as part of mixed-use projects, where new development can introduce a broader array of jobs, housing, and recreation opportunities to an area in need of private investment.

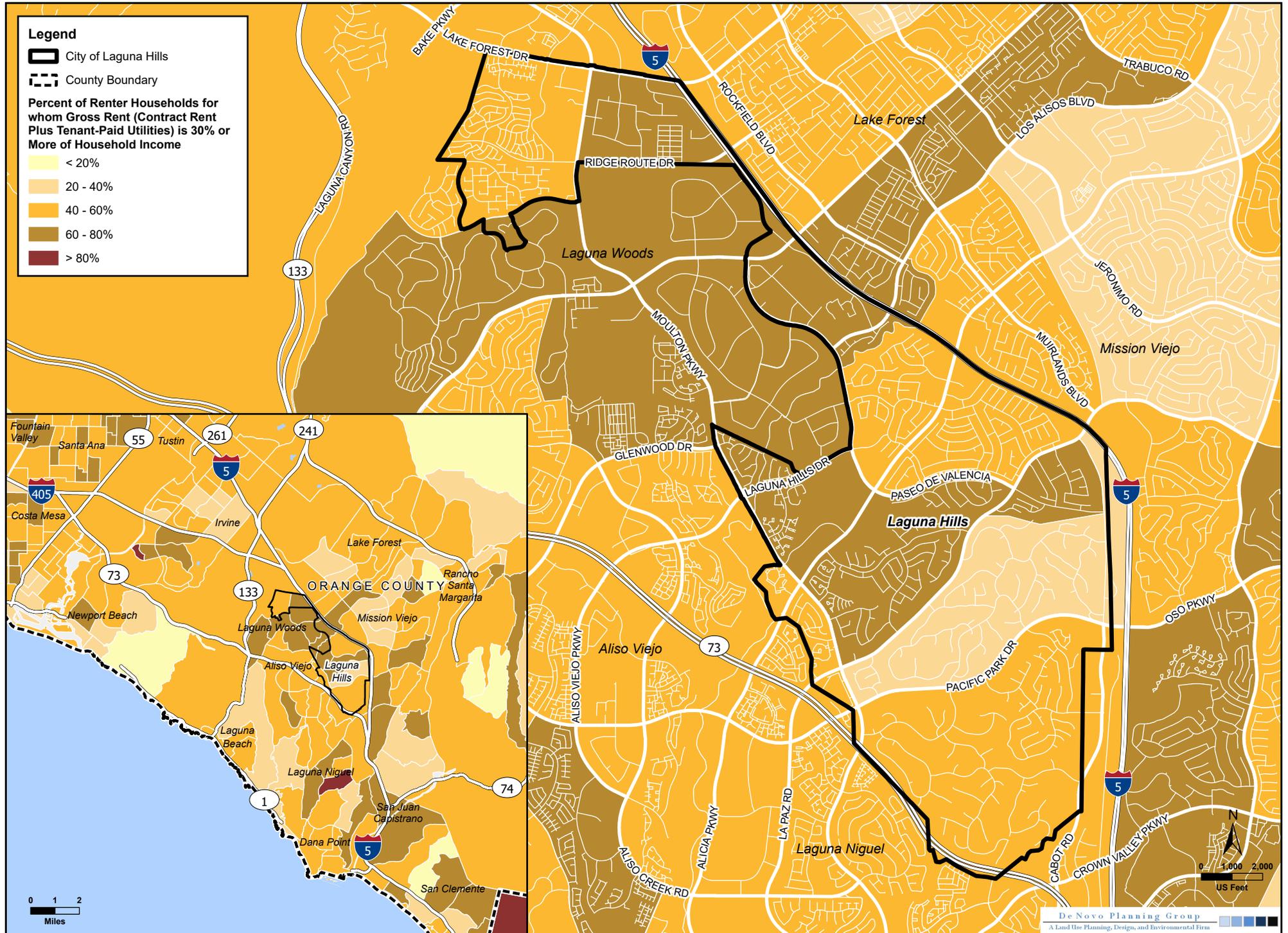
Environment

In October 2021, the California Office for Environmental Health Hazard Assessment (COEHHA) released the fourth version of CalEnviroScreen, a tool that uses environmental, health, and socioeconomic indicators to map and compare community's environmental scores. CalEnviroScreen relies on a number of indicators that measure an area's pollution burden, including ozone and particulate matter concentrations, drinking water contaminants, pesticide use, toxic release sites, and proximity to hazardous waste and solid waste sites and facilities. As shown in HCD's AFFH Data Viewer (Figure H-1d) and Table H-44-A, Laguna Hills has generally high environmental domain scores (indicating positive environmental outcomes), with environmental scores ranging between 0.66 to 0.98 and a median score of 0.90. The highest (most positive) scores in the City are concentrated in southern Laguna Hills within the City's highest-resource areas. The lowest scores in the City are located in the middle-northeastern portion of the City, generally along Interstate 5, in moderate- and high-resource areas. This implies that compared to the rest of Laguna Hills, residents of this area are disproportionately burdened by multiple sources of pollution, possibly from the proximity to a major interstate. On the whole, Laguna Hills' environmental conditions reflect the surrounding coastal communities that offer access to open space, coastal areas, and parks, including the Orange County-managed park Aliso and Wood Canyons Wilderness, which has over 30 miles of trails. The dense, urban cities in north Orange County received drastically higher scores and are highest in the low-resource areas of Santa Ana, Stanton, Anaheim, and Buena Park. To address environmental justice concerns in Laguna Hills, the City is concurrently updating its Safety Element, which includes an assessment to identify neighborhoods that are disproportionately affected by pollution and other hazards that contribute to negative health effects, exposure, and environmental degradation as well as access to parks, grocery stores, and bicycle routes to inform policies to be included in the General Plan. Additionally, as described further in the Sites Inventory section below, the Housing Plan and Sites Inventory seeks to develop more affordable opportunities throughout Laguna Hills, including in areas with the highest environmental domain scores.

4. *Disproportionate Housing Need*

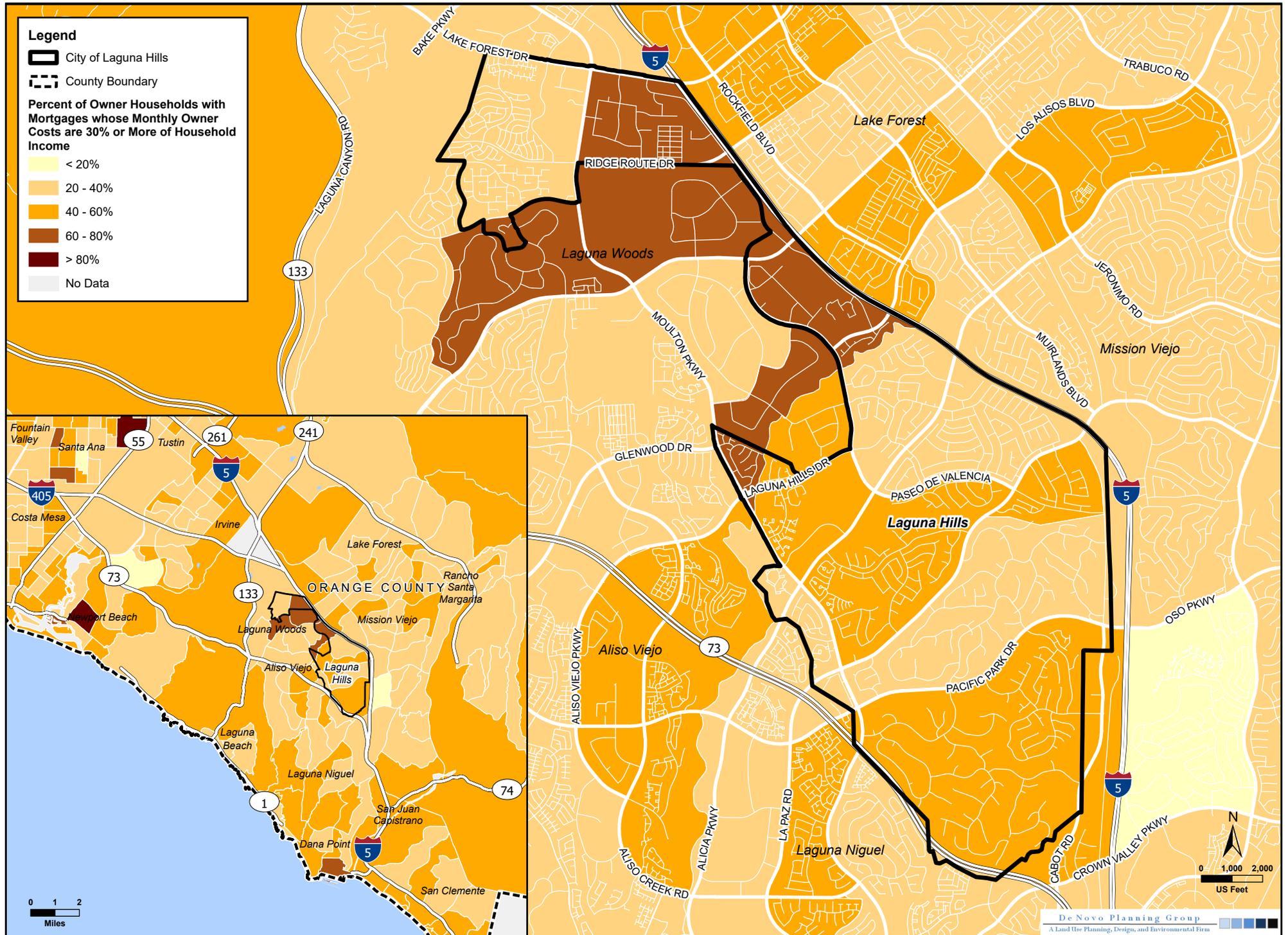
As discussed in the Housing Needs Assessment chapter, overpayment is a significant issue for Laguna Hills residents, with 40.7 percent of Laguna Hills households with housing cost burden. Housing cost burden impacts a majority of renting households (51.3 percent) and over a third of owner households (36.3 percent). As shown in Figure H-12, *Overpayment by Renters (2015-2019)*, housing cost burden for renting households is experienced across the City, with up to 50 percent of renting households paying over 30 percent of monthly income toward housing expenses in most areas of the City. In the moderate- and high-resource areas along Interstate 5, the Via Lomas neighborhood, and the highest-resource area in south Laguna Hills, cost-burdened renting households exceed 65 percent of the population. Overpayment in Laguna Hills impacts extremely low-, very low-, and low-income households (see Table H-11, *Overpayment by Income and Tenure, 2013-2017*, in the Housing Needs Assessment chapter). This pattern can be seen geographically, with highest levels of cost-burdened renters observed in the Via Lomas neighborhood and in the moderate- and high-resource areas along Interstate 5. While less severe citywide, Laguna Hills owner households in the Via Lomas neighborhood, moderate- and high-resource areas along Interstate 5, and the highest-resource areas in south Laguna Hills experience the highest levels of cost burden in the City (Figure H-13, *Overpayment by Owners [2015-2019]*). Rates of overpayment in Laguna Hills are consistent with trends countywide, with about 40.5 percent of Orange County households overpaying for housing. The significant portion of cost-burdened Laguna Hills residents across the City may indicate that housing is unaffordable for all income levels. As described in the Housing Needs Assessment chapter, very low- and low-income households can afford some rental housing in Laguna Hills; however, fewer options are available for homeownership (see Tables H-26 through H-29). The City will seek to address overpayment by helping to facilitate the development of below-market rate housing and addressing the overall need for increased housing. The following programs, enumerated in greater detail in other sections, would work together to address affordable housing creation and mitigate displacement through land use changes, preserving at-risk units, density bonuses, Section 8 rental assistance, and other means: Program H-1, Program H-3, Program H-4, Program H-7, H-14, H-15, and H-16.

FIGURE H-12: COST-BURDENED RENTER HOUSEHOLDS BY CENSUS TRACT



Sources: AFFH Data and Mapping Resources, California Department of Housing and Community Development, "Overpayment_Tract_2015-19." Map date: February 14, 2023.

FIGURE H-13: COST-BURDENED OWNER HOUSEHOLDS BY CENSUS TRACT



Sources: AFFH Data and Mapping Resources, California Department of Housing and Community Development, "Overpayment_Tract_2015-19." Map date: February 14, 2023.

Overcrowding is not a significant issue in Laguna Hills, with less than 5 percent of households living in an overcrowded living situation and less than 2 percent living in a severely overcrowded situation (Table H-10, *Overcrowded Households, 2014-2018*, in the Housing Needs Assessment chapter). In Orange County as a whole, the rate of overcrowding is very high (9.51 overall and 15.97 among renters), according to the 2020-2024 Orange County Regional AI, but found that “most housing units in the county contain 2 (28%), 3 (30%), or 4 (21%) bedrooms, indicating that on paper, accessing housing units with enough bedrooms to house families or live-in aides using a voucher is likely.” However, when overcrowding is reviewed by race countywide, White, Black, and Asian American residents live in overcrowded conditions at a rate of 6 or 7 percent, while Hispanic residents are overcrowded at a rate of 26 percent. As shown in Figure H-14, while Laguna Hills exhibits very low rates of overcrowding citywide, the rate of overcrowding increases to 13 percent of households in the Via Lomas neighborhood, coinciding with a concentrated, predominantly Hispanic neighborhood (83 percent Hispanic). This pattern of overcrowding matches the region, with higher rates of overcrowding observed in areas characterized by higher amounts of multifamily housing, which tends to be more affordable, such as the dense, urban cities in north Orange County. The rate of overcrowding in the Via Lomas neighborhood could indicate that appropriately sized housing is unaffordable to current residents. Laguna Hills has supply of housing units to accommodate larger households, including 5,126 two or three-bedroom housing units and another 4,206 housing units with four or more bedrooms (ACS 2014-2018). However, lower-income large renter households may have greater difficulty securing adequately sized units than other large renter households. As discussed, in the Housing Needs Assessment, much of Laguna Hills’ single-family housing is unaffordable to low-income households: low-income households can afford some condominiums and houses (Table H-26) and rental housing (Table H-27), but low vacancy rates compound an already competitive market. As higher density and affordable single-family houses was not a priority at the time of development, they are underrepresented in Laguna Hills today. Overcrowding in the Via Lomas neighborhood demonstrates a greater need for affordable, larger housing units in Via Lomas neighborhood and access to affordable larger housing units citywide. The City anticipates that Programs H-11 and H-21 will ensure adequate housing sites are provided and encourage a variety of housing types to meet the needs of diverse households and family structures.

Although the housing stock in Laguna Hills tends to be between 30 and 50 years of age (Table H-25, *Housing Units by Year Built, 2014-2018*, in the Housing Needs Assessment chapter), the City is not characterized by major deficiencies regarding housing deterioration or livability issues. As discussed in the Housing Needs Assessment, less than 10 percent of the City's housing units were built prior to 1970. As discussed, the majority of housing stock in Laguna Hills is well maintained and in good condition. The Aliso Meadows condominiums were renovated with Community Development Block Grant (CDBG) funds during the 2014-2015 program year. As the housing stock ages, need for repair and rehabilitation may become more common, thus increasing the risk of displacement for occupants of those units. Countywide, disproportionate housing needs, including substandard housing, impact a majority of Hispanic households according to the 2020-2024 Orange County Regional AI. Over 60 percent of Hispanic households experience at least one of the four housing problems, which is a higher rate of incidence than any other racial or ethnic group in the county. The cities of Anaheim, Buena Park, Costa Mesa, Fullerton, Garden Grove, Laguna Niguel, Lake Forest, Orange, Rancho Santa Margarita, San Clemente, San Juan Capistrano, Santa Ana and Tustin all exhibited at least 60 percent of Hispanic households experiencing at least one housing problem. In Laguna Hills, the Via Lomas neighborhood has the highest concentration of Hispanic households and as discussed, has the highest rates of overcrowding, which can exacerbate substandard housing conditions. Therefore, while the Aliso Meadows condominiums were renovated in 2014-2015, other housing in the Via Lomas neighborhood may benefit from repair, maintenance, or rehabilitation. The City will continue to use its code enforcement program to bring substandard units into compliance with City codes and improve overall housing conditions in Laguna Hills (Program H-1). The City will continue to work with the Orange County Housing and Community Services Department to help secure rehabilitation loans and grants for low- and moderate-income homeowners and rental property owners who need assistance to rehabilitate or repair their homes (Program H-3).

As discussed in the Housing Needs Assessment section (see Table H-2, *Total Population by Age, 2014-2018*), Laguna Hills has a high percentage of residents between the ages of 60 and 74 (17 percent of the resident population). To meet the needs of the older population, there are two housing developments that provide housing specifically for seniors: the Willows, which contains 152 ground-level units, and Meridian, which contains 396 units with options for independent living, assisted living, and nursing care. Additionally, Laguna Hills offers a Dial-A-Taxi program for seniors to provide curb-to-curb transport within Laguna Hills, Mission Viejo, and Laguna Woods. The Dial-A-Taxi program includes vans with lift equipment and standard sedans. The Orange County Transportation Authority (OCTA) provides Access Paratransit for seniors and individuals with disabilities for transport throughout Orange County. Laguna Hills residents living with disabilities can access resources for housing referrals, adult day programs, employment

programs, therapy, and vocational training through the Regional Center of Orange County (RCOC), which serves as the point of entry for Laguna Hills residents with developmental disabilities. The closest RCOC office is located in Santa Ana. The City requires new developments to comply with Title 24 of the California Building Code to ensure that all new construction meets accessible design standards, thus ensuring that all new housing is accessible for all residents regardless of disability. Furthermore, the City ensures that existing housing that may not meet the same accessibility requirements can be adapted as needed through their reasonable accommodation process, discussed in the Governmental Constraints section of this Housing Element, and assistance with rehabilitations (Program H-3).

5. *Enforcement and Outreach Capacity*

The City enforces fair housing and complies with fair housing laws and regulation through a twofold process: review of City policies and code for compliance with State law and referring fair housing complaints to appropriate agencies. The City complies or intends to comply with fair housing laws through the following:

- Density Bonus Law (Government Code Section 65915). The City demonstrates compliance with Density Bonus through Chapter 9-72 of the Municipal Code, which currently allows for an increase of up to 35 percent over the maximum allowable residential density. Assembly Bills 2753, 2372, 1763, 1227, and 2345 were passed in 2018, 2019, and 2020 and revised density bonus law to provide additional benefits for qualifying projects. The City has included Program H-7 to update the density bonus ordinance to be consistent with the most recent State laws.
- No-Net-Loss (Gov. Code Section 65863). The City intends to continue to comply with No-Net-Loss law by identifying a surplus of sites available to meet the County's RHNA allocation. In total, the City's surplus unit capacity is 1,076, composed of 619 lower-income units, 51 moderate-income units, and 406 above moderate-income units.
- Housing Accountability Act (HAA) (Gov. Code, Section 65589.5). The City intends to comply with the Housing Accountability Act by allowing emergency shelters by right in residential zones through Program H-7.
- Senate Bill (SB) 35 (Gov. Code Section 65913.4). The City will comply with SB 35 by establishing a written policy or procedure, as well as other guidance as appropriate, to streamline the approval process and standards for eligible projects within two years of Housing Element adoption (Program H-10).
- Senate Bill (SB) 330 (Gov. Code Section 65589.5). The City complies with SB 330, relying on regulations set forth in the law for processing preliminary application for housing development projects, conducting no more than five hearings for housing projects that comply with objective general plan and development standards, and making a decision on a residential project within 90 days after certification of an environmental impact report, or 60 days after adoption of a mitigated negative

- declaration or an environmental report for an affordable housing project.
- California Fair Employment and Housing Act (FEHA) and Federal Fair Housing Act. The City provides protections to residents through referrals to legal assistance organizations regarding housing discrimination based on protected characteristics.
 - Review Processes (Government Code Section 65008). The City will review affordable development projects in the same manner as market-rate developments, except in cases where affordable housing projects are eligible for preferential treatment including, but not limited to, on sites subject to AB 1397 (Programs H-10, H-15).
 - Assembly Bill (AB) 686 (Government Code Section 8899.50): The City will comply with AB 686 by completing an updated Assessment of Fair Housing (AFH) and will identify strategies to alleviate fair housing issues.
 - Equal Access (Government Code Section 11135 et seq.). The City will comply with Equal Access law by ensuring all programs and activities are accessible and that translation services are made available. (Program H-17)

Laguna Hills refers fair housing complaints to the Fair Housing Council of Orange County. The Fair Housing Council investigates housing discrimination complaints, assists complainants with referrals to government enforcement agencies and assists in, or becomes a party to, litigation aimed at halting illegal discriminatory housing practices. In addition, the Fair Housing Council provides fair housing education, landlord/tenant counseling, mediation, and homebuyer HUD counseling, which includes first-time homebuyer education and mortgage default counseling. Services are available in English, Spanish, and Vietnamese and provided free of charge to low- to moderate-income clients and to others for a moderate donation. The City disseminates information about fair housing laws, resident rights, and remedies for fair housing complaints. The City will continue to ensure that fair-housing literature is available in the Community Development Department, on the City's website, and at the Laguna Hills Technology Library (Program H-16).

As part of the Fair Housing Assistance Program (FHAP), the California Department of Fair Employment and Housing (DFEH) dual-files fair housing cases with HUD's Region IX Office of Fair Housing and Equal Opportunity (FHEO); HUD FHEO reported that six cases were filed by residents of the City of Laguna Hills between January 1, 2013, and March 23, 2021. Among these cases, three were based on national origin and three bases were unknown. Of these six cases, five resulted in a no-cause determination and one failed to respond. None of these fair-housing agencies provided specific location information for cases; either because they do not track the geographic origin of complaints or because of confidentiality concerns. Therefore, the City was unable to conduct a spatial analysis of fair-housing cases to identify any patterns or concentrations of fair-housing issues in the City. Countywide, the 2020-2024 Orange County Regional AI identified "lack of local private fair housing outreach and enforcement," "lack of local public

fair housing enforcement” and “lack of resources for fair housing agencies and organizations” as contributing factors to fair housing issues that analysis was able to identify. The Regional AI established a countywide goal to increase fair housing enforcement, education, and outreach, recognizing the critical role nonprofit fair housing organizations and legal service providers play to address fair housing issues but face limitations due to financial and staff capacity. The Regional AI finds that by “supporting these organizations, jurisdictions can help ensure that these organizations can address existing and critical emerging issues, like those that have stemmed from the passage of S.B. 329, which extends source of income protections to Housing Choice Voucher holders, and A.B. 1482, which caps annual rent increases in at five percent plus the regionally-adjusted Consumer Price Index and requires landlords to have “just cause” in order to evict tenants. It would also make proactive audit testing of housing providers rather than reactive complaint-based testing more feasible.” The Cities of Aliso Viejo, Anaheim, Buena Park, Orange, Costa Mesa, Garden Grove, Irvine, Laguna Niguel, Lake Forest, Mission Viejo, Rancho Santa Margarita, San Clemente, San Juan Capistrano, City of Santa Ana, and Tustin all committed to jurisdiction-specific efforts to increase access to fair housing education and services.

6. *Land Use*

Laguna Hills incorporated and officially became a city in 1991. At the time of incorporation, the City was primarily built out, with single family residential development subdivisions approved for construction by Orange County in remaining undeveloped areas. Even Laguna Hills’ two assisted housing developments (the Rancho Moulton apartments and Rancho Niguel apartments) and the mobile home development in North Laguna Hills pre-existed the City’s incorporation. Laguna Hills’ growth can be characterized as a conglomeration of pre-existing uses, with residential development primarily taking place in the 30 years prior to incorporation. Similar to much of southern California, the Laguna Hills area and surrounding cities have their roots in ranching for cattle grazing and developed as a suburban, predominantly single-family residential city in the latter half of the 20th century. Laguna Hills is built on one of the major land grants developed during the Rancho Era following Mexico’s independence from Spain in 1821. Laguna Hills and the surrounding cities were owned by the Moulton Family for dry farming and raising sheep and cattle. Residential development began in earnest during the 1960s when the Moulton Ranch was first subdivided, likely propelled by the exodus of White families from urban centers to pursue suburban life and higher-performing schools, including Los Angeles, between 1960 and 1980¹. During this time, Orange County’s population grew by 174 percent, starting at 703,925 in 1960 and growing to 1,420,386 in 1970 (with the White population comprising 88 percent of County’s population) and 1,932,709 in 1980 (Schneider, 2008). Following incorporation in 1991, the

¹ Schneider, Jack. (2008). Escape From Los Angeles: White Flight from Los Angeles and Its Schools, 1960-1980. *Journal of Urban History* - J URBAN HIST. 34. 995-1012. 10.1177/0096144208317600.

City approved two annexations, which were fully built out at the time of annexation. In 1995, the City Council approved annexation of North Laguna Hills and in 2000 City Council approved annexation of the “Westside,” which added 149 acres of residential land.

Stakeholders acknowledged the overall desirability of Laguna Hills as a suburban community, and the continued demand for single-family homes within Laguna Hills and the surrounding area. As higher-density housing was not a priority or in demand at the time of development, and consequently underrepresented in Laguna Hills today, stakeholders encouraged redevelopment to incorporate housing at a variety of densities that could be affordable to lower income households. Local developers indicated that for affordable housing development, developers may need at least 60 units per project to be profitable.

7. *Mortgage Lending*

Data related to home loan applications is made available annually through the Consumer Financial Protection Bureau, through the Home Mortgage Disclosure Act (HMDA). The Consumer Financial Protection Bureau provides mortgage data specific to census tracts as opposed to jurisdiction boundaries, so data for Laguna Hills exceeds City boundaries and encompasses surrounding areas, including parts of Laguna Woods, Aliso Viejo, and Laguna Niguel. In 2020, White applicants accounted for 43 percent of all mortgage loan applications for home purchase and 46 percent of all originated loans in the Laguna Hills and surrounding area. Asian applicants made up 14 percent of loan applications and 15 percent of originated loans. This reflects Laguna Hills’ racial composition, which is predominantly White with a growing Asian population. While Hispanic residents make up 20 percent of Laguna Hills’ racial composition, Hispanic applicants (applicants of any race indicating their ethnicity as “Hispanic or Latino”) made up only 6 percent of loan applications and 6 percent of total applications originated. Black, American Indian, and Native Hawaiian applicants each represented less than 1 percent of loan applications and originated loans, reflecting a similar representation in Laguna Hills’ population. However, the low rate of applications from these groups may indicate difficulty building capital necessary to pursue home ownership. In 2020, applicants applied for three types of loans for home purchase: conventional, Federal Housing Administration (FHA), and Veterans Administration (VA) loans. In 2020, Asian applicants had the lowest denial rate across all loan types. Asian applicants primarily applied for conventional loans; of 151 total applications made by Asian applicants, 107 were originated (71 percent) and 4 were denied (3 percent). Few Asian applicants applied for FHA or VA loans; of those who did, none were denied by the financial institution. White applicants had the highest participation in each of the loan types and similar success rate across the three loans, with a denial rate of 7 percent for conventional, 8 percent for FHA, and 6 percent for VA, indicating relative ease for White applicants to purchase a home with any

loan type. Similar to Asian applicants, Hispanic applicants had very low participation in applying for home purchase with FHA and VA loans, primarily applying for conventional loans. The denial rate for Hispanic applicants (18 percent) is over double the White applicant denial rate, suggesting that Hispanic applicants have less success originating loans, which can deny access to securing housing in high-resource areas. The overall lack of applications for FHA and VA loans by groups other than Whites implies communities of color, particularly low- or moderate-income communities of color that cannot afford a conventional loan, have less access to capital to access homeownership compounded by limited availability of affordable housing. Homeownership is a primary means of building equity and intergenerational wealth. Overall, White households experience low barriers to homeownership in Laguna Hills utilizing all loan types and Asian households have the most success in originating conventional loans, allowing for economic mobility through homeownership. Communities of color, including low- and moderate-income communities of color, have limited access to economic mobility through homeownership. To address this disparity in access, the City of Laguna Hills will partner with local non-profits to provide education and support through the home buying process (Program H-16).

Sites Inventory

Government Code Section 65583(c)(10)(A) added a new requirement for Housing Elements to analyze the location of lower-income sites in relation to areas of opportunity. The location of housing in relation to resources is integral in fostering inclusive communities and addressing disparities in access to opportunity.

To assess whether sites improve or exacerbate fair housing conditions and whether sites are isolated by income group, the City examined the 2022 Opportunity Areas map prepared by TCAC and HCD (**Figure H-15**), which identifies areas where characteristics have been shown by research to support positive economic, educational, and health outcomes for low-income households and positive long-term outcomes for children in particular. As seen in **Figure H-15**, Laguna Hills includes census tracts with TCAC/HCD designations including Moderate, High, and Highest Resource. Sites identified to accommodate the RHNA are found in Moderate, High, and Highest Resource areas. Low-income units are well distributed across census tracts designated as Moderate, High, and Highest Resource areas. Moderate-income units are primarily found in high-resource areas. There is no available vacant land in the southern portion of the City, which consists primarily of low-density residential uses and is designated as highest-resource – in order to provide additional housing opportunities these areas, the City will pursue a strategy aimed at the promotion of ADU development. The City has introduced sites in an effort improve fair housing conditions to the greatest extent possible in the context created by

City’s existing development. As will be described in this section, in cases where identified sites may introduce the potential to exacerbate existing fair housing issues, the City will promote greater access to opportunity and quality of life improvements in these areas through the place-based anti-displacement and community revitalization strategies as reflected in Policies **H1.1, H1.3, and H3.2**, and implemented through Programs **H-1, H-2, H-3, H-4, H-5, H-6, H-7, H-9, H-15, H-16, and H-17**. Figures **H-15** through **H-24** and accompanying charts included in this sites inventory analysis present the number of projected units by income category and overall site acreage and assess how the sites’ locations will affirmatively further fair housing in terms of the sites’ impacts on patterns of segregation and integration and access to opportunity for Laguna Hills residents.

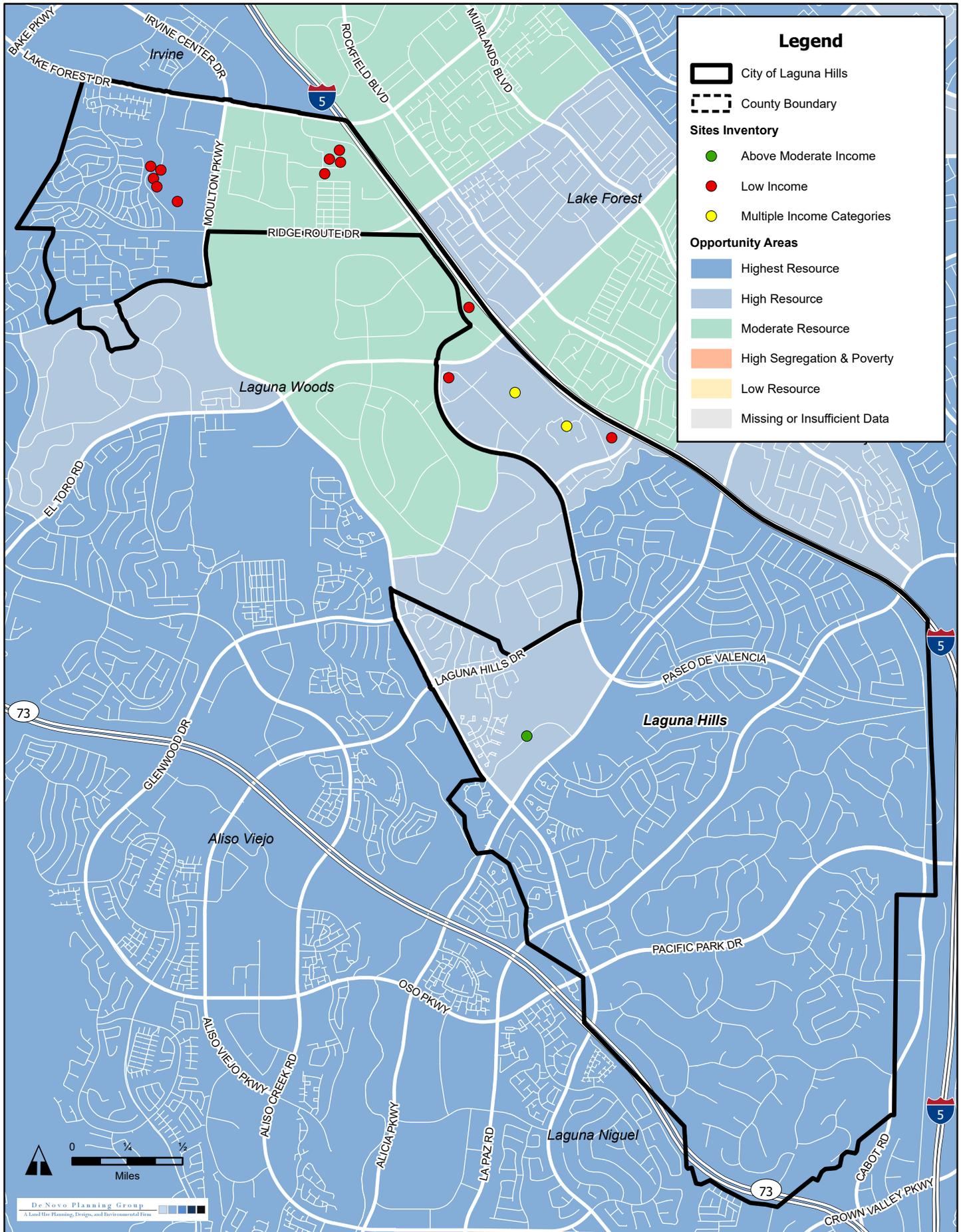
Laguna Hills’ 6th Cycle RHNA allocation totals 1,985 units, separated by income level and number of units as follows: very low, 568; low, 353; moderate, 354; above moderate, 710 (Table H-45). There are no vacant parcels suitable for development in Laguna Hills, so the City has identified underutilized sites to accommodate the RHNA allocation resulting in a total unit count of 3,043, exceeding the City’s allocation. Additionally, the City will promote the development of ADUs in all residential areas, pursuant to **Programs H-7 and H-8**. As shown in **Figure H-15**, the City has committed to a distribution of sites across different neighborhoods and districts in an effort to prevent a concentration of sites in any single section of the City. Identified housing opportunity sites comprise a total of 135 acres, approximately 3 percent of the City’s total acreage. As described in the Housing Resources section and shown on Figures H-25 and H-26, three categories of underutilized sites are included to meet the City’s RHNA:

1. Underutilized Sites with Anticipated Projects
 - a. Oakbrook Village
 - b. The Village at Laguna Hills
 - c. Planned Community Via Lomas (PCV)
2. Underutilized Sites, Candidates for Rezoning
3. Underutilized Sites, VC Zone

Pursuant to **Program H-7**, sites planned for rezoning must allow for a density of at least 30 units per acre, meeting the mandatory minimum requirement for low-income housing density. As described in the Housing Resources section, while 30 units per acre is the default density for lower-income units assigned to Laguna Hills by the State, the City intends to rezone sites to allow up to 50 units per acres. Redevelopment of the underutilized sites is considered likely due to a confluence of several factors. Refer to the subsection “Underutilized Sites Analysis” in the Housing Resources chapter for detailed descriptions of these factors. Units on identified sites are distributed across different sections of the City and are targeted for affordability across multiple income categories pursuant to **Program H-6** and **Policies H-2.1, H2.2, and H2.3**. **Table H-44B** shows the distribution of total unit capacity on identified sites organized by TCAC/HCD Opportunity Area.

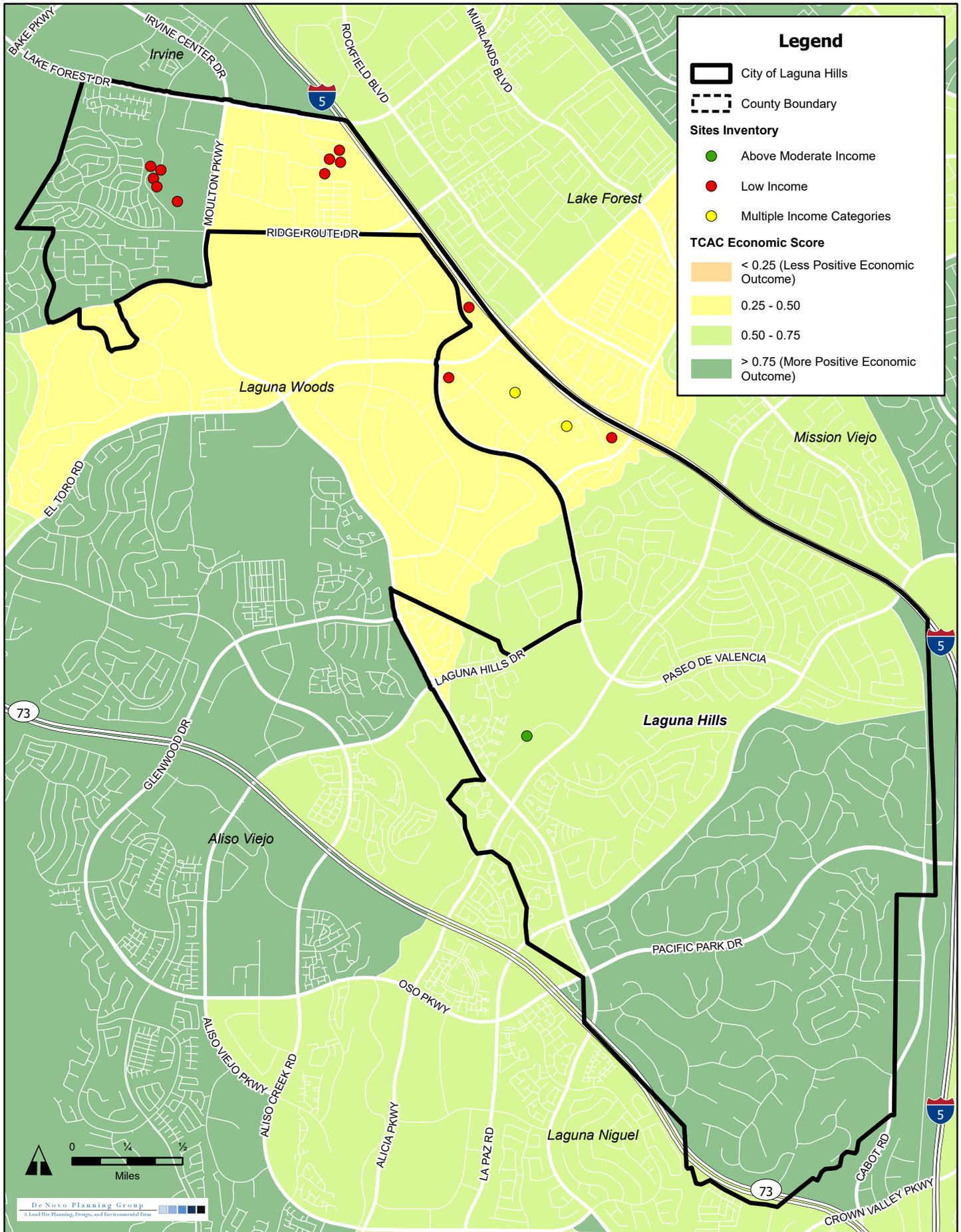
| Table H-44B Identified RHNA Site Unit Capacity by TCAC/HCD Opportunity Area* | | | | | |
|--|--------------|--------------------|-----------------------|-----------------------------|--------------|
| Opportunity Area | Site Acreage | Lower-Income Units | Moderate-Income Units | Above Moderate-Income Units | TOTAL |
| Moderate Resource | 10 | 363 | 0 | 0 | 363 |
| High Resource | 102 | 381 | 400 | 1,113 | 1,894 |
| Highest Resource | 23 | 786 | 0 | 0 | 786 |
| Total | 135 | 1,530 | 400 | 1,113 | 3,043 |
| Source: HCD Regional Housing Needs Allocation, TCAC/HCD Opportunity Area Maps, City of Laguna Hills. | | | | | |
| Note: Does not include ADU development, which is permitted throughout the City. | | | | | |

FIGURE H-15A: SITES INVENTORY ANALYSIS BY TCAC/HCD OPPORTUNITY AREAS



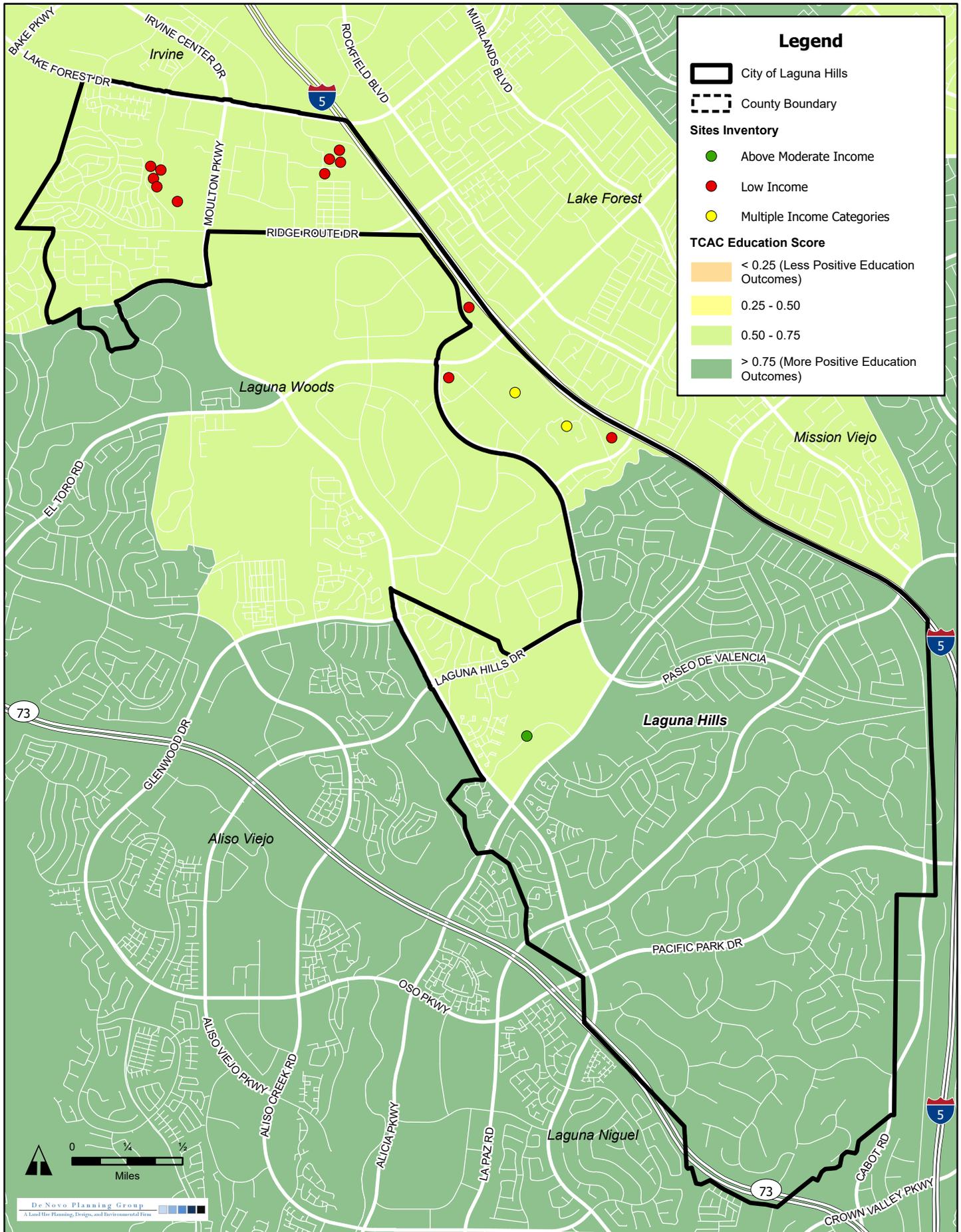
Sources: AFFH Data and Mapping Resources, California Department of Housing and Community Development, "TCAC_OpportunityAreas_Tract_2022." Map date: February 14, 2023.

FIGURE H-15B: SITES INVENTORY ANALYSIS BY TCAC ECONOMIC SCORE



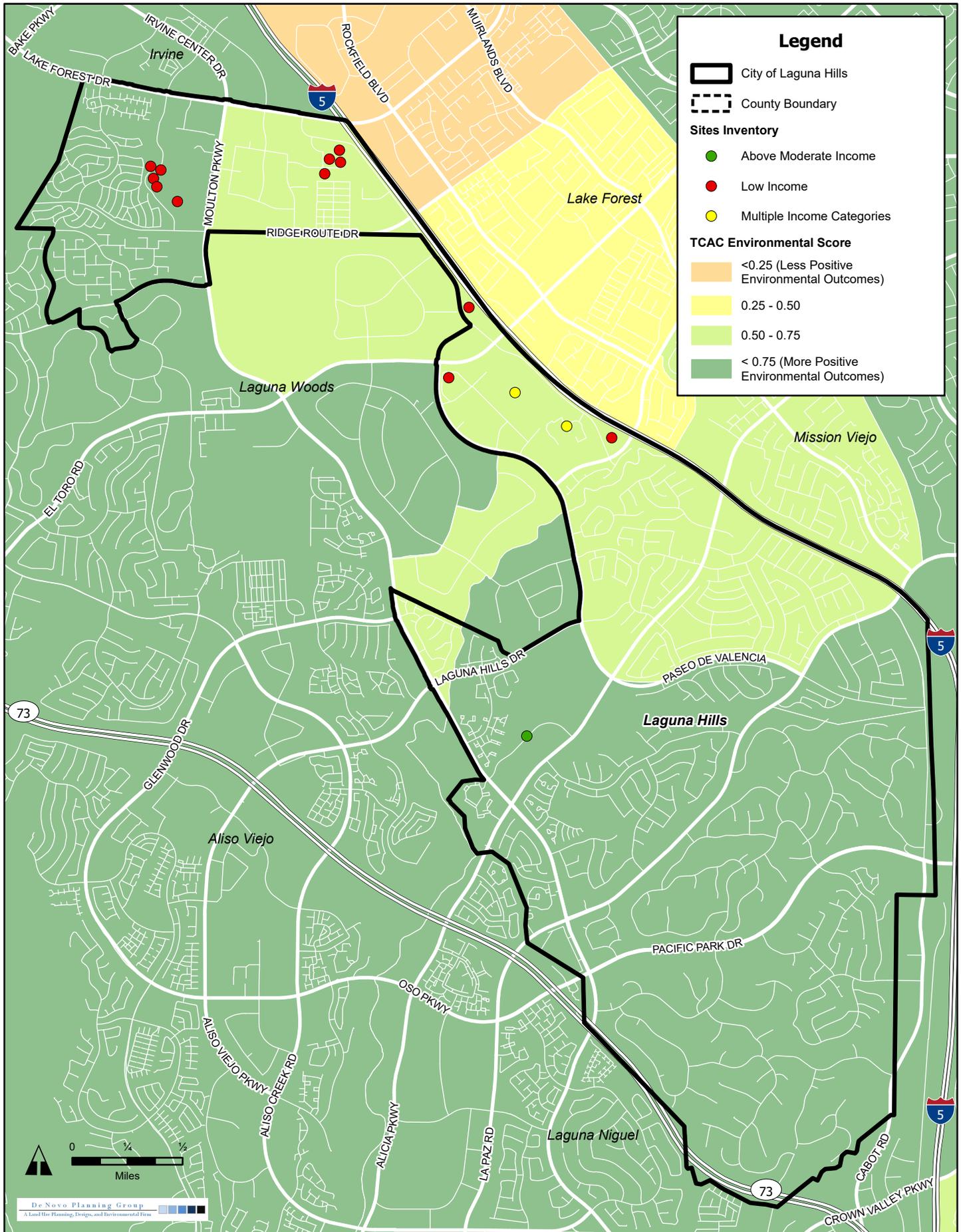
Sources: AFFH Data and Mapping Resources, California Department of Housing and Community Development, "TCAC_OpportunityAreas_Tract_2022." Map date: February 14, 2023.

FIGURE H-15C: SITES INVENTORY ANALYSIS BY TCAC EDUCATIONAL SCORE



Sources:AFFH Data and Mapping Resources, California Department of Housing and Community Development, "TCAC_OpportunityAreas_Tract_2022." Map date: February 14, 2023.

FIGURE H-15D: SITES INVENTORY ANALYSIS BY TCAC ENVIRONMENTAL SCORE



Sources:AFFH Data and Mapping Resources, California Department of Housing and Community Development, "TCAC_OpportunityAreas_Tract_2022." Map date: February 14, 2023.

POTENTIAL EFFECT ON PATTERNS OF INTEGRATION AND SEGREGATION

Racial/Ethnic Demographic Composition

As described previously, Laguna Hills has become an increasingly diverse city between 2010 and 2018 (see “Patterns of Integration and Segregation”). However, residents identifying as non-Hispanic White continue to comprise the majority citywide and in all census tracts other than the Via Lomas neighborhood. As described previously, the City’s most diverse census tracts include the areas in and around the Via Lomas neighborhood, the Urban Village Specific Plan area, and North Laguna Hills (**Figure H-16**). The City’s least diverse areas are found south of the Alicia Parkway in residential areas characterized by concentrations of single-family residences (**Figure H-17**). 88% of sites at all income levels identified to meet the RHNA are found in census tracts where the proportion of non-White residents is 40 percent or higher. The City is largely built out, and the relatively less diverse single-family neighborhoods south of Alicia Parkway do not have land available for the larger-scale residential multi-family development typical of lower-cost housing – to develop more affordable housing options in these areas, the City will pursue an ADU promotion strategy pursuant to **Program H-8**. As shown in **Charts 1 and 2**, sites identified to accommodate all income levels are located in areas of relatively high or higher diversity. Of these, 250 above-moderate income units (22% of above moderate-income category) are located in higher diversity tracts; and 863 above moderate-income units (78% of above moderate-income category), 400 moderate-income units (100% of moderate-income category), and 381 lower-income units (25% of lower-income units) are located in high diversity tracts. 1,149 lower-income units (75% of lower-income category) are located in moderate diversity tracts; however, the low diversity score of 44 is part of a tract that extends into the neighboring jurisdiction of Laguna Woods, likely capturing less racial/ethnic diversity among residents in the Laguna Woods Village senior community. By distributing units affordable to households of different incomes across neighborhoods with different racial/ethnic compositions, the City will help integrate and diversity households of varied incomes. Sites in North Laguna Hills and the Urban Village Specific Plan Area are identified to accommodate mixed-incomes and low-income households and are located in areas of relatively high diversity. In instances where introducing additional low-income sites into neighborhoods where these units have the potential to exacerbate patterns of isolation by racial/demographic group, or where introducing higher-income sites into more diverse neighborhoods, the City will pursue anti-displacement strategies and place-based revitalization initiatives through Policies **H1.1, H1.3, and H3.2**, and Programs **H-1, H-2, H-3, H-4, H-5, H-6, H-7, H-9, H-15, and H-16**.

Chart 1: Sites Inventory Analysis by Diversity Index (2018)

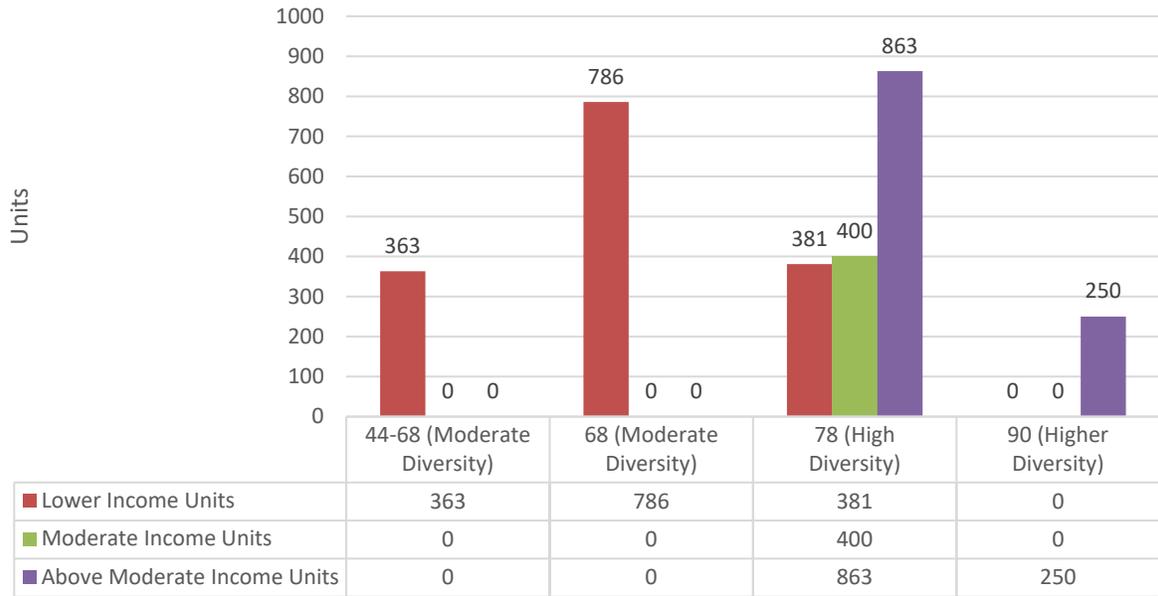


Chart 2: Sites Inventory Analysis by Racial/Ethnic Demographic Composition (2018)

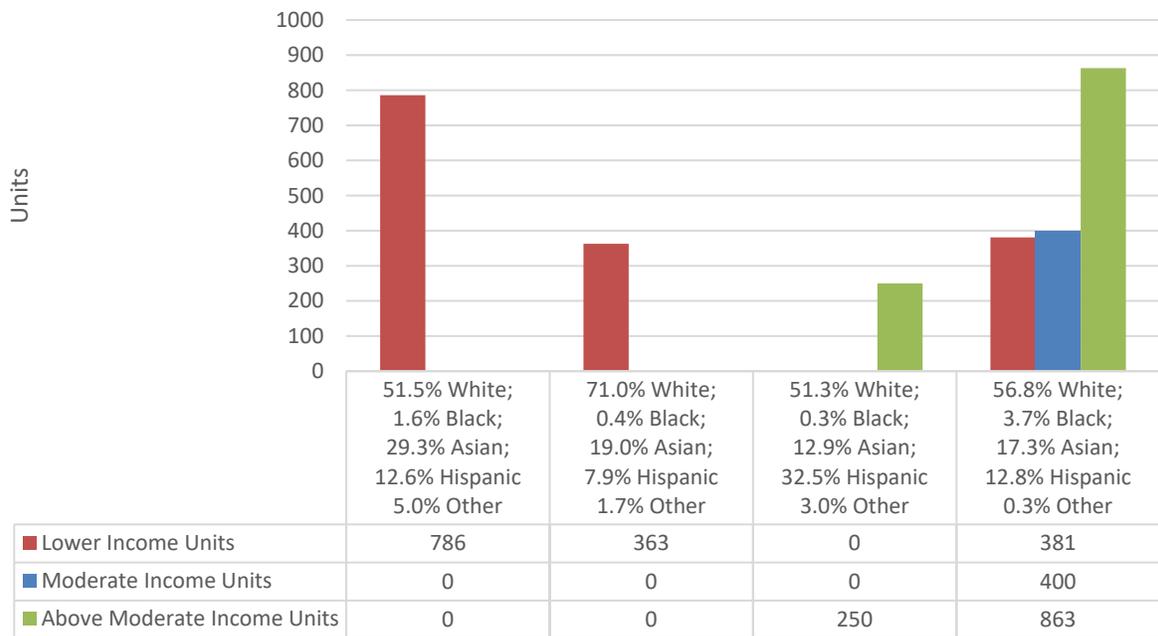
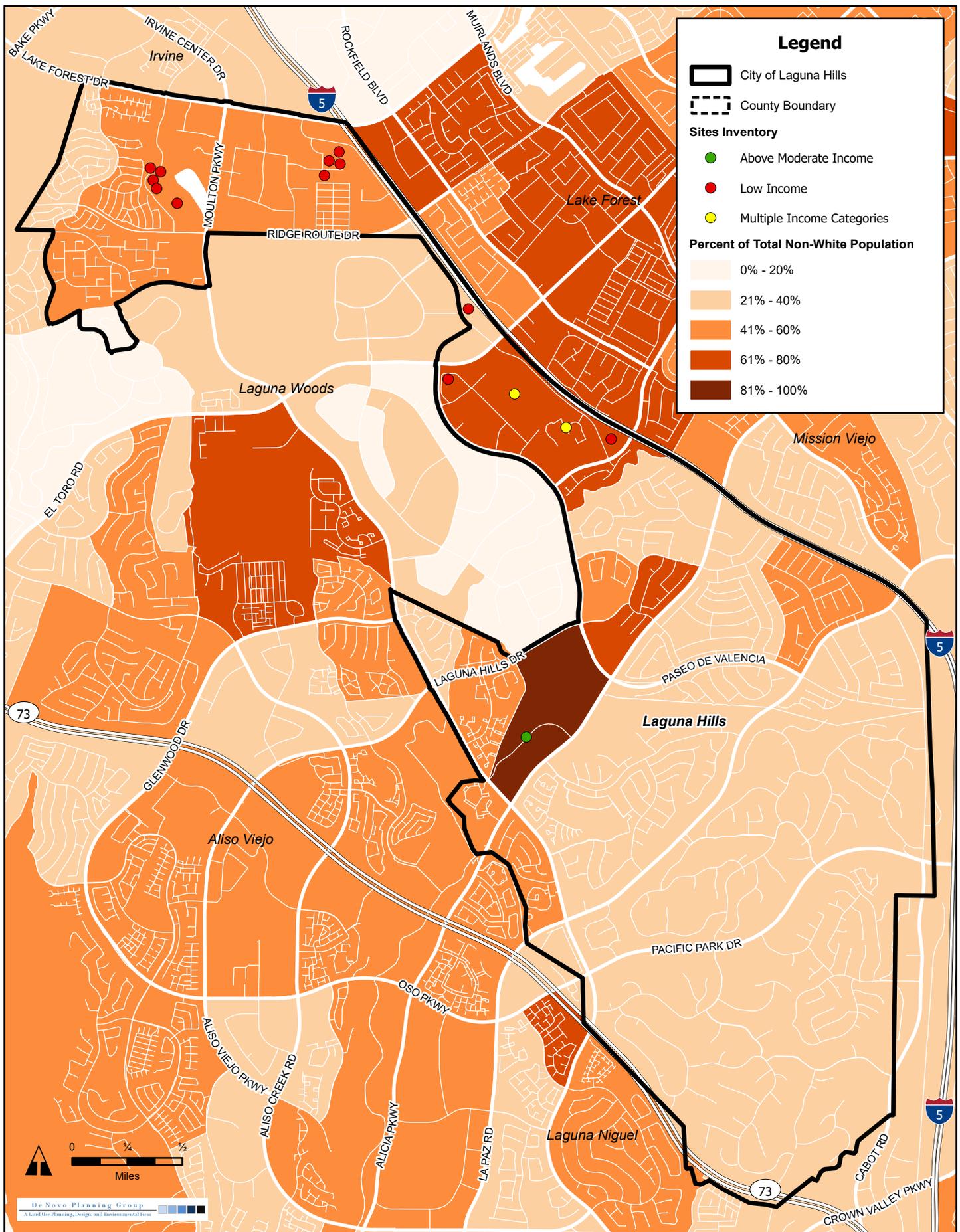
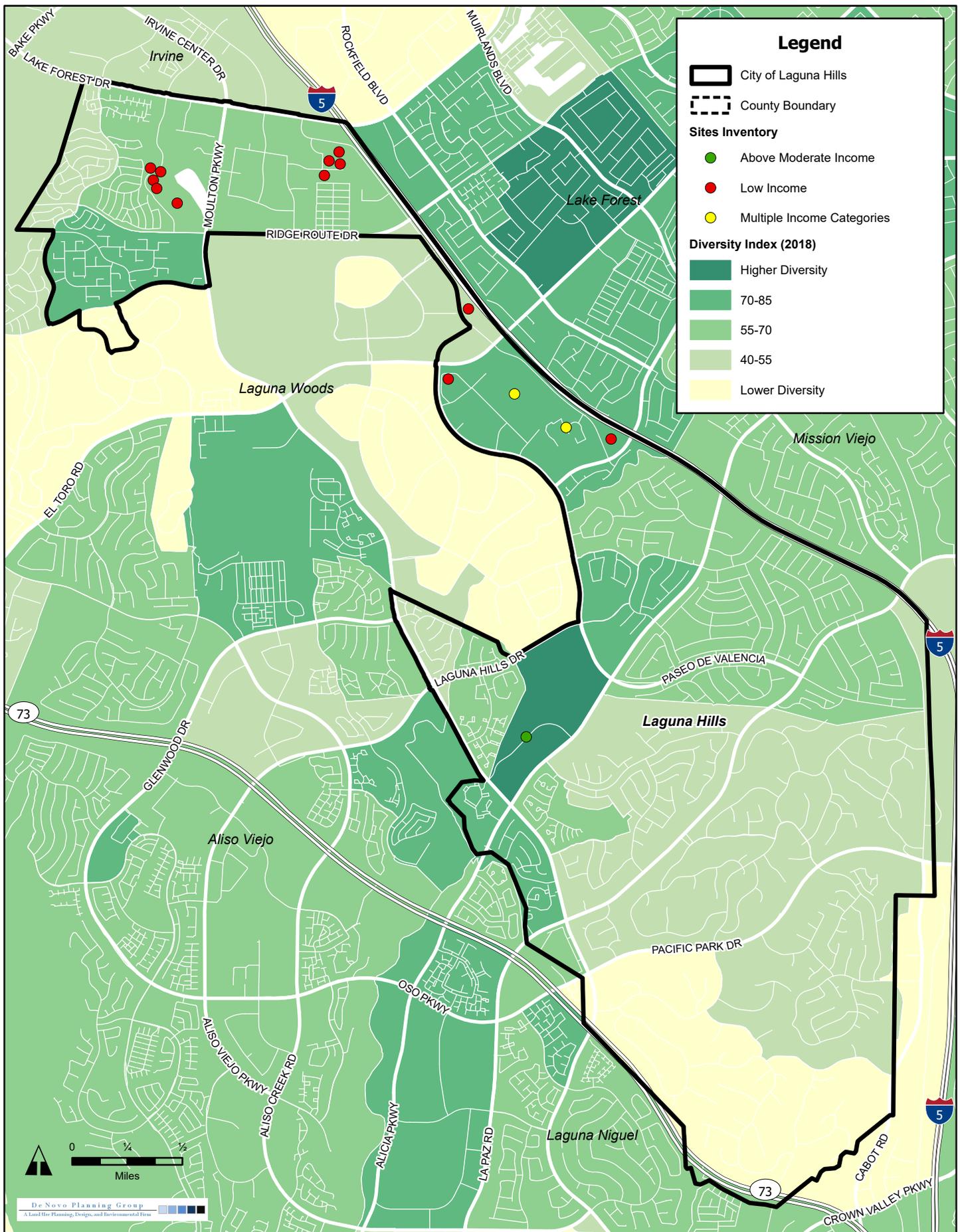


FIGURE H-16: SITES INVENTORY ANALYSIS BY RACIAL DEMOGRAPHICS (2019)



Sources: AFFH Data and Mapping Resources, California Department of Housing and Community Development, "RaceDemographics_BlockGrp_2018." Map date: February 14, 2023.

FIGURE H-17: SITES INVENTORY ANALYSIS BY DIVERSITY INDEX (2018)



Sources: AFFH Data and Mapping Resources, California Department of Housing and Community Development, "RaceDemographics_BlockGrp_2018." Map date: February 14, 2023.

Median Income

As described previously, Laguna Hills sees a range of median household incomes, with the highest-income households concentrated in the less-diverse southern part of the City and the lowest income households concentrated in more diverse northern parts of the City (**Figure H-18**). The City will introduce most lower income units (786 units) in census tracts with median household incomes between \$111,425 to \$125,709, promoting a greater mix of household incomes in communities which have historically been exclusively high-income neighborhoods and helping to promote integration in the City. In areas of relatively lower income for Laguna Hills, including the Via Lomas neighborhood and the primarily mixed-use areas within the Urban Village Specific Plan area, the City will introduce a wide range of income-targeted households, as shown in **Chart 3**. Units in the mixed-income North Laguna Hills area are primarily targeted for low-income households. In accordance with the TCAC/HCD Opportunity categories designated for these areas and their relatively lower median incomes in comparison with the highest-income parts of the City, the City will pursue anti-displacement strategies and place-based revitalization initiatives through Policies **H1.1, H1.3, and H3.2**, and **Programs H-1, H-2, H-3, H-4, H-5, H-6, H-7, H-9, H-15, and H-16**. Due to an absence of vacant land available for development in the City’s highest-income areas south of Alicia Parkway, there are no identified sites in these areas. In these areas, the City will pursue an aggressive ADU promotion strategy pursuant to **Program H-8** in order to further integrate these areas provide additional housing opportunities at all income levels. Therefore, the City’s sites inventory would further the integration of households of differing incomes by distributing units affordable to households of different incomes across neighborhoods with different median household incomes.

Chart 3: Sites Inventory Analysis by Median Household Income (2015-2019)

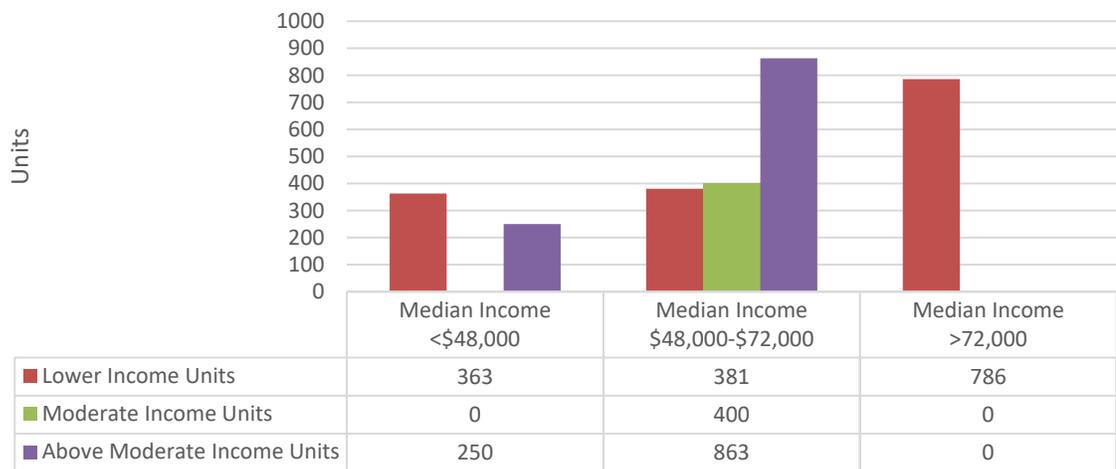
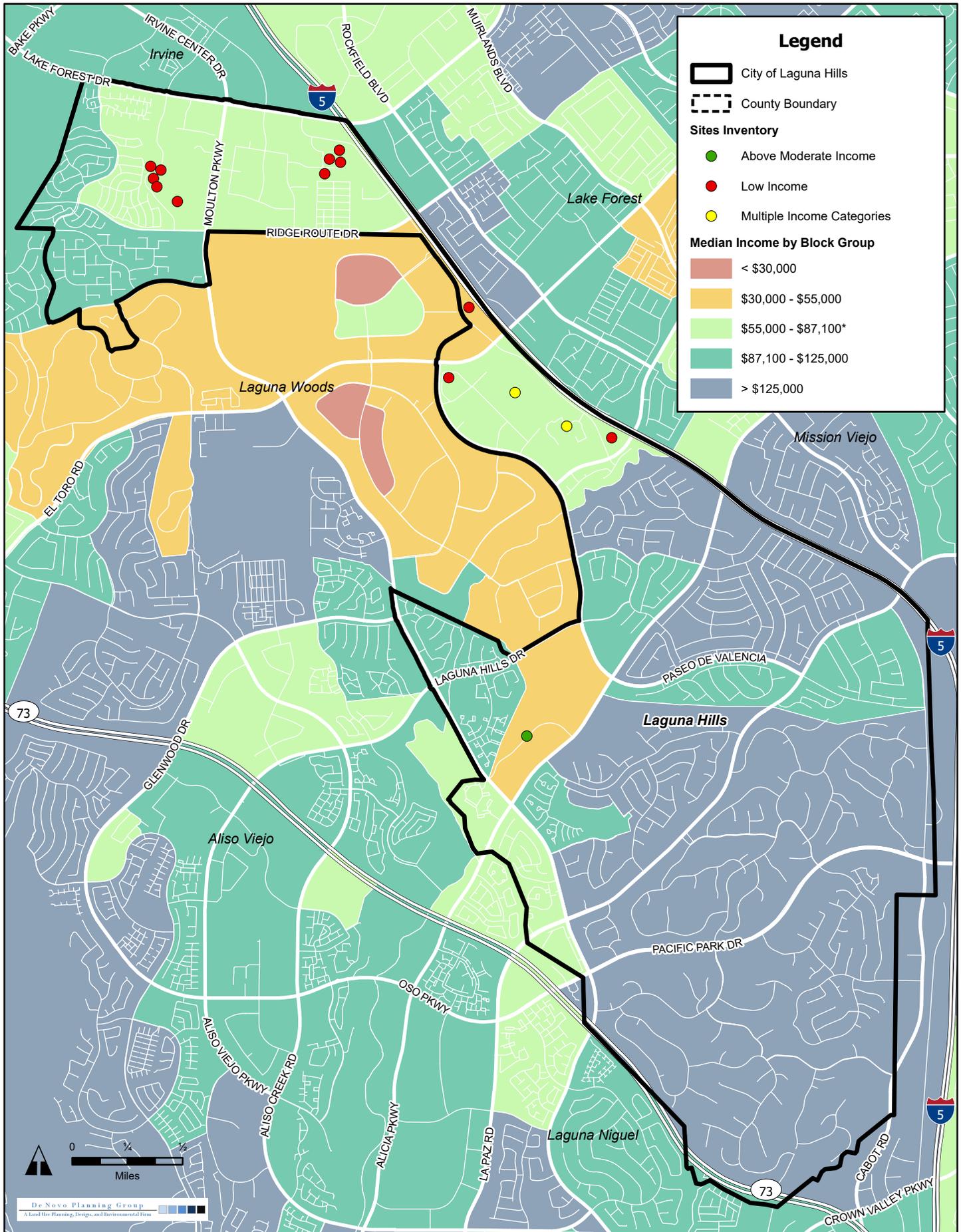


FIGURE H-18: SITES INVENTORY ANALYSIS BY MEDIAN HOUSEHOLD INCOME (2015-2019)



Sources: AFFH Data and Mapping Resources, California Department of Housing and Community Development, "MedianIncome_BlockGrp_2015_19." Map date: February 14, 2023.

Persons with Disabilities

As described previously, residents of Laguna Hills living with disabilities primarily reside in low-resource areas along Interstate 5. Rates of disability are higher in areas north of Alicia Parkway and in North Laguna Hills east of Moulton Parkway. As shown in **Chart 4**, a total of 786 lower-income units (51% of lower-income category) have been identified on sites in areas with relatively low rates of disability (less than 8 percent); 363 low-income units are located in areas of relatively higher rates of disability (above 17 percent). The majority of units on sites identified to meet the RHNA allocation (1,894 units) are found in neighborhoods where rates of disability range between 14 and 17 percent. Although the census tract with the highest rate of disability in the City (23 percent) coincides with several low-income sites, this tract also extends into the neighboring jurisdiction of Laguna Woods, likely capturing elevated rates of disability due to age among residents in the Laguna Woods Village senior community. This data indicates that units introduced through identified sites will not exacerbate concentrations of low-income housing in neighborhoods with high rates of disability. The City has committed to **Programs H-16** and **H-17** to promote fair access to accessible housing for Laguna Hills residents living with disabilities.

Chart 4: Sites Inventory Analysis by Percentage of Population Living with a Disability

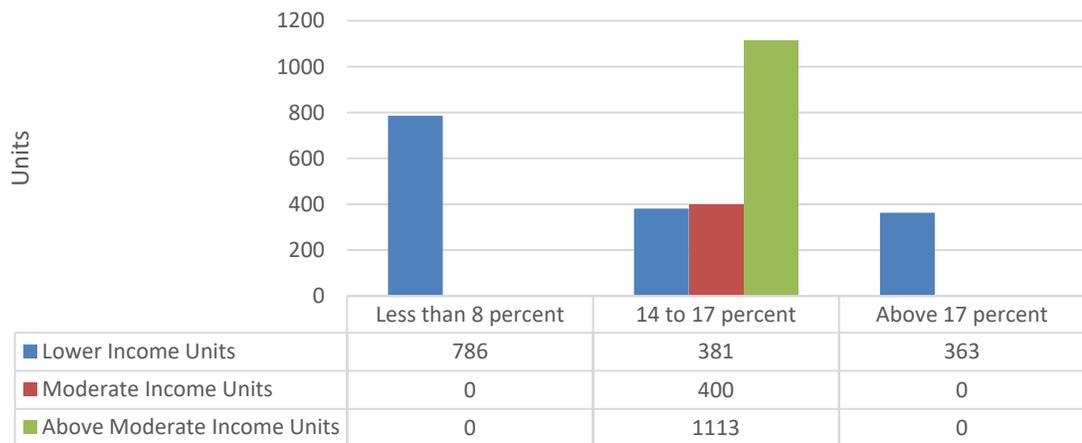
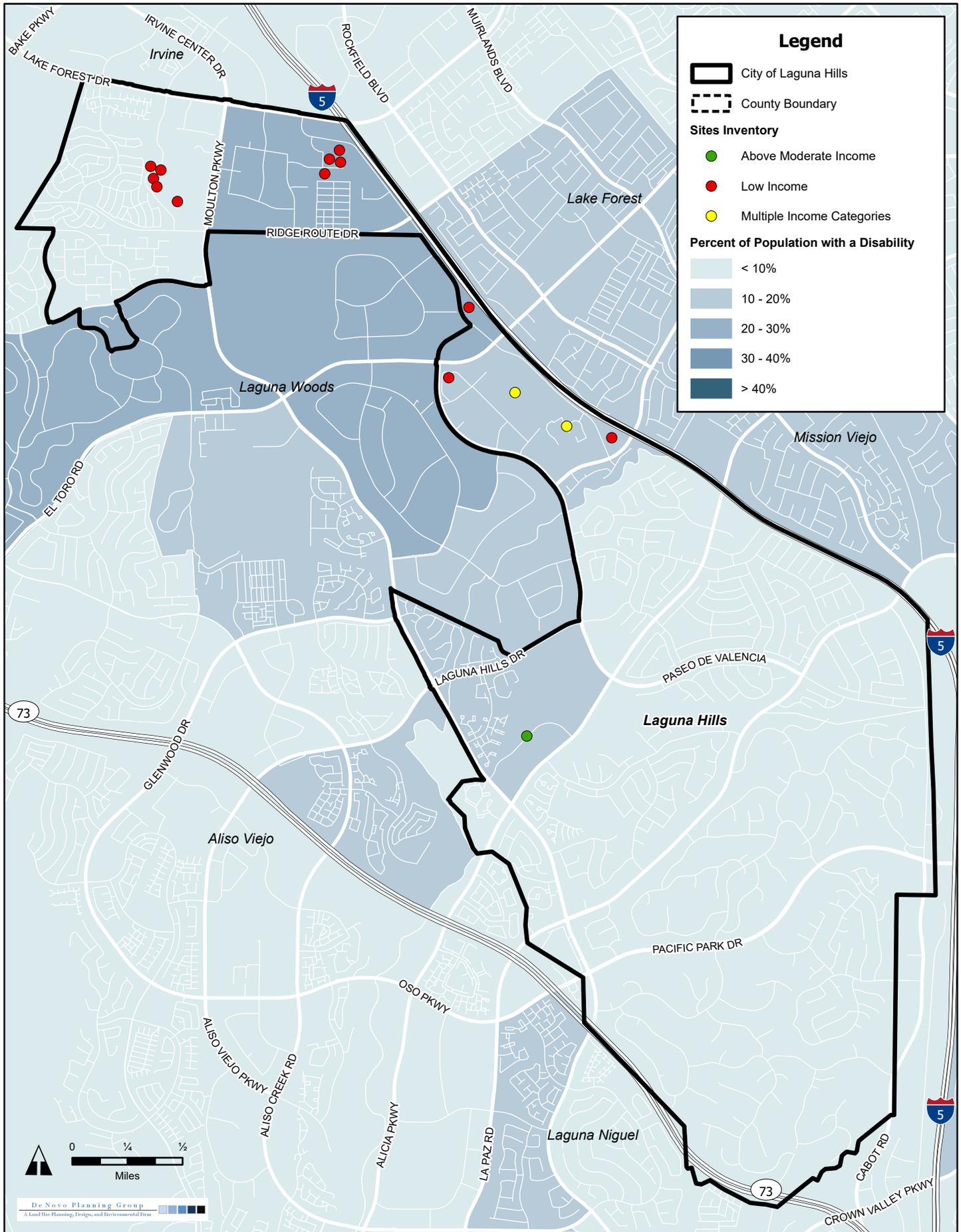


FIGURE H-19: SITES INVENTORY ANALYSIS BY POPULATION WITH A DISABILITY (2015-2019)



Sources: AFFH Data and Mapping Resources, California Department of Housing and Community Development, "DisabilityPopulation_Tract_2015_19." Map date: February 14, 2023.

Familial Status

Single-parent female-headed households are considered to be at elevated risk of housing insecurity due to several factors including gender-based wage disparities and other types of employment discrimination. As described previously and shown in **Figure H-20**, Laguna Hills sees generally low rates of children in single-parent female-headed households. However, slightly higher rates are found in the Via Lomas neighborhood, the Urban Village Specific Plan area, and in the eastern half of North Laguna Hills, areas where some housing opportunity sites have been identified. As shown in **Figure H-20** and **Chart 5**, the City is introducing a variety of housing targeted at low, moderate, and above-moderate income households into census tracts with relatively higher rates of children living in single-parent female headed households. Approximately 51 percent of low-income units are anticipated on housing opportunity sites identified in census tracts with rates of children in single-parent female-headed households below 11.5 percent, indicating that these identified sites are not exacerbating a concentration of low-income housing in areas with high rates of such households. In cases where the introduction of additional low-income units in areas with elevated rates of children living in single-parent female-headed households has the potential to exacerbate patterns of concentration for this household type, the City will implement **Program H-15** to develop partnerships with affordable housing developers and **Program H-7** to update the Zoning Code to facilitate the development of housing affordable to single-parent female-headed households.

Chart 5: Sites Inventory Analysis by Children in Single-Parent Female-Headed Households

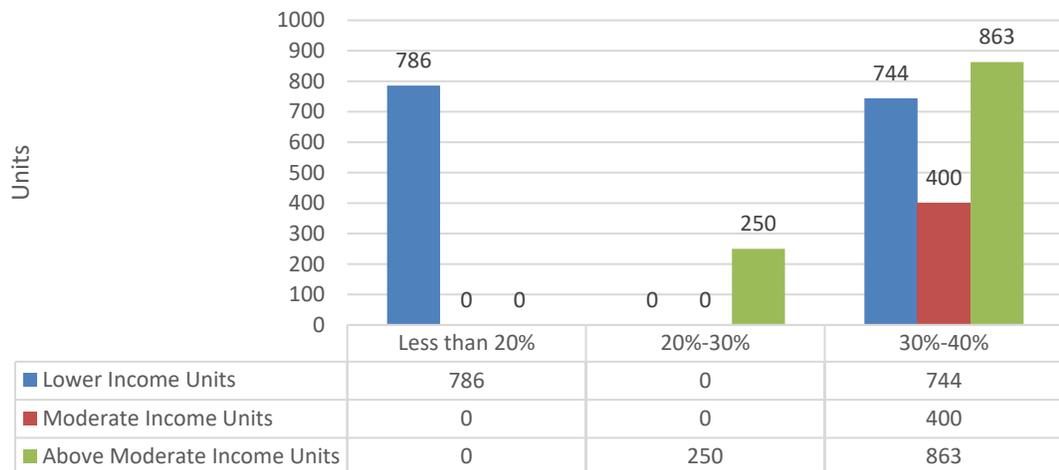
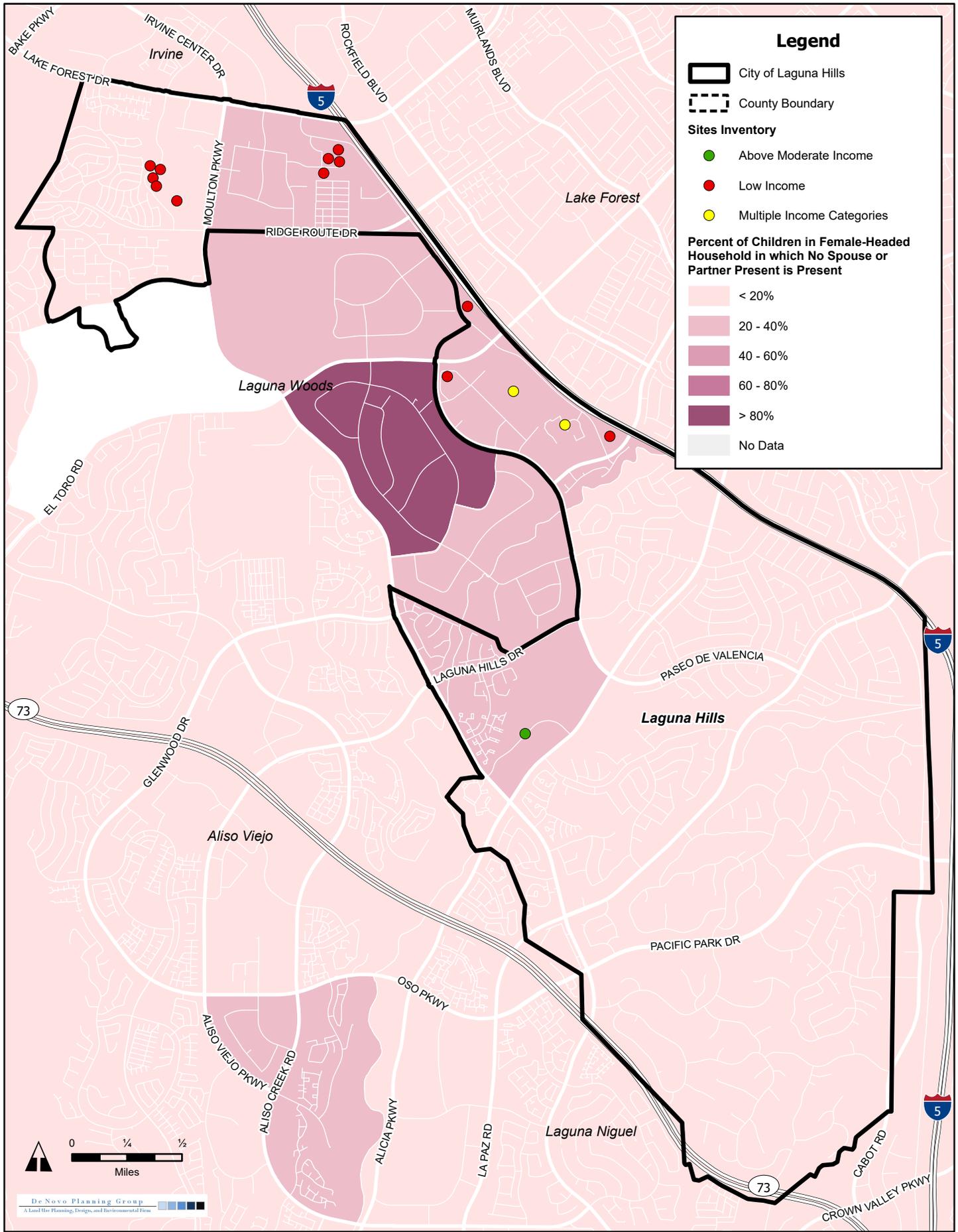


FIGURE H-20: SITES INVENTORY ANALYSIS BY PERCENTAGE OF CHILDREN LIVING IN SINGLE-PARENT FEMALE HEADED HOUSEHOLDS (2015-2019)



Sources: AFFH Data and Mapping Resources, California Department of Housing and Community Development, "FamilyStatus_Tract_2015_19." Map date: February 14, 2023.

POTENTIAL EFFECT ON ACCESS TO OPPORTUNITY

Employment Opportunities

Residents in Laguna Hills enjoy consistently strong access to employment opportunities throughout the City. As described previously, low-wage workers living in Laguna Hills, including in low-resource areas, benefit from access to nearby job centers based on the United States Department of Housing and Urban Development’s (HUD’s) job proximity index for 2014-2017. As shown in **Chart 6**, identified sites at all income levels are primarily located in areas with access to employment (meeting criteria to receive Jobs Proximity index scores of 71 or higher), with about one-fourth of low-income sites located in areas with scores between 95-98. The MemorialCare Saddleback Hospital is the City’s largest employer and is located near the site of the recently approved Villages at Laguna Hills project within the Urban Village Specific Plan area and in close proximity to several mixed-income housing opportunity sites (**Figure H-21**). Most residents in Laguna Hills do not have long commutes (see “Commute Patterns”), and no areas of Laguna Hills receive Jobs Proximity Index scores falling into “furthest proximity” categories, indicating low-wage workers would have excessive commutes. North and south Laguna Hills have very close proximity to local job centers in Irvine, Santa Ana, and other parts of the County. The introduction of additional low-income units in a community with generally strong access to employment centers will help improve employment access conditions and housing access for low-wage workers regionally who live and/or work in Laguna Hills and may experience barriers to access to employment elsewhere related to housing and employment proximity.

Chart 6: Sites Inventory Analysis by Jobs Proximity Index

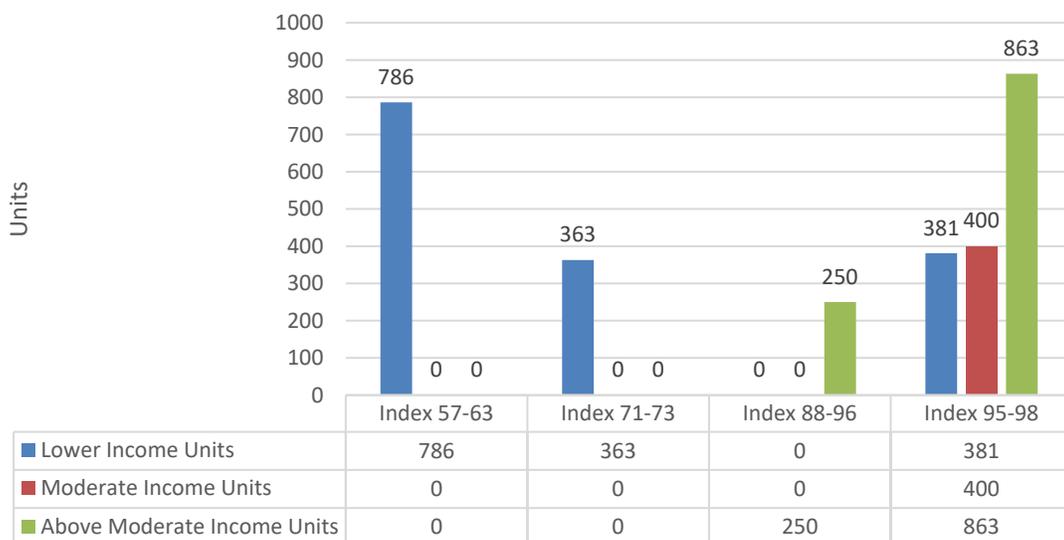
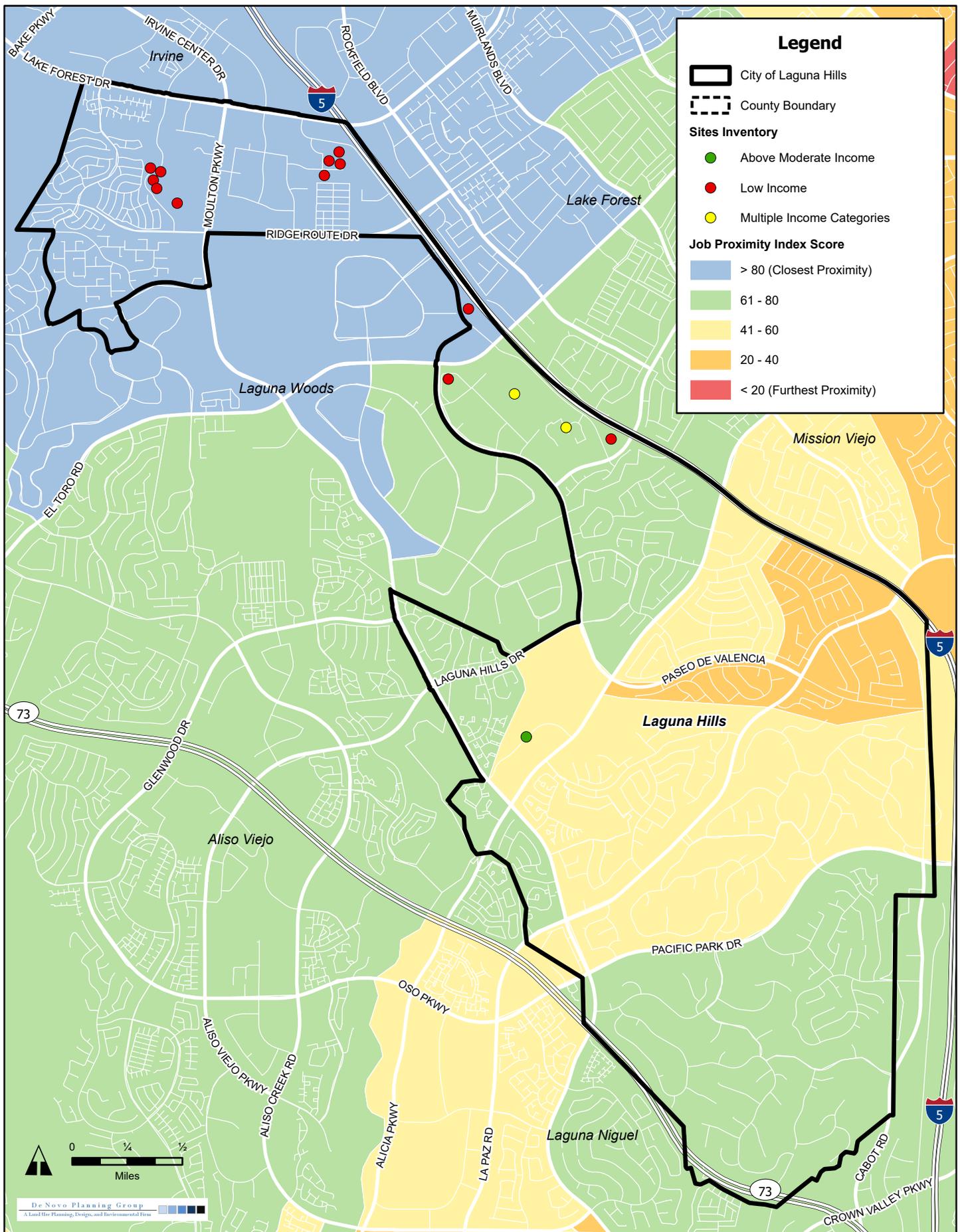


FIGURE H-21: SITES INVENTORY ANALYSIS BY JOB PROXIMITY

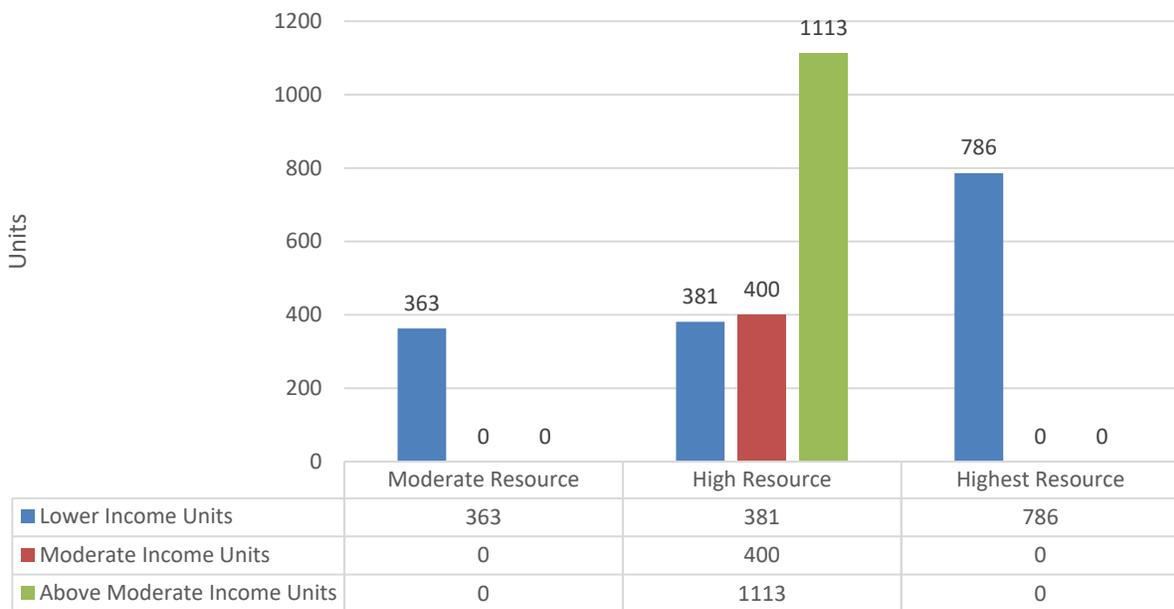


Sources: AFFH Data and Mapping Resources, California Department of Housing and Community Development, "JobsProximityIndex_BlockGrp_2014_17." Map date: February 14, 2023.

Resource Level (Overall Access to Opportunity)

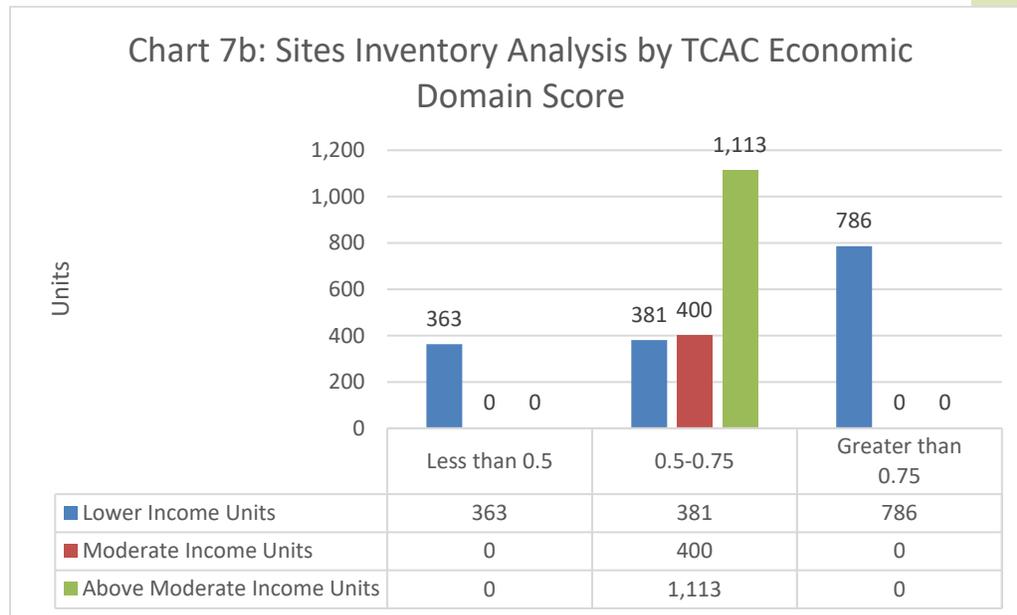
Laguna Hills is made up of census tracts that are considered either Moderate-, High-, or Highest-Resource opportunity areas, with highest-resource areas located in the northwest corner and southern portions of the City. As shown in **Chart 7a**, the majority of sites at all income levels are located within High-Resource opportunity areas. Approximately half of all lower-income units are located in Highest-Resource areas, and approximately one-fourth are located in Moderate-Resource Areas. As discussed previously, the one census tract in the City designated as a Moderate-Resource area is only partially located in Laguna Hills. The other half of this tract, located in the City of Laguna Woods, is composed of an age-restricted low intensity multifamily development and may not be representative of conditions within Laguna Hills due to the high proportion of retired residents on fixed incomes. By designating sites at all income levels throughout different resource areas, and at permitted densities which promote a variety of housing types to meet all income needs, the sites affirmatively further fair housing and would further integrate housing in the moderate-, high-, and highest-resource areas. Further, the City has included a number of anti-displacement strategies and place-based revitalization initiatives (Policies **H1.1**, **H1.3**, and **H3.2**, and **Programs H-1**, **H-2**, **H-3**, **H-4**, **H-5**, **H-6**, **H-7**, **H-9**, **H-15**, and **H-16**) in order to improve conditions throughout the City and protect existing residents.

Chart 7a: Sites Inventory Analysis by TCAC Resource Level (Overall Access to Opportunity)



Economic Opportunities

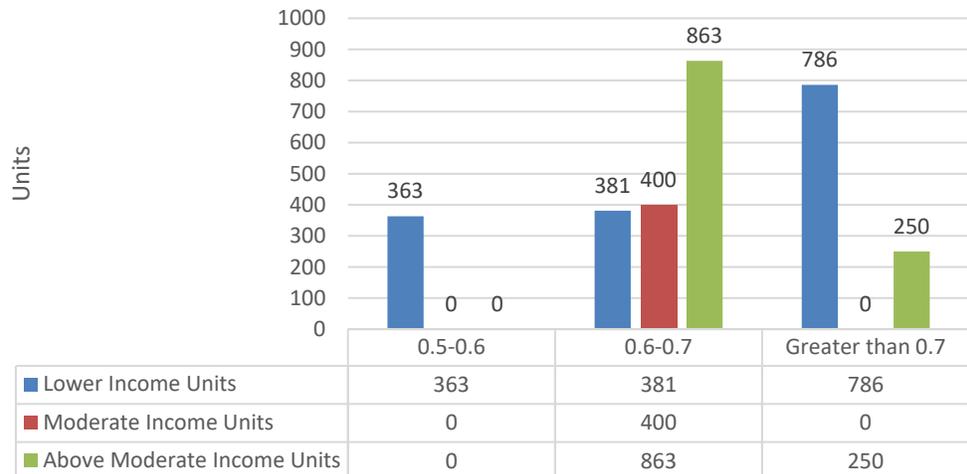
As shown in **Chart 7b**, the majority of sites at all income levels are located within areas with relatively high TCAC Economic scores (greater than 0.5). Approximately half of lower-income sites are located in areas with an economic score greater than 0.75, indicating areas with more positive economic opportunities. Approximately one-fourth of lower-income sites are located in a census tract with economic score less than 0.5. However, as previously discussed, this low score is primarily because half of the census tract is located in the City of Laguna Woods. The natural characteristics of the development pattern in Laguna Woods, combined with the very limited existing residential development in the Laguna Hills side of the census tract, has resulted in a low economic score for the tract as a whole, but should not be taken to indicate that future residents who locate to this area would have lower levels of opportunity. New residents to the moderate-resource area will enjoy similar access to opportunity consistent with the other neighborhoods of Laguna Hills, and the introduction of new residents will help to integrate and improve some of the indicators of this tract with lower scores, such as employment. Moreover, new residential development is expected to occur as part of mixed-use projects, where new development can introduce a broader array of jobs, housing, and recreation opportunities to an area in need of private investment. Overall, the sites inventory would affirmatively further fair housing by integrating and improving access to economic opportunity for residents at all income levels.



Educational Opportunities

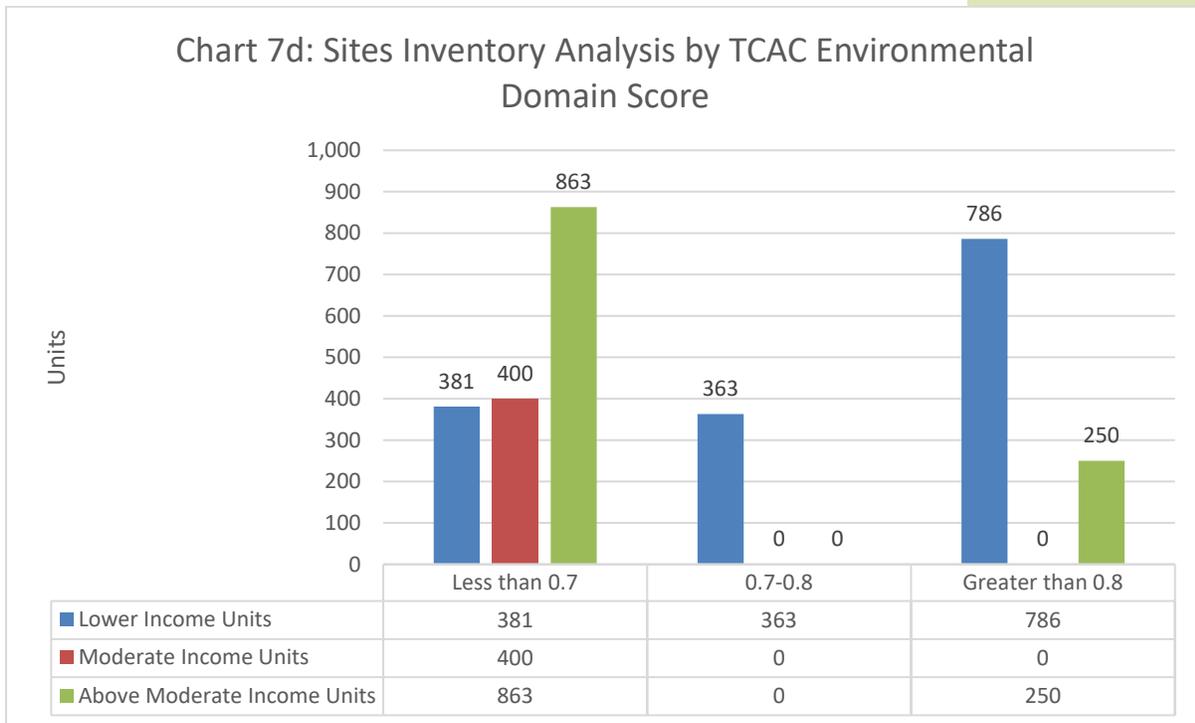
As described previously (see “Access to Opportunity”), four public elementary schools are sited within Laguna Hills city limits, with state reviews reporting that students at the three schools in higher-resourced south Laguna Hills experience better education outcomes than students at the single school located in relatively lower-resourced North Laguna Hills. Additionally, students at the lower-performing school in North Laguna Hills are disproportionately Hispanic or Latino (61 percent). Students living in the Via Lomas neighborhood attend school in Mission Viejo, at a school that is also lower-performing than schools in south Laguna Hills. Although there is disparate access to proficient elementary schools between different parts of Laguna Hills, all students in Laguna Hills attend the same high school which ranks in the 89th percentile, indicating that it is among the highest performing schools among comparable schools. As shown in **Chart 7c**, all RHNA sites are located in areas with relatively high (above 0.5) educational scores. Approximately half of all lower-income sites are located in an area with an educational score greater than 0.7 (indicating more positive educational opportunities). While approximately one-fourth of lower-income sites are located in areas with relatively lower performing elementary schools, all sites identified to meet the RHNA provide residents access to a high-performing high school, creating an opportunity to improve educational outcomes for low-income households. In areas where the introduction of low-income units has the potential to exacerbate patterns of relatively lower access to proficient elementary schools for low-income households, the City will engage with the local school district to create a program to address school boundaries and access to proficient education, with an emphasis on the Via Lomas neighborhood (**Program H-16**).

Chart 7c: Sites Inventory Analysis by TCAC Education Domain Score



Environmental Opportunities

As shown in **Chart 7d**, the majority of sites at all income levels are located within areas with very high TCAC Economic scores. The entire City of Laguna Hills has generally high environmental domain scores (indicating positive environmental outcomes). The lowest scores in the City are located in the middle-northeastern portion of the City, generally along Interstate 5, in moderate- and high-resource areas. Approximately half of lower-income sites are located in areas with an environmental score greater than 0.8. Although land use constraints prevent the development of larger-scale multifamily development in southern Laguna Hills, which has the City’s highest (most positive) scores, the City has included **Program H-8** to pursue an aggressive ADU promotion strategy in order to further integrate these areas provide additional housing opportunities at all income levels. Additionally, the sites inventory distributes sites all income levels throughout areas of relatively high environmental scores, and does not concentrate lower-income sites in areas associated with poor environmental opportunities. This would further integrate and improve housing conditions throughout Laguna Hills.



POTENTIAL EFFECT ON DISPROPORTIONATE HOUSING NEED AND DISPLACEMENT RISK

Overpayment/Cost Burden

As described previously, overpayment is an issue that impacts all Laguna Hills and Orange County residents, and disproportionately impacts low-income renting households. Citywide, up to 50 percent of renting households paying over 30 percent of monthly income toward housing expenses in most areas of the City, meeting the criteria for overpayment. This pattern generally coincides with TCAC/HCD opportunity area designations, with highest levels of cost-burdened renters observed in the Via Lomas neighborhood and in the moderate- and high-resource areas along Interstate 5. In these neighborhoods, the rate of cost-burden among renting households exceeds 65 percent. As shown in **Chart 8**, all identified housing opportunity sites are located in areas where renter overpayment is significant. The City will seek to address overpayment by helping to facilitate the development of below-market rate housing and addressing the overall need for increased housing. Approximately half of lower-income units are anticipated on housing opportunity sites located in areas where rates of renter overpayment are approximately 46.0 percent to 46.9 percent. Moderate and above-moderate units are anticipated in areas within which rates of renter overpayment range between 65.2 and 69 percent. An additional 363 lower-income units are anticipated in areas where rates of renter overpayment are approximately 77.0 percent. Units added on identified sites will help to increase available housing supply in neighborhoods with high rates of overcrowding, helping to improve conditions for overcrowded households. The following programs, address affordable housing creation and mitigate displacement through land use changes, preserving at-risk units, density bonuses, Section 8 rental assistance, and other means: **Programs H-1, H-3, H-4, H-7, H-14, H-15, and H-16.**

Chart 8: Sites Inventory Analysis by Renter Cost Burden

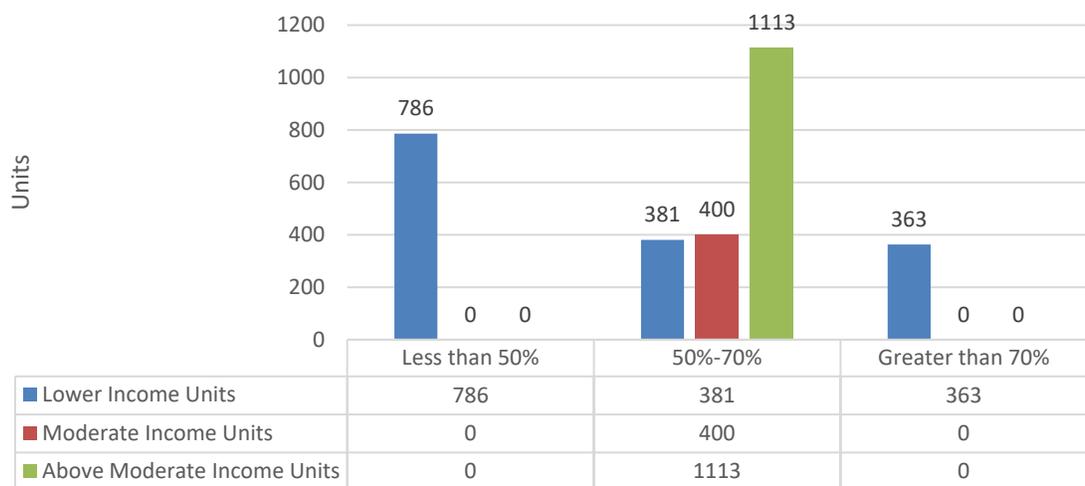
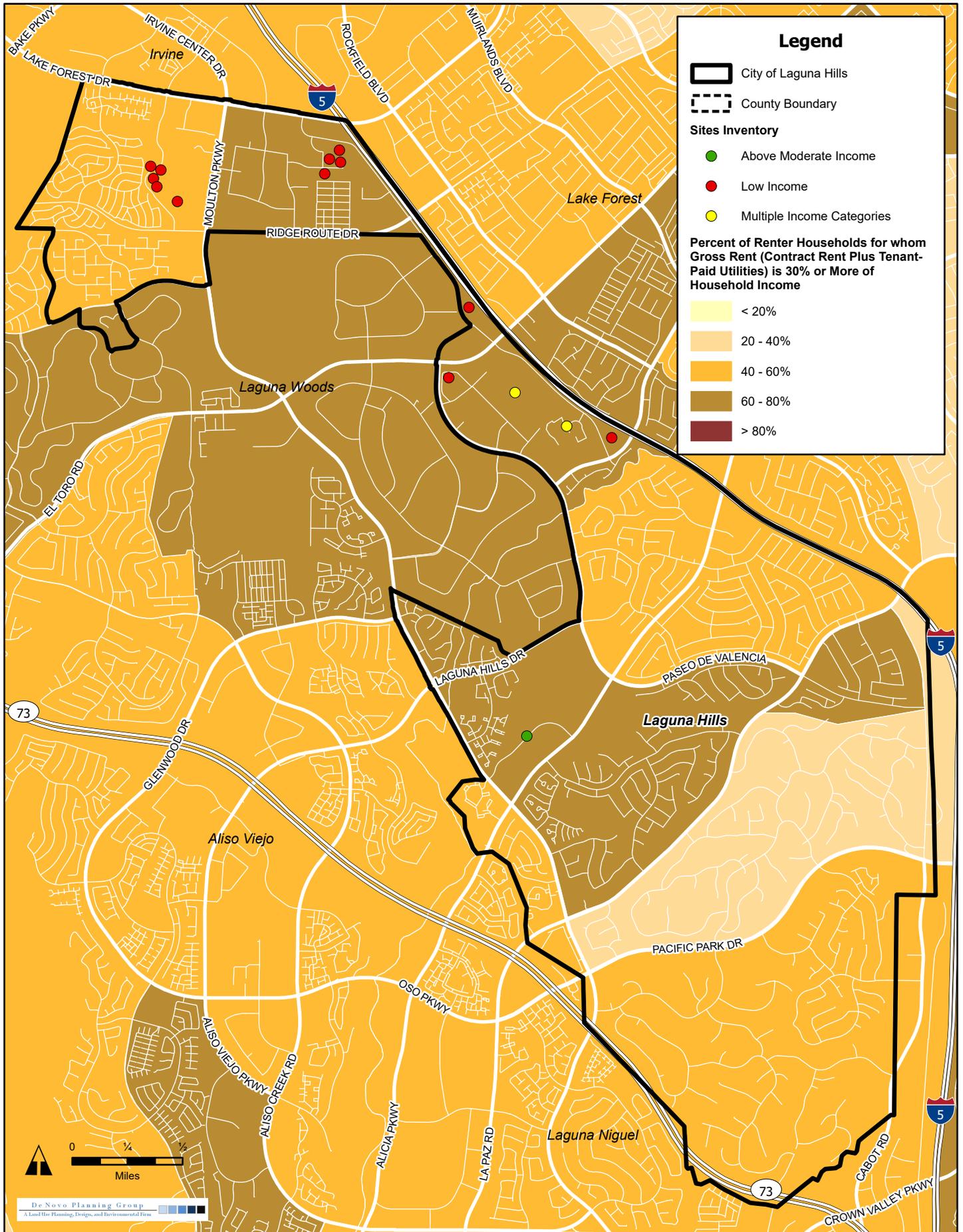
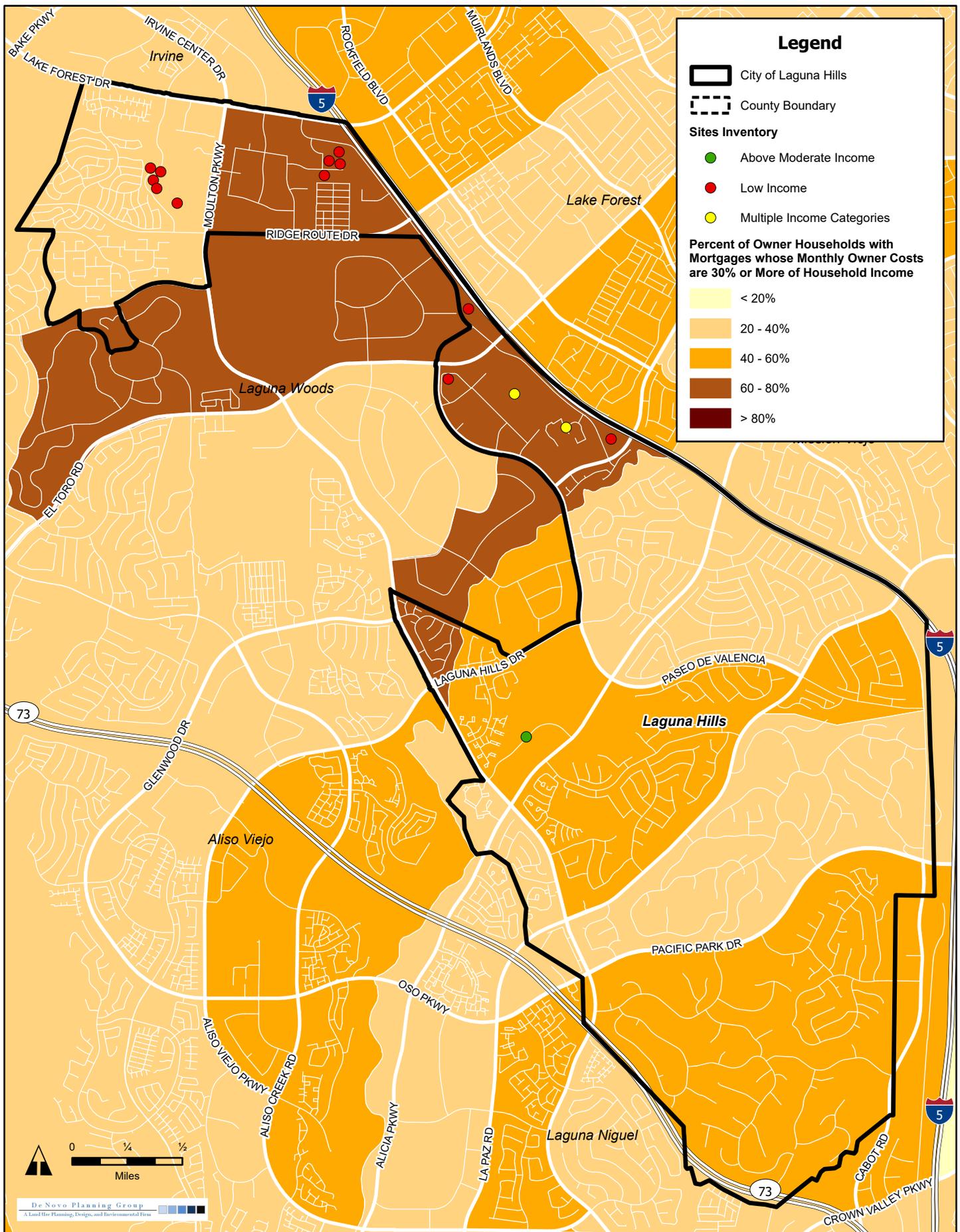


FIGURE H-22: SITES INVENTORY ANALYSIS BY OVERPAYMENT BY RENTERS (2015-2019)



Sources: AFFH Data and Mapping Resources, California Department of Housing and Community Development, "Overpayment_Tract_2015-19." Map date: February 14, 2023.

FIGURE H-23: SITES INVENTORY ANALYSIS BY OVERPAYMENT BY OWNERS (2015-2019)



Sources: AFFH Data and Mapping Resources, California Department of Housing and Community Development, "Overpayment_Tract_2015-19." Map date: February 14, 2023.

Overcrowding

As described previously, approximately 4.5 percent of Laguna Hills households experience overcrowding, with approximately 11.5 percent of renting households experiencing overcrowding (see “Disproportionate Housing Need”). A majority of housing opportunity sites at all income levels are identified in areas where the rate of overcrowding is low (between 1.3 percent and 5.4 percent) (**Chart 9**). No lower-income sites are identified in areas with overcrowding rates above 5.4 percent. Overcrowding is more prevalent in Orange County as a whole, where on average 9.5 percent of all households experience overcrowding, with a higher rate of 15.9 percent among renting households only. The rate of overcrowding in Laguna Hills is generally consistent and low outside of the Via Lomas neighborhood, where the rate of overcrowding rate increases to 13 percent of households. Via Lomas is also home to a concentration of Hispanic residents (83 percent). This pattern of is consistent with the region, with higher rates coinciding with areas characterized by higher amounts of multifamily housing which tends to be more affordable. The rate of overcrowding in the Via Lomas neighborhood could indicate that appropriately sized and/or affordable housing is not accessible or available to current residents. Overcrowding in the Via Lomas neighborhood demonstrates a greater need for affordable, larger housing units in the area and access to affordable larger housing units citywide. Through housing opportunity sites, the City anticipates 381 lower-income units in close proximity to the Via Lomas area (**Figure H-24**). An additional 250 units are identified on Site 3 within the Via Lomas area. In an effort to promote greater access to opportunity and quality of life improvements in the Via Lomas area, the City will implement place-based anti-displacement and community revitalization strategies as reflected in Policies **H1.1, H1.3, and H3.2**, and Programs **H-1, H-2, H-3, H-4, H-5, H-6, H-7, H-9, H-15, H-16, and H-17**.

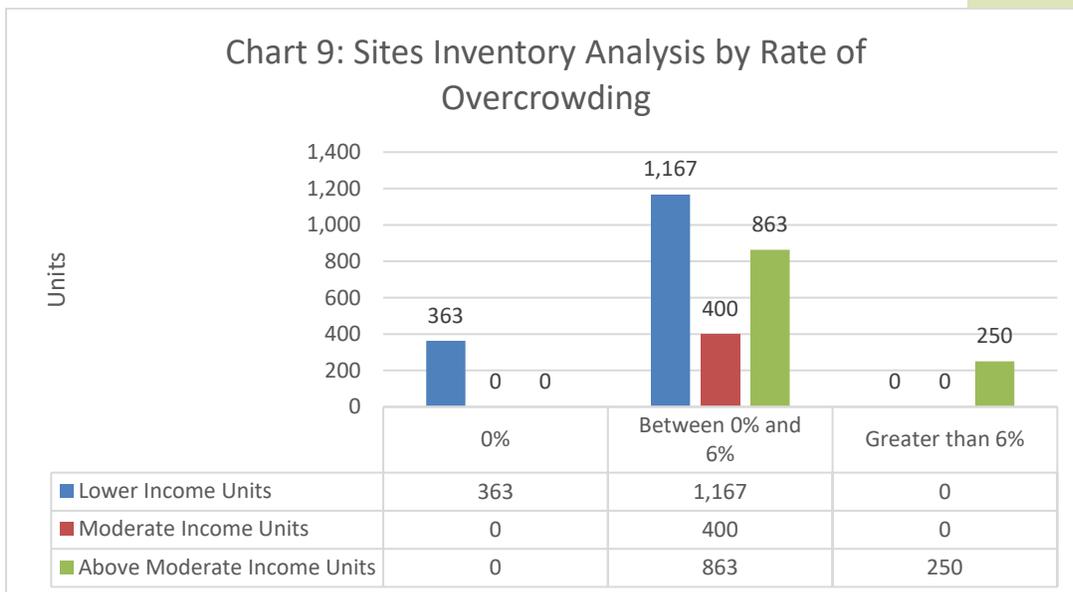
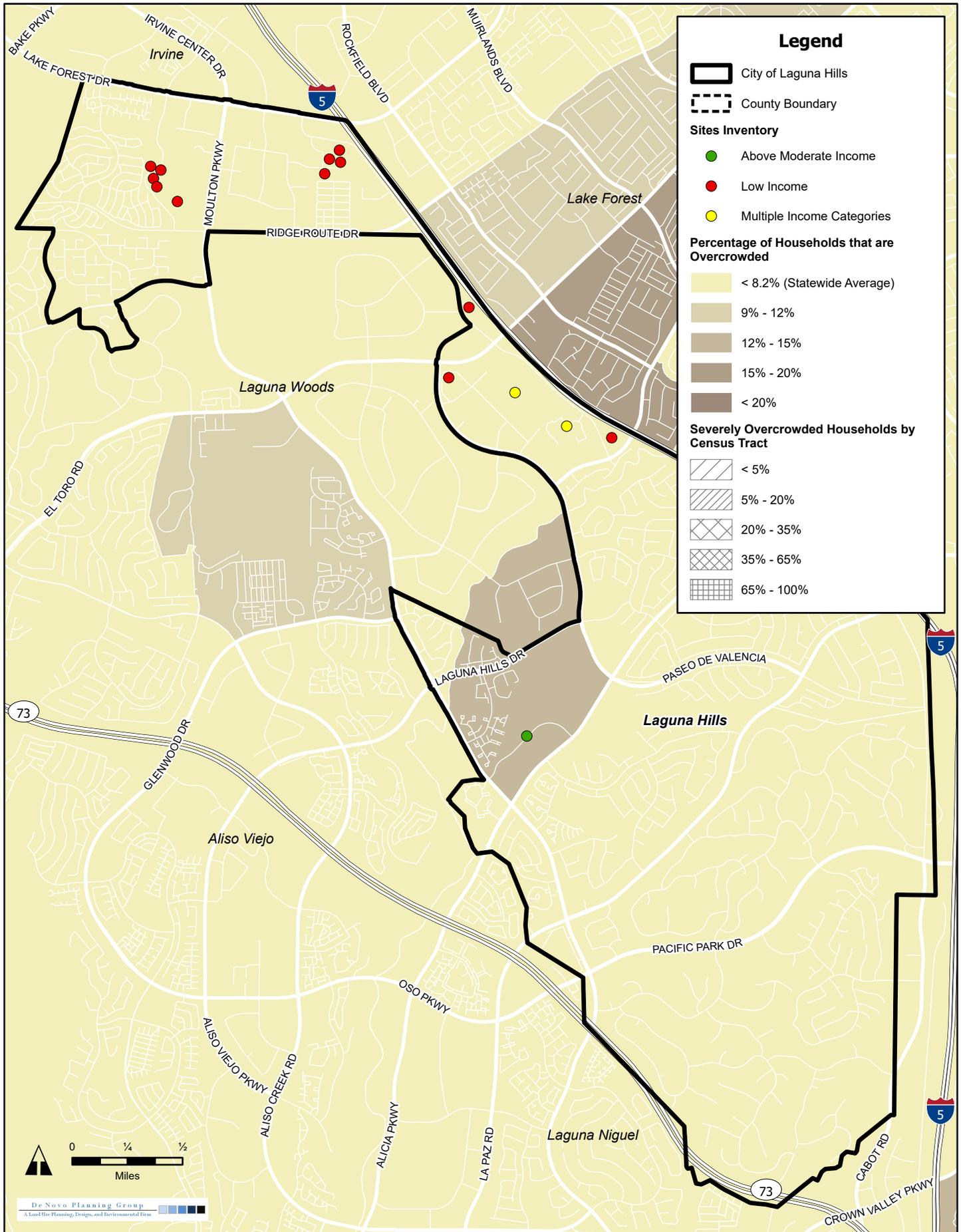


FIGURE H-24: SITES INVENTORY ANALYSIS BY HOUSEHOLDS EXPERIENCING OVERCROWDING



Sources: AFFH Data and Mapping Resources, California Department of Housing and Community Development, "OvercrowdedHouseholds_Tract," and "OvercrowdedHouseholds_Severe_Tract." Map date: February 14, 2023.

As is described in the Housing Resources section, the City cannot rely on vacant sites to meet its RHNA. Therefore, the City's approach to accommodate its RHNA is comprised of underutilized sites throughout the City where redevelopment is likely. The sites include anticipated projects (Table H-47), underutilized sites that do not require rezoning (Table 48A) and underutilized sites that are candidates for rezoning (Table H-48B). These are shown on Figures H-25 and H-26.

The sites with anticipated projects provide important opportunities to both expand affordable housing (including affordable ownership opportunities) and increase access to opportunity in the Urban Village Specific Plan area (see sites 1 and 2 on Figure H-26), which is designated as a high-resource area, and the Via Lomas neighborhood (see site 3 on Figure H-26), which is also designated as high-resource area and currently supports the City's two publicly assisted housing developments.

Locating affordable housing in the high-resource Urban Village Specific Plan (Village Commercial zone) area will support the needs of low-income residents by providing convenient access to employment centers, public transit, essential services, and commercial areas, most within walking distance. The Village at Laguna Hills redevelopment site is adjacent to MemorialCare Saddleback Medical Center and surrounding medical complex, which can provide jobs for residents with varying levels of education and access to essential health services. The commercial uses within the Village at Laguna Hills redevelopment project provide additional employment opportunities and access to necessities, including a grocery store within walking distance of the sites. Laguna Hills' transit hub, the Laguna Hills Transportation Center, is also adjacent to the former Laguna Hills Mall site (Village at Laguna Hills project), allowing residents to access all commuter routes and local routes serving the City. The Village at Laguna Hills redevelopment project is an infill project, currently served by utilities and sidewalk. The existing sidewalk supports pedestrian access to the services and commercial areas stated previously and the Aliso Creek Riding and Hiking Trail, a series of bike paths and hiking trails less than a half-mile from the Laguna Hills Mall site. Locating affordable housing as a part of the Village at Laguna Hills redevelopment project furthers fair-housing choice by providing convenient access to job centers, essential services, and amenities, supporting economic mobility of low-income residents.

The General Plan designation for the Via Lomas neighborhood, Planned Community Via Lomas, provides an opportunity for a total 600 units within the area through a variety of densities. This neighborhood is located in the center of the City, near the intersection of Alicia Parkway and Moulton Parkway. As an area with concentrated poverty and higher diversity, introducing a mixture of units targeted at multiple income levels in the Via Lomas neighborhoods will help address issues of concentrated median income citywide. Expanding residential development in the Via Lomas neighborhood can provide additional resources to the neighborhood that could address existing discrepancies in access to opportunity, such as access to proficient schools and expanding park and recreational opportunities.

As shown in Figure H-25, candidate rezone sites are located in north Laguna Hills, in an area that largely supports business-park development with limited resources (access to grocery stores, schools, and essential services) accessible to the existing mobile park, Laguna Hills Estates, leaving residents of Laguna Hills Estates isolated from essential resources. Through rezoning this area to permit higher densities within the existing mixed-use zone, existing and future residents would benefit from convenient access to commercial services than the area currently provides.

The City's commitment to the rezoning effort to meet its RHNA is addressed in Program H-11.

Contributing Factors

Through an evaluation of the Regional AI, input from City staff, the Fair Housing Council of Orange County, and this assessment of fair housing issues, the City identified factors that contribute to fair housing issues in Laguna Hills, as shown in Table H-44C. These contributing factors have been incorporated into programs that specifically address anti-displacement, housing mobility, preservation of affordable housing, and tenant protections, among other fair housing issues, including Programs **H-3, H-4, H-5, H-6, H-12, and H-16**. See the introduction to **Appendix A Implementation Programs** for a description of how the program actions support the four categories of AFFH actions as specified by HCD:

1. Enhancing mobility strategies and promoting inclusion for protected classes
2. Encouraging development of new affordable housing in high-resource areas
3. Implementing place-based strategies to encourage community revitalization, including preservation of existing affordable housing
4. Protecting existing residents from displacement

Prioritized **contributing factors** are bolded in the table.

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| Table H-44C Factors that Contribute to Fair-Housing Issues | | |
|--|---|--|
| AFH Identified Fair - Housing Issues | Contributing Factor | Meaningful Action |
| Displacement/ exclusion of lower-income residents and overpayment for housing by renters and homeowners | <p>Housing shortages regionally in Orange County</p> <p>Unaffordable rents and home prices</p> <p>Neighborhoods in south Laguna Hills are more desirable, therefore more costly, than neighborhoods in central and north Laguna Hills</p> <p>Lack of partnerships with affordable housing developers</p> <p>Concentrated areas of poverty in low-resource areas</p> | <p>Require property owners to proactively relocate tenants while addressing code enforcement violations (Program H-1)</p> <p>Preserve 51 at-risk units and seek out opportunities for publicly assisted units in high resource areas of the City (Program H-4)</p> <p>Promote development opportunities in the UVSP area, encouraging affordable housing development (H-6)</p> <p>Expand HCV acceptance in high-resource areas (H-15)</p> <p>Develop first-time homebuyer assistance program through partnership with local non-profits and Orange County Housing and Community Services Department (H-16)</p> |
| Concentration of low-income households | <p>Availability of affordable units in a range of sizes</p> <p>Availability of rentals that accept Housing Choice Vouchers</p> <p>Linguistic isolation of non-English-speaking households</p> <p>Concentration of more affordable housing (e.g., multifamily, mobile home park) in north Laguna Hills and the Via Lomas neighborhood</p> <p>Neighborhoods in south Laguna Hills are more desirable, therefore more costly, than neighborhoods in central and north Laguna Hills</p> | <p>Promote development opportunities in the UVSP area, encouraging affordable housing development (H-6)</p> <p>Expand HCV acceptance in high-resource areas (H-15)</p> <p>Develop first-time homebuyer assistance program through partnership with local non-profits and Orange County Housing and Community Services Department (H-16)</p> <p>Rehabilitate at least 30 homes during the planning period through rehabilitation programs (H-3)</p> <p>Develop informational/educational material on housing services in multiple languages (H-1, H-3, H-16, H-17)</p> |
| Concentration of single-person households | <p>Limited variety of housing types to meet a range of incomes</p> <p>Availability of affordable units in a range of sizes</p> <p>Concentration of more affordable housing (e.g., multifamily, mobile home park) in north Laguna Hills and the Via Lomas neighborhood</p> | <p>Promote development opportunities in the UVSP area, encouraging affordable housing development (H-6)</p> <p>Expand HCV acceptance in high-resource areas (H-15)</p> <p>Develop first-time homebuyer assistance program through partnership with local non-profits and Orange County Housing and Community Services Department (H-16)</p> |

Table H-44C
Factors that Contribute to Fair-Housing Issues

| AFH Identified Fair - Housing Issues | Contributing Factor | Meaningful Action |
|--|---|--|
| Concentration of persons with disabilities | <p>Limited variety of housing types to meet a range of incomes</p> <p>Availability of affordable units in a range of sizes</p> <p>Availability of rentals that accept Housing Choice Vouchers</p> <p>Cost of rehabilitation or repair</p> | <p>Promote accessibility programs focused on improving access to housing, transit, public buildings, and facilities through developing partnerships with local non-profits and services providers (H-16 and H-17)</p> <p>Expand HCV acceptance in high-resource areas (H-15)</p> <p>Rehabilitate at least 30 homes during the planning period through rehabilitation programs and develop informational materials for assistance programs to support rehabilitation projects (H-3)</p> |
| Access to proficient schools | Availability of high-ranked elementary schools to serve north Laguna Hills and the Via Lomas neighborhood | Engage with the local school district to explore a program to address school boundaries and access to proficient education, specifically for the Via Lomas neighborhood (H-16) |

Note: Prioritized **contributing factors** are shown in bold text.

Housing Resources

State law (California Government Code Section 65584) 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 (RHNA), 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 need goals for the 2021-2029 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 2013-2021 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 eight years, the Southern California Association of Governments (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, 2021-2029. This section discusses how Laguna Hills will plan for the provision of housing for all economic segments by 2029.

FUTURE HOUSING NEED

For the 2021-2029 Housing Element cycle, the California Department of Housing and Community Development (HCD) projected a need for 1,341,827 new housing units in the six-county Southern California region (encompassing the counties of Los Angeles, Orange, Riverside, San Bernardino, Ventura, and Imperial). SCAG developed a RHNA that determines each jurisdiction's share of the forecasted growth based on several factors, including recent growth trends, income distribution, access to high-quality transportation corridors and capacity for future growth. The allocation for Orange County is 183,861 new units. Of Orange County's 183,861 units, 1,985 were allocated to Laguna Hills. Laguna Hills' share of the regional housing need for the 2021-2029 period is allocated by SCAG.

As shown in Table H-45, the RHNA is divided into 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. See Program H-21. Facilitating Housing on Identified Sites.

| Table H-45 Regional Housing Needs Allocation, 2021–2029 | | |
|---|--------------|---------------------|
| Income Level | Allocation | Percentage of Total |
| Very Low-Income | 568* | 29% |
| Low-Income | 353 | 18% |
| Moderate-Income | 354 | 18% |
| Above Moderate-Income | 710 | 36% |
| Total | 1,985 | 100% |
| Sources: SCAG 2021–2029 Regional Housing Needs Plan, July 2021 *Assumes 50 percent of the very low-income need is allocated for extremely low-income households. | | |

PROGRESS TOWARDS RHNA

There are no vacant sites in Laguna Hills suitable to meet the RHNA; however, there are many underutilized sites throughout the City where redevelopment is likely. 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. Three categories of underutilized sites are described here and shown on Figures H-25 and H-26:

1. Underutilized Sites with Anticipated Projects
 - a. Oakbrook Village
 - b. The Village at Laguna Hills
 - c. Planned Community Via Lomas (PCV)
2. Underutilized Sites, Candidates for Rezoning
3. Underutilized Sites, VC Zone

As described in the Constraints chapter, there is sufficient water and sewer capacity for current and anticipated residential growth in Laguna Hills. Dry utilities are readily available throughout the City.

Accessory Dwelling Units (ADUs)

Ten accessory dwelling units (ADUs) were built between 2016 and October 2021. This analysis assumes that the number of ADU applications and permits will increase slightly during the 2021-2029 projection period, averaging 1.9 ADU's per year, for a total of 18 ADU's during the planning period. To promote ADU's, the City has included Program H-8 to comply with state law and make construction of ADU's feasible for more property owners. To determine assumptions on ADU affordability in the SCAG region, SCAG conducted a regional analysis of existing ADU rents in April and June 2020. The analysis resulted in affordability assumptions for Orange County jurisdictions that allocate 68 percent of ADU's to lower-income households, 30 percent to moderate-income households, and 2 percent to above moderate-income households. Affordability of ADU's projected to be built within the City during the planning period were based on the SCAG analysis. Of the 18 ADU's projected to be built, it is estimated that 10 will be for lower-income households, 5 for moderate income households, and three for above moderate-income households. In many of these instances the units may be occupied by low- and moderate-income seniors who may be related to the owners of the principal dwelling. Anticipated ADUs are shown in **Table H-46**.

Table H-46
Progress Towards RHNA

| Income Category | RHNA | VC Zone Sites | Anticipated Projects | | | Anticipated ADUs | Subtotal Progress Towards RHNA | Remaining Need | Candidate Rezone Sites | RHNA Surplus |
|-----------------|-------------|---------------|----------------------|-----------------------------|-----------------------------------|------------------|--------------------------------|----------------|------------------------|--------------|
| | | | Oakbrook Village | The Village at Laguna Hills | Planned Community Via Lomas (PCV) | | | | | |
| Lower | 921 | 398 | 0 | 100 | 0 | 10 | 508 | 413 | 1,032 | 619 |
| Moderate | 354 | 0 | 50 | 350 | 0 | 5 | 405 | -51 | | 51 |
| Above Moderate | 710 | 0 | 150 | 713 | 250 | 3 | 1,116 | -406 | | 406 |
| Total | 1985 | 398 | 200 | 1,163 | 250 | 18 | 2,029 | 413 | 1,032 | 1,076 |

Note: No sites identified in the 6th cycle land inventory for lower income were identified in the 5th or 4th for lower income.

ANTICIPATED PROJECTS

There is a total of 1,613 anticipated units at the Oakbrook Village (site 1), Village at Laguna Hills (site 2), and Planned Community Via Lomas (PCV) (site 3). These projects are described in greater detail herein. Site-specific information is shown in Table H-47. The sites are mapped in Figure H-25.

The total 1,613 anticipated units at these three sites are counted towards the City's RHNA by income categories:

- Lower-income: 100 deed-restricted units at the Village at Laguna Hills,
- Moderate-income: 100 deed-restricted units and 250 market-rate units at the Village at Laguna Hills and 50 market-rate units at Oakbrook Village (see affordability analysis herein),

Above moderate-income: all market-rate units, 713 at the Village at Laguna Hills, 150 at Oakbrook Village and 250 at Planned Community Via Lomas (PCV)

Affordability of Market-Rate Moderate-Income Units

HUD considers a household's housing costs to be affordable if they are no more than 30 percent of the household's income. According to HCD's income limits for 2021, at the moderate-income level (earning between 81 and 120 percent of AMI), monthly rental costs are considered affordable if they are:

- \$2,241 or less for one-person households,
- \$2,561 or less for two-person households, and
- \$2,881 or less for three-person households.

As shown in Table H-28, in a survey of rental listings on Zillow.com in February 2021, out of five rental developments in Laguna Hills, the average rent for a one-bedroom apartment was \$1,955 and the average rent for a two-bedroom apartment was \$2,325. In addition, rents at newer developments in neighboring communities was surveyed in July 2022 with the following list prices for monthly rents for one-bedroom apartments:

- \$2,482 at Los Alisos in Mission Viejo
- \$2,495 at Apex in Laguna Niguel
- \$2,490 at Portola Place in Irvine
- \$2,490 at Los Olivios in Irvine

Based on this analysis, it is reasonable to assume that at least 250 units at the Village at Laguna Hills and 50 units at Oakbrook Village will be affordable to moderate-income households at a market-rate.

Oakbrook Village: 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, mixed-use, redevelopment project of a portion of the Oakbrook Village Shopping Center. At that time, 289 market-rate units were built. The owner has not exercised their rights under the development agreement to build the remaining 200 units. The development agreement expires in December 2023. However, due to the high demand for housing, it is likely that these 200 units will be built. Of the 200 anticipated market-rate units, 150 are anticipated to be affordable to households with above moderate incomes and 50 are anticipated to be affordable to households with moderate incomes. More information on the site is shown in Table H-47: Anticipated Projects. The total units are shown in Table H-46: Progress Towards RHNA.

The Village at Laguna Hills (Formerly Five Lagunas): In March 2016, the City originally approved a plan for the renovation of the Laguna Hills Mall, which included approximately 880,000 square feet of new and renovated commercial retail space, movie theaters, restaurants, and 988 residential units. The approved plan was known as Five Lagunas. Subsequently, the property owner of Five Lagunas, Merlone Geier Partners (MGP), informed City staff that they could not move forward with the approved 2016 plan because they did not think the market would support the approved Five Lagunas project. Since then, several revised configurations have been discussed for the project, renamed as The Village at Laguna Hills. Most recently (April 2022), the City approved a revised proposal that contains increased the development's capacity, including approximately 250,000 square feet of retail and restaurants, up to 465,000 square feet of commercial office, up to 1,500 residential units and a hotel with 100-150 rooms. Five multi-story residential buildings, one mixed-use retail/residential building and four residential buildings, will support the anticipated 1,500 proposed units.

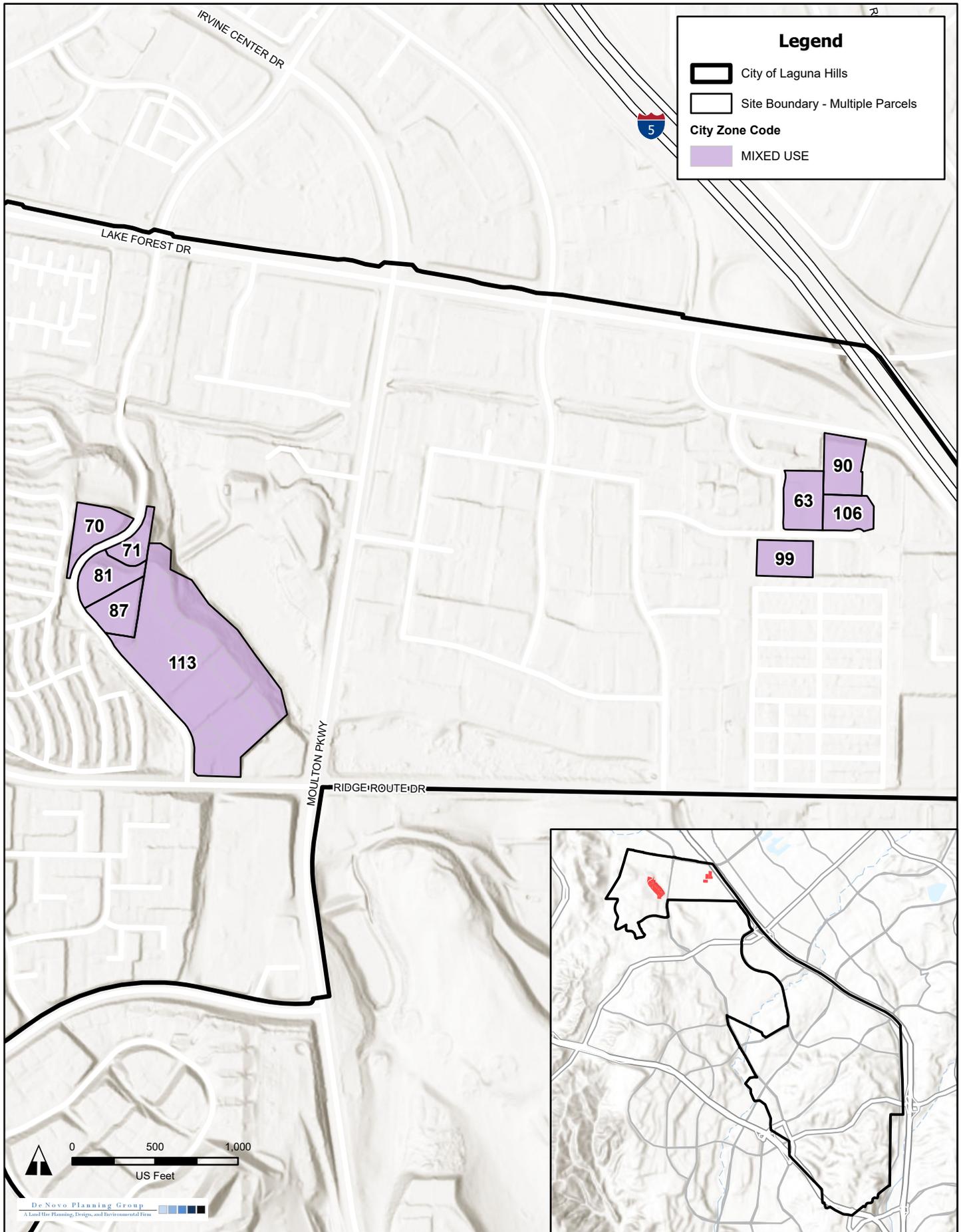
Of the approved 1,500 units, there will be 200 deed-restricted affordable units, (100 moderate income and 100 low income units). The rental priority for the affordable units will be given to seniors, veterans, and City residents. More information on the site is shown in Table H-47: Anticipated Projects. The total units are shown in Table H-46: Progress Towards RHNA. For the purposes of this housing element, 1,163 units of the total 1,500 units anticipated during this cycle, including all 200 affordable units. As indicated in the approved proposal, the last building to be built will not contain any of the affordable units. Of the remaining 963 anticipated units (1,163-200), 713 are anticipated to be affordable to households with above moderate incomes

and 250 are anticipated to be affordable to households with moderate incomes.

Planned Community Via Lomas (PCV): As described in the City's Land Use Element of its General Plan, the Planned Community Via Lomas (PCV) is located along Via Lomas in the west-central portion of the City and consists of 39 acres. The area is currently developed with 350 apartments and condominiums, consisting of one-story cluster condos and two-story apartments. A total of 102 units are within the Rancho Moulton and Rancho Niguel apartment complexes (51 units each). Both Rancho Moulton and Rancho Niguel were built in the early 1980s with Section 8 construction funds and provide affordable housing to low- and moderate-income residents. The Aliso Meadows condominiums have 248 units and provide an affordable home ownership opportunity for low- and moderate-income households. The General Plan designates this site as Planned Community Via Lomas. This designation will allow a maximum of 600 dwelling units through a variety of different densities, which is an increase of 250 dwelling units over existing conditions. Building height will be a combination of two- and three-story structures. Additionally, up to approximately 13 acres of parks and recreation amenities will be added.

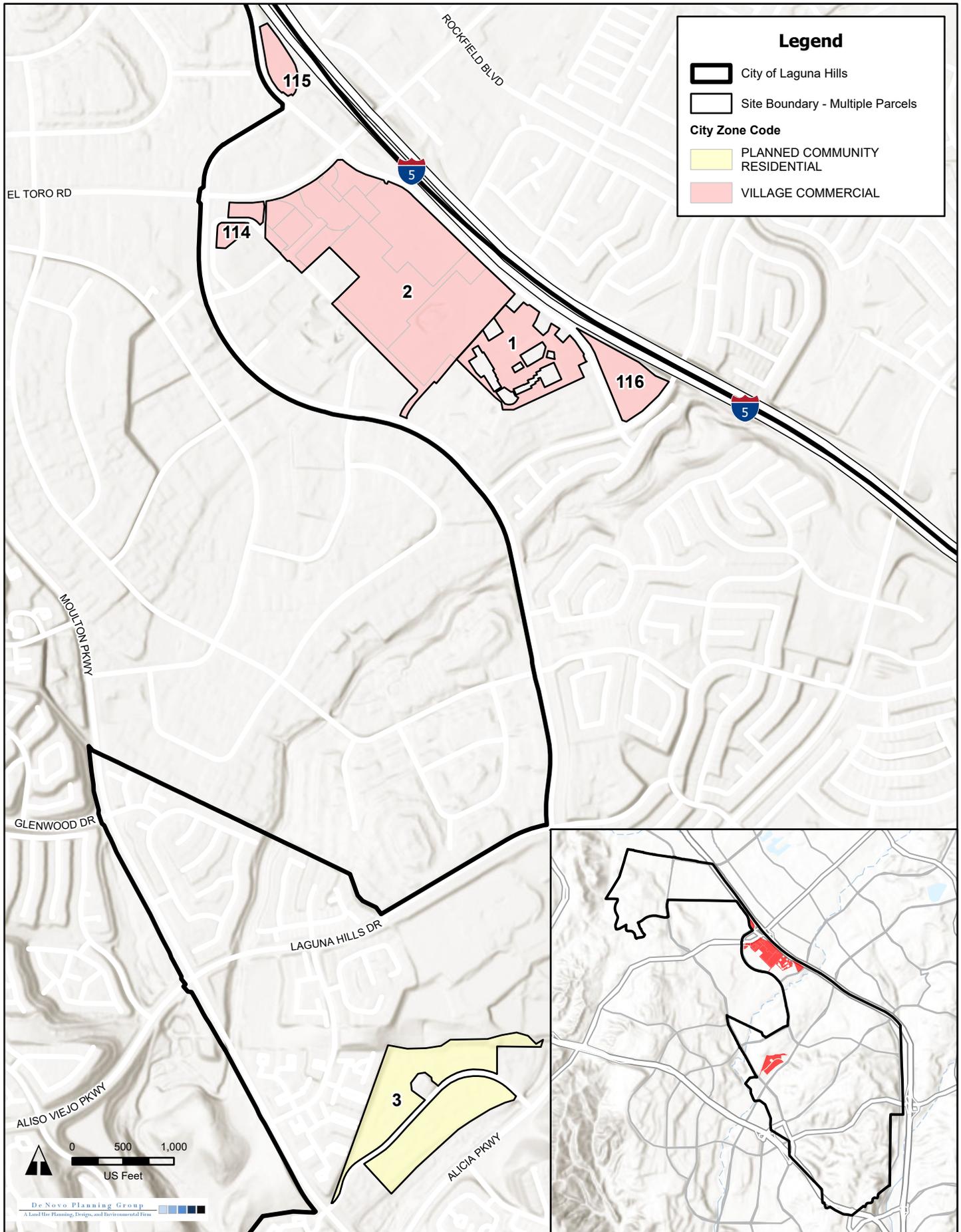
The 250 units anticipated in the City's Land Use Element of its General Plan, for the Planned Community Via Lomas (PCV) area are anticipated to be affordable to households with above-moderate incomes. More information on the site is shown in Table H-47: Anticipated Projects. The total units are shown in Table H-46: Progress Towards RHNA.

FIGURE H-25: SITES INVENTORY (1 OF 2)



Sources: De Novo Planning Group. City of Laguna Hills. Map date: February 14, 2023.

FIGURE H-26: SITES INVENTORY (2 OF 2)



Sources: De Novo Planning Group. City of Laguna Hills. Map date: February 14, 2023.

**Table H-47
Anticipated Projects**

| Map ID # | Location | APN | Address | Zoning and General Plan | Acres | Minimum Density (units/acre) | Current Maximum Density (units/acre) | Lower Income Units | Moderate Income Units | Above Moderate Income Units | Total Units | Existing Uses | Area | |
|--------------|-----------------------------------|----------|---|------------------------------------|--------------|------------------------------|--|--------------------|-----------------------|-----------------------------|--------------|----------------------------------|-----------|------|
| 1 | Oakbrook Village | 62049121 | West side of Avenida de la Carlota, north of Los Alisos Blvd. | VC | 13.35 | 30 | 50 | 0 | 50 | 150 | 200 | Strip Mall | UVSP | |
| 2 | Village at Laguna Hills | 62114181 | 24100 and 24126 Laguna Hills Mall | VC | 3.19 | 30 | 50 | 100 | 350 | 713 | 1,163 | Retail, restaurants and services | UVSP | |
| | | 62105129 | | VC | 15.41 | 30 | 50 | | | | | | UVSP | |
| | | 62114150 | | VC | 1.89 | 30 | 50 | | | | | | UVSP | |
| | | 62114153 | | VC | 0.63 | 30 | 50 | | | | | | UVSP | |
| | | 62105133 | | VC | 16.43 | 30 | 50 | | | | | | UVSP | |
| | | 62114154 | | 23531 and 24300 Calle De La Louisa | VC | 1.80 | 30 | | | | | | 50 | UVSP |
| | | 62114158 | | 24032 El Toro Road | VC | 1.29 | 30 | | | | | | 50 | UVSP |
| | | 62114155 | | 24102 Ronda Del Rossmoor | VC | 1.20 | 30 | | | | | | 50 | UVSP |
| | | 62114149 | | VC | 2.42 | 30 | 50 | | | | | | UVSP | |
| | | 62105135 | | VC | 12.23 | 30 | 50 | | | | | | UVSP | |
| | | 62114151 | | VC | 3.53 | 30 | 50 | | | | | | UVSP | |
| | | 62105125 | | VC | 2.18 | 30 | 50 | | | | | | UVSP | |
| 62105134 | VC | 2.11 | 30 | 50 | UVSP | | | | | | | | | |
| 3 | Planned Community Via Lomas (PCV) | 62521105 | South side of Via Lomas, between Moulton Pkwy. and Alicia Pkwy. | PCR | 16.73 | N/A | 24 units/ ac. on a project; average of 15.3 units/ ac. across PCR zone | 0 | 0 | 250 | 250 | Residential | Via Lomas | |
| TOTAL | | | | | 94.39 | | | 100 | 400 | 1,113 | 1,613 | | | |

VC = Village Commercial
 UVSP = Urban Village Specific Plan
 PCR = Planned Community Residential

UNDERUTILIZED SITES

Village Commercial (VC) Zone

Table H-48A shows three underutilized sites, totaling 11.4 acres. They are shown as sites 114, 115 and 116 on Figure H-26. They are located in the Urban Village Specific Plan (UVSP). The UVSP allows projects that are 100-percent residential; however, there is no required residential component for mixed-use projects. 50 units per acre is the maximum residential density. The realistic capacity is calculated at 70 percent of the maximum allowed units for each site, given its size. A 70 percent assumption is reasonable, given the market demand for housing development and the numerous examples of high-density mixed-use developments in Laguna Hills and surrounding cities (see the subsection Recent Development Trends, after Table H-48B and the subsection with the underutilized analysis). As seen in Table H-46, 398 units are counted towards the lower income RHNA categories. Because these three sites are not vacant, an underutilized analysis is included. All underutilized sites are described and analyzed following Table H-48B.

| Table H-48A Underutilized Sites, VC Zone | | | | | | | | | | |
|---|--------------|-----------------------------|-------------------------|--------------|------------------------------|--------------------------------------|--------------------------------------|--------------------|---------------|---------------|
| Map ID # | APN | Address | Zoning and General Plan | Acres | Minimum Density (units/acre) | Current Maximum Density (units/acre) | Realistic Capacity (Percent Maximum) | Lower Income Units | Existing Uses | Specific Plan |
| 114 | 62114127 | 23511 Paseo de Valencia | VC | 1.30 | 30 | 50 | 0.7 | 45 | Commercial | UVSP |
| 115 | 61602203 | 23802 Avenida de la Carlota | VC | 3.35 | 30 | 50 | 0.7 | 117 | Religious | UVSP |
| 116 | 62049201 | 24422 Avenida de la Carlota | VC | 6.73 | 30 | 50 | 0.7 | 236 | Commercial | UVSP |
| | Total | | | 11.37 | | | | 398 | | |

CANDIDATES FOR REZONING

As shown in Table H-46: Progress Towards RHNA, after accounting for anticipated development from ADUs, Oakbrook Village, The Village at Laguna Hills, the Planned Community Via Lomas (PCV), and underutilized sites in the VC zone, for the moderate and above moderate-income categories have been met and there is a remaining unaccommodated need of 413 units in the lower-income categories. The City does not have land adequately zoned to accommodate these units. This section describes the plan for meeting the City's RHNA by rezoning underutilized sites. Redevelopment with new mixed-use buildings is anticipated in several areas of the City. New mixed-use developments will likely have apartments and/or condominiums with a range of sizes and price points. Density is one of the most important factors that affect the feasibility of affordable housing. Higher density reduces the land cost for each housing unit, thereby reducing total development cost. "Default" densities that are presumed to be suitable for lower-income housing are set by California statute Section (65583.2(c)(3)(B)). For Laguna Hills, like most cities in metropolitan areas, the default density is 30 housing units per acre. The remaining unaccommodated 413 units in the lower-income category can be accommodated on 13.7 acres rezoned to allow 30 units per acre. However, the City is interested in allowing up to 50 units per acre on the rezoned sites. For the sake of this analysis, it is assumed that the remaining unaccommodated 413 units in the lower-income category will be accommodated by rezoning certain sites in certain zones to allow 50 units per acre. At 50 units per acres, a minimum of 8.26 acres would need to be rezoned. Although 50 units per acre is greater than the default density assigned by the State, the City's Village Commercial zone already allows 50 units per acre, and projects have been approved and built with utilizing the 50 units per acre density allowed. The realistic capacity is calculated at 70 percent of the maximum allowed units for each candidate rezone site, given its size. A 70 percent assumption is reasonable, given the market demand for housing development and the numerous examples of high-density mixed-use developments in Laguna Hills and surrounding cities (see the subsection Recent Development Trends, after Table H-48B and the subsection with the underutilized analysis). With no vacant sites available in Laguna Hills, all candidate rezone sites are non-vacant and included in the underutilized analysis that follows Table H-48B.

Figures H-25 and H-26 and Table H-48B show underutilized, candidate rezone sites.

**Table H-48B
Underutilized, Candidate Rezone Sites**

| Map ID # | APN | Address | Zoning/ General Plan | Acres | Minimum Density (units/acre) | Current Maximum Density (units/acre) | Proposed Maximum Density (units/acre) | Realistic Capacity (Percent Maximum) | Lower Income Units | Existing Uses | Potential for Lot Consolidation | Area |
|----------|----------|-------------------------|-------------------------|-------|------------------------------|--------------------------------------|---------------------------------------|--------------------------------------|--------------------|---------------|---------------------------------|--------------------|
| 70 | 58814208 | 23201 Mill Creek Dr 3 | MXU | 1.77 | N/A | 20 | 50 | 0.70 | 62 | Commercial | | North Laguna Hills |
| 71 | 58814108 | 23212 Mill Creek Dr | MXU | 1.01 | N/A | 20 | 50 | 0.70 | 35 | Commercial | | North Laguna Hills |
| 81 | 58814111 | 23272 Mill Creek Dr 330 | MXU | 1.81 | N/A | 20 | 50 | 0.70 | 63 | Commercial | | North Laguna Hills |
| 87 | 58814112 | 23282 Mill Creek Dr 100 | MXU | 1.66 | N/A | 20 | 50 | 0.70 | 58 | Commercial | | North Laguna Hills |
| 113 | 58816112 | 23330 Mill Creek Dr | MXU | 0.35 | N/A | 20 | 50 | 0.70 | 12 | Commercial | Yes | North Laguna Hills |
| | 58816110 | 23332 Mill Creek Dr | MXU | 0.70 | N/A | 20 | 50 | 0.70 | 25 | Commercial | Yes | North Laguna Hills |
| | 58816109 | 23382 Mill Creek Dr | MXU | 0.71 | N/A | 20 | 50 | 0.70 | 25 | Commercial | Yes | North Laguna Hills |
| | 58816108 | 23422 Mill Creek Dr | MXU | 0.71 | N/A | 20 | 50 | 0.70 | 25 | Commercial | Yes | North Laguna Hills |
| | 58816107 | 24411 Mill Creek Dr | MXU | 0.57 | N/A | 20 | 50 | 0.70 | 20 | Commercial | Yes | North Laguna Hills |

**Table H-48B
Underutilized, Candidate Rezone Sites**

| Map ID # | APN | Address | Zoning/General Plan | Acres | Minimum Density (units/acre) | Current Maximum Density (units/acre) | Proposed Maximum Density (units/acre) | Realistic Capacity (Percent Maximum) | Lower Income Units | Existing Uses | Potential for Lot Consolidation | Area |
|----------|----------|---------------------------|---------------------|--------------|------------------------------|--------------------------------------|---------------------------------------|--------------------------------------|--------------------|---------------|---------------------------------|--------------------|
| | 58816106 | 24461 Mill Creek Dr | MXU | 0.29 | N/A | 20 | 50 | 0.70 | 10 | Commercial | Yes | North Laguna Hills |
| | 58816113 | 23330-24461 Mill Creek Dr | MXU | 12.89 | N/A | 20 | 50 | 0.70 | 451 | Commercial | Yes | North Laguna Hills |
| 63 | 58811119 | 23172 Plaza Pointe Dr | MXU | 1.94 | N/A | 20 | 50 | 0.70 | 68 | Commercial | | North Laguna Hills |
| 90 | 58811117 | 23441 S Pointe Dr | MXU | 1.93 | N/A | 20 | 50 | 0.70 | 68 | Commercial | | North Laguna Hills |
| 99 | 58811113 | 23342 S Pointe Dr B | MXU | 1.69 | N/A | 20 | 50 | 0.70 | 59 | Industrial | | North Laguna Hills |
| 106 | 58811116 | 23421 S Pointe Dr | MXU | 1.45 | N/A | 20 | 50 | 0.70 | 51 | Commercial | | North Laguna Hills |
| | | | Total | 29.48 | | | | | 1,032 | | | |

Underutilized Sites Analysis

All underutilized sites have access to commercial and retail shopping opportunities, schools, transit and transportation networks and job centers.

Site 114: 23511 Paseo de Valencia

This 1.3-acre site is currently used as a bank. According to County Assessor records, the site is improved with a 13,688-square-foot, two-story bank building constructed in 1980, currently occupied by Union Bank. Since US bank has acquired Union Bank, and there is a newer US bank building less than three-fourths of a mile away on El Toro Road, US Bank has indicated the bank at the subject property will likely be closed, but no final decision has been made as of April 2022. This is an ideal redevelopment site because the existing use is expected to discontinue soon. This site has a low as-built floor area ratio (FAR), 0.24, where no maximum is prescribed, indicating that the site is underutilized.

Site 115: 23802 Avenida de la Carlota

This 3.35-acre site is currently used by a religious institution, St. George's Episcopal Church. According to County Assessor records, the site is improved with a 14,163 square foot building, built in 1969. The church directorship has indicated the church has considered relocating if a Caltrans project currently under consideration takes any of their site, as they cannot afford to lose any site area and continue all of the current church services. The directorship also indicated the church would relocate if it were to be purchased by an entity that would help with relocation in the area. According to the Orange County Office of the Treasurer-Tax Collector, the assessed improvement value on this site is 36 percent of the total assessed value (land plus improvements), which indicates that redevelopment is likely. Because the site may be redeveloped with mixed-uses, the realistic unit yield is calculated at 70 percent of the maximum allowed (50 units per acre) under current zoning.

Site 116: 24422 Avenida de la Carlota

This 6.73-acre site is known as Oakbrook Plaza. Existing uses are commercial. According to LoopNet, a commercial broker website, the site is improved with a 119,900-square-foot, four-story office building constructed in 1983. There are approximately 478 surface parking spaces occupying 85 percent of the site. There is a low as-built FAR of 0.41, where no maximum is prescribed, indicating that the site is underutilized. Lot coverage is 10 percent; however, 70 percent lot coverage is allowed on the site. Online listings (commercialcafe.com) indicate the building occupancy is more than 1/3 vacant. Buchanan Street Partners, which purchased the site in December 2022, corresponded with City staff prior to and during the purchase process, indicating their plans to add approximately 250 units to the site, while preserving the existing office building. Buchanan Street Partners has submitted a letter of explanation provided in Appendix C.

There is an opportunity with this site to use all or some of the 6-acre parking lot to develop housing. Because the site may be redeveloped with mixed-uses, the realistic unit yield is calculated at 70 percent of the maximum allowed (50 units per acre) under current zoning, which is consistent to the yield indicated by new owners Buchanan Street Partners.

Site 70: 23201 Mill Creek Drive 3

This 1.77-acre site is known as Professional Land Plaza. Existing uses are commercial. According to LoopNet, a commercial broker website, the site consists of 60 parking spaces and a three-story professional office building built in 1982 and renovated in 1992. Current tenants include counseling services and real estate offices. As patterns of employment in professional occupations shift to virtual and remote work, office culture is evolving and the use of in-person office spaces can be predicted to decline. There is a low as-built FAR of 0.35, indicating that the site is underutilized. According to the Orange County Office of the Treasurer-Tax Collector, the assessed improvement value on this site is 49 percent of the total assessed value (land plus improvements), which also indicates that redevelopment is likely. Because the site is likely to be redeveloped with mixed-uses, the realistic unit yield is calculated at 70 percent of the maximum allowed (50 units per acre) under current zoning. The property owners indicate the existing allowed residential density of 20 dwelling units per acre does not support redevelopment of the site, but that 50 dwelling units per acre does, and the owners indicate they are very interested in housing for the site at that density.

Site 71: 23212 Mill Creek Drive

This 1.01-acre site is known as Vacation Resorts International. Existing uses are commercial. According to LoopNet, a commercial broker website, the site consists of a 50 parking spaces and a three-story professional office building with built in 1983. Current tenants include an attorney office. As patterns of employment in professional occupations shift to virtual and remote work, office culture is evolving and the use of in-person office spaces can be predicted to decline. According to a search on Property Shark, an online real estate information website, on May 11, 2022, approximately two-thirds of the suites in the existing building were empty and are available for lease. This site currently has a low as-built FAR of 0.26, where 0.38 is allowed, indicating that the site is underutilized. According to the Orange County Office of the Treasurer-Tax Collector, the assessed improvement value on this site is 47 percent of the total assessed value (land plus improvements), which also indicates that redevelopment is likely. According to a search on Property Shark (an online real estate information website) on May 11, 2022, two-thirds of the suites in the building were empty and are available for lease. City staff Site visits to this property confirm an unusually high number of vacancies. Staff has been contacted by multiple housing developers interested in this site, including wholly residential development, or as a mixed-use project adding residential units and preserving existing office space.

Site 81: 23272 Mill Creek Drive 330

This 1.81-acre site is known as Summit Office Plaza (West). Existing uses are commercial. According to LoopNet, a commercial broker website, the site consists of 140 parking spaces and a three-story professional office building built in 1984. Tenants include a massage therapist, financial office, and software developer. According to the Orange County Office of the Treasurer-Tax Collector, the assessed improvement value on this site is 44 percent of the total assessed value (land plus improvements), which also indicates that redevelopment is likely. The City has received a letter of support from the property owner conveying strong support for including Site 81 in the Housing Element as an opportunity site. The property was listed for sale in October 2022 and since that time, nearly 100% of the serious interest from buyers is for redevelopment of the site to residential uses. Given this strong level of interest and the owner's willingness to consider a sale, there is a clear path towards this location being redeveloped for residential in the next several years. Staff has also discussed this site with multiple housing developers with interest in this site for residential development. This site owner also owns adjacent Site 87.

Site 87: 23282 Mill Creek Drive 100

This 1.66-acre site is known as Summit Office Plaza (East). Existing uses are commercial. According to LoopNet, a commercial broker website, the site consists of 140 parking spaces and a three-story professional office building built in 1984. Tenants include environmental consultants, mortgage lenders, and a financial office. According to the Orange County Office of the Treasurer-Tax Collector, the assessed improvement value on this site is 44 percent of the total assessed value (land plus improvements), which indicates that redevelopment is likely. The site currently has multiple vacancies. The site is located adjacent to Site 113, which is being purchased by a residential developer, as detailed below. The City has received a letter of support from the property owner conveying strong support for including Site 81 in the Housing Element as an opportunity site. The property was listed for sale in October 2022 and since that time, nearly 100% of the serious interest from buyers is for redevelopment of the site to residential uses. Given this strong level of interest and the owner's willingness to consider a sale, there is a clear path towards this location being redeveloped for residential in the next several years. Staff has also discussed this site with multiple housing developers with interest in this site for residential development. This site owner also owns adjacent Site 81.

Site 113: 23332 Mill Creek Dr, 23382 Mill Creek Dr, 23422 Mill Creek Dr, 24411 Mill Creek Dr, and 24411-24461 Ridge Route

This 15.9-acre site is known as HERE (formerly Lakehills Corporate Park). Existing uses are commercial. This site consists of five 2-story professional office buildings totaling to 223,888 square feet constructed in 1988 and renovated in 2017. It also consists of a parking lot containing 865 spaces. The owners are very interested in the possibility of residential use of the

property. The City has had several meetings with Ron Harari, President and CEO of Tova Capital, Inc., and have received a letter of support for future residential development of the site (see Appendix C). The property was marketed in May 2022 and staff has been contacted by at least a half-dozen developers interested in developing some type of residential use on the property. The property has been purchased by the Kelemen Company and Kingsbarn (a housing developer) who have indicated plans to develop the site with residential land uses, built in four phases to accommodate current office-space leases and to control timing for roll-out of new residential units ensuring adequate market absorption with each phase. See support letter, with concept plans, in Appendix C. There are some active long leases on site, however, the size and layout of the site has the opportunity for phasing, subdividing, and grouping remaining office uses in the same building(s) while allowing the site to incrementally realize residential development potential. This site has a low as-built FAR of 0.32 where 0.38 is permitted, indicating that the site is underutilized. This property has lakefront views, is located very close to services and primary arterials for regional accessibility.

Site 63: 23172 Plaza Pointe Drive

This 1.84-acre site is known as Plaza Laguna Hills. Existing uses are commercial. According to LoopNet, a commercial broker website, the site consists of 147 parking spaces and a two-story, 35,437 square-foot office building built in 1989. According to the Orange County Office of the Treasurer-Tax Collector, the assessed improvement value on this site is 52 percent of the total assessed value (land plus improvements), which also indicates that redevelopment is likely. City staff spoke with the property owner who expressed interest in developing the site with residential uses and support for rezoning the property to allow 50 units per acre. The owner has submitted a letter of intent provided in Appendix C.

Site 90: 23441 S Pointe Drive

This 1.93-acre site is known as Water Garden Business Plaza. Existing uses are commercial. According to LoopNet, a commercial broker website, the site consists of 64 parking spaces and a two-story, 23,724 square foot office building built in 1980. This site has a low as-built FAR of 0.28, indicating that the site is underutilized. According to the Orange County Office of the Treasurer-Tax Collector, the assessed improvement value on this site is 35 percent of the total assessed value (land plus improvements), which also indicates that redevelopment is likely. The property owners considered residential development of the site in the past, but could not develop a viable project with only 20 dwelling units per acre, the current maximum density allowed on the site. The owners indicate a density of 50 dwelling units per acre make housing development of the site realistic and are interested in pursuing this option. This Site and Site 106 are owned by the same entity and the lots can be merged to accommodate a larger project. A support letter from the property ownership is provided in Appendix C.

Site 99: 23342 S Pointe Drive

The 1.69-acre site is known as the Antoyan Industrial Park. Existing uses are commercial. According to County Assessor records, the site is improved with three one-story tilt-up construction buildings totaling to approximately 43,800 square feet, constructed in 1980. The building currently appears to be 25 percent to 30 percent vacant. With vacancies, and no significant investment since original construction, the property appears suitable for redevelopment. This site has a low as-built FAR of 0.39, indicating that the site is underutilized. According to the Orange County Office of the Treasurer-Tax Collector, the assessed improvement value on this site is 37 percent of the total assessed value (land plus improvements), which also indicates that redevelopment is likely.

Site 106: 23421 S Pointe Drive

This 1.45-acre site is known as the Water Garden Business Plaza. Existing uses are commercial. According to LoopNet, a commercial broker website, it consists of 85 parking spaces and a two-story, 22,556 square foot office building built in 1988. This site has a low as-built FAR of 0.36, indicating that the site is underutilized. According to the Orange County Office of the Treasurer-Tax Collector, the assessed improvement value on this site is 43 percent of the total assessed value (land plus improvements), which also indicates that redevelopment is likely. The property owners considered residential development of the site in the past, but could not develop a viable project with only 20 dwelling units per acre, the current maximum density allowed on the site. The owners indicate a density of 50 dwelling units per acre make housing development of the site realistic and are interested in pursuing this option. This Site and Site 90 are owned by the same entity and the lots can be merged to accommodate a larger project. A support letter from the property ownership is provided in Appendix C

Recent Development Trends

Recent planned and entitled projects in Southern California demonstrate that developed retail uses are redeveloping into new, more intense mixed-use and stand-alone residential projects. Current trends in the redevelopment of retail centers began with the introduction of online retail, which is currently (2021) capturing 20 percent of every retail dollar spent in the US economy. Recent industry reports (Barclay's Bank in October 2020 and Coresight Research in July 2020), find that the current retailers will likely be substantially reduced by 2030, with predictions that online retail will account for 40 percent of retail sales by 2030. The COVID-19 pandemic has only accelerated past trends.

As retail stores opt to relocate or retail properties become due for major reinvestments/improvements, property owners find few retailers looking to replace existing tenants or can find greater value in the development of new residential uses. This even includes grocery stores, once thought to be insulated from the impacts of online retail, are closing stores in Southern

California (e.g., such as Kroger (parent company of Ralphs and Food4Less) and Northgate Market). An example of grocery-store mixed-use redevelopment can be found in Santa Ana, a northern City in Orange County, (4th and Mortimer, Santa Ana), where two parcels (one containing an existing Northgate Market) were consolidated into a 2.72-acre site to be redeveloped into 169 housing units and 11,361 square feet of commercial space. Laguna Hills can even plan a redevelopment that retains a grocery component, as was done in a North Hollywood mixed-use development (5101 Lankershim, opened 2020), where 297 units, including 25 very low-income units, and a 26,000-square foot Amazon Fresh grocery store were built on a 1.37-acre site.

As the City considers mixed-use development as an opportunity to develop more housing, it has the responsibility to also evaluate the implications of the City's requirement for multifamily to be developed above a ground floor consisting of commercial, office, or other nonresidential uses. Development potential has previously been limited by three factors, including the absence of developers and builders familiar with the mixed-use development process, reluctance from lending institutions and/or equity investors to finance or fund mixed-use buildings, and community concern about high density multifamily projects. However, mixed-use projects have increasingly been developed over the past few decades and minimized or eliminated the challenges presented by the previously mentioned factors.

Mixed-use residential projects that include affordable housing are less common. Although there is no difference in construction complexity compared to market-rate projects, the availability of community concern and funding may still present some challenges. While lending institutions and equity investors are familiar with and have a track recording of funding both mixed-use residential and affordable housing, Local trends of mixed-use affordable housing developments incorporate nonresidential into most, if not all, of the ground floor demonstrating the willingness of equity partners and lenders to invest in such projects.

Several other multifamily and mixed-use residential projects have redeveloped or plan to redevelop existing commercial areas within or near Laguna Hills during the past several years. These projects include:

- The Village at Laguna Hills (3 buildings: 49.9 units per acre, and 2 buildings: 50.0 units per acre), 24155 Laguna Hills Mall, Laguna Hills
- Reata/Oakbrook Village (289 units at 48 units per acre), 4391 Avenida De La Carlota #100, Laguna Hills
- Los Olivos at Irvine Spectrum (1,750 units), 350 Gitano, Irvine
- Apex (284 units), 27960 Cabot Rd, Laguna Niguel
- Broadstone Cavora (348 units with 5,900 square feet of commercial space, 26033 Cape Dr, Laguna Niguel
- Blu Laguna Niguel (233 units), 27930 Cabot Rd, Laguna Niguel
- Vantis (435 units), 90 Vantis Dr, Aliso Viejo
- Paseo Adelanto Mixed-Use (50 units with 3,800 square feet of

community space and office), 32400 Paseo Adelanto, San Juan Capistrano

- La Placita Cinco (51 units above 3,360 square feet of community space with an additional 13,000 square feet of retail) 2239 W 5th St, Santa Ana

Realistic Capacity Assumptions

A review of recent development projects in Laguna Hills and within the neighboring cities helps to identify the realistic density that can be anticipated for potential development. In general, the reasonable residential development potential of underutilized sites in the VC zone and the candidate sites to be rezoned is 70% of maximum permitted density of the applicable zone. Moreover, the City's commitment to increasing residential development opportunities, in combination with developers' desire to maximize the return on their investments, results in increasingly efficient development at higher densities than was typical in past decades. The City expects that future housing development project applications will match the current trend of proposed residential densities near the maximum density allowed or will seek density bonuses as allowed by state law.

For each of the underutilized VC zone sites and the candidate sites to be rezoned, development trends vary by lot size whereby the larger the property the more likely the development will meet or exceed the maximum density allowance. Additionally, with larger projects, developers have more flexibility in using the density bonus provisions (although density bonus units are not assumed as part of this analysis). However, since all the underutilized and candidate sites for rezoning are >0.5 acre in size, they are all assumed to develop at 70% of maximum capacity. Projects surveyed are identified in Table H-49 and include:

- Reata/Oakbrook Village is part of a larger mixed-use development in Laguna Hills on the 13.35-acre Oakbrook Village Shopping Center site in the VC zone. The project was approved to develop at 37 du/ac, or 73% of the maximum density of 50 du/ac.
- Milani Apartments is a 287-unit residential community currently under construction on a 3.66-acre site in the Irvine Business Complex area. The project was approved to develop at 78 du/ac, or over 100% maximum capacity of 63 du/ac.
- 15 Degrees South is a 150-unit mixed-use development currently under construction on a 3.73-acre site in Irvine. The project was approved to develop at 40 du/ac, or over 100% maximum capacity of 32 du/ac.
- Broadstone Cavora is a 348-unit mixed-use project with a small commercial component on a 5.11-acre site in Laguna Niguel, which equates to a density of approximately 68 du/ac, or over 100% maximum capacity of 50 du/ac.
- Paseo Adelanto is a 50-unit permanent supportive housing project proposed to share a site with a new San Juan Capistrano City Hall building. The project was approved to develop at 23 du/ac, or 77% of the maximum density of 30 du/ac.

**Table H-49
Development on Nonvacant Sites**

| Project/ Location | # of Units | Maximum Density (units/ acre) | Actual Density (units/ acre) | % of Max Capacity | Type |
|--|------------|--|---------------------------------------|----------------------|-------------------------------------|
| Reata / Oakbrook Village (Laguna Hills) | 489 | 50 | 37 | 73% | Mixed Use/ Apts. |
| Village at Laguna Hills (Laguna Hills) | 1,500 | 50 | 23 | 47% | Mixed Use/ Apts. |
| Via Lomas (Laguna Hills) | 250 | 24 | 15 | 62% | Condos/ Apts. |
| Milani Apartments (Irvine) | 287 | 63 | 78 | >100% | Apts. |
| 15 Degrees South (Irvine) | 150 | 32 | 40 | >100% | Mixed Use/ Apts. |
| Volar (Irvine) | 876 | 50 | 67 | >100% | Apts. |
| Elements Phase II (Irvine) | 960 | 50 | 70 | >100% | Apts. |
| Apex (Laguna Niguel) | 284 | 80 | 86 | >100% | Apts. |
| Broadstone Cavora (Laguna Niguel) | 348 | 50 | 68 | >100% | Mixed Use/ Apts. |
| Blu (Laguna Niguel) | 233 | 50 | 100 | >100% | Apts. |
| Paseo Adelanto (San Juan Capistrano) | 50 | 30 | 23 | 77% | Mixed Use/ Supportive Housing |

Table H-50 summarizes how the various factors identified in housing element law (Government Code Section 65583.2(c)(2)) result in an adjusted site capacity of 70% of the maximum densities for the underutilized sites in the VC zone and the candidate sites for rezoning. Of the five factors, only land use controls and site improvements, realistic capacity of the site, and typical densities are relevant when considering the capacity of sites in Laguna Hills. Infrastructure constraints are not applicable as the City is largely built out; no vacant, developable land or proposed infill sites are located in areas subject to flooding or special hillside development regulations and there are no environmental constraints. The City finds that it is not financially feasible or desirable for developers to redevelop any of the sites listed in the sites inventory for 100% nonresidential uses. In an abundance of caution, the City has applied a reduction to the maximum site capacity, but all evidence suggests that residential uses will comprise the vast majority of new development in the City, even if the zoning allows for 100% nonresidential uses.

| Table H-50 Capacity Adjustment Factors for Underutilized Sites | | |
|---|---------------|---|
| Capacity Factor | Adjustment | Reasoning |
| Land use controls and site improvements | 95% | For net acreage due to building setbacks and on-site improvements, including sidewalks, utility easements |
| Realistic capacity of the site | 80% | Adjustment based on past development trends for residential redevelopment on nonvacant sites |
| Typical densities | 95% | Affordable housing projects are built out to almost maximum density |
| Infrastructure availability | No adjustment | Not applicable; no constraint |
| Environmental constraints | No adjustment | No known site constraint |
| Realistic Capacity = $1.0(.95)(.80)(.95) = 70\%$ (approx.) | | |

PROGRAM TO ADDRESS UNACCOMMODATED NEED

Program H-11 commits the City to updating its zoning code to make sufficient acreage available to meet the RHNA. As a part of this program, the City will evaluate allowable uses and development standards for the rezone sites, including open space requirements, lot coverage, and heights, as well as permit requirements for multifamily developments. The City will ensure these standards are not so restrictive that they constrain residential development.

Per California Government Code Section 65583.2(h), if a jurisdiction does not have adequate capacity for lower-income housing, the following requirements apply:

- Must rezone within one year of the beginning of the planning period, which started October 15, 2021
- Zoning must have 20 units/acre minimum density
- Minimum density and development standards must permit at least 16 units per site
- Residential uses must be allowed by-right:
 - No conditional use permit
 - No planned unit development permit
 - No discretionary review that would constitute a project under the California Environmental Quality Act (CEQA)
 - Design review is allowed but it must be limited to the design and not the use itself

See also Program H-21. Facilitating Housing on Identified Sites.

Financial and Administrative 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 used 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.

The City has retained the non-profit service provider Mercy House to help homeless residents obtain services.

COMMUNITY DEVELOPMENT BLOCK GRANT

The Community Development Block Grant (CDBG) program is administered by the United States Department of Housing and Urban Development (HUD). Through this program, the federal government provides funds for 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:

- 1 Benefit low- and moderate-income families
- 2 Aid in the prevention or elimination of slums or blight
- 3 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 eight 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 this development 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 17 households are receiving Section 8 assistance in Laguna Hills. The City will continue to encourage OCHA to provide vouchers in Laguna Hills (Program H-14) and coordinate with OCHA to develop affirmative marketing targeted at property owners to encourage acceptance of vouchers and/or other rental assistance programs, promote equal access to government-assisted housing and to promote housing opportunities outside low-resource neighborhoods (Program H-16).

Like many other urban areas, the demand for rental assistance in Orange County is very high. For the first time in more than seven years, OCHA opened the HCVP waiting list during the month of February 2021. As of March 2021, this was the most recent time that the list was opened. More than 48,000 applications were received in a two-week period. At this time, approximately 8,600 applicants remain on the list.

SENATE BILL 2

As part of the 2017 Housing Package, the State Legislature enacted a \$75 recording fee on all real estate documents that funded two phases of a planning grant program along with funding for homelessness programming and state-administered funding for housing. This program is referred to as the Senate Bill (SB 2) Planning Grant program. In its first year, funds were awarded on a non-competitive basis for planning projects with a demonstrated nexus to streamline housing approvals and accelerating housing production. The City submitted an application in the 2019 funding cycle and was awarded \$160,000 to be used for the development of objective design standards and implementing a program to encourage the development of ADUs or other innovative building strategies.

LOCAL EARLY ACTION PLANNING GRANT

As part of the 2019-20 Budget Act, the State allocated \$250 million to assist planning activities that accelerate housing production, including \$119 for the Local Early Action Planning (LEAP) Grant. LEAP Grant awards fund a variety of housing-related planning activities that are expected to accelerate housing production. The City has applied for a grant of \$100,000 to help fund the City's sixth-cycle Housing Element and associated CEQA documentation.

HOMEBUYER ASSISTANCE

The Orange County Housing and Community Development's MAP Program provides silent (deferred payment) down payment assistance loans to assist low-income first-time homebuyers. The guidelines allow the County to support first-time homebuyers with a maximum of \$80,000 down payment assistance loans to qualified individuals.

Additional Funding Sources for Affordable Housing

In addition to the funding programs available through the City and County, there are several county, state, and federal funding programs that assist first-time homebuyers, build affordable housing, and help special-needs groups, such as seniors and large households, as listed in Table H-49. In most cases, other entities, including for-profit and nonprofit developers, apply for funds or other program benefits. For example, developers apply directly for Section 202 grants. In general, the City relies on the private sector to develop new affordable units.

**Table H-49
Federal, State, and Private Housing Funding Programs**

| Program Name | Description | Eligible Activities |
|--|---|--|
| Federal Programs | | |
| Community Development Block Grant (CDBG) Program | <p>The Department of Housing and Urban Development (HUD) awards Community Development Block Grants annually to entitlement jurisdictions and states for general activities, including housing, and economic development activities. HUD also offers various other programs that can be used by the City and nonprofit and for-profit agencies for the preservation of low-income housing units, such as Section 202 and Section 108 loan guarantees.</p> <p>The annual appropriation for CDBG is split between states and local jurisdictions called “entitlement communities.”</p> | Acquisition Rehabilitation Homebuyer Assistance Economic Development Assistance Homeless Assistance Public Services Infrastructure Replacement |
| HOME Investment Partnerships Program | <p>The Home Investment Partnerships Program (HOME) was created under the Cranston Gonzalez National Affordable Housing Act enacted in November 1990. HOME funds are awarded annually as formula grants to participating jurisdictions. HUD establishes Home Investment Trust Funds for each grantee, providing a line of credit that the jurisdiction may draw upon as needed. The program’s flexibility allows states and local governments to use HOME funds for grants, direct loans, loan guarantees, or other forms of credit enhancement or rental assistance or security deposits.</p> | Acquisition Rehabilitation Homebuyer Assistance Rental Assistance |
| Housing Choice Voucher (HCV) Rental Assistance (Section 8) | <p>Provides rental assistance payments to owners of market-rate properties on behalf of very low-income tenants.</p> | Rental Assistance |
| Section 811 | <p>Provides grants to nonprofit developers of supportive housing for disabled persons. The grants may be used to construct or rehabilitate group homes, independent living facilities, and intermediate care facilities. The grants may also have a rental assistance component.</p> | Acquisition Rehabilitation New Construction Rental Assistance |

| Table H-49 Federal, State, and Private Housing Funding Programs | | |
|--|---|--|
| Program Name | Description | Eligible Activities |
| Section 203(k) | Provides fixed-rate, low-interest loans to organizations wishing to acquire and rehabilitate property. | Land Acquisition Rehabilitation Refinancing of Existing Debt |
| Section 202 | Grants to private nonprofit developers of supportive housing for very low-income seniors. | New Construction |
| Low-Income Housing Tax Credits (LIHTC) | In 1986, Congress created the federal Low-Income Housing Tax Credits to encourage private investment in the acquisition, rehabilitation, and construction of low-income rental housing. Because high housing costs in California make it difficult, even with federal credits, to produce affordable rental housing, the California legislature created a state low-income housing tax credit program to supplement the federal credit. The state credit is essentially identical to the federal credit, the Tax Credit Allocation Committee allocates both, and state credits are only available to projects receiving federal credits. Twenty percent of federal credits are reserved for rural areas and 10 percent for nonprofit sponsors. To compete for the credit, rental housing developments have to reserve units at affordable rents to households at or below 46 percent of area median income. The targeted units must be reserved for the target population for 55 years. | New Construction |
| Mortgage Credit Certificate Program | Offers income tax credits to first-time homebuyers. The County distributes the credits. | Homebuyer Assistance |

| Table H-49 Federal, State, and Private Housing Funding Programs | | |
|--|---|---|
| Program Name | Description | Eligible Activities |
| Supportive Housing Program (SHP) | Offers grants to agencies who offer supportive housing and services to the homeless. | Transitional Housing Housing for Disabled Persons Supportive Housing Support Services |
| Community Reinvestment Act | The Community Reinvestment Act (CRA), enacted by Congress in 1977, is intended to encourage depository institutions to help meet the credit needs of the communities in which they operate, including low- and moderate-income neighborhoods, consistent with safe and sound banking operations. The CRA requires that each insured depository institution's record in helping meet the credit needs of its entire community be evaluated periodically. That record is taken into account in considering an institution's application for deposit facilities, including mergers and acquisitions. | New Construction Rehabilitation Acquisition Support Services Supportive Housing Homebuyer Assistance |
| State Programs | | |
| Emergency Solutions Grant | Awards grants to nonprofits for the provision of shelter support services. | Support Services |
| Multifamily Housing Program (MHP) | Provides loans for new construction, rehabilitation, and preservation of affordable rental housing. Payments on the loans are deferred for a specified period of time. | New Construction Rehabilitation Preservation |
| CalHOME | Provides grants to local governments and nonprofit agencies for homebuyer assistance, rehabilitation, and new construction. The agency also finances acquisition, rehabilitation, and replacement of manufactured homes. | Homebuyer Assistance Rehabilitation New Construction |
| California Self-Help Housing Program | Provides grants for the administration of mutual self-help housing projects. | Homebuyer Assistance New Construction Administrative Costs |
| Emergency Housing and Assistance Program | Provides grants to support emergency housing. | Shelters Transitional Housing |

| Table H-49 Federal, State, and Private Housing Funding Programs | | |
|--|---|---|
| Program Name | Description | Eligible Activities |
| Affordable Housing and Sustainable Communities Program | Provides funding to support infill development projects with the goal of reducing greenhouse gas emissions. | New Construction Rehabilitation |
| Veterans Housing and Homeless Prevention Program | Provides funding to buy, construct, rehabilitate, or preserve affordable multifamily housing for veterans and their families. | Acquisition Construction Rehabilitation Preservation |
| SB2 – Building Jobs and Homes Act | Provides planning grant funding to jurisdictions for plans and process improvements that will help to accelerate housing production. | Technical Assistance Planning Document Updates |
| Local Early Action Planning (LEAP) Grants | The LEAP grants provide over-the-counter grants complemented with technical assistance to local governments for the preparation and adoption of planning documents, and process improvements that: <ul style="list-style-type: none"> - Accelerate housing production - Facilitate compliance to implement the sixth-cycle Regional Housing Needs Assessment. | Housing element updates Updates to zoning, plans or procedures to increase/accelerate housing production Pre-approved architectural and site plans Establishing State-defined Pro-housing policies |
| No Place Like Home | Through a County application process, provides loans to acquire, develop, preserve, or rehabilitate permanent supportive housing facilities. | Permanent Supportive Housing |
| Infrastructure Infill Grant | Provides gap financing for infrastructure improvements necessary to support the development of affordable infill housing. | Infrastructure Improvements |
| Local Housing Trust Fund Program | Provides matching grants to funds provided by Local Housing Trust Funds. | Site Acquisition Site Development Homebuyer Assistance Transitional Housing Emergency Shelter Multifamily Housing |

| Table H-49 Federal, State, and Private Housing Funding Programs | | |
|--|--|---|
| Program Name | Description | Eligible Activities |
| Transit Oriented Development Program | Supports the development of affordable multifamily rental housing near transit stations through low-interest loans. | New Construction Rehabilitation Infrastructure Improvements |
| Homekey Program | Homekey Program provides grants to local entities (including cities, counties, and other local public entities, such as housing authorities and federally recognized tribes) to acquire and rehabilitate a variety of housing types. | Site Acquisition Rehabilitation |
| Housing opportunities for People with AIDS | Provides housing assistance and related supportive services for low-income people living with HIV/AIDS and their families. | Housing Social services Program planning Development costs Site Acquisition Housing Rehabilitation New construction Facility operations Rental assistance |
| Golden State Acquisition Fund (GSAF) | Combined with matching funds, the GSAF makes up to five-year loans to developers. | Site Acquisition Preservation of Affordable Housing |
| Housing for a Healthy California | Provides funding on a competitive basis to deliver supportive housing opportunities to developers. | Supportive housing for Medi-Cal Recipients |
| Housing Navigators Program | Allocates \$5 million in funding to counties for the support of young adults in the foster care system. | Rental assistance |
| CalHFA Programs | | |
| Affordable Housing Partnership Program (AHPP) | Provides lower interest rate CalHFA loans to homebuyers who receive local secondary financing. | Homebuyer Assistance |
| Self-Help Builder Assistance Program | Provides lower interest rate CalHFA loans to owner-builders who participate in mutual self-help housing projects. Also provides site acquisition, development financing, and construction financing for self-help projects. | Homebuyer Assistance Site Acquisition Site Development Home Construction |

| Table H-49 Federal, State, and Private Housing Funding Programs | | |
|--|---|---|
| Program Name | Description | Eligible Activities |
| California Housing Assistance Program | Provides 3% silent second loans in conjunction with 97% CalHFA first loans to give eligible homebuyers 100% financing. | Homebuyer Assistance |
| Extra Credit Teacher Program | Provides \$7,500 silent second loan with forgivable interest in conjunction with lower-interest-rate CalHFA first loans to assist eligible teachers in buying homes. | Homebuyer Assistance |
| Housing Enabled by Local Partnerships | Provides 3% interest rate loans, with repayment terms up to 10 years, to local government entities for locally determined affordable housing priorities. | Wide Range of Eligible Activities |
| Predevelopment Loan Program | The California Department of Housing and Community Development (HCD) administers the program, which provides funds to pay the initial costs of developing affordable housing. Priority is given to applications with matching financing from local redevelopment agencies or federal programs. | Pre-development |
| Multifamily Housing Program | HCD conducts the acquisition and rehabilitation component of the Multifamily Housing Program to acquire and rehabilitate existing affordable rental housing. Priority is given to projects currently subject to regulatory restrictions that may be terminated. Assistance is provided through low-interest construction and permanent loans. Eligible applicants include local government agencies, private nonprofit organizations, and for-profit organizations. | Rental Acquisition Rental Rehabilitation |
| Transitional Housing Program for Emancipated Foster/Probation Youth (THP-Plus) | This program provides funds for housing and services for persons who need support services for transition-age youth. | Supportive Housing Foster Care |
| Special-Needs Housing Program | Allows local governments to use Mental Health Services Act (MHSA) funds to finance the development of permanent supportive rental housing. | New Construction Supportive Housing |
| Home Mortgage Purchase Program | CalHFA sells bonds to raise funds for providing below-market-rate loans to qualifying first-time homebuyers. | Homebuyer Assistance |

| Table H-49 Federal, State, and Private Housing Funding Programs | | |
|--|---|---|
| Program Name | Description | Eligible Activities |
| Local Programs and Private Sources | | |
| Federal Home Loan Bank System | Facilitates affordable housing programs (AHP), which subsidize the interest rates for affordable housing. The San Francisco Federal Home Loan Bank District provides local service in California. Interest rate subsidies under the AHP can be used to finance the purchase, construction, and/or rehabilitation of rental housing. Very low-income households must occupy at least 20% of the units for the useful life of the housing or the mortgage term. | Acquisition New Construction Rehabilitation |
| Tax-Exempt Housing Revenue Bond | Housing mortgage revenue bonds can be provided, which require the developer to lease a fixed percentage of the units to low-income families at specific rental rates. | New Construction Rehabilitation Acquisition |
| Federal National Mortgage Association (Fannie Mae) | Fannie Mae offers a variety of mortgages, including traditional fixed-rate, low down-payment for underserved low-income areas, and mortgages that fund the purchase and rehabilitation of a home. | Homebuyer Assistance Rehabilitation |
| California Community Reinvestment Corporation | Nonprofit mortgage banking consortium designed to provide long-term debt financing for affordable multifamily rental housing. Nonprofit and for-profit developers contact member banks. | New Construction Rehabilitation Acquisition |
| Freddie Mac HomeOne and Renovation Mortgages | Provides down-payment assistance to first-time homebuyers and second mortgages that include a rehabilitation loan. | Homebuyer Assistance Rehabilitation |
| Orange County Housing Finance Trust (OCHFT) | The OCHFT has the ability to leverage additional state funding sources and provides additional gap funding. | Permanent supportive housing Affordable housing development projects for low-income households |

Energy Conservation

California 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 stories 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 used 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

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

Table H-50 lists the housing programs found in the 2013-2021 Housing Element and provides a summary of accomplishments.

2013–2021 Special Housing Needs: Summary of Accomplishments

California Government Code Section 65588 requires that local governments review the effectiveness of the housing element goals, policies, and related actions to meet the community's special housing needs. Special needs are those associated with specific demographic or occupational groups that call for specific program responses, such as preservation of single-room occupancy hotels or the development of units with larger bedroom counts. The statute specifically requires analysis of the special housing needs of people who are elderly or disabled (including developmental disabilities), female-headed households, large families, farmworkers, and people experiencing homelessness. These special-needs groups often spend a disproportionate amount of their income to secure safe and decent housing and are sometimes subject to discrimination based on their specific needs or circumstances.

As shown in Table H-50, the 2013-2021 Housing Element included several programs that addressed the community's special housing needs. Some of the accomplishments are highlighted below:

- The City approved plans for a residential care facility. As of October 2021, it was under construction and expected to open in the fourth quarter of 2021.
- From 2013-2021, the City retained the non-profit service provider Mercy House to help homeless residents obtain services.
- The City updated the Second Unit provisions to comply with the new State Accessory Dwelling Unit (ADU) regulations. Residential second units can provide additional affordable housing opportunities for lower-income seniors, single persons, or small households within existing neighborhoods.
- From 2013-2021, City staff continued to monitor and respond to housing complaints and referred residents to various agencies that provide fair housing services in Orange County.
- In December 2012, City Council adopted an amendment to the City's Municipal Code to allow emergency shelters by-right in the mixed-use zone and to allow supportive housing and transitional housing as residential uses in all residential zones.
- The City was awarded Community Development Block Grant (CDBG) funding in 2014 and 2015 (\$80,000 each program year). Those funds were spent rehabilitating Aliso Meadows.

| Table H-50 Review of Previous Housing Element | | |
|---|---|--|
| Implementation Programs | Progress | Continue / Amend / Delete |
| Specific Implementation Program: Neighborhood and Housing Preservation | | |
| <p>H-1. Code Enforcement Program</p> <p>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.</p> <p>Responsible Agency: Community Development Funding Source: General fund Time Frame: Ongoing</p> | <p>The City's Code Enforcement staff continues to monitor and address complaints related to property maintenance. Staff investigated hundreds of complaints associated with housing or property maintenance and took appropriate steps to work with the property owner to resolve code violations or referred unresponsive owners to the City Attorney's office for prosecution and/or issue Administrative Citations. The City's program is highly effective and results in a 95-percent compliance rate within 30 days of the City receiving a violation. Complaints can be submitted to the City anonymously, which encourages residents to submit them.</p> | <p>Continue and modify:</p> <p>Code enforcement program will require that owners proactively plan for tenant relocation during renovations and minimize displacement.</p> <p>The code enforcement program will provide information with a notice of violation, including available funding programs.</p> |
| <p>H-2. State Franchise Tax Board Code Enforcement</p> <p>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.</p> <p>Responsible Agency: Community Development Funding Source: General Fund Time Frame: Ongoing</p> | <p>The City is not aware of any substandard housing within the community. If such housing is identified, the City will notify the California State Franchise Tax Board.</p> | <p>Continue</p> |

**Table H-50
Review of Previous Housing Element**

| Implementation Programs | Progress | Continue / Amend / Delete |
|--|--|---|
| <p>H-3. Housing Rehabilitation</p> <p>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.</p> <p>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.</p> <p>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).</p> <p>Responsible Agency: Community Development</p> <p>Funding Source: CDBG</p> <p>Time Frame: Annually by September of each year or as otherwise required by the County CDBG schedule</p> | <p>The City was awarded Community Development Block Grant (CDBG) funding in 2014 and 2015 (\$80,000 each program year). Those funds were spent rehabilitating Aliso Meadows.</p> <p>The City did not participate in the CDBG program in Fiscal Year (FY) 16/17, FY 17/18, and FY 18/19 due to staffing/resource limitations.</p> <p>The City continues to monitor opportunities and will pursue funds as appropriate to further the housing goals of this Housing Element.</p> | <p>Continue and modify. The City will create a rehabilitation program that will be available to lower-income households but also have citywide applicability.</p> |

| Table H-50 Review of Previous Housing Element | | |
|---|---|---------------------------|
| Implementation Programs | Progress | Continue / Amend / Delete |
| <p>H-4. At-Risk Units</p> <p>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.</p> <p>Responsible Agency: Community Development Funding Source: General Fund Time Frame: By January of each year.</p> | <p>The City monitored existing at-risk units and referred prospective tenants to the County of Orange regarding Section 8 housing. Rancho Moulton apartments continued to participate in the County’s Section 8 rental assistance program, which requires the owner to renew their project-based vouchers annually.</p> | <p>Continue</p> |
| <p>H-5. Foreclosure Referral Program</p> <p>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.</p> <p>Responsible Agency: Community Development Funding Source: General Fund Time Frame: January 2014</p> | <p>As necessary, the City referred people to the County’s foreclosure websites, which provides information regarding foreclosures.</p> | <p>Continue</p> |

| Table H-50 Review of Previous Housing Element | | |
|--|---|---------------------------|
| Implementation Programs | Progress | Continue / Amend / Delete |
| Specific Implementation Programs: H-6: HOUSING AVAILABILITY | | |
| <p>H-6. Urban Village Specific Plan Area for Housing Opportunities</p> <p>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).</p> <p>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).</p> <p>Responsible Agency: Community Development</p> <p>Funding Source: General Fund</p> <p>Time Frame: Ongoing; The City will post the information on the website by December 2013 and it will be updated annually.</p> | <p>The City met with multiple developers interested in development within the Urban Village Specific Area (UVSP) that may incorporate housing. Staff provided direction to the developers to a variety of development regulations and density-bonus provisions.</p> <p>The City is working currently with the applicant, Merlone Geier Partners, on redevelopment of the mall site in the UVSP area. The City met with the owner of the mall site dozens of times since they purchased in 2013. The site was entitled in 2016 for 988 market-rate units. As of April 2021, Merlone Geier Partners is before the City Planning Agency with a request to modify the 2016 approval to increase the housing, and other features of the site, to include 1500 housing units, inclusive of 100-Low and 100-Mod units. This proposal, the Village at Laguna Hills, is still in the Public Hearing process.</p> | Continue |

| Table H-50 Review of Previous Housing Element | | |
|---|---|---------------------------|
| Implementation Programs | Progress | Continue / Amend / Delete |
| <p>H-7. Alicia Gateway for Housing Opportunities</p> <p>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).</p> <p>Responsible Agency: Community Development</p> <p>Funding Source: CDBG</p> <p>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.</p> | <p>The City met with multiple developers interested in development within the Alicia Gateway neighborhood that may incorporate housing. Staff referred the developers to a variety of development regulations and density-bonus provisions. Staff processed an application for a residential care facility for elderly within the Alicia Gateway neighborhood. As of March 2021, it was under construction and expected to open in the fourth quarter of 2021.</p> <p>Staff met with Van Daele Development and had developer and neighborhood meetings from 2014 to 2016. At least 10 meetings were held, including with the local neighborhood group. The developer relented to the wishes of the neighborhood group and the owner went in a different direction. Other owners opted to retain existing uses given neighborhood opposition to Van Daele project.</p> | <p>Delete</p> |

**Table H-50
Review of Previous Housing Element**

| Implementation Programs | Progress | Continue / Amend / Delete |
|--|---|--|
| <p>H-8. Zoning Ordinance Update</p> <p>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:</p> <ol style="list-style-type: none"> 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)). <p>Responsible Agency: Community Development Funding Source: General Fund Time Frame: October 2014</p> | <p>Manufactured housing and mobile homes are treated as different land uses in Municipal Code Section 9-10.050, Uses within Zones. However, they have the same definition in the code. This program will be continued to address this.</p> <p>The City has not yet reduced the open space requirement in the High-Density Residential district or increased maximum lot coverage in the Mixed-Use district.</p> <p>In December 2012, City Council adopted an amendment to the City’s Municipal Code to allow emergency shelters by-right in the mixed-use zone and to allow supportive housing and transitional housing as residential uses in all residential zones.</p> | <p>Continue and modify to address any other updates to the Zoning Ordinance needed to comply with State law.</p> |

| Table H-50 Review of Previous Housing Element | | |
|--|---|---|
| Implementation Programs | Progress | Continue / Amend / Delete |
| <p>H-9. Second Units</p> <p>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.</p> <p>Responsible Agency: Community Development</p> <p>Funding Source: General Fund</p> <p>Time Frame: Ongoing</p> | <p>The City has updated the Second Unit provisions to comply with the new State Accessory Dwelling Unit (ADU) regulations. Staff will continue to monitor any future updates to ADU law.</p> | <p>Continue and update. “Second Units” will be changed to “Accessory Dwelling Unit (ADU).” City will update the Zoning Ordinance to comply with all recent ADU laws. City will promote ADUs to property owners.</p> |
| <p>H-10. CDBG Funding for Shelter for the Homeless</p> <p>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.</p> <p>Responsible Agency: Community Development</p> <p>Funding Source: CDBG</p> <p>Time Frame: Annually by September of each year or as otherwise required by the County CDBG schedule</p> | <p>Laguna Hills is a non-entitlement city and therefore relies on the County of Orange to receive and administer CDBG funding on the City’s behalf. The City relied on the County of Orange to coordinate a comprehensive regional Continuum of Care (CoC) strategy that includes the participation of all 34 cities in Orange County, County agencies, the County’s homeless housing and services providers, and other community groups (including non-profit, local governmental agencies, faith-based organizations, the homeless and formerly homeless, interested business leaders, schools, and many other stakeholders) to identify the gaps and unmet needs of the County’s homeless. Through cooperative agreement between the City and the County, the County has pursued funding for housing and related social services for the City’s special-needs population.</p> <p>The City has retained the non-profit service provider Mercy House to help homeless residents obtain services.</p> | <p>Continue</p> |

**Table H-50
Review of Previous Housing Element**

| Implementation Programs | Progress | Continue / Amend / Delete |
|---|--|---------------------------|
| <p>H-11. Continuum of Care Funding and Consolidated Plan Participation</p> <p>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.</p> <p>Responsible Agency: Community Development</p> <p>Funding Source: CDBG</p> <p>Time Frame: Annually by September of each year or as otherwise required by the County CDBG schedule.</p> | <p>Laguna Hills is a non-entitlement city and therefore relies on the County of Orange to receive and administer CDBG funding on the City's behalf. The City relied on the County of Orange to coordinate a comprehensive regional CoC strategy that includes the participation of all 34 cities in Orange County, County agencies, the County's homeless housing and services providers, and other community groups (including non-profit, local governmental agencies, faith-based organizations, the homeless and formerly homeless, interested business leaders, schools, and many other stakeholders) to identify the gaps and unmet needs of the County's homeless. Through cooperative agreement between the City and the County, the County has pursued funding for housing and related social services for the City's special-needs population.</p> | <p>Continue</p> |
| <p>H-12. Section 8 Rental Assistance</p> <p>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.</p> <p>Responsible Agency: Community Development</p> <p>Funding Source: HUD</p> <p>Time Frame: Ongoing</p> | <p>The City continued to refer interested residents to the Orange County Housing Authority.</p> | <p>Continue</p> |

| Table H-50 Review of Previous Housing Element | | |
|---|--|---------------------------|
| Implementation Programs | Progress | Continue / Amend / Delete |
| <p>H-13. Affordable Housing Developer Partnerships</p> <p>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.</p> <p>Responsible Agency: Community Development</p> <p>Funding Source: General Fund</p> <p>Time Frame: Ongoing; The information will be posted on the website by December 2013 and updated annually.</p> | <p>The City met with multiple developers interested in development within the City that might incorporate affordable housing into their projects. Staff referred the developers to a variety of development regulations and density bonus provisions.</p> <p>The City is working currently with the applicant, Merlone Geier Partners, on redevelopment of the mall site in the UVSP area. The City met with the owner of the mall site dozens of times since purchase in 2013. The site was entitled in 2016 for 988 market-rate units. As of April 2021, a new project for the mall site, the Village at Laguna Hills, is before the Planning Agency to include 1500 units, inclusive of 100-Low and 100-Mod units. The Public Hearing process is ongoing.</p> | <p>Continue</p> |

| Table H-50 Review of Previous Housing Element | | |
|---|--|---|
| Implementation Programs | Progress | Continue / Amend / Delete |
| Specific Implementation Programs: EQUAL HOUSING OPPORTUNITY | | |
| <p>H-14. Fair Housing Program</p> <p>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.</p> <p>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.</p> | <p>City staff continued to monitor and respond to housing complaints and referred residents to various agencies that provide fair housing services in Orange County.</p> <p>The City continued to refer tenants to the Fair Housing Council as needed. Issues were mostly related to the condition of dwellings, which the City investigated through its code enforcement powers. Where the issues fell outside of the City's ability to resolve, residents were referred to fair housing for further assistance. The City disseminated written literature, as described in the program.</p> | <p>Continue and expand to comply with Assembly Bill 686.</p> |
| <p>H-15. Universal Design Features in Housing</p> <p>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).</p> <p>Responsible Agency: Community Development Funding Source: General Fund Time Frame: October 2014</p> | <p>Staff continued to explore programs and incentives related to universal design in housing.</p> | <p>Continue and update. City will continue to implement Municipal Code Chapter 9-93, Reasonable Accommodations for Persons with Disabilities.</p> |

| Table H-50 Review of Previous Housing Element | | |
|--|--|---------------------------|
| Implementation Programs | Progress | Continue / Amend / Delete |
| Specific Implementation Program: IMPLEMENTATION AND MONITORING | | |
| <p>H-16. Annual Progress Reports</p> <p>The City will report annually on progress toward implementation of the Housing Element and residential development activities citywide.</p> <p>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:</p> <ol style="list-style-type: none"> 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. <p>Responsible Agency: Community Development</p> <p>Funding Source: General Fund</p> <p>Time Frame: Prepare an annual report for submittal to HCD by April 1 of each year in the planning period</p> | <p>The City reported annually on the progress toward the implementation of the Housing Element through the preparation of Annual Progress Reports (APRs), which included progress on Housing Element programs and residential development activities. Each year, the APRs were reviewed and approved by the City Council and transmitted to the California Department of Housing and Community Development (HCD), as directed by California Government Code Section 65400.</p> | <p>Continue</p> |

| Table H-50 Review of Previous Housing Element | | |
|---|--|---------------------------|
| Implementation Programs | Progress | Continue / Amend / Delete |
| <p>H-17. Housing Issues Monitoring</p> <p>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:</p> <ol style="list-style-type: none"> 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. <p>Responsible Agency: Community Development Funding Source: General Fund Time Frame: Ongoing</p> | <p>City staff continued to monitor existing and proposed affordable housing developments in the City, as well as legislation, trends, and policy issues related to the development and maintenance of affordable housing.</p> <p>The City entitled 1,277 units – 289 moderate-income units built. The City is working currently with the applicant, Merlone Geier Partners, on redevelopment of the mall site in the UVSP area. The City met with the owner of the mall site dozens of times since purchase in 2013. The site was entitled in 2016 for 988 market-rate units. As of April 2021, a revised mall development proposal, Village at Laguna Hills, is pending before the Planning Agency to include 1500 units, inclusive of 100-Low and 100-Moderate. The City retained several consultants to advise on the redevelopment of the mall site from 2019 to 2021.</p> <p>City staff attended Orange County Housing Summits, California American Planning Association (APA) conferences, League of California Cities Leg. Review Sessions, County of Orange Homeless SPA meetings, OCP-2018, Connect SoCal, SCAG RHNA meetings, South County Working Group (OCTA), local grass roots housing groups (Kennedy Commission & Welcoming Neighbors), Urban Land Institute (ULI), Building Industry Association of Southern California, Orange County Chapter (BIA/OC), and Orange County Housing Finance Trust.</p> | <p>Continue</p> |

| Table H-50 Review of Previous Housing Element | | |
|---|---|---------------------------|
| Implementation Programs | Progress | Continue / Amend / Delete |
| <p>H-20. Local Housing Efforts Coordination</p> <p>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.</p> <p>Responsible Agency: Community Development</p> <p>Funding Source: CDBG and General Fund</p> <p>Time Frame: December 2009</p> | <p>The City coordinated local housing efforts with federal, state, regional, and local government agencies and cooperated in implementation of intergovernmental housing programs to ensure maximum effectiveness in solving local and regional housing problems. The City coordinated with Orange County, and other cities in the South Special Planning Area to coordinate response to homelessness in south Orange County. The City applied to HCD and was approved for Senate Bill 2 and LEAP grants for Housing Element preparation and ADU objective standards.</p> | <p>Continue</p> |

Goals and Policies of 2021-2029 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 childcare 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.

Appendix A: Implementation Program

This Chapter contains the Programs that the City will implement during the 2021-2029 planning period. As described in **Table H-50**, many programs from the 2013-2021 Housing Element are continued. Modifications to some continuing programs and new programs were prompted based upon new state legislation and the housing needs that were identified during the drafting of this Housing Element. In compliance with AB 686, the City has included several meaningful actions to Affirmatively Furthering Fair Housing (AFFH) in **Program 16. Fair Housing Program** and in various other programs. These actions support the four categories of AFFH actions as specified by HCD:

1. Enhancing mobility strategies and promoting inclusion for protected classes:
 - a. **Program H-6: Urban Village Specific Plan Area** promotes continued relationships with developers to inform existing property owners that housing development potential is an allowed land use in the Urban Village Specific Plan (UVSP) area to encourage mixed-income housing, with potential for amendment to UVSP to incorporate inclusionary housing requirements.
 - b. **Program H-7: Update Zoning Ordinance** commits the City to update the City's Zoning Ordinance to increase the ability to develop multifamily and higher density housing in the City, particularly in higher resource areas, and remove regulatory barriers to development of affordable housing and housing to accommodate special needs populations in the City, including studying opportunities related to inclusionary housing requirements, adaptive reuse, and a congregational housing overlay.
 - c. **Program H-8: Accessory Dwelling Units** to amend the Accessory Dwelling Unit (ADU) ordinance to comply with recent changes to state law regarding ADUs and create reference information available to property owners listing benefits and opportunities for constructing ADUs as part of the City's SB2 program and to encourage production in the City's higher resource areas.
 - d. **Program H-9: SB2 Grant Implementation** establishes objective design standards for residential development in the MXU zone to encourage infill residential development. As well, directs City to analyze opportunities for multifamily residential in a CC zone, which removes barriers to housing in areas of opportunity and strategically enhance access to resources and

more integrated neighborhoods

- e. **Program H-12: CDBG Funding for Shelter for the Homeless** commits the City to apply for HUD- CDBG funds and allocate a portion of such funds to subrecipients, including an existing contract with Mercy House, who provide shelter for the homeless.
- f. **Program H-13: Continuum of Care** commits the City to 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.
- g. **Program H-14: Displacement Prevention and Mitigation** directs the City to take measures to alleviate overpayment and overcrowding, and assist residents in the prevention of potential displacement, as well as increase housing mobility opportunities through assistance with HCVs.
- h. **Program H-15: Affordable Housing Developer Partnerships** will develop partnerships with mainstream and special-needs affordable housing developers, including the provision of financial, regulatory and processing incentives that could result in housing set-asides in existing and planned low-income housing projects to facilitate housing mobility, and increase lower-income and special needs housing resources.
- i. **Program H-16: Fair Housing** commits the City to maintain services and personnel to receive and refer housing complaints to the Fair Housing Council, as well as disseminate information in both written and community outreach sessions about fair housing laws, resident rights, and remedies for fair housing complaints, HCV acceptance and rental assistance marketing programs, promotion of housing opportunities outside low-resource neighborhoods, and actions supporting housing, Community investment and quality of life for special needs populations.
- j. **Program H-17: Accessibility in Housing** stipulates the City will continue to implement its existing Reasonable Accommodation Ordinance, and identify and work with local organizations that provide assistance to persons with disabilities, including developmental disabilities, to implement an outreach program that informs persons with disabilities and their families about housing and available services.
- k. **Program H-19: Housing Issues Monitoring** of existing and proposed affordable housing developments in the City, as well as legislation, trends, and policy issues related to the development and maintenance of affordable housing.

2. Encouraging development of new affordable housing in high-resource areas:
 - a. **Program H-6: Urban Village Specific Plan Area** promotes continued relationships with developers to inform existing property owners that housing development potential is an allowed land use in the Urban Village Specific Plan (UVSP) area to encourage mixed-income housing, with potential for amendment to UVSP to incorporate inclusionary housing requirements.
 - b. **Program H-7: Update Zoning Ordinance** commits City to update the City's Zoning Ordinance to increase the ability to develop multifamily and higher density housing in the City, particularly in higher resource areas, and remove regulatory barriers to development of affordable housing and housing to accommodate special needs populations in the City, including studying opportunities related to inclusionary housing requirements, adaptive reuse, and a congregational housing overlay.
 - c. **Program H-8: Accessory Dwelling Units** to amend the Accessory Dwelling Unit (ADU) ordinance to comply with recent changes to state law regarding ADUs and create reference information available to property owners listing benefits and opportunities for constructing ADUs as part of the City's SB2 program and to encourage production in the City's higher resource areas.
 - d. **Program H-9: SB2 Grant Implementation** establishes objective design standards for residential development in the MXU zone to encourage infill residential development. As well as analyzing opportunities for multifamily residential in a CC zone, which removes barriers to housing in areas of opportunity and strategically enhance access to resources and more integrated neighborhoods.
 - e. **Program H-10: Permit Streamlining** to establish a written policy or procedure and other guidance as appropriate to specify the Senate Bill (SB) 35 (2017) streamlining approval process and standards for eligible projects, as well as consideration of expedited processing or other prioritizing strategies for projects with 100 percent affordable units.
 - f. **Program 11: 2021-2029 Regional Housing Need** to address the 2021-2029 RHNA and to ensure a sufficient selection of sites are available for higher-density development, the City shall amend the General Plan and the Zoning Codes, as needed, to provide adequate sites for 413 lower-income units on identified sites within targeted development areas.
 - g. **Program H-15: Affordable Housing Developer**

Partnerships will develop partnerships with mainstream and special-needs affordable housing developers, including the provision of financial, regulatory and processing incentives that could result in housing set-asides in existing and planned low-income housing projects to facilitate housing mobility, and increase lower-income and special needs housing resources.

- h. **Program H-18: Annual Progress Reports** requires annual reporting on progress toward implementation of the Housing Element and residential development activities citywide and commits the City to review the success of its programs and make modifications if necessary in order to affirmatively further fair housing.
 - i. **Program H-21: Facilitating Housing on Identified Sites** ensures that housing quantified by income is developed on identified sites by evaluating feasibility of implementing actions including: identifying measures that would raise local funding for providing assistance for the construction of affordable and special needs housing; community land trusts, agreements with other public entities, and strategies to encourage and facilitate lot consolidation and phasing of residential and mixed-use developments on large sites to make sites more developable for housing.
3. Implementing place-based strategies to encourage community revitalization, including preservation of existing affordable housing:
- a. **Program H-1** targets areas of concentrated rehabilitation needs, results in repairs and mitigates potential cost, displacement and relocation impacts on residents with a quantified objective of rehabilitating 30 housing units.
 - b. **Program H-2** promotes maintenance of existing rental properties through a working relationship between the City and the California State Franchise Tax Board.
 - c. **Program H-3** will reduce potential for displacement due to housing conditions by continuing the relationship of the City and 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.
 - d. **Program H-4** will take measures to preserve existing affordable housing stock by working with property owners to extend affordability covenants on units at risk of conversion to market rate.
 - e. **Program H-5** 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 in order to deter displacement.

- f. **Program H-16: Fair Housing** commits the City to maintain services and personnel to receive and refer housing complaints to the Fair Housing Council, as well as disseminate information in both written and community outreach sessions about fair housing laws, resident rights, and remedies for fair housing complaints, HCV acceptance and rental assistance marketing programs, promotion of housing opportunities outside low-resource neighborhoods, and actions supporting housing, Community investment and quality of life for special needs populations.
 - g. **Program H-20: Local Housing Efforts Coordination** shall coordinate local housing efforts with appropriate agencies and cooperate in implementation of intergovernmental housing programs, as well as submit CDBG applications to assist in preserving existing affordable housing stock, and proactively address local opposition to higher density and lower-income housing.
4. Protecting existing residents from displacement:
- a. **Program H-3: Rehabilitation Program** will reduce potential for displacement due to housing conditions by continuing the relationship of the City and 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.
 - b. **Program H-4: At Risk Units** will continue to pursue the extension of affordability controls for 51 units that are set to expire in 2032, and provide technical assistance to preserve the units 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 (particularly in moderate- and high-resource areas of the City), as deemed feasible
 - c. **Program H-5: Foreclosure Referral Program** will provide foreclosure information on its website and provide resources at the City to refer residents to external agencies to assist in reducing incidents of foreclosures in Laguna Hills.
 - d. **Program H-12: CDBG Funding for Shelter for the Homeless** commits the City to apply for HUD- CDBG funds and allocate a portion of such funds to subrecipients, including an existing contract with Mercy House, who provide shelter for the homeless.
 - e. **Program H-14: Displacement Prevention and Mitigation**

directs the City to take measures to alleviate overpayment and overcrowding, and assist residents in the prevention of potential displacement, as well as increase housing mobility opportunities through assistance with HCVs, piloting a multi-lingual Right to Counsel program to ensure legal representation for tenants in landlord-tenant proceedings, including those involving the application of new laws like A.B. 1482, providing replacement housing, landlord and public education on fair housing laws to reduce income discrimination and barriers to accessing rental housing, and consider adoption of Local Just Cause and Rent Stability ordinances.

SPECIFIC IMPLEMENTATION PROGRAMS

Neighborhood and Housing Preservation

H-1. CODE ENFORCEMENT PROGRAM

The City of Laguna Hills (City) 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. The City's Code Enforcement staff monitor and address complaints related to property maintenance. This City's program is highly effective and results in a 95-percent compliance rate within 30 days of the City receiving a violation. To minimize the risk of temporary displacement resulting from addressing code enforcement violations, the City will update regulations for code enforcement procedures to require property owners to proactively plan for tenant relocation during renovations. Additionally, to reduce the risk of displacement due to housing condition, the City will develop informational materials to include with violation notices that will educate property owners on available funding programs to assist with rehabilitations (see also Housing Element Implementation Program H-3). The information materials will be provided in multiple languages. The City will target neighborhoods with the greatest concentrations of low-income households.

Responsible Agency: Community Development

Funding Source: General Fund

Time Frame: Ongoing code enforcement; update regulations for code enforcement procedures by June 2023; develop informational materials by December 2023

Quantified Objective/
AFFH Metric: 30 units rehabilitated

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 and aim for full compliance following any Notice of Property Noncompliance letter issued by the Franchise Tax Board.

Responsible Agency: Community Development

Funding Source: General Fund

Time Frame: Ongoing

Quantified Objective/

AFFH Metric: 100% compliance following any Notice of Property Noncompliance letter

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. The City's rehabilitation program will be available to lower- and moderate-income households but have citywide applicability. The program will pay particular attention to the Via Lomas neighborhood. The rehabilitation loan and grant program will use Community Development Block Grant (CDBG) funds distributed by the County as funding becomes available.

The City will continue to work with the private sector and nonprofit agencies and to secure funds and be supportive of developers or sponsors pursuing funds through state and federal programs for rehabilitation of existing lower-income housing units (including mobile homes). The City continues to monitor opportunities and will pursue funds as appropriate to further the housing goals of this Housing Element.

The City will publicize the availability of rehabilitation programs in local newspapers, on the City's website, at the Community Development Department, in materials accompanying Code Enforcement notice of violations (see Housing Element Implementation **Program H-1**), and in information items at Planning Agency public hearings. The City will provide information (for examples, flyers and brochures) to businesses (for example, laundromats) and organizations (for example, churches) and encourage businesses and organizations to post information where it can be easily seen and to distribute it to the public. Informational materials will be offered in multiple languages to ensure there are no language barriers to participation.

| | |
|---------------------------------------|--|
| Responsible Agency: | Community Development |
| Funding Source: | CDBG, HOME, and others as they come available |
| Time Frame: | Annually by September of each year or as otherwise required by the County CDBG schedule. Apply for additional funding resources annually. Post information on City website and distribute hard copies to local businesses and organizations by June 2024 and update and redistribute annually. |
| Quantified Objective/ AFFH Metric: | 30 units rehabilitated |

H-4. AT-RISK UNITS

The City will continue to pursue the extension of affordability controls for 51 units that are set to expire in 2032, and provide technical assistance to preserve the units 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 (particularly in moderate- and high-resource areas of the City), as deemed feasible. The Rancho Moulton Apartments continued to participate in the County’s Section 8 rental assistance program, which requires the owner to renew their project-based vouchers annually. 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 not take part directly in negotiations regarding the property but will apply for state or federal funding on behalf of an interested non-profit entity, if necessary, to protect the affordability of the rental units. The City will request that the property owners provide evidence that they have complied with state and federal regulations regarding notice to tenants and other procedural matters related to conversion, and the City will contact the United States Department of Housing and Urban Development (HUD), if necessary, to verify compliance with notice requirements. The City will use California Department of Housing and Community Development (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. Should the units convert to market rate, the City will work with the Orange County Housing Authority to ensure that low-income tenants displaced as a result of a conversion receive priority for federal housing vouchers.

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.

As needed, the City will ensure tenants are adequately notified throughout the preservation/acquisition process as to the status of their housing units, impacts of the ownership change or preservation process on occupancy and

rents, their rights and responsibilities as tenants, and who to contact with questions or concerns. The City will work with the responsible entity (whether the existing property owner, the Housing Authority, a nonprofit entity, or a new for-profit entity) to distribute information and conduct tenant meetings, as needed, to keep residents informed of the preservation process, tenant options, rental voucher assistance, and what to expect once the process has been completed.

Responsible Agency: Community Development

Funding Source: General Fund

Time Frame: 2022; the City will provide Technical Assistance to preserve 51 at-risk units in 2022.

Annually; the City will prepare “Risk Assessment” reports by January of each year.

Ongoing; Work with responsible entities to ensure tenants receive education of housing rights and preservation/acquisition status.

Quantified Objective/
AFFH Metric: Preserve 51 units in the Rancho Moulton housing development.

H-5. FORECLOSURE REFERRAL PROGRAM

Based on current dynamics, the City seeks to address the increased incidence of residents facing foreclosure and potential displacement when they can no longer afford housing. Often, low- and moderate-income homeowners with protected characteristics, including communities of color, seniors, people with disabilities and other special needs populations do not understand their rights and/or their obligations. Assisting these homeowners to procure legal counsel is a less costly option than serving homeless households. The City will provide foreclosure information on its website, and provide resources at the City to refer residents to external agencies to assist in reducing incidents of foreclosures in Laguna Hills. The City will provide information in multiple languages. The City will provide information (for example, flyers and brochures) to businesses (for example, laundromats) and organizations (for example, churches) and encourage businesses and organizations to post information where it can be easily seen and to distribute it to the public. The City will target census tracts identified as having a high risk of displacement, e.g., cost-burdened owners.

Responsible Agency: Community Development

Funding Source: General Fund

Time Frame: Ongoing. Post information on City website and distribute hard copies to local businesses and organizations by June 2023 and update and redistribute annually.

Quantified Objective/

AFFH Metric: Directly assist five residents annually through the provision of information and resources to reduce incidents of foreclosures.

Housing Availability

H-6. URBAN VILLAGE SPECIFIC PLAN AREA FOR HOUSING OPPORTUNITIES

The City shall inform existing property owners that housing development opportunities are available in the Urban Village Specific Plan (UVSP) area and will continue to meet with prospective developers to encourage incorporating housing for multiple income levels to promote housing mobility opportunities for all income levels within higher resource areas of the City. 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 the time of project application meeting(s). Consider amendment to UVSP to incorporate inclusionary housing requirements in accord with **Program H-7**, to expand housing resources and housing mobility opportunities in higher resource areas and foster mixed-income housing creation. 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 information on its website by June 2023 and it will be updated annually; development of sites 114, 115, and 116 of the sites inventory during the planning period.

H-7. 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; bring the Zoning Ordinance into compliance with State law; and implement housing goals, policies, and programs, the City will update the following regulations in the Zoning Ordinance:

1. **Density Bonuses.** Pursuant to California Government Code Section 65915 et seq., amend the Zoning Ordinance to update the density bonus ordinance to address recent updates to state

- law. If additional changes to state law occur during the planning period, the density bonus ordinance will be updated to comply with those changes.
2. **Accessory Dwelling Units (ADUs).** In 2018, the City adopted an ordinance that amended the Laguna Hills Zoning Ordinance to permit ADUs in accordance with state law. The City will amend its adopted ADU ordinance to comply with update to state ADU law with Senate Bill (SB) 2 grant funding (see Housing Element Implementation Program H-9), including parking requirements. Per Government Code Section 65852.150, the City will allow ADUs in all zones where single-family and multifamily housing are allowed. The City will amend all standards in its Municipal Code that are not compliant with Government Code Section 65852.2. During the planning period, the City will implement the ADU ordinance (see Housing Element Implementation Program H-8) and update it to comply with any new state requirements.
 3. **Transitional and Supportive Housing.** Allow transitional and supportive housing (including transitional and supportive housing with seven or more residents) as a residential use in all zones allowing residential uses, subject only to those restrictions that apply to other residential uses of the same type in the same zone and without any discretionary action. Additionally, permit supportive housing by-right in any non-residential or mixed-use zone that permits multifamily (Assembly Bill 2162, California Government Code Section 65583(c)(3)).
 4. **Employee Housing.** To encourage employee housing, as needed, the City will establish a use category for employee housing as a residential use in the use tables. The Zoning Ordinance will be amended to ensure that permit processing procedures for employee housing do not conflict with Health and Safety Code, Section 17021.5, which states that employee housing for six or fewer employees should be “deemed a single-family structure with a residential land use designation,” Section 17021.6, which states that for “employee housing consisting of no more than 36 beds in a group quarters or 12 units or spaces designed for use by a single family or household ... [n]o CUP, zoning variance, or other discretionary zoning clearance shall be required of this employee housing that is not required of any other agricultural activity in the same zone,” and Section 17021.8, which requires ministerial approval of certain farmworker housing projects that meet the criteria in that section.
 5. **Emergency Shelters.** Continue to allow emergency shelters by-right within the Mixed-Use (MXU) district subject to objective development standards without a conditional use permit or other discretionary approval. Amend the regulations for emergency shelters to ensure compliance with Government Code Section 65583(a)(4), including siting requirements in relationship to

- schools and other emergency shelters and revise parking requirements for emergency shelters to ensure that parking standards are sufficient to accommodate all staff, provided standards do not require more parking for emergency shelters than other residential or commercial uses within the MXU district. The City will additionally update standards for emergency shelters to allow a greater number of beds. Review the City's Zoning Ordinance and make revisions, if necessary, to allow low-barrier navigation centers for the homeless per Government Code Sections 65660-65668.
6. **Residential Care Facilities.** Amend the Development Code to permit residential care facilities regardless of size, in all zones that permit residential uses of the same type, in accordance with state law and the City's definition of family.
 7. **Adaptive Reuse Ordinance.** The City shall study the appropriateness of an adaptive reuse ordinance to facilitate the conversion of underutilized commercial properties for diverse housing opportunities, including interim and permanent affordable housing. An Adaptive Reuse Ordinance could be developed in line with existing anti-displacement efforts, and may include incentives to encourage adaptive reuse for special needs populations, including persons with disabilities, large households, or female headed households. If incentives are adopted, this program will include a proactive outreach effort to property owners via fact sheets, letters, and social media to publicize the incentives.
 8. **Inclusionary Housing Requirements:** The City will study other inclusionary housing ordinances in southern California to learn about effective practices being used to provide affordable housing, especially housing for extremely low, very low, and low-income households. As part of this study, the City will review how other cities have prepared, adopted, and implemented their inclusionary programs in response to recent court rulings, affordable housing nexus studies, affordable housing impact fees, and commercial linkage fees. City staff will report the study's findings and input from the community and residential developers to the City Council and seek direction on methods that should be pursued to provide affordable housing such as (a) construction of housing on-site, (b) construction of housing off-site, (c) dedication of land for housing, and (d) possible other similar measures; methods shall not constrain the overall production of housing in the City.
 9. **Manufactured Homes** Manufactured housing and mobile homes are treated as different land uses in Municipal Code Section 9-10.050, Uses within Zones. However, they have the same definition in the code. The City will correct this and ensure compliance with Government Code Section 65852.3 by allowing both manufactured housing and mobile homes in all zones where single-family homes are allowed with the same approval

- process that is used with single-family homes.
10. **Development Standards and Permitting Requirements** The City will evaluate development standards including open space requirements, lot coverage, and heights, as well as permit requirements for multifamily developments. The City is committed to amending development standards to ensure these requirements are not so restrictive that they constrain residential development. The City will continue to update the Municipal Code as needed to implement this program. The City will consider allowing developers the opportunity to provide creative parking solutions, where feasible, that could result in reductions in parking requirements. Creative solutions may include supplemental transit passes, increased bicycle parking, a shared vehicles program, or other solutions agreed on by the City and the developer.
 11. **Definition of Family.** To ensure that the City does not unduly restrict or constrain the development of housing for persons with disabilities, it will update its definition of family to “One or more individuals, living together as a single-family housekeeping unit. Members of the family do not need to be related by blood, marriage or in any other legal capacity.”
 12. **Congregational Overlay.** The City will study the impacts of establishing a zoning overlay or other mechanism to allow affordable housing developments at a maximum density of 50 units per acre on properties occupied by a religious institution. City staff will report the study’s findings and input from the community, religious institutions, and affordable housing developers to the City Council and seek direction on next steps regarding how residential development could be allowed on property occupied by a religious institution.

Responsible Agency: Community Development

Funding Source: General Fund

Time Frame: Consider an adaptive reuse ordinance by June 2024 and implement, if appropriate, by June 2025.

Consider an inclusionary housing ordinance and present findings to the City Council by June 2024 and implement, if appropriate, by June 2025.

Consider a congregational overlay by June 2024 and implement, if appropriate, by June 2025

Conduct initial review of development standards and permitting requirements by June 2025 and update the Zoning Ordinance as needed.

Complete State-required mandatory Zoning Ordinance amendments by June 2025.

H-8. ACCESSORY DWELLING UNITS

As a part of the City's SB2 program, the City will amend its Accessory Dwelling Unit (ADU) ordinance to comply with recent changes to state law regarding ADUs and create reference information available to property owners listing benefits and opportunities for constructing ADUs (see Housing Element Implementation Program H-9). The City shall continue to implement the ADU provisions of the Zoning Ordinance consistent with state law (see Housing Element Implementation Program H-7). The City will continue to permit ADUs by-right in all residential zones of the City, requiring only ministerial approval. Per Government Code Section 65852.150, the City will allow ADUs in all zones where single-family and multifamily housing are allowed. The City will amend all standards in its Municipal Code that are not compliant with Government Code Section 65852.2 (see also Program H-7).

1. The City will promote ADUs to property owners (particularly in high and moderate resource areas) as a viable option for providing additional housing opportunities that could include affordable housing for lower-income seniors, single persons, persons with disabilities, or small households within existing neighborhoods. The City will encourage and promote ADUs by providing information on the City's website about ADU standards and options and informing people at the public counter of ADUs as an option, as well as informing property owners with an existing unpermitted ADU of the option to bring the unit up to code as a legal ADU. The City will monitor ADU production. Halfway through the planning cycle, if the production numbers are not on par with the midpoint of the number of ADUs estimated in Table H-46, the City will adjust its approach to meeting the RHNA.

The City will also make the following efforts to promote ADU development:

1. Research and coordinate with non-profit organizations, builders, and banks regarding funding/assisting with construction costs and connect ADU owners and renters with that information. This will include encouraging financial institutions to appoint an "ADU Ambassador" who will be the local representative within the financial institution. The City would provide training and educational materials to the ambassadors. The City will maintain a list of ADU Ambassadors and distribute the list to interested homeowners (particularly in high and moderate resource areas) seeking information about finding loans for ADU development.
2. Expand educational efforts to include active property owner outreach. Marketing and promotional materials will be prepared to inform eligible homeowners (particularly in high and moderate resource areas) of new ADU programs as they are adopted and launched. The City will work to identify the types of homeowners most likely to be interested in building an ADU and reach out to

them directly.

- 3 Reach out to local homeowners that have added an ADU to involve them in supporting other homeowners who are considering adding an ADU to their property. Hold a community “ADU Open House” to share ideas and inspire homeowners to build ADUs.
- 4 Create short flyers and brochures (digital and print). Distribute through social media promotions, direct mailings to property owners, water bill inserts, and the dedicated City webpage.
- 5 Establish an ADU point person at the City to serve as a central point of information and a resource for enhancing awareness.
- 6 The City will explore funding options to create an ADU Forgivable Loan Program and promote the use of the loan program citywide, but particularly in high and moderate resource areas.
- 7 The City will target 20% of ADU production to be within higher opportunity areas.

Responsible Agency: Community Development

Funding Source: SB2

Time Frame: Add promotional/educational materials on the City’s website on ADU information by June 2023, including examples of ADUs on webpage. Develop list of resources, and coordinate with ADU development and financing community and directly reach out to potential owners by June 2024.

H-9. SB2 GRANT PROGRAM IMPLEMENTATION

As a part of the City’s SB2 program, the City plans to establish objective design standards for residential development in the MXU zoning district in north Laguna Hills to encourage infill residential development. The City will additionally analyze opportunities to permit multifamily residential in an existing commercial center in north Laguna Hills zoned Community Commercial (CC), which currently does not permit residential uses. The City will hold one or more community workshops to gather community input, including from the developer community. Through establishing objective design standards, the City anticipates reducing the entitlement process by up to six months. The City also plans to use its awarded SB2 grant funding to update its ADU ordinance to comply with state law, as well as create reference information for homeowners about the benefits and opportunities for constructing ADUs.

Responsible Agency: Community Development

Funding Source: SB2

Time Frame: All tasks completed by August 2024

H-10. PERMIT STREAMLINING

The City will establish a written policy or procedure and other guidance as

appropriate to specify the Senate Bill (SB) 35 (2017) streamlining approval process and standards for eligible projects, as set forth under California Government Code Section 65913.4 to increase housing choices and affordability in higher opportunity areas. Consider expedited processing or other prioritizing strategies for projects with 100 percent affordable units. See also Program H-15.

Responsible Agency: Community Development

Funding Source: General Fund

Time Frame: June 2024

H-11. 2021–2029 REGIONAL HOUSING NEED

To meet state law requirements (California Government Code Sections 65583(c)(1)(A) and 65583(c)(1)(B)) to address the 2021-2029 Regional Housing Needs Allocation (RHNA) and to ensure a sufficient selection of sites are available for higher-density development, the City shall amend the General Plan and the Zoning Codes, as needed, to provide adequate sites for 413 lower-income units on certain sites or in certain zones. The City will increase allowable density on certain sites in the MXU and/or MDR zones and/or allow multifamily uses on certain sites in zones where they are not currently allowed. Sites for lower-income units must allow at least 30 dwelling units per acre. To accommodate the remaining unaccommodated 413 units in the lower-income category by rezoning sites to allow up to 30 units per acre, a minimum of 13.76 acres would need to be rezoned. To accommodate the remaining unaccommodated 413 units in the lower-income category by rezoning sites to allow up to 50 units per acre, a minimum of 8.26 acres would need to be rezoned.

Sites rezoned under this housing element program are subject to the requirements of Section 65583.2(h), including allowing owner-occupied and rental multifamily housing “by right” without discretionary review if 20 percent or more of the units in a project proposed on the site are affordable to those with lower incomes. The sites rezoned to accommodate lower-income RHNA must be able to accommodate a minimum of 16 units per site. At least 50 percent of the very low and low-income housing need shall be accommodated on sites designated/zoned for residential uses only, except that all of the very low- and low-income housing need may be accommodated on sites designated for mixed uses if those sites allow 100-percent residential use and require that residential uses occupy 50 percent of the total floor area of a mixed-use project. The applications can be subject to design review as long as the project does not trigger the California Environmental Quality Act review process. Water, sewer, and dry utilities are either already available at sites that will be rezoned or the City will plan for extensions so that services will be available as needed. The City will avoid sites with unmitigable environmental hazards when selecting sites to rezone including, steep slopes (over 30 percent), high liquefaction risk, moderate and severe wildfire risk, Federal Emergency Management Agency (FEMA) 100-year and 500-year flood zones. As a part of this program, the City will

evaluate development standards for the rezone sites, including open space requirements, lot coverage, and heights, as well as permit requirements for multifamily developments. The City is committed to amending development standards to ensure these requirements are not so restrictive that they constrain residential development.

The sites rezoned under this program will be a geographic focus for the City to target efforts included in other programs that promote new housing opportunities in higher opportunity areas and implement place-based strategies to improve community revitalization.

See also Program H-21.

Responsible Agency: Community Development

Funding Source: General Fund

Time Frame: Specific sites will be rezoned by January 31, 2024

H-12. 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. The City will continue to contract with Mercy House, or equivalent, a non-profit service provider, to help residents experiencing homelessness obtain services. The program will aim to reduce the City’s unsheltered homeless population by 10% over the planning period.

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-13. 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 and endeavor to secure at least two grants during the planning period. The City will assist public and private nonprofit housing developers in preparation of funding applications for special-needs populations. The City will conduct outreach to service providers annually to

discuss ways the City can assist in the development for lower-income households.

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-14. DISPLACEMENT PREVENTION AND MITIGATION

a. Section 8 Rental Assistance (Housing Choice Vouchers (HCV))

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 that will enable the Housing Authority to administer additional vouchers for families, seniors, and disabled persons over the Housing Element planning period.

To promote housing mobility in high-resource neighborhoods to increase diversity, promote a more mixed-income community, alleviate overpayment and overcrowding, and assist residents in the prevention of potential displacement the City will:

1. Provide referral services and information to the City's residents on housing choice voucher programs, ensuring that all information offered digitally and physically is provided in multiple languages.
2. Coordinate with community-based organizations that serve Laguna Hills' special-needs populations to reach households that would qualify for equal access to housing choice voucher programs.
3. Work with the Housing Authority to conduct affirmative marketing to increase voucher acceptance in areas of higher income to increase opportunities for housing mobility, as identified in the Assessment of Fair Housing.
4. Partner with the Housing Authority to provide biannual training to landlords regarding fair-housing requirements, including the requirement that they accept vouchers. To reduce income discrimination, develop a campaign to combat local opposition - conduct outreach to educate property owners in Moderate Resource Areas, as defined by TCAC higher-income neighborhoods, to increase awareness about the benefits of housing mobility for voucher holding-tenants, and providing clarification defining lower-income workforce individuals, encouraging landlords and property owners to market available units at their properties to voucher holders.

5. Reduce barriers to accessing rental housing by encouraging landlords to follow HUD's guidance on the use of criminal backgrounds in screening tenants and encouraging them to eliminate application fees for voucher holders.
6. Consider the feasibility of a landlord incentive program for landlords that choose to accept voucher holding tenants. The landlord incentive program could be focused on Low Resource Areas, as defined by TCAC, or neighborhoods that experience higher rates of rental increases. Consider providing assistance with security deposits or moving expenses for voucher recipients.

b. Replacement Housing

The City will require replacement housing units subject to the requirements of SB 330 and Government Code, section 65915, subdivision (c)(3) on sites identified in the site inventory when any new development (residential, mixed-use or non-residential) occurs on a site that has been occupied by or restricted for the use of lower-income households at any time during the previous five years. This requirement applies to non-vacant sites and vacant sites with previous residential uses that have been vacated or demolished. Prioritize siting of replacement units in targeted growth areas in the vicinity of available public transit routes, job and housing rich areas, the village center, and revitalization areas and on sites identified to accommodate the housing needs of lower income households. When existing residents are displaced, include a first right of return to existing residents policy that includes moving expenses.

c. Local Just Cause Eviction Ordinance

The City shall consider adopting a local Just Cause Eviction Ordinance which strengthens the requirements of AB 1482 to further protect renters from unreasonable evictions, foreclosure-related evictions, or other arbitrary and discriminatory actions which lead to displacement.

d. Local Rent Stabilization Ordinance

The City shall explore the feasibility of adopting a rent stabilization ordinance strengthening the requirements established by AB 1482 to further protect renters against displacement from arbitrary or significant rent hikes. Local rent stabilization ordinances must adhere to the framework established in state law by the Costa-Hawkins Rental Housing Act. This law establishes certain parameters for the policy features of local ordinances, such as prohibiting rent stabilization on single-family homes, preventing rent stabilization's application to buildings constructed after 1995, and allowing landlords to reset rents to market rate after a tenant leaves their unit (known as "vacancy decontrol").

e. Multi-Lingual Right to Counsel Program

Explore the feasibility of piloting a multi-lingual Right to Counsel program to ensure legal representation for tenants in landlord-tenant proceedings, including those involving the application of new laws like A.B. 1482. According to legal services and fair housing organizations, many evictions occur because tenants do not understand their rights and/or their obligations. It is estimated that only a small percentage of tenants facing eviction have legal representation, and those without representation almost always are evicted, regardless of a viable defense. There are several legal providers in the county such as Community Legal Aid SoCal and Public Law Center that are well-positioned to serve low-income tenants with financial support

See also Housing Element Implementation **Program H-16**, Fair Housing Program.

Responsible Agency: Community Development

Funding Source: United States Department of Housing and Urban Development (HUD)

Time Frame: Ongoing. By June 2023 and twice a year after that: communicate with community-based organizations that serve Laguna Hills' special-needs populations, conduct affirmative marketing to increase voucher acceptance, and partner with the Housing Authority to provide training to landlords. By June 2024 consider the feasibility of a landlord incentive program, a local Just Cause Eviction Ordinance, a Local Rent Stabilization Ordinance and a Multi-Lingual Right to Counsel Program and implement selected approaches within the following year. Enforce replacement housing requirements as projects arise.

Quantified Objective/
AFFH Metric: Preserve the 17 Section 8 vouchers used by Laguna Hills households. Prevent the displacement of 10 lower income households.

H-15. AFFORDABLE HOUSING DEVELOPER PARTNERSHIPS

The City will continue to develop partnerships with mainstream and special-needs affordable housing developers that could result in set-asides in existing and planned low-income housing projects for extremely low-, very low-, and low-income households to facilitate housing mobility, increase housing resources and assist in alleviating overpayment and overcrowding which may result from a lack of affordable housing opportunities. 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 take subsequent action, as appropriate, to make the development of such units more financially feasible including providing financial incentives, such as reducing, waiving, and/or deferring fees, where feasible, offering fast track/priority processing and permit streamlining with expedited processing for 100 percent affordable projects, density bonuses, and flexibility in development standards. 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. The City will conduct outreach to developers annually to discuss ways the City can assist in the development for lower-income households and strive to collaborate on two affordable housing developments during the planning period.

Additionally, the City will amend the Zoning Code to comply with State Density Bonus Law (Program H-7).

Responsible Agency: Community Development

Funding Source: General Fund

Time Frame: Ongoing; the information will be posted on the website by June 2023 and updated annually. Annually outreach to developers, review and prioritize local funding at least twice in the planning period, and support expediting applications on an ongoing basis.

Equal Housing Opportunity

H-16. 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 provided in multiple languages and 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.

To further comply with AB 686, the City will implement meaningful actions to Affirmatively Furthering Fair Housing (AFFH). The ongoing and additional actions the City will take to address AFFH shall address significant disparities in housing needs and in access to opportunity for all persons regardless of race, color, religion, sex, gender, sexual orientation, marital status, national origin, ancestry, familial status, source of income, or disability, and other characteristic protected by the California Fair Employment and Housing Act (Part 2.8, commencing with Section 12900, of Division 3 of Title 2), Section 65008, and any other state and federal fair housing and planning law. In this effort to address fair housing issues identified in the Assessment of Fair Housing of this Housing Element, the City commits to the following.

- 1 Develop affirmative marketing targeted at property owners to encourage acceptance of vouchers and/or other rental assistance programs, promoting equal access to government-assisted housing and to promote housing opportunities outside low-resource neighborhoods and neighborhoods along Via Lomas. Additionally, develop affirmative marketing strategies to promote services for persons at-risk of homelessness or experiencing homelessness through partnership with Mercy House, aimed at protecting residents from risk of displacement.
- 2 Promote accessibility programs focused on improving access to housing, transit, public buildings and facilities, sidewalks, pedestrian crossings, and businesses. Partner with local organizations serving persons with disabilities to implement outreach programs (see Housing Element Implementation Program H-17).
- 3 Explore policies to protect mobile home parks in low-resource areas in north Laguna Hills, minimizing displacement risk of existing residents.
- 4 Explore programs and/or partnerships to ensure that a share of the jurisdiction's purchases of goods and services come from local businesses.
- 5 Engage with the local school district to explore a program to address school boundaries and access to proficient education, specifically for the Via Lomas neighborhood.
- 6 Partner with Orange County Housing and Community Services Department and/or local non-profits to consider expanding programs offering first-time homebuyer assistance and prepare educational materials in multiple languages on mortgage lending discrimination.
- 7 Encourage development of affordable housing that meets the needs of diverse households and family structures, including affordable

units with three or more bedrooms, during meetings with prospective developers.

Table H-A1 below, in addition to the introduction to **Appendix A: Implementation Programs**, provides a summary that links program actions across all programs with the four categories of AFFH actions as specified by HCD: enhancing mobility strategies and promoting inclusion for protected classes; encouraging development of new affordable housing in high-resource areas; implementing place-based strategies to encourage community revitalization, including preservation of existing affordable housing; and protecting existing residents from displacement. The actions listed in Table H-A1 were developed to cumulatively address the AFFH goals to counteract the disparities and issues that were identified in the AFFH analysis. The timeframes and priority levels are added to ensure the implementation of these actions in a timely manner. The priority levels for these actions are defined as follows:

- High Priority contributing factors are those that have a direct and substantial impact on fair housing, and are core municipal functions that the City can control;
- Medium Priority factors are those that have a direct and substantial impact on fair housing, but the City has limited capacity to control their implementation;
- Low Priority factors may have a direct and substantial impact on fair housing choice, but the City lacks capacity to address it, or the factor may have only a slight or indirect impact on fair housing choice.

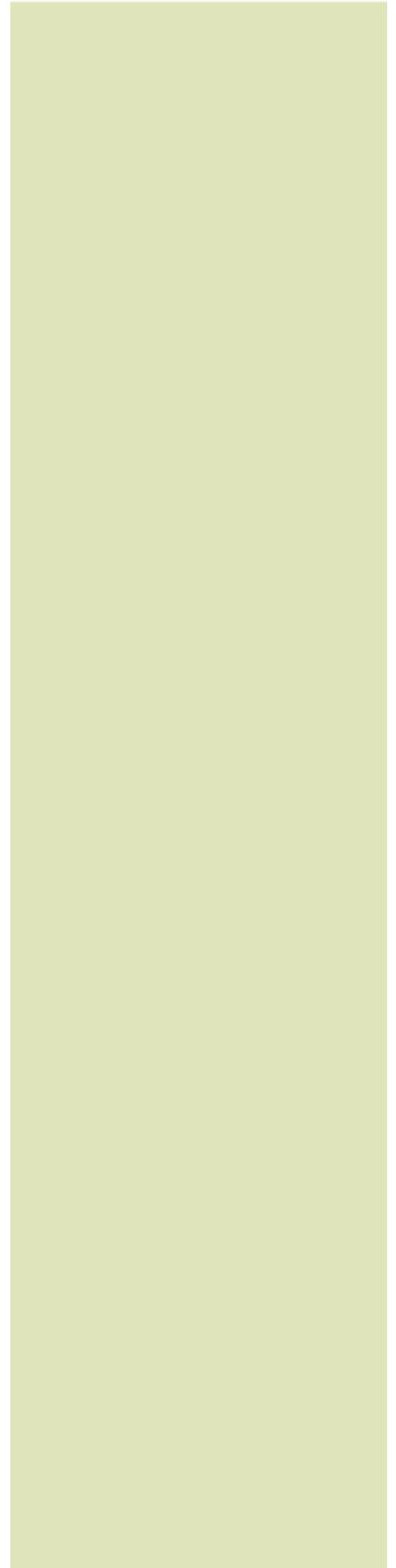
As shown in Table H-A1, the City intends to complete the necessary actions to meet the State AFFH requirements. These actions are integrated into the Housing Plan for the overall 6th Cycle Housing Element with the specialized timeframes for expedited implementation. The rationale for identifying these actions is to ensure they are implemented in a timely manner to better serve the Laguna Hills community. These actions are intended to alleviate the main issues identified in the AFFH analysis and the City intends to implement these and all the programs outlined in the Implementation Program during the 2021-2029 planning period. In addition, the City intends to monitor the AFFH actions on an annual basis in conjunction with the preparation of the Annual Progress Report (APR) to ensure the goals are being met. If any action items are not being achieved, the City will adjust its metrics, timeframes, and commitments as necessary to ensure it meets its AFFH goals.

Responsible Agency: Community Development

Funding Source: General Fund

Time Frame: Ongoing for the 2021-2029 planning period, and as

further outlined in Table H-A1; the information will be posted on the website by June 2023 and updated annually. The City will meet with non-profit organizations, governmental agencies, property owners and other parties named in this program at least annually to implement this program.



| Table H-A1 Fair Housing Program Action Items | | | | | |
|---|--|--|--|--|---|
| Action Area | Programs | Specific Commitment | Timeframe | Geographic Targeting | Metrics |
| Fair Housing Education and Outreach | | | | | |
| Intergovernmental Cooperation on Local and Regional Housing | <p>Program H-20: Local Housing Efforts Coordination</p> <p>Coordinate local housing efforts with federal, state, regional, and local government and/or agencies and cooperate in implementation of intergovernmental housing programs.</p> | <ul style="list-style-type: none"> Coordinate with appropriate federal, state, regional, and local government and/or agencies to ensure maximum effectiveness in solving local and regional housing problems; Submit CDBG applications to assist in preserving existing affordable housing stock; Continue to publicize programs, such as energy-efficiency programs and state and federal funding programs; Encourage local housing advocates to make presentations to local builders and developers, Chamber of Commerce, civic groups, and the local community re: affordable and multifamily/higher density development. | <ul style="list-style-type: none"> High priority/ within 18 months of Housing Element adoption; Post info by June 2023 | <ul style="list-style-type: none"> Citywide | <ul style="list-style-type: none"> Submit CDBG applications annually; Post information on the City's website (June 2023) and review annually to ensure that any materials, links, and info provided are current; Facilitate discussions between local housing advocates, developers, and community stakeholders on a biannual basis. |
| Housing Mobility Enhancement | | | | | |
| Accessory Dwelling Units (ADUs) | <p>Program H-8: Accessory Dwelling Units</p> <p>Encourage the development of ADUs throughout the City to expand housing opportunities for all income levels within existing neighborhoods, particularly for lower-income seniors, single persons, persons with disabilities, and small households.</p> | <ul style="list-style-type: none"> Update the City's current ADU Ordinance; Promote development of ADUs through City website and informational material; Identify and implement potential incentives to encourage production of affordable | <ul style="list-style-type: none"> High priority/ within 18 months of Housing Element adoption | <ul style="list-style-type: none"> Citywide; target marketing in higher opportunity areas | <ul style="list-style-type: none"> Update ADU Ordinance (June 2023); Add promotional/ educational materials on the City's website (June 2023); Identify additional |

| Table H-A1 Fair Housing Program Action Items | | | | | |
|---|---|---|--|--|--|
| Action Area | Programs | Specific Commitment | Timeframe | Geographic Targeting | Metrics |
| | | ADUs; <ul style="list-style-type: none"> • Monitor the production and affordability of ADUs annually to ensure the City will meet the assumption of 18 ADUs during the planning period; • Explore funding options to create an ADU Forgivable Loan Program. | | | incentives to encourage ADU production (ongoing); <ul style="list-style-type: none"> • Monitor production of ADUs by income level at the time of the Annual Progress Report (APR); Explore funding options for an ADU Forgivable Loan Program (June 2024); • Target 20% of ADUs in higher opportunity areas. |
| Objective Design Standards | Program H-9: SB2 Grant Program Implementation Establish objective design standards for residential development and analyze opportunities to permit multifamily residential in an existing commercial center. | <ul style="list-style-type: none"> • Adopt objective design standards for residential development in the MXU zone to encourage infill residential development; • Analyze opportunities to permit multifamily residential in an existing commercial center in north Laguna Hills in the CC zone. | <ul style="list-style-type: none"> • Medium priority/ within 24 months of Housing Element adoption; • All tasks completed by August 2024 | <ul style="list-style-type: none"> • Target MXU zone and VC zone which are in moderate and high resource areas. | <ul style="list-style-type: none"> • Adopt objective design standards by August 2024; • Analyze allowing multifamily residential in an existing commercial center and amend the Zoning Ord. accordingly by August 2024; • Reduce processing times by up to 6 mons. |

| Table H-A1 Fair Housing Program Action Items | | | | | |
|---|---|---|--|--|---|
| Action Area | Programs | Specific Commitment | Timeframe | Geographic Targeting | Metrics |
| Homeless Assistance | Program H-13: Continuum of Care Funding and Consolidated Plan Participation | <ul style="list-style-type: none"> • Pursue homeless assistance grants through the Continuum; • Assist public and private nonprofit housing developers in preparation of funding applications for special-needs populations; • Conduct outreach to service providers to discuss ways the City can assist in the development of housing for lower-income households. | <ul style="list-style-type: none"> • Medium priority/ within 24 months of Housing Element adoption; • Annually by September of each year | <ul style="list-style-type: none"> • Citywide with focus on census tracts with highest concentrations of LMI households, seniors, and/or persons with disabilities. | <ul style="list-style-type: none"> • Apply for homeless assistance grants annually; • Conduct annual outreach to service providers; • Secure two homeless assistance grants during the planning period. |
| Reasonable Accommodations | Program H-17: Accessibility in Housing Continue to implement Reasonable Accommodation ordinance. | <ul style="list-style-type: none"> • Work with local organizations that provide assistance to persons with disabilities to implement an outreach program that informs persons with disabilities and their families about housing and available services; • Prepare and distribute Informational material that will direct people to service information on the City website; • Encourage developers to provide universal design features in housing developments; • Provide fair housing education and information to apartment managers and homeowners associations on why denial of reasonable modifications/ | <ul style="list-style-type: none"> • High priority/ within 18 months of Housing Element adoption | <ul style="list-style-type: none"> • Citywide with focus on census tracts with higher populations of persons with a disability. | <ul style="list-style-type: none"> • Identify local organizations for ongoing collaboration to educate residents with disabilities about available services (June 2024); • Prepare and distribute informational material (June 2024); • Ongoing implementation of reasonable accommodations. |

| Table H-A1 Fair Housing Program Action Items | | | | | |
|---|---|--|---|--|---|
| Action Area | Programs | Specific Commitment | Timeframe | Geographic Targeting | Metrics |
| accommodations is unlawful. | | | | | |
| New Housing Choices and Affordability in Higher Opportunity Areas | | | | | |
| Provide Additional Housing Opportunities for all Members of the Community | Program H-6: Urban Village Specific Plan Area | <ul style="list-style-type: none"> Promote the Urban Village Specific Plan (UVSP) area as a location for residential development; Meet with prospective developers to encourage incorporating housing for multiple income levels; Consider amending UVSP to incorporate inclusionary housing requirements; Provide regulatory incentives on a case-by-case basis consistent with Chapter 9-72 of the Zoning Ordinance. | <ul style="list-style-type: none"> High priority/ within 18 months of Housing Element adoption | <ul style="list-style-type: none"> Urban Village Specific Plan area | <ul style="list-style-type: none"> Add promotional material re: UVSP housing opportunities on the City's website (June 2023); Annual outreach to the development community; Identify methods to provide affordable housing through inclusionary housing requirements (June 2024); Provide ongoing assistance and incentives to interested affordable and special needs housing developers; Development of sites 114, 115, and 116 of the sites inventory during the planning period. |
| Provide Housing | Program H-7: Zoning Ordinance Update | <ul style="list-style-type: none"> Amend the Zoning | <ul style="list-style-type: none"> Medium | <ul style="list-style-type: none"> Citywide with | <ul style="list-style-type: none"> Complete amendments to |

| Table H-A1 Fair Housing Program Action Items | | | | | |
|--|---|---|--|--|--|
| Action Area | Programs | Specific Commitment | Timeframe | Geographic Targeting | Metrics |
| Opportunities in Higher Opportunity Areas for all Members of the Community | | Ordinance to implement the goals, policies, and programs of the Housing Element; <ul style="list-style-type: none"> Mitigate regulatory constraints on the production of housing. | priority/ within 24 months of Housing Element adoption | the intent to facilitate housing development in higher opportunity areas. | the Zoning Ordinance by 2025; <ul style="list-style-type: none"> Consider adaptive reuse ordinance by June 2024 and implement, if appropriate, by June 2025; Consider inclusionary housing ordinance and present findings to City Council by June 2024 and implement, if appropriate, by June 2025; Consider congregational overlay by June 2024 and implement, if appropriate, by June 2025; Conduct initial review of development standards and permitting requirements by June 2025 and update Zoning Ordinance as needed. |
| Provide Housing Opportunities in Higher Opportunity Areas for all | Program H-11: 2021-2029 Regional Housing Need | <ul style="list-style-type: none"> Amend the General Plan and Zoning Code, as needed, to provide | <ul style="list-style-type: none"> High priority/ within 18 months of | <ul style="list-style-type: none"> Rezone specific sites as identified in | <ul style="list-style-type: none"> Rezone by January 31, 2024. |

| Table H-A1 Fair Housing Program Action Items | | | | | |
|--|--|--|---|---|---|
| Action Area | Programs | Specific Commitment | Timeframe | Geographic Targeting | Metrics |
| Members of the Community | Address the 2021-2029 Regional Housing Needs Allocation (RHNA) and ensure a sufficient selection of sites are available for higher-density development. | adequate sites for 413 lower-income units. | Housing Element adoption | the sites inventory. | |
| Collaborate with Affordable Housing Developers | <p>Program H-15: Affordable Housing Developer Partnerships</p> <p>Develop partnerships with mainstream and special needs affordable housing developers.</p> | <ul style="list-style-type: none"> • Provide incentives (e.g., expedited processing, fee waivers, and density bonuses) to facilitate set-asides for planned low-income units; • Cooperate with owners of existing affordable units to secure appropriate federal funding necessary to maintain existing affordability; • Promote lower-income housing development incentives on the City website; • Conduct annual outreach to developers. | <ul style="list-style-type: none"> • High priority/ within 18 months of Housing Element adoption | <ul style="list-style-type: none"> • Citywide with focus on sites identified for lower income units. | <ul style="list-style-type: none"> • Ongoing provision of incentives; • Promote incentives on City website (June 2023) and update annually; • Annual outreach to developers; • Review and prioritize local funding at least twice in the planning period; • Collaborate on two affordable housing developments during the planning period. |
| Provide Housing Opportunities in Higher Opportunity Areas for all Members of the Community | <p>Program H-21: Facilitating Housing on Identified Sites</p> <p>Ensure housing is developed that is appropriate for identified income categories on identified sites.</p> | <ul style="list-style-type: none"> • Enact new measures that will raise local funding for construction of affordable and other needed housing types; • Develop and implement strategies to encourage and facilitate lot consolidation and phasing of residential and mixed-use developments on | <ul style="list-style-type: none"> • Medium priority/ within 24 months of Housing Element adoption | <ul style="list-style-type: none"> • Citywide with focus on sites identified for lower income units. | <ul style="list-style-type: none"> • Implement new measures to raise local funding for construction of affordable housing (June 2025); • Annually meet with local developers and property owners to discuss development |

**Table H-A1
Fair Housing Program Action Items**

| Action Area | Programs | Specific Commitment | Timeframe | Geographic Targeting | Metrics |
|-------------|----------|--|-----------|----------------------|--|
| | | <p>large sites;</p> <ul style="list-style-type: none"> • Provide incentives for residential and mixed-use development; • Conduct regular outreach to owners of properties in the land inventory to inform them of regulatory incentives and available funding programs for housing development; • Explore the potential to partner with a nonprofit organization to offer a program based on the Community Land Trust model; • Work with stakeholders to identify nongovernmental constraints that may impede the construction of housing; • Incorporate feedback from developers on how to better encourage residential development. | | | <p>opportunities;</p> <ul style="list-style-type: none"> • Conduct regular outreach to owners of properties in the land inventory, twice a year; • Explore potential to partner with a nonprofit organization to offer a program based on the Community Land Trust model (June 2025); • New construction of 1,985 units across all income categories. |

Place-Based Strategies for Community Preservation and Revitalization

| | | | | | |
|----------------------|---|--|---|---|--|
| Property Maintenance | <p>Program H-1: Code Enforcement Program</p> <p>Target areas of concentrated rehabilitation needs to result in repairs and mitigation of potential cost, displacement, and relocation impacts on residents.</p> | <ul style="list-style-type: none"> • Enforce the Municipal Code and address matters related to property maintenance that pose a threat to public health, safety, or welfare; • Develop informational | <ul style="list-style-type: none"> • High priority/ within 18 months of Housing Element adoption | <ul style="list-style-type: none"> • Target neighborhoods with the greatest concentrations of low-income | <ul style="list-style-type: none"> • Ongoing code enforcement; • Develop informational materials by December 2023; |
|----------------------|---|--|---|---|--|

| Table H-A1 Fair Housing Program Action Items | | | | | |
|---|---|--|---|--|--|
| Action Area | Programs | Specific Commitment | Timeframe | Geographic Targeting | Metrics |
| | | materials to help educate property owners on available funding programs to assist with rehabilitation (also see Program H-3). | | households. | • 30 units rehabilitated. |
| Property Maintenance | Program H-2: State Franchise Tax Board Code Enforcement | <ul style="list-style-type: none"> • Promote maintenance of existing rental properties; • Notify the State Franchise Tax Board if substandard rental housing is identified. | • High priority/ within 18 months of Housing Element adoption | • Citywide with focus on census tracts with highest concentrations of LMI households. | <ul style="list-style-type: none"> • Ongoing implementation • Target 100% compliance following any Notice of Property Noncompliance letter issued by the State Franchise Tax Board. |
| Public Investment in Specific Neighborhoods, Including Services and Amenities | <p>Program H-3: Housing Rehabilitation</p> <p>Mitigate blight, preserve housing stock, and reduce potential for displacement due to housing conditions.</p> | <ul style="list-style-type: none"> • Work with Orange County Housing and Community Services Dept. to receive rehabilitation loans and grants for low and moderate-income homeowners and rental property owners; • Use CDBG funds as funding becomes available and pursue other funding sources; • Prepare and distribute informational material advertising the rehabilitation program. | • Medium priority/ within 24 months of Housing Element adoption | • Citywide with focus on Via Lomas neighborhood and census tracts with highest concentrations of LMI households. | <ul style="list-style-type: none"> • Apply for CDBG and other funding sources annually; • Advertise program on City website and with brochures (June 2024); • 30 units rehabilitated. |
| Public Investment in Specific Neighborhoods, | Program H-4: At-Risk Units | • Continue to pursue the extension of affordability controls for 51 units that | • High priority/ within 18 | • Rancho Moulton | • Annually prepare a "Risk |

| Table H-A1 Fair Housing Program Action Items | | | | | |
|---|--|--|--|--|---|
| Action Area | Programs | Specific Commitment | Timeframe | Geographic Targeting | Metrics |
| Including Services and Amenities | Work with property owners to extend affordability covenants on units at risk of conversion to market rate. | <p>are set to expire in 2032;</p> <ul style="list-style-type: none"> • Provide technical assistance to preserve at-risk units; • Apply for state or federal funding on behalf of interested non-profit entities, if necessary, to protect the affordability of rental units. | <p>months of Housing Element adoption;</p> <ul style="list-style-type: none"> • Annually | <p>housing development;</p> <ul style="list-style-type: none"> • Via Lomas neighborhood. | <p>Assessment” report provided by the California Housing Partnership Corporation;</p> <ul style="list-style-type: none"> • Preserve 51 units in the Rancho Moulton housing development. |
| Displacement Protection | | | | | |
| Displacement Risk of Lower Income Residents Due to Economic Pressures | Program H-5: Foreclosure Referral Program | <ul style="list-style-type: none"> • Provide foreclosure information on City website; • Refer residents to external agencies to assist in reducing incidents of foreclosures. | <ul style="list-style-type: none"> • High priority/ within 18 months of Housing Element adoption | <ul style="list-style-type: none"> • Target census tracts identified as having a high risk of displacement, e.g., cost-burdened owners. | <ul style="list-style-type: none"> • Post information on City website (June 2023) and update annually; • Ongoing referral to appropriate agencies; • Directly assist five residents annually through the provision of information and resources to reduce incidents of foreclosures. |
| Homeless Assistance | Program H-12: CDBG Funding for Shelter for the Homeless | <ul style="list-style-type: none"> • Allocate CDBG funds to nonprofits providing shelter for the homeless; • Contract with Mercy House or other housing services providers to help residents experiencing homelessness obtain services. | <ul style="list-style-type: none"> • High priority/ within 18 months of Housing Element adoption; • Annually by September of each year | <ul style="list-style-type: none"> • Citywide | <ul style="list-style-type: none"> • Annually allocate CDBG funding; • Reduce unsheltered homeless population by 10% during planning period. |

| Table H-A1 Fair Housing Program Action Items | | | | | |
|---|--|--|---|--|---|
| Action Area | Programs | Specific Commitment | Timeframe | Geographic Targeting | Metrics |
| Displacement Risk of Lower Income Residents Due to Economic Pressures | Program H-14: Displacement Prevention and Mitigation | <ul style="list-style-type: none"> • Provide referral services and information to City residents on housing choice voucher programs; • Study the feasibility of a landlord incentive program for landlords that choose to accept voucher holding tenants; • Require replacement housing units subject to the requirements of SB 330 on sites identified in the sites inventory when any new development occurs on a site that has been occupied by or restricted for the use of lower-income households at any time during the previous five years; • Consider adopting a local Just Cause Eviction ordinance; • Study the feasibility of adopting a Rent Stabilization ordinance; • Study the feasibility of piloting a multi-lingual Right to Counsel program. | <ul style="list-style-type: none"> • High priority/ within 18 months of Housing Element adoption | <ul style="list-style-type: none"> • Citywide with focus on census tracts with highest concentrations of LMI households, seniors, and/or persons with disabilities. | <ul style="list-style-type: none"> • Ongoing referral on housing choice voucher programs; • Within two years of Housing Element adoption (June 2024), consider the feasibility of a landlord incentive program, a local Just Cause Eviction ordinance, a Local Rent Stabilization ordinance, and a multi-lingual Right to Counsel program; • Preserve the 17 housing choice vouchers used by Laguna Hills households; prevent the displacement of ten lower income households. |

H-17. ACCESSIBILITY 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. The City will continue to implement its existing Reasonable Accommodation ordinance (Zoning Ordinance Chapter 9-93). The City will identify and work with local organizations that provide assistance to persons with disabilities, including developmental disabilities, to implement an outreach program that informs persons with disabilities and their families about housing and available services. Informational materials can include a brochure that will be offered in multiple languages and direct people to service information on the City's website, which will be reviewed annually to make updates as necessary. The City will provide information (for examples, flyers and brochures) to businesses (for example, laundromats) and organizations (for example, churches) and encourage businesses and organizations to post information where it can be easily seen and to distribute it to the public. City staff will encourage prospective developers to provide universal design features in housing developments at the time of project application meeting(s). The City will provide fair housing education and information to apartment managers and homeowner associations on why denial of reasonable modifications/accommodations is unlawful.

Responsible Agency: Community Development

Funding Source: General Fund

Time Frame: By June 2024, review City website and make updates to reflect available programs as necessary and identify local organizations for ongoing collaboration to educate residents with disabilities about available services. Ongoing; implement Reasonable Accommodation ordinance

Implementation and Monitoring

H-18. 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.

The City will use the Annual Progress Report (APR) to ensure the Housing Element goals are being met and to monitor progress with Affirmatively Furthering Fair Housing. If any implementation or action items are not being achieved, the City will adjust its metrics, timeframes, and commitments as necessary and within six months of submittal of the APR to meet its Housing Element and AFFH goals.

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; adjust metrics, timeframes, and commitments as needed within six months of submittal of the APR to continue meeting Housing Element and AFFH goals

H-19. 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. The City will provide the adopted Housing Element to the South Orange County Wastewater Authority (SOCWA). The City will assist SOCWA in adopting written procedures to provide priority service to lower-income residential projects.

The City shall provide information to address public opposition to affordable and multifamily/higher density development that describes the myths and realities of multifamily and affordable housing development. This will include promoting ADUs as a housing option in the City. The City will also continue to publicize programs, such as energy-efficiency programs and state and federal funding programs currently available to Laguna Hills residents. Information is available on the City's website and, when needed, the City makes the presentation/slide show on myths and realities of multifamily and affordable housing development available to housing advocates and to developers involved in local affordable housing projects. The City shall continue to encourage local housing advocates to make presentations to local builders and developers, Chamber of Commerce, civic groups, and the local community. Additionally, the City shall publicize the City's website as a source of information on housing programs.

Responsible Agency: Community Development

Funding Source: CDBG and General Fund

Time Frame: Ongoing. Post information on City website within by June 2023 and update annually.

H-21. FACILITATING HOUSING ON IDENTIFIED SITES

To ensure that housing is developed that is appropriate for identified income categories on identified sites, the City will take the following steps:

1. The City will evaluate the feasibility of enacting new measures that would raise local funding for the construction of affordable and other needed housing types. Funding sources to evaluate could include a housing trust fund, an affordable housing linkage fee, an increase in the City's sales tax or transient occupancy tax rate, a General Obligation bond, or other dedicated funding source.
2. The City will develop and implement strategies to encourage and facilitate lot consolidation and phasing of residential and mixed-use developments on large sites to make sites more developable for housing. The City will meet with local developers and property owners to discuss development opportunities and

- incentives for lot consolidation on smaller sites and/or phasing of development on larger sites to accommodate affordable housing units and consider additional incentives brought forth by developers. As developers/owners approach the City with interest in lot consolidation or phased development on larger sites for the development of affordable housing, the City could defer certain fees, allow more height or additional stories, waive lot merger fees for certain small contiguous lots, and provide concurrent/fast tracking of project application reviews to developers who provide affordable housing. The City will also pursue grant funding for parcel assemblage land banking when it is available. Specifically, for site 113, the City will facilitate parceling the site at appropriate sizes to facilitate the development of affordable housing.
3. The City shall provide incentives for residential and mixed-use development on the sites in the land inventory, including reductions of development standards where feasible, particularly for projects that include deed-restricted affordable housing.
 4. The City will conduct regular outreach to owners of properties in the land inventory to inform them of regulatory incentives and available funding programs for housing development, particularly for projects that include deed-restricted affordable housing.
 5. The City will conduct outreach to attract and support affordable housing developers in the City, including developers of senior housing, extremely low-income units, and permanent supportive housing for persons with disabilities and developmental disabilities.
 6. The City will explore the potential to partner with a nonprofit organization to offer a program based on the Community Land Trust model, where a community-controlled organization retains ownership of the land and sells or rents the housing on that land to lower-income household development projects aimed at providing homeownership opportunities for lower income families and individuals. The City shall create information online and in brochure formats explaining the City's residential and mixed-use property development standards and make it available on the City's website and at the City's permit counter.
 7. As residential developments are approved by the City and building permits or final maps have not been obtained, the City will make diligent efforts to contact applicants to learn why units have not been constructed within two years after approval. If these impediments are due to nongovernmental constraints, such as accelerating construction costs, shortages of labor or materials, or rising interest rates, to the extent appropriate and legally possible, the City will seek to identify actions that may help to remove these constraints. In addition, the City will aim to work with stakeholders to identify nongovernmental constraints or other circumstances that may impede the construction of housing in Laguna Hills and work collaboratively to find

strategies and actions that can eliminate or reduce identified constraints.

8. If this program is not effective, the City will immediately implement alternative strategies such as incorporating feedback from developers on how to better encourage residential development, as well as, considering additional actions the City can take to encourage residential development.

Responsible Agency: Community Development

Funding Source: General Fund

Time Frame: Ongoing. Evaluate the feasibility of enacting new measures that would raise local funding for the construction of affordable and other needed housing types by June 2025 and implement selected measure(s) within the year after that. Post information on City website by June 2023 and update annually. Meet with local developers and property owners to discuss development opportunities and incentives upon request. Conduct regular outreach to owners of properties in the land inventory, twice a year. Explore the potential to partner with a nonprofit organization to offer a program based on the Community Land Trust model by June 2025 and implement selected measure(s) within the year after that.

Quantified Objective/
AFFH Metric: New construction of 1,985 units, including very low, 568; low, 353; moderate, 354; above moderate, 710.

Quantified Objectives

Identifying quantified objectives refers to the number of new units that may potentially be constructed over the planning period, the number of existing units that can be expected to be rehabilitated, and the conservation of existing affordable housing stock. This information is presented in **Table H-A2**.

| Table H-A2 Quantified Objectives | | | | | | |
|--|--|----------|-----|----------|----------------|--------|
| Housing Program | Quantified Objectives per Income Group | | | | | Totals |
| | Extremely Low | Very Low | Low | Moderate | Above Moderate | |
| New Construction | 284 | 284 | 353 | 354 | 710 | 1,985 |
| Rehabilitation ¹ | 10 | 10 | 10 | 0 | 0 | 30 |
| Housing Conservation/ Preservation ² | 18 | 19 | 31 | 0 | 0 | 51 |

Source: City of Laguna Hills

1 Based on Housing Element Implementation Programs H-1 and H-3.

2 Based on Housing Element Implementation Program H-4 to preserve 51 units and Program H-14 to encourage OCHA to continue to offer the 17 rental assistance vouchers currently in use.

Appendix B: Summary of Online Survey and Public Workshop

Public Outreach

As noted in the Introduction to this Housing Element, as part of this update, the City conducted outreach activities including several public meetings with the City Council, stakeholder consultations, one virtual and one in-person community workshop and an online survey. The City also hosted a dedicated Housing Element webpage throughout the process and received several letters from advocates and residents. The Introduction to this Housing Element summarizes the input received through those activities and links the input with specific program actions the City will implement during the Housing Element planning period. The purpose of Appendix B is to provide additional details about the online survey and public workshop.

Online Survey

The City hosted a survey online from mid-June 2021 to mid-August 2021, with a link available on the City's website. 287 respondents answered one or more questions. General trends that were apparent from the answers to the multiple-choice questions include:

- Thirty-six percent of respondents indicated that they or someone they know have experienced difficulty finding housing that is affordable in Laguna Hills. However, overall the community generally opposes the creation of additional housing, particularly multifamily, affordable and workforce housing.
- Approximately half of respondents are opposed to Accessory Dwelling Units (ADUs) being added to existing properties in the City. Approximately 18 percent of homeowners responded that they might be interested in building an ADU on their property.
- The community strongly opposes reducing the number of required onsite parking space for new townhouses and multi-family development throughout Laguna Hills.
- The community is generally opposed to the City adjusting zoning requirements to increase the number of units per acre in the MXU (The MXU Zone currently allows 20 units per acre). The community also expressed opposition to the City requiring that a certain portion of the sites in the Mixed Use (MXU) Zone be redeveloped with projects that are at least 50 percent residential.
- While the community is generally opposed to allowing multi-family

development on commercial properties in the Office Professional (OP), Community Commercial (CC) and Freeway Commercial (FC) Zones there is more support for relying on enhancements to the Village Commercial zone to allow more residential development in that area.

- The community generally opposes adjusting zoning requirements to allow new multi-family buildings and mixed-use buildings to be up to 70' in height.
- There is strong opposition to reducing development fees for affordable housing and workforce housing developments by allocating additional funds from the General Fund, and most of the community also opposes revising the development fee structure to reduce fees for affordable housing developments while increasing them for market rate projects.
- The community is strongly opposed to a bond measure to fund affordable housing.

The final question asked respondents to write in any additional thoughts that they wanted to share. Common themes included:

- Most respondents expressed opposition to building housing, particularly housing affordable to households with lower incomes and ADUs; however, several respondents submitted opposite sentiments.
- Those who were opposed to more housing expressed concerns about the impact new multifamily housing would have on property values, the need for parking and infrastructure upgrades, as well as an increases in traffic, crime and overcrowding.
- Those who were in favor of more housing expressed the importance of considering the needs of senior citizens, people with disabilities, veterans, young people (particularly those who grew up in Laguna Hills and who cannot afford to raise their children near family members) and those earning “working class” salaries.
- The community generally favors redeveloping the Laguna Malls site. However, many expressed frustrations that commercial businesses have already been destroyed there, while plans for redevelopment appear to be stalled out for an extended period of time. Suggestions for this site included mixed-uses with restaurants and entertainment-oriented businesses, a nursing school, outdoor space for events, parking and condominiums to provide opportunities for home ownership.

In-Person Public Workshop

An interactive workshop about the Housing Element Update was held on August 5, 2021, at the Laguna Hills Community Center. Based on the sign-in sheet, at least fifty-five members of the public were in attendance. City staff planned the event with multiple booths to encourage information sharing between the City and attendees on a selection of topics. A large TV played short videos on a loop. The videos were produced by the Orange County Council of Governments and the Association of California Cities - Orange County to explain the basics of the Regional Housing Needs

Allocation (RHNA) and Housing Element process. The first interactive booth showed photos and diagrams of examples of multifamily residential and mixed-use developments at a range of densities throughout California. The second booth showed a sample of the maps included in the Housing Element, in the Assessment of Fair Housing section and included a fact sheet about Affirmatively Furthering Fair Housing. At the third booth, a map of the City's zoning districts was displayed and information was shared about the allowable uses and residential densities in each zone. At the final booth, attendees were asked to apply stickers to maps of the City to identify the locations that are most suitable for new housing developments. At each booth, attendees provided insight and perspectives about the City's approach to planning for future of housing in their community. Attendees also provided input via comment cards and post-it notes at the event, as well as emails sent to City staff afterwards.

Overall, there are concerns over where future housing will go, the type of housing that could potentially be built, limited resources for new developments, and the need to preserve Laguna Hills' culture and suburban aesthetic. Many residents shared their disapproval of the Regional Housing Needs Assessment (RHNA) allocation and suggested challenging it, such as with legal action. On the contrary, several attendees expressed support for housing development, especially affordable housing and mixed-use, as long as its responsibly planned and provides appropriate resources and infrastructure to ensure the continued quality of life that Laguna Hills residents enjoy. Attendees demonstrated interest in continuing to be included in the housing element process and are interest in learning more about the future of housing in their community.

The most frequently stated comments include:

- Disapproval of the RHNA allocation and State mandates.
- Some attendees thought Laguna Hills has enough housing while others think it does not.
- The City should take actions that reflect the community's needs and represent its constituents
 - For some this meant the City should consider the housing needs of residents in extremely low-, very low-, and low- income brackets, including senior citizens, veterans, and essential workers.
 - For others this meant the City should consider the desires of existing residents that do not want more housing built.
- There is a lack of resources and infrastructure for additional housing.
- There is a need to responsibly develop new housing while keeping in mind other urban factors (i.e., crime, traffic, pedestrian safety, providing adequate parking, water availability, maintaining and updating infrastructure to accommodate new developments).
- Concerns that more housing will negatively change the City's culture, safety, and suburban aesthetic.

- Concerns that property values and school quality will decrease.
- Questions related to the housing element included who pays for new housing, whether eminent domain would be used, and options/willingness to contest RHNA allocation.
- More parks, green spaces and beautification of the City would be good.
- Mixed-use development is appropriate for Laguna Hills.
- Some homeowners are interested in building accessory dwelling units (ADUs) on their properties.

Other comments include:

- Require solar or wind electricity generation with new development.
- New developments should favor homeownership opportunities over rentals.
- Residents should get to vote on zoning changes.
- Look to European design to make denser developments more aesthetically appealing and include high-quality landscaping.

POTENTIAL FUTURE HOUSING LOCATIONS

Attendees were asked to apply stickers to maps of the City to identify the locations that are most suitable for new housing developments. Some attendees followed up after the workshop by emailing City staff with additional input on these locations. The maps that attendees were asked to use blocked out existing residential neighborhoods that are fully built out. Staff guided attendees towards existing commercial and mixed-use districts where there is opportunity for redevelopment.

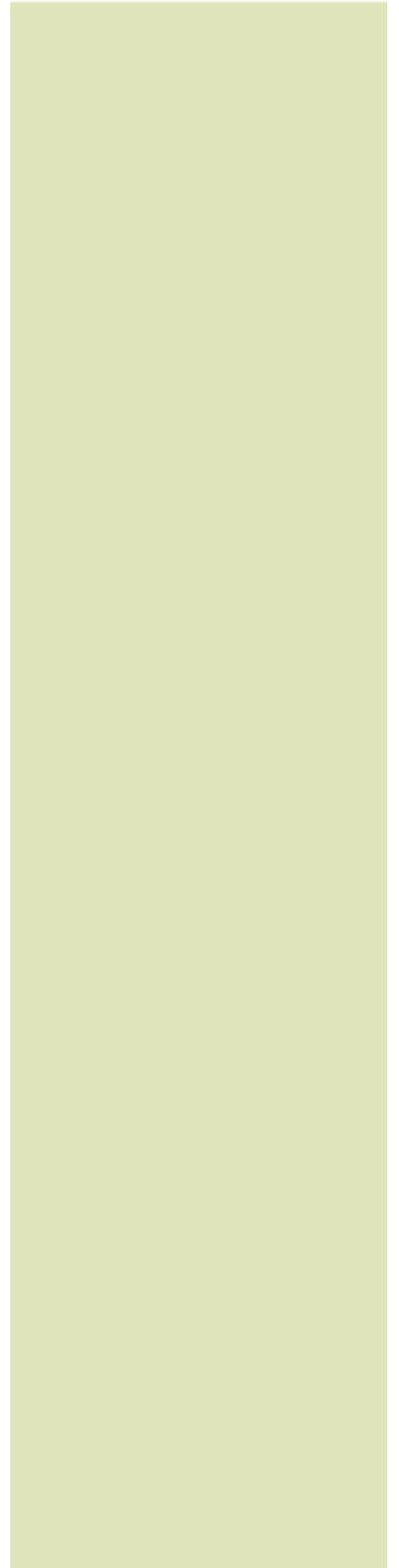
The two most popular areas for future housing are Areas #1 and #5, with 10 “yes” votes for each area. Area #1 is in north Laguna Hills, bounded by Lake Forest Drive to the north and Ridge Route Drive to the south. This area is near the cities of Irvine, Laguna Woods and Lake Forest. One attendee said they “could see housing components going into the areas along Lake Forest Drive, Mill Creek Drive, and Ridge Route Drive.” The current zoning is Mixed Use (MXU). The other most popular area is #5, which includes the Laguna Hills Mall redevelopment site and the surrounding area. This area is in the Urban Village Specific Plan (UVSP). One attendee gave this area a “no” vote.

The two areas with the next highest amounts of “yes” votes are both zoned Freeway Commercial (FC) but are not adjacent to each other. Area #2 received 4 “yes” votes. It is in north Laguna Hills, bounded by Ridge Route Drive and Interstate 5. Area #3 received 3 “yes” votes. It is on the eastern edge of Laguna Hills, This area borders Interstate 5 with through routes on La Paz and Cabot.

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Appendix C: Owner Interest Letters



23172 Plaza Pointe, LLC

May 20, 2022

Mr. Larry Longenecker, AICP | Community Development Director
Community Development Department
City of Laguna Hills
24035 El Toro Road, Laguna Hills, CA 92653

RE: Housing Element – Zoning Change – Housing Overlay

Dear Mr. Longenecker:

I am writing this letter in support of the proposed residential overlay, on behalf of my client 23172 Plaza Pointe, LLC (via Corporate Trustee), which would serve to increase the potential housing density on my client's property at 23172 Plaza Pointe Drive.

My company, TheoPacific Corporation, has managed this asset for the Trust since 2016 and we would like to urge the City Council to formally approve this proposed density increase at its next meeting on May 24, 2022. The corporate trustee for the owner has authorized me to send this letter.

If you need anything further from my company or our client (fee-simple owner), please do not hesitate to call or email. I can be reached at (949) 307-1624 or ndk@theopacific.com.

Sincerely yours,



Nick Konopisos
Asset/Property Manager for 23172 Plaza Pointe, LLC

350 E. Orangethorpe Avenue, Suite 5
Placentia, CA 92870
(657) 444-9200





REAL ESTATE INVESTMENT AND MANAGEMENT

www.terraent.com

Property:

August 3, 2022

VIA EMAIL llongenecker@lagunahillsca.gov

Mr. Larry Longenecker
Community Development Director City of Laguna Hills
24035 El Toro Road
Laguna Hills, CA 92653

Re: Water Garden Business Center, 23421 and 23441 South Pointe Dr / Re-Zoning

Dear Mr. Longenecker;

As a follow up to our conversation earlier, I wanted to emphasize that we have a strong desire to see our property obtain an "upzoning" from its current mixed-use designation.

In the past, most recently about two years ago, we have looked at the possibility of converting the property to residential. We just could not get the project to pencil out at the current allowed density of 20 units per acre. We engaged other developers who specialized in this, and while they loved the site for residential, they also could not figure out a way to make it work at the current allowed density. The possibility of having this upzoned to 50 units per acre would I believe allow us to pursue a conversion of the property to residential.

Happy to discuss this further if you like.

Best regards,

A handwritten signature in blue ink, appearing to read "David J. Haddad".

David J. Haddad

LAKEHILLS CM-CG LLC

May 26, 2022

Dear Larry,

This letter is in follow up to our telephone conversation on Thursday, May 12, 2022 wherein we expressed our interest in having our property at 23332, 23382 & 23422 Mill Creek Drive and 24411 & 24461 Ridge Route Drive included in your site consideration for the Laguna Hills Housing Element for additional multi-family housing. We remain interested in the potential for inclusion of the site as a candidate for an increase in residential density. In addition, we recognize that our site may also allow for phasing of the housing opportunity which may efficiently and more promptly mix within the existing office development.

We understand that the city is in the midst of working through adoption of the housing element, a part of which is identifying future residential development sites within the City on an exploratory basis – which effort does not require any hard commitments from either party at this time. Furthermore, it is our understanding that this would be an increase in density of the existing zone, which includes residential, and that the use of office will continue to be allowed.

We look forward to your ongoing evaluation of our site and to be included in your density overlay discussions moving forward.

Best regards,



Dennis Cruzan



August 4, 2022

Larry Longenecker
Community Development Director
City of Laguna Hills
24035 El Toro Road
Laguna Hills, CA 92653

Mr. Longenecker,

Kingsbarn Realty Capital and Kelemen Company are currently under contract to purchase the HERE Office Campus located at 23332, 23382 & 23422 Mill Creek Drive and 24411 & 24461 Ridge Route Drive, Laguna Hills, California 92653, which consists of 223,974 square feet of office space on an approximately 16 acre site. The sale is set to close in September 2022, and as of August 4, 2022, \$1,500,000 of earnest money deposits are in escrow, all of which is non-refundable.

Kingsbarn and Kelemen believe the highest and best use of this site is residential housing, and plan to redevelop the site into a multifamily community with 800 apartment homes. The business plan is to operate the property as an office property until the apartment community is ready for construction. The project will be built in four phases over a several year period.

Kingsbarn and Kelemen are extremely committed to the site and redevelopment plan, as evidenced by the significant time and resources already invested into the project. Kingsbarn has engaged a local architectural firm with significant multifamily experience in Orange County, Architects Orange, to develop a site plan for the redevelopment. Attached, please find the conceptual plans for the property. Additionally, Kingsbarn and Kelemen have met with several City Officials to discuss the plans, and started discussions with contractors and various consultants on the redevelopment of the site.

Kingsbarn and Kelemen both have extensive real estate development, management, and investment experience. Kingsbarn currently has over 1,000 multifamily units under development and renovation, and over \$1 billion in assets under management. Its principals each have over a 30-year track record of real estate development and investment, and have developed thousands of multifamily units in their careers. Attached is additional information on Kingsbarn. Kelemen Company is headquartered in Orange County and has over 800,000 square feet of commercial real estate under management in Orange County.

Kingsbarn and Kelemen are both extremely excited to work with the City of Laguna Hills on this project and look forward to bringing a best-in-class apartment community to Laguna Hills.

Sincerely,

A handwritten signature in blue ink, appearing to read "Philip Mader", is written over a light blue circular stamp.

Philip Mader
Chief Investment Officer
Kingsbarn Realty Capital



November 21, 2022

Mr. Larry Longenecker
Community Development Director
City of Laguna Hills
24035 El Toro Road
Laguna Hills, California 92653

RE: Request for including in the Housing Element Update
23272 & 23282 Mill Creek Drive ("Properties")
Laguna Hills, CA

Mr. Longenecker:

On behalf of CJ Summit Property, LLC, the ownership entity of 23272 & 23282 Mill Creek Drive in Laguna Hills, we wish to convey our strong interest in having our Properties included in the Housing Element Update currently being discussed by City Council.

CJ Summit Property, LLC has owned the Properties for more than 20 years and have recently decided to offer the Properties for sale. The Properties hit the market in mid-October 2022 and since the launch date nearly 100% of the serious interest has been from buyers that want to re-develop the site as residential. Given this strong level of interest and the owner's willingness to consider a sale, we see a clear path towards this location being redeveloped for residential in the next several years.

Additionally, based upon our discussions with more than two dozen redevelopment suitors, a density factor of 50 units per acre would strengthen the viability of this site for redevelopment. Unfortunately, lower density ratios make a residential conversion much more challenging.

Please feel free to contact me at any time for an introduction or to discuss our Properties as candidates for the Housing Element Update.

Sincerely,



Dennis Brothers
Manager
CJ Summit Property, LLC

BUCHANAN STREET
PARTNERS

A Real Estate Investment Management Firm

Matt Haugen
Senior Vice President
Buchanan Street Partners
3501 Jamboree Road, Suite 4200
Newport Beach, CA 92660
February 6, 2023

Mr. Longenecker
Community Development Director
City of Laguna Hills
24035 El Toro Road
Laguna Hills, CA 92653

Dear Mr. Longenecker,

I'm writing to inform you that the entity BSP Oakbrook, LLC, operated and managed by Buchanan Street Partners, purchased on December 6, 2022, the 8.426 gross acre site at 24422 Avenida De La Carlota in the City of Laguna Hills. The site currently has an approximate 120,000 square foot, 4-story office building and a large surface parking lot.

We feel the site is underutilized and it is our intent to pursue the development of that surface lot (approximately 4 gross acres) with residential. The current zoning allows for a maximum of 50 dwelling units per gross acre prior to utilizing the State Density Bonus law. It is our intent to develop between 225 and 250 rental units on the site. Currently, we are working with a traffic engineer to conduct a traffic analysis in order to determine how many residential units could be developed without exceeding the trip budget established by the Urban Village Specific Plan. In addition, an architect has been hired and they are developing various site plans for our review.

Once our initial analysis is completed, we look forward to sitting down with the city staff to review our plans.

Sincerely,



Matt Haugen
Senior Vice President
Buchanan Street Partners

3501 Jamboree Road | Suite 4200 | Newport Beach | CA 92660
P: 949.721.1414 | F: 949.721.1919
www.buchananstreet.com



