



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: January 11, 2022

TO: Mayor and Council Members

FROM: George Buell
Contract Planner

ISSUE: Second Public Review of the Draft 2021-2029 Housing Element Update

RECOMMENDATION: That the City Council review and comment on the second Public Review Draft of the 2021-2029 Housing Element Update.

SUMMARY:

The City is required by State mandate to update the General Plan Housing Element on an eight-year cycle, following the issuance of the Regional Housing Needs Allocation (RHNA). In order to adhere to a February 11, 2022 adoption date, the City Council is requested to review and comment on the second Public Review Draft of the 2021-2029 Housing Element Update, attached in redline format. It is anticipated that Staff will return to Council on February 8, 2022, with a final draft document and a recommendation for adoption and transmittal to the State Department of Housing and Community Development (HCD) for their required certification. Failure to timely adopt the Housing Element may expose the City to adverse financial and local control consequences. Separately, but as a related requirement, on January 25, 2022, Staff will also be seeking review and comment on a Public Review Draft of the General Plan Safety Element Update, another State requirement. The Safety Element and Housing Element Updates will be provided together for said subsequent City Council approval.

BACKGROUND:

The City's General Plan is a comprehensive long-range planning document that directs the physical development of the City. The Housing Element is one of a number of state mandated elements that comprise the City's General Plan serving as a policy document

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to assess housing characteristics, community needs and establishing programs to meet those needs. 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 including families, seniors, 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.

In addition to the update to the Housing Element, State Law requires a coincident update of the City's Safety Element. The purpose of the Safety Element is to address existing or anticipated safety threats affecting Laguna Hills. The Element covers such matters as seismic hazards, fire hazards, flood hazards and similar natural events. The Safety Element Update is in process and the first draft will be presented to the City Council on January 25, 2022.

California State law requires all municipalities to update Housing Elements every eight years. The City's current Housing Element was adopted in 2013 by City Council. The City is required to adopt an updated version of the Housing Element for the 2021-2029 State Housing and Community Development planning period, also known as the 6th Cycle Housing Element Update, by October 15, 2021, but not later than the allowed grace period expiring February 11, 2022. This is Council's second review of the Draft Housing Element, with the first review having occurred on October 26, 2021; the staff report for October 26, 2021, is attached providing general background information and detailed information on the Housing Element process, including the City's obligations to plan for a total of 1,985 housing units that are to be affordable to households of various annual incomes. The City Council is again requested to review and comment upon the attached Public Review Draft redline of the 2021-2029 Housing Element Update, which has been prepared for the City by PlaceWorks, Inc., the City's designated planning firm for this work effort.

Below is a recap of the primary edits made to the first draft Housing Element Update based on Council comments and preliminary/informal comments received from HCD staff in a teleconference held on December 13, 2021. A formal review letter from HCD is expected to be received prior to this City Council meeting and will be summarized in the Staff presentation. It is noted the anticipated HCD letter will require further substantial revisions to the document prior to adoption. This will include substantial revisions to the maps of parcels that could be rezoned for residential development (Figures H-11 and H-12) to focus upon only the properties most likely suitable for rezoning based upon

State criteria.

Summary of Edits to the First Public Review Draft

The table below provides a summary of significant text edits made to the First Public Review Draft. In large part, these edits were made in response to informal comments from HCD staff that are expected to be formalized via written letter, which is due at about the same time of the printing of this Staff Report. The notable changes to the document are summarized below followed by the page number of the attached Draft 2021-2029 Housing Element Update.

- Additional information relative to Employment Characteristics/Occupation and Labor Participation. Page H-19
- Descriptions of Extremely Low-Income Households as a special needs population, previous City efforts to meeting their needs, and future implementation measures which includes the exploration of developing an Inclusionary Housing Ordinance. Pages H-43 to H-45
- Additional information regarding Housing Age and Housing Stock Conditions. Page H-49
- Various clarifications and corrections to Housing Affordability by Household Income information. Pages H-54 to H-56
- Information and description of “Qualified Entities” that must be notified of opportunities to purchase housing units that are under affordability contracts. H-60
- Identification of potential funding sources for the preservation of affordable housing units. Pages H-61 to H-62
- Addition of information regarding housing allowed in land designated for Public/Institutional uses. Page H-67
- Clarification of the City’s Accessory Dwelling Unit policies and commitment to programmatic promotion. Page H-78
- Addition of new information pertaining to Quimby Act fees. Page H-88

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- Addition of specific, codified findings required for Conditional Use Permit approval and applicability of Site Development Permits to various types of housing development. Pages H-92 to H-93
- Additional information and clarifications on various aspects of the Assessment of Fair Housing Issues. Pages H-111 to H-137
- Addition of information about Accessory Dwelling Unit construction relative to RHNA progress. Page H-144
- Addition of language regarding underutilized sites in the Village Commercial Zoning District. Page H-153
- Correction/clarification that future rezoning efforts will identify approximately 25 acres in order to accommodate 742 lower-income units. Page H-154
- Addition of text pertaining to the City's commitment to amending the Zoning Ordinance relative to Accessory Dwelling Units. Page A-5
- Commitment to evaluate the Zoning Ordinance and consider adoption of an Inclusionary Housing Ordinance and revision of development standards that impede affordable housing development. Page A-7
- Creation of an Accessory Dwelling Unit Implementation Program and promote it; and commitment to revise codes to be in concert with state law. Pages A-7 to A-8
- Clarification of the City's commitment to: 1) continue to work with affordable housing developers to meet housing needs of low-, very-low and extremely-low income households; 2) identifying and implementing, as appropriate, creative financial incentives for affordable housing development; and 3) amend the Zoning Ordinance to be in concert with state Density Bonus law. Page A-12

Next Steps in the Process

Moving forward, in order to accommodate additional housing units, the City will be required to identify and analyze numerous properties and rezone them to allow for residential uses. To this end, Staff has further engaged PlaceWorks within their existing Professional Services Agreement to develop a scope of work to complete the remaining work for the 2021-2029 Housing Element, including:

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- Continued City Council involvement at numerous public meetings/hearings
 - Continued public engagement, including meetings with property owners and other stakeholders at community open houses
 - Use of innovative technology to collaboratively identify specific parcels of land necessary to meet HCD requirements
 - Preparation of Economic Analysis of housing and retail balance
 - Preparation of a sample Visual Simulation of modified properties
 - Preparation of General Plan and Zoning Map and text Amendments
 - Preparation of CEQA analysis and documents as a Supplemental Environmental Impact Report

The above summary of the Scope of Work is anticipated to have a schedule for completion of public outreach and identification of the final properties for rezoning by October 2022 and completion of the environmental document by mid-2023.

CEQA:

The Housing Element and Safety Element are expected to be adopted at the same future public hearing. The Housing Element updates policies and programs consistent with state law, and identifies a need to rezone land to meet RHNA. The Safety Element updates information in the General Plan regarding hazards and procedures to be used by the City in evaluating new development.

The Housing Element Update identifies multiple sites that the City will need to consider for rezoning. None of the specific sites have been selected at this point and the City may consider one or more of the sites in the table, and may discover other sites as the rezoning process begins. While the Housing Element Update includes a policy that requires rezoning, it does not identify specifically which sites will be rezoned. As CEQA does not require speculation, and study of sites that would not be rezoned will use the City's limited resources in an inefficient manner, therefore, no in-depth environmental analysis will be conducted at this time. In addition, the Safety Element adds information to the General Plan, but does not include policies that would change the physical environment.

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Staff anticipates that environmental benefits may come from the rezoning of properties through a reduction in vehicle miles travelled that will have corresponding benefits with air quality, greenhouse gas emissions, and noise. An addendum that addresses the overall citywide impacts of both the Housing Element Update and the Safety Element is planned to be presented for City Council consideration at a future public hearing.

FISCAL IMPACT:

The work provided by Placeworks is partially offset by a \$150,000 funding grant provided by the State of California. Failure to timely adopt a Housing Element Update, as approved by the State Department of Housing and Community Development, can lead to adverse financial impacts on the City.

ATTACHMENTS:

- Laguna Hills Draft 2021-2029 Housing Element Update - Redline
- Agenda Item 7.1.1- Tuesday, October 26, 2021

City of Laguna Hills 2021-2029 Housing Element Update

Public Review Draft -
December 21, 2021

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City of Laguna Hills 2021-2029 Housing Element Update

Public Review Draft -REVISED| December 21, 2021



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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.

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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.
- **Housing Needs Assessment:** 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

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(5th cycle).

- **Appendix A, Implementation Program:** Updated programs from the 2013-2021 Housing Element based upon new state legislation.
- **Appendix B, Summary of Public Input:** Identifies common themes expressed by stakeholders and residents through various outreach activities.

Public Outreach

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

- City Council ~~Study Session Meeting~~: November 10, 2020
- 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
- City Council Meeting: January 11, 2022

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Housing Needs Assessment

- 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 m
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

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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 three years 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 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 three years of the planning period. A list of potential candidate sites is provided in the Housing Resources section.

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Introduction

The residents of Laguna Hills take great pride in their 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 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.

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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.

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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.

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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.

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This Housing Element builds upon other General Plan elements 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.

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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.

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

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.

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. The Housing Element includes programs that encourage the city to seek partnerships with affordable housing developers to expand housing opportunities in Laguna Hills, including the Urban Village Specific Plan Area (Programs H-6 and H-15). The City also intends to apply for CDBG funding to continue its partnership with Mercy House, a non-profit service provider to individuals and families experiencing homelessness (Program H-12).

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

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H-11

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.

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, the City will 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))(Program H-11).

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 Programs H-3, H-4, H-12, and H-14.

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 Public Input for key findings.

Letters Received

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.

- **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. (See Appendix B, Summary of Public Input.)
- **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. (Programs H-7, H-8, H-11, H-13, H-15, H-16, H-19 and H-20)
- **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. (Programs H-7, H-8, H-11, H-13, H-15, H-16, H-19 and H-20)
- A group of concerned organizations on the development and planning of the Village at Laguna Hills (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**

H-13

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. (Programs H-7, H-8, H-11, H-13, H-15, H-16, H-19 and H-20)

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 and 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, Open House:** An in-person workshop was held at the Laguna Hills Community Center. See Appendix B: Summary of Public Input for more information.
- **October 26, 2021, City Council Meeting for Public Review Draft Launch**
- **Date TBD, City Council Hearings**

Housing Needs Assessment

This section of the Housing Element describes the supply and demand for housing in Laguna Hills and is divided into subsections that address the characteristics of population, employment, households, special-needs populations, 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.

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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.

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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.

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Only one of the surrounding cities, Laguna Woods, experienced a decrease 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.

Table H-1
Orange County Population Growth, 2010-2020

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 determining 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%
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%.		

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.

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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. 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).

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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

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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 **Formatted: Right: 0"** 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.

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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 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.

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Table H-9 Households by Income Group, 2013-2017							
City of Laguna Hills							
Income Group	Owner Households	Percentage of Owner Households	Renter Households	Percentage of Renter Households	Total Households	Percentage of Total Households	Orange County
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	7,325	100.0%	3,040	100.0%	10,370	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.

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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 (overcrowded) 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.

Table H-11
Overpayment by Income and Tenure, 2013-2017

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%	7,325	2,660	36.3%	10,370¹	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,

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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.

Table H-12 Senior Households by Age and Tenure, 2014-2018						
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 are in 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.

Table H-13 Senior Households by Income and Tenure, Laguna Hills, 2012-2016						
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).

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AGRICULTURAL WORKERS

The special housing needs of farm workers result from 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.

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FEMALE-HEADED HOUSEHOLDS

Single-parent families with children often require special assistance to meet 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.

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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.

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Physical and mental disabilities can hinder a person's access to 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 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	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

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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.

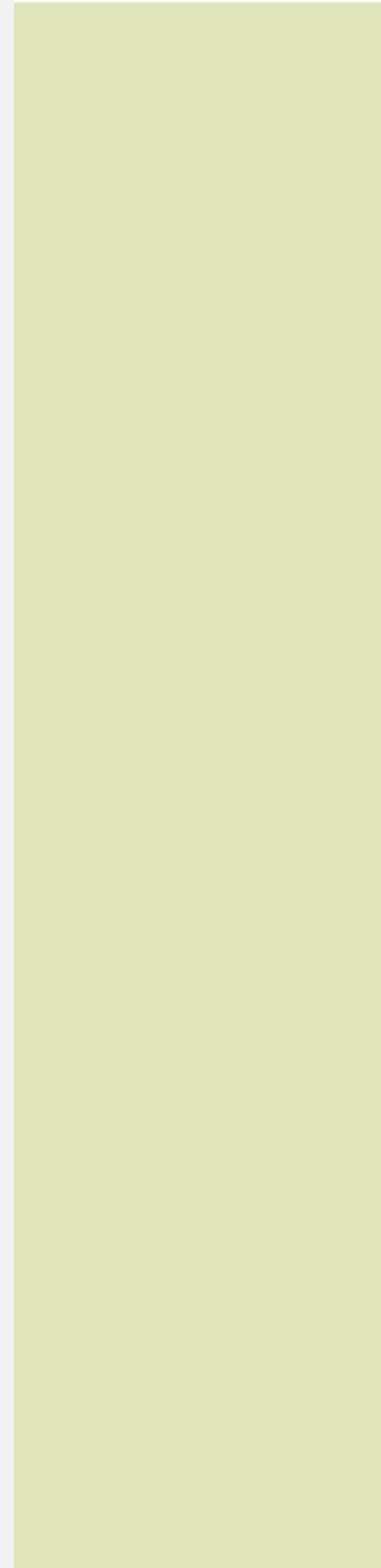
The Dayle McIntosh Center is a private, nonprofit organization serving Orange County that partners with people with disabilities to address barriers preventing individuals with disabilities from achieving independence and self-sufficiency. The Center is one of over 500 designated centers for independent 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.



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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 provided to disabled residents to make necessary improvements to remove architectural barriers to existing units. The Housing Element contains programs to create reasonable accommodations procedures and 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. Large households are often of lower income, frequently resulting in the overcrowding of smaller dwelling units and, in turn, accelerating unit deterioration. The American Community Survey (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

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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 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

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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, but 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.

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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 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 data received from 32 Orange County homeless provider agencies registered 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			

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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.
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.
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 2021, 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 problems 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

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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 severely 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 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 and H-16 to further provide assistance to ELI households.

- Facilitate housing repair and/or rehabilitation programs that assist lower-income households occupying housing in need of repair.
- 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.
- 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.
- Continue to provide referral services and information on Housing Choice Vouchers to the City’s residents.
- 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.
- 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.
- 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.
- Investigate the potential adoption of an Inclusionary Housing Ordinance

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

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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 has 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.

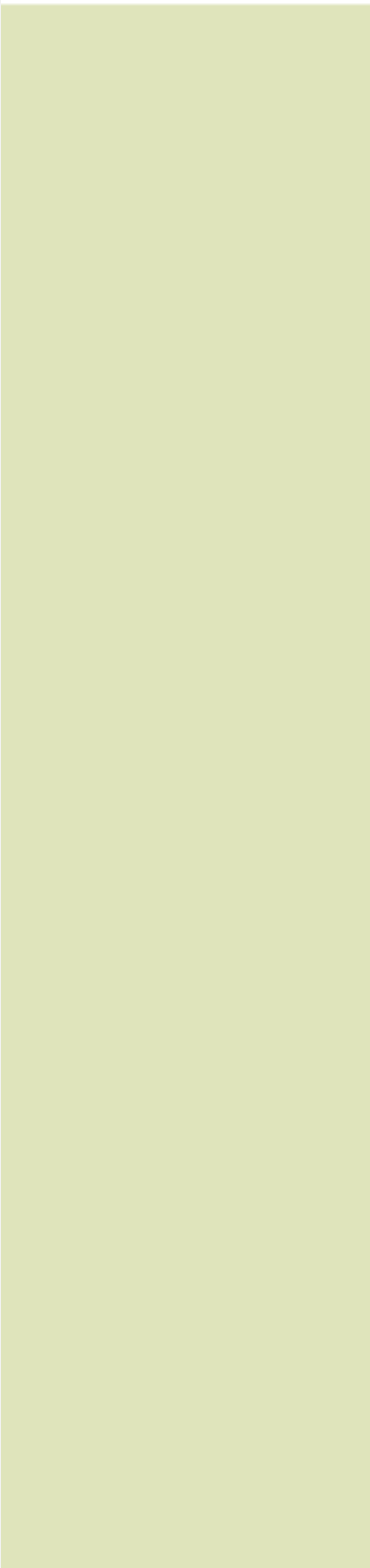
Table H-22 Housing Stock Composition, 2020		
Housing Type	January 2020	
	Number	Percentage
Single-family Detached	6,404	56.7%
Single-family Attached	1,917	17.0%
Multifamily 2–4 Units	573	5.1%
Multifamily 5+ Units	2,052	18.2%
Mobile Homes and Other	352	3.1%
Total Units	11,298	100%
Source: SCAG Housing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

TENURE

The tenure distribution of a community's housing stock (owner-occupied vs. 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.



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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 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). 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.

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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

Between January 2013 and October 2020, 1,343 building permits 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-11 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	\$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		

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Table H-27 House and Condominium Sales, 2017-2020		
Unit Type/Size	Number Sold	Mean Sale Price
Homes		
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 population, 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.

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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. These are the only properties in the city that 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.

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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-28~~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 \$~~964,667~~ per month for a family of four. The maximum affordable home purchase price for extremely low-income household is \$~~223,746~~82,000 for a four-person household (Table H-29).

Based on the ~~rental~~ data presented in ~~Table~~~~Tables~~ H-28 and H-26, extremely low-income households would be ~~very~~ unlikely to secure adequately sized and affordable rental ~~or ownership~~ housing in Laguna Hills. ~~According to Zillow, no condominiums or houses were available at prices affordable to extremely low income households (Table H-26).~~

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 \$~~1,604 per~~141 per month for a family of four. The maximum affordable home purchase price for very low-income households is \$~~372,666~~150,999 for a four-person household (Table H-28).

Based on the rental data presented in Table H-25, very low-income households ~~can~~~~cannot~~ afford ~~some~~ rental housing available ~~at a lower rate~~ in Laguna Hills. According to Zillow, ~~some~~~~a very 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 ea **Formatted: Right: 0"** of the County AMI. The maximum home price that a low-income household can afford is \$~~596,092~~232,300 for a four-person family. An affordable rental rate for low-income households is \$~~2,564~~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 ~~\$719,150~~\$451,010 for a four-person household. A moderate-income household can afford rent of ~~\$3,090~~\$2,202 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 comfortably 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 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 any 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 houses, 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 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.

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Table H-29 Summary of Housing Affordability and Availability, 2020			
Income Group	Annual Income (Family of Four)	Maximum Affordable Rent (Monthly)	Maximum Affordable Sales Price
Extremely Low (0–30% AMI)	\$38,450	\$961	\$223,716 <u>\$82,000</u>
Very Low (31–50%)	\$64,050	\$1,601	\$372,666 <u>\$150,999</u>
Low (51–80% AMI)	\$102,450	\$2,561	\$596,092 <u>\$232,300</u>
Moderate (81–120% AMI)	\$123,600	\$3,090	\$749,450 <u>\$451,010</u>
Calculation of affordable home sales prices assumes affordable payment, down payment of 10%, annual 3.5%, highest national average mortgage interest rate of 4%, 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 a 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

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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, 2021							
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	2022	Yes
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 2021							

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AT-RISK HOUSING

During the 2021-2029 planning period, the Rancho Moulton federally assisted housing project in Laguna Hills is at risk of converting to market-rate housing. The Section 8 contract for Rancho Moulton was set to expire in 2012 and was renewed for 10 years. The current contract will expire in 2022, near the beginning of the planning period. This project, totaling 51 affordable units, is assisted with project-based Section 8 rental assistance. The Section 8 contract for Rancho Niguel was 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 the at-risk units can be achieved in several ways: (1) facilitate transfer of ownership of these projects or purchase of similar units by nonprofit organizations; (2) purchase of affordability covenant; and (3) provide rental assistance to tenants using funding sources other than Section 8.

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Transfer of Ownership

Long-term affordability of low-income units can be secured by transferring

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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 at-risk projects is to offer 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 at-risk housing. Similar to Section 8 vouchers, the City, through a variety of potential funding sources, may provide a voucher to lower-income households. The level of the subsidy required to preserve the at-risk affordable housing is estimated to equal the fair-market rent for a unit minus the housing cost affordable by a very low-income household.

Table H-31 estimates the rent subsidies required to preserve the housing affordability for the residents of the 51 at-risk units. Based on the estimates and assumptions shown in this table, approximately \$565,881 in rent subsidies would be required annually.

Table H-31 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
<p>Average subsidy per unit is estimated with the following assumptions: A 2-BR unit is assumed to be occupied by a three-person household, a 3-BR unit by a five-person household, and a 4 BR unit by a seven-person household. 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.</p>						

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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 at-risk units 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.

ADD discussion of the option for the City to join a Joint Powers Authority to support Work-force Housing, allowing a multi-family property to be acquired by a third-party with publicly supported bond funds. City loses property tax but gains ownership and the ability to sell the property 15 – 30 years later.

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.

<u>Table H-31B</u> <u>Qualified Entities in Orange County, CA</u>			
<u>Organization</u>	<u>Address</u>	<u>Phone Number</u>	<u>Contact Person</u>
<u>Neighborhood Housing Services of Orange County Inc.</u>	<u>350 Hillcrest La Habra, CA 90631</u>	<u>(562) 694-2051</u>	<u>Diane Stewart</u>
<u>Civic Center Barrio Housing Corp.</u>	<u>1665 E. 4th St, Ste. 210 Santa Ana, CA 92701</u>	<u>(714) 835-0406</u>	<u>Helen Brown</u>
<u>Long Beach Affordable Housing Coalition, Inc</u>	<u>5855 Naples Plaza, Suite 209 Long Beach, CA 90803</u>	<u>(562) 434-3333</u>	<u>H. Kim Huntley</u>
<u>Housing Corporation of America</u>	<u>31423 Coast Highway, Ste. 7100 Laguna Beach, CA 92677</u>	<u>(323) 726-9672</u>	<u>Carol Cromar</u>
<u>Nexus for Affordable Housing</u>	<u>1572 N. Main Street Orange, CA 92867</u>	<u>(714) 282-2520</u>	<u>Bruce Solari</u>
<u>Orange Housing Development Corporation</u>	<u>414 E. Chapman Avenue Orange, CA 92866</u>	<u>(714) 288-7600</u>	<u>Todd Cottle</u>
<u>Riverside Chartable Corporation</u>	<u>3803 E. Casselle Ave Orange, CA 92869</u>	<u>(714) 628-1650</u>	<u>Kenneth S. Robertson</u>
<u>Hart Community Homes</u>	<u>2807 E. Lincoln Ave, Anaheim CA 92086</u>	<u>(714) 630-1007</u>	<u>William Hart</u>
<u>Jamboree Housing Corporation</u>	<u>17701 Cowan Ave, #200 Irvine, CA 92614</u>	<u>(949) 214-2395</u>	<u>Roger Kinoshita</u>
<u>Innovative Housing Opportunities, Inc.</u>	<u>19772 Macarthur Bv., Ste. 110 Irvine, CA 92612</u>	<u>(949) 863-9740</u>	<u>Patricia Whitaker</u>
<u>Source: HCD, 2021</u>			

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.

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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.

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

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	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.

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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.

Table H-33 Regional Housing Need Allocation	
Income Category	2021-2029 RHNA
Extremely Low	284
Very Low	284
Low	353
Moderate	354
Above Moderate	710
Total	1,985
Source: SCAG RHNA, 2021	

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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.

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)
<u>Public/ Institutional²</u>	<u>1 DU/2,500 sq. ft. of floor area of associated use</u>	<u>Community/Private Institution</u>
Notes: du/ac = dwelling units per acre. 1. <u>General Plan Land Use Designation.</u> 2. <u>These nonresidential General Plan land use designations allow residential development.</u> 3. <u>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.</u>		

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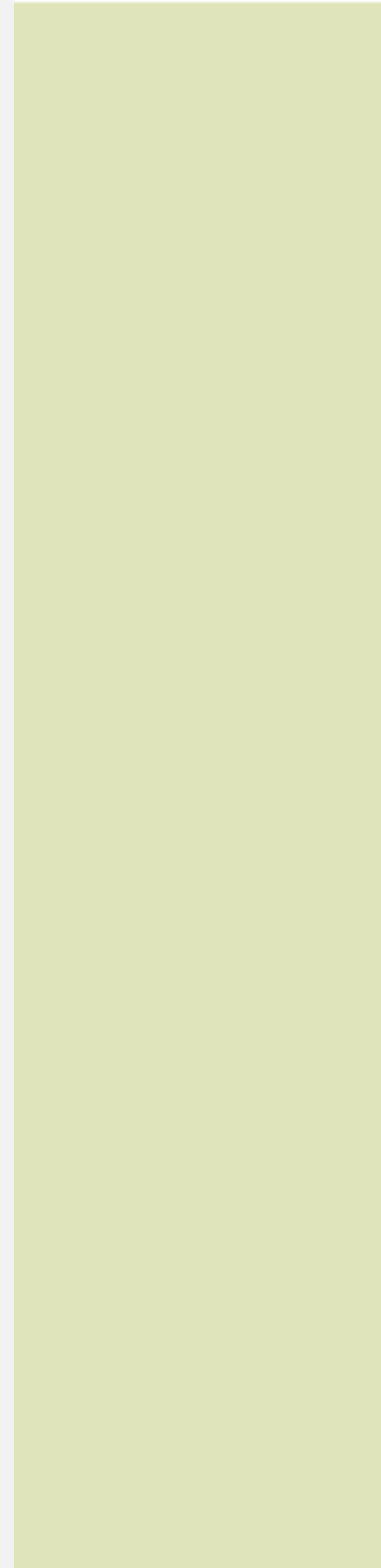
ZONING DISTRICTS ALLOWING RESIDENTIAL DEVELOPMENT

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. **Formatted: No page break before, Don't keep with next**
- **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. **Formatted: Don't keep with next**
- **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.



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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.

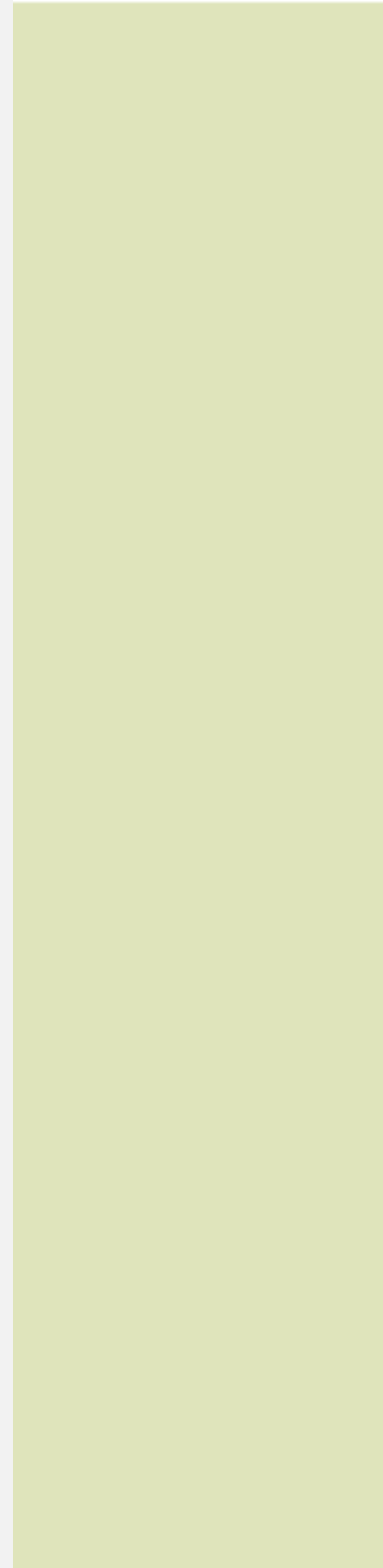
The City's General Plan, which was updated in 2009, added development capacity in the Urban Village Specific Plan (UVSP) area of 117,000 square feet of retail space, and included an Implementation Program requiring that the information be inserted into the UVSP. The General Plan's fourth-cycle Housing 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.

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CITY OF LAGUNA HILLS GENERAL PLAN | HOUSING

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.



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Table H-7 Basic Standards for Residential Development				
Characteristic of Lot, Location, Height	ER	LDR	MLDR	MDR
Minimum Lot Size (sq. ft.)	10,000	7,200	7,200	7,200
Minimum Lot Width (sq. ft.)	80	60	60	50
Cul-de-sac	30	30	30	30
Flag	20	20	20	20
Minimum Lot Depth (sq. ft.)	100	80	80	100
Maximum Lot Coverage (%)	35	35	60	50
Maximum Density (du/gross acre)	0-3.5	3.0-6.5	6.5-12.5	12.5-15
Maximum Building Height (ft.)	35	35	35	35
Minimum Front Setback				
From Ultimate Right-of-Way				
From Access Connection to Main Lot	20	20	20	20
for Flag Lots	15	15	15	15
From Parking Lot, Structure, or Building	-	-	-	-
Minimum Side Yard Setback				
Interior Street	8	5	5	5
Flag	10	10	10	15
Minimum Rear Yard Setback				
Standard	25	20		
Through	25	20	25	25
Cul-de-sac/ Gore Shaped Lots	15	15	15	15
Laguna Terrace Tracts	-	15		
Minimum Open Space (percentage)	-	-	-	-
1. Parking lots shall be setback 10 feet from the property line. 2. The setbacks may be modified in connection with a site development permit to provide for pedestrian activity, provide for unified street frontage, ensure privacy and promote compatibility with existing development and the goals of the Urban Form Element. 3. The minimum interior side setback is 10 feet when abutting residential and commercial uses. 4. The open space requirement is in addition to the minimum landscape coverage requirement. 5. Parking structures shall be setback 20 feet from the property line. 6. The minimum rear setback is 20 feet when abutting residential and 10 feet when abutting commercial uses. 7. Unlimited for projects with density over 30 du/ac. 8. Residential uses only allowed in concert with other allowed use and subject to the following conditions: 8.9. The City will review development standards in the MXU, particularly those relating 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	UVS P	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 Representative Project(s)	Nellie Gail	Sunset Place	Willows, Bella Vista	Acacia Knolls, Alicia Plaza	Quail Creek	N/A	N/A	N/A	Reata	N/A
Source: City of Laguna Hills, 2021										
1. The proposed Mall redevelopment project is likely to have a density of approximately 20 units per acre.										
2. DU/2,500 sq. ft. of floor area of associated use										

PARKING STANDARDS

Excess parking requirements can reduce the number of housing units that can be achieved on a given site. The City's parking requirements are illustrated in Table H-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.

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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 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-711 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.

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Table H-1 Formatted Table
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	N
Accessory Dwelling Unit / Second Unit Housing	P	P	P	P	P		<u>-4</u>			<u>--4</u>	<u>--4</u>	<u>--4</u>	<u>--4</u>	
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				
Drug Abuse & Alcoholism Recovery Facility							C			C				
Dependent & Neglected Children Home (7+)							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	
Family Day Care Home – Small (≤8)	P	P	P	P	P		P			P	P	P	P	
Manufactured Housing	S	S	S	S	S							S	P	
Mobile Homes	S	S	S											
Mobile Home Park				C	C					C		S		
Multifamily Dwellings			S	S	S		P			C	C	S	P	
Single-family, Attached			P	P	S		P			S		S	P	
Single-family Detached	P	P	P	P	P							S		
Single-Room Occupancy Housing Facility						S	C	S	S	C				
Transitional Housing (≤6)	P	P	P	P	P		P				P	P	P	
Transitional Housing (7+)	C	C	C	C	C		C				C	C	C	
Supportive Housing (≤6)	P	P	P	P	P		P				P	P	P	
Supportive Housing (7+)	C	C	C	C	C		C				C	C	C	
Emergency Shelter										P				

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

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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 at 23301 Ridge Route Drive. According to its website, it has 252 spaces.

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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 MXU 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 in the City's Zoning Code as an attached or detached residential dwelling unit that provides complete independent living facilities for one or more persons subject to the criteria of Chapter 9-68. 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 (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. However, per Programs H-7 and H-8, the City will amend the standards listed below that are not compliant with Government Code Section 65852.2):

- The ADU is not intended for sale and may be rented.
- The lot must contain at least, but not more than, one single-family unit.

- 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.
- The design, materials, and overall appearance of the ADU shall be generally consistent with the primary residence.
- 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 2020, eight 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 2016-2020					
Year	Total Units	Affordability level			
		Very Low	Low	Mod	Abv. Mod
<u>2021¹</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
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					
¹ Through October, 2021					

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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 SRO has been constructed in the city.

The City provides opportunities for the location of SROs in nonresidential districts. SROs are permitted in the VC 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 Office Professional (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 standard 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.

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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 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.

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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.

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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
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

Table H-40 (continued)
Required Permit for Community Care Facilities
(≥ Seven Individuals)

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.

H-83

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:

1. An emergency shelter shall be located at any residential use, public or private park, 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. **Formatted: Indent: Left: 0.65", Line spacing: Exactly 14.5 pt**
2. The cumulative total of the number of emergency shelters established within the city shall not exceed 20. (As noted in Section 2, Homeless 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. **Formatted: Indent: Left: 0.65", Line spacing: Exactly 14.5 pt, Numbered + Level: 1 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.65" + Indent at: 0.9"**
3. The maximum stay at the emergency shelter shall not exceed 180 consecutive days.
4. 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).

5. 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.
6. Lighting shall be provided in accordance with the standards set in Sections 9-40.170 and 9-44.060(I) of the Development Code.
7. 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:
 - a. **Security and Safety.** The plan shall include provision of on-site management, facility rules, and procedures for maintaining a safe environment within and outside the shelter.
 - b. **Management of Outdoor Areas.** The plan shall describe procedures for admittance and discharge of clients, and describe measures aimed at minimizing the congregation of clients outside the shelter when not accepting clients.
 - c. **Staff Training.** The plan shall describe the staffing required for the shelter and outline required training programs that provide staff with the knowledge and skills to assist clients in obtaining permanent shelter.
 - d. **Referral Service.** The plan shall include provision of a kiosk providing information on other programs available to clients for obtaining permanent shelter, mental and health counseling, job placement, educational, legal, and other supportive services.

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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.

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H-85

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. This definition is not considered restrictive or constraining to the development of housing for persons with disabilities.

Reasonable Accommodation: Under state and federal laws, local governments are required to provide "reasonable accommodation" to persons with disabilities when exercising planning and zoning powers. The City has 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.

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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 **Formatted: Right: 0"** 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 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 act fees available for public review through an annual report.

~~A typical new, single family unit that requires no discretionary review from the City would only be required to pay the City public park in-lieu fee of \$7,392. An infill, four-unit, multifamily residential development project outside of the Urban Village area that required approval of a Major Site Development Permit would cost approximately \$8,392 per unit (\$6,488 site development permit deposit plus \$7,392 per unit for the public park in-lieu fee). In the Urban Village area, a recently approved 489-unit multifamily residential project (with mixed-use commercial) will pay approximately \$7,902 per unit in development and entitlement fees (approximately \$160 per unit in entitlement processing fees, \$7,392 per unit for the public park in-lieu fee, and approximately \$350 per unit for the urban village traffic impact fee).~~

The City's fee schedule is provided in Table H-41.

Table H-41 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-41, 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.

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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

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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, depending in part on the environmental determination. The City Council approves specific plans and amendments to specific plans.

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- **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:

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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

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

• –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;

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- 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;
- Site development permits for retaining walls 30 inches in height.

The Planning Agency has jurisdiction and review authority over development permits exceeding the criteria specified above. The Community Development Director may forward any project to the Planning Agency if he or she has authority or which he or she shall deem of importance on a broader land use policy scale to the Planning Agency for consideration. The Community Development Director will review and make recommendations regarding all site development permits referred to the Planning Agency and ensures all environmental and non-environmental 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 the applicable site development code;
- b. That the site is suitable for the proposed project;
- c. That the project is consistent with the general plan and applicable design guidelines; and
- 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, 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. The site design process relies exclusively on the Development Director 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 person who wants to develop affordable housing. These incentives are established by state law.

During the previous planning period, the City of Laguna Hills has issued 10 percent of the site development permits that have been referred to the Planning Agency, suggesting that development projects can receive approval in advance of the public hearing process.

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- **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.

SITE DEVELOPMENT PERMIT

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

- ~~• Estate Residential district – manufactured housing~~
- ~~• Low Density Residential district – manufactured housing 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~~

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

DISCRETIONARY PERMIT(S) PROCESSING TIMES

Laguna Hills does not have a separate Planning Commission (the City Council acts as its own Planning Agency) so the processing of all projects is more streamlined than in other municipalities. Permit processing times differ for various discretionary permits in the city. Typically, in Laguna Hills, a project receives a final decision within 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 much 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 would require 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 would require 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.

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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 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 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-

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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 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 certain developments that meet the following:

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(1) at least 10 percent of the total units of a housing development are affordable to lower-income households; (2) at least 5 percent of the total units of a housing development are affordable to very low-income households;

(3) senior citizen housing developments; and

(4) at least 10 percent of the total units in a condominium project or in a planned development are affordable to moderate-income households.

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

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

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

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

Market Constraints

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

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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 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.

Table H-42 Single-Family Construction Cost Estimates (2020)				
Item Name	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				

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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.

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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.

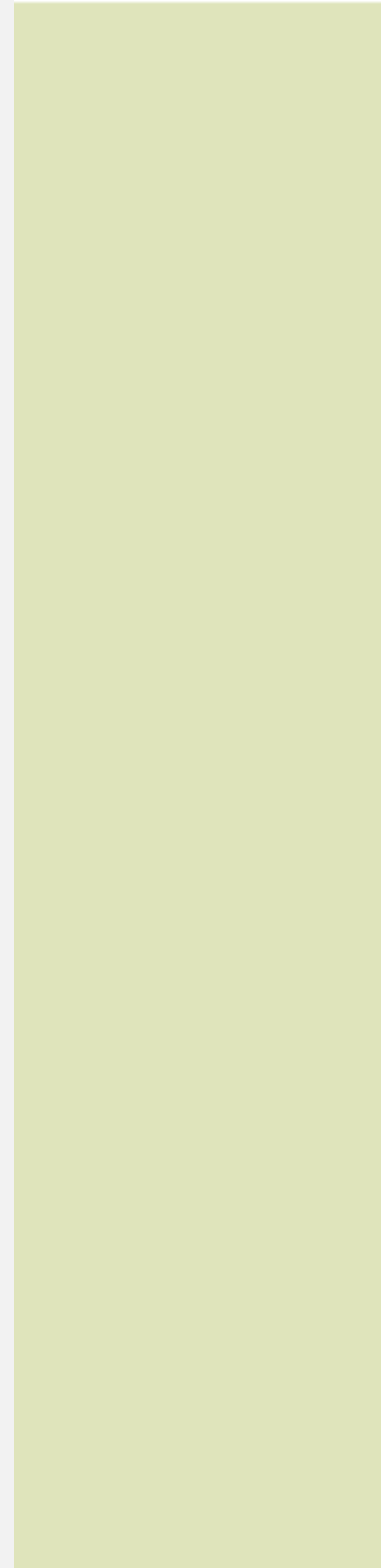
Many communities have experienced a pattern where households looking to purchase a home have had more difficulty in obtaining financing in lower-income neighborhoods. The Community Reinvestment Act was passed in an effort to address this issue. In tandem with the Home Mortgage Disclosure Act (HMDA), 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 seems to have slowed in recent years, possibly as a result. Of the 477 loan applications submitted 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.



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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	115	80	69.6%	5	4.3%	4	3.5%	25	22.0%
423.27	91	60	65.9%	1	1.1%	8	8.8%	21	23.4%
423.28	43	27	62.8%	2	4.7%	1	2.3%	12	28.7%
423.33	92	53	57.6%	3	3.3%	11	12.0%	24	26.5%
626.25	84	52	61.9%	2	2.4%	7	8.3%	22	26.6%
626.47	52	41	78.8%	0	0.0%	1	1.9%	9	17.7%
City Total	477	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 including 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~~ California Gas Company. Telephone, cable, and internet are provided by AT&T and Cox Communications. Several major cell phone service providers are available. Per Program H-21, The City will provide the adopted Housing Element to the South Orange County Wastewater Authority (SOCWA). The City will Assist SCWD in adopting written procedures to provide priority service to lower income residential projects.

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. 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

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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. A City Council ~~study session~~ 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. 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

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update process.

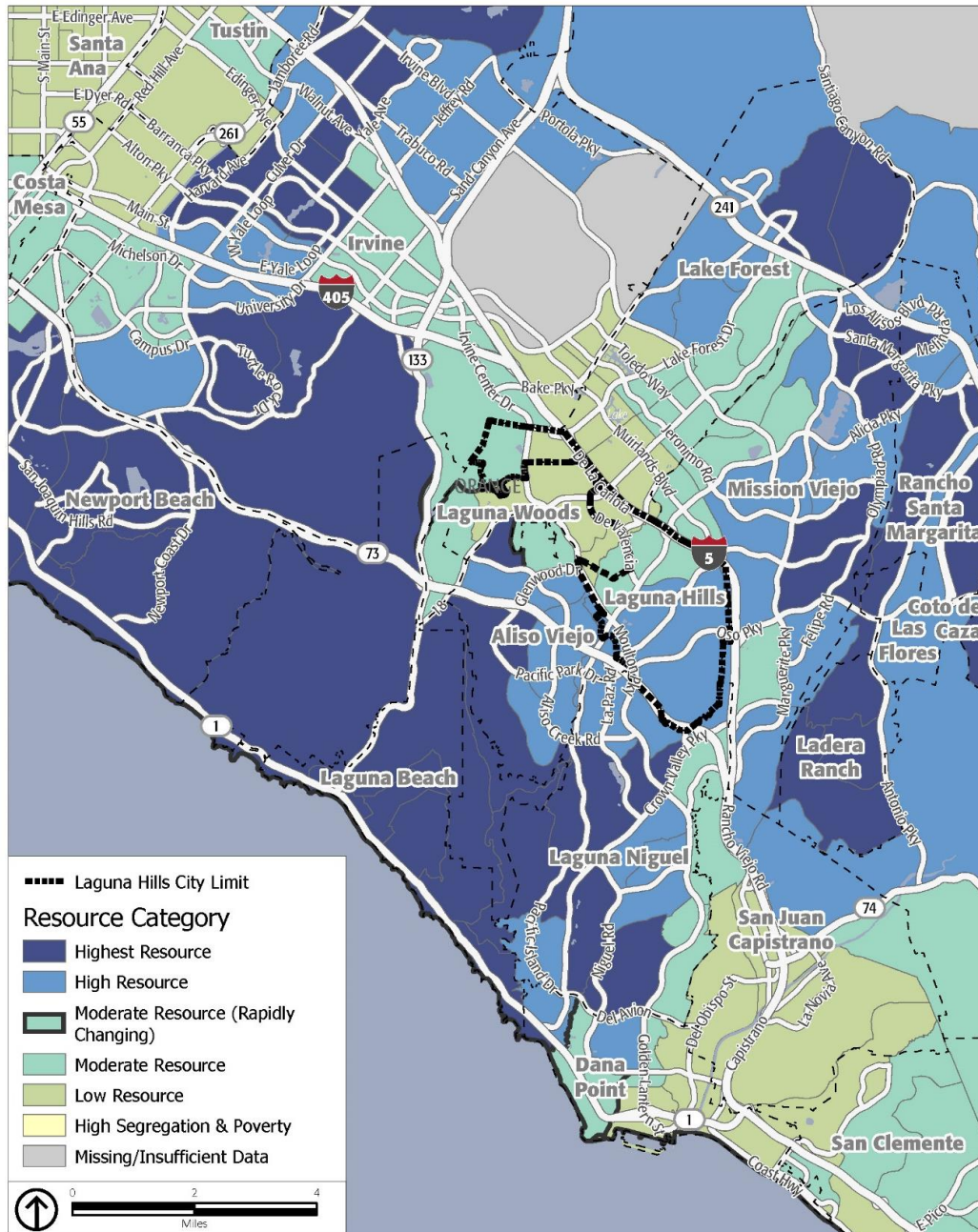
Assessment of Fair Housing Issues

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. According to the California Department of Housing and Community Development (HCD) and the California Tax Credit Committee (TCAC) Opportunity Map (Figure H-1, *HCD/TCAC Opportunity Areas*), Laguna Hills contains a mix of high-resource, moderate-resource, and low-resource areas. The HCD/TCAC Opportunity Map identifies 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. Specifically, the HCD/TCAC Opportunity Map uses a composite score based on education, economic, and environmental indicators to categorize areas as “high resource,” “medium resource,” and “low resource.” HCD describes its approach to assigning resource areas as follows:

Calculating index scores for non-filtered areas. The TCAC/HCD Opportunity Map calculates regionally derived opportunity index scores for non-filtered tracts and rural block groups using twenty-one indicators described later in [the Methodology for the 2021 TCAC/HCD Opportunity Map document]. These index scores make it possible to sort each non-filtered tract or rural block group into opportunity categories according to their rank within the region or rural county. To allow TCAC and HCD to incentivize equitable development patterns in each region to the same degree, the TCAC/HCD Opportunity Map allocates the 20 percent of tracts or rural block groups in each region or rural county, respectively, with the highest relative index scores to the “Highest Resource” designation and the next 20 percent to the “High Resource” designation. Each region thus ends up with 40 percent of its total tracts with reliable data as Highest or High Resource (or 40 percent of block groups in rural counties). The remaining non-filtered tracts or rural block groups are then evenly divided into “Low Resource” and “Moderate Resource” categories.

Figure H-1 ~~HCD~~/TCAC/HCD Opportunity Areas

PLACEWORKS

HOUSING ELEMENT
CITY OF LAGUNA HILLS
AFFH MAPPING

Source: HCD, 2020; Esri, 2020.

Figure H-1
TCAC/HCD Opportunity Areas

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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. The city is predominantly comprised of single-family neighborhoods, 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 high-density housing in Laguna Hills. 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' high-resource areas are concentrated in the southern half of the city, 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. Laguna Hills' high-resource area is adjacent to Laguna Niguel and Aliso Viejo, which are predominantly made up of high- and very high-resource areas.

Alicia Parkway, Paseo de Valencia, and La Paz Road serve as a boundary between high-resource areas to the south and moderate-resource areas to the north. These areas have access to many of the same resources as the high-resource areas, but residents may have longer commutes, lower median home values, fewer educational opportunities, or other factors that lower their indexes for economic, environmental, and educational indicators. Laguna Hills' moderate resources areas are predominantly single-family residential, typified by smaller lot sizes, as compared with south Laguna Hills, leading to denser neighborhoods. Commercial shopping centers are integrated within the residential subdivisions, such as the Laguna Hills Plaza and the Alicia Center on Alicia Parkway. Similar development patterns exist in the moderate-resource area in north Laguna Hills bounded by Moulton Drive to the west, Lake Forest Drive to the north, and Santa Maria Avenue to the south. The Via Lomas neighborhood, the location of Laguna Hills' two assisted housing developments (the Rancho Moulton apartments and Rancho Niguel apartments), is categorized as a moderate-resource area. This neighborhood includes Laguna Hills High School and the Laguna Hills Community Center, which likely attribute to neighborhoods moderate resource designation. As will be discussed, the Via Lomas neighborhood has the highest diversity of any neighborhood in the city (Figure H-3), as well as the highest concentration of poverty and linguistic isolation (Figure H-5), limited access to proficient schools, and coincided with high rates of cost burdened renting households (Figure H-9). While designated as moderate resource, the limited access to opportunity within the Via Lomas neighborhood 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' low-resource areas are primarily commercial areas that encompass isolated residential developments, such as the Laguna Hills Estate mobile home park and the multifamily apartments, Prado, south of the Laguna Hills Mall. Low-resource areas typically have limited access to education and employment opportunities and may have poor 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 low-resource areas do coincide with low median income and high percentage of overpayment by renters. 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.

~~Laguna Hills incorporated and officially became a city in 1991. The Laguna Hills area and surrounding cities have their roots in ranching for cattle grazing; 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. Following incorporation in 1991, the City Council approved annexation of North Laguna Hills in 1995. In 2000, City Council approved annexation of the "Westside," which added 149 acres of residential land.~~

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 TCAC/HCD Opportunity Areas Map. 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.~~ 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 high 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 low- and moderate-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 ~~containing~~ 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.

The 2010 Diversity Index (Figure H-2) 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' high-resource areas in the south and areas of high diversity located in low-resource areas, including around the low-resource areas adjacent to Interstate 5. The 2018 Diversity Index (Figure H-3) shows diversity increased citywide since 2010, including in the high-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 moderate-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 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. 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).

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Figure H-2 Diversity Index (2010)

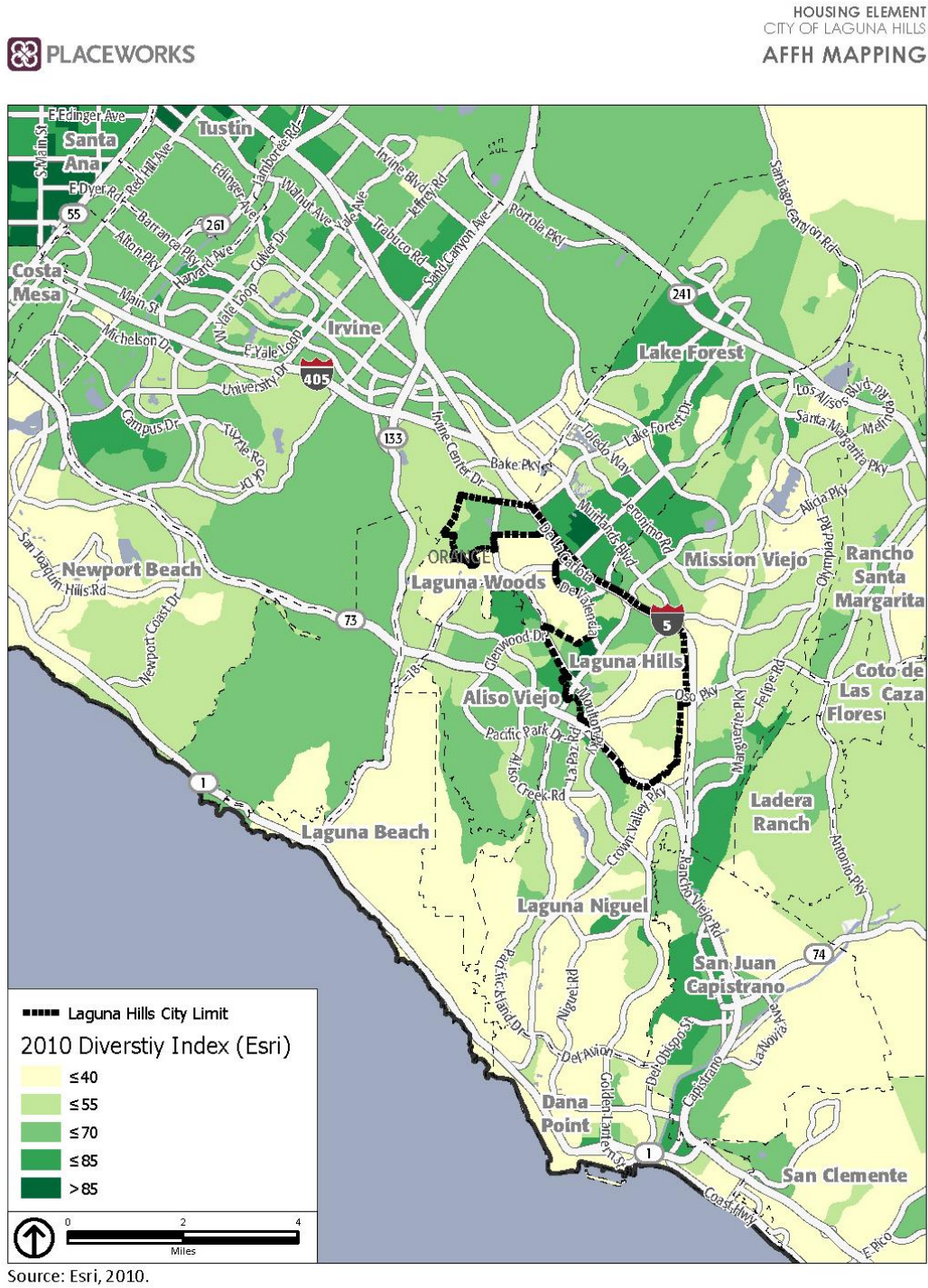
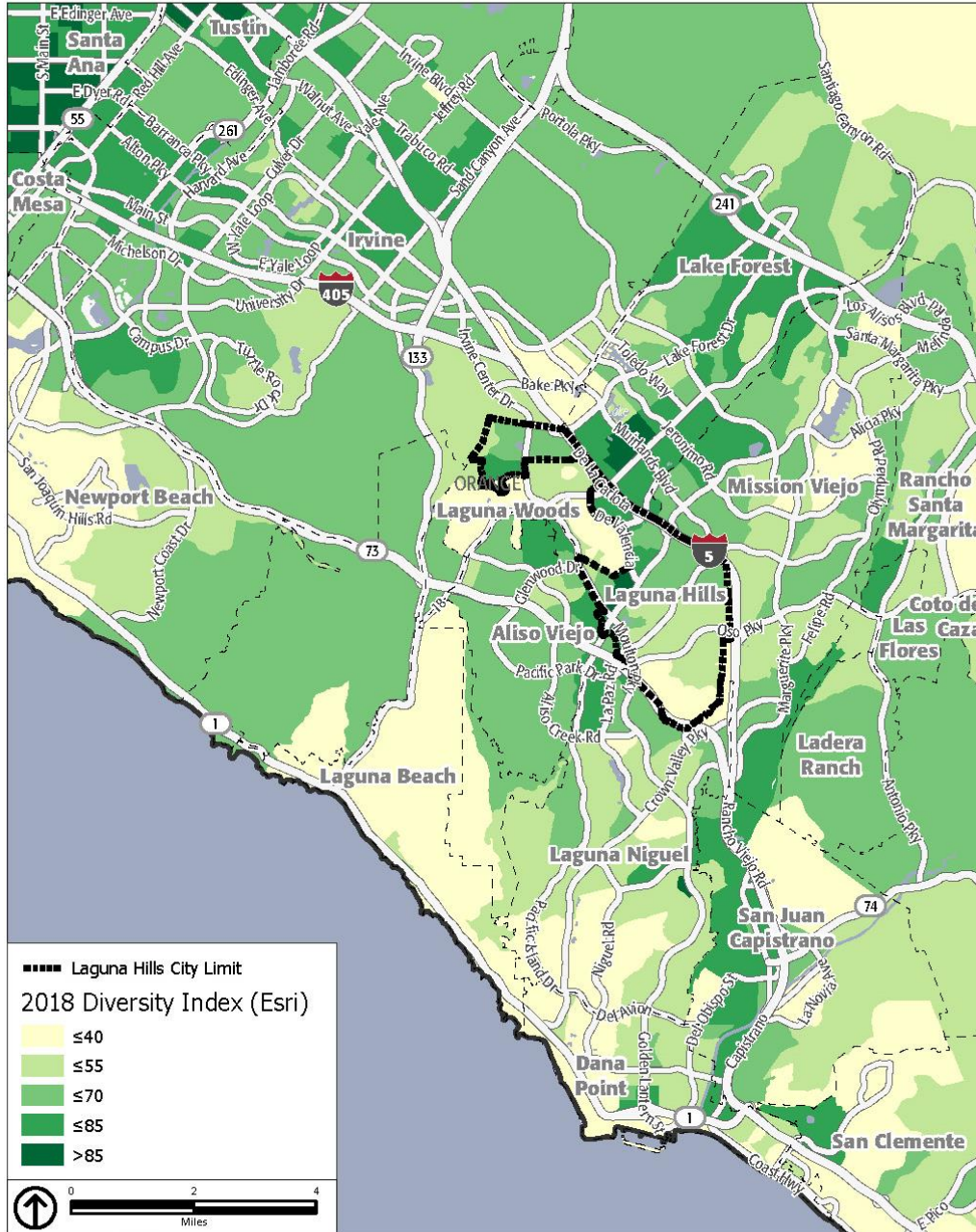


Figure H-2
Diversity Index (2010)

Figure H-3 Diversity Index (2018)

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Source: Esri, 2018.

Figure H-3
Diversity Index (2018)

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As shown in Figure-H-4, *Median Household Income (2015-2019)*, the highest median household income (over \$145,000) are concentrated in Laguna Hills' southern, high-resource areas. Areas with the lowest median household income (up to \$48,000) are concentrated in low-resource areas, including the housing adjacent to Interstate 5 and the 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 low 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).

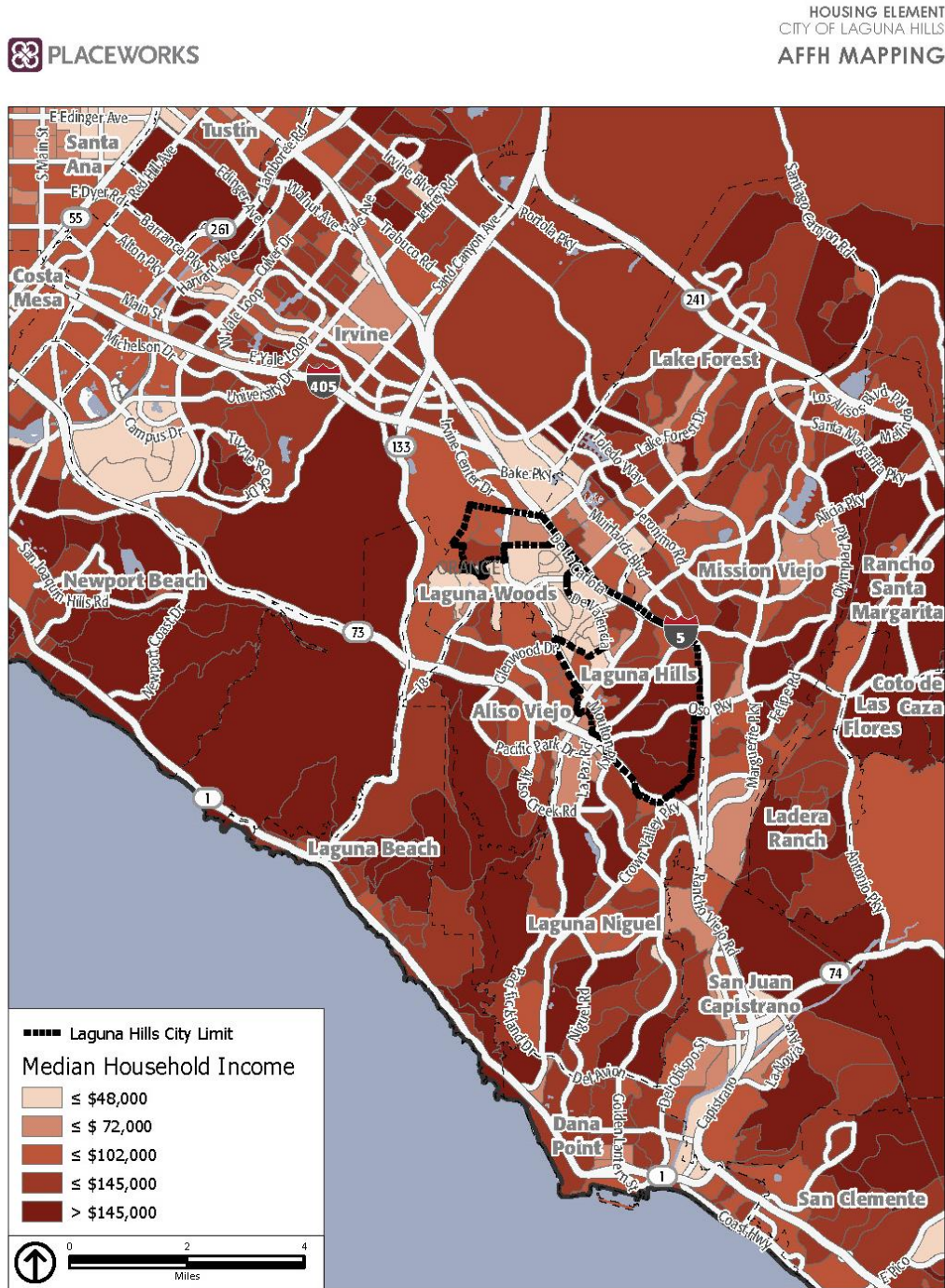
Laguna Hills' areas of concentrations of poverty and high diversity are also consistent with areas of linguistic isolation, as shown in Figure H-5, *Percentage of Population Linguistically Isolated*, particularly in the Via Lomas neighborhood and the low-resource areas adjacent to Interstate 5. Up to 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-6, *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 low-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 moderate- and high-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 low-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 moderate- and high-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. 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.

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Figure-H-4 Median Household Income (2015-2019)



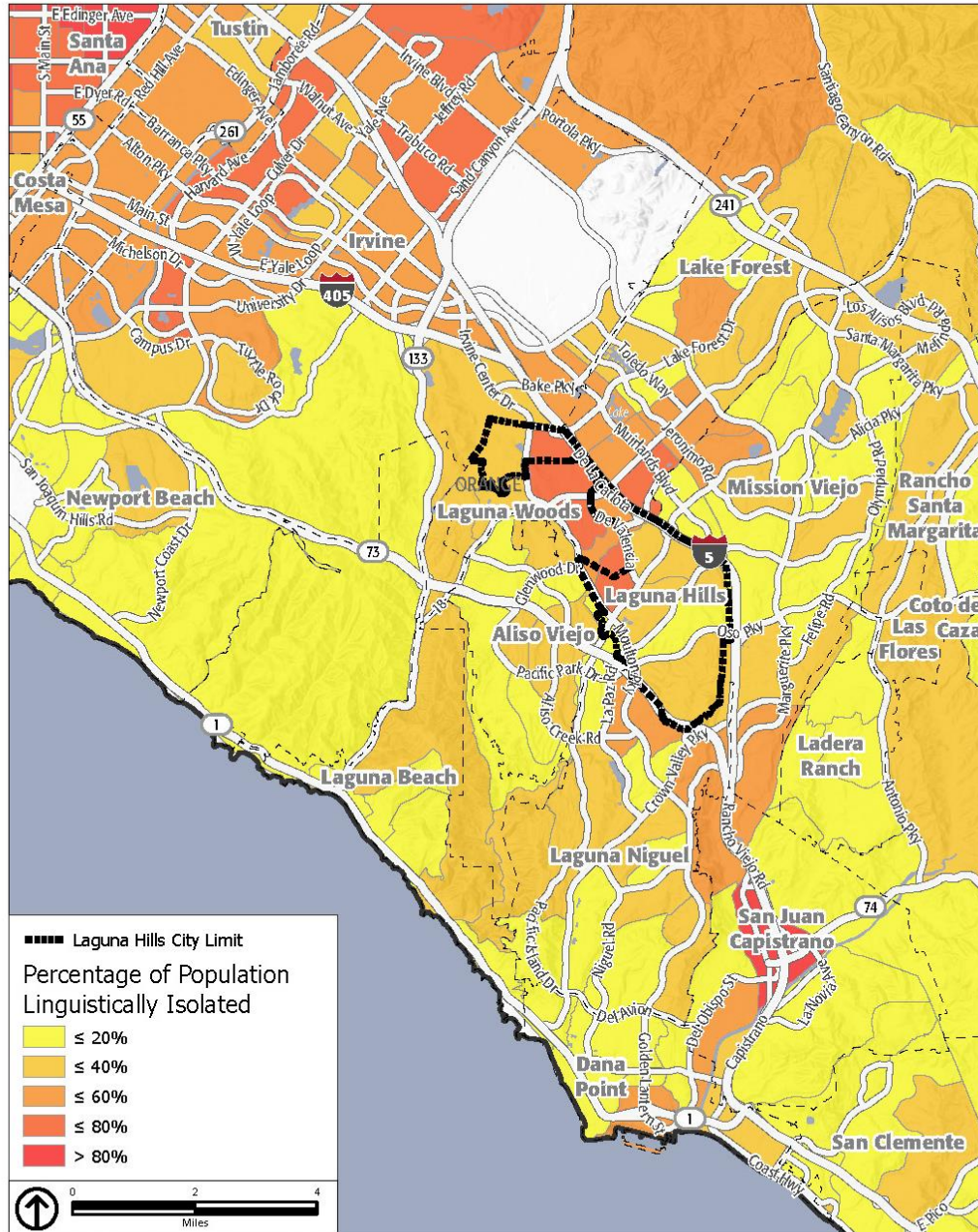
Source: ACS 5-year estimate (2015-2019), by tract.

Figure H-4
Median Household Income (2015-2019)

Figure H-5 Percentage of Population Linguistically Isolated

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Source: CalEnviroScreen 3.0, June 2018.

Figure H-5
Percent of Population Linguistically Isolated

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Figure H-6 Percentage of Population 18 Years and Over

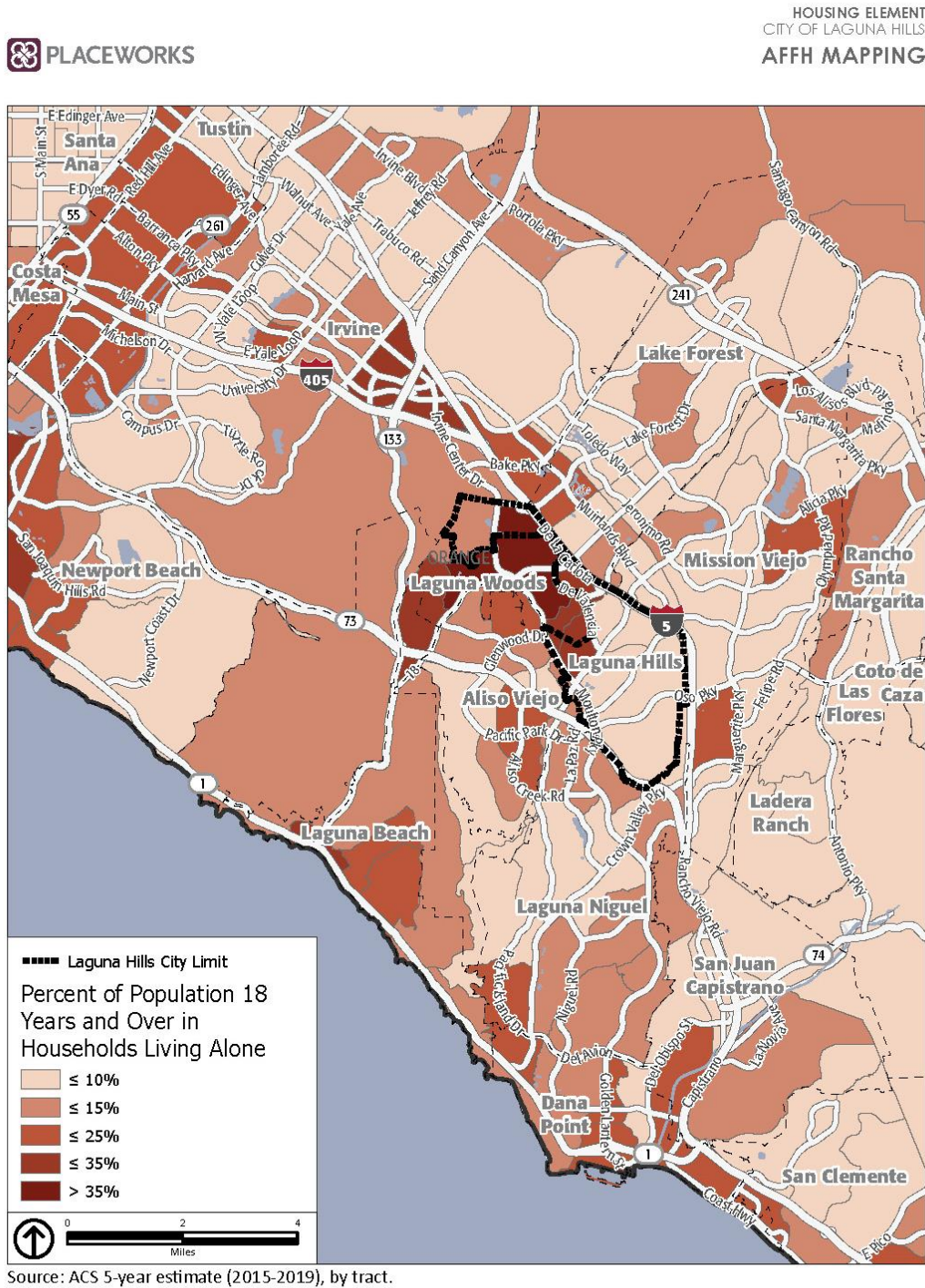


Figure H-6
Percent of Population 18 Years and Over Living Alone

Similarly, residents of Laguna Hills living with a disability primarily reside in the low-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-7, *Population with Disability [2015-2019]*). Less than 10 percent of residents in the moderate and high 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 moderate- and high-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 is 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).

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Figure H-7 Population with a Disability (2015-2019)

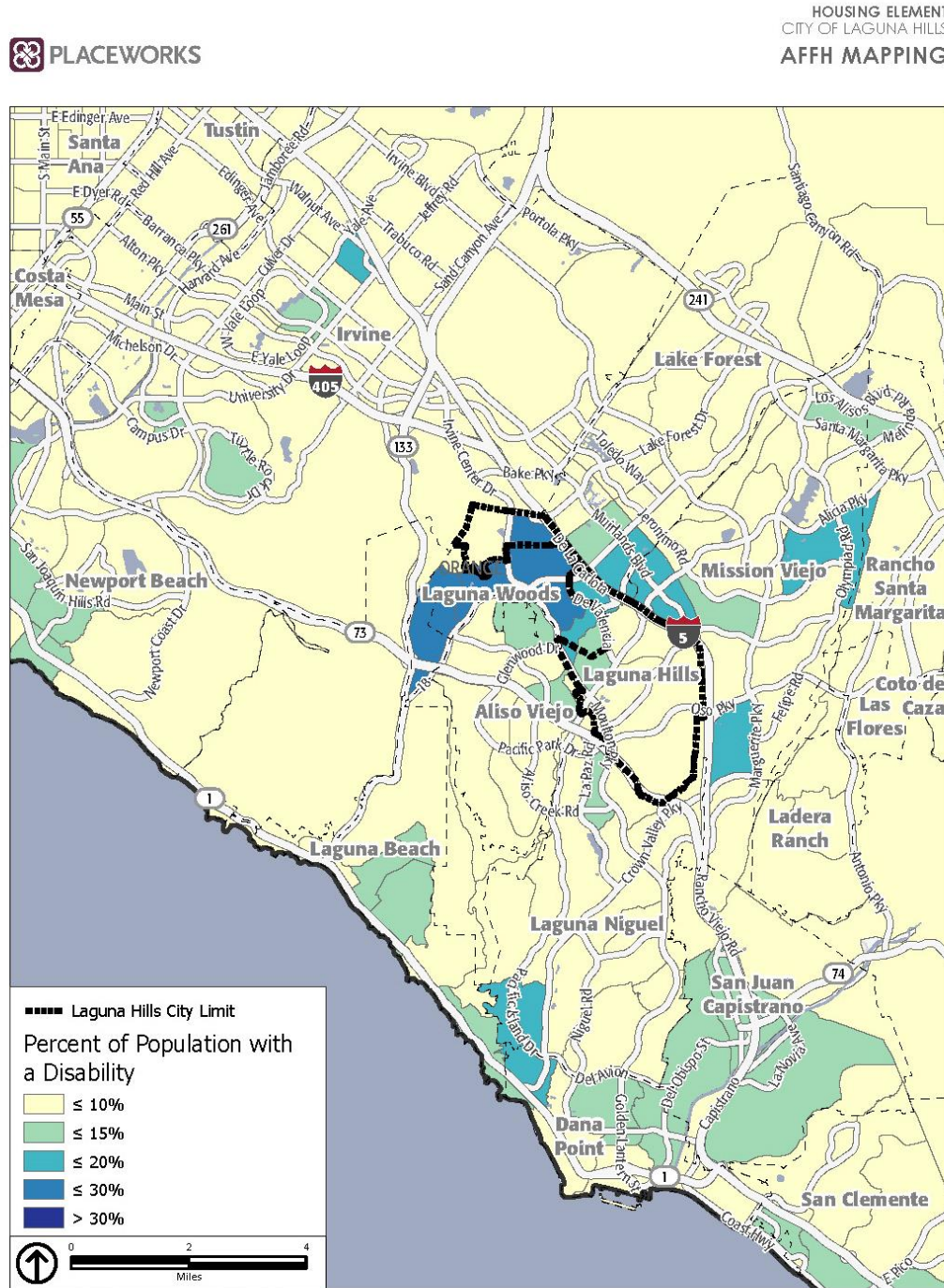


Figure H-7
Population with a Disability (2015-2019)

(2) 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). 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 low-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).

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

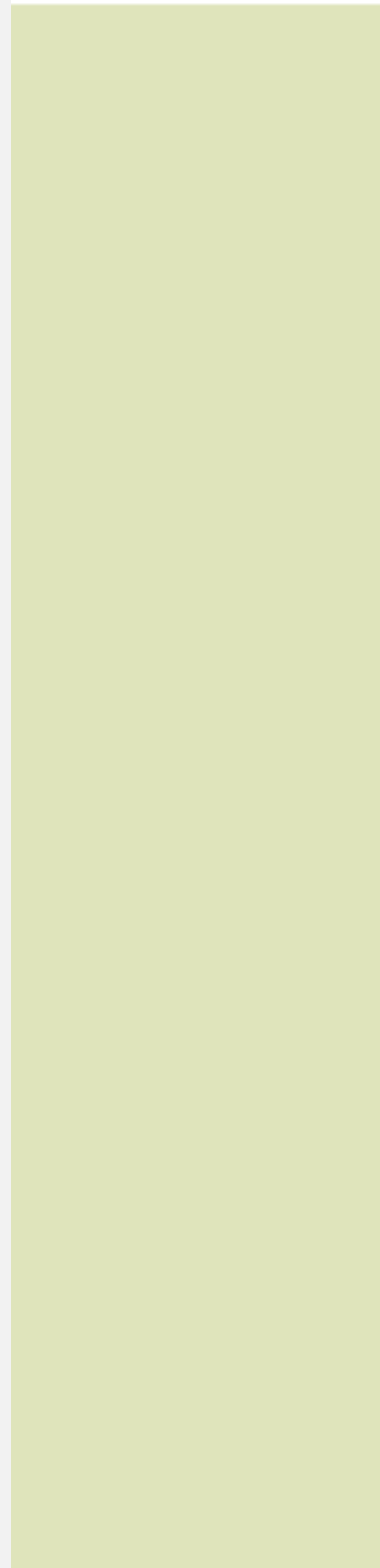
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Center (located close to the Laguna Hills Mall) serves as the central transportation hub in the city with bus lines running north-south and east-west to connect the city. The OC Bus system has three lines that run north-south (lines 90, 83, and 91) 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.

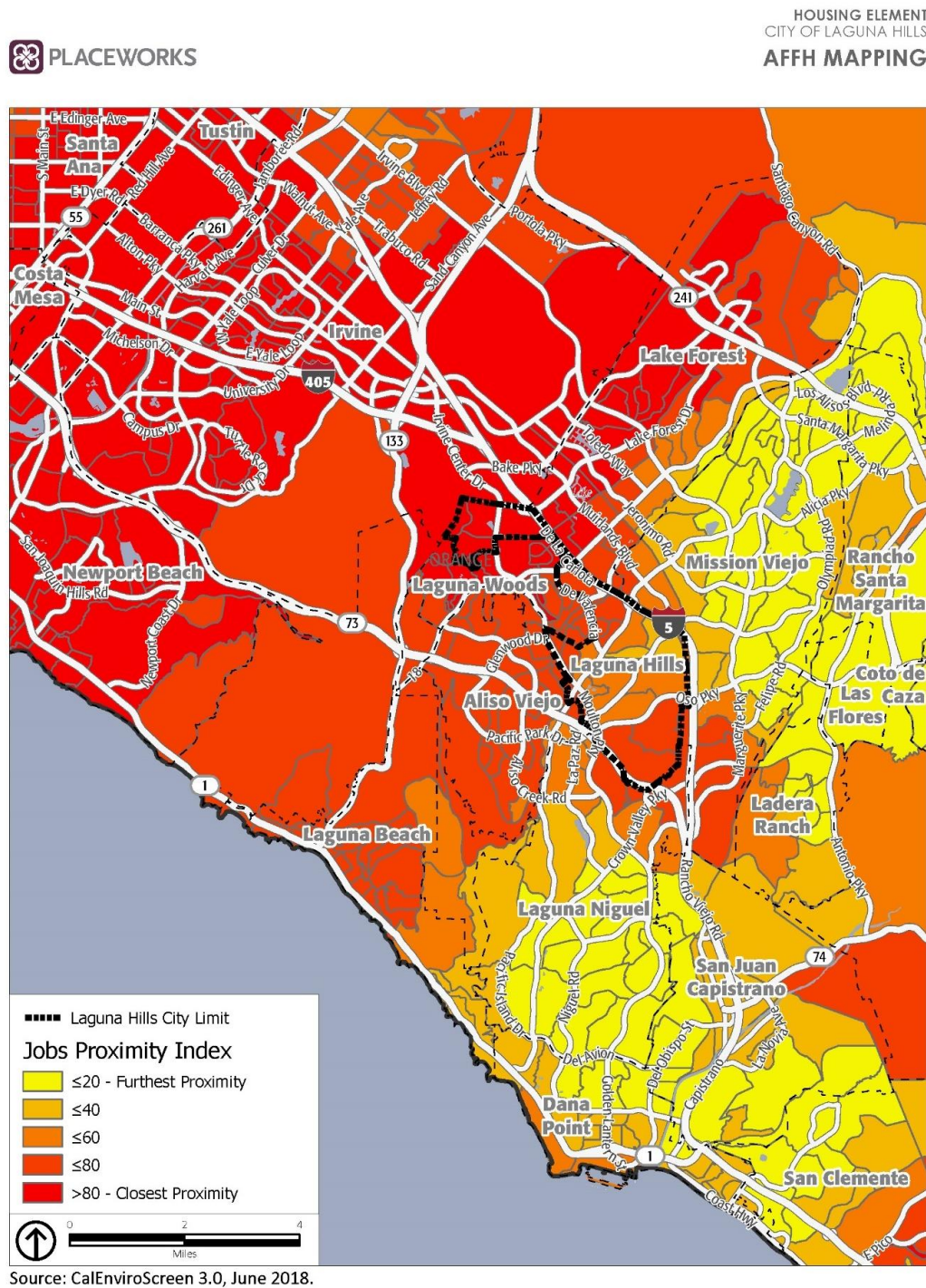
As a suburban City of Los Angeles, Santa Ana, and other urban areas in North Orange County and Los Angeles County, Laguna Hills as it is known today was developed to provide middle-class families a separation between urban employment centers and suburban residential areas, relying on a network of freeways 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 Saddleback Memorial Hospital Center, located near the Laguna Hills Mall, is the largest employer of Laguna Hills residents, employing approximately 10 percent of Laguna Hills civilian labor force. Figure H-8, *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.



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Figure H-8 Jobs Proximity Index

Figure H-8
Jobs Proximity Index

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).

In February 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. A community with a high score has higher levels of pollution and other negative environmental indicators. Laguna Hills largely scored below the 40th percentile, with the highest scores (between 1 and 10 percent) concentrated in southern Laguna Hills within the City's high-resource areas. The only area to exceed the 40th percentile is the low-resource area along Interstate 5, which received a score of 54th percentile. 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

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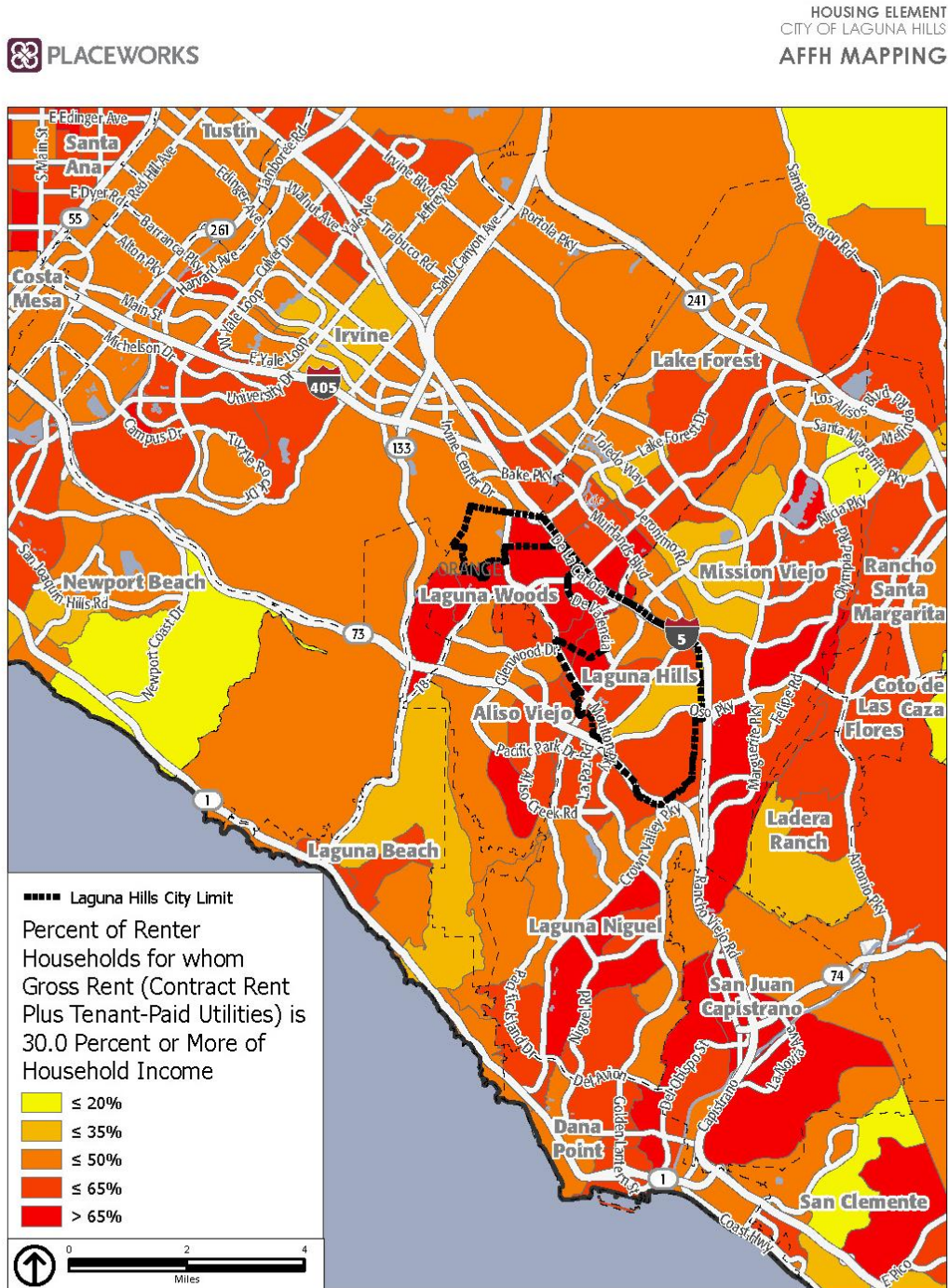
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bicycle routes to inform policies to be included in the General Plan.

(3) *Disproportionate Housing Need*

As discussed in the Housing Needs Assessment chapter, **Formatted: Right: 0", Line spacing: Exactly 14.5 pt** 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-9, *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 low-resource areas along Interstate 5, the Via Lomas neighborhood, and the high-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 low-resource areas along Interstate 5. While less severe citywide, Laguna Hills owner households in the Via Lomas neighborhood, low-resource areas along Interstate 5, and the high-resource areas in south Laguna Hills experience the highest levels of cost burden in the city (Figure H-10, *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-9 Overpayment by Renters (2015-2019)

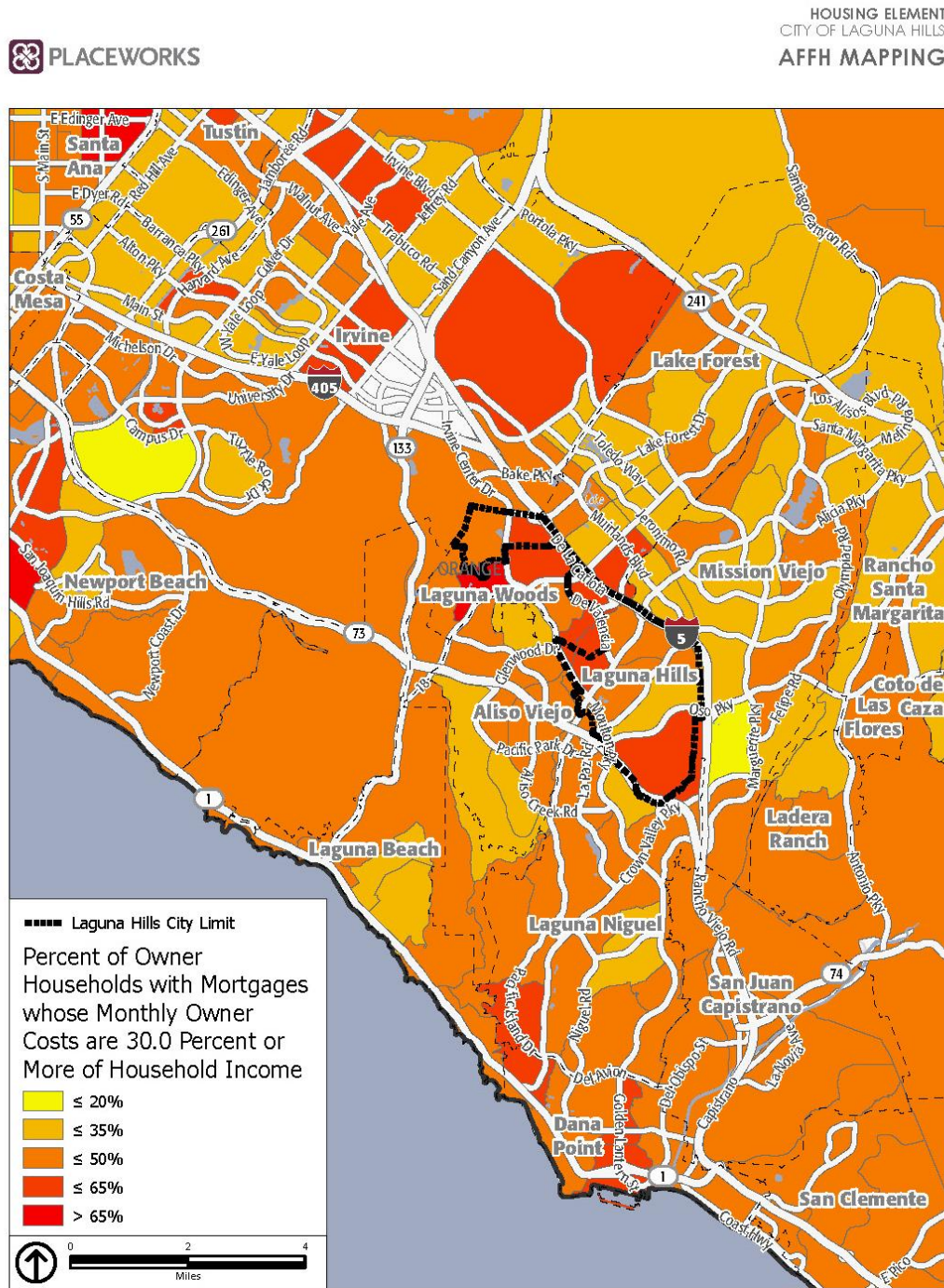


Source: ACS 5-year estimate (2015-2019), by block group.

Figure H-9
Overpayment by Renters (2015-2019)

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Figure H-10 Overpayment by Owners (2015-2019)

Figure H-10
Overpayment by Owners (2015-2019)

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). ~~The rate of overcrowding is concentrated in the Via Lomas neighborhood, with between 12 and 15 percent of households in the neighborhood experiencing overcrowding, coinciding with lower median incomes and higher diversity also concentrated in the neighborhood.~~ 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. 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, ~~or that the type of housing available does not meet the need. In either case, overcrowding means there is a somewhat greater need for affordable, larger housing units for residents in these areas.~~ 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 Program H-11 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

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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. Therefore, the Countywide, disproportionate housing needs, including substandard housing, impact a majority of Hispanic households according 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 receive 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).

(4) 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. 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).

~~*Insert Fair Housing Council response about fair housing issues when completed*~~

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

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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.

(5) 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 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

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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.

project to be profitable.

(5)(6) *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

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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

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 underutilized sites with anticipated projects (Table H-47) and underutilized sites with potential to rezone (Table H-48). These are shown on Figures H-11 and H-12.

The candidate sites with anticipated projects provide important opportunities to both expand affordable housing (including affordable ownership opportunities) and increase access to opportunity in the Laguna Hills Mall commercial area, which is designated as a low resource area, and the Via Lomas neighborhood, which is designated as moderate resource but currently supports the City's two publicly assisted housing developments.

Two anticipated projects have potential to redevelop the Laguna Hills Mall commercial area to provide more housing. The Oakbrook Village currently has 289 market-rate units with a Development Agreement in place with capacity for 200 additional market-rate units. The Development Agreement expires in 2023, but with the current demand for housing, the remaining 200 units will likely be developed. The second project, the Five Lagunas mixed-use development (Laguna Hills Mall), has an approved plan for 988 units. It is anticipated that 400 of these units will be affordable to households with moderate incomes and the remaining 588 units will be affordable to households with above moderate income. The City is currently reviewing a revised plan for the Laguna Hills Mall site known as the Village at Laguna Hills that provide up to 1,500 units. While the planned (i.e., units currently approved by the City) are intended for above-moderate income households, the City will encourage the development of affordable units as well as market-rate units in the proposed revised plan (Program H-6). The Village at Laguna Hills housing units mix includes a proposal for 100 low-income and 100 moderate-income units. Locating affordable housing in this 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 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 mall development 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 Laguna Hills Mall site, allowing residents to access all commuter routes and local routes serving the city. The 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. Despite the low-resource designation, locating affordable housing as a part of the Laguna Hills Mall 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.

The list of underutilized candidate sites is much longer than the list of sites that will eventually be rezoned. However, the candidate sites identified as potential for rezoned to higher densities are located throughout the city to accommodate the City's low- and very low-income RHNA units. As shown in Figure H-11, candidate sites located in north Laguna Hills, bounded by Interstate-5 to the east, Lake Forest Drive to the north, Ridge Route Drive to the south, and surrounding Moulton Parkway to the west. Currently this area supports 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 mixed-use development, including high-density residential, existing and future residents would benefit from convenient access to commercial services than the area currently provides.

As shown in Figure H-12, the two sites surrounding anticipated projects to redevelop the Laguna Hills Mall (located east of Avenida de la Carlota, south of Ridge Route Drive, and north of Los Alisos Boulevard) will benefit from the anticipated redevelopment described for the Oakbrook Village and Village at Laguna Hills developments.

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There are a total of 12 sites proposed south of La Paz Road, providing opportunity to expand affordable housing into high and moderate resource areas Laguna Hills if selected for rezoning. Eleven of the 12 sites are located in south-eastern Laguna Hills in the commercial area bounded by La Paz Road to the north and Paseo de Valencia to the south, designated as a moderate resource area. The remaining site identified is located in south-western Laguna Hills bounded by Oso Parkway to the north, Moulton Parkway to the east, and the City limits along Highway 73 to the southwest, falling within the City's high resource area. As currently the disparity between access to opportunity (proficient schools, public transit, access to job centers) typically falls along a north-south divide, focusing rezoning efforts in the moderate and high resource areas in Laguna Hills south of La Paz Road will directly address existing barriers to access opportunity faced by lower income households in the city. As the City rezoning process will increase opportunity for high density housing (30 dwelling units an acre) through mixed use development, affordable units developed on rezoned sites can have access to commercial areas and essential services as a part of the development, which is particularly important for lower income seniors and persons with disabilities. 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 the 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-44.

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Table H-44 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>

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

AFH Identified Fair - Housing Issues	Contributing Factor	Meaningful Action
Concentration of persons with disabilities	Limited variety of housing types to meet a range of incomes Availability of affordable units in a range of sizes Availability of rentals that accept Housing Choice Vouchers Cost of rehabilitation or repair	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) Expand HCV acceptance in high-resource areas (H-15) 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)
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)

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 a 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, 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 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.

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.		

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PROGRESS TOWARDS RHNA

There are ~~no~~few vacant sites in Laguna Hills suitable to meet the RHNA;

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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.

~~Two~~Three categories of underutilized sites are described here and shown on Figure H-11:

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

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~~3.~~

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.

~~Eight accessory dwelling units (ADUs) were built between 2016 and 2020. The City is not aware of any that are rented for a price that is affordable to a household earning a moderate or lower income. Eight additional ADUs are anticipated to be built from 2021-2029. These are shown in Table H-46:~~

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.~~

These are shown in Table H-46:

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Table H-46 Progress Towards RHNA						
	Income Category	RHNA	Underutilized Sites, VC Zone ¹	Total Units	Affordable Housing Units	
					Extremely Low	Very Low
RHNA				1,985	284	284
ADUs anticipated				8	-	-
Underutilized Sites, Anticipated Projects ¹						
Oakbrook Village				200	-	-
			Oakbrook Village	The Village at Laguna Hills (5 Laguna)	Panama Community Via Lomas (PCV)	
Lower	921	169	0	0	0	0
Moderate	354	0	0	400	0	0
Above Moderate						
Planned Community Via Lomas (PCV)	250710	-0	-200	-588		250
Total Remaining RHNA Subtotal	5391985	284169	284200	353988	354250	

¹No sites identified in the 6th cycle land inventory for lower income households with moderate or above-moderate incomes.

UNDERUTILIZED SITES WITH ANTICIPATED PROJECTS

There are a total of 1,438 anticipated units that will be added to the housing stock for households with moderate or above-moderate incomes.

Village, Village at Laguna Hills, and Planned Community Via Lomas (PCV). These projects are described in greater detail herein. Site-specific information is shown in Table H-47. The sites are mapped in Figure H-11.

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. The units are anticipated to be affordable to households with above-moderate incomes. More information on the site is shown in Table H-47: Underutilized Sites, 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 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 2021), the potential mix would be up to 250,000 square feet of retail and restaurants, up to 465,000 square feet of office, up to 1,500 residential units and a hotel with 100-150 rooms. However, the revised plan has not been approved by the City.

For the purposes of this Housing Element, the original 988 units approved in 2016 are assumed, however, all of the potential reconfigured plans included more residential units (1,200-2,100). ~~The~~Of the 988 units approved in 2016 ~~are,~~ it is anticipated that 400 will be affordable to households with moderate incomes and the remaining 588 units will be affordable to households with above-moderate incomes. More information on the sites is shown in Table H-47: Underutilized Sites, Anticipated Projects. The total units are shown in Table H-46: Progress Towards RHNA.

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

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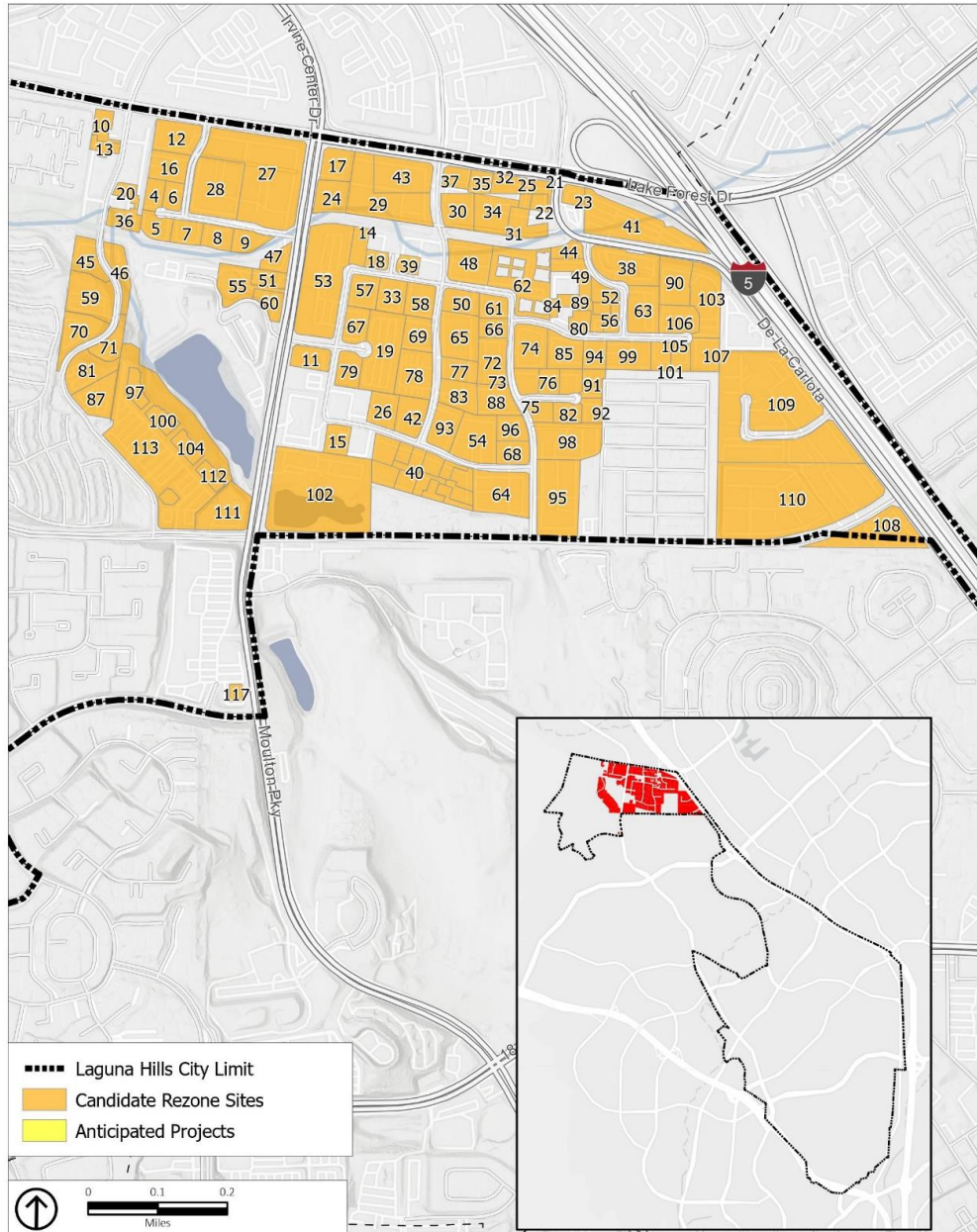
Niguel apartment complexes (51 units each). Both Rancho Moulton and Rancho Niguel were built in the early 1980s with Section 8 construction funds and provide affordable housing to low- and moderate-income residents. The Aliso Meadows condominiums have 248 units and provide an affordable home ownership 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 about 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: Underutilized Sites, Anticipated Projects. The total units are shown in Table H-46: Progress Towards RHNA.

Figure H-11 Underutilized Sites (1 of 2)



HOUSING ELEMENT
CITY OF LAGUNA HILLS



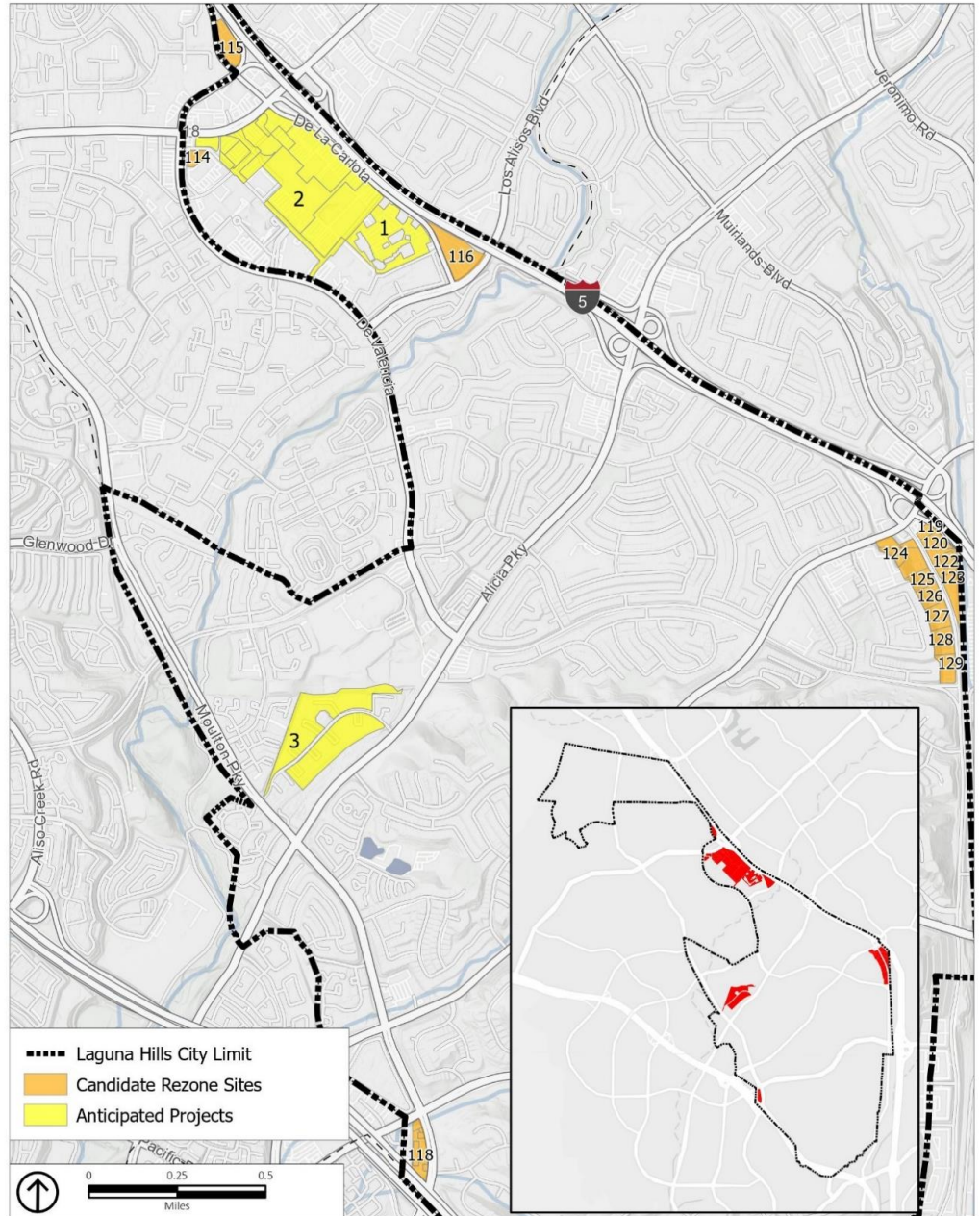
Source: City of Laguna Hills, PlaceWorks, 2021; Esri, 2018.

Figure H-11
Underutilized Sites (1 of 2)

Figure H-12 Underutilized Sites (2 of 2)



HOUSING ELEMENT
CITY OF LAGUNA HILLS



Source: City of Laguna Hills, PlaceWorks, 2021; Esri, 2018.

Figure H-12
Underutilized Sites (2 of 2)

CITY OF LAGUNA HILLS GENERAL PLAN | HOUSING

Table H-47 Underutilized Sites, Anticipated Projects								Formatted Table			
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Map ID #	Location	APN	General Plan	Zoning	Acres	Minimum Density (units/ acre)	Current Maximum Density (units/ acre)	Anticipated Units	Existing Uses	Area	Specific Plan
1	Oakbrook Village	62049121	VC	VC	13.35	30	50	200	Strip Mall	UVSP	UVSP
2	Five Lagunas*	62114181	VC	VC	3.19	30	50	988	Vacant Mall	UVSP	UVSP
		62105129	VC	VC	15.41	30	50			UVSP	UVSP
		62114150	VC	VC	1.89	30	50			UVSP	UVSP
		62114153	VC	VC	0.63	30	50			UVSP	UVSP
		62105133	VC	VC	16.43	30	50			UVSP	UVSP
		62114154	VC	VC	1.80	30	50			UVSP	UVSP
		62114158	VC	VC	1.29	30	50			UVSP	UVSP
		62114155	VC	VC	1.20	30	50			UVSP	UVSP
		62114149	VC	VC	2.42	30	50			UVSP	UVSP
		62105135	VC	VC	12.23	30	50			UVSP	UVSP
		62114151	VC	VC	3.53	30	50			UVSP	UVSP
		62105125	VC	VC	2.18	30	50			UVSP	UVSP
		62105134	VC	VC	2.11	30	50			UVSP	UVSP
-3	Planned Community Via Lomas (PCV)	62521105	PCR	PCR	16.73	N/A	24 units/ ac. on a project; average of 15.3 units/ ac. across PCR zone	250	Residential	Via Lomas	UVSP
	TOTAL				94.39			1,438			
VC = Village Commercial UVSP = Urban Village Specific Plan PCR = Planned Community Residential *Development has been resubmitted as Village at Laguna Hills with 1500 units, including 100-Low and 100-Mod, subject to pending approval.								Formatted Table			
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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-12. 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. As seen in Table H-46, 169 units are counted towards the lower income RHNA.

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, ~~and the~~ Planned Community Via Lomas (PCV), ~~the RHNA and~~ underutilized sites in the VC zone, for the moderate and above moderate-income ~~category has~~ categories have been met and there is a remaining unaccommodated need of 1,275 units (921/742 units in the lower-income category ~~and 354 units in the moderate category~~). The city does not have land adequately zoned to accommodate these units. This section describes several potential options for meeting the City's RHNA by rezoning underutilized sites.

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Table H-48A Underutilized Sites, VC Zone											
Map ID #	APN	General Plan	Zoning	Acres	Minimum Density (units/acre)	Current Maximum Density (units/acre)	Realistic Capacity (Percent Maximum)	Realistic Units	Existing Uses	Area	Specific Plan
114 ¹	62114127	VC	VC	1.30	30	50	0.3	19	Commercial	UVSP	UVSP
115 ²	61602203	VC	VC	3.35	30	50	0.3	50	Religious	UVSP	UVSP
116 ³	62049201	VC	VC	6.73	30	50	0.3	100	Commercial	UVSP	UVSP
	Total			11.37				169			
Notes											
1. Existing bank											
2. Church looking for new location											
3. 7-ac. site w/ 6-ac. parking											

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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. For the sake of this analysis, it is assumed that the remaining unaccommodated ~~1,275 units (921 units in the lower income category and 354 units in the moderate category)~~ will occur on sites that either currently allow at least 30 units per acre or will be rezoned to allow 30 units per acre. Because mixed-use development is most likely, the realistic residential capacity of these sites is assumed to be 50 percent. For example, if a mixed-use site is 1.5 acres and the maximum allowed density is 30 units per acre, the realistic capacity is calculated as 13 units. To accommodate 1,275 units on land zoned to allow up to 30 units per acre, assuming 50 percent residential uses, ~~85742 units in the lower-income category will be accommodated by rezoning certain sites in certain zones to allow 30 units per acre. At 30 units per acres, 25~~ acres would need to be rezoned.

Figure H-11 and Table H-~~4848B~~ show underutilized, candidate rezone sites.

The list of underutilized candidate sites is much longer than the list of sites that will eventually be rezoned. As noted earlier, the City must rezone to accommodate ~~1,275~~742 units, which can be accommodated on ~~8525~~ acres under zoning that allows ~~mixed-uses and~~ up to 30 units per acre. As shown in Table H-~~4848B~~, the candidate rezone sites include a total of 257 acres.

A description of the current zoning of the underutilized candidate sites is provided herein:

Mixed-Use (MXU)

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- 124 underutilized candidate rezone parcels totaling 215 acres
- Allows projects that are 100-percent residential
- Does not have a required residential component for mixed-use projects 20 units per acre maximum residential density

Community Commercial (CC), Freeway Commercial Professional (OP)

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- 21 underutilized candidate rezone parcels totaling 30.6 acres
- Single-Room Occupancy units are currently the only allowed residential use
- 0.50 Floor Area Ratio (FAR) maximum

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Table H-48B Underutilized Candidate Rezone Sites												
Map ID #	APN	General Plan	Zoning	Acres	Minimum Density (units/acre)	Current Maximum Density (units/acre)	Proposed Maximum Density (units/acre)	Realistic Capacity (Percent Maximum)	Realistic Units	Existing Uses	Potential for Lot Consolidation	Area
4	58808104	MXU	MXU	0.76	N/A	20	30	0.3	6	Industrial		North Laguna Hills
5	58808105	MXU	MXU	0.96	N/A	20	30	0.3	8	Industrial		North Laguna Hills
6	58808103	MXU	MXU	0.70	N/A	20	30	0.3	6	Industrial		North Laguna Hills
7	58808106	MXU	MXU	0.95	N/A	20	30	0.3	8	Industrial		North Laguna Hills
8	58808107	MXU	MXU	0.94	N/A	20	30	0.3	8	Industrial		North Laguna Hills
9	58808108	MXU	MXU	0.91	N/A	20	30	0.3	8	Industrial		North Laguna Hills
10	58815202	MXU	MXU	0.73	N/A	20	30	0.3	6	Commercial		North Laguna Hills
11	58806116	MXU	MXU	1.12	N/A	20	30	0.3	10	Industrial		North Laguna Hills
12	58808101	MXU	MXU	1.81	N/A	20	30	0.3	16	Commercial		North Laguna Hills
13	58815212	MXU	MXU	0.50	N/A	20	30	0.3	4	Commercial		North Laguna Hills
14	58805115	MXU	MXU	0.79	N/A	20	30	0.3	7	Industrial		North Laguna Hills
15	58806103	MXU	MXU	0.93	N/A	20	30	0.3	8	Commercial		North Laguna Hills
16	58808102	MXU	MXU	1.42	N/A	20	30	0.3	12	Industrial		North Laguna Hills
17	58805128	MXU	MXU	1.28	N/A	20	30	0.3	11	Commercial		North Laguna Hills
18	58805124	MXU	MXU	0.55	N/A	20	30	0.3	4	Industrial		North Laguna Hills
19	58806211	MXU	MXU	3.67	N/A	20	30	0.3	33	Industrial		North Laguna Hills
20	58815107	MXU	MXU	0.48	N/A	20	30	0.3	4	Commercial		North Laguna Hills
21	58805422	MXU	MXU	0.40	N/A	20	30	0.3	3	Commercial		North Laguna Hills
22	58805425	MXU	MXU	0.37	N/A	20	30	0.3	3	Commercial		North Laguna Hills
23	58805503	MXU	MXU	0.56	N/A	20	30	0.3	5	Commercial	Yes	North Laguna Hills
	58805421	MXU	MXU	0.23	N/A	20	30	0.3	2	Commercial		North Laguna Hills

CITY OF LAGUNA HILLS GENERAL PLAN | HOUSING

Table H-1848B Underutilized, Candidate Rezone Sites													
Map ID #	APN	General Plan	Zoning	Acres	Minimum Density (units/acre)	Current Maximum Density (units/acre)	Proposed Maximum Density (units/acre)	Realistic Capacity (Percent Maximum)	Realistic Units	Existing Uses	Potential for Lot Consolidation	Area	Specific Plan
24	58805111	MXU	MXU	1.36	N/A	20	30	0.3	12	Industrial		North Laguna Hills	
25	58805412	MXU	MXU	0.24	N/A	20	30	0.3	2	Commercial		North Laguna Hills	
26	58806206	MXU	MXU	1.24	N/A	20	30	0.3	11	Industrial		North Laguna Hills	
27	58808125	MXU	MXU	8.53	N/A	20	30	0.3	76	Industrial		North Laguna Hills	
28	58808110	MXU	MXU	3.67	N/A	20	30	0.3	32	Industrial		North Laguna Hills	
29	58805108	MXU	MXU	4.16	N/A	20	30	0.3	37	Industrial		North Laguna Hills	
30	58805417	MXU	MXU	1.49	N/A	20	30	0.3	13	Industrial		North Laguna Hills	
31	58805420	MXU	MXU	1.13	N/A	20	30	0.3	10	Commercial		North Laguna Hills	
32	58805431	MXU	MXU	0.74	N/A	20	30	0.3	6	Commercial		North Laguna Hills	
33	58805202	MXU	MXU	1.22	N/A	20	30	0.3	10	Industrial		North Laguna Hills	
34	58805418	MXU	MXU	1.81	N/A	20	30	0.3	16	Commercial		North Laguna Hills	
35	58805430	MXU	MXU	0.66	N/A	20	30	0.3	5	Commercial		North Laguna Hills	
36	58815111	MXU	MXU	0.87	N/A	20	30	0.3	7	Commercial		North Laguna Hills	
37	58805415	MXU	MXU	0.72	N/A	20	30	0.3	6	Commercial		North Laguna Hills	
38	58811118	MXU	MXU	2.77	N/A	20	30	0.3	24	Commercial		North Laguna Hills	
39	58805121	MXU	MXU	0.53	N/A	20	30	0.3	4	Industrial		North Laguna Hills	

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Table H- Formatted Table Underutilized, Candidate Rezone Sites												
Map ID #	APN	General Plan	Zoning	Acres	Minimum Density (units/acre)	Current Maximum Density (units/acre)	Proposed Maximum Density (units/acre)	Realistic Capacity (Percent Maximum)	Realistic Units	Existing Uses	Potential for Lot Consolidation	Area
40	58806608	MXU	MXU	0.34	N/A	20	30	0.3	3	Commercial	Yes	North Laguna Hills
	58806601	MXU	MXU	0.74	N/A	20	30	0.3	6	Commercial		North Laguna Hills
	58806611	MXU	MXU	0.43	N/A	20	30	0.3	3	Commercial		North Laguna Hills
	58806610	MXU	MXU	0.50	N/A	20	30	0.3	4	Commercial		North Laguna Hills
	58806612	MXU	MXU	0.36	N/A	20	30	0.3	3	Commercial		North Laguna Hills
	58806606	MXU	MXU	0.47	N/A	20	30	0.3	4	Commercial		North Laguna Hills
	58806605	MXU	MXU	0.51	N/A	20	30	0.3	4	Commercial		North Laguna Hills
	58806609	MXU	MXU	0.52	N/A	20	30	0.3	4	Commercial		North Laguna Hills
	58806607	MXU	MXU	0.53	N/A	20	30	0.3	4	Commercial		North Laguna Hills
	58806604	MXU	MXU	0.59	N/A	20	30	0.3	5	Commercial		North Laguna Hills
	58806603	MXU	MXU	0.37	N/A	20	30	0.3	3	Commercial		North Laguna Hills
	58806602	MXU	MXU	0.81	N/A	20	30	0.3	7	Commercial		North Laguna Hills
41	58803225	MXU	MXU	4.46	N/A	20	30	0.3	40	Commercial		North Laguna Hills
42	58806205	MXU	MXU	1.42	N/A	20	30	0.3	12	Industrial		North Laguna Hills
43	58805102	MXU	MXU	2.59	N/A	20	30	0.3	23	Industrial		North Laguna Hills
44	58811202	MXU	MXU	0.60	N/A	20	30	0.3	5	Commercial	Yes	North Laguna Hills
	58811201	MXU	MXU	0.62	N/A	20	30	0.3	5	Commercial		North Laguna Hills
45	58814206	MXU	MXU	1.29	N/A	20	30	0.3	11	Commercial		North Laguna Hills
46	58814107	MXU	MXU	1.21	N/A	20	30	0.3	10	Commercial		North Laguna Hills
47	58808109	MXU	MXU	0.75	N/A	20	30	0.3	6	Commercial		North Laguna Hills

CITY OF LAGUNA HILLS GENERAL PLAN | HOUSING

Table H-4848B
Underutilized, Candidate Rezone Sites

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Map ID #	APN	General Plan	Zoning	Acres	Minimum Density (units/acre)	Current Maximum Density (units/acre)	Proposed Maximum Density (units/acre)	Realistic Capacity (Percent Maximum)	Realistic Units	Existing Uses	Potential for Lot Consolidation	Area	Specific Plan
48	58805436	MXU	MXU	2.29	N/A	20	30	0.3	20	Commercial		North Laguna Hills	
49	58811216	MXU	MXU	0.51	N/A	20	30	0.3	4	Commercial		North Laguna Hills	
50	58805302	MXU	MXU	1.11	N/A	20	30	0.3	10	Industrial		North Laguna Hills	
51	58808123	MXU	MXU	0.75	N/A	20	30	0.3	6	Commercial		North Laguna Hills	
52	58811208	MXU	MXU	0.77	N/A	20	30	0.3	6	Commercial		North Laguna Hills	
53	58805129	MXU	MXU	6.16	N/A	20	30	0.3	55	Commercial		North Laguna Hills	
54	58806310	MXU	MXU	2.54	N/A	20	30	0.3	22	Industrial		North Laguna Hills	
55	58808124	MXU	MXU	1.78	N/A	20	30	0.3	16	Commercial		North Laguna Hills	
56	58811209	MXU	MXU	0.65	N/A	20	30	0.3	5	Commercial		North Laguna Hills	
57	58805201	MXU	MXU	1.22	N/A	20	30	0.3	11	Industrial		North Laguna Hills	
58	58805203	MXU	MXU	1.27	N/A	20	30	0.3	11	Industrial		North Laguna Hills	
59	58814207	MXU	MXU	2.45	N/A	20	30	0.3	22	Commercial		North Laguna Hills	
60	58808122	MXU	MXU	0.80	N/A	20	30	0.3	7	Commercial		North Laguna Hills	
61	58805303	MXU	MXU	0.87	N/A	20	30	0.3	7	Industrial		North Laguna Hills	
62	58805617	MXU	MXU	3.04	N/A	20	30	0.3	27	Commercial		North Laguna Hills	
63	58811119	MXU	MXU	1.94	N/A	20	30	0.3	17	Commercial		North Laguna Hills	
64	58806113	MXU	MXU	3.15	N/A	20	30	0.3	28	Industrial		North Laguna Hills	
65	58805306	MXU	MXU	2.32	N/A	20	30	0.3	20	Commercial		North Laguna Hills	
66	58805304	MXU	MXU	0.73	N/A	20	30	0.3	6	Industrial		North Laguna Hills	
67	58805206	MXU	MXU	1.12	N/A	20	30	0.3	10	Industrial		North Laguna Hills	
68	58806309	MXU	MXU	1.00	N/A	20	30	0.3	8	Industrial		North Laguna Hills	

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Table H- Formatted Table
Underutilized, Candidate Rezone Sites

Map ID #	APN	General Plan	Zoning	Acres	Minimum Density (units/acre)	Current Maximum Density (units/acre)	Proposed Maximum Density (units/acre)	Realistic Capacity (Percent Maximum)	Realistic Units	Existing Uses	Potential for Lot Consolidation	Area
69	58805204	MXU	MXU	1.26	N/A	20	30	0.3	11	Industrial		North Laguna Hills
70	58814208	MXU	MXU	1.77	N/A	20	30	0.3	15	Commercial		North Laguna Hills
71	58814108	MXU	MXU	1.01	N/A	20	30	0.3	9	Commercial		North Laguna Hills
72	58806312	MXU	MXU	1.77	N/A	20	30	0.3	15	Industrial		North Laguna Hills
73	58806419	MXU	MXU	0.78	N/A	20	30	0.3	7	Industrial		North Laguna Hills
74	58806414	MXU	MXU	1.91	N/A	20	30	0.3	17	Commercial		North Laguna Hills
75	58806416	MXU	MXU	0.63	N/A	20	30	0.3	5	Industrial		North Laguna Hills
76	58806418	MXU	MXU	0.70	N/A	20	30	0.3	6	Industrial		North Laguna Hills
77	58806303	MXU	MXU	1.06	N/A	20	30	0.3	9	Industrial		North Laguna Hills
78	58806204	MXU	MXU	2.16	N/A	20	30	0.3	19	Industrial		North Laguna Hills
79	58806202	MXU	MXU	1.10	N/A	20	30	0.3	9	Industrial		North Laguna Hills
80	58811211	MXU	MXU	0.57	N/A	20	30	0.3	5	Commercial		North Laguna Hills
81	58814111	MXU	MXU	1.81	N/A	20	30	0.3	16	Commercial		North Laguna Hills
82	58806415	MXU	MXU	0.73	N/A	20	30	0.3	6	Industrial		North Laguna Hills
83	58806311	MXU	MXU	1.39	N/A	20	30	0.3	12	Commercial		North Laguna Hills
84	58811213	MXU	MXU	0.51	N/A	20	30	0.3	4	Commercial		North Laguna Hills
85	58811114	MXU	MXU	1.55	N/A	20	30	0.3	13	Commercial		North Laguna Hills
86	58806407	MXU	MXU	0.74	N/A	20	30	0.3	6	Industrial		North Laguna Hills
87	58814112	MXU	MXU	1.66	N/A	20	30	0.3	14	Commercial		North Laguna Hills
88	58806307	MXU	MXU	1.51	N/A	20	30	0.3	13	Industrial		North Laguna Hills
89	58811210	MXU	MXU	0.58	N/A	20	30	0.3	5	Commercial		North Laguna Hills

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Table H-4848B
Underutilized, Candidate Rezone Sites

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Map ID #	APN	General Plan	Zoning	Acres	Minimum Density (units/acre)	Current Maximum Density (units/acre)	Proposed Maximum Density (units/acre)	Realistic Capacity (Percent Maximum)	Realistic Units	Existing Uses	Potential for Lot Consolidation	Area	Specific Plan
90	58811117	MXU	MXU	1.93	N/A	20	30	0.3	17	Commercial		North Laguna Hills	
91	58806408	MXU	MXU	0.82	N/A	20	30	0.3	7	Industrial		North Laguna Hills	
92	58806409	MXU	MXU	0.67	N/A	20	30	0.3	6	Industrial		North Laguna Hills	
93	58806301	MXU	MXU	1.51	N/A	20	30	0.3	13	Industrial		North Laguna Hills	
94	58811111	MXU	MXU	0.87	N/A	20	30	0.3	7	Industrial		North Laguna Hills	
95	58806417	MXU	MXU	4.28	N/A	20	30	0.3	38	Commercial		North Laguna Hills	
96	58806308	MXU	MXU	1.02	N/A	20	30	0.3	9	Industrial		North Laguna Hills	
97	58816110	MXU	MXU	0.70	N/A	20	30	0.3	6	Commercial		North Laguna Hills	
98	58806411	MXU	MXU	3.13	N/A	20	30	0.3	28	Industrial		North Laguna Hills	
99	58811113	MXU	MXU	1.69	N/A	20	30	0.3	15	Industrial		North Laguna Hills	
100	58816109	MXU	MXU	0.71	N/A	20	30	0.3	6	Commercial		North Laguna Hills	
101	58811108	MXU	MXU	0.76	N/A	20	30	0.3	6	Industrial		North Laguna Hills	
102	58806105	MXU	MXU	10.59	N/A	20	30	0.3	95	Industrial		North Laguna Hills	
103	58811115	MXU	MXU	2.58	N/A	20	30	0.3	23	Commercial		North Laguna Hills	
104	58816108	MXU	MXU	0.71	N/A	20	30	0.3	6	Commercial		North Laguna Hills	
105	58811107	MXU	MXU	0.74	N/A	20	30	0.3	6	Industrial		North Laguna Hills	
106	58811116	MXU	MXU	1.45	N/A	20	30	0.3	13	Commercial		North Laguna Hills	
107	58811106	MXU	MXU	1.27	N/A	20	30	0.3	11	Industrial		North Laguna Hills	
108	58803245	MXU	MXU	3.41	N/A	20	30	0.3	30	Commercial		North Laguna Hills	
109	58803242	MXU	MXU	13.85	N/A	20	30	0.3	124	Industrial		North Laguna Hills	
110	58803244	MXU	MXU	14.02	N/A	20	30	0.3	126	Commercial		North Laguna Hills	

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Table H Formatted Table Underutilized, Candidate Rezone Sites												
Map ID #	APN	General Plan	Zoning	Acres	Minimum Density (units/acre)	Current Maximum Density (units/acre)	Proposed Maximum Density (units/acre)	Realistic Capacity (Percent Maximum)	Realistic Units	Existing Uses	Potential for Lot Consolidation	Area
111	58816104	MXU	MXU	2.58	N/A	20	30	0.3	23	Commercial		North Laguna Hills
112	58816107	MXU	MXU	0.57	N/A	20	30	0.3	5	Commercial		North Laguna Hills
113	58816106	MXU	MXU	0.29	N/A	20	30	0.3	2	Commercial		North Laguna Hills
	58816113	MXU	MXU	12.89	N/A	20	30	0.3	2	Commercial		North Laguna Hills
Split Cells												
114	62114127	VC	VC	1.30	30	50	50	0.3	19	Bank		UVSP
115	61602203	VC	VC	3.35	30	50	50	0.3	50	Religious		UVSP
116	62049201	VC	VC	6.73	30	50	50	0.3	100	Commercial		UVSP
117	61622104	FC	CC	0.30	N/A	N/A	30	0.3	2	Commercial Shopping center		North Laguna Hills
118	62703302	CC	CC	0.09	N/A	N/A	30	0.3	0	Commercial	Yes	Oso Infill
	62703305	CC	CC	0.20	N/A	N/A	30	0.3	1	Commercial		Oso Infill
	62703307	CC	CC	0.72	N/A	N/A	30	0.3	6	Commercial		Oso Infill
	62703308	CC	CC	0.15	N/A	N/A	30	0.3	1	Commercial		Oso Infill
	62703311	CC	CC	0.43	N/A	N/A	30	0.3	3	Commercial		Oso Infill
	62703312	CC	CC	2.18	N/A	N/A	30	0.3	19	Commercial		Oso Infill
119	62003124	FC	FC	0.89	N/A	0.40 FAR	30	0.3	8	Commercial		La Paz Infill
120	62003118	FC	FC	1.74	N/A	0.40 FAR	30	0.3	15	Commercial		La Paz Infill
121	62003122	FC	FC	2.43	N/A	0.40 FAR	30	0.3	21	Commercial		La Paz Infill
122	62003120	FC	FC	0.92	N/A	0.40 FAR	30	0.3	8	Commercial		La Paz Infill
123	62003125	FC	FC	2.56	N/A	0.40 FAR	30	0.3	23	Commercial		La Paz Infill
124	62003241	OP	OP	1.00	N/A	0.40 FAR	30	0.3	9	Commercial	Yes	La Paz Infill
	62003242	OP	OP	1.30	N/A	0.40 FAR	30	0.3	11	Commercial		La Paz Infill
	62003240	OP	OP	0.57	N/A	0.40 FAR	30	0.3	5	Commercial		La Paz Infill
	62003239	OP	OP	2.88	N/A	0.40 FAR	30	0.3	25	Commercial		La Paz Infill
125	62003243	OP	OP	1.97	N/A	0.40 FAR	30	0.3	17	Commercial		La Paz Infill
126	62003237	OP	OP	2.33	N/A	0.40 FAR	30	0.3	20	Commercial		La Paz Infill
127	62041105	OP	OP	2.69	N/A	0.40 FAR	30	0.3	24	Commercial		La Paz Infill
128	62041109	OP	OP	2.79	N/A	0.40 FAR	30	0.3	25	Commercial		La Paz Infill
129	62041107	OP	OP	2.46	N/A	0.40 FAR	30	0.3	22	Commercial		La Paz Infill
Total				257.03 245.66					2,310 141			

~~A description of the current zoning of the underutilized candidate sites is provided herein.~~

~~Mixed-Use (MXU)~~

- ~~• 124 underutilized candidate rezone parcels totaling 215 acres~~
- ~~• Allows projects that are 100 percent residential~~
- ~~• Does not have a required residential component for mixed-use projects~~
- ~~• 20 units per acre maximum residential density~~

~~Village Commercial (VC) 3 underutilized parcels totaling 11.4 acres. In the Urban Village Specific Plan (UVSP), Allows projects that are 100 percent residential Does not have a required residential component for mixed-use projects 50 units per acre maximum residential density~~

~~Community Commercial (CC), Freeway Commercial (FC), and Office Professional (OP)~~

- ~~• 21 underutilized candidate rezone parcels totaling 30.6 acres~~
- ~~• Single Room Occupancy units are currently the only allowed residential use~~
- ~~• 0.50 Floor Area Ratio (FAR) maximum~~

Recent Development Trends. Several projects with multifamily residential components, in areas with existing commercial uses have been built near Laguna Hills during the past several years including:

- Los Olivos at Irvine Spectrum, 350 Gitano in Irvine
- Apex, 27960 Cabot Rd, Laguna Niguel
- Broadstone Cavora, 26033 Cape Dr, Laguna Niguel
- blu Laguna Niguel, 27930 Cabot Rd, Laguna Niguel
- Vantis, 90 Vantis Dr, Aliso Viejo

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:

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- Must rezone within three years 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

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;

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	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

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

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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

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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

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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	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. The annual appropriation for CDBG is split between states and local jurisdictions called "entitlement communities."	Acquisition Rehabilitation Homebuyer Assistance Economic Development Assistance Homeless Assistance Public Services Infrastructure Replacement	
HOME Investment Partnerships Program	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.	Acquisition Rehabilitation Homebuyer Assistance Rental Assistance	
Housing Choice Voucher (HCV) Rental Assistance (Section 8)	Provides rental assistance payments to owners of market-rate properties on behalf of very low-income tenants.	Rental Assistance	
Section 811	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.	Acquisition Rehabilitation New Construction Rental Assistance	

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Table H-49 Federal, State, and Private Housing Funds		
Program Name	Description	
Section 203(k)	Provides fixed-rate, low-interest loans to organizations wishing to acquire and rehabilitate property.	Land Acquisition Rehabilitation Remainder 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
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

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Table H-49 Federal, State, and Private Housing Funding Programs			
Program Name	Description	Eligible Activities	
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	
Affordable Housing and Sustainable Communities Program	Provides funding to support infill development projects with the goal of reducing greenhouse gas emissions.	New Construction Rehabilitation	

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Table H-49 Federal, State, and Private Housing Funds		
Program Name	Description	
Veterans Housing and Homeless Prevention Program	Provides funding to buy, construct, rehabilitate, or preserve affordable multifamily housing for veterans and their families.	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: - 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

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CITY OF LAGUNA HILLS GENERAL PLAN | 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	

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Table H-49 Federal, State, and Private Housing Funds		
Program Name	Description	
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
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.	
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

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Table H-49 Federal, State, and Private Housing Funding Programs		
Program Name	Description	Eligible Activities
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
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

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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 stores and hotels. The regulations specify energy-saving design for walls, ceilings, and floor installations, as well as heating and cooling equipment and systems, gas cooling devices, conservation standards, and the use of nondepleting energy sources, such as solar energy or wind power. Standards in Title 24 create energy savings of approximately 50 percent over residential construction practices 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.

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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.

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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>	Continue
<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>	Continue

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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

CITY OF LAGUNA HILLS GENERAL PLAN | HOUSING

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>	Delete

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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>

CITY OF LAGUNA HILLS GENERAL PLAN | HOUSING

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>

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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>	Continue
<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>	Continue

CITY OF LAGUNA HILLS GENERAL PLAN | HOUSING

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>	Continue

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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.</p> <p>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>	Continue

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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</p> <p>Source: General Fund</p> <p>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-Mod.. 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>

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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

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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

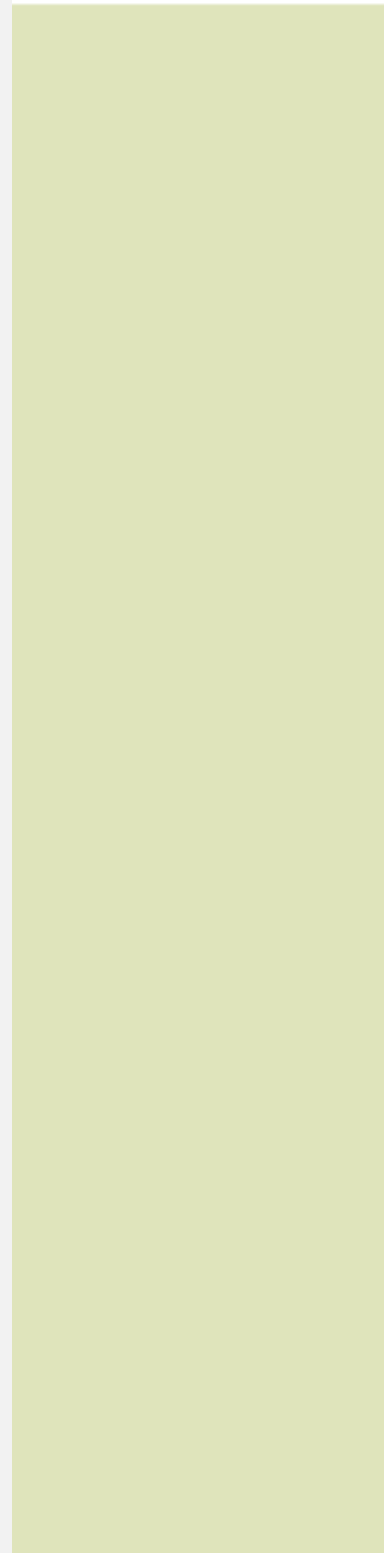
Monitoring, enforcement, and preservation in housing should be established and maintained as an ongoing function of the City. An effective monitoring program provides the City with an important tool to gauge the success of the City's housing programs and to address emerging housing needs as appropriate.

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.

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Appendix A: Implementation Program

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 displacement resulting from addressing code enforcement violations, the City will update regulations for code enforcement procedure to require property owners to proactively plan for tenant relocation during renovations. Additionally, 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.

Responsible Agency: Community Development

Funding Source: General Fund

Time Frame: Ongoing

H-2. STATE FRANCHISE TAX BOARD CODE ENFORCEMENT

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

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Responsible Agency: Community Development

Funding Source: General Fund

Time Frame: Ongoing

H-3. HOUSING REHABILITATION

The City will continue to work with the Orange County Housing and Community Services Department to receive rehabilitation loans and grants for low- and moderate-income homeowners and rental property owners, including senior/disabled households, to maintain housing stock. 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. 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.

Quantified Objective: 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 2022, 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, 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

A-3

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: 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. 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.

Responsible Agency: Community Development

Funding Source: General Fund

Time Frame: Ongoing

Housing Availability

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

The City shall inform existing property owners that housing 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. 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). 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 their website within the first year after Housing Element adoption and it will be updated annually.

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.** Within two years of Housing Element adoption, 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. Within two years of Housing Element adoption, 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

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(Assembly Bill 2162, California Government Code Section 65583(c)(3)).

4. **Employee Housing.** To encourage employee housing, if 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 Zoning Ordinance to permit residential care facilities regardless of the number of beds in zones that permit residential uses of the same type and in accordance with state law and the City’s definition of family.

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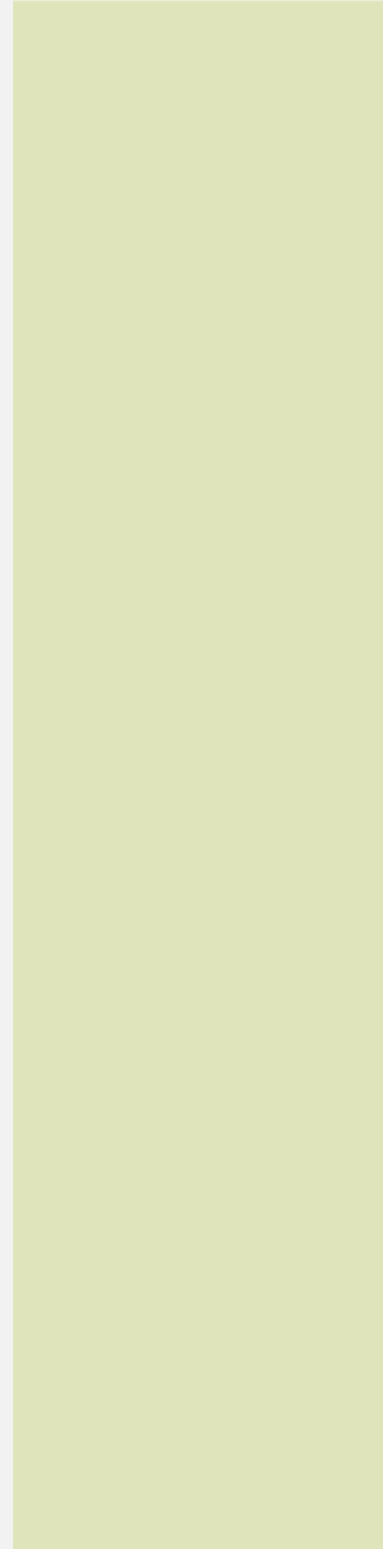
7. Inclusionary Housing Requirements: The City intends to consider implementing inclusionary housing requirements. Considerations may include identifying acceptable methods to provide affordable housing such as: (a) construction of housing on-site, (b) construction of housing off-site, (c) dedication of land for housing, and (d) possibly other similar measures.

8. 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 will ensure these requirements are not so restrictive that they constrain residential development and update the Municipal Code as needed.

Responsible Agency: Community Development

Funding Source: General Fund

Time Frame: Within two years of Housing Element adoption



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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).

The City will promote ADUs to property owners as a viable option for providing additional housing opportunities that could include affordable housing for lower-income seniors, single persons, 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 and 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:

- 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 seeking information about finding loans for ADU development.
- Expand educational efforts to include active property owner outreach. Marketing and promotional materials will be prepared to inform eligible homeowners 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.
- 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.

- 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.
- Establish an ADU point person at the City to serve as a central point of information and a resource for enhancing awareness.

Responsible Agency: Community Development

Funding Source: SB2

~~Time Frame: SB2 tasks completed by August 2023~~

Time Frame: Add promotional/educational materials on the City’s website on ADU information by June 1, 2022, 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 2023.

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

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Funding Source: SB2

Time Frame: All tasks completed by August 2023

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.

Responsible Agency: Community Development

Funding Source: General Fund

Time Frame: Within two years of Housing Element adoption

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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 ~~921,742~~ lower-income units ~~and 354 moderate-income units (1,275 total units)~~ on certain sites or in certain zones. On a minimum of ~~4325~~ acres, the City will increase allowable density on certain sites in the MXU zone 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 and 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 half (50 percent) of the sites rezoned to accommodate lower-income RHNA shall be 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 will ensure these requirements are not so restrictive that they constrain residential development.

Responsible Agency: Community Development

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Funding Source: General Fund
 Time Frame: Specific sites will be rezoned prior to February 12, 2025

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.

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

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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. The City will assist public and private nonprofit housing developers in preparation of funding applications for special-needs populations.

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

H-14. SECTION 8 RENTAL ASSISTANCE

The Orange County Housing Authority currently administers the Section 8 Rental Assistance program on behalf of the City. Currently, the program assists renter households in the City of Laguna Hills. Based on future congressional appropriations, the County Housing Authority will apply for additional funding that 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

CITY OF LAGUNA HILLS GENERAL PLAN | HOUSING

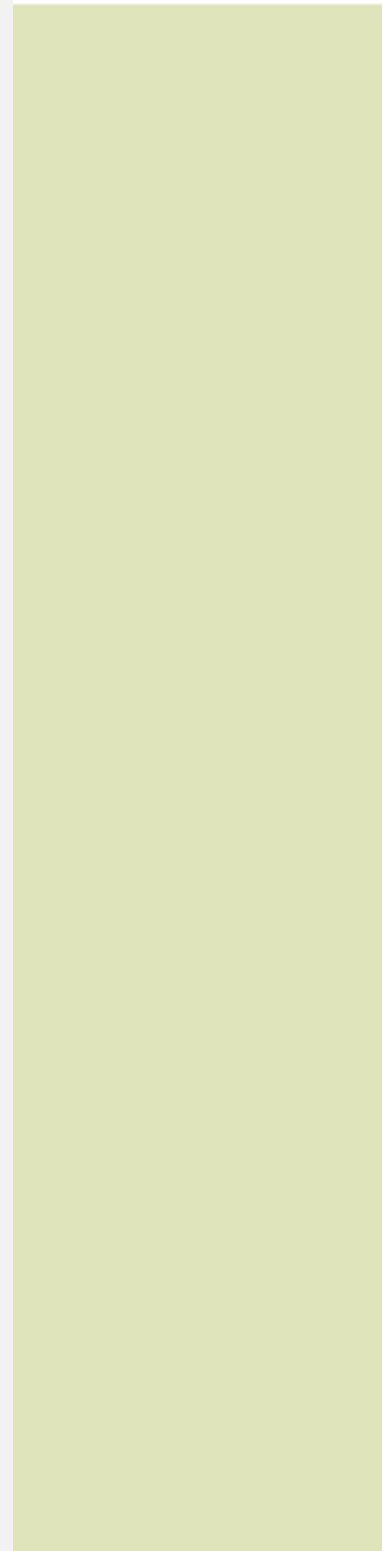
provide referral services and information to the City's residents. See also Housing Element Implementation Program H-16, Fair Housing Program.

Responsible Agency: Community Development

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

Time Frame: Ongoing

Quantified Objective: Preserve the 17 Section 8 vouchers used by Laguna Hills households.



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H-15. AFFORDABLE HOUSING DEVELOPER PARTNERSHIPS

The City will continue to develop partnerships with mainstream and ~~/or~~ special-needs affordable housing developers that could result in set-asides in existing and planned low-income housing projects for extremely low-, very low-, and low-income households. 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, 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.

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 within the first year after Housing Element adoption 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 address 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. **Formatted: Space Before: 8 pt**

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 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).

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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.

Responsible Agency: Community Development

Funding Source: General Fund

Time Frame: Ongoing; the information will be posted on the website within one year of Housing Element adoption and updated annually.

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. City staff will encourage prospective developers to provide universal design features in housing developments at the time of project application meeting(s).

Responsible Agency: Community Development

Funding Source: General Fund

Time Frame: Within one year of Housing Element adoption, 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.

Responsible Agency: Community Development

Funding Source: General Fund

Time Frame: Prepare an annual report for submittal to HCD by April 1 of each year in the planning period

H-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:

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1. Monitoring development proposals in the used to maintain, increase, or enhance affordable housing opportunities;
2. Monitoring and market housing opportunities in the area, including affordable housing opportunities; Planning Agency public hearings and project meetings;
3. Monitoring existing programs designed to encourage housing developments for low-income households to determine whether additional actions are needed for these developments;
4. Monitoring of mobile home park for conversion to nonresidential use;
5. Attending housing and legislative review;
6. Attending training workshops;
7. Participating in regional planning efforts with 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 state, regional, and local government and/or agencies and implementation of intergovernmental housing programs for maximum effectiveness in solving local and regional housing issues. City will submit CDBG applications to assist in preserving affordable housing stock. The City will provide the adoption of the Element to the South Orange County Wastewater Authority. City will assist SOCWA in adopting written procedures for service to lower-income residential projects.

Responsible Agency: Community Development

Funding Source: CDBG and General Fund

Time Frame: Ongoing

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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-A1.

Table H-A1 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 Program 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.						

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Appendix B: Summary of Public Input

Public Outreach

As noted in the Introduction to this Housing Element, as part of this update, the City conducted outreach activities including:

- City Council ~~Study Session~~Meeting: November 10, 2020
- 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 for Public Review Draft Launch: October 26, 2021

Additionally, as of September 21, 2021, the City received four comment letters. All four letters were from community-based organizations and encouraged the City Council to enact bold measures to increase the quality and quantity of affordable housing and to consider the needs of the most vulnerable populations. Participants in the stakeholder consultations included two building industry experts, two homelessness service providers and three community-based organizations. Participants from the stakeholder consultations strongly agreed that more housing, particularly affordable housing is needed in Laguna Hills and surrounding cities. Participants shared many ideas for strategic and innovative opportunities to help accelerate the production of housing. The input from the letters and consultations is summarized in the Introduction to this Housing Element. No public comments were submitted at the City Council ~~Study Session~~Meeting on November 10, 2020, or the Virtual Public Workshop on June 30, 2021. The results of the online survey and the input received at in person-public workshop are described herein.

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

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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

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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

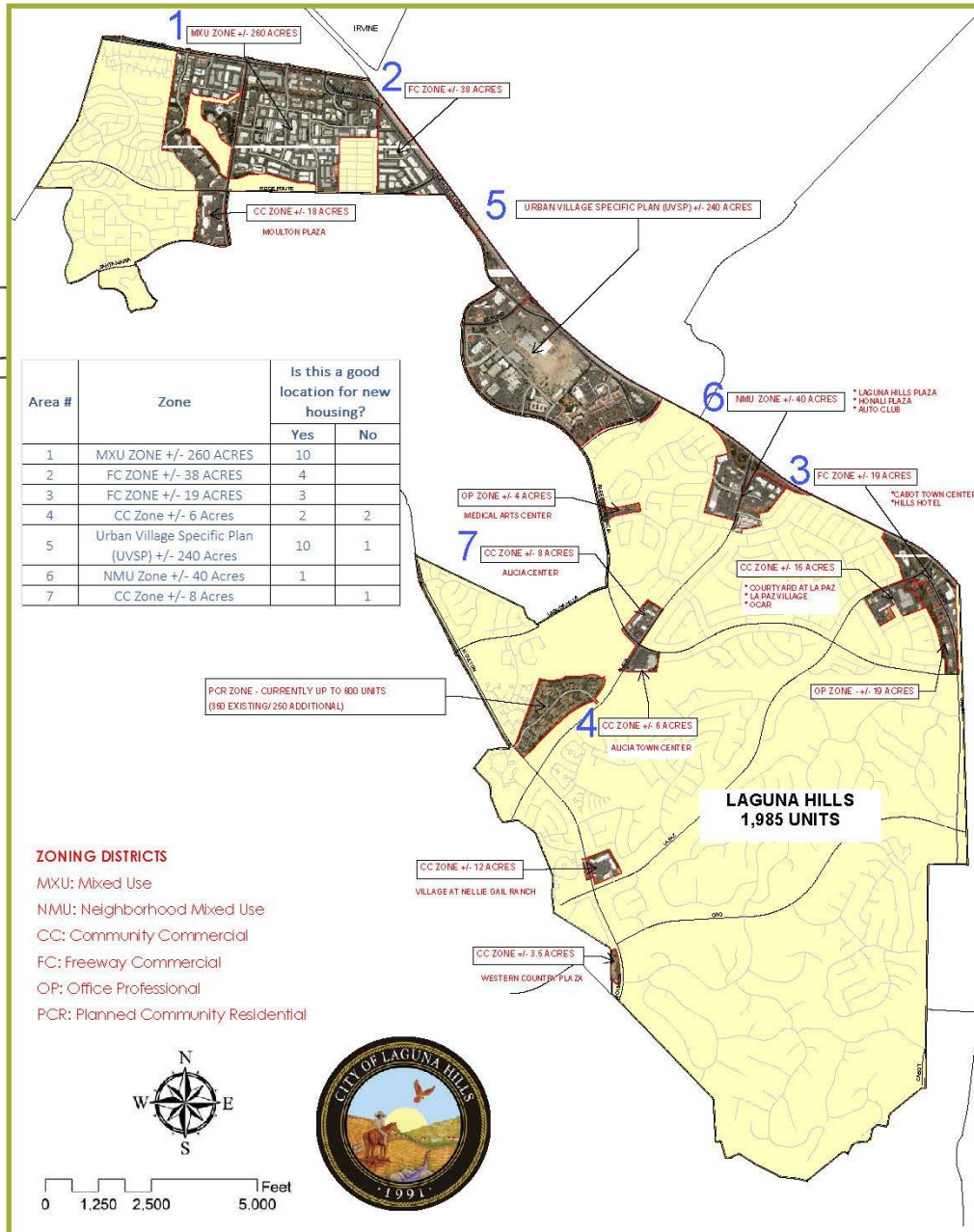
Attendees were asked to apply stickers to maps of the City to identify the locations that are most suitable for new housing developments. Some attendees followed up after the workshop by emailing City staff with additional input on these locations. The maps that attendees were asked to use blocked out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

- 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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POTENTIAL FUTURE HOUSING LOCATIONS



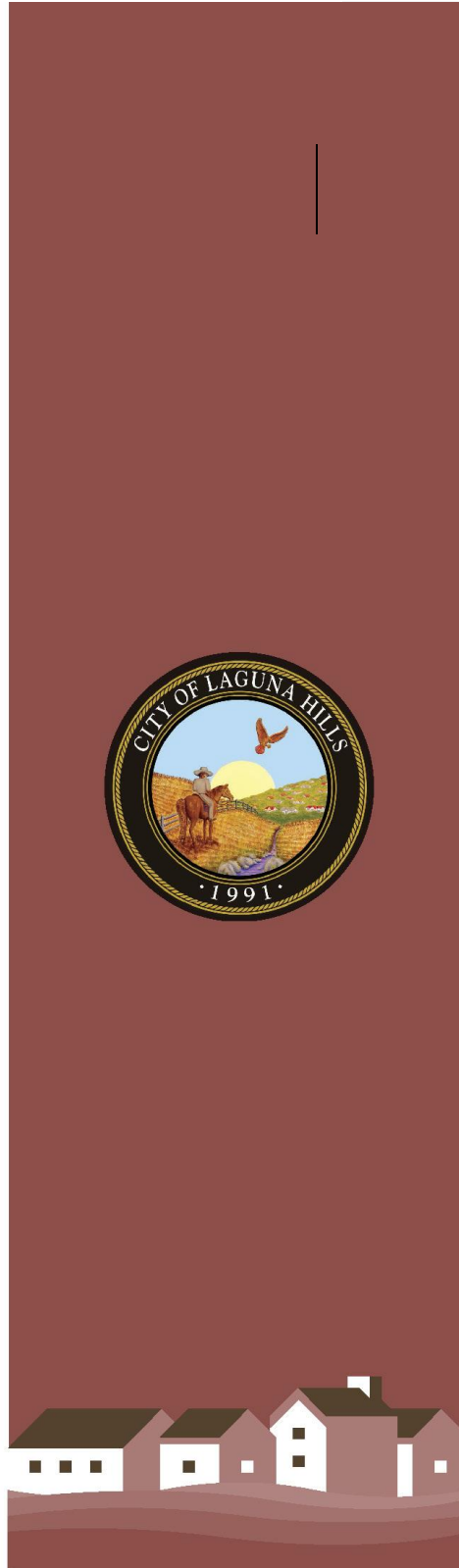
City of Laguna Hills

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City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: October 26, 2021

TO: Mayor and Council Members

FROM: Kenneth H. Rosenfield P.E.
Interim City Manager/Director of Public Services

ISSUE: Public Review Draft of the 2021-2029 Housing Element Update

RECOMMENDATION: That the City Council review and comment upon the Public Review Draft of the 2021-2029 Housing Element Update in advance of the submittal of the Draft Housing Element Update to the State Department of Housing and Community Development for their initial required review.

SUMMARY:

The City is required by State Mandate to update the Housing Element of the General Plan on an eight-year cycle, typically following the issuance of the Regional Housing Needs Allocation (RHNA). There is an impending deadline for this Housing Element Update and the City Council is requested to review and comment on the attached Public Review Draft of the 2021-2029 Housing Element Update. Thereafter, in order to meet the deadline timeline, Staff will send the draft document to the State Department of Housing and Community Development (HCD) for their required initial review. Upon completion of the State's initial review, this matter will return to the City Council prior to the due date of February 11, 2022, for adoption and resubmission to HCD for their Housing Element certification review. Failure to meet this deadline can expose the City to adverse financial and local control consequences. Separately, but as a related requirement, Staff is also preparing an update to the General Plan Safety Element. The Safety Element and Housing Element Updates will be provided together for said subsequent City Council approval.

BACKGROUND:

The City's General Plan is a comprehensive long-range planning document that directs the physical development of the city. The Housing Element is one of seven (7) State-mandated elements that comprise the City's General Plan serving as a policy document to assess housing characteristics, community needs and establishing programs to meet those needs. 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 including families, seniors, 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.

California State law requires all municipalities to periodically update the Housing Element. The City's current Housing Element was adopted in 2013 by City Council. The City is required to adopt an updated version of the Housing Element for the 2021-2029 State Housing and Community Development planning period, also known as the 6th Cycle Housing Element Update, by October 15, 2021, but not later than the allowed grace period expiring February 11, 2022. The City Council is requested to review and comment upon the attached Public Review Draft of the 2021-2029 Housing Element Update, as has been prepared for the City by Placeworks, Inc., the City's designated planning firm for this work effort, prior to the document's submission to HCD for their initial 60-day review.

The number of housing units for which the City must plan is described in the Regional Housing Needs Allocation (RHNA). The Southern California Association of Governments (SCAG) determines the RHNA for the region and individual jurisdictions within its planning area. SCAG takes into consideration how the population changes, the regional economy, how the region's transportation network affects the need for housing and how growth in the region will achieve state climate change goals and requirements. The RHNA results in a determination of how much housing a local jurisdiction must plan for during the next eight years. RHNA totals for Laguna Hills and surrounding jurisdictions is shown in the list below. In addition, Table 1 shows Laguna Hills' RHNA by Income Categories as has been determined by SCAG.

- Laguna Hills: 1,985
- Lake Forest: 3,236
- Laguna Woods: 997
- Mission Viejo: 2,217

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- Aliso Viejo: 1,195
- Laguna Niguel: 1,207
- Irvine: 23,610

Table 1: Regional Housing Need Allocation by Income Categories, Laguna Hills

Income Category	2021-2029 RHNA
Extremely Low (<30% AMI)	284
Very Low (31–50% AMI)	284
Low (51–80% AMI)	353
Moderate (81–120% AMI)	354
Above Moderate (>120% AMI)	710
Total	1,985
Source: SCAG RHNA, 2021	

The State's RHNA regulations require the City to plan for housing for all segments of a community, including for households with various income levels identified by state law. These income categories are based on the county-wide median income. For Orange County, the average median income (AMI) for 2020 was \$103,000 for a family of four. Other income categories are based on the County AMI, and include the categories listed in the below Table 2. This table also shows the maximum housing costs considered to be affordable to households at the specified income levels.

Table 2: Summary of Housing Affordability and Availability, 2020

Income Group	Annual Income (Family of Four)	Maximum Affordable Rent (Monthly)	Maximum Affordable Sales Price
Extremely Low (0–30% AMI)	< \$38,450	\$961	\$223,716
Very Low (31–50%)	\$38,451- \$64,050	\$1,601	\$372,666
Low (51–80% AMI)	\$64,051-\$102,450	\$2,561	\$596,092
Moderate (81–120% AMI)	\$102,451- \$123,600	\$3,090	\$719,150
Calculation of affordable home sales prices assumes affordable payment, down payment of 10%, annual interest rate of 4%, 30-year mortgage. Income limits based on HCD Maximum Income Limits, 2020			

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The City is not required to build housing but must demonstrate the availability of “adequate sites” for housing, meaning land that is suitable for residential development to accommodate the City’s share of RHNA. Since, Laguna Hills is a built-out community, the City must look to “underutilized sites” to accommodate the RHNA. The identified land of underutilized sites must have appropriate allowable uses, zoning, development standards and regulations that facilitate housing development for all income categories. The identification of underutilized sites took into account public input, an analysis of land uses and the potential to modify the existing property to accommodate housing. The depiction of available housing sites and underutilized potential housing sites are shown on Figures H-11 and H-12 in the attached Public Review Draft of the 2021-2029 Housing Element Update.

Density is one of the most important factors that affect the feasibility of housing that is affordable to households with lower incomes. Higher density zoning reduces the pro-rata cost of land for each housing unit, thereby reducing development cost for each housing unit. “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. Based on the City’s current land inventory, the City does not have enough land already zoned at a minimum of 30 units per acre to meet the lower-income RHNA values or enough available land zoned for residential uses at medium densities to meet the moderate-income RHNA values. Therefore, to satisfy the lower- and moderate-income RHNA values, the Housing Element includes Program H-11.

Appendix A of the Housing Element Update provides for a number of Specific Implementation Programs necessary for the City to comply with the intent of the Housing Element and, in certain cases, State Law. There is a total of 20 Programs with various timelines for compliance, ranging from “ongoing”, “annually”, “within two years or within three years” of adoption of the Housing Element Update, depending upon the specific program requirements. The rezoning of properties to allow for the ability to provide the number of housing units required by RHNA must be completed by February 2025. A recent change to State Law, however, depending upon its interpretation by HCD, could require the rezoning of properties to be accomplished at a sooner date (please see discussion below – “Potential consequences of not timely adopting a Housing Element Update”).

Public Outreach During the Housing Element Update Process

Public outreach and involvement in the Housing Element Update is desired, necessary and a requirement of this process and is reported in Appendix B. Accordingly, the following outreach activities have been completed as a part of this process.

- City Council Agenda Item: November 10, 2020
- Stakeholder Consultations: January – February 2021
- Online Survey: June 15 – August 14, 2021
- Virtual Public Workshop: June 30, 2021
- In-Person Public Workshop: August 5, 2021

The above outreach activities have informed the preparation of the Housing Element Update. The public comments and input received in this process are included in Appendix B of the Public Review Draft of the 2021-2029 Housing Element Update.

Safety Element Update

The City has established goals and policies to maintain community safety and to reduce the risks associated with natural and human-caused hazards in Laguna Hills. The General Plan Safety Element addresses these issues and provides strategies to minimize hazard potential and protect the overall well-being of the residents in the community. As a related requirement to the Housing Element Update, Placeworks is also preparing an update to the Safety Element of the General Plan. The Safety Element Update, along with Housing Element Update, will be presented to City Council for approval in one future action.

Potential consequences of not timely adopting a Housing Element Update

The Housing Element Update must be adopted by February 11, 2022. Before adopting the Housing Element Update, the City must refer the draft Housing Element Update to the Department of Housing and Community Development for a 60-day review period. The City is also required to send the Housing Element Update and the Safety Element Update to other entities for their review and provide notice in accordance with State Law in advance of adoption of same. From the date HCD receives the draft Housing Element Update, it has 60 days to: 1) review the draft Housing Element Update; 2) determine whether the draft Housing Element Update substantially complies with state law; and 3) provide written findings to the City. Upon receipt of and addressing any HCD comments on the Housing Element Update, as well as from any other entities related to

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the Safety Element Update, a Public Hearing for adoption of the Housing Element Update and the Safety Element Update is to be scheduled for City Council consideration. This Public Hearing is anticipated to be scheduled for February 8, 2022.

As part of AB 72 (2017-2018 Legislative Session), if the City does not expediently work with HCD to achieve certification of its Housing Element, the California Office of the Attorney General may be notified that the City's Housing Element is out of compliance with Housing Element law, and the City may be subject to enforcement actions. The State may also remove certification of the City's Housing Element if, in the future, the City does not act in accordance with State Law. According to HCD's published enforcement strategy, decertification of Housing Element compliance is considered a precursor step to referring the case to the Attorney General's office, a thirty-day notice is provided prior to decertification giving jurisdictions opportunities to respond to compliance issues.

Local governments with noncompliant housing elements are vulnerable to litigation from housing rights interest groups, property owners and HCD. If a jurisdiction faces a court action stemming from its lack of compliance and either loses or settles the case, it often must pay substantial attorney fees to the plaintiff's attorneys in addition to the fees paid to its own attorneys. Potential consequences of lawsuits include: mandatory compliance within 120 days, suspension of local control on building matters, and court control of the approval of housing developments.

During the most recent State legislative session, AB 1398 (2020-2021 Legislative Session) was passed and signed into law by the Governor. AB 1398 amends certain provisions of the Government Code to penalize a city that "fails to adopt a housing element that [HCD] has found to be in substantial compliance with [the Housing Element Law] within 120 days of the statutory deadline" of October 15th by reducing the time the city has to complete the required rezoning of sites to one year from the October 15th adoption deadline. This means that, for the current housing element update cycle, cities subject to this penalty would have to complete the mandatory rezoning (including all environmental review pursuant to CEQA) by October 15, 2022, instead of 2025 under prior law.

If a city is subject to the requirement to complete its mandatory rezoning program by October 15, 2022 pursuant AB 1398, but fails to do so, and HCD previously certified the city's housing element, HCD is authorized to revoke its previous certification and to refer the city to the Attorney General to bring a civil action against the city. In addition, for

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any city that adopts an updated housing element after October 15, 2022, AB 1398 also prohibits HCD from certifying the city's housing element until the city completes its mandatory rezoning. There are numerous potential consequences for a city that does not adopt a legally compliant housing element or comply with legal mandates. These include, but are not limited to, the following:

- The city may be precluded from denying certain affordable housing projects even if they are inconsistent with the zoning and general plan.
- The city is subject to litigation actions brought by the California Attorney General, HCD, developers, and/or housing advocacy groups.
- A court could suspend the city's authority to issue any building or zoning permits or subdivision map approvals.
- Conversely, a court could mandate the city approve certain housing projects.
- A court could order the city to pay a successful litigant's attorney's fees.
- A court could order the City to pay significant monetary fines (starting at \$10,000 to \$100,000 per month) until it brings its housing element into compliance and could authorize the State Controller to intercept any state and local funds to satisfy unpaid fines.
- The city would be ineligible for certain state grants and incentives.

CEQA:

The Housing Element and Safety Element are expected to be adopted at the same future public hearing. The Housing Element updates policies and programs consistent with state law, and identifies a need to rezone land to meet RHNA. The Safety Element updates information in the General Plan regarding hazards and procedures to be used by the City in evaluating new development.

The Housing Element Update identifies multiple sites that the City will need to consider for rezoning. None of the specific sites have been selected at this point and the City may consider one or more of the sites in the table, and may discover other sites as the rezoning process begins. While the Housing Element Update includes a policy that requires rezoning, it does not identify specifically which sites will be rezoned. As CEQA does not require speculation, and study of sites that would not be rezoned will use the City's limited resources in an inefficient manner, therefore, no in-depth environmental analysis will be conducted at this time. In addition, the Safety Element adds information

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to the General Plan, but does not include policies that would change the physical environment.

Staff anticipates that environmental benefits may come from the rezoning of properties through a reduction in vehicle miles travelled that will have corresponding benefits with air quality, greenhouse gas emissions, and noise. An addendum that addresses the overall citywide impacts of both the Housing Element Update and the Safety Element is planned to be presented for City Council consideration at a future public hearing.

FISCAL IMPACT:

Failure to timely adopt a Housing Element Update, as approved by the State Department of Housing and Community Development, can lead to adverse financial impacts on the City.

ATTACHMENTS:

- Laguna Hills Public Review Draft 2021-2029 Housing Element Update