

**CITY OF  
LAGUNA NIGUEL**

**2013-2021  
Housing Element**

City Council Resolution No. 2013-1106

August 20, 2013



# General Plan for the City of Laguna Niguel

## Chapter 8 - HOUSING ELEMENT

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## I. INTRODUCTION

### A. Purpose of the Housing Element

The Housing Element is a guide for housing within Laguna Niguel. The Element provides an indication of the need for housing in the community in terms of housing affordability, availability, adequacy, and accessibility. The Element provides a strategy to address housing needs and identifies a series of specific housing programs to meet community needs.

The Housing Element is an official municipal response to a growing awareness for the need to provide housing for all economic segments of the community, as well as a legal requirement for all California jurisdictions. It provides Laguna Niguel with the opportunity to plan for the existing and future housing needs in the community. This Element has been prepared in compliance with the 2013-2021 planning cycle for cities within the Southern California Association of Governments (SCAG) region. It identifies strategies and programs that focus on: 1) providing diverse housing sites and opportunities; 2) conserving and improving the existing affordable housing stock; 3) removing governmental and other constraints to housing development; and 4) promoting equal housing opportunities.

### B. Scope and Content of the Housing Element

The State Legislature recognizes the role of local general plans and particularly the Housing Element in implementing statewide housing goals to provide decent and adequate housing for all persons. Furthermore, the Legislature stresses continuing efforts toward providing affordable housing for all income groups. The State Department of Housing and Community Development (HCD) also sets forth specific requirements regarding the scope and content of housing elements prepared by cities and counties.

As mandated by state law, the planning period for this Housing Element extends from 2013 to 2021<sup>1</sup>. The Housing Element consists of the following major components:

- An analysis of the City's demographic and housing characteristics and trends (Chapter II);
- An evaluation of land, financial, and administrative resources available to address the City's housing goals (Chapter III);
- A review of potential constraints, both governmental and non-governmental, to meeting the City's housing needs (Chapter IV); and
- A Housing Plan for the 2013-2021 planning period, including housing goals, policies and programs (Chapter V).
- A review of the City's accomplishments and progress in implementing the 2008-2013 Housing Element is provided in Appendix A.

### C. Public Participation

Section 65583(c)(5) of the *Government Code* states that "The local government shall make diligent effort to achieve public participation of all the economic segments of the community in the development of the housing element, and the program shall describe this effort." Public participation played an important role in the formulation and refinement of the City's housing goals and policies and in the development of a Land Use Plan that determines the extent and density of future residential development in the community.

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<sup>1</sup> The planning timeframe for the Regional Housing Needs Assessment process is January 2014 through October 2021.

City residents had several opportunities to recommend strategies, review, and comment on the Laguna Niguel Housing Element. In early 2013, public hearings to consider the draft Housing Element were held by the Planning Commission and City Council. Following review by the State Department of Housing and Community Development (HCD), public hearings were conducted by the Planning Commission and City Council to review and consider adoption of the Housing Element. Meeting notices were posted on the City’s website, and notification was published in the local newspaper in advance of the meetings. Copies of the draft Element were made available for review at City Hall and were posted on the City website, and notices were sent directly to agencies that serve the City’s special needs populations. These service providers included organizations that represent the housing interest groups.

The following is a list of opportunities for public involvement in the preparation of this Housing Element update. A summary of materials and public comments from these meetings is included in Appendix C.

Planning Commission hearing	February 26, 2013
City Council hearing	March 19, 2013
City Council hearing	April 2, 2013
Planning Commission hearing	July 9, 2013
City Council hearing	August 20, 2013

**D. Consistency with Other Elements of the General Plan**

State law requires that all portions of the General Plan be internally consistent. The Laguna Niguel General Plan contains the following nine elements: 1) Land Use; 2) Open Space and Parks; 3) Circulation; 4) Public Facilities; 5) Noise; 6) Seismic/Public Safety; 7) Housing; 8) Growth Management; and 9) Community Service Standards. The City will ensure consistency between the various General Plan elements and ensure policy direction introduced in one element is reflected in other plan elements. For example, residential development capacities established in the Land Use Element and constraints to development identified in the Seismic/Public Safety Element are incorporated into the Housing Element and the discussion of infrastructure and public services in the Housing Element is based upon information from the Public Facilities element. This Housing Element builds upon the other General Plan elements and is consistent with the policies and proposals set forth by the Plan. As the General Plan is amended from time to time, the City will review the Housing Element for internal consistency, and make any necessary revisions.

SB 1087 of 2005 requires cities to provide a copy of their Housing Elements to local water and sewer providers, and also requires that these agencies provide priority hookups for developments with lower-income housing. The Housing Element will be provided to these agencies immediately upon adoption.

*Government Code* §65302(g)(3) requires that the Safety Element be reviewed upon each revision of the Housing Element and, if necessary, be revised to include new information regarding flood hazard and management information. The required Safety Element review was conducted, and no changes were found to be necessary.

## II. HOUSING NEEDS ASSESSMENT

Laguna Niguel is located in southern Orange County approximately midway between San Diego and Los Angeles. The City is a master-planned community that offers a range of lifestyle and housing opportunities. Much of Laguna Niguel's growth took place prior to its incorporation in 1989. Since incorporation, the city has grown substantially from a population of approximately 44,400 to about 63,700 residents in 2012. Laguna Niguel is approximately 14.7 square miles in area and is bounded by Dana Point to the south, San Juan Capistrano to the east, Mission Viejo to the northeast, Laguna Hills to the north, Aliso Viejo to the northwest, and Laguna Beach to the west. The Census Bureau reported that the population is relatively affluent with a median household income in 2010 of about \$97,000 compared to \$74,000 for Orange County and \$61,000 for California.

This chapter examines general population and household characteristics and trends, such as age, race and ethnicity, employment, household composition and size, household income, and special needs. Characteristics of the existing housing stock (e.g., number of units and type, tenure, age and condition, costs) are also addressed. Finally, the city's projected housing growth needs based on the 2014-2021 Regional Housing Needs Assessment (RHNA) are examined.

The Housing Needs Assessment utilizes the most recent data from the U.S. Census<sup>2</sup>, California Department of Finance (DOF), California Employment Development Department (EDD), Southern California Association of Governments (SCAG) and other relevant sources. Supplemental data was obtained through field surveys and from private vendors. In addition, the City's 2010-2015 Consolidated Plan provides useful information for this update of the Housing Element.

### A. Population Characteristics

#### 1. Population Growth Trends

Laguna Niguel was incorporated December 1, 1989 with a population of approximately 44,400. From 1990 to 2000, the population of the newly incorporated city grew by about 39 percent. The city has experienced slower growth since 2000, increasing by only about 3 percent from 2000 to 2012 to an estimated population of 63,691 in 2012 (see Table II-1 and Figure II-1). The city's 2012 population represents approximately 2.1 percent of the county's total population of 3,055,792.

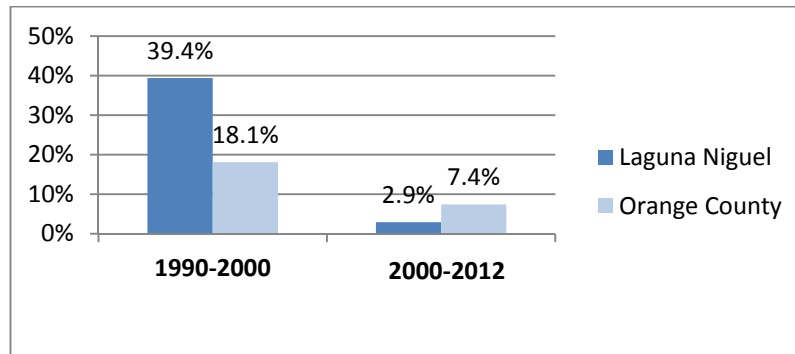
**Table II-1  
Population Trends, 1990-2012  
Laguna Niguel vs. Orange County**

	1990	2000	2012	Growth 1990-2000	Growth 2000-2012
Laguna Niguel	44,400	61,891	63,691	39.4%	2.9%
Orange County	2,410,556	2,846,289	3,055,792	18.1%	7.4%

Sources: U.S. Census; Calif. Dept. of Finance Table E-5 (2012)

<sup>2</sup> The two primary sources of Census data used in this analysis are the 2010 Decennial Census, which is based on a 100% survey of American households, and the American Community Survey (ACS), which is a random sampling process updated annually. At the time this document was prepared, the 2006-2010 5-year ACS data was the most current data available.

**Figure II-1  
Population Growth – 1990-2012  
Laguna Niguel vs. Orange County**



**2. Age**

Housing needs are influenced by the age characteristics of the population. Different age groups require different accommodations based on lifestyle, family type, income level, and housing preference. Table II-2 provides a comparison of the city’s and county’s population by age level in 2010. This table shows that the City’s population is somewhat older than the county as a whole, with a smaller proportion of residents in the age groups up to 40 and a larger proportion of mature adults and senior citizens. The median age of the city’s population exceeds the county median by over 6 years (42.8 vs. 36.2 years).

**Table II-2  
Age Distribution  
Laguna Niguel vs. Orange County**

Age Group	Laguna Niguel		Orange County	
	Persons	%	Persons	%
Under 5 years	3,241	5%	191,691	6%
5 to 9 years	3,833	6%	198,769	7%
10 to 14 years	4,398	7%	210,195	7%
15 to 19 years	4,253	7%	227,689	8%
20 to 24 years	3,213	5%	213,601	7%
25 to 29 years	3,123	5%	215,362	7%
30 to 34 years	3,023	5%	198,166	7%
35 to 39 years	3,728	6%	213,605	7%
40 to 44 years	4,793	8%	225,438	7%
45 to 49 years	5,895	9%	230,596	8%
50 to 54 years	6,048	10%	213,589	7%
55 to 59 years	5,091	8%	175,127	6%
60 to 64 years	4,143	7%	146,727	5%
65 to 69 years	2,898	5%	107,421	4%
70 to 74 years	1,854	3%	80,033	3%
75 to 79 years	1,393	2%	63,133	2%
80 to 84 years	1,043	2%	49,570	2%
85 years and over	1,009	2%	49,520	2%
<b>Total</b>	<b>62,979</b>	<b>100%</b>	<b>3,010,232</b>	<b>100%</b>
<b>Median age</b>	<b>42.8</b>		<b>36.2</b>	

Source: 2010 Census

### 3. Race and Ethnicity

The racial and ethnic composition of the city differs from the county in that a lower proportion of city residents are Hispanic/Latino or other racial minorities. Approximately 73 percent of city residents are non-Hispanic white, contrasted with 44 percent for the county as a whole. The percentage of Hispanics residing in the city, at approximately 14 percent, is substantially lower than that of the county. Asians, at 9 percent, represent the City's largest non-Hispanic minority group (Table II-3).

**Table II-3**  
**Race/Ethnicity**  
**Laguna Niguel vs. Orange County**

Racial/Ethnic Group	Laguna Niguel		Orange County	
	Persons	%	Persons	%
Not Hispanic or Latino	54,218	86%	1,997,259	66%
-White	45,682	73%	1,328,499	44%
-Black or African American	693	1%	44,000	1%
-American Indian/Alaska Native	115	0%	6,216	0%
-Asian	5,390	9%	532,477	18%
-Native Hawaiian/Pacific Islander	79	0%	8,357	0%
-Other races or 2+ races	2,259	4%	77,710	3%
Hispanic or Latino (any race)	8,761	14%	1,012,973	34%
Total	62,979	100%	3,010,232	100%

Source: 2010 Census, Table DP-1

## B. Household Characteristics

### 1. Household Composition and Size

Household characteristics are important indicators of the type and size of housing needed in a city. The Census defines a “household” as all persons occupying a housing unit, which may include single persons living alone, families related through marriage or blood, or unrelated persons sharing a single unit. Persons in group quarters such as dormitories, retirement or convalescent homes, or other group living situations are included in population totals, but are not considered households.

Table II-4 provides a comparison of households by type for the city and Orange County as a whole, as reported in the 2010 Census. Family households comprised approximately 71 percent of all households in the city, the same as the county as a whole. The household composition in the city is very similar to that of the county although a smaller proportion of City households have children under 18. However, the city’s average household size of 2.59 is somewhat lower than Orange County as a whole (2.99).

**Table II-4**  
**Household Composition**  
**Laguna Niguel vs. Orange County**

Household Type	Laguna Niguel		Orange County	
	Households	%	Households	%
<b>Family households:</b>	17,234	71%	708,491	71%
Husband-wife family	14,077	58%	538,268	54%
With own children under 18 years	6,211	26%	258,719	26%
Male householder, no wife present	886	4%	54,615	6%
With own children under 18 years	416	2%	22,972	2%
Female householder, no husband present	2,271	9%	115,608	12%
With own children under 18 years	1,059	4%	53,896	5%
<b>Nonfamily households:</b>	6,998	29%	284,290	29%
Householder living alone	5,390	22%	207,849	21%
Households with individuals under 18 years	8,085	33%	375,387	38%
Households with individuals 65 years and over	5,899	24%	252,420	25%
<b>Total households</b>	<b>24,232</b>	<b>100%</b>	<b>992,781</b>	<b>100%</b>
<b>Average household size</b>	<b>2.59</b>		<b>2.99</b>	

Source: 2010 Census, Table DP-1

## 2. Housing Tenure

Housing tenure (owner vs. renter) is an important indicator of the housing market. Communities need an adequate supply of units available both for rent and for sale in order to accommodate a range of households with varying income, family size and composition, and lifestyle. Table II-5 provides a comparison of the number of owner-occupied and renter-occupied units in the city in 2010 as compared to the county as a whole. It reveals that the level of home ownership for the city (69 percent) is substantially higher than the county (56 percent).

**Table II-5**  
**Household Tenure –**  
**Laguna Niguel vs. Orange County**

Housing Type	Laguna Niguel		Orange County	
	Units	%	Units	%
<b>Occupied housing units</b>	24,232	96%	992,781	95%
Owner-occupied housing units	17,453	69%	588,313	56%
Average household size of owner-occupied units	2.58		2.98	
Renter-occupied housing units	6,779	27%	404,468	39%
Average household size of renter-occupied units	2.61		3.00	
<b>Vacant housing units</b>	1,080	4%	56,126	5%
For rent	391	2%	25,254	2%
Rented, not occupied	27	0.1%	1,327	0.1%
For sale only	152	1%	8,434	1%
Sold, not occupied	65	0.3%	2,096	0.2%
For seasonal, recreational, or occasional use	287	1%	10,806	1%
All other vacants	158	1%	8,209	1%
Homeowner vacancy rate (%)	0.9		1.4	
Rental vacancy rate (%)	5.4		5.9	
<b>Total housing units</b>	<b>25,312</b>	<b>100%</b>	<b>1,048,907</b>	<b>100%</b>

Source: 2010 Census, Table DP-1

### 3. Overcrowding

Overcrowding is often closely related to household income and the cost of housing. The U.S. Census Bureau considers a household to be overcrowded when there is more than one person per room, excluding bathrooms and kitchens, with severe overcrowding when there are more than 1.5 occupants per room. Table II-6 summarizes recent overcrowding data for the City of Laguna Niguel compared to the county as a whole.

**Table II-6**  
**Overcrowding –**  
**Laguna Niguel vs. Orange County**

Occupants per Room	Laguna Niguel		Orange County	
	Units	%	Units	%
Owner occupied units	18,428	100%	599,032	100%
1.01 to 1.50	57	0.3%	18,297	3%
1.51 to 2.00	5	0.0%	4,962	1%
2.01 or more	10	0.1%	1,527	0.3%
Renter occupied units	5,928	100%	385,471	100%
1.01 to 1.50	193	3%	38,874	10%
1.51 to 2.00	31	0.5%	18,709	5%
2.01 or more	56	0.9%	7,508	2%

Source: Census 2006-2010 ACS, Table B25014

This table shows that overcrowding was much more prevalent among renters than for owner-occupied units in both Laguna Niguel and the county. Approximately 4 percent of the city's renter-occupied households were overcrowded compared to less than 1 percent of owner-occupants.

### 4. Household Income and Overpayment

Household income is a primary factor affecting housing needs in a community. According to recent Census data, the median household income in Laguna Niguel was approximately \$97,000, approximately 30 percent higher than the Orange County median income of \$74,344 (Table II-7).

**Table II-7**  
**Median Household Income –**  
**Orange County and Selected Cities**

Jurisdiction	Median Household Income	% of County Median Income
Dana Point	\$80,609	108%
Laguna Beach	\$98,634	133%
<b>Laguna Niguel</b>	<b>\$97,018</b>	<b>130%</b>
Lake Forest	\$91,040	122%
Mission Viejo	\$95,878	129%
Rancho Santa Margarita	\$99,722	134%
San Juan Capistrano	\$76,686	103%
Orange County	\$74,344	100%
California	\$60,883	82%

Source: U.S. Census, 2006-2010 ACS, Table DP-3

While median income statistics provide a general indication of residents' financial status, overpayment data is more useful in assessing needs, particularly at the lower end of the spectrum. Recent amendments to state law now require an assessment of the needs of *extremely-low-income* households, defined as those whose annual incomes do not exceed 30% of the county median (about \$29,000 for a 4-person family in 2012 – see Table II-15). According to state housing policy, overpaying occurs when housing costs exceed 30 percent of gross household income. Table II-8 displays recent estimates for overpayment by household income level. This table shows that 90 percent of all lower-income renter households and 72 percent of all lower-income owner households in Laguna Niguel were overpaying for housing. For all households in Laguna Niguel, 52 percent of renters and 44 percent of owners were overpaying. While extremely low-income owners appeared to suffer the greatest cost burden, with 96 percent of this category overpaying for housing, a majority of all lower-income households, both renters and owners, were found to be overpaying for housing. Although homeowners enjoy income and property tax deductions and other benefits that help to compensate for high housing costs, lower-income homeowners may need to defer maintenance or repairs due to limited funds, which can lead to deterioration. For lower-income renters, severe cost burden can require families to double up, resulting in overcrowding and related problems.

**Table II-8**  
**Overpayment by Income Category –**  
**Laguna Niguel**

Income Category	Owners		Renters	
	Households	Percent	Households	Percent
Extremely low households	350		385	
Households overpaying	335	95.7%	340	88.3%
Very low households	1,760		1,000	
Households overpaying	1,280	72.7%	895	89.5%
Low households	1,915		1,065	
Households overpaying	1,300	67.9%	980	92.0%
<b>Subtotal: All lower-income households</b>	<b>4,025</b>		<b>2,450</b>	
<b>Subtotal: Households overpaying</b>	<b>2,915</b>	<b>72.4%</b>	<b>2,215</b>	<b>90.4%</b>
Moderate households	2,990		1,360	
Households overpaying	1,845	61.7%	550	40.4%
Above moderate households	10,860		1,750	
Households overpaying	3,085	28.4%	105	6.0%

Source: U.S. Department of Housing and Urban Development, CHAS, based on the 2006-2008 ACS. Table 15

### Extremely Low Income Households

State law requires quantification and analysis of existing and projected housing needs of extremely-low-income (ELI) households. Extremely-low-income is defined as households with income less than 30% of area median income. According to HCD income data (see Table II-7), the area median income for Orange County in 2012 was \$85,300. For ELI households, this results in an income of \$28,900 or less for a four-person household. ELI households have a variety of housing problems and needs.

**Existing Needs.** Recent Census data estimated that approximately 735 ELI households resided in Laguna Niguel (Table II-8), and of these, 88% of renter households and 96% of owner households were overpaying. High cost burden can also lead to other problems such as overcrowding and deferred maintenance of owner-occupied housing.

**Projected Needs.** The projected housing need for ELI households is assumed to be 50% of the very-low-income regional housing need of 43 units (see Table II-24). As a result, the City has a projected need for 22 ELI units during the current planning period. The resources and programs to address this need are generally

the same as for other lower-income categories and are discussed throughout the Housing Element, including Chapter V, the Housing Plan. Because the needs of ELI households overlap extensively with other special needs groups, further analysis and resources for these households can be found in Section IV.A.1.d, Zoning for Affordable Housing and Special Needs Housing, page 41.

## C. Employment

Employment is an important factor affecting housing needs within a community. The jobs available in each employment sector and the wages for these jobs affect the type and size of housing residents can afford.

### 1. Current Employment

Current employment and projected job growth have a significant influence on housing needs during this planning period. Recent Census estimates (Table II-9) reported that the city had a workforce of 34,233 persons, or 68 percent of the working-age population. About 5 percent of those in the labor force, in both Laguna Niguel and the county as a whole, were unemployed.

**Table II-9**  
**Labor Force –**  
**Laguna Niguel vs. Orange County**

Labor Force Status	Laguna Niguel		Orange County	
	Persons	%	Persons	%
Population 16 years and over	50,529	100%	2,315,782	100%
In labor force	34,233	68%	1,559,264	67%
Civilian labor force	34,119	68%	1,556,696	67%
Employed	31,664	63%	1,442,008	62%
Unemployed	2,455	5%	114,688	5%
Armed Forces	114	0%	2,568	0%
Not in labor force	16,296	32%	756,518	33%

Source: Census 2006-2010 ACS, Table DP3

As seen in (Table II-10), approximately 51 percent of the city's working residents were employed in management, business, science and arts. A significant percentage of workers (30 percent) were employed in sales and office-related occupations. A relatively low percentage of workers (11 percent) were employed in service-related occupations such as waiters, waitresses, and beauticians. Blue collar occupations such as machine operators, assemblers, farming, transportation, handlers, and laborers constituted about 4 percent of the workforce.

**Table II-10**  
**Employment by Occupation –**  
**Laguna Niguel**

Occupation	Laguna Niguel	
	Persons	%
Civilian employed population 16 years and over	31,664	100%
Management, business, science, and arts occupations	16,297	51%
Service occupations	3,576	11%
Sales and office occupations	9,419	30%
Natural resources, construction, and maintenance occupations	1,081	3%
Production, transportation, and material moving occupations	1,291	4%

Source: U.S. Census 2006-2010 ACS, Table DP3

## 2. Projected Job Growth

Future housing needs are affected by the number and type of new jobs created during this planning period. Table II-11 shows projected job growth by occupation for the Santa Ana-Anaheim-Irvine MSA (Orange County) for the period 2008-2018. Total employment in Orange County is expected to grow by 8.4% during this 10-year period. The overall growth is expected to add 135,500 new jobs and bring the total employment in Orange County to approximately 1.75 million by 2018.

**Table II-11**  
**Projected Job Growth by Occupation, 2008-2018 –**  
**Santa Ana-Anaheim-Irvine Metropolitan Statistical Area**

NAICS Code	Industry Title	Annual Average Employment		Employment Change	
		2008	2018	Jobs	Percent
	Total Employment	1,620,600	1,756,100	135,500	8.4
	Self Employment (A)	124,300	127,800	3,500	2.8
	Unpaid Family Workers (B)	1,200	1,300	100	8.3
	Private Household Workers (C)	8,900	13,000	4,100	46.1
	Total Farm	4,600	4,600	0	0.0
	Total Nonfarm	1,481,600	1,609,400	127,800	8.6
1133,21	Mining and Logging	600	600	0	0.0
23	Construction	91,200	99,500	8,300	9.1
31-33	Manufacturing	174,100	168,000	-6,100	-3.5
22,42-49	Trade, Transportation, and Utilities	271,600	292,800	21,200	7.8
42	Wholesale Trade	86,700	92,000	5,300	6.1
44-45	Retail Trade	155,600	168,700	13,100	8.4
22,48-49	Transportation, Warehousing, and Utilities	29,300	32,100	2,800	9.6
48-49	Transportation and Warehousing	25,400	27,300	1,900	7.5
51	Information	30,100	29,800	-300	-1.0
52-53	Financial Activities	113,100	118,100	5,000	4.4
52	Finance and Insurance	76,100	80,500	4,400	5.8
53	Real Estate and Rental and Leasing	37,000	37,600	600	1.6
54-56	Professional and Business Services	266,600	300,100	33,500	12.6
55	Management of Companies and Enterprises	26,100	27,000	900	3.4
56	Admin/Support and Waste Mgmt & Remediation	124,500	136,400	11,900	9.6
61-62	Education Svcs, Health Care, and Social Assistance	150,700	183,900	33,200	22.0
61	Educational Services (Private)	23,600	27,400	3,800	16.1
62	Health Care and Social Assistance	127,100	156,500	29,400	23.1
71-72	Leisure and Hospitality	176,400	195,900	19,500	11.1
71	Arts, Entertainment, and Recreation	36,800	40,500	3,700	10.1
72	Accommodation and Food Services	139,700	155,400	15,700	11.2
81	Other Svcs (excludes Private Household Workers)	46,500	49,600	3,100	6.7
	Government	160,800	171,100	10,300	6.4
	Federal Government	11,700	11,600	-100	-0.9
	State and Local Government	149,000	159,500	10,500	7.0
	State Government	28,000	31,500	3,500	12.5
	Local Government	121,000	128,000	7,000	5.8

Source: California Employment Development Department, March 2009 Benchmark

Industry detail may not add up to totals due to independent rounding

(A) Self-Employed persons work for profit or fees in their own business, profession, trade, or farm. Only the unincorporated self-employed are included in this category. The estimated and projected employment numbers include all workers who are primarily self-employed and wage and salary workers who hold a secondary job as a self-employed worker.

(B) Unpaid family workers are those persons who work without pay for 15 or more hours per week on a farm or in a business operated by a member of the household to whom they are related by birth or marriage.

(C) Private Household Workers are employed as domestic workers whose primary activities are to maintain the household.

Industry employment is based on the Quarterly Census of Employment and Wages (QCEW) program.

### 3. Jobs-Housing Balance

A regional balance of jobs to housing helps to ensure that the demand for housing is reasonably related to supply. When the number of jobs significantly exceeds the housing supply, the rental and for-sale housing markets may become overheated, requiring households to pay a larger percentage of their income for housing. In addition, a tight housing market can result in overcrowding and longer commute times as workers seek more affordable housing in outlying areas. The current jobs-housing objective within the SCAG region is one new housing unit for every 1.5 jobs.<sup>3</sup> According to SCAG's Integrated Growth Forecast, in 2010 there were 18,536 jobs in Laguna Niguel compared to 25,312 housing units, a jobs/housing ratio of 0.73.

According to recent Census data, 89.3 percent of employed Laguna Niguel residents worked in Orange County, and approximately 20 percent of all workers were employed within the city limits (Table II-12).

**Table II-12**  
**Job Location for Laguna Niguel Residents**

Workplace Location	Percentage
Worked in state of residence	99.3%
Worked in county of residence	89.3%
Worked in place of residence	19.9%
Worked outside county of residence	10.0%
Worked outside state of residence	0.7%

Source: Census 2006-2010 ACS, Table S0801

<sup>3</sup> SCAG 2008 Regional Comprehensive Plan, Land Use & Housing Chapter

## D. Housing Stock Characteristics

This section presents an evaluation of the characteristics of the community's housing stock and helps in identifying and prioritizing needs. The factors evaluated include the number and type of housing units, recent growth trends, age and condition, tenure, vacancy, housing costs, affordability, and assisted affordable units at-risk of loss due to conversion to market-rate. A housing unit is defined as a house, apartment, mobile home, or group of rooms, occupied as separate living quarters, or if vacant, intended for occupancy as separate living quarters.

### 1. Housing Type and Growth Trends

As of 2012, the housing stock in Laguna Niguel was comprised mostly of single-family homes, which made up about 77 percent of all units, while multi-family units comprised about 23 percent of the total. There are no mobile homes in the city. Table II-13 provides a breakdown of the housing stock by type along with growth trends for the city compared to the county as a whole for the period 2000–2012.

**Table II-13**  
**Housing by Type, 2000-2012 –**  
**Laguna Niguel vs. Orange County**

Structure Type	2000		2012		Growth	
	Units	%	Units	%	Units	%
<b>Laguna Niguel</b>						
Single-family	18,174	76%	19,547	77%	1,373	94%
Multi-family	5,695	24%	5,779	23%	84	6%
Mobile homes*	0	-	0	-	0	-
<b>Total units</b>	<b>23,869</b>	<b>100%</b>	<b>25,326</b>	<b>100%</b>	<b>1,489</b>	<b>100%</b>
<b>Orange County</b>						
Single-family	614,359	63%	663,030	63%	48,671	59%
Multi-family	322,675	33%	355,807	34%	33,132	40%
Mobile homes	32,450	3%	33,524	3%	1,074	1%
<b>Total units</b>	<b>969,484</b>	<b>100%</b>	<b>1,052,361</b>	<b>100%</b>	<b>82,877</b>	<b>100%</b>

Source: Cal. Dept. of Finance, Tables E-5 & E-8

\*Note: DOF data incorrectly reports mobile homes in Laguna Niguel. The City is working with DOF to correct the errors.

Between 2000 and 2012, single-family homes represented about 94 percent of all units added to the city's housing stock compared to 59 percent for the county as a whole.

## 2. Housing Age and Conditions

Housing age is often an important indicator of housing condition. Housing units built prior to 1978 before stringent limits on the amount of lead in paint were imposed may have interior or exterior building components coated with lead-based paint. Housing units that are more than 30 years old are the most likely to need rehabilitation and to have lead-based paint in deteriorated condition. Table II-14 shows the age distribution of the housing stock in Laguna Niguel compared to Orange County as a whole.

**Table II-14**  
**Age of Housing Stock**

Year Built	Laguna Niguel		Orange County	
	Units	%	Units	%
Built 2005 or later	203	1%	21,184	2%
Built 2000 to 2004	898	3%	63,957	6%
Built 1990 to 1999	5,995	23%	120,798	12%
Built 1980 to 1989	12,563	49%	167,031	16%
Built 1970 to 1979	4,172	16%	262,455	25%
Built 1960 to 1969	1,614	6%	215,213	21%
Built 1950 to 1959	223	1%	138,061	13%
Built 1940 to 1949	52	0%	26,745	3%
Built 1939 or earlier	85	0%	26,810	3%
<b>Total units</b>	<b>25,805</b>	<b>100%</b>	<b>1,042,254</b>	<b>100%</b>

Source: Census 2006-2010 ACS, Table DP-4

This table shows that only about 23 percent of housing units in Laguna Niguel were constructed prior to 1980. The fact that the vast majority of the city's housing stock is less than 30 years old suggests that there is less need for rehabilitation than in most jurisdictions in Southern California.

Because more than three-quarters of the city housing stock was built after 1980, structural deterioration and maintenance problems are rare. However, the goal of the City's Code Enforcement program is to address housing concerns before they become serious problems.

It is estimated that approximately 5 percent of the homes in the City's older neighborhoods, typically built in the late 1960s and early 1970s, are in need of structural repairs consisting primarily of new roofs and window replacements. There are approximately 6,000 dwelling units in Laguna Niguel that were built prior to 1980, therefore it is estimated that approximately 300 dwelling units may be in need of some structural repair, which represents about 1 percent of the total housing stock in Laguna Niguel.

## 3. Housing Cost

### a. Housing Affordability Criteria

State law establishes five income categories for purposes of housing programs based on the area (i.e., county) median income ("AMI"): extremely-low (30% or less of AMI), very-low (31%-50% of AMI), low (51%-80% of AMI), moderate (81-120% of AMI) and above moderate (over 120% of AMI). Housing affordability is based on the relationship between household income and housing expenses. According to HUD and the California Department of Housing and Community Development<sup>4</sup>, housing is considered "affordable" if the monthly payment is no more than 30% of a household's gross income. In some areas, such as Orange County, these income limits may be increased to adjust for high housing costs.

<sup>4</sup> HCD memo of 2/1/2012 (<http://www.hcd.ca.gov/hpd/hrc/rep/state/incNote.html>)

Table II-15 shows affordable rent levels and estimated affordable purchase prices for housing in Orange County (including Laguna Niguel)<sup>5</sup> by income category. Based on state-adopted standards, the maximum affordable monthly rent (including utilities) for extremely-low-income households is \$723, while the maximum affordable rent for very-low-income households is \$1,204. The maximum affordable rent for low-income households is \$1,926, while the maximum for moderate-income households is \$2,559.

Maximum purchase prices are more difficult to determine due to variations in mortgage interest rates, qualifying procedures, down payments, special tax assessments, homeowner association fees, property insurance rates, etc. With this caveat, the maximum home purchase prices by income category shown in Table II-15 have been estimated based on typical conditions.

**Table II-15**  
**Income Categories and Affordable Housing Costs, 2012 –**  
**Orange County**

2012 County Median Income = \$85,300	Income Limits	Affordable Rent	Affordable Price (est.)
Extremely Low (<30%)	\$28,900	\$723	--
Very Low (31-50%)	\$48,150	\$1,204	--
Low (51-80%)	\$77,050	\$1,926	\$300,000
Moderate (81-120%)	\$102,350	\$2,559	\$400,000
Above moderate (120%+)	>\$102,350	>\$2,559	>\$400,000

Assumptions:

-Based on a family of 4

-30% of gross income for rent or Principal/Interest/Taxes/Insurance

-10% down payment, 4.5% interest, 1.25% taxes & insurance, \$200 HOA dues

Source: Cal. HCD; J.H. Douglas & Associates

## b. For-Sale Housing

Housing sales price statistics for 2012 (Table II-16) show that the median sales prices of single-family detached homes and condos were \$636,000 and \$279,000, respectively. Based on the estimated affordable purchase prices shown in Table II-15 above, most detached homes are only affordable for above-moderate income households but a significant proportion of condo units were affordable to moderate- and even some lower-income residents. These data illustrate that large public subsidies are generally required to reduce sales prices to a level that is affordable to very-low-income buyers.

**Table II-16**  
**Housing Sales Prices 2012 –**  
**Laguna Niguel**

ZIP Code	Single-Family		Condo	
	Sales	Median	Sales	Median
92677	737	\$636,000	480	\$279,000

Source: DQ News, 2/2013

<sup>5</sup> Affordable rent and purchase prices are based on county median income.

**c. Rental Housing**

As described previously in the discussion of income and overpayment (Table II-8), a large proportion of renters in Laguna Niguel fall within the lower-income categories. As a result, trends in rental rates have a major impact on these residents. According to the apartment research firm RealFacts, rents in Orange County reached an all-time high in 2012 with a countywide average of \$1,604. In the wake of the financial crisis of 2008-2009 average rents in Orange County declined from \$1,603 in 2008 to \$1,473 in early 2010, but growing demand has allowed the market to fully recover those temporary losses. Real estate professionals expect rents to continue rising in the near future as growing demand exceeds the pace of new apartment construction.

When market rents are compared to the amount lower-income households can afford to pay (Table II-15), it is clear that very-low- and extremely-low-income households have a difficult time finding housing without overpaying. The gap between average rents and affordable rent for 4-person families at the very-low-income level is about \$400 per month, while the gap at the extremely-low-income level is \$881 per month. However, at the low-income and moderate-income levels, households are much more likely to find affordable rentals.

## E. Special Needs

Certain groups have greater difficulty in finding decent, affordable housing due to special circumstances. Such circumstances may be related to one's employment and income, family characteristics, disability, or other conditions. As a result, some Laguna Niguel residents may experience a higher prevalence of overpayment, overcrowding, or other housing problems.

State Housing Element law defines "special needs" groups to include persons with disabilities (including developmental disabilities), the elderly, large households, female-headed households with children, homeless people, and farm workers. This section contains a discussion of the housing needs facing each of these groups.

### 1. Persons with Disabilities

The most recent available Census data reported that approximately 2,970 people between 16 and 64 years of age, or about 7.2 percent of the working age population, reported a work-related disability (Table II-17). Of those aged 65 and over, 941 (about 17.1 percent) reported some form of physical disability. Reported disabilities included persons whose disability hinders their ability to go outside the home (3.8 percent of the working age population and 16.9 percent of the senior population). Housing opportunities for the handicapped can be maximized through housing assistance programs and providing universal design features such as widened doorways, ramps, lowered countertops, single-level units and ground floor units.

**Table II-17**  
**Persons with Disabilities by Age Group –**  
**Laguna Niguel**

Disability by Age	Disabilities	Percent
Age 5 to 15 - total persons*	10,586	--
With a sensory disability	61	0.6%
With a physical disability.	64	0.6%
With a mental disability	331	3.1%
With a self-care disability	87	0.8%
Age 16 to 64 - total persons*	41,288	--
With a sensory disability	523	1.3%
With a physical disability.	1,105	2.7%
With a mental disability	609	1.5%
With a self-care disability	264	0.6%
With a go-outside-the-home disability	1,564	3.8%
With an employment disability	2,970	7.2%
Age 65 and over - total persons*	5,508	--
With a sensory disability	535	9.7%
With a physical disability.	941	17.1%
With a mental disability	392	7.1%
With a self-care disability	357	6.5%
With a go-outside-the-home disability	932	16.9%

Source: 2000 Census, SF3 Tables P8 and P41

\* Numbers in shaded rows represent persons, not disabilities. Persons may report more than one disability

## Developmentally Disabled

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

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

Any resident of Orange County who has a developmental disability that originated before age 18 is eligible for services. Services are offered to people with developmental disabilities based on Individual Program Plans and may include: Adult day programs; advocacy; assessment/consultation; behavior management programs; diagnosis and evaluation; independent living services; infant development programs; information and referrals; mobility training; prenatal diagnosis; residential care; respite care; physical and occupational therapy; transportation; consumer, family vendor training; and vocational training. RCOC also coordinates the state-mandated Early Start program, which provides services for children under age three who have or are at substantial risk of having a developmental disability. According to the RCOC February 2010 Facts and Statistics data, the RCOC currently serves approximately 16,728 individuals. Of those, a total of 239 individuals, 138 whom are under age 18, currently reside in Laguna Niguel according to Jack Stanton, RCOC Chief Counselor.

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

areas with disabilities. The Center's South County branch is located in Laguna Hills, immediately adjacent to Laguna Niguel.

In addition to these resources, City housing programs that respond to the needs of this population include 1-Emergency Shelters and Transitional/Supportive Housing, 2-Affordable Housing Development, 3-Conservation and Improvement of Existing Low- and Moderate-Income Housing, and 4-Promotion of Equal Housing Opportunity.

## 2. Elderly

Recent Census Bureau estimates reported 18,428 owner-occupied households and 5,928 renter-occupied households in Laguna Niguel where the householder was 65 or older (Table II-18). Many elderly persons are dependent on fixed incomes or have disabilities. Elderly homeowners may be physically unable to maintain their homes or cope with living alone. The housing needs of this group can be addressed through smaller units, second units on lots with existing homes, shared living arrangements, congregate housing, and housing assistance programs.

**Table II-18**  
**Elderly Households by Tenure –**  
**Laguna Niguel**

Householder Age	Owner		Renter	
	Households	%	Households	%
Under 65 years	14,392	78%	5,376	91%
65 to 74 years	2,375	13%	306	5%
75 to 84 years	1,225	7%	140	2%
85 years and over	436	2%	106	2%
<b>Total Households</b>	<b>18,428</b>	<b>100%</b>	<b>5,928</b>	<b>100%</b>

Source: U.S. Census 2006-2010 ACS, Table B25007

## 3. Large Households

Household size is an indicator of need for large units. Large households are defined as those with five or more members. Recent Census estimates show that approximately 57 percent of owner households and 64 percent of renter households in Laguna Niguel have only one or two members. About 9 percent of renter households had five or more members, while about 8 percent of owners were large households (Table II-19). This distribution indicates that the need for large units with four or more bedrooms is expected to be significantly less than for smaller units.

**Table II-19**  
**Household Size by Tenure –**  
**Laguna Niguel**

Householder Age	Owner		Renter	
	Households	%	Households	%
1 person	4,134	22%	1,660	28%
2 persons	6,500	35%	2,162	36%
3 persons	3,620	20%	740	12%
4 persons	2,832	15%	836	14%
5 persons	924	5%	262	4%
6 persons	302	2%	159	3%
7 persons or more	116	1%	109	2%
<b>Total Households</b>	<b>18,428</b>	<b>100%</b>	<b>5,928</b>	<b>100%</b>

Source: U.S. Census 2006-2010 ACS, Table B25009

#### 4. Female-Headed Households

Recent Census estimates reported that 7 percent of owner households and 17 percent of renter households in the city were headed by a female (Table II-20). While female-headed households represent a small portion of households, they are likely to have housing problems such as overpayment or overcrowding. City programs to facilitate new affordable housing development and conservation of existing affordable homes help to serve the needs of single-parent households with low- and moderate-incomes.

**Table II-20**  
**Household Type by Tenure –**  
**Laguna Niguel**

Household Type	Owner		Renter	
	Households	%	Households	%
Married couple family	11,731	64%	2,239	38%
Male householder, no wife present	479	3%	226	4%
Female householder, no husband present	1,372	7%	995	17%
Non-family households	4,846	26%	2,468	42%
<b>Total Households</b>	<b>18,428</b>	<b>100%</b>	<b>5,928</b>	<b>100%</b>

Source: U.S. Census 2006-2010 ACS, Table B11012

#### 5. Farm Workers

Farm workers are traditionally defined as persons whose primary income is from seasonal agricultural work. Historically, Orange County's economy was linked to agriculture. Today, Orange County is a mostly developed urban/suburban region, with a strong local economy that is not tied to an agricultural base. While there are still significant active farming areas on the Irvine Ranch to the north and Rancho Mission Viejo to the southeast, shifts in the county's economy to manufacturing, technology, and service-oriented sectors have significantly curtailed agricultural production. Recent Census<sup>6</sup> estimates reported that 91 persons living in Laguna Niguel were employed in agricultural occupations. This total includes all occupations, including profession and managerial categories. Since there are no significant agricultural operations within Laguna Niguel, the need for permanent farmworker housing is of less concern than in other areas where large-scale agricultural operations exist. The needs of lower-income agricultural workers

<sup>6</sup> 2006-2010 ACS, Table S2405

who are permanent residents are addressed through a variety of affordable housing programs that serve the needs of all lower-income persons and are not restricted only to farmworkers.

## 6. Homeless Persons

Throughout the country, homelessness is a serious problem. Factors contributing to homelessness include: the general lack of emergency shelters and transitional housing, housing affordable to lower-income persons; an increasing number of persons whose incomes fall below the poverty level; reductions in public assistance for the poor; and the de-institutionalization of the mentally ill.

To estimate the number of homeless in the city an analysis of existing studies/estimates was utilized and different organizations and agencies were consulted. The County of Orange Housing and Community Services Department undertakes a biannual “Point-in-Time” survey of the homeless population as part of its application for homeless assistance grant funds to HUD. The most recent Point-in-Time survey for which results are available (January 2011) estimated that there were approximately 6,939 homeless persons at the time of the survey, of which 2,667 were sheltered and 4,272 were unsheltered<sup>7</sup>. While the survey did not estimate the total homeless population by jurisdiction, the survey did ask respondents where they lived just prior to becoming homeless. Of the 610 survey respondents, 4 (0.7%) reported Laguna Niguel as their last city of residence.

By the very nature of homelessness, it is difficult to determine the location of homeless persons. Based on field observations, law enforcement personnel reported that there are no locations in the City where the homeless congregate, but individuals are occasionally seen passing through. Regardless of what methodology is used for estimating the location of the homeless, this is a regional issue and the City will continue to work cooperatively with the County and other agencies to address it from a regional perspective.

Senate Bill (SB) 2 of 2007 requires that jurisdictions quantify the need for emergency shelter and determine whether existing facilities are adequate to serve the need. An emergency shelter is defined as “housing with minimal supportive services for homeless persons that is limited to occupancy of six months or less by a homeless person. No individual or household may be denied emergency shelter because of an inability to pay.” If adequate existing facilities are not available, the law requires jurisdictions to identify areas where new facilities are permitted “by-right” (i.e., without requiring discretionary approval such as a use permit). A jurisdiction could also satisfy its shelter needs through a multi-jurisdictional agreement with up to two adjacent communities to develop at least one year-round shelter within two years of the beginning of the planning period. As noted in Chapter IV the City allows emergency shelters in compliance with SB 2.

### Inventory of Emergency Shelters and Transitional Housing Facilities

Local facilities that are available to serve the needs of homeless persons and families in Laguna Niguel are discussed below.

- **Emergency Shelters** – Emergency shelters are generally geared toward providing immediate housing to persons without shelter. Stays in emergency shelters are typically limited to a short period of time (1 to 90 days). Several service agencies located near Laguna Niguel provide emergency shelter and services for the homeless in south Orange County. These shelters and services are identified in Table II-21. The number of beds listed represents total shelter capacity – none of the shelter beds are restricted for persons from Laguna Niguel. Based on this data, there are approximately 130 emergency shelter beds available to serve homeless persons who may be in Laguna Niguel.

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<sup>7</sup> 2011 Orange County Homeless Census and Survey Comprehensive Report, Applied Survey Research, 2011

**Table II-21  
Emergency Shelters Serving Laguna Niguel**

Shelter Name	Location <sup>1</sup>	No. of Beds	Services	% of Beds/Services for Chronic Homeless
CSP Youth Shelter	Laguna Beach	6	Emergency housing, support and family reunification services	0%
Cold Weather Shelter <sup>2</sup>	Laguna Beach	40	Emergency housing during winter months	100%
Friendship Shelter	Laguna Beach	3	Emergency housing and support services	100%
Gilchrist House	San Clemente	10	Emergency housing and supportive services for women and children	20%
Human Options	Irvine	40	Emergency housing and support services for victims of domestic violence	15%
Laura's House	San Clemente	30	Emergency housing and support services for victims of domestic violence	15%

Source: County of Orange Housing and Community Services Department

1. Location may be administrative office and not location of shelter facility.

2. Beds only available during winter months

- Transitional/Supportive Housing** – Transitional and supportive housing is an important component for assisting homeless individuals and families to become self-sufficient. Facilities serving this target population in southern Orange County are shown in Table II-22. The number of beds listed represents total shelter capacity – none of the shelter beds are restricted for persons from Laguna Niguel. Based on this data, there are approximately 185 transitional housing beds available to serve residents of the city. City land use regulations permit transitional and supportive housing as a residential use subject to the same regulations and procedures that apply to other residential units of the same type in the same zone in conformance with state law.

**Table II-22  
Transitional Housing Facilities Serving Laguna Niguel**

Shelter Name	Location	No. of Beds	Services	% of Beds/Services for Chronic Homeless
Families Forward	Irvine	13	Transitional housing and supportive services for families	10%
Friendship Shelter	Laguna Beach	26	Transitional housing and supportive services for single adults	30%
Henderson House	San Clemente	24	Transitional housing for single adults recovering from substance addiction	30%
Hope's House	Aliso Viejo	10	Transitional housing and supportive services for women with infants	30%
Gilchrist House	San Clemente	16	Transitional housing and supportive services for women and children	25%
Kathy's House	San Juan Capistrano	12	Transitional housing & support services for victims of domestic violence	25%
Laura's House	San Clemente	8	Transitional housing and support services for victims of domestic violence	15%
South County Community Outreach	Laguna Hills & Mission Viejo	56 to 73	Transitional housing (17 housing units) & support services for families (5 units in Mission Viejo)	25%
Toby's House	Capistrano Beach & Mission Viejo	15	Transitional housing for pregnant women and infants	0%

Source: County of Orange Housing and Community Services Department

## F. Assisted Housing at Risk of Conversion

This section identifies all residential projects in the city that are under an affordability restriction, along with those housing projects that are at risk of losing their low-income affordability restrictions within the ten-year period 2013 to 2023. This information is used in establishing quantified objectives for units that can be conserved during this planning period. The inventory of assisted units includes all units that have been assisted under any federal Department of Housing and Urban Development (HUD), state, local and/or other program.

### 1. Inventory of Assisted Units

Assisted projects in Laguna Niguel are shown in Table II-23. The table shows that of the three assisted projects in the city, two are eligible to convert to market rate within the 2013-2023 timeframe.

**Table II-23**  
**Inventory of Assisted Units**

Project	Type of Assistance	Total Units/ Affordable Units	Project Type	Expiration Date	At Risk 2013-2023?
Alicia Park Apartments	223(a)(7)/221(d)(4)M	56/56	Sec. 8	11/2013	Yes
Rancho Niguel	Section 8 NC	51/51	Sec. 8	4/2032	No
Village La Paz	Section 8 NC	100/100	Sec. 8	6/2017	Yes

Sources:

OC Housing & Community Services Dept. and City of Laguna Niguel Community Development Dept.  
California Housing Partnership Corporation, 2/2013

### 2. Units at Risk

According to the California Housing Partnership and the City's analysis, there are two assisted projects that are at-risk during 2013-2023 in Laguna Niguel. In general, there are three actions that can result in the conversion of public-assisted units:

1. Prepayment of HUD mortgages:
  - a. Section 221(d)(3) or (4)M – property owner receives either below-market interest rate or market interest rate loans from HUD with a rental subsidy for tenants as well. The program also allows for long-term mortgages (up to 40 years) that can be financed with Government National Mortgage Association (GNMA) Mortgage Backed Securities.
  - b. Section 236 – property owner receives financial assistance from HUD to pay interest costs, thereby reducing tenant rental costs. Rental subsidies may also be provided to the tenants.
  - c. Section 223(a)(7) – property owner is provided funds to refinance existing debt and to complete necessary repairs, resulting in lower debt service and improved mortgage security. It is available only to mortgages currently insured by FHA.
  - d. Section 202 – non-profit property owner receives a loan from HUD to pay for development costs with a rental subsidy for senior tenants.
  - e. Section 811 – property owner receives financial assistance from HUD to pay for development costs of units for special needs.

2. Expiration/opt-out of project-based Section 8 rental assistance contracts

The Section 8/Housing Voucher Choice Program provides rental subsidies to the property owner of a pre-qualified project. The financial assistance pays the difference between the tenant's ability to pay and the contract rent.

An opt-out may occur if the property owner decides to pre-pay the balance of the HUD mortgage. During this process, HUD may offer incentives to the property owner. Such incentives range from refinancing the mortgage at a lower interest rate to establishing higher rents. If at any point during this process the property owner fails to complete a HUD-required step, the Section 8 contract automatically rolls over for another 5-year period.

3. Other

Expiration of other affordability periods may occur when utilizing the following funding sources:

- a. Low-income Housing Tax Credits (LIHTC)
- b. Bond financing
- c. Density bonuses
- d. California Housing Finance Agency (CHFA)
- e. Community Development Block Grant (CDBG)
- f. HOME Program

### At-Risk Status

Two assisted properties, representing 156 lower-income rental units, are at risk of conversion as identified in Table II-23 above. Financial assistance mandates affordable income restrictions and occupancy that will expire on the date shown.

- Alicia Park Apartments and Village La Paz – The use restrictions for Alicia Park Apartments and Village La Paz are a result of HUD-issued, Project Specific Section 8 Contracts that were executed at the time the original FHA mortgages were originated. The purpose of the Project Specific Section 8 contract is to ensure that the project's units remain affordable to qualified, low-income tenants for the life of the contract, which is offered at 15- to 20-year terms, and require renewal every 5 years thereafter.

If the owners of Alicia Park Apartments and Village La Paz choose to opt-out of their Section 8 contracts, it would represent a loss of 156 units of affordable rental housing, a significant decrease in Laguna Niguel's available pool of affordable housing units.

The projects that are at risk of conversion contain a significant number of 3- and 4-bedroom units. Therefore, loss of any large family units as well as the 1- and 2-bedroom affordable units would likely affect the already burdened low-income rental population.

### Cost Analysis

The primary factors used to analyze the cost of preserving low-income housing include:

1. Acquisition costs – depends on size, location, current sales figures.
2. Rehabilitation costs – average cost to rehabilitate - \$40,000 (based on data compiled by the State Department of Housing and Community Development's Multifamily Housing Programs).
3. New construction costs – depends on size, construction materials, financing costs, and off- and on-site improvements.

4. Rental assistance – depends on the income of the household and Fair Market rents. As of March, 2012, Fair Market rents for Orange County are as follows:
- Efficiency - \$1,126
  - 1-bedroom - \$1,294
  - 2-bedroom - \$1,621
  - 3-bedroom - \$2,268
  - 4-bedroom - \$2,525

As shown previously in Table II-15, a very-low-income household of four persons earning 50% of median income (\$48,150) can afford to pay \$1,204 per month (including a utility allowance) for housing. This would require a monthly rental subsidy of \$417, or \$5,004 per year for a 2-bedroom unit. Therefore if affordability covenants were to expire on all of the 156 units in the at-risk projects, a total cost of approximately \$780,000 per year would be required in order to provide rental housing at comparable affordability levels.

### **Preservation Resources**

Efforts by the City to retain the at-risk housing units must draw upon basic resources as follows:

- Organizational Resources - The following local agencies are potential organizations with experience and capacity to assist in the preservation of at-risk units:
  - a. Orange County Community Housing Corp. (Santa Ana)
  - b. Jamboree Housing Corp (Irvine)
  - c. Mary Erickson Foundation (San Clemente)
  - d. National Community Renaissance of California (Rancho Cucamonga)
- Financial Resources – The following is a list of potential financial resources to be considered as part of the City’s overall financial plan to retain affordable housing units. The City of Laguna Niguel does not have a Redevelopment Agency.
  - a. Community Development Block Grant – The City currently receives approximately \$232,000 in CDBG funds from HUD annually.
  - b. Orange County Housing & Community Development Department – The County receives annual funding from HUD to administer the Section 8 Housing Voucher Choice Program and the HOME Program.
  - c. Affordable Housing Clearinghouse – serves a mortgage brokerage that specializes in financing affordable housing projects.

## **G. Low- and Moderate-Income Housing in the Coastal Zone**

The western edge of the city is within the Coastal Zone. Government Code Section 65590 et seq. prohibits conversion or demolition of existing residential dwelling units occupied by low- or moderate-income persons or families unless provision has been made for the replacement in the same city or county of those dwelling units with units for persons and families of low- or moderate-income (excludes structures with less than 3 units, or less than 10 units for projects with more than one structure, among other exclusions).

Section 65590(d) further requires new housing development in the coastal zone to provide housing units for persons and families of low or moderate income, or if not feasible, to provide such units at another location within the same city or county, within the coastal zone or within three miles thereof.

Prior to the incorporation of Laguna Niguel in 1989, 727 housing units were permitted by the County within the portion of the Coastal Zone that is now part of the City. One apartment project, Seaview Summit, was built prior to incorporation and included 48 deed-restricted lower-income units. The affordability covenants on those units subsequently expired and the units converted to market rate. A small number of new single-family infill homes have been built but no residential units have been demolished or converted within the Coastal Zone since City incorporation in 1989.

## **H. Future Growth Needs**

### **1. Overview of the Regional Housing Needs Assessment**

The Regional Housing Needs Assessment (RHNA) is a key tool for local governments to plan for anticipated growth. The RHNA quantifies the anticipated need for housing within each jurisdiction for the projection period from January 2014 to October 2021. Communities then determine how they will address this need through the process of updating the Housing Elements of their General Plans.

The current RHNA was adopted by the Southern California Association of Governments (SCAG) in October 2012. The future need for housing is determined primarily by the forecasted growth in households in a community. Each new household, created by a child moving out of a parent's home, by a family moving to a community for employment, and so forth, creates the need for a housing unit. The housing need for new households is then adjusted to maintain a desirable level of vacancy to promote housing choice and mobility. An adjustment is also made to account for units expected to be lost due to demolition, natural disaster, or conversion to non-housing uses. The sum of these factors – household growth, vacancy need, and replacement need – determines the construction need for a community. Total housing need is then distributed among four income categories on the basis of the county's income distribution, with adjustments to avoid an over-concentration of lower-income households in any community.

### **2. 2014-2021 Laguna Niguel Growth Needs**

In October 2012 SCAG adopted the final RHNA growth needs for each of the County's cities plus the unincorporated area. The total housing growth need for the City of Laguna Niguel during the 2014-2021 planning period is 182 units. This total is distributed by income category as shown in Table II-24. While not explicitly addressed in the RHNA, state law<sup>8</sup> now requires the Housing Element to estimate the future needs of extremely-low-income (ELI) households. Pursuant to state law, the ELI need is estimated to be 50% of the very-low category, or 22 units during this planning period.

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<sup>8</sup> California Government Code §65583(a)(1)

**Table II-24**  
**2014-2021 Regional Housing Growth Needs – Laguna Niguel**

Very Low*	Low	Moderate	Above Mod	Total
43	30	34	75	182
23.4%	17.1%	18.5%	41.0%	100.0%

\*50% of the VL need (22 units) is assumed to be ELI units

Source: SCAG 2012

A discussion of the City's growth need and inventory of suitable sites to accommodate the need is provided in Chapter III, Resources and Opportunities.

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### III. RESOURCES AND OPPORTUNITIES

A variety of resources are available for the development, rehabilitation, and preservation of housing in the City of Laguna Niguel. This chapter provides a description of the land resources and adequate sites to address the City's regional housing need allocation for the projection period of January 1, 2014 to October 1, 2021, as adopted by the Southern California Association of Governments (see Table II-24). This chapter also describes the financial and administrative resources available to support the provision of affordable housing. Additionally, the chapter discusses opportunities for energy conservation that can lower utility costs and increase housing affordability.

#### A. Land Resources

Section 65583(a)(3) of the *Government Code* requires Housing Elements to contain an "inventory of land suitable for residential development, including vacant sites and sites having potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites." A detailed inventory of residential development sites is provided in Appendix B. The results of this analysis are summarized in Table III-1 below. The table shows that the City's land inventory for potential residential development is more than sufficient to accommodate the RHNA in all income categories for this projection period.

**Table III-1**  
**Land Inventory Summary –**  
**City of Laguna Niguel**

	Income Category		
	Lower	Moderate	Above
Vacant sites (Appendix B, Table B-2)	181	485	154
RHNA (2014-2021)	73	34	75
Adequate Capacity?	Yes	Yes	Yes

Source: City of Laguna Niguel Community Development Department, 2013

A discussion of public facilities and infrastructure needed to serve future development is contained in Section IV.B, Non-Governmental Constraints. There are currently no known service limitations that would preclude the level of development described in the RHNA, although developers will be required to pay fees or construct public improvements prior to or concurrent with development. Additionally, while some of the RHNA sites may have environmental constraints such as steep slopes or geotechnical issues, the level of development described in the RHNA reflects anticipated development yield given feasible methods for addressing such constraints.

#### B. Financial and Administrative Resources

##### 1. State and Federal Resources

**Community Development Block Grant Program (CDBG)** - Federal funding for housing programs is available through the Department of Housing and Urban Development (HUD). The City's use of federal funds is described in the 2010-2015 Consolidated Plan. As an Entitlement City, Laguna Niguel participates in the Community Development Block Grant (CDBG) program. CDBG funds are used by the City to fund a variety of community services available to assist low- and moderate-income City residents and those with special housing needs.

The expected Community Development Block Grant Allocation for the 2012-13 program year is \$232,358, which represents a substantial reduction from levels in previous years. These funds will be used for capital improvements, public services, economic development and administrative activities. The City does not currently participate in other HUD programs such as HOME, Emergency Shelter Grant (ESG), or Housing Opportunities for Persons with AIDS (HOPWA).

**Section 8 Rental Assistance** – The City of Laguna Niguel cooperates with the Orange County Housing Authority (OCHA), which administers the Section 8 Voucher Program. The Housing Assistance Payments Program assists low income, elderly and disabled households by paying the difference between 30 percent of an eligible household's income and the actual cost of renting a unit. According to the Orange County Housing Authority, a total of 142 tenant-based Section 8 vouchers are used in the City. Of these, there are 23 family households, 32 disabled households, and 87 elderly households<sup>9</sup>.

The City facilitates use of the Section 8 program within its jurisdiction by advertising the availability of OCHA Section 8 programs when the County accepts new applications.

**Low-Income Housing Tax Credit Program** - The Low-Income Housing Tax Credit Program was created by the Tax Reform Act of 1986 to provide an alternate method of funding low-and moderate-income housing. Each state receives a tax credit, based upon population, toward funding housing that meets program guidelines. The tax credits are then used to leverage private capital into new construction or acquisition and rehabilitation of affordable housing. Limitations on projects funded under the Tax Credit programs include minimum requirements that a certain percentage of units remain rent-restricted, based upon median income, for a term of 15 years.

## 2. Local Resources

**Homesharing** – South County Senior Services coordinates the Senior Citizen Homesharing program in south Orange County. The programs provide referral/matching services to people with limited incomes seeking housing as well as owners who wish to share their homes. The program relies on CDBG funds, and funding from the Orange County Housing Authority and participating cities. Prior to February 2003, this program was operated by Lutheran Social Services. In recent years the City of Laguna Niguel contributed \$3,000 in CDBG funds to this program.

**Non-Profit Corporations** - The City actively supports local non-profit groups to facilitate the development and improvement of both senior citizen and low-cost housing in Laguna Niguel. Such support includes assistance locating and acquiring financing, and coordinating discussions between property owner, non-profit developer, and various governmental agencies.

## C. Energy Conservation Opportunities

There are many opportunities for conserving energy in new and existing homes. Construction of energy-efficient buildings does not lower the price of housing. However, housing with energy conservation features should result in reduced monthly occupancy costs as consumption of fuel and energy is decreased. Similarly, retrofitting existing structures with energy-conserving features can result in a reduction in utility costs. Examples of energy conservation opportunities include weatherization programs and home energy audits, installation of insulation, installation or retrofitting of more efficient appliances and mechanical or solar energy systems, and building design and orientation that incorporates energy-conservation considerations. The City enforces all provisions of Title 24 of the California *Administrative Code*, which provides for energy conservation features in new residential construction.

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<sup>9</sup> Orange County Housing Authority, 2012

Many modern design methods used to reduce residential energy consumption are based on proven techniques that have been known to humans since the earliest days of collective settlement. These methods can be categorized in three ways:

1. Building design that keeps natural heat in during the winter and keeps natural heat out during the summer. Such design reduces air conditioning and heating demands. Proven building techniques in this category include:
  - Location of windows and openings in relation to the path of the sun to minimize solar gain in the summer and maximize solar gain in the winter;
  - Use of thermal mass, earthen materials such as stone, brick, concrete, and tiles that absorb heat during the day and release heat at night;
  - Burying part of the home in a hillside or berm to reduce solar exposure or to insulate the home against extremes of temperature;
  - Use of window coverings, insulation, and other materials to reduce heat exchange between the interior of a home and the exterior;
  - Location of openings and the use of ventilating devices that take advantage of natural air flow (particularly cool evening breezes); and
  - Use of eaves and overhangs that block direct solar gain through window openings during the summer but allow solar gain during the winter.
2. Building orientation that uses natural forces to maintain a comfortable interior temperature. Examples include:
  - North-south orientation of the long axis of a dwelling;
  - Minimizing the southern and western exposure of exterior surfaces; and
  - Location of dwellings to take advantage of natural air circulation and evening breezes.
3. Use of landscaping features to moderate interior temperatures. Such techniques include:
  - Use of deciduous shade trees and other plants to protect the home;
  - Use of natural or artificial flowing water; and
  - Use of trees and hedges as windbreaks.

In addition to natural techniques that have been used for millennia, a number of modern methods of energy conservation have been developed or advanced during the present century. These include:

- Use of solar energy to heat water;
- Use of solar panels and other devices to generate electricity;
- Window glazing to repel summer heat and trap winter warmth;
- Weather-stripping and other insulating devices to reduce heat gain and loss; and
- Use of energy efficient home appliances.

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## IV. CONSTRAINTS

In planning for the provision of housing, constraints to the development, maintenance and improvement of housing must be recognized, and jurisdictions must take appropriate steps to mitigate them where feasible. Local government cannot control many of these constraints, such as those related to general economic and market conditions, but others can be addressed. Potential constraints to housing are discussed below, and include governmental constraints and non-governmental constraints.

### A. Governmental Constraints

Governmental regulations, while intentionally controlling the quality of development in the community, can also unintentionally increase the cost of development and thus the cost of housing. These governmental constraints include land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local development processing and permit procedures.

Land use controls may limit the amount or density of development, thus increasing the cost per unit. On-site and off-site improvements such as roads, traffic signals on adjacent streets, or sewer systems may increase development costs. Processing and permit requirements may delay construction, increasing financing and/or overhead costs of a development. The following describes potential governmental constraints, which may affect the supply and cost of housing in Laguna Niguel.

#### 1. Land Use Plans and Regulations

##### a. General Plan

Each city and county in California must prepare a comprehensive, long-term General Plan to guide its future. The Land Use Element of the General Plan establishes the basic type and density of development within the various areas of the city. Under state law, the various General Plan elements must be internally consistent and the City’s zoning must be consistent with the General Plan. Thus, the land use plan must provide suitable locations and densities to implement the policies of the Housing Element.

The Laguna Niguel General Plan Land Use Element provides for two residential land use designations, as shown in Table IV-1.

**Table IV-1  
Residential Land Use Categories –  
Laguna Niguel General Plan**

Designation	Maximum Density*	Description
Residential Detached	n/a	Designated area characterized by one single-family dwelling constructed on each individual subdivided lot or legal building site.
Residential Attached	n/a	Designated area characterized by attached dwelling units constructed on individual or common lots--including townhomes, apartments and condominium projects.

Source: City of Laguna Niguel General Plan

\*The Laguna Niguel General Plan does not specify maximum densities in units per acre; however, the maximum buildout is determined by dwelling unit allocations assigned to individual community profile areas and sub-profile areas identified in the Land Use Element. Nearly all sub-profile areas with the exception of the Gateway Specific Plan area have been built out.

The majority of the buildable land area within city boundaries is developed or is designated for parks and open space. The Land Use Element of the Laguna Niguel General Plan designates approximately 3,508 net acres (37%) of the City’s total land inventory for residential uses, providing a variety of residential types

throughout the City. The maximum residential density permitted in Laguna Niguel is determined by unit allocations assigned to individual community profile areas and sub-profile areas identified in the Land Use Element. Nearly all sub-profile areas (with the exception of the Gateway Specific Plan area) have been built-out to the General Plan maximum unit allocations, leaving few opportunities for new housing units. Average developed densities for Laguna Niguel are approximately 5.2 dwelling units per gross acre for the Residential Detached areas and approximately 14.6 dwelling units per gross acre for the Residential Attached areas.

## **b. Planned Communities and Specific Plans**

The City of Laguna Niguel is largely composed of master planned communities (PCs) and Specific Plan (SP) areas that were approved by the County of Orange prior to the City's incorporation in 1989. These Planned Communities are the Laguna Niguel PC, the Country Village PC, the Colinas de Capistrano PC, the Beacon Hill PC, the Bear Brand Hill PC, the Bear Brand PC, and the Narland Business Center PC. Each of the Planned Communities is implemented through Feature Plans, Area Plans, and Site Plan approvals. Prior to incorporation, the Planned Community development plans provided policy guidance and regulatory control over development in Laguna Niguel. Today, the Planned Communities are subject to the policies and regulations of the Laguna Niguel General Plan and the Zoning Ordinance. Portions of the City are located in the South Laguna Specific Plan area and are subject to the land use and zoning regulations of that plan.

The most noteworthy opportunity for new development in Laguna Niguel is in the Gateway Specific Plan. Due to the lack of available undeveloped land or annexation opportunities, other new planned communities within the City are unlikely in the foreseeable future.

## **Gateway Specific Plan**

### **Background**

The Laguna Niguel Gateway Specific Plan area contains approximately 300 acres along the eastern border of the city. A majority of the existing buildings predate City incorporation and were constructed in the late 1970s and early 1980s. At present, the area contains a mix of office, retail and service commercial, light industrial and auto-related sales and service uses. The Gateway Specific Plan defines the overall vision, goals, policies, land use regulations, development standards, and design guidelines for the Gateway area, and regulates land use and urban form, mobility, infrastructure, streetscape, and architectural design.

With the growth and development of southern Orange County during the past 40 years and the establishment of the Metrolink rail station in the Gateway in 2002, the area presents a significant opportunity for revitalization and transformation into a major mixed-use, transit-oriented activity center.

The City enlisted the Urban Land Institute Orange County District (ULIOC) to bring its expertise in identifying new initiatives that could be brought to bear in stimulating real change in the Gateway Area consistent with the City's visions. In May 2006, the ULIOC conducted a Technical Advisory Panel (TAP) workshop consisting of a team of professionals in the land use planning industry to study the site and make recommendations to the City on how best to address its objectives. The ULIOC TAP consisted of high-level land use professionals with backgrounds and experience in transit-oriented development, mixed use/multi-use development, multi-family housing, affordable housing, retail/commercial development, urban planning and design, traffic/transportation, revitalization, real estate law/development agreements, market research and site analysis. The TAP panel presented their findings and recommendations to the City Council concluding that:

- Housing is the key to unlocking the potential of the Gateway District and that initial housing must create a new character and sense of place

- There must be a plan for phasing in residential development fronting along Forbes Road and that it will not happen without improvements of the public realm and infrastructure
- Financing options exist for those improvements and the Specific Plan is the vehicle for structuring the entitlements and requirements
- The Gateway needs a Champion both in the Council and City government and in the private sector, e.g., an enlightened developer, in order to succeed with the vision to revitalize the area.

In order to implement the recommendations presented by the TAP, the City assembled a multi-disciplinary team of urban designers, economists, transportation planners, and engineers to prepare the Specific Plan. The consultant team was charged with building upon the City's previous studies for the Gateway area including the goals and objectives identified by the TAP. The Specific Plan, adopted by the City Council in 2011, is the result of the collaborative planning efforts between the City, the public, land and business owners, and the project team.

Existing development in the Specific Plan area is clustered primarily along the north/south roadways including Camino Capistrano, Cabot Road, and Forbes Road. It is predominately developed with a variety of commercial service, light industrial, auto sales and services, retail, and office uses. Most of the uses are characterized by low-rise, one-story buildings and/or multi-tenant structures such as the business park on Forbes Road north of Crown Valley Parkway. There is a six-story Crown Cabot Financial office building on Cabot Road and a large retail/warehouse (Costco) on Crown Valley Parkway. Auto dealerships are located on Camino Capistrano and Star Drive. There are several one- and two-story buildings located on Forbes Road. Vacant properties within the area are generally located along Cabot Road.

Numerous lots within the Specific Plan area are too narrow and/or shallow to adequately accommodate identified market capture opportunities for new development, particularly with larger retail, office, or business park uses. Because many of the lots along Forbes Road are small and/or shallow in depth, the Specific Plan encourages lot consolidation, and provides incentives for doing so, to support larger buildings and more intensive land uses such as residential mixed-use developments, and retail/entertainment centers.

Two distinct areas form the heart of the Gateway community and offer the best opportunity for high-density residential or mixed-use development in a walkable, pedestrian-oriented environment. These two areas are referred to as the Mixed Use Village, located on Forbes Road north of Crown Valley Parkway, and the Transit-Oriented Mixed-Use Corridor, located on Forbes Road south of the Crown Valley Parkway. Both of these areas are envisioned to transition and become a desirable and attractive mixed-use village containing a mix of multi-family residential, office, and commercial uses. Buildings will be located directly along, and oriented towards the street frontage to foster pedestrian activity along the sidewalks, Oso Creek pedestrian greenway, and internal streets.

### **Gateway Land Use Policies, Regulations and Development Standards**

The Gateway Specific Plan includes the following policies intended to facilitate compact, transit-oriented development that includes opportunities for high-density workforce housing:

- 3.2.1 ***Transit-Oriented Development.*** Accommodate the development of a mix and density of land uses that benefit from the presence and support of transit use in the Gateway area.
- 3.2.2 ***Land Use Mix and Balance.*** Promote the development of a diverse mix of uses within distinct neighborhoods and districts containing housing, general and medical offices, retail commercial, dining and entertainment, community services, and amenity uses supporting residents, workers, and transit riders.
- 3.2.3 ***Housing.*** Provide for increased densities to encourage the development of housing that accommodates a variety of persons and households who choose to live in an active, urban environment.

- 3.2.8 **Parcel Assembly.** Provide for increased densities for the assembly of adjoining parcels as incentives for the development of larger scale, cohesive mixed-use development projects.
- 3.2.9 **Development Density.** Promote development that creates a high-density urban community, concentrating residents and jobs in proximity to the Metrolink station.

The Mixed-Use Village and the Transit-Oriented Mixed-Use Corridor districts offer the best opportunities for high-density residential and mixed-use development in a pedestrian-oriented environment (see Appendix B, Figure B-2). At buildout, the Gateway Specific Plan envisions a total of 2,994 high-density housing units and over 2 million square feet of commercial development (see Table IV-2).

**Table IV-2**  
**Land Use Development Capacity –**  
**Gateway Specific Plan**

Planning District	Residential (dwelling units)	Retail Commercial (square feet)	Office (square feet)	Business Park (square feet)	Hotel (rooms)	Automobile Sales (acres)
A	0	0	0	76,480		
B	0	0	0	323,215		
C	220	0	305,460	0	*	
D	200	0	187,639	0	200*	
E	1,427	87,338	203,425	0	*	
F	142	0	173,900	0		
G	142	247,639	0	0	*	
H	863	76,012	240,103	0	*/***	
I	0	62,509	30,492	0	***	3.5
J	0	0	0	0		14.3
K	0	58,150	0	0	150**	
<b>Totals</b>	<b>2,994</b>	<b>534,648</b>	<b>1,141,090</b>	<b>399,695</b>	<b>350</b>	<b>17.8</b>

\* A hotel with a maximum of 200 rooms may be located in planning districts C, D, E, G, or H.

\*\* A total of 150 motel/hotel rooms may be located within planning district K.

\*\*\* Up to a total of 1,200 parking spaces to serve the Metrolink station may be provided in areas H & I

The Mixed-Use zone district allows exclusive residential and mixed-use projects, as described below.

### Mixed-Use (MU) Zone

The MU zone is intended to encourage development of an active urban environment that exhibits the character of distinct and a vibrant pedestrian friendly village and transit corridor where residents live, work, dine, are entertained, and recreate, with easy access to Metrolink transit. It allows for the intermixing of a diversity of land uses that will be unified by their urban form and relationship to street frontages and adjoining parcels. While more than one use may be located on any block within the zone, all buildings shall be placed on their lot, oriented to the street frontage, and designed to convey an urban character. Densities are maximized to reflect intentions for these areas to function as the symbolic and activity cores of the Gateway area.

Allowable uses. Any property in the MU zone may be developed exclusively for office, multi-family residential, or hotel uses, or a mix of these with retail commercial integrated either vertically or horizontally on a single site. Stand-alone multi-family projects are a permitted use while mixed-use projects are subject to approval of a Use Permit by the Planning Commission.

Development standards. The height limit in the MU zone ranges from 80 to 120 feet depending on district. Sites developed for office uses must adhere to Floor Area Ratio requirements between 0.5 and 1.0 depending on lot size. Sites developed with residential must be developed at densities between 40 and 50 dwelling units per acre, and may be increased up to 120 dwelling units per acre as incentive for providing important community benefits such as affordable housing, community facilities, and open space amenities and infrastructure to further the implementation of the Gateway area. Mixed-use projects may be built to a minimum FAR of 1.5 and maximum of 2.0. Densities may be increased to a maximum of 3.0 FAR as an incentive for the provision of community benefits such as affordable housing. The residential portion of mixed-use projects must be a minimum of 1.15 FAR and 40 dwelling units per acre.

Approval procedures. Residential projects conforming to the applicable development standards are permitted subject to approval of a Site Development Permit by the Community Development Director or Planning Commission, while mixed-use projects require approval of a Use Permit by the Planning Commission (see also the discussion under Development Processing Procedures in Section IV.A.2, page 46 below).

### **Incentives for High-Density Residential Development**

The development regulations in the Gateway Specific Plan encourage and facilitate the development of affordable workforce housing by providing strong incentives to developers. The regulations provide incentives by allowing increased density when public benefits such as affordable units are included in a project. The minimum residential density is 40 dwelling units per acre, significantly higher than the “default density” for lower-income housing specified in state law. In order to achieve maximum utilization of sites within the Mixed Use zone, a residential component must be included in the project. An FAR increase of 0.65 (from 1.0 up to 1.65) is granted for mixed-use projects as compared to exclusively non-residential projects. When community benefits are provided, mixed-use projects may reach 3.0 FAR compared to a maximum 2.0 FAR for exclusively office projects. Purely residential projects are also permitted within the MU zone. When combined with other development incentives described in the City’s housing programs (see Chapter V) these regulations provide significant financial incentives for developers of multi-family housing that support the development assumptions contained in the Vacant Sites Inventory (Appendix B, Table B-2).

#### **c. Zoning Designations**

The City regulates the type, location, density, and scale of residential development through the Zoning Ordinance and Zoning Map. Zoning regulations serve to implement the General Plan and are designed to protect and promote the health, safety, and general welfare of residents. The Zoning Ordinance also helps to preserve the character and integrity of existing neighborhoods. The Zoning Ordinance and Zoning Map set forth residential development standards for each zoning district.

The seven zoning districts (other than planned communities and specific plans) that allow residential units as a permitted use are as follows:

RS-1	Rural Residential District
RS-2	Residential Estate District
RS-3	Single Family District 3
RS-4	Single Family District 4
RP	Planned Residential District
RA	Attached Residential District
RM	Multi-Family District

A summary of the development standards for the seven major zoning districts (excluding specific plans) permitting residential development is provided in Table IV-3. These development standards are reasonably

necessary to protect the public health, safety, and welfare and maintain the quality of life, and are not considered to be constraints to the development of housing.

**Table IV-3  
Residential Development Standards**

Development Standard	Zoning District Designations						
	RS-1	RS-2	RS-3	RS-4	RP	RA	RM
Maximum Density	(b)	(b)	(b)	(b)	(b)	(b)	(b)
Minimum Lot Area (sq. ft.)	4 ac.	8,000	3,000	3,000	(a)	2,000	n/a
Minimum Front Yard (ft.)	20	17	17	17	(a)	17	n/a
Minimum Side Yard (ft.) <sup>3</sup>	8	8	5	5	(a)	0/5 <sup>1</sup>	n/a
Minimum Rear Yard (ft.)	25	25	15 <sup>2</sup>	10 <sup>2</sup>	(a)	10 <sup>2</sup>	n/a
Slope Setbacks (min. from tops and toes of slopes over 10 feet high)	10	10	10	10	10	10	10
Perimeter Setbacks (10 foot minimum and 25 foot average minimum)	n/a	n/a	n/a	n/a	10/25	n/a	10/25
Maximum Lot Coverage (%)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Maximum Building Height (ft.)	35	35	35	35	35	35	35

Source: Laguna Niguel Zoning Ordinance

Notes:

- (a) RP standards are contained in approved precise plans for each project.
- (b) No maximum density. Maximum dwelling units established by General Plan Land Use Element.
- 1. 0 feet on attached side and 5 feet on open side.
- 2. 20 feet where rear yard abuts a street.
- 3. 10 feet adjacent to streets.

There are no maximum densities established in the Zoning Ordinance. The allowable number of residential units on any parcel is controlled by the dwelling unit allocations set forth in the Land Use Element of the General Plan. As most of the City (with the exception of the Gateway area) is nearly built-out, these residential allocations have been fully utilized. For this reason, efforts to provide new affordable housing opportunities in the community must focus on the remaining infill and revitalization sites that are suitable for higher-density residential or mixed-use development.

While major residential projects are excluded, some types of special needs housing are allowed in the Neighborhood Commercial District (CN), the Community Commercial District (CC), the Office Commercial District (CO), the Business Park District (BP) and the Public Institutional District (PI), typically through use permits. Managed care facilities are permitted in the CN, CC, and PI Districts when combined with the Managed Care Overlay District and a use permit has been obtained.

A summary of the residential uses permitted by the City’s Zoning Ordinance is provided in Table IV-4.

**Table IV-4  
Permitted Residential Uses by Zoning District**

Housing Type Permitted	RS-1	RS-2	RS-3	RS-4	RP	RA	RM	CN	CC	CO	BP	PI
<b>Residential Uses</b>												
Single-Family Detached	P	P	P	P	P							
Two Unit - Attached					P	P						
Multi-Family (townhomes)					P							
Multi-Family (apartments or condominiums)							P					
Manufactured Housing	P	P	P	P								
Mobile Home <sup>1</sup>	P	P	P	P								
Second Units	A	A	A	A								
<b>Special Needs Housing</b>												
Transitional & Supportive Housing	P	P	P	P	P	P	P					
Emergency Shelters								P	P	P	P	P
Residential Care Facilities (6 or fewer persons)	P	P	P	P	P	P	P					
Managed Care Facilities (7 or more persons)							U <sup>2</sup>	U <sup>2</sup>	U <sup>2</sup>			U <sup>2</sup>
Single Room Occupancy												U

Source: Laguna Niguel Zoning Ordinance P = Permitted (ministerial) A = Accessory Use (ministerial) U = Use Permit Notes.

1. Mobile home parks are not specifically identified in zoning ordinance. However, mobile home units are permitted in the districts shown.
2. Allowed when combined with the Managed Care Overlay District (MC)

The Zoning Ordinance provides for a variety of housing types including single-family homes (both attached and detached), multi-family apartments, manufactured housing, mobile homes and second units. Second units, which are one option for facilitating affordable housing, are permitted by-right as an accessory use in the RS-1, RS-2, RS 3, and RS-4 Districts.

**d. Zoning for Affordable Housing and Special Needs Housing**

Persons with special needs include those in residential care facilities, persons with disabilities, the elderly, farm workers, persons needing emergency shelter or transitional living arrangements, and single-room occupancy units. The City’s provisions for these housing types are discussed below.

**Housing for Lower-Income Persons**

Pursuant to AB 2348 of 2004, the “default density” for most Orange County jurisdictions, including Laguna Niguel, is 30 dwelling units per acre<sup>10</sup>. The default density refers to the density at which lower-income housing development is presumed to be feasible, although state law allows jurisdictions to propose alternative densities that are sufficient to facilitate affordable housing based on local experience and circumstances.

As noted in the previous discussion of Planned Communities and Specific Plans, the Gateway Specific Plan represents the city’s most significant opportunity for new affordable housing. The Gateway plan allows

<sup>10</sup> Memo of June 9, 2005 from California Department of Housing and Community Development on AB 2348 of 2004.

multi-family and mixed-use development at densities ranging from 40 to 120 units per acre, in close proximity to both a Metrolink/Amtrak station and bus transit. Since allowable densities are significantly higher than the default density, the Gateway Specific Plan land use regulations encourage and facilitate housing that is affordable to lower-income households.

### **Senior Housing, Residential Care and Managed Care Facilities**

Age-restricted senior housing that does not include services (such as assisted living or medical care) is permitted as a residential use subject to the same standards and procedures as other non-age-restricted residential uses of the same type in the same zone.

Residential Care and Managed Care Facilities generally refer to any family home, group home, or rehabilitation facility that provides non-medical care to persons in need of personal services, protection, supervision, assistance, guidance, or training essential for daily living. The City of Laguna Niguel Zoning Ordinance defines *residential care facilities* as “a residential facility which is licensed by the state to provide living and treatment facilities on a monthly or longer basis for six or fewer of the following: wards of the juvenile court, elderly persons, mentally disordered persons, developmentally disabled persons, persons undergoing treatment for alcohol or drug abuse, handicapped persons, or dependent and neglected children.” The Zoning Ordinance defines *managed care facilities* as “assisted living facilities, convalescent hospitals, and residential care facilities for the elderly, which serve seven or more persons.”

In accordance with state law, residential care facilities that serve six or fewer persons are permitted by-right in all residential districts. Managed care facilities that serve seven or more persons are permitted by use permit in the RM, CN, CC, and PI Districts when combined with the Managed Care Overlay District (MC). Managed care facilities must meet the requirements of the MC Overlay District as set forth in §9-1-54.2 of the City of Laguna Niguel Zoning Code. These requirements are consistent with state law and do not pose a significant constraint on the establishment of such facilities.

### **Housing for Persons with Disabilities**

Both the federal Fair Housing Act and the California Fair Employment and Housing Act impose an affirmative duty on local governments to make reasonable accommodations (i.e., modifications or exceptions) in their zoning laws and other land use regulations when such accommodations may be necessary to afford disabled persons an equal opportunity to use and enjoy a dwelling. The Building Codes adopted by the City of Laguna Niguel incorporate accessibility standards contained in Title 24 of the California *Administrative Code*. For example, apartment complexes of three or more units and condominium complexes of four or more units must be designed to accessibility standards.

The City uses the Minor Adjustment permit process to review and approve requests for modifications to planning or building code requirements in order to provide reasonable accommodation for persons with disabilities.

Other potential constraints on housing for persons with disabilities include the following:

#### Definition of “Family”

Zoning Code Sec. 9-1-142 defines “family” as “one or more related or unrelated persons occupying one dwelling unit. The word “family” includes the occupants of residential care facilities, as defined herein, serving six or fewer persons which are permitted or licensed by the state. The word “family” does not include occupants of a fraternity, sorority, boardinghouse, lodging house, club or motel.” This definition is consistent with current law.

### Separation Requirements

There is no City requirement for minimum separation distance between group homes or care facilities other than as may be provided in state law.

### Parking Standards

The required number of parking spaces for large group homes (7 or more residents) is determined through a project-specific parking analysis as part of the use permit process.

### Supportive Services

There are no limitations on supportive services in group homes or care facilities.

Compliance with building codes and the ADA may increase the cost of housing production and can also impact the viability of rehabilitation of older properties required to be brought up to current code standards. However, these regulations provide minimum standards that must be complied with in order to ensure the development of safe and accessible housing.

## **Farm Worker Housing**

As discussed in Chapter 2 (Needs Assessment), the City of Laguna Niguel does not have major agricultural areas and has no significant need for permanent on-site farm worker housing. The City's overall efforts to provide and maintain affordable housing opportunities will help to support the few farm workers that may wish to reside in the city.

## **Emergency Shelters and Transitional/Supportive Housing**

Emergency shelters are facilities that provide a safe alternative to the streets either in a shelter facility or through the use of motel vouchers. Emergency shelter is short-term, usually for 30 days or less. Transitional/supportive housing is longer-term housing, typically up to two years. Transitional/supportive housing requires that the resident participate in a structured program to work toward the established goals so that they can move on to permanent housing. Residents are often provided with an array of supportive services to assist them in meeting goals.

SB 2 of 2007 strengthened the planning requirements for emergency shelters and transitional housing. This bill requires jurisdictions to evaluate their need for shelters compared to available facilities to address the need. Jurisdictions must also designate at least one location where a year-round shelter can be accommodated. There are currently no emergency shelters located in the city. The Municipal Code allows emergency shelters as a permitted use by-right in the CN, CC, CO, BP and PI zones in conformance with state law. With respect to transitional and supportive housing, SB 2 requires that such facilities be treated as a residential use subject to the same requirements that are applied to other residential uses. Under City policy, transitional and supportive housing are considered residential uses that are subject to the same standards and procedures as apply to other residential uses of the same type in the same zone, consistent with state law.

## **Single Room Occupancy**

Single room occupancy facilities are small studio-type units and are allowed subject to a use permit in the PI District, provided the units conform to the requirements set forth in §9-1-45.25 (Single Room Occupancy Hotels) of the City of Laguna Niguel Zoning Code. The development standards for these uses are reasonable to assure minimum amenities and adequate levels of safety and are not considered to be a constraint to the development of SRO units.

**e. Off-Street Parking Requirements**

The City’s parking requirements for residential uses vary by residential type. Single-family dwellings require 2 covered parking spaces per unit. Multi-family dwellings require 1.5 parking spaces for studio and one-bedroom units, 2 spaces for 2-bedroom units, and 2.5 spaces for 3-bedroom or larger units. The parking requirements are summarized in Table IV-5, below.

The required parking is typical for most cities in Orange County and is not considered to be a constraint on the production of affordable housing. This is especially true for Laguna Niguel, which is essentially built-out with all of the required parking in place. The Planning Commission has the ability to grant reduced parking for senior housing and other affordable housing projects through the site development permit process. It is widely accepted that senior and lower-income households have fewer cars on average than higher-income households.

**Table IV-5  
Residential Parking Requirements**

Type of Unit	Minimum Parking Space Required
Single Family Dwellings	2.0 enclosed parking spaces per dwelling + 1.0 additional off-street parking space for dwellings set back less than 20 feet from back of curb or sidewalk (whichever is less).
Two or More Dwellings on One Building Site	
Studio and One-Bedroom Units	1.5 off-street parking space per dwelling unit One space shall be covered for each dwelling unit.
Two-Bedroom Units	2.0 off-street parking spaces per dwelling unit At least one space shall be covered for each dwelling unit.
Three or More Bedroom Units	2.5 off-street parking spaces per dwelling unit + 0.5 off-street parking space for each bedroom in excess of three. Two spaces shall be covered for each dwelling unit.
Guest Parking (all unit types)	0.5 guest parking spaces per dwelling unit located within 100 feet of dwelling unit served.
Senior Housing	Standards are same as for non-senior projects. However, alternative standards are allowed through the site development permit process.
Guest Houses	One additional covered or uncovered space.

Source: Laguna Niguel Zoning Ordinance

**f. Second Units**

In response to state-mandated requirements and local needs, the City of Laguna Niguel allows for the development of second dwelling units by right (i.e., no discretionary approval required) in the RS-1, RS-2, RS 3, and RS-4 Districts subject to an accessory residential unit permit. The accessory residential unit permit is a ministerial action that does not require public notice or public hearing. The standards and requirements for the establishment of second units are provided in §9-1-35.7 (Second Units) of the Zoning Code. Among other requirements, the second unit: 1) cannot exceed 30% of the area of the primary residence or 1,200 feet if detached, 2) must contain a minimum of one off-street covered parking space if up to 640 square feet, or one covered and one uncovered space is greater than 640 square feet, and 3) must remain under the same ownership as that of the primary residence.

Second units serve to augment resources for senior housing or other low- and moderate-income segments of the population. The development standards are reasonable to ensure neighborhood compatibility, and do not present an unreasonable constraint to development.

**g. Density Bonus**

The City of Laguna Niguel Zoning Code (§9-1-37, Density Bonuses for Affordable Housing) offers a density increase of up to 35 percent over the otherwise maximum allowable residential density to developers who agree to construct housing developments with units affordable to low- or moderate-income households or senior housing projects. These density bonus standards are consistent with *Government Code* §65915.

**h. Mobile Homes/Manufactured Housing**

There is often an economy of scale in manufacturing homes in a factory rather than on site, thereby reducing cost. State law precludes local governments from prohibiting the installation of mobile homes on permanent foundations on single-family lots (*Government Code* §65852.3). It also declares a mobile home park to be a permitted land use on any land planned and zoned for residential use, and prohibits requiring the average density in a new mobile home park to be less than that permitted by the Municipal Code (*Government Code* §65852.7).

In the City of Laguna Niguel, manufactured housing and mobile homes are allowed in the RS-1, RS-2, RS-3, and RS-4 Districts as a permitted use. The City currently has no mobilehome parks.

**i. Condominium Conversions**

In order to provide standards for regulating the conversion of rental housing to condominiums, some of which provides housing for low- and moderate-income persons, and to mitigate any hardship to tenants caused by their displacement, the City's Municipal Code provides for the following:

1. Application for a use permit and approval of tentative and final subdivision maps.
2. Submission of an engineering report on the general condition of all structural, electrical, plumbing, and mechanical elements of the existing development.
3. Submission of a housing program which includes:
  - The means by which the provision of housing affordable to lower- and moderate-income households will be achieved;
  - A housing report addressing housing affordability within the General Plan community profile area, including vacancy rates and other available housing of similar type and rent;
  - A survey of existing tenants as to their length of occupancy, and the number of those who express the intention of purchasing one of the units;
  - A relocation plan that identifies the steps that will be taken to ensure the successful relocation of each tenant if the conversion is completed.

When a condo conversion is permitted, the increase in the supply of less expensive for-sale units helps to compensate for the loss of rental units. The ordinance to regulate condominium conversions is reasonable to preserve rental housing opportunities, and does not present an unreasonable constraint on the production of ownership housing.

**j. Building Codes**

State law prohibits the imposition of building standards that are not necessitated by local geographic, climatic or topographic conditions and requires that local governments making changes or modifications in building standards must report such changes to the Department of Housing and Community Development and file an expressed finding that the change is needed.

The City's building codes are based upon the California Building, Plumbing, Fire, Mechanical, Electrical, and Energy Codes. These are considered to be the minimum necessary to protect the public's health, safety and welfare. No additional regulations have been imposed by the City that would unnecessarily add to housing costs.

## **2. Development Processing Procedures**

### **a. Residential Permit Processing**

State Planning and Zoning Law provides permit processing requirements for residential development. Within the framework of state requirements, the City has structured its development review process in order to minimize the time required to obtain permits while ensuring that projects receive careful review.

All residential development is reviewed by City staff for zoning, building and fire code compliance prior to issuance of building permits. With the exception of single-family homes on existing lots, a site development permit must be approved by the Community Development Director or the Planning Commission for all new structures or significant alterations to the exterior of existing structures. Zoning Code Section 9.1.114.1(d)(1) provides for the Community Development Director to determine, on a case-by-case basis, whether the public interest would be better served by review of the permit by the Director or by the Planning Commission and whether a public hearing is required. The required findings for approval of a Site Development Permit are as follows:

1. *Consistency with general plan.* The project is consistent with the general plan.
2. *Consistency with zoning code.* The project is consistent with the provisions of this zoning code.
3. *Compliance with CEQA.* Processing and approval of the permit application are in compliance with the requirements of the California Environmental Quality Act.
4. *Consistency with design standards.* The project is consistent with the goal and objectives of the community design standards as set forth in section 9-1-91.2.
5. *Surrounding uses.* Approval of the application will not create conditions materially detrimental to the public health, safety and general welfare or injurious to or incompatible with other properties or land uses in the vicinity.

Processing times vary and depend on the size and complexity of the project. Projects reviewed by the Planning Commission, including site development permits, use permits, tentative parcels maps, and tentative tract maps, typically require from 3 to 9 months to process. Projects reviewed by the City Council, such as General Plan and Zoning Code amendments, typically require between 6 and 12 months to process.

The greatest potential for new multi-family housing development in Laguna Niguel is within the Gateway Specific Plan (see also the previous discussion in Section IV.A.1.b, page 36 above). The Gateway Plan includes detailed development standards and design guidelines that provide developers with clear direction regarding the type of development that the City seeks to encourage in this area. As a result, the specific plan simplifies the project design and review process thereby increasing development certainty and minimizing delays and overall development costs. The review and approval process, whether conducted by the Director or by the Planning Commission, focuses on confirming that the project is consistent with the objective physical design parameters contained in the specific plan rather than on the appropriateness of multi-family residential uses. The regulations also encourage affordable multi-family housing by allowing increased density when deed-restricted affordable units or other public benefits are provided.

Certain steps of the development process are required by state laws rather than local laws. The state has defined processing deadlines to limit the amount of time needed for review of required reports and projects. In an effort to provide an efficient permit processing system, the City has implemented the following time and cost saving developmental processes:

- Prepared permit processing guidelines to assist residential builders in applying for development permits for single-family residences, multifamily residential developments and subdivisions.
- Located all City divisions involved in the permitting process in one central location.
- Encourages “early consultation” pre-application meetings to identify issues as soon as possible and reduce processing time.
- Encourage concurrent processing of applications

These processes help to ensure that the development review process does not act as a constraint to housing development.

### **b. Environmental Review**

Environmental review is required for all development projects under the California Environmental Quality Act (CEQA). An Environmental Impact Report (EIR) is required of all developments that have the potential of creating significant impacts that cannot be mitigated. All of the planned communities that make up the City of Laguna Niguel required the preparation of EIRs. Some residential projects in Laguna Niguel are either Categorical Exempt or require only an Initial Study and Negative Declaration. A Negative Declaration process typically takes four to six weeks to prepare depending on complexity of the project and required technical studies, followed by a state-mandated public review period. Categorical Exempt developments require a minimal amount of time. As a result, state-mandated environmental review does not pose a significant constraint to housing development.

### **c. California Coastal Act**

The California Coastal Act requires each local government lying wholly or partly within the state-designated Coastal Zone to prepare a Local Coastal Program (LCP). The City’s LCP is comprised of portions of the South Laguna Specific Plan and the Aliso Creek Specific Plan, both of which were certified by the California Coastal Commission prior to incorporation. After incorporation, the California Coastal Commission certified the Laguna Niguel Local Coastal Program as a single plan. The City is responsible for the issuance of Coastal Development permits in the Coastal Zone.

The developable portions of the City’s Coastal Zone are essentially built-out with only a few vacant single-family sites remaining to be developed with custom homes. Most of the housing within the Coastal Zone was built as part of planned communities and does not provide low-income housing opportunities. Therefore, the preservation and/or replacement of low-income housing within the Coastal Zone is not likely to be an issue within the current planning period. (Please refer to Chapter II, Section G for a discussion of construction, demolition and replacement of housing units within the Coastal Zone.)

## **3. Development Fees and Improvement Requirements**

State law limits fees charged for development permit processing to the reasonable cost of providing the service for which the fee is charged. Various fees and assessments are charged by the City and other public agencies to cover the costs of processing permit applications and providing services and facilities such as schools, parks and infrastructure. Almost all of these fees are assessed through a pro rata share system, based on the magnitude of the project’s impact or on the extent of the benefit that will be derived.

Table IV-6 provides a list of fees the City of Laguna Niguel charges for new, standard residential development. The rates charged by the City are inclusive and based on standardized unit sizes. Development fees will vary from project to project depending on the specific characteristics.

**Table IV-6  
Planning and Development Fees**

Fee Category	Fee or Deposit Amount <sup>1</sup>
<b>Planning and Application Fees</b>	
Parcel Map	\$2,080 deposit
Tentative Tract Map	\$2,925 deposit
Minor Site Development Permit (administrative)	\$2,000 deposit
Site Development Permit (discretionary)	\$4,400 deposit
Minor Use Permit (administrative)	\$1,600 deposit
Use Permit (discretionary)	\$3,800 deposit
Specific Plan	\$5,000 deposit
General Plan Amendment	\$5,000 deposit
Zone Change	\$5,000 deposit
<b>Environmental Review</b>	
Environmental Impact Report (review) <sup>2</sup>	\$5,000 deposit
<b>Building Fees</b>	
Building Permit and Inspection - SF	\$1.10 per sq. ft.
Electrical, Mechanical, Plumbing - SF	\$0.153 per sq. ft.
Building Permit and Inspection- MF	\$1.07 per sq. ft.
Electrical, Mechanical, Plumbing- MF	\$0.09 per sq. ft.
<b>Development Impact Fees<sup>3</sup></b>	
City Road Fees	\$4,393 - \$6,887 per unit
OCFA Fire Station Fees	\$66 - \$336 per unit
County Library Fees	\$276- \$294 per unit
Child Care Fee Program	\$20 per unit
Salt Creek Corridor Fees	\$50 per unit
School Fees	\$2.97 per sq.ft.
Water Connection Fee (Moulton-Niguel)	\$700 per unit
Sewer Connection Fee (Moulton-Niguel)	\$700 per unit
<b>Estimated Total Fees<sup>4</sup></b>	
Single-Family Detached <sup>5</sup>	\$17,300 – 20,800
Est. % of total development cost <sup>6</sup>	3% - 4%
Multi-Family <sup>7</sup>	\$11,400 – 15,000
Est. % of total development cost <sup>8</sup>	4% - 5%

Source: City of Laguna Niguel Community Development Department 2013

Notes:

1. Items with deposits are based on actual processing costs that may exceed initial deposit amount.
2. Applicant is required to reimburse City for Consultant Costs
3. Development Impact Fees may vary by location.
4. Including fees collected by City and other public agencies
5. Assumes a 2000-sq.ft. house on a subdivided lot
6. Based on estimated total cost of \$600,000
7. Assumes a 1000-sq.ft. apartment unit
8. Based on estimated total cost of \$300,000

The City periodically evaluates the actual cost of processing development permits. Services that are provided on a cost reimbursement basis have been adjusted from time to time for inflation and are currently \$79 per hour. Services that are provided on a “flat fee” basis were established in 1999 and have not been increased since then.

After the passage of Proposition 13 and its limitation on local governments’ property tax revenues, cities and counties have faced increasing difficulty in providing public services and facilities to serve their

residents. One of the main consequences of Proposition 13 has been the shift in funding of new infrastructure from general tax revenues to development impact fees and improvement requirements on land developers. The City requires developers to provide on-site and off-site improvements necessary to serve their projects. Such improvements may include water, sewer and other utility extensions, street construction and traffic control device installations that are reasonably related to the project. Dedication of land or in-lieu fees may also be required of a project for rights-of-way, transit facilities, recreational facilities and school sites, consistent with the Subdivision Map Act.

Although development fees and improvement requirements increase the cost of housing, cities have little choice in establishing such requirements due to the limitations on property taxes and other revenue sources needed to fund public services and improvements.

## **B. Non-Governmental Constraints**

### **1. Environmental Constraints**

Environmental constraints include physical features such as steep slopes, fault zones, floodplains, sensitive biological habitat, and agricultural lands. In many cases, development of these areas is constrained by state and federal laws (e.g., FEMA floodplain regulations, the Clean Water Act and the Endangered Species Act, and the state Fish and Game Code and Alquist-Priolo Act). Because Laguna Niguel is fully developed, these issues do not pose a significant constraint to new development within City limits. The City's land use plans have been designed to protect sensitive areas from development, and to protect public safety by avoiding development in hazardous areas. While these policies constrain residential development to some extent, they are necessary to support other public policies.

### **2. Infrastructure Constraints**

As the City has been developed as a planned community, infrastructure, including water, sewer and sidewalks, are readily available and adequate within the City limits. As discussed under Development Fees and Improvement Requirements, the City requires developers to provide on-site and off-site improvements necessary to serve their projects. Dedication of land or in-lieu fees may also be required of a project for rights-of-way, transit facilities, recreational facilities and school sites, consistent with the Subdivision Map Act.

Additionally, the City's Capital Improvement Program (CIP) contains a schedule of public improvements including streets, bridges, and other public works projects to facilitate the remaining build-out of the City's General Plan. The CIP helps to ensure that construction of public improvements is coordinated with private development. As a result of these policies, any infrastructure constraints which currently exist must be fully mitigated and financed as growth occurs.

#### **a. Wastewater**

Sewage collection and treatment in Laguna Niguel is provided primarily by the Moulton Niguel Water District (MNWD). A small portion of Laguna Niguel near the southwesterly boundary is served by the South Coast Water District (SCWD). The MNWD has developed a reclaimed water system to deliver treated wastewater to landscaped areas in the City. The MNWD and SCWD currently operate below their maximum treatment capacities and do not constrain development in the City.

#### **b. Water**

Water for City residents is supplied by the MNWD and the SCWD. The MNWD and the SCWD are members of the Municipal Water District of Orange County (MWDOC), which in turn is a member of the

Metropolitan Water District of Southern California (MWD). Almost all of the water supply is purchased from MWD, which imports water from the Colorado River Aqueduct (a small portion comes from Northern California through the State Water Project). Domestic water supply is not expected to limit development during the planning period.

### **c. Storm Water Drainage**

Regional flood control facilities consist of major collector channels and storm drains, and are maintained by the Orange County Flood Control District (OCFCD). Five regional facilities serve the City, four of which are located within the City limits, with the fifth facility running adjacent to the City on its westerly boundary. Flows from within the City are conveyed to these facilities by local storm drain facilities or overland flow. Local drainage facilities consist mostly of underground closed conduits located in the developed areas of the City. With these facilities in place, the City's flood control system is not expected to limit development during the planning period.

## **3. Land Costs**

Land represents one of the most significant components of the cost of new housing. Land values fluctuate with market conditions, and steadily increased from 2000 to 2006. The cost of undeveloped residential land in southern Orange County varies according to location and other factors, and can exceed \$2 million per acre. The downturn in the housing market in 2008 affected land values negatively, however. Changes in land prices reflect the cyclical nature of the residential real estate market. The high price of land throughout Orange County historically has posed a significant challenge to the development of lower-income housing. Per-unit land cost is directly affected by density – higher density allows the cost to be spread across more units. While the City is essentially built-out to suburban densities typical of neighboring south Orange County cities, the Gateway Specific Plan creates the opportunity to achieve higher densities on infill and revitalization sites during the current planning period.

## **4. Construction Costs**

Construction cost is affected by the price of materials, labor, development standards and general market conditions. The City has no influence over materials and labor costs, and the building codes and development standards in Laguna Niguel are not substantially different than most other cities in Orange County. Construction costs for materials and labor have increased at a slightly higher pace than the general rate of inflation according to the Construction Industry Research Board. Typical residential construction cost is estimated to be \$100-140 per square foot for standard quality development.

## **5. Cost and Availability of Financing**

The recent crisis in the mortgage industry has affected the availability of real estate loans, although the long-term effects are unpredictable. The credit “crunch” resulted when “sub-prime” lenders made it possible for families who could not qualify for standard mortgages to become home owners even though they might not have had the credit history and income to support repayment of the loans. The problem typically occurred with adjustable rate mortgages (ARMs) after the initial fixed interest rate period expired (often two to three years) and the interest rate converted to market. Because ARMs often offer “teaser” initial interest rates well below market for the first few years, monthly payments may increase by several hundred dollars when the loan adjusts to market rate. When property values were increasing, as was the case from 2000 to 2006, homeowners had the option of refinancing to a new loan when the initial rate expired. However, in the current market, homeowners may owe more than the value of their home, making refinancing impossible. As a result of these conditions, there has been a significant rise in foreclosure rates, and changes in mortgage underwriting standards is likely to have greater impacts on low-income families than other segments of the community.

### **C. Fair Housing**

Under state law, it is illegal for real estate lending institutions to discriminate against entire neighborhoods in lending practices because of the physical or economic conditions in the area (“redlining”). Mortgage data analyzed in the City’s current Analysis of Impediments to Fair Housing Choice indicates that redlining has not occurred in any area of the City.

State law also prohibits discrimination in the development process or in real property transactions, and it is the City’s policy to uphold the law in this regard. The City also provides financial support to the Orange County Fair Housing Council through its CDBG program and supports fair housing activities.

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## V. HOUSING PLAN

### A. Goals and Policies

Chapters II, III and IV of the Housing Element evaluate the City's housing needs, opportunities and constraints, while Appendix A presents a review of the previous element. This Housing Plan reflects the City's experience during the previous planning period and sets forth the City's goals, policies, and programs to address the identified housing needs and issues for the 2013-2021 planning period. Quantified objectives for new construction, rehabilitation and conservation are also identified for this planning period.

The goals and policies that guide the City's housing programs and activities are as follows:

#### Housing Diversity and Opportunities

**GOAL 1: Provide a diversity of housing opportunities that satisfy the physical, social, and economic needs of existing and future residents of Laguna Niguel.**

**Intent:** To promote a balanced inventory of housing in terms of unit type, cost and tenure and range of housing options necessary to support an economically and socially diverse community. Adequate public facilities and services are important in maintaining the quality of life valued by Laguna Niguel residents.

**Policy 1.1:** *Ensure that housing is safe and sanitary with adequate public services to accommodate the needs of City residents.*

**Policy 1.2:** *Promote the continued maintenance and enhancement of the existing housing stock.*

**Policy 1.3:** *Promote a variety of housing opportunities that accommodate the needs of all income levels of the population.*

**Policy 1.4:** *Support innovative public, private, and non-profit efforts in development of affordable housing, particularly for special needs groups.*

**Policy 1.5:** *Pursue county, state, and federal assistance to support the development and implementation of housing programs that require financial assistance from public agencies. In pursuing funding opportunities, in distributing grant allocations (such as CDBG), or in assisting other agencies or private entities, the City's decisions will be based on the following factors:*

- the priority of housing need addressed by the proposed project;
- the City's non-housing priorities for the use of an annual funding source (such as CDBG) in relation to the priority of the proposed project;
- the likelihood that the proposed project will receive funding from other sources based on those sources' application rating criteria; and
- the amount of staff time and other costs required to secure and administer funding in relation to available staff resources.

**Policy 1.6:** *Monitor the number of affordable housing units eligible for conversion to market-rate units and develop programs to minimize the loss of these units.*

## Equal Opportunities for All Residents

### GOAL 2: Maintain equal housing opportunities for all residents in Laguna Niguel

**Intent:** To prohibit discrimination in housing practices in accordance with federal and state fair housing law.

*Policy 2.1: Encourage and support the enforcement of laws and regulations prohibiting the discrimination in lending practices in the sale or rental of housing.*

*Policy 2.2: Support actions to reduce regulatory constraints which impede equal housing opportunities.*

*Policy 2.3: Ensure that City land use and housing policies and regulations do not create unreasonable barriers to housing and housing support services to special needs population groups such as the elderly, families with children, persons with disabilities, and the mentally ill.*

## B. Housing Programs

Laguna Niguel offers a variety of housing opportunities to meet the needs of the community. This section of the Housing Plan addresses the issues identified in the previous sections of this Housing Element and provides strategies and actions to achieve the City's housing goals. Table V-1 summarizes the programs, objectives, funding sources, responsible agencies, and time frames for implementation.

### Program 1 Provision of Adequate Housing Sites

**Objective:** Identify adequate sites for housing commensurate with the City's identified housing need in the RHNA allocation.

*Action 1.1: The potential housing sites shown in Appendix B, including approved projects and vacant sites, contain adequate capacity to accommodate the City's RHNA allocation in all income categories. In order to ensure that adequate capacity is maintained throughout the planning period, the City will comply with the "no net loss" provision of Government Code Sec. 65863 and report on the progress toward meeting the RHNA objectives each year in the Annual General Plan Implementation Report. The City's efforts to facilitate development commensurate with the RHNA are described in Program 3 below.*

*Action 1.2: In order to encourage and facilitate multi-family and mixed-use development in the Gateway Specific Plan area, the following incentives will be provided:*

- *Increased residential density and floor area ratio will be permitted when affordable housing is provided.*
- *CDBG or other available funding assistance may be allocated to projects that include multi-family units targeted for extremely-low-income households.*
- *City staff will provide administrative assistance to affordable housing developers in preparing grant applications.*
- *A current inventory of vacant sites suitable for multi-family residential or mixed-use development will be maintained on the City website.*
- *At least once each year the City will publicize development opportunities within the Gateway Specific Plan area.*

**Program 2 – Sites for Emergency Shelters and Transitional/Supportive Housing**

**Objective:** Promote and assist in the development of emergency shelters and transitional/supportive housing.

- Action 2.1:** *While surveys have not identified a significant local homeless population in Laguna Niguel, the City will continue to monitor the issue of homelessness in the future, continue its participation in the Orange County Homeless Issues Task Force, and continue to allocate an appropriate level of CDBG funding in relation to the local need.*
- Action 2.2:** *The City will continue to implement the provisions of state law that define transitional and supportive housing as residential uses subject to the same standards and procedures as apply to other residential uses of the same type in the same zone.*

**Program 3 – Affordable Housing Development**

**Objective:** Promote, assist, and remove constraints on the development of housing for low- and moderate-income households, including units affordable to persons with extremely-low incomes.

- Action 3.1:** *The City will continue to implement its affordable housing regulations (Subarticle 3, §9-1-37 of the Laguna Niguel Zoning Code) in compliance with the current provisions of Government Code §65915 (state density bonus law) which provides for a density increase of up to 35 percent over the otherwise maximum allowable residential density (or bonuses of equivalent financial value) for developers who agree to construct housing developments with units affordable to low- or moderate-income households or seniors.*
- Action 3.2:** *The City will assist developers in seeking available state and federal funding and/or tax credits for the construction of low- and moderate-income housing, and will facilitate projects that incorporate affordable units by granting the modification of development standards, expedited processing, or other financial incentives consistent with state law. The City will provide administrative assistance to interested developers in accessing funding for private, local, state, or federal programs if needed to develop a low- or moderate-income project. Available assistance will be advertised and marketed continuously on the City website.*
- Action 3.3:** *The City will continue to encourage the production of housing designed specifically for special needs population groups and extremely-low-income (ELI) households, in conjunction with density bonuses and/or regulatory incentives described in Action 3.1 of this Program. Additional assistance such as modified development standards and fee waivers will be provided to assist extremely-low-income units, when feasible. Targeted funding assistance will be prioritized for ELI units whenever feasible.*
- Action 3.4:** *In accordance with §65852.1 and §65852.2 of the Government Code, the City will continue to implement a second unit ordinance that allows for the construction of second units on single-family lots in residential areas. Publicize the opportunities for second units on the City website, at City Hall and at other community facilities.*

**Program 4 – Conserve and Improve Existing Low- and Moderate-Income Housing**

**Objective:** There are two projects with 156 units in Laguna Niguel that are at risk of conversion to market-rate apartments by 2023. While the City supports efforts to conserve and improve the existing supply of housing affordable to low- and moderate-income households, the level of need is greater than the financial resources under the City’s control.

**Action 4.1:** *Support efforts to conserve assisted rental units currently affordable to low- and moderate-income households that are at-risk of converting to market rate between 2013 and 2023. The City’s strategy will be to:*

1. Monitor the status of assisted units annually in order to assess the risk of conversion to market rate.
2. In collaboration with the Orange County Housing & Community Services Department, encourage the owners of at-risk properties to maintain their rental units as affordable housing in exchange for appropriate financial incentives.
3. Depending on the interest of property owners and County HCS, allocate a portion of the City’s CDBG funds to assist in extending affordability covenants for at-risk units, and work with potential purchasers of at-risk properties to extend affordability covenants.
4. In cooperation with County HCS, provide educational materials to tenants of properties with expiring covenants regarding options for securing other affordable housing.

**Action 4.2:** *Continue the City’s active property maintenance program run by the Code Enforcement Division of the Community Development Department. Under this program, code enforcement staff has an ongoing routine of conducting “windshield” surveys, covering all property in Laguna Niguel every two to three months. Code enforcement officers take note of and follow up on issues they may find that threaten public health, safety, and welfare, such as fire hazards, polluted waters, refuse and waste, overgrown or dead vegetation, and unsafe structures, all in accordance with Municipal Code Division 14 (Nuisances). The program will help to maintain the City’s existing housing stock in good condition to prevent the need for rehabilitation.*

**Action 4.3:** *Participate in existing Homesharing Programs that benefit Laguna Niguel residents. This program is designed to match people with limited incomes, typically seniors, seeking housing as well as owners that wish to share their homes.*

**Action 4.4:** *Continue to administer the City’s Condominium Conversion Ordinance.*

**Action 4.5:** *Require the replacement of low-income units converted or removed in the Coastal Zone according to the requirements of Government Code §65590. The program shall also include a component to monitor the construction, demolition, and conversion of units affordable to low- and moderate-income households in the Coastal Zone.*

**Program 5 – Promote Equal Housing Opportunity**

**Objective:** Promote equal housing opportunity for all residents of Laguna Niguel.

*Action 5.1: Continue to implement administrative procedures to ensure reasonable accommodation in housing for persons with disabilities.*

*Action 5.2: Continue to support the activities of the Orange County Fair Housing Council and provide referrals to this organization by posting flyers on the City website and at public buildings.*

**Program 6 – Housing Element Monitoring and Reporting**

**Objective:** To develop monitoring and reporting programs for the Housing Element and ensure the Housing Element is internally consistent with other elements of the General Plan.

*Action 6.1: Report to the City Council annually on the progress of Housing Element program implementation. This report will be distributed to the Department of Housing and Community Development and the Governor’s Office of Planning and Research, in accordance with state law.*

*Action 6.2: Require social service agencies and non-profit organizations that receive CDBG funding from the City to record and report information on the residences of clients served.*

*Action 6.3: Whenever land use regulations, land use designations, or housing programs are proposed for adoption or modification, the Community Development Department shall analyze the proposed changes to determine consistency with the Housing Element and other elements of the General Plan.*

**Table V-1  
Housing Program Summary  
City of Laguna Niguel**

Housing Program	Program Objective	Program Actions	Funding	Responsible Agency	Time Frame
1. Provision of Adequate Housing Sites	Identify and monitor the use of vacant land for the construction of new housing units to meet RHNA allocation.	1.1 In order to ensure that adequate capacity is maintained throughout the planning period, the City will comply with the "no net loss" provision of Government Code Sec. 65863 and report on the progress toward meeting the RHNA objectives each year in the Annual General Plan Implementation Report. 1.2 In order to encourage and facilitate multi-family and mixed-use development in the Gateway Specific Plan area, the following incentives will be provided: <ul style="list-style-type: none"> <li>• Increased residential density and floor area ratio will be permitted when affordable housing is provided.</li> <li>• CDBG or other available funding assistance may be allocated to projects that include multi-family units targeted for extremely-low-income households.</li> <li>• City staff will provide administrative assistance to affordable housing developers in preparing grant applications.</li> <li>• A current inventory of vacant sites suitable for multi-family residential or mixed-use development will be maintained on the City website.</li> <li>• At least once each year the City will publicize development opportunities within the Gateway Specific Plan area.</li> </ul>	General Fund	Community Development Department	Ongoing
2. Sites for Emergency Shelters and Transitional / Supportive Housing	Promote and assist in the development of emergency shelters and transitional/ supportive housing.	2.1 Continue to monitor homeless needs in Laguna Niguel.	General Fund	Community Development Department	Ongoing
		2.2 Continue to define transitional and supportive housing as residential uses	General Fund	Community Development	Ongoing

Housing Program	Program Objective	Program Actions	Funding	Responsible Agency	Time Frame
		subject to the same standards as apply to other residential uses of the same type in the same zone.		Department	
3. Affordable Housing Development	Promote and assist in the development of housing for low- and moderate-income households.	3.1 Continue to implement the City's affordable housing regulations to comply with current provisions of Government Code 65915 (State density bonus law).	General Fund	Community Development Department	Ongoing
		3.2 Assist developers in seeking state and federal funding and/or tax credits for the construction of low- and moderate-income housing. Provide incentives for affordable housing development. Advertise available assistance on the City website.	HOME; Mortgage Revenue Bonds; state or federal tax credits; state Pre-development Loan Program; private foundation; California Child Care Facilities Finance Program	Community Development Department	Provide assistance on a continuing basis in response to developer requests.
		3.3 Continue to encourage the production of housing designed specifically for special needs population groups. Provide additional incentives and prioritize funding assistance for extremely-low-income units when feasible.	Federal Section 202; federal Section 8 New Construction Program; HOME; Mortgage Revenue Bonds; state or federal tax credits; federal Section 321; federal Section 911	Community Development Department	Ongoing
		3.4 Continue to implement second unit ordinance. Publicize the opportunities for second units on the City website, at City Hall and at other community facilities.	General Fund	Community Development Department	Ongoing
4. Conserve and Improve Existing Housing Affordable to Low and Moderate Income Households	To conserve and improve existing housing that is affordable to low- and moderate-income households.	4.1 Monitor the status of assisted units annually in order to assess the risk of conversion to market rate. In collaboration with the County Housing & Community Services Department, encourage the owners of at-risk properties to maintain their rental units as affordable housing in exchange for appropriate financial incentives. Depending on the interest of property owners and County HCS, allocate a portion of the City's CDBG funds to assist in extending affordability covenants for at-risk units.	CDBG, state and federal programs	Community Development Department; City Council	Contact OC HCS annually regarding potential conversion of any units at-risk

Housing Program	Program Objective	Program Actions	Funding	Responsible Agency	Time Frame
		In cooperation with County HCS, provide educational materials to tenants of properties with expiring covenants regarding options for securing other affordable housing.			
		4.2 Continue the City's active property maintenance program.	General Fund; Inspection fees	Community Development Department	Ongoing
		4.3 Participate in Homesharing Programs which benefit Laguna Niguel residents.	General Fund; CDBG Funding	Community Development Department	Ongoing
		4.4 Continue to administer the City's Condominium Conversion Ordinance.	General Fund; permit fees from condominium conversions	Community Development Department	Ongoing
		4.5 Require the replacement of low-income units converted or removed in the Coastal Zone.	General Fund; CDGB funds	Community Development Department	Ongoing
5. Promote Equal Housing Opportunity	Promote equal housing opportunity for all residents of Laguna Niguel.	5.1 Continue to implement administrative procedures to ensure reasonable accommodation in housing for persons with disabilities.	General Fund	Community Development Department	Ongoing
		5.2 Continue to support the activities of the Orange County Fair Housing Council and provide referrals when appropriate. Post flyers on the City website and at public buildings.	CDBG funds	Community Development Department	Annually & ongoing
6. Housing Element Monitoring and Reporting	To develop monitoring and reporting programs for the Housing Element and ensure the Housing Element is internally consistent with other elements of the General Plan.	6.1 Report annually on the progress of Housing Element program implementation.	General Fund	Community Development Department	Annually
		6.2 Require social service agencies and non-profit organizations that receive CDBG funding from the City to record and report information on the residences of clients served	General Fund	Community Development Department	Annually
		6.3 Analyze proposed changes in land use regulations, land use designations or housing programs for consistency with the Housing Element and other General Plan elements.	General Fund	Community Development Department	Ongoing

### C. Quantified Objectives

The City's quantified objectives for new construction, rehabilitation and conservation are presented in Table V-2. No rehabilitation objective is established since the City's housing stock is relatively new and there are no units in need of substantial repair.

**Table V-2**  
**Quantified Objectives – 2013-2021**  
**City of Laguna Niguel**

Program Category	Income Category					Totals
	Ex. Low	V. Low	Low	Mod	Upper	
New Construction <sup>1</sup>	22	21	30	34	75	182
Rehabilitation	-	-	-	-	-	-
Conservation <sup>2</sup>			156		-	156

1. Quantified objective for new construction is for the period 1/1/2014 – 10/31/2021 per the RHNA

2. Preservation of units at risk of conversion to market rate housing

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## **Appendix A – Evaluation of the Prior Housing Element**

Section 65588(a) of the *Government Code* requires that jurisdictions evaluate the effectiveness of the existing Housing Element, the appropriateness of goals, objectives and policies, and the progress in implementing programs for the previous planning period. This appendix contains a review the housing goals, policies, and programs of the previous housing element, and evaluates the degree to which these programs have been implemented during the previous planning period, 2008 through 2013. This analysis also includes an assessment of the appropriateness of goals, objectives and policies. The findings from this evaluation have been instrumental in determining the City's 2013 Housing Implementation Program.

Table A-1 summarizes the programs contained in the previous Housing Element along with the source of funding, program objectives, accomplishments, and implications for future policies and actions.

Table A-2 summarizes the goals and policies contained in the previous Housing Element along with an assessment of their appropriateness for the new planning period.

Table A-3 presents the City's progress in meeting the quantified objectives from the previous Housing Element.

**Table A-1  
Housing Element Program Evaluation 2008-2013  
City of Laguna Niguel**

Program/Action	Responsible Agency	Funding Source	Program Objectives	Accomplishments	Future Policies and Actions
<b>1. Provision of Adequate Housing Sites</b>					
1.1 In order to ensure that adequate capacity is maintained throughout the planning period, the City will comply with the "no net loss" provision of Government Code Sec. 65863 and report on the progress toward meeting the RHNA objectives each year in the Annual General Plan Implementation Report. In compliance with Government Code §65583.2(h) the City will ensure the availability of sites to accommodate exclusive residential development totaling at least 50% of the City's remaining lower-income housing need throughout the planning period. No project within the Mixed Use area of the Gateway Specific Plan shall be approved unless a finding is made that the approval: 1) is in conformance with this Housing Element; and 2) will not reduce the capacity of available sites below the level necessary to accommodate exclusive residential development equal to at least 72 units.	Community Development Department	General Fund	Maintain adequate sites commensurate with the RHNA throughout the planning period.	The City has approved two requests to allow residential development projects within the Gateway area. The projects include a total of 426 dwelling units. As conditioned, 5 percent of the units will be reserved for very low income households.	This program should be updated to reflect the new RHNA.
1.2 In order to encourage and facilitate multi-family and mixed-use development in the Gateway Specific Plan area, the following incentives will be provided: <ul style="list-style-type: none"> <li>• Increased residential density and floor area ratio will be permitted when affordable housing is provided.</li> <li>• CDBG or other available funding assistance may be allocated to</li> </ul>	Community Development Department	General Fund; CDBG	Facilitate multi-family and mixed-use development in the Gateway Specific Plan.	The City has approved two requests to allow residential development projects within the Gateway area to include increased residential density based on provision of affordable housing. No developer requests for administrative assistance with affordable housing projects have been received during the planning	This program should be continued.

Program/Action	Responsible Agency	Funding Source	Program Objectives	Accomplishments	Future Policies and Actions
<p>projects that include multi-family units targeted for extremely-low-income households.</p> <ul style="list-style-type: none"> <li>• City staff will provide administrative assistance to affordable housing developers in preparing grant applications.</li> <li>• A current inventory of vacant sites suitable for multi-family residential or mixed-use development will be maintained on the City website.</li> <li>• At least once each year the City will publicize development opportunities within the Gateway Specific Plan area.</li> </ul>				<p>period.</p> <p>The inventory of vacant sites suitable for multi-family residential or mixed-use development is publicized to developers and other interested parties and maintained on the City website.</p>	
<p><b>2. Sites for Emergency Shelters and Transitional/Supportive Housing</b></p>					
<p>2.1 Continue to monitor homeless needs in Laguna Niguel.</p>	<p>Community Development Department</p>	<p>General Fund</p>	<p>Monitor homeless issues through continued participation in the Orange County Homeless Issues Task Force and allocate an appropriate level of CDBG funding in relation to local need.</p>	<p>The City continued participation in the County Continuum of Care program and monitored agenda items pertinent to the City's needs.</p> <p>On an annual basis, the City uses 15 percent of the CDBG allocation to provide public and supportive services for the homeless, low and moderate income residents, as well as those with special needs.</p> <p>CDBG funds for the provision of homeless services were allocated to: South County Outreach (previously Saddleback Community Outreach); Families Forward, the YMCA, the Boys and Girls Club, and; Laura's House</p>	<p>This program is successful and should be continued.</p>
<p>2.2 Amend the Zoning Ordinance to allow transitional &amp; supportive housing and establish development standards for emergency shelters in conformance with SB 2.</p>	<p>Community Development Department</p>	<p>General Fund</p>	<p>Code amendment within one year of Housing Element adoption.</p>	<p>City policy is consistent with SB 2 and no Zoning Code Amendment was determined to be necessary.</p>	<p>This program has been completed and is no longer necessary.</p>

Program/Action	Responsible Agency	Funding Source	Program Objectives	Accomplishments	Future Policies and Actions
2.3 Continue to implement the Managed Care Overlay District that permits senior and handicapped housing facilities.	Community Development Department	General Fund	Continue to facilitate housing for seniors and handicapped	The City is currently processing a request to allow a senior housing project within the Managed Care Overlay District. The project includes 224 dwelling units to provide various levels of care.	This program should be continued.
<b>3. Affordable Housing Development</b>					
3.1 Update the City's affordable housing regulations to comply with current provisions of Government Code 65915 (State density bonus law).	Community Development Department	General Fund	Code amendment within one year of Housing Element adoption	A Zoning Code Amendment was approved in Spring 2013.	This program has been completed and is no longer necessary.
3.2 Assist developers in seeking state and federal funding and/or tax credits for the construction of low- and moderate-income housing. Provide incentives for affordable housing development. Advertise available assistance on the City website.	Community Development Department	HOME; Mortgage Revenue Bonds; state or federal tax credits; state Pre-development Loan Program; private foundation; California Child Care Facilities Finance Program	Provide assistance on a continuing basis in response to developer requests.	To date, no requests received.	This program should be continued.
3.3 Continue to encourage the production of housing designed specifically for special needs population groups. Provide additional incentives and prioritize funding assistance for extremely-low-income units when feasible.	Community Development Department	Federal Section 202; federal Section 8 New Construction Program; HOME; Mortgage Revenue Bonds; state or federal tax credits; federal Section 321; federal Section 911	Continue to facilitate production of housing for special needs population and ELI units	To date, no requests received.	This program should be continued.
3.4 Continue to implement second unit ordinance. Publicize the opportunities for second units on the City website, at City Hall and at other community facilities.	Community Development Department	General Fund	Facilitate production of second units and publicize opportunities.	Four second dwelling units were constructed between 2008 and 2013.	This program should be continued.

Program/Action	Responsible Agency	Funding Source	Program Objectives	Accomplishments	Future Policies and Actions
<b>4. Conserve and Improve Existing Housing Affordable to Low and Moderate Income Households</b>					
<p>4.1 Monitor the status of assisted units annually in order to assess the risk of conversion to market rate.</p> <p>In collaboration with the County Housing &amp; Community Services Department, encourage the owners of at-risk properties to maintain their rental units as affordable housing in exchange for appropriate financial incentives.</p> <p>Depending on the interest of property owners and County HCS, allocate a portion of the City's CDBG funds to assist in extending affordability covenants for at-risk units.</p> <p>In cooperation with County HCS, provide educational materials to tenants of properties with expiring covenants regarding options for securing other affordable housing.</p>	<p>Community Development Department; Orange County HCS</p>	<p>Depends on the amount and purpose of funding needed (acquisition only, rehabilitation only, acquisition and rehabilitation, etc.).</p>	<p>Conserve affordable rental units that are at-risk of converting to market rate housing</p>	<p>Two projects with 156 units were identified as being at-risk. In 2012 the City consulted with the County regarding potential strategies for preserving these units.</p>	<p>This program should be continued.</p>
<p>4.2 Continue the City's active property maintenance program.</p>	<p>Community Development Department</p>	<p>General Fund; inspection fees</p>	<p>Preserve the existing housing stock through active property maintenance.</p>	<p>The City continues an active Property Maintenance Program to keep the existing housing stock in good condition. Homes are inspected by Code Enforcement staff on a complaint basis or at the request of the occupant. The City performs an average of 2 inspections per month.</p>	<p>This program should be continued.</p>
<p>4.3 Participate in Homesharing Programs which benefit Laguna Niguel residents.</p>	<p>Community Development Department</p>	<p>General Fund</p>	<p>Encourage home sharing in order to reduce housing costs.</p>	<p>Between 1998 and 2002, CDBG funds were allocated to agencies that provided Homesharing services for an average of 27 Laguna Niguel residents per year. After 2002, no senior housing agencies applied for CDBG funds.</p>	<p>There are currently no organizations providing Homesharing services, therefore this program is no longer available and will not be continued.</p>

Program/Action	Responsible Agency	Funding Source	Program Objectives	Accomplishments	Future Policies and Actions
4.4 Continue to administer the City's Condominium Conversion Ordinance.	Community Development Department	General Fund	Continue to review requests for condo conversion to ensure public safety and protection of tenant rights.	To date, no requests received.	This program should be continued.
4.5 Require the replacement of low-income units converted or removed in the Coastal Zone.	Community Development Department	General Fund	Preserve affordable housing in the Coastal Zone when feasible.	To date, no requests received.	This program should be continued.
<b>5. Promote Equal Housing Opportunity</b>					
5.1 Adopt administrative procedures to ensure reasonable accommodation in housing for persons with disabilities.	Community Development Department	General Fund	Ensure reasonable accommodation in housing for persons with disabilities.	Administrative procedures are in place to ensure reasonable accommodation.	This program has been completed and is no longer necessary.
5.2 Continue to support the activities of the Orange County Fair Housing Council and provide referrals when appropriate. Post flyers on the City website and at public buildings.	Community Development Department	CDBG	Provide residents with fair housing information and services.	The City provides CDBG funding to the Fair Housing Council of Orange County to provide fair housing services to City residents. FHCOC responds to approximately 100 to 150 complaints/requests per year by Laguna Niguel residents. Complaints/requests regarding fair housing received by City staff are forwarded to the Fair Housing Council for resolution.	This program should be continued.
<b>6. Housing Element Monitoring and Reporting</b>					
6.1 Report annually on the progress of Housing Element program implementation.	Community Development Department	General Fund	Monitor and report to the City Council each year on the progress of Housing Element programs. Distribute report to the Department of Housing and Community Development and the Governor's Office of Planning and Research.	The annual progress report was reviewed by the City Council and submitted to HCD in 2013 regarding the progress of Housing Element programs.	This program should be continued.
6.2 Require social service agencies and non-profit organizations that receive CDBG funding from the City to record and report information on the residences of clients served	Community Development Department	CDBG	Monitor activities of social service agencies and non-profit organizations that receive CDBG funding from the City.	The City has implemented this action by requiring quarterly and annual reports from each of the City's sub-grantees receiving CDBG funds.	This program should be continued.

Program/Action	Responsible Agency	Funding Source	Program Objectives	Accomplishments	Future Policies and Actions
6.3 Analyze proposed changes in land use regulations, land use designations or housing programs for consistency with the Housing Element and other General Plan elements.	Community Development Department	General Fund	Ensure ongoing consistency between the Housing Element and other elements of the General Plan.	City staff performs this consistency analysis as part of the staff report to the Planning Commission and City Council for any proposed modifications of the General Plan, Zoning Code, other City ordinances and regulations, or adopted housing programs.	This program should be continued.

**Table A-2  
Appropriateness of 2008 Housing Element Goals and Policies**

Goal	Policy	Appropriateness
1. A diversity of housing opportunities that satisfy the physical, social, and economic needs of existing and future residents of Laguna Niguel.		Appropriate - retain
	1.1 Ensure that housing is safe and sanitary with adequate public services to accommodate the needs of City residents.	Appropriate - retain
	1.2 Promote the continued maintenance and enhancement of the existing housing stock.	Appropriate - retain
	1.3 Promote a variety of housing opportunities that accommodate the needs of all income levels of the population.	Appropriate - retain
	1.4 Support innovative public, private, and non-profit efforts in development of affordable housing, particularly for special needs groups.	Appropriate - retain
	1.5 Pursue county, state, and federal assistance to support the development and implementation of housing programs that require financial assistance from public agencies. In pursuing funding opportunities, in distributing grant allocations (such as CDBG), or in assisting other agencies or private entities, the City's decision will be based on the following factors: <ul style="list-style-type: none"> <li>• the priority of housing need addressed by the proposed project;</li> <li>• the City's non-housing priorities for the use of an annual funding source (such as CDBG) in relation to the priority of the proposed project;</li> <li>• the likelihood that the proposed project will receive funding from other sources based on those sources= application rating criteria; and</li> <li>• the amount of staff time and other costs required to secure and administer funding in relation to available staff resources.</li> </ul>	Appropriate - retain
	1.6 Monitor the number of affordable housing units eligible for conversion to market-rate and develop programs to minimize the loss of these units.	Appropriate - retain
2. Equal housing opportunity for all residents in Laguna Niguel.		Appropriate - retain
	2.1 Encourage and support the enforcement of laws and regulations prohibiting the discrimination in lending practices in the sale or rental of housing.	Appropriate - retain
	2.2 Support actions to reduce regulatory constraints which impede equal housing opportunities.	Appropriate - retain
	2.3 Ensure that City land use and housing policies and regulations do not create unreasonable barriers to housing and support services to special needs groups such as the elderly, families with children, persons with disabilities, and the mentally ill.	Appropriate - retain

**Table A-3  
Progress in Achieving Quantified Objectives – 2008-2013**

Program Category	Quantified Objective	Progress
<b>New Construction*</b>		
Extremely Low	40	0
Very Low	40	0
Low	64	0
Moderate	71	0
Above Moderate	140	247
<b>Total</b>	<b>355</b>	<b>247</b>
<b>Conservation</b>		
Very Low		
Low	156	156
<b>Total</b>	<b>156</b>	<b>156</b>

\*2006-2013 per the RHNA projection period

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## Appendix B Residential Land Inventory

The detailed assumptions and methodology for the residential land inventory are provided below and summarized in Tables B-1 and B-2.

### 1. Vacant Sites

Vacant parcels suitable for residential development are summarized in Table B-2 and shown in Figure B-1. Single-family lots were assigned to the above-moderate category. Parcels allowing multi-family or mixed-use were assigned to the lower-income category or the moderate-income category based on the allowable density. Parcels where the allowable density is greater than 30 units/acre were assigned to the lower-income category based on state law<sup>11</sup>, while parcels zoned for less than 30 units/acre were assigned to the moderate-income category.

As shown in Table B-1, the city’s land inventory exceeds the RHNA allocation for the planning period.

**Table B-1  
Land Inventory vs. RHNA**

	Income Category		
	Lower	Moderate	Above
Vacant sites (Table B-2)	181	485	154
RHNA (2014-2021)	73	34	75
Adequate Capacity?	Yes	Yes	Yes

Source: City of Laguna Niguel Community Development Department, 2013

In addition to the vacant sites discussed above, significant additional residential development potential exists on underutilized sites within the Laguna Niguel Gateway Specific Plan (see Figure B-2). The Gateway Plan anticipates a total of nearly 3,000 new housing units in mixed-use districts. Within the mixed-use zone, exclusive residential projects are permitted at a minimum density of 40 units/acre and 1.15 floor area ratio (FAR). Please refer to IV.A.1.b (page 36) for a detailed description of the Gateway Specific Plan. However, since the City’s inventory of vacant parcels exceeds the RHNA allocation, the development capacity of underutilized sites in the Gateway Specific Plan for the current planning period has not been estimated.

<sup>11</sup> Government Code §65583.2.c

**Table B-2  
Vacant Sites Inventory**

Site (Address/APN)	General Plan/ Zoning	Acreage	Density (du/acre)	Potential Units by Income Category			Total	
				Lower	Moderate	Upper		
Crown Apartments, 25891 Crown Valley Pkwy APN: 636-043-02,03	GP: PO/PI/RA/MU Zoning: Gateway SP/MU	3.3	86.1	14*	270**		284	
Cabot Career Lofts, 28100 Cabot Road APN: 637-202-14	GP: RA Zoning: Gateway SP/MU	2.13	66.7	7*	135**		142	
Buie Property, n/w corner of Crown Valley Pkwy and Cabot Rd, APNs: 636-061-20 636-041-04 636-044-01 Total	GP: Open Space and CC/PO/PI/RA Zoning: Gateway SP/MU		40	160***			160	
636-061-20		24.0						
636-041-04		2.1						
636-044-01		0.7						
Total		26.8 total (4.0 buildable based on slope constraints)						
Crown Cove, n/w of Crown Valley Pkwy and Pacific Island Dr APN: 656-231-02	GP: RA Zoning: Multi-Family (RM)	4.19	9.8		41**		41	
CUSD Surplus Property, Paseo de Colinas Parcel 1 of LLA No. 07-01, Previous APNs: 637-412-02 (portion) 637-392-02 (portion) 637-181-01 (portion) Total	GP: PI/RA/PR Zoning: PI/RM/PR/MC		12.2		30**		30	
637-412-02 (portion)		1.22						
637-392-02 (portion)		0.07						
637-181-01 (portion)		1.18						
Total		2.47 total						
Park Niguel, s/w of Crown Valley Pkwy and Central Park Dr APN: 654-083-04	GP: RA Zoning: Multi-Family (RM)	1.02	8.8		9**		9	
Colinas de Capistrano Tract 5241, Lots 1-35 (single-family) APN: 637-071-01 through 35	GP: Residential Detached Zoning: Single Family District 3 (RS-3)	19.51	1.8			35	35	
Single-Family custom lots, various sites	Single-family	--	varies			119	119	
<b>TOTALS – vacant sites</b>					<b>181</b>	<b>485</b>	<b>154</b>	<b>820</b>

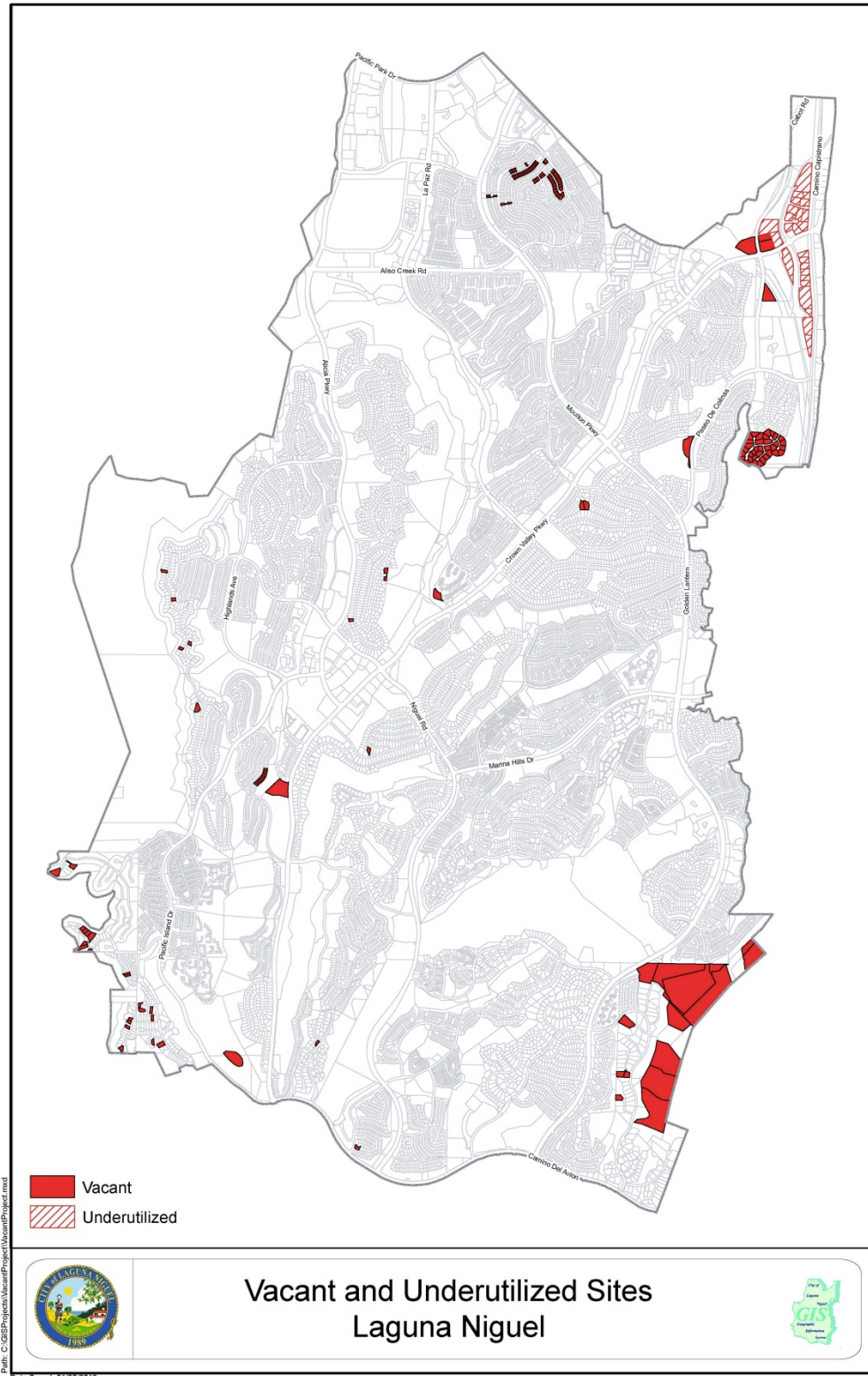
Notes:

\*Required affordable units based on condition of approval

\*\*Based on market conditions

\*\*\*Based on default density

Figure B-1  
Residential Land Inventory





## **Appendix C**

### **Public Participation Summary**

Public participation is an important component of the Housing Element update. *Government Code* §65583(c)(8) states that "The local government shall make diligent effort to achieve public participation of all the economic segments of the community in the development of the housing element, and the program shall describe this effort." Public participation played an important role in the formulation and refinement of the City's housing goals and policies and in the development of a Land Use Plan that determines the extent and density of future residential development in the community.

City residents and other interested parties were given several opportunities to identify housing issues of concern, recommend strategies, review the draft element, and provide recommendations to decision-makers on the Laguna Niguel Housing Element. An introductory public hearing was held by the Planning Commission on February 26, 2013 (see Exhibit C-2), followed by public hearings of the City Council on March 19 and April 2, 2013. Organizations that participated in these meetings included the Kennedy Commission, the Regional Center of Orange County and the California Association of Realtors.

Meeting notices were posted on the City's website, and notification was published in the local newspaper in advance of the meetings. Copies of the draft Housing Element were made available for review at City Hall and were posted on the City website, and notices were sent directly to housing interest groups and organizations that serve the City's special needs populations (see Exhibit C-1).

Following review by HCD, public hearings were held by the Planning Commission and City Council on July 9, 2013, and August 20, 2013.

**Exhibit C-1  
Public Meeting Notification List**

Kennedy Commission  
Attn: Cesar Covarrubias  
17701 Cowan Ave., Suite 200  
Irvine, CA 92614

Kennedy Commission  
Attn: Linda Tang  
17701 Cowan Ave., Suite 200  
Irvine, CA 92614

OC Association of Realtors  
Attn: Teryll Hopper  
25552 La Paz Road  
Laguna Hills, CA 92653

Public Law Center  
Attn: Pauline Chow  
601 Civic Center Drive West  
Santa Ana, 92701

Public Law Center  
Attn: Ezequiel Gutierrez  
602 Civic Center Drive West  
Santa Ana, 92701

Jamboree Housing Corp.  
Laura Archuleta  
17701 Cowan Avenue  
Suite 200  
Irvine, CA 92614

The Related Companies of California  
Frank Cardone  
18201 Von Karman Ave Ste 900  
Irvine, CA 92612

Community Housing Resources, Inc.  
Linda Nelson  
17701 Cowan Avenue, Suite 200  
Irvine, CA 92614

South County Outreach  
Ed Stewart  
26776 Vista Terrace  
Lake Forest, CA 92630

Dayle McIntosh Center  
South County Branch  
24012 Calle De La Plata # 110  
Laguna Hills, CA 92653

OC Housing Providers  
Attn: Vickie Talley  
25241 Paseo de Alicia, Suite 120  
Laguna Hills, CA 92653

OC Housing Providers  
Attn: Shelly Amandola  
25241 Paseo de Alicia, Suite 120  
Laguna Hills, CA 92653

OC Business Council  
Attn: Kris Murray  
2 Park Plaza, Suite 100  
Irvine, CA 92614

OC Housing Trust  
Attn: Ken Mutter, Exec. Director  
198 W. Lincoln Ave., 2nd Floor  
Anaheim, CA 92805

Neighborhood Housing Services of  
Orange County  
Attn: Glen Hayes, Executive Director  
198 W. Lincoln Ave., 2nd Floor  
Anaheim, CA 92805

BIA/OC  
Attn: Sarah Bruckner  
17744 Sky Park Circle #170  
Irvine, CA 92614

Habitat for Humanity of Orange County  
2200 S. Ritchey St.  
Santa Ana, CA 92705

City of Laguna Hills  
Attn: David Chantarangsu, AICP  
Community Development Director  
24035 El Toro Rd  
Laguna Hills, CA 92653

City of Mission Viejo  
Attn: Chuck Wilson  
Community Development Director  
200, Civic Center  
Mission Viejo, CA 92691

Jacqui Kerze  
Community Outreach Coordinator  
Regional Center of Orange County  
P.O. Box 22010  
Santa Ana, CA 92702-2010

City of San Juan Capistrano  
Attn: Grant Taylor  
Development Services Director  
32400 Paseo Adelanto  
San Juan Capistrano, CA 92675

City of Dana Point  
Attn: Kyle Butterwick  
Community Development Director  
328 Golden Lantern, Ste.212  
Dana Point, CA 92629

City of Laguna Beach  
Attn: John Montgomery  
Community Development Director  
505 Forest Ave.  
Laguna Beach, CA 92651-2394

City of Aliso Viejo  
Attn: Albert Armijo  
Planning Services Director  
12 Journey  
Aliso Viejo, CA 92656

**Exhibit C-2  
Public Comments  
Laguna Niguel Housing Element Update**

Comment	Response
<p>The Kennedy commission commends the City for the new Housing Element and for the recent approvals of housing developments that include affordable units. Rents are rising again in Orange County, and it is important for cities to support affordable housing.</p>	<p>The City appreciates the involvement of the Kennedy Commission. During the preparation of the 4<sup>th</sup> cycle Housing Element, City staff met with senior staff from the Kennedy Commission and the Public Law Center to discuss options for facilitating the production of affordable housing.</p>
<p>The Regional Center of Orange County assists persons with developmental disabilities and encourages the City to prioritize the production of affordable housing so that low-income persons, including those with disabilities, can stay in their community.</p>	<p>The involvement of the Regional Center is very much appreciated. The draft Housing Element identifies several sites with more than twice the City's lower-income RHNA allocation where affordable housing may be built. All of these sites are located near bus and rail transit, which is helpful to persons with disabilities and other low-income persons.</p>
<p>The Orange County Association of Realtors provided a presentation on housing market trends within Laguna Niguel.</p>	<p>The City appreciates the contributions of the Orange County Association of Realtors to the discussion of housing issues in Laguna Niguel.</p>

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