

# CITY of LAGUNA WOODS CITY COUNCIL AGENDA

Adjourned Regular Meeting  
Wednesday, March 22, 2023  
2:00 p.m.

Laguna Woods City Hall  
24264 El Toro Road  
Laguna Woods, California 92637

Cynthia Conners  
Mayor

Noel Hatch  
Mayor Pro Tem

Shari L. Horne  
Councilmember



Annie McCary  
Councilmember

Carol Moore  
Councilmember

***Welcome to a meeting of the Laguna Woods City Council!***

***This meeting may be recorded, televised, and made publicly available.***

**Public Comments:** The City offers four options for public comments:

1. Make public comments in-person
2. Submit public comments in writing
3. Make public comments by telephone
4. Make public comments by computer (Zoom)

For more information, please refer to page three of this agenda.

**Americans with Disabilities Act (ADA):** It is the intention of the City to comply with the ADA. If you need assistance to participate in this meeting, please contact either the City Clerk's Office at (949) 639-0500/TTY (949) 639-0535 or the California Relay Service at (800) 735-2929/TTY (800) 735-2922. The City requests at least two business days' notice in order to effectively facilitate the provision of reasonable accommodations.

REGULAR MEETING SCHEDULE

The Laguna Woods City Council meets regularly on the third Wednesday of each month at 2 p.m.

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AGENDA POSTING AND AVAILABILITY

Regular and Adjourned Regular Meetings: Pursuant to California Government Code Section 54954.2 of the Ralph M. Brown Act, the City of Laguna Woods posts agendas at Laguna Woods City Hall, 24264 El Toro Road, Laguna Woods, California 92637; on the City’s website ([www.cityoflagunawoods.org](http://www.cityoflagunawoods.org)); and, at other locations designated by Resolution No. 17-30, at least 72 hours in advance of regular and adjourned regular meetings. Agendas and agenda materials are available at Laguna Woods City Hall during normal business hours and on the City’s website. Printed copies of agendas and agenda materials are provided at no charge in advance of meetings. After meetings have occurred, a per page fee is charged for printed copies.

Special and Emergency Meetings: Agenda posting and availability for special and emergency meetings is conducted pursuant to all applicable provisions of California Government Code (Ralph M. Brown Act).

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FOR ADDITIONAL INFORMATION

For additional information, please contact the City Clerk’s Office at (949) 639-0500/TTY (949) 639-0535, [cityhall@cityoflagunawoods.org](mailto:cityhall@cityoflagunawoods.org), or 24264 El Toro Road, Laguna Woods, California 92637.

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AFFIDAVIT OF POSTING

STATE OF CALIFORNIA     )  
COUNTY OF ORANGE     ) ss.  
CITY OF LAGUNA WOODS    )

I, Yolie Trippy, City Clerk, City of Laguna Woods, hereby certify under penalty of perjury that this agenda was posted at Laguna Woods City Hall, 24264 El Toro Road, Laguna Woods, California 92637; on the City’s website ([www.cityoflagunawoods.org](http://www.cityoflagunawoods.org)); and, at other locations designated by Resolution No. 17-30, pursuant to California Government Code Section 54954.2 of the Ralph M. Brown Act.

/s/ Yolie Trippy  
YOLIE TRIPPY, CMC, City Clerk

3/17/23  
Date

## OPTIONS FOR PUBLIC COMMENTS

**1. Make public comments in-person.** Members of the public wishing to make in-person public comments are asked, but not required, to complete and submit a speaker card to City staff. Speaker cards are available near the entrance to the meeting location. If you do not wish to submit a speaker card, or wish to remain anonymous, you may indicate your desire to speak from the floor. Speakers are requested, but not required, to identify themselves.

**2. Submit public comments in writing.** Written public comments may be submitted via email ([cityhall@cityoflagunawoods.org](mailto:cityhall@cityoflagunawoods.org)) or delivered to Laguna Woods City Hall (24264 El Toro Road, Laguna Woods, CA 92637), provided that they are received by the City prior to 2:00 p.m. on the day of the meeting. Written public comments may be read or summarized to the City Council at the meeting, and parties submitting written public comments are advised that their email addresses and any information submitted may be disclosed or become a matter of public record. No party should expect privacy of such information.

**3. Make public comments by telephone.** Dial (669) 444-9171. When prompted enter the following meeting ID: 881 8273 8589 followed by pound (#) and the following meeting passcode: 164419 followed by pound (#). When an item you wish to comment on is discussed, press \*9 on your telephone to raise your hand. When it is your turn, you will be unmuted and able to speak. Please note that your telephone number will be visible to the City. No party should expect privacy of such information.

**4. Make public comments by computer (Zoom).**

- Visit [www.zoom.us](http://www.zoom.us)
- Click on “Join” toward the top right of the webpage
- Enter the following meeting ID: 881 8273 8589
- Open the Zoom application following the on-screen prompts
- Enter the following meeting password: 164419
- Enter a name and email address as required by Zoom

When an item you wish to comment on is discussed, click on “Raise Hand.” When it is your turn, you will be unmuted and able to speak. Please note that information you enter into Zoom will be visible to the City. No party should expect privacy of such information.

## **I. CALL TO ORDER**

### **1.1 Call to Order**

Introductory Note: Members of the public wishing to address the City Council on items appearing on this agenda are advised to indicate their interest in doing so at the time an item is considered by notifying City staff if present in-person, pressing \*9 on their telephone if participating by telephone, or clicking on “Raise Hand” if participating by computer via Zoom. Members of the public wishing to address the City Council on items *not* appearing on this agenda may do so during Item V.

### **1.2 Emergency Circumstances and Just Cause Teleconferencing**

*Recommendation:* Receive and act upon disclosures and requests from members of the City Council related to teleconferencing pursuant to California Assembly Bill 2449 (2021-2022).

## **II. ROLL CALL**

## **III. PLEDGE OF ALLEGIANCE**

## **IV. PRESENTATIONS AND CEREMONIAL MATTERS**

### **4.1 American Red Cross Month – March 2023 (agendized by Councilmember Moore)**

*Recommendation:* Approve and present the proclamation.

### **4.2 City Hall/Public Library Project Update**

*Recommendation:* Receive and file.

## **V. PUBLIC COMMENTS ON NON-AGENDA ITEMS**

About Public Comments on Non-Agenda Items: This is the time and place for members of the public to address the City Council on items *not* appearing on this agenda. To indicate interest, please notify City staff if present in-person, press \*9 on your telephone if participating by telephone, or click on “Raise Hand” if participating by computer via Zoom. Pursuant to state law, the City Council is unable to take action on such items, but may engage in brief discussion, provide direction to City staff, or schedule items for consideration at future meetings.

## **VI. CONSENT CALENDAR**

About the Consent Calendar: All items listed on the Consent Calendar are considered routine and will be enacted by one vote. There will be no separate discussion of these items unless a member of the City Council, City staff, or member of the public requests that specific items be removed from the Consent Calendar for separate discussion and consideration of action.

6.1 City Council Minutes

*Recommendation:* Approve the City Council meeting minutes for the regular meeting on February 15, 2023.

6.2 City Treasurer's Report

*Recommendation:* Receive and file the City Treasurer's Report for the month of February 2023.

6.3 Warrant Register

*Recommendation:* Approve the warrant register dated March 22, 2023 in the amount of \$682,533.66.

6.4 Investment of Financial Assets Policy

*Recommendation:* Adopt a resolution titled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, REVIEWING AND ADOPTING A STATEMENT OF THE INVESTMENT POLICY, AND ADOPTING AN INVESTMENT POLICY

6.5 Federal and State Disaster Financial Assistance

*Recommendation:* Adopt a resolution titled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, REPEALING RESOLUTION NO. 20-07 AND MAKING DESIGNATIONS AND AUTHORIZATIONS RELATED TO APPLICATIONS FOR AND EXECUTION OF FEDERAL AND STATE DISASTER FINANCIAL ASSISTANCE

6.6 Tree Pruning and Removal Services

*Recommendation:* Approve an agreement with Great Scott Tree Service, Inc. for tree pruning and removal services and authorize the City Manager to execute the agreement, subject to approval as to form by the City Attorney.

6.7 General Plan Annual Report

*Recommendation:* Receive and file the General Plan Annual Report covering the 2022 calendar year.

6.8 City Hall Refurbishment & Safety Project: Phase 3

*Recommendation:*

1. Approve final record plans and specifications reflecting completion of the “City Hall Refurbishment & Safety Project: Phase 3” as prepared by the project architect.

AND

2. Accept project completion of the contract agreement with US Builders & Consultants for the “City Hall Refurbishment & Safety Project: Phase 3”.

AND

3. Release contract retention in the amount of \$7,907.72 withheld per California Government Code 35 days following recordation of the Notice of Completion with the County of Orange, provided no Stop Notices are on file with the City preventing the release of the contract retention.

AND

4. Exonerate project posted bonds 35 days following recordation of the Notice of Completion with the County of Orange.

**VII. PUBLIC HEARINGS**

**VIII. CITY COUNCIL BUSINESS**

8.1 2021-2029 General Plan Housing Element Update

*Recommendation:* Adopt a resolution titled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, ADOPTING REVISIONS TO THE 2021-2029 GENERAL PLAN HOUSING ELEMENT, AND PROVIDING DIRECTION AND MAKING FINDINGS RELATED TO ADOPTION OF THE 2021-2029 GENERAL PLAN HOUSING ELEMENT PURSUANT TO APPLICABLE STATE LAW

8.2 City Hall Waste Drop-Off Program (Personal Medication and Home-Generated Sharps Waste Disposal)

*Recommendation:*

1. Authorize the City Manager to discontinue accepting unwanted personal medication at City Hall for subsequent disposal due to the implementation of California Senate Bill 212 (Jackson, Chapter 1004, Statutes of 2018), which established stewardship requirements for drug manufacturers and distributors.

AND

2. Reaffirm the City's commitment to accepting unwanted home-generated sharps at City Hall for subsequent disposal.

8.3 Southern California Association of Governments' 2023 General Assembly Delegate and Alternate Delegate

*Recommendation:* Appoint members of the City Council to serve as a delegate and alternate at the Southern California Association of Governments' 2023 General Assembly.

- 8.4 Laguna Woods Civic Support Fund  
(originally agendized by Mayor Pro Tem Hatch on January 18, 2023 and re-agendized by Councilmember Moore)

*Recommendation:* Extend the City’s formal involvement with the Laguna Woods Civic Support Fund through June 30, 2023 and direct the Mayor to provide written notice of such extension to the Laguna Woods Civic Support Fund.

- 8.5 Coastal Greenbelt Authority Appointments  
(agendized by Councilmember Moore)

*Recommendation:* Modify the City Council’s appointments to serve as first alternate and second alternate on the Coastal Greenbelt Authority Board of Directors effective immediately through December 31, 2024.

- 8.6 Fiscal Years 2023-25 Budget and Work Plan & Fiscal Years 2023-34 Capital Improvement Program Development

*Recommendation:* Provide direction to staff.

## **IX. CITY COUNCIL REPORTS AND COMMENTS**

About City Council Reports and Comments: This is the time and place for members of the City Council to provide reports on meetings attended including, but not limited to, meetings of regional boards and entities to which they have been appointed to represent the City and meetings attended at the expense of the City pursuant to California Government Code Section 53232.3. Members of the City Council may also make other comments and announcements.

- 9.1 Coastal Greenbelt Authority  
Councilmember McCary, First Alternate: Councilmember Moore, Second Alternate: Councilmember Horne
- 9.2 Orange County Fire Authority  
Mayor Pro Tem Hatch
- 9.3 Orange County Library Advisory Board  
Councilmember Moore; Alternate: Councilmember McCary



- 9.4 Orange County Mosquito and Vector Control District  
Councilmember Horne
- 9.5 San Joaquin Hills Transportation Corridor Agency  
Mayor Conners; Alternate: Mayor Pro Tem Hatch
- 9.6 South Orange County Watershed Management Area  
Councilmember Moore; Alternate: Councilmember Horne
- 9.7 Liaisons to Community Bridge Builders  
Councilmember Horne and Councilmember McCary
- 9.8 Other Comments and Reports

**X. CLOSED SESSION**

**XI. CLOSED SESSION REPORT**

**XII. ADJOURNMENT**

Next Regular Meeting:                      Wednesday, April 19, 2023 at 2 p.m.  
Laguna Woods City Hall  
24264 El Toro Road, Laguna Woods, California 92637

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4.1

**AMERICAN RED CROSS MONTH –  
MARCH 2023**

**(AGENDIZED BY COUNCILMEMBER MOORE)**

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# Proclamation

## City of Laguna Woods

### American Red Cross Month

### March 2023

**WHEREAS**, caring for one another is at the heart of our community and exemplified by the residents of Laguna Woods whose simple acts of kindness through the American Red Cross provide help and hope in the most difficult moments; and

**WHEREAS**, the City of Laguna Woods supports continuing the lifesaving legacy of Clara Barton, who founded the American Red Cross more than one hundred forty years ago to prevent and alleviate human suffering; and

**WHEREAS**, every day, ordinary individuals lend a helping hand to make an extraordinary difference for neighbors in need – whether it is providing emergency shelter, food and comfort for families displaced by fires and other disasters or donating lifesaving blood for cancer patients, for accident victims, for people with sickle cell disease, as well as other life-threatening conditions; and

**WHEREAS**, the American Red Cross also supports military members and veterans along with their families and caregivers through the unique challenges of service; using vital skills such as first aid and CPR to help others survive medical emergencies; and

**WHEREAS**, the American Red Cross also delivers international humanitarian aid and helps reconnect loved ones separated by crises around the world; and

**WHEREAS**, during March we celebrate the humanitarian spirit of the American Red Cross and reaffirm our commitment to help ensure no one faces a crisis alone

**NOW, THEREFORE, BE IT RESOLVED** that the Laguna Woods City Council does hereby proclaim March 2023 as “American Red Cross Month” in the City of Laguna Woods and supports the humanitarian mission and accomplishments of the American Red Cross in our city as well as the nation and around the world.

Dated this 22<sup>nd</sup> day of March, 2023

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Cynthia S. Connors  
Mayor

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Attest: Yolie Trippy, CMC  
City Clerk

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**4.2**  
**CITY HALL/PUBLIC LIBRARY UPDATE**  
***(NO REPORT)***

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**6.0**  
**CONSENT CALENDAR SUMMARY**

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# City of Laguna Woods

## Agenda Report

**TO:** Honorable Mayor and City Councilmembers

**FROM:** Christopher Macon, City Manager

**FOR:** March 22, 2023 Adjourned Regular Meeting

**SUBJECT:** Consent Calendar Summary

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### **Recommendation**

Approve all proposed actions on the March 22, 2023 Consent Calendar by single motion and City Council action.

### **Background**

All items listed on the Consent Calendar are considered routine and will be enacted by one vote. There will be no separate discussion of these items unless a member of the City Council, staff, or the public requests that specific items be removed from the Consent Calendar for separate discussion and consideration of action.

### **Summary**

The March 22, 2023 Consent Calendar contains the following items:

- 6.1 Approval of the City Council meeting minutes for the regular meeting on February 15, 2023.
- 6.2 Approval of a motion to receive and file the City Treasurer's Report for the month of February 2023.
- 6.3 Approval of the warrant register dated March 22, 2023 in the amount of \$682,533.66. A list of warrants is included in the agenda packet; detailed information about individual warrants is available at or from City Hall.

- 6.4 Adoption of a resolution reviewing and adopting a statement of the investment policy, and adopting an investment policy. An agenda report is included with additional information.
- 6.5 Adoption of a resolution repealing Resolution No. 20-07 and making designations and authorizations related to applications for and execution of federal and state disaster financial assistance. The State of California requires all non-state agency applicants for federal financial assistance under Public Law 93-288 as amended by the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1988, and/or state financial assistance under the California Disaster Assistance Act, to designate authorized agents for the same by resolution approved by the respective governing body within three years preceding the date of any application for such financial assistance. The proposed resolution would designate the City Manager and the Administrative Services Director/City Treasurer as the City's agents and make related authorizations. Resolution No. 20-07 contains previous designations and authorizations that would be superseded by the proposed resolution. Resolution No. 20-07 is available at or from City Hall.
- 6.6 Approval of an agreement with Great Scott Tree Service, Inc. for tree pruning and removal services and authorization for the City Manager to execute the agreement, subject to approval as to form by the City Attorney. The Request for Proposals ("RFP") for tree pruning and removal services was released on February 9, 2023 with proposals due by March 3, 2023. Two proposals were received (Great Scott Tree Service and West Coast Arborists). After reviewing both proposals, staff recommends that the City Council award the agreement to Great Scott Tree Service due to factors including, but not limited to, cost and experience. Great Scott Tree Service provided tree pruning and removal services to the City from March 1, 2018 to March 31, 2021. Great Scott Tree Service provides or has provided similar services for the cities of Anaheim, Cypress, Irvine, Laguna Niguel, Lake Forest, Newport Beach, and Seal Beach.
- 6.7 Receive and file the General Plan Annual Report covering the 2022 calendar year. State law requires the City to file a report describing the status of General Plan implementation with the City Council, Governor's Office of Planning and Research, and California Department of Housing and Community Development no later than April 1 of each year [California Government Code Section 65400(a)(2)]. An electronic version of the

Housing Element-related attachments is available at or from City Hall.

- 6.8 [1] Approval of final record plans and specifications reflecting completion of the “City Hall Refurbishment & Safety Project: Phase 3” as prepared by the project architect (available for review at City Hall).

AND

[2] Acceptance of project completion of the contract agreement with US Builders & Consultants for the “City Hall Refurbishment & Safety Project: Phase 3”.

AND

[3] Release of contract retention in the amount of \$7,907.72 withheld per California Government Code 35 days following recordation of the Notice of Completion with the County of Orange, provided no Stop Notices are on file with the City preventing the release of the contract retention.

AND

[4] Exoneration of project posted bonds 35 days following recordation of the Notice of Completion with the County of Orange.

The “City Hall Refurbishment & Safety Project: Phase 3” is included in the Fiscal Years 2021-32 Capital Improvement Program.

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**6.1**  
**CITY COUNCIL MINUTES**

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**CITY OF LAGUNA WOODS CALIFORNIA  
CITY COUNCIL MINUTES  
REGULAR MEETING  
February 15, 2023  
2:00 P.M.  
Laguna Woods City Hall  
24264 El Toro Road  
Laguna Woods, California 92637**

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**I. CALL TO ORDER**

Mayor Conners called the Regular Meeting of the City Council of the City of Laguna Woods to order at 2:01 p.m.

**II. ROLL CALL**

COUNCILMEMBER:           PRESENT:   Horne, McCary, Moore, Hatch, Conners  
                                  ABSENT:   -

All councilmembers participated in-person at the meeting location.

STAFF PRESENT:           City Manager Macon, City Attorney Patterson, City Clerk Trippy

All staff participated in-person at the meeting location.

**III. PLEDGE OF ALLEGIANCE**

Rebeca Gilad, resident, led the pledge of allegiance.

**IV. PRESENTATIONS AND CEREMONIAL MATTERS**

Mayor Conners delayed Item No. 4.1 to allow for an invited speaker to arrive.

**4.2 City Hall/Public Library Project Update**

City Manager Macon provided an update and answered related questions.

Councilmembers made comments.

**V. PUBLIC COMMENTS ON NON-AGENDA ITEMS**

Selma Bukstein, resident, suggested that the City sponsor CPR classes for residents.

Councilmembers briefly commented on Ms. Bukstein's comments and Ms. Bukstein answered related questions.

**VI. CONSENT CALENDAR**

Moved by Councilmember Moore, seconded by Councilmember Horne, and carried unanimously on a 5-0 vote, to approve Consent Calendar items 6.1 – 6.5.

6.1 City Council Minutes

Approved the City Council meeting minutes for the regular meeting on January 18, 2023.

6.2 City Treasurer’s Report

Received and filed the City Treasurer’s Report for the month of January 2023.

6.3 Warrant Register

Approved the warrant register dated February 15, 2023 in the amount of \$838,950.01.

6.4 Teleconferencing for Meetings

Adopted a resolution titled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, ALLOWING FOR THE CONTINUED USE OF TELECONFERENCING FOR MEETINGS DURING THE COVID-19 STATE OF EMERGENCY, PURSUANT TO CALIFORNIA ASSEMBLY BILL 361 (2021-2022)

6.5 Rejection of Claim

Rejected the following claim against the City:

George Szkiba vs. City of Laguna Woods,  
Claimant: George Szkiba

**VII. PUBLIC HEARINGS – None**

**VIII. CITY COUNCIL BUSINESS**

8.1 Future of Teleconferencing and Remote Participation for Meetings

City Manager Macon made a presentation.

Councilmembers discussed the item and staff answered related questions.

**IV. PRESENTATIONS AND CEREMONIAL MATTERS**

4.1 African American History Month – February 2023

City Clerk Trippy read the proclamation.

Councilmembers made comments.

Gloria Williams, African Americans Heritage Club, made comments.

Councilmembers posed for pictures with Ms. Williams.

Councilmembers made comments

**IX. CITY COUNCIL REPORTS AND COMMENTS**

9.1 Coastal Greenbelt Authority

Councilmember McCary stated that there had been no meeting since the last meeting.

Councilmember McCary and Mayor Connors made comments.

9.2 Orange County Fire Authority

Mayor Pro Tem Hatch provided a report.

Mayor Connors made comments.

Battalion Chief Justin Neville, Orange County Fire Authority, introduced himself, commented on an upcoming open house event, and responded to questions and comments from Mayor Pro Tem Hatch.

Mayor Connors made comments.

Battalion Chief Neville made comments.

9.3 Orange County Library Advisory Board

Councilmember Moore provided a report.

9.4 Orange County Mosquito and Vector Control District

Councilmember Horne provided a report and shared a PowerPoint presentation from the Orange County Mosquito and Vector Control District.

Mayor Pro Tem Hatch made comments and asked questions.

Councilmember Horne responded to Mayor Pro Tem Hatch.

9.5 San Joaquin Hills Transportation Corridor Agency

Mayor Connors provided a report.

9.6 South Orange County Watershed Management Area

Councilmember Moore stated that there had been no meeting since the last meeting.

Councilmember Moore commented on Mayor Conner's San Joaquin Hills Transportation Corridor Agency report.

9.7 Liaisons to Community Bridge Builders

Rebecca Gilad provided a report.

Mayor Pro Tem Hatch asked questions.

Ms. Gilad responded to Mayor Pro Tem Hatch.

Councilmembers made comments.

9.8 Liaisons to Laguna Woods Civic Support Fund

Councilmember Moore stated that the next meeting is on Tuesday.

Mayor Connors asked a question.

Councilmember Moore responded to Mayor Connors.

9.9 Other Comments and Reports

Mayor Pro Tem Hatch commented on the passing of Mayor Connors' husband, Jim Juhan.

Councilmember Moore suggested that the meeting be adjourned in Mr. Juhan's honor.

Councilmember McCary reported on her participation in the League of California Cities' New Mayors and Council Members Academy.

Mayor Connors commented on the passing of former Councilmember Bert Hack.

**X. CLOSED SESSION – None**

**XI. CLOSED SESSION REPORT – None**

**XII. ADJOURNMENT**

## ITEM 6.1

The meeting was adjourned in memory of Jim Juhan and former Councilmember Bert Hack at 3:32 p.m. The next adjourned regular meeting will be at 2:00 p.m. on Wednesday, March 22, 2023, at Laguna Woods City Hall, 24264 El Toro Road, Laguna Woods, CA 92637. The next regular meeting will be at 2:00 p.m. on Wednesday, April 19, 2023 at Laguna Woods City Hall, 24264 El Toro Road, Laguna Woods, CA 92637.

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YOLIE TRIPPY, CMC, City Clerk

Approved: March 22, 2023

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CYNTHIA S. CONNERS, Mayor

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**6.2**  
**CITY TREASURER'S REPORT**

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**City of Laguna Woods**  
**City Treasurer's Report**  
For the Month Ended February 28, 2023

ITEM 6.2

**CASH AND INVESTMENTS**

	Beginning Balances As of 1/31/23	Earnings & Receipts	Disbursements	Purchases, Transfers & Other Adjustments	Ending Balances As of 2/28/23	% of Total Cash & Investment Balances	Maximum % Allowed per Investment Policy
<b>Cash and Cash Equivalents</b>							
Analyzed Checking Account (Note 1)	\$ 1,146,676	\$ 325,432	\$ (682,820)	\$ -	\$ 789,288	5.72%	
Cash Balances, Multi-Bank Securities (MBS) Account (Note 2 and 4)	\$ 4,765	\$ 8,141	\$ (5,979)	\$ -	\$ 6,926	0.05%	
Earned Interest in Transit and Accrued Interest, MBS Account (Note 4)	\$ 14,258	\$ 9,024	\$ (8,141)	\$ -	\$ 15,141	0.11%	
Petty Cash	\$ 1,214	\$ 286	\$ (106)	\$ -	\$ 1,394	0.01%	
Total Cash and Cash Equivalents	\$ 1,166,913	\$ 342,882	\$ (697,045)	\$ -	\$ 812,750	5.89%	100.00%
<b>Pooled Money Investment Accounts</b>							
Local Agency Investment Fund (LAIF) (Notes 2 and 3)	\$ 2,959,364	\$ -	\$ -	\$ -	\$ 2,959,364	21.45%	
Orange County Investment Pool (OCIP) (Notes 2 and 3)	\$ 6,796,333	\$ 25,926	\$ (210)	\$ -	\$ 6,822,049	49.45%	
Total Pooled Money Investment Accounts	\$ 9,755,698	\$ 25,926	\$ (210)	\$ -	\$ 9,781,413	70.91%	90.00%
<b>Investments - Interest and Income Bearing</b>							
Certificates of Deposit (fair value) (Note 2)	\$ 3,211,145	\$ -	\$ -	\$ (10,656)	\$ 3,200,489	23.20%	
Total Investments - Interest and Income Bearing	\$ 3,211,145	\$ -	\$ -	\$ (10,656)	\$ 3,200,489	23.20%	30.00%
<b>TOTAL</b>	<b>\$ 14,133,756</b>	<b>\$ 368,808</b>	<b>\$ (697,256)</b>	<b>\$ (10,656)</b>	<b>\$ 13,794,652</b>	<b>100.00%</b>	

**Summary of Total Cash, Cash Equivalents, and Investments:**

	General Fund	Special Revenue Funds	Totals
Analyzed Checking Account	\$ (2,976,995)	\$ 3,766,283	\$ 789,288
Cash Balances, MBS Account	\$ 6,926	\$ -	\$ 6,926
Earned Interest in Transit and Accrued Interest, MBS Account	\$ 15,141	\$ -	\$ 15,141
Petty Cash	\$ 1,394	\$ -	\$ 1,394
LAIF	\$ 2,959,364	\$ -	\$ 2,959,364
OCIP	\$ 6,822,049	\$ -	\$ 6,822,049
Certificates of Deposit	\$ 3,200,489	\$ -	\$ 3,200,489
<b>Totals</b>	<b>\$ 10,028,369</b>	<b>\$ 3,766,283</b>	<b>\$ 13,794,652</b>

(See **NOTES** on Page 4 of 4)



**City of Laguna Woods**  
**City Treasurer's Report**  
**For the Month Ended February 28, 2023**

**CASH AND INVESTMENTS**

CUSIP	Investment #	Issuer	Term	Purchase Date	Settlement Date	Par Value	Market Value	Book Value	Stated Rate (Note 4)	Coupon Type	1st Coupon Date	Rating or Rank (*)	Yield to Maturity 365 Days	Maturity Date
<b>Money Funds and Certificate of Deposits (CDs, Federal Deposit Insurance Corporation [FDIC] Insured)</b>														
61760ARV3	2018-7	MORGAN STANLEY PRIVATE BK NATL	60 months	11/06/18	11/15/18	245,000	242,552	245,000	3.550	Semi-Annual	05/15/19	Green***	3.550	11/15/23
02589AA28	2018-9	AMERICAN EXPRESS NATL	60 months	12/04/18	12/04/18	240,000	237,384	240,000	3.550	Semi-Annual	06/04/19	Green***	3.550	12/04/23
33715LCZ1	2018-10	FIRST TECHNOLOGY FED CU MTN VIEW	60 months	12/07/18	12/12/18	245,000	242,337	245,000	3.600	Monthly	01/12/19	Green***	3.600	12/12/23
052392CK1	2022-6	AUSTIN TELCO FED CR	12 months	12/09/22	12/16/22	245,000	245,147	245,000	5.100	Monthly	01/01/23	Green***	5.100	12/18/23
00833AAB6	2022-7	AFFINITY PLUS CR UN	12 months	12/15/22	12/27/22	245,000	245,132	245,000	5.100	Monthly	01/27/23	Green***	5.100	12/27/23
949763ZA7	2019-1	WELLS FARGO BK N A	60 months	04/09/19	04/10/19	245,000	239,076	245,000	2.850	Monthly	05/10/19	Green*	2.850	04/10/24
38150VBG3	2022-2	GOLDMAN SACHS BK USA	24 months	05/24/22	06/01/22	245,000	238,517	245,000	2.900	Semi-Annual	12/01/22	Green*	2.900	06/03/24
98138MBA7	2022-8	WORKERS FED CR UN	24 months	12/09/22	12/16/22	245,000	244,571	245,000	4.950	Monthly	01/16/23	Yellow**	4.950	12/16/24
75472RBB6	2020-1	RAYMOND JAMES BK NATL ASSN	60 months	02/06/20	02/14/20	245,000	230,094	245,000	1.750	Semi-Annual	08/14/20	Green***	1.750	02/14/25
59013KGJ9	2020-2	MERRICK BANK	60 months	03/24/20	03/31/20	100,000	93,628	100,000	1.800	Monthly	05/01/20	Green***	1.800	03/31/25
14042TGG6	2022-1	CAPITAL ONE BK USA NATL ASSN	36 months	05/24/22	05/25/22	245,000	235,249	245,000	3.100	Semi-Annual	11/25/22	Green*	3.100	05/27/25
32022RRG4	2022-4	1ST FINL BK USA	48 months	06/15/22	06/24/22	245,000	232,610	245,000	3.150	Monthly	07/24/22	Green*	3.150	06/24/26
50625LBN2	2022-3	LAFAYETTE FED CR	60 months	05/24/22	06/15/22	245,000	231,216	245,000	3.250	Monthly	07/15/22	Green***	3.250	06/15/27
14042RUX7	2022-5	CAPITAL ONE NATL ASSN	60 months	10/06/22	10/13/22	245,000	242,974	245,000	4.500	Semi-Annual	04/13/23	Green*	4.500	10/13/27
		Accrued Interest - Month End					15,141							
<b>Total CDs</b>						<b>3,280,000</b>	<b>3,215,630</b>	<b>3,280,000</b>						

(\*) At the time of purchase and until September 2017, CDs were rated or ranked using an IDC Financial Publishing, Inc. (IDC) compiled ranking, and includes a one-number summary rank of quality comprised of 35 key financial ratios. Ranks range from 1 (the lowest) to 300 (the highest) and fall into one of the following six groups per Table 1. Post September 2017, CDs are ranked using the Veribanc Rating System, a two-part color code and star classification system which tests the present standing and future outlook by reviewing an institution's capital strength, asset quality, management ability, earnings sufficiency, liquidity, and sensitivity to market risk. Table 2 below summarizes the Veribanc color rankings. Veribanc star ratings of one to three, with three being best, are used to help review a possible future trend of an institutions health based on metrics from ten prior quarters. A rating of one, two, or three, are not necessarily an indicator of risk or an undesirable investment. The City reviews other rating systems and issuer financials before choosing any investment.

Table 1: CD Rankings (used prior to September 2017)

IDC Rank	Group Meaning
200-300	Superior
165-199	Excellent
125-164	Average
75-124	Below Average
2-74	Lowest Ratios
1	Highest Probability of Failure

Table 2: Veribanc Color Rankings (used beginning in September 2017)

Veribanc Rank	Color Meaning
Green	Highest rating, exceeds qualifications in equity and income tests
Yellow	Merits attention, meets minimal qualifications in equity and income tests
Red	Merits close attention, does not meet minimal qualifications for equity and has incurred significant losses

**Government Pooled Money Investment Accounts (PMIA) (Notes 2 and 3)**

N/A	N/A	Local Agency Investment Fund (LAIF)	N/A	Various	Various	2,971,485	2,959,364	2,971,485	Note 3	Quarterly	N/A	N/A	N/A	N/A
N/A	N/A	Orange County Investment Pool (OCIP)	N/A	Various	Various	6,965,540	6,822,049	6,965,540	Note 3	Monthly	N/A	N/A	N/A	N/A
<b>Total PMIA</b>						<b>9,937,025</b>	<b>9,781,413</b>	<b>9,937,025</b>						

(See **NOTES** on Page 4 of 4)



**City of Laguna Woods**  
**City Treasurer's Report**  
**For the Month Ended February 28, 2023**

ITEM 6.2

**CASH AND INVESTMENTS**

	<b>Beginning Balances As of 1/31/23</b>	<b>Contributions / (Withdrawals)</b>	<b>Administrative Fees &amp; Investment Expense</b>	<b>Unrealized Gain / (Loss)</b>	<b>Ending Balances As of 2/28/23</b>
<b>Other Post-Employment Benefits (OPEB) Trust</b>					
CalPERS California Employers' Retiree Benefit Trust (CERBT) (Note 2) <small>(CERBT holds all assets and administers the OPEB Trust)</small>	\$ 131,437	\$ -	\$ (8)	\$ (4,475)	\$ 126,953
<b>Employer Pension Contributions Trust</b>					
CalPERS California Employers' Pension Prefunding Trust (CEPPT) (Note 2) <small>(CEPPT holds all assets and administers the Employer Pension Contributions Trust)</small>	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Other Funds - Held in Trust</b>	<u>\$ 131,437</u>	<u>\$ -</u>	<u>\$ (8)</u>	<u>\$ (4,475)</u>	<u>\$ 126,953</u>

(See **NOTES** on Page 4 of 4)



**City of Laguna Woods**  
**City Treasurer's Report**  
**For the Month Ended February 28, 2023**

**CASH AND INVESTMENTS**

**Notes:**

Note 1 - Analyzed Checking Account / Monthly activity reported does not reflect February 2023 vendor invoicing processed after the date of this report.

Note 2 - During February 2023, transaction activity in pooled money investment accounts, investment accounts and fiduciary trusts included:

LAIF / The City made no deposits to or withdrawals from the LAIF account. The balance includes an adjustment in the amount of (\$12,120.51) to reflect the fair market value of the investment at June 30, 2022.

OCIP / The City made no deposits to or withdrawals from the OCIP account. The balance includes an adjustment in the amount of (\$143,491.10) to reflect the fair market value of the investment at June 30, 2022.

Investments / There were no maturities of investments. Investments were adjusted in the amount of (\$10,656.00) to report balances at fair market value as of February 28, 2023.

OPEB Trust / The City made no contributions to or withdrawals from the OPEB Trust. The OPEB Trust experienced a net loss of (\$4,483.46) in February 2023.

Employer Pension Contributions Trust / In April 2021, the City elected to participate in the CEPPT. The City has not yet made contributions to the CEPPT.

Note 3 - Investment earnings on pooled money investment accounts deposited and reported in February 2023 net of related fees were:

Pool	Earnings Post	Prior Period Earnings Deposited	Deposit for Period Ended	Current Month / Quarter Gross Yield	Current Month / Quarter Earnings Will Post	Notes
LAIF	Quarterly	\$0.00	See Notes	See Notes	April 2023	Total pool interest yield for February 2023 was 2.624% and the City's yield will be slightly lower based on allocation ratios and administrative fees to be deducted.
OCIP	Monthly	\$25,926.16	October and November 2022	See Notes	See Notes	Interest is posted three months in arrears and fees are posted monthly. Accrued interest pending payment at February 28, 2023 was \$30,974.84. February 2023 interest rate was 3.115% and fees were 0.030%, for a net yield of 3.085%.

Note 4 - CDs / The stated earnings rate for CDs is a fixed rate for the full term. The City earned interest of \$8,140.56 and transferred out \$5,979.19 in cash balances to the City's checking account in February 2023. Cash balances to be invested or paid out are classified separately on page 1 of 4. The City's portfolio also has \$15,141.04 in accrued interest, not yet vested.

**City Treasurer's Certification**

I, Elizabeth Torres, City Treasurer, do hereby certify:

- That all investment actions executed since the last report have been made in full compliance with the City's Investment of Financial Assets Policy; and
- That the City is able to meet all cash flow needs which might reasonably be anticipated for the next 12 months.

Digitally signed by  
 Elizabeth Torres  
 Date: 2023.03.15  
 11:13:11 -07'00'

Elizabeth Torres, City Treasurer

**6.3**  
**WARRANT REGISTER**

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## CITY OF LAGUNA WOODS

## WARRANT REGISTER

March 22, 2023

ITEM 6.3

This Report Covers the Period 02/01/2023 through 02/28/2023

Date	Vendor Name	Description	Amount	
<b>Debit</b>				
<i>Automatic Bank Debits:</i>				
02/01/2023	CALPERS - RETIREMENT	Unfunded Accrued Liability / January 2023	230.33	
02/01/2023	CALPERS - RETIREMENT	Unfunded Accrued Liability / January 2023	116.67	
02/01/2023	ADP TAX	Payroll Taxes / Pay Period Ended 01/27/2023	9,589.74	
02/01/2023	ADP WAGE PAY	Payroll Transfer / Pay Period Ended 01/27/2023	20,415.87	
02/02/2023	NAVIA BENEFIT SOLUTIONS	Employee Benefit Program / January 2023	416.67	
02/02/2023	DELTA DENTAL OF CALIFORNIA	Employee Benefit Program / February 2023	472.44	
02/02/2023	GLOBAL PAYMENTS / OPEN EDGE	Credit Card Processing Fees / January 2023	1,075.57	
02/02/2023	AUTHORIZE.NET	Online Credit Card Processing Fees / January 2023	12.00	
02/03/2023	MISSION SQUARE RETIREMENT	Employee Benefit Program / Pay Period Ended 01/27/2023	1,520.00	
02/03/2023	ADP PAYROLL SERVICES	Payroll Processing Fees / Pay Periods Ended 12/30/2022 & 01/13/2023	415.20	
02/08/2023	NAVIA BENEFIT SOLUTIONS, INC	125 Cafeteria Plan Administration / February 2023	100.00	
02/09/2023	NAVIA BENEFIT SOLUTIONS	Employee Benefit Program / February 2023	416.63	
02/09/2023	NAVIA BENEFIT SOLUTIONS	Employee Benefit Program / February 2023	651.78	
02/10/2023	COUNTY OF ORANGE - SHERIFF	Law Enforcement Services / February 2023	261,943.67	
02/13/2023	CALPERS - HEALTH	Employee Benefit Program / February 2023	7,847.63	
02/14/2023	U.S. BANK	Bank Service Charges / January 2023	49.04	
02/14/2023	CALPERS - RETIREMENT	Retirement Contributions / Pay Period Ended 01/13/2023	3,157.94	
02/14/2023	CALPERS - RETIREMENT	Retirement Contributions / Pay Period Ended 01/13/2023	1,713.19	
02/15/2023	ADP TAX	Payroll Taxes / Pay Period Ended 02/10/2023	9,184.68	
02/15/2023	ADP WAGE PAY	Payroll Transfer / Pay Period Ended 02/10/2023	20,173.83	
02/16/2023	NAVIA BENEFIT SOLUTIONS	Employee Benefit Program / February 2023	198.93	
02/16/2023	MISSION SQUARE RETIREMENT	Employee Benefit Program / Pay Period Ended 02/10/2023	1,520.00	
02/22/2023	ADP PAYROLL SERVICES	Payroll Processing Fees / Quarterly and Year End Processing	131.10	
02/23/2023	NAVIA BENEFIT SOLUTIONS	Employee Benefit Program / February 2023	257.53	
02/28/2023	CALPERS - RETIREMENT	Retirement Contributions / Pay Period Ended 01/27/2023	3,157.94	
02/28/2023	CALPERS - RETIREMENT	Retirement Contributions / Pay Period Ended 01/27/2023	1,727.94	
<b>Check</b>				
<i>Warrants:</i>				
6436	02/02/2023	ABOUND FOOD CARE	Edible Food Recovery Program Services / December 2022	317.00
6437	02/02/2023	AT&T	Telephone / 458-3487 / January 2023	47.56
6438	02/02/2023	AT&T	Telephone / 639-0500 / January 2023	233.93
6439	02/02/2023	AT&T	Telephone / 452-0600 / January 2023	2,614.62
6440	02/02/2023	BRIGHTVIEW LANDSCAPE SERVICES, INC.	Landscape Maintenance / January 2023	8,313.03
6441	02/02/2023	BUREAU VERITAS NORTH AMERICA INC	Building Plan Review Services / November 2022	9,185.00
6442	02/02/2023	CIVICPLUS, LLC	Municode Online Renewal / April 2022 - March 2023	500.00
6443	02/02/2023	FUSCOE ENGINEERING, INC.	Engineering Services	8,412.50
6444	02/02/2023	INTERWEST CONSULTING GROUP	Building Official, Permit Counter & Inspection Services / September 2022	64,295.00
6445	02/02/2023	JOHN L. HUNTER & ASSOCIATES, INC	NPDES Inspection Services / December 2022	495.00
6446	02/02/2023	MARINA LANDSCAPE, INC.	Ridge Route Landscape Project	45,374.32
6447	02/02/2023	OBR ARCHITECTURE, INC.	City Hall/Public Library Project	8,064.03
6448	02/02/2023	OMNI ENTERPRISE INC	Janitorial Services / December 2022	2,480.00
6449	02/02/2023	PETTY CASH	Replenish Petty Cash / January 2023	-
6450	02/02/2023	SOUTHWEST INSPECTION AND TESTING, INC.	City Hall/Public Library Project	1,292.00

**CITY OF LAGUNA WOODS**  
**WARRANT REGISTER**  
**March 22, 2023**

ITEM 6.3

This Report Covers the Period 02/01/2023 through 02/28/2023

Date	Vendor Name	Description	Amount	
6451	02/02/2023	THALES CONSULTING INC.	State Controller's Report / Fiscal Year 2021-22	1,060.00
6452	02/02/2023	US BUILDERS AND CONSULTANTS	City Hall Refurbishment & Safety Project: Phase 3	39,516.61
6453	02/10/2023	ACC BUSINESS	City Hall Internet Service / December 2022	608.66
6454	02/10/2023	BRIGHTVIEW LANDSCAPE SERVICES, INC.	Landscape Maintenance / January 2023	2,503.75
6455	02/10/2023	CIVICPLUS, LLC	Annual Subscription Municode Online / Fiscal Year 2022-23	350.00
6456	02/10/2023	COUNTY OF ORANGE	Maintenance For Emergency Radio	243.25
6457	02/10/2023	EPIC IO TECHNOLOGIES, INC.	City Hall Internet Service / February 2023	171.45
6458	02/10/2023	MISSION SQUARE RETIREMENT	Quarterly Plan Fee / January - March 2023	125.00
6459	02/10/2023	PRACTICAL DATA SOLUTIONS	IT Support Services / January 2023	3,889.63
6460	02/10/2023	RECREATION BRANDING SERVICES	Graphic Design	306.00
6461	02/10/2023	RICOH USA, INC.	Copier Usage / November 2022 - January 2023	69.37
6462	02/10/2023	RUTAN & TUCKER, LLP	Legal Services / December 2022	6,710.00
6463	02/10/2023	SAFE AND SOUND SECURITY, INC.	Security Camera Purchase & Installation	26,371.90
6464	02/10/2023	SOUTHERN CALIFORNIA EDISON	Electric Services / January 2023	6,446.68
6465	02/10/2023	SOUTHERN CALIFORNIA SHREDDING,	Shredding Services / January 2023	400.00
6466	02/10/2023	STAPLES	Office & Janitorial Supplies	387.30
6467	02/10/2023	SWEEPING CORPORATION OF AMERICA	Street Sweeping Services / January 2023	4,350.00
6468	02/10/2023	U.S. BANK	Credit Card Charges (expenditures reported separately - see note 3)	1,514.31
6469	02/10/2023	WM CURBSIDE, LLC	HHW, Medicine & Sharps Program / January 2023	4,293.53
6470	02/16/2023	360CIVIC	Website Hosting & Maintenance / January 2023	600.00
6471	02/16/2023	AT&T	Telephone / 581-9821 / January 2023	185.25
6472	02/16/2023	AT&T	White Pages / February 2023	4.63
6473	02/16/2023	BRIGHTVIEW LANDSCAPE SERVICES, INC.	Landscape Maintenance / January 2023	2,083.47
6474	02/16/2023	CALIFORNIA YELLOW CAB	Taxi Voucher Services / January 2023	357.00
6474	02/16/2023	CALIFORNIA YELLOW CAB	NEMT Taxi Voucher Services / January 2023	361.00
6475	02/16/2023	CITY OF LAGUNA BEACH	Animal Control & Shelter Services / January 2023	9,426.75
6476	02/16/2023	COUNTY OF ORANGE	Automated Fingerprint ID System / February 2023	613.00
6477	02/16/2023	FUSCOE ENGINEERING, INC.	Engineering Services	18,761.25
6478	02/16/2023	KONE INC.	City Hall Elevator Maintenance / February 2023	225.00
6479	02/16/2023	NAJIEH SOBHI	Taxi Voucher Refund	61.60
6480	02/16/2023	ORKIN	Pest Control Services	2,100.00
6481	02/16/2023	RICOH USA, INC.	Copier Lease / March 2023	246.57
6482	02/16/2023	SOUTHERN CALIFORNIA GAS COMPANY	Gas Service - City Hall / January 2023	1,208.15
6483	02/16/2023	VERIZON WIRELESS	Building iPads Data Plans / January 2023	120.03
6484	02/24/2023	AMAZON CAPITAL SERVICES	Office Supplies	228.68
6485	02/24/2023	BOUTWELL FAY LLP	Legal Services / January 2023	42.50
6486	02/24/2023	BRIGHTVIEW LANDSCAPE SERVICES, INC.	Landscape Maintenance / November - December 2022	31,754.80
6487	02/24/2023	CAPTIONING UNLIMITED	Closed Captioning / February 2023	200.00
6488	02/24/2023	HDL COREN & CONE	Property Tax Consulting Services / Fiscal Year 2023-24	2,100.00
6489	02/24/2023	MANAGED HEALTH NETWORK	Employee Benefit Program / March 2023	16.72
6490	02/24/2023	MARC DONOHUE	Administrative Services / February 2023	150.00
6491	02/24/2023	MICHAEL BAKER INTERNATIONAL	Planning Services / January 2023	8,073.75
6492	02/24/2023	RJM DESIGN GROUP	Landscape Architect Services	800.00
6493	02/24/2023	ROBERT RAYHILL	Taxi Voucher Refund	218.80
6494	02/24/2023	TONY'S LOCKSMITH & SAFE SERV.	City Hall Maintenance	145.00



**CITY OF LAGUNA WOODS  
WARRANT REGISTER  
March 22, 2023**

ITEM 6.3

This Report Covers the Period 02/01/2023 through 02/28/2023

Date	Vendor Name	Description	Amount
6495 02/24/2023	U.S. BANK	Credit Card Charges (expenditures reported separately - see note 4)	3,069.39
6496 02/24/2023	VISION SERVICE PLAN OF AMERICA	Employee Benefit Program / March 2023	129.57
6497 02/24/2023	YUNEX LLC	Traffic Signal Maintenance / January 2023	1,813.00
<b>Total Bank Debits and Warrants:</b>			<b>\$ 682,533.66</b>

**TOTAL \$ 682,533.66**

**NOTES:**

Note 1 - City Councilmembers are eligible to receive either a salary or vehicle reimbursement allowance in the amount of \$300 per month (\$3,600 per year). Such compensation is included in the City's regular payroll (see "ADP Payroll Services" under "Automatic Bank Debits"), unless waived by the Councilmember. For the month of February 2023, the following Councilmembers received compensation in the amount of \$300: Conners, Hatch, Horne, and McCary.

Note 2 - Petty cash is reported as cash is paid out, not when the fund is replenished. No petty cash transactions were paid during this time period. The petty cash replenishment on February 2, 2023 was for January petty cash expenditures.

Note 3 - The table below summarizes credit card expenditures paid via Check #6468 to U.S. Bank totaling \$1,514.31:

Microsoft	Office 365 Subscription	\$162.00
Adobe	Computer Software	\$119.95
Zoom	Video Conferencing	\$69.98
Microsoft	Office 365 Online Services	\$462.50
ZURI	City Hall Refurbishment & Safety Project: Phase 3	\$179.10
Stater Brothers	Staff Holiday Luncheon	\$20.85
ELKAY (MR Direct)	City Hall Maintenance	\$67.88
Smart & Final	Staff Holiday Luncheon	\$33.76
Olive Garden	Staff Holiday Luncheon	\$238.57
Staples	Office Supplies	\$6.59
CalChamber	Office Supplies	\$153.13
<b>Total Credit Card Reimbursement:</b>		<b>\$1,514.31</b>

Note 4 - The table below summarizes credit card expenditures paid via Check #6495 to U.S. Bank totaling \$3,069.39:

Microsoft	Office 365 Subscription	\$162.00
Adobe	Computer Software	\$119.95
Zoom	Video Conferencing	\$29.98
Microsoft	Office 365 Online Services	\$462.50
League of California Cities	New Mayors and Council Members Academy Registration (McCary)	\$1,620.00
Expedia	New Mayors and Council Members Academy Lodging (McCary)	\$453.28
CMTA	Membership Dues / Fiscal Year 2022-23	\$95.00
Saddleback Community College	Notary Public Training	\$70.00
USPS	Postage	\$16.50
The UPS Store	Office Supplies	\$16.47
J & M Trophies	Plaque	\$23.71
<b>Total Credit Card Reimbursement:</b>		<b>\$3,069.39</b>

**CITY OF LAGUNA WOODS  
WARRANT REGISTER  
March 22, 2023**


This Report Covers the Period 02/01/2023 through 02/28/2023

Date	Vendor Name	Description	Amount
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**Administrative Services Director/City Treasurer's Certification**

I, Elizabeth Torres, Administrative Services Director / City Treasurer, do hereby certify:

- In accordance with California Government Code Section 37202, I hereby certify to the accuracy of the demands on cash summarized within;
- That the City is able to meet all cash flow needs which might reasonably be anticipated for the next 12 months; and
- That the City is in compliance with California Government Code Section 27108.

 Digitally signed by  
Elizabeth Torres  
Date: 2023.03.15  
11:15:04 -07'00'

Elizabeth Torres, Administrative Services Director/City Treasurer

Dated

## **6.4 INVESTMENT OF FINANCIAL ASSETS POLICY**

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# City of Laguna Woods

## Agenda Report

**TO:** Honorable Mayor and City Councilmembers

**FROM:** Christopher Macon, City Manager

**FOR:** March 22, 2023 Adjourned Regular Meeting

**SUBJECT:** Investment of Financial Assets Policy

---

### **Recommendation**

Adopt a resolution titled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, REVIEWING AND ADOPTING A STATEMENT OF THE INVESTMENT POLICY, AND ADOPTING AN INVESTMENT POLICY

### **Background**

Local government investment policies and activities are subject to standards and limitations set forth in California Government Code, including Section 53601 et seq., which describes permissible investment types and maximum investments.

California Government Code Section 53607 requires that the City Council review the City's investment policy, as it relates to any delegation of investment authority, at least annually. Separately, California Government Code Section 53646 speaks to the advisability of regular investment policy reviews.

The existing investment policy was last reviewed and adopted by the City Council at the adjourned regular meeting on September 21, 2022.

On December 21, 2022, the City Council appointed Councilmembers Home and McCary to serve on the standing Investment Policy Review Committee in 2023 and

2024. The Investment Policy Review Committee is responsible for conducting at least biannual reviews of the adequacy and effectiveness of the investment policy and preparing related recommendations for City Council consideration.

### **Discussion**

Today's meeting is an opportunity for City Council action, as well as public input, on the proposed review and adoption of a statement of the investment policy, and adoption of an investment policy (Attachment A).

The Investment Policy Review Committee, City Manager, and City Treasurer recommend that the City Council adopt a modified investment policy (Exhibit A to Attachment A), in order to ensure its continued adequacy and effectiveness. The proposed modifications are intended to allow the City to take better advantage of present interest rates by increasing the maximum amount of portfolio investment for non-negotiable certificates of deposit from 30% (no more than 10% with one bank or issuer) to 90%. State law does not limit the amount of the City's portfolio that can be invested in non-negotiable certificates of deposit. The 30% limit applies only to negotiable certificates of deposit.

The investment policy requires the City Treasurer to certify monthly that the City is able to meet all cash flow needs which might reasonably be anticipated for the next 12 months. Decisions as to whether to invest in certificates of deposit and, if so, in what amounts and for how long, are made after considering cash flow needs.

### **Fiscal Impact**

Sufficient funds to support this project are included in the City's budget.

Attachments: A – Proposed Resolution  
                  Exhibit A – Proposed Investment Policy  
                  B – Proposed Investment Policy (redline)

**RESOLUTION NO. 23-XX**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, REVIEWING AND ADOPTING A STATEMENT OF THE INVESTMENT POLICY, AND ADOPTING AN INVESTMENT POLICY

**WHEREAS**, the California legislature has declared that the deposit and investment of public funds by local officials and agencies is an issue of statewide concern (California Government Code sections 53600.6 and 53630.1); and

**WHEREAS**, the City Council is able to invest surplus monies not required for the immediate necessities of the City in accordance with California Government Code sections 5921 and 53601 et seq.; and

**WHEREAS**, the City’s investment policy is contained in Administrative Policy 2.2 and was last adopted by the City Council on September 21, 2022; and

**WHEREAS**, on December 21, 2022, the City Council appointed Councilmembers Horne and McCary to serve on the standing Investment Policy Review Committee from January 1, 2023 through December 31, 2024, as called for in the investment policy; and

**WHEREAS**, the City Manager and Administrative Services Director/City Treasurer have proposed modifications to the existing investment policy, in order to ensure its continued adequacy and effectiveness; and

**WHEREAS**, at a special meeting on March 16, 2023, the Investment Policy Review Committee considered and voted to recommend that the City Council adopt modifications to the existing investment policy, which are incorporated into the investment policy attached hereto as Exhibit A.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

**SECTION 1.** After independent review and consideration, the administrative policy attached hereto as Exhibit A is adopted and is a statement of the City’s investment policy. The City Council receives and files said statement in accordance with the City’s investment policy and applicable California Government Code and

Laguna Woods Municipal Code provisions. The administrative policy attached hereto as Exhibit A replaces and supersedes all previous City investment policies.

**SECTION 2.** The Mayor shall sign this resolution and the City Clerk shall attest and certify to the passage and adoption thereof.

PASSED, APPROVED AND ADOPTED on this XX day of XX 2023.

\_\_\_\_\_  
CYNTHIA S. CONNERS, Mayor

ATTEST:

\_\_\_\_\_  
YOLIE TRIPPY, CMC, City Clerk

STATE OF CALIFORNIA     )  
COUNTY OF ORANGE     ) ss.  
CITY OF LAGUNA WOODS   )

I, YOLIE TRIPPY, City Clerk of the City of Laguna Woods, do HEREBY CERTIFY that the foregoing **Resolution No. 23-XX** was duly adopted by the City Council of the City of Laguna Woods at an adjourned regular meeting thereof, held on the XX day of XX 2023, by the following vote:

AYES:           COUNCILMEMBERS:  
NOES:           COUNCILMEMBERS:  
ABSENT:        COUNCILMEMBERS:

\_\_\_\_\_  
YOLIE TRIPPY, CMC, City Clerk



**CITY OF LAGUNA WOODS  
ADMINISTRATIVE POLICY 2.2**

**INVESTMENT OF FINANCIAL ASSETS**

**2.2.01. Statement of Purpose.**

This Administrative Policy is intended to assist the City of Laguna Woods with the investment of the City’s financial assets in a manner that ensures adequate safety and liquidity, while maximizing yield (return) and complying with the requirements of California Government Code sections 53600 and 53635 et seq.

**2.2.02. Scope.**

This Administrative Policy generally applies to all financial assets and investment activities of the City. Such funds are accounted for, or disclosed, in annual audited financial statements and include the General Fund, Special Revenue Funds, and the Capital Projects Fund. Funds belonging to the Laguna Woods Civic Support Fund and funds invested separately with independent fiduciaries, including funds held and managed by the California Public Employees’ Retirement System (CalPERS) for the purpose of funding employee retirement obligations and other post-employment benefits (OPEB) are exempt from this Administrative Policy.

**2.2.03. Objectives.**

The objectives of the City’s investment activities, in priority order, shall be:

1. Safety – Safety of principal shall be the foremost objective. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall investment portfolio and the mitigation of credit risk and interest rate risk. This Administrative Policy recognizes that market conditions may warrant the sale of individual securities that would incur market losses in order to protect from further capital losses. The intent of this Administrative Policy is to ensure that capital losses are minimized on a portfolio level rather than on each transaction. To attain the safety objective, diversification of investments among a variety of securities with independent returns and institutions is required.
2. Liquidity – The investment portfolio shall remain sufficiently liquid (i.e., capable of being converted to cash quickly) in order to enable the City to meet all reasonably anticipated cash demands and operational requirements and to

maintain compliance with all applicable indenture agreements. Since unusual or unanticipated cash demands and operational requirements may occur from time-to-time, the portfolio shall primarily consist of investments in securities with active secondary and resale markets.

3. Yield (Return) – The investment portfolio shall be designed in a manner that seeks to attain the highest rate of return, consistent with established safety and liquidity objectives. While it is acknowledged and understood that occasional measurement losses may occur, the rate of return on the investment portfolio should be designed to attain a market rate of return throughout budgetary and economic cycles for similar investments.

#### **2.2.04. Delegation of Authority.**

##### *City Treasurer*

No person other than the City Treasurer or Acting City Treasurer (hereafter referred to jointly as the “City Treasurer”) shall engage in an investment transaction using the City’s financial assets. The City Treasurer shall additionally be responsible for all investment transactions undertaken and shall establish and maintain a system of internal controls to regulate all investing activities.

In accordance with Government Code Section 53607, the City Council delegates investment authority for a one-year period to the City Treasurer. Such delegation of authority is subject to annual review and renewal by the City Council, as well as revocation at the City Council’s discretion. Adoption of this Administrative Policy shall constitute renewal of such delegation for an additional one-year period.

Pursuant to Laguna Woods Municipal Code Section 2.10.010, the City Treasurer is appointed by, and reports to, the City Manager. The City Manager may serve as, or appoint, an Acting City Treasurer at any time during the absence of a permanent City Treasurer. During his/her/their appointment, the Acting City Treasurer shall have all of the powers and duties of the City Treasurer.

The City Treasurer and City Manager (with respect to his/her/their role appointing and supervising the City Treasurer, and participating in investment decisions) shall be relieved of personal responsibility for an individual investment’s performance or losses, market price changes, and the performance of or losses incurred by the overall portfolio provided that (1) actions were undertaken in accordance with this Administrative Policy and applicable federal and state law, (2) significant deviations

from expectations were reported to the City Council in a timely manner, and (3) appropriate action was taken to mitigate future adverse developments.

*Investment Policy Review Committee of the City Council*

The Investment Policy Review Committee shall be responsible for conducting at least biannual reviews of the adequacy and effectiveness of this Administrative Policy and preparing related recommendations for City Council consideration.

The City Council shall appoint two of its members to serve on the Investment Policy Review Committee for terms two calendar years in length, commencing on January 1 of each odd-numbered year. The City Council reserves the right to remove or replace any member of the Investment Policy Review Committee, with or without cause, following a publicly noticed vote of a majority of the quorum of City Councilmembers present at the time.

The Investment Policy Review Committee shall be considered a standing committee, subject to all applicable provisions of the Ralph M. Brown Act.

**2.2.05. Public Trust.**

The City Council, City Manager, City Treasurer, and all individuals authorized to participate in investment decisions on behalf of the City shall act as custodians of the public trust and recognize that the investment portfolio is subject to public review and evaluation. The City's overall approach to investment shall be designed and managed with a degree of professionalism that is worthy of the public trust and will avoid any transactions that might impair public confidence.

**2.2.06. Prudence.**

The City Council, City Manager, City Treasurer, and all individuals authorized to participate in investment decisions on behalf of the City, are considered to be trustees and, therefore, fiduciaries subject to the prudent investor standard. The prudent investor standard is summarized in Government Code Section 53600.3, as follows:

*All governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds,*

*a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.*

### **2.2.07. Ethics and Conflicts of Interest.**

As set forth in the City’s Conflict of Interest Policy, and as otherwise required by the Political Reform Act and Fair Political Practices Commission, public officials who manage public investments are required to file economic interest disclosures.

In addition to federal, state and local statutes relating to conflicts of interest, the City Council, City Manager, City Treasurer, and all individuals authorized to participate in investment decisions on behalf of the City shall refrain from personal business association or activity that conflicts with proper execution of this Administrative Policy, or which could impair their ability to make impartial investment decisions.

### **2.2.08. Internal Controls and Routine External Review.**

The City Treasurer shall develop, implement, and maintain a system of internal controls designed to ensure the effectiveness and efficiency of investment activities, compliance with applicable laws and regulations, and the reliability of financial reporting. Such internal controls shall seek to prevent the loss of public funds due to fraud, error, misrepresentation, and unanticipated market changes.

As a part of their annual review of internal controls, the City’s independent, external auditors shall review internal controls related to investment activities.

### **2.2.09. Authorized Financial Dealers, Depositories, and Institutions.**

In accordance with Government Code Section 53601.5, investments shall either be purchased (1) directly from the issuer, (2) from an institution licensed by the State of California as a Broker-Dealer, as defined in Corporations Code Section 25004, (3) from a member of a federally regulated securities exchange, (4) from a national or state-chartered bank, from a savings association or federal association, as defined

by Financial Code Section 5102, or (5) from a brokerage firm designated as a primary government dealer by the Federal Reserve Bank. In addition, investments shall only be purchased from entities or deposits made in qualified public depositories, as established by state law, with full knowledge of applicable state law and at least five years’ experience providing similar services to California municipalities.

The selection of financial dealers, depositories, and institutions shall follow a periodic competitive procurement process (e.g., requests for proposals or requests for qualifications) and be subject to ultimate approval of the City Council or City Manager in accordance with established purchasing regulations and policies. The nature of the competitive procurement process, frequency thereof, and submittals required, shall be designed and determined by the City Treasurer.

On an annual basis, the City Treasurer shall send a copy of the current version of this Administrative Policy to all financial dealers, depositories, and institutions approved to do business with the City. Receipt of this Administrative Policy shall be considered confirmation that the parties to whom they were distributed understand the City’s authorized investment types and requirements thereof.

**2.2.10. Authorized Investments.**

In accordance with the requirements set forth in this Administrative Policy and in Government Code sections 53601, 53601.6, 53601.8, 53635, 53635.2, 53638, and 53684, the following types of investment are authorized and shall be invested subject to the limits and requirements set forth herein:

Type of Investment	Maximum Amount of Portfolio Investment	Maximum Amount of Individual Investment	Minimum Credit Quality and Requirements	Maximum Maturity
Federal Deposit Insurance Corporation (FDIC) Insured Accounts	100%	-	-	N/A
Bankers’ Acceptances	20% (no more than 5% with one bank)	-	-	180 days
Commercial Paper	15% (no more than 10% of a single issuer)	-	Standard & Poor’s: AAA or Moody’s: Aaa	270 days
Local Government Investment Pools	90%	-	See Section 2.2.11	N/A

ITEM 6.4 – Exhibit A to Attachment A

Type of Investment	Maximum Amount of Portfolio Investment	Maximum Amount of Individual Investment	Minimum Credit Quality and Requirements	Maximum Maturity
Joint Powers Authority Pools	90%	-	Must retain an investment advisor who is registered with the Securities and Exchange Commission (or exempt from registration), has assets under management in excess of \$500 million, and has at least five years' experience investing in instruments authorized by Government Code Section 53601, subdivisions (a) to (o)	N/A
Money Market Mutual Funds	10%	-	Standard & Poor's AAA or Moody's Aaa; and Must retain an investment advisor registered with the Securities and Exchange Commission (or exempt from registration) has assets under management in excess of \$500 million, and has at least five years' experience investing in money market instruments	N/A
Certificates of Deposit (Negotiable)	30% (no more than 10% with one bank or issuer)	\$250,000	Issued by a nationally or state-chartered bank, or state or federal savings and loan association, as defined by California Financial Code Section 5102, and fully insured by the FDIC or collateralized in accordance with Section 2.2.15	5 years
Certificates of Deposit (Non-Negotiable)	90%			
Repurchase Agreements	10% (no more than 20% of a single issuer)	-	Collateralized in accordance with Section 2.2.15	30 days

Type of Investment	Maximum Amount of Portfolio Investment	Maximum Amount of Individual Investment	Minimum Credit Quality and Requirements	Maximum Maturity
United States Treasury Obligations	90% of overall portfolio for any one investment type (no more than 20% of a single issuer)	-	Explicit full faith and credit guarantee of the United States Government	5 years
United States Agency Obligations		-	Implied full faith and credit guarantee of the United States Government	5 years
State of California and Other States-issued Obligations	20% of overall portfolio for any one investment type (no more than 5% of a single issuer)	-	-	3 years
California Local Government-issued Municipal Obligations		-	-	3 years
Medium-Term Notes	20%	-	Nationally Recognized Statistical Ratings Organization Rating: "A" rating category or its equivalent	5 years

### **2.2.11. Local Government Investment Pools.**

While local government investment pools generally provide significant safety and liquidity, the City Treasurer shall complete a thorough investigation prior to making any such investment and consider the same during the monthly compliance review required by Section 2.2.13. Due diligence in investigations shall generally include a review of written statements of investment policies, objectives, fees schedules, and reporting schedules, as well as issues related to (1) eligible investors and securities, (2) the permitted frequencies and sizes of deposits and withdrawals, (3) security safeguards, including settlement processes, (4) the frequency with which securities are priced and the program audited, (5) the treatment of gains and losses, including interest calculations and distribution, (6) whether and, if so, how reserves, retained earnings, and similar funds are utilized by the investment pool, and (7) whether the investment pool is eligible for and, if so, accepts bond proceeds. In addition, only local government investment pools with at least five years' experience providing similar services to other California municipalities may be utilized. Similar due diligence and investigative procedures shall be performed prior to investing in any other pooled investment funds, such as money market mutual funds.

**2.2.12. Prohibited Investments.**

Notwithstanding those types of investments that are otherwise prohibited by law or this Administrative Policy, any investment not specifically listed in Section 2.2.10, as well as financial derivatives (e.g., inverse floaters, range notes, interest only strips derived from a pool of mortgages, and securities that could result in a zero-interest accrual if held to maturity) and foreign investments (e.g., indices and currencies) are prohibited.

**2.2.13. Monthly Internal Compliance Review of Investment Portfolio.**

Investments shall be in compliance with the ratings and other requirements set forth in this Administrative Policy at the time of purchase. It is acknowledged and understood that some investments may not fully comply with the same following purchase. The City Treasurer shall review the overall investment portfolio on a monthly basis and identify any investments that no longer comply. Non-compliant investments shall be reported to the City Council, City Manager, and City Attorney within 10 business days of discovery and corrected as soon as practical.

**2.2.14. Safekeeping and Custody.**

All investments shall be registered in the name of the City and all interest, principal payments, and withdrawals shall indicate the City as the sole payee.

All investments, with the exception of Federal Deposit Insurance Corporation (FDIC) Insured Accounts, Local Government Investment Pools, and Money Market Funds shall be held by a third-party custodian designated by the City Treasurer and evidenced by custodial agreements or safekeeping receipts. Third-party custodians shall comply with the requirements set forth in Section 2.2.09.

All security transactions, where applicable, shall use a Delivery-versus-Payment (DVP) settlement procedure with the City's payment due at the time of delivery, which ensures that securities are deposited with the third-party custodian prior to the release of funds.

**2.2.15. Collateralization.**

Collateral for bank deposits and certificates of deposit shall be 110% of the market value of principal and accrued interest. Collateral can be either United States Treasury securities or United States Agency securities.



Collateral for repurchase agreements shall be 102% of the market value of principal and accrued interest. Collateral can be either United States Treasury securities or United States Agency securities. The City Treasurer is authorized to grant the right of collateral substitution for repurchase agreements.

All collateral shall be held by an independent third party with whom the City has a current custodial agreement or master repurchase agreement. Evidence of ownership (safekeeping receipt) must be supplied to the City and retained.

**2.2.16. Diversification.**

The overall investment portfolio shall be diversified to avoid incurring unreasonable and avoidable risks associated with concentrating investments in specific investment types, maturity segments, or individual financial institutions. In a diversified portfolio, it is acknowledged and understood that occasional measurement losses may occur. Such losses shall be considered within the overall portfolio's investment return. Diversification also requires investments to be spread among varying security types and institutions.

**2.2.17. Reporting.**

The City Treasurer shall prepare and submit a monthly investment report to the City Council. The report shall include a summary of all investment transactions for the preceding month, as required by Government Code Section 53607, as well as similar information that would be required by Government Code Section 53646(b) if the City prepared quarterly investment reports, to the extent that such information is available.

The report shall contain, at a minimum, the following information that is subject to this Administrative Policy: the type of investment, issuer, date of maturity, par value and costs of each investment, market value, and a description of any investments, including loans and security lending programs, that are under the management of contracted parties. For funds in local government investment pools, the report shall also include a current market value as of the date of the report and the source of that same valuation. The report shall also comply with Government Accounting Standard Board (GASB) Statement No. 40 and include the following:

- A. Certification that all investment actions executed since the last report have been made in full compliance with this Administrative Policy; and

- B. Certification that the City is able to meet all cash flow needs which might reasonably be anticipated for the next 12 months.

**2.2.18. Annual City Council Review and Adoption of this Administrative Policy.**

This Administrative Policy shall be reviewed, modified as necessary, and adopted, at least annually, to ensure its consistency with the objectives set forth in Section 2.2.03 and applicable law. The Administrative Policy shall be adopted by resolution of the City Council at a duly noticed public meeting. Such annual review shall be in addition to the reviews conducted by the Investment Policy Review Committee as described in Section 2.2.04.

**2.2.19. Relationship to Federal and State Laws.**

Where federal or state laws are more restrictive than or contradict this Administrative Policy, such laws shall take precedence. Where this Administrative Policy is more restrictive than federal or state laws, this Administrative Policy shall take precedence. The City Treasurer shall advise the Investment Policy Review Committee of any contradictions of federal or state law for consideration during its reviews conducted as described in Section 2.2.04.

**2.2.20. Attachments.**

Attachment A, “Glossary of Terms and Acronyms,” is incorporated by reference.

Attachment B, “California Municipal Treasurers Association Investment Policy Certification”

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City Council Adoption: March XX, 2023

**Attachment A, “Glossary of Terms and Acronyms”**

*This Glossary of Terms and Acronyms contains common investment terminology to provide users with a better understanding of basic investment terms. It is intended to be used as a basic reference only, is not intended to be all inclusive, and should not be treated as a substitute for professional counsel or analysis.*

**ACCRUED INTEREST:** Coupon interest accumulated on a bond or note since the last interest payment or, for a new issue, from the dated date to the date of delivery.

**BANK DEPOSITS:** Deposits in banks or other depository institutions that may be in the form of demand accounts (checking) or investments in accounts that have a fixed term and negotiated rate of interest.

**BANKERS’ ACCEPTANCE:** A draft or bill of exchange accepted by a bank or trust company. The accepting institution, as well as the issuer, guarantees payment of the bill.

**BOND PROCEEDS:** The money paid to the issuer by the purchaser or underwriter of a new issue of municipal securities. These moneys are used to finance the project or purpose for which the securities were issued and to pay certain costs of issuance as may be provided in the bond contract.

**BONDS:** A debt obligation of a firm or public entity. A bond represents the agreement to repay the debt in principal and, typically, in interest on the principal.

**BROKER:** A person or firm that acts as an intermediary by purchasing and selling securities for others rather than for its own account.

**CASH FLOW:** A comparison of cash receipts (revenues) to required payments (debt service, operating expenses, etc.).

**CERTIFICATE OF DEPOSIT:** A short-term, secured deposit in a financial institution that usually returns principal and interest to the lender at the end of the loan period. Certificates of Deposit (CDs) differ in terms of collateralization and marketability. CDs appropriate to public agency investing include:

*Negotiable Certificates of Deposit* – Generally, short-term debt instruments that pay interest and is issued by a bank, savings or federal association, state or federal credit union, or state-licensed branch of a foreign bank. The majority of negotiable CDs

mature within six months while the average maturity is two weeks. Negotiable CDs are traded in a secondary market and are payable upon order to the bearer or initial depositor (investor). Negotiable CDs are insured by the FDIC up to \$250,000, but they are not collateralized beyond that amount.

*Non-Negotiable Certificates of Deposit* – CDs that carry a penalty if redeemed prior to maturity. A secondary market does exist for non-negotiable CDs, but redemption includes a transaction cost that reduces returns to the investor. Non-negotiable CDs issued by banks and savings and loans are insured by the FDIC up to the amount of \$250,000, including principal and interest. Amounts deposited above this amount may be secured with other forms of collateral through an agreement between the investor and the issuer. Collateral may include other securities, including treasuries or agency securities (e.g., issued by the Federal National Mortgage Association).

COLLATERALIZATION OF DEPOSITS: A process by which a bank or other financial institution pledges securities or other deposits for the purpose of securing the repayment of deposited funds.

COMMERCIAL PAPER: An unsecured short-term promissory note issued by corporations or municipalities, with maturities ranging from two to 270 days.

COUNTY POOLED INVESTMENT FUNDS: The aggregate of all funds from public agencies placed in the custody of the county treasurer or chief finance officer for investment and reinvestment.

COUPON: The annual rate of interest that a bond's issuer promises to pay the bondholder in the bond's face value; a certificate attached to a bond evidencing interest due on a payment date.

CREDIT RATING: The credit worthiness of an investment. Credit ratings are issued by Nationally Recognized Statistical Rating Organizations (NRSROs) registered with the Securities and Exchange Commission. Three highly recognized NRSROs are Standard and Poor's, Moody's, and Fitch. The organizations use a primary letter designation (numbers or symbols may follow the letter designation) to indicate the quality of an investment. As an example, short-term ratings by Standard and Poor's of A-1+ and Moody's of P-1 indicate a prime or high-grade quality investment. Long-term prime or high-grade quality investments would be rated AAA or Aaa by Standard and Poor's and Moody's, respectively. Rates beginning with letters B or C would typically indicate an investment of speculative and higher risk quality.

CREDIT RISK: The chance that an issuer will be unable to make scheduled payments of interest and principal on an outstanding obligation. Another concern for investors is that the market's perception of an issuer/borrower's credit will cause the market value of a security to fall, even if default is not expected.

CUSTODIAN: A bank or other financial institution that keeps custody of stock certificates and other assets.

DEALER: Someone who acts as a principal in all transactions, including underwriting, buying, and selling securities, including from his/her/their own account.

DELIVERY-VERSUS-PAYMENT (DVP): The payment of cash for securities as they are delivered and accepted for settlement.

DERIVATIVE: Securities that are based on, or derived from, some underlying asset, reference date, or index.

DISCOUNT: The difference between the par value of a security and the cost of the security, when the cost is below par. Investors purchase securities at a discount when return to the investor (yield) is higher than the stated coupon (interest rate) on the investment.

DISCOUNT RATE: The interest rate used in discounted cash flow analysis to determine the present value of future cash flows. The discount rate in discounted cash flow analysis takes into account not just the time value of money, but also the risk or uncertainty of future cash flows; the greater the uncertainty of future cash flows, the higher the discount rate.

DIVERSIFICATION: The allocation of different types of assets in a portfolio to mitigate risks and improve overall portfolio performance.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits, currently up to \$250,000 per entity.

FIDUCIARY: An individual who holds something in trust for another and bears liability for its safekeeping.

GOVERNMENT ACCOUNTING STANDARDS BOARD (GASB): A standard-setting body, associated with the Financial Accounting Foundation, which prescribes

standard accounting practices for governmental units.

INDEX: An indicator that is published on a periodic basis that shows the estimated price and/or yield levels for various groups of securities.

INTEREST: The amount a borrower pays to a lender for the use of his/her/their money.

INTEREST RATE RISK: The risk that an investment's value will change due to a change in the absolute level of interest rates, spread between two rates, shape of the yield curve, or any other interest rate relationship.

JOINT POWERS AUTHORITY POOLS: Investment pools involving the joint exercise of common investment powers between two or more public agencies with shares of beneficial interest issued pursuant to Government Code Section 6509.7.

LIQUIDITY: The measure of the ability to convert an instrument to cash on a given date at full face or par value.

LOCAL AGENCY INVESTMENT FUND (LAIF): A voluntary investment fund open to government entities and certain non-profit organizations in California that is managed by the State Treasurer's Office.

LOCAL GOVERNMENT INVESTMENT POOLS: Investment pools that include the Local Agency Investment Fund (LAIF) and County Pooled Investment Funds. These funds are not subject to the same SEC rules applicable to money market mutual funds. For this Administrative Policy, Joint Powers Authority Pools are not considered "Local Government Investment Pools."

MARKET VALUE: The price at which a security is trading and presumably could be purchased or sold at a particular point in time.

MATURITY: The date on which the principal or stated value of an investment becomes due and payable.

MEDIUM-TERM NOTES: Corporate or depository institution debt securities meeting certain minimum quality standards (as specified in Government Code Section 53601) with a maximum remaining maturity of five years or less, issued by (a) corporations organized and operating within the United States or (b) depository institutions licensed by the United States or any state and operating within the United

States. Instruments separately defined in, or authorized by, this Administrative Policy are not considered “Medium-Term Notes.”

MONEY MARKET MUTUAL FUNDS (MMFs): Mutual funds that invest exclusively in short-term money market instruments. MMFs seek the preservation of capital as a primary goal while maintaining a high degree of liquidity and providing income representative of the market for short term investments.

MORTGAGE-BACKED SECURITIES (MBS): Securities created when a mortgagee or a purchaser of residential real estate mortgages creates a pool of mortgages and markets undivided interests or participations in the pool. MBS owners receive a pro-rata share of the interest and principal cash flows (net of fees) that are “passed through” from the pool of mortgages. MBS are complex securities whose cash flow is determined by the characteristics of the mortgages that are pooled together. Investors in MBS face prepayment risk associated with the option of the underlying mortgagors to pre-pay or payoff their mortgage. Most MBS are issued and/or guaranteed by federal agencies and instrumentalities (e.g., Government National Mortgage Association (GNMA), Federal National Mortgage Association (FNMA), and Federal Home Loan Mortgage Corporation (FHLMC)).

MUNICIPAL NOTES, BONDS, AND OTHER OBLIGATIONS: Obligations issued by state and local governments to finance capital and operating expenses.

MUTUAL FUNDS: An investment company that pools money and can invest in a variety of securities, including fixed-income securities and money market instruments.

NATIONALLY RECOGNIZED STATISTICAL RATINGS ORGANIZATION (NRSRO): A credit rating agency registered as a “Nationally Recognized Statistical Ratings Organization” with the Securities and Exchange Commission, consistent with the Credit Rating Agency Reform Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, and other applicable legislation and rulemaking, as may change from time-to-time.

NEW ISSUE: Securities sold during the initial distribution of an issue in a primary offering by the underwriter or underwriting syndicate.

NOTE: A written promise to pay a specified amount to a certain entity on demand or on a specified date. Usually bearing a short-term maturity of a year or less (though longer maturities are issued—see “Medium-Term Notes”).

PAR VALUE: The principal amount of a note or bond which must be paid at maturity. Par, also referred to as the “face amount” of a security, is the principal value stated on the face of the security. A par bond is one sold at a price of 100 percent of its principal amount.

PORTFOLIO: Combined holding of more than one stock, bond, commodity, real estate investment, cash equivalent, or other asset. The purpose of a portfolio is to reduce risk by diversification.

PREMIUM: The difference between the par value of a security and the cost of the security, when the cost is above par. Investors pay a premium to purchase a security when the return to the investor (yield) is lower than the stated coupon (interest rate) on the investment.

PRICE: The amount of monetary consideration required by a willing seller and a willing buyer to sell an investment on a particular date.

PRINCIPAL: The face value or par value of a debt instrument, or the amount of capital invested in a given security.

PRUDENT INVESTOR STANDARD: A standard of conduct where a person acts with care, skill, prudence, and diligence when investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing funds. The test of whether the standard is being met is if a prudent person acting in such a situation would engage in similar conduct to ensure that investments safeguard principal and maintain liquidity.

REPURCHASE AGREEMENTS: An agreement of one party (for example, a financial institution) to sell securities to a second party (such as a local agency) and simultaneous agreement by the first party to repurchase the securities at a specified price from the second party on demand or at a specified date.

RISK: The uncertainty of maintaining the principal or interest associated with an investment due to a variety of factors.

SAFEKEEPING SERVICE: Offers storage and protection of assets provided by an institution serving as an agent.

SAFETY: In the context of investing public funds, safety relates to preserving the principal of an investment in an investment portfolio; local agencies address the concerns of safety by controlling exposure to risks.



SECURITIES AND EXCHANGE COMMISSION (SEC): The federal agency responsible for supervising and regulating the securities industry.

TRUSTEE OR TRUST COMPANY: A financial institution with powers to act in a fiduciary capacity for the benefit of the bondholders in enforcing the terms of the bond contract.

UNDERWRITER: A dealer that purchases a new issue of municipal securities for resale.

UNITED STATES AGENCY OBLIGATIONS: Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises, including federal agency mortgage-backed securities. Types of instruments may include mortgage-backed securities from the Federal National Mortgage Association (FNMA) including Fannie Mae and Freddie Mac securities.

UNITED STATES TREASURY OBLIGATIONS: Debt obligations of the United States government sold by the Treasury Department in the forms of bills, notes, and bonds. Bills are short-term obligations that mature in one year or less and are sold at a discount. Notes are obligations that mature between one year and 10 years. Bonds are long-term obligations that generally mature in 10 years or more.

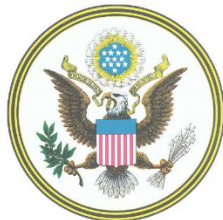
YIELD: The current rate of return on an investment security generally expressed as a percentage of the securities current price.

YIELD CURVE: A graphic representation that shows the relationship at a given point in time between yields and maturity for bonds that are identical in every way except maturity.

**Attachment B, “California Municipal Treasurers Association Investment Policy Certification”**

The City’s Investment of Financial Assets policy, as adopted by the City Council on April 4, 2022, was certified by the California Municipal Treasurers Association (CMTA) on June 27, 2022.

**California Municipal Treasurers Association**



*Investment Policy Certification*


Issued on 06/27/2022



**City of Laguna Woods**

The California Municipal Treasurers Association certifies that the investment policy of the City of Laguna Woods complies with the current State statutes governing the investment practices of local government entities located within the State of California.



  
\_\_\_\_\_  
President

06/27/2022  
\_\_\_\_\_  
Date

Since receiving certification, the City’s modifications of the Investment of Financial Assets policy have been limited to updating this Attachment B and increasing the maximum amount of portfolio investment for non-negotiable certificates of deposit.

**CITY OF LAGUNA WOODS  
ADMINISTRATIVE POLICY 2.2**

**INVESTMENT OF FINANCIAL ASSETS**

**2.2.01. Statement of Purpose.**

This Administrative Policy is intended to assist the City of Laguna Woods with the investment of the City's financial assets in a manner that ensures adequate safety and liquidity, while maximizing yield (return) and complying with the requirements of California Government Code sections 53600 and 53635 et seq.

**2.2.02. Scope.**

This Administrative Policy generally applies to all financial assets and investment activities of the City. Such funds are accounted for, or disclosed, in annual audited financial statements and include the General Fund, Special Revenue Funds, and the Capital Projects Fund. Funds belonging to the Laguna Woods Civic Support Fund and funds invested separately with independent fiduciaries, including funds held and managed by the California Public Employees' Retirement System (CalPERS) for the purpose of funding employee retirement obligations and other post-employment benefits (OPEB) are exempt from this Administrative Policy.

**2.2.03. Objectives.**

The objectives of the City's investment activities, in priority order, shall be:

1. Safety – Safety of principal shall be the foremost objective. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall investment portfolio and the mitigation of credit risk and interest rate risk. This Administrative Policy recognizes that market conditions may warrant the sale of individual securities that would incur market losses in order to protect from further capital losses. The intent of this Administrative Policy is to ensure that capital losses are minimized on a portfolio level rather than on each transaction. To attain the safety objective, diversification of investments among a variety of securities with independent returns and institutions is required.
2. Liquidity – The investment portfolio shall remain sufficiently liquid (i.e., capable of being converted to cash quickly) in order to enable the City to meet all reasonably anticipated cash demands and operational requirements and to

maintain compliance with all applicable indenture agreements. Since unusual or unanticipated cash demands and operational requirements may occur from time-to-time, the portfolio shall primarily consist of investments in securities with active secondary and resale markets.

3. Yield (Return) – The investment portfolio shall be designed in a manner that seeks to attain the highest rate of return, consistent with established safety and liquidity objectives. While it is acknowledged and understood that occasional measurement losses may occur, the rate of return on the investment portfolio should be designed to attain a market rate of return throughout budgetary and economic cycles for similar investments.

#### **2.2.04. Delegation of Authority.**

##### *City Treasurer*

No person other than the City Treasurer or Acting City Treasurer (hereafter referred to jointly as the “City Treasurer”) shall engage in an investment transaction using the City’s financial assets. The City Treasurer shall additionally be responsible for all investment transactions undertaken and shall establish and maintain a system of internal controls to regulate all investing activities.

In accordance with Government Code Section 53607, the City Council delegates investment authority for a one-year period to the City Treasurer. Such delegation of authority is subject to annual review and renewal by the City Council, as well as revocation at the City Council’s discretion. Adoption of this Administrative Policy shall constitute renewal of such delegation for an additional one-year period.

Pursuant to Laguna Woods Municipal Code Section 2.10.010, the City Treasurer is appointed by, and reports to, the City Manager. The City Manager may serve as, or appoint, an Acting City Treasurer at any time during the absence of a permanent City Treasurer. During his/her/their appointment, the Acting City Treasurer shall have all of the powers and duties of the City Treasurer.

The City Treasurer and City Manager (with respect to his/her/their role appointing and supervising the City Treasurer, and participating in investment decisions) shall be relieved of personal responsibility for an individual investment’s performance or losses, market price changes, and the performance of or losses incurred by the overall portfolio provided that (1) actions were undertaken in accordance with this Administrative Policy and applicable federal and state law, (2) significant deviations

from expectations were reported to the City Council in a timely manner, and (3) appropriate action was taken to mitigate future adverse developments.

#### *Investment Policy Review Committee of the City Council*

The Investment Policy Review Committee shall be responsible for conducting at least biannual reviews of the adequacy and effectiveness of this Administrative Policy and preparing related recommendations for City Council consideration.

The City Council shall appoint two of its members to serve on the Investment Policy Review Committee for terms two calendar years in length, commencing on January 1 of each odd-numbered year. The City Council reserves the right to remove or replace any member of the Investment Policy Review Committee, with or without cause, following a publicly noticed vote of a majority of the quorum of City Councilmembers present at the time.

The Investment Policy Review Committee shall be considered a standing committee, subject to all applicable provisions of the Ralph M. Brown Act.

#### **2.2.05. Public Trust.**

The City Council, City Manager, City Treasurer, and all individuals authorized to participate in investment decisions on behalf of the City shall act as custodians of the public trust and recognize that the investment portfolio is subject to public review and evaluation. The City's overall approach to investment shall be designed and managed with a degree of professionalism that is worthy of the public trust and will avoid any transactions that might impair public confidence.

#### **2.2.06. Prudence.**

The City Council, City Manager, City Treasurer, and all individuals authorized to participate in investment decisions on behalf of the City, are considered to be trustees and, therefore, fiduciaries subject to the prudent investor standard. The prudent investor standard is summarized in Government Code Section 53600.3, as follows:

*All governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds,*

*a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.*

### **2.2.07. Ethics and Conflicts of Interest.**

As set forth in the City’s Conflict of Interest Policy, and as otherwise required by the Political Reform Act and Fair Political Practices Commission, public officials who manage public investments are required to file economic interest disclosures.

In addition to federal, state and local statutes relating to conflicts of interest, the City Council, City Manager, City Treasurer, and all individuals authorized to participate in investment decisions on behalf of the City shall refrain from personal business association or activity that conflicts with proper execution of this Administrative Policy, or which could impair their ability to make impartial investment decisions.

### **2.2.08. Internal Controls and Routine External Review.**

The City Treasurer shall develop, implement, and maintain a system of internal controls designed to ensure the effectiveness and efficiency of investment activities, compliance with applicable laws and regulations, and the reliability of financial reporting. Such internal controls shall seek to prevent the loss of public funds due to fraud, error, misrepresentation, and unanticipated market changes.

As a part of their annual review of internal controls, the City’s independent, external auditors shall review internal controls related to investment activities.

### **2.2.09. Authorized Financial Dealers, Depositories, and Institutions.**

In accordance with Government Code Section 53601.5, investments shall either be purchased (1) directly from the issuer, (2) from an institution licensed by the State of California as a Broker-Dealer, as defined in Corporations Code Section 25004, (3) from a member of a federally regulated securities exchange, (4) from a national or state-chartered bank, from a savings association or federal association, as defined

by Financial Code Section 5102, or (5) from a brokerage firm designated as a primary government dealer by the Federal Reserve Bank. In addition, investments shall only be purchased from entities or deposits made in qualified public depositories, as established by state law, with full knowledge of applicable state law and at least five years' experience providing similar services to California municipalities.

The selection of financial dealers, depositories, and institutions shall follow a periodic competitive procurement process (e.g., requests for proposals or requests for qualifications) and be subject to ultimate approval of the City Council or City Manager in accordance with established purchasing regulations and policies. The nature of the competitive procurement process, frequency thereof, and submittals required, shall be designed and determined by the City Treasurer.

On an annual basis, the City Treasurer shall send a copy of the current version of this Administrative Policy to all financial dealers, depositories, and institutions approved to do business with the City. Receipt of this Administrative Policy shall be considered confirmation that the parties to whom they were distributed understand the City's authorized investment types and requirements thereof.

### **2.2.10. Authorized Investments.**

In accordance with the requirements set forth in this Administrative Policy and in Government Code sections 53601, 53601.6, 53601.8, 53635, 53635.2, 53638, and 53684, the following types of investment are authorized and shall be invested subject to the limits and requirements set forth herein:

<b>Type of Investment</b>	<b>Maximum Amount of Portfolio Investment</b>	<b>Maximum Amount of Individual Investment</b>	<b>Minimum Credit Quality and Requirements</b>	<b>Maximum Maturity</b>
Federal Deposit Insurance Corporation (FDIC) Insured Accounts	100%	-	-	N/A
Bankers' Acceptances	20% (no more than 5% with one bank)	-	-	180 days
Commercial Paper	15% (no more than 10% of a single issuer)	-	Standard & Poor's: AAA or Moody's: Aaa	270 days
Local Government Investment Pools	90%	-	See Section 2.2.11	N/A

Type of Investment	Maximum Amount of Portfolio Investment	Maximum Amount of Individual Investment	Minimum Credit Quality and Requirements	Maximum Maturity
Joint Powers Authority Pools	90%	-	Must retain an investment advisor who is registered with the Securities and Exchange Commission (or exempt from registration), has assets under management in excess of \$500 million, and has at least five years' experience investing in instruments authorized by Government Code Section 53601, subdivisions (a) to (o)	N/A
Money Market Mutual Funds	10%	-	Standard & Poor's AAA or Moody's Aaa; and Must retain an investment advisor registered with the Securities and Exchange Commission (or exempt from registration) has assets under management in excess of \$500 million, and has at least five years' experience investing in money market instruments	N/A
Certificates of Deposit (Negotiable <del>and Non-Negotiable</del> )	30% (no more than 10% with one bank or issuer)		Issued by a nationally or state-chartered bank, or state or federal savings and loan association, as defined by California Financial Code Section 5102, and fully insured by the FDIC or collateralized in accordance with Section 2.2.15	5 years
<u>Certificates of Deposit (Non-Negotiable)</u>	<u>90%</u>	\$250,000		
Repurchase Agreements	10% (no more than 20% of a single issuer)	-	Collateralized in accordance with Section 2.2.15	30 days



Type of Investment	Maximum Amount of Portfolio Investment	Maximum Amount of Individual Investment	Minimum Credit Quality and Requirements	Maximum Maturity
United States Treasury Obligations	90% of overall portfolio for any one investment type (no more than 20% of a single issuer)	-	Explicit full faith and credit guarantee of the United States Government	5 years
United States Agency Obligations		-	Implied full faith and credit guarantee of the United States Government	5 years
State of California and Other States-issued Obligations	20% of overall portfolio for any one investment type (no more than 5% of a single issuer)	-	-	3 years
California Local Government-issued Municipal Obligations		-	-	3 years
Medium-Term Notes	20%	-	Nationally Recognized Statistical Ratings Organization Rating: "A" rating category or its equivalent	5 years

### **2.2.11. Local Government Investment Pools.**

While local government investment pools generally provide significant safety and liquidity, the City Treasurer shall complete a thorough investigation prior to making any such investment and consider the same during the monthly compliance review required by Section 2.2.13. Due diligence in investigations shall generally include a review of written statements of investment policies, objectives, fees schedules, and reporting schedules, as well as issues related to (1) eligible investors and securities, (2) the permitted frequencies and sizes of deposits and withdrawals, (3) security safeguards, including settlement processes, (4) the frequency with which securities are priced and the program audited, (5) the treatment of gains and losses, including interest calculations and distribution, (6) whether and, if so, how reserves, retained earnings, and similar funds are utilized by the investment pool, and (7) whether the investment pool is eligible for and, if so, accepts bond proceeds. In addition, only local government investment pools with at least five years' experience providing similar services to other California municipalities may be utilized. Similar due diligence and investigative procedures shall be performed prior to investing in any other pooled investment funds, such as money market mutual funds.

**2.2.12. Prohibited Investments.**

Notwithstanding those types of investments that are otherwise prohibited by law or this Administrative Policy, any investment not specifically listed in Section 2.2.10, as well as financial derivatives (e.g., inverse floaters, range notes, interest only strips derived from a pool of mortgages, and securities that could result in a zero-interest accrual if held to maturity) and foreign investments (e.g., indices and currencies) are prohibited.

**2.2.13. Monthly Internal Compliance Review of Investment Portfolio.**

Investments shall be in compliance with the ratings and other requirements set forth in this Administrative Policy at the time of purchase. It is acknowledged and understood that some investments may not fully comply with the same following purchase. The City Treasurer shall review the overall investment portfolio on a monthly basis and identify any investments that no longer comply. Non-compliant investments shall be reported to the City Council, City Manager, and City Attorney within 10 business days of discovery and corrected as soon as practical.

**2.2.14. Safekeeping and Custody.**

All investments shall be registered in the name of the City and all interest, principal payments, and withdrawals shall indicate the City as the sole payee.

All investments, with the exception of Federal Deposit Insurance Corporation (FDIC) Insured Accounts, Local Government Investment Pools, and Money Market Funds shall be held by a third-party custodian designated by the City Treasurer and evidenced by custodial agreements or safekeeping receipts. Third-party custodians shall comply with the requirements set forth in Section 2.2.09.

All security transactions, where applicable, shall use a Delivery-versus-Payment (DVP) settlement procedure with the City's payment due at the time of delivery, which ensures that securities are deposited with the third-party custodian prior to the release of funds.

**2.2.15. Collateralization.**

Collateral for bank deposits and certificates of deposit shall be 110% of the market value of principal and accrued interest. Collateral can be either United States Treasury securities or United States Agency securities.

Collateral for repurchase agreements shall be 102% of the market value of principal and accrued interest. Collateral can be either United States Treasury securities or United States Agency securities. The City Treasurer is authorized to grant the right of collateral substitution for repurchase agreements.

All collateral shall be held by an independent third party with whom the City has a current custodial agreement or master repurchase agreement. Evidence of ownership (safekeeping receipt) must be supplied to the City and retained.

#### **2.2.16. Diversification.**

The overall investment portfolio shall be diversified to avoid incurring unreasonable and avoidable risks associated with concentrating investments in specific investment types, maturity segments, or individual financial institutions. In a diversified portfolio, it is acknowledged and understood that occasional measurement losses may occur. Such losses shall be considered within the overall portfolio's investment return. Diversification also requires investments to be spread among varying security types and institutions.

#### **2.2.17. Reporting.**

The City Treasurer shall prepare and submit a monthly investment report to the City Council. The report shall include a summary of all investment transactions for the preceding month, as required by Government Code Section 53607, as well as similar information that would be required by Government Code Section 53646(b) if the City prepared quarterly investment reports, to the extent that such information is available.

The report shall contain, at a minimum, the following information that is subject to this Administrative Policy: the type of investment, issuer, date of maturity, par value and costs of each investment, market value, and a description of any investments, including loans and security lending programs, that are under the management of contracted parties. For funds in local government investment pools, the report shall also include a current market value as of the date of the report and the source of that same valuation. The report shall also comply with Government Accounting Standard Board (GASB) Statement No. 40 and include the following:

- A. Certification that all investment actions executed since the last report have been made in full compliance with this Administrative Policy; and

- B. Certification that the City is able to meet all cash flow needs which might reasonably be anticipated for the next 12 months.

**2.2.18. Annual City Council Review and Adoption of this Administrative Policy.**

This Administrative Policy shall be reviewed, modified as necessary, and adopted, at least annually, to ensure its consistency with the objectives set forth in Section 2.2.03 and applicable law. The Administrative Policy shall be adopted by resolution of the City Council at a duly noticed public meeting. Such annual review shall be in addition to the reviews conducted by the Investment Policy Review Committee as described in Section 2.2.04.

**2.2.19. Relationship to Federal and State Laws.**

Where federal or state laws are more restrictive than or contradict this Administrative Policy, such laws shall take precedence. Where this Administrative Policy is more restrictive than federal or state laws, this Administrative Policy shall take precedence. The City Treasurer shall advise the Investment Policy Review Committee of any contradictions of federal or state law for consideration during its reviews conducted as described in Section 2.2.04.

**2.2.20. Attachments.**

Attachment A, “Glossary of Terms and Acronyms,” is incorporated by reference.

Attachment B, “California Municipal Treasurers Association Investment Policy Certification”

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City Council Adoption: ~~September 21, 2022~~ March XX, 2023

## **Attachment A, “Glossary of Terms and Acronyms”**

*This Glossary of Terms and Acronyms contains common investment terminology to provide users with a better understanding of basic investment terms. It is intended to be used as a basic reference only, is not intended to be all inclusive, and should not be treated as a substitute for professional counsel or analysis.*

**ACCRUED INTEREST:** Coupon interest accumulated on a bond or note since the last interest payment or, for a new issue, from the dated date to the date of delivery.

**BANK DEPOSITS:** Deposits in banks or other depository institutions that may be in the form of demand accounts (checking) or investments in accounts that have a fixed term and negotiated rate of interest.

**BANKERS’ ACCEPTANCE:** A draft or bill of exchange accepted by a bank or trust company. The accepting institution, as well as the issuer, guarantees payment of the bill.

**BOND PROCEEDS:** The money paid to the issuer by the purchaser or underwriter of a new issue of municipal securities. These moneys are used to finance the project or purpose for which the securities were issued and to pay certain costs of issuance as may be provided in the bond contract.

**BONDS:** A debt obligation of a firm or public entity. A bond represents the agreement to repay the debt in principal and, typically, in interest on the principal.

**BROKER:** A person or firm that acts as an intermediary by purchasing and selling securities for others rather than for its own account.

**CASH FLOW:** A comparison of cash receipts (revenues) to required payments (debt service, operating expenses, etc.).

**CERTIFICATE OF DEPOSIT:** A short-term, secured deposit in a financial institution that usually returns principal and interest to the lender at the end of the loan period. Certificates of Deposit (CDs) differ in terms of collateralization and marketability. CDs appropriate to public agency investing include:

*Negotiable Certificates of Deposit* – Generally, short-term debt instruments that pay interest and is issued by a bank, savings or federal association, state or federal credit union, or state-licensed branch of a foreign bank. The majority of negotiable CDs

mature within six months while the average maturity is two weeks. Negotiable CDs are traded in a secondary market and are payable upon order to the bearer or initial depositor (investor). Negotiable CDs are insured by the FDIC up to \$250,000, but they are not collateralized beyond that amount.

*Non-Negotiable Certificates of Deposit* – CDs that carry a penalty if redeemed prior to maturity. A secondary market does exist for non-negotiable CDs, but redemption includes a transaction cost that reduces returns to the investor. Non-negotiable CDs issued by banks and savings and loans are insured by the FDIC up to the amount of \$250,000, including principal and interest. Amounts deposited above this amount may be secured with other forms of collateral through an agreement between the investor and the issuer. Collateral may include other securities, including treasuries or agency securities (e.g., issued by the Federal National Mortgage Association).

COLLATERALIZATION OF DEPOSITS: A process by which a bank or other financial institution pledges securities or other deposits for the purpose of securing the repayment of deposited funds.

COMMERCIAL PAPER: An unsecured short-term promissory note issued by corporations or municipalities, with maturities ranging from two to 270 days.

COUNTY POOLED INVESTMENT FUNDS: The aggregate of all funds from public agencies placed in the custody of the county treasurer or chief finance officer for investment and reinvestment.

COUPON: The annual rate of interest that a bond's issuer promises to pay the bondholder in the bond's face value; a certificate attached to a bond evidencing interest due on a payment date.

CREDIT RATING: The credit worthiness of an investment. Credit ratings are issued by Nationally Recognized Statistical Rating Organizations (NRSROs) registered with the Securities and Exchange Commission. Three highly recognized NRSROs are Standard and Poor's, Moody's, and Fitch. The organizations use a primary letter designation (numbers or symbols may follow the letter designation) to indicate the quality of an investment. As an example, short-term ratings by Standard and Poor's of A-1+ and Moody's of P-1 indicate a prime or high-grade quality investment. Long-term prime or high-grade quality investments would be rated AAA or Aaa by Standard and Poor's and Moody's, respectively. Rates beginning with letters B or C would typically indicate an investment of speculative and higher risk quality.

CREDIT RISK: The chance that an issuer will be unable to make scheduled payments of interest and principal on an outstanding obligation. Another concern for investors is that the market's perception of an issuer/borrower's credit will cause the market value of a security to fall, even if default is not expected.

CUSTODIAN: A bank or other financial institution that keeps custody of stock certificates and other assets.

DEALER: Someone who acts as a principal in all transactions, including underwriting, buying, and selling securities, including from his/her/their own account.

DELIVERY-VERSUS-PAYMENT (DVP): The payment of cash for securities as they are delivered and accepted for settlement.

DERIVATIVE: Securities that are based on, or derived from, some underlying asset, reference date, or index.

DISCOUNT: The difference between the par value of a security and the cost of the security, when the cost is below par. Investors purchase securities at a discount when return to the investor (yield) is higher than the stated coupon (interest rate) on the investment.

DISCOUNT RATE: The interest rate used in discounted cash flow analysis to determine the present value of future cash flows. The discount rate in discounted cash flow analysis takes into account not just the time value of money, but also the risk or uncertainty of future cash flows; the greater the uncertainty of future cash flows, the higher the discount rate.

DIVERSIFICATION: The allocation of different types of assets in a portfolio to mitigate risks and improve overall portfolio performance.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits, currently up to \$250,000 per entity.

FIDUCIARY: An individual who holds something in trust for another and bears liability for its safekeeping.

GOVERNMENT ACCOUNTING STANDARDS BOARD (GASB): A standard-setting body, associated with the Financial Accounting Foundation, which prescribes

standard accounting practices for governmental units.

INDEX: An indicator that is published on a periodic basis that shows the estimated price and/or yield levels for various groups of securities.

INTEREST: The amount a borrower pays to a lender for the use of his/her/their money.

INTEREST RATE RISK: The risk that an investment's value will change due to a change in the absolute level of interest rates, spread between two rates, shape of the yield curve, or any other interest rate relationship.

JOINT POWERS AUTHORITY POOLS: Investment pools involving the joint exercise of common investment powers between two or more public agencies with shares of beneficial interest issued pursuant to Government Code Section 6509.7.

LIQUIDITY: The measure of the ability to convert an instrument to cash on a given date at full face or par value.

LOCAL AGENCY INVESTMENT FUND (LAIF): A voluntary investment fund open to government entities and certain non-profit organizations in California that is managed by the State Treasurer's Office.

LOCAL GOVERNMENT INVESTMENT POOLS: Investment pools that include the Local Agency Investment Fund (LAIF) and County Pooled Investment Funds. These funds are not subject to the same SEC rules applicable to money market mutual funds. For this Administrative Policy, Joint Powers Authority Pools are not considered "Local Government Investment Pools."

MARKET VALUE: The price at which a security is trading and presumably could be purchased or sold at a particular point in time.

MATURITY: The date on which the principal or stated value of an investment becomes due and payable.

MEDIUM-TERM NOTES: Corporate or depository institution debt securities meeting certain minimum quality standards (as specified in Government Code Section 53601) with a maximum remaining maturity of five years or less, issued by (a) corporations organized and operating within the United States or (b) depository institutions licensed by the United States or any state and operating within the United



States. Instruments separately defined in, or authorized by, this Administrative Policy are not considered “Medium-Term Notes.”

MONEY MARKET MUTUAL FUNDS (MMFs): Mutual funds that invest exclusively in short-term money market instruments. MMFs seek the preservation of capital as a primary goal while maintaining a high degree of liquidity and providing income representative of the market for short term investments.

MORTGAGE-BACKED SECURITIES (MBS): Securities created when a mortgagee or a purchaser of residential real estate mortgages creates a pool of mortgages and markets undivided interests or participations in the pool. MBS owners receive a pro-rata share of the interest and principal cash flows (net of fees) that are “passed through” from the pool of mortgages. MBS are complex securities whose cash flow is determined by the characteristics of the mortgages that are pooled together. Investors in MBS face prepayment risk associated with the option of the underlying mortgagors to pre-pay or payoff their mortgage. Most MBS are issued and/or guaranteed by federal agencies and instrumentalities (e.g., Government National Mortgage Association (GNMA), Federal National Mortgage Association (FNMA), and Federal Home Loan Mortgage Corporation (FHLMC)).

MUNICIPAL NOTES, BONDS, AND OTHER OBLIGATIONS: Obligations issued by state and local governments to finance capital and operating expenses.

MUTUAL FUNDS: An investment company that pools money and can invest in a variety of securities, including fixed-income securities and money market instruments.

NATIONALLY RECOGNIZED STATISTICAL RATINGS ORGANIZATION (NRSRO): A credit rating agency registered as a “Nationally Recognized Statistical Ratings Organization” with the Securities and Exchange Commission, consistent with the Credit Rating Agency Reform Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, and other applicable legislation and rulemaking, as may change from time-to-time.

NEW ISSUE: Securities sold during the initial distribution of an issue in a primary offering by the underwriter or underwriting syndicate.

NOTE: A written promise to pay a specified amount to a certain entity on demand or on a specified date. Usually bearing a short-term maturity of a year or less (though longer maturities are issued—see “Medium-Term Notes”).

PAR VALUE: The principal amount of a note or bond which must be paid at maturity. Par, also referred to as the “face amount” of a security, is the principal value stated on the face of the security. A par bond is one sold at a price of 100 percent of its principal amount.

PORTFOLIO: Combined holding of more than one stock, bond, commodity, real estate investment, cash equivalent, or other asset. The purpose of a portfolio is to reduce risk by diversification.

PREMIUM: The difference between the par value of a security and the cost of the security, when the cost is above par. Investors pay a premium to purchase a security when the return to the investor (yield) is lower than the stated coupon (interest rate) on the investment.

PRICE: The amount of monetary consideration required by a willing seller and a willing buyer to sell an investment on a particular date.

PRINCIPAL: The face value or par value of a debt instrument, or the amount of capital invested in a given security.

PRUDENT INVESTOR STANDARD: A standard of conduct where a person acts with care, skill, prudence, and diligence when investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing funds. The test of whether the standard is being met is if a prudent person acting in such a situation would engage in similar conduct to ensure that investments safeguard principal and maintain liquidity.

REPURCHASE AGREEMENTS: An agreement of one party (for example, a financial institution) to sell securities to a second party (such as a local agency) and simultaneous agreement by the first party to repurchase the securities at a specified price from the second party on demand or at a specified date.

RISK: The uncertainty of maintaining the principal or interest associated with an investment due to a variety of factors.

SAFEKEEPING SERVICE: Offers storage and protection of assets provided by an institution serving as an agent.

SAFETY: In the context of investing public funds, safety relates to preserving the principal of an investment in an investment portfolio; local agencies address the concerns of safety by controlling exposure to risks.

SECURITIES AND EXCHANGE COMMISSION (SEC): The federal agency responsible for supervising and regulating the securities industry.

TRUSTEE OR TRUST COMPANY: A financial institution with powers to act in a fiduciary capacity for the benefit of the bondholders in enforcing the terms of the bond contract.

UNDERWRITER: A dealer that purchases a new issue of municipal securities for resale.

UNITED STATES AGENCY OBLIGATIONS: Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises, including federal agency mortgage-backed securities. Types of instruments may include mortgage-backed securities from the Federal National Mortgage Association (FNMA) including Fannie Mae and Freddie Mac securities.

UNITED STATES TREASURY OBLIGATIONS: Debt obligations of the United States government sold by the Treasury Department in the forms of bills, notes, and bonds. Bills are short-term obligations that mature in one year or less and are sold at a discount. Notes are obligations that mature between one year and 10 years. Bonds are long-term obligations that generally mature in 10 years or more.

YIELD: The current rate of return on an investment security generally expressed as a percentage of the securities current price.

YIELD CURVE: A graphic representation that shows the relationship at a given point in time between yields and maturity for bonds that are identical in every way except maturity.

**Attachment B, “California Municipal Treasurers Association Investment Policy Certification”**

The City’s Investment of Financial Assets policy, as adopted by the City Council on April 4, 2022, was certified by the California Municipal Treasurers Association (CMTA) on June 27, 2022.

**California Municipal Treasurers Association**



*Investment Policy Certification*

Issued on 06/27/2022



**City of Laguna Woods**

The California Municipal Treasurers Association certifies that the investment policy of the City of Laguna Woods complies with the current State statutes governing the investment practices of local government entities located within the State of California.



  
\_\_\_\_\_  
President

06/27/2022  
\_\_\_\_\_  
Date

Since receiving certification, the City’s modifications of the Investment of Financial Assets policy have been limited to updating this Attachment B and increasing the maximum amount of portfolio investment for non-negotiable certificates of deposit.

**6.5**  
**FEDERAL AND STATE DISASTER FINANCIAL**  
**ASSISTANCE**

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**RESOLUTION NO. 23-XX**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, REPEALING RESOLUTION NO. 20-07 AND MAKING DESIGNATIONS AND AUTHORIZATIONS RELATED TO APPLICATIONS FOR AND EXECUTION OF FEDERAL AND STATE DISASTER FINANCIAL ASSISTANCE

**WHEREAS**, the State of California requires all non-state agency applicants for federal financial assistance under Public Law (“P.L.”) 93-288 as amended by the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1988, and/or state financial assistance under the California Disaster Assistance Act, to designate authorized agents for the same by resolution approved by the respective governing body within three years preceding the date of any application for such financial assistance; and

**WHEREAS**, the City’s most recent designations and authorizations were made by Resolution No. 20-07.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

**SECTION 1.** Resolution No. 20-07 is hereby repealed.

**SECTION 2.** The City Manager and Administrative Services Director/City Treasurer (“City Agents”) are hereby authorized to execute for and on behalf of the City of Laguna Woods, a public entity established under the laws of the State of California, any actions necessary for the purpose of obtaining federal assistance under P.L. 93-288 as amended by the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1988, and/or state financial assistance under the California Disaster Assistance Act. This authorization includes, but is not limited to, the execution and provision of any assurances and agreements required, as well as California Governor’s Office of Emergency Services (“Cal OES”) Form 130 (Designation of Applicant’s Agent Resolution for Non-State Agencies).

**SECTION 3.** The City Agents are hereby authorized to provide to the State of California and Cal OES for all matters pertaining to disaster financial assistance, the assurances and agreements required.

**SECTION 4.** The City Agents, City Clerk, and such other City staff as may be necessary, are hereby authorized to execute and file Cal OES Form 130 with the State of California, consistent with this resolution.

**SECTION 5.** This resolution is a universal resolution and is effective for all open and future disasters up to three years following its date of approval.

**SECTION 6.** The Mayor shall sign this resolution and the City Clerk shall attest and certify to the passage and adoption thereof.

PASSED, APPROVED AND ADOPTED on this XX day of XX 2023.

\_\_\_\_\_  
CYNTHIA S. CONNERS, Mayor

ATTEST:

\_\_\_\_\_  
YOLIE TRIPPY, CMC, City Clerk

STATE OF CALIFORNIA     )  
COUNTY OF ORANGE     ) ss.  
CITY OF LAGUNA WOODS   )

I, YOLIE TRIPPY, City Clerk of the City of Laguna Woods, do HEREBY CERTIFY that the foregoing **Resolution No. 23-XX** was duly adopted by the City Council of the City of Laguna Woods at an adjourned regular meeting thereof, held on the XX day of XX 2023, by the following vote:

AYES:           COUNCILMEMBERS:  
NOES:           COUNCILMEMBERS:  
ABSENT:        COUNCILMEMBERS:

\_\_\_\_\_  
YOLIE TRIPPY, CMC, City Clerk



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**TREE PRUNING AND REMOVAL SERVICES**

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**AGREEMENT FOR CONSULTANT SERVICES  
BETWEEN THE  
CITY OF LAGUNA WOODS  
AND  
GREAT SCOTT TREE SERVICE, INC.  
FOR TREE PRUNING AND REMOVAL SERVICES**

This AGREEMENT FOR CONSULTANT SERVICES ("AGREEMENT"), is made and entered into this \_\_\_\_\_ ("EFFECTIVE DATE"), by and among the City of Laguna Woods, a California municipal corporation ("CITY"), and Great Scott Tree Service, Inc. ("CONSULTANT").

In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

**SECTION 1. TERM OF AGREEMENT.**

Subject to the provisions of SECTION 17 "TERMINATION OF AGREEMENT" of this AGREEMENT, the term of this AGREEMENT shall be for a period beginning on April 1, 2023 and ending at 11:59 p.m. on March 31, 2024. Such term may be extended upon written agreement of both parties to this AGREEMENT.

**SECTION 2. SCOPE OF SERVICES.**

CONSULTANT shall perform the services set forth in EXHIBIT "A" "SCOPE OF SERVICES" and made a part of this AGREEMENT. All work to be performed by CONSULTANT shall be coordinated with, and approved by City Manager of CITY or his or her designee. CONSULTANT shall not begin work on any individual task or assignment until authorized by the City Manager of CITY or his or her designee to proceed.

**SECTION 3. ADDITIONAL SERVICES.**

CONSULTANT shall not be compensated for any services rendered in connection with its performance of this AGREEMENT which are in addition to or outside of those set forth in this AGREEMENT or listed in EXHIBIT "A" "SCOPE OF SERVICES", unless such additional services are authorized in advance and in writing by the City Council or the City Manager of CITY or his or her designee. CONSULTANT shall be compensated for any such additional services only in the amounts and in the manner agreed to by the City Council or City Manager of CITY or his or her designee.

**SECTION 4. COMPENSATION AND METHOD OF PAYMENT.**

(a) Subject to any limitations set forth in this AGREEMENT, CITY agrees to pay CONSULTANT the amounts specified in EXHIBIT "B" "COMPENSATION" and made a part of this AGREEMENT. CONSULTANT shall perform work only as requested by CITY. This

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AGREEMENT does not state, convey, imply, or infer a specific, minimum or expected amount of work or compensation for as needed services or reimbursables. Compensation for services shall not exceed the amounts specified in EXHIBIT "B" "COMPENSATION".

(b) No later than the 15<sup>th</sup> of each month CONSULTANT shall furnish to CITY an **original** invoice for all work performed and expenses incurred during the preceding month. The invoice shall detail charges by the categories required by CITY, which are subject to change at the discretion of CITY. CITY shall independently review each invoice submitted by the CONSULTANT to determine whether the work performed and expenses incurred are in compliance with the provisions of this AGREEMENT. In the event that no charges or expenses are disputed, the invoice shall be approved and paid according to the terms set forth in subsection (c). In the event that any charges or expenses are disputed by CITY, the original invoice shall be returned by CITY to CONSULTANT for correction and resubmission.

(c) Except as to any charges for work performed or expenses incurred by CONSULTANT which are disputed by CITY, CITY will use its best efforts to cause CONSULTANT to be paid within thirty (30) days of receipt of CONSULTANT's invoice.

(d) Payment to CONSULTANT for work performed pursuant to this AGREEMENT shall not be deemed to waive any defects in work performed by CONSULTANT, nor to constitute any waiver of any type of relief or remedy, legal or equitable, arising out of any breach or nonperformance of any aspect of the AGREEMENT by CONSULTANT.

### **SECTION 5. INSPECTION AND FINAL ACCEPTANCE.**

CITY may inspect and accept or reject any of CONSULTANT's work under this AGREEMENT, either during performance or when completed. CITY shall reject or finally accept CONSULTANT's work in its discretion within sixty (60) days after submitted to CITY. Any rejection of work by CITY shall be by written explanation. Acceptance of any of CONSULTANT's work by CITY shall not constitute a waiver of any of the provisions of this AGREEMENT including, but not limited to, SECTIONS 13 and 14 of this AGREEMENT, pertaining to indemnification and insurance, respectively.

### **SECTION 6. OWNERSHIP OF DOCUMENTS.**

All original maps, models, designs, drawings, photographs, studies, surveys, reports, data, notes, computer files, files, and other documents prepared, developed or discovered by CONSULTANT in the course of providing any services pursuant to this AGREEMENT shall become the sole property of CITY and may be used, reused or otherwise disposed of by CITY without the permission of the CONSULTANT. Upon completion, expiration or termination of this AGREEMENT, CONSULTANT shall turn over to CITY all such original maps, models, designs, drawings, photographs, studies, surveys, reports, data, notes, computer files, files and other documents, notwithstanding any billing or compensation disputes that may then exist between CITY and CONSULTANT.

**SECTION 7. CONSULTANT'S BOOKS AND RECORDS.**

(a) CONSULTANT shall maintain any and all documents and records demonstrating or relating to CONSULTANT's and any of CONSULTANT's subcontractors' performance of services pursuant to this AGREEMENT. CONSULTANT shall maintain any and all drafts of studies or planning documents, correspondence, notices, ledgers, books of account, invoices, vouchers, canceled checks, or other documents or records evidencing or relating to work, services, expenditures and disbursements charged to CITY pursuant to this AGREEMENT. Any and all such documents or records shall be maintained in accordance with generally accepted accounting principles and shall be sufficiently complete and detailed so as to permit an accurate evaluation of the services provided by CONSULTANT pursuant to this AGREEMENT. Any and all such documents or records shall be maintained for five (5) years from the end of the term of this AGREEMENT and to the extent required by laws relating to audits of public agencies and their expenditures.

(b) Any and all records or documents required to be maintained pursuant to this section shall be made available for inspection, audit, and copying, at any time during regular business hours, upon written request by CITY, Federal government, State of California, or their designated representatives. Copies of such documents or records shall be provided directly to the requesting party for inspection, audit, and copying when it is practical to do so; otherwise, unless an alternative is mutually agreed upon, such documents and records shall be made available at CONSULTANT's address indicated for receipt of notices in this AGREEMENT.

(c) Where CITY has reason to believe that any of the documents or records required to be maintained pursuant to this section may be lost or discarded due to dissolution or termination of CONSULTANT's business, CITY may, by written request, require that custody of such documents or records be given to the requesting party and that such documents and records be maintained by the requesting party. Access to such documents and records shall be granted to CITY, as well as to its successors-in-interest and authorized representatives.

(d) CONSULTANT shall prepare and submit to CITY reports concerning the performance of the work in this AGREEMENT as CITY shall require.

**SECTION 8. STATUS OF CONSULTANT.**

(a) CONSULTANT is and shall at all times remain a wholly independent contractor and not an officer, official, employee or agent of CITY. CONSULTANT shall have no authority to bind CITY in any manner, nor to incur any obligation, debt, or liability of any kind on behalf of or against CITY, whether by contract or otherwise, unless such authority is expressly conferred under this AGREEMENT or is otherwise expressly conferred in writing by CITY.

(b) The personnel performing the services under this AGREEMENT on behalf of CONSULTANT shall at all times be under CONSULTANT's exclusive direction and control. Neither CITY, nor any elected or appointed boards, officers, officials, employees or agents of CITY, shall have control over the conduct of CONSULTANT or any of CONSULTANT's

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officers, officials, employees or agents, except as set forth in this AGREEMENT. CONSULTANT shall not at any time or in any manner represent that CONSULTANT or any of CONSULTANT's officers, officials, employees or agents is in any manner officials, officers, employees or agents of CITY.

(c) CONSULTANT shall: (i) recruit, screen, interview, and assign its employees (the "ASSIGNED EMPLOYEES") to perform the work described in EXHIBIT "A" for CITY at the location(s) specified in EXHIBIT "A"; (ii) pay ASSIGNED EMPLOYEES wages and provide other benefits required by law, including sick and family medical leave, and any other benefits as CONSULTANT deems appropriate; (iii) pay, withhold, and transmit payroll taxes, provide unemployment insurance and workers' compensation in an amount no less than required by law, and handle workers' compensation and unemployment claims involving ASSIGNED EMPLOYEES; (iv) ensure ASSIGNED EMPLOYEES are legally authorized to work in the United States; and, (v) have sole responsibility for providing and will provide necessary health coverage to ASSIGNED EMPLOYEES under the Affordable Care Act's ("ACA") employer mandate and its implementing regulations. CONSULTANT represents and warrants that it will comply with all laws, including the ACA, in doing so.

(d) CONSULTANT shall not use any independent contractors to perform the services described in EXHIBIT "A" on CONSULTANT's behalf unless approved in writing by CITY in advance.

(e) CONSULTANT represents that: (i) it is solely responsible for all required training of ASSIGNED EMPLOYEES under federal, state, and local laws, including those regarding anti-harassment, anti-retaliation, anti-discrimination, workplace safety training, and any other applicable laws; (ii) it has, and during the term of this AGREEMENT shall maintain, anti-harassment, anti-retaliation, and anti-discrimination policies, and appropriate complaint procedures in place; (iii) it is solely responsible for the supervision of ASSIGNED EMPLOYEES; (iv) it is solely responsible for all pre-employment screening and testing of ASSIGNED EMPLOYEES, as may be required or allowed by law, including Form I-9 verification, criminal background checks, industry-specific checks, other background checks, and related recordkeeping; and, (v) it is solely responsible for performance managing, disciplining, and terminating its ASSIGNED EMPLOYEES.

(f) Neither CONSULTANT, nor any of CONSULTANT's officers, officials, employees, or agents, shall obtain any rights to retirement, health care or any other benefits which may otherwise accrue to CITY'S employees. CONSULTANT expressly waives any claim CONSULTANT may have to any such rights.

(g) This AGREEMENT shall in no way prohibit the CITY from entering into other agreements or contracts, hiring staff or making other such arrangements with other persons and/or entities relative to the services set forth in EXHIBIT "A" "SCOPE OF SERVICES".

## **SECTION 9. STANDARD OF PERFORMANCE.**

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CONSULTANT represents and warrants that it has the qualifications, experience, personnel, and facilities necessary to properly perform the services required under this AGREEMENT in a thorough, competent, and professional manner. CONSULTANT shall at all times faithfully, competently and to the best of its ability, experience, and talent, perform all services described herein. In meeting its obligations under this AGREEMENT, CONSULTANT shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing services similar to those required of CONSULTANT under this AGREEMENT.

### **SECTION 10. COMPLIANCE WITH APPLICABLE LAWS; PERMITS AND LICENSES.**

(a) CONSULTANT shall keep itself informed of and comply with all applicable federal, state and local laws, statutes, codes, ordinances, regulations and rules in effect during the term of this AGREEMENT, including but not limited to regulations and rules pertaining to any grant awards or third-party funding with which this AGREEMENT is funded in whole or in part. CONSULTANT shall obtain any and all licenses, permits and authorizations necessary to perform the services set forth in this AGREEMENT. CITY shall not be responsible for monitoring CONSULTANT's compliance with federal, state, and local laws, statutes, codes, ordinances, or regulations. Neither CITY, nor any elected or appointed boards, officers, officials, employees or agents of CITY, shall be liable, at law or in equity, as a result of any failure of CONSULTANT to comply with this section.

(b) CONSULTANT shall not be debarred, suspended, or otherwise excluded from or ineligible for participation in federal assistance programs, or from receiving Federal contracts, subcontracts, or financial or nonfinancial assistance or benefits, under Executive Order 12549, "Debarment and Suspension" (24 CFR 85.35) or other Federal laws, statutes, codes, ordinances, regulations or rules, at any time during the term of this AGREEMENT.

(c) CONSULTANT shall not discriminate, in any way, against any person on the basis of race, religion, creed, color, national origin, ancestry, physical or mental disability, medical condition, pregnancy, childbirth or related medical conditions, veteran status, sexual orientation, gender identity or expression, genetic information, marital status, military or veteran status, sex, age over 40 years, or any other basis protected by applicable federal, state, or local law, including association with individuals with one or more of these protected characteristics or perception that an individual has one or more of these protected characteristics in connection with or related to the performance of this AGREEMENT.

(d) CONSULTANT affirms and agrees that for purposes of all statutory and regulatory requirements for employee leaves of absence, including the Family and Medical Leave Act and any similar state or local law, CONSULTANT shall comply with any such requirements and CITY shall cooperate with CONSULTANT's compliance.

(e) CONSULTANT has sole responsibility for providing, and will provide, the necessary health coverage to ASSIGNED EMPLOYEES under the ACA employer mandate and

its implementing regulations. CONSULTANT represents and warrants that it will comply with all laws, including the ACA, in doing so.

(f) Upon reasonable written notice to CONSULTANT, CITY may inspect CONSULTANT's records to verify CONSULTANT's compliance with this AGREEMENT.

**SECTION 11. CONFLICTS OF INTEREST.**

(a) CONSULTANT covenants that neither it, nor any officer or principal of its firm, has or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests of CITY or which would in any way hinder CONSULTANT's performance of services under this AGREEMENT. CONSULTANT further covenants that in the performance of this AGREEMENT, no person having any such interest shall be employed by it as an officer, official, employee, agent, or subcontractor without the express written consent of the City Manager of CITY or his or her designee. CONSULTANT agrees to at all times avoid conflicts of interest or the appearance of any conflicts of interest with the interests of CITY in the performance of this AGREEMENT.

(b) CITY understands and acknowledges that CONSULTANT is, as of the date of execution of this AGREEMENT, independently involved in the performance of non-related services for other governmental agencies and private parties. CONSULTANT is unaware of any stated position of CITY relative to such projects. Any future position of CITY on such projects shall not be considered a conflict of interest for purposes of this section.

**SECTION 12. CONFIDENTIAL INFORMATION; RELEASE OF INFORMATION.**

(a) All information gained or work product produced by CONSULTANT in performance of this AGREEMENT shall be considered confidential, unless such information is in the public domain or already known to CONSULTANT. CONSULTANT shall not release or disclose any such information or work product to persons or entities other than CITY without prior written authorization from the City Manager of CITY or his or her designee, except as may be required by law.

(b) CONSULTANT, its officers, employees, agents or subcontractors, shall not, without prior written authorization from the City Manager of CITY or his or her designee or unless requested by the City Attorney of CITY, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this AGREEMENT. Response to a subpoena or court order shall not be considered "voluntary" provided CONSULTANT gives CITY notice of such court order or subpoena.

(c) If CONSULTANT, or any officer, employee, agent or subcontractor of CONSULTANT, provides any information or work product in violation of this AGREEMENT, then CITY shall have the right to reimbursement and indemnity from CONSULTANT for any damages, costs and fees, including attorneys' fees, caused by or incurred as a result of



CONSULTANT's conduct.

(d) CONSULTANT shall promptly notify CITY should CONSULTANT, its officers, officials, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this AGREEMENT or the work performed thereunder. CITY retains the right, but has no obligation, to represent CONSULTANT or be present at any deposition, hearing, or similar proceeding. CONSULTANT agrees to cooperate fully with CITY and to provide CITY with the opportunity to review any response to discovery requests provided by CONSULTANT. However, this right to review any such response does not imply or mean the right by CITY to control, direct, or rewrite said response.

### **SECTION 13. INDEMNIFICATION.**

(a) CITY and its respective elected and appointed boards, officials, officers, agents, employees and volunteers (individually and collectively, "INDEMNITEES") shall have no liability to CONSULTANT or any other person for, and CONSULTANT shall indemnify, defend and hold harmless INDEMNITEES from and against, any and all liabilities, claims, actions, causes of action, proceedings, suits, damages, judgments, liens, levies, costs and expenses of whatever nature, including reasonable attorneys' fees and disbursements (collectively "CLAIMS"), which INDEMNITEES may suffer or incur or to which INDEMNITEES may become subject by reason of or arising out of any injury to or death of any person(s), damage to property, loss of use of property, economic loss or otherwise occurring as a result of the CONSULTANT's performance of or failure to perform any services under this AGREEMENT or by the negligent or willful acts or omissions of CONSULTANT, its agents, officers, directors, subcontractors or employees, committed in performing any of the services under this AGREEMENT, including without limitation CONSULTANT's breach of any representation, warranty or obligations of CONSULTANT set for in this AGREEMENT, including but not limited to those set forth in SECTIONS 8, 9 and 10.

(b) If any action or proceeding is brought against INDEMNITEES by reason of any of the matters against which CONSULTANT has agreed to indemnify INDEMNITEES as provided above, CONSULTANT, upon notice from CITY, shall defend INDEMNITEES at CONSULTANT's expense by counsel acceptable to CITY, such acceptance not to be unreasonably withheld. INDEMNITEES need not have first paid for any of the matters to which INDEMNITEES are entitled to indemnification in order to be so indemnified. The insurance required to be maintained by CONSULTANT under SECTION 14 "INSURANCE" of this AGREEMENT shall insure CONSULTANT's obligations under this section, but the limits of such insurance shall not limit the liability of CONSULTANT hereunder. The provisions of this section shall survive the expiration or earlier termination of this AGREEMENT.

(c) The provisions of this section do not apply to CLAIMS occurring as a result of the CITY's sole negligence or willful acts or omissions.

**SECTION 14. INSURANCE.**

CONSULTANT agrees to obtain and maintain in full force and effect during the term of this AGREEMENT the insurance policies set forth in EXHIBIT "C" "INSURANCE" and made a part of this AGREEMENT. All insurance policies shall be subject to approval by CITY as to form and content. These requirements are subject to amendment or waiver if so approved in writing by the City Manager of CITY or his or her designee. CONSULTANT agrees to provide CITY with copies of required policies upon request.

**SECTION 15. ASSIGNMENT.**

The expertise and experience of CONSULTANT are material considerations for this AGREEMENT. CITY has an interest in the qualifications of and capability of the persons and entities who will fulfill the duties and obligations imposed upon CONSULTANT under this AGREEMENT. In recognition of that interest, CONSULTANT shall not assign or transfer this Agreement or any portion of this AGREEMENT or the performance of any of CONSULTANT's duties or obligations under this AGREEMENT without the prior written consent of the City Council. Any attempted assignment shall be ineffective, null and void, and shall constitute a material breach of this AGREEMENT entitling CITY to any and all remedies at law or in equity, including summary termination of this AGREEMENT. CITY acknowledges, however, that CONSULTANT, in the performance of its duties pursuant to this AGREEMENT, may utilize subcontractors. CONSULTANT shall be solely liable and responsible for the actions, conduct, and performance of subcontractors, including but not limited to ensuring their compliance with SECTION 10 "COMPLIANCE WITH APPLICABLE LAWS; PERMITS AND LICENSES" of this AGREEMENT.

**SECTION 16. CONTINUITY OF ASSIGNED EMPLOYEES.**

CONSULTANT shall make every reasonable effort to maintain the stability and continuity of CONSULTANT's ASSIGNED EMPLOYEES. CONSULTANT shall obtain approval, in writing, from CITY of any changes in CONSULTANT's ASSIGNED EMPLOYEES, prior to any such performance.

**SECTION 17. TERMINATION OF AGREEMENT.**

(a) CITY may terminate this AGREEMENT, with or without cause, at any time by giving thirty (30) days written notice of termination to CONSULTANT. In the event such notice is given, CITY may require CONSULTANT to cease immediately all work in progress.

(b) CONSULTANT may terminate this AGREEMENT at any time upon sixty (60) days written notice of termination to CITY. In the event such notice is given, CITY may require CONSULTANT to cease immediately all work in progress.

(c) If CONSULTANT fails to perform any material obligation under this AGREEMENT, then, in addition to any other remedies, CITY may terminate this AGREEMENT immediately upon written notice.

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(d) Upon termination of this AGREEMENT by either CONSULTANT or CITY, all property belonging exclusively to CITY which is in CONSULTANT's possession shall be returned to CITY immediately upon demand by CITY, notwithstanding any billing disputes that may then exist under this AGREEMENT. CONSULTANT shall furnish to CITY a final invoice for work performed and expenses incurred by CONSULTANT, prepared as set forth in SECTION 4 "COMPENSATION AND METHOD OF PAYMENT" of this AGREEMENT. This final invoice shall be reviewed and paid in the same manner as set forth in SECTION 4 of this AGREEMENT.

**SECTION 18. DEFAULT.**

In the event that CONSULTANT is in default under the terms of this AGREEMENT, the CITY shall not have any obligation or duty to continue compensating CONSULTANT for any work performed after the date of default and may terminate this AGREEMENT immediately by written notice to the CONSULTANT.

**SECTION 19. EXCUSABLE DELAYS.**

CONSULTANT shall not be liable for damages, including liquidated damages, if any, caused by delay in performance or failure to perform due to causes beyond the control of CONSULTANT. Such causes include, but are not limited to, acts of God, acts of the public enemy, acts of federal, state, or local governments, court orders, fires, floods, epidemics, strikes, embargoes, and unusually severe weather. The term and price of this AGREEMENT shall be equitably adjusted for any delays due to such causes.

**SECTION 20. COOPERATION BY CITY.**

All public information, data, reports, records, and maps as are existing and available to CITY as public records, and which are necessary for carrying out the work as outlined in the EXHIBIT "A" "SCOPE OF SERVICES", shall be furnished to CONSULTANT in a reasonable way to facilitate, without undue delay, the work to be performed under this AGREEMENT.

**SECTION 21. NOTICES.**

All notices required or permitted to be given under this AGREEMENT shall be in writing and shall be personally delivered, or sent by telecopy or certified mail, postage prepaid and return receipt requested, addressed as follows:

To CITY: City of Laguna Woods  
Attn: City Manager  
24264 El Toro Road  
Laguna Woods, CA 92637

To CONSULTANT: Great Scott Tree Service, Inc.  
ATTN: President  
10761 Court Avenue  
Stanton, CA 90680

Notice shall be deemed effective on the date personally delivered or transmitted by facsimile or, if mailed, three (3) days after deposit of the same in the custody of the United States Postal Service.

**SECTION 22. AUTHORITY TO EXECUTE.**

The person or persons executing this AGREEMENT on behalf of CONSULTANT represents and warrants that he/she/they has/have the authority to so execute this AGREEMENT and to bind CONSULTANT to the performance of its obligations hereunder.

**SECTION 23. BINDING EFFECT.**

This AGREEMENT shall be binding upon the heirs, executors, administrators, successors and assigns of the parties.

**SECTION 24. MODIFICATION OF AGREEMENT.**

No amendment to or modification of this AGREEMENT shall be valid unless made in writing and approved by the CONSULTANT and by the City Council or City Manager of CITY. The parties agree that this requirement for written modifications cannot be waived and that any attempted waiver shall be void.

**SECTION 25. WAIVER.**

Waiver by any party to this AGREEMENT of any term, condition, or covenant of this AGREEMENT shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this AGREEMENT shall not constitute a waiver of any other provision, nor a waiver of any subsequent breach or violation of any provision of this AGREEMENT. Acceptance by CITY of any work or services by CONSULTANT shall not constitute a waiver of any of the provisions of this AGREEMENT.

**SECTION 26. LAW TO GOVERN; VENUE.**

This AGREEMENT shall be interpreted, construed, and governed according to the laws of the State of California. In the event of litigation between the parties, venue in state trial courts shall lie exclusively in the County of Orange. In the event of litigation in a U.S. District Court, venue shall lie exclusively in the District of California in which CITY is located.

**SECTION 27. ATTORNEYS FEES, COSTS, AND EXPENSES.**

In the event litigation or other proceeding is required to enforce or interpret any provision of this AGREEMENT, the prevailing party in such litigation or other proceeding shall be entitled to an award of reasonable attorneys' fees, costs and expenses, in addition to any other relief to which it may be entitled.

**SECTION 28. ENTIRE AGREEMENT.**

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This AGREEMENT, including the attached EXHIBITS "A" through "C", is the entire, complete, final and exclusive expression of the parties with respect to the matters addressed therein and supersedes all other agreements or understandings, whether oral or written, or entered into between CONSULTANT and CITY prior to the execution of this AGREEMENT. No statements, representations or other agreements, whether oral or written, made by any party which is not embodied herein shall be valid and binding. No amendment to this AGREEMENT shall be valid and binding unless in writing duly executed by the parties or their authorized representatives.

**SECTION 29. SEVERABILITY.**

If a term, condition, or covenant of this AGREEMENT is declared or determined by any court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions of this AGREEMENT shall not be affected thereby and the AGREEMENT shall be read and construed without the invalid, void, or unenforceable provision(s).

**SECTION 30. NO THIRD-PARTY BENEFICIARIES.**

This AGREEMENT, its provisions, and its covenants, are for the sole and exclusive benefit of CITY and CONSULTANT. No other parties or entities are intended to be, nor shall be considered, beneficiaries of the performance by either party of any of the obligations under this AGREEMENT.

**IN WITNESS WHEREOF**, the parties hereto have caused this AGREEMENT to be executed the day and year first above written.

**CITY OF LAGUNA WOODS:**

**CONSULTANT:**

\_\_\_\_\_  
Christopher Macon, City Manager

\_\_\_\_\_  
Scott Griffiths, President

Approved as to Form:

\_\_\_\_\_  
Alisha Patterson, City Attorney

**EXHIBIT "A"**  
**SCOPE OF SERVICES**

CONSULTANT shall perform and complete tree pruning and removal services by providing all labor, tools, equipment, materials, and supplies necessary to complete work in a professional, thorough, and timely manner, in accordance with standards and specifications as contained in this "Scope of Services" and this AGREEMENT.

**Prevailing Wage**

**ALL SERVICES PERFORMED BY CONSULTANT UNDER THIS AGREEMENT ARE SUBJECT TO PREVAILING WAGE.** In accordance with the provisions of Section 1770 et seq., of the Labor Code, the Director of Industrial Relations of the State of California has determined the general prevailing rate of wages applicable to the work to be done. CONSULTANT shall pay to all persons employed on the project by CONSULTANT sums not less than the sums set forth in the documents entitled "General Prevailing Wage Determination made by the Director of Industrial Relations pursuant to California Labor Code, Part 7, Chapter 1, Article 2, Sections 1770,1773,17733.1".

**California Department of Industrial Relations**

CONSULTANT shall be registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5 at all times during the term of this AGREEMENT. All services performed by CONSULTANT under this AGREEMENT are subject to compliance monitoring and enforcement by the Department of Industrial Relations.

**Firm Licensure**

1. CONSULTANT shall hold and maintain a valid State of California C-27 (Landscaping) and a C-61/D49 (Limited Specialty/Tree Service) contractor's license at all times during the term of this AGREEMENT.

**Standards for Personnel**

2. CONSULTANT shall designate a project manager who shall be responsible for overseeing all work performed under this AGREEMENT and coordinating the same with CITY. He or she shall be an International Society of Arboriculture (ISA) Certified Arborist and fluent in the English language. Experience managing municipal contracts is highly desirable.
3. CONSULTANT shall have available a minimum of one (1) Tree Care Industry Association (TCIA) Certified Treecare Safety Professional (CTSP). The CTSP shall be familiar with this Scope of Services and fluent in the English language. Site-specific safety meetings shall occur on a regular basis by the CTSP or an authorized representative of CONSULTANT. The CTSP shall oversee incident investigation by CONSULTANT (see Number 52 herein).

## ITEM 6.6

4. CONSULTANT shall provide a minimum of one (1) ISA Certified Tree Worker (CTW) per tree pruning or removal crew. For the purpose of this provision, a “tree pruning or removal crew” shall be defined as all personnel working in a single, geographic work zone.
5. All of CONSULTANT’s personnel who work on any tree in or around primary electrical lines (aerial utilities) shall be Qualified Line Clearance Arborists or Arborist Trainees as defined in *ANSI Z133 4.1.4* and *4.2.3*. A Qualified Arborist shall make the determination if the work can be performed maintaining Minimal Approach Distances (*ANSI Z133 Table 1* and *Table 2*). A Qualified Arborist shall also determine if conditions exist to necessitate the de-energizing of aerial utilities. De-energizing shall be coordinated through CITY.
6. At all times during tree pruning or removal activities, CONSULTANT shall have work crews on-site that are represented by a fluent English-speaking supervisor who is familiar with this Scope of Services and can receive and carry out notices provided by CITY.
7. At all times during tree pruning or removal activities, CONSULTANT’s personnel shall be dressed in clean, high visibility uniforms, appropriate to the nature of the work performed, with the company name clearly identified. No portion of a uniform shall be removed or not worn. Personnel not in full uniform shall be immediately removed from the work zone.
8. CONSULTANT’s personnel shall possess all of the following:
  - a. Proper licensure and training for operation of equipment utilized.
  - b. Ability to operate equipment in accordance with the manufacturer’s recommendations.
  - c. Ability to make required operator/mechanical adjustments to the equipment being used.
  - d. Knowledge of safety regulations as they relate to tree care and traffic control.
  - e. Knowledge of the safety and uniform standards required by this AGREEMENT.

### **Standards of Practice**

9. CONSULTANT shall follow the most current editions of the *American National Standard for Tree Care Operations Pruning Standards (ANSI A300-Part 1)* and the *ISA Best Management Practices-Tree Pruning*, as may change from time-to-time. Any deviations must be approved in writing by CITY prior to such work. CITY shall exercise its sole discretion, and be under no obligation as to timing, in acting to either approve, conditionally approve, or deny requested deviations. CITY may also rescind previous approvals, at any time and for any reason. CITY shall issue all approvals of requested deviations in writing.
10. CONSULTANT shall follow the most current edition of the *American National Standards for Arboricultural Operations Safety Requirements (ANSI Z133)*, as may change from time-to-time. Deviations are expressly prohibited.
11. CONSULTANT shall possess a documented California Division of Occupational Health and Safety (CalOSHA) compliant safety certification for each aerial lift that its personnel use.

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12. CONSULTANT shall keep all equipment in good working order and shall maintain, operate, and utilize the same in full compliance with applicable manufacturer's instructions, CalOSHA regulations, and California Department of Transportation (DOT) requirements.
13. CONSULTANT shall hold and maintain, in full force and effect, encroachment permits from CITY (CITY will waive fees) during all work. Encroachment permits applications shall include submittals required by CITY including, at a minimum, a traffic control plan. The CITY will not allow more than one lane of traffic per street direction to be closed or impeded at a time, or work to commence earlier than 8 a.m. or occur past 4 p.m., except for duly authorized emergency work. CONSULTANT shall provide all traffic control services and devices (e.g., cones, delineators, signage, and flaggers) as required by encroachment permits and otherwise deemed necessary for the safe conduct of services. At no time shall CONSULTANT commence or carry on with work that presents a hazard to pedestrians or bicycle, golf cart, or vehicle traffic.
14. CONSULTANT shall setup, operate, and stage in a manner that presents the least amount of disruption to residents, businesses, the public, and traffic flow. Equipment shall never be stored or left unattended on a public street, CITY facility, or private property. The staging of equipment shall not be exempt from work hour restrictions (i.e., it shall not commence earlier than 8 a.m. or occur past 4 p.m.).
15. CONSULTANT shall establish and maintain a work zone for each tree pruned or removed using all generally accepted methods for establishing and maintaining such work zone. No individuals other than CONSULTANT's personnel or CITY representatives shall be allowed to enter such work zone. If any other individual enters a work zone, CONSULTANT shall immediately cease all work and the operation of all equipment until the work zone is clear.
16. Tree work is a controlled task. At no time shall CONSULTANT perform work so as to result in a loss of control incident (e.g. free-falling large limbs or trunk sections, hinge cutting to avoid use of ropes/hoisting equipment, lack of safety apparatus/equipment guards, improper use/loading of equipment). CONSULTANT shall be fully liable for any damage, injury, or death resultant of loss of control incidents. In addition, CONSULTANT shall be responsible for the mitigation of any damages related to loss of control incidents, and indemnification and defense obligations of CITY as set forth in this AGREEMENT.
17. CONSULTANT shall identify the location of all utilities, irrigation components, and/or any public or private property element(s) that could be compromised by any work activity. This pre-inspection shall occur prior to any commencement of work. If identified, CONSULTANT shall take appropriate action to protect the same. If, during the course of the pre-inspection, CONSULTANT identifies damage that existed before the onset of work, CONSULTANT shall document the damage with photographs and report such damage to CITY prior to any commencement of work in that area. All photo documentation shall have the time and date embedded. Any claim of damage that cannot be refuted by photo documentation and/or a written report to CITY shall be considered the responsibility of CONSULTANT.



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18. While performing work of any type, CONSULTANT shall continually inspect for any hazard related to trees, including uplifted sidewalk segments and defective or weakened trees. Hazardous conditions shall be corrected by CONSULTANT or immediately reported to CITY. At no time shall CONSULTANT work in a hazardous condition.
19. Prior to the commencement of any work in the vicinity of any tree, CONSULTANT shall visually survey each tree, from all sides, for the sole purpose of detecting the presence of bird nests or wildlife of any type. If a nest is found and is determined to be active, there shall be no work of any type in the tree in which the nest is found without the written permission of CITY. At no time shall CONSULTANT remove any nest or wildlife from its location. In the event that wildlife is accidentally displaced, CONSULTANT shall notify CITY for animal control assistance, which shall be provided at CONSULTANT's cost.
20. For all trees known or suspected to be diseased, and for all California Sycamore trees, CONSULTANT shall disinfect all pruning tools and cutting surfaces with a ten percent (10%) percent chlorine bleach solution after each cut and between trees where there is danger of transmitting the disease on tools. Fresh solution shall be mixed daily. Used or old solutions shall be disposed of through lawful disposal methods. Dumping used or old solutions, or any component thereof, on the ground, in the gutter, or down the storm drain is prohibited.
21. CONSULTANT shall prevent unnecessary noise resulting from its work and comply with the Laguna Woods Municipal Code's noise standards, as may change from time-to-time.

### **General Tree Pruning Standards**

22. Tree pruning shall be provided on an annual basis and as-needed. Within sixty (60) days from the effective date of this AGREEMENT (April 1, 2021), CONSULTANT shall prune trees in accordance with appendices B and E of the Request for Proposals (RFP) that was released by CITY for Tree Pruning and Removal Services on February 4, 2021. Within thirty (30) days of the completion of such annual tree pruning, CONSULTANT's ISA Certified Arborist shall notify CITY in writing of any additional tree pruning that he or she expects will be necessary during the term of this AGREEMENT for consideration by CITY. Apart from the aforementioned annual tree pruning, CONSULTANT shall only provide tree pruning services as requested by CITY. This AGREEMENT does not state, convey, imply or infer a specific, minimum or expected amount of work or compensation for as-needed tree pruning.
23. CONSULTANT shall prune trees in accordance with CITY specifications and to accomplish CITY's pruning objectives. Pruning objectives may include, but are not limited to, one or more of the following:
  - a. Risk Reduction
  - b. Clearance
  - c. Structural Improvement

- d. Health Management
- e. Restoration

24. CITY's desire is for all trees to retain a natural look according to their species.
- a. CONSULTANT shall prune all trees to retain and develop their natural structure, as defined in the most current version of *ISA Best Management Practices-Tree Pruning*, as may change from time-to-time. Any deviations must be approved in writing by CITY prior to such work. CITY shall exercise its sole discretion, and be under no obligation as to timing, in acting to either approve, conditionally approve, or deny requested deviations. CITY may also rescind previous approvals, at any time and for any reason. CITY shall issue all approvals of requested deviations in writing.
  - b. Unless specific circumstances warrant, no more than twenty-five percent (25%) of a live tree crown shall be removed in any one growing season.
  - c. "Topping" and "lion's tailing" are prohibited.
  - d. The use of climbing spurs/gaffs in the act of tree pruning is prohibited.
25. CONSULTANT's tree pruning shall consist of one or more of the following types to achieve the pruning objective(s):
- a. **Crown Cleaning:** Crown Cleaning is the removal of dead, diseased, crowded, crossing, weakly attached, and low-vigor branches and water sprouts from the entirety of the tree crown. It is the preferred pruning type to retain the natural structure of the tree. Competing stems and branches should be subordinated. This type may also be used in combination with Crown Restoration, Reduction, and Raising pruning.
  - b. **Crown Thinning:** Crown Thinning includes Crown Cleaning and the selective removal of branches to increase light penetration and air movement into and through the tree crown. Crown Thinning reduces the wind-sail effect of the crown and the weight of heavy limbs. Consideration shall be given to the ability of the tree to tolerate this type of pruning. Care shall be used to avoid stripping branches of all foliage at the interior of the crown. That practice, known as "lion's tailing," disrupts the structural integrity of the tree, making it subject to limb and branch failure, especially during high winds. Crown Thinning can emphasize the structural beauty of trunks and branches, as well as improve the growth of plants beneath the tree by increasing light penetration. When thinning the crown of mature trees, seldom should more than 25% of the live foliage be removed. This type may also be used in combination with Crown Restoration, Reduction, and Raising pruning.
  - c. **Crown Raising:** Crown Raising consists of removing the lower branches of a tree in order to provide clearance for buildings, vehicles, signs, lights, and pedestrians. Consideration shall be given to the ability of the tree to tolerate this type of pruning. CONSULTANT shall maintain street clearance to a safe distance above the public right-of-way at a minimum of

## ITEM 6.6

eight (8) feet above the surface of a public sidewalk or pedestrian way and fourteen (14) feet above the surface of a public street. Crown Cleaning may also occur as necessary.

**d. Crown Reduction:** Crown Reduction is used to reduce the height and/or spread of a tree. Consideration shall be given to the ability of the tree to tolerate this type of pruning. “Topping” shall not occur. Crown Reduction shall be accomplished using reduction cuts (drop-crotch), not heading cuts. Crown Cleaning shall accompany a Crown Reduction. No more than 25% of the live crown shall be removed in any one growing season.

**e. Crown Restoration:** Crown Restoration is corrective pruning used as a means to restore the form of tree crowns that have been previously damaged by wind events or poor pruning practices. The natural structure of the tree shall be restored. Multiple Crown Restorations, over time, may be necessary. Only ISA Certified Tree Workers and Arborists shall perform this type of work.

**f. Selective/Safety Pruning:** Selective/Safety Pruning is the select pruning and removal of specific branches(s) of a tree. A Safety Prune is employed as a means of eliminating potentially hazardous limbs (broken/dead/dying) from the crown of a tree when an entire pruning of the tree is not warranted. Crown Cleaning shall also occur as necessary.

**g. Palm Pruning:** Palm Pruning relates to Queen Palms (*Syagrus romanzoffianum*) and Mexican Fan Palms (*Washingtonia robusta*). Stalks shall be pruned to a 45-degree angle. Loose petiole bases shall be removed each time the crown is maintained. Petiole bases that are attached to live trunk tissue shall be left undamaged.

**h. Structural Pruning of Small/Young Trees:** In order to promote the development of good structure, small, young, and recently-planted trees shall be pruned minimally with a focus on removing crossing branches, ensuring adequate branch spacing, and encouraging the development of one dominant leader (except in cases of multi-trunked trees). If co-dominant leaders are present – and, if possible – one shall be removed or subordinated with a proper reduction cut. No branch diameters should exceed 50% of the diameter of the stem at the point of attachment.

26. CONSULTANT shall prune trees to prevent branch and foliage interference with safe public passage. This activity shall be included with each pruning type set forth in Number 25 herein, as necessary. Exceptions are allowed for young trees, which would be irreparably damaged by such pruning action. If pruning to these standards would result in permanent disfiguration of a tree, CONSULTANT shall not prune the tree until such time as direction is obtained from CITY. CONSULTANT shall maintain street clearance to a safe distance above the public right-of-way at a minimum of eight (8) feet above the surface of a public sidewalk or pedestrian way and fourteen (14) feet above the surface of a public street.

27. CONSULTANT shall remove and control all tree limbs in a manner that causes no damage to other parts of the tree, or to other plants or property.

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28. CONSULTANT shall remove all broken, dead, dying, or loose branches and branch stubs. When removing a dead branch, the final cut should be made outside the collar of live callus tissue. If the collar has grown out along the branch stub, only the dead stub should be removed; the live collar should remain intact and uninjured.
29. CONSULTANT shall subordinate or remove branches that are developing in a manner as to become larger than the limbs they originate from.
30. When encountering limbs that are weighted with more foliage than the limb is likely to support, CONSULTANT shall selectively prune branches toward the end of the limb in order to reduce end weight and, thus, decrease the likelihood of limb failure.
31. CONSULTANT shall selectively prune branches that create sight line conflicts with traffic control signs, traffic control devices, and/or wayfinding signs.
32. CONSULTANT shall selectively prune branches that are within five (5) feet of a structure.
33. CONSULTANT shall clear trees of sprout or sucker growth to a minimum height of ten (10) feet above ground level. Exceptions are allowed for young trees, which would be irreparably damaged by such pruning action.
34. CONSULTANT shall prune trees to maintain a balanced appearance when viewed from the side of the street immediately opposite the tree, unless authorized, in writing, by CITY to do otherwise.
35. CONSULTANT shall remove all vines (including ivy and mistletoe) that are entwined in trees and on tree trunks. Vine tendrils shall be removed without injury to trees.
36. CONSULTANT shall immediately notify CITY of all observed infestations of termites, bees, hornets, wasps, or rats.
37. CONSULTANT shall prune all trees six (6) inches in diameter or less with hand saws, pole pruners, or other hand tools only.
38. CONSULTANT shall remove any extraneous and unnecessary metal, wire, rubber, or other material interfering with tree growth whenever possible.
39. CONSULTANT shall immediately notify CITY if any cable or guy wire installed for a tree is found to be broken, excessively loose, or girdling the stem.

### **Tree Removal Standards**

40. CONSULTANT shall only provide tree removal services as requested by CITY. This AGREEMENT does not state, convey, imply or infer a specific, minimum or expected amount of work or compensation for as-needed tree removal.

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41. Tree removal consists of the removal of the entirety of a tree, including the removal of the associated stump (unless located on a slope and required for soil stability) and root system.
42. CONSULTANT shall identify the location of all utilities and public and private property landscape irrigation components prior to tree removal. CONSULTANT shall notify CITY, in writing, of any condition that prevents the removal of a tree. CONSULTANT shall be held responsible for any damage that occurs once the process of removing a tree and/or associated grinding begins.
43. CONSULTANT shall not remove any tree without first field verifying with CITY that the tree being considered is indeed the tree to be removed.
44. CONSULTANT shall grind stumps, including the root flare, to a depth of not less than eighteen (18) inches or until stump material is removed. Surface roots shall be traced and ground to a depth of not less than eight (8) inches. Debris generated by stump grinding and root removal shall be removed from the site and replaced with a topsoil mix. Chips and stump grindings shall not be used as a backfill material.
45. While loading and handling debris, CONSULTANT shall maintain control at all times so as not to result in damage to public or private property. In addition, CONSULTANT shall not drop brush, limbs, logs, or other debris so as to create undue noise or shock impact related damage to public or private property.
46. CONSULTANT shall be responsible for the repair of any damaged public or private property, including any irrigation system components damaged during tree removal. Repairs shall be made using components matching those that were damaged.

### **Clean-up and Waste Disposal**

47. CONSULTANT shall rake all lawn areas and sweep all streets and sidewalks at the end of each day before the work is completed. The use of blowers of any kind is prohibited in all areas except parking lots where CONSULTANT may use electric-powered blowers only when pedestrians are not present. Areas are to be left in a condition equal to or better than that which existed prior to the commencement of work.
48. CONSULTANT shall promptly and lawfully remove brush, limbs, logs, and any other debris resulting from any tree pruning or removal within one (1) hour following completion of work on the tree from which the debris was generated. All trimming activities shall cease immediately if clean-up personnel or equipment ceases to function or becomes otherwise unavailable. Under no circumstance shall debris be allowed to create a hazardous condition.
49. CONSULTANT shall not permit any personnel or member of the public to collect, salvage, or remove any brush, limbs, logs, or other debris resulting from tree pruning or removal.

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50. CONSULTANT shall divert at least sixty-five percent (65%) of the debris resulting from any tree pruning or removal from landfills and transformation facilities. If CONSULTANT chooses to utilize a third-party to haul debris, it shall be a requirement to use Waste Management of Orange County (Waste Management Collection and Recycling, Inc.).
51. CONSULTANT shall provide CITY with documentation of the tonnage and composition of debris disposed of, and the manner and location of disposition, before any compensation is provided for services rendered.

### **Injury or Death Incident Reporting**

52. CONSULTANT shall report to CITY any incident that occurs during work, and results in any injury or death, within one (1) hour of occurrence. CONSULTANT shall prepare and submit a written report to CITY within twenty-four (24) hours of any such incident. CONSULTANT's CTSP shall oversee CONSULTANT's investigation and reporting, and shall also submit a report to CITY within fourteen (14) days determining root causes of the incident with follow-up mitigation actions by CONSULTANT.

### **Property Damage Reporting and Repair**

53. Should any structure or property be damaged during CONSULTANT'S work, CONSULTANT shall notify the property owners and CITY within one (1) hour of occurrence. CONSULTANT shall make all arrangements for repairs to damaged property within forty-eight (48) hours of occurrence, except utility lines, which shall be repaired within twenty-four (24) hours of occurrence. CONSULTANT shall be solely responsible for contacting all utilities, property owners, and contractors required to complete such repairs. Repairs shall be made in accordance with the appropriate building codes under permits issued by CITY (CITY will not waive fees) and other laws and regulations, as applicable. Repairs shall be made using components matching those that were damaged.
54. CONSULTANT shall pay special attention to existing irrigation systems, plant material, landscape features, lights, and utility boxes on CITY property in order to avoid damage. Any damage that occurs to those areas shall be repaired on the same day that the damage occurs, unless otherwise authorized by CITY.

**EXHIBIT "B"**  
**COMPENSATION**

*Table I-1: Compensation Schedule – Tree Pruning Services in accordance with appendices B and E of the Request for Proposals (RFP) that was released by CITY for Tree Pruning and Removal Services on February 9, 2023\**

<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>
<b>Botanical Name</b>	<b>Common Name</b>	<b>Number of Trees</b>	<b>Scope (refer to Number 25 in Exhibit A of this Agreement)</b>	<b>Rate per Tree</b>	<b>Total Rate by Botanical Name (Column C x E)</b>
Afrocarpus gracilior	Podocarpus	1	Crown Cleaning & Crown Thinning	\$50	\$50
Arbutus cv. Marina	Marina strawberry tree	4	Crown Cleaning & Crown Thinning	\$45	\$180
Cassia leptophylla	Gold medallion tree	2	Crown Cleaning & Crown Thinning	\$45	\$90
Cercis canadensis	Eastern redbud	30	Structural Pruning of Small/Young Trees	\$25	\$750
Cercis occidentalis	Western redbud	18	Structural Pruning of Small/Young Trees	\$30	\$540
Chilopsis linearis	Desert willow	3	Crown Cleaning & Crown Thinning	\$115	\$345
Corymbia citriodora	Lemon-scented gum	7	Crown Cleaning & Crown Thinning	\$115	\$805
Cupaniopsis anacardioides	Carrotwood	6	Crown Cleaning & Crown Thinning	\$60	\$360
Eucalyptus spp.	Eucalyptus species	37	Crown Cleaning & Crown Thinning	\$115	\$4,255
Ficus spp.	Ficus species	8	Crown Cleaning & Crown Thinning	\$105	\$840
Fraxinus uhdei	Shamel ash	8	Crown Cleaning & Crown Thinning	\$70	\$560
Geijera parviflora	Australian willow	115	Crown Cleaning & Crown Thinning	\$55	\$6,325
Jacaranda mimosifolia	Jacaranda	1	Crown Cleaning & Crown Thinning	\$60	\$60
Koelreuteria bipinnata	Chinese flame tree	1	Crown Cleaning & Crown Thinning	\$60	\$60
Lagerstroemia indica	Crape myrtle	53	Crown Cleaning & Crown Thinning	\$40	\$2,120
Liriodendron tulipifera	Tulip tree	32	Structural Pruning of Small/Young Trees	\$25	\$800
Magnolia grandiflora	Southern magnolia	140	Crown Cleaning & Crown Thinning	\$40	\$5,600
Olea europaea	Olive tree	52	Crown Cleaning & Crown Thinning	\$60	\$3,120
Pinus canariensis	Canary Island pine	31	Crown Cleaning & Crown Thinning	\$105	\$3,255
Pinus halepensis	Aleppo Pine	3	Crown Cleaning & Crown Thinning	\$195	\$585
Platanus racemosa	California sycamore	103	Crown Cleaning & Crown Thinning	\$70	\$7,210
Schinus molle	California Pepper	1	Crown Cleaning & Crown Thinning	\$75	\$75
Schinus terebinthifolius	Brazilian pepper tree	58	Crown Cleaning & Crown Thinning	\$95	\$5,510
Searsia lancea	African sumac	91	Crown Cleaning & Crown Thinning	\$95	\$8,645
Ulmus parvifolia	Chinese elm	4	Crown Cleaning & Crown Thinning	\$70	\$280
Washingtonia robusta	Mexican Fan Palm	3	Palm Pruning	\$70	\$210
Xylosma congestum	Shiny Xylosma	14	Crown Cleaning & Crown Thinning	\$40	\$560
<b>TOTAL</b>		<b>826</b>		<b>GRAND TOTAL</b>	<b>\$53,190</b>

\* In the event that CITY modifies appendices B and/or E of the Request for Proposals (RFP) that was released by CITY for Tree Pruning and Removal Services on February 9, 2023, such modifications shall be made at the “Rate per Tree” contained in Column E.

**As-Needed Services**

*Table 1-2: Compensation Schedule – As-Needed Services*

<b>Description</b> (for “Service Request Prune” services, botanical names are listed; for common names refer to Table 1-1)	<b>Rate</b>
Service Request Prune Labor	\$110 per person/per hour
Tree & Stump Removal	\$69 per inch
Tree Only Removal	\$59 per inch
Stump Only Removal	\$19 per inch
Crew Rental*	\$110 per person/per hour
Emergency Crew Rental*	\$150 per person/per hour
Emergency Crew Rental* (Double Overtime/Sunday/Holiday**)	\$175 per person/per hour

\* Crew Rental and Emergency Crew Rental rates apply only for extraordinary as-needed services (e.g., difficult access, pruning beyond International Society of Arboriculture standards, etc.).

\*\* Double Overtime applies to any employee who works over 12 hours in a day and in excess of 8 hours worked on the seventh consecutive day. Holidays are New Year’s Day, Martin Luther King, Jr. Day, Presidents Day, Good Friday, Memorial Day, Fourth of July, Labor Day, Veterans Day, Thanksgiving Day, Day after Thanksgiving Day, Christmas Eve, and Christmas Day.

**Other Notes**

The rates set forth in Table 1-1 and Table 1-2 are “all inclusive”. CITY shall not provide separate or supplemental compensation to CONSULTANT



**EXHIBIT "C"**  
**INSURANCE**

A. Insurance Requirements. CONSULTANT shall provide and maintain insurance, acceptable to the City Manager of CITY or his or her designee or City Attorney, in full force and effect throughout the term of this AGREEMENT, against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by CONSULTANT, its agents, representatives or employees. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII. CONSULTANT shall provide the following scope and limits of insurance:

1. Minimum Scope of Insurance. Coverage shall be at least as broad as:

(1) Insurance Services Office form Commercial General Liability coverage (Occurrence Form CG 0001).

(2) Insurance Services Office form number CA 0001 (Ed. 03/10) covering Automobile Liability. The auto liability policy must cover all non-owned autos, scheduled autos, and hired autos subject to the written approval of CITY.

(3) Workers' Compensation insurance as required by the Labor Code of State of California and Employer's Liability insurance and covering all persons providing services on behalf of the CONSULTANT and all risks to such persons under this AGREEMENT.

(4) Errors and omissions liability insurance appropriate to the CONSULTANT's profession.

(5) Employment practices liability insurance.

2. Minimum Limits of Insurance. CONSULTANT shall maintain limits of insurance no less than:

(1) General Liability: \$5,000,000 per occurrence for all covered losses and no less than \$2,000,000 general aggregate for bodily injury, personal injury, and property damage.

(2) Automobile Liability: \$2,000,000 per accident for bodily injury and property damage.

(3) Workers' Compensation and Employer's Liability: Workers' Compensation as required by the Labor Code of the State of California and Employers Liability limits of \$1,000,000 per accident.

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(4) Professional Liability: \$1,000,000 per claim and no less than \$1,000,000 general aggregate.

B. Other Provisions. Insurance policies required by this AGREEMENT shall contain the following provisions:

1. All Policies. Each insurance policy required by this AGREEMENT shall be endorsed and state that the coverage shall not be suspended, voided, cancelled by the insurer or either party to this AGREEMENT, reduced in coverage or in limits except after 30 days' prior written notice by Certified mail, return receipt requested, has been given to the City Manager of CITY or his or her designee.

2. General Liability and Automobile Liability Coverages.

(1) CITY, and its respective elected and appointed officers, officials, and employees and volunteers are to be covered as additional insureds as respects: liability arising out of activities CONSULTANT performs; products and completed operations of CONSULTANT; premises owned, occupied or used by CONSULTANT; or automobiles owned, leased, hired or borrowed by CONSULTANT. The coverage shall contain no special limitations on the scope of protection afforded to CITY, and their respective elected and appointed officers, officials, or employees.

(2) CONSULTANT's insurance coverage shall be primary insurance with respect to CITY, and its respective elected and appointed, its officers, officials, employees and volunteers. Any insurance or self insurance maintained by CITY, and its respective elected and appointed officers, officials, employees or volunteers, shall apply in excess of, and not contribute with, CONSULTANT's insurance.

(3) CONSULTANT's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

(4) Any failure to comply with the reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to CITY, and its respective elected and appointed officers, officials, employees or volunteers.

3. Workers' Compensation and Employer's Liability Coverage. Unless the City Manager of CITY or his or her designee otherwise agrees in writing, the insurer shall agree to waive all rights of subrogation against CITY, and its respective elected and appointed officers, officials, employees and agents for losses arising from work performed by CONSULTANT.

C. Other Requirements. CONSULTANT agrees to deposit with CITY, at or before the effective date of this contract, certificates of insurance necessary to satisfy CITY that the insurance provisions of this contract have been complied with. The City Attorney may require that CONSULTANT furnish CITY with copies of original endorsements effecting coverage

## ITEM 6.6

required by this section. The certificates and endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. CITY reserves the right to inspect complete, certified copies of all required insurance policies, at any time.

1. CONSULTANT shall furnish certificates and endorsements from each subcontractor identical to those CONSULTANT provides.

2. Any deductibles or self-insured retentions must be declared to and approved by CITY. At the option of CITY, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects CITY or its respective elected or appointed officers, officials, employees and volunteers or the CONSULTANT shall procure a bond guaranteeing payment of losses and related investigations, claim administration, defense expenses and claims.

3. The procuring of such required policy or policies of insurance shall not be construed to limit CONSULTANT's liability hereunder nor to fulfill the indemnification provisions and requirements of this AGREEMENT.

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**GENERAL PLAN ANNUAL REPORT**

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**City of Laguna Woods**

**General Plan Annual Report  
2022**

**Planning & Environmental Services Department**



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F: (949) 639-0591**

**March 22, 2023**

**2022 General Plan Annual Report**

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**Period of this Annual Report**

This General Plan Annual Report is for the 2022 calendar year (January – December 2022).

**Purpose of this Annual Report**

California Government Code Section 65400 requires the City to provide by April 1 of each year an annual report to the City Council, the Governor's Office of Planning and Research (OPR), and the State Department of Housing and Community Development (HCD) that includes all of the following:

- (A) The status of the City's General Plan and progress in its implementation.
- (B) The progress in meeting the City's share of regional housing needs determined pursuant to California Government Code Section 65584 and local efforts to remove governmental constraints to the maintenance, improvement, and development of housing pursuant to California Government Code Section 65583(3)(c).
- (C) The number of housing development applications received by the City in the prior year.
- (D) The number of units included in all development applications to the City in the prior year.
- (E) The number of units approved and disapproved by the City in the prior year.
- (F) The degree to which the City's approved General Plan complies with the guidelines developed and adopted pursuant to California Government Code Section 65040.2 and the date of the last revision to the City's General Plan.
- (G) A listing of sites rezoned to accommodate that portion of the City's share of the regional housing need for each income level that could not be accommodated on sites identified in the inventory required by California Government Code sections 65583(1)(c) and 65584.09. The listing of sites must also include any additional sites that may have been required to be identified by California Government Code Section 65863.
- (H) The number of net new units of housing, including both rental housing and for-sale housing, that have been issued a completed entitlement, a building permit, or a certificate of occupancy by the City, thus far in the housing element cycle, and the income category, by area median income category, that each unit of housing satisfies. This production report must, for each income category, distinguish between the number of rental housing units and the number of for-sale units that satisfy each income category. This production report must include, for each entitlement, building permit, or certificate of occupancy, a unique site identifier which must include the assessor's parcel number, but may include street address, or other identifiers.
- (I) The number of applications submitted to the City pursuant to California Government Code Section 65913.4(a), the location and the total number of developments approved by the City pursuant to California Government Code Section 65913.4(b), the total number of building permits issued by the City pursuant to California Government Code Section 65913.4(b), the total number of



## 2022 General Plan Annual Report

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units including both rental housing and for-sale housing by area median income category constructed within the City’s jurisdiction using the process provided for in California Government Code Section 65913.4(b).

California Government Code Section 65400 requires the housing element portion of the annual report to be prepared through the use of standards, forms, and definitions adopted by HCD, and be considered at a public meeting before the City Council where members of the public must be allowed to provide oral testimony and written comments. The public meeting for this 2022 General Plan Annual Report was held concurrent with the City Council’s adjourned regular meeting on March 22, 2023. A final copy of the report will be submitted to OPR and HCD after the March 22, 2023 meeting.

### General Plan Background and Amendments

Preparation of the Laguna Woods General Plan began with a series of community workshops held in early 2001. Perspectives and issues presented by members of the community set the course for the new General Plan. The General Plan Coordinating Committee, appointed by the City Council, considered each draft-component of the new General Plan and provided input at monthly meetings from February 2001 through June 2002. The Community Services Committee provided input on the draft document at public meetings in March and August 2002. In September 2002, the Planning Advisory Committee recommended that the City Council certify the Environmental Impact Report prepared in conjunction with the General Plan and adopt the draft General Plan. The City Council held a public hearing, certified the Environmental Impact Report, and adopted the General Plan on October 16, 2002. The General Plan Housing Element was subsequently certified by HCD on April 7, 2003.

State law allows the City to amend its General Plan a maximum of four times per year. Amendments may be proposed and acted upon at any time during the year and one action may include multiple amendments. Amendments require a public hearing by the City Council and evaluation of environmental impacts as required by the California Environmental Quality Act (CEQA).

A summary of all adopted General Plan amendments is included in Table 1.

*Table 1 – Adopted General Plan Amendments*

<b>Date of Amendment</b>	<b>Title of Amendment</b>	<b>Description of Amendment</b>
October 2005	General Plan Amendment (GPA 05-01)	General Plan Amendment to change a property from Commercial to High Density Residential
July 2007	General Plan Amendment (GPA 07-01)	General Plan Amendment for the annexation of 170 acres of land for Open Space

Table continued on page four.

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Table continued from page three.

<b>Date of Amendment</b>	<b>Title of Amendment</b>	<b>Description of Amendment</b>
January 2009	General Plan Housing Element Update	Housing Element Update
December 2010	General Plan Land Use Element and Map Amendment	General Plan Amendment incorporating new “Residential Community” and “Community Facilities” land use designation and reflecting a private community name change from “Leisure World” to “Laguna Woods Village”
June 2013	General Plan Circulation Element Update	Addition of a road definition and updates to ensure consistency with the Master Plan of Arterial Highways (MPAH)
February 2014	General Plan Housing Element Update	Housing Element Update (streamlined option)
April 2014	General Plan Safety Element Update	Comprehensive update of the Safety Element
July 2015	General Plan Conservation Element Update	Comprehensive update of the Conservation Element
July 2015	General Plan Amendment (GPA 15-19)	General Plan Amendment to change the land use designation for eight parcels from “Urban Activities Center” to “Open Space”
August 2017	General Plan Land Use Element Amendment (GPA/ZC-1169)	General Plan Amendment related to Urban Activities Center (UAC) properties, including changes in land use designations for six parcels and deletion of the UAC land use designation
February 2022	General Plan Housing Element Update	Housing Element Update (adopted on February 9, 2022)
August 2022	General Plan Housing Element Update	Housing Element Update (adopted on August 12, 2022)

**Pending General Plan Updates**

A General Plan update involving the Circulation, Land Use, and Noise elements is pending. In addition to completing actions necessary to implement the adopted Housing Element, it is anticipated that various other land use designation changes and implementing policy framework (goals and policy objectives) revisions will be considered.

## 2022 General Plan Annual Report

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### City's Responsibility

The effectiveness of the General Plan ultimately depends on how it is implemented and maintained over time. The implementation and maintenance of the General Plan is the responsibility of the City Council and all City departments. State law requires that most actions of cities affecting the physical environment be consistent with the General Plan.

In addition to the City, several other government agencies (e.g., Orange County Fire Authority, Orange County Sheriff's Department, El Toro Water District) provide services within the City's boundaries. While those agencies are neither a part of the City's operational structure nor directly responsible for implementation of the General Plan, the City coordinates its activities with those agencies and relies on their assistance for full implementation of the General Plan.

### Status of General Plan Implementation Actions

The City's implementation of the General Plan is ongoing and largely achieved through the adoption of City Council directives, policies, ordinances, and resolutions; incorporation into governmental activities of applicable departments; and, processing of development applications and entitlements. The City's consideration of the General Plan occurs on a routine basis; implementation is progressing, concurrent with the General Plan update that is currently underway. The City's budgets, work plans, capital improvement programs, annual comprehensive financial reports, ordinances, and resolutions more specifically describe the City's actions associated with implementation of the General Plan. To obtain copies of those documents, please contact the City Clerk's Office at (949) 639-0500.

A review of the implementation status of the General Plan Housing Element, including progress toward meeting the City's Regional Housing Needs Assessment allocation, is provided below.

### Housing Element Annual Progress Report

The Regional Housing Needs Assessment (RHNA) is mandated by state law as a part of the periodic process of updating general plan housing elements. The RHNA quantifies the need for housing within cities and unincorporated areas during specified planning periods. The Southern California Association of Governments (SCAG) develops the RHNA for the City.

Table 2 summarizes the City's RHNA allocation for the "6<sup>th</sup> cycle" from October 2021 to October 2029.

*Table 2 – City's RHNA Allocation – 6<sup>th</sup> Cycle*

<b>Income Category</b>	<b>RHNA Allocation (Dwelling Units)</b>
Very Low Income	127
Low Income	136
Moderate Income	192
Above Moderate Income	542
<b>TOTAL</b>	<b>997</b>

**Note:** The following Housing Element Annual Progress Report forms and tables are required, or requested, to be submitted to HCD and OPR. The forms and tables are protected by HCD, which restricts the type of data that can be entered. As a result, some fields appear blank when the reportable figure is zero.

**Attached:**

**Start Here** (1 page)

**Table A** – Housing Development Applications Submitted (2 pages)

**Table A2** – Annual Building Activity Report Summary - New Construction, Entitled, Permits and Completed Units (4 pages)

**Table B** – Regional Housing Needs Allocation Progress - Permitted Units Issued by Affordability (1 page)

**Table C** – Sites Identified or Rezoned to Accommodate Shortfall Housing Need and No Net-Loss Law (1 page)

**Table D** – Program Implementation Status pursuant to GC Section 65583 (6 pages)

**Table E** – Commercial Development Bonus Approved pursuant to GC Section 65915.7 (1 page)

**Table F** – Units Rehabilitated, Preserved and Acquired for Alternative Adequate Sites pursuant to Government Code section 65583.1(c) (1 page)

**Table F2** – Above Moderate Income Units Converted to Moderate Income Pursuant to Government Code section 65400.2 (2 pages)

**Table G** – Locally Owned Lands Included in the Housing Element Sites Inventory that have been sold, leased, or otherwise disposed of (1 page)

**Table H** – Locally Owned Surplus Sites (1 page)

**Table I** – Units Constructed Pursuant to Government Code 65852.21 and Applications for Lot Splits Pursuant to Government Code 66411.7 (SB9) (1 page)

**Table J** – Student housing development for lower income students for which was granted a density bonus pursuant to subparagraph (F) of paragraph (1) of subdivision (b) of Section 65915 (2 pages)

**Summary** (1 page)

**Local Early Action Planning (LEAP) Reporting** (1 page)

**Please Start Here**

General Information	
Jurisdiction Name	Laguna Woods
Reporting Calendar Year	2022
Contact Information	
First Name	Rebecca
Last Name	Pennington
Title	Development Programs Analyst
Email	rpennington@cityoflagunawoods.org
Phone	9496390500
Mailing Address	
Street Address	24264 El Toro Road
City	Laguna Woods
Zipcode	92637

**Optional:** Click here to import last year's data. This is best used when the workbook is new and empty. You will be prompted to pick an old workbook to import from. Project and program data will be copied exactly how it was entered in last year's form and must be updated. If a project is no longer has any reportable activity, you may delete the project by selecting a cell in the row and typing ctrl + d.

[Click here to download APR Instructions](#)

1\_23\_23



indicates an optional field  
 maintain auto-calculation formulas

**Applications Submitted**

Ability by Household Incomes			Total Approved Units by Project	Total Disapproved Units by Project	Streamlining	Density Bonus Law Applications	Application Status	Notes		
			6	7	8	9	10	11	12	
Moderate- Income Deed Restricted	Moderate- Income Non Deed Restricted	Above Moderate- Income	Total <u>PROPOSED</u> Units by Project	Total <u>APPROVED</u> Units by project	Total <u>DISAPPROVED</u> Units by Project	Was <u>APPLICATION SUBMITTED</u> Pursuant to GC 65913.4(b)? (SB 35 Streamlining)	Did the housing development application seek incentives or concessions pursuant to Government Code section 65915?	Were incentives or concessions requested pursuant to Government Code section 65915 approved?	Please indicate the status of the application.	Notes <sup>+</sup>
0	0	0	0	0	0					
			0							





Note: "+" indicates an optional field  
 Cells in grey contain auto-calculation formulas

Affordability by Household Incomes - Building Permits														
5		6	7							8	9			
Above Moderate-Income	Entitlement <u>Date Approved</u>	# of Units issued Entitlements	Very Low-Income Deed Restricted	Very Low-Income Non Deed Restricted	Low-Income Deed Restricted	Low-Income Non Deed Restricted	Moderate-Income Deed Restricted	Moderate-Income Non Deed Restricted	Above Moderate-Income	Building Permits <u>Date Issued</u>	# of Units Issued Building Permits	Very Low-Income Deed Restricted	Very Low-Income Non Deed Restricted	
0		0	0	0	0	0	0	0	0		0	0	0	
		0									0			

Affordability by Household Incomes - Certificates of Occupancy						Streamlining	Infill	Housing with Financial Assistance and/or Deed Restrictions			
10					11	12	13	14	15	16	17
Low- Income Deed Restricted	Low- Income Non Deed Restricted	Moderate- Income Deed Restricted	Moderate- Income Non Deed Restricted	Above Moderate- Income	Certificates of Occupancy or other forms of readiness (see instructions) <u>Date Issued</u>	# of Units issued Certificates of Occupancy or other forms of readiness	How many of the units were Extremely Low Income?*	Was Project APPROVED using GC 65913.4(b)? (SB 35 Streamlining) Y/N	Infill Units? Y/N*	Assistance Programs for Each Development (may select multiple - see instructions)	Deed Restriction Type (may select multiple - see instructions)
0	0	0	0	0		0	0	0			
						0					



Jurisdiction	Laguna Woods	
Reporting Year	2022	(Jan. 1 - Dec. 31)
Planning Period	6th Cycle	10/15/2021 - 10/15/2029

**ANNUAL ELEMENT PROGRESS REPORT  
Housing Element Implementation**

This table is auto-populated once you enter your jurisdiction name and current year data. Past year information comes from previous APRs.  
Please contact HCD if your data is different than the material supplied here

Table B														
Regional Housing Needs Allocation Progress														
Permitted Units Issued by Affordability														
		1	2										3	4
Income Level		RHNA Allocation by Income Level	Projection Period - 06/30/2021-10/14/2021	2021	2022	2023	2024	2025	2026	2027	2028	2029	Total Units to Date (all years)	Total Remaining RHNA by Income Level
Very Low	Deed Restricted	127	-	-	-	-	-	-	-	-	-	-	-	127
	Non-Deed Restricted		-	-	-	-	-	-	-	-	-	-	-	
Low	Deed Restricted	136	-	-	-	-	-	-	-	-	-	-	-	136
	Non-Deed Restricted		-	-	-	-	-	-	-	-	-	-	-	
Moderate	Deed Restricted	192	-	-	-	-	-	-	-	-	-	-	-	192
	Non-Deed Restricted		-	-	-	-	-	-	-	-	-	-	-	
Above Moderate		542	-	-	-	-	-	-	-	-	-	-	-	542
Total RHNA		997												
Total Units			-	-	-	-	-	-	-	-	-	-	-	997
Progress toward extremely low-income housing need, as determined pursuant to Government Code 65583(a)(1).														
		5											6	7
		Extremely low-income Need	2021	2022	2023	2024	2025	2026	2027	2028	2029	Total Units to Date	Total Units Remaining	
Extremely Low-Income Units*		64	-	-	-	-	-	-	-	-	-	-	64	

\*Extremely low-income housing need determined pursuant to Government Code 65583(a)(1). Value in Section 5 is default value, assumed to be half of the very low-income RHNA. May be overwritten.  
 Note: units serving extremely low-income households are included in the very low-income RHNA progress and must be reported as very low-income units in section 7 of Table A2. They must also be reported in the extremely low-income category (section 13) in Table A2 to be counted as progress toward meeting the extremely low-income housing need determined pursuant to Government Code 65583(a)(1).  
 Please note: For the last year of the 5th cycle, Table B will only include units that were permitted during the portion of the year that was in the 5th cycle. For the first year of the 6th cycle, Table B will only include units that were permitted since the start of the planning period. Projection Period units are in a separate column.  
 Please note: The APR form can only display data for one planning period. To view progress for a different planning period, you may login to HCD's online APR system, or contact HCD staff at [apr@hcd.ca.gov](mailto:apr@hcd.ca.gov).



## ANNUAL ELEMENT PROGRESS REPORT Housing Element Implementation

Jurisdiction		Laguna Woods	
Reporting Year		2022 (Jan. 1 - Dec. 31)	
Table D			
Program Implementation Status pursuant to GC Section 65583			
Housing Programs Progress Report			
Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.			
1	2	3	4
Name of Program	Objective	Timeframe in H.E	Status of Program Implementation
Program H-1.1.1. Rezone the 17 potential housing sites identified in the Housing Sites Inventory and Analysis (Exhibit C) to accommodate the City's housing needs allocation (Table H-1).	Policy Objective H-1.1. Make sites available to accommodate current and projected housing needs for groups at all income levels, in accordance with California Government Code Section 65583(c)(1).	Calendar Year 2022	<b>Not yet Implemented:</b> The City Council adopted the 2021-2029 General Plan Housing Element in August 2022. Rezoning work is in-process and will be considered for adoption following HCD's certification of the 2021-2029 General Plan Housing Element.
Program H-1.2.1. Continue to maintain website information regarding fees, exactions, and affordability requirements imposed by the City that are applicable to housing development projects, in accordance with California Government Code Section 65940.1.	Policy Objective H-1.2. Assist in the development of adequate housing to meet the needs of extremely low, very low, low-, and moderate-income households.	Ongoing	<b>Ongoing:</b> Information responsive to California Government Code Section 65940.1 is available on the City's website.
Program H-1.2.2. Prepare and maintain a webpage with information related to the 17 potential housing sites identified in the Housing Sites Inventory and Analysis (Exhibit C), including a Geographic Information System (GIS) map layer with geospatial information.	Policy Objective H-1.2. Assist in the development of adequate housing to meet the needs of extremely low, very low, low-, and moderate-income households.	Calendar Year 2022	<b>Not yet Implemented:</b> The City Council adopted the 2021-2029 General Plan Housing Element in August 2022. Information regarding the Housing Sites Inventory and Analysis is available on the City's website. A GIS map layer will be added following HCD's certification of the 2021-2029 General Plan Housing Element.
Program H-1.2.3. Conduct a market study and then amend the existing inclusionary housing ordinance to modify the minimum percentages of new housing units that must be deed-restricted for extremely low, very low, and low-income households, as feasible and advantageous to promote the development of affordable housing.	Policy Objective H-1.2. Assist in the development of adequate housing to meet the needs of extremely low, very low, low-, and moderate-income households.	Calendar Year 2022	<b>Not yet Implemented:</b> The City released a Request for Proposals for Inclusionary Housing Market Study Services in March 2022, but received no proposals by the April 2022 deadline. Staff subsequently identified a potential consultant and obtained a proposal in January 2023. Staff's review of that proposal is underway.

<p>Program H-1.2.4. Adopt an ordinance creating an expedited and fee reduced lot consolidation process for consolidations involving any one or more of the 17 potential housing sites identified in the Housing Sites Inventory and Analysis (Exhibit C) for the purpose of developing housing projects in which at least 5% of housing units are affordable for extremely low income households; at least 10% of housing units are affordable for very low or low-income households; or, at least 50% of housing units are affordable for moderate-income households. To be eligible, the housing units shall be subject to an affordability covenant for at least 55 years.</p>	<p>Policy Objective H-1.2. Assist in the development of adequate housing to meet the needs of extremely low, very low, low-, and moderate-income households.</p>	<p>Calendar Year 2022</p>	<p><b>Not yet Implemented:</b> The City Council adopted the 2021-2029 General Plan Housing Element in August 2022. An ordinance creating an expedited and fee reduced lot consolidation process will be considered for adoption following HCD's certification of the 2021-2029 General Plan Housing Element.</p>
<p>Program H-1.2.5. Adopt an ordinance waiving or reducing City building permit fees for housing projects in which at least 5% of housing units are affordable for extremely low income households; at least 10% of housing units are affordable for very low or low-income households; or, at least 50% of housing units are affordable for moderate-income households. To be eligible, the housing units shall be subject to an affordability covenant for at least 55 years.</p>	<p>Policy Objective H-1.2. Assist in the development of adequate housing to meet the needs of extremely low, very low, low-, and moderate-income households.</p>	<p>Calendar Year 2022</p>	<p><b>Not yet Implemented:</b> The City Council adopted the 2021-2029 General Plan Housing Element in August 2022. An ordinance waiving or reducing City building permit fees for qualifying housing projects is tentatively scheduled for consideration of adoption concurrent with the next regularly scheduled fee schedule adoption in spring 2023.</p>
<p>Program H-1.2.6. Amend various, existing housing-related provisions of the Laguna Woods Municipal Code to promote regulatory clarity.</p>	<p>Policy Objective H-1.2. Assist in the development of adequate housing to meet the needs of extremely low, very low, low-, and moderate-income households.</p>	<p>Calendar Year 2022</p>	<p><b>Not yet Implemented:</b> The City Council adopted the 2021-2029 General Plan Housing Element in August 2022. The amendments identified in this program are tentatively scheduled for consideration of adoption in April 2023.</p>
<p>Program H-1.2.7. Formalize written procedures for the application and processing of housing projects eligible for streamlined, ministerial approval pursuant to California Government Code Section 65913.4.</p>	<p>Policy Objective H-1.2. Assist in the development of adequate housing to meet the needs of extremely low, very low, low-, and moderate-income households.</p>	<p>Calendar Year 2022</p>	<p><b>Not yet Implemented:</b> The City Council adopted the 2021-2029 General Plan Housing Element in August 2022. Formalization of written procedures for project processing pursuant to California Government Code Section 65913.4 is tentatively scheduled to be complete by July 2023.</p>
<p>Program H-1.2.8. Investigate potential incentives for the development of housing projects with features that exceed the minimum requirements set forth in the California Building Energy Efficiency Standards. If feasible and economical, adopt such incentives.</p>	<p>Policy Objective H-1.2. Assist in the development of adequate housing to meet the needs of extremely low, very low, low-, and moderate-income households.</p>	<p>Within Six Months of Each Triennial California Building Standards Code Effective Date for Investigation</p>	<p><b>Not yet Implemented:</b> The effective date of the 2022 California Building Standards Code was January 1, 2023. Investigation of potential incentives is scheduled to be complete by June 30, 2023.</p>
<p>Program H-1.3.1. Continue to consider transitional housing a residential use of property, subject only to those restrictions that apply to other residential dwellings of the same type in the same zoning district.</p>	<p>Policy Objective H-1.3. Provide reasonable accommodations for housing designed for, intended for occupancy by, or with supportive services for, persons with disabilities.</p>	<p>Ongoing</p>	<p><b>Ongoing:</b> The Laguna Woods Municipal Code considers transitional housing a residential use of property, subject only to those restrictions that apply to other residential dwellings of the same type in the same zoning district.</p>

<p>Program H-1.3.2. Continue to consider supportive housing a residential use of property, subject only to those restrictions that apply to other residential dwellings of the same type in the same zoning district.</p>	<p>Policy Objective H-1.3. Provide reasonable accommodations for housing designed for, intended for occupancy by, or with supportive services for, persons with disabilities.</p>	<p>Ongoing</p>	<p><b>Ongoing:</b> The Laguna Woods Municipal Code considers supportive housing a residential use of property, subject only to those restrictions that apply to other residential dwellings of the same type in the same zoning district.</p>
<p>Program H-1.3.3. Continue to permit supportive housing by right in all zoning districts where multifamily and mixed uses are permitted.</p>	<p>Policy Objective H-1.3. Provide reasonable accommodations for housing designed for, intended for occupancy by, or with supportive services for, persons with disabilities.</p>	<p>Ongoing</p>	<p><b>Ongoing:</b> The Laguna Woods Municipal Code permits supportive housing by right in all zoning districts where multifamily and mixed uses are permitted.</p>
<p>Program H-1.3.4. Amend various, existing housing-related provisions of the Laguna Woods Municipal Code to conform to state law.</p>	<p>Policy Objective H-1.3. Provide reasonable accommodations for housing designed for, intended for occupancy by, or with supportive services for, persons with disabilities.</p>	<p>Calendar Year 2022</p>	<p><b>Not yet implemented:</b> The City Council adopted the 2021-2029 General Plan Housing Element in August 2022. The amendments identified in this program are tentatively scheduled for consideration of adoption in April 2023.</p>
<p>Program H-1.4.1. Continue to maintain an ordinance that conforms to the provisions of California Government Code Section 65852.2 related to accessory dwelling units and junior accessory dwelling units, including amending the ordinance as necessary.</p>	<p>Policy Objective H-1.4. Incentivize and promote the creation of accessory dwelling units that can be offered at affordable rent for very low, low-, or moderate-income households.</p>	<p>Ongoing</p>	<p><b>Ongoing:</b> The Laguna Woods Municipal Code conforms to the provisions of California Government Code Section 65852.2 related to accessory dwelling units and junior accessory dwelling units.</p>
<p>Program H-1.4.2. Prepare and maintain a webpage with information related to Laguna Woods Municipal Code requirements, processing procedures, and incentives pertaining to the development of accessory dwelling units and junior accessory dwelling units. Prepare and maintain a flyer with related information.</p>	<p>Policy Objective H-1.4. Incentivize and promote the creation of accessory dwelling units that can be offered at affordable rent for very low, low-, or moderate-income households.</p>	<p>Calendar Year 2023</p>	<p><b>Not yet implemented:</b> This program is scheduled for implementation in Calendar Year 2023.</p>
<p>Program H-1.4.3. Designate and maintain a "specialist" to assist with the processing and approval of applications to develop accessory dwelling units and junior accessory dwelling units.</p>	<p>Policy Objective H-1.4. Incentivize and promote the creation of accessory dwelling units that can be offered at affordable rent for very low, low-, or moderate-income households.</p>	<p>Calendar Year 2022</p>	<p><b>Implemented:</b> The City's Development Programs Analyst has been designated as a "specialist" to assist with the processing and approval of applications to develop accessory dwelling units and junior accessory dwelling units.</p>
<p>Program H-1.5.1. Continue to maintain an ordinance that conforms to the provisions of California Government Code Section 65583 related to emergency shelters, including amending the ordinance as necessary.</p>	<p>Policy Objective H-1.5. Make sites available to accommodate emergency housing needs for homeless persons and families, in accordance with California Government Code Section 65583(a)(7).</p>	<p>Ongoing</p>	<p><b>Ongoing:</b> The Laguna Woods Municipal Code conforms to the provisions of California Government Code Section 65583 related to emergency shelters.</p>
<p>Program H-2.1.1. Prepare and maintain a webpage with information on home improvement-related financial assistance opportunities available to extremely low, very low, and low-income households. Train City staff to make referrals using the webpage.</p>	<p>Policy Objective H-2.1. Conserve and improve the condition of the existing affordable housing stock.</p>	<p>Calendar Year 2023</p>	<p><b>Not yet implemented:</b> This program is scheduled for implementation in Calendar Year 2023.</p>
<p>Program H-2.1.2. Investigate potential incentives for property owners to extend existing affordability covenants beyond the planned expiration date. If feasible and economical, adopt such incentives.</p>	<p>Policy Objective H-2.1. Conserve and improve the condition of the existing affordable housing stock.</p>	<p>Calendar Year 2024 for Investigation</p>	<p><b>Not yet implemented:</b> This program is scheduled for implementation in Calendar Year 2024 (for investigation).</p>



<p>Program H-2.2.1. Prepare and maintain a webpage with information on home improvement-related financial assistance opportunities available to persons with special needs. Train City staff to make referrals using the webpage.</p>	<p>Policy Objective H-2.2. Promote accessible and accommodating housing options for persons with special needs.</p>	<p>Calendar Year 2023</p>	<p><b>Not yet Implemented:</b> This program is scheduled for implementation in Calendar Year 2023.</p>
<p>Program H-2.2.2. Adopt an ordinance waiving or reducing City building permit fees for improvements to the home of a person at least 60 years of age with a qualifying disability that are made to accommodate that disability, as provided for by California Health and Safety Code Section 17951.7. Consider including provisions allowing for similar building permit fee waivers or reductions for improvements to the home of a person with a qualifying disability that are made to accommodate that disability, regardless of age. Prepare and maintain a flyer with related information.</p>	<p>Policy Objective H-2.2. Promote accessible and accommodating housing options for persons with special needs.</p>	<p>Calendar Year 2022</p>	<p><b>Implemented:</b> The City Council adopted the 2021-2029 General Plan Housing Element in August 2022. An ordinance waiving or reducing City building permit fees for qualifying home improvements is tentatively scheduled for consideration of adoption concurrent with the next regularly scheduled fee schedule adoption in spring 2023.</p>
<p>Program H-2.2.3. Provide opportunities for reimbursements, grants, or other forms of financial assistance to support home improvements that increase accessibility or functionality for persons with special needs.</p>	<p>Policy Objective H-2.2. Promote accessible and accommodating housing options for persons with special needs.</p>	<p>Calendar Year 2022 (as funding permits)</p>	<p><b>Not yet Implemented:</b> The City is developing a program using Permanent Local Housing Allocation funds to provide financial assistance to support home improvements that increase accessibility or functionality for persons with special needs.</p>
<p>Program H-2.3.1. Formalize a proactive code enforcement program that focuses on housing-related rehabilitation needs, results in repairs, and seeks to mitigate potential cost, displacement, and relocation impacts on residents.</p>	<p>Policy Objective H-2.3. Promote housing conservation and revitalization.</p>	<p>Calendar Year 2025</p>	<p><b>Not yet Implemented:</b> This program is scheduled for implementation in Calendar Year 2025.</p>
<p>Program H-3.1.1. Improve pedestrian accessibility on sidewalks, curb ramps, crosswalks, and other public property connecting housing with transit stops, public buildings, and businesses.</p>	<p>Policy Objective H-3.1. Enhance access to housing.</p>	<p>Ongoing (as funding permits)</p>	<p><b>Ongoing:</b> The City's Americans with Disabilities Act (ADA) Pedestrian Accessibility Project: Phase 6 is scheduled to be complete in Fiscal Year 2022-23. In March 2023, the City was notified by the County of Orange that an additional project phase is being recommended to receive Community Development Block Grant funding in Fiscal Year 2023-24. The Orange County Board of Supervisors is expected to approve funding awards in spring 2023.</p>
<p>Program H-3.1.2. Pursue partnerships and seek funding to provide Laguna Woods-based housing mobility counseling services. If feasible and economical, implement such services.</p>	<p>Policy Objective H-3.1. Enhance access to housing.</p>	<p>Biennial Process to Identify Interested and Qualified Service Providers; Beginning in Calendar Year 2023</p>	<p><b>Not yet Implemented:</b> This program is scheduled for implementation in Calendar Year 2023 (and biennially thereafter).</p>

<p><b>Program H-3.1.3. Adopt an ordinance waiving or reducing City building permit fees, or providing other incentives, for housing projects that prepare and implement an affirmative marketing plan designed to attract renters or buyers of diverse demographics, including persons of any race, color, religion, sex, handicap, familial status, or national origin.</b></p>	<p><b>Policy Objective H-3.1. Enhance access to housing.</b></p>	<p><b>Calendar Year 2023</b></p>	<p><b>Not yet Implemented:</b> This program is scheduled for implementation in Calendar Year 2023.</p>
<p><b>Program H-3.2.1. Prepare and maintain a webpage with information on housing mediation, foreclosure assistance, and multilingual tenant legal counseling services. Train City staff to make referrals using the webpage.</b></p>	<p><b>Policy Objective H-3.2. Protect existing residents from displacement.</b></p>	<p><b>Calendar Year 2023</b></p>	<p><b>Not yet Implemented:</b> This program is scheduled for implementation in Calendar Year 2023.</p>
<p><b>Program H-3.2.2. Pursue partnerships and seek funding to provide Laguna Woods-based housing mediation, foreclosure assistance, and multilingual tenant legal counseling services. If feasible and economical, implement such services.</b></p>	<p><b>Policy Objective H-3.2. Protect existing residents from displacement.</b></p>	<p><b>Biennial Process to Identify Interested and Qualified Service Providers; Beginning in Calendar Year 2023</b></p>	<p><b>Not yet Implemented:</b> This program is scheduled for implementation in Calendar Year 2023 (and biennially thereafter).</p>
<p><b>Program H-3.2.3. Investigate potential hazard mitigation measures that would reduce or eliminate the long-term risk of residential displacement as a result of future disasters. If feasible and economical, implement such hazard mitigation measures.</b></p>	<p><b>Policy Objective H-3.2. Protect existing residents from displacement.</b></p>	<p><b>Calendar Year 2024 for Investigation</b></p>	<p><b>Not yet Implemented:</b> This program is scheduled for implementation in Calendar Year 2024 (for investigation).</p>
<p><b>Program H-4.1.1. Host an annual public forum to:</b>  <input type="checkbox"/> Provide public education related to the purpose and scope of the housing element, as well as progress in its implementation; and  <input type="checkbox"/> Solicit public input on the implementation of the housing element, existing and projected housing needs for all economic segments, and resources and constraints relevant to meeting housing needs.</p>	<p><b>Policy Objective H-4.1. Conduct annual monitoring of the housing element.</b></p>	<p><b>Annually; Beginning in Calendar Year 2023</b></p>	<p><b>Not yet Implemented:</b> This program is scheduled for implementation in Calendar Year 2023 (and annually thereafter).</p>

<p><b>Program H-4.1.2. Prepare and submit an annual report to the City Council, California Governor's Office of Planning and Research, and HCD with:</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> The information required by California Government Code Section 65400(a)(2), in the form and manner specified; and</li> <li><input type="checkbox"/> A statement regarding the general plan's internal consistency and, if necessary, the identification of corrective actions that will be taken to resolve any internal inconsistency.</li> </ul>	<p><b>Policy Objective H-4.1. Conduct annual monitoring of the housing element.</b></p>	<p><b>Annually; Prior to April 1</b></p>	<p><b>Annually:</b> California Government Code Section 65400 requires the housing element portion of the annual report to be prepared through the use of standards, forms, and definitions adopted by HCD, and be considered at a public meeting before the City Council where members of the public must be allowed to provide oral testimony and written comments. The public meeting for this 2022 General Plan Annual Report was held concurrent with the City Council's adjourned regular meeting on March 22, 2023. A final copy of the report will be submitted to OPR and HCD after the March 22, 2023 meeting.</p>
<p><b>Program H-4.2.1. Deliver each adopted housing element (including amendments thereto) to the El Toro Water District, in accordance with California Government Code Section 65589.7(a).</b></p>	<p><b>Policy Objective H-4.2. Coordinate implementation of this housing element with the water and sewer agency.</b></p>	<p><b>Immediately Following Each Adoption</b></p>	<p><b>As Needed:</b> Adopted housing elements will be delivered to the El Toro Water District as required by California Government Code Section 65589.7(a).</p>

<b>Jurisdiction</b>	Laguna Woods	
<b>Reporting Period</b>	2022	(Jan. 1 - Dec. 31)
<b>Planning Period</b>	6th Cycle	10/15/2021 - 10/15/2029

**ANNUAL ELEMENT PROGRESS REPORT**  
**Housing Element Implementation**  
 (CCR Title 25 §6202)

Note: "+" indicates an optional field  
 Cells in grey contain auto-calculation formulas

Table E Commercial Development Bonus Approved pursuant to GC Section 65915.7									
Project Identifier				Units Constructed as Part of Agreement				Description of Commercial Development Bonus	Commercial Development Bonus Date Approved
1				2				3	4
APN	Street Address	Project Name <sup>+</sup>	Local Jurisdiction Tracking ID <sup>+</sup>	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Description of Commercial Development Bonus	Commercial Development Bonus Date Approved
Summary Row: Start Data Entry Below									
N/A									

<b>Jurisdiction</b>	Laguna Woods	
<b>Reporting Period</b>	2022	(Jan. 1 - Dec. 31)
<b>Planning Period</b>	6th Cycle	10/15/2021 - 10/15/2029

## ANNUAL ELEMENT PROGRESS REPORT Housing Element Implementation

Note: "+" indicates an optional field  
Cells in grey contain auto-calculation formulas

**Table F**  
**Units Rehabilitated, Preserved and Acquired for Alternative Adequate Sites pursuant to Government Code section 65583.1(c)**

Please note this table is optional: The jurisdiction can use this table to report units that have been substantially rehabilitated, converted from non-affordable to affordable by acquisition, and preserved, including mobilehome park preservation, consistent with the standards set forth in Government Code section 65583.1, subdivision (c). Please note, motel, hotel, hostel rooms or other structures that are converted from non-residential to residential units pursuant to Government Code section 65583.1(c)(1)(D) are considered net-new housing units and must be reported in Table A2 and not reported in Table F.

Activity Type	Units that Do Not Count Towards RHNA <sup>+</sup> Listed for Informational Purposes Only				Units that Count Towards RHNA <sup>+</sup> Note - Because the statutory requirements severely limit what can be counted, please contact HCD to receive the password that will enable you to populate these fields.				The description should adequately document how each unit complies with subsection (c) of Government Code Section 65583.1 <sup>+</sup> . For detailed reporting requirements, see the checklist here: <a href="https://www.hcd.ca.gov/community-development/docs/adequate-sites-checklist.pdf">https://www.hcd.ca.gov/community-development/docs/adequate-sites-checklist.pdf</a>
	Extremely Low-Income <sup>+</sup>	Very Low-Income <sup>+</sup>	Low-Income <sup>+</sup>	TOTAL UNITS <sup>+</sup>	Extremely Low-Income <sup>+</sup>	Very Low-Income <sup>+</sup>	Low-Income <sup>+</sup>	TOTAL UNITS <sup>+</sup>	
Rehabilitation Activity									
Preservation of Units At-Risk									
Acquisition of Units									
Mobilehome Park Preservation									
Total Units by Income									





<b>Jurisdiction</b>	Laguna Woods	
<b>Reporting Period</b>	2022	(Jan. 1 - Dec. 31)
<b>Planning Period</b>	6th Cycle	10/15/2021 - 10/15/2029

**NOTE: This table must only be filled out if the housing element sites inventory contains a site which is or was owned by the reporting jurisdiction, and has been sold, leased, or otherwise disposed of during the reporting year.**

Note: "+" indicates an optional field  
Cells in grey contain auto-calculation formulas

**ANNUAL ELEMENT PROGRESS REPORT  
Housing Element Implementation**

<b>Table G</b>						
<b>Locally Owned Lands Included in the Housing Element Sites Inventory that have been sold, leased, or otherwise disposed of</b>						
<b>Project Identifier</b>						
<b>1</b>				<b>2</b>	<b>3</b>	<b>4</b>
<b>APN</b>	<b>Street Address</b>	<b>Project Name<sup>+</sup></b>	<b>Local Jurisdiction Tracking ID<sup>+</sup></b>	<b>Realistic Capacity Identified in the Housing Element</b>	<b>Entity to whom the site transferred</b>	<b>Intended Use for Site</b>
Summary Row: Start Data Entry Below						
N/A						



<b>Jurisdiction</b>	Laguna Woods
<b>Reporting Period</b>	2022 (Jan. 1 - Dec. 31)

**NOTE: This table is meant to contain an inventory of ALL surplus/excess lands the reporting jurisdiction owns**

Note: "+" indicates an optional field  
Cells in grey contain auto-calculation formulas

**ANNUAL ELEMENT PROGRESS REPORT  
Housing Element Implementation**

For Orange County jurisdictions, please format the APN's as follows:999-999-99

Table H						
Locally Owned Surplus Sites						
Parcel Identifier				Designation	Size	Notes
1	2	3	4	5	6	7
APN	Street Address/Intersection	Existing Use	Number of Units	Surplus Designation	Parcel Size (in acres)	Notes
Summary Row: Start Data Entry Below						
N/A						

<b>Jurisdiction</b>	Laguna Woods	
<b>Reporting Period</b>	2022	(Jan. 1 - Dec. 31)
<b>Planning Period</b>	6th Cycle	10/15/2021 - 10/15/2029

NOTE: SB 9 PROJECTS ONLY. This table only needs to be completed if there were lot splits applied for pursuant to Government Code 66411.7 OR units constructed pursuant to 65852.21.  
 Units entitled/permitted/constructed must also be reported in Table A2. Applications for these units must be reported in Table A.

## ANNUAL ELEMENT PROGRESS REPORT

### Housing Element Implementation

optional field  
 Cells in grey contain auto-calculation formulas

Table I										
Units Constructed Pursuant to Government Code 65852.21 and Applications for Lot Splits Pursuant to Government Code 66411.7 (SB9)										
Project Identifier				Project Type	Date	Unit Constructed				Notes
1				2	3	4				
APN	Street Address	Project Name <sup>+</sup>	Local Jurisdiction Tracking ID <sup>+</sup>	Activity	Date	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Notes
Summary Row: Start Data Entry Below										
N/A										

**ANNUAL ELEMENT P  
Housing Element Imp**

<b>Jurisdiction</b>	Laguna Woods	
<b>Reporting Period</b>	2022	(Jan. 1 - Dec. 31)
<b>Planning Period</b>	6th Cycle	10/15/2021 - 10/15/2029

**NOTE: STUDENT HOUSING WITH DENSITY BONUS ONLY.** This table only needs to be completed if there were student housing projects WITH a density bonus approved pursuant to Government Code 65915(b)(1)(F)

Table J							
Student housing development for lower income students for which was granted a density bonus p							
Project Identifier				Project Type	Date		
1				2	3		
APN	Street Address	Project Name <sup>+</sup>	Local Jurisdiction Tracking ID <sup>+</sup>	Unit Category (SH - Student Housing)	Date	Very Low- Income Deed Restricted	Very Low- Income Non Deed Restricted
Summary Row: Start Data Entry Below							
N/A							

# PROGRESS REPORT

## Implementation

Note: "+" indicates an optional field

Cells in grey contain auto-calculation formulas

Pursuant to subparagraph (F) of paragraph (1) of subdivision (b) of Section 65915

Units (Beds/Student Capacity) Approved					Units (Beds/Student Capacity) Granted Density Bonus	Notes
4					5	6
Low- Income Deed Restricted	Low- Income Non Deed Restricted	Moderate- Income Deed Restricted	Moderate- Income Non Deed Restricted	Above Moderate- Income	Total Additional Beds Created Due to Density Bonus	Notes

<b>Jurisdiction</b>	Laguna Woods	
<b>Reporting Year</b>	2022	(Jan. 1 - Dec. 31)
<b>Planning Period</b>	6th Cycle	10/15/2021 - 10/15/2029

<b>Building Permits Issued by Affordability Summary</b>		
<b>Income Level</b>		<b>Current Year</b>
Very Low	Deed Restricted	0
	Non-Deed Restricted	0
Low	Deed Restricted	0
	Non-Deed Restricted	0
Moderate	Deed Restricted	0
	Non-Deed Restricted	0
Above Moderate		0
<b>Total Units</b>		<b>0</b>

Note: Units serving extremely low-income households are included in the very low-income permitted units totals

<b>Units by Structure Type</b>	<b>Entitled</b>	<b>Permitted</b>	<b>Completed</b>
SFA	0	0	0
SFD	0	0	0
2 to 4	0	0	0
5+	0	0	0
ADU	0	0	0
MH	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>Housing Applications Summary</b>	
Total Housing Applications Submitted:	0
Number of Proposed Units in All Applications Received:	0
Total Housing Units Approved:	0
Total Housing Units Disapproved:	0

<b>Use of SB 35 Streamlining Provisions</b>	
Number of Applications for Streamlining	0
Number of Streamlining Applications Approved	0
Total Developments Approved with Streamlining	0
Total Units Constructed with Streamlining	0

<b>Units Constructed - SB 35 Streamlining Permits</b>			
<b>Income</b>	<b>Rental</b>	<b>Ownership</b>	<b>Total</b>
Very Low	0	0	0
Low	0	0	0
Moderate	0	0	0
Above Moderate	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

Cells in grey contain auto-calculation formulas

Jurisdiction	Laguna Woods
Reporting Year	2022 (Jan. 1 - Dec. 31)

**ANNUAL ELEMENT PROGRESS REPORT**  
**Local Early Action Planning (LEAP) Reporting**  
 (CCR Title 25 §6202)

*Please update the status of the proposed uses listed in the entity's application for funding and the corresponding impact on housing within the region or jurisdiction, as applicable, categorized based on the eligible uses specified in Section 50515.02 or 50515.03, as applicable.*

<b>Total Award Amount</b>	\$	65,000.00	<small>Total award amount is auto-populated based on amounts entered in rows 15-26.</small>		
Task	\$ Amount Awarded	\$ Cumulative Reimbursement Requested	Task Status	Other Funding	Notes
Housing Needs Assessment	\$12,500.00	\$0.00	Completed	None	Necessary for implementing - Updated Housing Needs Assessment
Housing Constraints Analysis	\$18,750.00	\$0.00	Completed	None	Necessary for implementing - Updated Housing Constraints Analysis
Technical Assistance	\$18,750.00	\$0.00	In Progress	None	Necessary for implementing - As-needed consultant support
California Environmental Quality Act (CEQA)	\$15,000.00	\$0.00	In Progress	Local General Fund	Necessary for implementing - Environmental review

*Summary of entitlements, building permits, and certificates of occupancy (auto-populated from Table A2)*

Completed Entitlement Issued by Affordability Summary			
Income Level			Current Year
Very Low	Deed Restricted		0
	Non-Deed Restricted		0
Low	Deed Restricted		0
	Non-Deed Restricted		0
Moderate	Deed Restricted		0
	Non-Deed Restricted		0
Above Moderate			0
<b>Total Units</b>			<b>0</b>

Building Permits Issued by Affordability Summary			
Income Level			Current Year
Very Low	Deed Restricted		0
	Non-Deed Restricted		0
Low	Deed Restricted		0
	Non-Deed Restricted		0
Moderate	Deed Restricted		0
	Non-Deed Restricted		0
Above Moderate			0
<b>Total Units</b>			<b>0</b>

Certificate of Occupancy Issued by Affordability Summary			
Income Level			Current Year
Very Low	Deed Restricted		0
	Non-Deed Restricted		0
Low	Deed Restricted		0
	Non-Deed Restricted		0
Moderate	Deed Restricted		0
	Non-Deed Restricted		0
Above Moderate			0
<b>Total Units</b>			<b>0</b>

**6.8**  
**CITY HALL REFURBISHMENT & SAFETY**  
**PROJECT: PHASE 3**  
***(NO REPORT)***

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**8.1**  
**2021-2029 GENERAL PLAN HOUSING**  
**ELEMENT UPDATE**

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# City of Laguna Woods

## Agenda Report

**TO:** Honorable Mayor and City Councilmembers

**FROM:** Christopher Macon, City Manager

**FOR:** March 22, 2023 Adjourned Regular Meeting

**SUBJECT:** 2021-2029 General Plan Housing Element Update

---

### **Recommendation**

Adopt a resolution titled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, ADOPTING REVISIONS TO THE 2021-2029 GENERAL PLAN HOUSING ELEMENT, AND PROVIDING DIRECTION AND MAKING FINDINGS RELATED TO ADOPTION OF THE 2021-2029 GENERAL PLAN HOUSING ELEMENT PURSUANT TO APPLICABLE STATE LAW

### **Background**

The Regional Housing Needs Assessment (“RHNA”) is a process mandated by the State of California’s housing laws to determine existing and future housing needs for each city and unincorporated area. Once housing needs are quantified through the RHNA process, cities and counties are required to take certain land use planning actions to allow for the construction of new housing units to meet those needs. For additional information, please refer to Attachment A/Exhibit A.

From 1969 until the City’s incorporation on March 24, 1999, the County of Orange was responsible for RHNA compliance and land use planning in Laguna Woods. Beginning on March 24, 1999, those responsibilities transferred locally to the City. If the City had not incorporated, the County of Orange would have retained the authority to make land use planning decisions affecting Laguna Woods. With the

City, land use planning is within the purview of the locally elected City Council.

The current 6<sup>th</sup> Cycle RHNA process (for the period of 10/2021–10/2029) resulted in the following housing needs allocation for the City:

*Table 1: City's Housing Needs Allocation*

<b>Income Level</b>	<b>Number of Units</b>
Very-low income	127 units
Low income	136 units
Moderate income	192 units
Above-moderate income	542 units
<b>Total</b>	<b>997 units</b>

Source: Southern California Association of Governments (“SCAG”)

State law requires the City to update its General Plan Housing Element to plan for the 6<sup>th</sup> Cycle RHNA Housing Needs Allocation.

Please note that **neither the RHNA nor General Plan Housing Element Update processes require the City or any private property owner to construct housing or discontinue any existing non-housing use.** Frequently asked questions are answered in Attachment A/Exhibit A.

The City Council has held six public meetings preceding today’s meeting to discuss the General Plan Housing Element. Those meetings occurred on:

- May 5, 2021
- May 19, 2021
- June 2, 2021
- July 21, 2021
- February 9, 2022
- August 12, 2022

Agenda materials and other information from previous City Council meetings are available for public review at or from City Hall during normal working hours and on the City’s website ([www.cityoflagunawoods.org/projects](http://www.cityoflagunawoods.org/projects)).

## **Discussion**

Today’s meeting is an opportunity for City Council action, as well as public input, on proposed revisions to the 2021-2029 General Plan Housing Element Update (Attachment A), based on findings from HCD reported to the City on October 11, 2022. Staff recommends adoption of the proposed resolution.

If the City Council adopts the proposed revised 2021-2029 General Plan Housing Element Update at today's meeting, the General Plan Housing Element would be submitted to HCD for review as required by California Government Code Section 65585. HCD would then have 60 days to report its findings to the City and indicate whether further revisions are necessary to substantially comply with state law.

### HCD Review Findings

On August 12, 2022, the adopted General Plan Housing Element and HCD Housing Element Sites Inventory Form were submitted to HCD for review, as required by California Government Code Section 65585. HCD's findings were reported to the City in a letter dated October 11, 2022 (Attachment B). The proposed revised 2021-2029 General Plan Housing Element Update includes revisions to comply with state law (Attachments C and D).

### HCD Housing Element Sites Inventory Form

California Government Code Section 65583.3 requires the housing sites inventory portion of the General Plan Housing Element to be prepared using standards, form, and definitions adopted by HCD. The information required to complete HCD's Housing Element Sites Inventory Form for the proposed revised 2021-2029 General Plan Housing Element Update is unchanged from the versions adopted by the City Council on February 9, 2022 and August 12, 2022, and is included as Attachment F. The electronic spreadsheet version of the information is available on the City's website ([www.cityoflagunawoods.org/projects](http://www.cityoflagunawoods.org/projects)). Interested parties may also contact the City Clerk's Office at [cityhall@cityoflagunawoods.org](mailto:cityhall@cityoflagunawoods.org) or (949) 639-0512 to obtain an emailed copy of the electronic spreadsheet.

### Environmental Review

The City Council adopted a Negative Declaration for the 2021-2029 General Plan Housing Element Update on February 9, 2022, in conformance with the provisions of the California Environmental Quality Act ("CEQA") per State CEQA Guidelines Section 15070 and in conformance with the Local CEQA Procedures, which found that the 2021-2029 General Plan Housing Element Update will have less than significant effects on the environment.

The proposed revised 2021-2029 General Plan Housing Element Update contains administrative revisions to ensure compliance with State Housing Element Law

and remains consistent with the project evaluated in the Initial Study and Negative Declaration for the 2021-2029 General Plan Housing Element Update that was adopted on February 9, 2022. No additional CEQA analysis of the revised 2021-2029 General Plan Housing Element is required.

### **Fiscal Impact**

Sufficient funds to support the preparation and adoption of the 2021-2029 General Plan Housing Element Update are included in the City's budget.

Staff anticipates that supplemental General Fund budget appropriations will be necessary to complete the state-mandated implementation of the programs included in the General Plan Housing Element, the extent of which is not yet known, but will be estimated after HCD finds the 2021-2029 General Plan Housing Element Update and its programs to be in substantial compliance with state law.

- Attachments: A – Proposed Resolution  
Exhibit A – Proposed General Plan Housing Element  
B – HCD Findings Letter dated October 11, 2022  
C – Draft City Response to HCD Findings Letters dated October 11, 2022  
D – Revisions for Proposed General Plan Housing Element (redline)  
E – Information Required to Complete HCD's Housing Element Sites Inventory Form  
for the Proposed Revised General Plan Housing Element

**ITEM 8.1**  
**Attachment A**  
Proposed Resolution

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**RESOLUTION NO. 23-XX**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, ADOPTING REVISIONS TO THE 2021-2029 GENERAL PLAN HOUSING ELEMENT, AND PROVIDING DIRECTION AND MAKING FINDINGS RELATED TO ADOPTION OF THE 2021-2029 GENERAL PLAN HOUSING ELEMENT PURSUANT TO APPLICABLE STATE LAW

**WHEREAS**, California Government Code Section 65300 requires every city to adopt a comprehensive, long-term general plan to guide physical development of the city and of any land outside its boundaries which, in the City’s judgment, bears relation to its planning; and

**WHEREAS**, California Government Code Section 65302 requires general plans to include a housing element with specific requirements for form and content set forth in California Government Code Section 65580 et al.; and

**WHEREAS**, California Government Code Section 65588 requires general plan housing elements to be updated on either a five- or eight-year cycle; and

**WHEREAS**, as required by and in accordance with state law, the City prepared an update of its General Plan Housing Element covering the 6th Cycle Planning Period spanning October 2021 through October 2029 and planning for the Regional Housing Needs Assessment’s 6th Cycle Housing Needs Allocation of 997 housing units, which was adopted by the City Council on February 9, 2022 and revised by the City Council on August 12, 2022 (“2021-2029 General Plan Housing Element Update”); and

**WHEREAS**, subsequent to the adoption of the 2021-2029 General Plan Housing Element Update, the City received and considered findings from the California Department of Housing and Community Development (“HCD”) dated October 11, 2022, and made corresponding revisions to comply with state law, which are incorporated into the revised 2021-2029 General Plan Housing Element Update attached hereto as Exhibit A and incorporated herein by this reference; and

**WHEREAS**, based on the factors described in the revised 2021-2029 General Plan Housing Element Update [including, but not limited to, the analysis contained in Exhibit C (Housing Sites Inventory and Analysis) thereto, supported by the goals, policy objectives, and programs set forth in the General Plan Housing

Element], the City Council finds that the existing uses on the 17 potential housing sites identified in the housing sites inventory to accommodate the Regional Housing Needs Assessment for lower income households are likely to be discontinued during the planning period, and therefore do not constitute an impediment to additional residential development during the planning period; and

**WHEREAS**, the City Council adopted a Negative Declaration for the 2021-2029 General Plan Housing Element Update on February 9, 2022, in conformance with the provisions of the California Environmental Quality Act (“CEQA”) per State CEQA Guidelines Section 15070 and in conformance with the Local CEQA Procedures, which found that the 2021-2029 General Plan Housing Element Update will have less than significant effects on the environment; and

**WHEREAS**, the City Council finds that the revised 2021-2029 General Plan Housing Element Update contains administrative revisions to ensure compliance with State Housing Element Law and remains consistent with the project evaluated in the Initial Study and Negative Declaration for the 2021-2029 General Plan Housing Element Update that was adopted on February 9, 2022, and no additional CEQA analysis of the revised 2021-2029 General Plan Housing Element is required; and

**WHEREAS**, the City complied with California Assembly Bill 215 (2021-2022) by (a) posting the draft revised 2021-2029 General Plan Housing Element Update, including the HCD Housing Element Sites Inventory Form, for public review on its website, and (b) emailing a link to the documents to all individuals and organizations that previously requested notices related to the 2021-2029 General Plan Housing Element Update, on March 8, 2023; and

**WHEREAS**, on March 22, 2023, the City Council held a duly noticed public meeting regarding the revised 2021-2029 General Plan Housing Element Update at which the members of the City Council, utilizing their independent judgement, reviewed and considered all of the information, evidence, and testimony presented, both written and oral.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:**

**SECTION 1.** The above recitals are true and correct.

**SECTION 2.** The City Council hereby adopts the revised 2021-2029 General Plan Housing Element Update (Exhibit A), subject to the City Manager modifying the revised 2021-2029 General Plan Housing Element Update to include information regarding the meeting at which it was adopted, including date, time, participation, noticing/posting, public comments, and votes taken/cast.

**SECTION 3.** The City Manager is directed to promptly submit a copy of the adopted revised 2021-2029 General Plan Housing Element Update to HCD, as required by California Government Code Section 65585(g), and to the El Toro Water District, as required by California Government Code Section 65589.7(a).

**SECTION 4.** The Mayor shall sign this resolution and the City Clerk shall attest and certify to the passage and adoption thereof.

PASSED, APPROVED AND ADOPTED on this XX day of XX 2023.

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CYNTHIA S. CONNERS, Mayor

ATTEST:

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YOLIE TRIPPY, CMC, City Clerk

STATE OF CALIFORNIA     )  
COUNTY OF ORANGE     ) ss.  
CITY OF LAGUNA WOODS   )

I, YOLIE TRIPPY, City Clerk of the City of Laguna Woods, do HEREBY CERTIFY that the foregoing **Resolution No. 23-XX** was duly adopted by the City Council of the City of Laguna Woods at an adjourned regular meeting thereof, held on the XX day of XX 2023, by the following vote:

AYES:           COUNCILMEMBERS:  
NOES:           COUNCILMEMBERS:  
ABSENT:        COUNCILMEMBERS:

---

YOLIE TRIPPY, CMC, City Clerk

## **ITEM 8.1**

# **Exhibit A to Attachment A**

Proposed General Plan Housing Element

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# CITY OF LAGUNA WOODS GENERAL PLAN HOUSING ELEMENT

**6TH CYCLE (2021-2029)  
MARCH 2023**



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PROPOSED





## INTRODUCTION

California Government Code Section 65300 requires each city to adopt a comprehensive, long-term general plan to guide physical development. The Laguna Woods General Plan reflects the City of Laguna Woods' intentions about land use and its relationship to circulation, conservation, housing, noise, open space, and safety. This element identifies priority housing issues in Laguna Woods and sets forth goals and policies to achieve balance between the needs of the community and future development.

## PURPOSE AND SCOPE

State law requires that general plans include a housing element, as follows:

**California Government Code Section 65302(c):** [The general plan must include] a housing element as provided in [California Government Code] Article 10.6 (commencing with Section 65580).

**California Government Code Section 65583:** The housing element shall consist of an identification and analysis of existing and projected housing needs and a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. The housing element shall identify adequate sites for housing, including rental housing, factory-built housing, mobile-homes, and emergency shelters, and shall make adequate provision for the existing and projected needs of all economic segments of the community.

California Government Code Section 65583(a)(3) specifically requires that housing elements include “an inventory of land suitable and available for residential development, including vacant sites and sites having realistic and demonstrated potential for redevelopment during the planning period to meet the locality’s housing need for a designated income level, and an analysis of the relationship of zoning and public facilities and services to these sites.” For the purpose of that requirement, “housing needs for a designated income level” are quantified through the Regional Housing Needs Assessment (RHNA), which is discussed further in this element.

Additional statutory requirements related to the development and adoption



of housing elements are contained in California Government Code sections 65580 through 65589.

This element addresses the following priority issues:

- Housing development
- Housing conservation
- Affirmatively furthering fair housing
- Housing element implementation

## **REGIONAL HOUSING NEEDS ASSESSMENT**

The Regional Housing Needs Assessment (RHNA) is a process mandated by the State of California's housing laws to determine existing and future housing needs for each city and unincorporated area. Once housing needs are quantified through the RHNA process, cities and counties are required to take certain land use planning actions to allow for the construction of new housing units to meet those needs, including updating of housing elements.

The RHNA process is foundational to this element and, as such, the following information is provided to promote clarity and a common understanding of both the RHNA process and the City's associated obligations.

### FREQUENTLY ASKED QUESTIONS

*Is the RHNA process new?*

No. The RHNA process began in 1969 and has occurred on regular "cycles" since then. From 1969 until the City's incorporation on March 24, 1999, the County of Orange was responsible for RHNA compliance and land use planning in Laguna Woods. Beginning on March 24, 1999, those responsibilities transferred locally to the City.

*How does the RHNA process determine housing needs?*

The California Department of Housing and Community Development (HCD) is responsible for determining housing needs for each region's "council of



governments,” which for Laguna Woods is the Southern California Association of Governments (SCAG). The SCAG region encompasses six counties (Imperial, Los Angeles, Orange, Riverside, San Bernardino, and Ventura) and 191 cities.

HCD starts with demographic population information from the California Department of Finance and then applies a formula intended to increase housing supply and further other housing-related objectives established by the California State Legislature (see California Government Code Section 65584).

After receiving HCD’s housing needs determination, SCAG allocates HCD’s determination between individual cities and unincorporated areas. For the current 6th Cycle RHNA process (10/2021 - 10/2029 planning period), SCAG’s allocation methodology considered factors including, but not limited to, anticipated household growth, job and transit accessibility, and social equity (the distribution of housing by income categories).

**Table H-1** summarizes the City’s current housing needs allocation.

**Table H-1: 6th Cycle RHNA Housing Needs Allocation**

Income Level	Number of Units
Very-low income	127
Low income	136
Moderate income	192
Above-moderate income	542
<b>Total</b>	<b>997</b>

*What does the RHNA process require of the City?*

The City is required to zone sufficient land to allow for the construction of new housing units to meet its housing needs allocation. Such land must be “suitable for residential development,” which state law generally defines as including vacant land, residential land upon which additional housing units could be constructed, and nonresidential land that could be redeveloped to include new housing units (California Government Code Section 65583.2(a)). Such zoning must be “by right,” which means that the City is required to allow new



housing construction without requiring conditional use permits or other discretionary approvals that would constitute a “project” under the California Environmental Quality Act (CEQA).

*How does the City’s General Plan Housing Element relate to the RHNA process?*

State law requires that all cities update their general plan housing elements on either a five- or eight-year cycle (California Government Code Section 65588). The City is on an eight-year cycle with its most recent update due on October 15, 2021. Prior to adopting an updated General Plan Housing Element, the City is required to demonstrate to HCD that the update adequately plans for the City’s housing needs allocation and otherwise complies with applicable state law (California Government Code sections 65583 and 65585).

*Does the City have the ability to zone private property?*

Yes. State law requires the City to designate “the proposed general distribution and general location and extent of the uses of the land” within city limits, including both “public and private uses of land” (California Government Code Section 65302(a)). All public and private property in Laguna Woods, with the exception of public roads, is presently zoned and has been since the community was first constructed.

*Does the RHNA process require the City to construct housing?*

No. State law is explicit that the City is not required to “expend local revenues for the construction of housing, housing subsidies, or land acquisition” (California Government Code Section 65589(a)(1)).

*Does the RHNA process require private property owners to construct housing?*

No. While state law requires zoning sufficient to accommodate the City’s housing needs allocation, it does not require the use of that property to be limited to the construction of new housing units nor does it require property owners to construct housing or discontinue any existing non-housing uses. If a property owner does not wish to construct housing, zoning that allows such construction only presents an option for the future.



*Who makes the decision to construct housing?*

Housing construction requires interested property owners and interested developers. No party is obligated to construct housing or discontinue any existing non-housing uses, regardless of how property is zoned.

*Does the RHNA process allow the City to permit only senior housing?*

No. State law specifies that the RHNA process is intended to address the “housing need of persons at all income levels” with goals including “increasing the housing supply and the mix of housing types, tenure, and affordability” (California Government Code Section 65584). While property owners may choose to construct age-restricted housing, state law does not allow the City to place such a restriction on properties for the purpose of accommodating the City’s housing needs allocation.

*Does the City receive credit for existing affordable housing units?*

No. The RHNA process is focused on future housing needs. For the 6th Cycle RHNA process, credit was only provided for housing units approved, permitted, or built on or after June 30, 2021.

## **AFFIRMATIVELY FURTHERING FAIR HOUSING**

California Assembly Bill 686 (2018) chaptered into law an obligation for cities and other public agencies to “administer [...] programs and activities relating to housing and community development in a manner to affirmatively further fair housing, and take no action that is materially inconsistent with its obligation to affirmatively further fair housing.” California Government Code Section 8899.50(a)(1) defines “affirmatively furthering fair housing” as “taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining



compliance with civil rights and fair housing laws. The duty to affirmatively further fair housing extends to all of a public agency's activities and programs relating to housing and community development."

## GOALS, POLICY OBJECTIVES, AND PROGRAMS

This element is organized to be consistent with the other elements of the Laguna Woods General Plan. Goals and policy objectives provide declarative statements that set forth the City's approach to each of the priority issues.

**Goals:** General statements of desired outcomes.

**Policy Objectives:** Specific commitments to support decisions and actions consistent with a stated goal. Policy objectives provide guidance to the City Council, City advisory committees, and City staff when reviewing development applications and making other decisions that affect growth, conservation, and development.

As required by California Government Code Section 65583(c), this element also identifies programs that the City is undertaking or intends to undertake to implement the policy objectives and achieve the goals and policy objectives of the housing element during the planning period (10/2021 - 10/2029).

### Priority Issue 1. HOUSING DEVELOPMENT.

*Goal H-1. Enable the development of housing necessary to accommodate current and projected housing needs, including for lower-income households and other special needs populations.*

*Policy Objective H-1.1. Make sites available to accommodate current and projected housing needs for groups at all income levels, in accordance with California Government Code Section 65583(c)(1).*

*Program H-1.1.1. Rezone the 17 potential housing sites identified in the Housing Sites Inventory and Analysis (Exhibit C) to accommodate the City's housing needs allocation (Table H-1).*

Primary Responsibility: Planning & Environmental Services Department



Anticipated Timeline: Calendar Year 2022  
Anticipated Funding: California Senate Bill 2 (2017) Planning Grant  
Quantified Objectives: See Table H in Exhibit C

Note: The rezoning process will include the creation of four new overlay zoning districts and the adoption of minimum density and development standards for each. Specific commitments in the rezoning process include, but are not limited to, (1) complying with applicable provisions of California Government Code Section 65583.2 (h), (i), et al., including accommodating at least 50% of the lower-income housing needs allocation on sites designated for residential use only (for non-mixed use projects) and by requiring residential use to occupy 50% of the total floor area of mixed-use projects, (2) permitting housing projects by right, as required by state law, (3) permitting owner-occupied and rental multifamily uses by right for housing projects in which 20% or more of the housing units are affordable for lower-income households, (4) establishing densities for potential housing sites as specified in Table H in Exhibit C, and (5) allowing the development of housing projects as standalone uses on each potential housing site.

*Policy Objective H-1.2.* Assist in the development of adequate housing to meet the needs of extremely low, very low, low-, and moderate-income households.

*Program H-1.2.1.* Continue to maintain website information regarding fees, exactions, and affordability requirements imposed by the City that are applicable to housing development projects, in accordance with California Government Code Section 65940.1.

Primary Responsibility: Planning & Environmental Services Department  
Anticipated Timeline: Ongoing  
Anticipated Funding: General Fund  
Quantified Objectives: Conforming Website Information

*Program H-1.2.2.* Prepare and maintain a webpage with information related to the 17 potential housing sites identified in the Housing Sites Inventory and Analysis (Exhibit C), including a Geographic Information System (GIS) map layer with geospatial information.

Primary Responsibility: Planning & Environmental Services Department



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Anticipated Timeline: Calendar Year 2022  
Anticipated Funding: General Fund  
Quantified Objectives: Conforming Webpage and GIS Map Layer

*Program H-1.2.3.* Conduct a market study and then amend the existing inclusionary housing ordinance to modify the minimum percentages of new housing units that must be deed-restricted for extremely low, very low, and low-income households, as feasible and advantageous to promote the development of affordable housing.

Primary Responsibility: Planning & Environmental Services Department  
Anticipated Timeline: Calendar Year 2022  
Anticipated Funding: General Fund  
Quantified Objectives: Market Study and Conforming Ordinance (if applicable) that promotes the development of affordable housing

Note: In accordance with HCD's "Housing Element Site Inventory Guidebook Government Code Section 65583.2" memorandum dated June 10, 2020, amendment of the ordinance will follow consultation with both for-profit and nonprofit developers to determine an appropriate mix of incomes that make development feasible in Laguna Woods. The City will also consult with housing advocates. When applied to rental housing, the ordinance will include options for the developer to meet the inclusionary requirements other than exclusively requiring building affordable units on site.

*Program H-1.2.4.* Adopt an ordinance creating an expedited and fee-reduced lot consolidation process for consolidations involving any one or more of the adjacent potential housing sites identified in the Housing Sites Inventory and Analysis (Exhibit C) for the purpose of incentivizing or making more financially feasible housing projects in which at least 5% of housing units are affordable for extremely low income households; at least 10% of housing units are affordable for very low or low-income households; or, at least 50% of housing units are affordable for moderate-income households. To be eligible, the affordable housing units shall be subject to an affordability covenant for at least 55 years.

Primary Responsibility: Planning & Environmental Services Department  
Anticipated Timeline: Calendar Year 2022



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Anticipated Funding: General Fund

Quantified Objectives: Conforming Ordinance

Note: While the consolidation of potential housing sites is not assumed or relied upon in the implementation of this Housing Element, this program is intended to incentivize and make more financially feasible housing projects.

*Program H-1.2.5.* Adopt an ordinance waiving or reducing City building permit fees for housing projects in which at least 5% of housing units are affordable for extremely low income households; at least 10% of housing units are affordable for very low or low-income households; or, at least 50% of housing units are affordable for moderate-income households. To be eligible, the affordable housing units shall be subject to an affordability covenant for at least 55 years.

Primary Responsibility: Planning & Environmental Services Department

Anticipated Timeline: Calendar Year 2022

Anticipated Funding: General Fund

Quantified Objectives: Conforming Ordinance; waiver or reduction of City building permit fees for all eligible housing projects when such eligibility is known to City

*Program H-1.2.6.* Amend various, existing housing-related provisions of the Laguna Woods Municipal Code to promote regulatory clarity.

- Section 13.23.030(a)(2)c. Delete “private living space.”

Note: The language identified for deletion is duplicative within Laguna Woods Municipal Code Chapter 13.23 and is not intended to constrain the development of emergency shelters in a manner that would conflict with Assembly Bill 139 (2019).

- Section TBD. Explicitly identify that low barrier navigation centers are permitted by right in zoning districts where multifamily and mixed uses are permitted, including nonresidential zoning districts permitting multifamily uses pursuant to California Government Code Section 65660.

Note: The City is required to comply with California Government Code Section 65660 irrespective of whether explicit language is adopted as part of the Laguna Woods Municipal Code.



# HOUSING ELEMENT

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- Section TBD. Explicitly identify that zoning is consistent with the Employee Housing Act (California Health and Safety Code Section 17000 et seq.), specifically sections 17021.5 and 17021.6.

Note: The City is required to comply with the Employee Housing Act irrespective of whether explicit language is adopted as part of the Laguna Woods Municipal Code.

- Section 13.15.016(5). Explicitly identify that the required finding for applications for reasonable accommodations to not “result in a direct threat to the health and safety of other individuals or substantial physical damage to the property of others” is to be interpreted consistent with 42 U.S.C. § 3604(f)(9).

Note: The City is required to comply with 42 U.S.C. § 3604(f)(9) irrespective of whether explicit language is adopted as part of the Laguna Woods Municipal Code.

Primary Responsibility: Planning & Environmental Services Department

Anticipated Timeline: Calendar Year 2022

Anticipated Funding: General Fund

Quantified Objectives: Conforming Ordinance

*Program H-1.2.7.* Formalize written procedures for the application and processing of housing projects eligible for streamlined, ministerial approval pursuant to California Government Code Section 65913.4.

Primary Responsibility: Planning & Environmental Services Department

Anticipated Timeline: Calendar Year 2022

Anticipated Funding: General Fund

Quantified Objectives: Conforming Policy

Note: The City is required to comply with California Government Code Section 65913.4 irrespective of whether procedures are formalized in writing.

*Program H-1.2.8.* Investigate potential incentives for the development of housing projects with features that exceed the minimum requirements set forth in the California Building Energy Efficiency Standards. If feasible and economical, adopt such incentives.

Primary Responsibility: Planning & Environmental Services Department



Anticipated Timeline: Within Six Months of Each Triennial California Building Standards Code Effective Date for Investigation

Anticipated Funding: General Fund

Quantified Objectives: Report Regarding Investigation;  
Adopted Incentives (if applicable) that result in the development of housing projects with features that exceed the minimum requirements set forth in the California Building Energy Efficiency Standards for 15% or more of housing projects over the 10/2021 - 10/2029 planning period

*Policy Objective H-1.3.* Provide reasonable accommodations for housing designed for, intended for occupancy by, or with supportive services for, persons with disabilities.

*Program H-1.3.1.* Continue to consider transitional housing a residential use of property, subject only to those restrictions that apply to other residential dwellings of the same type in the same zoning district.

Primary Responsibility: Planning & Environmental Services Department

Anticipated Timeline: Ongoing

Anticipated Funding: General Fund

Quantified Objectives: Conforming Ordinance

*Program H-1.3.2.* Continue to consider supportive housing a residential use of property, subject only to those restrictions that apply to other residential dwellings of the same type in the same zoning district.

Primary Responsibility: Planning & Environmental Services Department

Anticipated Timeline: Ongoing

Anticipated Funding: General Fund

Quantified Objectives: Conforming Ordinance

*Program H-1.3.3.* Continue to permit supportive housing by right in all zoning districts where multifamily and mixed uses are permitted.

Primary Responsibility: Planning & Environmental Services Department

Anticipated Timeline: Ongoing



Anticipated Funding: General Fund

Quantified Objectives: Conforming Ordinance

*Program H-1.3.4.* Amend various, existing housing-related provisions of the Laguna Woods Municipal Code to conform to applicable law.

- Section 13.26.070. Remove the conditional use permit requirement for community care facilities serving seven to 12 persons located in areas where residential uses are permitted.
- Section 13.06.010(d)(395). Revise the zoning definition of “family” to address inconsistencies with state law related to the occupants of community care facilities.
- Sections 13.15.015 and 13.15.016. Remove the public noticing requirements for applications for reasonable accommodations.

Primary Responsibility: Planning & Environmental Services Department

Anticipated Timeline: Calendar Year 2022

Anticipated Funding: General Fund

Quantified Objectives: Conforming Ordinance

*Policy Objective H-1.4.* Incentivize and promote the creation of accessory dwelling units that can be offered at affordable rent for very low, low-, or moderate-income households.

Note: While the creation of accessory dwelling units is not assumed or relied upon in the implementation of this Housing Element, this policy objective and programs H-1.4.1 through H-1.4.3 are intended to comply with state law and encourage the creation of accessory dwelling units when such interest exists.

*Program H-1.4.1.* Continue to maintain an ordinance that conforms to the provisions of California Government Code Section 65852.2 related to accessory dwelling units and junior accessory dwelling units, including amending the ordinance as necessary.

Primary Responsibility: Planning & Environmental Services Department

Anticipated Timeline: Ongoing

Anticipated Funding: General Fund

Quantified Objectives: Conforming Ordinance



*Program H-1.4.2.* Prepare and maintain a webpage with information related to Laguna Woods Municipal Code requirements, processing procedures, and incentives pertaining to the development of accessory dwelling units and junior accessory dwelling units. Prepare and maintain a flyer with related information.

Primary Responsibility: Planning & Environmental Services Department  
Anticipated Timeline: Calendar Year 2023  
Anticipated Funding: General Fund  
Quantified Objectives: Conforming Webpage and Flyer

*Program H-1.4.3.* Designate and maintain a "specialist" to assist with the processing and approval of applications to develop accessory dwelling units and junior accessory dwelling units.

Primary Responsibility: Planning & Environmental Services Department  
Anticipated Timeline: Calendar Year 2022  
Anticipated Funding: General Fund  
Quantified Objectives: Designated Specialist

*Policy Objective H-1.5.* Make sites available to accommodate emergency housing needs for homeless persons and families, in accordance with California Government Code Section 65583(a)(7).

*Program H-1.5.1.* Continue to maintain an ordinance that conforms to the provisions of California Government Code Section 65583 related to emergency shelters, including amending the ordinance as necessary.

Primary Responsibility: Planning & Environmental Services Department  
Anticipated Timeline: Ongoing  
Anticipated Funding: General Fund  
Quantified Objectives: Conforming Ordinance

Priority Issue 2. HOUSING CONSERVATION.

*Goal H-2.* Support the conservation of housing necessary to accommodate current and projected housing needs, including for lower-income households



and other special needs populations.

*Policy Objective H-2.1.* Conserve and improve the condition of the existing affordable housing stock.

*Program H-2.1.1.* Prepare and maintain a webpage with information on home improvement-related financial assistance opportunities available to extremely low, very low, and low-income households. Train City staff to make referrals using the webpage.

Primary Responsibility: Planning & Environmental Services Department  
Anticipated Timeline: Calendar Year 2023  
Anticipated Funding: General Fund  
Quantified Objectives: Conforming Webpage and Evidence of Training

*Program H-2.1.2.* Investigate potential incentives for property owners to extend existing affordability covenants beyond the planned expiration date. If feasible and economical, adopt such incentives.

Primary Responsibility: Planning & Environmental Services Department  
Anticipated Timeline: Calendar Year 2024 for Investigation  
Anticipated Funding: General Fund  
Quantified Objectives: Report Regarding Investigation;  
Adopted Incentives (if applicable) that result in affordability covenants being extended beyond the planned expiration date for 25% or more of subject housing units over the 10/2021 - 10/2029 planning period

*Policy Objective H-2.2.* Promote accessible and accommodating housing options for persons with special needs.

*Program H-2.2.1.* Prepare and maintain a webpage with information on home improvement-related financial assistance opportunities available to persons with special needs. Train City staff to make referrals using the webpage.

Primary Responsibility: Planning & Environmental Services Department



Anticipated Timeline: Calendar Year 2023  
Anticipated Funding: General Fund  
Quantified Objectives: Conforming Webpage and Evidence of Training

*Program H-2.2.2.* Adopt an ordinance waiving or reducing City building permit fees for improvements to the home of a person at least 60 years of age with a qualifying disability that are made to accommodate that disability, as provided for by California Health and Safety Code Section 17951.7. Consider including provisions allowing for similar building permit fee waivers or reductions for improvements to the home of a person with a qualifying disability that are made to accommodate that disability, regardless of age. Prepare and maintain a flyer with related information.

Primary Responsibility: Planning & Environmental Services Department  
Anticipated Timeline: Calendar Year 2022  
Anticipated Funding: General Fund  
Quantified Objectives: Conforming Ordinance and Flyer; waiver or reduction of City building permit fees for all eligible improvements when such eligibility is known to City

*Program H-2.2.3.* Provide opportunities for reimbursements, grants, or other forms of financial assistance to support home improvements that increase accessibility or functionality for persons with special needs.

Primary Responsibility: Engineering & Infrastructure Services Department  
Anticipated Timeline: Calendar Year 2022 (as funding permits)  
Anticipated Funding: State Permanent Local Housing Allocation monies  
Quantified Objectives: Financial Assistance Opportunities; provision of financial assistance benefiting four or more housing units per 12-month period

*Policy Objective H-2.3.* Promote housing conservation and revitalization.

*Program H-2.3.1.* Formalize a proactive code enforcement program that focuses on housing-related rehabilitation needs, results in repairs, and seeks to mitigate potential cost, displacement, and relocation impacts on residents.



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Primary Responsibility:	Planning & Environmental Services Department
Anticipated Timeline:	Calendar Year 2025
Anticipated Funding:	General Fund
Quantified Objectives:	Conforming Code Enforcement Policies; resolve 25% or more proactive code enforcement cases related to housing-related rehabilitation needs within 12 months of initiation

Priority Issue 3. AFFIRMATIVELY FURTHERING FAIR HOUSING.

*Goal H-3. Administer housing and community development programs and activities in a manner to affirmatively further fair housing for all persons.*

*Policy Objective H-3.1. Enhance access to housing.*

*Program H-3.1.1. Improve pedestrian accessibility on sidewalks, curb ramps, crosswalks, and other public property connecting housing with transit stops, public buildings, businesses, and educational institutions. Prioritize improvements based on factors including:*

- The California Office of Environmental Health Hazard Assessment's California Communities Environmental Health Screening Tool ("CalEnviroScreen") scores for individual census tracts, with an emphasis on undertaking improvements in and around Census Tract 626.47 due to its comparatively higher CalEnviroScreen score, as feasible and economical; and
- Education domain scores from the California Tax Credit Allocation Committee ("TCAC")/HCD Opportunity Map, with an emphasis on undertaking improvements in and around Census Tract 626.22 due to its comparatively lower scores, as feasible and economical.

Primary Responsibility:	Engineering & Infrastructure Services Department
Anticipated Timeline:	Ongoing (as funding permits)
Anticipated Funding:	Community Development Block Grants (CDBG)
Quantified Objectives:	Ongoing Effort; expend 15% or more of monies allocated to pedestrian accessibility improvements in and around census tracts falling within the highest 50% of CalEnviroScreen scores assigned to





census tracts within Laguna Woods and within the lowest 50% of education domain scores from the TCAC/HCD Opportunity Map assigned to census tracts within Laguna Woods

Note: “Monies allocated to pedestrian accessibility improvements” does not include the proceeds of disaster relief or recovery awards; grant awards for which eligibility or competitiveness considerations resulted in applications or the acceptance of monies for work not wholly consistent with this program; restricted donations; monies allocated to address emergencies or other time-sensitive matters of public health, safety or welfare; or, similar monies.

*Program H-3.1.2.* Pursue partnerships and seek funding to provide Laguna Woods-based housing mobility counseling services. If feasible and economical, implement such services.

Primary Responsibility: Planning & Environmental Services Department  
Anticipated Timeline: Biennial Process to Identify Interested and Qualified Service Providers; Beginning in Calendar Year 2023  
Anticipated Funding: General Fund  
Quantified Objectives: Service Provider Identification Processes; Implemented Services (if applicable) that benefit four or more households per 12-month period

Note: The services called for in this program are intended to reach a broad audience. Strategies for doing so may include utilizing a variety of methods; marketing services in a broad, proactive, accessible, and multilingual manner, including targeting specific areas and needs; providing remote participation opportunities for ease of access for the general public, including persons with disabilities; and, consulting with relevant organizations. Translation services and reasonable accommodations for persons with disabilities will be provided in accordance with applicable law and City policy.

*Program H-3.1.3.* Adopt an ordinance waiving or reducing City building permit fees, or providing other incentives, for housing projects that prepare and implement an affirmative marketing plan designed to attract renters or buyers of diverse demographics, including persons of any race, color, religion, sex, handicap, familial status, or national origin. Prioritize incentives based on factors including racial concentrations from U.S. Census Bureau data products, with an emphasis on avoiding



the creation of geographically discernable patterns of segregation or racially concentrated areas of poverty.

Primary Responsibility: Planning & Environmental Services Department

Anticipated Timeline: Calendar Year 2023

Anticipated Funding: General Fund

Quantified Objectives: Conforming Ordinance; preparation and implementation of affirmative marketing plans by 50% or more of housing projects over the 10/2021 - 10/2029 planning period

*Policy Objective H-3.2.* Protect existing residents from displacement.

*Program H-3.2.1.* Prepare and maintain a webpage with information on housing mediation, foreclosure assistance, and multilingual tenant legal counseling services. Train City staff to make referrals using the webpage.

Primary Responsibility: Planning & Environmental Services Department

Anticipated Timeline: Calendar Year 2023

Anticipated Funding: General Fund

Quantified Objectives: Conforming Webpage and Evidence of Training; referral of all service-interested residents when such service-interest is known to City

*Program H-3.2.2.* Pursue partnerships and seek funding to provide Laguna Woods-based housing mediation, foreclosure assistance, and multilingual tenant legal counseling services. If feasible and economical, implement such services.

Primary Responsibility: Planning & Environmental Services Department

Anticipated Timeline: Biennial Process to Identify Interested and Qualified Service Providers; Beginning in Calendar Year 2023

Anticipated Funding: General Fund

Quantified Objectives: Service Provider Identification Processes; Implemented Services (if applicable) that benefit four or more households per 12-month period

Note: The services called for in this program are intended to reach a broad audience. Strategies for doing so may include utilizing a variety of methods;



marketing services in a broad, proactive, accessible, and multilingual manner, including targeting specific areas and needs; providing remote participation opportunities for ease of access for the general public, including persons with disabilities; and, consulting with relevant organizations. Translation services and reasonable accommodations for persons with disabilities will be provided in accordance with applicable law and City policy.

*Program H-3.2.3.* Investigate potential hazard mitigation measures that would reduce or eliminate the long-term risk of residential displacement as a result of future disasters. If feasible and economical, implement such hazard mitigation measures. Prioritize improvements based on factors including economic domain scores from the TCAC/HCD Opportunity Map for individual census tracts, with an emphasis on undertaking improvements in and around census tracts 626.22 and 626.48 due to their comparatively lower scores, as feasible and economical.

Primary Responsibility: Public Safety Services Department  
Anticipated Timeline: Calendar Year 2024 for Investigation  
Anticipated Funding: General Fund  
Quantified Objectives: Report Regarding Investigation;  
Implemented Measures (if applicable); expend 15% or more of monies allocated to hazard mitigation measures in and around census tracts falling within the lowest 50% of economic domain scores from the TCAC/HCD Opportunity Map assigned to census tracts within Laguna Woods

Note: The investigation called for in this program is a necessary precursor to the potential identification of implementable measures and associated timelines. The report regarding investigation will provide greater specificity including, as applicable, clear commitments and milestones, and measurable outcomes.

Note: "Monies allocated to hazard mitigation measures" does not include the proceeds of disaster relief or recovery awards; grant awards for which eligibility or competitiveness considerations resulted in applications or the acceptance of monies for work not wholly consistent with this program; restricted donations; monies allocated to address emergencies or other time-sensitive matters of public health, safety or welfare; or, similar monies.

Note: Programs H-1.2.3 (pertaining to inclusionary housing), H-2.2.2 (pertaining to fee waivers or reductions for disability-related improvements), and H-2.2.3



(pertaining to financial assistance for home accessibility improvements) relate to affirmatively furthering fair housing by promoting housing supply, choices, and affordability, but are included under other priority issues in this element due to the manner in which this element is structured. Similarly, Program H-2.1.2 (pertaining to potential incentives for extended affordability covenants) relates to affirmatively furthering fair housing by protecting existing residents from displacement and Program H-2.3.1 (pertaining to proactive code enforcement) relates to affirmatively furthering fair housing by using place-based strategies to encourage community conservation and revitalization.

#### Priority Issue 4. HOUSING ELEMENT IMPLEMENTATION.

*Goal H-4. Provide for analysis related to housing element implementation.*

*Policy Objective H-4.1. Conduct annual monitoring of the housing element.*

*Program H-4.1.1. Host an annual public forum to:*

- Provide public education related to the purpose and scope of the housing element, as well as progress in its implementation; and
- Solicit public input on the implementation of the housing element, existing and projected housing needs for all economic segments, and resources and constraints relevant to meeting housing needs.

Primary Responsibility: Planning & Environmental Services Department

Anticipated Timeline: Annually; Beginning in Calendar Year 2023

Anticipated Funding: General Fund

Quantified Objectives: Public Forums

*Program H-4.1.2. Prepare and submit an annual report to the City Council, California Governor's Office of Planning and Research, and HCD with:*

- The information required by California Government Code Section 65400(a)(2), in the form and manner specified; and
- A statement regarding the general plan's internal consistency and, if necessary, the identification of corrective actions that will be taken to resolve any internal inconsistency.

Primary Responsibility: Planning & Environmental Services Department



Anticipated Timeline: Annually; Prior to April 1

Anticipated Funding: General Fund

Quantified Objectives: Conforming Reports and Public Meetings

Note: Pursuant to California Government Code Section 65400(a)(2)(B)(ii), the annual report information required by California Government Code Section 65400(a)(2) shall be considered at an annual public meeting before the City Council where members of the public are allowed to provide oral testimony and written comments. This program requires certain other information to be included in the annual report, which will also then be subject to consideration at the annual public meeting.

*Policy Objective H-4.2.* Coordinate implementation of this housing element with the water and sewer agency.

*Program H-4.2.1.* Deliver each adopted housing element (including amendments thereto) to the El Toro Water District, in accordance with California Government Code Section 65589.7(a).

Primary Responsibility: Planning & Environmental Services Department

Anticipated Timeline: Immediately Following Each Adoption

Anticipated Funding: General Fund

Quantified Objectives: Conforming Deliveries

Note: California Government Code Section 65589.7(a) generally requires the El Toro Water District to grant a priority for the provision of water and sewer services to housing projects that include housing units affordable to lower-income households.

## **EXHIBITS**

The following exhibits are attached hereto and incorporated by reference:

- Exhibit A – Housing Needs Assessment
- Exhibit B – Constraints Analysis
- Exhibit C – Housing Sites Inventory and Analysis
- Exhibit D – Housing Element Performance Assessment
- Exhibit E – Public Participation Efforts

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**EXHIBIT A**

**HOUSING NEEDS ASSESSMENT**

**CITY OF LAGUNA WOODS**

PROPOSED

**LSA**

March 2023

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PROPOSED



# HOUSING NEEDS ASSESSMENT

## CITY OF LAGUNA WOODS

Submitted to:

City of Laguna Woods  
24264 El Toro Road  
Laguna Woods, California 92637

Prepared by:

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Project No. LWD2101

# LSA

March 2023

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## LIST OF ABBREVIATIONS AND ACRONYMS

AB	Assembly Bill
ACS	American Community Survey
ADA	Americans with Disabilities Act
AFFH	Affirmatively Furthering Fair Housing
AMI	area median income
CalEnviroScreen	California Communities Environmental Health Screening Tool
CBC	California Building Code
CC	Community Commercial
CIP	Capital Improvement Program
City	City of Laguna Woods
CoC	Continuum of Care
County	County of Orange
CUP	Conditional Use Permit
DDS	California Department of Developmental Services
FHA	Fair Housing Act
FHCOC	Fair Housing Council of Orange County
FHEO	Fair Housing Enforcement and Outreach
HCD	Housing and Community Development Department of the State of California
HUD	United States Department of Housing and Urban Development
LIHTC	Low Income Housing Tax Credit
OEHHA	Office of Environmental Health Hazard Assessment
R/ECAP	racially/ethnically concentrated area of poverty
RC	Residential Community
RCAA	Racially Concentrated Areas of Affluence
RHNA	Regional Housing Needs Assessment
RMF	Residential Multifamily
SCAG	Southern California Association of Governments
TCAC	California Tax Credit Allocation Committee

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## 1.0 HOUSING NEEDS ASSESSMENT

State Housing Element law requires local governments to adequately plan to meet their existing and projected housing needs, including their share of the Regional Housing Needs Assessment (RHNA) allocation. Specifically, Government Code Section 65583(a) requires an assessment of housing needs and an inventory of resources and constraints relevant to the meeting of these needs. This section of the Housing Element examines the characteristics of Laguna Woods' population and housing stock as a means of better understanding the nature and extent of unmet housing needs. The Housing Needs Assessment is comprised of the following components: (1) Demographic Profile; (2) Household Profile; (3) Housing Stock Characteristics; (4) Affirmatively Furthering Fair Housing; and (5) Regional Housing Needs.

### 1.1 DEMOGRAPHIC PROFILE

Demographic changes such as population growth or changes in age can affect the type and amount of housing needed in a community. This section addresses the population, age, and race and ethnicity of Laguna Woods residents.

#### 1.1.1 Population Growth and Trends

Table A presents population growth trends in Laguna Woods from 1990 to 2020 and compares this growth to neighboring jurisdictions and Orange County. As shown, Orange County experienced the highest level of growth during the 1990s (18 percent). Neighboring jurisdictions experienced their highest level of growth during the 2000 to 2010 period (48 percent in Irvine and almost 32 percent in Lake Forest). However, during the 2000 to 2010 period, Laguna Woods experienced a decrease in its population. As will be discussed in further detail below, Laguna Woods residents are significantly older, on average, than the rest of Orange County. This means that Laguna Woods' population growth due to natural increase (births minus deaths) is slower than other parts of Orange County.

**Table A: Regional Population Growth Trends**

Jurisdiction	1990	2000	2010	2020	Percent Change		
					1990–2000	2000–2010	2010–2020
Laguna Woods	N/A	17,794	16,273	16,243	N/A	-8.55%	-0.18%
Aliso Viejo	N/A	N/A	47,816	50,044	N/A	N/A	4.66%
Irvine	110,330	143,072	212,375	281,707	29.68%	48.44%	32.65%
Laguna Beach	23,170	23,727	22,723	22,343	2.40%	-4.23%	-1.67%
Laguna Hills	N/A	29,891	30,270	31,508	N/A	1.27%	4.09%
Lake Forest	N/A	58,707	77,395	84,711	N/A	31.83%	9.45%
Orange County	2,410,668	2,846,289	3,010,232	3,194,332	18.07%	5.76%	6.12%

Sources: (1) California Department of Finance, Demographic Research Unit, Report E-5;

(2) California Department of Finance, Demographic Research Unit, Report E-8 City/County/State Population and Housing Estimates;

(3) California Department of Finance, Demographic Research Unit, E-4 Revised Historical.

N/A = Not Applicable

Census data from 2000 to 2010 show that a reduction in the population growth rate for Orange County occurred during the decade. Countywide, population growth dropped to approximately 6 percent, while some local communities, such as Irvine and Lake Forest, experienced robust growth due to the development of new housing. Laguna Woods experienced a population decrease of approximately 9 percent during this period.

While most of the neighboring communities grew modestly between 2010 and 2020, the population of Laguna Woods in 2020 was estimated to be 16,243, approximately less than 1 percent lower than in 2010. The growth rate of Orange County as a whole was 6 percent, more than six times that of Laguna Woods. Of the surrounding communities shown, only Aliso Viejo had a growth rate that was close to that of Orange County. Laguna Woods saw a 0.18 percent population decrease from 2010 to 2020. However, this is much less of a decrease compared to the previous decade.

The Southern California Association of Governments (SCAG) projects that the population of Laguna Woods will grow to 16,500 by 2045. This represents a growth rate of approximately 1.6 percent over the next 25 years. It should be noted that SCAG’s growth projection does not reflect potential population growth due to Laguna Woods’ RHNA allocation, which is discussed in further detail in Section 1.5, Regional Housing Needs.

**1.1.2 Age Characteristics**

Table B shows the age distribution and median age of Laguna Woods’ population in 2010 and 2018 and compares this with Orange County as a whole. Table B indicates that seniors aged 65 and older were the largest population group in Laguna Woods in 2010 (80 percent) and 2018 (83 percent). The proportion of the population within the younger age groups (under 5 years, 5 to 17 years, and 18 to 24 years) decreased since 2010, while there was an increase in the older adult population. The proportion of seniors (ages 65 and older) increased from 80 percent to 83 percent. However, Laguna Woods’ median age decreased from 78 in 2010 to 75 in 2018.

**Table B: Age Distribution**

Age Group	2010		2018		
	Population	Percent	Population	Percent	Orange County Percent
Under 5 years	33	0.2%	0	0.0%	6.0%
5-17 years	65	0.4%	10	0.1%	17.0%
18-24 years	49	0.3%	23	0.1%	9.5%
25-44 years	179	1.1%	100	0.6%	27.4%
45-64 years	2,982	18.3%	2,666	16.5%	26.6%
65+ years	12,987	79.7%	13,429	82.8%	13.9%
<b>Total</b>	<b>16,295</b>	<b>100.0%</b>	<b>16,228</b>	<b>100.0%</b>	<b>100.0%</b>
Median Age	78		75		38

Sources: (1) 2010 ACS 5-Year Estimates (Table S0101);  
(2) 2018 ACS 5-Year Estimates (Table S0101).

Overall, the age distribution for Laguna Woods is skewed toward higher percentages of senior populations compared with Orange County as a whole. As shown in Table B, the percentage of the Laguna Woods’ population that is 65 years of age and older (83 percent) is substantially higher than that of Orange County (14 percent). Laguna Woods’ median age (75) is also substantially higher than



Orange County's median age (38). This reflects the fact that a large percentage of Laguna Woods residents live in Laguna Woods Village, an age-restricted retirement community for residents who are 55 years of age and older that occupies a majority of Laguna Woods' area. The proportion of children (ages 17 and under) and adults aged 18 to 64 are also notably lower in Laguna Woods compared to Orange County.

### 1.1.3 Race and Ethnicity

Historically, White residents have been the majority racial group within Laguna Woods. Table C displays the racial and ethnic composition of Laguna Woods' population in 2010 and 2018 and compares this with the countywide distribution. While changes since 2010 have generally been slight, Laguna Woods is trending toward a more diverse population. In 2018, White residents made up 78 percent of Laguna Woods' population, representing an 11 percent decrease since 2010. The proportion of White residents in Laguna Woods is also notably higher than that of Orange County as a whole (61 percent countywide).

**Table C: Racial and Ethnic Composition (2010 and 2018)**

Racial/Ethnic Group	2010		2018		
	Persons	Percent	Persons	Percent	Orange County Percent
White	14,499	89.0%	12,678	78.1%	61.7%
Asian/Pacific Islander	1,357	8.3%	3,142	19.4%	20.4%
Black or African American	126	0.8%	73	0.4%	1.7%
American Indian	0	0.0%	8	0.0%	0.5%
Other Race	208	1.3%	172	1.1%	11.7%
Two or More Races	105	0.6%	155	1.0%	4.1%
<b>Total</b>	<b>16,295</b>		<b>16,228</b>		
Hispanic	723	4.4%	821	5.1%	34.1%
Non-Hispanic	15,572	95.6%	15,407	94.9%	65.9%
<b>Total</b>	<b>16,295</b>		<b>16,228</b>		

Sources: (1) 2010 ACS 5-year estimates (Tables C02003 and B03003);  
(2) 2018 ACS 5-year estimates (Tables C02003 and B03002).

While only representing 19 percent of the total population in 2018, the number of Asian/Pacific Islander residents has increased by 11 percent since 2010. Laguna Woods' Asian/Pacific Islander population is now on par with Orange County (19 percent compared to 20 percent). Chinese is the predominant Asian ethnicity represented in Laguna Woods, making up approximately 9 percent of Laguna Woods' total population. There are also large populations of Korean and Filipino residents within Laguna Woods.

The Hispanic population increased by approximately 1 percent from 2010 to 2018. The estimated proportion of Hispanic residents in 2018 was 5 percent, still markedly lower than Orange County, which has an estimated 34 percent Hispanic population.

### 1.1.4 Employment

An evaluation of the types of jobs held by community residents provides insight into potential earning power and the segment of the housing market into which they fall. Information on how a community's

employment base is growing and changing can help identify potential housing demand changes in the future.

The State Employment Development Department estimates that 2,900 Laguna Woods residents (or approximately 18 percent of Laguna Woods’ population) were in the labor force in January 2021. This reflects the fact that Laguna Woods’ housing stock is predominantly age-restricted. Laguna Woods has seen a drastic increase in unemployment since March 2020 due to the onset of the COVID-19 pandemic. In January 2020, Laguna Woods’ unemployment rate was at 2.2 percent; however, it rose sharply in the spring and peaked at 11.6 percent in May 2020. As of January 2021, the unemployment rate within Laguna Woods was 5.6 percent. The unemployment rate of Orange County was at 2.9 percent in January 2020 and has seen a similar spike. As of January 2021, unemployment in Orange County as a whole was 7.4 percent. While the region’s economy appears to show signs of recovery, the long-term impacts of the COVID-19 pandemic on employment within Laguna Woods and Orange County remain unknown.

Table D presents the occupations of Laguna Woods residents, based on the 2014–2018 American Community Survey (ACS) estimates. The largest proportion of Laguna Woods residents are employed in educational services and health care and social assistance occupations at 22 percent, followed by finance and insurance and real estate, rental, and leasing occupations at 15.6 percent. Approximately 61 percent of employed residents in Laguna Woods commute less than 25 minutes to work, indicating that a majority of working residents hold jobs within Laguna Woods or in immediately adjacent communities.

**Table D: Occupation of Residents (2018)**

Occupation	Population	Percent
Agriculture, forestry, fishing and hunting, and mining	0	0.0%
Construction	52	1.7%
Manufacturing	285	9.2%
Wholesale trade	123	4.0%
Retail trade	347	11.2%
Transportation and warehousing, and utilities	78	2.5%
Information	42	1.4%
Finance and insurance, and real estate and rental and leasing	484	15.6%
Professional, scientific, and management, and administrative and waste management services	483	15.5%
Educational services, and health care and social assistance	695	22.4%
Arts, entertainment, and recreation, and accommodation and food services	249	8.0%
Other services, except public administration	188	6.0%
Public administration	83	2.7%
<b>Total Civilians Employed</b>	<b>3,109</b>	<b>100.00%</b>

Source: 2018 ACS 5-year estimates (Table S2405).

Laguna Woods itself has a limited employment base. As of 2019, the five largest employers in Laguna Woods were Laguna Woods Village, Professional Community Management of California, Stater Brothers, Rainbow Realty Corporation, and OCB Restaurant Company.

In 2019, the Orange County Business Council updated the results of its Workforce Housing Scorecard. This report provides a comprehensive evaluation of the current and future state of Orange County's housing supply and demand and its impact on the business community. Based on the following criteria, the scorecard rates each jurisdiction's record over the 2016 to 2030 time period in addressing workforce housing needs:

- Total job growth
- Housing as a percent of total Orange County housing
- Jobs-to-housing ratio
- Change in housing density

Based on the above factors, Laguna Woods ranks 33<sup>rd</sup> of the 34 cities in Orange County. Rankings are weighted toward larger cities and cities experiencing new housing development (Irvine was ranked 1<sup>st</sup>); therefore, a ranking of 33<sup>rd</sup> is expected for Laguna Woods, as it is the 31<sup>st</sup> largest city within Orange County and has not experienced any new housing growth since the development of the San Sebastian Apartments in 2008. It should be noted that Laguna Woods ranked 26<sup>th</sup> in job growth, indicating a modest need for new housing within Laguna Woods.

## 1.2 HOUSEHOLD PROFILE

Household type and size, income levels, and the presence of special-needs populations all affect the type of housing needed by residents and are important indicators of where intervention and/or housing programs may be needed. Household income levels are indicators of housing affordability, just as the ratio of owners to renters may impact the stability of the housing market. This section details the various household characteristics affecting housing needs in Laguna Woods.

### 1.2.1 Household Type

A household is defined as the total number of persons living in a housing unit, whether related or unrelated. The Census Bureau definition of a "family" is a group of two people or more (one of whom is the householder) related by birth, marriage, or adoption and residing together; all such people (including related subfamily members) are considered as members of one family. A single person living alone is also a household. "Other" households are unrelated people residing in the same dwelling unit. Group quarters, such as dormitories or convalescent homes, are not considered households.

As shown in Table E, the 2014–2018 ACS estimates there are 11,156 households in Laguna Woods, with an average household size of 1.45 persons and an average family size of 2.07 persons. While the average household size in Laguna Woods saw a 2.8 percent increase from 2010, the average family size decreased by 2.4 percent. Laguna Woods' average household and family size is lower compared to that of Orange County as a whole (3.02 and 3.51, respectively).

**Table E: Household Characteristics (2010 and 2018)**

Household & Family Type	2010		2018		Percent Change
	Number	Percent	Number	Percent	
<b>Total Population</b>	<b>16,295</b>	100.0%	<b>16,228</b>	100.0%	-0.4%
In Group Quarters	167	1.0%	N/A	N/A	N/A
<b>Total Households</b>	<b>11,470</b>	100.0%	<b>11,156</b>	100.0%	-2.7%
Family Households	3,733	32.5%	4,107	36.8%	10.0%
Married Couple Families	3,215	28.0%	3,645	32.7%	13.4%
Single Parent Households	29	0.3%	0	0.0%	-100.0%
Non-family Households	7,737	67.5%	7,049	63.2%	-8.9%
Householder Living Alone	7,272	63.4%	6,593	59.1%	-9.3%
Householder 65+ (Alone)	6,343	55.3%	5,723	51.3%	-9.8%
Average Household Size	1.41		1.45		2.8%
Average Family Size	2.12		2.07		-2.4%

Sources: (1) 2010 and 2018 ACS 5-year estimates (Table S1101);

(2) 2010 Census (Table PCT38).

N/A = Not Applicable

Nonfamilies constitute the majority of households in Laguna Woods (63 percent). The proportion of single-parent households has also remained steady at approximately 4 percent of all households. Family households constituted about 37 percent of all households in 2018, an increase of 10 percent since 2010. Approximately 90 percent of family households are married-couple households, and this has increased since 2010. The proportion of householders living alone also decreased between 2010 and 2018.

## 1.2.2 Household Income

Household income is one of the most important factors affecting housing opportunity and determining a household’s ability to balance housing costs with other basic necessities of life while avoiding housing problems such as cost burden and overcrowding.

### 1.2.2.1 Income Definitions

The State and federal governments classify household income into several groupings based upon the relationship to the county area median income (AMI), adjusted for household size. The Housing and Community Development Department of the State of California (HCD) utilizes the income groups presented in Table F. Federal housing programs utilize slightly different income groupings and definitions, with the highest income category generally ending at >95 percent AMI. For purposes of the Housing Element, the State HCD income definitions are used throughout, with the exception of data compiled by the United States Department of Housing and Urban Development (HUD), which is specifically noted.

**Table F: HCD Income Categories**

Income Category	Percent Annual Median Income (AMI)
Extremely Low	0-30% AMI
Very Low	0-50% AMI
Low	51-80% AMI
Moderate	81-120% AMI
Above Moderate	120%+ AMI

Source: California Department of Housing and Community Development.

**1.2.2.2 Income Characteristics**

The 2014–2018 ACS estimated the median annual income of households in Laguna Woods to be \$41,928. This is an increase of approximately 13 percent from 2010, when the median annual income was \$36,818. Figure 1 illustrates the 2018 median household income for Laguna Woods and surrounding communities and compares them to the median income for Orange County. Of the jurisdictions included, Laguna Woods had a significantly lower median household income than the Orange County median of \$85,398.

**Figure 1: Median Household Income (2018)**

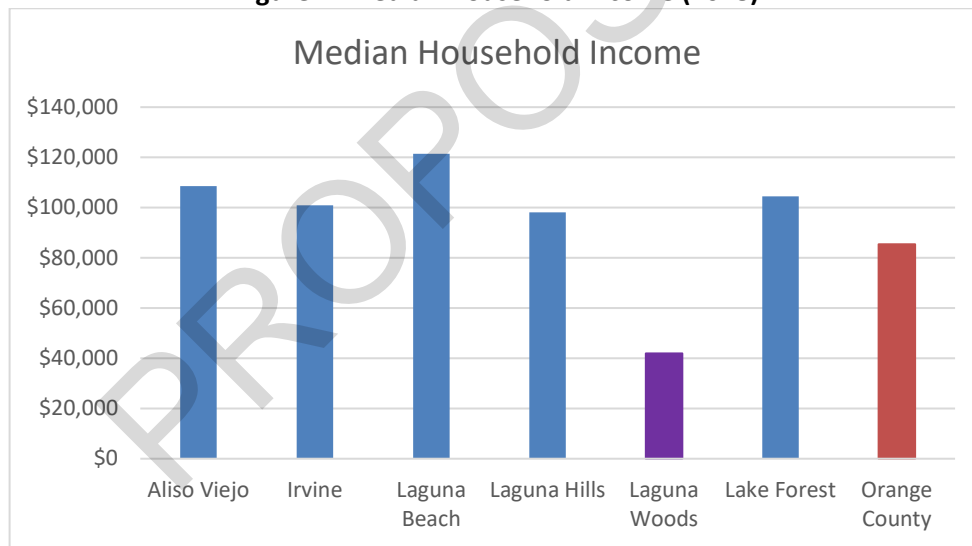


Table G shows the number of Laguna Woods households living within the HCD income categories described above for 2010 and 2017. The number of households within the very low- and low-income categories has decreased overall since 2010. As of 2017, approximately 69 percent of Laguna Woods households fell within one of the lower income categories. The proportion of households with moderate or above-moderate incomes increased from 30.1 percent in 2010 to 31.1 percent in 2017.

**Table G: Household Income Levels (2010–2018)**

Income Level	2010		2017		2010–2017 Percent Change
	Households	Percent	Households	Percent	
Extremely Low Income (<30% AMI)	2,870	25.2%	2,880	25.6%	0.3%
Very Low Income (31-50% AMI)	2,650	23.3%	2,455	21.8%	-7.4%
Low Income (51-80% AMI)	2,435	21.4%	2,415	21.5%	-0.8%
Moderate/Above Moderate Income (>80% AMI)	3,420	30.1%	3,500	31.1%	2.3%
<b>Total Households</b>	<b>11,375</b>	<b>100.0%</b>	<b>11,250</b>	<b>100.0%</b>	<b>-1.1%</b>

Source: CHAS Data, 2010 and 2017.  
AMI = Annual Median Income

Table H shows the income level of Laguna Woods households by tenure. A total of 76 percent of renter households were lower income (<80 percent AMI), compared to 67 percent of owner households. 31 percent of renter households were categorized as extremely low income (<30 percent AMI), and 26 percent were very low income households (31 to 50 percent AMI).

**Table H: Household Income Levels by Tenure (2017)**

Income Level	Renter		Owner	
	Households	Percent	Households	Percent
Extremely Low Income (<30% AMI)	840	31.2%	2,040	23.8%
Very Low Income (31-50% AMI)	685	25.5%	1,770	20.7%
Low Income (51-80% AMI)	505	18.8%	1,910	22.3%
Moderate Income & Above (> 80% AMI)	660	24.5%	2,840	33.2%
<b>Total</b>	<b>2,690</b>	<b>100.0%</b>	<b>8,560</b>	<b>100.0%</b>

Source: CHAS Data, 2017.  
AMI = Annual Median Income

### 1.2.2.3 Households in Poverty

The federal government publishes national poverty thresholds that define the minimum income level necessary to obtain the necessities of life. Table I shows the number of households within Laguna Woods living in poverty by household type. A total of 242 households within Laguna Woods are living below the federal poverty threshold, representing approximately 6 percent of all households. Approximately 1 percent of all households in Laguna Woods are female-headed households living below the poverty level. Of these female-headed households living below the poverty level, 9 of the households (or 0.2 percent of all households in Laguna Woods) have children under the age of 18. Another significant group living in poverty are seniors. As shown in Table I, approximately 6 percent of all households in Laguna Woods are senior-headed households living below the poverty level.

**Table I: Poverty by Household Type**

Household Type	Below Poverty Level	
	Number	Percent
Family Households	242	6.1%
Female-Headed Households	36	0.9%
With Children	9	0.2%
Senior-Headed Households (65+)	230	5.8%

Source: 2019 ACS 5-year estimates.

### 1.2.3 Special-Needs Populations

State law recognizes that certain households have more difficulty in finding adequate and affordable housing due to special circumstances and may also have lower incomes as a result of these circumstances. Special-needs populations include seniors, persons with disabilities, female-headed households, large households, farmworkers, and the homeless. Table J summarizes the special-needs populations in Laguna Woods. Each of these population groups, as well as their housing needs, is described below.

**Table J: Special Needs Groups**

Special Needs Group	Persons or Households	Renter	Owner	Percent of Total
Households with a Senior Member	9,701	--	--	88.2%
Senior-headed Households	3,495	--	--	26.3%
Seniors Living Alone	5,622	--	--	42.3%
Single-Parent Households	0	--	--	0.0%
Female Single-Parent Households	0	--	--	0.0%
Large Households (5+ members)	13	0	13	0.3%
Agricultural Workers	0	--	--	0.0%
Persons with Disabilities	4,364	--	--	27.3%
Homeless	5	--	--	0.04%

Sources: (1) 2019 ACS 5-year estimates;  
(2) 2019 homelessness point-in-time counts processed by SCAG.  
-- = Data not available.

#### 1.2.3.1 Large Households

Large households consist of five or more persons and are considered a special-needs group due to the limited availability of affordable and adequately sized housing. Large households often live in overcrowded conditions due to both the lack of large-enough units and insufficient income to afford available units of adequate size. In 2018, Laguna Woods had a total of 13 large households, representing 0.3 percent of total households in Laguna Woods. These large households consisted entirely of owner households (Table J). Laguna Woods has a small number of larger homes compared to many communities in the region, with only 100 housing units (0.9 percent of all occupied housing units) containing four or more bedrooms, according to the 2014–2018 ACS. This suggests that Laguna Woods does not have any unmet housing need for large households.

#### 1.2.3.2 Senior Households

Approximately 83 percent of Laguna Woods residents are age 65 or older. This is an increase from 2010, when 80 percent of the population were seniors. Senior-headed households make up a significant proportion (26 percent) of all households in Laguna Woods. Additionally, 42 percent of all households in Laguna Woods are seniors living alone.

Seniors may have a number of special needs including, housing, transportation, health care, and other services. Approximately 30 percent of Laguna Woods' senior population has one or more disability that may need to be taken into consideration when finding appropriate housing. Rising rents are a particular concern due to the fact that most seniors are on fixed incomes.

Laguna Woods is unique in that it predominantly comprises private communities that are age-restricted for adults 55 years and older. Of the housing units in Laguna Woods, the majority are located in the private gated community of Laguna Woods Village, with the remaining units in four separate communities. The various housing options, levels of amenities, and services provided at each of these communities are described below. There is a discrepancy of the total number of housing units located in Laguna Woods between City of Laguna Woods (City) records and the United States Census. It should be noted that the City's records, which reflect the numbers identified below, total 13,386, which is 988 more than what is identified by the United States Census (12,398 housing units).

- **Laguna Woods Village:** Laguna Woods Village contains 12,736 owned condominium and cooperative units. Owners within Laguna Woods Village pay a homeowners' association fee that is used to provide residents with public transportation, patrolled private security, clubhouses with special programs, and recreational activities. Also included within the Laguna Woods Village community are two golf courses for the private use of Laguna Woods Village residents.
- **Las Palmas:** Las Palmas is a licensed residential care community with 184 rental units. Services include the dispensing of medication and assistance with bathing, dressing, and other activities of daily living determined by a care plan tailored to specifically meet the individual needs of the residents. Amenities include meal service, transportation, housekeeping, laundry services, and access to recreational facilities, including a putting green, shuffleboard court, pool, and spa. Activity programs include regular trips to shopping centers and other destinations.
- **The Regency:** The Regency is a licensed residential care community that consists of 192 rental units for seniors and offers both independent and assisted living on a month-to-month basis. Services and amenities include daily meals, housekeeping, laundry services for bed and bath linens, scheduled transportation, group excursions, and social events. The Regency is the only residential community that, under unique circumstances, will accommodate individuals younger than 55 within its assisted living facility.
- **San Sebastian:** San Sebastian contains 134 rental units, including 17 affordable units for lower-income residents. San Sebastian is also an age-restricted independent living apartment facility; therefore, all of the affordable housing units at San Sebastian are reserved for seniors.
- **Whispering Fountains:** Whispering Fountains contains 140 rental units. Although age-restricted, the Fountains operates as an apartment community and does not provide assisted living services, special programs, or amenities.

Several resources for seniors exist in and near Laguna Woods and include the following:

- **Age Well Senior Services:** This nonprofit organization provides health and wellness programs, home delivery of meals, and nonemergency medical transit service to seniors in Laguna Woods. The organization operates the Florence Sylvester Memorial Senior Center in neighboring Laguna Hills, where it provides congregate meals, social services case management, senior activities and classes, information, and referral services.



- **Foundation of Laguna Woods Village:** This nonprofit organization partners with the Laguna Woods Village Social Services Department to provide temporary emergency financial assistance with supermarket cash cards, prescription payments, bill payments for utility services, medical and dental, caregiver and respite care services, taxi vouchers for travel to health care providers in Orange County, and gas cards to qualifying residents of Laguna Woods Village.
- **Helping Hands Senior Foundation:** This nonprofit organization provides social workers who can connect seniors with free or low-cost in-home health care, palliative care, adult day care, medical equipment, food assistance, and financial assistance resources, as well as provide support with navigating health insurance claims and payments.
- **Laguna Woods Village Social Services Department:** This private organization offers social workers who can help Laguna Woods Village residents with short-term counseling, crisis intervention, support groups, educational programs, long-term care planning, and resource referrals.
- **Orange County Housing Authority:** This government agency is responsible for administering federally funded programs that provide monthly rental assistance to qualified tenants, including low-income seniors, in privately owned rental housing in Orange County. The largest such program is referred to as the Housing Choice Voucher Program. Participants who receive a Housing Voucher can use this rental assistance in a variety of rental dwellings and locations with almost any property owner who is willing to participate in the program.

Based on the available resources in the community, there is no unmet need for senior housing.

#### 1.2.3.3 Single-Parent Households

Single-parent households typically have a special need for such services as childcare and health care, among others, and often live with only one income. According to the 2014–2018 ACS, Laguna Woods did not have any single-parent households with young children (under the age of 18) (Table J). Therefore, Laguna Woods does not have any unmet housing need for single-parent households, including female-headed households.

#### 1.2.3.4 Persons with Disabilities

Under the Americans with Disabilities Act (ADA), an individual with a disability is defined as a person who has a physical or mental impairment that substantially limits one or more major life activities, a person who has a history or record of such an impairment, or a person who is perceived by others as having such an impairment.<sup>1</sup> Major life activities include, but are not limited to, caring for oneself, performing manual tasks, seeing, hearing, eating, sleeping, walking, standing, lifting, bending, speaking, breathing, learning, reading, concentrating, thinking, communicating, and working.<sup>2</sup>

<sup>1</sup> United States Department of Justice. 2020. A Guide to Disability Rights Laws. February. Website: <https://www.ada.gov/cguide.htm#anchor62335> (accessed April 23, 2021).

<sup>2</sup> United States Department of Labor. 2009. ADA Amendments Act of 2008 Frequently Asked Questions. January 1. Website: <https://www.dol.gov/agencies/ofccp/faqs/americans-with-disabilities-act-amendments#:~:text=Major%20life%20activities%20include%2C%20but,thinking%2C%20communicating%2C%20and%20working> (accessed April 23, 2021).

Disabled persons often have special housing needs related to limited earning capacity, a lack of accessible and affordable housing, and higher health costs associated with a disability. In recognition of the fact that disabilities can affect a range of major life activities, the ACS questionnaire gathers data about six key disability types: hearing difficulty, vision difficulty, cognitive difficulty, ambulatory difficulty, self-care disability, and independent living difficulty. Table K shows the number of Laguna Woods residents with a disability as well as the number of Laguna Woods residents 65 years of age or older that have a disability. According to the 2014–2018 ACS, an estimated 27 percent of Laguna Woods residents (4,364 persons) have one or more disabilities. Approximately 30 percent of the senior population have one or more disabilities.

**Table K: Disability Status**

Disability Type	Persons with Disability	Percent of Total	Persons with Disability, Age 65+	Percent of Total
With a hearing difficulty	1,844	11.5%	1,733	13.1%
With a vision difficulty	705	4.4%	658	5.0%
With a cognitive difficulty	1,058	6.6%	925	7.0%
With an ambulatory difficulty	2,651	16.6%	2,473	18.7%
With a self-care difficulty	1,180	7.4%	1,123	8.5%
With an independent living difficulty	1,774	11.1%	1,650	12.5%
<b>Total Persons with Disabilities</b>	<b>4,364</b>	<b>100.00%</b>	<b>3,972</b>	<b>100.00%</b>

Source: 2019 ACS 5-year estimates (Table S1810).

Disabled individuals have unique housing needs because they may be limited in mobility or in their ability to care for themselves. In addition, the earning power of disabled persons may be limited. Their housing need is also often compounded by design and location requirements, which can drive up housing costs. For example, wheelchair-bound or semi-ambulatory individuals may require ramps, holding bars, special bathroom designs, wider doorways, lower cabinets, and other interior and exterior design features. Affordable housing and housing programs that address accessibility can assist these individuals with their specific housing needs.

There are a number of housing types appropriate for people living with a disability: rent-subsidized homes, licensed and unlicensed single-family homes, inclusionary housing, Housing Choice vouchers, special programs for home purchase, HUD housing, and group homes. The design of housing accessibility modifications, the proximity to services and transit, and the availability of group living opportunities represent some of the types of considerations that are important in serving this needs group. Incorporating barrier-free design in all new multifamily housing (as required by California and federal fair housing laws) is especially important to provide the widest range of choices for disabled residents. Special consideration should also be given to the affordability of housing, as people with disabilities may be living on a fixed income.

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 (that is, modifications or exceptions) in their zoning and other land use regulations when such accommodations may be necessary to afford disabled persons an equal opportunity to use and enjoy a dwelling. For example, it may be a reasonable accommodation to allow covered ramps in the setbacks of properties that have already been developed to accommodate residents with mobility impairments.

The City does not require special building codes or onerous project review to construct, improve, or convert housing for persons with disabilities. Community care facilities with six or fewer persons are permitted by right in all residential zoning districts. Community care facilities with seven or more persons are permitted in all residential zoning districts, subject to Conditional Use Permit (CUP) approval. In addition, several housing types for persons with disabilities require a CUP that is no more stringent than those for other conditional uses:

- Congregate care facilities are permitted with an approved use permit in all residential zones and the Community Commercial (CC) zone.
- Family Day Care for 14 or fewer persons is also permitted in the Residential Multifamily (RMF) and Residential Community (RC) zones.

The City has adopted the 2019 California Building Code (CBC). Standards within the CBC include provisions to ensure accessibility for persons with disabilities. These standards are consistent with the Americans with Disabilities Act. No local amendments that would constrain accessibility or increase the cost of housing for persons with disabilities have been adopted.

As discussed previously, Laguna Woods has two residential care facilities that are licensed by the State Community Care Licensing Division of the California Department of Social Services: Las Palmas and the Regency.

#### 1.2.3.5 Developmentally Disabled

According to California Welfare and Institutions Code Section 4512, a developmental disability means “a disability that originates before an individual attains age 18 years, continues, or can be expected to continue, indefinitely, and constitutes a substantial disability for that individual. As defined by the Director of Developmental Services, in consultation with the Superintendent of Public Instruction, this term shall include intellectual disability, cerebral palsy, epilepsy, and autism. This term shall also include disabling conditions found to be closely related to intellectual disability or to require treatment similar to that required for individuals with an intellectual disability, but shall not include other handicapping conditions that are solely physical in nature.”

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 California Department of Developmental Services (DDS) estimates that 30 persons with developmental disabilities were residing in Laguna Woods as of December 2020. All of the individuals with developmental disabilities residing in Laguna Woods were over the age of 18, and the majority of the developmentally disabled individuals in Laguna Woods live in the home of their parent, family, or guardian.

The Regional Center of Orange County is one of 21 regional centers in the State that provides point of entry to services for people with developmental disabilities. The center is a private, nonprofit community agency that contracts with local businesses to offer a wide range of services to individuals with developmental disabilities and their families.

The most obvious housing need for persons with disabilities is housing that is adapted to their needs. Most single-family homes are inaccessible to people with mobility and sensory limitations. Housing may not be adaptable to widened doorways and hallways, access ramps, larger bathrooms, lowered countertops, and other features necessary for accessibility. Location of housing is also an important factor for many persons with disabilities, as they often rely upon public transportation to travel to necessary services and shops. “Barrier free design” housing, accessibility modifications, proximity to services and transit, and group living opportunities are important in serving this group.

Within Laguna Woods, there are services currently in place tailored to mobility-impaired individuals including private bus services and subsidized taxi service that supplement public transportation options. The City has also adopted a reasonable-accommodations ordinance designed to reduce barriers for special-needs populations.

#### 1.2.3.6 Homelessness

In collaboration with other nonprofit organizations, the Orange County Department of Community Resources is responsible for the countywide biennial point-in-time homeless count. For the purpose of the point-in-time count, the definition of homelessness includes unsheltered individuals and families “with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground.” The count of sheltered homeless individuals and families includes those “living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, State, or local government programs for low-income individuals)” on the night designated for the count.

Based upon the 2019 point-in-time count, there were a total of 6,860 homeless individuals residing within Orange County, with 5 individuals counted in Laguna Woods. All of the homeless individuals within Laguna Woods were unsheltered, as there are no homeless shelters located within Laguna Woods. Since 2013, the homeless population in Orange County has steadily increased, with the largest increase occurring between 2017 and 2019 (43 percent increase). The 2019 Count indicated that all five of those counted within Laguna Woods were individuals and not part of a family unit experiencing homelessness.

People experiencing homelessness include families and individuals representing every race, age group, and community in Orange County. As the cost of living in Orange County and in all of Southern California continues to rise, and as unemployment remains high, homelessness has become more prevalent.

In the past, several factors have contributed to homelessness, including difficulty in obtaining employment, lack of ongoing care for the mentally ill, substance abuse, and inadequate education. In

recent years, however, a shortage of affordable housing opportunities coincident with a growing population of low-income renters has added to the problem.

Residential care facilities, which are facilities for individuals who require 24-hour supervision but who do not generally need medical care beyond routine health checks and medication monitoring, are permitted in Laguna Woods in any district, planned community, or specific plan area zoned for residential uses. The State of California is the authority for licensing, inspection, and enforcement for community care facilities throughout California. The State has preempted local controls over certain types of residential care facilities.

The County of Orange coordinates a comprehensive regional Continuum of Care (CoC) system to address homelessness in Orange County. The CoC is a housing and service delivery system for the homeless and is designed to do the following:

- Promote communitywide commitment to the goal of ending homelessness through regional coordination and collaboration.
- Advocate for funding and resources to end homelessness and provide funding for proven efforts by nonprofit providers, states, and local governments to quickly rehouse people experiencing homelessness, while minimizing the trauma and dislocation caused to homeless individuals, families, and communities by homelessness.
- Promote access to and effective utilization of mainstream programs by homeless individuals and families.
- Promote implementation of best practices and evidence-based approaches to homeless programing and services.

Other organizations and facilities in nearby or surrounding communities that may provide shelter and services to people experiencing homelessness in Laguna Woods are listed in Table L. It should be noted that some of these facilities prioritize their services to people experiencing homelessness who have a relationship to the cities in which they are located.

**Table L: Local Facilities for Persons Experiencing Homelessness**

Organization/Facility	Beds and/or Services Provided
Alternative Sleeping Location Emergency Shelter (operated by Friendship Shelter) 20652 Laguna Canyon Rd Laguna Beach, CA 92651 (949) 494-6928	Provides emergency night shelter for up to 45 people, a 30-day rapid housing program, as well as a drop-in day program between the hours of 10:00 a.m. and 1:00 p.m. This organization prioritizes services to those people experiencing homelessness who have a relationship to Laguna Beach.
Bridge Housing Program (operated by Friendship Shelter) PO Box 4252 Laguna Beach, CA 92652 (949) 494-6928	Provides dormitory-style housing for up to 32 people at a time, with all meals, case management, and an array of support services provided. Serves 120-140 individuals annually.  This organization also provides a permanent supportive housing program intended for clients who are chronically homeless and are unable to work due to a disability, including physical or mental health conditions. Clients are housed in scattered-site apartments and receive ongoing supportive services from Friendship Shelter staff. This organization prioritizes services to those people experiencing homelessness who have a relationship to Laguna Beach.
Human Options 5540 Trabuco Road Irvine, CA 92620 (949) 737-5242	Provides emergency shelter for individuals or families in domestic violence situations seeking shelter. Serves approximately 350 adults and children annually. Services include individual and group counseling, case management, legal advocacy, and children’s programs. Also provides a transitional housing program.
Laura’s House 999 Corporate Drive, Suite 225 Ladera Ranch, CA 92694 (949) 361-3775	Provides emergency shelter (52 beds) for up to 45 days for individuals or families in domestic violence situations seeking shelter. Services include individual and group counseling, life skills classes, case management, legal advocacy, and children’s programs. Also provides transitional housing for 5–7 families at a time for 3–6 months.
Orange County Rescue Mission One Hope Drive Tustin, CA 92782 (714) 247-4379	Provides transitional, recuperative, and emergency housing for up to 262 homeless men, women, and children. Services include medical and dental care, meals, job training, case management, substance abuse treatment, parent training, anger management training, mental health care assessment and treatment, housing assistance and placement, and life skills training.

Note: Compiled by LSA, 2021. B based on information from <https://www.homelesshelterdirectory.org/> and the individual websites for each service provider.

**1.2.3.7 Farmworkers**

Farmworkers are traditionally defined as persons whose primary incomes are earned through seasonal agricultural work. Farmworkers have special housing needs because they earn lower incomes than many other workers and move throughout the season from one harvest to the next. The 2015–2019 ACS estimates that there are no Laguna Woods residents who hold farming, fishing, or forestry occupations. There is no agriculturally designated land within Laguna Woods.

The United States Department of Agriculture National Agriculture Statistics provide state- and county-level data on hired farm labor across the United States. Within Orange County, a total of 99 farms reportedly hired 1,772 workers in 2017. Permanent workers, those who work 150 days or more, represent the largest category of workers with 1,106 workers (62 percent). A total of 666 workers (38 percent) are considered seasonal and work less than 150 days. Orange County reported 340 migrant workers (19 percent) with full-time hired labor and 176 unpaid workers in 2017.

Although there are no farmworkers identified within Laguna Woods, the median annual salary for the agriculture, forestry, fishing, hunting, and mining industry in Orange County in 2019 was \$24,592, which is 29 percent of the Orange County median income (\$85,398) and is considered a very low income (2019). Because farmworkers make up no percentage of Laguna Woods' total population, no specific programs for this special-needs group are necessary. Given the limited need to provide for farmworker housing in Orange County, the City's efforts to provide housing at affordable prices to very-low income households should address the needs of permanent and seasonal farmworker populations.

### 1.3 HOUSING STOCK CHARACTERISTICS

This section identifies the characteristics of Laguna Woods' physical housing stock. This includes an analysis of housing growth trends, housing conditions, housing prices and rents, and housing affordability.

#### 1.3.1 Housing Growth

Table M shows housing production in Laguna Woods, compared to neighboring cities and Orange County as a whole. According to the California Department of Finance, Laguna Woods experienced a slight reduction in housing units between 2000 and 2010. This is in contrast to Orange County, which saw an almost 8 percent increase in housing stock over the same decade. The surrounding communities of Irvine and Lake Forest saw large amounts of new housing construction in the early 2000s.

**Table M: Regional Housing Growth Trends**

Jurisdiction	Total Housing Units			Percent Change	
	2000	2010	2020	2000–2010	2010–2020
Laguna Woods	13,629	13,079	13,079	-4.0%	0.0%
Aliso Viejo	N/A	18,861	20,192	N/A	7.1%
Irvine	53,711	81,110	108,822	51.0%	34.2%
Laguna Beach	12,965	12,923	13,027	-0.3%	0.8%
Laguna Hills	10,324	10,989	11,298	6.4%	2.8%
Lake Forest	20,486	27,161	30,244	32.6%	11.4%
Orange County	969,484	1,046,118	1,111,421	7.9%	6.2%

Sources: (1) CA Dept. of Finance E-8 Historical Population and Housing Estimates, 2010.

(2) CA Dept. of Finance E-5 Population and Housing Unit Estimates, 2020.

N/A = Not Applicable

The California Department of Finance estimates that in 2020 there were 13,079 housing units within Laguna Woods. This has remained consistent since 2010. The increase in housing stock in Orange County was notably higher at 6 percent. As Laguna Woods is a maturing suburban community with primarily small site and infill development, it is expected that the increase in the housing stock in Laguna Woods would be modest and lower than the countywide rate.

#### 1.3.2 Housing Type and Tenure

Table N presents the mix of housing types in Laguna Woods. The California Department of Finance estimates that of the 13,079 units in Laguna Woods, 4,639 are single-family units (36 percent).

Approximately 65 percent of Laguna Woods’ housing stock is multifamily units. Laguna Woods also has no mobile home parks within its local housing stock. The composition of Laguna Woods’ housing stock has remained relatively unchanged over the last two decades.

**Table N: Housing Units by Type (2000–2020)**

Unit Type	2000		2010		2020	
	Units	Percent	Units	Percent	Units	Percent
Single-Family (SF) Detached	675	5.3%	918	7.0%	918	7.0%
SF Attached	3,726	29.4%	3,721	28.5%	3,721	28.5%
<b>Total SF</b>	<b>4,401</b>	<b>34.8%</b>	<b>4,639</b>	<b>35.5%</b>	<b>4,639</b>	<b>35.5%</b>
2 to 4 Units	2,298	18.2%	2,237	17.1%	2,237	17.1%
5 or more units	5,934	46.9%	6,203	47.4%	6,203	47.4%
<b>Total Multi-Family</b>	<b>8,232</b>	<b>65.0%</b>	<b>8,440</b>	<b>64.5%</b>	<b>8,440</b>	<b>64.5%</b>
Mobile Homes & Other	15	0.1%	0	0.0%	0	0.0%
<b>Total Housing Units</b>	<b>12,657</b>	<b>100.0%</b>	<b>13,079</b>	<b>100.0%</b>	<b>13,079</b>	<b>100.0%</b>
Vacancy Rate	7.52%	--	11.7%	--	10.8%	--

Sources: (1) U.S. Census Bureau, 2000 and 2010 Census.  
(2) CA Dept. of Finance E-5 Population and Housing Unit Estimates, 2020.

Housing tenure refers to whether a housing unit is owned, is rented, or is vacant. Tenure is an important indicator of the housing climate of a community, reflecting the relative cost of housing opportunities and the ability of residents to afford housing. Tenure also influences residential mobility, with owner units generally evidencing lower turnover rates than rental housing. Table O indicates the total number of renter-occupied and owner-occupied housing units in Laguna Woods in 2010 and 2018. The ownership rate within Laguna Woods has declined slightly from 78 percent in 2010 to 74 percent in 2018. However, the homeownership rate continues to be higher than the countywide homeownership rate of 57 percent.

**Table O: Housing Tenure (2010 and 2018)**

Occupied Housing Units	2010		2018	
	Households	Percent	Households	Percent
Renter	2,523	22.0%	2,851	25.6%
Owner	8,947	78.0%	8,305	74.4%
<b>TOTAL</b>	<b>11,470</b>	<b>100%</b>	<b>11,156</b>	<b>100%</b>

Source: 2010 and 2018 ACS 5-year estimates.

### 1.3.3 Vacancy Rate

A vacancy rate measures the overall housing availability in a community and is often a good indicator of how efficiently for-sale and rental housing units are meeting the current demand for housing. A vacancy rate of 5 percent for rental housing and 2 percent for ownership housing is generally considered healthy and suggests that there is a balance between the demand and supply of housing. A lower vacancy rate may indicate that households are having difficulty in finding housing that is affordable, leading to overcrowding or households having to pay more than they can afford. A low vacancy rate or a particularly tight housing market may also lead to high competition for units, raising rental and housing prices substantially.



The 2014–2018 ACS estimated that the vacancy rate for owner-occupied units was 2.3 percent, and the rental vacancy rate was 5.9 percent. These vacancy rates suggest a relatively healthy housing market for both residents looking to purchase a home and renters.

### 1.3.4 Housing Age and Condition

The age of a community’s housing stock can provide an indicator of overall housing conditions. Typically, housing over 30 years in age is likely to have rehabilitation needs that may include new plumbing, roof repairs, foundation work, and other repairs. Table P displays the age of occupied housing stock by tenure as of 2018. Over two-thirds of Laguna Woods’ housing stock was built between 1960 and 1979. Of Laguna Woods’ current housing stock, approximately 98 percent will be over 30 years old by the end of the 2021 to 2029 planning cycle. As a built-out community, Laguna Woods has a low proportion of newer units, with less than 0.8 percent built since 2000.

**Table P: Age of Housing Stock (2019)**

Year Structure Built	Renter-Occupied Units		Owner-Occupied Units		Total Occupied Units	
	Number	Percent	Number	Percent	Number	Percent
2010 or later	12	0.4%	0	0.0%	12	0.1%
2000-2009	58	2.0%	14	0.2%	72	0.7%
1980-1999	377	12.9%	391	4.8%	768	7.0%
1960-1979	2,229	76.1%	6,874	85.1%	9,103	82.7%
1940-1959	254	8.7%	718	8.9%	972	8.8%
1939 or earlier	0	0.0%	76	0.9%	76	0.7%
<b>Total</b>	<b>2,930</b>	<b>100.0%</b>	<b>8,073</b>	<b>100.0%</b>	<b>11,003</b>	<b>100.0%</b>

Source: 2019 ACS 5-year estimates.

A greater proportion of rental housing (12.9 percent) was constructed between 1980 and 1999, when compared to owner-occupied housing (4.8 percent). Conversely, a greater proportion of owner-occupied housing was constructed between 1960 and 1979 (85 percent), compared to renter-occupied housing (82 percent).

The City’s code enforcement services provider indicated that the City opened 88 cases in 2019 and 123 cases in 2020, the majority of which related to commercial properties (87.5 percent in 2019 and 86.9 percent in 2020). The City’s code enforcement services provider conducted a windshield survey in early October 2021 of all residential units within Laguna Woods to identify housing units with visible signs of damage or disrepair (e.g., deteriorated roofs, stucco damage, and broken or deteriorated windows) in an effort to estimate the number of housing units that are in need of rehabilitation and replacement. The windshield survey identified only five locations with minor maintenance issues, including minor wood rot, minor water damage on an exterior wall, and a crack at the top of a window. Given the small number of code enforcement cases and limited extent of the issues identified in the windshield survey, it is reasonable to conclude that Laguna Woods is a generally well-maintained community. Most of the City’s housing stock is located within actively managed communities with boards or associations and on-site property management that ensure adequate maintenance. Consequently, there are few violations or complaints related to residential properties that require City intervention.

Due to Laguna Woods’ relative lack of substandard housing and health and safety code violations, the City does not require any specialized code enforcement programs (e.g., occupancy inspection, rental inspection, or neighborhood enhancement). Nevertheless, the Housing Element includes a program for the City to formalize a proactive code enforcement program that focuses on housing-related rehabilitation needs, results in repairs, and seeks to mitigate potential cost, displacement, and relocation impacts on residents. As the name suggests, this effort is meant to be proactive to help promote the good condition and upkeep of Laguna Woods’ housing stock.

### 1.3.5 Housing Costs and Affordability

The cost of housing is directly related to the extent of housing problems in a community. If housing costs are relatively high in comparison to household income, there will be a higher prevalence of overpayment and overcrowding. This section summarizes the cost and affordability of the housing stock to Laguna Woods residents.

#### 1.3.5.1 Rental Housing Market

According to the 2014–2018 ACS, the rental vacancy rate in Laguna Woods was 5.9 percent, indicating a tight rental market in Laguna Woods. A point-in-time survey of available rental units within Laguna Woods listed on Zillow and Apartments.com was conducted in early April 2021. While not comprehensive, it provides a snapshot of the types of units available, as well as typical market rents. Table Q includes the results of the survey by number of bedrooms.

**Table Q: Median and Average Market Rents by Number of Bedrooms  
(April 2021)**

Number of Bedrooms	Units Advertised	Rent Range	Average Rent	Median Rent
0	2	\$2,320-\$2,520	\$2,420	\$2,420
1	16	\$1,550-\$2,700	\$2,039	\$1,825
2	58	\$2,150-3,950	\$2,378	\$2,200
3	5	\$2,400-\$3,950	\$2,964	\$2,895
<b>All Units</b>	<b>81</b>	<b>\$1,550-3,950</b>	<b>\$2,349</b>	<b>\$2,200</b>

Source: Zillow.com and Apartments.com, accessed April 9, 2021.

A total of 81 units were listed for rent, with a median rent of \$2,200. Two-bedroom units were the most prevalently available in Laguna Woods, with rents ranging from \$2,150 to \$3,950 and a median rent of \$2,200.

#### 1.3.5.2 Homeownership Market

Table R shows median home sale prices over 2 years for Laguna Woods and nearby communities. The February 2021 median home sales price in Laguna Woods represented a 14.5 percent decrease from February 2020. In contrast, Orange County as a whole experienced an increase in median sales prices during that time period, and many neighboring jurisdictions also saw only slight to moderate

**Table R: Annual Median Home Prices (2020–2021)**

Jurisdiction	February 2020 Median Sales Price	February 2021 Median Sales Price	Percent Change 2020-2021
Laguna Woods	\$380,000	\$325,000	-14.5%
Aliso Viejo	\$545,000	\$675,000	23.9%
Irvine	\$871,500	\$900,000	3.3%
Laguna Beach	\$1,972,500	\$2,230,000	13.1%
Laguna Hills	\$785,000	\$813,000	3.6%
Lake Forest	\$742,000	\$789,000	6.3%
Orange County	\$748,500	\$820,000	9.6%

Source: Corelogic.com, California Home Sale Activity by City, February 2021.

increases. With the exception of Laguna Woods, all of the communities listed experienced an increase in home sale prices between February 2020 and February 2021, with Aliso Viejo and Laguna Beach seeing double-digit increases. In February 2021, the median home sales price for Laguna Woods was \$325,000, representing a decrease of over 14 percent from February 2020. Given that this price decline is somewhat anomalous in comparison to other nearby cities, it may be tied to the severe impacts that the COVID-19 pandemic has had on the senior population.

### 1.3.5.3 Housing Affordability

The affordability of housing in Laguna Woods can be assessed by comparing market rents and sales prices with the amount that households of different income levels can afford to pay for housing. Compared together, this information can reveal who can afford what size and type of housing as well as indicate the types of households that would most likely experience overcrowding or overpayment.

Table S provides estimates of affordable rents and home prices based on HCD's 2021 income limits for Orange County; current mortgage rates (i.e., 3.0 percent for a 30-year fixed-rate mortgage); and cost assumptions for utilities, taxes, and insurance.

Based on the housing costs presented earlier in Table R, Laguna Woods residents with lower incomes are unable to afford purchasing a home in Laguna Woods. Additionally, based on the overall median rent presented in Table Q, affordable rentals for lower-income households are difficult to find in Laguna Woods.

**Extremely Low-Income Households.** Extremely low-income households earn 30 percent or less of the AMI. Based on the assumptions utilized for Table S, the affordable home price for an extremely low-income household ranges from \$66,158 for a five-person household to \$79,721 for a two-person household; therefore, homeownership is out of reach for Laguna Woods residents within this income category. Affordable rents for extremely low-income households range from \$507 to \$637 per month. Based on the median rents presented in Table Q, even one-bedroom units are unaffordable for all extremely low-income households. Severe overpayment or overcrowding may occur as a result of the gap between market costs and affordability.

**Table S: Estimated Affordable Housing Price by Income and Household Size (2021)**

	Annual Income Limits	Affordable Monthly Housing Cost	Utility Allowance (2020)	Taxes, Insurance and HOA	Affordable Home Price	Affordable Rent
<b>Extremely Low Income (0–30% AMI)</b>						
1-Person (studio)	\$28,250	\$706	\$199	\$247	\$68,591	\$507
2-Person (1 bedroom)	\$32,300	\$808	\$222	\$283	\$79,721	\$586
3-Person (2 bedroom)	\$36,350	\$909	\$293	\$318	\$78,471	\$616
4 Person (3 bedroom)	\$40,350	\$1,009	\$372	\$353	\$74,783	\$637
5 Person (4 bedroom)	\$43,600	\$1,090	\$457	\$382	\$66,158	\$633
<b>Very Low Income (30–50% AMI)</b>						
1-Person	\$47,100	\$1,178	\$199	\$412	\$149,297	\$979
2-Person	\$53,800	\$1,345	\$222	\$471	\$171,829	\$1,123
3-Person	\$60,550	\$1,514	\$293	\$530	\$182,043	\$1,221
4 Person	\$67,250	\$1,681	\$372	\$588	\$190,080	\$1,309
5 Person	\$72,650	\$1,816	\$457	\$636	\$190,607	\$1,359
<b>Low Income (50–80% AMI)</b>						
1-Person	\$75,300	\$1,883	\$199	\$659	\$270,000	\$1,684
2-Person	\$86,050	\$2,151	\$222	\$753	\$309,992	\$1,929
3-Person	\$96,800	\$2,420	\$293	\$847	\$337,335	\$2,127
4 Person	\$107,550	\$2,689	\$372	\$941	\$362,569	\$2,317
5 Person	\$116,200	\$2,905	\$457	\$1,017	\$377,130	\$2,448
<b>Median Income (80–100% AMI)</b>						
1-Person	\$74,700	\$1,868	\$199	\$654	\$267,365	\$1,669
2-Person	\$85,350	\$2,134	\$222	\$747	\$306,962	\$1,912
3-Person	\$96,050	\$2,401	\$293	\$840	\$334,238	\$2,108
4 Person	\$106,700	\$2,668	\$372	\$934	\$358,814	\$2,296
5 Person	\$115,250	\$2,881	\$457	\$1,008	\$373,243	\$2,424
<b>Moderate Income (100–120% AMI)</b>						
1-Person	\$89,650	\$2,241	\$199	\$784	\$331,604	\$2,042
2-Person	\$102,450	\$2,561	\$222	\$896	\$380,359	\$2,339
3-Person	\$115,250	\$2,881	\$293	\$1,008	\$416,465	\$2,588
4 Person	\$128,050	\$3,201	\$372	\$1,120	\$450,462	\$2,829
5 Person	\$138,300	\$3,458	\$457	\$1,210	\$471,875	\$3,001

Sources: (1) HCD, 2021;  
(2) Orange County Housing Authority Utility Allowance Schedule, December 2020;  
(3) LSA Associates, Inc., 2021.

Assumptions: 2021 HCD income limits; 30.0% gross household income as affordable housing cost; 35.0% of monthly affordable cost for taxes and insurance, 10% down payment; and 3.0% interest rate for a 30-year fixed-rate mortgage loan. Utilities based on Orange County Housing and Community Development Utility Allowance Schedule.

AMI = Annual Median Income  
HOA = Homeowners Association

**Very Low-Income Households.** Very low-income households earn between 30 percent and 50 percent of the AMI. Very low-income households can afford between \$979 and \$1,359 on monthly rent, depending on household size. However, based on the market rents presented in Table Q, rental units of any size in Laguna Woods would require a very low-income household to pay over the affordability threshold of 30 percent. Home ownership is also unaffordable for very low-income households in Laguna Woods, with affordable home prices for this income category ranging from \$149,297 to \$190,607, well below Laguna Woods’ median home sales price of \$325,000 in February 2021.

**Low-Income Households.** Low-income households earn between 50 and 80 percent of the AMI. Depending on household size, a low-income household can afford monthly rent between \$1,684 and \$2,448. Based on the market rents in listed Table Q, low-income households would generally be able to afford some one-bedroom units in Laguna Woods. However, larger rental units are still unaffordable for this income category, which may result in overpayment or overcrowding due to larger families renting smaller units. Based on Table S, low-income households can afford home sale prices between \$270,000 and \$377,130. Therefore, homeownership remains largely out of reach for this income group when compared with Laguna Woods' median home sales price as low-income households may only be able to afford the purchase of a small home.

**Median-Income Households.** Median-income households earn between 80 and 100 percent of the AMI. Median-income households can afford to purchase a home with a purchase price ranging from \$267,365 to \$373,243. With Laguna Woods' median home sales price at \$325,000 in February 2021, homeownership is affordable for median-income households seeking a smaller home. Median-income households can afford a monthly rent payment ranging from \$1,669 for a one-person household to \$2,424 for a five-person household. Based on median market rents within Laguna Woods, median-income households can generally afford one- and two-bedroom rental units, and larger households may be able to afford some lower-priced three-bedroom units. However, four- and five-person households may be overcrowded into smaller units or overpay to afford an appropriately sized unit.

**Moderate-Income Households.** Moderate-income households earn 100 to 120 percent of the AMI. Moderate-income households can afford a home sales price ranging from \$331,604 to \$471,875. Therefore, with the median home sales price in Laguna Woods at \$325,000 in February 2021, homeownership is affordable to households with moderate incomes. Moderate-income households can afford monthly rent from \$2,042 for a one-person household to \$3,001 for a five-person household. Based on the market rents presented in Table Q, moderate-income households can generally afford one-, two-, and three-bedroom units within Laguna Woods.

### 1.3.6 Assisted Housing at Risk of Conversion

State Housing Element law requires an analysis of the potential for currently rent-restricted low-income housing units to convert to market rate housing and to propose programs to preserve or replace any units "at risk" of conversion. This section presents an inventory of all assisted rental housing in Laguna Woods and evaluates those units at risk of conversion during the 8-year 2021 to 2029 planning period.

#### 1.3.6.1 Assisted Housing Inventory

Laguna Woods contains one development of assisted multifamily rental housing with 17 affordable units, as presented in Table T. This inventory includes all multifamily rental units assisted under federal, State, and local programs, including HUD, State/local bond programs, density bonus, inclusionary, and local direct assistance programs. As no units within Laguna Woods are at risk of conversion to market rate units in 10 years or less, an analysis has not been conducted to evaluate the replacement value, qualified entities to manage such a project, or potential funding sources for at-risk units.

**Table T: Inventory of Subsidized Rental Housing for Lower Income Households**

Project Name	Tenant Type	Total Units	Affordable Units	Applicable Programs	Potential Conversion Date
<b>Not At-Risk</b>					
San Sebastian	Senior	134	17	Density Bonus	October 16, 2054
<b>Total</b>		<b>134</b>	<b>17</b>		

**1.3.7 Existing Housing Needs**

**1.3.7.1 Overpayment**

Overpayment remains a critical issue for many Laguna Woods residents, particularly renters and lower-income households. Affordability problems occur when housing costs become so high in relation to income that households have to pay an excessive proportion of their income for housing. According to the metric utilized by HUD, a household is cost burdened if housing costs (including utilities) exceed 30 percent of gross household income. Severe cost burden occurs when housing costs exceed 50 percent of gross income.

Table U indicates the number of cost-burdened households within Laguna Woods and Orange County by tenure. As shown in Table U, overpayment impacts 70 percent and 53 percent of renter households in Laguna Woods and Orange County, respectively. Overpayment impacts nearly 41 percent and 31 percent of owner households in Laguna Woods and Orange County, respectively. More renter households are also impacted by severe cost burden, compared to owner households in both the City and the County. Laguna Woods has a higher percentage of cost burdened and severely cost burdened households among both renter and owner households.

**Table U: Cost Burden by Tenure**

	Renter Households		Owner Households		Total Households	
	Number	Percent of Total	Number	Percent of Total	Number	Percent of Total
<b>Laguna Woods</b>						
With Cost Burden >30%	1,885	70.1%	3,475	40.6%	5,360	47.6%
With Cost Burden >50%	1,210	45.0%	1,875	21.9%	3,085	27.4%
<b>Total</b>	<b>2,690</b>	<b>100.0%</b>	<b>8,560</b>	<b>100.0%</b>	<b>11,250</b>	<b>100.0%</b>
<b>Orange County</b>						
With Cost Burden >30%	230,720	52.9%	184,825	31.4%	415,545	40.5%
With Cost Burden >50%	118,650	27.2%	79,255	13.5%	197,905	19.3%
<b>Total</b>	<b>436,425</b>	<b>100.0%</b>	<b>588,550</b>	<b>100.0%</b>	<b>1,024,975</b>	<b>100.0%</b>

Source: HUD Comprehensive Housing Affordability Strategy (CHAS), 2017 ACS 5-year estimates.

ACS = American Community Survey

HUD = United States Department of Housing and Urban Development

Table V provides more detailed information on cost burden by income group, tenure, and household type. Overall, cost burden tends to impact proportionately more senior renters than senior homeowners, with the exception of low-income senior renters. Rates of overpayment for small families who rent were 100 percent in the very low and low-income categories. Extremely low-income small-family households who own their own homes are also heavily impacted, with 97 percent experiencing a cost burden and 83 percent experiencing a severe cost burden. As described earlier, Laguna Woods has very few large-family households. Of the few large-family households in Laguna Woods, none are affected by a high cost burden.

**Table V: Cost Burden by Income Level, Tenure, and Household Type**

Income Group	Cost Burden	Seniors			Small Family			Large Family		
		>30%	>50%	Total	>30%	>50%	Total	>30%	>50%	Total
Extremely Low (<= 30% HAMFI <sup>2</sup> )	Owner	79%	69%	1865	97%	83%	30	0%	0%	0
	Renter	87%	86%	800	0%	0%	0	0%	0%	0
Very Low (31–50% HAMFI)	Owner	52%	16%	1750	0%	0%	0	0%	0%	0
	Renter	77%	57%	635	100%	100%	4	0%	0%	0
Low (51–80% HAMFI)	Owner	25%	6%	1780	0%	0%	50	0%	0%	0
	Renter	85%	19%	455	100%	0%	20	0%	0%	0
Moderate (81–100% HAMFI)	Owner	15%	3%	965	13%	0%	75	0%	0%	0
	Renter	65%	0%	200	0%	0%	15	0%	0%	0
Above Moderate (>100% HAMFI)	Owner	3%	0%	1580	0%	0%	105	0%	0%	0
	Renter	3%	0%	375	0%	0%	15	0%	0%	0

Source: HUD Comprehensive Housing Affordability Strategy (CHAS), 2017 ACS 5-year estimates.

<sup>1</sup> Data presented in this table are based on special tabulations from the ACS data. Due to the small sample size, the margins for error can be significant. Interpretations of these data should focus on the proportion of households in need of assistance rather than on precise numbers.

<sup>2</sup> HAMFI = HUD Area Median Family Income

ACS = American Community Survey

HUD = United States Department of Housing and Urban Development

### 1.3.7.2 Overcrowding

The United States Census defines overcrowding as an average of more than one person per room in a housing unit, including the living and dining room but excluding kitchens, bathrooms, and hallways. Severe overcrowding occurs when a unit is occupied by more than 1.5 persons per room. The incidence of overcrowded housing is a general measure of whether there is an available supply of adequately sized housing units. Overcrowding can also occur when housing costs are high in relation to income and families are forced to live together in order to pool income to pay the rent or mortgage. Table W shows the incidence of overcrowding in Laguna Woods by tenure, as estimated by the 2014–2018 ACS.

**Table W: Overcrowding by Tenure**

Overcrowding	Laguna Woods		Orange County	
	Number	Percent of Total	Number	Percent of Total
Owner Occupied Units	8,305	100.0%	592,269	100.0%
Not Overcrowded (1.00 or Less Occupants/Room)	8,292	99.8%	570,469	96.3%
Overcrowded				
1.01 to 1.50 Occupants/Room	0	0.0%	15,731	2.7%
1.51 or More Occupants/Room	13	0.2%	6,069	1.0%
Renter Occupied Units	2,851	100.0%	440,104	100.0%
Not Overcrowded (1.00 or Less Occupants/Room)	2,851	100.0%	370,391	84.2%
Overcrowded				
1.01 to 1.50 Occupants/Room	0	0.0%	43,900	10.0%
1.51 or More Occupants/Room	0	0.0%	25,813	5.9%
<b>Total Overcrowded</b>	<b>13</b>	<b>0.1%</b>	<b>91,513</b>	<b>8.9%</b>

Source: 2018 ACS 5-year estimates.

As shown in Table W, an estimated total of 13 households experienced overcrowding in Laguna Woods in 2018, representing just under 0.1 percent of all households in Laguna Woods. Countywide, approximately 9 percent of households experienced overcrowded conditions. All 13 of the households in Laguna Woods that experience overcrowding are in the severe overcrowding category.

### 1.3.7.3 Displacement and Disproportionate Housing Needs

Using the Urban Displacement Project’s Gentrification and Displacement maps, the westernmost areas of Laguna Woods fall into the following displacement typologies:<sup>3</sup>

- Stable/advanced exclusive (with risk factors of being susceptible to rent change);
- Stable moderate/mixed-income (with risk factors of being located in an area that is susceptible to rent change, has a rent gap, and is a hot market); and
- Low-income/susceptible to displacement (with risk factors of being mostly low income, being located in an area that is susceptible to rent change, has a rent gap, and is a hot market).

The eastern and southernmost areas fall into the following displacement typologies:

- At risk of becoming exclusive (with risk factors of being located in an area that is susceptible to rent change and that has a rent gap, and is a hot market);
- Low-income/susceptible to displacement (with risk factors of being mostly low income, being located in an area that is susceptible to rent change, has a rent gap, and is a hot market); and
- Ongoing displacement (with risk factors of being mostly low income, being located in an area that is susceptible to rent change, has a rent gap, and is a hot market).

<sup>3</sup> Los Angeles – Gentrification and Displacement. *Urban Displacement Project*. Website: <https://www.urbandisplacement.org/maps/los-angeles-gentrification-and-displacement/> (accessed October 1, 2021).



Job displacement risk varies throughout Laguna Woods, with the lowest rate being 5.2 percent in central Laguna Woods, and the highest rate being 23.8 percent in the easternmost part of Laguna Woods.

In summary, although the majority of Laguna Woods has a low risk of displacement, certain sections of Laguna Woods, particularly the eastern and southernmost areas, and specifically Census Tract 626.46, are either susceptible to displacement or experiencing ongoing displacement, as well as at risk for job displacement.

#### 1.4 AFFIRMATIVELY FURTHERING FAIR HOUSING

In January 2019, Assembly Bill (AB) 686 introduced an obligation to affirmatively further fair housing (AFFH) into California State law. AB 686 defined “affirmatively further fair housing” to mean “taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity” for persons of color, persons with disabilities, and other protected classes. AB 686 added an assessment of fair housing to the Housing Element that includes the following components: a summary of fair housing issues and assessment of local fair housing enforcement and outreach capacity, an analysis of segregation patterns and disparities in access to opportunities, an assessment of contributing factors, and an identification of fair housing goals and actions.

To assist in this analysis, HCD and the California Tax Credit Allocation Committee (TCAC) convened the California Fair Housing Task Force to “provide research, evidence-based policy recommendations, and other strategic recommendations to HCD and other related State agencies/departments to further the fair housing goals (as defined by HCD).” The California Fair Housing Task Force has created opportunity maps to identify resource levels across the State “to accompany new policies aimed at increasing access to high opportunity areas for families with children in housing financed with 9% Low Income Housing Tax Credits (LIHTCs).” These opportunity maps are made from composite scores of four different domains made up of a set of indicators. Table X shows the full list of indicators.

**Table X: Domains and Lists of Indicators for Opportunity Maps**

Domain	Indicator
Economic	<ul style="list-style-type: none"> <li>● Poverty</li> <li>● Adult education</li> <li>● Employment</li> <li>● Job proximity</li> <li>● Median home value</li> </ul>
Environmental	<ul style="list-style-type: none"> <li>● CalEnviroScreen 3.0 pollution Indicators and values</li> </ul>
Education	<ul style="list-style-type: none"> <li>● Math proficiency</li> <li>● Reading proficiency</li> <li>● High School graduation rates</li> <li>● Student poverty rates</li> </ul>
Poverty and Racial Segregation	<ul style="list-style-type: none"> <li>● Poverty: tracts with at least 30% of population under federal poverty line</li> <li>● Racial Segregation: Tracts with location quotient higher than 1.25 for Blacks, Hispanics, Asians, or all people of color in comparison to the County</li> </ul>

Source: California Fair Housing Task Force, Methodology for the 2020 TCAC/HCD Opportunity Maps, June 2020.

## 1.4.1 Fair Housing Issues

### 1.4.1.1 Discrimination, Enforcement, and Outreach

The Fair Housing Council of Orange County (FHCOC) works to ensure equal access to housing opportunities and elimination of housing discrimination by providing services throughout Orange County (including Laguna Woods) including community education, individual counseling, mediation, and low-cost advocacy. The FHCOC investigates claims of housing discrimination and assists with referrals to the California Department of Fair Employment and Housing, the State agency that investigates complaints of employment and housing discrimination. Questions received by the City regarding potential housing discrimination are referred to the FHCOC. The City does not have a record of the number of issues or complaints within Laguna Woods that the FHCOC has addressed.

The Orange County Analysis of Impediments to Fair Housing Choice (dated May 27, 2020) (Orange County AI), prepared by the Lawyers' Committee for Civil Rights Under Law, examines "structural barriers to fair housing choice and access to opportunity for members of historically marginalized groups protected from discrimination by the federal Fair Housing Act (FHA)." According to the Orange County AI, the FHCOC received 363 allegations of housing discrimination between 2015 and 2019 within the Urban County (which includes Laguna Woods). Of those allegations, 179 cases were opened within the Urban County "where the allegations seemed sufficiently meritorious to warrant further investigation and/or action" and testing included "362 systemic onsite tests, either paired or 'sandwich', 51 tests occurring in the jurisdiction and 215 other testing activities." The number of fair housing cases and tenant/landlord issues addressed by FHCOC represents approximately 0.03 percent of the population and four percent of households in the Urban County area.

According to HUD's Fair Housing Enforcement and Outreach (FHEO) Inquiries by City data (found in the Fair Housing Enforcement and Outreach Capacity data layer on HCD's AFFH Data Viewer), Laguna Woods had 0.24 inquiries per 1,000 people between 2013 and 2021. This ratio is slightly higher than the adjacent cities of Laguna Beach (0.17), and Laguna Hills (0.16), but lower than the cities of Irvine (0.28) and Aliso Viejo (0.37). Of the four complaints during this period, two were found to have no valid basis or issue and two were not resolved due to a failure to respond. None of the complaints appear to be associated with discrimination due to disability, race, familial status, national origin, religion, sex, or color.

The City complies with existing fair housing laws and regulations, including by explicitly prohibiting discrimination against persons receiving housing assistance (Section 13.25.110(h) of the City's Zoning Code). A review of the City's Zoning Code and other policies and regulations conducted as part of the preparation of this Housing Element found no instances of inconsistency with existing fair housing laws and regulations, nor any regulatory impediments to the City's ability to investigate complaints, obtain remedies, or engage in fair housing testing.

Chapter 1.06 of the City's Municipal Code, which enables the use of administrative citations and civil fines for code enforcement, defines "code" as including "the Building Code, and all Uniform Codes or other codes or regulations of the State of California or the County of Orange or otherwise applicable to the City of Laguna Woods," in addition to City-adopted ordinances. The City Manager possess broad authority pursuant to Section 1.06.020(25) of the City's Zoning Code to designate any officer, agent or employee of the City to enforce provisions of the code.

Housing-related code enforcement is currently provided under contract by two professional firms with extensive qualifications and experience – Interwest Consulting Group (focusing on building issues) and Willdan Engineering (focusing on zoning and quality of life issues, as well as providing support for building issues). Both contracts allow for an expansion of base services on an “as-needed” basis (e.g., to handle increased or unusually complex cases), as well as access to technical experts (e.g., Certified Access Specialists) when necessary. The City’s Development Programs Analyst manages both contracts and provides staff-level oversight of code enforcement services. When necessary, legal and litigation services for housing-related code enforcement is provided by Rutan & Tucker, LLP in that firm’s role as City Attorney.

After considering the AFFH analysis contained in this Housing Needs Assessment, the City has concluded that enhanced fair housing-related outreach could benefit existing and prospective residents of Laguna Woods. To that end, programs H-3.1.2, H-3.2.1, and H-3.2.2 are included and consistent with HCD’s AFFH guidance memorandum dated April 2021 in that they involve a variety of methods, proactive marketing, language access, accessibility for persons with disabilities, and consultation with relevant organizations. The alignment of those programs with HCD guidance and assessment of contributing factors is further described in Tables AB and AC.

#### 1.4.1.2 Patterns of Segregation and Minority Concentrations

Ethnic and racial composition of a region is useful in analyzing housing demand and any related fair housing concerns, as it tends to demonstrate a relationship with other characteristics such as household size, locational preferences, and mobility. According to the California Fair Housing Task Force Opportunity Maps, none of the census tracts within Laguna Woods are designated as areas with high segregation and poverty.

According to HUD, the definition of a racially/ethnically concentrated area of poverty (R/ECAP) involves a racial/ethnic concentration threshold and a poverty test. The racial/ethnic concentration threshold states that R/ECAPs must have a non-white population of 50 percent or more, and the poverty threshold states that a neighborhood can be identified as a R/ECAP if it has a poverty rate that exceeds 40 percent or is three or more times the average poverty rate for the various census tracts in the metropolitan/micropolitan area, whichever threshold is lower.

As depicted in Table N in Exhibit C, Housing Sites Inventory, Laguna Woods does not include any neighborhoods that meet the poverty test because the percentage of residents living below the federal poverty threshold is 15.7 percent or lower in each of Laguna Woods’ census tracts. Table Y provides data regarding race, ethnicity, and median household income in Orange County, Laguna Woods, the neighboring cities of Aliso Viejo, Laguna Hills, Laguna Beach, and Lake Forest, and each of the eight census tracts that are partially or entirely within Laguna Woods.

As Table Y indicates, the White population is the largest race/ethnic group in each of the census tracts in Laguna Woods as well as within Orange County and all neighboring cities of Aliso Viejo, Laguna Hills, Laguna Beach, and Lake Forest. There is also a large Asian population that is uniformly present in each of Laguna Woods’ eight census tracts, and within the cities surrounding Laguna Woods with a slightly larger percentage of Asians (33.3 percent) present in Census Tract 626.21.

**Table Y: Racial/Ethnic Concentrations and Income Levels**

Jurisdiction	White <sup>1</sup>	Black or African American <sup>1</sup>	American Indian and Alaska Native <sup>1</sup>	Asian <sup>1</sup>	Native Hawaiian and Pacific Islander <sup>1</sup>	Some other Race or Two or More Races <sup>1</sup>	Hispanic or Latino (of any race) <sup>1</sup>	Median Household Income <sup>2</sup>
Orange County	61.0%	1.8%	0.5%	20.5%	0.3%	16.0%	34.1%	\$90,234
Laguna Woods	76.3%	0.7%	0.1%	19.7%	0.0%	3.2%	5.8%	\$44,020
Aliso Viejo	80.0%	2.4%	0.5%	15.6%	0.1%	11.4%	18.1%	\$112,689
Laguna Hills	70.9%	1.5%	0.1%	14.7%	0.1%	12.9%	22.0%	\$100,985
Laguna Beach	89.5%	0.8%	0.1%	3.8%	0.0%	5.7%	8.2%	\$129,983
Lake Forest	65.9%	2.2%	1.0%	18.8%	0.1%	11.9%	21.9%	\$109,492
Census Tract 626.21	61.5%	1.6%	0.1%	9.6%	0.0%	7.2%	12.6%	\$111,425
Census Tract 626.22	78.2%	0.4%	0.0%	19.0%	0.0%	2.4%	7.9%	\$44,119
Census Tract 626.25	64.1%	0.3%	0.0%	12.9%	0.0%	22.8%	32.5%	\$45,214
Census Tract 626.41	65.4%	1.6%	0.0%	18.1%	0.0%	14.8%	22.0%	\$88,986
Census Tract 626.46	72.9%	2.9%	0.0%	19.2%	0.0%	5.0%	7.0%	\$41,875
Census Tract 626.47	67.4	3.7%	0.3%	17.3%	0.0%	11.2%	21.8%	\$54,327
Census Tract 626.48	75.6%	0.0%	0.0%	19.3%	0.0%	5.0%	4.2%	\$45,000
Census Tract 626.49	79.3%	0.0%	0.0%	17.2%	0.0%	3.4%	11.8%	\$60,254

<sup>1</sup> American Community Survey, 2019 5-Year Estimates. Table DP05.

<sup>2</sup> American Community Survey, 2019 5-Year Estimates. Table S1901.

The only census tract with a slightly outlying ethnic composition is Census Tract 626.25, where 32.5 percent of the population is Hispanic or Latino (of any race). The surrounding cities of Aliso Viejo, Laguna Hills, Laguna Beach, and Lake Forest all have average percentages of Hispanic population. As shown in Table Y, the median household income in Census Tract 626.21 (\$111,425) is substantially higher than Laguna Woods overall. The median household incomes in all cities surrounding Laguna Woods are also substantially larger than the median household income in Laguna Woods and most of its census tracts, which is indicative of the nature of Laguna Woods as being a community mostly consisting of retired people. This information points to the absence of R/ECAPs in Laguna Woods, the surrounding jurisdictions of Aliso Viejo, Laguna Hills, Laguna Beach, and Lake Forest, and the region.

Table Z provides a breakdown of the percentage of White population and median household income (for all households and White households), which may be used as a determinant of areas of affluence, consistent with State guidance. This information is then used to determine whether there are any Racially Concentrated Areas of Affluence (RCAAs) within Laguna Woods and address whether there are any RCAAs in the region.

**Table Z: White Median Household Income and Population**

	<b>Orange County</b>	<b>Laguna Woods</b>	<b>Aliso Viejo</b>	<b>Laguna Hills</b>	<b>Laguna Beach</b>	<b>Lake Forest</b>
All Households Median Household (HH) Income <sup>1</sup>	\$90,234	\$44,020	\$112,689	\$100,985	\$129,983	\$109,492
White Median HH Income <sup>2</sup>	\$94,082	\$43,524	\$113,104	\$102,776	\$132,063	\$111,823
Black Median HH Income <sup>3</sup>	\$76,136	\$48,750	\$109,135	\$191,845	-	\$101,250
Hispanic Median HH Income <sup>4</sup>	\$68,971	\$24,250	\$104,140	\$77,107	\$76,518	\$83,002
Asian Median HH Income <sup>5</sup>	\$93,777	\$54,440	\$125,000	\$90,337	\$118,854	\$112,048
Percent White Population <sup>6</sup>	61.0%	76.3%	80.0%	70.9%	89.5%	65.9%

<sup>1</sup> American Community Survey 2019 5-Year Estimates. Table S1901.

<sup>2</sup> American Community Survey 2019 5-Year Estimates. Table B19013A.

<sup>3</sup> American Community Survey 2019 5-Year Estimates. Table B19013B.

<sup>4</sup> American Community Survey 2019 5-Year Estimates. Table B19013I.

<sup>5</sup> American Community Survey 2019 5-Year Estimates. Table B19013D.

<sup>6</sup> American Community Survey 2019 5-Year Estimates. Table DP05.

The median income of all households as well as White households in Laguna Woods is lower than the median income of all households and White households in Orange County. The 2015–2019 ACS 5-Year Estimates show that in Laguna Woods, the median household income for Hispanic residents is \$24,250, for White residents is \$43,524, for Black residents is \$48,750, and for Asian residents is \$54,440. Based on this information, Laguna Woods is not an area of affluence. Additionally, based on the information in Table Z related to household incomes of minority populations within the region, Aliso Viejo, Laguna Hills, Laguna Beach, and Lake Forest are areas of affluence due to their median household incomes being higher than Orange County and due to their high percentage of White population. Additionally, there are disparities in the income levels among the four cities' minority groups, especially among all minorities versus the ethnically Hispanic population.

#### 1.4.1.3 Access to Opportunities

HCD and the California Tax Credit Allocation Committee (TCAC) convened the California Fair Housing Task Force to provide research, evidence-based policy recommendations, and other strategic recommendations to HCD and other related State agencies/departments to further fair housing goals (as defined by HCD). The California Fair Housing Task Force has compiled data to identify resource levels across the State to accompany new policies aimed at increasing access to high opportunity areas for families with children in housing financed with 9 percent Low Income Housing Tax Credits (LIHTCs). The data reflect composite scores of four different domains (environmental, economic, education, and poverty and racial segregation) which are made up of their own sets of indicators. Figure 6 in Exhibit C, Housing Sites Inventory, depicts the Laguna Woods census tracts and their TCAC Opportunity Area categorization based on their composite scores. Table AA shows the California Fair Housing Task Force Opportunity Map composite scores, domain scores, and categorization for all eight of the census tracts that are partially or entirely within Laguna Woods.

**Table AA: Opportunity Map Scores and Categorization (2020)**

Census Tract	Economic Domain Score	Environmental Domain Score	Education Domain Score	Composite Index Score	Final Category
626.21	0.74	0.516	0.38	0.029	Moderate Resource (Rapidly Changing)
626.22	0.005	0.542	0.203	-0.63	Low Resource
626.25	0.132	0.787	0.503	-0.064	Moderate Resource
626.41	0.598	0.821	0.442	0.144	Moderate Resource (Rapidly Changing)
626.46	0.021	0.799	0.291	-0.423	Low Resource
626.47	0.127	0.511	0.343	-0.335	Low Resource
626.48	0.002	0.925	0.388	-0.439	Low Resource
626.49	0.34	0.882	0.7	0.283	High Resource

Source: California Fair Housing Task Force, TCAC/HCD Opportunity Maps, 2020 Statewide Summary Table.

The majority of the census tracts within Laguna Woods are categorized as Low Resource areas. There are three census tracts within Laguna Woods that are categorized as Moderate Resource areas (of these, two are “Rapidly Changing”) and one census tract (Census Tract 626.49) is categorized as a High Resource area. Census Tract 626.49 is located in the westernmost portion of Laguna Woods (west of Avenida Sosiega) adjacent to the Woods End Wilderness Preserve. Table AB takes an in-depth look at all census tracts that are not categorized as high resource areas.

**Table AB: Low and Moderate TCAC Resource Level Census Tracts in Laguna Woods (2020)**

Census Tracts							
	626.21	626.22	626.25	626.41	626.46	626.47	626.48
TCAC Resource Level <sup>1</sup>	Moderate (Rapidly Changing)	Low	Moderate	Moderate (Rapidly Changing)	Low	Low	Low
TCAC Economic Score <sup>1</sup>	0.74	0.005	0.132	0.598	0.021	0.127	0.002
TCAC Education Score <sup>1</sup>	0.38	0.203	0.503	0.442	0.291	0.343	0.388
TCAC Environmental Score <sup>1</sup>	0.516	0.542	0.787	0.821	0.799	0.511	0.925
Race/Ethnicity <sup>2</sup>							
White	61.5%	78.2%	64.1%	65.4%	72.9%	67.4%	75.6%
Black	1.6%	0.4%	0.3%	1.6%	2.9%	3.7%	0.0%
Asian/Pacific Islander	9.6%	19.0%	12.9%	18.1%	19.2%	17.3%	19.3%
Some Other Race or Two or More Races	7.2%	2.4%	22.8%	14.8%	5.0%	11.2%	5.0%
Hispanic (of any race)	7.9%	7.9%	32.5%	22.0%	7.0%	21.8%	4.2%
% of Population in Poverty <sup>3</sup>	7.7%	13.7%	12.4%	3.3%	10.6%	15.7%	12.9%
% of Population that is Disabled <sup>4</sup>	7.2%	22.6%	14.1%	13.8%	25.4%	16.9%	26.4%
Total #/Type of Housing <sup>5</sup>	4,623 units	2,535 units	1,960 units	2,024 units	2,425 units	2,351 units	1,862 units
Single Family Home	63.0%	21.7%	43.4%	61.2%	40.8%	33.5%	45.9%

**Table AB: Low and Moderate TCAC Resource Level Census Tracts in Laguna Woods (2020)**

Census Tracts							
	626.21	626.22	626.25	626.41	626.46	626.47	626.48
TCAC Resource Level <sup>1</sup>	Moderate (Rapidly Changing)	Low	Moderate	Moderate (Rapidly Changing)	Low	Low	Low
Multi-family Home	37.0%	71.4%	56.6%	38.8%	59.2%	66.5%	54.1%
Age of Housing Stock <sup>6</sup>							
< 30 yrs old	3,024	149	77	865	159	314	23
> 30 yrs old	1,935	2,670	2,006	1,356	2,544	2,315	2,088
% Owner/% Renter HH <sup>5</sup>	51.0% Owner 79.0% Renter	70.5% Owner 29.5% Renter	72.1% Owner 27.9% Renter	61.5% Owner 38.5% Renter	83.2% Owner 16.8% Renter	45.2% Owner 54.8% Renter	68.1% Owner 31.9% Renter
% HH with Burden <sup>7</sup>	36.4%	52.9%	46.1%	50.7%	38.3%	55.5%	48.8%

<sup>1</sup> California Fair Housing Task Force, TCAC/HCD Opportunity Maps, 2020 Statewide Summary Table.

<sup>2</sup> American Community Survey, 2019 5-Year Estimates. Table DP05

<sup>3</sup> American Community Survey 2019 5-Year Estimates. Table S1701.

<sup>4</sup> American Community Survey 2019 5-Year Estimates. Table S1810.

<sup>5</sup> American Community Survey 2019 5-Year Estimates. Table S1101.

<sup>6</sup> American Community Survey 2019 5-Year Estimates. Table B25034.

<sup>7</sup> HUD AFFH Mapping and Data Tool. Map 6 – Housing Problems. Website: <https://egis.hud.gov/affht/> (accessed May 6, 2022).

Seven of the eight census tracts in Laguna Woods have a moderate or low TCAC resource level. The surrounding cities of Aliso Viejo, Laguna Hills, Laguna Beach, and Lake Forest have comparatively higher TCAC resource levels than Laguna Woods.<sup>4</sup>

In order to assist with the long-term development of funding for major capital improvement projects to tackle the moderate to low resources in various parts of Laguna Woods, the City has adopted an 11-year Capital Improvement Program (CIP), which is updated and readopted on an annual basis. Table AC contains a list of CIP projects that have been approved for the City for fiscal years 2023–2032 and the census tract(s) where they are located.

**Table AC: CIP Projects in Laguna Woods**

Fiscal Year	Project	Fund Name	Funds	Census Tract(s)
2023–2024	Pavement Management Plan Project	Road Maintenance & Rehabilitation Program Fund	\$309,800	626.46 and 626.41
	Americans with Disabilities Act (ADA) Pedestrian Accessibility Improvement Project: Phase 7	Community Development Grant (CDBG) Fund	\$150,000	Various
2024–2025	Pavement Management Plan Project	Road Maintenance & Rehabilitation Program Fund	\$270,600	626.46 and 626.41
	Americans with Disabilities Act (ADA) Pedestrian Accessibility Improvement Project: Phase 8	CDBG Fund	\$150,000	Various

<sup>4</sup> California Tax Credit Allocation Committee (TCAC). 2020 Opportunity Maps. Website: <https://belonging.berkeley.edu/tcac-opportunity-map-2020> (accessed May 6, 2022).

**Table AC: CIP Projects in Laguna Woods**

Fiscal Year	Project	Fund Name	Funds	Census Tract(s)
2025–2026	Pavement Management Plan Project	Road Maintenance & Rehabilitation Program Fund	\$244,200	626.48 and 626.49
	Americans with Disabilities Act (ADA) Pedestrian Accessibility Improvement Project: Phase 9	CDBG Fund	\$150,000	Various
2026–2027	Pavement Management Plan Project	Road Maintenance & Rehabilitation Program Fund	\$253,100	626.48 and 626.49
	Americans with Disabilities Act (ADA) Pedestrian Accessibility Improvement Project: Phase 10	CDBG Fund	\$150,000	Various
2027–2028	Pavement Management Plan Project	Road Maintenance & Rehabilitation Program Fund	\$240,900	626.41 and 626.48
	Americans with Disabilities Act (ADA) Pedestrian Accessibility Improvement Project: Phase 11	CDBG Fund	\$150,000	Various
2028–2029	Pavement Management Plan Project	Road Maintenance & Rehabilitation Program Fund	\$238,200	626.41 and 626.48
	Americans with Disabilities Act (ADA) Pedestrian Accessibility Improvement Project: Phase 12	CDBG Fund	\$150,000	Various
2029–2030	Pavement Management Plan Project	Road Maintenance & Rehabilitation Program Fund	\$320,800	626.48
	Americans with Disabilities Act (ADA) Pedestrian Accessibility Improvement Project: Phase 13	CDBG Fund	\$150,000	Various
2030–2031	Pavement Management Plan Project	Road Maintenance & Rehabilitation Program Fund	TBD	TBD
	Americans with Disabilities Act (ADA) Pedestrian Accessibility Improvement Project: Phase 14	CDBG Fund	\$150,000	Various
2031–2032	Pavement Management Plan Project	Road Maintenance & Rehabilitation Program Fund	TBD	TBD
	Americans with Disabilities Act (ADA) Pedestrian Accessibility Improvement Project: Phase 15	CDBG Fund	\$150,000	Various

Source: City of Laguna Woods Fiscal Years 2021-2023 Budget & Work Plan. Website: <https://www.cityoflagunawoods.org/wp-content/uploads/2021/06/2021-06-23-Adopted-Fiscal-Years-2021-23-Budget-Work-Plan-Website.pdf> (accessed May 6, 2022).

**Education.** The Orange County AI details the various structural barriers to fair housing choice and access to opportunity for members of historically marginalized groups protected from discrimination by the federal Fair Housing Act (FHA). The Orange County AI uses the educational opportunity index, a value derived from data assembled by the California Fair Housing Task Force, to assess educational opportunity. The following disparities in access to education exist in Orange County:



1. Across all census tracts in Orange County, non-Hispanic Whites enjoy the best access to educational opportunity (index score of about 59) and non-Hispanic Asians have the second-highest access to educational opportunity (index score of 53). Hispanics have the lowest access to these opportunities (index score of 31), with non-Hispanic Blacks in between (index score of 46).
2. The cities of Aliso Viejo, Huntington Beach, Irvine, Laguna Niguel, La Palma, Mission Viejo, and Rancho Santa Margarita score highly (index score of 60 or above) on educational opportunity across all racial categories.
3. San Juan Capistrano has relatively low access to educational opportunity, scoring below 10 on the index for all racial categories. San Clemente, Anaheim, and Santa Ana fare similarly poorly, although non-Hispanic Whites score higher (index score of 39) than other race/ethnic groups in Santa Ana. Buena Park, Costa Mesa, Garden Grove, Orange, La Habra, and Westminster are other cities that struggle with educational opportunity, all with scores in the 30s to 40s on the composite education index.
4. A few cities have educational opportunity patterns that mirror those of Orange County overall. Non-Hispanic Whites in Fountain Valley enjoy good access to educational opportunity (index scores of about 60), whereas Hispanics in the city do not (index score of about 30). In both Fullerton and Tustin, non-Hispanic Whites and Asians have much better access to educational opportunity than Blacks and Hispanics.

The census tracts in Laguna Woods score relatively low in terms of access to educational opportunity, with indices ranging from 20 to 50. These low scores may reflect the nature of the city as one in which most of its residents live in retirement communities. The lowest educational opportunity scores are in Census Tract 626.22 (20) and the highest educational opportunity scores are in Census Tract 626.25 (50). Census Tract 626.22 is located in the northeastern portion of Laguna Woods.

Further, as shown in the Southern California Association of Governments (SCAG) Local Profiles 2021 dataset, none of the City's residents were enrolled in public school from 2000 to 2020; therefore, Laguna Woods has not seen a change in public school enrollment since 2000.<sup>5</sup> These data reflect the City's status as a community mostly consisting of retired people. Laguna Woods does not have its own school district; it is served by the Laguna Beach Unified School District, Saddleback Valley Unified School District, and Capistrano Unified School District. Table AD below summarizes the demographic characteristics of the three school districts according to the California Department of Education's School Dashboard website.

**Table AD: School Districts Serving Laguna Woods**

	Laguna Beach Unified School District <sup>1</sup>	Saddleback Valley Unified School District <sup>2</sup>	Capistrano Unified School District <sup>3</sup>
<b>Race/Ethnicity</b>			
White	71.5%	40.4%	54.1%

<sup>5</sup> Southern California Association of Governments (SCAG). 2021 Local Profiles Dataset. Website: [https://scag.ca.gov/sites/main/files/file-attachments/2021\\_local\\_profiles\\_dataset.xlsx](https://scag.ca.gov/sites/main/files/file-attachments/2021_local_profiles_dataset.xlsx) (accessed May 9, 2022).

**Table AD: School Districts Serving Laguna Woods**

	Laguna Beach Unified School District <sup>1</sup>	Saddleback Valley Unified School District <sup>2</sup>	Capistrano Unified School District <sup>3</sup>
Asian	4.9%	8.7%	6.6%
Two or More Races	8.2%	7.4%	6.6%
Hispanic	12.0%	37.3%	27.1%
Filipino	1%	3.5%	1.8%
African American	0.9%	1.2%	0.8%
English Learners	2.4%	17.8%	9.6%
Homeless	0.3%	5.0%	5.8%
Socioeconomically Disadvantaged	12.0%	30.2%	25.4%
Students with Disabilities	11.1%	12.9%	12.2%
Graduation Rate <sup>4</sup>	97.9%	89.3%	96.8%

<sup>1</sup> California Department of Education. California School Dashboard. Website: <https://www.caschooldashboard.org/reports/3066555000000/2021> (accessed May 9, 2022).

<sup>2</sup> California Department of Education. California School Dashboard. Website: <https://www.caschooldashboard.org/reports/3073635000000/2021> (accessed May 9, 2022).

<sup>3</sup> California Department of Education. California School Dashboard. Website: <https://www.caschooldashboard.org/reports/3066464000000/2021> (accessed May 9, 2022).

<sup>4</sup> California Department of Education. Dashboard Additional Report – Graduation Rate. Website: <https://www6.cde.ca.gov/californiamodel/gradreport?&year=2021&cdcode=3066555&scode=&reporttype=schools> (accessed May 9, 2022).

According to the California Department of Education, the statewide graduation rate is 86.8 percent. As shown in Table AD, the Laguna Beach Unified School District, Saddleback Valley School District, and Capistrano Unified School District all have graduation rates that exceed the statewide graduation rate.

**Economic.** The Orange County AI uses the Educational Opportunity index, a value derived from data assembled by the California Fair Housing Task Force, to assess economic opportunity. The following disparities in access to economic opportunity exist in Orange County:

1. Non-Hispanic White residents have the greatest access to economic opportunity. Asian and Pacific Islander residents (index score of 49), Native Americans (index score of 46), and Black residents (index score of 46) have lower index scores in the high to mid-40s. Hispanic residents (index score of 32) have the lowest access to economic opportunity of all racial and ethnic groups in Orange County.
2. Among residents living below the poverty line, White residents have the highest economic opportunity score (index score of 30) followed by Black residents (index score of 27) and Asian Americans and Pacific Islanders (index scores of 23). Low-income Native Americans and Hispanic residents have the lowest economic opportunity scores (index scores of 19).
3. There are major disparities in economic opportunity scores across racial/ethnic groups in cities in Orange County.
4. Economic opportunity index scores are generally lower in North Orange County than in South Orange County. Scores are especially low in Westminster, Garden Grove, and much of Santa Ana and Anaheim. Scores are generally high in much of Irvine, La Palma, and Tustin and along the coast

from Newport Beach to Laguna Niguel as well as in unincorporated areas near the eastern border with Riverside County.

5. Areas in Orange County with the highest index scores tend to have large concentrations of non-Hispanic and Asian residents. By contrast, areas with the highest concentration of Hispanic residents tend to have lower economic opportunity index scores.

The census tracts in Laguna Woods have varied scores in economic opportunity, with indices ranging from 0.2 to 75. The census tracts with the lowest economic opportunity indices are Census Tract 626.22 (index score of 0.5), 626.25 (index score of 13.2), 626.46 (index score of 2.1), 626.47 (index score of 12.7), and 626.48 (index score of 0.2). These census tracts are located mostly in the eastern and southeastern portions of Laguna Woods and have resource levels of “Low” or “Moderate.”

According to the Orange County AI, the economic opportunity index is a composite of four indicators depicting elements of neighborhood socio-economic character. These indicators are poverty, adult education, employment, and proximity to jobs. The SCAG 2019 Local Profiles indicate that the total number of jobs in Laguna Woods numbered 5,491, which is a 3.7 percent decrease from 2007.<sup>6</sup> The report also stated that the mean travel time to work for Laguna Woods was 26 minutes, whereas the mean travel time to work for Orange County as a whole was 27.9 minutes. According to the HUD AFFH Data Viewer, Laguna Woods has a lower labor market index than the surrounding communities including Aliso Viejo, Laguna Beach, Laguna Hills, and Lake Forest. Census Tract 626.46 has the lowest labor market index, with a score of 28.<sup>7</sup> Laguna Woods is similar to cities in central and northern Orange County, like Santa Ana, Garden Grove, and Westminster, which all have lower labor market engagement than cities in southern Orange County. Much of the low labor market indices in Laguna Woods are due to the City’s status as a community mostly consisting of retired people.

**Transportation.** According to the Orange County AI, the following disparities in access to low-cost transportation exist in Orange County:

1. Non-Hispanic Whites have the lowest scores (index score of 34). Asians and Pacific Islanders as well as Native Americans have an index score of 38. Black residents have a score of 39, while Hispanic residents have the highest score (index score of 42).
2. Regionally, low transportation cost index scores are similar for all racial and ethnic groups. Non-Hispanic Whites and Native Americans both have a score of 19, Asians/Pacific Islanders as well as Hispanics have a score of 20, and Black residents have a score of 21.
3. Low transportation cost index scores as well as transit index scores are generally higher in North Orange County than in South Orange County. Scores are generally higher in cities with greater

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<sup>6</sup> SCAG. Local Profiles Report 2019. Website: [https://scag.ca.gov/sites/main/files/file-attachments/laguna\\_woods\\_localprofile.pdf?1606012702](https://scag.ca.gov/sites/main/files/file-attachments/laguna_woods_localprofile.pdf?1606012702) (accessed May 9, 2022).

<sup>7</sup> HUD AFFH Mapping and Data Tool – Map 9 Demographics and Labor Market. Website: <https://egis.hud.gov/affht/> (accessed May 9, 2022).

levels of density. Generally, North Orange County cities have a variety of residential living patterns with varying levels of density.

While the percentage of Laguna Woods residents using transit to commute to work has increased by 67 percent (0.9 percent in 2000 to 1.5 percent in 2019), Laguna Woods still has a relatively low percentage of residents that commute via public transit. The number of residents who commute to work via bicycle or walking has decreased by 57 percent from the year 2000 to 2018.

AllTransit is a database created by the Center for Neighborhood Technology to explore metrics that reveal the social and economic impact of transit, specifically looking at connectivity, access to jobs, and frequency of service. AllTransit’s overall evaluation was that Laguna Woods had a low combination of trips per week and number of accessible jobs, enabling few people to take transit to work. Specifically, while the vast majority of jobs within Laguna Woods are located within 0.5 mile of transit and Laguna Woods residents can access over 90,000 jobs within a 30-minute transit commute, the transit quality within Laguna Woods is low. There are only four transit routes within Laguna Woods, and none of them offer high-frequency service as defined by AllTransit, making commuting by means of public transportation difficult.

**Environmental.** The Orange County AI uses the environmental opportunity index, a value derived from indicators from the exposures and environmental effects subcomponents of the “pollution burden” domain of CalEnviroScreen 3.0, to assess environmental opportunity. The following disparities in access to environmental opportunity exist in Orange County:

1. Across all tracts in Orange County, non-Hispanic Whites exhibit the highest access to environmentally healthy neighborhoods (index score of about 54). All other racial/ethnic groups obtain lower index scores in the 40s: Hispanics score lowest at 41, followed by non-Hispanic Blacks (index score of 45), non-Hispanic Asian/Pacific Islander (index score of 47), and non-Hispanic Native Americans (index score of 48).
2. Jurisdictions with the highest environmental opportunity appear to have primarily large concentrations of non-Hispanic Whites and Asian/Pacific Islanders. Lower-scoring cities exhibit a diversity of residential patterns.

The California Office of Environmental Health Hazard Assessment (OEHHA) developed a screening methodology to help identify California communities disproportionately burdened by multiple sources of pollution, called the California Communities Environmental Health Screening Tool (CalEnviroScreen). High-scoring communities tend to be more burdened by pollution from multiple sources and most vulnerable to its effects, taking into account their socioeconomic characteristics and underlying health status. Scores for census tracts within Laguna Woods are listed in Table AE. Scores for Laguna Woods range between 4.81 and 28.08, which are relatively low. The highest-scoring area within Laguna Woods is the census tract on the southeast side of Laguna Woods near Interstate 5 (Census Tract 626.47).

**Table AE: CalEnviroScreen Scores by Census Tract (2020)**

Census Tract	CalEnviroScreen Score	CalEnviroScreen Percentile
626.21	6.37	21

626.22	15.18	37
626.25	12.47	37
626.41	4.81	18
626.46	18.9	44
626.47	28.08	54
626.48	10.56	32
626.49	6.30	22

Source: CA Office of Environmental Health Hazard Assessment (OEHHA), CalEnviroScreen 4.0 Draft.

#### 1.4.1.4 Assessment of Contributing Factors to Fair Housing in Laguna Woods

As described in Exhibit B, Constraints Analysis, the cumulative effect of the City's residential development standards does not constrain the expansion of housing opportunities. Density standards are consistent with the densities established for General Plan land use categories, and setback requirements provide minimal light and air for development, are typical in the region, and do not unreasonably constrain housing opportunities.

Further, the City encourages the development of affordable housing through Section 13.26.040 of the City's Zoning Code, which provides for residential density bonuses to incentivize the production of housing for very low-income, lower-income, or senior households in accordance with Government Code Sections 65915 and 65917.

The City has also identified adequate sites to be made available through appropriate zoning and development standards to encourage the development of various types of housing for all economic segments of the population, including single-family housing, multifamily housing, senior housing, manufactured housing and mobile homes, accessory dwelling units, residential care facilities for persons with developmental disabilities, and single-room occupancy facilities. Additionally, with the adoption of the updated Housing Element, a program to amend the Zoning Code to include one or more mixed-use overlay zoning districts that would allow the development of commercial and residential uses on the same parcel would also be put into effect.

The City has not adopted unique restrictions that constrain the development of housing for persons with disabilities nor has it adopted regulations inconsistent with applicable federal or state law. There are no City-initiated constraints on housing for persons with disabilities caused or controlled by the City. In addition, the City has adopted formalized criteria and processing procedures for reasonable accommodation applications within its Zoning Code.

As described in Exhibit A Housing Needs Assessment, and as defined by the RHNA process, Laguna Woods' new construction need for the 2021 to 2029 planning period has been established at 997 new units. The City will continue to zone sites for housing supported by a variety of programs to enhance affordability, to accommodate its RHNA and contribute toward addressing the growing demand for housing in the Southern California region.

Given that the City does not have prohibitive residential development standards or unique restrictions constraining development of housing for persons with disabilities and also encourages the development of affordable housing as well as various housing typologies, the City experiences the following local contributing factors to fair housing:

- **Displacement Risk** – As described in Section 1.3.7.3, Displacement and Disproportionate Housing Needs, some parts of Laguna Woods are either susceptible to displacement or experiencing ongoing displacement as well as at risk of job displacement according to the Urban Displacement Project’s Gentrification and Displacement Map. The same parts of Laguna Woods which are susceptible to displacement (Census Tracts 626.46 and 626.47) are also the areas in Laguna Woods with the highest renter vulnerability indices.
- **Development Costs and Low Land Availability** – As described in Exhibit B, Constraints Analysis, the availability and price of land represents a significant market constraint to housing production in Laguna Woods, where there is very little residentially designated vacant land. In June 2021, based on a survey of online real estate listings, there were no vacant properties listed for sale within Laguna Woods. Due to limited land availability, most new residential development in Laguna Woods will involve redeveloping properties with existing uses, which tends to add to the cost of land. Further, density bonuses are available for projects that include affordable housing in Laguna Woods. Developers of affordable housing may also be granted regulatory concessions or development incentives. Density bonuses, together with the incentives and/or concessions, result in a lower average cost of land per dwelling unit thereby making the provision of affordable housing more feasible.

1.4.1.5 City Actions

This Housing Element includes AFFH as one of four priority issues. In addition to the goal, policy objectives, and programs included under the AFFH priority issue, other programs included under other priority issues relate to AFFH. Table AF correlates each AFFH-related program with a fair housing issue using the categories of examples of AFFH actions provided in HCD’s AFFH guidance memorandum dated April 2021. Table AG identifies the contributing factor(s) resulting in each program’s inclusion, as well as a priority assigned based on the extent to which factors limit or deny fair housing choice or access to opportunity or negatively impact fair housing or civil rights.

**Table AF: Alignment of AFFH Programs with HCD Guidance**

Housing Element Program	Type of AFFH Action / Fair Housing Issue
<b>Program H-1.2.3.</b> Conduct a market study and then amend the existing inclusionary housing ordinance to modify the minimum percentages of new housing units that must be deed-restricted for extremely low, very low, and low-income households, as feasible and advantageous to promote the development of affordable housing.	Promoting Housing Supply, Choices, and Affordability
<b>Program H-2.1.2.</b> Investigate potential incentives for property owners to extend existing affordability covenants beyond the planned expiration date. If feasible and economical, adopt such incentives.	Protect Existing Residents from Displacement
<b>Program H-2.2.2.</b> Adopt an ordinance waiving or reducing City building permit fees for improvements to the home of a person at least 60 years of age with a qualifying disability that are made to accommodate that disability, as provided for by California Health and Safety Code Section 17951.7. Consider including provisions allowing for similar building permit fee waivers or reductions for improvements to the home of a person with a qualifying disability	Promoting Housing Supply, Choices, and Affordability

**Table AF: Alignment of AFFH Programs with HCD Guidance**

Housing Element Program	Type of AFFH Action / Fair Housing Issue
that are made to accommodate that disability, regardless of age. Prepare and maintain a flyer with related information.	
<b>Program H-2.2.3.</b> Provide opportunities for reimbursements, grants, or other forms of financial assistance to support home improvements that increase accessibility or functionality for persons with special needs.	Promoting Housing Supply, Choices, and Affordability
<b>Program H-2.3.1.</b> Formalize a proactive code enforcement program that focuses on housing-related rehabilitation needs, results in repairs, and seeks to mitigate potential cost, displacement, and relocation impacts on residents.	Place-based Strategies to Encourage Community Conservation and Revitalization
<b>Program H-3.1.1.</b> Improve pedestrian accessibility on sidewalks, curb ramps, crosswalks, and other public property connecting housing with transit stops, public buildings, businesses, and educational institutions. Prioritize improvements based on factors including: ● The California Office of Environmental Health Hazard Assessment’s California Communities Environmental Health Screening Tool (“CalEnviroScreen”) scores for individual census tracts, with an emphasis on undertaking improvements in and around Census Tract 626.47 due to its comparatively higher CalEnviroScreen score, as feasible and economical; and ● Education domain scores from the California Tax Credit Allocation Committee (“TCAC”)/HCD Opportunity Map, with an emphasis on undertaking improvements in and around Census Tract 626.22 due to its comparatively lower scores, as feasible and economical.	Housing Mobility
<b>Program H-3.1.2.</b> Pursue partnerships and seek funding to provide Laguna Woods-based housing mobility counseling services. If feasible and economical, implement such services.	Housing Mobility
<b>Program H-3.1.3.</b> Adopt an ordinance waiving or reducing City building permit fees, or providing other incentives, for housing projects that prepare and implement an affirmative marketing plan designed to attract renters or buyers of diverse demographics, including persons of any race, color, religion, sex, handicap, familial status, or national origin. Prioritize incentives based on factors including racial concentrations from U.S. Census Bureau data products, with an emphasis on avoiding the creation of geographically discernable patterns of segregation or racially concentrated areas of poverty.	Housing Mobility
<b>Program H-3.2.1.</b> Prepare and maintain a webpage with information on housing mediation, foreclosure assistance, and multilingual tenant legal counseling services. Train City staff to make referrals using the webpage.	Protect Existing Residents from Displacement
<b>Program H-3.2.2.</b> Pursue partnerships and seek funding to provide Laguna Woods-based housing mediation, foreclosure assistance, and multilingual tenant legal counseling services. If feasible and economical, implement such services.	Protect Existing Residents from Displacement
<b>Program H-3.2.3.</b> Investigate potential hazard mitigation measures that would reduce or eliminate the long-term risk of residential displacement as a result of future disasters. If feasible and economical, implement such hazard mitigation measures. Prioritize improvements based on factors including economic domain scores from the TCAC/HCD Opportunity Map for individual census tracts, with an emphasis on undertaking improvements in and around	Protect Existing Residents from Displacement

**Table AF: Alignment of AFFH Programs with HCD Guidance**

Housing Element Program	Type of AFFH Action / Fair Housing Issue
census tracts 626.22 and 626.48 due to their comparatively lower scores, as feasible and economical.	

**Table AG: Contributing Factors for AFFH Programs Matrix**

Housing Element Program	Contributing Factor(s)	Priority
<b>Program H-1.2.3.</b> Conduct a market study and then amend the existing inclusionary housing ordinance to modify the minimum percentages of new housing units that must be deed-restricted for extremely low, very low, and low-income households, as feasible and advantageous to promote the development of affordable housing.	Need for affordable housing options based on housing needs allocation and housing needs assessment	High
<b>Program H-2.1.2.</b> Investigate potential incentives for property owners to extend existing affordability covenants beyond the planned expiration date. If feasible and economical, adopt such incentives.	Displacement risk for existing lower-income residents due to economic pressures/motivators on property owners/managers (see also Section 1.3.7.3)	High
<b>Program H-2.2.2.</b> Adopt an ordinance waiving or reducing City building permit fees for improvements to the home of a person at least 60 years of age with a qualifying disability that are made to accommodate that disability, as provided for by California Health and Safety Code Section 17951.7. Consider including provisions allowing for similar building permit fee waivers or reductions for improvements to the home of a person with a qualifying disability that are made to accommodate that disability, regardless of age. Prepare and maintain a flyer with related information.	Access to opportunities for persons with disabilities due to underimproved housing stock potentially resultant of financial or physical challenges	Medium
<b>Program H-2.2.3.</b> Provide opportunities for reimbursements, grants, or other forms of financial assistance to support home improvements that increase accessibility or functionality for persons with special needs.	Access to opportunities for persons with special needs due to underimproved housing stock potentially resultant of financial or physical challenges	Medium
<b>Program H-2.3.1.</b> Formalize a proactive code enforcement program that focuses on housing-related rehabilitation needs, results in repairs, and seeks to mitigate potential cost, displacement, and relocation impacts on residents.	Age of housing stock; intent to help promote the existing good condition and upkeep of housing stock	Medium
<b>Program H-3.1.1.</b> Improve pedestrian accessibility on sidewalks, curb ramps, crosswalks, and other public property connecting housing with transit stops, public buildings, businesses, and educational institutions. Prioritize improvements based on factors including: ● The California Office of Environmental Health Hazard Assessment’s California Communities Environmental Health Screening Tool (“CalEnviroScreen”) scores for individual census tracts, with an emphasis on undertaking improvements in and around Census Tract 626.47 due to its comparatively higher CalEnviroScreen score, as feasible and economical; and ● Education domain scores from the California Tax Credit Allocation Committee (“TCAC”)/HCD Opportunity Map, with an emphasis on undertaking improvements in and around Census Tract 626.22 due to its comparatively lower scores, as feasible and economical.	Useful life of improvements; evolving needs based on the nature of connecting uses and pedestrian behavior.	Medium



**Table AG: Contributing Factors for AFFH Programs Matrix**

Housing Element Program	Contributing Factor(s)	Priority
<b>Program H-3.1.2.</b> Pursue partnerships and seek funding to provide Laguna Woods-based housing mobility counseling services. If feasible and economical, implement such services.	Existing age and income restrictions; changing financial circumstances due to age, employment status, and economic pressures.	Medium
<b>Program H-3.1.3.</b> Adopt an ordinance waiving or reducing City building permit fees, or providing other incentives, for housing projects that prepare and implement an affirmative marketing plan designed to attract renters or buyers of diverse demographics, including persons of any race, color, religion, sex, handicap, familial status, or national origin. Prioritize incentives based on factors including racial concentrations from U.S. Census Bureau data products, with an emphasis on avoiding the creation of geographically discernable patterns of segregation or racially concentrated areas of poverty.	Need for affordable housing options based on housing needs allocation and housing needs assessment; existing age and income restrictions.	High
<b>Program H-3.2.1.</b> Prepare and maintain a webpage with information on housing mediation, foreclosure assistance, and multilingual tenant legal counseling services. Train City staff to make referrals using the webpage.	Displacement risk for existing lower-income residents due to economic pressures/motivators on property owners/managers (see also Section 1.3.7.3); changing financial circumstances due to age, employment status, and economic pressures.	Medium
<b>Program H-3.2.2.</b> Pursue partnerships and seek funding to provide Laguna Woods-based housing mediation, foreclosure assistance, and multilingual tenant legal counseling services. If feasible and economical, implement such services.	Displacement risk for existing lower-income residents due to economic pressures/motivators on property owners/managers (see also Section 1.3.7.3); changing financial circumstances due to age, employment status, and economic pressures.	Medium
<b>Program H-3.2.3.</b> Investigate potential hazard mitigation measures that would reduce or eliminate the long-term risk of residential displacement as a result of future disasters. If feasible and economical, implement such hazard mitigation measures. Prioritize improvements based on factors including economic domain scores from the TCAC/HCD Opportunity Map for individual census tracts, with an emphasis on undertaking improvements in and around census tracts 626.22 and 626.48 due to their comparatively lower scores, as feasible and economical.	Displacement risk for existing residents due to disaster-related damage (see also Section 1.3.7.3); age of housing stock.	High

**1.5 REGIONAL HOUSING NEEDS**

State law requires all regional councils of governments to determine the existing and projected housing need for its region and determine the portion allocated to each jurisdiction. This is known as the RHNA process. State Housing Element law requires that each city and county develop local housing programs to meet its “fair share” of existing and future housing needs for all income groups, as determined by the jurisdiction’s Council of Governments. This fair-share allocation concept seeks to

ensure that each jurisdiction accepts responsibility for the housing needs not only of its resident population but also for the jurisdiction’s projected share of regional housing growth across all income categories. Regional growth needs are defined as the number of units that would have to be added in each jurisdiction to accommodate the forecasted number of households, as well as the number of units that would have to be added to compensate for anticipated demolitions and changes to achieve an “ideal” vacancy rate.

In the six-county Southern California region, which includes Laguna Woods, the agency responsible for assigning these regional housing needs to each jurisdiction is SCAG. The regional growth allocation process begins with the California Department of Finance’s projection of statewide housing demand for a 5-year planning period, which is then apportioned by HCD among each of the State’s official regions. SCAG has determined the projected housing need for its region for the 2021 to 2029 Housing Element cycle and has allocated this housing need to each jurisdiction by income category through the RHNA process. The RHNA represents the minimum number of housing units each community is required to provide “adequate sites” for through zoning, and is one of the primary threshold criteria necessary to achieve HCD certification of the Housing Element.

In allocating the region’s future housing needs to jurisdictions, SCAG is required to take the following factors into consideration:

- Market demand for housing
- Employment opportunities
- Availability of suitable sites and public facilities
- Commuting patterns
- Type and tenure of housing
- Loss of units in assisted housing developments
- Overconcentration of lower-income households
- Geological and topographical constraints

As defined by the RHNA process, Laguna Woods’ new construction need for the 2021 to 2029 planning period has been established at 997 new units, distributed among the four income categories as shown in Table AH. Of the 127 Very Low Income units included in the City’s RHNA, approximately 50 percent (or 63 units) should be made available to Extremely Low Income households. The City will continue to provide sites for a mix of single-family, multifamily, and mixed-use housing, supported by a variety of programs to enhance affordability, to accommodate its RHNA and contribute toward addressing the growing demand for housing in the Southern California region.

**Table AH: Regional Housing Needs Assessment, 2021–2029**

Income Level	Number of Units	Percent of Total RHNA
Very Low* (<50% of AMI)	127	12.7%
Low (50-80% of AMI)	136	13.6%
Moderate (80-120% of AMI)	192	19.3%
Above Moderate (>120% of AMI)	542	54.4%
<b>Total</b>	<b>997</b>	<b>100%</b>

\* Based on current household income data presented in Table G, the City estimates that 63 (or approximately 50 percent) of the 127 units included in its Very Low Income allocation should be made available to Extremely Low Income households.  
AMI = Annual Median Income

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**EXHIBIT B**  
**CONSTRAINTS ANALYSIS**

**CITY OF LAGUNA WOODS**

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**LSA**

March 2023

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# CONSTRAINTS ANALYSIS

## CITY OF LAGUNA WOODS

Submitted to:

City of Laguna Woods  
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March 2023

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## LIST OF ABBREVIATIONS AND ACRONYMS

AB	Assembly Bill
ADA	Americans with Disabilities Act
ADU	accessory dwelling unit
CAL FIRE	California Department of Forestry and Fire Protection
CBC	California Building Code
CC	Community Commercial
CEQA	California Environmental Quality Act
CF-P	Community Facilities—Private
CF-PI	Community Facilities—Public/Institutional
CIP	Capital Improvement Program
City	City of Laguna Woods
CUP	Conditional Use Permit
ETWD	El Toro Water District
FAR	floor area ratio
FEMA	Federal Emergency Management Agency
FIRM	Flood Insurance Rate Maps
ft	foot/feet
HCD	Housing and Community Development Department of the State of California
HMDA	Home Mortgage Disclosure Act
I-5	Interstate 5
Lanterman Act	Lanterman Developmental Disabilities Services Act
MWD	Metropolitan Water District
OCFA	Orange County Fire Authority
OCTA	Orange County Transportation Authority
RC	Residential Community
RT	Residential Towers
SB	Senate Bill
SDP	Site Development Permit
sf	square foot/feet

SJHTCA	San Joaquin Hills Transportation Corridor Agency
SRO	Single Room Occupancy
UWMP	Urban Water Management Plan
WRP	Water Recycling Plant
WTP	Wastewater Treatment Plant

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## 1.0 HOUSING CONSTRAINTS

The City of Laguna Woods' (City) Housing Element seeks to ensure the provision of adequate housing to meet the existing and projected needs of all economic segments of the community. Many factors, including market mechanisms, government regulations and policies, and infrastructure and environmental constraints, can constrain the development, maintenance, and improvement of housing. This Constraints Analysis addresses the potential and actual governmental constraints upon the development, maintenance, or improvement of housing that may affect the supply and cost of housing in Laguna Woods, as required by Government Code Section 65583(a).<sup>1</sup>

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<sup>1</sup> California Department of Housing and Community Development. 2021. Codes and Enforcement of Onsite/ Offsite Improvement Standards. Website: <https://www.hcd.ca.gov/community-development/building-blocks/constraints/codes-and-enforcement-on-offsite-improvement-standards.shtml> (accessed June 11, 2021).

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## 2.0 GOVERNMENTAL CONSTRAINTS

Actions or policies of governmental agencies, whether involved directly or indirectly in the housing market, can impact the ability of the development community to provide adequate housing to meet consumer demands. For example, the impact of federal monetary policies and the budgeting and funding policies of governmental agencies can either stimulate or depress various aspects of the housing industry. State and local government compliance, and the enactment of sanctions for noncompliance, with federal laws may also have an impact on the housing industry.

State and local government compliance with State laws can complicate the development of housing. Statutes such as the California Environmental Quality Act (CEQA) and rezoning and General Plan amendment procedures required by the Government Code can prolong the review and approval of development proposals by local governments. In many instances, compliance with such mandates includes time constraints that cannot be altered by local governments.

City policies can also impact the price and availability of housing. Land use controls, site improvement requirements, building codes, fees, and other local programs to improve the overall quality of housing may serve as constraints to housing development.

### 2.1 LAND USE CONTROLS

The City’s General Plan and Zoning Code provide for a range of residential land use designations and zoning districts. The City’s Zoning Map is included as Figure 1. Land use designations that allow for residential development are presented in Table A.

**Table A: Residential Land Use Designations**

General Plan Land Use Designation	Max. Density	Description
Low Density Residential	<10 du/ac	Includes all dwelling units equipped for independent living (i.e., kitchen, bathroom, and sleeping quarters). Facilities intended for transient living, such as hotels and motels and hospitals and skilled nursing units, are not typically included.
Medium Density Residential	10–12 du/ac	
High Density Residential	13–35 du/ac	
Residential Community	<10 du/ac or 10-12 du/ac depending on location	Encompasses nearly all of the Laguna Woods Village planned residential community with the exception of Rossmoor Towers. Integrates a mix of single-family detached, single-family attached, two family, and multi-family residential, with supporting country clubs, parks, community services, local-serving noncommercial services, and open spaces. Common areas are managed by private nonprofit community associations.

Source: Land Use Element (City of Laguna Woods 2017).  
du/ac= dwelling unit(s) per acre  
max. = maximum

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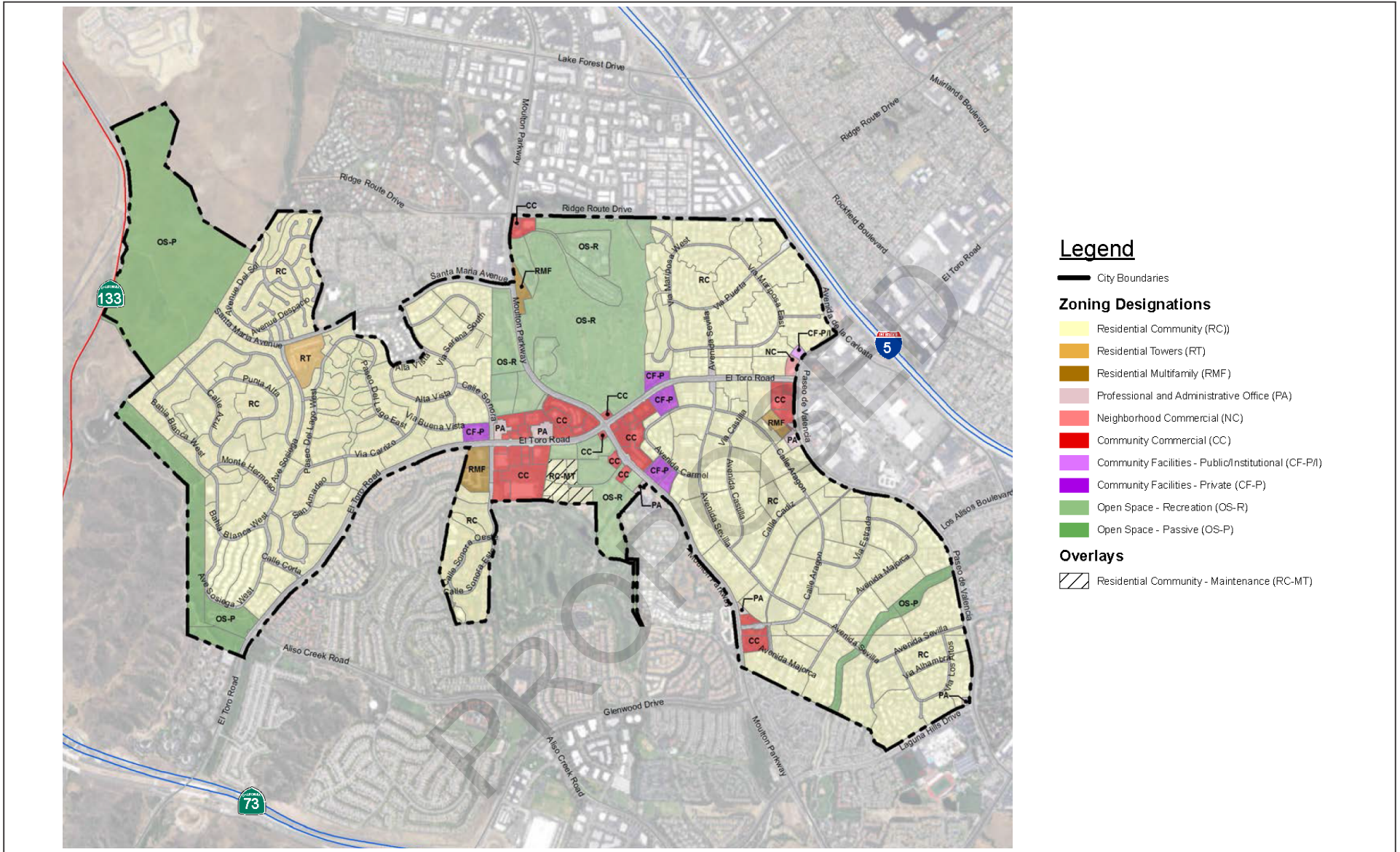
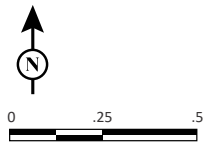


FIGURE 1

LSA



SOURCE: City of Laguna Woods

I:\LWD2101\G\Zoning\_Map.ai (6/10/2021)

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## 2.2 RESIDENTIAL DEVELOPMENT STANDARDS

The City's Zoning Code contains development standards for each zoning district consistent with the land use designations of the General Plan. The Zoning Code establishes development standards for each zoning district to ensure quality development and reduce the potential for land use conflicts. Residential development standards are summarized in Table B.

**Table B: Residential Development Standards**

Development Standard	Residential Multifamily (RMF)	Residential Community (RC)	Residential Towers (RT)
Maximum Building Height (ft)	65	40	None
Minimum Building Site Area (sf)	7,200	None	None
Minimum Area per Unit (sf)	1,000 <sup>1</sup>	None <sup>2</sup>	None <sup>2</sup>
Minimum Setback (ft)			
Front Yard	20	None <sup>3</sup>	None
Side Yard from ROW	5	None <sup>3</sup>	None
Rear Yard from ROW	25	None <sup>3</sup>	None
Side Yard not abutting ROW	5	None <sup>3</sup>	None
Rear Yard not abutting ROW	25 <sup>4</sup>	None <sup>3</sup>	None
Distance between Principal Structures (ft)	10	None <sup>3</sup>	None
Maximum Building Site Coverage	50%	50% <sup>5</sup>	None <sup>2</sup>

Source: Zoning Ordinance (City of Laguna Woods 2020).

- <sup>1</sup> The minimum per dwelling unit is based on the net land area.
- <sup>2</sup> There shall be no minimum lot size. The total number of residential units permitted within the planning unit shall not be exceeded, as was shown on the statistical analysis for the original planned community, as amended. The dwelling densities as categorized in the City's General Plan as low-density, medium-density, and high-density shall not be exceeded. The limitations contained within the General Plan shall take precedence over any discrepancies that may exist as compared to the statistical analysis for the planning units.
- <sup>3</sup> Required yards and distances between building structures are waived.
- <sup>4</sup> In computing the depth of a rear setback from any building where such setback opens on an alley, private street, or public park, one-half of the width of such alley, street, or park may be deemed to be a portion of the rear setback, except that under this provision, no rear setback shall be less than 15 ft.
- <sup>5</sup> The building site coverage shall not exceed 50 percent of the land area contained within each recorded tract, exclusive of dedicated ROW. Swimming pool coverage shall not be considered as building site coverage.

City = City of Laguna Woods

ft = foot/ feet

ROW = right-of-way

sf = square foot/feet

The cumulative effect of the City's residential development standards does not constrain the expansion of housing opportunities. Density standards are consistent with the densities established for General Plan land use categories. The setback requirements provide minimal light and air for development, are typical in the region, and do not unreasonably constrain housing opportunities.

All residential uses are currently required to provide the number of parking spaces as outlined in Table C. Developers of affordable and senior housing who are eligible for a density bonus pursuant to Government Code Sections 65919 through 65918 are eligible to use parking standards established by State law. Density bonus provisions are discussed in more detail later in this section.

**Table C: Residential Parking Requirements**

Use	Parking Requirement
Attached or detached single-family dwellings	<ul style="list-style-type: none"> <li>● 2 covered parking spaces for each dwelling unit.</li> </ul>
Two or more dwelling units on one building site.	<ul style="list-style-type: none"> <li>● Studio to 1-bedroom: 1.5 parking spaces for each dwelling unit</li> <li>● 2-bedroom: 2 parking spaces for each dwelling unit</li> <li>● 3-bedroom and up: 2.5 parking spaces for each dwelling unit plus 0.5 parking space for each bedroom in excess.</li> </ul>
Multifamily dwelling units (five or more dwelling units)	<ul style="list-style-type: none"> <li>● Each dwelling unit shall be assigned at least one standard-size parking space.</li> <li>● Additional unassigned parking spaces shall be provided using the following formula, which is based on the size of each unit:               <ul style="list-style-type: none"> <li>○ &lt;700 sf: 0</li> <li>○ 701–800 sf: +0.17</li> <li>○ 801–900 sf: +0.34</li> <li>○ 901–1,000 sf: +0.50</li> <li>○ 1,001–1,100 sf: +0.67</li> <li>○ 1,101–1,200 sf: +0.84</li> <li>○ 1,201–1,300 sf: +1.0</li> <li>○ 1,301–1,400 sf: +1.18</li> <li>○ 1,401–1,500 sf: +1.34</li> <li>○ &gt;1,500 sf: +1.5</li> </ul> </li> <li>● 1 guest parking space per every 4 dwelling units, rounded up to the next nearest whole number, shall be provided.</li> </ul>

Source: Zoning Code (City of Laguna Woods 2020).  
sf = square foot/feet

The City monitors its development standards and their impact on development. Periodically, the City will amend the Zoning Code to ensure that development standards respond to market trends. The City has adopted other provisions in the Zoning Code that facilitate a range of residential development types and encourage affordable housing, as discussed below.

**2.2.1 Affordable Housing Density Bonus**

Section 13.26.040 of the City’s Zoning Code provides the details of the residential density bonus provision, which is intended to provide incentives for the production of housing for very low-income, lower-income, or senior households in accordance with California Government Code Sections 65915 and 65917. On September 16, 2020, the City amended its Density Bonus Ordinance to ensure compliance with the current State law in effect at that time. Assembly Bill (AB) 1763 made a number of changes to density bonus requirements for affordable projects. The bill requires a density bonus to be granted for projects that include 100 percent lower-income units, but allows up to 20 percent of total units in a project that qualifies for a density bonus to be for moderate-income households. Under the revised law, density bonus projects must be allowed four incentives or concessions, and for developments within 0.5 mile of a major transit stop, a height increase of up to three additional stories or 33 feet (ft). A density bonus of 80 percent is required for most projects, with no limitations on density placed on projects within 0.5 mile of a major transit stop. The bill also allows developers to request the elimination of minimum parking requirements for rental units affordable to lower-income families that are either supportive housing or special-needs housing, as defined. AB 2345, which was signed in September 2020, further incentivizes the production of

affordable housing. The City Council adopted updated residential density bonus standards regulations in December 2021.

In 2008, the San Sebastian senior apartments were completed with 17 units affordable to low-income residents. The development utilized a density bonus, and, as a result, the affordable units are subject to deed restrictions, which will ensure continued affordability through October 16, 2054.

### **2.2.2 Small-Lot Development**

The City has not established any zoning districts that are intended to specifically facilitate small-lot residential development; however, the City's Zoning Code does not require minimum lot sizes in the Residential Community (RC) and Residential Tower (RT) zoning districts.

### **2.2.3 Special-Purpose Zoning Districts**

Special-purpose zoning districts permit design and development standards to be established that are tailor-made for planned project areas with unique attributes. The City's Zoning Code includes the RC zoning district, which provides for the development and preservation of planned unit developments with a mixture of single-family attached and detached homes and multifamily homes. Neighborhoods in the RC district are characterized by controlled physical access and specialized recreation facilities. Setbacks and other development standards are to be tailored specifically to each project by means of a precise development plan that is approved with the project.

## **2.3 PROVISION FOR A VARIETY OF HOUSING TYPES**

State Housing Element law specifies that local governments must identify adequate sites to be made available through appropriate zoning and development standards to encourage the development of various types of housing for all economic segments of the population, including multifamily residential housing, factory-built housing, emergency shelters, transitional housing, and supportive housing. Table D summarizes the housing types permitted in each of the City's zoning districts.

### **2.3.1 Single-Family Housing**

Single-family housing is permitted by right in the Residential Multifamily (RMF) and RC districts. As outlined in the City's Zoning Code, standard development in the RC district shall be predominantly of multiunit, multistoried structures and single-family, one-story structures in an arrangement of attached or detached dwellings and their accessory structures.

### **2.3.2 Multifamily Housing**

Multifamily housing is permitted by right in the RMF, RC, and RT districts. The RMF zoning district is intended to provide for the development and preservation of high-density multifamily residential neighborhoods with a moderate amount of open space. Care is taken to ensure that uses approved in the RMF zoning district are compatible with surrounding residential neighborhoods. RMF-zoned properties are located in three areas of Laguna Woods off major roadways. The RC district was created to provide for the development and preservation of planned unit developments with a mixture of single-family attached and detached homes, as well as multifamily homes.

**Table D: Housing Types Per Zoning Code**

Land Use Types	Zoning District		
	Residential Multifamily (RMF)	Residential Community (RC)	Residential Towers (RT)
Accessory Building/Use	A	A	A
Accessory Dwelling Unit	P	P	P
Condominiums/Stock Cooperatives	U	U	U
Community Apartment Projects	U	U	U
Community Care Facilities (<6 persons)	P	P	P
Congregate Care Facility	U	U	U
Duplex	P	U	X
Dwelling, Multiple-Family	P	P	P
Dwelling, Single-Family	P	P	X
Emergency and Transitional Housing Shelters	X	X	X
Guesthouse	X	A	X
Junior Accessory Dwelling Unit	P	P	P
Mobile Home	P	P	X
Mobile Home Development	U	U	X
Planned Unit Development	U	U	U
Residential Tract Sales & Rentals	T/SE	T/SE	T/SE
Supportive Housing	P	P	P
Transitional Housing	P	P	P

Source: Zoning Code (City of Laguna Woods 2020).

A = Permitted only as an accessory to a Principal Use

P = Permitted as a Principal Use

T/SE = Permitted with an approved Temporary Use/Special Event permit

U = Permitted with an approved use permit

X = Prohibited

RC-zoned properties encompass most of the land within Laguna Woods, reflecting its planned community heritage. The RT district was established to provide for the development and preservation of high-rise multifamily structures. RT-zoned properties exist in one small area in the western portion of Laguna Woods. Additional development standards are applicable to multifamily housing with more than five dwelling units on site, including standards related to circulation, lighting, waste disposal, and infrastructure.

**2.3.3 Live/Work Units**

The City’s Zoning Code does not currently include any zoning districts that allow for live/work units.

**2.3.4 Senior Housing**

Section 13.06.010 of the City’s Zoning Code defines senior citizen housing as “a residential development consisting of at least 35 dwelling units which is developed for, or substantially rehabilitated or renovated for, senior citizens.” Additionally, California Civil Code Section 51.3 defines “senior citizen” as a person 62 years of age or older, or 55 years of age or older, in a senior citizen housing development, and “senior citizen development” as a residential development developed, substantially rehabilitated, or substantially renovated for senior citizens that has at least 35 dwelling units.

Section 13.26.030 of the City's Zoning Code, which provides details about housing incentive use permits for affordable or senior citizen housing, states that in any zoning district that permits residential uses, a housing incentive use permit application to permit more dwelling units than allowed by zoning, and/or establish special site development standards, may be approved for the purposes of facilitating affordable and/or senior citizen housing developments.

### 2.3.5 Manufactured Housing and Mobile Homes

Manufactured housing and mobile homes offer an affordable housing option for many low- and moderate-income households. Manufactured housing is permitted by right in all zoning districts that permit single-family dwelling units, as required by State law. Mobile homes are permitted in the RMF and RC districts, and mobile home parks are permitted in those same zoning districts with an approved use permit. Mobile home developments are subject to additional development standards not related to the use; instead, the standards relate to landscape screening and design. According to California Department of Finance estimates, there were no mobile homes in Laguna Woods as of January 2020.<sup>2</sup>

According to the National Manufactured Home Construction and Safety Act of 1974, a manufactured home built and certified after June 15, 1976, and constructed on a permanent foundation may be located in any residential zoning district where a conventional single-family detached dwelling is permitted subject to the same restrictions on density and to the same property development regulations. Manufactured homes are currently allowed in all residential zoning districts, subject to foundational regulations found in Government Code Section 65852.3. Manufactured housing is treated the same as single-family dwellings and is subject to the same property development standards and permitting process. The City's Zoning Code requires manufactured housing to be architecturally compatible (roofing overhangs, roofing materials, exterior siding, stucco, etc.) with single-family dwellings.

### 2.3.6 Accessory Dwelling Units

Per Government Code Section 65852.2, an "accessory dwelling unit" (ADU) is defined as "an attached or a detached residential dwelling unit that provides complete independent living facilities for one or more persons and is located on a lot with a proposed or existing primary residence. It shall include permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the single-family or multifamily dwelling is or will be situated." ADUs may be an alternative source of affordable housing for lower-income households and seniors.

The City has updated its Zoning Code to permit ADUs by right if they are contained within the space of a proposed or existing single-family dwelling or accessory structure, or existing multifamily dwelling. This update to the City's Zoning Code was made to comply with State requirements, with Government Code Section 65852.2 used as a baseline for the amendments.

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<sup>2</sup> California Department of Finance. 2020. E-5 Population and Housing Unit Estimates. Website: <https://www.dof.ca.gov/Forecasting/Demographics/Estimates/E-5/> (accessed June 11, 2021).

Recent State legislation, including AB 68, AB 587, AB 881, and Senate Bill (SB) 13, addresses standards and regulations for ADUs. The bills modified the fees, application process, and development standards for ADUs, with the goal of lowering barriers to ADU development and increasing overall numbers of ADUs. Key provisions include the following:

- Prohibiting standards related to lot coverage standards, lot size, floor area ratio (FAR), or open space that have the effect of limiting ADU development
- Allowing ADUs within or attached to attached garages, storage areas, or accessory structures
- Removing requirements to replace parking when a garage or carport is demolished to develop an ADU
- Prohibiting maximum sizes for ADUs that are less than 850 square feet (sf) (1,000 sf for units with two or more bedrooms)

The City last updated its Zoning Code with regard to ADUs in 2020 to address the requirements of AB 68, AB 587, AB 881, and SB 13.

### **2.3.7 Residential Care Facilities**

The Lanterman Developmental Disabilities Services Act (Lanterman Act) is a State law that sets out the rights of persons with developmental disabilities. The Lanterman Act impacts local zoning ordinances by requiring the use of property for the care of six or fewer disabled persons to be classified as a residential use, permitted by right, under zoning provisions. More specifically, a state-authorized, certified, or licensed family care home, foster home, or a group home serving six or fewer disabled persons or dependent and neglected children on a 24-hour-a-day basis is considered a residential use that is to be permitted in all residential zoning districts. No local government can impose stricter zoning or building and safety standards on these homes. Due to the unique characteristics of larger (more than six persons) residential care facilities, most local governments require a discretionary use permit to ensure neighborhood compatibility in the siting of these facilities.

The City's Zoning Code accommodates both large and small residential care facilities. The City facilitates and encourages the development of residential care facilities by treating licensed facilities that serve six or fewer persons as standard residential uses, consistent with State law. As such, community care facilities are permitted by right in all residential zoning districts. Additionally, community care facilities serving seven to 12 persons, except for large family day care homes, are permitted in any district, planned community, or specific plan area zoned for residential use, subject to the issuance of a use permit. The use permit is intended to ensure that the development is consistent with applicable zoning. In a supportive housing development, housing can be coupled with social services such as job training, alcohol and drug abuse programs, and case management for populations in need of assistance, such as the homeless, those suffering from mental illness or substance abuse problems, and the elderly or medically frail. Because supportive housing is a residential use, it would be treated as such in the development process whether the supportive housing development consisted of single-family detached units or apartment buildings. Similar to



other multifamily developments, the required use permit process is intended to establish appropriate and unique development standards for residential development in the RC and RT zoning districts, as the zoning regulations contain few standards. This allows for greater specificity in development standards.

Review of the California State Community Care Licensing Division inventory of community care facilities identifies two residential care facilities in Laguna Woods. These facilities are for individuals who require 24-hour supervision but who do not generally need medical care beyond routine health checks and medication monitoring. Las Palmas is a licensed residential care community with 184 rental units, and the Regency is a licensed residential care community that consists of 192 rental units and offers both independent and assisted living on a month-to-month basis. The Regency is the only residential community that, under unique circumstances, will accommodate individuals younger than 55 within its assisted living facility.

### 2.3.8 Single Room Occupancy

Single Room Occupancy (SRO) facilities are small, one-room units occupied by a single individual and may either have shared or private kitchen and bathroom facilities. SROs are rented on a monthly basis typically without rental deposit and can provide an entry point into the housing market for extremely low-income individuals, formerly homeless persons, and disabled persons.

The City has adopted provisions in its Zoning Code (Section 13.26.170) to accommodate and regulate the establishment of SRO uses. These provisions include the following requirements:

- In the absence of findings as set forth in alternatives to off-street parking requirements, provision of one-half parking space for each guest unit, plus one space for each employee
- Submittal of a management plan outlining management policies, operations, emergency procedures, a security program, rental procedures, maintenance plans, and staffing as part of the use permit application
- Provision of an on-site manager on a 24-hour basis
- Provision of a single manager's unit, which shall be designed as a complete residential unit and be a minimum of 225 sf in size.

SRO uses are permitted in any zoning district or specific plan area zoned for hotels, subject to the approval of a use permit. Furthermore, the City's Zoning Code states that SROs will be treated as nonresidential uses.

### 2.3.9 Emergency Shelters and Low Barrier Navigation Centers

An emergency shelter is a facility that provides shelter to homeless families and/or homeless individuals on a limited short-term basis. According to the 2019 Point-in-Time Count for Orange

County,<sup>3</sup> there were five unsheltered people living in homelessness in Laguna Woods. State law requires emergency shelters to be permitted by right in at least one zoning district where adequate capacity is available to accommodate at least one year-round shelter. The City’s Zoning Code was amended in 2011 to include regulations pursuant to State law for emergency and transitional housing.

The City’s Zoning Code Section 13.23.010 was also amended in 2018 to permit emergency shelters in the Community Facilities – Public/Institutional (CF-P/I) and Community Facilities – Private (CF-P) zoning districts as a by-right use. The CF-P/I and CF-P zoning districts encompass approximately 17.805 acres of land across five sites – four places of worship with surface parking lots and interior space suitable for conversion to emergency shelters, and Orange County Fire Authority (OCFA) Fire Station No. 22. There is sufficient capacity to accommodate one year-round shelter housing five people, as required by State law. The CF-P/I and CF-P zoning districts were determined to be the most conducive to provision of emergency shelters by right since the zoning districts are allowed a uses that would facilitate the provision of government and social services to the community. The zoning district is appropriate for schools, hospitals, cultural venues, churches, temples and places of worship, which all require large facilities with capabilities to serve large amounts of people at a time.

Table E provides the development standards that apply to the CF-P and CF-P/I zoning districts.

**Table E: Development Standards for the Community Facilities Zoning Districts**

Development Standard	CF-P	CF-P/I
Maximum Building Height (ft)	40	40
Minimum Building Site Area (sq ft)	—	—
Minimum Building Site Width (ft)	—	—
Minimum Perimeter Setback (ft)		
From Street ROW	20	20
From Alley	10	0
From Residential Districts	10	10
From Nonresidential Districts	0	0
Maximum FAR	0.3	0.3
Maximum Building Site Coverage	None	None
Parking	See Code Section 13.16.300-400	
Landscaping	See Code Section 13.16.250	
Screening	See Code Section 13.16.240	
Signs	See Code Section 13.16.410-530	
Waste Management/Hazardous Materials	See Code Section 13.20.200	

Source: Laguna Woods Municipal Code Section 13.13.030.

FAR = floor area ratio  
ft = foot/feet

ROW = right-of-way  
sq ft = square foot/feet

<sup>3</sup> United to End Homelessness. Point-In Time Count. 2019. Website: <https://www.unitedtoendhomelessness.org/2019-point-in-time-count> (accessed April 29, 2021).

In addition to application of the CF-P/I and CF-P district development standards, pursuant to Government Code Section 65583, the City can also specify written, objective standards to regulate the following aspects of emergency shelters to enhance compatibility:

1. **Location and Separation:** Emergency shelters shall be situated more than 300 ft from another emergency shelter.
2. **Physical Characteristics:**
  - a. The maximum number of beds for emergency shelters shall be 20 unless a larger number is approved through a conditional use permit.
  - b. The maximum number of beds does not apply in situations of citywide or statewide designated disasters or catastrophic conditions as determined by the City Council or City Manager.
  - c. Emergency shelters shall have adequate private living space, shower and toilet facilities, and secure storage areas for its intended clients.
  - d. All on-site waiting and client intake areas shall be located in the interior of the emergency shelter and shall be of sufficient size to prevent any such activities from occurring in the exterior of the emergency shelter.

The CF-P and CF-P/I designation has been applied to areas along El Toro Road and Moulton Parkway. The CF-P/I and CF-P zoning districts have high access to public transit services. The Orange County Transportation Authority has two local routes, Routes 90 and 89, which provide regional access along the public streets located immediately adjacent to the CF-P/I and CF-P zoning districts. Therefore, these sites have reasonable access to public transit.

The City provides adequate and accessible sidewalks, vehicular access, and bicycle access to the CF-P/I and CF-P zoning districts.

The CF-P/I and CF-P zoning districts are surrounded by residential, open space, and/or community commercial land uses, and are therefore not located in close proximity to any uses that would create hazardous conditions or conditions inappropriate for human habitability. Current uses in the CF-P and CF-P/I zoning districts include four churches and their accompanying surrounding parking lots, and the OCFA Fire Station No. 22. These zones are conducive to building emergency shelters due to their relative sizes, their proximity to public transit and main thoroughfares, and the allowable uses on their sites.

The City's Zoning Code requires the following conditions to be met for emergency shelters in order to ensure "adequate" private living space requirements.

### 1. Operational Standards.

(1) If an emergency shelter includes a drug or alcohol abuse counseling component, appropriate state and/or federal licensing shall be required.

(2) Emergency shelters shall limit occupancy by each client to no more than 180 days in a 365-day period.

(3) Emergency shelters shall conduct all on-site waiting and client intake activities in the interior of the emergency shelter and prevent any such activities from occurring in the exterior of the emergency shelter.

(4) Emergency shelters shall provide on-site security during all hours of operation, including a minimum of one security guard licensed by the State of California for each 20 clients, unless alternate security arrangements are approved through a conditional use permit.

(5) Emergency shelters shall provide on-site management during all hours of operation, including a minimum of one supervisor per emergency shelter and a minimum of one additional attendant for each 20 clients, unless alternate on-site management arrangements are approved through a conditional use permit.

AB 139 requires that emergency shelters provide parking to accommodate all staff, “provided that the standards do not require more parking for emergency shelters than other residential or commercial uses within the same zone.” The City’s Zoning Code does not contain unique parking standards for emergency shelters.

AB 101 requires cities to allow a Low Barrier Navigation Center development by right in areas zoned for mixed uses and nonresidential zoning districts permitting multifamily uses if it meets specified requirements. A “Low Barrier Navigation Center” is defined as “a Housing First, low-barrier, service-enriched shelter focused on moving people into permanent housing that provides temporary living facilities while case managers connect individuals experiencing homelessness to income, public benefits, health services, shelter, and housing.” Low Barrier Navigation Centers may include options such as allowing pets, permitting partners to share living space, and providing storage for residents’ possessions. AB 101 also sets a timeline for jurisdictions to act on applications for Low Barrier Navigation Center developments. The requirements of this bill are effective through the end of 2026, at which point they are repealed.

#### 2.3.10 Transitional Housing and Supportive Housing

Health and Safety Code Section 50675.2 defines “transitional housing” and “transitional housing development” as buildings configured as rental housing developments but operated under program requirements that call for the termination of assistance and recirculation of the assisted unit to another eligible program recipient at some predetermined future point in time, which shall be no less than six months. Residents of transitional housing are usually connected to supportive services designed to assist the homeless in achieving greater economic independence and a permanent,

stable living situation. Transitional housing can take several forms, including group quarters with beds, single-family homes, and multifamily apartments, and typically offers case management and support services to help return people to independent living (often in six months to two years).

Government Code Section 65582 defines supportive housing as housing with no limits on the length of stay that is occupied by a “target population” and links this population with the provision of housing and social services. “Target population” means persons with low incomes who have one or more disabilities, including mental illness, HIV/AIDS, substance abuse, or other chronic health condition, or individuals eligible for services provided pursuant to the Lanterman Act (Division 4.5 [commencing with Section 4500] of the Welfare and Institutions Code) and may include, among other populations, adults, emancipated minors, families with children, elderly persons, young adults aging out of the foster care system, individuals exiting from institutional settings, veterans, and homeless people (Government Code Sections 65582(f) and (g)).

State law requires transitional and supportive housing to be defined as a residential use and subject only to the same regulations as comparable residential uses. The City currently permits emergency shelters by right in the Community Facilities - Public/Institutional (CF-P/I) and Community Facilities - Private (CF-P) zoning districts with the intent to provide adequate development and operational standards for such uses to ensure that the appropriate housing and services for special needs populations are met.

AB 2162 requires supportive housing projects of 50 units or fewer to be permitted by right in zoning districts where multifamily and mixed-use developments are permitted, when the development meets certain conditions. The City may choose to allow larger supportive housing projects by right in those zoning districts. The bill also prohibits minimum parking requirements for supportive housing within 0.5 mile of a public transit stop.

### **2.3.11 Employee Housing**

The City has no land zoned for agriculture and does not contain any agricultural land uses. Further, the 2015–2019 American Community Survey estimates there are no residents who hold farming, fishing, or forestry occupations. Therefore, there is no need for farmworker housing.

Further, because the City has not adopted any ordinances relating to employee housing, it does not anticipate that any other facilities or employers would provide housing for their employees.

## **2.4 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 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 City has conducted a review of zoning and building code requirements and permitting procedures to identify potential constraints for housing for persons with disabilities. The City’s policies and regulations regarding housing for persons with disabilities are described below.

### 2.4.1 Zoning and Land Use

Restrictive land use policies and zoning provisions can constrain the development of housing for persons with disabilities.

#### 2.4.1.1 Definition of Family

Local governments may restrict access to housing for households failing to qualify as a “family” by the definition specified in the Zoning Code. Specifically, a restrictive definition of “family” that limits the number of and differentiates between related and unrelated individuals living together may illegally limit the development and siting of group homes for persons with disabilities, but not for housing families that are similarly sized or situated.<sup>4</sup>

Section 13.06.010(d)(395) of the Zoning Code defines “family” as “One or more persons occupying one dwelling unit. The term “family” includes the occupants of community care facilities serving six or fewer persons that are permitted or licensed by the State. The term “family” does not include occupants of a fraternity, sorority, boardinghouse, lodginghouse, club, or motel.” To accommodate disabled persons in public facilities, the City defers to the California Access Compliance Reference Manual from the Department of General Services, Division of the State Architect.

The Housing Element includes a program to amend the Zoning Code’s definition of “family” to resolve inconsistencies between the current definition and applicable state law.

#### 2.4.1.2 Residential Care Facilities

Under the Lanterman Act, small licensed residential care facilities for six or fewer persons must be treated as regular residential uses and permitted by right in all residential zoning districts. The City permits small licensed residential care facilities in all residential zoning districts and does not have additional development standards for these facilities and is, therefore, in compliance with the Lanterman Act.

The Housing Element includes a program to amend the Zoning Code to remove the requirement for residential care facilities for seven to 12 persons to obtain a conditional use permit.

#### 2.4.1.3 Parking Standards

Development in the City is required to meet parking standards for people with disabilities, as required by State law, including requirements for the number and design of disabled parking spaces.

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<sup>4</sup> California court cases (City of Santa Barbara v. Adamson, 1980 and City of Chula Vista v. Pagard, 1981, etc.) have ruled an ordinance as invalid if it defines a “family” as: (a) an individual; (b) two or more persons related by blood, marriage, or adoption; or (c) a group of not more than a specific number of unrelated persons as a single housekeeping unit. These cases have explained that defining a family in a manner that distinguishes between blood-related and non-blood related individuals does not serve any legitimate or useful objective or purpose recognized under the zoning and land use planning powers of a municipality, and therefore violates rights of privacy under the California Constitution.

#### 2.4.1.4 Reasonable Accommodation

The Fair Housing Act requires that local governments provide reasonable accommodation to rules, policies, practices, and procedures where such accommodation may be necessary to afford individuals with disabilities equal opportunity to housing. To create a process for making requests for reasonable accommodation to land use and zoning decisions and procedures regulating the siting, funding, development and use of housing for people with disabilities, the City has adopted a Reasonable Accommodations Ordinance in accordance with State law (Chapter 13.15 of the City's Zoning Code). The Reasonable Accommodations Ordinance provides for flexibility in the City's development standards to accommodate persons with disabilities.

The following findings are required to approve reasonable accommodation requests:

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

The process to request reasonable accommodations is set forth in Section 13.15.014 of the City's Zoning Code and is streamlined to include only an application containing the following information:

1. The applicant's name, address, and telephone number;
2. Documentation that the applicant is:
  - a. An individual with a disability;
  - b. Applying on behalf of one or more individuals with a disability; or
  - c. A developer or provider of housing for one or more individuals with a disability;
3. Address of the property for which accommodation is requested;
4. The name, address, and telephone number of the property owner(s), if different from the applicant;
5. The current use of the subject property;

6. The specific basis for the claim that the applicant is considered disabled under the fair housing laws;
7. A description of the accommodation requested including reference to the zoning and development code provision, policy, or procedure from which accommodation is sought;
8. A detailed written explanation of why the requested accommodation is necessary for the individual(s) with a disability to use and enjoy the dwelling; and
9. Any other information that the Community Development Director reasonably concludes is necessary to determine whether the findings required by Section 13.15.016 can be made, so long as any request for information regarding the disability of the individuals benefited complies with fair housing law protections and the privacy rights of the individuals affected.

No application fee is required per Section 13.15.014(a) of the City's Zoning Code.

Once the Community Development Director deems an application complete, public noticing of the request for reasonable accommodation is provided as follows, in furtherance of the fifth finding required for approval (that there will be no direct threat to the health and safety of other individuals or substantial physical damage to the property of others):

- In the event that there is no approval, permit, or entitlement sought other than the request for reasonable accommodation, the notice shall be mailed to the owners of record of all properties that are immediately adjacent to the property that is the subject of the request; or
- In the event that the request is being made in conjunction with some other approval, permit or entitlement, the notice shall be transmitted along with the notice of the other proceeding.

Section 13.15.013 of the City's Zoning Code requires the Community Development Director or Community Development Department to act on complete applications within 30 days, except when further information has been requested but not yet provided by the applicant (the Zoning Code is explicit that information requested from the applicant must be consistent with fair housing laws). Determinations are provided in writing to the applicant and other parties previously noticed.

The Housing Element includes Program H-1.2.6 to explicitly identify that the required finding for applications for reasonable accommodations to not "result in a direct threat to the health and safety of other individuals or substantial physical damage to the property of others" is to be interpreted consistent with 42 U.S.C. § 3604(f)(9) and Program H-1.3.4 to remove the public noticing requirements for applications for reasonable accommodations.

#### **2.4.2 Building Codes**

The City enforces the California Building Code (CBC), including Chapters 11A (Housing Accessibility) and 11B (Accessibility to Public Buildings, Public Accommodations, Commercial Buildings and Publicly Funded Housing), which regulate the access and adaptability of buildings to accommodate persons with disabilities. Furthermore, Government Code Section 12955.1 requires that 10 percent of the total dwelling units in multi-family buildings without elevators consisting of three or more



rental units or four or more condominium units are subject to the following building standards for persons with disabilities:

- The primary entry to the dwelling unit shall be on an accessible route unless exempted by site impracticality tests.
- The public and common areas shall be readily accessible to and usable by persons with disabilities.
- All the doors designed to allow passage into and within all premises shall be sufficiently wide to allow passage by persons in wheelchairs.
- All premises within covered multifamily dwelling units shall contain the following features of adaptable design:
  - An accessible route into and through the covered dwelling unit.
  - Light switches, electrical outlets, thermostats, and other environmental controls in accessible locations.
  - Reinforcements in bathroom walls to allow later installation of grab bars around the toilet, tub, shower stall, and shower seat, where those facilities are provided.
  - Useable kitchens and bathrooms so that an individual in a wheelchair can maneuver about the space.

Compliance with the CBC, Government Code, and federal Americans with Disabilities Act (ADA) is assessed and enforced by the Building Division as a part of the building permit process. The City has not adopted any amendments to the CBC that diminish the ability to accommodate persons with disabilities.

### 2.4.3 Conclusion

The City has not adopted unique restrictions that constrain the development of housing for persons with disabilities nor has it adopted regulations inconsistent with applicable federal or State law. There are no City-initiated constraints on housing for persons with disabilities caused or controlled by the City. In addition, the City has adopted formalized criteria and processing procedures for reasonable accommodation applications within its Zoning Code.

## 2.5 SITE IMPROVEMENTS

Developers of single-family residential tracts in the City are required to install arterial and local streets; sewer and water lines; storm drainage; curbs, gutters, and sidewalks; street lighting; underground utilities; and landscaping in the public right-of-way within and adjacent to a tract, if such facilities do not already exist. In most cases, these facilities are dedicated to the City or other agencies that are responsible for ongoing maintenance. Requirements for site improvements are at a level necessary to meet the City's costs and are necessary to protect health, safety, and welfare.

The cost of required off-site improvements vary with the sales price of each dwelling unit depending on the nature of development (i.e., level of improvements required). The City may also impose

development impact fees on future housing developments in order to recover costs of installing off-site improvements including upgrading the circulation system and other urban service systems to serve increased density. The developed portions of Laguna Woods have the majority of necessary infrastructure, such as streets, electrical and water facilities, already in place. However, due to the age of the existing infrastructure, many areas where infill housing development is expected to occur may require infrastructure improvements to ensure sufficient capacity at build-out.

The City’s Zoning Code includes minimum street width standards. Private streets serving four or less parcels as access to a public street are required to provide for a minimum pavement width of 16 feet within a minimum 20 ft wide right-of-way. Private streets serving five parcels or more as access to a public street are required to provide for a minimum pavement width of 28 ft within a minimum 40 ft wide right-of-way. Sidewalks are required to not be less than 6 ft in width. Streets in residential districts requiring a building site area of 15,000 sf or more and where no sidewalks are to be installed, are required to have a right-of-way that will provide a parkway width of at least 4 ft.

**2.6 PLANNING/ZONING AND DEVELOPMENT IMPACT FEES**

Housing development in Laguna Woods is subject to the following types of fees and exactions: (1) permit processing fees for planning and zoning, and (2) impact fees or exactions, imposed to defray all or a portion of the public costs related to development projects.

Since Fiscal Year 2015-16, the City has retained a qualified third-party consultant to conduct an annual study of the “nexus” between the City’s planning/zoning fees and the reasonable costs of associated services. Planning/zoning fees have generally been set at the City’s reasonable cost of providing services. Profit is not a component of the City’s planning/zoning fees.

Table F lists the City’s residential planning/zoning fees, based off the fee schedule that was effective July 19, 2021. Prior to this update, the City’s planning/zoning fees were last updated in 2020. There were no significant increases to planning/zoning fees.

**Table F: Current Residential Planning/Zoning Fees**

Planning/Zoning Fees	Initial Deposit
Conditional Use Permit	\$4,000
Development Agreement	\$10,000
Environmental Impact Report	\$10,000
General Plan Amendment	\$10,000
Zoning Code Amendment	\$10,000
Initial Study/Negative Declaration/Mitigated Negative Declaration	\$5,000
Sign Program	\$2,500
Site Development Permit	\$4,000
Specific Plan	\$10,000
Variance	\$3,500
Zone Change	\$10,000

Sources: City of Laguna Woods (2021).

Note: All fees are the minimum initial fee for the service. The final fee is based on actual costs, which may be less than the minimum fee (in which case, the unspent amount of the deposit is returned to the applicant) or exceed the minimum fee (in which case, supplemental deposits may be collected and, ultimately, the actual cost is collected with any unspent amount returned to the applicant).

Table G provides a comparison of the City's planning/zoning fees with other nearby cities. As shown, the City's planning/zoning fees are generally comparable to other cities.

**Table G: Comparison of Residential Planning/Zoning Fees**

Fee Type	Laguna Woods	Laguna Niguel	Laguna Hills	Lake Forest
Conditional Use Permit	\$4,000	\$3,800	\$8,148.07	\$2,400-5,000
Variance	\$3,500	\$3,800	\$6,293.38	\$5,000
Zone Change	\$10,000	\$5,000	\$10,522.43	\$10,000
General Plan Amendment	\$10,000	\$5,000	\$7,547.86	\$10,000
Tentative Tract Map	Varies	<ul style="list-style-type: none"> <li>● Preliminary Screencheck: \$1,425 (Flat)</li> <li>● Filing: \$2,925 + \$25/each lot (Deposit)</li> <li>● Added Lots to Filed Map: \$36/each lot (Flat)</li> <li>● Changed Map: \$370 (Flat)</li> <li>● Appeal to City Council: \$585 (Flat)</li> <li>● Amendment to Conditions: \$155 (Flat)</li> <li>● Amend Approved Map: \$1,000 + \$36/each numbered lot (Deposit)</li> </ul>	\$9,182.99	\$10,000
Tentative Parcel Map	Varies	<ul style="list-style-type: none"> <li>● Preliminary Screencheck: \$980 (Flat)</li> <li>● Filing: \$2,080 (Deposit)</li> <li>● Appeal to City Council: \$235 (Flat)</li> <li>● Amendment to Conditions: \$155 (Flat)</li> <li>● Amend Approved Map: \$1,000 + \$36/each numbered lot (Deposit)</li> </ul>	\$9,182.99	\$7,500

Sources: City of Laguna Woods (2020); City of Laguna Niguel (2020); City of Laguna Hills (2020); City of Lake Forest (2020).

Note: The fees listed above are generally approximated base fees or deposits; if the cost of providing the service exceeds the base fee or deposit, the balance is collected from the applicant.

In addition to planning/zoning fees, the City is required to collect development impact fees on behalf of the County of Orange and the San Joaquin Hills Transportation Corridor Agency (SJHTCA). These fees are established independent of the City. A summary of fees as of July 2022 follows.

- **Coastal Area Road Improvements and Traffic Signals Program** – The City is required to collect this fee on behalf of the County of Orange prior to City building permit issuance for new development projects only. For new single-family residential development projects, the fee is \$2,989/unit. For new multi-family residential development projects, the fee is \$2,392/unit.
- **Moulton Parkway and Laguna Niguel Fee Program** – The City is required to collect this fee on behalf of the County of Orange prior to City building permit issuance for new development projects only. For new single-family residential development projects, the fee is \$615/unit. For new multi-family residential development projects, the fee is \$360/unit. The County of Orange intends to end this fee program in the near future.
- **San Joaquin Hills Road Fee Program** – The City is required to collect this fee on behalf of the SJHTCA prior to City building permit issuance for new development projects only. Fees vary based on whether a project is located in “Zone A” or “Zone B,” as defined by the SJHTCA (a map is available at <https://www.thetollroads.com/about-tca/development-impact-fee-dif-program/>). For new single-family residential development projects, the fee is \$6,211/unit in Zone A and

\$4,814/unit in Zone B. For new multi-family residential development projects, the fee is \$3,618/unit in Zone A and \$2,808/unit in Zone B.

Other government agencies collect development impact fees directly from applicants. Again, these fees are established independent of the City. A summary of common fees as of July 2022 follows.

- **Capistrano Unified School District** – Applicants are required to pay a fee directly to the Capistrano Unified School District prior to City building permit issuance for new development projects. The fee only applies if the project is located within the Capistrano Unified School District’s boundaries (a map is available at <https://www.capousd.org/Schools/School-Locator/index.html>). The fee is \$4.08 per square foot.
- **Saddleback Valley Unified School District** – Applicants are required to pay a fee directly to the Saddleback Valley Unified School District prior to City building permit issuance for new development projects and additions over 500 square feet. This fee only applies if the project is located within the Saddleback Valley Unified School District’s boundaries (a map is available at <https://www.svusd.org/about/school-boundaries>). The fee is \$4.79 per square foot.
- **El Toro Water District (ETWD)** – Applicants are required to pay a capital facilities fee directly to the ETWD prior to service being provided for new residential development projects. This fee varies based on meter size, but ranges from \$2,145 to \$21,856 per meter, and the number of gallons of sewage to be discharged to the ETWD’s system each day times \$9.311.

In general, planning/zoning and development impact fees can constrain housing development and compromise affordability because the additional cost borne by developers contributes to overall increased housing unit cost. However, the City’s planning/zoning fees are comparable to nearby cities and assessed only to recover reasonable costs of providing services (profit is not a component and the deposit-based fee structure allows for only actual costs to be charged). Development impact fees affecting residential development projects in Laguna Woods are outside of the City’s control. The City does not collect development impact fees of its own creation.

As noted elsewhere in this Constraints Analysis, the City has not processed a residential development application since the San Sebastian Apartments in the mid-2000s. Since that date, the City has evaluated the adequacy and rationality of its planning/zoning fees, and made changes to recover its reasonable costs of providing services, as allowed by state law. While some planning/zoning fees have increased as a result of this evaluation, others have been eliminated. For example, the City no longer collects parkland dedication (Quimby Act) fees nor library development fees on behalf of the Orange County Library District. In addition, the County of Orange intends to end the Moulton Parkway and Laguna Niguel Road Fee Program in the near future.

Using the San Sebastian Apartments project as a representative example of multi-family residential development activity, Table H contains City staff’s estimate of planning/zoning and development impact fees assuming the project were built today at a cost of \$50,723,304 (calculated based on the actual amenities and current market estimates for construction thereof).

**Table H: Prototypical Multi-Family Residential Project  
Planning/Zoning and Development Impact Fees**

Development Fees	Amount
City Planning/Zoning Fees	\$35,000
Coastal Area Road Improvement and Traffic Signals Program (Impact Fee)	\$325,486
Moulton Parkway and Laguna Niguel Fee Program (Impact Fee)	\$49,044
San Joaquin Hills Road Fee Program (Impact Fee)	\$472,216
Saddleback Valley Unified School District (Impact Fee)	\$668,932
El Toro Water District (Capital Facilities Fee)	\$170,000
<b>TOTAL PLANNING/ZONING AND DEVELOPMENT IMPACT FEES</b>	<b>\$1,720,678</b>
Per Unit @ 134 units	\$12,841

Total planning/zoning and development impact fees for the prototypical apartment project in Table H represent approximately 3.4 percent of the estimated development cost, far below the 10–15 percent of development costs that the Housing and Community Development Department of the State of California (HCD) considers “typical” per its Building Blocks: Fees and Exactions guidance (retrieved July 2022). Of particular note is that only approximately 2 percent of total planning/zoning and development impact fees are established by the City.

Table I contains City staff’s estimate of planning/zoning and development impact fees for a new 2,150 square foot single-family home (one unit) development project built today at a cost of \$400,000 (comparable to the example used for similar purposes by the City of Aliso Viejo in that city’s draft Housing Element dated February 1, 2022).

**Table I: Prototypical Single-Family Home Project Planning/Zoning  
and Development Impact Fees**

Development Fees	Amount
City Planning/Zoning Fees	\$2,500
Coastal Area Road Improvement and Traffic Signals Program (Impact Fee)	\$2,989
Moulton Parkway and Laguna Niguel Fee Program (Impact Fee)	\$615
San Joaquin Hills Road Fee Program (Impact Fee)	\$6,211
Saddleback Valley Unified School District (Impact Fee)	\$10,299
El Toro Water District (Capital Facilities Fee)	\$2,500
<b>TOTAL PLANNING/ZONING AND DEVELOPMENT IMPACT FEES</b>	<b>\$25,114</b>

Total planning/zoning and development impact fees for the prototypical single-family home project in Table I represent approximately 6.3 percent of the estimated development cost, far below the 10–15 percent of development costs that HCD considers “typical” per its Building Blocks: Fees and Exactions guidance (retrieved July 2022). Of particular note is that only approximately 10 percent of total planning/zoning and development impact fees are established by the City.

The City’s development fees do not appear to represent a constraint on housing development.

Assembly Bill 641 (2007–2008) provides cash flow flexibility for the majority of affordable housing projects by allowing development impact fees to be paid as late as the date of the final inspection, or the date the certificate of occupancy is issued, whichever occurs first.

## 2.7 LOCAL PROCESSING AND PERMIT PROCEDURES

Development processing and permitting procedures are necessary steps to ensure that residential construction proceeds in an orderly manner. However, the time and cost of permit processing and review can be a constraint to housing development if they place an undue burden on the developer.

Although the City has not processed an application for a housing development project since the San Sebastian Apartments in the mid-2000s, it is committed to working closely with developers and applicants to approve projects in a timely manner. The San Sebastian Apartments project received its planning/zoning approvals in October 2005 and submitted an application for building permits in September 2006 (approximately 11 months apart). Due to the lack of housing development applications since the San Sebastian Apartments project, there is no other local data that speaks to length of time between receiving approval for a project and submittal of an application for building permits.

For a typical project, the developer would meet with Planning Division staff to discuss the project and then submit plans for review. Plans would either be submitted to the Planning Division first and, once approved, to the Building Division for building permitting, or submitted concurrently to both the Planning Division and Building Division if so desired by the applicant. Applicants that submit concurrent applications would effectively eliminate any length of time between receiving approval for their project and submittal of an application for building permits. Projects requiring a Site Development Permit (SDP) or Conditional Use Permit (CUP) would be reviewed and acted upon as described herein. Throughout construction, various City divisions would perform inspections to monitor the progress of the project. This process is comparable to that of many cities in the region; therefore, processing times and expectations are typical for the region.

A typical new single-family home development project (one unit) would require only the issuance of ministerial building permits, unless the project is subject to the State Subdivision Map Act in which case those requirements would also apply. The Building Division's initial review of building permit applications for single-family homes is seven days, followed by five days for subsequent submittals.

A typical new multi-family residential development project of three units or less would require only the issuance of ministerial building permits, unless the project is subject to the State Subdivision Map Act in which case those requirements would also apply. The Building Division's initial review of building permit applications for multi-family residential projects is the same as single-family homes – seven days, followed by five days for each subsequent submittal.

Table J outlines the development review processing times and approval procedures for residential developments applications. For housing development projects proposed to occur within any of the "by-right" overlay zoning districts to be created through the Housing Element's rezoning program, it is unlikely that the first four actions/requests listed in Table J, or variances, would be required, barring an unusual request from the applicant. The overlay zoning districts are intended to expedite the development of housing in a manner that complies with State housing law.

**Table J: Typical Permit Processing Timelines**

Action/Request	Processing Time	Comments
Environmental Impact Report	9-12 months	Processing and review time limits controlled through CEQA. Adopted by the City Council.
Initial Study/Mitigated Negative Declaration	6-9 months	Processing and review time limits controlled through CEQA. Adopted by the City Council.
General Plan Amendment	10-12 months	Government Code Section 65358 limits the number of times any element of the General Plan can be amended each calendar year. Approved by the City Council. Requires a public hearing.
Zone Change	8-12 months	Certain procedures and time limits established by Gov. Code Sections 65854-65857. Approved by the City Council. Requires a public hearing.
Tentative Parcel Map	45-60 days	Processing and review time limits controlled through the State Subdivision Map Act. Approved by the City Council.
Tentative Tract Map	6-8 months	Processing and review time limits controlled through the State Subdivision Map Act. Approved by the City Council.
Variance	3-4 months	Approved by the City Council. Requires a public hearing.
Conditional Use Permits	3-4 months	Approved by the City Council. Requires a public hearing.
Site Development Permit	2-3 months	Approved by the Community Development Director.

CEQA = California Environmental Quality Act

Depending on the type of approval that is required, a one or two-level decision-making process may be required. The City’s process is somewhat more streamlined than many other cities in that the City Council also serves as the Planning Commission.

**2.7.1 Site Development Permit**

Multi-family residential development projects consisting of more than four units are required to obtain a Site Development Permit (SDP) to establish the use when permitted by right. It is anticipated that most (if not all) of the “by-right” housing projects newly possible due to this Housing Element would require a SDP. The purpose of a SDP is to provide for administrative review of detailed development plans for a proposed use. Uses that require a SDP are regarded as having a relatively low potential for adverse impacts on the subject site or surrounding community due to the nature or magnitude of the use vis-a-vis the sensitivity of the subject site or surrounding community.

SDP applications are acted upon by the Community Development Director unless he/she/they determine on a case-by-case basis, that the public interest would be better served by the application being acted on by the City Council. Public hearings are only required when the Community Development Director requests action by the City Council.

The following findings are required to approve SDP applications:

1. The use or project proposed is consistent with the General Plan;
2. The use, activity or improvement(s) proposed is consistent with the provisions of the Zoning Code;

3. The approval of the permit application is in compliance with the requirements of the California Environmental Quality Act;
4. The location, size, design and operating characteristics of the proposed use will not create conditions or situations that may be incompatible with other permitted uses in the vicinity;
5. The approval of the permit application will not result in conditions or circumstances contrary to the public health and safety and the general welfare; and
6. The approval of the permit application is in compliance with all City-required public facilities regulations.

Given the typical nature of the findings required to approve SDP applications, the application of the SDP requirement only to larger-scale multi-family residential projects, the default level of review and approval resting with staff, the typical permit processing time of 2-3 months, and the ability for building plan review to occur concurrent with SDP processing, it is unlikely that this requirement would constrain housing supply, affordability, timing, or approval certainty.

### **2.7.2 Conditional Use Permit**

Conditional Use Permits (CUPs) are required for some multi-family development, senior housing projects, and large residential care facilities, dependent upon the underlying zoning district. CUPs are not required for any of the “by-right” overlay zoning districts to be created through the Housing Element’s rezoning program.

CUP applications are acted upon by the City Council. A public hearing is required.

The following findings are required to approved CUP applications:

1. The use or project proposed is consistent with the General Plan;
2. The use, activity or improvement(s) proposed is consistent with the provisions of the Zoning Code;
3. The approval of the permit application is in compliance with the requirements of the California Environmental Quality Act;
4. The location, size, design and operating characteristics of the proposed use will not create conditions or situations that may be incompatible with other permitted uses in the vicinity;
5. The approval of the permit application will not result in conditions or circumstances contrary to the public health and safety and the general welfare; and
6. The approval of the permit application is in compliance with all City-required public facilities regulations.



Again, the CUP requirement only applies to condominiums and apartments in existing residential zoning districts and would not apply to the “by-right” overlay zoning districts to be created through the Housing Element’s rezoning program. Although the CUP requirement does not affect the City’s housing supply, it could affect affordability, but not within the “by right” overlay zoning districts to be created through the Housing Element’s rezoning program.

## 2.8 BUILDING CODES

As required of all local governments in California, the City enforces the CBC. The CBC establishes construction standards necessary to protect public health, safety, and welfare and all new constructions and renovations must conform to the standards of the CBC.

Based on recommendations from the Orange County Fire Authority (OCFA), the City has adopted several amendments to the CBC, which revised the following chapters:

- Scope and administration;
- Definitions;
- General requirements;
- Emergency planning and preparedness;
- Fire service features;
- Fire protection and life safety systems;
- Construction requirements for existing buildings;
- Energy systems;
- Fruit and crop ripening;
- Fumigation and insecticidal fogging;
- Lumber yards and agro-industrial, solid biomass and woodworking facilities;
- Requirements for wildland-urban interface fire areas;
- Hazardous materials;
- Explosives and fireworks;
- Flammable and combustible liquids;
- Flammable gases and flammable cryogenic fluids;
- Referenced standards; and
- The various appendices.

More information on these changes can be found in the City’s Municipal Code. Compliance with the CBC, and the City’s locally adopted amendments to the CBC, should not significantly add to the cost of construction since the CBC is mandated to be enforced statewide and costs should be relatively uniform statewide. In addition, because the OCFA serves as a regional fire protection agency, the County of Orange and 22 other member cities have adopted substantially similar amendments, which means that the cost of complying with the City’s amendments to the CBC is substantially similar to most of the other cities in Orange County. Costs associated with the CBC and any locally adopted amendments are necessary to protect the health safety and welfare of the citizens. Compliance ensures that all new or renovated buildings are structurally sound, have proper exiting, and are equipped with necessary fire protection features. In addition, the CBC mandates energy efficiency as well as provisions for access for persons with disabilities.

Since Fiscal Year 2015–16, the City has retained a qualified third-party consultant to conduct an annual study of the “nexus” between the City’s fees and the reasonable costs of building permitting. Fees have generally been set at the City’s reasonable cost of providing services. Profit is not a component of the City’s building permit fees. The current building permit fee schedule and supporting fee study is available at <https://www.cityoflagunawoods.org/government/transparency-public-records/>.

As incentives to develop affordable housing projects, the Housing Element includes three programs that will have a lessening effect on the City’s building permit fees. Program H-1.2.4 will reduce fees for qualifying lot consolidations, Program H-1.2.5 will waive or reduce fees for qualifying affordable housing projects subject to long-term affordability covenants, and Program H-2.2.2 will waive or reduce fees for improvements made to accommodate qualifying disabilities. Three other programs – H-1.2.8, H-2.1.2, and H-3.1.3 – involve the establishment of incentives that may include fee waivers or reductions for energy efficiency, affordability covenants, and affirmative marketing, respectively.

## **2.9 FEDERAL AND STATE REGULATIONS**

Federal and State requirements may act as a barrier to the development or rehabilitation of housing, and affordable housing in particular. These include State prevailing wage requirements and environmental review requirements.

### **2.9.1 State Prevailing Wage Requirements**

Labor Code Section 1720, which applies prevailing wage rates to public works of over \$1,000, defines public works to mean construction, alteration, installation, demolition, or repair work done under contract and paid for in whole or in part out of public funds. For example, public transfer of an asset for less than fair market value, such as a land write-down, would be construed to be paid for in part out of public funds and trigger prevailing wage requirements.

While the cost differential in prevailing and standard wages varies based on the skill level of the occupation, prevailing wages tend to add to the overall cost of development. In the case of affordable housing projects, prevailing wage requirements could effectively reduce the number of affordable units that can be achieved with public subsidies. However, State law does allow a number of exceptions for single-family homes and for projects intended to support affordable housing, such as the construction or expansion of emergency shelters or construction of some types of affordable housing units.

### **2.9.2 Environmental Protection**

Federal and State regulations require environmental review of proposed discretionary projects (e.g., subdivision maps, conditional use permits, etc.). Costs resulting from the environmental review process, such as costs related to the preparation of environmental analyses, increase the cost of housing and may be passed on to the consumer. Environmental review can also impact the processing time for project review due to mandated public review periods. However, the presence of these regulations helps preserve the environment and ensure environmental safety. Recent State laws have established exemptions from CEQA for infill and affordable housing projects. Due to the

City's predominantly built-out nature, it is anticipated that the majority of proposed projects would be in-fill and likely exempt from environmental review as urban infill projects.

### **2.9.3 State Transparency Requirements**

AB 1483 requires the City to provide on its website a current schedule of fees, exactions, and affordability requirements imposed by the City applicable to a proposed housing development project, all zoning ordinances and development standards, and annual fee reports or annual financial reports, as specified. AB 1483 also requires the City to provide on its website an archive of impact fee nexus studies, cost of service studies, or equivalent, as specified.

The information provided on the City's website complies with AB 1483.

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## 3.0 MARKET CONSTRAINTS

### 3.1 AVAILABILITY OF FINANCING

The availability of financing in a community depends on a number of factors, including the type of lending institutions active in the community, lending practices, rates and fees charged, laws and regulations governing financial institutions, and equal access to those institutions.

Under the Home Mortgage Disclosure Act (HMDA), lending institutions are required to disclose information on the disposition of loan applications and the income, gender, and race of loan applicants. A total of 1,112 households applied for mortgage loans for homes in the seven census tracts that include residential areas in Laguna Woods in 2019 (Table K). Overall, 62 percent of these applications were approved, 15 percent were denied, and 23 percent were either withdrawn or closed for incompleteness. Conventional financing involves market-rate loans provided by private lending institutions such as banks, mortgage companies, savings and loans, and thrift institutions. Of the 453 applications for conventional purchase loans, 70 percent were approved. The approval rate for government-backed loans was slightly higher at 72 percent, while the approval rate for refinance applications was 58 percent. Home improvement loan applications had the lowest approval rating, with 37 percent of applications being approved and 44 percent being denied.

**Table K: Disposition of Home Purchase and Improvement Loan Applications (2019)**

Loan Type	Total Applications	Approved	Denied	Other
Government-Backed Purchase	39	72%	8%	20%
Conventional Purchase	453	70%	10%	20%
Refinance	545	58%	16%	26%
Home Improvement	75	37%	44%	19%
<b>Total</b>	<b>1,112</b>	<b>62%</b>	<b>15%</b>	<b>23%</b>

Source: Federal Financial Institutions Examination Council (FFIEC) Home Mortgage Disclosure Act Data Publication. (2019).

Note: "Other" includes files closed for incompleteness and applications withdrawn. Data covers the seven census tracts that include residential areas in Laguna Woods (Census Tracts 626.22, 626.25, 626.41, 626.46, 626.47, 626.48, and 626.49).

### 3.2 FORECLOSURES

Foreclosure occurs when households fall behind on one or more scheduled mortgage payments. The foreclosure process can be halted if the homeowner is able to bring their mortgage payments current. If payments cannot be resumed or the debt cannot be resolved, the lender can legally use the foreclosure process to repossess (take over) the home. When this happens, the homeowners must move out of the property. If the home is worth less than the total amount owed on the mortgage loan, a deficiency judgment could be pursued. If that happens, the homeowner would lose their home and also would owe the home lender an additional amount.

Between 2000 and 2005, with low interest rates, "creative" financing (e.g., zero down, interest only, adjustable loans), and predatory lending practices (e.g., aggressive marketing, hidden fees, negative amortization), many households purchased homes that were beyond their financial means. Under

the false assumptions that refinancing to lower interest rates would always be an option and home prices would continue to rise at double-digit rates, many households were unprepared for the hikes in interest rates, expiration of short-term fixed rates, and decline in sales prices that set off in 2006. Suddenly faced with significantly inflated mortgage payments, and “upside-down” mortgage loans (that are larger than the worth of the homes), many had to resort to foreclosing their homes.

However, since the Great Recession, foreclosure rates have come down significantly. As of June 2021, there was only one home in Laguna Woods in some stage of foreclosure. The foreclosure rate was less than 0.01 percent for Laguna Woods as well as for Orange County as a whole.<sup>5</sup>

### 3.3 DEVELOPMENT COSTS

#### 3.3.1 Land Availability and Cost

The availability and price of land represents a significant market constraint to housing production throughout most of Southern California. This constraint is particularly acute in communities, such as Laguna Woods, where there is very little residentially designated vacant land. In June 2021, based on a survey of online real estate listings, there were no vacant properties listed for sale within Laguna Woods. Due to limited land availability, most new residential development in Laguna Woods will involve redeveloping properties with existing uses, which tends to add to the cost of land.

Density bonuses are available for projects that include affordable housing. Developers of affordable housing may also be granted regulatory concessions or development incentives. Density bonuses, together with the incentives and/or concessions, result in a lower average cost of land per dwelling unit thereby making the provision of affordable housing more feasible.

#### 3.3.2 Cost of Construction

The cost of labor and building materials has a significant impact on the overall cost of new housing and can, therefore, be a constraint to affordable housing development. According to the National Association of Home Builders Construction Cost Survey, construction costs (including labor and materials) account for over 55 percent of the sales price of a new single family home. The Construction Cost Survey found that the average construction cost for a single family home in 2017 was \$237,760. It should be noted that the Construction Cost Survey is a national survey and may not be completely representative of Laguna Woods or Orange County; however, it does illustrate that construction costs comprise a significant proportion of the ultimate sales price of residential development. While significant, construction costs are consistent throughout the region and therefore would not specifically constrain housing development in Laguna Woods when compared to other cities in the region.

A reduction in amenities and the quality of building materials (above a minimum acceptability for health, safety, and adequate performance) can result in lower development costs. As part of the City’s density bonus and inclusionary housing programs, the City allows affordable units to be smaller in size (maintaining the same number of bedrooms) and could also consider allowing less

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<sup>5</sup> Realtytrac.com (accessed June 2021).

costly features and interior finishes, provided all project units were comparable in construction quality and exterior design.

Another factor related to construction costs is the number of units built at one time. As that number increases, overall costs generally decrease as builders are able to take advantage of the benefits of economies of scale.

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## 4.0 INFRASTRUCTURE CONSTRAINTS

The availability of public infrastructure and services for residential development is another potential constraint to the development of housing. The majority of Laguna Woods is highly urbanized and built-out with most of the necessary infrastructure, streets, electrical lines, and water distribution already in place. This section provides an overview of potential utility service constraints.

### 4.1 WATER

Laguna Woods is served by the El Toro Water District (ETWD), a public water service agency. Water provided in the El Toro Water District is nearly entirely dependent on imported water. Imported water is transported via a blend of water from the Colorado River and the Sacramento Bay Delta via the State Water Project. Both sources of import water are transported from hundreds of miles through a series of tunnels, aqueducts and pipelines to reach Orange County, and are distributed by the Metropolitan Water District (MWD) of Southern California, the region's wholesale water provider. ETWD purchases this imported water from the MWD through the Municipal Water District of Orange County. ETWD has taken a leading role in improving local water supply reliability for south Orange County. Together with the Santa Margarita Water District and the Moulton Niguel Water District, ETWD maintains and operates a large covered drinking water reservoir with a capacity of 275 million gallons. In the event of an emergency or unplanned interruption of water service, the reservoir could provide a 14-day supply of water to ETWD customers.

According to ETWD's Draft 2020 Urban Water Management Plan (UWMP), water use within its service area was 7,167 acre-feet of potable water and 1,270 acre-feet of recycled water for landscape irrigation in 2019. A stable trend is expected because ETWD's service area is predominantly built-out and the rate of population growth is small (about 0.23 percent per year). Water conservation efforts also kept per capita water use down. The total service demand was expected to increase to 8,737 acre-feet by 2025 and projected to increase to 9,156 acre-feet by 2045. According to the UWMP, ETWD's system is expected to have the ability to supply 9,156 acre-feet of water in 2045, meeting the projected demands. ETWD's demand projections consider such factors as current and future demographics, future water use efficiency measures, and long-term weather variability, and specifically take into account the additional housing units that each of the cities within its service area must plan for as part of the RHNA requirements. Therefore, adequate water supply is available to accommodate the RHNA during the Housing Element planning period.

SB 1087 requires that water providers develop written policies that grant priority to proposed development that includes housing affordable to lower-income households. The legislation also prohibits water providers from denying or conditioning the approval of development that includes housing affordable to lower income households, unless specific written findings are made. The City will provide a copy of the adopted Housing Element to ETWD after adoption and will continue to coordinate with ETWD to ensure priority service provision to affordable housing developments.

### 4.2 WASTEWATER

Wastewater in Laguna Woods is collected, treated, and disposed of by ETWD's Wastewater Treatment Plant (WTP), which has a maximum capacity of 6 million gallons per day. In addition,

ETWD operates a Water Recycling Plant (WRP), which allows it to reuse much of its wastewater effluent as recycled water by applying a tertiary treatment process. The WTP and WRP serve portions of the cities of Laguna Hills, Mission Viejo, Aliso Viejo, Lake Forest and all of Laguna Woods. ETWD has been able to meet its water demands from a combination of water resources and technology that optimally promote use of water conservation practices, water importation and recycled water treatment and delivery. In 2012, ETWD began a Recycled Water Expansion Project to increase the treatment and delivery of recycled water through a new tertiary treatment facility. The tertiary treatment plant is designed to produce as much as 3.7 million gallons of recycled water per day with a peak hour pumping capacity of over 5,000 gallons per minute. The WRP expansion was designed with the ability to expand capacity up to the expected maximum amount of raw wastewater entering the plant. Simultaneously, ETWD built a new recycled water distribution system that includes 140,000 ft of recycled water pipelines beneath the roadways in portions of Laguna Woods and the northwest portion of Laguna Hills. Therefore, there are no constraints on the availability of wastewater disposal or treatment.

SB 1087 mandates priority sewage collection and treatment service to housing developments providing units affordable to lower-income households. The City will provide a copy of the adopted Housing Element to ETWD after adoption. The City will continue to coordinate with ETWD to ensure priority service provision to affordable housing developments.

### **4.3 TRANSPORTATION INFRASTRUCTURE**

In 1990, Orange County voters approved Measure M, the Revised Traffic Improvement and Growth Management Ordinance, which provides funding to Orange County for needed transportation improvements over a 20-year period through the imposition of a one-half cent retail transaction and use tax. In 2006, voters extended the tax through 2041 (Measure M2). Cities such as Laguna Woods can qualify for Measure M funds if they comply with the Countywide Growth Management Program component requirements and have an established policy framework for that program. As part of complying with the Countywide Growth Management Program component requirements, Laguna Woods implemented a development mitigation program that established a fee structure for requiring new development to pay its proportionate share funding of impacts to the regional roadway system.

In order to assist with the long-term development of funding for major capital improvement projects on public property, the City Council adopts a minimum 7-year Capital Improvement Program (CIP) on an annual basis. The CIP and the minimum 7-year period to which it applies is also a requirement for receiving funding from Measure M2.

In addition, the City is within the SJHTCA fee assessment area. The payment of development impact fees is required as a condition of approval of a final parcel or tract map or as a condition of issuing a building permit on any properties within the fee assessment area, as authorized by Government Code Section 66484.3. These development impact fees are collected for the purpose of repaying the indebtedness incurred to construct the San Joaquin Hills Transportation Corridor (State Route 73) that has already been built, as well as to pay the cost of future anticipated improvements and ongoing planning and environmental requirements.

Fees are collected on new residential dwellings and new non-residential square footage in areas identified as the area of benefit surrounding the corridor. While most of Laguna Woods is within Area of Benefit Zone A for the SJHTCA, certain northerly portions of Laguna Woods are within Area of Benefit Zone B. Table L provides a summary of the current (2022) development impact fees assessed within those areas. In 1997, the SJHTCA Board of Directors adopted a set rate of increase for the fees. Each July 1, rates for the SJHTCA increase by 2.667 percent.

**Table L: San Joaquin Hills Transportation Corridor  
Development Impact Fees (2022)**

	<b>Zone A</b>	<b>Zone B</b>
Single Family Residential	\$6,211/unit	\$4,814/unit
Multi-Family Residential	\$3,618/unit	\$2,808/unit

Source: Transportation Corridor Agencies (2022).

Note: In 1997, the San Joaquin Hills Transportation Corridor Agency Board of Directors adopted a set rate of increase for the fees. Each July 1, rates increase by 2.667 percent.

While the traffic mitigation fees described above may present a constraint to housing development, they are necessary to facilitate the ongoing maintenance of transportation infrastructure.

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## 5.0 ENVIRONMENTAL CONSTRAINTS

A wide range of environmental factors may constrain the development of new housing. Areas of special environmental significance, potential safety hazards, and development constraints have influenced and will continue to influence land use policy. The City's Safety Element identifies areas subject to a number of environmental constraints, including flooding, seismic hazards, hazardous and toxic materials, and urban fires. The City's General Plan recognizes those hazards and identifies programs to minimize them.

### 5.1 FLOODING

The Federal Emergency Management Agency (FEMA) publishes maps that identify areas of the City subject to flooding in the event of a major storm. Those Flood Insurance Rate Maps (FIRMs) indicate areas that may be inundated in the event of a 100-year or a 500-year storm. In addition, the maps indicate the base flood elevations at selected intervals of the floodway. The flood map contained in the City's Safety Element indicates that very few areas are within 100-year flood event inundation areas. Areas are limited to the small reservoir southeast of the intersection of Moulton Parkway and Ridge Route Drive, the 9 Hole Par 3 Golf Course in Laguna Woods Village, and Aliso Creek in the southeastern portion of Laguna Woods. The projected 500-year flood would most significantly affect low-lying areas along Aliso Creek.

Additional flood hazards include the four reservoirs with a total maximum capacity of 10 million gallons of potable water distributed throughout Laguna Woods. Two of these reservoirs are located at a high point northwest of the intersection of El Toro Road and Moulton Parkway, and two are located in Laguna Woods Village (one at the south end of Calle Sonora Este and another on the west side of Bahia Blanca West). The dam/reservoir located southeast of the intersection of Moulton Parkway and Ridge Route Drive (Rossmoor #2) is located in a 100-year floodplain but is not subject to State dam inundation mapping regulations. The Veeh Reservoir located nearby in the City of Laguna Hills is also within a 100-year floodplain. According to the City's Safety Element, failure of any of the previously mentioned ETWD infrastructure could cause localized flooding.

The Moulton Niguel Water District owns and operates a water tank in the City of Aliso Viejo just south of the intersection of El Toro Road and Aliso Creek Road. Failure of that water tank could cause flooding on El Toro Road and in the lower portions of Woods End Wilderness Preserve.

The failure of the bridge along Avenida Sevilla that crosses Aliso Creek could impede movement and cause localized flooding on property in Laguna Woods Village. Flood hazards in Laguna Woods pose a moderate risk. Areas designated for future residential development will be evaluated on an individual basis regarding their potential flood hazard.

### 5.2 SEISMIC AND GEOLOGIC HAZARDS

As stated in the City's Safety Element, the entirety of Laguna Woods—as well as all of Southern California—is located within a seismically active region that has been subject to major earthquakes in the past. There are no known faults in Laguna Woods. However, the Newport-Inglewood, Whittier-Elsinore, Glen Ivy Elsinore, and Temecula-Elsinore faults are located within close proximity

to Laguna Woods. The closest fault—Newport-Inglewood—traverses approximately 7-8 miles southwest of Laguna Woods. The San Andreas and San Jacinto faults are located much further away from Laguna Woods (the San Jacinto Fault crosses the region approximately 40 miles northeast of Laguna Woods and the San Andreas Fault is even farther away [approximately 50 miles northeast]). Although farther away, those faults have the potential to deliver larger magnitude earthquakes than the other five faults mentioned above. Other major faults may be buried under alluvium, or fault traces may have been obliterated due to natural weathering.

Liquefaction is another hazard associated with intense ground shaking, in which the soil can destabilize and if sufficient water is present in the soil, the soil and water can mix. The City's Safety Element includes a map that identifies liquefaction hazard zones. Most of the approximately 256 acres that are within the identified liquefaction hazard zones are in the southeastern portion of Laguna Woods; however, small areas that are subject to liquefaction hazards also exist in the northern and western part of Laguna Woods. Areas within these hazard zones may experience liquefaction during extreme ground shaking.

Landslides, which can occur as a result of seismic activity or as an independent event, have the potential to cause loss of life, personal injury, economic loss, and property damage in Laguna Woods. The City's Safety Element includes a map that shows the locations of the approximately 77 acres that are prone to earthquake-induced landslides. Most of the areas that are subject to landslides are in the western half of Laguna Woods.

### 5.3 WILDFIRES

According to the City's Safety Element, wildfires in the open space and wildland-urban interface area that borders the westernmost edge of Laguna Woods could cause loss of life, personal injury, and extensive property damage, including damage to open space resources. Consequently, fires are considered to pose a very significant risk. In 2012, the City Council designated three fire hazard severity zones (very high, high, and moderate) within the wildland-urban interface area shown in the Safety Element. The Very High Fire Hazard Severity Zone was identified by the California Department of Forestry and Fire Protection (CAL FIRE), while the High and Moderate Fire Hazard Severity Zones were identified by OCFA based on an assessment of vegetation, slope, fire history, weather patterns, and impact of flames, heat, and flying embers. Collectively, those zones and the 2,564 residential dwelling units within them face the highest risk of wildfire impacts. However, OCFA has developed a number of resources that are intended to mitigate fire risk through vegetation management, including technical guidelines for developing fuel modification plans for new construction projects and maintaining and managing vegetation on properties within fire hazard areas.

### 5.4 NOISE

Noise generated from mobile sources such as traffic on City streets and Interstate 5 (I-5) and aircraft flyovers will continue to have the greatest potential impact on the City's land use decisions. The City's Noise Element describes the existing noise environment using maps that identify several areas with high levels of noise. The Noise Element also identifies noise sources and contains goals and policies that will be useful in reducing the effects of noise, if not the actual intensity of noise. Land

use policy discourages the placement of noise-sensitive land uses in areas that are subject to high noise levels. The City requires new housing developments to provide an acoustic analysis and provide necessary mitigation, such as barriers or additional sound insulation, for projects located within the 65 CNEL noise contour zones identified in the Noise Element. According to the Noise Element, areas adjacent to the following road segments are either already within the 65 CNEL noise contour or are projected to be in future General Plan build-out:

- El Toro Road (Aliso Creek Road to Paseo de Valencia)
- Moulton Parkway (Gate 12 south to City limits)
- Santa Maria Avenue (Avenida Sosiega to Santa Vittoria Drive)

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**EXHIBIT C**

**HOUSING SITES INVENTORY AND ANALYSIS**

**CITY OF LAGUNA WOODS**

PROPOSED

**LSA**

March 2023

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# HOUSING SITES INVENTORY AND ANALYSIS

## CITY OF LAGUNA WOODS

Submitted to:

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Project No. LWD2101

# LSA

March 2023

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## LIST OF ABBREVIATIONS AND ACRONYMS

AB	Assembly Bill
ACS	American Community Survey
AFFH	Affirmatively Furthering Fair Housing
APN	Assessor's Parcel Number
CALGreen	California Green Building Standards Code
CARE	California Alternate Rates for Energy
CDC	Centers for Disease Control and Prevention
CF-P	Community Facilities—Private
City	City of Laguna Woods
du/ac	dwelling unit per acre
ETWD	El Toro Water District
FERA	Family Electric Rate Assistance
FHEO	Fair Housing Enforcement and Outreach
Golden Rain Foundation	Golden Rain Foundation of Laguna Woods
HCD	California Department of Housing and Community Development
HPI	Healthy Places Index
HUD	United States Department of Housing and Urban Development
LIHTC	Low Income Housing Tax Credit
MFI	median family income
OCTA	Orange County Transportation Authority
PA	Professional and Administrative Office
PHASC	Public Health Alliance of Southern California
RHNA	Regional Housing Needs Assessment
ROI	Regional Opportunity Index

SB	Senate Bill
SCAG	Southern California Association of Governments
SCE	Southern California Edison
SVI	Social Vulnerability Index
SVUSD	Saddleback Valley Unified School District
TCAC	Tax Credit Allocation Committee
UWMP	Urban Water Management Plan

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## 1.0 INTRODUCTION

State Housing Element law requires local governments to adequately plan to meet their existing and projected housing needs, including their share of the Regional Housing Needs Assessment (RHNA) allocation. Government Code Section 65583(a)(3) requires local governments to prepare an inventory of land suitable for residential development, which is used to identify sites that can be developed for housing within the planning period. This report has been prepared to satisfy Government Code Section 65583(a)(3).

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## 2.0 STATE REGULATIONS

State law recognizes the vital role local governments play in the availability, adequacy, and affordability of housing. Every city and county in California is required to adopt a long-range General Plan to guide its physical development; the Housing Element is one of the seven mandated elements of the General Plan. State Housing Element law mandates that local governments adequately plan to meet the existing and projected housing needs of all economic segments of the community. The law recognizes that in order for the private market to adequately address housing needs and demand, local governments must adopt land use plans and regulatory systems that provide opportunities for (and do not unduly constrain) housing production. Housing Element statutes also require the California Department of Housing and Community Development (HCD) to review local housing elements for compliance with state law and to report its findings to the local government.

State Housing Element law requires that each local government develop local housing programs to meet its “fair share” of existing and future housing needs for all income groups. The Southern California Association of Governments (SCAG) is responsible for developing and assigning these regional needs, via the RHNA process, to Southern California jurisdictions including the City.

Government Code Section 65583(a)(3) requires that local governments prepare an inventory of land suitable for residential development, including vacant sites and sites having the potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to those sites. This parcel-level inventory of sites with near-term residential development potential has been prepared in support of the City’s efforts to update its Housing Element.

The City’s fair share for the planning period between October 2021 and October 2029 was established by SCAG at 997 units divided into four income groups as shown in Table A. That housing needs allocation was based on projected household growth and the resulting need for construction of additional housing units allocated over an 8-year planning period (2021–2029).

**Table A: City of Laguna Woods Housing Needs Allocation (2021–2029)**

Income Level	Percent of Area MFI	No. of Units
Very Low	0–50%	127
Low	51–80%	136
Moderate	81–120%	192
Above Moderate	>120%	542
<b>Total</b>		<b>997</b>

Source: SCAG 6<sup>th</sup> Cycle Final RHNA Allocation Plan (approved by HCD on March 22, 2021).

HCD = California Department of Housing and Community Development

MFI = median family income

RHNA = Regional Housing Needs Assessment

SCAG = Southern California Association of Governments

It should be noted that the City’s housing needs allocation for the 2021–2019 planning period (997 units) is substantially higher than its allocation during the previous planning period (2 units).

## 2.1 ASSEMBLY BILL 1397

Pursuant to Assembly Bill (AB) 1397, cities must determine if more than 50 percent of the lower-income RHNA would be accommodated on nonvacant sites. When a city relies on nonvacant sites to accommodate 50 percent or more of its housing need for lower-income households, the methodology used to determine additional development potential must demonstrate that the existing use identified does not constitute an impediment to additional residential development during the period covered by the Housing Element. An existing use is presumed to impede additional residential development, absent findings based on substantial evidence that the use is likely to be discontinued during the planning period (Government Code Section 65583.2(g)(2)).

## 2.2 ASSEMBLY BILL 686

Pursuant to AB 686, for Housing Elements due on or after January 1, 2021, sites must be identified throughout the community in a manner that affirmatively furthers fair housing opportunities (Government Code Section 65583(c)(10)). According to Government Code Section 8899.50(a)(1), affirmatively furthering fair housing means “taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics.” Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity; replacing segregated living patterns with truly integrated and balanced living patterns; transforming racially and ethnically concentrated areas of poverty into areas of opportunity; and fostering and maintaining compliance with civil rights and fair housing laws. For purposes of this Housing Sites Inventory and Analysis, this means that the sites identified to accommodate the lower-income need must not be concentrated in low-resourced areas (areas that lack access to high-performing schools, are not close to jobs, and/or are disproportionately exposed to pollution or other health impacts) or areas of segregation and concentrations of poverty. Instead, the sites identified to accommodate the lower-income need must be distributed throughout the community in a manner that affirmatively furthers fair housing.

### 3.0 OVERVIEW OF POTENTIAL HOUSING SITES

The City has identified 17 potential sites that appear to be viable for near-term housing development that would help the City meet its RHNA requirements. Table B provides a brief description of each site and its corresponding Assessor's Parcel Numbers (APNs), along with a description of the existing uses on each site, the surrounding land uses, the parcel size, and the existing General Plan land use and zoning designations on each site. The 17 sites are distributed throughout the community as shown in Figure 1, Housing Sites Key Map.

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**Table B: Site Descriptions**

Site	Description/APN	Existing Uses/Background Information	Surrounding Uses	Vacant?	Parcel Size	Current General Plan Land Use Designation	Current Zoning
1	Town Centre Vacant Lot (APN 616-012-29)	<ul style="list-style-type: none"> <li>Undeveloped.</li> <li>Site slopes downward from north to south, with most of the developable area on this parcel being 30 to 50 feet above El Toro Road.</li> </ul>	<p><b>North:</b> El Toro Water District facility—water well property (one-story structures and water tanks)</p> <p><b>East:</b> Laguna Hills Animal Hospital and Laguna Woods Self Storage (one- and two-story structures)</p> <p><b>South:</b> Laguna Woods Village water detention basin—vacant property</p> <p><b>West:</b> Medical office building within Town Centre (three-story structure)</p>	Yes	1.8 ac	Commercial	Community Commercial
2	Pacific Hills Calvary Chapel Parking Lot (APN 621-131-38)	Currently developed as a surface parking lot for the adjacent Pacific Hills Calvary Chapel in neighboring Aliso Viejo.	<p><b>North:</b> vacant land, Laguna Country United Methodist Church (one-story structures)</p> <p><b>East:</b> Laguna Country United Methodist Church, Pacific Hills Calvary Chapel (in Aliso Viejo) (all one-story structures)</p> <p><b>South:</b> vacant land, Pacific Hills Calvary Chapel (in Aliso Viejo) (all one-story structures)</p> <p><b>West:</b> vacant land</p>	No	0.696 ac	Commercial	Professional & Administrative Office

**Table B: Site Descriptions**

Site	Description/APN	Existing Uses/Background Information	Surrounding Uses	Vacant?	Parcel Size	Current General Plan Land Use Designation	Current Zoning
3	Rossmoor Electric (APN 621-131-21)	Currently developed as a commercial use with a small number of office and storage uses.	<b>North:</b> grocery and commercial (one- and two-story structures)	No	1.232 ac	Commercial	Community Commercial
			<b>East:</b> Saddleback Golf Cars (one-story structures)				
			<b>South:</b> Laguna Woods Village community garden center				
			<b>West:</b> Equestrian Center (one- and two-story structures)				
4	Saddleback Golf Cars (APN 621-131-26)	Currently developed as a commercial use with neighborhood electric vehicle and golf cart sales and repair.	<b>North:</b> grocery and commercial (one- and two-story structures)	No	1.235 ac	Commercial	Community Commercial
			<b>East:</b> vacant land				
			<b>South:</b> vacant land				
			<b>West:</b> Rossmoor Electric (one-story structures)				
5	Laguna Woods Self Storage (APN 616-012-19)	Currently developed as a commercial use with approximately eight single story structures used for individual storage.	<b>North:</b> Laguna Woods Village golf course	No	5.249 ac	Commercial	Community Commercial
			<b>East:</b> Animal Hospital and commercial center (one-and-two-story structures)				
			<b>South:</b> water storage				
			<b>West:</b> City Center Park				
6	Animal Hospital (APN 616-012-03)	Currently developed as a commercial use with an animal hospital.	<b>North:</b> Laguna Woods Self Storage (one-story structures)	No	0.76 ac	Commercial	Community Commercial
			<b>East:</b> gas station (one-and-two-story structures)				
			<b>South:</b> Equestrian Center (one- and two-story structures)				
			<b>West:</b> vacant land				

**Table B: Site Descriptions**

Site	Description/APN	Existing Uses/Background Information	Surrounding Uses	Vacant?	Parcel Size	Current General Plan Land Use Designation	Current Zoning
7	PS Business Park (excludes Jack in the Box) (APN 616-021-30)	Currently developed as a commercial use with a self-storage facility and small shopping center.	<b>North:</b> open space (in Lake Forest)	No	2.867 ac	Commercial	Community Commercial
			<b>East:</b> Laguna Woods Village golf course				
			<b>South:</b> Laguna Woods Village golf course				
			<b>West:</b> fast-food restaurant (one-story structure)				
8	Smart Parke (APN 621-211-09)	Currently developed as a commercial use with a pet boarding facility.	<b>North:</b> grocery and commercial (one-and-two story structures)	No	2.373 ac	Commercial	Community Commercial
			<b>East:</b> Home Depot center (one-and two-story structures)				
			<b>South:</b> Laguna Woods Village golf course				
			<b>West:</b> The Regency Apartment Homes (one-to-three-story structures)				
9	McCormick & Son Mortuary (APN 621-091-016)	Currently developed as a commercial use with a mortuary facility.	<b>North:</b> medical offices (three-story structures)	No	1.411 ac	Commercial	Community Commercial
			<b>East:</b> single family residences (one- and two-story structures)				
			<b>South:</b> residential (four-story structures)				
			<b>West:</b> multifamily residential (in Aliso Viejo) (four-story structures)				

**Table B: Site Descriptions**

Site	Description/APN	Existing Uses/Background Information	Surrounding Uses	Vacant?	Parcel Size	Current General Plan Land Use Designation	Current Zoning
10	Lutheran Church of the Cross (APN 616-041-01)	Currently developed as a church.	<p><b>North:</b> Laguna Woods Village residences (three-story structures)</p> <p><b>East:</b> Laguna Woods Village residences (one- and two-story structures)</p> <p><b>South:</b> Saint Nicholas Catholic Church (one- and two-story structures)</p> <p><b>West:</b> Laguna Woods Village Golf Course</p>	No	3.028 ac	Community Facilities	Community Facilities— Private
11	Geneva Presbyterian Church (APNs 616-191-05 & 616-191-06)	Both parcels are currently developed as a church.	<p><b>North:</b> Laguna Woods Village residences (one-story structures)</p> <p><b>East:</b> Calle Sonora/office building within Town Centre (three-story structure)</p> <p><b>South:</b> Whispering Fountains Apartments and residences (in Aliso Viejo) (one-, two-, and three-story structures)</p> <p><b>West:</b> Laguna Woods Village residences (one-story structures)</p>	No	3.955 ac <sup>1</sup>	Community Facilities (both parcels)	Community Facilities— Private (both parcels)
12	Saint Nicholas Catholic Church (APN 621-121-11)	Currently developed as a church.	<p><b>North:</b> Lutheran Church of the Cross (one- and two-story structures)</p> <p><b>East:</b> Laguna Woods Village residences (one- and two-story structures)</p> <p><b>South:</b> Laguna Woods Village residences (one-story structures)</p> <p><b>West:</b> Willow Tree Center and Laguna Woods Village residences (one- and two-story structures)</p>	No	4.596 ac	Community Facilities	Community Facilities— Private



**Table B: Site Descriptions**

Site	Description/APN	Existing Uses/Background Information	Surrounding Uses	Vacant?	Parcel Size	Current General Plan Land Use Designation	Current Zoning
13	Temple Judea (APN 621-121-18)	Currently developed as a temple.	<b>North:</b> Laguna Country United Methodist Church and Laguna Woods Village residences (one-story structures)	No	1.757 ac	Community Facilities	Community Facilities— Private
			<b>East:</b> Laguna Woods Village residences (one-story structures)				
			<b>South:</b> Laguna Woods Village residences and various churches (in Aliso Viejo) (one-story structures)				
			<b>West:</b> Laguna Country United Methodist Church and various churches (in Aliso Viejo) (one-story structures)				
14	Laguna Country United Methodist Church (APN 621-121-23)	Currently developed as a church.	<b>North:</b> Willow Tree Center and Laguna Woods Village residences (one-story structures)	No	3.899 ac	Community Facilities	Community Facilities— Private
			<b>East:</b> Temple Judea and Laguna Woods Village residences (one-story structures)				
			<b>South:</b> Temple Judea and various churches (in Aliso Viejo) (one-story structures)				
			<b>West:</b> parking lot for Pacific Hills Calvary Chapel, Laguna Woods Village vacant land, Willow Tree Center, Laguna Woods Village residences (one-story structures)				

**Table B: Site Descriptions**

Site	Description/APN	Existing Uses/Background Information	Surrounding Uses	Vacant?	Parcel Size	Current General Plan Land Use Designation	Current Zoning
15	Medical Building in Town Centre (APN 616-012-24)	Currently developed as a commercial use with office uses.	<b>North:</b> Town Center (three-story structure) <b>East:</b> vacant land <b>South:</b> Home Depot shopping center and Laguna Woods Village water detention basin (one-story structures) <b>West:</b> Town Centre (one- and three-story structures)	No	2.69 ac	Commercial	Professional & Administrative Office
16	Willow Tree Center East (APN 621-121-30)	Currently developed as a commercial use with retail, a restaurant, and an adult day services facility.	<b>North:</b> Laguna Woods Village Golf Course <b>East:</b> medical buildings (four-story structures) <b>South:</b> Residential Community (one- and two-story structures) <b>West:</b> Community Commercial (Town Centre) (one- and two-story structures)	No	3.095 ac	Commercial	Community Commercial
17	Helm Center (APN 621-091-15)	Currently developed as a commercial use with office uses.	<b>North:</b> Laguna Woods Village residences (one- and two-story structures) <b>East:</b> Laguna Woods Village residences (one- and two-story structures) <b>South:</b> McCormick & Son Mortuary (one-story structures) <b>West:</b> The Wellington (in Aliso Viejo) (four-story structures)	No	0.65 ac	Commercial	Professional & Administrative Office

<sup>1</sup> APN 616-191-05 is 0.5 acre and APN 616-191-06 is 3.455 acres. The total acreage of both parcels is 3.955.

ac = acre(s)

APN = Assessor's Parcel Number

County = County of Orange

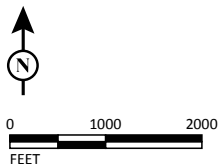


FIGURE 1

LSA

LEGEND

- Housing Site (with Site ID#)
- City of Laguna Woods
- Laguna Woods Village



SOURCE: Google Maps (2020)  
 I:\LWD2101\GIS\MXD\Key\_Map.mxd (10/27/2021)

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PROPOSED

## 4.0 METHODOLOGY USED TO IDENTIFY SITES

Given the predominantly built-out nature of Laguna Woods, there is very little undeveloped land that is able to accommodate new development. The majority of Laguna Woods is comprised of private communities that are restricted to adults aged 55 and older. Most of the limited amount of vacant land that exists within Laguna Woods consists of publicly owned open space properties that are subject to conservation easements or deed restrictions that prohibit housing development.

Properties presently designated as open space were excluded from consideration when the presence of deed restrictions preclude potential future housing development. The Laguna Laurel property at the western end of Santa Maria Avenue is subject to a conservation easement that expressly prohibits the construction of housing. Woods End Wilderness Preserve is subject to a deed restriction that prohibits use inconsistent with “nonvehicular public access into the Laguna Coast Wilderness Park and natural resource protection and restoration.” Woods End Wilderness Preserve is also leased to the County of Orange for inclusion in the Laguna Coast Wilderness Park through February 28, 2047.

City-owned sites were screened for potential inclusion in this analysis; however, due to the City’s extremely limited property ownership, none were included. The City Hall/Public Library site was excluded due to the current construction of a new library building and expanded outdoor gathering and activity spaces. Both the City Centre Park and Woods End Wilderness Preserve sites are subject to state grant-related deed restrictions. The property at Santa Vittoria Drive/San Remo Drive is 0.32 acre, which is presumed inadequate to accommodate lower income housing per State housing law.

Approximately 2.7 square miles of Laguna Woods’ overall 3.3 square miles is occupied by Laguna Woods Village (formerly known as Leisure World), a private gated community for people aged 55 and older. Figure 1, Housing Sites Key Map, shows the portions of Laguna Woods that are within Laguna Woods Village. Over 15,000 residents live in the 12,736 units within Laguna Woods Village, which include condominiums, cooperatives (“co-ops”), and single-family homes. While there are several properties that are perceived as vacant within Laguna Woods Village, none of those properties meet HCD’s definition of a vacant property as set forth in the “Housing Element Site Inventory Guidebook Government Code Section 65583.2” published June 10, 2020, and the production of new housing within Laguna Woods Village faces several challenges. There are income requirements and age restrictions for residents to become members of and live within the community, and the ability to build housing on, or unilaterally sell/lease, any land held in trust by the Golden Rain Foundation for the benefit of the residents of Laguna Woods Village is restricted by applicable governing documents. Each of the perceived vacant sites within Laguna Woods Village was also redesignated/rezoned in 2015 as open space at the request of the property owner (Golden Rain Foundation); prior to that action, those sites were designated/zoned for residential and commercial use. The City has discussed its new housing needs allocation and the Housing Element update process with Laguna Woods Village management staff (Village Management Services, Inc.) and has received no indication that the Golden Rain Foundation or any other Laguna Woods Village governing board is interested in pursuing new housing development. Due to a lack of evidence indicating a likelihood of redevelopment, properties located within, or owned by parties exclusively affiliated with Laguna Woods Village, were excluded from consideration.

The properties upon which Home Depot is located were excluded from consideration, consistent with HCD’s “Housing Element Site Inventory Guidebook Government Code Section 65583.2” published June 10, 2020, that references an “active Home Depot” as an example of an existing use that is “unlikely to be available for residential development within the planning period.”

Sites were included in this analysis because they met one or more of the following criteria:

- Site is Presently Vacant – After excluding open space properties with deed restrictions that preclude potential future housing development, properties of a size presumed inadequate to accommodate lower income housing per State housing law, and properties perceived as vacant but failing to meet HCD’s definition of a vacant property, only one presently vacant property remained (Site 1).
- Site is Presently Structureless – After excluding open space properties with deed restrictions that preclude potential future housing development, properties of a size presumed inadequate to accommodate lower income housing per State housing law, and properties located within, or owned by parties exclusively affiliated with Laguna Woods Village, only one presently structureless property remained (Site 2).
- Previous Expression of Housing Development Interest – Sites where interest in housing development has been previously expressed were included. In 2014, the property owner’s agent expressed interest in redeveloping the Willow Tree Center East property (Site 16). In 2017, the property owner and a housing developer expressed interest in the Laguna Country United Methodist Church property (Site 14).
- Synergy with Place of Worship – Based, in part, on previous interest in the Laguna Country United Methodist Church site (Site 14), parcel sizes, proximity to public transit, mission compatibility<sup>1</sup>, and membership-related trends, other sites presently used as places of worship were included (Sites 2 and 10–14).
- Viable Commercial Site – Based, in part, on previous interest in the Willow Tree Center East site (Site 16), parcel sizes, and proximity to public transit, other commercial sites were included (Sites 3–9 and 15–17). An emphasis was placed on identifying commercial sites with:
  - Frequent or long-term vacancies
    - As evidenced by real estate marketing.
    - Indicates that demand for commercial uses at that location is low, signaling a potential for redevelopment.

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<sup>1</sup> California State Senator Scott Wiener. 2020. "Senator Wiener Introduces Housing Legislation to Allow Churches and Other Charitable Institutions to Build Affordable Housing on Their Property." Website: <https://sd11.senate.ca.gov/news/20200306-senator-wiener-introduces-housing-legislation-allow-churches-and-other-charitable#:~:text=Churches%20and%20other%20religious%20and,in%20order%20to%20do%20so.%E2%80%9D> (accessed July 11, 2021).

- Less established tenants
  - According to the United States Bureau of Labor Statistics, approximately 20 percent of small businesses fail in the first year, 50 percent fail by the end of the fifth year, and 66 percent fail by the end of the tenth year.<sup>1</sup>
  - Indicates that the property may become available during the RHNA cycle.
- Single tenants
  - Redeveloping such properties has fewer lease implications.
- Viable adjacent sites
  - Presents an opportunity for lot consolidation, potentially making redevelopment at an economic scale more viable.
- Structure Will Be 40 Years or Older During 2021–2029 Planning Period – It is reasonable to expect older structures to present more opportunities for redevelopment than newer structures. 10 sites that will be 40 years or older by 2029 (Sites 6, 9–14, and 16–17) are included.

Nonvacant properties that met the criteria described above were further screened to exclude any properties that host businesses that provide essential goods or services to the community and are, therefore, not likely to vacate their current locations. Such businesses included grocery stores, banks, and pharmacies.

Finally, consideration was given to whether a site would provide any of the following benefits:

- Parcel Size is Potentially Suitable for Lower-Income Developments – Government Code Section 65583.2(c)(2) requires additional analysis to substantiate potential suitability for lower-income developments when the size of a parcel is smaller than one half acre or larger than 10 acres. Efforts were taken to identify parcels sized between one half acre and 10 acres.
- Consolidation Potential Due to Adjacency of Other Candidate Site – HCD’s “Housing Element Site Inventory Guidebook Government Code Section 65583.2” published June 10, 2020, identifies the potential for lot consolidation as evidence that may indicate a site is adequate to accommodate lower-income developments. This Housing Element includes Program H-1.2.4, which seeks to create an expedited and fee-reduced lot consolidation process for lot consolidations.

Table C summarizes how the criteria described above applies to the 17 potential development sites.

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<sup>1</sup> United States Bureau of Labor Statistics. 2020. Survival of private sector establishments by opening year. March. Website: [https://www.bls.gov/bdm/us\\_age\\_naics\\_00\\_table7.txt](https://www.bls.gov/bdm/us_age_naics_00_table7.txt) (accessed July 1, 2021).

**Table C: Application of Methodology Used to Identify Sites**

Site	Name	Relevant Factors Resulting in Identification
1	Town Centre Vacant Lot	<ul style="list-style-type: none"> <li>• Site is presently vacant</li> <li>• Viable commercial site; viable adjacent site</li> <li>• Parcel size is potentially suitable for lower-income developments</li> <li>• Consolidation potential due to adjacency of other candidate site; Program H-1.2.4 provides a specific incentive for lot consolidations</li> </ul>
2	Pacific Hills Calvary Chapel Parking Lot	<ul style="list-style-type: none"> <li>• Site is presently structureless</li> <li>• Synergy with place of worship</li> <li>• Parcel size is potentially suitable for lower-income developments</li> </ul>
3	Rossmoor Electric	<ul style="list-style-type: none"> <li>• Viable commercial site; frequent or long-term vacancies</li> <li>• Viable commercial site; less established tenant</li> <li>• Parcel size is potentially suitable for lower-income developments</li> </ul>
4	Saddleback Golf Cars	<ul style="list-style-type: none"> <li>• Viable commercial site; single tenant</li> <li>• Parcel size is potentially suitable for lower-income developments</li> </ul>
5	Laguna Woods Self Storage	<ul style="list-style-type: none"> <li>• Viable commercial site; single tenant</li> <li>• Viable commercial site; viable adjacent site</li> <li>• Parcel size is potentially suitable for lower-income developments</li> <li>• Consolidation potential due to adjacency of other candidate site; Program H-1.2.4 provides a specific incentive for lot consolidations</li> </ul>
6	Animal Hospital	<ul style="list-style-type: none"> <li>• Viable commercial site; single tenant</li> <li>• Viable commercial site; viable adjacent site</li> <li>• Structure will be 40 years or older during the 2021–2029 planning period</li> <li>• Parcel size is potentially suitable for lower-income developments</li> <li>• Consolidation potential due to adjacency of other candidate site; Program H-1.2.4 provides a specific incentive for lot consolidations</li> </ul>
7	PS Business Park (excludes Jack in the Box)	<ul style="list-style-type: none"> <li>• Viable commercial site; frequent or long-term vacancies</li> <li>• Viable commercial site; some less established tenants</li> <li>• Parcel size is potentially suitable for lower-income developments</li> </ul>
8	Smart Parke	<ul style="list-style-type: none"> <li>• Viable commercial site; less established tenant</li> <li>• Viable commercial site; single tenant</li> <li>• Parcel size is potentially suitable for lower-income developments</li> </ul>
9	McCormick & Son Mortuary	<ul style="list-style-type: none"> <li>• Viable commercial site; single tenant</li> <li>• Viable commercial site; viable adjacent site</li> <li>• Structure will be 40 years or older during the 2021–2029 planning period</li> <li>• Parcel size is potentially suitable for lower-income developments</li> <li>• Consolidation potential due to adjacency of other candidate site; Program H-1.2.4 provides a specific incentive for lot consolidations</li> </ul>
10	Lutheran Church of the Cross	<ul style="list-style-type: none"> <li>• Synergy with place of worship</li> <li>• Structure will be 40 years or older during the 2021–2029 planning period</li> <li>• Parcel size is potentially suitable for lower-income developments</li> </ul>
11	Geneva Presbyterian Church	<ul style="list-style-type: none"> <li>• Synergy with place of worship</li> <li>• Structure will be 40 years or older during the 2021–2029 planning period</li> <li>• Parcel size is potentially suitable for lower-income developments</li> </ul>
12	Saint Nicholas Catholic Church	<ul style="list-style-type: none"> <li>• Synergy with place of worship</li> <li>• Structure will be 40 years or older during the 2021–2029 planning period</li> <li>• Parcel size is potentially suitable for lower-income developments</li> <li>• Consolidation potential due to adjacency of other candidate site; Program H-1.2.4 provides a specific incentive for lot consolidations</li> </ul>



**Table C: Application of Methodology Used to Identify Sites**

Site	Name	Relevant Factors Resulting in Identification
13	Temple Judea	<ul style="list-style-type: none"> <li>• Synergy with place of worship</li> <li>• Structure will be 40 years or older during the 2021–2029 planning period</li> <li>• Parcel size is potentially suitable for lower-income developments</li> <li>• Consolidation potential due to adjacency of other candidate site; Program H-1.2.4 provides a specific incentive for lot consolidations</li> </ul>
14	Laguna Country United Methodist Church	<ul style="list-style-type: none"> <li>• Previous expression of housing development interest</li> <li>• Synergy with place of worship</li> <li>• Structure will be 40 years or older during the 2021–2029 planning period</li> <li>• Parcel size is potentially suitable for lower-income developments</li> <li>• Consolidation potential due to adjacency of other candidate site; Program H-1.2.4 provides a specific incentive for lot consolidations</li> </ul>
15	Medical Building in Town Centre	<ul style="list-style-type: none"> <li>• Viable commercial site; viable adjacent site</li> <li>• Parcel size is potentially suitable for lower-income developments</li> <li>• Consolidation potential due to adjacency of other candidate site; Program H-1.2.4 provides a specific incentive for lot consolidations</li> </ul>
16	Willow Tree Center East	<ul style="list-style-type: none"> <li>• Previous expression of housing development interest</li> <li>• Viable commercial site; some less established tenants</li> <li>• Viable commercial site; viable adjacent site</li> <li>• Structures will be 40 years or older during the 2021–2029 planning period</li> <li>• Parcel size is potentially suitable for lower-income developments</li> <li>• Consolidation potential due to adjacency of other candidate site; Program H-1.2.4 provides a specific incentive for lot consolidations</li> </ul>
17	Helm Center	<ul style="list-style-type: none"> <li>• Viable commercial site; frequent or long-term vacancies</li> <li>• Viable commercial site; viable adjacent site</li> <li>• Structure will be 40 years or older during the 2021–2029 planning period</li> <li>• Parcel size is potentially suitable for lower-income developments</li> <li>• Consolidation potential due to adjacency of other candidate site; Program H-1.2.4 provides a specific incentive for lot consolidations</li> </ul>

The analysis in this report focuses on the suitability of housing development on each site by examining site conditions and various development constraints (e.g., environmental hazards or inadequate infrastructure). The report also identifies those sites that are most likely to redevelop at density levels that can facilitate affordable housing. The goal of this analysis is to confirm that the 17 potential housing sites are able to accommodate the City’s housing needs allocation.

This analysis also takes into consideration whether each site is vacant or nonvacant, as defined by HCD, and whether existing uses on the nonvacant sites would serve as an impediment to additional housing development during the Housing Element planning period.

## 5.0 ENVIRONMENTAL CONSTRAINTS AND ADEQUATE INFRASTRUCTURE

Government Code Section 65583.2(b)(4) requires that the City provide a general description of any environmental constraints to the development of housing within its jurisdiction. Government Code Section 65583.2(b)(5) requires that the City provide a description of existing or planned water, sewer, and other dry utilities supply, including the availability and access to distribution facilities.

### 5.1 ENVIRONMENTAL CONSTRAINTS

Table D summarizes any environmental site constraints that affect each of the 17 housing sites, with an emphasis on grading, slope hazards, access issues, and surrounding uses. As described in Table D, it appears that vehicular access to each of the 17 housing sites is viable. Table D also indicates that many of the sites have no environmental constraints. With respect to the sites with potential environmental constraints, there are feasible engineering and design solutions that are likely to reduce the environmental impacts associated with these constraints to less than significant levels. Although the total development capacity of several of the sites (Sites 8, 11, 12, 13, 14, 16, and 17) would be constrained by slope hazards or the need to be sensitive to neighboring residents, none of the sites have physical impediments that would render them undevelopable.

### 5.2 INFRASTRUCTURE CONSTRAINTS

Laguna Woods is a predominantly built-out urban community that has adequate infrastructure to provide water, sewer, electricity, natural gas, and telecommunications services to its residents. As shown in Figure 1, all 17 of the potential housing sites are adjacent to either El Toro Road or Moulton Parkway and are either already developed or surrounded by existing development.

Water service is provided to Laguna Woods, including to the existing uses on each of the nonvacant sites (Sites 2–17) and the existing commercial land uses adjacent to the vacant site (Site 1), by the El Toro Water District (ETWD). The existing water mains along El Toro Road and Moulton Parkway could sufficiently support housing development on all of the sites. As an urban water supplier, ETWD is required to prepare an Urban Water Management Plan (UWMP) every 5 years. The UWMP supports ETWD's long-term resource planning to ensure that adequate water supplies are available to meet existing and future water needs. ETWD is currently in the process of preparing an update to its UWMP, which is anticipated to evaluate the reliability of its water supplies through at least 2040.

The City will work with ETWD to ensure that planned land uses, including future housing envisioned under the City's RHNA allocation, are included in future UWMPs so that sufficient water supplies are available. A related program has been included in the Housing Element.

Sewer service is provided to Laguna Woods by ETWD. Because sewer service is currently provided to the existing uses on each of the nonvacant sites (Sites 2–17) and the existing commercial land uses adjacent to the vacant site (Site 1), the existing sewer facilities could sufficiently support housing development on all of the sites.

**Table D: Environmental and Site Constraints**

Site	Name	Description of Constraint
1	Town Centre Vacant Lot	<ul style="list-style-type: none"> <li>• Site slopes downward from north to south toward El Toro Road.</li> <li>• Heavy grading, with a substantial amount of soil export, would be required to accommodate new housing on this site; in addition, it is likely that tiebacks and/or retaining walls would be required to stabilize the site.</li> <li>• Vehicle access through the Town Centre project to the west appears viable.</li> <li>• A small portion of the site is located in a landslide hazard zone. Inclusion in such a zone does not preclude housing development.</li> </ul>
2	Pacific Hills Calvary Chapel Parking Lot	<ul style="list-style-type: none"> <li>• Site is relatively flat and appears to drain toward the northeast.</li> <li>• Vehicle access to Moulton Parkway appears viable via the existing driveway on the adjacent property.</li> <li>• No environmental constraints affect this site.</li> </ul>
3	Rossmoor Electric	<ul style="list-style-type: none"> <li>• Site is relatively flat and appears to drain toward the east.</li> <li>• Vehicle access to Moulton Parkway appears viable via the existing driveway.</li> <li>• No environmental constraints affect this site.</li> </ul>
4	Saddleback Golf Cars	<ul style="list-style-type: none"> <li>• Site is relatively flat and appears to drain toward the east.</li> <li>• Vehicle access to Moulton Parkway appears viable via the existing driveway.</li> <li>• No environmental constraints affect this site.</li> </ul>
5	Laguna Woods Self Storage	<ul style="list-style-type: none"> <li>• Site is sloped to the northeast and south; site appears to drain toward the southeast.</li> <li>• Vehicle access to Moulton Parkway appears viable via the existing driveway.</li> <li>• A small portion of the site is located in a landslide hazard zone. Inclusion in such a zone does not preclude housing development.</li> </ul>
6	Animal Hospital	<ul style="list-style-type: none"> <li>• Site is relatively flat and appears to drain toward the south.</li> <li>• Vehicle access to El Toro Road appears viable via the existing driveway.</li> <li>• No environmental constraints affect this site.</li> </ul>
7	PS Business Park (excludes Jack in the Box)	<ul style="list-style-type: none"> <li>• Site is relatively flat and appears to drain toward the north.</li> <li>• Vehicle access to Moulton Parkway appears viable via the existing driveway.</li> <li>• No environmental constraints affect this site.</li> </ul>
8	Smart Parke	<ul style="list-style-type: none"> <li>• Site is relatively flat and appears to drain toward the south.</li> <li>• Vehicle access to El Toro Road appears viable via the existing driveway.</li> <li>• A portion of the site is located in a landslide hazard zone. Inclusion in such a zone does not preclude housing development.</li> <li>• The western portion of the site was affected by a landslide in 2004 when the slope below Calle Sonora failed due to excessive soil saturation, causing significant private property damage.</li> </ul>
9	McCormick & Son Mortuary	<ul style="list-style-type: none"> <li>• Site is relatively flat and appears to drain toward the north.</li> <li>• Vehicle access to Moulton Parkway appears viable via the existing driveway.</li> <li>• No environmental constraints affect this site.</li> </ul>
10	Lutheran Church of the Cross	<ul style="list-style-type: none"> <li>• Site is relatively flat and appears to drain toward the southeast.</li> <li>• Vehicle access to El Toro Road appears viable via the existing driveways on the site.</li> <li>• No environmental constraints affect this site.</li> </ul>
11	Geneva Presbyterian Church	<ul style="list-style-type: none"> <li>• Site is relatively flat and appears to drain toward the southeast.</li> <li>• The northern and western portions of the site are adjacent to residential uses; therefore, any housing development on those portions of the site will need to be sensitive to neighboring residents.</li> <li>• Vehicle access to El Toro Road and Calle Sonora appears viable via the existing driveways on the site.</li> </ul>

**Table D: Environmental and Site Constraints**

Site	Name	Description of Constraint
12	Saint Nicholas Catholic Church	<ul style="list-style-type: none"> <li>• Site is relatively flat and appears to drain toward the northwest.</li> <li>• The southern portion of the site is adjacent to residential uses; therefore, any housing development on that portion of the site will need to be sensitive to neighboring residents.</li> <li>• Vehicle access to El Toro Road appears viable via the existing driveways on the site.</li> </ul>
13	Temple Judea	<ul style="list-style-type: none"> <li>• Site is relatively flat and appears to drain toward the northeast.</li> <li>• The northern and eastern portions of the site are adjacent to residential uses; therefore, any housing development on those portions of the site will need to be sensitive to neighboring residents.</li> <li>• Vehicle access to Moulton Parkway appears viable via the existing driveway on the site, which is shared with the owner of an adjacent site.</li> </ul>
14	Laguna Country United Methodist Church	<ul style="list-style-type: none"> <li>• Site is relatively flat and appears to drain toward the northeast.</li> <li>• The northern and eastern portions of the site are adjacent to residential uses; therefore, any housing development on those portions of the site will need to be sensitive to neighboring residents.</li> <li>• Vehicle access to Moulton Parkway appears viable via the existing driveway on the site, which is shared with the owner of an adjacent site.</li> </ul>
15	Medical Building in Town Centre	<ul style="list-style-type: none"> <li>• Site is relatively flat and appears to drain toward the southeast.</li> <li>• Vehicle access to El Toro Road appears viable via the existing driveway west of the site.</li> <li>• No environmental constraints affect this site.</li> </ul>
16	Willow Tree Center East	<ul style="list-style-type: none"> <li>• Site is relatively flat and appears to drain toward the southeast.</li> <li>• Vehicle access to El Toro Road appears viable via the existing driveway west of the site.</li> <li>• The southern portion of the site is near residential communities; therefore, any housing development on that portion of the site will need to be sensitive to neighboring residents.</li> </ul>
17	Helm Center	<ul style="list-style-type: none"> <li>• Site is relatively flat and appears to drain toward the southeast.</li> <li>• The eastern portion of the site is adjacent to residential uses; therefore, any housing development on that portion of the site will need to be sensitive to neighboring residents.</li> <li>• Vehicle access to Moulton Parkway appears viable via the existing driveways on the site.</li> </ul>

Southern California Edison (SCE) provides electrical service to Laguna Woods. Because electrical service is currently provided to the existing uses on each of the nonvacant sites (Sites 2–17) and the existing commercial land uses adjacent to the vacant site (Site 1), the existing electrical facilities could sufficiently support housing development on all of the sites.

The Southern California Gas Company provides natural gas service to Laguna Woods and each of the nonvacant sites (Sites 2–17) via existing gas mains in Ridge Route Drive, Moulton Parkway, and El Toro Road. Gas lines could be extended from El Toro Road into the vacant site (Site 1) to sufficiently support housing development.

Telecommunication services including landline and cell phone service, television, and internet are available throughout Laguna Woods. These services could be provided to all of the sites to sufficiently support housing development.

### 5.3 GENERAL LAND USE CONSIDERATIONS

This Housing Element includes Program H-1.1.1 to apply an appropriate residential overlay zoning district to each of the 17 potential housing sites. Such overlay zoning districts will allow new housing units to be developed on the nonvacant sites while also allowing the existing uses to continue operating. City staff has identified four potential overlay zoning districts, which are described in Table E below. A full General Plan consistency review will be completed when the City implements the Housing Element rezoning program; however, a subsequent update of the General Plan Land Use Element will be required to establish the new overlay zoning districts. To remain consistent with the General Plan Circulation Element, a traffic impact analysis will be required.

**Table E: Potential Overlay Zoning Districts**

Overlay Zone	Density Range	Notes
Residential High Density	30–50 du/ac	<ul style="list-style-type: none"> <li>• Able to accommodate the development of lower-income units, consistent with HCD's standard threshold</li> </ul>
Residential Medium Density	20–30 du/ac	<ul style="list-style-type: none"> <li>• Able to accommodate the development of moderate-income units</li> </ul>
Residential Medium-Low Density	15–20 du/ac	<ul style="list-style-type: none"> <li>• Appropriate for sites adjacent to existing lower-density residential uses</li> <li>• Able to accommodate the development of moderate-income units</li> </ul>
Residential Low Density	8–10 du/ac	<ul style="list-style-type: none"> <li>• Appropriate for sites adjacent to existing single-story residential uses</li> <li>• Able to accommodate the development of moderate-income units</li> </ul>

du/ac = dwelling unit(s) per acre

HCD = Department of Housing and Community Development

The rezoning process will include the adoption of minimum density and development standards for each of the four potential overlay zoning districts. Specific commitments in the rezoning process include, but are not limited to, (1) complying with applicable provisions of California Government Code Section 65583.2 (h), (i), et al., including accommodating at least 50 percent of the lower-income housing needs allocation on sites designated for residential use only (for non-mixed use projects) and by requiring residential use to occupy 50 percent of the total floor area of mixed-use projects, (2) permitting housing projects by right, as required by State law, (3) permitting owner-occupied and rental multifamily uses by right for housing projects in which 20 percent or more of the housing units are affordable for lower-income households, (4) establishing densities for potential housing sites as specified in Table H in this exhibit, and (5) allowing the development of housing projects as stand-alone uses on each potential housing site.

### 5.4 ACCESS TO COMMUNITY RESOURCES

Although locations vary, in general, each of the 17 potential housing sites appears to enjoy good access to community resources based on the following factors:

- Good access to grocery stores and other retail outlets (e.g., ALDI Food Market, Mother's Market & Kitchen, and Stater Bros.), which may also serve as employment centers

- Good transit access (each site is within a 0.25-mile walk of an Orange County Transportation Authority [OCTA] bus stop.)
- Close to employment centers (e.g., Laguna Hills Mall and shopping centers)
- Close to a medical facility (Saddleback Medical Center)
- Good access to quality schools (Based on the Saddleback Valley Unified School District [SVUSD] School Locator map, each of the sites would be assigned to the following schools, which are described below.)
  - **San Joaquin Elementary School** (Kindergarten–Grade 6) has the following:<sup>1</sup>
    - A 70.3 percent enrollment rate comprising socioeconomically disadvantaged students
    - An overall “Exemplary” rating of the school’s state of repair
    - A full cohort of administrative and teaching staff members, which provides adequate student-teacher ratios
  - **Los Alisos Intermediate School** (Grades 7 and 8) has the following:<sup>2</sup>
    - A 57 percent enrollment rate comprising socioeconomically disadvantaged students
    - An overall “Good” rating of the school’s state of repair
    - A full cohort of administrative and teaching staff members, which provides adequate student-teacher ratios
  - **Laguna Hills High School** (Grades 9–12) has the following:<sup>3</sup>
    - A 38.9 percent enrollment rate comprising socioeconomically disadvantaged students
    - An overall “Exemplary” rating of the school’s state of repair
    - A full cohort of administrative and teaching staff members, which provides adequate student-teacher ratios
- SVUSD’s website states that families may request interdistrict transfers based on changes in childcare needs (Kindergarten–Grade 6 only), parent employment, and student enrollment in specialized programs. Proper documentation must be provided to SVUSD in order for an interdistrict transfer to be considered.

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<sup>1</sup> Saddleback Valley Unified School District. 2020. San Joaquin Elementary School 2019–20 School Accountability Report Card. Website: <https://www.doc-tracking.com/screenshots/Serve/844/2020/English/SanJoaquinElementarySchool.pdf> (accessed July 1, 2021).

<sup>2</sup> Saddleback Valley Unified School District. 2020. Los Alisos Intermediate School 2019–20 School Accountability Report Card. Website: <https://www.doc-tracking.com/screenshots/Serve/844/2020/English/LosAlisosIntermediateSchool.pdf> (accessed July 1, 2021).

<sup>3</sup> Saddleback Valley Unified School District. 2020. Laguna Hills High School 2019–20 School Accountability Report Card. Website: <https://www.doc-tracking.com/screenshots/Serve/844/2020/English/LagunaHillsHighSchool.pdf> (accessed July 1, 2021).

## 5.5 ENERGY CONSERVATION OPPORTUNITIES

Planning to maximize energy efficiency and the incorporation of energy conservation and green building features can contribute to reduced housing costs for residents in Laguna Woods, in addition to promoting sustainable community design and reduced dependence on vehicles. Such planning and development standards can also significantly contribute to reducing greenhouse gases. The City's Municipal Code references recently adopted regulations that are intended to conserve energy and provide opportunities for residents to live in decent, safe, and affordable housing.

Existing efforts to promote energy conservation were identified and reviewed to determine whether feasible and economical opportunities exist for the City to add or enhance efforts.

### 5.5.1 City Efforts

#### 5.5.1.1 Laguna Woods Municipal Code

**California Green Building Standards Code.** The California Green Building Standards Code, 2019 Edition (California Code of Regulations, Title 24, Part 11; CALGreen),<sup>1</sup> was adopted and incorporated by reference as the City's Green Building Standards Code. CALGreen regulates the planning, design, operation, construction, use, and occupancy of every newly constructed building or structure, unless otherwise indicated.

The scope of CALGreen extends to include all new buildings, this includes newly constructed residential structures, including apartment buildings, condominiums, one and two-story dwellings, homeless shelters, and other types of dwellings containing sleeping accommodations; therefore, it applies to affordable housing units.

**California Energy Code.** The California Energy Code, 2019 Edition (California Code of Regulations, Title 24, Part 6),<sup>2</sup> was adopted and incorporated by reference as the City's Energy Code. The Energy Code regulates the construction, alteration, movement, enlargement, replacement, repair, equipment, use and occupancy, location, maintenance, removal, and demolition of every building or structure or any appurtenances connected or attached to such buildings or structures.

The Energy Code promotes efficient building energy use to protect people and the environment. Once rooftop solar electricity generation is factored in, homes built under the 2019 standards will use about 53 percent less energy than those under the 2016 standards. This is expected to reduce greenhouse gas emissions in California by 700,000 metric tons over three years, equivalent to taking 115,000 fossil fuel cars off the road.<sup>3</sup>

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<sup>1</sup> City of Laguna Woods. Municipal Code. Website: [https://library.municode.com/ca/laguna\\_woods/codes/code\\_of\\_ordinances?nodeId=TIT10BUCO\\_CH10.24CAGRBUSTCO](https://library.municode.com/ca/laguna_woods/codes/code_of_ordinances?nodeId=TIT10BUCO_CH10.24CAGRBUSTCO) (accessed September 16, 2021).

<sup>2</sup> City of Laguna Woods. Municipal Code. Website: [https://library.municode.com/ca/laguna\\_woods/codes/code\\_of\\_ordinances?nodeId=TIT10BUCO\\_CH10.28CAENCO](https://library.municode.com/ca/laguna_woods/codes/code_of_ordinances?nodeId=TIT10BUCO_CH10.28CAENCO) (accessed September 16, 2021).

<sup>3</sup> 2019 Building Energy Efficiency Standards FAQs. *The California Energy Commission - Efficiency Division*. Website: [https://www.energy.ca.gov/sites/default/files/2020-03/Title\\_24\\_2019\\_Building\\_Standards\\_FAQ\\_ada.pdf](https://www.energy.ca.gov/sites/default/files/2020-03/Title_24_2019_Building_Standards_FAQ_ada.pdf) (accessed September 17, 2021).

**Construction and Demolition Materials Management.** Chapter 4.24, Construction and Demolition Materials Management, of the City’s Municipal Code increases the amount of construction and demolition waste diverted from landfills by requiring minimum levels of reuse or recycling of waste generated by certain types of projects.

**Water Efficient Landscapes.** Chapter 10.03, Water Efficient Landscapes, of the City’s Municipal Code encourages efficient and conservation-oriented use of water in new and rehabilitated landscapes by limiting the amount of water able to be applied and requiring compliance with El Toro Water District regulations.

In considering opportunities to promote energy conservation, the City’s role in administering the California Building Standards Code positions it well to incentivize improvements that exceed the minimum requirements set forth in the California Green Building Standards Code and California Energy Code (collectively referred to as the California Building Energy Efficiency Standards). A related program has been included in the Housing Element.

#### 5.5.1.2 City of Laguna Woods General Plan Conservation Element

The General Plan Conservation Element addresses emergent issues and existing conditions in order to form a comprehensive approach to resource conservation. This element presents existing conditions relative to natural resource conservation within Laguna Woods and is organized to address the following eight priority issues: air resources; biological resources; cultural resources; energy resources; land resources; water resources; greenhouse gas emissions; and waste and recycling.

Implementation actions associated with the following General Plan Conservation Element policy objectives would provide opportunities for energy conservation in residential development:

- CO-4.1. Maintain energy reliability and affordability through conservation, efficiency, and independence.
- CO-4.2. Demonstrate sustainable energy resource leadership.
- CO-6.2. Maintain water reliability and affordability through conservation, efficiency, and independence.
- CO-6.3. Demonstrate sustainable water resource leadership.
- CO-8.1. Control sources of greenhouse gas emissions.
- CO-8.2. Demonstrate climate change leadership.
- CO-9.1. Adopt and enforce regulations promoting waste and recycling goals.
- CO-9.2. Expand opportunities for recycling and reuse of waste.



## 5.5.2 Other Resources

### 5.5.2.1 Southern California Edison Programs

For households requiring assistance with the payment of routine energy bills, Southern California Edison offers the following programs:

- California Alternate Rates for Energy (CARE) reduces energy bills for eligible customers by about 30 percent.
- Family Electric Rate Assistance (FERA) reduces electric bills for qualified households by 18 percent.

### 5.5.2.2 Foundation of Laguna Woods Village Payment Assistance

The Foundation of Laguna Woods Village is a nonprofit corporation that raises and distributes monies to assist residents of the private gated community of Laguna Woods Village. The Foundation of Laguna Woods Village offers temporary financial assistance with the payment of utility and energy bills.

PROPOSED

## 6.0 FAIR HOUSING ISSUES

HCD updated its guidance for implementing Affirmatively Furthering Fair Housing (AFFH) in April 2021. The updated guidance was published to assist public agencies and local governments with meeting their AB 686 requirements. In April 2021, HCD also released an interactive AFFH Data Viewer, which provides several map layers with data related to key AFFH factors including the following: Fair Housing Enforcement Outreach Capacity, Community Segregation and Integration, Disparities in Access to Opportunities, Disproportionate Housing Needs & Displacement Risks, and Racially and Ethnically Concentrated Areas of Poverty and Affluence. Per HCD’s AFFH implementation guidance, the 17 potential housing sites were analyzed for any potential patterns and trends of disparate housing needs and disproportionate access to opportunities. Using those criteria, housing sites were then evaluated on several map layers available from the AFFH Data Viewer to confirm that they would comply with AFFH policy. Figures 2 through 6, which are described in further detail below, show the locations of the potential housing sites and their proximity to the different classifications provided in the AFFH Data Viewer.

### 6.1 PROPOSED SITES

As described elsewhere in this exhibit, the City’s potential housing sites consist of sites with zoning in place, commercial sites with frequent or long-term vacancies, single or less established tenants, and generally sites where interest in housing development has been previously expressed. Table F below shows the number of potential housing units that are anticipated to be built during the planning period at each income level.

**Table F: Potential Housing Units during 2021–2029 Planning Period**

Site	APN	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
	<b>2021-2029 RHNA Targets</b>	<b>127</b>	<b>136</b>	<b>192</b>	<b>542</b>	<b>997</b>
1	616-012-29	10	11	0	60	81
2	621-131-38	2	2	0	27	31
3	621-131-21	5	6	0	44	55
4	621-131-26	5	6	0	44	55
5	616-012-19	76	79	0	81	236
6	616-012-03	2	3	0	29	34
7	616-021-30	24	26	0	79	129
8	621-211-09	6	7	0	50	63
9	621-091-16	0	0	0	25	25
10	616-041-01	0	0	35	19	54
11	616-191-05	0	0	6	3	9
	616-191-06	0	0	43	19	62
12	621-121-11	0	0	61	22	83
13	621-121-18	0	0	0	15	15
14	621-121-23	0	0	85	20	105
15	616-012-24	22	23	0	76	121
16	616-121-30	0	0	0	27	27
17	621-091-15	0	0	0	11	11
<b>TOTAL</b>		<b>152</b>	<b>163</b>	<b>230</b>	<b>651</b>	<b>1,196</b>

RHNA = Regional Housing Needs Assessment

Several recently completed housing projects near Laguna Woods are comparable in land use controls and site improvements but have higher densities than those envisioned under the Housing Element. Table G provides a list of these housing projects, along with their addresses and density (measured in dwelling units per acre). All four of these projects are located in the Gateway Specific Plan, which is centered around the western edge of the I-5/Crown Valley Parkway interchange in the nearby city of Laguna Niguel. None of these residential developments has units allocated for affordable housing.

**Table G: Recently Developed Housing in Nearby Cities**

Project	Address	Density
Skye at Laguna Niguel	28100 Cabot Rd., Laguna Niguel	67 du/ac
Apex Laguna Niguel	27960 Cabot Rd., Laguna Niguel	86 du/ac
Broadstone Cavora	26033 Cape Dr., Laguna Niguel	70 du/ac
Blu Laguna Niguel	27930 Cabot Rd., Laguna Niguel	99 du/ac

du/ac = dwelling units per acre

The additional residential development capacity on the City's potential housing sites is based on densities of 8–10 dwelling units/acre (du/ac) within the residential low density overlay, 15–20 du/ac within the residential medium-low density overlay, 20–30 du/ac within the residential medium density overlay, and 30–50 du/ac within the residential high density overlay. The potential housing sites would also include affordable housing units. Therefore, the potential housing sites would improve existing conditions for current and future residents in Laguna Woods and would increase opportunities for lower income residents in Laguna Woods while also developing new housing at a much lower density than recently completed housing projects in neighboring Laguna Niguel.

The 17 potential housing sites currently contain the following existing uses: religious centers (churches and a temple), commercial centers, and professional offices. There are several recent cases in Orange County where a church or other type of house of worship has been converted into housing.

Among these examples are the Wesley Village Apartments in Garden Grove, which redeveloped underused portions of a United Methodist Church property at 12741 Main Street into 47 units of affordable housing in 2016–2017. In 2021, nearly 40 percent of a property used by the Coastal Community Fellowship Church at 10460 Slater Avenue in Fountain Valley was redeveloped into 12 single-family units. Because these developments converted land used for religious facilities into housing in other Orange County cities, the fact that religious facilities are currently operating on several of the City's potential housing sites does not preclude their redevelopment with housing.

The additional housing that could be accommodated on the 17 potential housing sites would provide good access to community resources to potential residents, would be sufficiently served by utilities, and would facilitate the integration of lower-income households into the community in a way that would affirmatively further fair housing opportunities.

## 6.2 POVERTY STATUS

Figure 2, Poverty Status, identifies the percentage of the population in each Laguna Woods census tract whose income in the past 12 months was below the poverty level, based on the 2015–2019 American Community Survey estimates. Figure 2 also identifies the locations of the 17 potential housing sites. As shown in Figure 2, between 10 and 20 percent of the population in the portions of Laguna Woods east of Moulton Parkway and west of Moulton Parkway between El Toro Road and Santa Maria Avenue are living below the poverty level.

Of the 17 sites, four (Sites 2, 3, 4, and 8) are located in areas of Laguna Woods in which less than 10 percent of the population's income is below the poverty level, and 13 (Sites 1, 5, 6, 7, 9, 10, 11, 12, 13, 14, 15, 16, and 17) are located in areas in which between 10 and 20 percent of the population's income is below the poverty level.

While no areas in Laguna Woods are within a census tract in which a majority of the population's income is below the poverty level, this analysis suggests that the development of new affordable housing on Sites 1, 5, 6, 7, 9, 10, 11, 12, 13, 14, 15, 16, and 17 would be more desirable in order to affirmatively further fair housing. This is due to their slightly higher percentages of poverty levels relative to the Laguna Woods average.

## 6.3 DIVERSITY INDEX

Figure 3, Diversity Index, identifies the diversity levels in each of the Laguna Woods census tracts based on Esri's 2018 Diversity Index, which analyzes United States Census Population Estimates data. Figure 3 also identifies the locations of the 17 potential housing sites. The Diversity Index ranges from 0 (no diversity) to 100 (complete diversity). Esri's definition of diversity is two-dimensional and combines racial diversity with ethnic diversity. The measure evaluates the likelihood that two persons, chosen at random from the same area, belong to different races or ethnic groups. If an area's entire population belongs to one race group and one ethnic group, then an area has zero diversity.

In theory, the Diversity Index ranges from 0 (no diversity) to 100 (complete diversity). The Diversity Index is a continuum from 0 to 100, where an area's Diversity Index tends toward 100 when the population is more evenly divided across race and ethnic groups. If an area's entire population is divided evenly into two race groups and one ethnic group, then the Diversity Index equals 50. As more race groups are evenly represented in the population, the Diversity Index increases. As shown in Figure 3, the Diversity Index varies substantially among the Laguna Woods census tracts.

Of the 17 sites, five (Sites 1, 5, 6, 11, and 15) are located in areas of Laguna Woods that score lower on the Diversity Index. Seven of the sites (Sites 7, 9, 10, 12, 13, 14, and 16) are located in areas that score higher on the Diversity Index, with scores that are less than or equal to the 40–55<sup>th</sup> percentile. Four of the sites (Sites 2, 3, 4, and 8) are located in areas that scored within the 70–85<sup>th</sup> percentile.

This analysis suggests that Sites 2, 3, 4, 7, 8, 9, 10, 12, 13, 14, and 16 would be stronger candidates for developing affordable housing due to their higher Diversity Index scores. Developing affordable housing at these sites would comply with AFFH policies and affirmatively further fair housing.

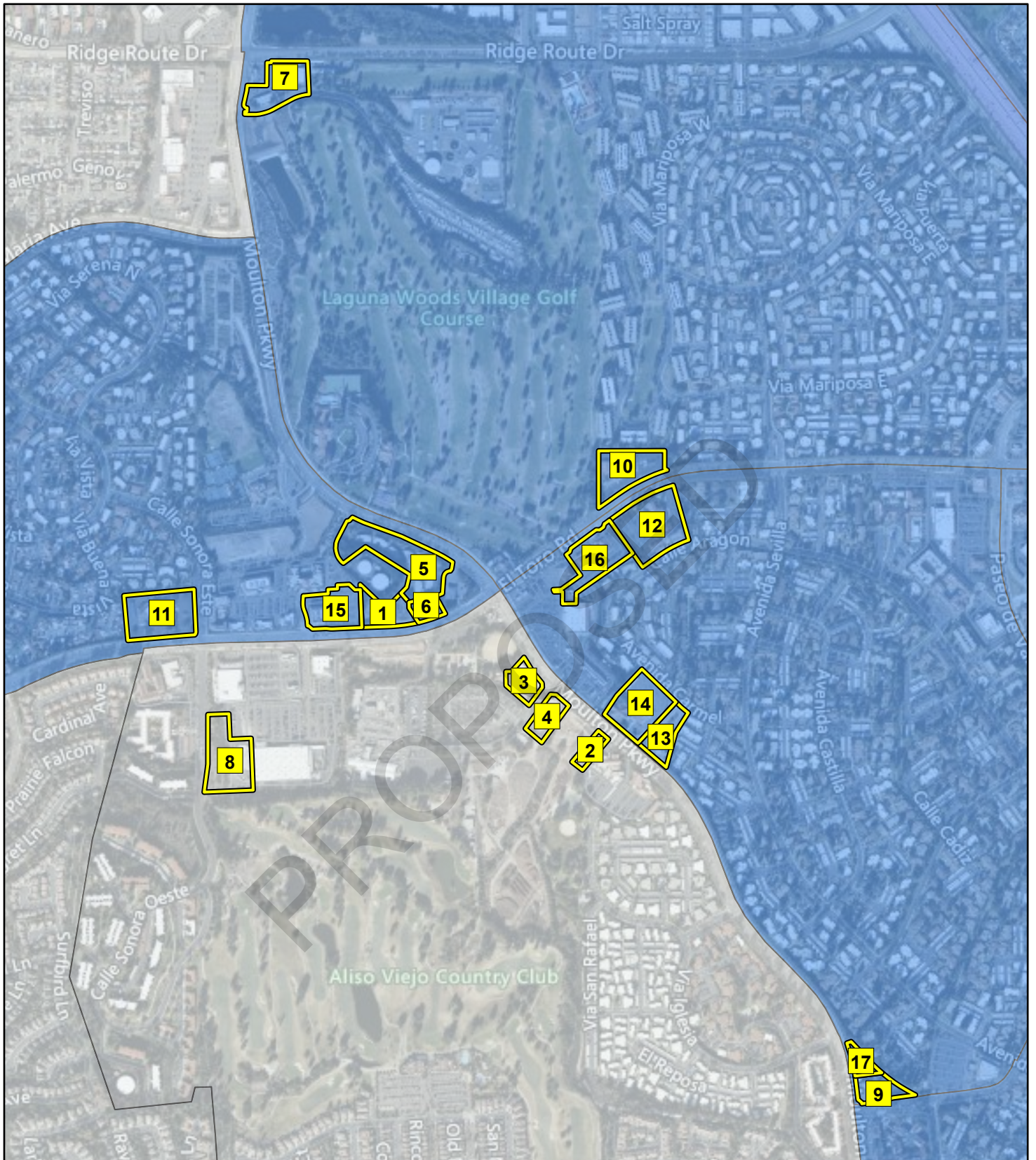



FIGURE 2


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
LEGEND

 Housing Sites

Poverty Status (Tract) - ACS (2015-2019)

Percent of Population whose income in the past 12 months is below poverty level

 < 10%

 10% - 20%



Laguna Woods Housing Sites Inventory and Analysis  
Poverty Status

SOURCE: Bing (2018); City of Laguna Woods (5/2021); California Tax Credit Allocation Committee (2021)

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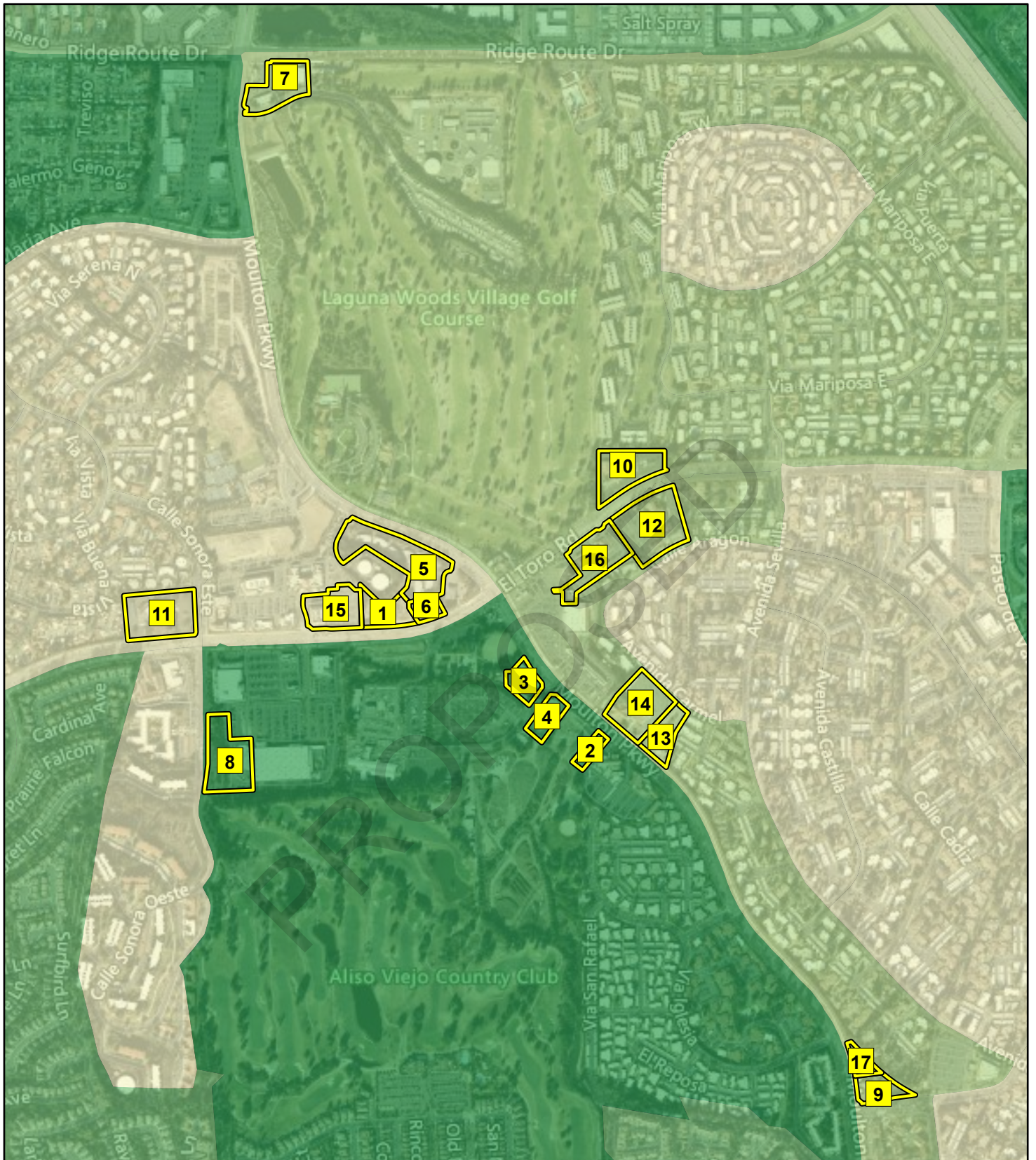


FIGURE 3

LSA

LEGEND

- Housing Sites
- 2018 Diversity Index (Esri)
  - Lower Diversity
  - ≤55.0%
  - ≤70.0%
  - ≤85.0%



Laguna Woods Housing Sites Inventory and Analysis  
Diversity Index

SOURCE: Bing (2018); City of Laguna Woods (5/2021); California Tax Credit Allocation Committee (2021)  
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PROPOSED



## 6.4 HEALTHY PLACES

Figure 4, Healthy Places Index, shows the Laguna Woods census tracts and their scores on the Public Health Alliance of Southern California (PHASC) 2021 Healthy Places Index (HPI). The HPI was developed to assist in exploring local factors that predict life expectancy and provides overall scores and detailed data on specific policy action areas that shape health. Higher HPI scores represent communities where economic, education, transportation, social, neighborhood, clean environment, housing, and healthcare access indicators suggest that conditions that are conducive to healthy living are present. Figure 4 also identifies the locations of the 17 potential housing sites. As shown in Figure 4, the HPI varies substantially among the Laguna Woods census tracts.

Of the 17 sites, six of the sites (Sites 9, 12, 13, 14, 16, and 17) are located in areas that scored between the 20<sup>th</sup> and 40<sup>th</sup> percentile on the HPI. Five of the sites (Sites 1, 5, 6, 11, and 15) are located in areas that scored between the 40<sup>th</sup> and 60<sup>th</sup> percentile, followed by Sites 7 and 8, which are located in areas that scored between the 60<sup>th</sup> and 80<sup>th</sup> percentile on the HPI.

Based on this analysis, Sites 1, 5, 6, 7, 8, 11, and 15 are preferable for affordable housing development due to their higher HPI scores, which would affirmatively further fair housing.

## 6.5 SOCIAL VULNERABILITY

Figure 5, Social Vulnerability Index, identifies the census tracts throughout Laguna Woods and their scores on the Centers for Disease Control and Prevention (CDC) 2018 Social Vulnerability Index (SVI). “Social vulnerability” refers to the potential negative effects on communities caused by external stresses on human health. Such stresses can include natural or human-caused disasters, or disease outbreaks. The SVI uses 15 different United States Census variables to help local officials identify communities that may need support before, during, or after disasters. Figure 5 also identifies the locations of the 17 potential housing sites.

There is one census tract within Laguna Woods that is identified as having a “higher vulnerability” per AFFH data. None of the 17 sites are located in that census tract. All of the sites are located in census tracts with a “moderate vulnerability” based on the SVI.

Despite the fact that the potential housing sites are located in areas subject to moderate levels of social vulnerability, they remain good candidates for affordable housing to affirmatively further fair housing.

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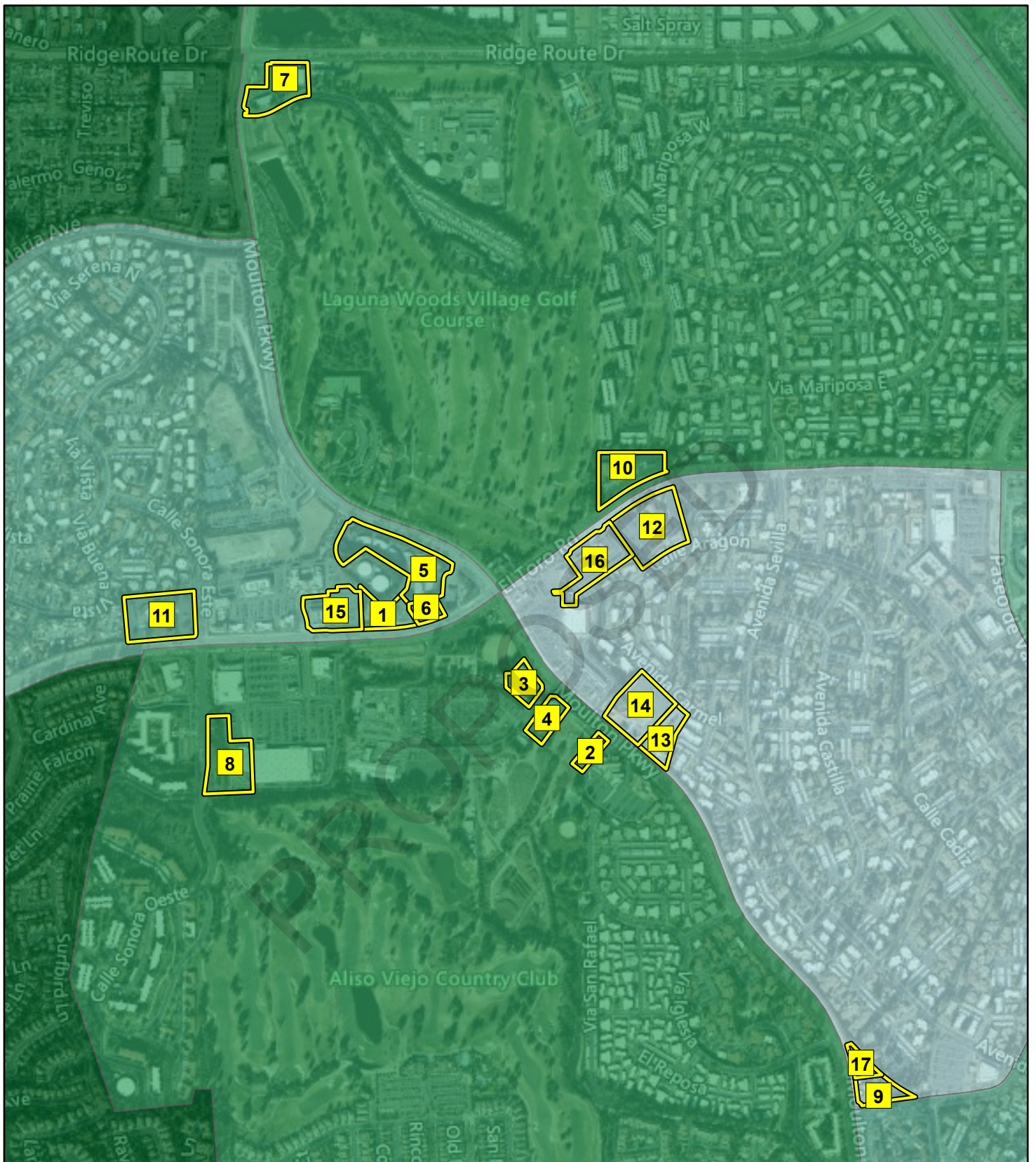




FIGURE 4


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LEGEND


 Housing Sites

Healthy Places Index

 20% - 40%

 40% - 60%

 60% - 80%

 80% - 100%



Laguna Woods Housing Sites Inventory and Analysis  
Healthy Places Index

SOURCE: Bing (2018); City of Laguna Woods (5/2021); California Tax Credit Allocation Committee (2021)

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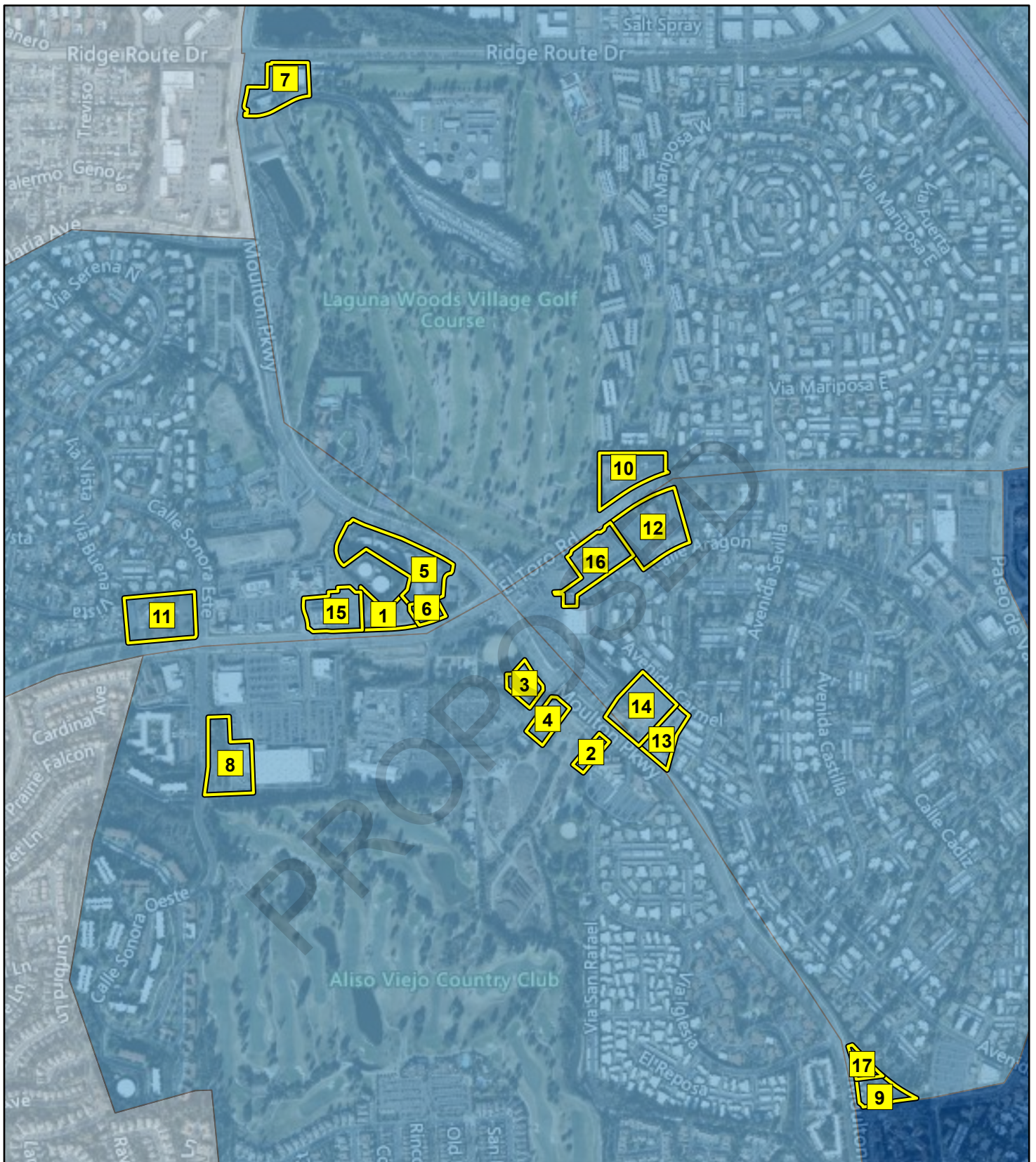


FIGURE 5

LSA

LEGEND

- Housing Sites
- Social Vulnerability Index - (CDC, 2018)
- Lower Vulnerability
- Higher Vulnerability



Laguna Woods Housing Sites Inventory and Analysis  
Social Vulnerability Index

SOURCE: Bing (2018); City of Laguna Woods (5/2021); California Tax Credit Allocation Committee (2021)  
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PROPOSED

## 6.6 TAX CREDIT ALLOCATION COMMITTEE OPPORTUNITY AREAS

HCD and the California Tax Credit Allocation Committee (TCAC) convened the California Fair Housing Task Force to provide research, evidence-based policy recommendations, and other strategic recommendations to HCD and other related state agencies/departments to further fair housing goals (as defined by HCD). The California Fair Housing Task Force has compiled data to identify resource levels across the state to accompany new policies aimed at increasing access to high opportunity areas for families with children in housing financed with 9 percent Low Income Housing Tax Credits (LIHTCs). The data reflect composite scores of four different domains made up of a set of indicators. Table H shows the full list of these domains and indicators.

**Table H: Domains and Lists of Indicators for Opportunity Maps**

Domain	Indicator
Economic	<ul style="list-style-type: none"> <li>• Poverty</li> <li>• Adult education</li> <li>• Employment</li> <li>• Job proximity</li> <li>• Median home value</li> </ul>
Environmental	<ul style="list-style-type: none"> <li>• CalEnviroScreen 3.0 pollution indicators and values</li> </ul>
Education	<ul style="list-style-type: none"> <li>• Math proficiency</li> <li>• Reading proficiency</li> <li>• High school graduation rates</li> <li>• Student poverty rates</li> </ul>
Poverty and Racial Segregation	<ul style="list-style-type: none"> <li>• Poverty: tracts with at least 30% of population under federal poverty line</li> <li>• Racial segregation: Tracts with location quotient higher than 1.25 for Blacks, Hispanics, Asians, or all people of color in comparison to the County</li> </ul>

Source: California Fair Housing Task Force. 2020. Methodology for the 2020 TCAC/HCD Opportunity Maps. June.

Figure 6, TCAC Opportunity Areas, shows the Laguna Woods census tracts and their categorization based on their composite scores. Areas with higher composite scores are those areas that have the highest number of resources. Areas with lower composite scores have a comparatively lower number of resources. Figure 6 also identifies the locations of the 17 potential housing sites. As shown in Figure 6, the composite scores vary substantially among the Laguna Woods census tracts.

Of the 17 sites, 13 of the sites (Sites 1, 5, 6, 7, 9, 10, 11, 12, 13, 14, 15, 16, and 17) are located in “Low Resource” areas. Four of the sites (Sites 2, 3, 4, and 8) are located in portions of Laguna Woods that are categorized as being “Moderate Resource—Rapidly Changing” areas. Section 1.4.1.3 of Exhibit A, Housing Needs Assessment, provides a more detailed explanation of the various census tracts in Laguna Woods and their respective opportunity map scores and categorizations.

Based on this analysis, Sites 2, 3, 4, and 8 are preferable for affordable housing development due to their locations in higher resource areas relative to what is available in Laguna Woods, which would affirmatively further fair housing.

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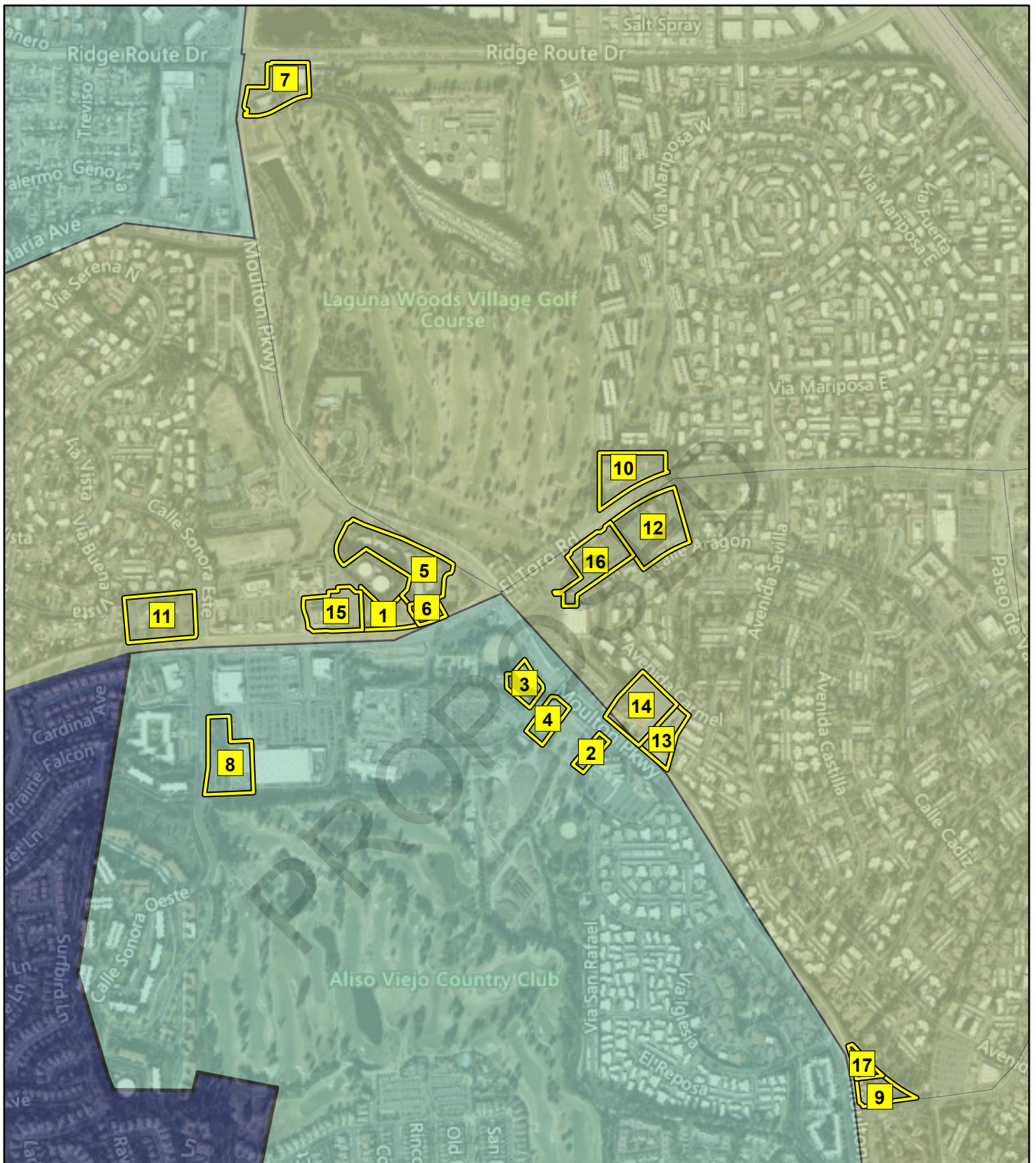




FIGURE 6


LSA

LEGEND

 Housing Sites

TCAC Opportunity Areas 2021 - Composite Score

 Highest Resource

 Moderate Resource (Rapidly Changing)

 Low Resource



Laguna Woods Housing Sites Inventory and Analysis

TCAC Opportunity Areas

SOURCE: Bing (2018); City of Laguna Woods (5/2021); California Tax Credit Allocation Committee (2021)

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PROPOSED

## 6.7 REGIONAL OPPORTUNITY INDEX

The UC Davis Center for Regional Change and Rabobank partnered to develop the Regional Opportunity Index (ROI) tool, which is intended to help communities understand local social and economic opportunities. The ROI tool incorporates both “People” and “Place” components, integrating economic, infrastructure, environmental, and social indicators into a comprehensive assessment of the factors driving opportunity.

The People component of the ROI is a relative measure of *people's* assets in education, the economy, housing, mobility/transportation, health/environment, and civic life. According to the ROI, Laguna Woods ranks moderate to high in the People component.

The Place component of the ROI is a relative measure of an *area's* assets in education, the economy, housing, mobility/transportation, health/environment, and civic life. According to the ROI, most areas in Laguna Woods rank in the highest level while the westernmost portion of Laguna Woods ranks in the low level of opportunity.

In general, the ROI for Laguna Woods is relatively high when compared against the rest of Orange County. The lowest access to opportunity is concentrated in the northwestern portion of Orange County, while the highest access to opportunity is concentrated in the coastal and southern areas of Orange County, which is where Laguna Woods is located.

## 6.8 DISABILITY

Table I provides data compiled by the U.S. Census Bureau related to disability for Orange County, Laguna Woods, the surrounding cities of Aliso Viejo, Laguna Hills, Laguna Beach, and Lake Forest, and the eight census tracts that are partially or entirely within Laguna Woods.

**Table I: Disability Trends**

Jurisdiction	Population with Disability (2008–2012 ACS) (%) <sup>2</sup>	Population with Disability (2015–2019 ACS) (%) <sup>1</sup>	Percent Change
Orange County	7.6	8.5	11.8%
Laguna Woods	29.2	27.3	-6.5%
Aliso Viejo	3.8	6.3	65.8%
Laguna Hills	7.4	8.8	18.9%
Laguna Beach	6.8	9.4	38.2%
Lake Forest	6.4	6.9	7.8%
Census Tract 626.21	7.7	7.2	-6.5%
Census Tract 626.22	25.7	22.6	-12.1%
Census Tract 626.25	12.5	14.1	12.8%
Census Tract 626.41	11.3	13.8	22.1%
Census Tract 626.46	29.3	25.4	-13.3%
Census Tract 626.47	20.4	16.9	-17.2%
Census Tract 626.48	27.9	26.4	-5.4%
Census Tract 626.49	17.7	24.5	38.4%

<sup>1</sup> American Community Survey 2019 5-Year Estimates. Table S1810.

<sup>2</sup> American Community Survey 2012 5-Year Estimates. Table S1810.

Table G indicates that seven of the eight census tracts in Laguna Woods have a higher percentage of their population with a disability than Orange County. Overall, 27.3 percent of Laguna Woods' population has some form of disability, a figure that is higher than each of the individual census tracts within Laguna Woods. Census Tract 626.21 reports the lowest population percentage with a disability (7.2 percent). Laguna Woods also has a much higher percentage of its population with a disability than Aliso Viejo, Laguna Hills, Laguna Beach, or Lake Forest, which have 6.3 percent, 8.8 percent, 9.4 percent, and 6.9 percent, respectively. All 17 of the potential housing sites are located in census tracts with a higher percentage of disabled residents than Orange County.

Additionally, Table I details the change in the percentage of disabled residents in Laguna Woods, Aliso Viejo, Laguna Hills, Laguna Beach, Lake Forest, and Orange County between the 2008–2012 and the 2015–2019 American Community Survey (ACS) estimate periods. The 2008–2012 ACS estimates were the earliest time period when data pertaining to disabled persons were available at a census tract level. As shown in Table I, Laguna Woods saw a 6.5 percent decrease in the percentage of its residents with disabilities between the 2008–2012 and the 2015–2019 ACS estimate periods. During the same time period, Orange County and the other cities surrounding Laguna Woods saw increases in the percentages of their residents with disabilities (ranging from a 7.8 percent increase in Lake Forest to a 65.8 percent increase in Aliso Viejo). However, the percentage of the population with a disability in Laguna Woods (27.3 percent) is much higher than any of the other cities surrounding Laguna Woods or Orange County.

## 6.9 FAMILY STATUS

Table J provides data compiled by the U.S. Census Bureau related to household type for Orange County, Laguna Woods, the surrounding cities of Aliso Viejo, Laguna Hills, Laguna Beach, and Lake Forest, and the eight census tracts that are partially or entirely within Laguna Woods.

Six of the eight census tracts in Laguna Woods, and Laguna Woods as a whole, have a higher number of nonfamily households than family, male householder, or female householder households, which reflects Laguna Woods' character as being home to a large senior population, many of whom do not live in family households. By comparison, Orange County and the surrounding cities of Aliso Viejo, Laguna Hills, Laguna Beach, and Lake Forest have a larger number of married-couple families than nonfamily, male householder, or female householder families. In total, 11 of the 17 potential housing sites are located in census tracts with a larger number of nonfamily households than married-couple family households.

Additionally, Table J details the changes in family status among households in Laguna Woods, Aliso Viejo, Laguna Hills, Laguna Beach, Lake Forest, and Orange County between the 2006–2010 and the 2015–2019 ACS estimate periods. The 2006–2010 ACS estimates were the earliest time period when household and family status data were available at a census tract level. As shown in Table J, the percentage of married-couple families increased the most in Laguna Woods (11.6 percent) between the 2006–2010 and the 2015–2019 ACS estimate periods; however, the percentage of married-couple families also increased in most of the other surrounding cities and in Orange County. All of the individual census tracts in Laguna Woods also saw increases in the number of married-couple households, with the exception of two census tracts, Census Tract 626.47 and Census

**Table J: Family Status Trends**

Jurisdiction	Married-Couple Family Year <sup>1,2</sup>		Percent Change (2006–2010 ACS to 2015–2019 ACS)	Male Householder Year <sup>1,2</sup>		Percent Change (2006–2010 ACS to 2015–2019 ACS)	Female Householder Year <sup>1,2</sup>		Percent Change (2006–2010 ACS to 2015–2019 ACS)	Nonfamily Household Year <sup>1,2</sup>		Percent Change (2006–2010 ACS to 2015–2019 ACS)
	(2006–2010 ACS)	(2015–2019 ACS)		(2006–2010 ACS)	(2015–2019 ACS)		(2006–2010 ACS)	(2015–2019 ACS)		(2006–2010 ACS)	(2015–2019 ACS)	
Orange County	533,446	569,260	+6.7%	54,071	55,032	+1.8%	111,816	119,719	+7.1%	285,170	293,481	+2.9%
Laguna Woods	3,215	3,590	+11.7%	166	83	-50.0%	352	309	-12.2%	7,737	7,021	-9.3%
Aliso Viejo	9,264	10,054	+8.5%	521	809	+55.3%	1,599	1,937	+21.1%	6,693	5,715	-14.6%
Laguna Hills	6,418	6,347	-1.1%	400	438	+9.5%	865	941	+8.8%	2,744	3,311	+20.7%
Laguna Beach	4,683	5,038	+7.6%	518	359	-30.7%	545	595	+9.2%	5,301	4,243	-20.0%
Lake Forest	15,971	17,060	+6.8%	1,312	1,329	+1.3%	2,432	3,166	+30.2%	7,200	7,783	+8.1%
Census Tract 626.21	985	2,355	+139.1%	59	297	+403.4%	194	361	+86.1%	630	1,610	+155.6%
Census Tract 626.22	911	951	+4.4%	11	0	-100.0%	152	47	-69.1%	1,528	1,537	+0.6%
Census Tract 626.25	763	831	+8.9%	69	46	-33.3%	107	131	+22.4%	923	952	+3.1%
Census Tract 626.41	770	1,034	+34.3%	67	5	-92.5%	104	147	+41.3%	715	838	+17.2%
Census Tract 626.46	575	762	+32.5%	31	48	+54.8%	54	0	-100.0%	1,651	1,555	-5.8%
Census Tract 626.47	589	543	-7.8%	21	143	+581.0%	129	217	+68.2%	1,497	1,448	-3.3%
Census Tract 626.48	657	470	-28.5%	13	8	-38.5%	42	84	+100.0%	1,454	1,300	-10.6%
Census Tract 626.49	540	711	+31.7%	49	28	-42.9%	89	33	-62.9%	1,348	1,094	-18.8%

<sup>1</sup> American Community Survey 2019 5-Year Estimates. Table S1101.

<sup>2</sup> American Community Survey 2010 5-Year Estimates. Table S1101.

Tract 626.48. The percentage of male householders and female householders has decreased in Laguna Woods by 50 percent and 12.2 percent, respectively, while it has increased in all surrounding cities (with the exception of Laguna Beach’s decrease in male householders). Finally, the number of non-family households in Laguna Woods has decreased by approximately 9.3 percent while it has increased in Orange County by approximately 2.9 percent.

## 6.10 INCOME

Table K provides data compiled by the U.S. Census Bureau related to poverty status and median household income for Orange County, Laguna Woods, the surrounding cities of Aliso Viejo, Laguna Hills, Laguna Beach, and Lake Forest, and the eight census tracts that are partially or entirely within Laguna Woods.

**Table K: Income Trends**

Jurisdiction	Population Below Poverty (%) <sup>1,2</sup>		Percent Change (2008–2012 ACS to 2015–2019 ACS)	Median Household Income <sup>3,4</sup>		Percent Change (2008–2012 ACS to 2015–2019 ACS)
	2008–2012 ACS	2015–2019 ACS		2008–2012 ACS	2015–2019 ACS	
Orange County	11.7	10.9	-6.8%	\$74,344	\$90,234	21.4%
Laguna Woods	11.4	11.5	0.9%	\$34,192	\$44,020	28.7%
Aliso Viejo	4.7	4.7	0.0%	\$95,498	\$112,689	18.0%
Laguna Hills	7.2	8.3	15.3%	\$87,337	\$100,985	15.6%
Laguna Beach	7.4	6.3	-14.9%	\$98,634	\$129,983	31.8%
Lake Forest	5.0	6.9	38.0%	91,040	\$109,492	20.3%
Census Tract 626.21	6.5	7.7	18.5%	\$76,333	\$111,425	46.0%
Census Tract 626.22	9.9	13.7	38.4%	\$32,437	\$44,119	36.0%
Census Tract 626.25	12.6	12.4	-1.6%	\$43,070	\$45,214	5.0%
Census Tract 626.41	9.1	3.3	-63.7%	\$59,500	\$88,986	49.6%
Census Tract 626.46	14.9	10.6	-28.9%	\$30,291	\$41,875	38.2%
Census Tract 626.47	9.7	15.7	61.9%	\$35,345	\$54,327	53.7%
Census Tract 626.48	4.2	12.9	207.1%	\$38,534	\$45,000	16.8%
Census Tract 626.49	6.6	11.1	68.2%	\$48,351	\$60,254	24.6%

<sup>1</sup> American Community Survey 2019 5-Year Estimates. Table S1701.

<sup>2</sup> American Community Survey 2012 5-Year Estimates. Table S1701.

<sup>3</sup> American Community Survey 2019 5-Year Estimates. Table S1901.

<sup>4</sup> American Community Survey 2010 5-Year Estimates. Table S1901.

As described in Table K, 11.5 percent of Laguna Woods’ residents are living below the federal poverty threshold, which is slightly higher than Orange County overall (10.9 percent) and higher than the surrounding cities of Aliso Viejo, Laguna Hills, Laguna Beach, and Lake Forest. Of the eight census tracts in Laguna Woods, five have a higher percentage of residents living below the poverty threshold than Orange County. Seven of the 17 potential housing sites are located in census tracts with a higher percentage of residents living below the poverty threshold than Orange County.

Table K also shows that Laguna Woods has a substantially lower median household income (\$44,020) than Orange County (\$90,234) or any of the other surrounding cities of Aliso Viejo, Laguna Hills, Laguna Beach, and Lake Forest. Of the eight census tracts in Laguna Woods, only Census Tract 626.21 has a higher median household income (\$111,425) than Orange County. All 17 of the

potential housing sites are located in census tracts with a lower median household income than Orange County.

Additionally, Table K details the change in the percentage of residents living below the poverty level in Laguna Woods, Aliso Viejo, Laguna Hills, Laguna Beach, Lake Forest, and the County between the 2008–2012 and the 2015–2019 ACS estimate periods as well as the percentage of change in median household income in those same geographies between the 2006–2010 and the 2015–2019 ACS estimate periods. The 2008–2012 ACS estimates were the earliest time period when ACS data pertaining to poverty status were available at a census tract level, and the 2006–2010 ACS estimates were the earliest time period when ACS data pertaining to household income were available at a census tract level. Laguna Woods, Orange County, the surrounding cities, and all individual census tracts within the Laguna Woods saw an increase in median household income between the 2006–2010 and the 2015–2019 ACS estimate periods. However, the percentage of residents living below the poverty level in Laguna Woods slightly increased over time (from 11.4 percent to 11.5 percent), whereas the percentage of Orange County residents living below the poverty level decreased by 6.8 percent during the same time period.

### 6.11 RACE AND ETHNICITY

Table L provides data compiled by the U.S. Census Bureau related to race and ethnicity for Orange County, Laguna Woods, the surrounding cities of Aliso Viejo, Laguna Hills, Lake Forest, Laguna Beach, and the eight census tracts that are partially or entirely within Laguna Woods for the 2006–2010 and the 2015–2019 ACS estimate periods.

As Table L indicates, Orange County, Laguna Woods, all surrounding cities, and all eight census tracts within Laguna Woods have a majority White population. All cities including Laguna Woods (76.3 percent, 80.0 percent, 70.9 percent, 89.5 percent, and 65.9 percent for Laguna Woods, Aliso Viejo, Laguna Hills, Laguna Beach, and Lake Forest, respectively) have a higher population of White residents than Orange County (61.0 percent). Laguna Woods has the lowest percentage of Hispanic or Latino population (5.8 percent) among all its surrounding cities and Orange County, and Census Tract 626.48 has the lowest percentage of Hispanic or Latino population (4.2 percent) among all geographies.

Table M provides a comparison of the breakdown of race and ethnicity in Laguna Woods, Aliso Viejo, Laguna Hills, Laguna Beach, Lake Forest, and Orange County between the 2006–2010 and the 2015–2019 ACS estimate periods. The 2006–2010 ACS estimate period was the earliest possible time period when race and ethnicity data were available at a census tract level. As shown in Table M, the White population in Laguna Woods decreased by approximately 15.5 percent between the 2006–2010 and the 2015–2019 ACS estimate periods, whereas it increased in Orange County and the cities of Aliso Viejo, Laguna Hills, and Lake Forest by 5.0 percent, 8.7 percent, 0.5 percent, and 4.0 percent, respectively, during the same time frame. The Black population in Laguna Woods decreased by 9.5 percent between the 2006–2010 and the 2015–2019 ACS estimate periods, whereas it increased in Orange County and Laguna Hills, Laguna Beach, and Aliso Viejo by 15.0 percent, 95.0 percent, 51.6 percent, and 28.9 percent, respectively. The Hispanic population increased in all geographies between the 2006–2010 and the 2015–2019 ACS estimate periods, except in Census Tract 626.22, Census Tract 626.25, and Census Tract 626.41.

**Table L: Race and Ethnicity Trends**

Jurisdiction	White		Black or African American		American Indian and Alaska Native		Asian		Native Hawaiian and Other Pacific Islander		Some Other Race and Two or More Races		Hispanic or Latino (of any race)	
	2006–2010 ACS	2015–2019 ACS	2006–2010 ACS	2015–2019 ACS	2006–2010 ACS	2015–2019 ACS	2006–2010 ACS	2015–2019 ACS	2006–2010 ACS	2015–2019 ACS	2006–2010 ACS	2015–2019 ACS	2006–2010 ACS	2015–2019 ACS
Orange County	1,839,676 (62.0%)	1,931,263 (61.0%)	48,361 (1.6%)	55,591 (1.8%)	13,004 (0.4%)	14,424 (0.5%)	521,268 (17.6%)	649,042 (20.5%)	9,565 (0.3%)	10,152 (0.3%)	557,247 (18.8%)	507,572 (16.0%)	973,899 (32.8%)	1,078,726 (34.1%)
Laguna Woods	14,499 (89.0%)	12,250 (76.3%)	126 (0.8%)	114 (0.7%)	0 (0.0%)	13 (0.1%)	1,357 (8.3%)	3,169 (19.7%)	0 (0.0%)	0 (0.0%)	341 (2.0%)	507 (3.2%)	723 (4.4%)	929 (5.8%)
Aliso Viejo	32,625 (70.4%)	35,449 (80.0%)	1,476 (3.2%)	1,237 (2.4%)	48 (0.1%)	238 (0.5%)	6,520 (14.1%)	7,905 (15.6%)	40 (0.1%)	64 (0.1%)	5,885 (12.8%)	5,770 (11.4%)	7,927 (17.1%)	9,189 (18.1%)
Laguna Hills	22,306 (73.3%)	22,417 (70.9%)	241 (0.8%)	470 (1.5%)	156 (0.5%)	27 (0.1%)	3,111 (10.2%)	4,632 (14.7%)	98 (0.3%)	18 (0.1%)	4,744 (15.6%)	4,053 (12.9%)	6,672 (21.9%)	6,950 (22.0%)
Laguna Beach	20,746 (91.0%)	20,617 (89.5%)	128 (0.6%)	194 (0.8%)	12 (0.1%)	28 (0.1%)	1,050 (4.6%)	867 (3.8%)	40 (0.2%)	0 (0.0%)	903 (3.9%)	1,330 (5.7%)	1,513 (6.6%)	1,892 (8.2%)
Lake Forest	53,242 (69.4%)	55,374 (65.9%)	1,425 (1.9%)	1,837 (2.2%)	380 (0.5%)	860 (1.0%)	10,360 (13.5%)	15,816 (18.8%)	129 (0.2%)	111 (0.1%)	12,156 (15.8%)	9,976 (11.9%)	17,159 (22.4%)	18,381 (21.9%)
Census Tract 626.21	4,093 (77.6%)	7,581 (61.5%)	20 (0.4%)	194 (1.6%)	0 (0.0%)	14 (0.1%)	652 (12.4%)	3,654 (29.6%)	0 (0.0%)	0 (0.0%)	607 (11.5%)	888 (7.2%)	1,244 (23.6%)	1,557 (12.6%)
Census Tract 626.22	3,379 (77.8%)	3,025 (78.2%)	27 (0.6%)	14 (0.4%)	0 (0.0%)	0 (0.0%)	477 (11.0%)	736 (19.0%)	36 (0.8%)	0 (0.0%)	426 (9.8%)	93 (2.4%)	638 (14.7%)	35 (7.9%)
Census Tract 626.25	2,902 (70.5%)	2,547 (64.1%)	0 (0.0)	11 (0.3%)	0 (0.0%)	0 (0.0%)	365 (8.9%)	513 (12.9%)	0 (0.0%)	0 (0.0%)	848 (20.6%)	904 (22.8%)	1,349 (32.8%)	1,293 (32.5%)
Census Tract 626.41	2,774 (61.1%)	3,518 (65.4%)	58 (1.3%)	87 (1.6%)	0 (0.0%)	0 (0.0%)	566 (12.5%)	975 (18.1%)	0 (0.0%)	0 (0.0%)	1,163 (25.6%)	796 (14.8%)	1,732 (38.2%)	1,184 (22.0%)
Census Tract 626.46	2,759 (90.3%)	2,502 (72.9%)	20 (0.7%)	100 (2.9%)	0 (0.0%)	0 (0.0%)	202 (6.6%)	658 (19.2%)	0 (0.0%)	0 (0.0%)	75 (2.5%)	173 (5.0%)	139 (4.5%)	240 (7.0%)
Census Tract 626.47	3,007 (73.5%)	3,070 (67.4)	27 (0.7%)	170 (3.7%)	0 (0.0%)	13 (0.3%)	601 (14.7%)	788 (17.3%)	0 (0.0%)	0 (0.0%)	454 (11.1%)	512 (11.2%)	722 (17.7%)	994 (21.8%)
Census Tract 626.48	2,727 (92.8%)	1,996 (75.6%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	142 (4.8%)	510 (19.3%)	0 (0.0%)	0 (0.0%)	86 (2.9%)	134 (5.0%)	87 (3.0%)	110 (4.2%)
Census Tract 626.49	2,820 (93.2%)	2,542 (79.3%)	37 (1.2%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	155 (5.1%)	552 (17.2%)	0 (0.0%)	0 (0.0%)	13 (0.4%)	110 (3.4%)	67 (2.2%)	379 (11.8%)

<sup>1</sup> American Community Survey 2019 5-Year Estimates. Table DP05.

<sup>2</sup> American Community Survey 2010 5-Year Estimates. Table DP05.



**Table M: Race and Ethnicity Trends (2006–2010 ACS to 2015–2019 ACS)**

Jurisdiction	White	Black or African American	American Indian and Alaska Native	Asian	Native Hawaiian and Other Pacific Islander	Some Other Race and Two or More Races	Hispanic or Latino (of any race)
Orange County	+5.0%	+15.0%	+10.9%	+24.5%	+6.1%	-8.9%	+10.8%
Laguna Woods	-15.5%	-9.5%	--	+133.5%	--	+48.7%	+28.5%
Aliso Viejo	+8.7%	-16.2%	+395.8%	+21.2%	+60.0%	-2.0%	+15.9%
Laguna Hills	+0.5%	+95.0%	-82.7%	+48.9%	-81.6%	-14.6%	+4.2%
Laguna Beach	-0.6%	+51.6%	+133.3%	-17.4%	-100.0%	+47.3%	+25.0%
Lake Forest	+4.0%	+28.9%	+126.3%	+52.7%	-14.0%	-17.9%	+7.1%
Census Tract 626.21	+85.2%	+870.0%	--	+460.4%	--	+46.3%	+25.2%
Census Tract 626.22	-10.5%	-48.1%	--	+54.3%	-100.0%	-78.2%	-99.5%
Census Tract 626.25	-12.2%	--	--	+40.5%	--	+6.6%	-4.2%
Census Tract 626.41	+26.8%	+50.0%	--	+72.3%	--	-31.6%	-31.6%
Census Tract 626.46	-9.3%	+400.0%	--	+225.7%	--	+130.7%	+72.7%
Census Tract 626.47	+2.1%	+529.6%	--	+31.1%	--	+12.8%	+37.7%
Census Tract 626.48	-26.8%	--	--	+259.2%	--	+55.8%	+26.4%
Census Tract 626.49	-9.9%	-100.0%	--	+256.1%	--	+746.2%	+465.7%

## 6.12 LOCAL DATA AND KNOWLEDGE

### 6.12.1 Age and Income Restrictions

As described earlier in this exhibit, the majority of Laguna Woods is comprised of private communities that are restricted by income and to adults aged 55 and older. Of the 13,252 dwelling units in the City of Laguna Woods, 12,736 are located in the gated community of Laguna Woods Village (formerly Leisure World), which represents 80 percent of the City's total land area. Three additional age-restricted residential communities provide an additional 516 dwelling units in the City. Consequently, income and age restrictions have impeded housing choices for lower-income and younger residents interested in relocating to Laguna Woods.

Prior to the 1960s, Laguna Woods was a part of South Orange County's expansive Moulton Ranch, with only a few scattered ranch dwellings and barns comprising the nearly three square miles of land. In 1964, a portion of Moulton Ranch was purchased and developed into Leisure World Laguna Hills, a community for people aged 52 and older. The City was then officially incorporated as Orange County's 32nd city in 1999, resulting in a somewhat unique city with an average resident age that is greater than 75 years.

Existing income and age restrictions were not required by the City and are not a function of any local development code or regulation, but rather elective decision-making on the part of developers and property owners, in large part prior to the City's incorporation in 1999. In keeping with past practice, this Housing Element contains no income- or age-related housing mandates.

This Housing Element contains programs intended to affirmatively further fair housing for all persons, including a number of goals and policy objectives that specifically reference lower incomes (see Goals H-1, H-2, and H-3, and Policy Objectives H-1.1, H-1.2, H-1.4, and H-1.5). Policy Objective H-1.5 explicitly references "families," a term which includes persons of any age, and Policy Objective H-3.1 prioritizes efforts to increase access to housing without preconditions, including income or age.

Recognizing the impediments to housing production and choice associated with existing income and age restrictions, this Housing Element intentionally identifies only potential housing sites located outside of private communities that are currently income- and/or age-restricted. This is a change from previous Housing Elements for which all potential housing sites were located on property owned by entities affiliated with income- and age-restricted private communities. None of the potential housing sites identified in this Housing Element contain known income or age restrictions.

Program H-3.1.3 in this Housing Element provides for fee waivers or reductions, or other incentives, for housing projects that prepare and implement an affirmative marketing plan designed to attract renters or buyers of diverse demographics including, among other characteristics, familial status (meaning that housing projects seeking to obtain such incentives would not be eligible if they restrict occupant households from including children under the age of 18, or any other combination of family unit recognized by law). The incentives envisioned in Program H-3.1.3 will be prioritized based on factors including racial concentrations from U.S. Census Bureau data products, with an emphasis on avoiding the creation of geographically discernable patterns of segregation or racially

concentrated areas of poverty. The incentives are expected to promote housing production (and, thereby, housing choices) for all persons regardless of age.

### **6.12.2 Property Ownership Implications**

As described in Sections 4.0 and 6.12.1 above, approximately 2.7 square miles of Laguna Woods' overall 3.3 square miles is occupied by Laguna Woods Village, a private gated community for people aged 55 and older. While there are properties within Laguna Woods Village that are perceived as vacant and might otherwise be potentially available for new housing development, all such property is held in trust by the Golden Rain Foundation for the benefit of the residents of Laguna Woods Village. Applicable governing documents restrict the Golden Rain Foundation's ability to build housing on, or unilaterally sell/lease, its property. Consequently, housing choice and the prospect of new housing construction is limited in most of Laguna Woods.

Property ownership of existing housing units within Laguna Woods Village is unique in that a large portion of the housing stock is comprised of co-ops wherein residents are members of a corporation which owns all real property, including the dwelling units, carports, and laundry facilities within the corporation's boundaries, and each member is entitled to occupy a specific dwelling unit under the terms of an occupancy agreement. Consequently, co-op residents do not enjoy the same latitude to modify and maintain their dwelling units as residents of more conventional single-family homes or condominiums, which may impede the development of accessory dwelling units and otherwise affect housing choice, as well as centralize many opportunities for the conservation and revitalization of housing stock with housing corporations rather than residents.

The City's legal obligation to support the development of accessory dwelling units is addressed in this Housing Element's Programs H-1.4.1, H-1.4.2, and H-1.4.3. To provide both housing corporations and residents with resources related to the conservation of dwelling units, this Housing Element includes Programs H-2.1.1, H-2.2.2, and H-2.2.3. Program H-2.3.1 complements those programs by formalizing a proactive code enforcement program focusing on housing-related rehabilitation needs, resulting in repairs, and seeking to mitigate potential cost, displacement, and relocation impacts on residents.

### **6.12.3 Environmental and Topography Constraints**

The City has evaluated potential safety hazards that constrain future development within its boundaries and incorporated maps depicting the locations of those constraints within the Safety Element of its General Plan.

According to the Safety Element, fire hazards exist in the wildland-urban interface area in the western edge of Laguna Woods where urban development meets the open space areas west of the City. While some undeveloped land exists within the fire hazard severity zones (Laguna Coast Wilderness Park and Woods End Wilderness Preserve), this land is protected by irrevocable open space easements, which eliminates any possibility of their development. Therefore, the presence of fire hazards in these areas does not constrain housing development.

The Safety Element indicates that special flood hazard areas comprise approximately 26 acres of Laguna Woods. Flood hazards exist in the floodplain along Aliso Creek in the southern portion of

Laguna Woods and the Golden Rain Foundation’s nine-hole golf course near Paseo del Lago. Both of the areas affected by flooding hazards are within the boundaries of Laguna Woods Village and have been used as recreational amenities for community residents for more than 50 years. As such, the development of new housing on these areas is just as likely to be constrained by the property’s complex land ownership situation (common areas owned and maintained by the Golden Rain Foundation for the use and benefit of Laguna Woods Village residents) as it is by the presence of flood hazards.

According to the Safety Element, there are no mapped fault zones pursuant to the Alquist-Priolo Earthquake Fault Zoning Act that transect Laguna Woods; however, there are several major faults and fault zones in the vicinity of Laguna Woods. Although fault rupture and seismic shaking do present a risk to development in Laguna Woods, these hazards can be addressed by incorporating the design recommendations of engineers and geotechnical professionals. Therefore, seismic hazards do not represent a constraint on new housing development in Laguna Woods.

The Safety Element notes that landslide hazard zones exist in several areas of Laguna Woods, mainly in areas where steep slopes occur. In total, the State considers approximately 77 acres as prone to earthquake-induced landslides. According to the Safety Element, approximately 256 acres of land within Laguna Woods are prone to liquefaction. These areas include a strip of land in the northwestern portion of Laguna Woods, land along El Toro Road west of Calle Sonora, the Aliso Creek corridor, and a broad swath of the southeastern portion of Laguna Woods. Similar to seismic hazards, landslide and liquefaction hazards can be addressed in the design process by incorporating the input of engineers and geotechnical professions. Therefore, these hazards do not represent a constraint on new housing development in Laguna Woods.

#### **6.12.4 Relevant Factors Contributing to Fair Housing**

Due to the developed nature of Laguna Woods and the fact that the majority of the City’s existing housing stock is age- and income-restricted, the only way to add housing opportunities to younger residents or residents with lower incomes is to build more housing that is accessible to these populations. The sites that are identified for new housing production in the Housing Element present an opportunity for younger residents or residents with lower incomes to move to Laguna Woods since they exist on sites unaffected by existing age or income restrictions. The selection of these sites present opportunities for and contributes to the addition of fair housing in Laguna Woods.

### **6.13 CONCLUDING ANALYSIS**

Each of the 17 potential housing sites were also analyzed against three additional AFFH data layer maps: (1) areas that are defined by either the TCAC or HCD Opportunity Maps as being an area of “High Segregation and Poverty” or by the United States Department of Housing and Urban Development (HUD) as a “Racially or Ethically Concentrated Area of Poverty”; (2) areas identified as State Bill (SB) 535-defined “Disadvantaged Communities”; and (3) locations of cases throughout Laguna Woods that were filed with HUD’s Fair Housing Enforcement and Outreach (FHEO) branch in 2020.

Analysis of these data sets showed that Laguna Woods does not contain any areas defined by either the TCAC or HCD Opportunity Maps as being an area of High Segregation and Poverty or by HUD as a Racially or Ethically Concentrated Area of Poverty. Although HCD's guidance for implementing AFFH states that affordable housing should aim to be developed in those areas in order to further fair housing, no such areas exist within Laguna Woods. Furthermore, Laguna Woods does not contain any SB 535-defined Disadvantaged Communities, and, as such, none of Laguna Woods' potential housing sites are located in a SB 535-defined Disadvantaged Community. Additionally, the entirety of Laguna Woods is located in an area that had less than .01 percent of complaints filed with FHEO in 2020, which means that few to no housing discrimination complaints have been filed in Laguna Woods and that housing discrimination is not currently seen as a major issue within Laguna Woods.

Using the various data available from HCD's AFFH Data Viewer, each of the 17 sites is situated within a census tract that is desirable from an AFFH standpoint for at least one of the categories described above. Therefore, each of the sites would affirmatively further fair housing opportunities.

Further, all 17 of the potential housing sites are located in census tracts with a higher percentage of disabled residents and a lower median household income than Orange County. In addition, seven of the 17 potential housing sites are located in census tracts with a higher percentage of residents living below the poverty threshold than Orange County, and 11 of the 17 potential housing sites are located in census tracts with a larger number of nonfamily households than married-couple family households. This indicates that the proposed housing sites are not concentrated in an area of elevated poverty, which suggests that the development of new affordable housing units on these sites would facilitate the integration of lower-income households into the community in a way that would affirmatively further fair housing opportunities.

## 7.0 REALISTIC DEVELOPMENT CAPACITY

Government Code Section 65583.2(c) requires that the City demonstrate that the projected residential development capacity of the sites can realistically be achieved. The number of estimated units should be adjusted, as necessary, based on land use controls and site improvement requirements; the realistic development capacity for the site; typical densities of existing or approved residential developments at a similar affordability level in the surrounding area; and the current or planned availability and accessibility of sufficient water, sewer, and dry utilities.

Each potential development site was independently analyzed to determine the extent to which the number of estimated units required adjustment to ensure that development capacity estimates are realistic. The adjustments identified as necessary are summarized below and have been incorporated into the realistic development capacity estimates in Table N.

- None of the sites are constrained by the availability or accessibility of sufficient water, sewer, and dry utilities. Therefore, no adjustments were made on account of those factors.
- The net developable area on each site was adjusted to 95 percent of the parcel area to reflect the need to construct on-site improvements, including sidewalks and utility easements, and other land use controls.
- The developable area on Site 8 was adjusted to approximately 60 percent of the parcel due to slope hazard constraints on the western third of the site.
- The development capacity on three of the five sites that are currently developed with places of worship (Sites 10–12) and Sites 9 and 17 was limited to 15–20 units per acre to reflect the proximity of those sites to existing, adjacent, lower-density residential uses.
- The development capacity on one of the five sites that are currently developed with places of worship (Site 13) and Site 16 was limited to 8–10 units per acre to reflect the proximity of those sites to existing, adjacent, lower-density residential uses.
- The development capacity at each of the sites was adjusted to 95 percent of the maximum density, and the number of units was rounded down to the nearest whole number, to reflect that not every housing project is built out to maximum density.
- Sites identified as providing development capacity for accommodating very low or low income units (Sites 1–8 and 15) were assigned a density range of 30 to 50 dwelling units per acre (du/ac). This range is realistic, in part, due to examples of comparable affordable housing projects elsewhere in Orange County including, but not limited to, the following:
  - Huntington Beach Seniors, Huntington Beach (Jamboree Housing) – 55.1 du/ac (0.78 acre)
  - Manchester-Orangewood, Anaheim (Jamboree Housing) – 35.7 du/ac (2.86 acres)
  - Miraflores, Anaheim (National Core) – 36.4 du/ac (2.36 acres)
  - Legacy Square, Santa Ana (National Core) – 53.5 du/ac (1.74 acres)
  - Mountain View, Lake Forest (National Core) – 36.2 du/ac (1.96 acres)

The only recent housing development project in Laguna Woods (San Sebastian Apartments) was also constructed at a comparable density of 42.1 du/ac (3.183 acres).

The City has not received any requests to develop housing at densities below those anticipated in this housing sites inventory, including below this 30 to 50 du/ac range.

- Sites identified as providing development capacity for accommodating moderate income units (Sites 10–12 and 14) were assigned a density range of 15 to 20 du/ac, or 20 to 30 du/ac. These ranges are realistic, in part, due to examples of comparable affordable housing projects elsewhere in Orange County including, but not limited to, the following:

Residential Medium-Low Density (15 to 20 du/ac)

- Birch Hills, Anaheim (Jamboree Housing) – 19.8 du/ac (5.8 acres)
- Santa Angelina, Placentia (National Core) – 16.9 du/ac (3.85 acres)

Residential Medium Density (20 to 30 du/ac)

- Compass Rose, Fullerton (Jamboree Housing) – 26.1 du/ac (1.76 acres)
- Wesley Village, Garden Grove (Jamboree Housing) – 21.4 du/ac (2.2 acres)

The City has not received any requests to develop housing at densities below those anticipated in this housing sites inventory, including below these 15 to 20 du/ac, and 20 to 30 du/ac ranges.

- Sites 2 and 10–14 are currently developed with places of worship. It is realistic to assume that housing could be constructed on these sites, in part, due to examples of comparable affordable housing projects co-located with places of worship elsewhere in Orange County including, but not limited to, the following:
  - Legacy Square, Santa Ana (National Core) – 53.5 du/ac (1.74 acres, Santa Ana United Methodist Church)
  - Santa Angelina, Placentia (National Core) – 16.9 du/ac (3.85 acres, Church of the Blessed Sacrament)
  - Wesley Village, Garden Grove (Jamboree Housing) – 21.4 du/ac (2.2 acres, Garden Grove United Methodist Church)

As previously discussed, in 2017, the property owner and a housing developer expressed interest in the Laguna Country United Methodist Church property (Site 14).

Table N estimates the number of new housing units that can realistically be built on each of the 17 potential housing sites based on the adjustments described above. As shown in Table N, the total future housing construction potential on the 17 sites, based on realistic capacities, is 1,196 units. This includes an excess, or overzoning, of 199 units, or approximately 20 percent more than the 997 units included in the City’s housing needs allocation.

Overzoning helps to (1) ensure that sufficient adequate sites will remain available at all times to meet the remaining unmet housing needs for each income category, per Government Code Section 65863 (“No Net Loss Law”), and (2) compensate for urban land left vacant due to ownership and development constraints, per HCD’s “Housing Element Site Inventory Guidebook Government Code Section 65583.2” published June 10, 2020. HCD also notes that “a sufficient supply of land beyond the time frame of the housing element helps prevent land shortages from bidding up land costs.”

**Table N: Potential Housing Unit Production**

Site	Name	Vacant/ Non- vacant Site	Parcel Size (ac)	Proposed Zoning Overlay District	Densities (du/ac)	Development Capacity					Total	Suitable for Lower-Income Households (Density & Parcel Size)	Financially Feasible for Federal & State Funding	Consolidation Potential due to Adjacency of Other Candidate Site
						Income Level								
						Very Low	Low	Moderate	Above Moderate					
1	Town Centre Vacant Lot	V	1.8	Residential HD	30 to 50	10	11	0	60	81	Yes	Yes	Yes	
2	Pacific Hills Calvary Chapel Parking Lot	NV	0.696	Residential HD	30 to 50	2	2	0	27	31	Yes	No	No	
3	Rossmoor Electric	NV	1.232	Residential HD	30 to 50	5	6	0	44	55	Yes	Yes	No	
4	Saddleback Golf Cars	NV	1.235	Residential HD	30 to 50	5	6	0	44	55	Yes	Yes	No	
5	Laguna Woods Self Storage	NV	5.249	Residential HD	30 to 50	76	79	0	81	236	Yes	No	Yes	
6	Animal Hospital	NV	0.76	Residential HD	30 to 50	2	3	0	29	34	Yes	No	Yes	
7	PS Business Park (excludes Jack in the Box)	NV	2.867	Residential HD	30 to 50	24	26	0	79	129	Yes	Yes	No	
8	Smart Parke	NV	2.373	Residential HD	30 to 50	6	7	0	50	63	Yes	Yes	No	
9	McCormick & Son Mortuary	NV	1.411	Residential MLD	15 to 20	0	0	0	25	25	No	No	Yes	
10	Lutheran Church of the Cross	NV	3.028	Residential MLD	15 to 20	0	0	35	19	54	No	Yes	No	
11	Geneva Presbyterian Church	NV	3.955	Residential MLD	15 to 20	0	0	49	22	71	No	Yes	No	
12	Saint Nicholas Catholic Church	NV	4.596	Residential MLD	15 to 20	0	0	61	22	83	No	Yes	Yes	
13	Temple Judea	NV	1.757	Residential LD	8 to 10	0	0	0	15	15	No	No	Yes	
14	Laguna Country United Methodist Church	NV	3.899	Residential MD	20 to 30	0	0	85	20	105	Yes	Yes	Yes	
15	Medical Building in Town Centre	NV	2.69	Residential HD	30 to 50	22	23	0	76	121	Yes	Yes	Yes	
16	Willow Tree Center East	NV	3.095	Residential LD	8 to 10	0	0	0	27	27	No	No	Yes	
17	Helm Center	NV	0.65	Residential MLD	15 to 20	0	0	0	11	11	No	No	Yes	
<i>Subtotal (units on nonvacant sites only)/93% of Lower Income Units</i>						142	152	230	591	1,115	-	-	-	
<i>Subtotal (including all sites)</i>						152	163	230	651	1,196	935	817	738	
<b>City's 2021–2029 RHNA Allocation</b>						<b>127</b>	<b>136</b>	<b>192</b>	<b>542</b>	<b>997</b>				
Surplus/(Deficiency)						25	27	38	109	199				
<b>Unmet Need (Only Deficiencies)</b>						-	-	-	-	-				

Source: Compiled by LSA Associates, Inc. (October 2021).

ac = acre(s)

City = City of Laguna Woods

du/ac = dwelling units per acre

NV = nonvacant

Residential HD = Residential High Density

Residential LD = Residential Low Density

Residential MD = Residential Medium Density

Residential MLD = Residential Medium-Low Density

RHNA = Regional Housing Needs Assessment

V = vacant



Table N also indicates that the 17 sites have the capacity to accommodate at least 312 lower-income units, which is 49 units, or 18.6 percent more than the 263 lower-income units included in the City's housing needs allocation. In addition, the sites have the capacity to accommodate at least 211 moderate-income units, which is 19 units, or approximately 9.9 percent more than the 192 moderate income units included in the City's housing needs allocation. Nine of the sites include maximum densities at or above HCD's standard threshold for accommodating lower-income units (30 units per acre) on properties 0.5 to 10 acres in size. In total, 11 of the sites could produce a sufficient number of units that would fall within the generally accepted range of financial feasibility for federal- or State-funded projects (50–150 units per project). 10 of the sites are adjacent to at least one other site, which provides opportunities for lot consolidation, thereby improving viability for development/redevelopment.

Of the 315 lower-income units identified in Table N, 22 units on Site 1 are viewed as realistic for development on vacant land, which represents approximately 8 percent of the City's housing needs allocation for lower-income households. Although the City intends to rely on nonvacant sites to accommodate more than 50 percent of its housing needs allocation for lower-income households, the City has determined that it would not be feasible to develop housing on any other vacant land that is within its jurisdiction. This is due to the fact that, as described in further detail in Section 4.0 of this Housing Sites Inventory and Analysis, most of the limited amount of vacant land that exists within Laguna Woods consists of publicly owned open space properties that are subject to conservation easements or deed restrictions that prohibit future development.

## 8.0 QUANTIFIED OBJECTIVES

Government Code Section 65583(b)(1) and (2) require that the City establish the number of housing units, by income level, that can be constructed, rehabilitated, and conserved over a five-year time frame. Table O summarizes the City’s quantified objectives with regard to construction, rehabilitation, and preservation of housing over a five-year time period. These objectives have been established based on the City’s available resources and ability to satisfy housing needs within the context of the General Plan requirements set forth in state law.

**Table O: Summary of Quantified Objectives**

Income Level	Number of Units	Rehabilitation	Conservation/Preservation <sup>1</sup>
Very Low* (<50% of AMI)	127	5	N/A
Low (50–80% of AMI)	136	5	N/A
Moderate (80–120% of AMI)	192	5	N/A
Above Moderate (>120% of AMI)	542	5	N/A
<b>Total</b>	<b>997</b>	<b>20</b>	<b>N/A</b>

<sup>1</sup> As described in the City’s Housing Needs Assessment, none of the 17 affordable units within Laguna Woods is at risk of conversion to market rate units in the next 10 years; therefore, none of the units is in need of conservation or preservation.

**EXHIBIT D**

**HOUSING ELEMENT PERFORMANCE  
ASSESSMENT**

**CITY OF LAGUNA WOODS**

PROPOSED

**LSA**

March 2023

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## **EXHIBIT D**

# **HOUSING ELEMENT PERFORMANCE ASSESSMENT**

### **CITY OF LAGUNA WOODS**

Submitted to:

City of Laguna Woods  
24264 El Toro Road  
Laguna Woods, California 92637

Prepared by:

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Project No. LWD2101

# **LSA**

March 2023

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PROPOSED

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## 1.0 PROGRESS IN IMPLEMENTATION

Pursuant to Government Code Section 65588, each local government shall review its housing element as frequently as appropriate to evaluate all of the following: (1) the appropriateness of the housing goals, objectives, and policies in contributing to the attainment of the state housing goal, (2) the effectiveness of the housing element in attainment of the community's housing goals and objectives, (3) the progress of the city, county, or city and county in implementation of the housing element, and (4) the effectiveness of goals, policies, and related actions to meet the community's special housing needs.

State law requires that each Housing Element include a review of the progress made toward achieving the affordable housing goals of the previous Housing Element, and of the effectiveness and appropriateness of those previously adopted objectives. These results should be quantified where possible, but may be qualitative where necessary.

The City of Laguna Wood's (City) last Housing Element was adopted in 2014, and set forth a series of implementation measures with related objectives and policies for the following issue areas: maintain and improve residential neighborhoods and support quality housing for all residents; promote and encourage the development of housing opportunities to accommodate current and projected housing need; encourage and facilitate the development of affordable housing for all economic segments of the community, especially extremely- and low-income residents; and facilitate housing, transportation, and physical accommodations to aid persons with disabilities. This section reviews the continued appropriateness of these programs, the effectiveness of the current 2014–2021 Housing Element, and the progress in its implementation since 2014.

Table A, below, summarizes the City's progress for each implementation measure identified in the current Housing Element.

**Table A: Review of the City of Laguna Wood’s General Plan 2014–2021 Housing Element**

Housing Element	Implementation Status	Continue/Modify/Delete
<b>Objective 1: Maintain and improve residential neighborhoods and support quality housing for all residents</b>		
<b>Policy 1.A: Work towards full implementation of the 2014–2021 Housing Element objectives, policies, and programs in the Housing element.</b>		
<b>Program 1.A.1:</b> Provide a progress report on the 2014–2021 Housing Element programs and quantified objectives as part of the annual General Plan status reports to the State.	<b>Ongoing:</b> This is the City’s normal practice. The City submitted annual progress reports to the Department of Housing and Community Development (HCD) each year during the 2014–2021 Housing Element period.	The City will <u>delete</u> the program and replace it with Program H-4.1.2.
<b>Policy 1.B: Promote, encourage, and facilitate efforts to preserve the City’s housing stock.</b>		
<b>Program 1.B.1:</b> Continue to promote ongoing building maintenance activities. To promote building maintenance, the City will: <ul style="list-style-type: none"> <li>Identify available funds for building maintenance activities and energy efficiency upgrades.</li> <li>Disseminate public information on available housing programs, such as the energy efficient equipment retrofit program (CDBG) at public counters and the City’s website.</li> <li>Assist property owners and property managers in their efforts to identify and mitigate housing maintenance issues.</li> </ul>	<b>Ongoing:</b> In 2010, the City obtained a California Energy Commission grant using federal funds to retrofit City Hall with dual-pane, low-E windows and energy efficient lighting and heating, ventilation, and air conditioning equipment. The project modeled energy efficiency retrofits to property owners and property managers. Through June 2017, the City offered a CDBG funded Residential Energy Efficiency Improvement Program. The City provides resources and assistance daily regarding housing maintenance at the building counter and via building inspections.	The City will <u>delete</u> the program and replace it with programs H-2.1.1, 2.2.1, and 2.2.3.
<b>Objective 2: Promote and encourage the development of housing opportunities to accommodate current and projected housing need.</b>		
<b>Policy 2.A: Promote construction of units consistent with the new construction needs identified in the Regional Housing Needs Assessment (RHNA).</b>		
<b>Program 2.A.1:</b> Work with property owners in the development of Specific Plans to guide the development of Urban Activities Center parcels to include residential development.	<b>Abandoned:</b> In 2017, after receiving an application from the property owner, the City amended the Land Use Element of the City’s General Plan to delete the Urban Activities Center land use designation. All properties formerly designated as Urban Activities Center have been re-designated and rezoned.	The City will <u>delete</u> the program as the City has deleted the Urban Activities Center land use designation from the General Plan.
<b>Program 2.A.2:</b> Work with commercial property owners to establish residential/commercial mixed use development standards for the City’s Commercial land use district.	<b>Not yet Implemented:</b> Sufficient housing opportunities to accommodate the City’s 2014–2021 RHNA allocation exist without the establishment of mixed use development standards.	The City will <u>delete</u> the program and replace it with a new rezoning program. See Program H-1.1.1.

**Table A: Review of the City of Laguna Wood’s General Plan 2014–2021 Housing Element**

Housing Element	Implementation Status	Continue/Modify/Delete
<b>Policy 2.B: Mitigate governmental constraints to the accommodation of special needs residents.</b>		
<b>Program 2.B.1:</b> Participate in the County of Orange Consolidated Plan program and in the Continuum of Care to provide housing for special needs populations, particularly extremely and very low income persons. Participation will include assigning a representative to participate in meetings and events sponsored by these programs. In addition, the Resource Guide for Orange County Homeless and other publications that support the program goals will be distributed from City Hall.	<b>Ongoing:</b> The City participated in the development of the County of Orange’s Consolidated Plan for the years 2010 to 2015, and 2015 to 2019. In 2015, the City hosted one of the County of Orange’s Consolidated Plan Community Workshops at City Hall. Various homeless resources, including County of Orange-produced resources, are available from City Hall.	The City will <u>delete</u> the program and replace it with other programs to address the needs of the specified populations.
<b>Program 2.B.2:</b> Revise the Laguna Woods Zoning Ordinance to identify zones that will allow the development of transitional housing [and] facilitate transitional housing and supportive housing developments that serve extremely and very low income households, consistent with Government Code Section 65583(c)(1). Because transitional and supportive housing can be configured in different ways – either as regular multi-family housing or as group quarters - the Zoning Ordinance amendment will ensure that transitional and supportive housing that function as a residential use will be treated as residential uses and only subject to those restrictions that apply to other residential uses of the same type in the same zone.	<b>Implemented:</b> Chapter 13.23 of the Laguna Woods Municipal Code, adopted in 2011. Laguna Woods Municipal Code amended in 2018, see Ordinance No. 18-05.	The City will <u>delete</u> the program and replace it with programs H-1.3.1, 1.3.2, and 1.3.3.
<b>Program 2.B.3:</b> Review and revise the Laguna Woods Zoning Ordinance 13.23 in regards to emergency homeless shelters to ensure compliance with Government Code Section 65583(a)(4).	<b>Implemented:</b> Chapter 13.23 of the Laguna Woods Municipal Code, adopted in 2011, was amended in 2018.	The City will <u>delete</u> the program and replace it with Program 1.5.1.
<b>Objective 3: Encourage and facilitate the development of affordable housing for all economic segments of the community, especially extremely- and low-income residents.</b>		
<b>Policy 3.A: Recognize the City’s leadership role in the maintenance, preservation, improvement, and development of affordable housing.</b>		
<b>Program 3.A.1:</b> Encourage and facilitate the development of affordable housing by: <ul style="list-style-type: none"> <li>Supporting non-profit organizations that address housing issues.</li> <li>Serving as an intermediary between non-profit organizations and interested residential developers.</li> <li>Assisting in application preparation and other efforts to secure funding sources for development of housing for extremely low-, very low-, low- and</li> </ul>	<b>Ongoing:</b> The City encourages the development of affordable housing as required by State law. Resources, information, and assistance for developers and other interested parties are available from City Hall. Seventeen (17) specifically designated affordable housing units are located in Laguna Woods. From 2014 to 2020, the City received no applications for any new housing development projects	The City will <u>delete</u> the program as the Housing Element includes various programs to assist in the development of affordable housing.

**Table A: Review of the City of Laguna Wood’s General Plan 2014–2021 Housing Element**

Housing Element	Implementation Status	Continue/Modify/Delete
<p>moderate-income residents.</p> <ul style="list-style-type: none"> <li>• Making available regional and local housing program information to residents, and assisting residents in contacting housing assistance organizations.</li> <li>• Inform interested developers about the range of housing allowed in areas outside of Laguna Woods Village, including housing for families.</li> <li>• Inform interested developers about the State density bonus program incentives available for development of affordable housing.</li> </ul>	<p>(affordable as well as market rate housing developments).</p>	
<p><b>Program 3.A.2:</b> Continue to encourage and facilitate the use of the City’s density bonus provisions to provide affordable housing opportunities. Revise the density bonus provisions as necessary in the City’s Municipal Code to be consistent with State density bonus law.</p>	<p><b>Ongoing:</b> Section 13.26.040 of the Laguna Woods Municipal Code, adopted in 2013; Laguna Woods Municipal Code amended in 2018; see Ordinance No. 18-03 and amended in 2020; see Ordinance No. 20-02.</p>	<p>The City will <u>delete</u> the program as the City’s residential density bonus standards are consistent with state law.</p>
<p><b>Program 3.A.3:</b> Encourage residents to apply, when available, for the Section 8 rental assistance program (through County of Orange Housing Authority) for extremely and very low-income rental households. Inform local rental property owners and eligible residents of Section 8 assistance and Section 8 waitlist openings through flyers and the City’s website. Provide technical assistance during the application process to interested residents. While the City endeavors to maintain the current level of assistance through the Section 8 (72 vouchers) program, the City has no jurisdiction over the funding and operation of the Section 8 voucher program.</p>	<p><b>Ongoing:</b> The City receives information and application forms for Section 8 housing through the County of Orange and makes them available to residents from City Hall.</p>	<p>The City will <u>delete</u> the program as the City provides referrals to the OC Housing Authority as a normal business practice.</p>
<p><b>Program 3.A.4:</b> Continue to use CDBG funds to fund projects that improve and maintain the quality of the City’s housing stock and residential infrastructure. While the City endeavors to maintain the current level of assistance through the CDBG program, the City has no jurisdiction over the funding and operation of the CDBG program.</p>	<p><b>Ongoing:</b> Through June 2017, the City offered a CDBG-funded Residential Energy Efficiency Improvement Program. Uncertainty surrounding the future availability of CDBG funds, as well as the impact of increasing compliance requirements and law enforcement costs on City resources, resulted in the end of the program. Staff continues to evaluate other potential, future uses of CDBG housing rehabilitation funds.</p>	<p>The City will <u>delete</u> the program. See programs H-2.1.1, 2.2.1, and 2.2.3.</p>

**Table A: Review of the City of Laguna Wood’s General Plan 2014–2021 Housing Element**

Housing Element	Implementation Status	Continue/Modify/Delete
<b>Program 3.A.5:</b> The City has received no complaints regarding any discriminatory actions and will continue to enforce all fair housing laws. The City Manager is responsible for addressing and/or referring fair housing complaints and questions to the Fair Housing Council of Orange and/or HUD. The City will provide information on fair housing rights and responsibilities, and seek to remedy known acts of discrimination within the community. The City will disseminate fair housing information at City Hall and throughout Laguna Woods in a variety of community places.	<b>Ongoing:</b> Fair housing assistance, resources, and information is available from City Hall, through the City’s code enforcement operation, and upon request.	The City will <u>delete</u> the program and replace it with Priority Issue 3.
<b>Program 3.A.6:</b> Review city processes and procedures as they pertain to the establishment of new housing, including market rate and all forms of affordable housing to remove undue constraints which hinder the development of new housing opportunities.	<b>Ongoing:</b> City staff has identified no undue constraints which hinder the development of new housing opportunities.	The City will <u>delete</u> the program as the Housing Element includes various programs related to updating City processes and procedures.
<b>Program 3.A.7:</b> Research potential funding sources (grants, loans, and other funds) which can be used towards the planning and development of affordable housing.	<b>Ongoing:</b> City staff continues to explore sources of funding to assist with affordable housing development.	The City will <u>delete</u> the program as the Housing Element includes various programs to assist in the development of affordable housing.
<b>Objective 4: Facilitate housing, transportation and physical accommodations to aid persons with disabilities.</b>		
<b>Policy 4.A: Maintain zoning/development standards that guide development of affordable housing near public transportation, and promote project designs that are accessible and accommodating to the disabled.</b>		
<b>Program 4.A.1:</b> Partner with property owners to identify and accomplish the retrofit of dwelling units and common facilities for handicapped accessibility. The City will participate at board meetings of the housing mutuals and the Golden Rain Foundation, the principal property owner in the City, to encourage retrofitting.	<b>Not yet Implemented:</b> While City officials often meet with the representatives of major property owners, a mutual approach to promoting retrofitting within the community is yet to be developed.	The City will <u>delete</u> the program and replace it with programs H-2.2.1 and 2.2.3.

CDBG = Community Development Block Grant  
 City = City of Laguna Woods  
 HCD = California Department of Housing and Community Development  
 HUD = United States Department of Housing and Urban Development

## **2.0 EFFECTIVENESS OF THE ELEMENT/SPECIAL NEEDS POPULATIONS**

The 2014–2021 Housing Element resulted in changes to the Laguna Woods Zoning Ordinance that resulted in compliance of emergency homeless shelters with State law, as well as identification of zones that allow the development of transitional housing and facilitation of transitional housing and supportive housing developments that serve extremely- and very-low income households in those zones. For the reasons set forth in Table A, the City was unable to complete certain programs included in the 2014–2021 Housing Element, such as the creation of the two new housing units set by the Regional Housing Needs Assessment (RHNA) for the 5th Housing Element Cycle; working with property owners in the development of Specific Plans to guide the development of Urban Activities Center parcels to include residential development; the establishment of residential/commercial mixed use development standards for the City’s Commercial land use district; and the retrofit of dwelling units and common facilities for handicapped accessibility. Overall, the 2014–2021 Housing Element was effective in providing fair housing assistance, resources, and information to residents participating in the County of Orange Consolidated Program to provide housing for special needs populations, particularly extremely and very-low income persons, and continuing to maintain and improve residential neighborhoods.

Refer to Table A in the previous section for a discussion of whether the programs included in the 2014–2021 Housing Element should be continued, modified, or deleted based on their effectiveness. Table A also addresses various programs related to the housing needs of special needs populations (Programs 2.B.1, 2.B.2, 2.B.3, 3.A.1, and 4.A.1).

### 3.0 APPROPRIATENESS OF GOALS, OBJECTIVES, POLICIES, AND PROGRAMS

The 2014–2021 Housing Element established a comprehensive and firm basis for the City to move forward towards the achievement of the goals, policies, and programs in the document. As a result, Table A shows that many of the programs were achieved or implemented. Some major amendments included in the 2021–2029 Housing Element incorporate what has been learned from the results of the 2014–2021 Housing Element, including:

- Inclusion of a frequently asked questions (FAQs) section for the RHNA process to promote clarity and a common understanding of both the RHNA process and the City’s associated obligations.
- Inclusion of “goals” in addition to “policy objectives” to provide declarative statements that set forth the City’s approach to each of the priority issues.
- Objective 2 in the 2014–2021 Housing Element evolved into Policy Objective H-1.1 in the 2021–2029 Housing Element, which includes making sites available to accommodate current and projected housing needs for groups of all income levels in accordance with California Government Code Section 65583(c)(1). For implementation of Policy Objective H-1.1, the following program was added:
  - Rezone the 17 potential housing sites identified in the Housing Sites Inventory and Analysis to accommodate the City’s housing needs allocation.
- Objective 3 in the 2014–2021 Housing Element evolved into Policy Objective H-1.2 in the 2021–2029 Housing Element, which states that the City should assist in developing adequate housing to meeting the needs of extremely low, very low- low, and moderate-income households. For implementation of Policy Objective H-1.2, the following programs were added:
  - Prepare and maintain a webpage with information related to the 17 potential housing sites identified in the Housing Sites Inventory and Analysis, including a Geographic Information System (GIS) map layer with geospatial information.
  - Conduct a market study and then amend the existing inclusionary housing ordinance to modify the minimum percentages of new housing units that must be deed-restricted for extremely low, very low, and low-income households, as feasible and advantageous to promote the development of affordable housing.
  - Adopt an ordinance creating an expedited and fee-reduced lot consolidation process for consolidations involving any one or more of the 17 potential housing sites identified in the Housing Sites Inventory and Analysis for the purpose of developing housing projects in which at least 5% of housing units are affordable for extremely low income households; at least 10% of housing units are affordable for very low or low-income households; or, at least 50% of housing units are affordable for moderate-income households. To be eligible, the housing units shall be subject to an affordability covenant for at least 55 years.

- Adopt an ordinance waiving or reducing City building permit fees for housing projects in which at least 5% of housing units are affordable for extremely low income households; at least 10% of housing units are affordable for very low or low-income households; or, at least 50% of housing units are affordable for moderate-income households. To be eligible, the housing units shall be subject to an affordability covenant for at least 55 years.
- Amend various, existing housing-related provisions of the Laguna Woods Municipal Code to promote regulatory clarity.
- Continue to maintain website information regarding fees, exactions, and affordability requirements imposed by the City that are applicable to housing development projects, in accordance with California Government Code Section 65940.1.
- Objective 4 in the 2014–2021 Housing Element evolved into Policy Objective H-1.3 in the 2021–2029 Housing Element, which effectively changes the wording to provide reasonable accommodations for housing that is not only designed for persons with disabilities, but also intended for occupancy by or with supportive services for persons with disabilities. For implementation of Policy Objective H-1.3, the following programs were added:
  - Continue to consider transitional housing a residential use of property, subject only to those restrictions that apply to other residential dwellings of the same type in the same zoning district.
  - Continue to consider supportive housing a residential use of property, subject only to those restrictions that apply to other residential dwellings of the same type in the same zoning district.
  - Continue to allow supportive housing, as defined by California Government Code Section 65650, as a use permitted by right in all zoning districts where multifamily and mixed uses are permitted, as provided in California Government Code Article 11 (commencing with Section 65650).
  - Amend various, existing housing-related provisions of the Laguna Woods Municipal Code to conform to state law.
- The creation of a new objective, Policy Objective H-1.4, which incentivizes and promotes the creation of accessory dwelling units that can be offered at affordable rent for very low, low-, or moderate-income households.
- The creation of a new objective, Policy Objective H-1.5, which makes sites available to accommodate emergency housing needs for homeless persons and families.
- Objective 1 in the 2014–2021 Housing Element evolved into Policy Objective H-2.1, Policy Objective H-2.2, and Policy Objective H-2.3, which add promotion of accessible and accommodating housing options for persons with special needs and promotion of housing



conservation and revitalization. For implementation of Policy Objectives H-2.1, H-2.2, and H-2.3, the following programs were added:

- Prepare and maintain a webpage with information on home improvement-related financial assistance opportunities available to extremely low, very low, and low-income households. Train City staff to make referrals using the webpage.
- Investigate potential incentives for property owners to extend existing affordability covenants beyond the planned expiration date. If feasible and economical, adopt such incentives.
- Prepare and maintain a webpage with information on home improvement-related financial assistance opportunities available to persons with special needs. Train City staff to make referrals using the webpage.
- Adopt an ordinance waiving or reducing City building permit fees for improvements to the home of a person at least 60 years of age with a qualifying disability that are made to accommodate that disability, as provided for by California Health and Safety Code Section 17951.7. Consider including provisions allowing for similar building permit fee waivers or reductions for improvements to the home of a person with a qualifying disability that are made to accommodate that disability, regardless of age. Prepare and maintain a flyer with related information.
- Provide opportunities for reimbursements, grants, or other forms of financial assistance to support home improvements that increase accessibility or functionality for persons with special needs.
- Formalize a proactive code enforcement program that focuses on housing-related rehabilitation needs, results in repairs, and seeks to mitigate potential cost, displacement, and relocation impacts on residents.
- Program 3.A.5 in the 2014–2021 Housing Element was expanded to Goal H-3 in the 2021–2029 Housing Element, which involves the administration of housing and community development programs and activities in a manner to affirmatively further fair housing. Goal H-3 includes policy objectives and implementation programs relating to the following:
  - Enhancing housing mobility and protecting existing residents from displacement.
- The creation of a new goal, Goal H-4, with its own set of policy objectives, which calls for analysis related to Housing Element implementation. This includes annual monitoring of the newly adopted Housing Element and coordination of the implementation of the newly adopted Housing Element with water and sewer agencies.

This update to the Housing Element revises existing programs and includes new programs, where appropriate, to ensure that the document reflects the City's priorities and that updated requirements of California State law are addressed. Refer to the General Plan for the goals, policies, and programs of this Housing Element.

PROPOSED

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#### **4.0 ASSEMBLY BILL 1233 – SHORTFALL OF SITES FROM THE 5TH CYCLE PLANNING PERIOD**

According to the annual progress reports (APRs) provided to the California Department of Housing and Community Development (HCD), the RHNA quantified the need for housing within the City to be two new housing units during the 5th Cycle planning period. However, no new housing units were built in the City, indicating a shortfall of new housing units triggering the provisions of Government Code Section 65584.09.

PROPOSED

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PROPOSED

**EXHIBIT E**

**PUBLIC PARTICIPATION EFFORTS**

**CITY OF LAGUNA WOODS**

PROPOSED

March 2023

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PROPOSED

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PROPOSED



## 1.0 INTRODUCTION

Government Code Section 65583(c)(9) requires housing elements to “include a diligent effort by the local government to achieve public participation of all economic segments of the community in the development of the housing element, and the program shall describe this effort.” This report has been prepared to document efforts pursuant to Government Code Section 65583(c)(9).

PROPOSED

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## 2.0 SUMMARY OF EFFORTS

The Southern California Association of Governments (SCAG) approved its 6th Cycle Final Regional Housing Needs Assessment (RHNA) Allocation Plan on March 4, 2021, at which point the City of Laguna Wood's (City) housing needs allocation was finalized.

### 2.1 PUBLIC MEETING #1

On May 5, 2021, the City Council held its first meeting to discuss and consider the RHNA and General Plan Housing Element Update. The meeting took place at Laguna Woods City Hall at 2 p.m. City Council meetings are also televised and closed captioned with reasonable accessibility accommodations available on request. Public comments were accepted in person, in writing, by telephone, or by computer (Zoom). All five members of the City Council participated.

The notice for this meeting was posted on the City's website and at locations pursuant to Government Code Section 54954.2 on April 30, 2021. In addition, on April 30, 2021, email notification was provided to parties who had requested such notification or contacted City staff previously. As of April 30, 2021, the distribution list consisted of 10 email addresses, including residents and representatives from the League of Women Voters of Orange Coast and Orange County United Way.

The presentation at this meeting included an introduction to the RHNA process and an overview of the City's housing needs allocation, required actions, and draft housing needs assessment. Frequently asked questions were also discussed. A draft housing needs assessment and RHNA Frequently Asked Questions document was included in the agenda packet.

At this meeting, one resident spoke during public comments.

### 2.2 PUBLIC MEETING #2

On May 19, 2021, the City Council held its second meeting to discuss and consider the RHNA and General Plan Housing Element Update. The meeting took place at Laguna Woods City Hall at 2 p.m. City Council meetings are also televised and closed captioned with reasonable accessibility accommodations available on request. Public comments were accepted in person, in writing, by telephone, or by computer (Zoom). All five members of the City Council participated.

The notice for this meeting was posted on the City's website and at locations pursuant to Government Code Section 54954.2 on May 14, 2021. In addition, on May 14, 2021, email notification was provided to parties who had requested such notification or contacted City staff previously. As of May 14, 2021, the distribution list consisted of 11 email addresses, including residents and representatives from the League of Women Voters of Orange Coast and Orange County United Way.

The presentation at this meeting included background information on the RHNA process and an overview of the City's housing needs allocation, and draft housing needs assessment. Staff also discussed a number of sites that community members might consider vacant based on appearance and associated constraints that could affect housing development. The City's new project website was

also announced ([www.cityoflagunawoods.org/projects](http://www.cityoflagunawoods.org/projects)). A draft housing sites inventory scenario and RHNA Frequently Asked Questions document were included in the agenda packet.

At this meeting, five residents and Cesar Covarrubias, Executive Director of The Kennedy Commission, spoke during public comments. Written public comments were received from seven residents (including one resident on behalf of the Welcoming Neighbors Home Initiative of Tapestry, a Unitarian Universalist Congregation) and The Kennedy Commission.

### **2.3 PUBLIC MEETING #3**

On June 2, 2021, the City Council held its third meeting to discuss and consider the RHNA and General Plan Housing Element Update. The meeting took place at Laguna Woods City Hall at 11:30 a.m. City Council meetings are also televised and closed captioned with reasonable accessibility accommodations available on request. Public comments were accepted in person, in writing, by telephone, or by computer (Zoom). All five members of the City Council participated.

The notice for this meeting was posted on the City's website and at locations pursuant to Government Code Section 54954.2 on May 28, 2021. In addition, on May 28, 2021, email notification was provided to parties who had requested such notification or contacted City staff previously. As of May 28, 2021, the distribution list consisted of 14 email addresses, including residents and representatives from The Kennedy Commission, Laguna Woods Democratic Club, League of Women Voters of Orange Coast, and Orange County United Way.

The presentation at this meeting included background information on the RHNA process and an overview of the City's housing needs allocation and revised draft housing needs assessment (revised following the May 19, 2021 City Council meeting). A revised draft housing sites inventory scenario, draft California Department of Housing and Community Development (HCD) Housing Element Sites Inventory Form, and RHNA Frequently Asked Questions document were included in the agenda packet. An electronic spreadsheet version of the HCD Housing Element Sites Inventory Form was posted on the City's website on May 28, 2021.

At this meeting, three residents spoke during public comments.

The City Council reached consensus for City staff to proceed with the General Plan Housing Element Update incorporating the housing sites scenario presented at this meeting.

### **2.4 PUBLIC MEETING #4**

On July 21, 2021, the City Council held its fourth meeting to discuss and consider the RHNA and General Plan Housing Element Update. The meeting took place at Laguna Woods City Hall at 2 p.m. City Council meetings are also televised and closed captioned with reasonable accessibility accommodations available on request. Public comments were accepted in person, in writing, by telephone, or by computer (Zoom). All five members of the City Council participated.

The notice for this meeting was posted on the City's website and at locations pursuant to Government Code Section 54954.2 on July 16, 2021. In addition, on July 16, 2021, email notification was provided to parties who had requested such notification or contacted City staff previously. As of July 16, 2021,

the distribution list consisted of 15 email addresses, including residents and representatives from The Kennedy Commission, Laguna Woods Democratic Club, League of Women Voters of Orange Coast, and Orange County United Way.

The presentation at this meeting included background information on the RHNA process and an overview of the City's housing needs allocation, draft General Plan Housing Element, and HCD review process. Drafts of the General Plan Housing Element and HCD Housing Element Sites Inventory Form were included in the agenda packet. An electronic spreadsheet version of the HCD Housing Element Sites Inventory Form was posted on the City's website on July 16, 2021. No change was made to the HCD Housing Element Sites Inventory Form since it was first made publicly available on May 28, 2021.

The agenda report noted that interested parties would have an opportunity to submit public comments directly to HCD during their review process and provided a link to additional information available on HCD's website.

At this meeting, one resident spoke during public comments. Written comments were received from one resident.

The City Council voted 4-1, with then-Mayor Pro Tem Moore voting no, to authorize the City Manager to submit drafts of the updated General Plan Housing Element and Housing Element Sites Inventory Form to HCD for review, as required by Government Code Section 65585.

## 2.5 HCD REVIEW PERIOD

The City Manager submitted the draft General Plan Housing Element and HCD Housing Element Sites Inventory Form to HCD for review on July 21, 2021 (HCD records this submittal as July 22, 2021, presumably due to the submittal occurring after regular business hours).

During HCD's review period, the following entities and individuals submitted comments directly to HCD, which HCD considered in its review pursuant to Government Code Section 65585(c):

- The Kennedy Commission
- YIMBY Law
- Catherine R Van Camp, resident
- Ramesh C Joshi, resident

HCD's findings were reported to the City in a letter dated September 20, 2021.

## 2.6 CALIFORNIA ENVIRONMENTAL QUALITY ACT PUBLIC COMMENT PERIOD

The draft Initial Study/Negative Declaration (IS/ND) for the General Plan Housing Element Update was made available for a 31-day public comment period between August 17, 2021 and September 16, 2021. A Notice of Intent to Adopt (NOIA) announcing the public comment period and providing information on how to access the IS/ND was published in the *Laguna Woods Globe* newspaper on August 12, 2021 and concurrently posted at City Hall and on the City's website. The NOIA was also mailed to all property owners in Laguna Woods and within a 1,000-foot radius of the City's boundaries, as required by the City's Local California Environmental Quality Act (CEQA) Procedures.

The draft IS/ND was directly distributed to the following parties:

- California State Clearinghouse
- California Department of Fish and Wildlife South Coast Region
- California Department of Housing and Community Development
- California Department of Toxic Substances Control
- California Department of Transportation (Caltrans) District #12
- California Regional Water Quality Control Board San Diego Region
- California Regional Water Quality Control Board Santa Ana Region
- Capistrano Unified School District
- City of Aliso Viejo Planning Services Department
- City of Irvine Community Development Department
- City of Laguna Beach Community & Economic Development Department
- City of Laguna Hills Community & Economic Development Department
- City of Lake Forest Community Development Department
- El Toro Water District
- Laguna Beach Unified School District
- Native American Heritage Commission
- Orange County Development Services
- Orange County Fire Authority
- Orange County Flood Control District
- Orange County Health Care Agency
- Orange County Transportation Authority
- Orange County Waste & Recycling
- Saddleback Valley Unified School District
- Southern California Air Quality Management District
- Southern California Association of Governments
- Southern California Edison
- Southern California Gas Company
- State Water Resources Control Board
- U.S. Fish & Wildlife Service

On August 17, 2021, the public comment period was extended by one day to September 17, 2021, due to the inadvertent distribution of an incorrect draft of the IS/ND to the parties listed above on August 16, 2021. The correct draft of the IS/ND was distributed on August 17, 2021.

Comment letters were received from the following parties:

- California Department of Housing and Community Development
- California Department of Transportation (Caltrans) District 12
- City of Irvine
- Gabrieleño Band of Mission Indians – Kizh Nation
- Gabrielino-Tongva Indian Tribe
- Juaneño Band of Mission Indians, Acjachemen Nation

- Orange County Fire Authority
- Saddleback Valley Unified School District
- Southern California Association of Governments

Individual responses were provided to each commenting party via mail and email on January 26, 2022. The responses included a copy of each party's comment letter and corresponding responses included as part of the Final IS/ND, as well as notice that the City Council was expected to consider adoption of the Final IS/ND at a public meeting on February 9, 2022.

While the primary purpose of the public comment period was to solicit input on the draft IS/ND as required by CEQA, the draft IS/ND included a project description with site-specific information consistent with the draft General Plan Housing Element and HCD Housing Element Sites Inventory Form acted upon by the City Council at the public meeting on July 21, 2021. A portion of the comments received during the public comment period applied to the project generally, as opposed to the draft IS/ND specifically.

## 2.7 REVISED DRAFT PUBLIC REVIEW PERIOD

On January 13, 2022, revised drafts of the General Plan Housing Element and HCD Housing Element Sites Inventory Form were posted on the City's website and made available from the City Clerk's Office for a 15-day public review period concluding on January 27, 2022.

A public notice announcing the public review period and providing information on how to access the revised draft documents was published in the *Laguna Woods Globe* newspaper on January 13, 2022. The public notice was posted at City Hall and on the City's website, as well as emailed to parties who had requested such notification or contacted City staff previously, on January 7, 2022. As of January 7, 2022, the distribution list consisted of 15 email addresses, including residents and representatives from The Kennedy Commission, Laguna Woods Democratic Club, League of Women Voters of Orange Coast, and Orange County United Way. The public notice noted the availability of in-person or virtual meetings with City staff to discuss or ask questions regarding the documents, and provided instructions for individuals who require translation services to communicate with the City.

"Clean" and redline versions of the revised draft General Plan Housing Element, and an electronic spreadsheet version of the HCD Housing Element Sites Inventory Form, were posted on the City's website and made available from City Hall on January 13, 2022.

During the Revised Draft Public Review Period, the following parties submitted comment letters to the City with additional distribution by the authors as noted:

- Catherine "Kate" R. Van Camp [sent to the City, the City Council, and the City Manager, with copies to HCD (HousingElements@hcd.ca.gov, Paul McDougall, and Marisa Prasse), Rona Henry with Welcoming Neighbors Home, and Cesar Covarrubias, Executive Director of The Kennedy Commission]

This letter expressed general support for the revised draft General Plan Housing Element. The author wrote that, in her opinion, "the requests of the HCD have been met."

- Welcoming Neighbors Home [sent by Rona Henry on behalf of herself and Rev. Kent Doss, minister of Tapestry Unitarian Universalist Congregation to the City and the City Council, with copies to the City Manager, HCD (HousingElements@hcd.ca.gov, Paul McDougall, and Marisa Prasse), The Kennedy Commission (Cesar Covarrubias, Mildred Perez, Daisy Cruz, and Cynthia Guerra), Kate Van Camp, and Rev. Doss]

This letter expressed general support for the revised draft General Plan Housing Element. The author requested that the City “include a program to implement a Congregational Overlay Zone” and “host a roundtable event with faith organizations located in Laguna Woods to explore the opportunities that exist for them to build.”

Both requests can be considered as part of the rezoning process described in Program H-1.1.1. The rezoning process will include the creation of four new overlay zoning districts and the adoption of minimum density and development standards for each. City staff are available to meet with faith organizations or other interested parties, as requested.

## 2.8 PUBLIC MEETING #5

On February 9, 2022, the City Council held its fifth meeting to discuss and consider the RHNA and General Plan Housing Element Update. The meeting took place at Laguna Woods City Hall at 2 p.m. City Council meetings are also televised and closed captioned with reasonable accessibility accommodations available on request. Public comments were accepted in person, in writing, by telephone, or by computer (Zoom). All five members of the City Council participated.

The notice for this meeting was posted on the City’s website and at locations pursuant to Government Code Section 54954.2 on February 4, 2022. In addition, on January 20, 2022, email notification was provided to parties who had requested such notification or contacted City staff previously. As of January 20, 2022, the distribution list consisted of 15 email addresses, including residents and representatives from The Kennedy Commission, Laguna Woods Democratic Club, League of Women Voters of Orange Coast, and Orange County United Way.

On February 4, 2022, a second email notification was provided to parties who had requested such notification or contacted City staff previously. The distribution list remained unchanged from the distribution list used for the first notification on January 20, 2022. The second notification included links to the agenda materials and notice that proposed revisions to the January 13, 2022 draft of the General Plan Housing Element were included therein.

Consideration of adoption of the General Plan Housing Element Update and Negative Declaration was additionally noticed as a public hearing. A public notice was published in the *Orange County Register* newspaper on January 27, 2022. The public notice included a project description adapted from the draft IS/ND and information on how to access the draft General Plan Housing Element and draft ND.

Copies of both public comment letters received during the Revised Draft Public Review Period were including in the agenda packet.

Drafts of the proposed General Plan Housing Element and HCD Housing Element Sites Inventory Form were included in the agenda packet, as well as redline versions of all revisions made since the drafts acted upon by the City Council at the public meeting on July 21, 2021. An electronic spreadsheet version of the HCD Housing Element Sites Inventory Form was posted on the City's website on February 4, 2022.

The City Council voted 5-0 to adopt a resolution adopting the General Plan Housing Element Update and Negative Declaration.

## **2.9 HCD REVIEW PERIOD**

The City Manager submitted the adopted General Plan Housing Element and HCD Housing Element Sites Inventory Form to HCD for review on February 9, 2021 (HCD records this submittal as February 10, 2021, presumably due to the submittal occurring after regular business hours).

During HCD's review period, the following entities and individuals submitted comments directly to HCD, which HCD considered in its review pursuant to Government Code Section 65585(c):

- Catherine R Van Camp, resident and housing advocate with Welcoming Neighbors Home
- Rona Henry, resident and chair of Welcome Neighbors Home

HCD's findings were reported to the City in a letter dated March 8, 2021. HCD reissued the letter to correct a typographical error dated April 8, 2021.

## **2.10 REVISED DRAFT PUBLIC POSTING AND NOTIFICATION**

On August 5, 2022, revised drafts of the General Plan Housing Element and HCD Housing Element Sites Inventory Form were posted on the City's website and made available from the City Clerk's Office. The posted materials included both "clean" and redline versions of the General Plan Housing Element, as well as an electronic spreadsheet version of the HCD Housing Element Sites Inventory Form. The latter was unchanged from the version adopted by the City Council on February 9, 2022.

A public notice announcing the public review period and providing information on how to access the revised draft documents was posted at City Hall and on the City's website, as well as emailed to parties who had requested such notification or contacted City staff previously, on August 5, 2022. As of August 5, 2022, the distribution list consisted of 15 email addresses, including residents and representatives from The Kennedy Commission, Laguna Woods Democratic Club, League of Women Voters of Orange Coast, and Orange County United Way. The public notice noted the availability of in-person or virtual meetings with City staff to discuss or ask questions regarding the documents, and provided instructions for individuals who require translation services to communicate with the City.

## **2.11 PUBLIC MEETING #6**

On August 12, 2022, the City Council held its sixth meeting to discuss and consider the RHNA and General Plan Housing Element Update. The meeting took place at Laguna Woods City Hall at 3:30 p.m. City Council meetings are also televised and closed captioned with reasonable accessibility



accommodations available on request. Public comments were accepted in person, in writing, by telephone, or by computer (Zoom). All five members of the City Council participated.

The notice for this meeting was posted on the City's website and at locations pursuant to Government Code Section 54954.2 on August 11, 2022. In addition, on August 11, 2022, email notification was provided to parties who had requested such notification or contacted City staff previously. As of August 11, 2022, the distribution list consisted of 15 email addresses, including residents and representatives from The Kennedy Commission, Laguna Woods Democratic Club, League of Women Voters of Orange Coast, and Orange County United Way. The notification included links to the agenda materials and notice that proposed revisions to the General Plan Housing Element adopted on February 9, 2022 were included therein.

Drafts of the proposed General Plan Housing Element and HCD Housing Element Sites Inventory Form were included in the agenda packet, as well as redline versions of all revisions made since the versions adopted by the City Council on February 9, 2022. An electronic spreadsheet version of the HCD Housing Element Sites Inventory Form was posted on the City's website on August 11, 2022.

The City Council voted 5-0 to adopt a resolution adopting the General Plan Housing Element Update.

## **2.12 REVISED DRAFT PUBLIC POSTING AND NOTIFICATION**

On March XX, 2023, revised drafts of the General Plan Housing Element and HCD Housing Element Sites Inventory Form were posted on the City's website and made available from the City Clerk's Office. The posted materials included both "clean" and redline versions of the General Plan Housing Element, as well as an electronic spreadsheet version of the HCD Housing Element Sites Inventory Form. The latter was unchanged from the version adopted by the City Council on February 9, 2022.

A public notice announcing the public review period and providing information on how to access the revised draft documents was posted at City Hall and on the City's website, as well as emailed to parties who had requested such notification or contacted City staff previously, on March XX, 2023. As of March XX, 2023, the distribution list consisted of 15 email addresses, including residents and representatives from The Kennedy Commission, Laguna Woods Democratic Club, League of Women Voters of Orange Coast, and Orange County United Way. The public notice noted the availability of in-person or virtual meetings with City staff to discuss or ask questions regarding the documents, and provided instructions for individuals who require translation services to communicate with the City.

## **2.13 PUBLIC MEETING #7**

On March XX, 2023, the City Council held its seventh meeting to discuss and consider the RHNA and General Plan Housing Element Update. The meeting took place at Laguna Woods City Hall at XX. City Council meetings are also televised and closed captioned with reasonable accessibility accommodations available on request. Public comments were accepted in person, in writing, by telephone, or by computer (Zoom). XX members of the City Council participated.

The notice for this meeting was posted on the City's website and at locations pursuant to Government Code Section 54954.2 on March XX, 2023. In addition, on March XX, 2023, email notification was provided to parties who had requested such notification or contacted City staff previously. As of

March XX, 2023, the distribution list consisted of 15 email addresses, including residents and representatives from The Kennedy Commission, Laguna Woods Democratic Club, League of Women Voters of Orange Coast, and Orange County United Way. The notification included links to the agenda materials and notice that proposed revisions to the General Plan Housing Element adopted on August 12, 2022 were included therein.

Drafts of the proposed General Plan Housing Element and HCD Housing Element Sites Inventory Form were included in the agenda packet, as well as redline versions of all revisions made since the versions adopted by the City Council on August 12, 2022. An electronic spreadsheet version of the HCD Housing Element Sites Inventory Form was posted on the City's website on March XX, 2023.

The City Council voted XX-XX to XX a resolution adopting the General Plan Housing Element Update.

## 2.14 OTHER MEETINGS

On May 17, 2021, the City Manager met via GoToMeeting with Village Management Services, Inc. (Laguna Woods Village) staff (Jeff Parker, CEO and Siobhan Foster, COO) to discuss the RHNA and General Plan Housing Element Update. Subsequent to the meeting, the City Manager forwarded Mr. Parker and Ms. Foster the agenda report for the May 19, 2021 City Council meeting and a RHNA Frequently Asked Questions document.

On May 25, 2021, the City Manager met by telephone with Cesar Covarrubias, Executive Director of The Kennedy Commission, to discuss inclusionary housing and incentives for affordable housing development on non-vacant sites. Subsequent to the meeting, Mr. Covarrubias forwarded the City Manager information on the City of San Clemente's Inclusionary Housing In-Lieu Fee Program Study.

On November 19, 2021, the City Manager met with Kate Van Camp, a resident and housing advocate with Welcoming Neighbors Home, to discuss the General Plan Housing Element Update, review letter from HCD, Ms. Van Camp's email correspondence to the City Manager dated October 3, 2021 (copied to the City Council, Rona Henry with Welcoming Neighbors Home, and Kimberly Adams with Orange County United Way), and various related topics. On November 20, 2021, Ms. Van Camp sent email correspondence as a follow-up to the meeting to the City Council with copies to the City Manager, HCD (HousingElements@hcd.ca.gov and Marisa Prasse), Rona Henry with Welcoming Neighbors Home, and Cesar Covarrubias, Executive Director of The Kennedy Commission.

# **ITEM 8.1**

## **Attachment B**

HCD Findings Letter dated October 11, 2022

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**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF HOUSING POLICY DEVELOPMENT**

2020 W. El Camino Avenue, Suite 500  
Sacramento, CA 95833  
(916) 263-2911 / FAX (916) 263-7453  
[www.hcd.ca.gov](http://www.hcd.ca.gov)



October 11, 2022

Christopher Macon, City Manager  
City of Laguna Woods  
24264 El Toro Road  
Laguna Woods, CA 92637

Dear Christopher Macon:

**RE: City of Laguna Wood's 6<sup>th</sup> Cycle (2021-2029) Adopted Housing Element**

Thank you for submitting the City of Laguna Woods (City) housing element adopted and received for review on August 12, 2022. Pursuant to Government Code section 65585, subdivision (h), the California Department of Housing and Community Development (HCD) is reporting the results of its review. Our review was facilitated by a telephone conversation on September 30, 2022 with Christopher Macon, City Manager; Rebecca Pennington, Development Program Analyst; Ryan Bensley and Ashley Davis, Principals at LSA Associates, Inc.

The adopted housing element addresses most statutory requirements described in HCD's April 08, 2022 letter; however, additional revisions are necessary to fully comply with State Housing Element Law (Article 10.6 of the Gov. Code), as follows.

1. *Affirmatively further[ing] fair housing in accordance with Chapter 15 (commencing with Section 8899.50) of Division 1 of Title 2...shall include an assessment of fair housing in the jurisdiction (Gov. Code, § 65583, subd. (c)(10)(A))*

As stated in the previous review, goals and actions must specifically respond to the analysis and to the identified and prioritized contributing factors to fair housing issues and must be significant and meaningful enough to overcome identified patterns and trends. While the element now includes table AF to demonstrate how programs address fair housing issues, it should still include place-based actions geotargeted to areas of need identified in your Affirmatively Furthering Fair Housing (AFFH) analyses. For example, Census Tract 626.47 scores highest for pollution, Census Tract 626.25 is an outlier in terms of minority composition, Census Tracts 626.22 and 626.25 score lowest in economic

opportunity, and Hispanic and Black populations have lowest access to educational opportunities.

Additionally, actions must have metrics and milestones. While programs include a row for “Quantified Objectives”, many of these are not quantified or contain meaningful metrics. For example, Program H-2.3.1’s quantified objective is “Conforming Code Enforcement Policies.” The City could commit to a metric such as “return approximately X units/year to safe and sanitary conditions. Another example is Program H-2.2.2, which lists the quantitative objective “Report Regarding Investigation; Adopted Incentives (if applicable)”. A quantified metric could be “aim to preserve X at-risk units by end of planning period”.

2. *An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the types of housing identified in paragraph (1) of subdivision (c), and for persons with disabilities as identified in the analysis pursuant to paragraph (7), including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures. (Gov. Code, § 65583, subd. (a)(5).)*

*Address and, where appropriate and legally possible, remove governmental and nongovernmental constraints to the maintenance, improvement, and development of housing, including housing for all income levels and housing for persons with disabilities. The program shall remove constraints to, and provide reasonable accommodations for housing designed for, intended for occupancy by, or with supportive services for, persons with disabilities. (Gov. Code, § 65583, subd. (c)(3).)*

While the element details the Reasonable Accommodation policy on pg. B-19 and B-20, the element should also analyze both the public noticing requirements and the finding that “the request will not, under the specific facts of the case, result in a direct threat to the health and safety of other individuals or substantial physical damage to the property of others” for consistency with fair housing requirements. For example, HUD/DOJ guidance states, “For an accommodation to be denied, the requested accommodation must cause an undue financial and administrative burden, or it would fundamentally alter the nature of the provider’s operations.” Based on this analysis, the element may need to revise or add programs and address and remove or mitigate any identified constraints.

The element will meet the statutory requirements of State Housing Element Law once it has been revised and re-adopted to comply with the above requirements.

Pursuant to Assembly Bill 1398 (Chapter 358, Statutes of 2021), a jurisdiction that failed to adopt a compliant housing element within one year from the statutory deadline

Christopher Macon, City Manager  
Page 3

cannot be found in compliance until rezones to accommodate a shortfall of sites pursuant to Government Code section 65583, subdivision (c), paragraph (1), subparagraph (A) and Government Code section 65583.2, subdivision (c) are completed. As this year has passed and Program H-1.1.1 has not been completed, the housing element is out of compliance and will remain out of compliance until the rezoning have been completed. Once the City completes the rezone, a copy of the resolution or ordinance should be transmitted to HCD. HCD will review the documentation and issue correspondence identifying the updated status of the City housing element compliance.

Several federal, state, and regional funding programs consider housing element compliance as an eligibility or ranking criteria. For example, the CalTrans Senate Bill (SB) 1 Sustainable Communities grant; the Strategic Growth Council and HCD's Affordable Housing and Sustainable Communities programs; and HCD's Permanent Local Housing Allocation consider housing element compliance and/or annual reporting requirements pursuant to Government Code section 65400. With a compliant housing element, the City meets housing element requirements for these and other funding sources.

For your information, some general plan element updates are triggered by housing element adoption. HCD reminds the City to consider timing provisions and welcomes the opportunity to provide assistance. For information, please see the Technical Advisories issued by the Governor's Office of Planning and Research at: <https://www.opr.ca.gov/planning/general-plan/guidelines.html>.

HCD appreciates the dedication and efforts Christopher Macon, City Manager; and consultants Ryan Bensley and Ashley Davis, provided throughout the course of the housing element review. We are committed to assisting the City in addressing all statutory requirements of State Housing Element Law. If you have any questions or need additional technical assistance, please contact Mashal Ayobi, of our staff, at [Mashal.Ayobi@hcd.ca.gov](mailto:Mashal.Ayobi@hcd.ca.gov).

Sincerely,

A handwritten signature in black ink, appearing to read 'Melinda Coy', with a long horizontal stroke extending to the right.

Melinda Coy  
Proactive Housing Accountability Chief

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**ITEM 8.1**  
**Attachment C**

Draft City Response to HCD Findings Letters dated October 11, 2022

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## CITY RESPONSE TO CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FINDINGS LETTERS DATED OCTOBER 11, 2022

According to the letter from the California Department of Housing and Community Development (HCD) to the City of Laguna Woods (City) dated October 11, 2022, several revisions to the Housing Element are necessary to comply with State Housing Element Law (Article 10.6 of the Gov. Code). Responses to the findings included in HCD’s letter are provided below.

*1. Affirmatively further[ing] fair housing in accordance with Chapter 15 (commencing with Section 8899.50) of Division 1 of Title 2...shall include an assessment of fair housing in the jurisdiction (Gov. Code, § 65583, subd. (c)(10)(A))*

Programs H-3.1.1, H-3.1.3, and H-3.2.3 in the main Housing Element have been revised to include place-based actions geotargeted to areas of need identified in the Affirmatively Furthering Fair Housing (AFFH) analysis.

The quantified objectives (and in some cases, program descriptions) have been revised for Programs H-1.2.3, H-1.2.5, H-1.2.8, H-2.1.2, H-2.2.2, H-2.2.3, H-2.3.1, H-3.1.1, H-3.1.2, H-3.1.3, H-3.2.1, H-3.2.2, and H-3.2.3 in the main Housing Element.

Corresponding revisions have been made to Exhibit A/Table AF and Exhibit C/Section 6.12.1.

*2. An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the types of housing identified in paragraph (1) of subdivision (c), and for persons with disabilities as identified in the analysis pursuant to paragraph (7), including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures. (Gov. Code, § 65583, subd. (a)(5).)*

*Address and, where appropriate and legally possible, remove governmental and nongovernmental constraints to the maintenance, improvement, and development of housing, including housing for all income levels and housing for persons with disabilities. The program shall remove constraints to, and provide reasonable accommodations for housing designed for, intended for occupancy by, or with supportive services for, persons with disabilities. (Gov. Code, § 65583, subd. (c)(3).)*

Program H-1.2.6 in the main Housing Element has been revised to include the following:

*“Section 13.15.016(5). Explicitly identify that the required finding for applications for reasonable accommodations to not “result in a direct threat to the health and safety of other individuals or substantial physical damage to the property of others” is to be interpreted consistent with 42 U.S.C. § 3604(f)(9).*

*Note: The City is required to comply with 42 U.S.C. § 3604(f)(9) irrespective of whether explicit language is adopted as part of the Laguna Woods Municipal Code.”*

Program H-1.3.4 in the main Housing Element has been revised to include the following:

*“Sections 13.15.015 and 13.15.016. Remove the public noticing requirements for applications for reasonable accommodations.”*

Corresponding revisions have been made to Exhibit B/Section 2.4.1.4.

# **ITEM 8.1**

## **Attachment D**

Revisions for Proposed General Plan Housing Element (redline)

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## INTRODUCTION

California Government Code Section 65300 requires each city to adopt a comprehensive, long-term general plan to guide physical development. The Laguna Woods General Plan reflects the City of Laguna Woods' intentions about land use and its relationship to circulation, conservation, housing, noise, open space, and safety. This element identifies priority housing issues in Laguna Woods and sets forth goals and policies to achieve balance between the needs of the community and future development.

## PURPOSE AND SCOPE

State law requires that general plans include a housing element, as follows:

**California Government Code Section 65302(c):** [The general plan must include] a housing element as provided in [California Government Code] Article 10.6 (commencing with Section 65580).

**California Government Code Section 65583:** The housing element shall consist of an identification and analysis of existing and projected housing needs and a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. The housing element shall identify adequate sites for housing, including rental housing, factory-built housing, mobile-homes, and emergency shelters, and shall make adequate provision for the existing and projected needs of all economic segments of the community.

California Government Code Section 65583(a)(3) specifically requires that housing elements include “an inventory of land suitable and available for residential development, including vacant sites and sites having realistic and demonstrated potential for redevelopment during the planning period to meet the locality’s housing need for a designated income level, and an analysis of the relationship of zoning and public facilities and services to these sites.” For the purpose of that requirement, “housing needs for a designated income level” are quantified through the Regional Housing Needs Assessment (RHNA), which is discussed further in this element.

Additional statutory requirements related to the development and adoption



of housing elements are contained in California Government Code sections 65580 through 65589.

This element addresses the following priority issues:

- Housing development
- Housing conservation
- Affirmatively furthering fair housing
- Housing element implementation

## REGIONAL HOUSING NEEDS ASSESSMENT

The Regional Housing Needs Assessment (RHNA) is a process mandated by the State of California's housing laws to determine existing and future housing needs for each city and unincorporated area. Once housing needs are quantified through the RHNA process, cities and counties are required to take certain land use planning actions to allow for the construction of new housing units to meet those needs, including updating of housing elements.

The RHNA process is foundational to this element and, as such, the following information is provided to promote clarity and a common understanding of both the RHNA process and the City's associated obligations.

### FREQUENTLY ASKED QUESTIONS

*Is the RHNA process new?*

No. The RHNA process began in 1969 and has occurred on regular "cycles" since then. From 1969 until the City's incorporation on March 24, 1999, the County of Orange was responsible for RHNA compliance and land use planning in Laguna Woods. Beginning on March 24, 1999, those responsibilities transferred locally to the City.

*How does the RHNA process determine housing needs?*

The California Department of Housing and Community Development (HCD) is responsible for determining housing needs for each region's "council of





governments,” which for Laguna Woods is the Southern California Association of Governments (SCAG). The SCAG region encompasses six counties (Imperial, Los Angeles, Orange, Riverside, San Bernardino, and Ventura) and 191 cities.

HCD starts with demographic population information from the California Department of Finance and then applies a formula intended to increase housing supply and further other housing-related objectives established by the California State Legislature (see California Government Code Section 65584).

After receiving HCD’s housing needs determination, SCAG allocates HCD’s determination between individual cities and unincorporated areas. For the current 6th Cycle RHNA process (10/2021 - 10/2029 planning period), SCAG’s allocation methodology considered factors including, but not limited to, anticipated household growth, job and transit accessibility, and social equity (the distribution of housing by income categories).

**Table H-1** summarizes the City’s current housing needs allocation.

**Table H-1: 6th Cycle RHNA Housing Needs Allocation**

Income Level	Number of Units
Very-low income	127
Low income	136
Moderate income	192
Above-moderate income	542
<b>Total</b>	<b>997</b>

*What does the RHNA process require of the City?*

The City is required to zone sufficient land to allow for the construction of new housing units to meet its housing needs allocation. Such land must be “suitable for residential development,” which state law generally defines as including vacant land, residential land upon which additional housing units could be constructed, and nonresidential land that could be redeveloped to include new housing units (California Government Code Section 65583.2(a)). Such zoning must be “by right,” which means that the City is required to allow new



housing construction without requiring conditional use permits or other discretionary approvals that would constitute a “project” under the California Environmental Quality Act (CEQA).

*How does the City’s General Plan Housing Element relate to the RHNA process?*

State law requires that all cities update their general plan housing elements on either a five- or eight-year cycle (California Government Code Section 65588). The City is on an eight-year cycle with its most recent update due on October 15, 2021. Prior to adopting an updated General Plan Housing Element, the City is required to demonstrate to HCD that the update adequately plans for the City’s housing needs allocation and otherwise complies with applicable state law (California Government Code sections 65583 and 65585).

*Does the City have the ability to zone private property?*

Yes. State law requires the City to designate “the proposed general distribution and general location and extent of the uses of the land” within city limits, including both “public and private uses of land” (California Government Code Section 65302(a)). All public and private property in Laguna Woods, with the exception of public roads, is presently zoned and has been since the community was first constructed.

*Does the RHNA process require the City to construct housing?*

No. State law is explicit that the City is not required to “expend local revenues for the construction of housing, housing subsidies, or land acquisition” (California Government Code Section 65589(a)(1)).

*Does the RHNA process require private property owners to construct housing?*

No. While state law requires zoning sufficient to accommodate the City’s housing needs allocation, it does not require the use of that property to be limited to the construction of new housing units nor does it require property owners to construct housing or discontinue any existing non-housing uses. If a property owner does not wish to construct housing, zoning that allows such construction only presents an option for the future.



*Who makes the decision to construct housing?*

Housing construction requires interested property owners and interested developers. No party is obligated to construct housing or discontinue any existing non-housing uses, regardless of how property is zoned.

*Does the RHNA process allow the City to permit only senior housing?*

No. State law specifies that the RHNA process is intended to address the “housing need of persons at all income levels” with goals including “increasing the housing supply and the mix of housing types, tenure, and affordability” (California Government Code Section 65584). While property owners may choose to construct age-restricted housing, state law does not allow the City to place such a restriction on properties for the purpose of accommodating the City’s housing needs allocation.

*Does the City receive credit for existing affordable housing units?*

No. The RHNA process is focused on future housing needs. For the 6th Cycle RHNA process, credit was only provided for housing units approved, permitted, or built on or after June 30, 2021.

## **AFFIRMATIVELY FURTHERING FAIR HOUSING**

California Assembly Bill 686 (2018) chaptered into law an obligation for cities and other public agencies to “administer [...] programs and activities relating to housing and community development in a manner to affirmatively further fair housing, and take no action that is materially inconsistent with its obligation to affirmatively further fair housing.” California Government Code Section 8899.50(a)(1) defines “affirmatively furthering fair housing” as “taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining



compliance with civil rights and fair housing laws. The duty to affirmatively further fair housing extends to all of a public agency's activities and programs relating to housing and community development."

## GOALS, POLICY OBJECTIVES, AND PROGRAMS

This element is organized to be consistent with the other elements of the Laguna Woods General Plan. Goals and policy objectives provide declarative statements that set forth the City's approach to each of the priority issues.

**Goals:** General statements of desired outcomes.

**Policy Objectives:** Specific commitments to support decisions and actions consistent with a stated goal. Policy objectives provide guidance to the City Council, City advisory committees, and City staff when reviewing development applications and making other decisions that affect growth, conservation, and development.

As required by California Government Code Section 65583(c), this element also identifies programs that the City is undertaking or intends to undertake to implement the policy objectives and achieve the goals and policy objectives of the housing element during the planning period (10/2021 - 10/2029).

### Priority Issue 1. HOUSING DEVELOPMENT.

*Goal H-1. Enable the development of housing necessary to accommodate current and projected housing needs, including for lower-income households and other special needs populations.*

*Policy Objective H-1.1. Make sites available to accommodate current and projected housing needs for groups at all income levels, in accordance with California Government Code Section 65583(c)(1).*

*Program H-1.1.1. Rezone the 17 potential housing sites identified in the Housing Sites Inventory and Analysis (Exhibit C) to accommodate the City's housing needs allocation (Table H-1).*

Primary Responsibility: Planning & Environmental Services Department

City of Laguna Woods General Plan  
**HOUSING ELEMENT**  
**August 2022-March 2023**



Anticipated Timeline: Calendar Year 2022  
Anticipated Funding: California Senate Bill 2 (2017) Planning Grant  
Quantified Objectives: See Table H in Exhibit C

Note: The rezoning process will include the creation of four new overlay zoning districts and the adoption of minimum density and development standards for each. Specific commitments in the rezoning process include, but are not limited to, (1) complying with applicable provisions of California Government Code Section 65583.2 (h), (i), et al., including accommodating at least 50% of the lower-income housing needs allocation on sites designated for residential use only (for non-mixed use projects) and by requiring residential use to occupy 50% of the total floor area of mixed-use projects, (2) permitting housing projects by right, as required by state law, (3) permitting owner-occupied and rental multifamily uses by right for housing projects in which 20% or more of the housing units are affordable for lower-income households, (4) establishing densities for potential housing sites as specified in Table H in Exhibit C, and (5) allowing the development of housing projects as standalone uses on each potential housing site.

*Policy Objective H-1.2.* Assist in the development of adequate housing to meet the needs of extremely low, very low, low-, and moderate-income households.

*Program H-1.2.1.* Continue to maintain website information regarding fees, exactions, and affordability requirements imposed by the City that are applicable to housing development projects, in accordance with California Government Code Section 65940.1.

Primary Responsibility: Planning & Environmental Services Department  
Anticipated Timeline: Ongoing  
Anticipated Funding: General Fund  
Quantified Objectives: Conforming Website Information

*Program H-1.2.2.* Prepare and maintain a webpage with information related to the 17 potential housing sites identified in the Housing Sites Inventory and Analysis (Exhibit C), including a Geographic Information System (GIS) map layer with geospatial information.

Primary Responsibility: Planning & Environmental Services Department



# HOUSING ELEMENT

~~August 2022~~ March 2023

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Anticipated Timeline: Calendar Year 2022  
Anticipated Funding: General Fund  
Quantified Objectives: Conforming Webpage and GIS Map Layer

*Program H-1.2.3.* Conduct a market study and then amend the existing inclusionary housing ordinance to modify the minimum percentages of new housing units that must be deed-restricted for extremely low, very low, and low-income households, as feasible and advantageous to promote the development of affordable housing.

Primary Responsibility: Planning & Environmental Services Department  
Anticipated Timeline: Calendar Year 2022  
Anticipated Funding: General Fund  
Quantified Objectives: Market Study and Conforming Ordinance (if applicable) that promotes the development of affordable housing

Note: In accordance with HCD's "Housing Element Site Inventory Guidebook Government Code Section 65583.2" memorandum dated June 10, 2020, amendment of the ordinance will follow consultation with both for-profit and nonprofit developers to determine an appropriate mix of incomes that make development feasible in Laguna Woods. The City will also consult with housing advocates. When applied to rental housing, the ordinance will include options for the developer to meet the inclusionary requirements other than exclusively requiring building affordable units on site.

*Program H-1.2.4.* Adopt an ordinance creating an expedited and fee-reduced lot consolidation process for consolidations involving any one or more of the ~~17-adjacent~~ potential housing sites identified in the Housing Sites Inventory and Analysis (Exhibit C) for the purpose of developing-incentivizing or making more financially feasible housing projects in which at least 5% of housing units are affordable for extremely low income households; at least 10% of housing units are affordable for very low or low-income households; or, at least 50% of housing units are affordable for moderate-income households. To be eligible, the affordable housing units shall be subject to an affordability covenant for at least 55 years.

Primary Responsibility: Planning & Environmental Services Department

City of Laguna Woods General Plan  
**HOUSING ELEMENT**  
August 2022-March 2023



Anticipated Timeline: Calendar Year 2022  
Anticipated Funding: General Fund  
Quantified Objectives: Conforming Ordinance

Note: While the consolidation of potential housing sites is not assumed or relied upon in the implementation of this Housing Element, this program is intended to incentivize and make more financially feasible housing projects.

*Program H-1.2.5.* Adopt an ordinance waiving or reducing City building permit fees for housing projects in which at least 5% of housing units are affordable for extremely low income households; at least 10% of housing units are affordable for very low or low-income households; or, at least 50% of housing units are affordable for moderate-income households. To be eligible, the affordable housing units shall be subject to an affordability covenant for at least 55 years.

Primary Responsibility: Planning & Environmental Services Department  
Anticipated Timeline: Calendar Year 2022  
Anticipated Funding: General Fund  
Quantified Objectives: Conforming Ordinance; waiver or reduction of City building permit fees for all eligible housing projects when such eligibility is known to City

*Program H-1.2.6.* Amend various, existing housing-related provisions of the Laguna Woods Municipal Code to promote regulatory clarity.

- Section 13.23.030(a)(2)c. Delete “private living space.”

Note: The language identified for deletion is duplicative within Laguna Woods Municipal Code Chapter 13.23 and is not intended to constrain the development of emergency shelters in a manner that would conflict with Assembly Bill 139 (2019).

- Section TBD. Explicitly identify that low barrier navigation centers are permitted by right in zoning districts where multifamily and mixed uses are permitted, including nonresidential zoning districts permitting multifamily uses pursuant to California Government Code Section 65660.



# HOUSING ELEMENT

August 2022March 2023

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Note: The City is required to comply with California Government Code Section 65660 irrespective of whether explicit language is adopted as part of the Laguna Woods Municipal Code.

- Section TBD. Explicitly identify that zoning is consistent with the Employee Housing Act (California Health and Safety Code Section 17000 et seq.), specifically sections 17021.5 and 17021.6.

Note: The City is required to comply with the Employee Housing Act irrespective of whether explicit language is adopted as part of the Laguna Woods Municipal Code.

- Section 13.15.016(5). Explicitly identify that the required finding for applications for reasonable accommodations to not “result in a direct threat to the health and safety of other individuals or substantial physical damage to the property of others” is to be interpreted consistent with 42 U.S.C. § 3604(f)(9).

Note: The City is required to comply with 42 U.S.C. § 3604(f)(9) irrespective of whether explicit language is adopted as part of the Laguna Woods Municipal Code.

Primary Responsibility: Planning & Environmental Services Department

Anticipated Timeline: Calendar Year 2022

Anticipated Funding: General Fund

Quantified Objectives: Conforming Ordinance

*Program H-1.2.7.* Formalize written procedures for the application and processing of housing projects eligible for streamlined, ministerial approval pursuant to California Government Code Section 65913.4.

Primary Responsibility: Planning & Environmental Services Department

Anticipated Timeline: Calendar Year 2022

Anticipated Funding: General Fund

Quantified Objectives: Conforming Policy

Note: The City is required to comply with California Government Code Section 65913.4 irrespective of whether procedures are formalized in writing.





*Program H-1.2.8.* Investigate potential incentives for the development of housing projects with features that exceed the minimum requirements set forth in the California Building Energy Efficiency Standards. If feasible and economical, adopt such incentives.

Primary Responsibility: Planning & Environmental Services Department  
Anticipated Timeline: Within Six Months of Each Triennial California Building Standards Code Effective Date for Investigation  
Anticipated Funding: General Fund  
Quantified Objectives: Report Regarding Investigation;  
Adopted Incentives (if applicable) that result in the development of housing projects with features that exceed the minimum requirements set forth in the California Building Energy Efficiency Standards for 15% or more of housing projects over the 10/2021 - 10/2029 planning period

*Policy Objective H-1.3.* Provide reasonable accommodations for housing designed for, intended for occupancy by, or with supportive services for, persons with disabilities.

*Program H-1.3.1.* Continue to consider transitional housing a residential use of property, subject only to those restrictions that apply to other residential dwellings of the same type in the same zoning district.

Primary Responsibility: Planning & Environmental Services Department  
Anticipated Timeline: Ongoing  
Anticipated Funding: General Fund  
Quantified Objectives: Conforming Ordinance

*Program H-1.3.2.* Continue to consider supportive housing a residential use of property, subject only to those restrictions that apply to other residential dwellings of the same type in the same zoning district.

Primary Responsibility: Planning & Environmental Services Department  
Anticipated Timeline: Ongoing  
Anticipated Funding: General Fund  
Quantified Objectives: Conforming Ordinance



## HOUSING ELEMENT

August 2022March 2023

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*Program H-1.3.3.* Continue to permit supportive housing by right in all zoning districts where multifamily and mixed uses are permitted.

Primary Responsibility: Planning & Environmental Services Department

Anticipated Timeline: Ongoing

Anticipated Funding: General Fund

Quantified Objectives: Conforming Ordinance

*Program H-1.3.4.* Amend various, existing housing-related provisions of the Laguna Woods Municipal Code to conform to state applicable law.

- Section 13.26.070. Remove the conditional use permit requirement for community care facilities serving seven to 12 persons located in areas where residential uses are permitted.
- Section 13.06.010(d)(395). Revise the zoning definition of "family" to address inconsistencies with state law related to the occupants of community care facilities.
- Sections 13.15.015 and 13.15.016. Remove the public noticing requirements for applications for reasonable accommodations.

Primary Responsibility: Planning & Environmental Services Department

Anticipated Timeline: Calendar Year 2022

Anticipated Funding: General Fund

Quantified Objectives: Conforming Ordinance

*Policy Objective H-1.4.* Incentivize and promote the creation of accessory dwelling units that can be offered at affordable rent for very low, low-, or moderate-income households.

Note: While the creation of accessory dwelling units is not assumed or relied upon in the implementation of this Housing Element, this policy objective and programs H-1.4.1 through H-1.4.3 are intended to comply with state law and encourage the creation of accessory dwelling units when such interest exists.

*Program H-1.4.1.* Continue to maintain an ordinance that conforms to the provisions of California Government Code Section 65852.2 related



to accessory dwelling units and junior accessory dwelling units, including amending the ordinance as necessary.

Primary Responsibility: Planning & Environmental Services Department  
Anticipated Timeline: Ongoing  
Anticipated Funding: General Fund  
Quantified Objectives: Conforming Ordinance

*Program H-1.4.2.* Prepare and maintain a webpage with information related to Laguna Woods Municipal Code requirements, processing procedures, and incentives pertaining to the development of accessory dwelling units and junior accessory dwelling units. Prepare and maintain a flyer with related information.

Primary Responsibility: Planning & Environmental Services Department  
Anticipated Timeline: Calendar Year 2023  
Anticipated Funding: General Fund  
Quantified Objectives: Conforming Webpage and Flyer

*Program H-1.4.3.* Designate and maintain a “specialist” to assist with the processing and approval of applications to develop accessory dwelling units and junior accessory dwelling units.

Primary Responsibility: Planning & Environmental Services Department  
Anticipated Timeline: Calendar Year 2022  
Anticipated Funding: General Fund  
Quantified Objectives: Designated Specialist

*Policy Objective H-1.5.* Make sites available to accommodate emergency housing needs for homeless persons and families, in accordance with California Government Code Section 65583(a)(7).

*Program H-1.5.1.* Continue to maintain an ordinance that conforms to the provisions of California Government Code Section 65583 related to emergency shelters, including amending the ordinance as necessary.

Primary Responsibility: Planning & Environmental Services Department



# HOUSING ELEMENT

~~August 2022~~ March 2023

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Anticipated Timeline: Ongoing  
Anticipated Funding: General Fund  
Quantified Objectives: Conforming Ordinance

## Priority Issue 2. HOUSING CONSERVATION.

*Goal H-2. Support the conservation of housing necessary to accommodate current and projected housing needs, including for lower-income households and other special needs populations.*

*Policy Objective H-2.1. Conserve and improve the condition of the existing affordable housing stock.*

*Program H-2.1.1. Prepare and maintain a webpage with information on home improvement-related financial assistance opportunities available to extremely low, very low, and low-income households. Train City staff to make referrals using the webpage.*

Primary Responsibility: Planning & Environmental Services Department  
Anticipated Timeline: Calendar Year 2023  
Anticipated Funding: General Fund  
Quantified Objectives: Conforming Webpage and Evidence of Training

*Program H-2.1.2. Investigate potential incentives for property owners to extend existing affordability covenants beyond the planned expiration date. If feasible and economical, adopt such incentives.*

Primary Responsibility: Planning & Environmental Services Department  
Anticipated Timeline: Calendar Year 2024 for Investigation  
Anticipated Funding: General Fund  
Quantified Objectives: Report Regarding Investigation;  
Adopted Incentives (if applicable) that result in affordability covenants being extended beyond the planned expiration date for 25% or more of subject housing units over the 10/2021 - 10/2029 planning period



*Policy Objective H-2.2.* Promote accessible and accommodating housing options for persons with special needs.

*Program H-2.2.1.* Prepare and maintain a webpage with information on home improvement-related financial assistance opportunities available to persons with special needs. Train City staff to make referrals using the webpage.

Primary Responsibility: Planning & Environmental Services Department  
Anticipated Timeline: Calendar Year 2023  
Anticipated Funding: General Fund  
Quantified Objectives: Conforming Webpage and Evidence of Training

*Program H-2.2.2.* Adopt an ordinance waiving or reducing City building permit fees for improvements to the home of a person at least 60 years of age with a qualifying disability that are made to accommodate that disability, as provided for by California Health and Safety Code Section 17951.7. Consider including provisions allowing for similar building permit fee waivers or reductions for improvements to the home of a person with a qualifying disability that are made to accommodate that disability, regardless of age. Prepare and maintain a flyer with related information.

Primary Responsibility: Planning & Environmental Services Department  
Anticipated Timeline: Calendar Year 2022  
Anticipated Funding: General Fund  
Quantified Objectives: Conforming Ordinance and Flyer; waiver or reduction of City building permit fees for all eligible improvements when such eligibility is known to City

*Program H-2.2.3.* Provide opportunities for reimbursements, grants, or other forms of financial assistance to support home improvements that increase accessibility or functionality for persons with special needs.

Primary Responsibility: Engineering & Infrastructure Services Department  
Anticipated Timeline: Calendar Year 2022 (as funding permits)  
Anticipated Funding: State Permanent Local Housing Allocation monies  
Quantified Objectives: Financial Assistance Opportunities; provision of



financial assistance benefiting four or more housing units per 12-month period

*Policy Objective H-2.3.* Promote housing conservation and revitalization.

*Program H-2.3.1.* Formalize a proactive code enforcement program that focuses on housing-related rehabilitation needs, results in repairs, and seeks to mitigate potential cost, displacement, and relocation impacts on residents.

Primary Responsibility: Planning & Environmental Services Department

Anticipated Timeline: Calendar Year 2025

Anticipated Funding: General Fund

Quantified Objectives: Conforming Code Enforcement Policies; resolve 25% or more proactive code enforcement cases related to housing-related rehabilitation needs within 12 months of initiation

Priority Issue 3. AFFIRMATIVELY FURTHERING FAIR HOUSING.

*Goal H-3. Administer housing and community development programs and activities in a manner to affirmatively further fair housing for all persons.*

*Policy Objective H-3.1.* Enhance access to housing.

*Program H-3.1.1.* Improve pedestrian accessibility on sidewalks, curb ramps, crosswalks, and other public property connecting housing with transit stops, public buildings, ~~and~~ businesses, and educational institutions. Prioritize improvements based on factors including:

- The California Office of Environmental Health Hazard Assessment's California Communities Environmental Health Screening Tool ("CalEnviroScreen") scores for individual census tracts, with an emphasis on undertaking improvements in and around Census Tract 626.47 due to its comparatively higher CalEnviroScreen score, as feasible and economical; and
- Education domain scores from the California Tax Credit Allocation

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Committee ("TCAC")/HCD Opportunity Map, with an emphasis on undertaking improvements in and around Census Tract 626.22 due to its comparatively lower scores, as feasible and economical.

Primary Responsibility: Engineering & Infrastructure Services Department  
Anticipated Timeline: Ongoing (as funding permits)  
Anticipated Funding: Community Development Block Grants (CDBG)  
Quantified Objectives: Ongoing Effort; expend 15% or more of monies allocated to pedestrian accessibility improvements in and around census tracts falling within the highest 50% of CalEnviroScreen scores assigned to census tracts within Laguna Woods and within the lowest 50% of education domain scores from the TCAC/HCD Opportunity Map assigned to census tracts within Laguna Woods

Note: "Monies allocated to pedestrian accessibility improvements" does not include the proceeds of disaster relief or recovery awards; grant awards for which eligibility or competitiveness considerations resulted in applications or the acceptance of monies for work not wholly consistent with this program; restricted donations; monies allocated to address emergencies or other time-sensitive matters of public health, safety or welfare; or, similar monies.

*Program H-3.1.2.* Pursue partnerships and seek funding to provide Laguna Woods-based housing mobility counseling services. If feasible and economical, implement such services.

Primary Responsibility: Planning & Environmental Services Department  
Anticipated Timeline: Biennial Process to Identify Interested and Qualified Service Providers; Beginning in Calendar Year 2023  
Anticipated Funding: General Fund  
Quantified Objectives: Service Provider Identification Processes; Implemented Services (if applicable) that benefit four or more households per 12-month period

Note: The services called for in this program are intended to reach a broad audience. Strategies for doing so may include utilizing a variety of methods; marketing services in a broad, proactive, accessible, and multilingual manner, including targeting specific areas and needs; providing remote participation opportunities for ease of access for the general public, including persons with



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August 2022March 2023

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disabilities; and, consulting with relevant organizations. Translation services and reasonable accommodations for persons with disabilities will be provided in accordance with applicable law and City policy.

*Program H-3.1.3.* Adopt an ordinance waiving or reducing City building permit fees, or providing other incentives, for housing projects that prepare and implement an affirmative marketing plan designed to attract renters or buyers of diverse demographics, including persons of any race, color, religion, sex, handicap, familial status, or national origin. Prioritize incentives based on factors including racial concentrations from U.S. Census Bureau data products, with an emphasis on avoiding the creation of geographically discernable patterns of segregation or racially concentrated areas of poverty.

Primary Responsibility: Planning & Environmental Services Department

Anticipated Timeline: Calendar Year 2023

Anticipated Funding: General Fund

Quantified Objectives: Conforming Ordinance; preparation and implementation of affirmative marketing plans by 50% or more of housing projects over the 10/2021 - 10/2029 planning period

*Policy Objective H-3.2.* Protect existing residents from displacement.

*Program H-3.2.1.* Prepare and maintain a webpage with information on housing mediation, foreclosure assistance, and multilingual tenant legal counseling services. Train City staff to make referrals using the webpage.

Primary Responsibility: Planning & Environmental Services Department

Anticipated Timeline: Calendar Year 2023

Anticipated Funding: General Fund

Quantified Objectives: Conforming Webpage and Evidence of Training; referral of all service-interested residents when such service-interest is known to City

*Program H-3.2.2.* Pursue partnerships and seek funding to provide Laguna Woods-based housing mediation, foreclosure assistance, and



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multilingual tenant legal counseling services. If feasible and economical, implement such services.

- Primary Responsibility: Planning & Environmental Services Department
- Anticipated Timeline: Biennial Process to Identify Interested and Qualified Service Providers; Beginning in Calendar Year 2023
- Anticipated Funding: General Fund
- Quantified Objectives: Service Provider Identification Processes; Implemented Services (if applicable) that benefit four or more households per 12-month period

Note: The services called for in this program are intended to reach a broad audience. Strategies for doing so may include utilizing a variety of methods; marketing services in a broad, proactive, accessible, and multilingual manner, including targeting specific areas and needs; providing remote participation opportunities for ease of access for the general public, including persons with disabilities; and, consulting with relevant organizations. Translation services and reasonable accommodations for persons with disabilities will be provided in accordance with applicable law and City policy.

*Program H-3.2.3.* Investigate potential hazard mitigation measures that would reduce or eliminate the long-term risk of residential displacement as a result of future disasters. If feasible and economical, implement such hazard mitigation measures. Prioritize improvements based on factors including economic domain scores from the TCAC/HCD Opportunity Map for individual census tracts, with an emphasis on undertaking improvements in and around census tracts 626.22 and 626.48 due to their comparatively lower scores, as feasible and economical.

- Primary Responsibility: Public Safety Services Department
- Anticipated Timeline: Calendar Year 2024 for Investigation
- Anticipated Funding: General Fund
- Quantified Objectives: Report Regarding Investigation; Implemented Measures (if applicable); expend 15% or more of monies allocated to hazard mitigation measures in and around census tracts falling within the lowest 50% of economic domain scores from the TCAC/HCD Opportunity Map assigned to census tracts within Laguna Woods



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Note: The investigation called for in this program is a necessary precursor to the potential identification of implementable measures and associated timelines. The report regarding investigation will provide greater specificity including, as applicable, clear commitments and milestones, and measurable outcomes.

Note: “Monies allocated to hazard mitigation measures” does not include the proceeds of disaster relief or recovery awards; grant awards for which eligibility or competitiveness considerations resulted in applications or the acceptance of monies for work not wholly consistent with this program; restricted donations; monies allocated to address emergencies or other time-sensitive matters of public health, safety or welfare; or, similar monies.

Note: Programs H-1.2.3 (pertaining to inclusionary housing), H-2.2.2 (pertaining to fee waivers or reductions for disability-related improvements), and H-2.2.3 (pertaining to financial assistance for home accessibility improvements) relate to affirmatively furthering fair housing by promoting housing supply, choices, and affordability, but are included under other priority issues in this element due to the manner in which this element is structured. Similarly, Program H-2.1.2 (pertaining to potential incentives for extended affordability covenants) relates to affirmatively furthering fair housing by protecting existing residents from displacement and Program H-2.3.1 (pertaining to proactive code enforcement) relates to affirmatively furthering fair housing by using place-based strategies to encourage community conservation and revitalization.

## Priority Issue 4. HOUSING ELEMENT IMPLEMENTATION.

*Goal H-4. Provide for analysis related to housing element implementation.*

*Policy Objective H-4.1. Conduct annual monitoring of the housing element.*

*Program H-4.1.1. Host an annual public forum to:*

- Provide public education related to the purpose and scope of the housing element, as well as progress in its implementation; and
- Solicit public input on the implementation of the housing element, existing and projected housing needs for all economic segments, and resources and constraints relevant to meeting housing needs.

Primary Responsibility: Planning & Environmental Services Department

Anticipated Timeline: Annually; Beginning in Calendar Year 2023

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Anticipated Funding: General Fund

Quantified Objectives: Public Forums

*Program H-4.1.2.* Prepare and submit an annual report to the City Council, California Governor's Office of Planning and Research, and HCD with:

- The information required by California Government Code Section 65400(a)(2), in the form and manner specified; and
- A statement regarding the general plan's internal consistency and, if necessary, the identification of corrective actions that will be taken to resolve any internal inconsistency.

Primary Responsibility: Planning & Environmental Services Department

Anticipated Timeline: Annually; Prior to April 1

Anticipated Funding: General Fund

Quantified Objectives: Conforming Reports and Public Meetings

Note: Pursuant to California Government Code Section 65400(a)(2)(B)(ii), the annual report information required by California Government Code Section 65400(a)(2) shall be considered at an annual public meeting before the City Council where members of the public are allowed to provide oral testimony and written comments. This program requires certain other information to be included in the annual report, which will also then be subject to consideration at the annual public meeting.

*Policy Objective H-4.2.* Coordinate implementation of this housing element with the water and sewer agency.

*Program H-4.2.1.* Deliver each adopted housing element (including amendments thereto) to the El Toro Water District, in accordance with California Government Code Section 65589.7(a).

Primary Responsibility: Planning & Environmental Services Department

Anticipated Timeline: Immediately Following Each Adoption

Anticipated Funding: General Fund

Quantified Objectives: Conforming Deliveries



Note: California Government Code Section 65589.7(a) generally requires the El Toro Water District to grant a priority for the provision of water and sewer services to housing projects that include housing units affordable to lower-income households.

## EXHIBITS

The following exhibits are attached hereto and incorporated by reference:

- Exhibit A – Housing Needs Assessment
- Exhibit B – Constraints Analysis
- Exhibit C – Housing Sites Inventory and Analysis
- Exhibit D – Housing Element Performance Assessment
- Exhibit E – Public Participation Efforts

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**EXHIBIT A**

**HOUSING NEEDS ASSESSMENT**

**CITY OF LAGUNA WOODS**

REDLINE

**LSA**

~~August 2022~~ March 2023

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# HOUSING NEEDS ASSESSMENT

## CITY OF LAGUNA WOODS

Submitted to:

City of Laguna Woods  
24264 El Toro Road  
Laguna Woods, California 92637

Prepared by:

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Project No. LWD2101

# LSA

~~August 2022~~ March 2023

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## LIST OF ABBREVIATIONS AND ACRONYMS

AB	Assembly Bill
ACS	American Community Survey
ADA	Americans with Disabilities Act
AFFH	Affirmatively Furthering Fair Housing
AMI	area median income
CalEnviroScreen	California Communities Environmental Health Screening Tool
CBC	California Building Code
CC	Community Commercial
CIP	Capital Improvement Program
City	City of Laguna Woods
CoC	Continuum of Care
County	County of Orange
CUP	Conditional Use Permit
DDS	California Department of Developmental Services
FHA	Fair Housing Act
FHCOG	Fair Housing Council of Orange County
FHEO	Fair Housing Enforcement and Outreach
HCD	Housing and Community Development Department of the State of California
HUD	United States Department of Housing and Urban Development
LIHTC	Low Income Housing Tax Credit
OEHHA	Office of Environmental Health Hazard Assessment
R/ECAP	racially/ethnically concentrated area of poverty
RC	Residential Community
RCAA	Racially Concentrated Areas of Affluence
RHNA	Regional Housing Needs Assessment
RMF	Residential Multifamily
SCAG	Southern California Association of Governments
TCAC	California Tax Credit Allocation Committee

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## 1.0 HOUSING NEEDS ASSESSMENT

State Housing Element law requires local governments to adequately plan to meet their existing and projected housing needs, including their share of the Regional Housing Needs Assessment (RHNA) allocation. Specifically, Government Code Section 65583(a) requires an assessment of housing needs and an inventory of resources and constraints relevant to the meeting of these needs. This section of the Housing Element examines the characteristics of Laguna Woods’ population and housing stock as a means of better understanding the nature and extent of unmet housing needs. The Housing Needs Assessment is comprised of the following components: (1) Demographic Profile; (2) Household Profile; (3) Housing Stock Characteristics; (4) Affirmatively Furthering Fair Housing; and (5) Regional Housing Needs.

### 1.1 DEMOGRAPHIC PROFILE

Demographic changes such as population growth or changes in age can affect the type and amount of housing needed in a community. This section addresses the population, age, and race and ethnicity of Laguna Woods residents.

#### 1.1.1 Population Growth and Trends

Table A presents population growth trends in Laguna Woods from 1990 to 2020 and compares this growth to neighboring jurisdictions and Orange County. As shown, Orange County experienced the highest level of growth during the 1990s (18 percent). Neighboring jurisdictions experienced their highest level of growth during the 2000 to 2010 period (48 percent in Irvine and almost 32 percent in Lake Forest). However, during the 2000 to 2010 period, Laguna Woods experienced a decrease in its population. As will be discussed in further detail below, Laguna Woods residents are significantly older, on average, than the rest of Orange County. This means that Laguna Woods’ population growth due to natural increase (births minus deaths) is slower than other parts of Orange County.

**Table A: Regional Population Growth Trends**

Jurisdiction	1990	2000	2010	2020	Percent Change		
					1990–2000	2000–2010	2010–2020
Laguna Woods	N/A	17,794	16,273	16,243	N/A	-8.55%	-0.18%
Aliso Viejo	N/A	N/A	47,816	50,044	N/A	N/A	4.66%
Irvine	110,330	143,072	212,375	281,707	29.68%	48.44%	32.65%
Laguna Beach	23,170	23,727	22,723	22,343	2.40%	-4.23%	-1.67%
Laguna Hills	N/A	29,891	30,270	31,508	N/A	1.27%	4.09%
Lake Forest	N/A	58,707	77,395	84,711	N/A	31.83%	9.45%
Orange County	2,410,668	2,846,289	3,010,232	3,194,332	18.07%	5.76%	6.12%

Sources: (1) California Department of Finance, Demographic Research Unit, Report E-5;  
 (2) California Department of Finance, Demographic Research Unit, Report E-8 City/County/State Population and Housing Estimates;  
 (3) California Department of Finance, Demographic Research Unit, E-4 Revised Historical.

N/A = Not Applicable

Census data from 2000 to 2010 show that a reduction in the population growth rate for Orange County occurred during the decade. Countywide, population growth dropped to approximately 6 percent, while some local communities, such as Irvine and Lake Forest, experienced robust growth due to the development of new housing. Laguna Woods experienced a population decrease of approximately 9 percent during this period.

While most of the neighboring communities grew modestly between 2010 and 2020, the population of Laguna Woods in 2020 was estimated to be 16,243, approximately less than 1 percent lower than in 2010. The growth rate of Orange County as a whole was 6 percent, more than six times that of Laguna Woods. Of the surrounding communities shown, only Aliso Viejo had a growth rate that was close to that of Orange County. Laguna Woods saw a 0.18 percent population decrease from 2010 to 2020. However, this is much less of a decrease compared to the previous decade.

The Southern California Association of Governments (SCAG) projects that the population of Laguna Woods will grow to 16,500 by 2045. This represents a growth rate of approximately 1.6 percent over the next 25 years. It should be noted that SCAG’s growth projection does not reflect potential population growth due to Laguna Woods’ RHNA allocation, which is discussed in further detail in Section 1.5, Regional Housing Needs.

**1.1.2 Age Characteristics**

Table B shows the age distribution and median age of Laguna Woods’ population in 2010 and 2018 and compares this with Orange County as a whole. Table B indicates that seniors aged 65 and older were the largest population group in Laguna Woods in 2010 (80 percent) and 2018 (83 percent). The proportion of the population within the younger age groups (under 5 years, 5 to 17 years, and 18 to 24 years) decreased since 2010, while there was an increase in the older adult population. The proportion of seniors (ages 65 and older) increased from 80 percent to 83 percent. However, Laguna Woods’ median age decreased from 78 in 2010 to 75 in 2018.

**Table B: Age Distribution**

Age Group	2010		2018		
	Population	Percent	Population	Percent	Orange County Percent
Under 5 years	33	0.2%	0	0.0%	6.0%
5-17 years	65	0.4%	10	0.1%	17.0%
18-24 years	49	0.3%	23	0.1%	9.5%
25-44 years	179	1.1%	100	0.6%	27.4%
45-64 years	2,982	18.3%	2,666	16.5%	26.6%
65+ years	12,987	79.7%	13,429	82.8%	13.9%
<b>Total</b>	<b>16,295</b>	<b>100.0%</b>	<b>16,228</b>	<b>100.0%</b>	<b>100.0%</b>
Median Age	78		75		38

Sources: (1) 2010 ACS 5-Year Estimates (Table S0101);  
(2) 2018 ACS 5-Year Estimates (Table S0101).

Overall, the age distribution for Laguna Woods is skewed toward higher percentages of senior populations compared with Orange County as a whole. As shown in Table B, the percentage of the Laguna Woods’ population that is 65 years of age and older (83 percent) is substantially higher than that of Orange County (14 percent). Laguna Woods’ median age (75) is also substantially higher than

Orange County’s median age (38). This reflects the fact that a large percentage of Laguna Woods residents live in Laguna Woods Village, an age-restricted retirement community for residents who are 55 years of age and older that occupies a majority of Laguna Woods’ area. The proportion of children (ages 17 and under) and adults aged 18 to 64 are also notably lower in Laguna Woods compared to Orange County.

**1.1.3 Race and Ethnicity**

Historically, White residents have been the majority racial group within Laguna Woods. Table C displays the racial and ethnic composition of Laguna Woods’ population in 2010 and 2018 and compares this with the countywide distribution. While changes since 2010 have generally been slight, Laguna Woods is trending toward a more diverse population. In 2018, White residents made up 78 percent of Laguna Woods’ population, representing an 11 percent decrease since 2010. The proportion of White residents in Laguna Woods is also notably higher than that of Orange County as a whole (61 percent countywide).

**Table C: Racial and Ethnic Composition (2010 and 2018)**

Racial/Ethnic Group	2010		2018		
	Persons	Percent	Persons	Percent	Orange County Percent
White	14,499	89.0%	12,678	78.1%	61.7%
Asian/Pacific Islander	1357	8.3%	3,142	19.4%	20.4%
Black or African American	126	0.8%	73	0.4%	1.7%
American Indian	0	0.0%	8	0.0%	0.5%
Other Race	208	1.3%	172	1.1%	11.7%
Two or More Races	105	0.6%	155	1.0%	4.1%
<b>Total</b>	<b>16,295</b>		<b>16,228</b>		
Hispanic	723	4.4%	821	5.1%	34.1%
Non-Hispanic	15,572	95.6%	15,407	94.9%	65.9%
<b>Total</b>	<b>16,295</b>		<b>16,228</b>		

Sources: (1) 2010 ACS 5-year estimates (Tables C02003 and B03003);  
(2) 2018 ACS 5-year estimates (Tables C02003 and B03002).

While only representing 19 percent of the total population in 2018, the number of Asian/Pacific Islander residents has increased by 11 percent since 2010. Laguna Woods’ Asian/Pacific Islander population is now on par with Orange County (19 percent compared to 20 percent). Chinese is the predominant Asian ethnicity represented in Laguna Woods, making up approximately 9 percent of Laguna Woods’ total population. There are also large populations of Korean and Filipino residents within Laguna Woods.

The Hispanic population increased by approximately 1 percent from 2010 to 2018. The estimated proportion of Hispanic residents in 2018 was 5 percent, still markedly lower than Orange County, which has an estimated 34 percent Hispanic population.

**1.1.4 Employment**

An evaluation of the types of jobs held by community residents provides insight into potential earning power and the segment of the housing market into which they fall. Information on how a

community’s employment base is growing and changing can help identify potential housing demand changes in the future.

The State Employment Development Department estimates that 2,900 Laguna Woods residents (or approximately 18 percent of Laguna Woods’ population) were in the labor force in January 2021. This reflects the fact that Laguna Woods’ housing stock is predominantly age-restricted. Laguna Woods has seen a drastic increase in unemployment since March 2020 due to the onset of the COVID-19 pandemic. In January 2020, Laguna Woods’ unemployment rate was at 2.2 percent; however, it rose sharply in the spring and peaked at 11.6 percent in May 2020. As of January 2021, the unemployment rate within Laguna Woods was 5.6 percent. The unemployment rate of Orange County was at 2.9 percent in January 2020 and has seen a similar spike. As of January 2021, unemployment in Orange County as a whole was 7.4 percent. While the region’s economy appears to show signs of recovery, the long-term impacts of the COVID-19 pandemic on employment within Laguna Woods and Orange County remain unknown.

Table D presents the occupations of Laguna Woods residents, based on the 2014–2018 American Community Survey (ACS) estimates. The largest proportion of Laguna Woods residents are employed in educational services and health care and social assistance occupations at 22 percent, followed by finance and insurance and real estate, rental, and leasing occupations at 15.6 percent. Approximately 61 percent of employed residents in Laguna Woods commute less than 25 minutes to work, indicating that a majority of working residents hold jobs within Laguna Woods or in immediately adjacent communities.

**Table D: Occupation of Residents (2018)**

Occupation	Population	Percent
Agriculture, forestry, fishing and hunting, and mining	0	0.0%
Construction	52	1.7%
Manufacturing	285	9.2%
Wholesale trade	123	4.0%
Retail trade	347	11.2%
Transportation and warehousing, and utilities	78	2.5%
Information	42	1.4%
Finance and insurance, and real estate and rental and leasing	484	15.6%
Professional, scientific, and management, and administrative and waste management services	483	15.5%
Educational services, and health care and social assistance	695	22.4%
Arts, entertainment, and recreation, and accommodation and food services	249	8.0%
Other services, except public administration	188	6.0%
Public administration	83	2.7%
<b>Total Civilians Employed</b>	<b>3,109</b>	<b>100.00%</b>

Source: 2018 ACS 5-year estimates (Table S2405).

Laguna Woods itself has a limited employment base. As of 2019, the five largest employers in Laguna Woods were Laguna Woods Village, Professional Community Management of California, Stater Brothers, Rainbow Realty Corporation, and OCB Restaurant Company.



In 2019, the Orange County Business Council updated the results of its Workforce Housing Scorecard. This report provides a comprehensive evaluation of the current and future state of Orange County’s housing supply and demand and its impact on the business community. Based on the following criteria, the scorecard rates each jurisdiction’s record over the 2016 to 2030 time period in addressing workforce housing needs:

- Total job growth
- Housing as a percent of total Orange County housing
- Jobs-to-housing ratio
- Change in housing density

Based on the above factors, Laguna Woods ranks 33<sup>rd</sup> of the 34 cities in Orange County. Rankings are weighted toward larger cities and cities experiencing new housing development (Irvine was ranked 1<sup>st</sup>); therefore, a ranking of 33<sup>rd</sup> is expected for Laguna Woods, as it is the 31<sup>st</sup> largest city within Orange County and has not experienced any new housing growth since the development of the San Sebastian Apartments in 2008. It should be noted that Laguna Woods ranked 26<sup>th</sup> in job growth, indicating a modest need for new housing within Laguna Woods.

## 1.2 HOUSEHOLD PROFILE

Household type and size, income levels, and the presence of special-needs populations all affect the type of housing needed by residents and are important indicators of where intervention and/or housing programs may be needed. Household income levels are indicators of housing affordability, just as the ratio of owners to renters may impact the stability of the housing market. This section details the various household characteristics affecting housing needs in Laguna Woods.

### 1.2.1 Household Type

A household is defined as the total number of persons living in a housing unit, whether related or unrelated. The Census Bureau definition of a “family” is a group of two people or more (one of whom is the householder) related by birth, marriage, or adoption and residing together; all such people (including related subfamily members) are considered as members of one family. A single person living alone is also a household. “Other” households are unrelated people residing in the same dwelling unit. Group quarters, such as dormitories or convalescent homes, are not considered households.

As shown in Table E, the 2014–2018 ACS estimates there are 11,156 households in Laguna Woods, with an average household size of 1.45 persons and an average family size of 2.07 persons. While the average household size in Laguna Woods saw a 2.8 percent increase from 2010, the average family size decreased by 2.4 percent. Laguna Woods’ average household and family size is lower compared to that of Orange County as a whole (3.02 and 3.51, respectively).

**Table E: Household Characteristics (2010 and 2018)**

Household & Family Type	2010		2018		Percent Change
	Number	Percent	Number	Percent	
<b>Total Population</b>	<b>16,295</b>	100.0%	<b>16,228</b>	100.0%	-0.4%
In Group Quarters	167	1.0%	N/A	N/A	N/A
<b>Total Households</b>	<b>11,470</b>	100.0%	<b>11,156</b>	100.0%	-2.7%
Family Households	3,733	32.5%	4,107	36.8%	10.0%
Married Couple Families	3,215	28.0%	3,645	32.7%	13.4%
Single Parent Households	29	0.3%	0	0.0%	-100.0%
Non-family Households	7,737	67.5%	7,049	63.2%	-8.9%
Householder Living Alone	7,272	63.4%	6,593	59.1%	-9.3%
Householder 65+ (Alone)	6,343	55.3%	5,723	51.3%	-9.8%
Average Household Size	1.41		1.45		2.8%
Average Family Size	2.12		2.07		-2.4%

Sources: (1) 2010 and 2018 ACS 5-year estimates (Table S1101);

(2) 2010 Census (Table PCT38).

N/A = Not Applicable

Nonfamilies constitute the majority of households in Laguna Woods (63 percent). The proportion of single-parent households has also remained steady at approximately 4 percent of all households. Family households constituted about 37 percent of all households in 2018, an increase of 10 percent since 2010. Approximately 90 percent of family households are married-couple households, and this has increased since 2010. The proportion of householders living alone also decreased between 2010 and 2018.

## 1.2.2 Household Income

Household income is one of the most important factors affecting housing opportunity and determining a household’s ability to balance housing costs with other basic necessities of life while avoiding housing problems such as cost burden and overcrowding.

### 1.2.2.1 Income Definitions

The State and federal governments classify household income into several groupings based upon the relationship to the county area median income (AMI), adjusted for household size. The Housing and Community Development Department of the State of California (HCD) utilizes the income groups presented in Table F. Federal housing programs utilize slightly different income groupings and definitions, with the highest income category generally ending at >95 percent AMI. For purposes of the Housing Element, the State HCD income definitions are used throughout, with the exception of data compiled by the United States Department of Housing and Urban Development (HUD), which is specifically noted.

**Table F: HCD Income Categories**

Income Category	Percent Annual Median Income (AMI)
Extremely Low	0-30% AMI
Very Low	0-50% AMI
Low	51-80% AMI
Moderate	81-120% AMI
Above Moderate	120%+ AMI

Source: California Department of Housing and Community Development.

**1.2.2.2 Income Characteristics**

The 2014–2018 ACS estimated the median annual income of households in Laguna Woods to be \$41,928. This is an increase of approximately 13 percent from 2010, when the median annual income was \$36,818. Figure 1 illustrates the 2018 median household income for Laguna Woods and surrounding communities and compares them to the median income for Orange County. Of the jurisdictions included, Laguna Woods had a significantly lower median household income than the Orange County median of \$85,398.

**Figure 1: Median Household Income (2018)**

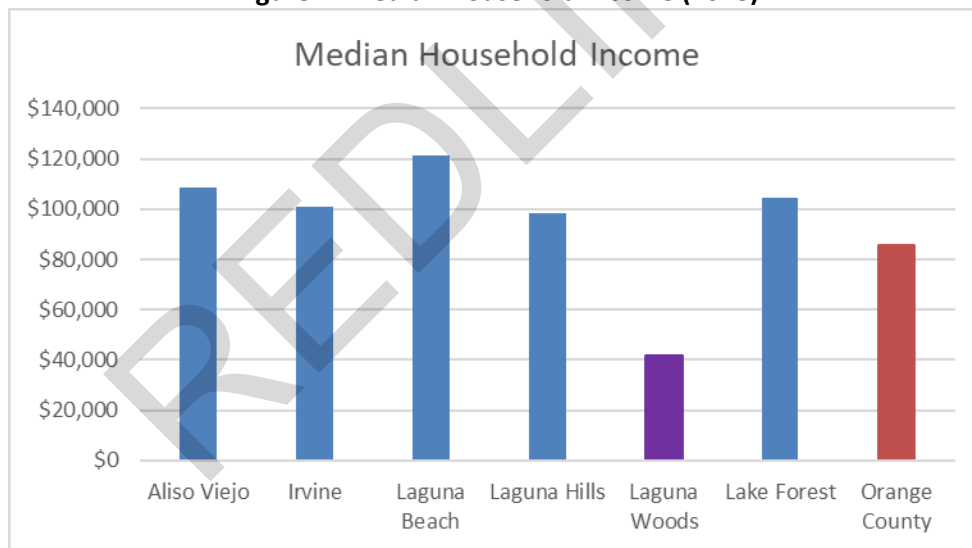


Table G shows the number of Laguna Woods households living within the HCD income categories described above for 2010 and 2017. The number of households within the very low- and low-income categories has decreased overall since 2010. As of 2017, approximately 69 percent of Laguna Woods households fell within one of the lower income categories. The proportion of households with moderate or above-moderate incomes increased from 30.1 percent in 2010 to 31.1 percent in 2017.

**Table G: Household Income Levels (2010–2018)**

Income Level	2010		2017		2010–2017 Percent Change
	Households	Percent	Households	Percent	
Extremely Low Income (<30% AMI)	2,870	25.2%	2,880	25.6%	0.3%
Very Low Income (31-50% AMI)	2,650	23.3%	2,455	21.8%	-7.4%
Low Income (51-80% AMI)	2,435	21.4%	2,415	21.5%	-0.8%
Moderate/Above Moderate Income (>80% AMI)	3,420	30.1%	3,500	31.1%	2.3%
<b>Total Households</b>	<b>11,375</b>	<b>100.0%</b>	<b>11,250</b>	<b>100.0%</b>	<b>-1.1%</b>

Source: CHAS Data, 2010 and 2017.  
AMI = Annual Median Income

Table H shows the income level of Laguna Woods households by tenure. A total of 76 percent of renter households were lower income (<80 percent AMI), compared to 67 percent of owner households. 31 percent of renter households were categorized as extremely low income (<30 percent AMI), and 26 percent were very low income households (31 to 50 percent AMI).

**Table H: Household Income Levels by Tenure (2017)**

Income Level	Renter		Owner	
	Households	Percent	Households	Percent
Extremely Low Income (<30% AMI)	840	31.2%	2,040	23.8%
Very Low Income (31-50% AMI)	685	25.5%	1,770	20.7%
Low Income (51-80% AMI)	505	18.8%	1,910	22.3%
Moderate Income & Above (> 80% AMI)	660	24.5%	2,840	33.2%
<b>Total</b>	<b>2,690</b>	<b>100.0%</b>	<b>8,560</b>	<b>100.0%</b>

Source: CHAS Data, 2017.  
AMI = Annual Median Income

### 1.2.2.3 Households in Poverty

The federal government publishes national poverty thresholds that define the minimum income level necessary to obtain the necessities of life. Table I shows the number of households within Laguna Woods living in poverty by household type. A total of 242 households within Laguna Woods are living below the federal poverty threshold, representing approximately 6 percent of all households. Approximately 1 percent of all households in Laguna Woods are female-headed households living below the poverty level. Of these female-headed households living below the poverty level, 9 of the households (or 0.2 percent of all households in Laguna Woods) have children under the age of 18. Another significant group living in poverty are seniors. As shown in Table I, approximately 6 percent of all households in Laguna Woods are senior-headed households living below the poverty level.

**Table I: Poverty by Household Type**

Household Type	Below Poverty Level	
	Number	Percent
Family Households	242	6.1%
Female-Headed Households	36	0.9%
With Children	9	0.2%
Senior-Headed Households (65+)	230	5.8%

Source: 2019 ACS 5-year estimates.

### 1.2.3 Special-Needs Populations

State law recognizes that certain households have more difficulty in finding adequate and affordable housing due to special circumstances and may also have lower incomes as a result of these circumstances. Special-needs populations include seniors, persons with disabilities, female-headed households, large households, farmworkers, and the homeless. Table J summarizes the special-needs populations in Laguna Woods. Each of these population groups, as well as their housing needs, is described below.

**Table J: Special Needs Groups**

Special Needs Group	Persons or Households	Renter	Owner	Percent of Total
Households with a Senior Member	9,701	--	--	88.2%
Senior-headed Households	3,495	--	--	26.3%
Seniors Living Alone	5,622	--	--	42.3%
Single-Parent Households	0	--	--	0.0%
Female Single-Parent Households	0	--	--	0.0%
Large Households (5+ members)	13	0	13	0.3%
Agricultural Workers	0	--	--	0.0%
Persons with Disabilities	4,364	--	--	27.3%
Homeless	5	--	--	0.04%

Sources: (1) 2019 ACS 5-year estimates;  
(2) 2019 homelessness point-in-time counts processed by SCAG.  
-- = Data not available.

#### 1.2.3.1 Large Households

Large households consist of five or more persons and are considered a special-needs group due to the limited availability of affordable and adequately sized housing. Large households often live in overcrowded conditions due to both the lack of large-enough units and insufficient income to afford available units of adequate size. In 2018, Laguna Woods had a total of 13 large households, representing 0.3 percent of total households in Laguna Woods. These large households consisted entirely of owner households (Table J). Laguna Woods has a small number of larger homes compared to many communities in the region, with only 100 housing units (0.9 percent of all occupied housing units) containing four or more bedrooms, according to the 2014–2018 ACS. This suggests that Laguna Woods does not have any unmet housing need for large households.

#### 1.2.3.2 Senior Households

Approximately 83 percent of Laguna Woods residents are age 65 or older. This is an increase from 2010, when 80 percent of the population were seniors. Senior-headed households make up a significant proportion (26 percent) of all households in Laguna Woods. Additionally, 42 percent of all households in Laguna Woods are seniors living alone.

Seniors may have a number of special needs including, housing, transportation, health care, and other services. Approximately 30 percent of Laguna Woods’ senior population has one or more disability that may need to be taken into consideration when finding appropriate housing. Rising rents are a particular concern due to the fact that most seniors are on fixed incomes.

Laguna Woods is unique in that it predominantly comprises private communities that are age-restricted for adults 55 years and older. Of the housing units in Laguna Woods, the majority are located in the private gated community of Laguna Woods Village, with the remaining units in four separate communities. The various housing options, levels of amenities, and services provided at each of these communities are described below. There is a discrepancy of the total number of housing units located in Laguna Woods between City of Laguna Woods (City) records and the United States Census. It should be noted that the City's records, which reflect the numbers identified below, total 13,386, which is 988 more than what is identified by the United States Census (12,398 housing units).

- **Laguna Woods Village:** Laguna Woods Village contains 12,736 owned condominium and cooperative units. Owners within Laguna Woods Village pay a homeowners' association fee that is used to provide residents with public transportation, patrolled private security, clubhouses with special programs, and recreational activities. Also included within the Laguna Woods Village community are two golf courses for the private use of Laguna Woods Village residents.
- **Las Palmas:** Las Palmas is a licensed residential care community with 184 rental units. Services include the dispensing of medication and assistance with bathing, dressing, and other activities of daily living determined by a care plan tailored to specifically meet the individual needs of the residents. Amenities include meal service, transportation, housekeeping, laundry services, and access to recreational facilities, including a putting green, shuffleboard court, pool, and spa. Activity programs include regular trips to shopping centers and other destinations.
- **The Regency:** The Regency is a licensed residential care community that consists of 192 rental units for seniors and offers both independent and assisted living on a month-to-month basis. Services and amenities include daily meals, housekeeping, laundry services for bed and bath linens, scheduled transportation, group excursions, and social events. The Regency is the only residential community that, under unique circumstances, will accommodate individuals younger than 55 within its assisted living facility.
- **San Sebastian:** San Sebastian contains 134 rental units, including 17 affordable units for lower-income residents. San Sebastian is also an age-restricted independent living apartment facility; therefore, all of the affordable housing units at San Sebastian are reserved for seniors.
- **Whispering Fountains:** Whispering Fountains contains 140 rental units. Although age-restricted, the Fountains operates as an apartment community and does not provide assisted living services, special programs, or amenities.

Several resources for seniors exist in and near Laguna Woods and include the following:

- **Age Well Senior Services:** This nonprofit organization provides health and wellness programs, home delivery of meals, and nonemergency medical transit service to seniors in Laguna Woods. The organization operates the Florence Sylvester Memorial Senior Center in neighboring Laguna Hills, where it provides congregate meals, social services case management, senior activities and classes, information, and referral services.

- **Foundation of Laguna Woods Village:** This nonprofit organization partners with the Laguna Woods Village Social Services Department to provide temporary emergency financial assistance with supermarket cash cards, prescription payments, bill payments for utility services, medical and dental, caregiver and respite care services, taxi vouchers for travel to health care providers in Orange County, and gas cards to qualifying residents of Laguna Woods Village.
- **Helping Hands Senior Foundation:** This nonprofit organization provides social workers who can connect seniors with free or low-cost in-home health care, palliative care, adult day care, medical equipment, food assistance, and financial assistance resources, as well as provide support with navigating health insurance claims and payments.
- **Laguna Woods Village Social Services Department:** This private organization offers social workers who can help Laguna Woods Village residents with short-term counseling, crisis intervention, support groups, educational programs, long-term care planning, and resource referrals.
- **Orange County Housing Authority:** This government agency is responsible for administering federally funded programs that provide monthly rental assistance to qualified tenants, including low-income seniors, in privately owned rental housing in Orange County. The largest such program is referred to as the Housing Choice Voucher Program. Participants who receive a Housing Voucher can use this rental assistance in a variety of rental dwellings and locations with almost any property owner who is willing to participate in the program.

Based on the available resources in the community, there is no unmet need for senior housing.

#### 1.2.3.3 Single-Parent Households

Single-parent households typically have a special need for such services as childcare and health care, among others, and often live with only one income. According to the 2014–2018 ACS, Laguna Woods did not have any single-parent households with young children (under the age of 18) (Table J). Therefore, Laguna Woods does not have any unmet housing need for single-parent households, including female-headed households.

#### 1.2.3.4 Persons with Disabilities

Under the Americans with Disabilities Act (ADA), an individual with a disability is defined as a person who has a physical or mental impairment that substantially limits one or more major life activities, a person who has a history or record of such an impairment, or a person who is perceived by others as having such an impairment.<sup>1</sup> Major life activities include, but are not limited to, caring for oneself, performing manual tasks, seeing, hearing, eating, sleeping, walking, standing, lifting, bending,

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<sup>1</sup> United States Department of Justice. 2020. A Guide to Disability Rights Laws. February. Website: <https://www.ada.gov/cguide.htm#anchor62335> (accessed April 23, 2021).

speaking, breathing, learning, reading, concentrating, thinking, communicating, and working.<sup>2</sup> Disabled persons often have special housing needs related to limited earning capacity, a lack of accessible and affordable housing, and higher health costs associated with a disability. In recognition of the fact that disabilities can affect a range of major life activities, the ACS questionnaire gathers data about six key disability types: hearing difficulty, vision difficulty, cognitive difficulty, ambulatory difficulty, self-care disability, and independent living difficulty. Table K shows the number of Laguna Woods residents with a disability as well as the number of Laguna Woods residents 65 years of age or older that have a disability. According to the 2014–2018 ACS, an estimated 27 percent of Laguna Woods residents (4,364 persons) have one or more disabilities. Approximately 30 percent of the senior population have one or more disabilities.

**Table K: Disability Status**

Disability Type	Persons with Disability	Percent of Total	Persons with Disability, Age 65+	Percent of Total
With a hearing difficulty	1,844	11.5%	1,733	13.1%
With a vision difficulty	705	4.4%	658	5.0%
With a cognitive difficulty	1,058	6.6%	925	7.0%
With an ambulatory difficulty	2,651	16.6%	2,473	18.7%
With a self-care difficulty	1,180	7.4%	1,123	8.5%
With an independent living difficulty	1,774	11.1%	1,650	12.5%
<b>Total Persons with Disabilities</b>	<b>4,364</b>	<b>100.00%</b>	<b>3,972</b>	<b>100.00%</b>

Source: 2019 ACS 5-year estimates (Table S1810).

Disabled individuals have unique housing needs because they may be limited in mobility or in their ability to care for themselves. In addition, the earning power of disabled persons may be limited. Their housing need is also often compounded by design and location requirements, which can drive up housing costs. For example, wheelchair-bound or semi-ambulatory individuals may require ramps, holding bars, special bathroom designs, wider doorways, lower cabinets, and other interior and exterior design features. Affordable housing and housing programs that address accessibility can assist these individuals with their specific housing needs.

There are a number of housing types appropriate for people living with a disability: rent-subsidized homes, licensed and unlicensed single-family homes, inclusionary housing, Housing Choice vouchers, special programs for home purchase, HUD housing, and group homes. The design of housing accessibility modifications, the proximity to services and transit, and the availability of group living opportunities represent some of the types of considerations that are important in serving this needs group. Incorporating barrier-free design in all new multifamily housing (as required by California and federal fair housing laws) is especially important to provide the widest range of choices for disabled residents. Special consideration should also be given to the affordability of housing, as people with disabilities may be living on a fixed income.

<sup>2</sup> United States Department of Labor. 2009. ADA Amendments Act of 2008 Frequently Asked Questions. January 1. Website: <https://www.dol.gov/agencies/ofccp/faqs/americans-with-disabilities-act-amendments#:~:text=Major%20life%20activities%20include%2C%20but,thinking%2C%20communicating%2C%20and%20working> (accessed April 23, 2021).



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 (that is, modifications or exceptions) in their zoning and other land use regulations when such accommodations may be necessary to afford disabled persons an equal opportunity to use and enjoy a dwelling. For example, it may be a reasonable accommodation to allow covered ramps in the setbacks of properties that have already been developed to accommodate residents with mobility impairments.

The City does not require special building codes or onerous project review to construct, improve, or convert housing for persons with disabilities. Community care facilities with six or fewer persons are permitted by right in all residential zoning districts. Community care facilities with seven or more persons are permitted in all residential zoning districts, subject to Conditional Use Permit (CUP) approval. In addition, several housing types for persons with disabilities require a CUP that is no more stringent than those for other conditional uses:

- Congregate care facilities are permitted with an approved use permit in all residential zones and the Community Commercial (CC) zone.
- Family Day Care for 14 or fewer persons is also permitted in the Residential Multifamily (RMF) and Residential Community (RC) zones.

The City has adopted the 2019 California Building Code (CBC). Standards within the CBC include provisions to ensure accessibility for persons with disabilities. These standards are consistent with the Americans with Disabilities Act. No local amendments that would constrain accessibility or increase the cost of housing for persons with disabilities have been adopted.

As discussed previously, Laguna Woods has two residential care facilities that are licensed by the State Community Care Licensing Division of the California Department of Social Services: Las Palmas and the Regency.

#### 1.2.3.5 Developmentally Disabled

According to California Welfare and Institutions Code Section 4512, a developmental disability means “a disability that originates before an individual attains age 18 years, continues, or can be expected to continue, indefinitely, and constitutes a substantial disability for that individual. As defined by the Director of Developmental Services, in consultation with the Superintendent of Public Instruction, this term shall include intellectual disability, cerebral palsy, epilepsy, and autism. This term shall also include disabling conditions found to be closely related to intellectual disability or to require treatment similar to that required for individuals with an intellectual disability, but shall not include other handicapping conditions that are solely physical in nature.”

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 California Department of Developmental Services (DDS) estimates that 30 persons with developmental disabilities were residing in Laguna Woods as of December 2020. All of the individuals with developmental disabilities residing in Laguna Woods were over the age of 18, and the majority of the developmentally disabled individuals in Laguna Woods live in the home of their parent, family, or guardian.

The Regional Center of Orange County is one of 21 regional centers in the State that provides point of entry to services for people with developmental disabilities. The center is a private, nonprofit community agency that contracts with local businesses to offer a wide range of services to individuals with developmental disabilities and their families.

The most obvious housing need for persons with disabilities is housing that is adapted to their needs. Most single-family homes are inaccessible to people with mobility and sensory limitations. Housing may not be adaptable to widened doorways and hallways, access ramps, larger bathrooms, lowered countertops, and other features necessary for accessibility. Location of housing is also an important factor for many persons with disabilities, as they often rely upon public transportation to travel to necessary services and shops. "Barrier free design" housing, accessibility modifications, proximity to services and transit, and group living opportunities are important in serving this group.

Within Laguna Woods, there are services currently in place tailored to mobility-impaired individuals including private bus services and subsidized taxi service that supplement public transportation options. The City has also adopted a reasonable-accommodations ordinance designed to reduce barriers for special-needs populations.

#### 1.2.3.6 Homelessness

In collaboration with other nonprofit organizations, the Orange County Department of Community Resources is responsible for the countywide biennial point-in-time homeless count. For the purpose of the point-in-time count, the definition of homelessness includes unsheltered individuals and families "with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground." The count of sheltered homeless individuals and families includes those "living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, State, or local government programs for low-income individuals)" on the night designated for the count.

Based upon the 2019 point-in-time count, there were a total of 6,860 homeless individuals residing within Orange County, with 5 individuals counted in Laguna Woods. All of the homeless individuals within Laguna Woods were unsheltered, as there are no homeless shelters located within Laguna Woods. Since 2013, the homeless population in Orange County has steadily increased, with the largest increase occurring between 2017 and 2019 (43 percent increase). The 2019 Count indicated

that all five of those counted within Laguna Woods were individuals and not part of a family unit experiencing homelessness.

People experiencing homelessness include families and individuals representing every race, age group, and community in Orange County. As the cost of living in Orange County and in all of Southern California continues to rise, and as unemployment remains high, homelessness has become more prevalent.

In the past, several factors have contributed to homelessness, including difficulty in obtaining employment, lack of ongoing care for the mentally ill, substance abuse, and inadequate education. In recent years, however, a shortage of affordable housing opportunities coincident with a growing population of low-income renters has added to the problem.

Residential care facilities, which are facilities for individuals who require 24-hour supervision but who do not generally need medical care beyond routine health checks and medication monitoring, are permitted in Laguna Woods in any district, planned community, or specific plan area zoned for residential uses. The State of California is the authority for licensing, inspection, and enforcement for community care facilities throughout California. The State has preempted local controls over certain types of residential care facilities.

The County of Orange coordinates a comprehensive regional Continuum of Care (CoC) system to address homelessness in Orange County. The CoC is a housing and service delivery system for the homeless and is designed to do the following:

- Promote communitywide commitment to the goal of ending homelessness through regional coordination and collaboration.
- Advocate for funding and resources to end homelessness and provide funding for proven efforts by nonprofit providers, states, and local governments to quickly rehouse people experiencing homelessness, while minimizing the trauma and dislocation caused to homeless individuals, families, and communities by homelessness.
- Promote access to and effective utilization of mainstream programs by homeless individuals and families.
- Promote implementation of best practices and evidence-based approaches to homeless programming and services.

Other organizations and facilities in nearby or surrounding communities that may provide shelter and services to people experiencing homelessness in Laguna Woods are listed in Table L. It should be noted that some of these facilities prioritize their services to people experiencing homelessness who have a relationship to the cities in which they are located.

**Table L: Local Facilities for Persons Experiencing Homelessness**

Organization/Facility	Beds and/or Services Provided
Alternative Sleeping Location Emergency Shelter (operated by Friendship Shelter) 20652 Laguna Canyon Rd Laguna Beach, CA 92651 (949) 494-6928	Provides emergency night shelter for up to 45 people, a 30-day rapid housing program, as well as a drop-in day program between the hours of 10:00 a.m. and 1:00 p.m. This organization prioritizes services to those people experiencing homelessness who have a relationship to Laguna Beach.
Bridge Housing Program (operated by Friendship Shelter) PO Box 4252 Laguna Beach, CA 92652 (949) 494-6928	Provides dormitory-style housing for up to 32 people at a time, with all meals, case management, and an array of support services provided. Serves 120-140 individuals annually.  This organization also provides a permanent supportive housing program intended for clients who are chronically homeless and are unable to work due to a disability, including physical or mental health conditions. Clients are housed in scattered-site apartments and receive ongoing supportive services from Friendship Shelter staff. This organization prioritizes services to those people experiencing homelessness who have a relationship to Laguna Beach.
Human Options 5540 Trabuco Road Irvine, CA 92620 (949) 737-5242	Provides emergency shelter for individuals or families in domestic violence situations seeking shelter. Serves approximately 350 adults and children annually. Services include individual and group counseling, case management, legal advocacy, and children’s programs. Also provides a transitional housing program.
Laura’s House 999 Corporate Drive, Suite 225 Ladera Ranch, CA 92694 (949) 361-3775	Provides emergency shelter (52 beds) for up to 45 days for individuals or families in domestic violence situations seeking shelter. Services include individual and group counseling, life skills classes, case management, legal advocacy, and children’s programs. Also provides transitional housing for 5–7 families at a time for 3–6 months.
Orange County Rescue Mission One Hope Drive Tustin, CA 92782 (714) 247-4379	Provides transitional, recuperative, and emergency housing for up to 262 homeless men, women, and children. Services include medical and dental care, meals, job training, case management, substance abuse treatment, parent training, anger management training, mental health care assessment and treatment, housing assistance and placement, and life skills training.

Note: Compiled by LSA, 2021. B based on information from <https://www.homelessshelterdirectory.org/> and the individual websites for each service provider.

**1.2.3.7 Farmworkers**

Farmworkers are traditionally defined as persons whose primary incomes are earned through seasonal agricultural work. Farmworkers have special housing needs because they earn lower incomes than many other workers and move throughout the season from one harvest to the next. The 2015–2019 ACS estimates that there are no Laguna Woods residents who hold farming, fishing, or forestry occupations. There is no agriculturally designated land within Laguna Woods.

The United States Department of Agriculture National Agriculture Statistics provide state- and county-level data on hired farm labor across the United States. Within Orange County, a total of 99 farms reportedly hired 1,772 workers in 2017. Permanent workers, those who work 150 days or more, represent the largest category of workers with 1,106 workers (62 percent). A total of 666 workers (38 percent) are considered seasonal and work less than 150 days. Orange County

reported 340 migrant workers (19 percent) with full-time hired labor and 176 unpaid workers in 2017.

Although there are no farmworkers identified within Laguna Woods, the median annual salary for the agriculture, forestry, fishing, hunting, and mining industry in Orange County in 2019 was \$24,592, which is 29 percent of the Orange County median income (\$85,398) and is considered a very low income (2019). Because farmworkers make up no percentage of Laguna Woods’ total population, no specific programs for this special-needs group are necessary. Given the limited need to provide for farmworker housing in Orange County, the City’s efforts to provide housing at affordable prices to very-low income households should address the needs of permanent and seasonal farmworker populations.

### 1.3 HOUSING STOCK CHARACTERISTICS

This section identifies the characteristics of Laguna Woods’ physical housing stock. This includes an analysis of housing growth trends, housing conditions, housing prices and rents, and housing affordability.

#### 1.3.1 Housing Growth

Table M shows housing production in Laguna Woods, compared to neighboring cities and Orange County as a whole. According to the California Department of Finance, Laguna Woods experienced a slight reduction in housing units between 2000 and 2010. This is in contrast to Orange County, which saw an almost 8 percent increase in housing stock over the same decade. The surrounding communities of Irvine and Lake Forest saw large amounts of new housing construction in the early 2000s.

**Table M: Regional Housing Growth Trends**

Jurisdiction	Total Housing Units			Percent Change	
	2000	2010	2020	2000–2010	2010–2020
Laguna Woods	13,629	13,079	13,079	-4.0%	0.0%
Aliso Viejo	N/A	18,861	20,192	N/A	7.1%
Irvine	53,711	81,110	108,822	51.0%	34.2%
Laguna Beach	12,965	12,923	13,027	-0.3%	0.8%
Laguna Hills	10,324	10,989	11,298	6.4%	2.8%
Lake Forest	20,486	27,161	30,244	32.6%	11.4%
Orange County	969,484	1,046,118	1,111,421	7.9%	6.2%

Sources: (1) CA Dept. of Finance E-8 Historical Population and Housing Estimates, 2010.

(2) CA Dept. of Finance E-5 Population and Housing Unit Estimates, 2020.

N/A = Not Applicable

The California Department of Finance estimates that in 2020 there were 13,079 housing units within Laguna Woods. This has remained consistent since 2010. The increase in housing stock in Orange County was notably higher at 6 percent. As Laguna Woods is a maturing suburban community with primarily small site and infill development, it is expected that the increase in the housing stock in Laguna Woods would be modest and lower than the countywide rate.

### 1.3.2 Housing Type and Tenure

Table N presents the mix of housing types in Laguna Woods. The California Department of Finance estimates that of the 13,079 units in Laguna Woods, 4,639 are single-family units (36 percent). Approximately 65 percent of Laguna Woods’ housing stock is multifamily units. Laguna Woods also has no mobile home parks within its local housing stock. The composition of Laguna Woods’ housing stock has remained relatively unchanged over the last two decades.

**Table N: Housing Units by Type (2000–2020)**

Unit Type	2000		2010		2020	
	Units	Percent	Units	Percent	Units	Percent
Single-Family (SF) Detached	675	5.3%	918	7.0%	918	7.0%
SF Attached	3,726	29.4%	3,721	28.5%	3,721	28.5%
<b>Total SF</b>	<b>4,401</b>	<b>34.8%</b>	<b>4,639</b>	<b>35.5%</b>	<b>4,639</b>	<b>35.5%</b>
2 to 4 Units	2,298	18.2%	2,237	17.1%	2,237	17.1%
5 or more units	5,934	46.9%	6,203	47.4%	6,203	47.4%
<b>Total Multi-Family</b>	<b>8,232</b>	<b>65.0%</b>	<b>8,440</b>	<b>64.5%</b>	<b>8,440</b>	<b>64.5%</b>
Mobile Homes & Other	15	0.1%	0	0.0%	0	0.0%
<b>Total Housing Units</b>	<b>12,657</b>	<b>100.0%</b>	<b>13,079</b>	<b>100.0%</b>	<b>13,079</b>	<b>100.0%</b>
Vacancy Rate	7.52%	--	11.7%	--	10.8%	--

Sources: (1) U.S. Census Bureau, 2000 and 2010 Census.  
(2) CA Dept. of Finance E-5 Population and Housing Unit Estimates, 2020.

Housing tenure refers to whether a housing unit is owned, is rented, or is vacant. Tenure is an important indicator of the housing climate of a community, reflecting the relative cost of housing opportunities and the ability of residents to afford housing. Tenure also influences residential mobility, with owner units generally evidencing lower turnover rates than rental housing. Table O indicates the total number of renter-occupied and owner-occupied housing units in Laguna Woods in 2010 and 2018. The ownership rate within Laguna Woods has declined slightly from 78 percent in 2010 to 74 percent in 2018. However, the homeownership rate continues to be higher than the countywide homeownership rate of 57 percent.

**Table O: Housing Tenure (2010 and 2018)**

Occupied Housing Units	2010		2018	
	Households	Percent	Households	Percent
Renter	2,523	22.0%	2,851	25.6%
Owner	8,947	78.0%	8,305	74.4%
<b>TOTAL</b>	<b>11,470</b>	<b>100%</b>	<b>11,156</b>	<b>100%</b>

Source: 2010 and 2018 ACS 5-year estimates.

### 1.3.3 Vacancy Rate

A vacancy rate measures the overall housing availability in a community and is often a good indicator of how efficiently for-sale and rental housing units are meeting the current demand for housing. A vacancy rate of 5 percent for rental housing and 2 percent for ownership housing is generally considered healthy and suggests that there is a balance between the demand and supply of housing. A lower vacancy rate may indicate that households are having difficulty in finding

housing that is affordable, leading to overcrowding or households having to pay more than they can afford. A low vacancy rate or a particularly tight housing market may also lead to high competition for units, raising rental and housing prices substantially.

The 2014–2018 ACS estimated that the vacancy rate for owner-occupied units was 2.3 percent, and the rental vacancy rate was 5.9 percent. These vacancy rates suggest a relatively healthy housing market for both residents looking to purchase a home and renters.

### 1.3.4 Housing Age and Condition

The age of a community’s housing stock can provide an indicator of overall housing conditions. Typically, housing over 30 years in age is likely to have rehabilitation needs that may include new plumbing, roof repairs, foundation work, and other repairs. Table P displays the age of occupied housing stock by tenure as of 2018. Over two-thirds of Laguna Woods’ housing stock was built between 1960 and 1979. Of Laguna Woods’ current housing stock, approximately 98 percent will be over 30 years old by the end of the 2021 to 2029 planning cycle. As a built-out community, Laguna Woods has a low proportion of newer units, with less than 0.8 percent built since 2000.

**Table P: Age of Housing Stock (2019)**

Year Structure Built	Renter-Occupied Units		Owner-Occupied Units		Total Occupied Units	
	Number	Percent	Number	Percent	Number	Percent
2010 or later	12	0.4%	0	0.0%	12	0.1%
2000-2009	58	2.0%	14	0.2%	72	0.7%
1980-1999	377	12.9%	391	4.8%	768	7.0%
1960-1979	2,229	76.1%	6,874	85.1%	9,103	82.7%
1940-1959	254	8.7%	718	8.9%	972	8.8%
1939 or earlier	0	0.0%	76	0.9%	76	0.7%
<b>Total</b>	<b>2,930</b>	<b>100.0%</b>	<b>8,073</b>	<b>100.0%</b>	<b>11,003</b>	<b>100.0%</b>

Source: 2019 ACS 5-year estimates.

A greater proportion of rental housing (12.9 percent) was constructed between 1980 and 1999, when compared to owner-occupied housing (4.8 percent). Conversely, a greater proportion of owner-occupied housing was constructed between 1960 and 1979 (85 percent), compared to renter-occupied housing (82 percent).

The City’s code enforcement services provider indicated that the City opened 88 cases in 2019 and 123 cases in 2020, the majority of which related to commercial properties (87.5 percent in 2019 and 86.9 percent in 2020). The City’s code enforcement services provider conducted a windshield survey in early October 2021 of all residential units within Laguna Woods to identify housing units with visible signs of damage or disrepair (e.g., deteriorated roofs, stucco damage, and broken or deteriorated windows) in an effort to estimate the number of housing units that are in need of rehabilitation and replacement. The windshield survey identified only five locations with minor maintenance issues, including minor wood rot, minor water damage on an exterior wall, and a crack at the top of a window. Given the small number of code enforcement cases and limited extent of the issues identified in the windshield survey, it is reasonable to conclude that Laguna Woods is a generally well-maintained community. Most of the City’s housing stock is located within actively

managed communities with boards or associations and on-site property management that ensure adequate maintenance. Consequently, there are few violations or complaints related to residential properties that require City intervention.

Due to Laguna Woods’ relative lack of substandard housing and health and safety code violations, the City does not require any specialized code enforcement programs (e.g., occupancy inspection, rental inspection, or neighborhood enhancement). Nevertheless, the Housing Element includes a program for the City to formalize a proactive code enforcement program that focuses on housing-related rehabilitation needs, results in repairs, and seeks to mitigate potential cost, displacement, and relocation impacts on residents. As the name suggests, this effort is meant to be proactive to help promote the good condition and upkeep of Laguna Woods’ housing stock.

### 1.3.5 Housing Costs and Affordability

The cost of housing is directly related to the extent of housing problems in a community. If housing costs are relatively high in comparison to household income, there will be a higher prevalence of overpayment and overcrowding. This section summarizes the cost and affordability of the housing stock to Laguna Woods residents.

#### 1.3.5.1 Rental Housing Market

According to the 2014–2018 ACS, the rental vacancy rate in Laguna Woods was 5.9 percent, indicating a tight rental market in Laguna Woods. A point-in-time survey of available rental units within Laguna Woods listed on Zillow and Apartments.com was conducted in early April 2021. While not comprehensive, it provides a snapshot of the types of units available, as well as typical market rents. Table Q includes the results of the survey by number of bedrooms.

**Table Q: Median and Average Market Rents by Number of Bedrooms (April 2021)**

Number of Bedrooms	Units Advertised	Rent Range	Average Rent	Median Rent
0	2	\$2,320-\$2,520	\$2,420	\$2,420
1	16	\$1,550-\$2,700	\$2,039	\$1,825
2	58	\$2,150-\$3,950	\$2,378	\$2,200
3	5	\$2,400-\$3,950	\$2,964	\$2,895
<b>All Units</b>	<b>81</b>	<b>\$1,550-\$3,950</b>	<b>\$2,349</b>	<b>\$2,200</b>

Source: Zillow.com and Apartments.com, accessed April 9, 2021.

A total of 81 units were listed for rent, with a median rent of \$2,200. Two-bedroom units were the most prevalently available in Laguna Woods, with rents ranging from \$2,150 to \$3,950 and a median rent of \$2,200.

#### 1.3.5.2 Homeownership Market

Table R shows median home sale prices over 2 years for Laguna Woods and nearby communities. The February 2021 median home sales price in Laguna Woods represented a 14.5 percent decrease from February 2020. In contrast, Orange County as a whole experienced an increase in median sales prices during that time period, and many neighboring jurisdictions also saw only slight to moderate



**Table R: Annual Median Home Prices (2020–2021)**

Jurisdiction	February 2020 Median Sales Price	February 2021 Median Sales Price	Percent Change 2020-2021
Laguna Woods	\$380,000	\$325,000	-14.5%
Aliso Viejo	\$545,000	\$675,000	23.9%
Irvine	\$871,500	\$900,000	3.3%
Laguna Beach	\$1,972,500	\$2,230,000	13.1%
Laguna Hills	\$785,000	\$813,000	3.6%
Lake Forest	\$742,000	\$789,000	6.3%
Orange County	\$748,500	\$820,000	9.6%

Source: Corelogic.com, California Home Sale Activity by City, February 2021.

increases. With the exception of Laguna Woods, all of the communities listed experienced an increase in home sale prices between February 2020 and February 2021, with Aliso Viejo and Laguna Beach seeing double-digit increases. In February 2021, the median home sales price for Laguna Woods was \$325,000, representing a decrease of over 14 percent from February 2020. Given that this price decline is somewhat anomalous in comparison to other nearby cities, it may be tied to the severe impacts that the COVID-19 pandemic has had on the senior population.

### 1.3.5.3 Housing Affordability

The affordability of housing in Laguna Woods can be assessed by comparing market rents and sales prices with the amount that households of different income levels can afford to pay for housing. Compared together, this information can reveal who can afford what size and type of housing as well as indicate the types of households that would most likely experience overcrowding or overpayment.

Table S provides estimates of affordable rents and home prices based on HCD’s 2021 income limits for Orange County; current mortgage rates (i.e., 3.0 percent for a 30-year fixed-rate mortgage); and cost assumptions for utilities, taxes, and insurance.

Based on the housing costs presented earlier in Table R, Laguna Woods residents with lower incomes are unable to afford purchasing a home in Laguna Woods. Additionally, based on the overall median rent presented in Table Q, affordable rentals for lower-income households are difficult to find in Laguna Woods.

**Extremely Low-Income Households.** Extremely low-income households earn 30 percent or less of the AMI. Based on the assumptions utilized for Table S, the affordable home price for an extremely low-income household ranges from \$66,158 for a five-person household to \$79,721 for a two-person household; therefore, homeownership is out of reach for Laguna Woods residents within this income category. Affordable rents for extremely low-income households range from \$507 to \$637 per month. Based on the median rents presented in Table Q, even one-bedroom units are unaffordable for all extremely low-income households. Severe overpayment or overcrowding may occur as a result of the gap between market costs and affordability.

**Table S: Estimated Affordable Housing Price by Income and Household Size (2021)**

	Annual Income Limits	Affordable Monthly Housing Cost	Utility Allowance (2020)	Taxes, Insurance and HOA	Affordable Home Price	Affordable Rent
<b>Extremely Low Income (0–30% AMI)</b>						
1-Person (studio)	\$28,250	\$706	\$199	\$247	\$68,591	\$507
2-Person (1 bedroom)	\$32,300	\$808	\$222	\$283	\$79,721	\$586
3-Person (2 bedroom)	\$36,350	\$909	\$293	\$318	\$78,471	\$616
4 Person (3 bedroom)	\$40,350	\$1,009	\$372	\$353	\$74,783	\$637
5 Person (4 bedroom)	\$43,600	\$1,090	\$457	\$382	\$66,158	\$633
<b>Very Low Income (30–50% AMI)</b>						
1-Person	\$47,100	\$1,178	\$199	\$412	\$149,297	\$979
2-Person	\$53,800	\$1,345	\$222	\$471	\$171,829	\$1,123
3-Person	\$60,550	\$1,514	\$293	\$530	\$182,043	\$1,221
4 Person	\$67,250	\$1,681	\$372	\$588	\$190,080	\$1,309
5 Person	\$72,650	\$1,816	\$457	\$636	\$190,607	\$1,359
<b>Low Income (50–80% AMI)</b>						
1-Person	\$75,300	\$1,883	\$199	\$659	\$270,000	\$1,684
2-Person	\$86,050	\$2,151	\$222	\$753	\$309,992	\$1,929
3-Person	\$96,800	\$2,420	\$293	\$847	\$337,335	\$2,127
4 Person	\$107,550	\$2,689	\$372	\$941	\$362,569	\$2,317
5 Person	\$116,200	\$2,905	\$457	\$1,017	\$377,130	\$2,448
<b>Median Income (80–100% AMI)</b>						
1-Person	\$74,700	\$1,868	\$199	\$654	\$267,365	\$1,669
2-Person	\$85,350	\$2,134	\$222	\$747	\$306,962	\$1,912
3-Person	\$96,050	\$2,401	\$293	\$840	\$334,238	\$2,108
4 Person	\$106,700	\$2,668	\$372	\$934	\$358,814	\$2,296
5 Person	\$115,250	\$2,881	\$457	\$1,008	\$373,243	\$2,424
<b>Moderate Income (100–120% AMI)</b>						
1-Person	\$89,650	\$2,241	\$199	\$784	\$331,604	\$2,042
2-Person	\$102,450	\$2,561	\$222	\$896	\$380,359	\$2,339
3-Person	\$115,250	\$2,881	\$293	\$1,008	\$416,465	\$2,588
4 Person	\$128,050	\$3,201	\$372	\$1,120	\$450,462	\$2,829
5 Person	\$138,300	\$3,458	\$457	\$1,210	\$471,875	\$3,001

Sources: (1) HCD, 2021;  
(2) Orange County Housing Authority Utility Allowance Schedule, December 2020;  
(3) LSA Associates, Inc., 2021.

Assumptions: 2021 HCD income limits; 30.0% gross household income as affordable housing cost; 35.0% of monthly affordable cost for taxes and insurance, 10% down payment; and 3.0% interest rate for a 30-year fixed-rate mortgage loan. Utilities based on Orange County Housing and Community Development Utility Allowance Schedule.

AMI = Annual Median Income  
HOA = Homeowners Association

**Very Low-Income Households.** Very low-income households earn between 30 percent and 50 percent of the AMI. Very low-income households can afford between \$979 and \$1,359 on monthly rent, depending on household size. However, based on the market rents presented in Table Q, rental units of any size in Laguna Woods would require a very low-income household to pay over the affordability threshold of 30 percent. Home ownership is also unaffordable for very low-income households in Laguna Woods, with affordable home prices for this income category ranging from \$149,297 to \$190,607, well below Laguna Woods’ median home sales price of \$325,000 in February 2021.

**Low-Income Households.** Low-income households earn between 50 and 80 percent of the AMI. Depending on household size, a low-income household can afford monthly rent between \$1,684 and \$2,448. Based on the market rents in listed Table Q, low-income households would generally be able to afford some one-bedroom units in Laguna Woods. However, larger rental units are still unaffordable for this income category, which may result in overpayment or overcrowding due to larger families renting smaller units. Based on Table S, low-income households can afford home sale prices between \$270,000 and \$377,130. Therefore, homeownership remains largely out of reach for this income group when compared with Laguna Woods' median home sales price as low-income households may only be able to afford the purchase of a small home.

**Median-Income Households.** Median-income households earn between 80 and 100 percent of the AMI. Median-income households can afford to purchase a home with a purchase price ranging from \$267,365 to \$373,243. With Laguna Woods' median home sales price at \$325,000 in February 2021, homeownership is affordable for median-income households seeking a smaller home. Median-income households can afford a monthly rent payment ranging from \$1,669 for a one-person household to \$2,424 for a five-person household. Based on median market rents within Laguna Woods, median-income households can generally afford one- and two-bedroom rental units, and larger households may be able to afford some lower-priced three-bedroom units. However, four- and five-person households may be overcrowded into smaller units or overpay to afford an appropriately sized unit.

**Moderate-Income Households.** Moderate-income households earn 100 to 120 percent of the AMI. Moderate-income households can afford a home sales price ranging from \$331,604 to \$471,875. Therefore, with the median home sales price in Laguna Woods at \$325,000 in February 2021, homeownership is affordable to households with moderate incomes. Moderate-income households can afford monthly rent from \$2,042 for a one-person household to \$3,001 for a five-person household. Based on the market rents presented in Table Q, moderate-income households can generally afford one-, two-, and three-bedroom units within Laguna Woods.

### 1.3.6 Assisted Housing at Risk of Conversion

State Housing Element law requires an analysis of the potential for currently rent-restricted low-income housing units to convert to market rate housing and to propose programs to preserve or replace any units "at risk" of conversion. This section presents an inventory of all assisted rental housing in Laguna Woods and evaluates those units at risk of conversion during the 8-year 2021 to 2029 planning period.

#### 1.3.6.1 Assisted Housing Inventory

Laguna Woods contains one development of assisted multifamily rental housing with 17 affordable units, as presented in Table T. This inventory includes all multifamily rental units assisted under federal, State, and local programs, including HUD, State/local bond programs, density bonus, inclusionary, and local direct assistance programs. As no units within Laguna Woods are at risk of conversion to market rate units in 10 years or less, an analysis has not been conducted to evaluate the replacement value, qualified entities to manage such a project, or potential funding sources for at-risk units.

**Table T: Inventory of Subsidized Rental Housing for Lower Income Households**

Project Name	Tenant Type	Total Units	Affordable Units	Applicable Programs	Potential Conversion Date
<b>Not At-Risk</b>					
San Sebastian	Senior	134	17	Density Bonus	October 16, 2054
<b>Total</b>		<b>134</b>	<b>17</b>		

### 1.3.7 Existing Housing Needs

#### 1.3.7.1 Overpayment

Overpayment remains a critical issue for many Laguna Woods residents, particularly renters and lower-income households. Affordability problems occur when housing costs become so high in relation to income that households have to pay an excessive proportion of their income for housing. According to the metric utilized by HUD, a household is cost burdened if housing costs (including utilities) exceed 30 percent of gross household income. Severe cost burden occurs when housing costs exceed 50 percent of gross income.

Table U indicates the number of cost-burdened households within Laguna Woods and Orange County by tenure. As shown in Table U, overpayment impacts 70 percent and 53 percent of renter households in Laguna Woods and Orange County, respectively. Overpayment impacts nearly 41 percent and 31 percent of owner households in Laguna Woods and Orange County, respectively. More renter households are also impacted by severe cost burden, compared to owner households in both the City and the County. Laguna Woods has a higher percentage of cost burdened and severely cost burdened households among both renter and owner households.

**Table U: Cost Burden by Tenure**

	Renter Households		Owner Households		Total Households	
	Number	Percent of Total	Number	Percent of Total	Number	Percent of Total
<b>Laguna Woods</b>						
With Cost Burden >30%	1,885	70.1%	3,475	40.6%	5,360	47.6%
With Cost Burden >50%	1,210	45.0%	1,875	21.9%	3,085	27.4%
<b>Total</b>	<b>2,690</b>	<b>100.0%</b>	<b>8,560</b>	<b>100.0%</b>	<b>11,250</b>	<b>100.0%</b>
<b>Orange County</b>						
With Cost Burden >30%	230,720	52.9%	184,825	31.4%	415,545	40.5%
With Cost Burden >50%	118,650	27.2%	79,255	13.5%	197,905	19.3%
<b>Total</b>	<b>436,425</b>	<b>100.0%</b>	<b>588,550</b>	<b>100.0%</b>	<b>1,024,975</b>	<b>100.0%</b>

Source: HUD Comprehensive Housing Affordability Strategy (CHAS), 2017 ACS 5-year estimates.

ACS = American Community Survey

HUD = United States Department of Housing and Urban Development

Table V provides more detailed information on cost burden by income group, tenure, and household type. Overall, cost burden tends to impact proportionately more senior renters than senior homeowners, with the exception of low-income senior renters. Rates of overpayment for small families who rent were 100 percent in the very low and low-income categories. Extremely low-income small-family households who own their own homes are also heavily impacted, with 97 percent experiencing a cost burden and 83 percent experiencing a severe cost burden. As described earlier, Laguna Woods has very few large-family households. Of the few large-family households in Laguna Woods, none are affected by a high cost burden.

**Table V: Cost Burden by Income Level, Tenure, and Household Type**

Income Group	Cost Burden	Seniors			Small Family			Large Family		
		>30%	>50%	Total	>30%	>50%	Total	>30%	>50%	Total
Extremely Low (<= 30% HAMFI <sup>2</sup> )	Owner	79%	69%	1865	97%	83%	30	0%	0%	0
	Renter	87%	86%	800	0%	0%	0	0%	0%	0
Very Low (31–50% HAMFI)	Owner	52%	16%	1750	0%	0%	0	0%	0%	0
	Renter	77%	57%	635	100%	100%	4	0%	0%	0
Low (51–80% HAMFI)	Owner	25%	6%	1780	0%	0%	50	0%	0%	0
	Renter	85%	19%	455	100%	0%	20	0%	0%	0
Moderate (81–100% HAMFI)	Owner	15%	3%	965	13%	0%	75	0%	0%	0
	Renter	65%	0%	200	0%	0%	15	0%	0%	0
Above Moderate (>100% HAMFI)	Owner	3%	0%	1580	0%	0%	105	0%	0%	0
	Renter	3%	0%	375	0%	0%	15	0%	0%	0

Source: HUD Comprehensive Housing Affordability Strategy (CHAS), 2017 ACS 5-year estimates.

<sup>1</sup> Data presented in this table are based on special tabulations from the ACS data. Due to the small sample size, the margins for error can be significant. Interpretations of these data should focus on the proportion of households in need of assistance rather than on precise numbers.

<sup>2</sup> HAMFI = HUD Area Median Family Income

ACS = American Community Survey

HUD = United States Department of Housing and Urban Development

### 1.3.7.2 Overcrowding

The United States Census defines overcrowding as an average of more than one person per room in a housing unit, including the living and dining room but excluding kitchens, bathrooms, and hallways. Severe overcrowding occurs when a unit is occupied by more than 1.5 persons per room. The incidence of overcrowded housing is a general measure of whether there is an available supply of adequately sized housing units. Overcrowding can also occur when housing costs are high in relation to income and families are forced to live together in order to pool income to pay the rent or mortgage. Table W shows the incidence of overcrowding in Laguna Woods by tenure, as estimated by the 2014–2018 ACS.

**Table W: Overcrowding by Tenure**

Overcrowding	Laguna Woods		Orange County	
	Number	Percent of Total	Number	Percent of Total
Owner Occupied Units	8,305	100.0%	592,269	100.0%
Not Overcrowded (1.00 or Less Occupants/Room)	8,292	99.8%	570,469	96.3%
Overcrowded				
1.01 to 1.50 Occupants/Room	0	0.0%	15,731	2.7%
1.51 or More Occupants/Room	13	0.2%	6,069	1.0%
Renter Occupied Units	2,851	100.0%	440,104	100.0%
Not Overcrowded (1.00 or Less Occupants/Room)	2,851	100.0%	370,391	84.2%
Overcrowded				
1.01 to 1.50 Occupants/Room	0	0.0%	43,900	10.0%
1.51 or More Occupants/Room	0	0.0%	25,813	5.9%
<b>Total Overcrowded</b>	<b>13</b>	<b>0.1%</b>	<b>91,513</b>	<b>8.9%</b>

Source: 2018 ACS 5-year estimates.

As shown in Table W, an estimated total of 13 households experienced overcrowding in Laguna Woods in 2018, representing just under 0.1 percent of all households in Laguna Woods. Countywide, approximately 9 percent of households experienced overcrowded conditions. All 13 of the households in Laguna Woods that experience overcrowding are in the severe overcrowding category.

### 1.3.7.3 Displacement and Disproportionate Housing Needs

Using the Urban Displacement Project’s Gentrification and Displacement maps, the westernmost areas of Laguna Woods fall into the following displacement typologies:<sup>3</sup>

- Stable/advanced exclusive (with risk factors of being susceptible to rent change);
- Stable moderate/mixed-income (with risk factors of being located in an area that is susceptible to rent change, has a rent gap, and is a hot market); and
- Low-income/susceptible to displacement (with risk factors of being mostly low income, being located in an area that is susceptible to rent change, has a rent gap, and is a hot market).

The eastern and southernmost areas fall into the following displacement typologies:

- At risk of becoming exclusive (with risk factors of being located in an area that is susceptible to rent change and that has a rent gap, and is a hot market);
- Low-income/susceptible to displacement (with risk factors of being mostly low income, being located in an area that is susceptible to rent change, has a rent gap, and is a hot market); and
- Ongoing displacement (with risk factors of being mostly low income, being located in an area that is susceptible to rent change, has a rent gap, and is a hot market).

<sup>3</sup> Los Angeles – Gentrification and Displacement. *Urban Displacement Project*. Website: <https://www.urbandisplacement.org/maps/los-angeles-gentrification-and-displacement/> (accessed October 1, 2021).

Job displacement risk varies throughout Laguna Woods, with the lowest rate being 5.2 percent in central Laguna Woods, and the highest rate being 23.8 percent in the easternmost part of Laguna Woods.

In summary, although the majority of Laguna Woods has a low risk of displacement, certain sections of Laguna Woods, particularly the eastern and southernmost areas, and specifically Census Tract 626.46, are either susceptible to displacement or experiencing ongoing displacement, as well as at risk for job displacement.

### 1.4 AFFIRMATIVELY FURTHERING FAIR HOUSING

In January 2019, Assembly Bill (AB) 686 introduced an obligation to affirmatively further fair housing (AFFH) into California State law. AB 686 defined “affirmatively further fair housing” to mean “taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity” for persons of color, persons with disabilities, and other protected classes. AB 686 added an assessment of fair housing to the Housing Element that includes the following components: a summary of fair housing issues and assessment of local fair housing enforcement and outreach capacity, an analysis of segregation patterns and disparities in access to opportunities, an assessment of contributing factors, and an identification of fair housing goals and actions.

To assist in this analysis, HCD and the California Tax Credit Allocation Committee (TCAC) convened the California Fair Housing Task Force to “provide research, evidence-based policy recommendations, and other strategic recommendations to HCD and other related State agencies/ departments to further the fair housing goals (as defined by HCD).” The California Fair Housing Task Force has created opportunity maps to identify resource levels across the State “to accompany new policies aimed at increasing access to high opportunity areas for families with children in housing financed with 9% Low Income Housing Tax Credits (LIHTCs).” These opportunity maps are made from composite scores of four different domains made up of a set of indicators. Table X shows the full list of indicators.

**Table X: Domains and Lists of Indicators for Opportunity Maps**

Domain	Indicator
Economic	<ul style="list-style-type: none"> <li>● Poverty</li> <li>● Adult education</li> <li>● Employment</li> <li>● Job proximity</li> <li>● Median home value</li> </ul>
Environmental	<ul style="list-style-type: none"> <li>● CalEnviroScreen 3.0 pollution Indicators and values</li> </ul>
Education	<ul style="list-style-type: none"> <li>● Math proficiency</li> <li>● Reading proficiency</li> <li>● High School graduation rates</li> <li>● Student poverty rates</li> </ul>
Poverty and Racial Segregation	<ul style="list-style-type: none"> <li>● Poverty: tracts with at least 30% of population under federal poverty line</li> <li>● Racial Segregation: Tracts with location quotient higher than 1.25 for Blacks, Hispanics, Asians, or all people of color in comparison to the County</li> </ul>

Source: California Fair Housing Task Force, Methodology for the 2020 TCAC/HCD Opportunity Maps, June 2020.

## 1.4.1 Fair Housing Issues

### 1.4.1.1 Discrimination, Enforcement, and Outreach

The Fair Housing Council of Orange County (FHCOC) works to ensure equal access to housing opportunities and elimination of housing discrimination by providing services throughout Orange County (including Laguna Woods) including community education, individual counseling, mediation, and low-cost advocacy. The FHCOC investigates claims of housing discrimination and assists with referrals to the California Department of Fair Employment and Housing, the State agency that investigates complaints of employment and housing discrimination. Questions received by the City regarding potential housing discrimination are referred to the FHCOC. The City does not have a record of the number of issues or complaints within Laguna Woods that the FHCOC has addressed.

The Orange County Analysis of Impediments to Fair Housing Choice (dated May 27, 2020) (Orange County AI), prepared by the Lawyers' Committee for Civil Rights Under Law, examines "structural barriers to fair housing choice and access to opportunity for members of historically marginalized groups protected from discrimination by the federal Fair Housing Act (FHA)." According to the Orange County AI, the FHCOC received 363 allegations of housing discrimination between 2015 and 2019 within the Urban County (which includes Laguna Woods). Of those allegations, 179 cases were opened within the Urban County "where the allegations seemed sufficiently meritorious to warrant further investigation and/or action" and testing included "362 systemic onsite tests, either paired or 'sandwich', 51 tests occurring in the jurisdiction and 215 other testing activities." The number of fair housing cases and tenant/landlord issues addressed by FHCOC represents approximately 0.03 percent of the population and four percent of households in the Urban County area.

According to HUD's Fair Housing Enforcement and Outreach (FHEO) Inquiries by City data (found in the Fair Housing Enforcement and Outreach Capacity data layer on HCD's AFFH Data Viewer), Laguna Woods had 0.24 inquiries per 1,000 people between 2013 and 2021. This ratio is slightly higher than the adjacent cities of Laguna Beach (0.17), and Laguna Hills (0.16), but lower than the cities of Irvine (0.28) and Aliso Viejo (0.37). Of the four complaints during this period, two were found to have no valid basis or issue and two were not resolved due to a failure to respond. None of the complaints appear to be associated with discrimination due to disability, race, familial status, national origin, religion, sex, or color.

The City complies with existing fair housing laws and regulations, including by explicitly prohibiting discrimination against persons receiving housing assistance (Section 13.25.110(h) of the City's Zoning Code). A review of the City's Zoning Code and other policies and regulations conducted as part of the preparation of this Housing Element found no instances of inconsistency with existing fair housing laws and regulations, nor any regulatory impediments to the City's ability to investigate complaints, obtain remedies, or engage in fair housing testing.

Chapter 1.06 of the City's Municipal Code, which enables the use of administrative citations and civil fines for code enforcement, defines "code" as including "the Building Code, and all Uniform Codes or other codes or regulations of the State of California or the County of Orange or otherwise applicable to the City of Laguna Woods," in addition to City-adopted ordinances. The City Manager possess broad authority pursuant to Section 1.06.020(25) of the City's Zoning Code to designate any officer, agent or employee of the City to enforce provisions of the code.



Housing-related code enforcement is currently provided under contract by two professional firms with extensive qualifications and experience – Interwest Consulting Group (focusing on building issues) and Willdan Engineering (focusing on zoning and quality of life issues, as well as providing support for building issues). Both contracts allow for an expansion of base services on an “as-needed” basis (e.g., to handle increased or unusually complex cases), as well as access to technical experts (e.g., Certified Access Specialists) when necessary. The City’s Development Programs Analyst manages both contracts and provides staff-level oversight of code enforcement services. When necessary, legal and litigation services for housing-related code enforcement is provided by Rutan & Tucker, LLP in that firm’s role as City Attorney.

After considering the AFFH analysis contained in this Housing Needs Assessment, the City has concluded that enhanced fair housing-related outreach could benefit existing and prospective residents of Laguna Woods. To that end, programs H-3.1.2, H-3.2.1, and H-3.2.2 are included and consistent with HCD’s AFFH guidance memorandum dated April 2021 in that they involve a variety of methods, proactive marketing, language access, accessibility for persons with disabilities, and consultation with relevant organizations. The alignment of those programs with HCD guidance and assessment of contributing factors is further described in Tables AB and AC.

#### 1.4.1.2 Patterns of Segregation and Minority Concentrations

Ethnic and racial composition of a region is useful in analyzing housing demand and any related fair housing concerns, as it tends to demonstrate a relationship with other characteristics such as household size, locational preferences, and mobility. According to the California Fair Housing Task Force Opportunity Maps, none of the census tracts within Laguna Woods are designated as areas with high segregation and poverty.

According to HUD, the definition of a racially/ethnically concentrated area of poverty (R/ECAP) involves a racial/ethnic concentration threshold and a poverty test. The racial/ethnic concentration threshold states that R/ECAPs must have a non-white population of 50 percent or more, and the poverty threshold states that a neighborhood can be identified as a R/ECAP if it has a poverty rate that exceeds 40 percent or is three or more times the average poverty rate for the various census tracts in the metropolitan/micropolitan area, whichever threshold is lower.

As depicted in Table N in Exhibit C, Housing Sites Inventory, Laguna Woods does not include any neighborhoods that meet the poverty test because the percentage of residents living below the federal poverty threshold is 15.7 percent or lower in each of Laguna Woods’ census tracts. Table Y provides data regarding race, ethnicity, and median household income in Orange County, Laguna Woods, the neighboring cities of Aliso Viejo, Laguna Hills, Laguna Beach, and Lake Forest, and each of the eight census tracts that are partially or entirely within Laguna Woods.

As Table Y indicates, the White population is the largest race/ethnic group in each of the census tracts in Laguna Woods as well as within Orange County and all neighboring cities of Aliso Viejo, Laguna Hills, Laguna Beach, and Lake Forest. There is also a large Asian population that is uniformly present in each of Laguna Woods’ eight census tracts, and within the cities surrounding Laguna Woods with a slightly larger percentage of Asians (33.3 percent) present in Census Tract 626.21.

**Table Y: Racial/Ethnic Concentrations and Income Levels**

Jurisdiction	White <sup>1</sup>	Black or African American <sup>1</sup>	American Indian and Alaska Native <sup>1</sup>	Asian <sup>1</sup>	Native Hawaiian and Pacific Islander <sup>1</sup>	Some other Race or Two or More Races <sup>1</sup>	Hispanic or Latino (of any race) <sup>1</sup>	Median Household Income <sup>2</sup>
Orange County	61.0%	1.8%	0.5%	20.5%	0.3%	16.0%	34.1%	\$90,234
Laguna Woods	76.3%	0.7%	0.1%	19.7%	0.0%	3.2%	5.8%	\$44,020
Aliso Viejo	80.0%	2.4%	0.5%	15.6%	0.1%	11.4%	18.1%	\$112,689
Laguna Hills	70.9%	1.5%	0.1%	14.7%	0.1%	12.9%	22.0%	\$100,985
Laguna Beach	89.5%	0.8%	0.1%	3.8%	0.0%	5.7%	8.2%	\$129,983
Lake Forest	65.9%	2.2%	1.0%	18.8%	0.1%	11.9%	21.9%	\$109,492
Census Tract 626.21	61.5%	1.6%	0.1%	9.6%	0.0%	7.2%	12.6%	\$111,425
Census Tract 626.22	78.2%	0.4%	0.0%	19.0%	0.0%	2.4%	7.9%	\$44,119
Census Tract 626.25	64.1%	0.3%	0.0%	12.9%	0.0%	22.8%	32.5%	\$45,214
Census Tract 626.41	65.4%	1.6%	0.0%	18.1%	0.0%	14.8%	22.0%	\$88,986
Census Tract 626.46	72.9%	2.9%	0.0%	19.2%	0.0%	5.0%	7.0%	\$41,875
Census Tract 626.47	67.4	3.7%	0.3%	17.3%	0.0%	11.2%	21.8%	\$54,327
Census Tract 626.48	75.6%	0.0%	0.0%	19.3%	0.0%	5.0%	4.2%	\$45,000
Census Tract 626.49	79.3%	0.0%	0.0%	17.2%	0.0%	3.4%	11.8%	\$60,254

<sup>1</sup> American Community Survey, 2019 5-Year Estimates. Table DP05.

<sup>2</sup> American Community Survey, 2019 5-Year Estimates. Table S1901.

The only census tract with a slightly outlying ethnic composition is Census Tract 626.25, where 32.5 percent of the population is Hispanic or Latino (of any race). The surrounding cities of Aliso Viejo, Laguna Hills, Laguna Beach, and Lake Forest all have average percentages of Hispanic population. As shown in Table Y, the median household income in Census Tract 626.21 (\$111,425) is substantially higher than Laguna Woods overall. The median household incomes in all cities surrounding Laguna Woods are also substantially larger than the median household income in Laguna Woods and most of its census tracts, which is indicative of the nature of Laguna Woods as being a community mostly consisting of retired people. This information points to the absence of R/ECAPs in Laguna Woods, the surrounding jurisdictions of Aliso Viejo, Laguna Hills, Laguna Beach, and Lake Forest, and the region.

Table Z provides a breakdown of the percentage of White population and median household income (for all households and White households), which may be used as a determinant of areas of affluence, consistent with State guidance. This information is then used to determine whether there are any Racially Concentrated Areas of Affluence (RCAAs) within Laguna Woods and address whether there are any RCAAs in the region.

**Table Z: White Median Household Income and Population**

	<b>Orange County</b>	<b>Laguna Woods</b>	<b>Aliso Viejo</b>	<b>Laguna Hills</b>	<b>Laguna Beach</b>	<b>Lake Forest</b>
All Households Median Household (HH) Income <sup>1</sup>	\$90,234	\$44,020	\$112,689	\$100,985	\$129,983	\$109,492
White Median HH Income <sup>2</sup>	\$94,082	\$43,524	\$113,104	\$102,776	\$132,063	\$111,823
Black Median HH Income <sup>3</sup>	\$76,136	\$48,750	\$109,135	\$191,845	-	\$101,250
Hispanic Median HH Income <sup>4</sup>	\$68,971	\$24,250	\$104,140	\$77,107	\$76,518	\$83,002
Asian Median HH Income <sup>5</sup>	\$93,777	\$54,440	\$125,000	\$90,337	\$118,854	\$112,048
Percent White Population <sup>6</sup>	61.0%	76.3%	80.0%	70.9%	89.5%	65.9%

<sup>1</sup> American Community Survey 2019 5-Year Estimates. Table S1901.

<sup>2</sup> American Community Survey 2019 5-Year Estimates. Table B19013A.

<sup>3</sup> American Community Survey 2019 5-Year Estimates. Table B19013B.

<sup>4</sup> American Community Survey 2019 5-Year Estimates. Table B19013I.

<sup>5</sup> American Community Survey 2019 5-Year Estimates. Table B19013D.

<sup>6</sup> American Community Survey 2019 5-Year Estimates. Table DP05.

The median income of all households as well as White households in Laguna Woods is lower than the median income of all households and White households in Orange County. The 2015–2019 ACS 5-Year Estimates show that in Laguna Woods, the median household income for Hispanic residents is \$24,250, for White residents is \$43,524, for Black residents is \$48,750, and for Asian residents is \$54,440. Based on this information, Laguna Woods is not an area of affluence. Additionally, based on the information in Table Z related to household incomes of minority populations within the region, Aliso Viejo, Laguna Hills, Laguna Beach, and Lake Forest are areas of affluence due to their median household incomes being higher than Orange County and due to their high percentage of White population. Additionally, there are disparities in the income levels among the four cities’ minority groups, especially among all minorities versus the ethnically Hispanic population.

**1.4.1.3 Access to Opportunities**

HCD and the California Tax Credit Allocation Committee (TCAC) convened the California Fair Housing Task Force to provide research, evidence-based policy recommendations, and other strategic recommendations to HCD and other related State agencies/departments to further fair housing goals (as defined by HCD). The California Fair Housing Task Force has compiled data to identify resource levels across the State to accompany new policies aimed at increasing access to high opportunity areas for families with children in housing financed with 9 percent Low Income Housing Tax Credits (LIHTCs). The data reflect composite scores of four different domains (environmental, economic, education, and poverty and racial segregation) which are made up of their own sets of indicators. Figure 6 in Exhibit C, Housing Sites Inventory, depicts the Laguna Woods census tracts and their TCAC Opportunity Area categorization based on their composite scores. Table AA shows the California Fair Housing Task Force Opportunity Map composite scores, domain scores, and categorization for all eight of the census tracts that are partially or entirely within Laguna Woods.

**Table AA: Opportunity Map Scores and Categorization (2020)**

Census Tract	Economic Domain Score	Environmental Domain Score	Education Domain Score	Composite Index Score	Final Category
626.21	0.74	0.516	0.38	0.029	Moderate Resource (Rapidly Changing)
626.22	0.005	0.542	0.203	-0.63	Low Resource
626.25	0.132	0.787	0.503	-0.064	Moderate Resource
626.41	0.598	0.821	0.442	0.144	Moderate Resource (Rapidly Changing)
626.46	0.021	0.799	0.291	-0.423	Low Resource
626.47	0.127	0.511	0.343	-0.335	Low Resource
626.48	0.002	0.925	0.388	-0.439	Low Resource
626.49	0.34	0.882	0.7	0.283	High Resource

Source: California Fair Housing Task Force, TCAC/HCD Opportunity Maps, 2020 Statewide Summary Table.

The majority of the census tracts within Laguna Woods are categorized as Low Resource areas. There are three census tracts within Laguna Woods that are categorized as Moderate Resource areas (of these, two are “Rapidly Changing”) and one census tract (Census Tract 626.49) is categorized as a High Resource area. Census Tract 626.49 is located in the westernmost portion of Laguna Woods (west of Avenida Sosiega) adjacent to the Woods End Wilderness Preserve. Table AB takes an in-depth look at all census tracts that are not categorized as high resource areas.

**Table AB: Low and Moderate TCAC Resource Level Census Tracts in Laguna Woods (2020)**

Census Tracts							
	626.21	626.22	626.25	626.41	626.46	626.47	626.48
TCAC Resource Level <sup>1</sup>	Moderate (Rapidly Changing)	Low	Moderate	Moderate (Rapidly Changing)	Low	Low	Low
TCAC Economic Score <sup>1</sup>	0.74	0.005	0.132	0.598	0.021	0.127	0.002
TCAC Education Score <sup>1</sup>	0.38	0.203	0.503	0.442	0.291	0.343	0.388
TCAC Environmental Score <sup>1</sup>	0.516	0.542	0.787	0.821	0.799	0.511	0.925
Race/Ethnicity <sup>2</sup>							
White	61.5%	78.2%	64.1%	65.4%	72.9%	67.4%	75.6%
Black	1.6%	0.4%	0.3%	1.6%	2.9%	3.7%	0.0%
Asian/Pacific Islander	9.6%	19.0%	12.9%	18.1%	19.2%	17.3%	19.3%
Some Other Race or Two or More Races	7.2%	2.4%	22.8%	14.8%	5.0%	11.2%	5.0%
Hispanic (of any race)	7.9%	7.9%	32.5%	22.0%	7.0%	21.8%	4.2%
% of Population in Poverty <sup>3</sup>	7.7%	13.7%	12.4%	3.3%	10.6%	15.7%	12.9%
% of Population that is Disabled <sup>4</sup>	7.2%	22.6%	14.1%	13.8%	25.4%	16.9%	26.4%
Total #/Type of Housing <sup>5</sup>	4,623 units	2,535 units	1,960 units	2,024 units	2,425 units	2,351 units	1,862 units
Single Family Home	63.0%	21.7%	43.4%	61.2%	40.8%	33.5%	45.9%

**Table AB: Low and Moderate TCAC Resource Level Census Tracts in Laguna Woods (2020)**

Census Tracts							
	626.21	626.22	626.25	626.41	626.46	626.47	626.48
TCAC Resource Level <sup>1</sup>	Moderate (Rapidly Changing)	Low	Moderate	Moderate (Rapidly Changing)	Low	Low	Low
Multi-family Home	37.0%	71.4%	56.6%	38.8%	59.2%	66.5%	54.1%
Age of Housing Stock <sup>6</sup>							
< 30 yrs old	3,024	149	77	865	159	314	23
> 30 yrs old	1,935	2,670	2,006	1,356	2,544	2,315	2,088
% Owner/% Renter HH <sup>5</sup>	51.0% Owner 79.0% Renter	70.5% Owner 29.5% Renter	72.1% Owner 27.9% Renter	61.5% Owner 38.5% Renter	83.2% Owner 16.8% Renter	45.2% Owner 54.8% Renter	68.1% Owner 31.9% Renter
% HH with Burden <sup>7</sup>	36.4%	52.9%	46.1%	50.7%	38.3%	55.5%	48.8%

<sup>1</sup> California Fair Housing Task Force, TCAC/HCD Opportunity Maps, 2020 Statewide Summary Table.  
<sup>2</sup> American Community Survey, 2019 5-Year Estimates. Table DP05  
<sup>3</sup> American Community Survey 2019 5-Year Estimates. Table S1701.  
<sup>4</sup> American Community Survey 2019 5-Year Estimates. Table S1810.  
<sup>5</sup> American Community Survey 2019 5-Year Estimates. Table S1101.  
<sup>6</sup> American Community Survey 2019 5-Year Estimates. Table B25034.  
<sup>7</sup> HUD AFFH Mapping and Data Tool. Map 6 – Housing Problems. Website: <https://egis.hud.gov/affht/> (accessed May 6, 2022).

Seven of the eight census tracts in Laguna Woods have a moderate or low TCAC resource level. The surrounding cities of Aliso Viejo, Laguna Hills, Laguna Beach, and Lake Forest have comparatively higher TCAC resource levels than Laguna Woods.<sup>4</sup>

In order to assist with the long-term development of funding for major capital improvement projects to tackle the moderate to low resources in various parts of Laguna Woods, the City has adopted an 11-year Capital Improvement Program (CIP), which is updated and readopted on an annual basis. Table AC contains a list of CIP projects that have been approved for the City for fiscal years 2023–2032 and the census tract(s) where they are located.

**Table AC: CIP Projects in Laguna Woods**

Fiscal Year	Project	Fund Name	Funds	Census Tract(s)
2023–2024	Pavement Management Plan Project	Road Maintenance & Rehabilitation Program Fund	\$309,800	626.46 and 626.41
	Americans with Disabilities Act (ADA) Pedestrian Accessibility Improvement Project: Phase 7	Community Development Grant (CDBG) Fund	\$150,000	Various
2024–2025	Pavement Management Plan Project	Road Maintenance & Rehabilitation Program Fund	\$270,600	626.46 and 626.41
	Americans with Disabilities Act (ADA) Pedestrian Accessibility	CDBG Fund	\$150,000	Various

<sup>4</sup> California Tax Credit Allocation Committee (TCAC). 2020 Opportunity Maps. Website: <https://belonging.berkeley.edu/tcac-opportunity-map-2020> (accessed May 6, 2022).

**Table AC: CIP Projects in Laguna Woods**

Fiscal Year	Project	Fund Name	Funds	Census Tract(s)
	Improvement Project: Phase 8			
2025–2026	Pavement Management Plan Project	Road Maintenance & Rehabilitation Program Fund	\$244,200	626.48 and 626.49
	Americans with Disabilities Act (ADA) Pedestrian Accessibility Improvement Project: Phase 9	CDBG Fund	\$150,000	Various
2026–2027	Pavement Management Plan Project	Road Maintenance & Rehabilitation Program Fund	\$253,100	626.48 and 626.49
	Americans with Disabilities Act (ADA) Pedestrian Accessibility Improvement Project: Phase 10	CDBG Fund	\$150,000	Various
2027–2028	Pavement Management Plan Project	Road Maintenance & Rehabilitation Program Fund	\$240,900	626.41 and 626.48
	Americans with Disabilities Act (ADA) Pedestrian Accessibility Improvement Project: Phase 11	CDBG Fund	\$150,000	Various
2028–2029	Pavement Management Plan Project	Road Maintenance & Rehabilitation Program Fund	\$238,200	626.41 and 626.48
	Americans with Disabilities Act (ADA) Pedestrian Accessibility Improvement Project: Phase 12	CDBG Fund	\$150,000	Various
2029–2030	Pavement Management Plan Project	Road Maintenance & Rehabilitation Program Fund	\$320,800	626.48
	Americans with Disabilities Act (ADA) Pedestrian Accessibility Improvement Project: Phase 13	CDBG Fund	\$150,000	Various
2030–2031	Pavement Management Plan Project	Road Maintenance & Rehabilitation Program Fund	TBD	TBD
	Americans with Disabilities Act (ADA) Pedestrian Accessibility Improvement Project: Phase 14	CDBG Fund	\$150,000	Various
2031–2032	Pavement Management Plan Project	Road Maintenance & Rehabilitation Program Fund	TBD	TBD
	Americans with Disabilities Act (ADA) Pedestrian Accessibility Improvement Project: Phase 15	CDBG Fund	\$150,000	Various

Source: City of Laguna Woods Fiscal Years 2021-2023 Budget & Work Plan. Website: <https://www.cityoflagunawoods.org/wp-content/uploads/2021/06/2021-06-23-Adopted-Fiscal-Years-2021-23-Budget-Work-Plan-Website.pdf> (accessed May 6, 2022).

**Education.** The Orange County AI details the various structural barriers to fair housing choice and access to opportunity for members of historically marginalized groups protected from discrimination by the federal Fair Housing Act (FHA). The Orange County AI uses the educational opportunity index, a value derived from data assembled by the California Fair Housing Task Force, to assess educational opportunity. The following disparities in access to education exist in Orange County:

1. Across all census tracts in Orange County, non-Hispanic Whites enjoy the best access to educational opportunity (index score of about 59) and non-Hispanic Asians have the second-highest access to educational opportunity (index score of 53). Hispanics have the lowest access to these opportunities (index score of 31), with non-Hispanic Blacks in between (index score of 46).
2. The cities of Aliso Viejo, Huntington Beach, Irvine, Laguna Niguel, La Palma, Mission Viejo, and Rancho Santa Margarita score highly (index score of 60 or above) on educational opportunity across all racial categories.
3. San Juan Capistrano has relatively low access to educational opportunity, scoring below 10 on the index for all racial categories. San Clemente, Anaheim, and Santa Ana fare similarly poorly, although non-Hispanic Whites score higher (index score of 39) than other race/ethnic groups in Santa Ana. Buena Park, Costa Mesa, Garden Grove, Orange, La Habra, and Westminster are other cities that struggle with educational opportunity, all with scores in the 30s to 40s on the composite education index.
4. A few cities have educational opportunity patterns that mirror those of Orange County overall. Non-Hispanic Whites in Fountain Valley enjoy good access to educational opportunity (index scores of about 60), whereas Hispanics in the city do not (index score of about 30). In both Fullerton and Tustin, non-Hispanic Whites and Asians have much better access to educational opportunity than Blacks and Hispanics.

The census tracts in Laguna Woods score relatively low in terms of access to educational opportunity, with indices ranging from 20 to 50. These low scores may reflect the nature of the city as one in which most of its residents live in retirement communities. The lowest educational opportunity scores are in Census Tract 626.22 (20) and the highest educational opportunity scores are in Census Tract 626.25 (50). Census Tract 626.22 is located in the northeastern portion of Laguna Woods.

Further, as shown in the Southern California Association of Governments (SCAG) Local Profiles 2021 dataset, none of the City's residents were enrolled in public school from 2000 to 2020; therefore, Laguna Woods has not seen a change in public school enrollment since 2000.<sup>5</sup> These data reflect the City's status as a community mostly consisting of retired people. Laguna Woods does not have its own school district; it is served by the Laguna Beach Unified School District, Saddleback Valley Unified School District, and Capistrano Unified School District. Table AD below summarizes the demographic characteristics of the three school districts according to the California Department of Education's School Dashboard website.

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<sup>5</sup> Southern California Association of Governments (SCAG). 2021 Local Profiles Dataset. Website: [https://scag.ca.gov/sites/main/files/file-attachments/2021\\_local\\_profiles\\_dataset.xlsx](https://scag.ca.gov/sites/main/files/file-attachments/2021_local_profiles_dataset.xlsx) (accessed May 9, 2022).

**Table AD: School Districts Serving Laguna Woods**

	Laguna Beach Unified School District <sup>1</sup>	Saddleback Valley Unified School District <sup>2</sup>	Capistrano Unified School District <sup>3</sup>
<b>Race/Ethnicity</b>			
White	71.5%	40.4%	54.1%
Asian	4.9%	8.7%	6.6%
Two or More Races	8.2%	7.4%	6.6%
Hispanic	12.0%	37.3%	27.1%
Filipino	1%	3.5%	1.8%
African American	0.9%	1.2%	0.8%
English Learners	2.4%	17.8%	9.6%
Homeless	0.3%	5.0%	5.8%
Socioeconomically Disadvantaged	12.0%	30.2%	25.4%
Students with Disabilities	11.1%	12.9%	12.2%
Graduation Rate <sup>4</sup>	97.9%	89.3%	96.8%

<sup>1</sup> California Department of Education. California School Dashboard. Website: <https://www.caschooldashboard.org/reports/3066555000000/2021> (accessed May 9, 2022).

<sup>2</sup> California Department of Education. California School Dashboard. Website: <https://www.caschooldashboard.org/reports/3073635000000/2021> (accessed May 9, 2022).

<sup>3</sup> California Department of Education. California School Dashboard. Website: <https://www.caschooldashboard.org/reports/3066464000000/2021> (accessed May 9, 2022).

<sup>4</sup> California Department of Education. Dashboard Additional Report – Graduation Rate. Website: <https://www6.cde.ca.gov/californiamodel/gradreport?&year=2021&cdcode=3066555&scode=&reporttype=schools> (accessed May 9, 2022).

According to the California Department of Education, the statewide graduation rate is 86.8 percent. As shown in Table AD, the Laguna Beach Unified School District, Saddleback Valley School District, and Capistrano Unified School District all have graduation rates that exceed the statewide graduation rate.

**Economic.** The Orange County AI uses the Educational Opportunity index, a value derived from data assembled by the California Fair Housing Task Force, to assess economic opportunity. The following disparities in access to economic opportunity exist in Orange County:

1. Non-Hispanic White residents have the greatest access to economic opportunity. Asian and Pacific Islander residents (index score of 49), Native Americans (index score of 46), and Black residents (index score of 46) have lower index scores in the high to mid-40s. Hispanic residents (index score of 32) have the lowest access to economic opportunity of all racial and ethnic groups in Orange County.
2. Among residents living below the poverty line, White residents have the highest economic opportunity score (index score of 30) followed by Black residents (index score of 27) and Asian Americans and Pacific Islanders (index scores of 23). Low-income Native Americans and Hispanic residents have the lowest economic opportunity scores (index scores of 19).
3. There are major disparities in economic opportunity scores across racial/ethnic groups in cities in Orange County.



4. Economic opportunity index scores are generally lower in North Orange County than in South Orange County. Scores are especially low in Westminster, Garden Grove, and much of Santa Ana and Anaheim. Scores are generally high in much of Irvine, La Palma, and Tustin and along the coast from Newport Beach to Laguna Niguel as well as in unincorporated areas near the eastern border with Riverside County.
5. Areas in Orange County with the highest index scores tend to have large concentrations of non-Hispanic and Asian residents. By contrast, areas with the highest concentration of Hispanic residents tend to have lower economic opportunity index scores.

The census tracts in Laguna Woods have varied scores in economic opportunity, with indices ranging from 0.2 to 75. The census tracts with the lowest economic opportunity indices are Census Tract 626.22 (index score of 0.5), 626.25 (index score of 13.2), 626.46 (index score of 2.1), 626.47 (index score of 12.7), and 626.48 (index score of 0.2). These census tracts are located mostly in the eastern and southeastern portions of Laguna Woods and have resource levels of “Low” or “Moderate.”

According to the Orange County AI, the economic opportunity index is a composite of four indicators depicting elements of neighborhood socio-economic character. These indicators are poverty, adult education, employment, and proximity to jobs. The SCAG 2019 Local Profiles indicate that the total number of jobs in Laguna Woods numbered 5,491, which is a 3.7 percent decrease from 2007.<sup>6</sup> The report also stated that the mean travel time to work for Laguna Woods was 26 minutes, whereas the mean travel time to work for Orange County as a whole was 27.9 minutes. According to the HUD AFFH Data Viewer, Laguna Woods has a lower labor market index than the surrounding communities including Aliso Viejo, Laguna Beach, Laguna Hills, and Lake Forest. Census Tract 626.46 has the lowest labor market index, with a score of 28.<sup>7</sup> Laguna Woods is similar to cities in central and northern Orange County, like Santa Ana, Garden Grove, and Westminster, which all have lower labor market engagement than cities in southern Orange County. Much of the low labor market indices in Laguna Woods are due to the City’s status as a community mostly consisting of retired people.

**Transportation.** According to the Orange County AI, the following disparities in access to low-cost transportation exist in Orange County:

1. Non-Hispanic Whites have the lowest scores (index score of 34). Asians and Pacific Islanders as well as Native Americans have an index score of 38. Black residents have a score of 39, while Hispanic residents have the highest score (index score of 42).
2. Regionally, low transportation cost index scores are similar for all racial and ethnic groups. Non-Hispanic Whites and Native Americans both have a score of 19, Asians/Pacific Islanders as well as Hispanics have a score of 20, and Black residents have a score of 21.

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<sup>6</sup> SCAG. Local Profiles Report 2019. Website: [https://scag.ca.gov/sites/main/files/file-attachments/laguna\\_woods\\_localprofile.pdf?1606012702](https://scag.ca.gov/sites/main/files/file-attachments/laguna_woods_localprofile.pdf?1606012702) (accessed May 9, 2022).

<sup>7</sup> HUD AFFH Mapping and Data Tool – Map 9 Demographics and Labor Market. Website: <https://egis.hud.gov/affht/> (accessed May 9, 2022).

3. Low transportation cost index scores as well as transit index scores are generally higher in North Orange County than in South Orange County. Scores are generally higher in cities with greater levels of density. Generally, North Orange County cities have a variety of residential living patterns with varying levels of density.

While the percentage of Laguna Woods residents using transit to commute to work has increased by 67 percent (0.9 percent in 2000 to 1.5 percent in 2019), Laguna Woods still has a relatively low percentage of residents that commute via public transit. The number of residents who commute to work via bicycle or walking has decreased by 57 percent from the year 2000 to 2018.

AllTransit is a database created by the Center for Neighborhood Technology to explore metrics that reveal the social and economic impact of transit, specifically looking at connectivity, access to jobs, and frequency of service. AllTransit’s overall evaluation was that Laguna Woods had a low combination of trips per week and number of accessible jobs, enabling few people to take transit to work. Specifically, while the vast majority of jobs within Laguna Woods are located within 0.5 mile of transit and Laguna Woods residents can access over 90,000 jobs within a 30-minute transit commute, the transit quality within Laguna Woods is low. There are only four transit routes within Laguna Woods, and none of them offer high-frequency service as defined by AllTransit, making commuting by means of public transportation difficult.

**Environmental.** The Orange County AI uses the environmental opportunity index, a value derived from indicators from the exposures and environmental effects subcomponents of the “pollution burden” domain of CalEnviroScreen 3.0, to assess environmental opportunity. The following disparities in access to environmental opportunity exist in Orange County:

1. Across all tracts in Orange County, non-Hispanic Whites exhibit the highest access to environmentally healthy neighborhoods (index score of about 54). All other racial/ethnic groups obtain lower index scores in the 40s: Hispanics score lowest at 41, followed by non-Hispanic Blacks (index score of 45), non-Hispanic Asian/Pacific Islander (index score of 47), and non-Hispanic Native Americans (index score of 48).
2. Jurisdictions with the highest environmental opportunity appear to have primarily large concentrations of non-Hispanic Whites and Asian/Pacific Islanders. Lower-scoring cities exhibit a diversity of residential patterns.

The California Office of Environmental Health Hazard Assessment (OEHHA) developed a screening methodology to help identify California communities disproportionately burdened by multiple sources of pollution, called the California Communities Environmental Health Screening Tool (CalEnviroScreen). High-scoring communities tend to be more burdened by pollution from multiple sources and most vulnerable to its effects, taking into account their socioeconomic characteristics and underlying health status. Scores for census tracts within Laguna Woods are listed in Table AE. Scores for Laguna Woods range between 4.81 and 28.08, which are relatively low. The highest-scoring area within Laguna Woods is the census tract on the southeast side of Laguna Woods near Interstate 5 (Census Tract 626.47).

**Table AE: CalEnviroScreen Scores by Census Tract (2020)**

Census Tract	CalEnviroScreen Score	CalEnviroScreen Percentile
626.21	6.37	21
626.22	15.18	37
626.25	12.47	37
626.41	4.81	18
626.46	18.9	44
626.47	28.08	54
626.48	10.56	32
626.49	6.30	22

Source: CA Office of Environmental Health Hazard Assessment (OEHHA), CalEnviroScreen 4.0 Draft.

**1.4.1.4 Assessment of Contributing Factors to Fair Housing in Laguna Woods**

As described in Exhibit B, Constraints Analysis, the cumulative effect of the City’s residential development standards does not constrain the expansion of housing opportunities. Density standards are consistent with the densities established for General Plan land use categories, and setback requirements provide minimal light and air for development, are typical in the region, and do not unreasonably constrain housing opportunities.

Further, the City encourages the development of affordable housing through Section 13.26.040 of the City’s Zoning Code, which provides for residential density bonuses to incentivize the production of housing for very low-income, lower-income, or senior households in accordance with Government Code Sections 65915 and 65917.

The City has also identified adequate sites to be made available through appropriate zoning and development standards to encourage the development of various types of housing for all economic segments of the population, including single-family housing, multifamily housing, senior housing, manufactured housing and mobile homes, accessory dwelling units, residential care facilities for persons with developmental disabilities, and single-room occupancy facilities. Additionally, with the adoption of the updated Housing Element, a program to amend the Zoning Code to include one or more mixed-use overlay zoning districts that would allow the development of commercial and residential uses on the same parcel would also be put into effect.

The City has not adopted unique restrictions that constrain the development of housing for persons with disabilities nor has it adopted regulations inconsistent with applicable federal or state law. There are no City-initiated constraints on housing for persons with disabilities caused or controlled by the City. In addition, the City has adopted formalized criteria and processing procedures for reasonable accommodation applications within its Zoning Code.

As described in Exhibit A Housing Needs Assessment, and as defined by the RHNA process, Laguna Woods’ new construction need for the 2021 to 2029 planning period has been established at 997 new units. The City will continue to zone sites for housing supported by a variety of programs to enhance affordability, to accommodate its RHNA and contribute toward addressing the growing demand for housing in the Southern California region.

Given that the City does not have prohibitive residential development standards or unique restrictions constraining development of housing for persons with disabilities and also encourages the development of affordable housing as well as various housing typologies, the City experiences the following local contributing factors to fair housing:

- **Displacement Risk** – As described in Section 1.3.7.3, Displacement and Disproportionate Housing Needs, some parts of Laguna Woods are either susceptible to displacement or experiencing ongoing displacement as well as at risk of job displacement according to the Urban Displacement Project’s Gentrification and Displacement Map. The same parts of Laguna Woods which are susceptible to displacement (Census Tracts 626.46 and 626.47) are also the areas in Laguna Woods with the highest renter vulnerability indices.
- **Development Costs and Low Land Availability** – As described in Exhibit B, Constraints Analysis, the availability and price of land represents a significant market constraint to housing production in Laguna Woods, where there is very little residentially designated vacant land. In June 2021, based on a survey of online real estate listings, there were no vacant properties listed for sale within Laguna Woods. Due to limited land availability, most new residential development in Laguna Woods will involve redeveloping properties with existing uses, which tends to add to the cost of land. Further, density bonuses are available for projects that include affordable housing in Laguna Woods. Developers of affordable housing may also be granted regulatory concessions or development incentives. Density bonuses, together with the incentives and/or concessions, result in a lower average cost of land per dwelling unit thereby making the provision of affordable housing more feasible.

**1.4.1.5 City Actions**

This Housing Element includes AFFH as one of four priority issues. In addition to the goal, policy objectives, and programs included under the AFFH priority issue, other programs included under other priority issues relate to AFFH. Table AF correlates each AFFH-related program with a fair housing issue using the categories of examples of AFFH actions provided in HCD’s AFFH guidance memorandum dated April 2021. Table AG identifies the contributing factor(s) resulting in each program’s inclusion, as well as a priority assigned based on the extent to which factors limit or deny fair housing choice or access to opportunity or negatively impact fair housing or civil rights.

**Table AF: Alignment of AFFH Programs with HCD Guidance**

Housing Element Program	Type of AFFH Action / Fair Housing Issue
<b>Program H-1.2.3.</b> Conduct a market study and then amend the existing inclusionary housing ordinance to modify the minimum percentages of new housing units that must be deed-restricted for extremely low, very low, and low-income households, as feasible and advantageous to promote the development of affordable housing.	Promoting Housing Supply, Choices, and Affordability
<b>Program H-2.1.2.</b> Investigate potential incentives for property owners to extend existing affordability covenants beyond the planned expiration date. If feasible and economical, adopt such incentives.	Protect Existing Residents from Displacement
<b>Program H-2.2.2.</b> Adopt an ordinance waiving or reducing City building permit fees for improvements to the home of a person at least 60 years of age with a qualifying disability that are made to	Promoting Housing Supply, Choices, and Affordability

**Table AF: Alignment of AFFH Programs with HCD Guidance**

Housing Element Program	Type of AFFH Action / Fair Housing Issue
<p>accommodate that disability, as provided for by California Health and Safety Code Section 17951.7. Consider including provisions allowing for similar building permit fee waivers or reductions for improvements to the home of a person with a qualifying disability that are made to accommodate that disability, regardless of age. Prepare and maintain a flyer with related information.</p>	
<p><b>Program H-2.2.3.</b> Provide opportunities for reimbursements, grants, or other forms of financial assistance to support home improvements that increase accessibility or functionality for persons with special needs.</p>	<p>Promoting Housing Supply, Choices, and Affordability</p>
<p><b>Program H-2.3.1.</b> Formalize a proactive code enforcement program that focuses on housing-related rehabilitation needs, results in repairs, and seeks to mitigate potential cost, displacement, and relocation impacts on residents.</p>	<p>Place-based Strategies to Encourage Community Conservation and Revitalization</p>
<p><b>Program H-3.1.1.</b> Improve pedestrian accessibility on sidewalks, curb ramps, crosswalks, and other public property connecting housing with transit stops, public buildings, <del>and</del> businesses, <u>and educational institutions. Prioritize improvements based on factors including:</u> ● <u>The California Office of Environmental Health Hazard Assessment’s California Communities Environmental Health Screening Tool (“CalEnviroScreen”) scores for individual census tracts, with an emphasis on undertaking improvements in and around Census Tract 626.47 due to its comparatively higher CalEnviroScreen score, as feasible and economical; and</u> ● <u>Education domain scores from the California Tax Credit Allocation Committee (“TCAC”)/HCD Opportunity Map, with an emphasis on undertaking improvements in and around Census Tract 626.22 due to its comparatively lower scores, as feasible and economical.</u></p>	<p>Housing Mobility</p>
<p><b>Program H-3.1.2.</b> Pursue partnerships and seek funding to provide Laguna Woods-based housing mobility counseling services. If feasible and economical, implement such services.</p>	<p>Housing Mobility</p>
<p><b>Program H-3.1.3.</b> Adopt an ordinance waiving or reducing City building permit fees, or providing other incentives, for housing projects that prepare and implement an affirmative marketing plan designed to attract renters or buyers of diverse demographics, including persons of any race, color, religion, sex, handicap, familial status, or national origin. <u>Prioritize incentives based on factors including racial concentrations from U.S. Census Bureau data products, with an emphasis on avoiding the creation of geographically discernable patterns of segregation or racially concentrated areas of poverty.</u></p>	<p>Housing Mobility</p>
<p><b>Program H-3.2.1.</b> Prepare and maintain a webpage with information on housing mediation, foreclosure assistance, and multilingual tenant legal counseling services. Train City staff to make referrals using the webpage.</p>	<p>Protect Existing Residents from Displacement</p>
<p><b>Program H-3.2.2.</b> Pursue partnerships and seek funding to provide Laguna Woods-based housing mediation, foreclosure assistance, and multilingual tenant legal counseling services. If feasible and economical, implement such services.</p>	<p>Protect Existing Residents from Displacement</p>
<p><b>Program H-3.2.3.</b> Investigate potential hazard mitigation measures that would reduce or eliminate the long-term risk of residential displacement as a result of future disasters. If feasible and</p>	<p>Protect Existing Residents from Displacement</p>

**Table AF: Alignment of AFFH Programs with HCD Guidance**

Housing Element Program	Type of AFFH Action / Fair Housing Issue
economical, implement such hazard mitigation measures. <u>Prioritize improvements based on factors including economic domain scores from the TCAC/HCD Opportunity Map for individual census tracts, with an emphasis on undertaking improvements in and around census tracts 626.22 and 626.48 due to their comparatively lower scores, as feasible and economical.</u>	

**Table AG: Contributing Factors for AFFH Programs Matrix**

Housing Element Program	Contributing Factor(s)	Priority
<b>Program H-1.2.3.</b> Conduct a market study and then amend the existing inclusionary housing ordinance to modify the minimum percentages of new housing units that must be deed-restricted for extremely low, very low, and low-income households, as feasible and advantageous to promote the development of affordable housing.	Need for affordable housing options based on housing needs allocation and housing needs assessment	High
<b>Program H-2.1.2.</b> Investigate potential incentives for property owners to extend existing affordability covenants beyond the planned expiration date. If feasible and economical, adopt such incentives.	Displacement risk for existing lower-income residents due to economic pressures/motivators on property owners/managers (see also Section 1.3.7.3)	High
<b>Program H-2.2.2.</b> Adopt an ordinance waiving or reducing City building permit fees for improvements to the home of a person at least 60 years of age with a qualifying disability that are made to accommodate that disability, as provided for by California Health and Safety Code Section 17951.7. Consider including provisions allowing for similar building permit fee waivers or reductions for improvements to the home of a person with a qualifying disability that are made to accommodate that disability, regardless of age. Prepare and maintain a flyer with related information.	Access to opportunities for persons with disabilities due to underimproved housing stock potentially resultant of financial or physical challenges	Medium
<b>Program H-2.2.3.</b> Provide opportunities for reimbursements, grants, or other forms of financial assistance to support home improvements that increase accessibility or functionality for persons with special needs.	Access to opportunities for persons with special needs due to underimproved housing stock potentially resultant of financial or physical challenges	Medium
<b>Program H-2.3.1.</b> Formalize a proactive code enforcement program that focuses on housing-related rehabilitation needs, results in repairs, and seeks to mitigate potential cost, displacement, and relocation impacts on residents.	Age of housing stock; intent to help promote the existing good condition and upkeep of housing stock	Medium
<b>Program H-3.1.1.</b> Improve pedestrian accessibility on sidewalks, curb ramps, crosswalks, and other public property connecting housing with transit stops, public buildings, <del>and</del> businesses, <u>and educational institutions. Prioritize improvements based on factors including: ● The California Office of Environmental Health Hazard Assessment’s California Communities Environmental Health Screening Tool (“CalEnviroScreen”) scores for individual census tracts, with an emphasis on undertaking improvements in and around Census Tract 626.47 due to its comparatively higher CalEnviroScreen score, as feasible and economical; and ● Education domain scores from the California Tax Credit</u>	Useful life of improvements; evolving needs based on the nature of connecting uses and pedestrian behavior.	Medium

**Table AG: Contributing Factors for AFFH Programs Matrix**

Housing Element Program	Contributing Factor(s)	Priority
<a href="#"><u>Allocation Committee (“TCAC”)/HCD Opportunity Map, with an emphasis on undertaking improvements in and around Census Tract 626.22 due to its comparatively lower scores, as feasible and economical.</u></a>		
<b>Program H-3.1.2.</b> Pursue partnerships and seek funding to provide Laguna Woods-based housing mobility counseling services. If feasible and economical, implement such services.	Existing age and income restrictions; changing financial circumstances due to age, employment status, and economic pressures.	Medium
<b>Program H-3.1.3.</b> Adopt an ordinance waiving or reducing City building permit fees, or providing other incentives, for housing projects that prepare and implement an affirmative marketing plan designed to attract renters or buyers of diverse demographics, including persons of any race, color, religion, sex, handicap, familial status, or national origin. <a href="#"><u>Prioritize incentives based on factors including racial concentrations from U.S. Census Bureau data products, with an emphasis on avoiding the creation of geographically discernable patterns of segregation or racially concentrated areas of poverty.</u></a>	Need for affordable housing options based on housing needs allocation and housing needs assessment; existing age and income restrictions.	High
<b>Program H-3.2.1.</b> Prepare and maintain a webpage with information on housing mediation, foreclosure assistance, and multilingual tenant legal counseling services. Train City staff to make referrals using the webpage.	Displacement risk for existing lower-income residents due to economic pressures/motivators on property owners/managers (see also Section 1.3.7.3); changing financial circumstances due to age, employment status, and economic pressures.	Medium
<b>Program H-3.2.2.</b> Pursue partnerships and seek funding to provide Laguna Woods-based housing mediation, foreclosure assistance, and multilingual tenant legal counseling services. If feasible and economical, implement such services.	Displacement risk for existing lower-income residents due to economic pressures/motivators on property owners/managers (see also Section 1.3.7.3); changing financial circumstances due to age, employment status, and economic pressures.	Medium
<b>Program H-3.2.3.</b> Investigate potential hazard mitigation measures that would reduce or eliminate the long-term risk of residential displacement as a result of future disasters. If feasible and economical, implement such hazard mitigation measures. <a href="#"><u>Prioritize improvements based on factors including economic domain scores from the TCAC/HCD Opportunity Map for individual census tracts, with an emphasis on undertaking improvements in and around census tracts 626.22 and 626.48 due to their comparatively lower scores, as feasible and economical.</u></a>	Displacement risk for existing residents due to disaster-related damage (see also Section 1.3.7.3); age of housing stock.	High

**1.5 REGIONAL HOUSING NEEDS**

State law requires all regional councils of governments to determine the existing and projected housing need for its region and determine the portion allocated to each jurisdiction. This is known

as the RHNA process. State Housing Element law requires that each city and county develop local housing programs to meet its “fair share” of existing and future housing needs for all income groups, as determined by the jurisdiction’s Council of Governments. This fair-share allocation concept seeks to ensure that each jurisdiction accepts responsibility for the housing needs not only of its resident population but also for the jurisdiction’s projected share of regional housing growth across all income categories. Regional growth needs are defined as the number of units that would have to be added in each jurisdiction to accommodate the forecasted number of households, as well as the number of units that would have to be added to compensate for anticipated demolitions and changes to achieve an “ideal” vacancy rate.

In the six-county Southern California region, which includes Laguna Woods, the agency responsible for assigning these regional housing needs to each jurisdiction is SCAG. The regional growth allocation process begins with the California Department of Finance’s projection of statewide housing demand for a 5-year planning period, which is then apportioned by HCD among each of the State’s official regions. SCAG has determined the projected housing need for its region for the 2021 to 2029 Housing Element cycle and has allocated this housing need to each jurisdiction by income category through the RHNA process. The RHNA represents the minimum number of housing units each community is required to provide “adequate sites” for through zoning, and is one of the primary threshold criteria necessary to achieve HCD certification of the Housing Element.

In allocating the region’s future housing needs to jurisdictions, SCAG is required to take the following factors into consideration:

- Market demand for housing
- Employment opportunities
- Availability of suitable sites and public facilities
- Commuting patterns
- Type and tenure of housing
- Loss of units in assisted housing developments
- Overconcentration of lower-income households
- Geological and topographical constraints

As defined by the RHNA process, Laguna Woods’ new construction need for the 2021 to 2029 planning period has been established at 997 new units, distributed among the four income categories as shown in Table AH. Of the 127 Very Low Income units included in the City’s RHNA, approximately 50 percent (or 63 units) should be made available to Extremely Low Income households. The City will continue to provide sites for a mix of single-family, multifamily, and mixed-use housing, supported by a variety of programs to enhance affordability, to accommodate its RHNA and contribute toward addressing the growing demand for housing in the Southern California region.

**Table AH: Regional Housing Needs Assessment, 2021–2029**

Income Level	Number of Units	Percent of Total RHNA
Very Low* (<50% of AMI)	127	12.7%
Low (50-80% of AMI)	136	13.6%



Moderate (80-120% of AMI)	192	19.3%
Above Moderate (>120% of AMI)	542	54.4%
<b>Total</b>	<b>997</b>	<b>100%</b>

\* Based on current household income data presented in Table G, the City estimates that 63 (or approximately 50 percent) of the 127 units included in its Very Low Income allocation should be made available to Extremely Low Income households.  
AMI = Annual Median Income

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**EXHIBIT B**  
**CONSTRAINTS ANALYSIS**

**CITY OF LAGUNA WOODS**

REDLINE

**LSA**

August 2022 March 2023

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# CONSTRAINTS ANALYSIS

## CITY OF LAGUNA WOODS

Submitted to:

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~~August 2022~~ March 2023

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## LIST OF ABBREVIATIONS AND ACRONYMS

AB	Assembly Bill
ADA	Americans with Disabilities Act
ADU	accessory dwelling unit
CAL FIRE	California Department of Forestry and Fire Protection
CBC	California Building Code
CC	Community Commercial
CEQA	California Environmental Quality Act
CF-P	Community Facilities—Private
CF-PI	Community Facilities—Public/Institutional
CIP	Capital Improvement Program
City	City of Laguna Woods
CUP	Conditional Use Permit
ETWD	El Toro Water District
FAR	floor area ratio
FEMA	Federal Emergency Management Agency
FIRM	Flood Insurance Rate Maps
ft	foot/feet
HCD	Housing and Community Development Department of the State of California
HMDA	Home Mortgage Disclosure Act
I-5	Interstate 5
Lanterman Act	Lanterman Developmental Disabilities Services Act
MWD	Metropolitan Water District
OCFA	Orange County Fire Authority
OCTA	Orange County Transportation Authority
RC	Residential Community
RT	Residential Towers
SB	Senate Bill
SDP	Site Development Permit
sf	square foot/feet

SJHTCA	San Joaquin Hills Transportation Corridor Agency
SRO	Single Room Occupancy
UWMP	Urban Water Management Plan
WRP	Water Recycling Plant
WTP	Wastewater Treatment Plant

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## 1.0 HOUSING CONSTRAINTS

The City of Laguna Woods' (City) Housing Element seeks to ensure the provision of adequate housing to meet the existing and projected needs of all economic segments of the community. Many factors, including market mechanisms, government regulations and policies, and infrastructure and environmental constraints, can constrain the development, maintenance, and improvement of housing. This Constraints Analysis addresses the potential and actual governmental constraints upon the development, maintenance, or improvement of housing that may affect the supply and cost of housing in Laguna Woods, as required by Government Code Section 65583(a).<sup>1</sup>

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<sup>1</sup> California Department of Housing and Community Development. 2021. Codes and Enforcement of Onsite/ Offsite Improvement Standards. Website: <https://www.hcd.ca.gov/community-development/building-blocks/constraints/codes-and-enforcement-on-offsite-improvement-standards.shtml> (accessed June 11, 2021).

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## 2.0 GOVERNMENTAL CONSTRAINTS

Actions or policies of governmental agencies, whether involved directly or indirectly in the housing market, can impact the ability of the development community to provide adequate housing to meet consumer demands. For example, the impact of federal monetary policies and the budgeting and funding policies of governmental agencies can either stimulate or depress various aspects of the housing industry. State and local government compliance, and the enactment of sanctions for noncompliance, with federal laws may also have an impact on the housing industry.

State and local government compliance with State laws can complicate the development of housing. Statutes such as the California Environmental Quality Act (CEQA) and rezoning and General Plan amendment procedures required by the Government Code can prolong the review and approval of development proposals by local governments. In many instances, compliance with such mandates includes time constraints that cannot be altered by local governments.

City policies can also impact the price and availability of housing. Land use controls, site improvement requirements, building codes, fees, and other local programs to improve the overall quality of housing may serve as constraints to housing development.

### 2.1 LAND USE CONTROLS

The City’s General Plan and Zoning Code provide for a range of residential land use designations and zoning districts. The City’s Zoning Map is included as Figure 1. Land use designations that allow for residential development are presented in Table A.

**Table A: Residential Land Use Designations**

General Plan Land Use Designation	Max. Density	Description
Low Density Residential	<10 du/ac	Includes all dwelling units equipped for independent living (i.e., kitchen, bathroom, and sleeping quarters). Facilities intended for transient living, such as hotels and motels and hospitals and skilled nursing units, are not typically included.
Medium Density Residential	10–12 du/ac	
High Density Residential	13–35 du/ac	
Residential Community	<10 du/ac or 10-12 du/ac depending on location	Encompasses nearly all of the Laguna Woods Village planned residential community with the exception of Rossmoor Towers. Integrates a mix of single-family detached, single-family attached, two family, and multi-family residential, with supporting country clubs, parks, community services, local-serving noncommercial services, and open spaces. Common areas are managed by private nonprofit community associations.

Source: Land Use Element (City of Laguna Woods 2017).  
du/ac= dwelling unit(s) per acre  
max. = maximum

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REDLINE

**Figure 1: Zoning Map**

REDLINE

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REDLINE



## 2.2 RESIDENTIAL DEVELOPMENT STANDARDS

The City’s Zoning Code contains development standards for each zoning district consistent with the land use designations of the General Plan. The Zoning Code establishes development standards for each zoning district to ensure quality development and reduce the potential for land use conflicts. Residential development standards are summarized in Table B.

**Table B: Residential Development Standards**

Development Standard	Residential Multifamily (RMF)	Residential Community (RC)	Residential Towers (RT)
Maximum Building Height (ft)	65	40	None
Minimum Building Site Area (sf)	7,200	None	None
Minimum Area per Unit (sf)	1,000 <sup>1</sup>	None <sup>2</sup>	None <sup>2</sup>
Minimum Setback (ft)			
Front Yard	20	None <sup>3</sup>	None
Side Yard from ROW	5	None <sup>3</sup>	None
Rear Yard from ROW	25	None <sup>3</sup>	None
Side Yard not abutting ROW	5	None <sup>3</sup>	None
Rear Yard not abutting ROW	25 <sup>4</sup>	None <sup>3</sup>	None
Distance between Principal Structures (ft)	10	None <sup>3</sup>	None
Maximum Building Site Coverage	50%	50% <sup>5</sup>	None <sup>2</sup>

Source: Zoning Ordinance (City of Laguna Woods 2020).

- <sup>1</sup> The minimum per dwelling unit is based on the net land area.
- <sup>2</sup> There shall be no minimum lot size. The total number of residential units permitted within the planning unit shall not be exceeded, as was shown on the statistical analysis for the original planned community, as amended. The dwelling densities as categorized in the City’s General Plan as low-density, medium-density, and high-density shall not be exceeded. The limitations contained within the General Plan shall take precedence over any discrepancies that may exist as compared to the statistical analysis for the planning units.
- <sup>3</sup> Required yards and distances between building structures are waived.
- <sup>4</sup> In computing the depth of a rear setback from any building where such setback opens on an alley, private street, or public park, one-half of the width of such alley, street, or park may be deemed to be a portion of the rear setback, except that under this provision, no rear setback shall be less than 15 ft.
- <sup>5</sup> The building site coverage shall not exceed 50 percent of the land area contained within each recorded tract, exclusive of dedicated ROW. Swimming pool coverage shall not be considered as building site coverage.

City = City of Laguna Woods  
ft = foot/ feet  
ROW = right-of-way  
sf = square foot/feet

The cumulative effect of the City’s residential development standards does not constrain the expansion of housing opportunities. Density standards are consistent with the densities established for General Plan land use categories. The setback requirements provide minimal light and air for development, are typical in the region, and do not unreasonably constrain housing opportunities.

All residential uses are currently required to provide the number of parking spaces as outlined in Table C. Developers of affordable and senior housing who are eligible for a density bonus pursuant to Government Code Sections 65919 through 65918 are eligible to use parking standards established by State law. Density bonus provisions are discussed in more detail later in this section.

**Table C: Residential Parking Requirements**

Use	Parking Requirement
Attached or detached single-family dwellings	<ul style="list-style-type: none"> <li>● 2 covered parking spaces for each dwelling unit.</li> </ul>
Two or more dwelling units on one building site.	<ul style="list-style-type: none"> <li>● Studio to 1-bedroom: 1.5 parking spaces for each dwelling unit</li> <li>● 2-bedroom: 2 parking spaces for each dwelling unit</li> <li>● 3-bedroom and up: 2.5 parking spaces for each dwelling unit plus 0.5 parking space for each bedroom in excess.</li> </ul>
Multifamily dwelling units (five or more dwelling units)	<ul style="list-style-type: none"> <li>● Each dwelling unit shall be assigned at least one standard-size parking space.</li> <li>● Additional unassigned parking spaces shall be provided using the following formula, which is based on the size of each unit:               <ul style="list-style-type: none"> <li>○ &lt;700 sf: 0</li> <li>○ 701–800 sf: +0.17</li> <li>○ 801–900 sf: +0.34</li> <li>○ 901–1,000 sf: +0.50</li> <li>○ 1,001–1,100 sf: +0.67</li> <li>○ 1,101–1,200 sf: +0.84</li> <li>○ 1,201–1,300 sf: +1.0</li> <li>○ 1,301–1,400 sf: +1.18</li> <li>○ 1,401–1,500 sf: +1.34</li> <li>○ &gt;1,500 sf: +1.5</li> </ul> </li> <li>● 1 guest parking space per every 4 dwelling units, rounded up to the next nearest whole number, shall be provided.</li> </ul>

Source: Zoning Code (City of Laguna Woods 2020).  
sf = square foot/feet

The City monitors its development standards and their impact on development. Periodically, the City will amend the Zoning Code to ensure that development standards respond to market trends. The City has adopted other provisions in the Zoning Code that facilitate a range of residential development types and encourage affordable housing, as discussed below.

**2.2.1 Affordable Housing Density Bonus**

Section 13.26.040 of the City’s Zoning Code provides the details of the residential density bonus provision, which is intended to provide incentives for the production of housing for very low-income, lower-income, or senior households in accordance with California Government Code Sections 65915 and 65917. On September 16, 2020, the City amended its Density Bonus Ordinance to ensure compliance with the current State law in effect at that time. Assembly Bill (AB) 1763 made a number of changes to density bonus requirements for affordable projects. The bill requires a density bonus to be granted for projects that include 100 percent lower-income units, but allows up to 20 percent of total units in a project that qualifies for a density bonus to be for moderate-income households. Under the revised law, density bonus projects must be allowed four incentives or concessions, and for developments within 0.5 mile of a major transit stop, a height increase of up to three additional stories or 33 feet (ft). A density bonus of 80 percent is required for most projects, with no limitations on density placed on projects within 0.5 mile of a major transit stop. The bill also allows developers to request the elimination of minimum parking requirements for rental units affordable to lower-income families that are either supportive housing or special-needs housing, as defined. AB 2345, which was signed in September 2020, further incentivizes the production of affordable housing. The City Council adopted updated residential density bonus standards regulations in December 2021.

In 2008, the San Sebastian senior apartments were completed with 17 units affordable to low-income residents. The development utilized a density bonus, and, as a result, the affordable units are subject to deed restrictions, which will ensure continued affordability through October 16, 2054.

### **2.2.2 Small-Lot Development**

The City has not established any zoning districts that are intended to specifically facilitate small-lot residential development; however, the City's Zoning Code does not require minimum lot sizes in the Residential Community (RC) and Residential Tower (RT) zoning districts.

### **2.2.3 Special-Purpose Zoning Districts**

Special-purpose zoning districts permit design and development standards to be established that are tailor-made for planned project areas with unique attributes. The City's Zoning Code includes the RC zoning district, which provides for the development and preservation of planned unit developments with a mixture of single-family attached and detached homes and multifamily homes. Neighborhoods in the RC district are characterized by controlled physical access and specialized recreation facilities. Setbacks and other development standards are to be tailored specifically to each project by means of a precise development plan that is approved with the project.

## **2.3 PROVISION FOR A VARIETY OF HOUSING TYPES**

State Housing Element law specifies that local governments must identify adequate sites to be made available through appropriate zoning and development standards to encourage the development of various types of housing for all economic segments of the population, including multifamily residential housing, factory-built housing, emergency shelters, transitional housing, and supportive housing. Table D summarizes the housing types permitted in each of the City's zoning districts.

### **2.3.1 Single-Family Housing**

Single-family housing is permitted by right in the Residential Multifamily (RMF) and RC districts. As outlined in the City's Zoning Code, standard development in the RC district shall be predominantly of multiunit, multistoried structures and single-family, one-story structures in an arrangement of attached or detached dwellings and their accessory structures.

### **2.3.2 Multifamily Housing**

Multifamily housing is permitted by right in the RMF, RC, and RT districts. The RMF zoning district is intended to provide for the development and preservation of high-density multifamily residential neighborhoods with a moderate amount of open space. Care is taken to ensure that uses approved in the RMF zoning district are compatible with surrounding residential neighborhoods. RMF-zoned properties are located in three areas of Laguna Woods off major roadways. The RC district was created to provide for the development and preservation of planned unit developments with a mixture of single-family attached and detached homes, as well as multifamily homes.

**Table D: Housing Types Per Zoning Code**

Land Use Types	Zoning District		
	Residential Multifamily (RMF)	Residential Community (RC)	Residential Towers (RT)
Accessory Building/Use	A	A	A
Accessory Dwelling Unit	P	P	P
Condominiums/Stock Cooperatives	U	U	U
Community Apartment Projects	U	U	U
Community Care Facilities (<6 persons)	P	P	P
Congregate Care Facility	U	U	U
Duplex	P	U	X
Dwelling, Multiple-Family	P	P	P
Dwelling, Single-Family	P	P	X
Emergency and Transitional Housing Shelters	X	X	X
Guesthouse	X	A	X
Junior Accessory Dwelling Unit	P	P	P
Mobile Home	P	P	X
Mobile Home Development	U	U	X
Planned Unit Development	U	U	U
Residential Tract Sales & Rentals	T/SE	T/SE	T/SE
Supportive Housing	P	P	P
Transitional Housing	P	P	P

Source: Zoning Code (City of Laguna Woods 2020).

A = Permitted only as an accessory to a Principal Use

P = Permitted as a Principal Use

T/SE = Permitted with an approved Temporary Use/Special Event permit

U = Permitted with an approved use permit

X = Prohibited

RC-zoned properties encompass most of the land within Laguna Woods, reflecting its planned community heritage. The RT district was established to provide for the development and preservation of high-rise multifamily structures. RT-zoned properties exist in one small area in the western portion of Laguna Woods. Additional development standards are applicable to multifamily housing with more than five dwelling units on site, including standards related to circulation, lighting, waste disposal, and infrastructure.

### 2.3.3 Live/Work Units

The City’s Zoning Code does not currently include any zoning districts that allow for live/work units.

### 2.3.4 Senior Housing

Section 13.06.010 of the City’s Zoning Code defines senior citizen housing as “a residential development consisting of at least 35 dwelling units which is developed for, or substantially rehabilitated or renovated for, senior citizens.” Additionally, California Civil Code Section 51.3 defines “senior citizen” as a person 62 years of age or older, or 55 years of age or older, in a senior citizen housing development, and “senior citizen development” as a residential development developed, substantially rehabilitated, or substantially renovated for senior citizens that has at least 35 dwelling units.

Section 13.26.030 of the City's Zoning Code, which provides details about housing incentive use permits for affordable or senior citizen housing, states that in any zoning district that permits residential uses, a housing incentive use permit application to permit more dwelling units than allowed by zoning, and/or establish special site development standards, may be approved for the purposes of facilitating affordable and/or senior citizen housing developments.

### **2.3.5 Manufactured Housing and Mobile Homes**

Manufactured housing and mobile homes offer an affordable housing option for many low- and moderate-income households. Manufactured housing is permitted by right in all zoning districts that permit single-family dwelling units, as required by State law. Mobile homes are permitted in the RMF and RC districts, and mobile home parks are permitted in those same zoning districts with an approved use permit. Mobile home developments are subject to additional development standards not related to the use; instead, the standards relate to landscape screening and design. According to California Department of Finance estimates, there were no mobile homes in Laguna Woods as of January 2020.<sup>2</sup>

According to the National Manufactured Home Construction and Safety Act of 1974, a manufactured home built and certified after June 15, 1976, and constructed on a permanent foundation may be located in any residential zoning district where a conventional single-family detached dwelling is permitted subject to the same restrictions on density and to the same property development regulations. Manufactured homes are currently allowed in all residential zoning districts, subject to foundational regulations found in Government Code Section 65852.3. Manufactured housing is treated the same as single-family dwellings and is subject to the same property development standards and permitting process. The City's Zoning Code requires manufactured housing to be architecturally compatible (roofing overhangs, roofing materials, exterior siding, stucco, etc.) with single-family dwellings.

### **2.3.6 Accessory Dwelling Units**

Per Government Code Section 65852.2, an "accessory dwelling unit" (ADU) is defined as "an attached or a detached residential dwelling unit that provides complete independent living facilities for one or more persons and is located on a lot with a proposed or existing primary residence. It shall include permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the single-family or multifamily dwelling is or will be situated." ADUs may be an alternative source of affordable housing for lower-income households and seniors.

The City has updated its Zoning Code to permit ADUs by right if they are contained within the space of a proposed or existing single-family dwelling or accessory structure, or existing multifamily dwelling. This update to the City's Zoning Code was made to comply with State requirements, with Government Code Section 65852.2 used as a baseline for the amendments.

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<sup>2</sup> California Department of Finance. 2020. E-5 Population and Housing Unit Estimates. Website: <https://www.dof.ca.gov/Forecasting/Demographics/Estimates/E-5/> (accessed June 11, 2021).

Recent State legislation, including AB 68, AB 587, AB 881, and Senate Bill (SB) 13, addresses standards and regulations for ADUs. The bills modified the fees, application process, and development standards for ADUs, with the goal of lowering barriers to ADU development and increasing overall numbers of ADUs. Key provisions include the following:

- Prohibiting standards related to lot coverage standards, lot size, floor area ratio (FAR), or open space that have the effect of limiting ADU development
- Allowing ADUs within or attached to attached garages, storage areas, or accessory structures
- Removing requirements to replace parking when a garage or carport is demolished to develop an ADU
- Prohibiting maximum sizes for ADUs that are less than 850 square feet (sf) (1,000 sf for units with two or more bedrooms)

The City last updated its Zoning Code with regard to ADUs in 2020 to address the requirements of AB 68, AB 587, AB 881, and SB 13.

### 2.3.7 Residential Care Facilities

The Lanterman Developmental Disabilities Services Act (Lanterman Act) is a State law that sets out the rights of persons with developmental disabilities. The Lanterman Act impacts local zoning ordinances by requiring the use of property for the care of six or fewer disabled persons to be classified as a residential use, permitted by right, under zoning provisions. More specifically, a state-authorized, certified, or licensed family care home, foster home, or a group home serving six or fewer disabled persons or dependent and neglected children on a 24-hour-a-day basis is considered a residential use that is to be permitted in all residential zoning districts. No local government can impose stricter zoning or building and safety standards on these homes. Due to the unique characteristics of larger (more than six persons) residential care facilities, most local governments require a discretionary use permit to ensure neighborhood compatibility in the siting of these facilities.

The City's Zoning Code accommodates both large and small residential care facilities. The City facilitates and encourages the development of residential care facilities by treating licensed facilities that serve six or fewer persons as standard residential uses, consistent with State law. As such, community care facilities are permitted by right in all residential zoning districts. Additionally, community care facilities serving seven to 12 persons, except for large family day care homes, are permitted in any district, planned community, or specific plan area zoned for residential use, subject to the issuance of a use permit. The use permit is intended to ensure that the development is consistent with applicable zoning. In a supportive housing development, housing can be coupled with social services such as job training, alcohol and drug abuse programs, and case management for populations in need of assistance, such as the homeless, those suffering from mental illness or substance abuse problems, and the elderly or medically frail. Because supportive housing is a residential use, it would be treated as such in the development process whether the supportive housing development consisted of single-family detached units or apartment buildings. Similar to

other multifamily developments, the required use permit process is intended to establish appropriate and unique development standards for residential development in the RC and RT zoning districts, as the zoning regulations contain few standards. This allows for greater specificity in development standards.

Review of the California State Community Care Licensing Division inventory of community care facilities identifies two residential care facilities in Laguna Woods. These facilities are for individuals who require 24-hour supervision but who do not generally need medical care beyond routine health checks and medication monitoring. Las Palmas is a licensed residential care community with 184 rental units, and the Regency is a licensed residential care community that consists of 192 rental units and offers both independent and assisted living on a month-to-month basis. The Regency is the only residential community that, under unique circumstances, will accommodate individuals younger than 55 within its assisted living facility.

### **2.3.8 Single Room Occupancy**

Single Room Occupancy (SRO) facilities are small, one-room units occupied by a single individual and may either have shared or private kitchen and bathroom facilities. SROs are rented on a monthly basis typically without rental deposit and can provide an entry point into the housing market for extremely low-income individuals, formerly homeless persons, and disabled persons.

The City has adopted provisions in its Zoning Code (Section 13.26.170) to accommodate and regulate the establishment of SRO uses. These provisions include the following requirements:

- In the absence of findings as set forth in alternatives to off-street parking requirements, provision of one-half parking space for each guest unit, plus one space for each employee
- Submittal of a management plan outlining management policies, operations, emergency procedures, a security program, rental procedures, maintenance plans, and staffing as part of the use permit application
- Provision of an on-site manager on a 24-hour basis
- Provision of a single manager's unit, which shall be designed as a complete residential unit and be a minimum of 225 sf in size.

SRO uses are permitted in any zoning district or specific plan area zoned for hotels, subject to the approval of a use permit. Furthermore, the City's Zoning Code states that SROs will be treated as nonresidential uses.

### **2.3.9 Emergency Shelters and Low Barrier Navigation Centers**

An emergency shelter is a facility that provides shelter to homeless families and/or homeless individuals on a limited short-term basis. According to the 2019 Point-in-Time Count for Orange

County,<sup>3</sup> there were five unsheltered people living in homelessness in Laguna Woods. State law requires emergency shelters to be permitted by right in at least one zoning district where adequate capacity is available to accommodate at least one year-round shelter. The City’s Zoning Code was amended in 2011 to include regulations pursuant to State law for emergency and transitional housing.

The City’s Zoning Code Section 13.23.010 was also amended in 2018 to permit emergency shelters in the Community Facilities – Public/Institutional (CF-P/I) and Community Facilities – Private (CF-P) zoning districts as a by-right use. The CF-P/I and CF-P zoning districts encompass approximately 17.805 acres of land across five sites – four places of worship with surface parking lots and interior space suitable for conversion to emergency shelters, and Orange County Fire Authority (OCFA) Fire Station No. 22. There is sufficient capacity to accommodate one year-round shelter housing five people, as required by State law. The CF-P/I and CF-P zoning districts were determined to be the most conducive to provision of emergency shelters by right since the zoning districts are allowed a uses that would facilitate the provision of government and social services to the community. The zoning district is appropriate for schools, hospitals, cultural venues, churches, temples and places of worship, which all require large facilities with capabilities to serve large amounts of people at a time.

Table E provides the development standards that apply to the CF-P and CF-P/I zoning districts.

**Table E: Development Standards for the Community Facilities Zoning Districts**

Development Standard	CF-P	CF-P/I
Maximum Building Height (ft)	40	40
Minimum Building Site Area (sq ft)	—	—
Minimum Building Site Width (ft)	—	—
Minimum Perimeter Setback (ft)		
From Street ROW	20	20
From Alley	10	0
From Residential Districts	10	10
From Nonresidential Districts	0	0
Maximum FAR	0.3	0.3
Maximum Building Site Coverage	None	None
Parking	See Code Section 13.16.300-400	
Landscaping	See Code Section 13.16.250	
Screening	See Code Section 13.16.240	
Signs	See Code Section 13.16.410-530	
Waste Management/Hazardous Materials	See Code Section 13.20.200	

Source: Laguna Woods Municipal Code Section 13.13.030.

FAR = floor area ratio  
ft = foot/feet

ROW = right-of-way  
sq ft = square foot/feet

In addition to application of the CF-P/I and CF-P district development standards, pursuant to Government Code Section 65583, the City can also specify written, objective standards to regulate the following aspects of emergency shelters to enhance compatibility:

<sup>3</sup> United to End Homelessness. Point-In Time Count. 2019. Website: <https://www.unitedtoendhomelessness.org/2019-point-in-time-count> (accessed April 29, 2021).



1. **Location and Separation:** Emergency shelters shall be situated more than 300 ft from another emergency shelter.
2. **Physical Characteristics:**
  - a. The maximum number of beds for emergency shelters shall be 20 unless a larger number is approved through a conditional use permit.
  - b. The maximum number of beds does not apply in situations of citywide or statewide designated disasters or catastrophic conditions as determined by the City Council or City Manager.
  - c. Emergency shelters shall have adequate private living space, shower and toilet facilities, and secure storage areas for its intended clients.
  - d. All on-site waiting and client intake areas shall be located in the interior of the emergency shelter and shall be of sufficient size to prevent any such activities from occurring in the exterior of the emergency shelter.

The CF-P and CF-P/I designation has been applied to areas along El Toro Road and Moulton Parkway. The CF-P/I and CF-P zoning districts have high access to public transit services. The Orange County Transportation Authority has two local routes, Routes 90 and 89, which provide regional access along the public streets located immediately adjacent to the CF-P/I and CF-P zoning districts. Therefore, these sites have reasonable access to public transit.

The City provides adequate and accessible sidewalks, vehicular access, and bicycle access to the CF-P/I and CF-P zoning districts.

The CF-P/I and CF-P zoning districts are surrounded by residential, open space, and/or community commercial land uses, and are therefore not located in close proximity to any uses that would create hazardous conditions or conditions inappropriate for human habitability. Current uses in the CF-P and CF-P/I zoning districts include four churches and their accompanying surrounding parking lots, and the OCFA Fire Station No. 22. These zones are conducive to building emergency shelters due to their relative sizes, their proximity to public transit and main thoroughfares, and the allowable uses on their sites.

The City's Zoning Code requires the following conditions to be met for emergency shelters in order to ensure "adequate" private living space requirements.

1. **Operational Standards.**

- (1) If an emergency shelter includes a drug or alcohol abuse counseling component, appropriate state and/or federal licensing shall be required.
- (2) Emergency shelters shall limit occupancy by each client to no more than 180 days in a 365-day period.

(3) Emergency shelters shall conduct all on-site waiting and client intake activities in the interior of the emergency shelter and prevent any such activities from occurring in the exterior of the emergency shelter.

(4) Emergency shelters shall provide on-site security during all hours of operation, including a minimum of one security guard licensed by the State of California for each 20 clients, unless alternate security arrangements are approved through a conditional use permit.

(5) Emergency shelters shall provide on-site management during all hours of operation, including a minimum of one supervisor per emergency shelter and a minimum of one additional attendant for each 20 clients, unless alternate on-site management arrangements are approved through a conditional use permit.

AB 139 requires that emergency shelters provide parking to accommodate all staff, “provided that the standards do not require more parking for emergency shelters than other residential or commercial uses within the same zone.” The City’s Zoning Code does not contain unique parking standards for emergency shelters.

AB 101 requires cities to allow a Low Barrier Navigation Center development by right in areas zoned for mixed uses and nonresidential zoning districts permitting multifamily uses if it meets specified requirements. A “Low Barrier Navigation Center” is defined as “a Housing First, low-barrier, service-enriched shelter focused on moving people into permanent housing that provides temporary living facilities while case managers connect individuals experiencing homelessness to income, public benefits, health services, shelter, and housing.” Low Barrier Navigation Centers may include options such as allowing pets, permitting partners to share living space, and providing storage for residents’ possessions. AB 101 also sets a timeline for jurisdictions to act on applications for Low Barrier Navigation Center developments. The requirements of this bill are effective through the end of 2026, at which point they are repealed.

### **2.3.10 Transitional Housing and Supportive Housing**

Health and Safety Code Section 50675.2 defines “transitional housing” and “transitional housing development” as buildings configured as rental housing developments but operated under program requirements that call for the termination of assistance and recirculation of the assisted unit to another eligible program recipient at some predetermined future point in time, which shall be no less than six months. Residents of transitional housing are usually connected to supportive services designed to assist the homeless in achieving greater economic independence and a permanent, stable living situation. Transitional housing can take several forms, including group quarters with beds, single-family homes, and multifamily apartments, and typically offers case management and support services to help return people to independent living (often in six months to two years).

Government Code Section 65582 defines supportive housing as housing with no limits on the length of stay that is occupied by a “target population” and links this population with the provision of housing and social services. “Target population” means persons with low incomes who have one or more disabilities, including mental illness, HIV/AIDS, substance abuse, or other chronic health condition, or

individuals eligible for services provided pursuant to the Lanterman Act (Division 4.5 [commencing with Section 4500] of the Welfare and Institutions Code) and may include, among other populations, adults, emancipated minors, families with children, elderly persons, young adults aging out of the foster care system, individuals exiting from institutional settings, veterans, and homeless people (Government Code Sections 65582(f) and (g)).

State law requires transitional and supportive housing to be defined as a residential use and subject only to the same regulations as comparable residential uses. The City currently permits emergency shelters by right in the Community Facilities - Public/Institutional (CF-P/I) and Community Facilities - Private (CF-P) zoning districts with the intent to provide adequate development and operational standards for such uses to ensure that the appropriate housing and services for special needs populations are met.

AB 2162 requires supportive housing projects of 50 units or fewer to be permitted by right in zoning districts where multifamily and mixed-use developments are permitted, when the development meets certain conditions. The City may choose to allow larger supportive housing projects by right in those zoning districts. The bill also prohibits minimum parking requirements for supportive housing within 0.5 mile of a public transit stop.

### **2.3.11 Employee Housing**

The City has no land zoned for agriculture and does not contain any agricultural land uses. Further, the 2015–2019 American Community Survey estimates there are no residents who hold farming, fishing, or forestry occupations. Therefore, there is no need for farmworker housing.

Further, because the City has not adopted any ordinances relating to employee housing, it does not anticipate that any other facilities or employers would provide housing for their employees.

## **2.4 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 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 City has conducted a review of zoning and building code requirements and permitting procedures to identify potential constraints for housing for persons with disabilities. The City's policies and regulations regarding housing for persons with disabilities are described below.

### **2.4.1 Zoning and Land Use**

Restrictive land use policies and zoning provisions can constrain the development of housing for persons with disabilities.

#### **2.4.1.1 Definition of Family**

Local governments may restrict access to housing for households failing to qualify as a "family" by the definition specified in the Zoning Code. Specifically, a restrictive definition of "family" that limits the

number of and differentiates between related and unrelated individuals living together may illegally limit the development and siting of group homes for persons with disabilities, but not for housing families that are similarly sized or situated.<sup>4</sup>

Section 13.06.010(d)(395) of the Zoning Code defines “family” as “One or more persons occupying one dwelling unit. The term “family” includes the occupants of community care facilities serving six or fewer persons that are permitted or licensed by the State. The term “family” does not include occupants of a fraternity, sorority, boardinghouse, lodginghouse, club, or motel.” To accommodate disabled persons in public facilities, the City defers to the California Access Compliance Reference Manual from the Department of General Services, Division of the State Architect.

The Housing Element includes a program to amend the Zoning Code’s definition of “family” to resolve inconsistencies between the current definition and applicable state law.

#### 2.4.1.2 Residential Care Facilities

Under the Lanterman Act, small licensed residential care facilities for six or fewer persons must be treated as regular residential uses and permitted by right in all residential zoning districts. The City permits small licensed residential care facilities in all residential zoning districts and does not have additional development standards for these facilities and is, therefore, in compliance with the Lanterman Act.

The Housing Element includes a program to amend the Zoning Code to remove the requirement for residential care facilities for seven to 12 persons to obtain a conditional use permit.

#### 2.4.1.3 Parking Standards

Development in the City is required to meet parking standards for people with disabilities, as required by State law, including requirements for the number and design of disabled parking spaces.

#### 2.4.1.4 Reasonable Accommodation

The Fair Housing Act requires that local governments provide reasonable accommodation to rules, policies, practices, and procedures where such accommodation may be necessary to afford individuals with disabilities equal opportunity to housing. To create a process for making requests for reasonable accommodation to land use and zoning decisions and procedures regulating the siting, funding, development and use of housing for people with disabilities, the City has adopted a Reasonable Accommodations Ordinance in accordance with State law (Chapter 13.15 of the City’s Zoning Code).

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<sup>4</sup> California court cases (City of Santa Barbara v. Adamson, 1980 and City of Chula Vista v. Pagard, 1981, etc.) have ruled an ordinance as invalid if it defines a “family” as: (a) an individual; (b) two or more persons related by blood, marriage, or adoption; or (c) a group of not more than a specific number of unrelated persons as a single housekeeping unit. These cases have explained that defining a family in a manner that distinguishes between blood-related and non-blood related individuals does not serve any legitimate or useful objective or purpose recognized under the zoning and land use planning powers of a municipality, and therefore violates rights of privacy under the California Constitution.

The Reasonable Accommodations Ordinance provides for flexibility in the City's development standards to accommodate persons with disabilities.

The following findings are required to approve reasonable accommodation requests:

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

The process to request reasonable accommodations is set forth in Section 13.15.014 of the City's Zoning Code and is streamlined to include only an application containing the following information:

1. The applicant's name, address, and telephone number;
2. Documentation that the applicant is:
  - a. An individual with a disability;
  - b. Applying on behalf of one or more individuals with a disability; or
  - c. A developer or provider of housing for one or more individuals with a disability;
3. Address of the property for which accommodation is requested;
4. The name, address, and telephone number of the property owner(s), if different from the applicant;
5. The current use of the subject property;
6. The specific basis for the claim that the applicant is considered disabled under the fair housing laws;
7. A description of the accommodation requested including reference to the zoning and development code provision, policy, or procedure from which accommodation is sought;

8. A detailed written explanation of why the requested accommodation is necessary for the individual(s) with a disability to use and enjoy the dwelling; and
9. Any other information that the Community Development Director reasonably concludes is necessary to determine whether the findings required by Section 13.15.016 can be made, so long as any request for information regarding the disability of the individuals benefited complies with fair housing law protections and the privacy rights of the individuals affected.

No application fee is required per Section 13.15.014(a) of the City's Zoning Code.

Once the Community Development Director deems an application complete, public noticing of the request for reasonable accommodation is provided as follows, in furtherance of the fifth finding required for approval (that there will be no direct threat to the health and safety of other individuals or substantial physical damage to the property of others):

- In the event that there is no approval, permit, or entitlement sought other than the request for reasonable accommodation, the notice shall be mailed to the owners of record of all properties that are immediately adjacent to the property that is the subject of the request; or
- In the event that the request is being made in conjunction with some other approval, permit or entitlement, the notice shall be transmitted along with the notice of the other proceeding.

Section 13.15.013 of the City's Zoning Code requires the Community Development Director or Community Development Department to act on complete applications within 30 days, except when further information has been requested but not yet provided by the applicant (the Zoning Code is explicit that information requested from the applicant must be consistent with fair housing laws). Determinations are provided in writing to the applicant and other parties previously noticed.

The Housing Element includes Program H-1.2.6 to explicitly identify that the required finding for applications for reasonable accommodations to not "result in a direct threat to the health and safety of other individuals or substantial physical damage to the property of others" is to be interpreted consistent with 42 U.S.C. § 3604(f)(9) and Program H-1.3.4 to remove the public noticing requirements for applications for reasonable accommodations.

## 2.4.2 Building Codes

The City enforces the California Building Code (CBC), including Chapters 11A (Housing Accessibility) and 11B (Accessibility to Public Buildings, Public Accommodations, Commercial Buildings and Publicly Funded Housing), which regulate the access and adaptability of buildings to accommodate persons with disabilities. Furthermore, Government Code Section 12955.1 requires that 10 percent of the total dwelling units in multi-family buildings without elevators consisting of three or more rental units or four or more condominium units are subject to the following building standards for persons with disabilities:

- The primary entry to the dwelling unit shall be on an accessible route unless exempted by site impracticality tests.

- The public and common areas shall be readily accessible to and usable by persons with disabilities.
- All the doors designed to allow passage into and within all premises shall be sufficiently wide to allow passage by persons in wheelchairs.
- All premises within covered multifamily dwelling units shall contain the following features of adaptable design:
  - An accessible route into and through the covered dwelling unit.
  - Light switches, electrical outlets, thermostats, and other environmental controls in accessible locations.
  - Reinforcements in bathroom walls to allow later installation of grab bars around the toilet, tub, shower stall, and shower seat, where those facilities are provided.
  - Useable kitchens and bathrooms so that an individual in a wheelchair can maneuver about the space.

Compliance with the CBC, Government Code, and federal Americans with Disabilities Act (ADA) is assessed and enforced by the Building Division as a part of the building permit process. The City has not adopted any amendments to the CBC that diminish the ability to accommodate persons with disabilities.

### **2.4.3 Conclusion**

The City has not adopted unique restrictions that constrain the development of housing for persons with disabilities nor has it adopted regulations inconsistent with applicable federal or State law. There are no City-initiated constraints on housing for persons with disabilities caused or controlled by the City. In addition, the City has adopted formalized criteria and processing procedures for reasonable accommodation applications within its Zoning Code.

## **2.5 SITE IMPROVEMENTS**

Developers of single-family residential tracts in the City are required to install arterial and local streets; sewer and water lines; storm drainage; curbs, gutters, and sidewalks; street lighting; underground utilities; and landscaping in the public right-of-way within and adjacent to a tract, if such facilities do not already exist. In most cases, these facilities are dedicated to the City or other agencies that are responsible for ongoing maintenance. Requirements for site improvements are at a level necessary to meet the City's costs and are necessary to protect health, safety, and welfare.

The cost of required off-site improvements vary with the sales price of each dwelling unit depending on the nature of development (i.e., level of improvements required). The City may also impose development impact fees on future housing developments in order to recover costs of installing off-site improvements including upgrading the circulation system and other urban service systems to serve increased density. The developed portions of Laguna Woods have the majority of necessary infrastructure, such as streets, electrical and water facilities, already in place. However, due to the

age of the existing infrastructure, many areas where infill housing development is expected to occur may require infrastructure improvements to ensure sufficient capacity at build-out.

The City’s Zoning Code includes minimum street width standards. Private streets serving four or less parcels as access to a public street are required to provide for a minimum pavement width of 16 feet within a minimum 20 ft wide right-of-way. Private streets serving five parcels or more as access to a public street are required to provide for a minimum pavement width of 28 ft within a minimum 40 ft wide right-of-way. Sidewalks are required to not be less than 6 ft in width. Streets in residential districts requiring a building site area of 15,000 sf or more and where no sidewalks are to be installed, are required to have a right-of-way that will provide a parkway width of at least 4 ft.

**2.6 PLANNING/ZONING AND DEVELOPMENT IMPACT FEES**

Housing development in Laguna Woods is subject to the following types of fees and exactions: (1) permit processing fees for planning and zoning, and (2) impact fees or exactions, imposed to defray all or a portion of the public costs related to development projects.

Since Fiscal Year 2015-16, the City has retained a qualified third-party consultant to conduct an annual study of the “nexus” between the City’s planning/zoning fees and the reasonable costs of associated services. Planning/zoning fees have generally been set at the City’s reasonable cost of providing services. Profit is not a component of the City’s planning/zoning fees.

Table F lists the City’s residential planning/zoning fees, based off the fee schedule that was effective July 19, 2021. Prior to this update, the City’s planning/zoning fees were last updated in 2020. There were no significant increases to planning/zoning fees.

**Table F: Current Residential Planning/Zoning Fees**

Planning/Zoning Fees	Initial Deposit
Conditional Use Permit	\$4,000
Development Agreement	\$10,000
Environmental Impact Report	\$10,000
General Plan Amendment	\$10,000
Zoning Code Amendment	\$10,000
Initial Study/Negative Declaration/Mitigated Negative Declaration	\$5,000
Sign Program	\$2,500
Site Development Permit	\$4,000
Specific Plan	\$10,000
Variance	\$3,500
Zone Change	\$10,000

Sources: City of Laguna Woods (2021).

Note: All fees are the minimum initial fee for the service. The final fee is based on actual costs, which may be less than the minimum fee (in which case, the unspent amount of the deposit is returned to the applicant) or exceed the minimum fee (in which case, supplemental deposits may be collected and, ultimately, the actual cost is collected with any unspent amount returned to the applicant).

Table G provides a comparison of the City’s planning/zoning fees with other nearby cities. As shown, the City’s planning/zoning fees are generally comparable to other cities.



**Table G: Comparison of Residential Planning/Zoning Fees**

Fee Type	Laguna Woods	Laguna Niguel	Laguna Hills	Lake Forest
Conditional Use Permit	\$4,000	\$3,800	\$8,148.07	\$2,400-5,000
Variance	\$3,500	\$3,800	\$6,293.38	\$5,000
Zone Change	\$10,000	\$5,000	\$10,522.43	\$10,000
General Plan Amendment	\$10,000	\$5,000	\$7,547.86	\$10,000
Tentative Tract Map	Varies	<ul style="list-style-type: none"> <li>● Preliminary Screencheck: \$1,425 (Flat)</li> <li>● Filing: \$2,925 + \$25/each lot (Deposit)</li> <li>● Added Lots to Filed Map: \$36/each lot (Flat)</li> <li>● Changed Map: \$370 (Flat)</li> <li>● Appeal to City Council: \$585 (Flat)</li> <li>● Amendment to Conditions: \$155 (Flat)</li> <li>● Amend Approved Map: \$1,000 + \$36/each numbered lot (Deposit)</li> </ul>	\$9,182.99	\$10,000
Tentative Parcel Map	Varies	<ul style="list-style-type: none"> <li>● Preliminary Screencheck: \$980 (Flat)</li> <li>● Filing: \$2,080 (Deposit)</li> <li>● Appeal to City Council: \$235 (Flat)</li> <li>● Amendment to Conditions: \$155 (Flat)</li> <li>● Amend Approved Map: \$1,000 + \$36/each numbered lot (Deposit)</li> </ul>	\$9,182.99	\$7,500

Sources: City of Laguna Woods (2020); City of Laguna Niguel (2020); City of Laguna Hills (2020); City of Lake Forest (2020).

Note: The fees listed above are generally approximated base fees or deposits; if the cost of providing the service exceeds the base fee or deposit, the balance is collected from the applicant.

In addition to planning/zoning fees, the City is required to collect development impact fees on behalf of the County of Orange and the San Joaquin Hills Transportation Corridor Agency (SJHTCA). These fees are established independent of the City. A summary of fees as of July 2022 follows.

- **Coastal Area Road Improvements and Traffic Signals Program** – The City is required to collect this fee on behalf of the County of Orange prior to City building permit issuance for new development projects only. For new single-family residential development projects, the fee is \$2,989/unit. For new multi-family residential development projects, the fee is \$2,392/unit.
- **Moulton Parkway and Laguna Niguel Fee Program** – The City is required to collect this fee on behalf of the County of Orange prior to City building permit issuance for new development projects only. For new single-family residential development projects, the fee is \$615/unit. For new multi-family residential development projects, the fee is \$360/unit. The County of Orange intends to end this fee program in the near future.
- **San Joaquin Hills Road Fee Program** – The City is required to collect this fee on behalf of the SJHTCA prior to City building permit issuance for new development projects only. Fees vary based on whether a project is located in “Zone A” or “Zone B,” as defined by the SJHTCA (a map is available at <https://www.thetollroads.com/about-tca/development-impact-fee-dif-program/>). For new single-family residential development projects, the fee is \$6,211/unit in Zone A and \$4,814/unit in Zone B. For new multi-family residential development projects, the fee is \$3,618/unit in Zone A and \$2,808/unit in Zone B.

Other government agencies collect development impact fees directly from applicants. Again, these fees are established independent of the City. A summary of common fees as of July 2022 follows.

- **Capistrano Unified School District** – Applicants are required to pay a fee directly to the Capistrano Unified School District prior to City building permit issuance for new development projects. The fee only applies if the project is located within the Capistrano Unified School District’s boundaries (a map is available at <https://www.capousd.org/Schools/School-Locator/index.html>). The fee is \$4.08 per square foot.
- **Saddleback Valley Unified School District** – Applicants are required to pay a fee directly to the Saddleback Valley Unified School District prior to City building permit issuance for new development projects and additions over 500 square feet. This fee only applies if the project is located within the Saddleback Valley Unified School District’s boundaries (a map is available at <https://www.svusd.org/about/school-boundaries>). The fee is \$4.79 per square foot.
- **El Toro Water District (ETWD)** – Applicants are required to pay a capital facilities fee directly to the ETWD prior to service being provided for new residential development projects. This fee varies based on meter size, but ranges from \$2,145 to \$21,856 per meter, and the number of gallons of sewage to be discharged to the ETWD’s system each day times \$9.311.

In general, planning/zoning and development impact fees can constrain housing development and compromise affordability because the additional cost borne by developers contributes to overall increased housing unit cost. However, the City’s planning/zoning fees are comparable to nearby cities and assessed only to recover reasonable costs of providing services (profit is not a component and the deposit-based fee structure allows for only actual costs to be charged). Development impact fees affecting residential development projects in Laguna Woods are outside of the City’s control. The City does not collect development impact fees of its own creation.

As noted elsewhere in this Constraints Analysis, the City has not processed a residential development application since the San Sebastian Apartments in the mid-2000s. Since that date, the City has evaluated the adequacy and rationality of its planning/zoning fees, and made changes to recover its reasonable costs of providing services, as allowed by state law. While some planning/zoning fees have increased as a result of this evaluation, others have been eliminated. For example, the City no longer collects parkland dedication (Quimby Act) fees nor library development fees on behalf of the Orange County Library District. In addition, the County of Orange intends to end the Moulton Parkway and Laguna Niguel Road Fee Program in the near future.

Using the San Sebastian Apartments project as a representative example of multi-family residential development activity, Table H contains City staff’s estimate of planning/zoning and development impact fees assuming the project were built today at a cost of \$50,723,304 (calculated based on the actual amenities and current market estimates for construction thereof).

**Table H: Prototypical Multi-Family Residential Project  
Planning/Zoning and Development Impact Fees**

Development Fees	Amount
City Planning/Zoning Fees	\$35,000
Coastal Area Road Improvement and Traffic Signals Program (Impact Fee)	\$325,486
Moulton Parkway and Laguna Niguel Fee Program (Impact Fee)	\$49,044
San Joaquin Hills Road Fee Program (Impact Fee)	\$472,216
Saddleback Valley Unified School District (Impact Fee)	\$668,932
El Toro Water District (Capital Facilities Fee)	\$170,000
<b>TOTAL PLANNING/ZONING AND DEVELOPMENT IMPACT FEES</b>	<b>\$1,720,678</b>
Per Unit @ 134 units	\$12,841

Total planning/zoning and development impact fees for the prototypical apartment project in Table H represent approximately 3.4 percent of the estimated development cost, far below the 10–15 percent of development costs that the Housing and Community Development Department of the State of California (HCD) considers “typical” per its Building Blocks: Fees and Exactions guidance (retrieved July 2022). Of particular note is that only approximately 2 percent of total planning/zoning and development impact fees are established by the City.

Table I contains City staff’s estimate of planning/zoning and development impact fees for a new 2,150 square foot single-family home (one unit) development project built today at a cost of \$400,000 (comparable to the example used for similar purposes by the City of Aliso Viejo in that city’s draft Housing Element dated February 1, 2022).

**Table I: Prototypical Single-Family Home Project Planning/Zoning  
and Development Impact Fees**

Development Fees	Amount
City Planning/Zoning Fees	\$2,500
Coastal Area Road Improvement and Traffic Signals Program (Impact Fee)	\$2,989
Moulton Parkway and Laguna Niguel Fee Program (Impact Fee)	\$615
San Joaquin Hills Road Fee Program (Impact Fee)	\$6,211
Saddleback Valley Unified School District (Impact Fee)	\$10,299
El Toro Water District (Capital Facilities Fee)	\$2,500
<b>TOTAL PLANNING/ZONING AND DEVELOPMENT IMPACT FEES</b>	<b>\$25,114</b>

Total planning/zoning and development impact fees for the prototypical single-family home project in Table I represent approximately 6.3 percent of the estimated development cost, far below the 10–15 percent of development costs that HCD considers “typical” per its Building Blocks: Fees and Exactions guidance (retrieved July 2022). Of particular note is that only approximately 10 percent of total planning/zoning and development impact fees are established by the City.

The City’s development fees do not appear to represent a constraint on housing development.

Assembly Bill 641 (2007–2008) provides cash flow flexibility for the majority of affordable housing projects by allowing development impact fees to be paid as late as the date of the final inspection, or the date the certificate of occupancy is issued, whichever occurs first.

## 2.7 LOCAL PROCESSING AND PERMIT PROCEDURES

Development processing and permitting procedures are necessary steps to ensure that residential construction proceeds in an orderly manner. However, the time and cost of permit processing and review can be a constraint to housing development if they place an undue burden on the developer.

Although the City has not processed an application for a housing development project since the San Sebastian Apartments in the mid-2000s, it is committed to working closely with developers and applicants to approve projects in a timely manner. The San Sebastian Apartments project received its planning/zoning approvals in October 2005 and submitted an application for building permits in September 2006 (approximately 11 months apart). Due to the lack of housing development applications since the San Sebastian Apartments project, there is no other local data that speaks to length of time between receiving approval for a project and submittal of an application for building permits.

For a typical project, the developer would meet with Planning Division staff to discuss the project and then submit plans for review. Plans would either be submitted to the Planning Division first and, once approved, to the Building Division for building permitting, or submitted concurrently to both the Planning Division and Building Division if so desired by the applicant. Applicants that submit concurrent applications would effectively eliminate any length of time between receiving approval for their project and submittal of an application for building permits. Projects requiring a Site Development Permit (SDP) or Conditional Use Permit (CUP) would be reviewed and acted upon as described herein. Throughout construction, various City divisions would perform inspections to monitor the progress of the project. This process is comparable to that of many cities in the region; therefore, processing times and expectations are typical for the region.

A typical new single-family home development project (one unit) would require only the issuance of ministerial building permits, unless the project is subject to the State Subdivision Map Act in which case those requirements would also apply. The Building Division's initial review of building permit applications for single-family homes is seven days, followed by five days for subsequent submittals.

A typical new multi-family residential development project of three units or less would require only the issuance of ministerial building permits, unless the project is subject to the State Subdivision Map Act in which case those requirements would also apply. The Building Division's initial review of building permit applications for multi-family residential projects is the same as single-family homes – seven days, followed by five days for each subsequent submittal.

Table J outlines the development review processing times and approval procedures for residential developments applications. For housing development projects proposed to occur within any of the "by-right" overlay zoning districts to be created through the Housing Element's rezoning program, it is unlikely that the first four actions/requests listed in Table J, or variances, would be required, barring an unusual request from the applicant. The overlay zoning districts are intended to expedite the development of housing in a manner that complies with State housing law.

**Table J: Typical Permit Processing Timelines**

Action/Request	Processing Time	Comments
Environmental Impact Report	9-12 months	Processing and review time limits controlled through CEQA. Adopted by the City Council.
Initial Study/Mitigated Negative Declaration	6-9 months	Processing and review time limits controlled through CEQA. Adopted by the City Council.
General Plan Amendment	10-12 months	Government Code Section 65358 limits the number of times any element of the General Plan can be amended each calendar year. Approved by the City Council. Requires a public hearing.
Zone Change	8-12 months	Certain procedures and time limits established by Gov. Code Sections 65854-65857. Approved by the City Council. Requires a public hearing.
Tentative Parcel Map	45-60 days	Processing and review time limits controlled through the State Subdivision Map Act. Approved by the City Council.
Tentative Tract Map	6-8 months	Processing and review time limits controlled through the State Subdivision Map Act. Approved by the City Council.
Variance	3-4 months	Approved by the City Council. Requires a public hearing.
Conditional Use Permits	3-4 months	Approved by the City Council. Requires a public hearing.
Site Development Permit	2-3 months	Approved by the Community Development Director.

CEQA = California Environmental Quality Act

Depending on the type of approval that is required, a one or two-level decision-making process may be required. The City’s process is somewhat more streamlined than many other cities in that the City Council also serves as the Planning Commission.

**2.7.1 Site Development Permit**

Multi-family residential development projects consisting of more than four units are required to obtain a Site Development Permit (SDP) to establish the use when permitted by right. It is anticipated that most (if not all) of the “by-right” housing projects newly possible due to this Housing Element would require a SDP. The purpose of a SDP is to provide for administrative review of detailed development plans for a proposed use. Uses that require a SDP are regarded as having a relatively low potential for adverse impacts on the subject site or surrounding community due to the nature or magnitude of the use vis-a-vis the sensitivity of the subject site or surrounding community.

SDP applications are acted upon by the Community Development Director unless he/she/they determine on a case-by-case basis, that the public interest would be better served by the application being acted on by the City Council. Public hearings are only required when the Community Development Director requests action by the City Council.

The following findings are required to approve SDP applications:

1. The use or project proposed is consistent with the General Plan;
2. The use, activity or improvement(s) proposed is consistent with the provisions of the Zoning Code;

3. The approval of the permit application is in compliance with the requirements of the California Environmental Quality Act;
4. The location, size, design and operating characteristics of the proposed use will not create conditions or situations that may be incompatible with other permitted uses in the vicinity;
5. The approval of the permit application will not result in conditions or circumstances contrary to the public health and safety and the general welfare; and
6. The approval of the permit application is in compliance with all City-required public facilities regulations.

Given the typical nature of the findings required to approve SDP applications, the application of the SDP requirement only to larger-scale multi-family residential projects, the default level of review and approval resting with staff, the typical permit processing time of 2-3 months, and the ability for building plan review to occur concurrent with SDP processing, it is unlikely that this requirement would constrain housing supply, affordability, timing, or approval certainty.

### **2.7.2 Conditional Use Permit**

Conditional Use Permits (CUPs) are required for some multi-family development, senior housing projects, and large residential care facilities, dependent upon the underlying zoning district. CUPs are not required for any of the “by-right” overlay zoning districts to be created through the Housing Element’s rezoning program.

CUP applications are acted upon by the City Council. A public hearing is required.

The following findings are required to approved CUP applications:

1. The use or project proposed is consistent with the General Plan;
2. The use, activity or improvement(s) proposed is consistent with the provisions of the Zoning Code;
3. The approval of the permit application is in compliance with the requirements of the California Environmental Quality Act;
4. The location, size, design and operating characteristics of the proposed use will not create conditions or situations that may be incompatible with other permitted uses in the vicinity;
5. The approval of the permit application will not result in conditions or circumstances contrary to the public health and safety and the general welfare; and
6. The approval of the permit application is in compliance with all City-required public facilities regulations.

Again, the CUP requirement only applies to condominiums and apartments in existing residential zoning districts and would not apply to the “by-right” overlay zoning districts to be created through the Housing Element’s rezoning program. Although the CUP requirement does not affect the City’s housing supply, it could affect affordability, but not within the “by right” overlay zoning districts to be created through the Housing Element’s rezoning program.

## 2.8 BUILDING CODES

As required of all local governments in California, the City enforces the CBC. The CBC establishes construction standards necessary to protect public health, safety, and welfare and all new constructions and renovations must conform to the standards of the CBC.

Based on recommendations from the Orange County Fire Authority (OCFA), the City has adopted several amendments to the CBC, which revised the following chapters:

- Scope and administration;
- Definitions;
- General requirements;
- Emergency planning and preparedness;
- Fire service features;
- Fire protection and life safety systems;
- Construction requirements for existing buildings;
- Energy systems;
- Fruit and crop ripening;
- Fumigation and insecticidal fogging;
- Lumber yards and agro-industrial, solid biomass and woodworking facilities;
- Requirements for wildland-urban interface fire areas;
- Hazardous materials;
- Explosives and fireworks;
- Flammable and combustible liquids;
- Flammable gases and flammable cryogenic fluids;
- Referenced standards; and
- The various appendices.

More information on these changes can be found in the City’s Municipal Code. Compliance with the CBC, and the City’s locally adopted amendments to the CBC, should not significantly add to the cost of construction since the CBC is mandated to be enforced statewide and costs should be relatively uniform statewide. In addition, because the OCFA serves as a regional fire protection agency, the County of Orange and 22 other member cities have adopted substantially similar amendments, which means that the cost of complying with the City’s amendments to the CBC is substantially similar to most of the other cities in Orange County. Costs associated with the CBC and any locally adopted amendments are necessary to protect the health safety and welfare of the citizens. Compliance ensures that all new or renovated buildings are structurally sound, have proper exiting, and are equipped with necessary fire protection features. In addition, the CBC mandates energy efficiency as well as provisions for access for persons with disabilities.

Since Fiscal Year 2015–16, the City has retained a qualified third-party consultant to conduct an annual study of the “nexus” between the City’s fees and the reasonable costs of building permitting. Fees have generally been set at the City’s reasonable cost of providing services. Profit is not a component of the City’s building permit fees. The current building permit fee schedule and supporting fee study is available at <https://www.cityoflagunawoods.org/government/transparency-public-records/>.

As incentives to develop affordable housing projects, the Housing Element includes three programs that will have a lessening effect on the City’s building permit fees. Program H-1.2.4 will reduce fees for qualifying lot consolidations, Program H-1.2.5 will waive or reduce fees for qualifying affordable housing projects subject to long-term affordability covenants, and Program H-2.2.2 will waive or reduce fees for improvements made to accommodate qualifying disabilities. Three other programs – H-1.2.8, H-2.1.2, and H-3.1.3 – involve the establishment of incentives that may include fee waivers or reductions for energy efficiency, affordability covenants, and affirmative marketing, respectively.

## 2.9 FEDERAL AND STATE REGULATIONS

Federal and State requirements may act as a barrier to the development or rehabilitation of housing, and affordable housing in particular. These include State prevailing wage requirements and environmental review requirements.

### 2.9.1 State Prevailing Wage Requirements

Labor Code Section 1720, which applies prevailing wage rates to public works of over \$1,000, defines public works to mean construction, alteration, installation, demolition, or repair work done under contract and paid for in whole or in part out of public funds. For example, public transfer of an asset for less than fair market value, such as a land write-down, would be construed to be paid for in part out of public funds and trigger prevailing wage requirements.

While the cost differential in prevailing and standard wages varies based on the skill level of the occupation, prevailing wages tend to add to the overall cost of development. In the case of affordable housing projects, prevailing wage requirements could effectively reduce the number of affordable units that can be achieved with public subsidies. However, State law does allow a number of exceptions for single-family homes and for projects intended to support affordable housing, such as the construction or expansion of emergency shelters or construction of some types of affordable housing units.

### 2.9.2 Environmental Protection

Federal and State regulations require environmental review of proposed discretionary projects (e.g., subdivision maps, conditional use permits, etc.). Costs resulting from the environmental review process, such as costs related to the preparation of environmental analyses, increase the cost of housing and may be passed on to the consumer. Environmental review can also impact the processing time for project review due to mandated public review periods. However, the presence of these regulations helps preserve the environment and ensure environmental safety. Recent State laws have established exemptions from CEQA for infill and affordable housing projects. Due to the City’s predominantly built-out nature, it is anticipated that the majority of proposed projects would be infill and likely exempt from environmental review as urban infill projects.



### 2.9.3 State Transparency Requirements

AB 1483 requires the City to provide on its website a current schedule of fees, exactions, and affordability requirements imposed by the City applicable to a proposed housing development project, all zoning ordinances and development standards, and annual fee reports or annual financial reports, as specified. AB 1483 also requires the City to provide on its website an archive of impact fee nexus studies, cost of service studies, or equivalent, as specified.

The information provided on the City's website complies with AB 1483.

REDLINE

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REDLINE

### 3.0 MARKET CONSTRAINTS

#### 3.1 AVAILABILITY OF FINANCING

The availability of financing in a community depends on a number of factors, including the type of lending institutions active in the community, lending practices, rates and fees charged, laws and regulations governing financial institutions, and equal access to those institutions.

Under the Home Mortgage Disclosure Act (HMDA), lending institutions are required to disclose information on the disposition of loan applications and the income, gender, and race of loan applicants. A total of 1,112 households applied for mortgage loans for homes in the seven census tracts that include residential areas in Laguna Woods in 2019 (Table K). Overall, 62 percent of these applications were approved, 15 percent were denied, and 23 percent were either withdrawn or closed for incompleteness. Conventional financing involves market-rate loans provided by private lending institutions such as banks, mortgage companies, savings and loans, and thrift institutions. Of the 453 applications for conventional purchase loans, 70 percent were approved. The approval rate for government-backed loans was slightly higher at 72 percent, while the approval rate for refinance applications was 58 percent. Home improvement loan applications had the lowest approval rating, with 37 percent of applications being approved and 44 percent being denied.

**Table K: Disposition of Home Purchase and Improvement Loan Applications (2019)**

Loan Type	Total Applications	Approved	Denied	Other
Government-Backed Purchase	39	72%	8%	20%
Conventional Purchase	453	70%	10%	20%
Refinance	545	58%	16%	26%
Home Improvement	75	37%	44%	19%
<b>Total</b>	<b>1,112</b>	<b>62%</b>	<b>15%</b>	<b>23%</b>

Source: Federal Financial Institutions Examination Council (FFIEC) Home Mortgage Disclosure Act Data Publication. (2019).

Note: "Other" includes files closed for incompleteness and applications withdrawn. Data covers the seven census tracts that include residential areas in Laguna Woods (Census Tracts 626.22, 626.25, 626.41, 626.46, 626.47, 626.48, and 626.49).

#### 3.2 FORECLOSURES

Foreclosure occurs when households fall behind on one or more scheduled mortgage payments. The foreclosure process can be halted if the homeowner is able to bring their mortgage payments current. If payments cannot be resumed or the debt cannot be resolved, the lender can legally use the foreclosure process to repossess (take over) the home. When this happens, the homeowners must move out of the property. If the home is worth less than the total amount owed on the mortgage loan, a deficiency judgment could be pursued. If that happens, the homeowner would lose their home and also would owe the home lender an additional amount.

Between 2000 and 2005, with low interest rates, "creative" financing (e.g., zero down, interest only, adjustable loans), and predatory lending practices (e.g., aggressive marketing, hidden fees, negative amortization), many households purchased homes that were beyond their financial means. Under the

false assumptions that refinancing to lower interest rates would always be an option and home prices would continue to rise at double-digit rates, many households were unprepared for the hikes in interest rates, expiration of short-term fixed rates, and decline in sales prices that set off in 2006. Suddenly faced with significantly inflated mortgage payments, and “upside-down” mortgage loans (that are larger than the worth of the homes), many had to resort to foreclosing their homes.

However, since the Great Recession, foreclosure rates have come down significantly. As of June 2021, there was only one home in Laguna Woods in some stage of foreclosure. The foreclosure rate was less than 0.01 percent for Laguna Woods as well as for Orange County as a whole.<sup>5</sup>

### 3.3 DEVELOPMENT COSTS

#### 3.3.1 Land Availability and Cost

The availability and price of land represents a significant market constraint to housing production throughout most of Southern California. This constraint is particularly acute in communities, such as Laguna Woods, where there is very little residentially designated vacant land. In June 2021, based on a survey of online real estate listings, there were no vacant properties listed for sale within Laguna Woods. Due to limited land availability, most new residential development in Laguna Woods will involve redeveloping properties with existing uses, which tends to add to the cost of land.

Density bonuses are available for projects that include affordable housing. Developers of affordable housing may also be granted regulatory concessions or development incentives. Density bonuses, together with the incentives and/or concessions, result in a lower average cost of land per dwelling unit thereby making the provision of affordable housing more feasible.

#### 3.3.2 Cost of Construction

The cost of labor and building materials has a significant impact on the overall cost of new housing and can, therefore, be a constraint to affordable housing development. According to the National Association of Home Builders Construction Cost Survey, construction costs (including labor and materials) account for over 55 percent of the sales price of a new single family home. The Construction Cost Survey found that the average construction cost for a single family home in 2017 was \$237,760. It should be noted that the Construction Cost Survey is a national survey and may not be completely representative of Laguna Woods or Orange County; however, it does illustrate that construction costs comprise a significant proportion of the ultimate sales price of residential development. While significant, construction costs are consistent throughout the region and therefore would not specifically constrain housing development in Laguna Woods when compared to other cities in the region.

A reduction in amenities and the quality of building materials (above a minimum acceptability for health, safety, and adequate performance) can result in lower development costs. As part of the City’s density bonus and inclusionary housing programs, the City allows affordable units to be smaller in size (maintaining the same number of bedrooms) and could also consider allowing less costly features and

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<sup>5</sup> Realtytrac.com (accessed June 2021).

interior finishes, provided all project units were comparable in construction quality and exterior design.

Another factor related to construction costs is the number of units built at one time. As that number increases, overall costs generally decrease as builders are able to take advantage of the benefits of economies of scale.

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## 4.0 INFRASTRUCTURE CONSTRAINTS

The availability of public infrastructure and services for residential development is another potential constraint to the development of housing. The majority of Laguna Woods is highly urbanized and built-out with most of the necessary infrastructure, streets, electrical lines, and water distribution already in place. This section provides an overview of potential utility service constraints.

### 4.1 WATER

Laguna Woods is served by the El Toro Water District (ETWD), a public water service agency. Water provided in the El Toro Water District is nearly entirely dependent on imported water. Imported water is transported via a blend of water from the Colorado River and the Sacramento Bay Delta via the State Water Project. Both sources of import water are transported from hundreds of miles through a series of tunnels, aqueducts and pipelines to reach Orange County, and are distributed by the Metropolitan Water District (MWD) of Southern California, the region's wholesale water provider. ETWD purchases this imported water from the MWD through the Municipal Water District of Orange County. ETWD has taken a leading role in improving local water supply reliability for south Orange County. Together with the Santa Margarita Water District and the Moulton Niguel Water District, ETWD maintains and operates a large covered drinking water reservoir with a capacity of 275 million gallons. In the event of an emergency or unplanned interruption of water service, the reservoir could provide a 14-day supply of water to ETWD customers.

According to ETWD's Draft 2020 Urban Water Management Plan (UWMP), water use within its service area was 7,167 acre-feet of potable water and 1,270 acre-feet of recycled water for landscape irrigation in 2019. A stable trend is expected because ETWD's service area is predominantly built-out and the rate of population growth is small (about 0.23 percent per year). Water conservation efforts also kept per capita water use down. The total service demand was expected to increase to 8,737 acre-feet by 2025 and projected to increase to 9,156 acre-feet by 2045. According to the UWMP, ETWD's system is expected to have the ability to supply 9,156 acre-feet of water in 2045, meeting the projected demands. ETWD's demand projections consider such factors as current and future demographics, future water use efficiency measures, and long-term weather variability, and specifically take into account the additional housing units that each of the cities within its service area must plan for as part of the RHNA requirements. Therefore, adequate water supply is available to accommodate the RHNA during the Housing Element planning period.

SB 1087 requires that water providers develop written policies that grant priority to proposed development that includes housing affordable to lower-income households. The legislation also prohibits water providers from denying or conditioning the approval of development that includes housing affordable to lower income households, unless specific written findings are made. The City will provide a copy of the adopted Housing Element to ETWD after adoption and will continue to coordinate with ETWD to ensure priority service provision to affordable housing developments.

### 4.2 WASTEWATER

Wastewater in Laguna Woods is collected, treated, and disposed of by ETWD's Wastewater Treatment Plant (WTP), which has a maximum capacity of 6 million gallons per day. In addition, ETWD operates

a Water Recycling Plant (WRP), which allows it to reuse much of its wastewater effluent as recycled water by applying a tertiary treatment process. The WTP and WRP serve portions of the cities of Laguna Hills, Mission Viejo, Aliso Viejo, Lake Forest and all of Laguna Woods. ETWD has been able to meet its water demands from a combination of water resources and technology that optimally promote use of water conservation practices, water importation and recycled water treatment and delivery. In 2012, ETWD began a Recycled Water Expansion Project to increase the treatment and delivery of recycled water through a new tertiary treatment facility. The tertiary treatment plant is designed to produce as much as 3.7 million gallons of recycled water per day with a peak hour pumping capacity of over 5,000 gallons per minute. The WRP expansion was designed with the ability to expand capacity up to the expected maximum amount of raw wastewater entering the plant. Simultaneously, ETWD built a new recycled water distribution system that includes 140,000 ft of recycled water pipelines beneath the roadways in portions of Laguna Woods and the northwest portion of Laguna Hills. Therefore, there are no constraints on the availability of wastewater disposal or treatment.

SB 1087 mandates priority sewage collection and treatment service to housing developments providing units affordable to lower-income households. The City will provide a copy of the adopted Housing Element to ETWD after adoption. The City will continue to coordinate with ETWD to ensure priority service provision to affordable housing developments.

#### 4.3 TRANSPORTATION INFRASTRUCTURE

In 1990, Orange County voters approved Measure M, the Revised Traffic Improvement and Growth Management Ordinance, which provides funding to Orange County for needed transportation improvements over a 20-year period through the imposition of a one-half cent retail transaction and use tax. In 2006, voters extended the tax through 2041 (Measure M2). Cities such as Laguna Woods can qualify for Measure M funds if they comply with the Countywide Growth Management Program component requirements and have an established policy framework for that program. As part of complying with the Countywide Growth Management Program component requirements, Laguna Woods implemented a development mitigation program that established a fee structure for requiring new development to pay its proportionate share funding of impacts to the regional roadway system.

In order to assist with the long-term development of funding for major capital improvement projects on public property, the City Council adopts a minimum 7-year Capital Improvement Program (CIP) on an annual basis. The CIP and the minimum 7-year period to which it applies is also a requirement for receiving funding from Measure M2.

In addition, the City is within the SJHTCA fee assessment area. The payment of development impact fees is required as a condition of approval of a final parcel or tract map or as a condition of issuing a building permit on any properties within the fee assessment area, as authorized by Government Code Section 66484.3. These development impact fees are collected for the purpose of repaying the indebtedness incurred to construct the San Joaquin Hills Transportation Corridor (State Route 73) that has already been built, as well as to pay the cost of future anticipated improvements and ongoing planning and environmental requirements.



Fees are collected on new residential dwellings and new non-residential square footage in areas identified as the area of benefit surrounding the corridor. While most of Laguna Woods is within Area of Benefit Zone A for the SJHTCA, certain northerly portions of Laguna Woods are within Area of Benefit Zone B. Table L provides a summary of the current (2022) development impact fees assessed within those areas. In 1997, the SJHTCA Board of Directors adopted a set rate of increase for the fees. Each July 1, rates for the SJHTCA increase by 2.667 percent.

**Table L: San Joaquin Hills Transportation Corridor  
Development Impact Fees (2022)**

	<b>Zone A</b>	<b>Zone B</b>
Single Family Residential	\$6,211/unit	\$4,814/unit
Multi-Family Residential	\$3,618/unit	\$2,808/unit

Source: Transportation Corridor Agencies (2022).

Note: In 1997, the San Joaquin Hills Transportation Corridor Agency Board of Directors adopted a set rate of increase for the fees. Each July 1, rates increase by 2.667 percent.

While the traffic mitigation fees described above may present a constraint to housing development, they are necessary to facilitate the ongoing maintenance of transportation infrastructure.

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## 5.0 ENVIRONMENTAL CONSTRAINTS

A wide range of environmental factors may constrain the development of new housing. Areas of special environmental significance, potential safety hazards, and development constraints have influenced and will continue to influence land use policy. The City's Safety Element identifies areas subject to a number of environmental constraints, including flooding, seismic hazards, hazardous and toxic materials, and urban fires. The City's General Plan recognizes those hazards and identifies programs to minimize them.

### 5.1 FLOODING

The Federal Emergency Management Agency (FEMA) publishes maps that identify areas of the City subject to flooding in the event of a major storm. Those Flood Insurance Rate Maps (FIRMs) indicate areas that may be inundated in the event of a 100-year or a 500-year storm. In addition, the maps indicate the base flood elevations at selected intervals of the floodway. The flood map contained in the City's Safety Element indicates that very few areas are within 100-year flood event inundation areas. Areas are limited to the small reservoir southeast of the intersection of Moulton Parkway and Ridge Route Drive, the 9 Hole Par 3 Golf Course in Laguna Woods Village, and Aliso Creek in the southeastern portion of Laguna Woods. The projected 500-year flood would most significantly affect low-lying areas along Aliso Creek.

Additional flood hazards include the four reservoirs with a total maximum capacity of 10 million gallons of potable water distributed throughout Laguna Woods. Two of these reservoirs are located at a high point northwest of the intersection of El Toro Road and Moulton Parkway, and two are located in Laguna Woods Village (one at the south end of Calle Sonora Este and another on the west side of Bahia Blanca West). The dam/reservoir located southeast of the intersection of Moulton Parkway and Ridge Route Drive (Rossmoor #2) is located in a 100-year floodplain but is not subject to State dam inundation mapping regulations. The Veeh Reservoir located nearby in the City of Laguna Hills is also within a 100-year floodplain. According to the City's Safety Element, failure of any of the previously mentioned ETWD infrastructure could cause localized flooding.

The Moulton Niguel Water District owns and operates a water tank in the City of Aliso Viejo just south of the intersection of El Toro Road and Aliso Creek Road. Failure of that water tank could cause flooding on El Toro Road and in the lower portions of Woods End Wilderness Preserve.

The failure of the bridge along Avenida Sevilla that crosses Aliso Creek could impede movement and cause localized flooding on property in Laguna Woods Village. Flood hazards in Laguna Woods pose a moderate risk. Areas designated for future residential development will be evaluated on an individual basis regarding their potential flood hazard.

### 5.2 SEISMIC AND GEOLOGIC HAZARDS

As stated in the City's Safety Element, the entirety of Laguna Woods—as well as all of Southern California—is located within a seismically active region that has been subject to major earthquakes in the past. There are no known faults in Laguna Woods. However, the Newport-Inglewood, Whittier-Elsinore, Glen Ivy Elsinore, and Temecula-Elsinore faults are located within close proximity to Laguna

Woods. The closest fault—Newport-Inglewood—traverses approximately 7-8 miles southwest of Laguna Woods. The San Andreas and San Jacinto faults are located much further away from Laguna Woods (the San Jacinto Fault crosses the region approximately 40 miles northeast of Laguna Woods and the San Andreas Fault is even farther away [approximately 50 miles northeast]). Although farther away, those faults have the potential to deliver larger magnitude earthquakes than the other five faults mentioned above. Other major faults may be buried under alluvium, or fault traces may have been obliterated due to natural weathering.

Liquefaction is another hazard associated with intense ground shaking, in which the soil can destabilize and if sufficient water is present in the soil, the soil and water can mix. The City's Safety Element includes a map that identifies liquefaction hazard zones. Most of the approximately 256 acres that are within the identified liquefaction hazard zones are in the southeastern portion of Laguna Woods; however, small areas that are subject to liquefaction hazards also exist in the northern and western part of Laguna Woods. Areas within these hazard zones may experience liquefaction during extreme ground shaking.

Landslides, which can occur as a result of seismic activity or as an independent event, have the potential to cause loss of life, personal injury, economic loss, and property damage in Laguna Woods. The City's Safety Element includes a map that shows the locations of the approximately 77 acres that are prone to earthquake-induced landslides. Most of the areas that are subject to landslides are in the western half of Laguna Woods.

### **5.3 WILDFIRES**

According to the City's Safety Element, wildfires in the open space and wildland-urban interface area that borders the westernmost edge of Laguna Woods could cause loss of life, personal injury, and extensive property damage, including damage to open space resources. Consequently, fires are considered to pose a very significant risk. In 2012, the City Council designated three fire hazard severity zones (very high, high, and moderate) within the wildland-urban interface area shown in the Safety Element. The Very High Fire Hazard Severity Zone was identified by the California Department of Forestry and Fire Protection (CAL FIRE), while the High and Moderate Fire Hazard Severity Zones were identified by OCFA based on an assessment of vegetation, slope, fire history, weather patterns, and impact of flames, heat, and flying embers. Collectively, those zones and the 2,564 residential dwelling units within them face the highest risk of wildfire impacts. However, OCFA has developed a number of resources that are intended to mitigate fire risk through vegetation management, including technical guidelines for developing fuel modification plans for new construction projects and maintaining and managing vegetation on properties within fire hazard areas.

### **5.4 NOISE**

Noise generated from mobile sources such as traffic on City streets and Interstate 5 (I-5) and aircraft flyovers will continue to have the greatest potential impact on the City's land use decisions. The City's Noise Element describes the existing noise environment using maps that identify several areas with high levels of noise. The Noise Element also identifies noise sources and contains goals and policies that will be useful in reducing the effects of noise, if not the actual intensity of noise. Land use policy discourages the placement of noise-sensitive land uses in areas that are subject to high noise levels.

The City requires new housing developments to provide an acoustic analysis and provide necessary mitigation, such as barriers or additional sound insulation, for projects located within the 65 CNEL noise contour zones identified in the Noise Element. According to the Noise Element, areas adjacent to the following road segments are either already within the 65 CNEL noise contour or are projected to be in future General Plan build-out:

- El Toro Road (Aliso Creek Road to Paseo de Valencia)
- Moulton Parkway (Gate 12 south to City limits)
- Santa Maria Avenue (Avenida Sosiega to Santa Vittoria Drive)

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**EXHIBIT C**

**HOUSING SITES INVENTORY AND ANALYSIS**

**CITY OF LAGUNA WOODS**

REDLINE

**LSA**

~~August 2022~~ March 2023

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# HOUSING SITES INVENTORY AND ANALYSIS

## CITY OF LAGUNA WOODS

Submitted to:

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## LIST OF ABBREVIATIONS AND ACRONYMS

AB	Assembly Bill
ACS	American Community Survey
AFFH	Affirmatively Furthering Fair Housing
APN	Assessor's Parcel Number
CALGreen	California Green Building Standards Code
CARE	California Alternate Rates for Energy
CDC	Centers for Disease Control and Prevention
CF-P	Community Facilities—Private
City	City of Laguna Woods
du/ac	dwelling unit per acre
ETWD	El Toro Water District
FERA	Family Electric Rate Assistance
FHEO	Fair Housing Enforcement and Outreach
Golden Rain Foundation	Golden Rain Foundation of Laguna Woods
HCD	California Department of Housing and Community Development
HPI	Healthy Places Index
HUD	United States Department of Housing and Urban Development
LIHTC	Low Income Housing Tax Credit
MFI	median family income
OCTA	Orange County Transportation Authority
PA	Professional and Administrative Office
PHASC	Public Health Alliance of Southern California
RHNA	Regional Housing Needs Assessment
ROI	Regional Opportunity Index

SB	Senate Bill
SCAG	Southern California Association of Governments
SCE	Southern California Edison
SVI	Social Vulnerability Index
SVUSD	Saddleback Valley Unified School District
TCAC	Tax Credit Allocation Committee
UWMP	Urban Water Management Plan

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## 1.0 INTRODUCTION

State Housing Element law requires local governments to adequately plan to meet their existing and projected housing needs, including their share of the Regional Housing Needs Assessment (RHNA) allocation. Government Code Section 65583(a)(3) requires local governments to prepare an inventory of land suitable for residential development, which is used to identify sites that can be developed for housing within the planning period. This report has been prepared to satisfy Government Code Section 65583(a)(3).

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## 2.0 STATE REGULATIONS

State law recognizes the vital role local governments play in the availability, adequacy, and affordability of housing. Every city and county in California is required to adopt a long-range General Plan to guide its physical development; the Housing Element is one of the seven mandated elements of the General Plan. State Housing Element law mandates that local governments adequately plan to meet the existing and projected housing needs of all economic segments of the community. The law recognizes that in order for the private market to adequately address housing needs and demand, local governments must adopt land use plans and regulatory systems that provide opportunities for (and do not unduly constrain) housing production. Housing Element statutes also require the California Department of Housing and Community Development (HCD) to review local housing elements for compliance with state law and to report its findings to the local government.

State Housing Element law requires that each local government develop local housing programs to meet its “fair share” of existing and future housing needs for all income groups. The Southern California Association of Governments (SCAG) is responsible for developing and assigning these regional needs, via the RHNA process, to Southern California jurisdictions including the City.

Government Code Section 65583(a)(3) requires that local governments prepare an inventory of land suitable for residential development, including vacant sites and sites having the potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to those sites. This parcel-level inventory of sites with near-term residential development potential has been prepared in support of the City’s efforts to update its Housing Element.

The City’s fair share for the planning period between October 2021 and October 2029 was established by SCAG at 997 units divided into four income groups as shown in Table A. That housing needs allocation was based on projected household growth and the resulting need for construction of additional housing units allocated over an 8-year planning period (2021–2029).

**Table A: City of Laguna Woods Housing Needs Allocation (2021–2029)**

Income Level	Percent of Area MFI	No. of Units
Very Low	0–50%	127
Low	51–80%	136
Moderate	81–120%	192
Above Moderate	>120%	542
<b>Total</b>		<b>997</b>

Source: SCAG 6<sup>th</sup> Cycle Final RHNA Allocation Plan (approved by HCD on March 22, 2021).

HCD = California Department of Housing and Community Development

MFI = median family income

RHNA = Regional Housing Needs Assessment

SCAG = Southern California Association of Governments

It should be noted that the City’s housing needs allocation for the 2021–2019 planning period (997 units) is substantially higher than its allocation during the previous planning period (2 units).



## 2.1 ASSEMBLY BILL 1397

Pursuant to Assembly Bill (AB) 1397, cities must determine if more than 50 percent of the lower-income RHNA would be accommodated on nonvacant sites. When a city relies on nonvacant sites to accommodate 50 percent or more of its housing need for lower-income households, the methodology used to determine additional development potential must demonstrate that the existing use identified does not constitute an impediment to additional residential development during the period covered by the Housing Element. An existing use is presumed to impede additional residential development, absent findings based on substantial evidence that the use is likely to be discontinued during the planning period (Government Code Section 65583.2(g)(2)).

## 2.2 ASSEMBLY BILL 686

Pursuant to AB 686, for Housing Elements due on or after January 1, 2021, sites must be identified throughout the community in a manner that affirmatively furthers fair housing opportunities (Government Code Section 65583(c)(10)). According to Government Code Section 8899.50(a)(1), affirmatively furthering fair housing means “taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics.” Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity; replacing segregated living patterns with truly integrated and balanced living patterns; transforming racially and ethnically concentrated areas of poverty into areas of opportunity; and fostering and maintaining compliance with civil rights and fair housing laws. For purposes of this Housing Sites Inventory and Analysis, this means that the sites identified to accommodate the lower-income need must not be concentrated in low-resourced areas (areas that lack access to high-performing schools, are not close to jobs, and/or are disproportionately exposed to pollution or other health impacts) or areas of segregation and concentrations of poverty. Instead, the sites identified to accommodate the lower-income need must be distributed throughout the community in a manner that affirmatively furthers fair housing.

### 3.0 OVERVIEW OF POTENTIAL HOUSING SITES

The City has identified 17 potential sites that appear to be viable for near-term housing development that would help the City meet its RHNA requirements. Table B provides a brief description of each site and its corresponding Assessor's Parcel Numbers (APNs), along with a description of the existing uses on each site, the surrounding land uses, the parcel size, and the existing General Plan land use and zoning designations on each site. The 17 sites are distributed throughout the community as shown in Figure 1, Housing Sites Key Map.

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**Table B: Site Descriptions**

Site	Description/APN	Existing Uses/Background Information	Surrounding Uses	Vacant?	Parcel Size	Current General Plan Land Use Designation	Current Zoning
1	Town Centre Vacant Lot (APN 616-012-29)	<ul style="list-style-type: none"> <li>Undeveloped.</li> <li>Site slopes downward from north to south, with most of the developable area on this parcel being 30 to 50 feet above El Toro Road.</li> </ul>	<p><b>North:</b> El Toro Water District facility—water well property (one-story structures and water tanks)</p> <p><b>East:</b> Laguna Hills Animal Hospital and Laguna Woods Self Storage (one- and two-story structures)</p> <p><b>South:</b> Laguna Woods Village water detention basin—vacant property</p> <p><b>West:</b> Medical office building within Town Centre (three-story structure)</p>	Yes	1.8 ac	Commercial	Community Commercial
2	Pacific Hills Calvary Chapel Parking Lot (APN 621-131-38)	Currently developed as a surface parking lot for the adjacent Pacific Hills Calvary Chapel in neighboring Aliso Viejo.	<p><b>North:</b> vacant land, Laguna Country United Methodist Church (one-story structures)</p> <p><b>East:</b> Laguna Country United Methodist Church, Pacific Hills Calvary Chapel (in Aliso Viejo) (all one-story structures)</p> <p><b>South:</b> vacant land, Pacific Hills Calvary Chapel (in Aliso Viejo) (all one-story structures)</p> <p><b>West:</b> vacant land</p>	No	0.696 ac	Commercial	Professional & Administrative Office

**Table B: Site Descriptions**

Site	Description/APN	Existing Uses/Background Information	Surrounding Uses	Vacant?	Parcel Size	Current General Plan Land Use Designation	Current Zoning
3	Rossmoor Electric (APN 621-131-21)	Currently developed as a commercial use with a small number of office and storage uses.	<b>North:</b> grocery and commercial (one- and two-story structures)	No	1.232 ac	Commercial	Community Commercial
			<b>East:</b> Saddleback Golf Cars (one-story structures)				
			<b>South:</b> Laguna Woods Village community garden center				
			<b>West:</b> Equestrian Center (one- and two-story structures)				
4	Saddleback Golf Cars (APN 621-131-26)	Currently developed as a commercial use with neighborhood electric vehicle and golf cart sales and repair.	<b>North:</b> grocery and commercial (one- and two-story structures)	No	1.235 ac	Commercial	Community Commercial
			<b>East:</b> vacant land				
			<b>South:</b> vacant land				
			<b>West:</b> Rossmoor Electric (one-story structures)				
5	Laguna Woods Self Storage (APN 616-012-19)	Currently developed as a commercial use with approximately eight single story structures used for individual storage.	<b>North:</b> Laguna Woods Village golf course	No	5.249 ac	Commercial	Community Commercial
			<b>East:</b> Animal Hospital and commercial center (one-and-two-story structures)				
			<b>South:</b> water storage				
			<b>West:</b> City Center Park				
6	Animal Hospital (APN 616-012-03)	Currently developed as a commercial use with an animal hospital.	<b>North:</b> Laguna Woods Self Storage (one-story structures)	No	0.76 ac	Commercial	Community Commercial
			<b>East:</b> gas station (one-and-two-story structures)				
			<b>South:</b> Equestrian Center (one- and two-story structures)				
			<b>West:</b> vacant land				

**Table B: Site Descriptions**

Site	Description/APN	Existing Uses/Background Information	Surrounding Uses	Vacant?	Parcel Size	Current General Plan Land Use Designation	Current Zoning
7	PS Business Park (excludes Jack in the Box) (APN 616-021-30)	Currently developed as a commercial use with a self-storage facility and small shopping center.	<b>North:</b> open space (in Lake Forest)	No	2.867 ac	Commercial	Community Commercial
			<b>East:</b> Laguna Woods Village golf course				
			<b>South:</b> Laguna Woods Village golf course				
			<b>West:</b> fast-food restaurant (one-story structure)				
8	Smart Parke (APN 621-211-09)	Currently developed as a commercial use with a pet boarding facility.	<b>North:</b> grocery and commercial (one-and-two story structures)	No	2.373 ac	Commercial	Community Commercial
			<b>East:</b> Home Depot center (one-and two-story structures)				
			<b>South:</b> Laguna Woods Village golf course				
			<b>West:</b> The Regency Apartment Homes (one-to-three-story structures)				
9	McCormick & Son Mortuary (APN 621-091-016)	Currently developed as a commercial use with a mortuary facility.	<b>North:</b> medical offices (three-story structures)	No	1.411 ac	Commercial	Community Commercial
			<b>East:</b> single family residences (one- and two-story structures)				
			<b>South:</b> residential (four-story structures)				
			<b>West:</b> multifamily residential (in Aliso Viejo) (four-story structures)				

**Table B: Site Descriptions**

Site	Description/APN	Existing Uses/Background Information	Surrounding Uses	Vacant?	Parcel Size	Current General Plan Land Use Designation	Current Zoning
10	Lutheran Church of the Cross (APN 616-041-01)	Currently developed as a church.	<p><b>North:</b> Laguna Woods Village residences (three-story structures)</p> <p><b>East:</b> Laguna Woods Village residences (one- and two-story structures)</p> <p><b>South:</b> Saint Nicholas Catholic Church (one- and two-story structures)</p> <p><b>West:</b> Laguna Woods Village Golf Course</p>	No	3.028 ac	Community Facilities	Community Facilities— Private
11	Geneva Presbyterian Church (APNs 616-191-05 & 616-191-06)	Both parcels are currently developed as a church.	<p><b>North:</b> Laguna Woods Village residences (one-story structures)</p> <p><b>East:</b> Calle Sonora/office building within Town Centre (three-story structure)</p> <p><b>South:</b> Whispering Fountains Apartments and residences (in Aliso Viejo) (one-, two-, and three-story structures)</p> <p><b>West:</b> Laguna Woods Village residences (one-story structures)</p>	No	3.955 ac <sup>1</sup>	Community Facilities (both parcels)	Community Facilities— Private (both parcels)
12	Saint Nicholas Catholic Church (APN 621-121-11)	Currently developed as a church.	<p><b>North:</b> Lutheran Church of the Cross (one- and two-story structures)</p> <p><b>East:</b> Laguna Woods Village residences (one- and two-story structures)</p> <p><b>South:</b> Laguna Woods Village residences (one-story structures)</p> <p><b>West:</b> Willow Tree Center and Laguna Woods Village residences (one- and two-story structures)</p>	No	4.596 ac	Community Facilities	Community Facilities— Private

**Table B: Site Descriptions**

Site	Description/APN	Existing Uses/Background Information	Surrounding Uses	Vacant?	Parcel Size	Current General Plan Land Use Designation	Current Zoning
13	Temple Judea (APN 621-121-18)	Currently developed as a temple.	<p><b>North:</b> Laguna Country United Methodist Church and Laguna Woods Village residences (one-story structures)</p> <p><b>East:</b> Laguna Woods Village residences (one-story structures)</p> <p><b>South:</b> Laguna Woods Village residences and various churches (in Aliso Viejo) (one-story structures)</p> <p><b>West:</b> Laguna Country United Methodist Church and various churches (in Aliso Viejo) (one-story structures)</p>	No	1.757 ac	Community Facilities	Community Facilities—Private
14	Laguna Country United Methodist Church (APN 621-121-23)	Currently developed as a church.	<p><b>North:</b> Willow Tree Center and Laguna Woods Village residences (one-story structures)</p> <p><b>East:</b> Temple Judea and Laguna Woods Village residences (one-story structures)</p> <p><b>South:</b> Temple Judea and various churches (in Aliso Viejo) (one-story structures)</p> <p><b>West:</b> parking lot for Pacific Hills Calvary Chapel, Laguna Woods Village vacant land, Willow Tree Center, Laguna Woods Village residences (one-story structures)</p>	No	3.899 ac	Community Facilities	Community Facilities—Private

**Table B: Site Descriptions**

Site	Description/APN	Existing Uses/Background Information	Surrounding Uses	Vacant?	Parcel Size	Current General Plan Land Use Designation	Current Zoning
15	Medical Building in Town Centre (APN 616-012-24)	Currently developed as a commercial use with office uses.	<b>North:</b> Town Center (three-story structure) <b>East:</b> vacant land <b>South:</b> Home Depot shopping center and Laguna Woods Village water detention basin (one-story structures) <b>West:</b> Town Centre (one- and three-story structures)	No	2.69 ac	Commercial	Professional & Administrative Office
16	Willow Tree Center East (APN 621-121-30)	Currently developed as a commercial use with retail, a restaurant, and an adult day services facility.	<b>North:</b> Laguna Woods Village Golf Course <b>East:</b> medical buildings (four-story structures) <b>South:</b> Residential Community (one- and two-story structures) <b>West:</b> Community Commercial (Town Centre) (one- and two-story structures)	No	3.095 ac	Commercial	Community Commercial
17	Helm Center (APN 621-091-15)	Currently developed as a commercial use with office uses.	<b>North:</b> Laguna Woods Village residences (one- and two-story structures) <b>East:</b> Laguna Woods Village residences (one- and two-story structures) <b>South:</b> McCormick & Son Mortuary (one-story structures) <b>West:</b> The Wellington (in Aliso Viejo) (four-story structures)	No	0.65 ac	Commercial	Professional & Administrative Office

<sup>1</sup> APN 616-191-05 is 0.5 acre and APN 616-191-06 is 3.455 acres. The total acreage of both parcels is 3.955.

ac = acre(s)

APN = Assessor's Parcel Number

County = County of Orange



**Figure 1: Housing Sites Key Map**

REDLINE

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REDLINE

## 4.0 METHODOLOGY USED TO IDENTIFY SITES

Given the predominantly built-out nature of Laguna Woods, there is very little undeveloped land that is able to accommodate new development. The majority of Laguna Woods is comprised of private communities that are restricted to adults aged 55 and older. Most of the limited amount of vacant land that exists within Laguna Woods consists of publicly owned open space properties that are subject to conservation easements or deed restrictions that prohibit housing development.

Properties presently designated as open space were excluded from consideration when the presence of deed restrictions preclude potential future housing development. The Laguna Laurel property at the western end of Santa Maria Avenue is subject to a conservation easement that expressly prohibits the construction of housing. Woods End Wilderness Preserve is subject to a deed restriction that prohibits use inconsistent with “nonvehicular public access into the Laguna Coast Wilderness Park and natural resource protection and restoration.” Woods End Wilderness Preserve is also leased to the County of Orange for inclusion in the Laguna Coast Wilderness Park through February 28, 2047.

City-owned sites were screened for potential inclusion in this analysis; however, due to the City’s extremely limited property ownership, none were included. The City Hall/Public Library site was excluded due to the current construction of a new library building and expanded outdoor gathering and activity spaces. Both the City Centre Park and Woods End Wilderness Preserve sites are subject to state grant-related deed restrictions. The property at Santa Vittoria Drive/San Remo Drive is 0.32 acre, which is presumed inadequate to accommodate lower income housing per State housing law.

Approximately 2.7 square miles of Laguna Woods’ overall 3.3 square miles is occupied by Laguna Woods Village (formerly known as Leisure World), a private gated community for people aged 55 and older. Figure 1, Housing Sites Key Map, shows the portions of Laguna Woods that are within Laguna Woods Village. Over 15,000 residents live in the 12,736 units within Laguna Woods Village, which include condominiums, cooperatives (“co-ops”), and single-family homes. While there are several properties that are perceived as vacant within Laguna Woods Village, none of those properties meet HCD’s definition of a vacant property as set forth in the “Housing Element Site Inventory Guidebook Government Code Section 65583.2” published June 10, 2020, and the production of new housing within Laguna Woods Village faces several challenges. There are income requirements and age restrictions for residents to become members of and live within the community, and the ability to build housing on, or unilaterally sell/lease, any land held in trust by the Golden Rain Foundation for the benefit of the residents of Laguna Woods Village is restricted by applicable governing documents. Each of the perceived vacant sites within Laguna Woods Village was also redesignated/rezoned in 2015 as open space at the request of the property owner (Golden Rain Foundation); prior to that action, those sites were designated/zoned for residential and commercial use. The City has discussed its new housing needs allocation and the Housing Element update process with Laguna Woods Village management staff (Village Management Services, Inc.) and has received no indication that the Golden Rain Foundation or any other Laguna Woods Village governing board is interested in pursuing new housing development. Due to a lack of evidence indicating a likelihood of redevelopment, properties located within, or owned by parties exclusively affiliated with Laguna Woods Village, were excluded from consideration.

The properties upon which Home Depot is located were excluded from consideration, consistent with HCD's "Housing Element Site Inventory Guidebook Government Code Section 65583.2" published June 10, 2020, that references an "active Home Depot" as an example of an existing use that is "unlikely to be available for residential development within the planning period."

Sites were included in this analysis because they met one or more of the following criteria:

- Site is Presently Vacant – After excluding open space properties with deed restrictions that preclude potential future housing development, properties of a size presumed inadequate to accommodate lower income housing per State housing law, and properties perceived as vacant but failing to meet HCD's definition of a vacant property, only one presently vacant property remained (Site 1).
- Site is Presently Structureless – After excluding open space properties with deed restrictions that preclude potential future housing development, properties of a size presumed inadequate to accommodate lower income housing per State housing law, and properties located within, or owned by parties exclusively affiliated with Laguna Woods Village, only one presently structureless property remained (Site 2).
- Previous Expression of Housing Development Interest – Sites where interest in housing development has been previously expressed were included. In 2014, the property owner's agent expressed interest in redeveloping the Willow Tree Center East property (Site 16). In 2017, the property owner and a housing developer expressed interest in the Laguna Country United Methodist Church property (Site 14).
- Synergy with Place of Worship – Based, in part, on previous interest in the Laguna Country United Methodist Church site (Site 14), parcel sizes, proximity to public transit, mission compatibility<sup>1</sup>, and membership-related trends, other sites presently used as places of worship were included (Sites 2 and 10–14).
- Viable Commercial Site – Based, in part, on previous interest in the Willow Tree Center East site (Site 16), parcel sizes, and proximity to public transit, other commercial sites were included (Sites 3–9 and 15–17). An emphasis was placed on identifying commercial sites with:
  - Frequent or long-term vacancies
    - As evidenced by real estate marketing.
    - Indicates that demand for commercial uses at that location is low, signaling a potential for redevelopment.

<sup>1</sup> California State Senator Scott Wiener. 2020. "Senator Wiener Introduces Housing Legislation to Allow Churches and Other Charitable Institutions to Build Affordable Housing on Their Property." Website: <https://sd11.senate.ca.gov/news/20200306-senator-wiener-introduces-housing-legislation-allow-churches-and-other-charitable#:~:text=Churches%20and%20other%20religious%20and,in%20order%20to%20do%20so.%E2%80%9D> (accessed July 11, 2021).

- Less established tenants
  - According to the United States Bureau of Labor Statistics, approximately 20 percent of small businesses fail in the first year, 50 percent fail by the end of the fifth year, and 66 percent fail by the end of the tenth year.<sup>1</sup>
  - Indicates that the property may become available during the RHNA cycle.
- Single tenants
  - Redeveloping such properties has fewer lease implications.
- Viable adjacent sites
  - Presents an opportunity for lot consolidation, potentially making redevelopment at an economic scale more viable.
- Structure Will Be 40 Years or Older During 2021–2029 Planning Period – It is reasonable to expect older structures to present more opportunities for redevelopment than newer structures. 10 sites that will be 40 years or older by 2029 (Sites 6, 9–14, and 16–17) are included.

Nonvacant properties that met the criteria described above were further screened to exclude any properties that host businesses that provide essential goods or services to the community and are, therefore, not likely to vacate their current locations. Such businesses included grocery stores, banks, and pharmacies.

Finally, consideration was given to whether a site would provide any of the following benefits:

- Parcel Size is Potentially Suitable for Lower-Income Developments – Government Code Section 65583.2(c)(2) requires additional analysis to substantiate potential suitability for lower-income developments when the size of a parcel is smaller than one half acre or larger than 10 acres. Efforts were taken to identify parcels sized between one half acre and 10 acres.
- Consolidation Potential Due to Adjacency of Other Candidate Site – HCD’s “Housing Element Site Inventory Guidebook Government Code Section 65583.2” published June 10, 2020, identifies the potential for lot consolidation as evidence that may indicate a site is adequate to accommodate lower-income developments. This Housing Element includes Program H-1.2.4, which seeks to create an expedited and fee-reduced lot consolidation process for lot consolidations.

Table C summarizes how the criteria described above applies to the 17 potential development sites.

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<sup>1</sup> United States Bureau of Labor Statistics. 2020. Survival of private sector establishments by opening year. March. Website: [https://www.bls.gov/bdm/us\\_age\\_naics\\_00\\_table7.txt](https://www.bls.gov/bdm/us_age_naics_00_table7.txt) (accessed July 1, 2021).

**Table C: Application of Methodology Used to Identify Sites**

Site	Name	Relevant Factors Resulting in Identification
1	Town Centre Vacant Lot	<ul style="list-style-type: none"> <li>• Site is presently vacant</li> <li>• Viable commercial site; viable adjacent site</li> <li>• Parcel size is potentially suitable for lower-income developments</li> <li>• Consolidation potential due to adjacency of other candidate site; Program H-1.2.4 provides a specific incentive for lot consolidations</li> </ul>
2	Pacific Hills Calvary Chapel Parking Lot	<ul style="list-style-type: none"> <li>• Site is presently structureless</li> <li>• Synergy with place of worship</li> <li>• Parcel size is potentially suitable for lower-income developments</li> </ul>
3	Rossmoor Electric	<ul style="list-style-type: none"> <li>• Viable commercial site; frequent or long-term vacancies</li> <li>• Viable commercial site; less established tenant</li> <li>• Parcel size is potentially suitable for lower-income developments</li> </ul>
4	Saddleback Golf Cars	<ul style="list-style-type: none"> <li>• Viable commercial site; single tenant</li> <li>• Parcel size is potentially suitable for lower-income developments</li> </ul>
5	Laguna Woods Self Storage	<ul style="list-style-type: none"> <li>• Viable commercial site; single tenant</li> <li>• Viable commercial site; viable adjacent site</li> <li>• Parcel size is potentially suitable for lower-income developments</li> <li>• Consolidation potential due to adjacency of other candidate site; Program H-1.2.4 provides a specific incentive for lot consolidations</li> </ul>
6	Animal Hospital	<ul style="list-style-type: none"> <li>• Viable commercial site; single tenant</li> <li>• Viable commercial site; viable adjacent site</li> <li>• Structure will be 40 years or older during the 2021–2029 planning period</li> <li>• Parcel size is potentially suitable for lower-income developments</li> <li>• Consolidation potential due to adjacency of other candidate site; Program H-1.2.4 provides a specific incentive for lot consolidations</li> </ul>
7	PS Business Park (excludes Jack in the Box)	<ul style="list-style-type: none"> <li>• Viable commercial site; frequent or long-term vacancies</li> <li>• Viable commercial site; some less established tenants</li> <li>• Parcel size is potentially suitable for lower-income developments</li> </ul>
8	Smart Parke	<ul style="list-style-type: none"> <li>• Viable commercial site; less established tenant</li> <li>• Viable commercial site; single tenant</li> <li>• Parcel size is potentially suitable for lower-income developments</li> </ul>
9	McCormick & Son Mortuary	<ul style="list-style-type: none"> <li>• Viable commercial site; single tenant</li> <li>• Viable commercial site; viable adjacent site</li> <li>• Structure will be 40 years or older during the 2021–2029 planning period</li> <li>• Parcel size is potentially suitable for lower-income developments</li> <li>• Consolidation potential due to adjacency of other candidate site; Program H-1.2.4 provides a specific incentive for lot consolidations</li> </ul>
10	Lutheran Church of the Cross	<ul style="list-style-type: none"> <li>• Synergy with place of worship</li> <li>• Structure will be 40 years or older during the 2021–2029 planning period</li> <li>• Parcel size is potentially suitable for lower-income developments</li> </ul>
11	Geneva Presbyterian Church	<ul style="list-style-type: none"> <li>• Synergy with place of worship</li> <li>• Structure will be 40 years or older during the 2021–2029 planning period</li> <li>• Parcel size is potentially suitable for lower-income developments</li> </ul>
12	Saint Nicholas Catholic Church	<ul style="list-style-type: none"> <li>• Synergy with place of worship</li> <li>• Structure will be 40 years or older during the 2021–2029 planning period</li> <li>• Parcel size is potentially suitable for lower-income developments</li> <li>• Consolidation potential due to adjacency of other candidate site; Program H-1.2.4 provides a specific incentive for lot consolidations</li> </ul>

**Table C: Application of Methodology Used to Identify Sites**

Site	Name	Relevant Factors Resulting in Identification
13	Temple Judea	<ul style="list-style-type: none"> <li>• Synergy with place of worship</li> <li>• Structure will be 40 years or older during the 2021–2029 planning period</li> <li>• Parcel size is potentially suitable for lower-income developments</li> <li>• Consolidation potential due to adjacency of other candidate site; Program H-1.2.4 provides a specific incentive for lot consolidations</li> </ul>
14	Laguna Country United Methodist Church	<ul style="list-style-type: none"> <li>• Previous expression of housing development interest</li> <li>• Synergy with place of worship</li> <li>• Structure will be 40 years or older during the 2021–2029 planning period</li> <li>• Parcel size is potentially suitable for lower-income developments</li> <li>• Consolidation potential due to adjacency of other candidate site; Program H-1.2.4 provides a specific incentive for lot consolidations</li> </ul>
15	Medical Building in Town Centre	<ul style="list-style-type: none"> <li>• Viable commercial site; viable adjacent site</li> <li>• Parcel size is potentially suitable for lower-income developments</li> <li>• Consolidation potential due to adjacency of other candidate site; Program H-1.2.4 provides a specific incentive for lot consolidations</li> </ul>
16	Willow Tree Center East	<ul style="list-style-type: none"> <li>• Previous expression of housing development interest</li> <li>• Viable commercial site; some less established tenants</li> <li>• Viable commercial site; viable adjacent site</li> <li>• Structures will be 40 years or older during the 2021–2029 planning period</li> <li>• Parcel size is potentially suitable for lower-income developments</li> <li>• Consolidation potential due to adjacency of other candidate site; Program H-1.2.4 provides a specific incentive for lot consolidations</li> </ul>
17	Helm Center	<ul style="list-style-type: none"> <li>• Viable commercial site; frequent or long-term vacancies</li> <li>• Viable commercial site; viable adjacent site</li> <li>• Structure will be 40 years or older during the 2021–2029 planning period</li> <li>• Parcel size is potentially suitable for lower-income developments</li> <li>• Consolidation potential due to adjacency of other candidate site; Program H-1.2.4 provides a specific incentive for lot consolidations</li> </ul>

The analysis in this report focuses on the suitability of housing development on each site by examining site conditions and various development constraints (e.g., environmental hazards or inadequate infrastructure). The report also identifies those sites that are most likely to redevelop at density levels that can facilitate affordable housing. The goal of this analysis is to confirm that the 17 potential housing sites are able to accommodate the City’s housing needs allocation.

This analysis also takes into consideration whether each site is vacant or nonvacant, as defined by HCD, and whether existing uses on the nonvacant sites would serve as an impediment to additional housing development during the Housing Element planning period.

## 5.0 ENVIRONMENTAL CONSTRAINTS AND ADEQUATE INFRASTRUCTURE

Government Code Section 65583.2(b)(4) requires that the City provide a general description of any environmental constraints to the development of housing within its jurisdiction. Government Code Section 65583.2(b)(5) requires that the City provide a description of existing or planned water, sewer, and other dry utilities supply, including the availability and access to distribution facilities.

### 5.1 ENVIRONMENTAL CONSTRAINTS

Table D summarizes any environmental site constraints that affect each of the 17 housing sites, with an emphasis on grading, slope hazards, access issues, and surrounding uses. As described in Table D, it appears that vehicular access to each of the 17 housing sites is viable. Table D also indicates that many of the sites have no environmental constraints. With respect to the sites with potential environmental constraints, there are feasible engineering and design solutions that are likely to reduce the environmental impacts associated with these constraints to less than significant levels. Although the total development capacity of several of the sites (Sites 8, 11, 12, 13, 14, 16, and 17) would be constrained by slope hazards or the need to be sensitive to neighboring residents, none of the sites have physical impediments that would render them undevelopable.

### 5.2 INFRASTRUCTURE CONSTRAINTS

Laguna Woods is a predominantly built-out urban community that has adequate infrastructure to provide water, sewer, electricity, natural gas, and telecommunications services to its residents. As shown in Figure 1, all 17 of the potential housing sites are adjacent to either El Toro Road or Moulton Parkway and are either already developed or surrounded by existing development.

Water service is provided to Laguna Woods, including to the existing uses on each of the nonvacant sites (Sites 2–17) and the existing commercial land uses adjacent to the vacant site (Site 1), by the El Toro Water District (ETWD). The existing water mains along El Toro Road and Moulton Parkway could sufficiently support housing development on all of the sites. As an urban water supplier, ETWD is required to prepare an Urban Water Management Plan (UWMP) every 5 years. The UWMP supports ETWD's long-term resource planning to ensure that adequate water supplies are available to meet existing and future water needs. ETWD is currently in the process of preparing an update to its UWMP, which is anticipated to evaluate the reliability of its water supplies through at least 2040.

The City will work with ETWD to ensure that planned land uses, including future housing envisioned under the City's RHNA allocation, are included in future UWMPs so that sufficient water supplies are available. A related program has been included in the Housing Element.

Sewer service is provided to Laguna Woods by ETWD. Because sewer service is currently provided to the existing uses on each of the nonvacant sites (Sites 2–17) and the existing commercial land uses adjacent to the vacant site (Site 1), the existing sewer facilities could sufficiently support housing development on all of the sites.



**Table D: Environmental and Site Constraints**

Site	Name	Description of Constraint
1	Town Centre Vacant Lot	<ul style="list-style-type: none"> <li>• Site slopes downward from north to south toward El Toro Road.</li> <li>• Heavy grading, with a substantial amount of soil export, would be required to accommodate new housing on this site; in addition, it is likely that tiebacks and/or retaining walls would be required to stabilize the site.</li> <li>• Vehicle access through the Town Centre project to the west appears viable.</li> <li>• A small portion of the site is located in a landslide hazard zone. Inclusion in such a zone does not preclude housing development.</li> </ul>
2	Pacific Hills Calvary Chapel Parking Lot	<ul style="list-style-type: none"> <li>• Site is relatively flat and appears to drain toward the northeast.</li> <li>• Vehicle access to Moulton Parkway appears viable via the existing driveway on the adjacent property.</li> <li>• No environmental constraints affect this site.</li> </ul>
3	Rossmoor Electric	<ul style="list-style-type: none"> <li>• Site is relatively flat and appears to drain toward the east.</li> <li>• Vehicle access to Moulton Parkway appears viable via the existing driveway.</li> <li>• No environmental constraints affect this site.</li> </ul>
4	Saddleback Golf Cars	<ul style="list-style-type: none"> <li>• Site is relatively flat and appears to drain toward the east.</li> <li>• Vehicle access to Moulton Parkway appears viable via the existing driveway.</li> <li>• No environmental constraints affect this site.</li> </ul>
5	Laguna Woods Self Storage	<ul style="list-style-type: none"> <li>• Site is sloped to the northeast and south; site appears to drain toward the southeast.</li> <li>• Vehicle access to Moulton Parkway appears viable via the existing driveway.</li> <li>• A small portion of the site is located in a landslide hazard zone. Inclusion in such a zone does not preclude housing development.</li> </ul>
6	Animal Hospital	<ul style="list-style-type: none"> <li>• Site is relatively flat and appears to drain toward the south.</li> <li>• Vehicle access to El Toro Road appears viable via the existing driveway.</li> <li>• No environmental constraints affect this site.</li> </ul>
7	PS Business Park (excludes Jack in the Box)	<ul style="list-style-type: none"> <li>• Site is relatively flat and appears to drain toward the north.</li> <li>• Vehicle access to Moulton Parkway appears viable via the existing driveway.</li> <li>• No environmental constraints affect this site.</li> </ul>
8	Smart Parke	<ul style="list-style-type: none"> <li>• Site is relatively flat and appears to drain toward the south.</li> <li>• Vehicle access to El Toro Road appears viable via the existing driveway.</li> <li>• A portion of the site is located in a landslide hazard zone. Inclusion in such a zone does not preclude housing development.</li> <li>• The western portion of the site was affected by a landslide in 2004 when the slope below Calle Sonora failed due to excessive soil saturation, causing significant private property damage.</li> </ul>
9	McCormick & Son Mortuary	<ul style="list-style-type: none"> <li>• Site is relatively flat and appears to drain toward the north.</li> <li>• Vehicle access to Moulton Parkway appears viable via the existing driveway.</li> <li>• No environmental constraints affect this site.</li> </ul>
10	Lutheran Church of the Cross	<ul style="list-style-type: none"> <li>• Site is relatively flat and appears to drain toward the southeast.</li> <li>• Vehicle access to El Toro Road appears viable via the existing driveways on the site.</li> <li>• No environmental constraints affect this site.</li> </ul>
11	Geneva Presbyterian Church	<ul style="list-style-type: none"> <li>• Site is relatively flat and appears to drain toward the southeast.</li> <li>• The northern and western portions of the site are adjacent to residential uses; therefore, any housing development on those portions of the site will need to be sensitive to neighboring residents.</li> <li>• Vehicle access to El Toro Road and Calle Sonora appears viable via the existing driveways on the site.</li> </ul>

**Table D: Environmental and Site Constraints**

Site	Name	Description of Constraint
12	Saint Nicholas Catholic Church	<ul style="list-style-type: none"> <li>• Site is relatively flat and appears to drain toward the northwest.</li> <li>• The southern portion of the site is adjacent to residential uses; therefore, any housing development on that portion of the site will need to be sensitive to neighboring residents.</li> <li>• Vehicle access to El Toro Road appears viable via the existing driveways on the site.</li> </ul>
13	Temple Judea	<ul style="list-style-type: none"> <li>• Site is relatively flat and appears to drain toward the northeast.</li> <li>• The northern and eastern portions of the site are adjacent to residential uses; therefore, any housing development on those portions of the site will need to be sensitive to neighboring residents.</li> <li>• Vehicle access to Moulton Parkway appears viable via the existing driveway on the site, which is shared with the owner of an adjacent site.</li> </ul>
14	Laguna Country United Methodist Church	<ul style="list-style-type: none"> <li>• Site is relatively flat and appears to drain toward the northeast.</li> <li>• The northern and eastern portions of the site are adjacent to residential uses; therefore, any housing development on those portions of the site will need to be sensitive to neighboring residents.</li> <li>• Vehicle access to Moulton Parkway appears viable via the existing driveway on the site, which is shared with the owner of an adjacent site.</li> </ul>
15	Medical Building in Town Centre	<ul style="list-style-type: none"> <li>• Site is relatively flat and appears to drain toward the southeast.</li> <li>• Vehicle access to El Toro Road appears viable via the existing driveway west of the site.</li> <li>• No environmental constraints affect this site.</li> </ul>
16	Willow Tree Center East	<ul style="list-style-type: none"> <li>• Site is relatively flat and appears to drain toward the southeast.</li> <li>• Vehicle access to El Toro Road appears viable via the existing driveway west of the site.</li> <li>• The southern portion of the site is near residential communities; therefore, any housing development on that portion of the site will need to be sensitive to neighboring residents.</li> </ul>
17	Helm Center	<ul style="list-style-type: none"> <li>• Site is relatively flat and appears to drain toward the southeast.</li> <li>• The eastern portion of the site is adjacent to residential uses; therefore, any housing development on that portion of the site will need to be sensitive to neighboring residents.</li> <li>• Vehicle access to Moulton Parkway appears viable via the existing driveways on the site.</li> </ul>

Southern California Edison (SCE) provides electrical service to Laguna Woods. Because electrical service is currently provided to the existing uses on each of the nonvacant sites (Sites 2–17) and the existing commercial land uses adjacent to the vacant site (Site 1), the existing electrical facilities could sufficiently support housing development on all of the sites.

The Southern California Gas Company provides natural gas service to Laguna Woods and each of the nonvacant sites (Sites 2–17) via existing gas mains in Ridge Route Drive, Moulton Parkway, and El Toro Road. Gas lines could be extended from El Toro Road into the vacant site (Site 1) to sufficiently support housing development.

Telecommunication services including landline and cell phone service, television, and internet are available throughout Laguna Woods. These services could be provided to all of the sites to sufficiently support housing development.

### 5.3 GENERAL LAND USE CONSIDERATIONS

This Housing Element includes Program H-1.1.1 to apply an appropriate residential overlay zoning district to each of the 17 potential housing sites. Such overlay zoning districts will allow new housing units to be developed on the nonvacant sites while also allowing the existing uses to continue operating. City staff has identified four potential overlay zoning districts, which are described in Table E below. A full General Plan consistency review will be completed when the City implements the Housing Element rezoning program; however, a subsequent update of the General Plan Land Use Element will be required to establish the new overlay zoning districts. To remain consistent with the General Plan Circulation Element, a traffic impact analysis will be required.

**Table E: Potential Overlay Zoning Districts**

Overlay Zone	Density Range	Notes
Residential High Density	30–50 du/ac	<ul style="list-style-type: none"> <li>• Able to accommodate the development of lower-income units, consistent with HCD’s standard threshold</li> </ul>
Residential Medium Density	20–30 du/ac	<ul style="list-style-type: none"> <li>• Able to accommodate the development of moderate-income units</li> </ul>
Residential Medium-Low Density	15–20 du/ac	<ul style="list-style-type: none"> <li>• Appropriate for sites adjacent to existing lower-density residential uses</li> <li>• Able to accommodate the development of moderate-income units</li> </ul>
Residential Low Density	8–10 du/ac	<ul style="list-style-type: none"> <li>• Appropriate for sites adjacent to existing single-story residential uses</li> <li>• Able to accommodate the development of moderate-income units</li> </ul>

du/ac = dwelling unit(s) per acre  
HCD = Department of Housing and Community Development

The rezoning process will include the adoption of minimum density and development standards for each of the four potential overlay zoning districts. Specific commitments in the rezoning process include, but are not limited to, (1) complying with applicable provisions of California Government Code Section 65583.2 (h), (i), et al., including accommodating at least 50 percent of the lower-income housing needs allocation on sites designated for residential use only (for non-mixed use projects) and by requiring residential use to occupy 50 percent of the total floor area of mixed-use projects, (2) permitting housing projects by right, as required by State law, (3) permitting owner-occupied and rental multifamily uses by right for housing projects in which 20 percent or more of the housing units are affordable for lower-income households, (4) establishing densities for potential housing sites as specified in Table H in this exhibit, and (5) allowing the development of housing projects as stand-alone uses on each potential housing site.

### 5.4 ACCESS TO COMMUNITY RESOURCES

Although locations vary, in general, each of the 17 potential housing sites appears to enjoy good access to community resources based on the following factors:

- Good access to grocery stores and other retail outlets (e.g., ALDI Food Market, Mother’s Market & Kitchen, and Stater Bros.), which may also serve as employment centers

- Good transit access (each site is within a 0.25-mile walk of an Orange County Transportation Authority [OCTA] bus stop.)
- Close to employment centers (e.g., Laguna Hills Mall and shopping centers)
- Close to a medical facility (Saddleback Medical Center)
- Good access to quality schools (Based on the Saddleback Valley Unified School District [SVUSD] School Locator map, each of the sites would be assigned to the following schools, which are described below.)
  - **San Joaquin Elementary School** (Kindergarten–Grade 6) has the following:<sup>1</sup>
    - A 70.3 percent enrollment rate comprising socioeconomically disadvantaged students
    - An overall “Exemplary” rating of the school’s state of repair
    - A full cohort of administrative and teaching staff members, which provides adequate student-teacher ratios
  - **Los Alisos Intermediate School** (Grades 7 and 8) has the following:<sup>2</sup>
    - A 57 percent enrollment rate comprising socioeconomically disadvantaged students
    - An overall “Good” rating of the school’s state of repair
    - A full cohort of administrative and teaching staff members, which provides adequate student-teacher ratios
  - **Laguna Hills High School** (Grades 9–12) has the following:<sup>3</sup>
    - A 38.9 percent enrollment rate comprising socioeconomically disadvantaged students
    - An overall “Exemplary” rating of the school’s state of repair
    - A full cohort of administrative and teaching staff members, which provides adequate student-teacher ratios
- SVUSD’s website states that families may request interdistrict transfers based on changes in childcare needs (Kindergarten–Grade 6 only), parent employment, and student enrollment in specialized programs. Proper documentation must be provided to SVUSD in order for an interdistrict transfer to be considered.

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<sup>1</sup> Saddleback Valley Unified School District. 2020. San Joaquin Elementary School 2019–20 School Accountability Report Card. Website: <https://www.doc-tracking.com/screenshots/Serve/844/2020/English/SanJoaquinElementarySchool.pdf> (accessed July 1, 2021).

<sup>2</sup> Saddleback Valley Unified School District. 2020. Los Alisos Intermediate School 2019–20 School Accountability Report Card. Website: <https://www.doc-tracking.com/screenshots/Serve/844/2020/English/LosAlisosIntermediateSchool.pdf> (accessed July 1, 2021).

<sup>3</sup> Saddleback Valley Unified School District. 2020. Laguna Hills High School 2019–20 School Accountability Report Card. Website: <https://www.doc-tracking.com/screenshots/Serve/844/2020/English/LagunaHillsHighSchool.pdf> (accessed July 1, 2021).

## 5.5 ENERGY CONSERVATION OPPORTUNITIES

Planning to maximize energy efficiency and the incorporation of energy conservation and green building features can contribute to reduced housing costs for residents in Laguna Woods, in addition to promoting sustainable community design and reduced dependence on vehicles. Such planning and development standards can also significantly contribute to reducing greenhouse gases. The City's Municipal Code references recently adopted regulations that are intended to conserve energy and provide opportunities for residents to live in decent, safe, and affordable housing.

Existing efforts to promote energy conservation were identified and reviewed to determine whether feasible and economical opportunities exist for the City to add or enhance efforts.

### 5.5.1 City Efforts

#### 5.5.1.1 Laguna Woods Municipal Code

**California Green Building Standards Code.** The California Green Building Standards Code, 2019 Edition (California Code of Regulations, Title 24, Part 11; CALGreen),<sup>1</sup> was adopted and incorporated by reference as the City's Green Building Standards Code. CALGreen regulates the planning, design, operation, construction, use, and occupancy of every newly constructed building or structure, unless otherwise indicated.

The scope of CALGreen extends to include all new buildings, this includes newly constructed residential structures, including apartment buildings, condominiums, one and two-story dwellings, homeless shelters, and other types of dwellings containing sleeping accommodations; therefore, it applies to affordable housing units.

**California Energy Code.** The California Energy Code, 2019 Edition (California Code of Regulations, Title 24, Part 6),<sup>2</sup> was adopted and incorporated by reference as the City's Energy Code. The Energy Code regulates the construction, alteration, movement, enlargement, replacement, repair, equipment, use and occupancy, location, maintenance, removal, and demolition of every building or structure or any appurtenances connected or attached to such buildings or structures.

The Energy Code promotes efficient building energy use to protect people and the environment. Once rooftop solar electricity generation is factored in, homes built under the 2019 standards will use about 53 percent less energy than those under the 2016 standards. This is expected to reduce greenhouse gas emissions in California by 700,000 metric tons over three years, equivalent to taking 115,000 fossil fuel cars off the road.<sup>3</sup>

<sup>1</sup> City of Laguna Woods. Municipal Code. Website: [https://library.municode.com/ca/laguna\\_woods/codes/code\\_of\\_ordinances?nodeId=TIT10BUCO\\_CH10.24CAGRBUSTCO](https://library.municode.com/ca/laguna_woods/codes/code_of_ordinances?nodeId=TIT10BUCO_CH10.24CAGRBUSTCO) (accessed September 16, 2021).

<sup>2</sup> City of Laguna Woods. Municipal Code. Website: [https://library.municode.com/ca/laguna\\_woods/codes/code\\_of\\_ordinances?nodeId=TIT10BUCO\\_CH10.28CAENCO](https://library.municode.com/ca/laguna_woods/codes/code_of_ordinances?nodeId=TIT10BUCO_CH10.28CAENCO) (accessed September 16, 2021).

<sup>3</sup> 2019 Building Energy Efficiency Standards FAQs. *The California Energy Commission - Efficiency Division*. Website: [https://www.energy.ca.gov/sites/default/files/2020-03/Title\\_24\\_2019\\_Building\\_Standards\\_FAQ\\_ada.pdf](https://www.energy.ca.gov/sites/default/files/2020-03/Title_24_2019_Building_Standards_FAQ_ada.pdf) (accessed September 17, 2021).

**Construction and Demolition Materials Management.** Chapter 4.24, Construction and Demolition Materials Management, of the City’s Municipal Code increases the amount of construction and demolition waste diverted from landfills by requiring minimum levels of reuse or recycling of waste generated by certain types of projects.

**Water Efficient Landscapes.** Chapter 10.03, Water Efficient Landscapes, of the City’s Municipal Code encourages efficient and conservation-oriented use of water in new and rehabilitated landscapes by limiting the amount of water able to be applied and requiring compliance with El Toro Water District regulations.

In considering opportunities to promote energy conservation, the City’s role in administering the California Building Standards Code positions it well to incentivize improvements that exceed the minimum requirements set forth in the California Green Building Standards Code and California Energy Code (collectively referred to as the California Building Energy Efficiency Standards). A related program has been included in the Housing Element.

#### 5.5.1.2 City of Laguna Woods General Plan Conservation Element

The General Plan Conservation Element addresses emergent issues and existing conditions in order to form a comprehensive approach to resource conservation. This element presents existing conditions relative to natural resource conservation within Laguna Woods and is organized to address the following eight priority issues: air resources; biological resources; cultural resources; energy resources; land resources; water resources; greenhouse gas emissions; and waste and recycling.

Implementation actions associated with the following General Plan Conservation Element policy objectives would provide opportunities for energy conservation in residential development:

- CO-4.1. Maintain energy reliability and affordability through conservation, efficiency, and independence.
- CO-4.2. Demonstrate sustainable energy resource leadership.
- CO-6.2. Maintain water reliability and affordability through conservation, efficiency, and independence.
- CO-6.3. Demonstrate sustainable water resource leadership.
- CO-8.1. Control sources of greenhouse gas emissions.
- CO-8.2. Demonstrate climate change leadership.
- CO-9.1. Adopt and enforce regulations promoting waste and recycling goals.
- CO-9.2. Expand opportunities for recycling and reuse of waste.

## 5.5.2 Other Resources

### 5.5.2.1 Southern California Edison Programs

For households requiring assistance with the payment of routine energy bills, Southern California Edison offers the following programs:

- California Alternate Rates for Energy (CARE) reduces energy bills for eligible customers by about 30 percent.
- Family Electric Rate Assistance (FERA) reduces electric bills for qualified households by 18 percent.

### 5.5.2.2 Foundation of Laguna Woods Village Payment Assistance

The Foundation of Laguna Woods Village is a nonprofit corporation that raises and distributes monies to assist residents of the private gated community of Laguna Woods Village. The Foundation of Laguna Woods Village offers temporary financial assistance with the payment of utility and energy bills.

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## 6.0 FAIR HOUSING ISSUES

HCD updated its guidance for implementing Affirmatively Furthering Fair Housing (AFFH) in April 2021. The updated guidance was published to assist public agencies and local governments with meeting their AB 686 requirements. In April 2021, HCD also released an interactive AFFH Data Viewer, which provides several map layers with data related to key AFFH factors including the following: Fair Housing Enforcement Outreach Capacity, Community Segregation and Integration, Disparities in Access to Opportunities, Disproportionate Housing Needs & Displacement Risks, and Racially and Ethnically Concentrated Areas of Poverty and Affluence. Per HCD’s AFFH implementation guidance, the 17 potential housing sites were analyzed for any potential patterns and trends of disparate housing needs and disproportionate access to opportunities. Using those criteria, housing sites were then evaluated on several map layers available from the AFFH Data Viewer to confirm that they would comply with AFFH policy. Figures 2 through 6, which are described in further detail below, show the locations of the potential housing sites and their proximity to the different classifications provided in the AFFH Data Viewer.

### 6.1 PROPOSED SITES

As described elsewhere in this exhibit, the City’s potential housing sites consist of sites with zoning in place, commercial sites with frequent or long-term vacancies, single or less established tenants, and generally sites where interest in housing development has been previously expressed. Table F below shows the number of potential housing units that are anticipated to be built during the planning period at each income level.

**Table F: Potential Housing Units during 2021–2029 Planning Period**

Site	APN	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
	2021-2029 RHNA Targets	127	136	192	542	997
1	616-012-29	10	11	0	60	81
2	621-131-38	2	2	0	27	31
3	621-131-21	5	6	0	44	55
4	621-131-26	5	6	0	44	55
5	616-012-19	76	79	0	81	236
6	616-012-03	2	3	0	29	34
7	616-021-30	24	26	0	79	129
8	621-211-09	6	7	0	50	63
9	621-091-16	0	0	0	25	25
10	616-041-01	0	0	35	19	54
11	616-191-05	0	0	6	3	9
	616-191-06	0	0	43	19	62
12	621-121-11	0	0	61	22	83
13	621-121-18	0	0	0	15	15
14	621-121-23	0	0	85	20	105
15	616-012-24	22	23	0	76	121
16	616-121-30	0	0	0	27	27
17	621-091-15	0	0	0	11	11
<b>TOTAL</b>		<b>152</b>	<b>163</b>	<b>230</b>	<b>651</b>	<b>1,196</b>

RHNA = Regional Housing Needs Assessment



Several recently completed housing projects near Laguna Woods are comparable in land use controls and site improvements but have higher densities than those envisioned under the Housing Element. Table G provides a list of these housing projects, along with their addresses and density (measured in dwelling units per acre). All four of these projects are located in the Gateway Specific Plan, which is centered around the western edge of the I-5/Crown Valley Parkway interchange in the nearby city of Laguna Niguel. None of these residential developments has units allocated for affordable housing.

**Table G: Recently Developed Housing in Nearby Cities**

Project	Address	Density
Skye at Laguna Niguel	28100 Cabot Rd., Laguna Niguel	67 du/ac
Apex Laguna Niguel	27960 Cabot Rd., Laguna Niguel	86 du/ac
Broadstone Cavora	26033 Cape Dr., Laguna Niguel	70 du/ac
Blu Laguna Niguel	27930 Cabot Rd., Laguna Niguel	99 du/ac

du/ac = dwelling units per acre

The additional residential development capacity on the City’s potential housing sites is based on densities of 8–10 dwelling units/acre (du/ac) within the residential low density overlay, 15–20 du/ac within the residential medium-low density overlay, 20–30 du/ac within the residential medium density overlay, and 30–50 du/ac within the residential high density overlay. The potential housing sites would also include affordable housing units. Therefore, the potential housing sites would improve existing conditions for current and future residents in Laguna Woods and would increase opportunities for lower income residents in Laguna Woods while also developing new housing at a much lower density than recently completed housing projects in neighboring Laguna Niguel.

The 17 potential housing sites currently contain the following existing uses: religious centers (churches and a temple), commercial centers, and professional offices. There are several recent cases in Orange County where a church or other type of house of worship has been converted into housing.

Among these examples are the Wesley Village Apartments in Garden Grove, which redeveloped underused portions of a United Methodist Church property at 12741 Main Street into 47 units of affordable housing in 2016–2017. In 2021, nearly 40 percent of a property used by the Coastal Community Fellowship Church at 10460 Slater Avenue in Fountain Valley was redeveloped into 12 single-family units. Because these developments converted land used for religious facilities into housing in other Orange County cities, the fact that religious facilities are currently operating on several of the City’s potential housing sites does not preclude their redevelopment with housing.

The additional housing that could be accommodated on the 17 potential housing sites would provide good access to community resources to potential residents, would be sufficiently served by utilities, and would facilitate the integration of lower-income households into the community in a way that would affirmatively further fair housing opportunities.

## 6.2 POVERTY STATUS

Figure 2, Poverty Status, identifies the percentage of the population in each Laguna Woods census tract whose income in the past 12 months was below the poverty level, based on the 2015–2019 American Community Survey estimates. Figure 2 also identifies the locations of the 17 potential housing sites. As shown in Figure 2, between 10 and 20 percent of the population in the portions of Laguna Woods east of Moulton Parkway and west of Moulton Parkway between El Toro Road and Santa Maria Avenue are living below the poverty level.

Of the 17 sites, four (Sites 2, 3, 4, and 8) are located in areas of Laguna Woods in which less than 10 percent of the population’s income is below the poverty level, and 13 (Sites 1, 5, 6, 7, 9, 10, 11, 12, 13, 14, 15, 16, and 17) are located in areas in which between 10 and 20 percent of the population’s income is below the poverty level.

While no areas in Laguna Woods are within a census tract in which a majority of the population’s income is below the poverty level, this analysis suggests that the development of new affordable housing on Sites 1, 5, 6, 7, 9, 10, 11, 12, 13, 14, 15, 16, and 17 would be more desirable in order to affirmatively further fair housing. This is due to their slightly higher percentages of poverty levels relative to the Laguna Woods average.

## 6.3 DIVERSITY INDEX

Figure 3, Diversity Index, identifies the diversity levels in each of the Laguna Woods census tracts based on Esri’s 2018 Diversity Index, which analyzes United States Census Population Estimates data. Figure 3 also identifies the locations of the 17 potential housing sites. The Diversity Index ranges from 0 (no diversity) to 100 (complete diversity). Esri’s definition of diversity is two-dimensional and combines racial diversity with ethnic diversity. The measure evaluates the likelihood that two persons, chosen at random from the same area, belong to different races or ethnic groups. If an area’s entire population belongs to one race group and one ethnic group, then an area has zero diversity.

In theory, the Diversity Index ranges from 0 (no diversity) to 100 (complete diversity). The Diversity Index is a continuum from 0 to 100, where an area’s Diversity Index tends toward 100 when the population is more evenly divided across race and ethnic groups. If an area’s entire population is divided evenly into two race groups and one ethnic group, then the Diversity Index equals 50. As more race groups are evenly represented in the population, the Diversity Index increases. As shown in Figure 3, the Diversity Index varies substantially among the Laguna Woods census tracts.

Of the 17 sites, five (Sites 1, 5, 6, 11, and 15) are located in areas of Laguna Woods that score lower on the Diversity Index. Seven of the sites (Sites 7, 9, 10, 12, 13, 14, and 16) are located in areas that score higher on the Diversity Index, with scores that are less than or equal to the 40–55<sup>th</sup> percentile. Four of the sites (Sites 2, 3, 4, and 8) are located in areas that scored within the 70–85<sup>th</sup> percentile.

This analysis suggests that Sites 2, 3, 4, 7, 8, 9, 10, 12, 13, 14, and 16 would be stronger candidates for developing affordable housing due to their higher Diversity Index scores. Developing affordable housing at these sites would comply with AFFH policies and affirmatively further fair housing.

**Figure 2: Poverty Status**

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**Figure 3: Diversity Index**

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## 6.4 HEALTHY PLACES

Figure 4, Healthy Places Index, shows the Laguna Woods census tracts and their scores on the Public Health Alliance of Southern California (PHASC) 2021 Healthy Places Index (HPI). The HPI was developed to assist in exploring local factors that predict life expectancy and provides overall scores and detailed data on specific policy action areas that shape health. Higher HPI scores represent communities where economic, education, transportation, social, neighborhood, clean environment, housing, and healthcare access indicators suggest that conditions that are conducive to healthy living are present. Figure 4 also identifies the locations of the 17 potential housing sites. As shown in Figure 4, the HPI varies substantially among the Laguna Woods census tracts.

Of the 17 sites, six of the sites (Sites 9, 12, 13, 14, 16, and 17) are located in areas that scored between the 20<sup>th</sup> and 40<sup>th</sup> percentile on the HPI. Five of the sites (Sites 1, 5, 6, 11, and 15) are located in areas that scored between the 40<sup>th</sup> and 60<sup>th</sup> percentile, followed by Sites 7 and 8, which are located in areas that scored between the 60<sup>th</sup> and 80<sup>th</sup> percentile on the HPI.

Based on this analysis, Sites 1, 5, 6, 7, 8, 11, and 15 are preferable for affordable housing development due to their higher HPI scores, which would affirmatively further fair housing.

## 6.5 SOCIAL VULNERABILITY

Figure 5, Social Vulnerability Index, identifies the census tracts throughout Laguna Woods and their scores on the Centers for Disease Control and Prevention (CDC) 2018 Social Vulnerability Index (SVI). “Social vulnerability” refers to the potential negative effects on communities caused by external stresses on human health. Such stresses can include natural or human-caused disasters, or disease outbreaks. The SVI uses 15 different United States Census variables to help local officials identify communities that may need support before, during, or after disasters. Figure 5 also identifies the locations of the 17 potential housing sites.

There is one census tract within Laguna Woods that is identified as having a “higher vulnerability” per AFFH data. None of the 17 sites are located in that census tract. All of the sites are located in census tracts with a “moderate vulnerability” based on the SVI.

Despite the fact that the potential housing sites are located in areas subject to moderate levels of social vulnerability, they remain good candidates for affordable housing to affirmatively further fair housing.

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**Figure 4: Healthy Places Index**

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**Figure 5: Social Vulnerability Index**

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## 6.6 TAX CREDIT ALLOCATION COMMITTEE OPPORTUNITY AREAS

HCD and the California Tax Credit Allocation Committee (TCAC) convened the California Fair Housing Task Force to provide research, evidence-based policy recommendations, and other strategic recommendations to HCD and other related state agencies/departments to further fair housing goals (as defined by HCD). The California Fair Housing Task Force has compiled data to identify resource levels across the state to accompany new policies aimed at increasing access to high opportunity areas for families with children in housing financed with 9 percent Low Income Housing Tax Credits (LIHTCs). The data reflect composite scores of four different domains made up of a set of indicators. Table H shows the full list of these domains and indicators.

**Table H: Domains and Lists of Indicators for Opportunity Maps**

Domain	Indicator
Economic	<ul style="list-style-type: none"> <li>• Poverty</li> <li>• Adult education</li> <li>• Employment</li> <li>• Job proximity</li> <li>• Median home value</li> </ul>
Environmental	<ul style="list-style-type: none"> <li>• CalEnviroScreen 3.0 pollution indicators and values</li> </ul>
Education	<ul style="list-style-type: none"> <li>• Math proficiency</li> <li>• Reading proficiency</li> <li>• High school graduation rates</li> <li>• Student poverty rates</li> </ul>
Poverty and Racial Segregation	<ul style="list-style-type: none"> <li>• Poverty: tracts with at least 30% of population under federal poverty line</li> <li>• Racial segregation: Tracts with location quotient higher than 1.25 for Blacks, Hispanics, Asians, or all people of color in comparison to the County</li> </ul>

Source: California Fair Housing Task Force. 2020. Methodology for the 2020 TCAC/HCD Opportunity Maps. June.

Figure 6, TCAC Opportunity Areas, shows the Laguna Woods census tracts and their categorization based on their composite scores. Areas with higher composite scores are those areas that have the highest number of resources. Areas with lower composite scores have a comparatively lower number of resources. Figure 6 also identifies the locations of the 17 potential housing sites. As shown in Figure 6, the composite scores vary substantially among the Laguna Woods census tracts.

Of the 17 sites, 13 of the sites (Sites 1, 5, 6, 7, 9, 10, 11, 12, 13, 14, 15, 16, and 17) are located in “Low Resource” areas. Four of the sites (Sites 2, 3, 4, and 8) are located in portions of Laguna Woods that are categorized as being “Moderate Resource—Rapidly Changing” areas. Section 1.4.1.3 of Exhibit A, Housing Needs Assessment, provides a more detailed explanation of the various census tracts in Laguna Woods and their respective opportunity map scores and categorizations.

Based on this analysis, Sites 2, 3, 4, and 8 are preferable for affordable housing development due to their locations in higher resource areas relative to what is available in Laguna Woods, which would affirmatively further fair housing.

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**Figure 6: TCAC Opportunity Areas**

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## 6.7 REGIONAL OPPORTUNITY INDEX

The UC Davis Center for Regional Change and Rabobank partnered to develop the Regional Opportunity Index (ROI) tool, which is intended to help communities understand local social and economic opportunities. The ROI tool incorporates both “People” and “Place” components, integrating economic, infrastructure, environmental, and social indicators into a comprehensive assessment of the factors driving opportunity.

The People component of the ROI is a relative measure of *people’s* assets in education, the economy, housing, mobility/transportation, health/environment, and civic life. According to the ROI, Laguna Woods ranks moderate to high in the People component.

The Place component of the ROI is a relative measure of an *area’s* assets in education, the economy, housing, mobility/transportation, health/environment, and civic life. According to the ROI, most areas in Laguna Woods rank in the highest level while the westernmost portion of Laguna Woods ranks in the low level of opportunity.

In general, the ROI for Laguna Woods is relatively high when compared against the rest of Orange County. The lowest access to opportunity is concentrated in the northwestern portion of Orange County, while the highest access to opportunity is concentrated in the coastal and southern areas of Orange County, which is where Laguna Woods is located.

## 6.8 DISABILITY

Table I provides data compiled by the U.S. Census Bureau related to disability for Orange County, Laguna Woods, the surrounding cities of Aliso Viejo, Laguna Hills, Laguna Beach, and Lake Forest, and the eight census tracts that are partially or entirely within Laguna Woods.

**Table I: Disability Trends**

Jurisdiction	Population with Disability (2008–2012 ACS) (%) <sup>2</sup>	Population with Disability (2015–2019 ACS) (%) <sup>1</sup>	Percent Change
Orange County	7.6	8.5	11.8%
Laguna Woods	29.2	27.3	-6.5%
Aliso Viejo	3.8	6.3	65.8%
Laguna Hills	7.4	8.8	18.9%
Laguna Beach	6.8	9.4	38.2%
Lake Forest	6.4	6.9	7.8%
Census Tract 626.21	7.7	7.2	-6.5%
Census Tract 626.22	25.7	22.6	-12.1%
Census Tract 626.25	12.5	14.1	12.8%
Census Tract 626.41	11.3	13.8	22.1%
Census Tract 626.46	29.3	25.4	-13.3%
Census Tract 626.47	20.4	16.9	-17.2%
Census Tract 626.48	27.9	26.4	-5.4%
Census Tract 626.49	17.7	24.5	38.4%

<sup>1</sup> American Community Survey 2019 5-Year Estimates. Table S1810.

<sup>2</sup> American Community Survey 2012 5-Year Estimates. Table S1810.

Table G indicates that seven of the eight census tracts in Laguna Woods have a higher percentage of their population with a disability than Orange County. Overall, 27.3 percent of Laguna Woods' population has some form of disability, a figure that is higher than each of the individual census tracts within Laguna Woods. Census Tract 626.21 reports the lowest population percentage with a disability (7.2 percent). Laguna Woods also has a much higher percentage of its population with a disability than Aliso Viejo, Laguna Hills, Laguna Beach, or Lake Forest, which have 6.3 percent, 8.8 percent, 9.4 percent, and 6.9 percent, respectively. All 17 of the potential housing sites are located in census tracts with a higher percentage of disabled residents than Orange County.

Additionally, Table I details the change in the percentage of disabled residents in Laguna Woods, Aliso Viejo, Laguna Hills, Laguna Beach, Lake Forest, and Orange County between the 2008–2012 and the 2015–2019 American Community Survey (ACS) estimate periods. The 2008–2012 ACS estimates were the earliest time period when data pertaining to disabled persons were available at a census tract level. As shown in Table I, Laguna Woods saw a 6.5 percent decrease in the percentage of its residents with disabilities between the 2008–2012 and the 2015–2019 ACS estimate periods. During the same time period, Orange County and the other cities surrounding Laguna Woods saw increases in the percentages of their residents with disabilities (ranging from a 7.8 percent increase in Lake Forest to a 65.8 percent increase in Aliso Viejo). However, the percentage of the population with a disability in Laguna Woods (27.3 percent) is much higher than any of the other cities surrounding Laguna Woods or Orange County.

## 6.9 FAMILY STATUS

Table J provides data compiled by the U.S. Census Bureau related to household type for Orange County, Laguna Woods, the surrounding cities of Aliso Viejo, Laguna Hills, Laguna Beach, and Lake Forest, and the eight census tracts that are partially or entirely within Laguna Woods.

Six of the eight census tracts in Laguna Woods, and Laguna Woods as a whole, have a higher number of nonfamily households than family, male householder, or female householder households, which reflects Laguna Woods' character as being home to a large senior population, many of whom do not live in family households. By comparison, Orange County and the surrounding cities of Aliso Viejo, Laguna Hills, Laguna Beach, and Lake Forest have a larger number of married-couple families than nonfamily, male householder, or female householder families. In total, 11 of the 17 potential housing sites are located in census tracts with a larger number of nonfamily households than married-couple family households.

Additionally, Table J details the changes in family status among households in Laguna Woods, Aliso Viejo, Laguna Hills, Laguna Beach, Lake Forest, and Orange County between the 2006–2010 and the 2015–2019 ACS estimate periods. The 2006–2010 ACS estimates were the earliest time period when household and family status data were available at a census tract level. As shown in Table J, the percentage of married-couple families increased the most in Laguna Woods (11.6 percent) between the 2006–2010 and the 2015–2019 ACS estimate periods; however, the percentage of married-couple families also increased in most of the other surrounding cities and in Orange County. All of the individual census tracts in Laguna Woods also saw increases in the number of married-couple households, with the exception of two census tracts, Census Tract 626.47 and Census

**Table J: Family Status Trends**

Jurisdiction	Married-Couple Family Year <sup>1,2</sup>		Percent Change (2006–2010 ACS to 2015–2019 ACS)	Male Householder Year <sup>1,2</sup>		Percent Change (2006–2010 ACS to 2015–2019 ACS)	Female Householder Year <sup>1,2</sup>		Percent Change (2006–2010 ACS to 2015–2019 ACS)	Nonfamily Household Year <sup>1,2</sup>		Percent Change (2006–2010 ACS to 2015–2019 ACS)
	(2006–2010 ACS)	(2015–2019 ACS)		(2006–2010 ACS)	(2015–2019 ACS)		(2006–2010 ACS)	(2015–2019 ACS)		(2006–2010 ACS)	(2015–2019 ACS)	
Orange County	533,446	569,260	+6.7%	54,071	55,032	+1.8%	111,816	119,719	+7.1%	285,170	293,481	+2.9%
Laguna Woods	3,215	3,590	+11.7%	166	83	-50.0%	352	309	-12.2%	7,737	7,021	-9.3%
Aliso Viejo	9,264	10,054	+8.5%	521	809	+55.3%	1,599	1,937	+21.1%	6,693	5,715	-14.6%
Laguna Hills	6,418	6,347	-1.1%	400	438	+9.5%	865	941	+8.8%	2,744	3,311	+20.7%
Laguna Beach	4,683	5,038	+7.6%	518	359	-30.7%	545	595	+9.2%	5,301	4,243	-20.0%
Lake Forest	15,971	17,060	+6.8%	1,312	1,329	+1.3%	2,432	3,166	+30.2%	7,200	7,783	+8.1%
Census Tract 626.21	985	2,355	+139.1%	59	297	+403.4%	194	361	+86.1%	630	1,610	+155.6%
Census Tract 626.22	911	951	+4.4%	11	0	-100.0%	152	47	-69.1%	1,528	1,537	+0.6%
Census Tract 626.25	763	831	+8.9%	69	46	-33.3%	107	131	+22.4%	923	952	+3.1%
Census Tract 626.41	770	1,034	+34.3%	67	5	-92.5%	104	147	+41.3%	715	838	+17.2%
Census Tract 626.46	575	762	+32.5%	31	48	+54.8%	54	0	-100.0%	1,651	1,555	-5.8%
Census Tract 626.47	589	543	-7.8%	21	143	+581.0%	129	217	+68.2%	1,497	1,448	-3.3%
Census Tract 626.48	657	470	-28.5%	13	8	-38.5%	42	84	+100.0%	1,454	1,300	-10.6%
Census Tract 626.49	540	711	+31.7%	49	28	-42.9%	89	33	-62.9%	1,348	1,094	-18.8%

<sup>1</sup> American Community Survey 2019 5-Year Estimates. Table S1101.

<sup>2</sup> American Community Survey 2010 5-Year Estimates. Table S1101.

Tract 626.48. The percentage of male householders and female householders has decreased in Laguna Woods by 50 percent and 12.2 percent, respectively, while it has increased in all surrounding cities (with the exception of Laguna Beach’s decrease in male householders). Finally, the number of non-family households in Laguna Woods has decreased by approximately 9.3 percent while it has increased in Orange County by approximately 2.9 percent.

### 6.10 INCOME

Table K provides data compiled by the U.S. Census Bureau related to poverty status and median household income for Orange County, Laguna Woods, the surrounding cities of Aliso Viejo, Laguna Hills, Laguna Beach, and Lake Forest, and the eight census tracts that are partially or entirely within Laguna Woods.

**Table K: Income Trends**

Jurisdiction	Population Below Poverty (%) <sup>1,2</sup>		Percent Change (2008–2012 ACS to 2015–2019 ACS)	Median Household Income <sup>3,4</sup>		Percent Change (2008–2012 ACS to 2015–2019 ACS)
	2008–2012 ACS	2015–2019 ACS		2008–2012 ACS	2015–2019 ACS	
Orange County	11.7	10.9	-6.8%	\$74,344	\$90,234	21.4%
Laguna Woods	11.4	11.5	0.9%	\$34,192	\$44,020	28.7%
Aliso Viejo	4.7	4.7	0.0%	\$95,498	\$112,689	18.0%
Laguna Hills	7.2	8.3	15.3%	\$87,337	\$100,985	15.6%
Laguna Beach	7.4	6.3	-14.9%	\$98,634	\$129,983	31.8%
Lake Forest	5.0	6.9	38.0%	91,040	\$109,492	20.3%
Census Tract 626.21	6.5	7.7	18.5%	\$76,333	\$111,425	46.0%
Census Tract 626.22	9.9	13.7	38.4%	\$32,437	\$44,119	36.0%
Census Tract 626.25	12.6	12.4	-1.6%	\$43,070	\$45,214	5.0%
Census Tract 626.41	9.1	3.3	-63.7%	\$59,500	\$88,986	49.6%
Census Tract 626.46	14.9	10.6	-28.9%	\$30,291	\$41,875	38.2%
Census Tract 626.47	9.7	15.7	61.9%	\$35,345	\$54,327	53.7%
Census Tract 626.48	4.2	12.9	207.1%	\$38,534	\$45,000	16.8%
Census Tract 626.49	6.6	11.1	68.2%	\$48,351	\$60,254	24.6%

<sup>1</sup> American Community Survey 2019 5-Year Estimates. Table S1701.  
<sup>2</sup> American Community Survey 2012 5-Year Estimates. Table S1701.  
<sup>3</sup> American Community Survey 2019 5-Year Estimates. Table S1901.  
<sup>4</sup> American Community Survey 2010 5-Year Estimates. Table S1901.

As described in Table K, 11.5 percent of Laguna Woods’ residents are living below the federal poverty threshold, which is slightly higher than Orange County overall (10.9 percent) and higher than the surrounding cities of Aliso Viejo, Laguna Hills, Laguna Beach, and Lake Forest. Of the eight census tracts in Laguna Woods, five have a higher percentage of residents living below the poverty threshold than Orange County. Seven of the 17 potential housing sites are located in census tracts with a higher percentage of residents living below the poverty threshold than Orange County.

Table K also shows that Laguna Woods has a substantially lower median household income (\$44,020) than Orange County (\$90,234) or any of the other surrounding cities of Aliso Viejo, Laguna Hills, Laguna Beach, and Lake Forest. Of the eight census tracts in Laguna Woods, only Census Tract 626.21 has a higher median household income (\$111,425) than Orange County. All 17 of the

potential housing sites are located in census tracts with a lower median household income than Orange County.

Additionally, Table K details the change in the percentage of residents living below the poverty level in Laguna Woods, Aliso Viejo, Laguna Hills, Laguna Beach, Lake Forest, and the County between the 2008–2012 and the 2015–2019 ACS estimate periods as well as the percentage of change in median household income in those same geographies between the 2006–2010 and the 2015–2019 ACS estimate periods. The 2008–2012 ACS estimates were the earliest time period when ACS data pertaining to poverty status were available at a census tract level, and the 2006–2010 ACS estimates were the earliest time period when ACS data pertaining to household income were available at a census tract level. Laguna Woods, Orange County, the surrounding cities, and all individual census tracts within the Laguna Woods saw an increase in median household income between the 2006–2010 and the 2015–2019 ACS estimate periods. However, the percentage of residents living below the poverty level in Laguna Woods slightly increased over time (from 11.4 percent to 11.5 percent), whereas the percentage of Orange County residents living below the poverty level decreased by 6.8 percent during the same time period.

### 6.11 RACE AND ETHNICITY

Table L provides data compiled by the U.S. Census Bureau related to race and ethnicity for Orange County, Laguna Woods, the surrounding cities of Aliso Viejo, Laguna Hills, Lake Forest, Laguna Beach, and the eight census tracts that are partially or entirely within Laguna Woods for the 2006–2010 and the 2015–2019 ACS estimate periods.

As Table L indicates, Orange County, Laguna Woods, all surrounding cities, and all eight census tracts within Laguna Woods have a majority White population. All cities including Laguna Woods (76.3 percent, 80.0 percent, 70.9 percent, 89.5 percent, and 65.9 percent for Laguna Woods, Aliso Viejo, Laguna Hills, Laguna Beach, and Lake Forest, respectively) have a higher population of White residents than Orange County (61.0 percent). Laguna Woods has the lowest percentage of Hispanic or Latino population (5.8 percent) among all its surrounding cities and Orange County, and Census Tract 626.48 has the lowest percentage of Hispanic or Latino population (4.2 percent) among all geographies.

Table M provides a comparison of the breakdown of race and ethnicity in Laguna Woods, Aliso Viejo, Laguna Hills, Laguna Beach, Lake Forest, and Orange County between the 2006–2010 and the 2015–2019 ACS estimate periods. The 2006–2010 ACS estimate period was the earliest possible time period when race and ethnicity data were available at a census tract level. As shown in Table M, the White population in Laguna Woods decreased by approximately 15.5 percent between the 2006–2010 and the 2015–2019 ACS estimate periods, whereas it increased in Orange County and the cities of Aliso Viejo, Laguna Hills, and Lake Forest by 5.0 percent, 8.7 percent, 0.5 percent, and 4.0 percent, respectively, during the same time frame. The Black population in Laguna Woods decreased by 9.5 percent between the 2006–2010 and the 2015–2019 ACS estimate periods, whereas it increased in Orange County and Laguna Hills, Laguna Beach, and Aliso Viejo by 15.0 percent, 95.0 percent, 51.6 percent, and 28.9 percent, respectively. The Hispanic population increased in all geographies between the 2006–2010 and the 2015–2019 ACS estimate periods, except in Census Tract 626.22, Census Tract 626.25, and Census Tract 626.41.

**Table L: Race and Ethnicity Trends**

Jurisdiction	White		Black or African American		American Indian and Alaska Native		Asian		Native Hawaiian and Other Pacific Islander		Some Other Race and Two or More Races		Hispanic or Latino (of any race)	
	2006–2010 ACS	2015–2019 ACS	2006–2010 ACS	2015–2019 ACS	2006–2010 ACS	2015–2019 ACS	2006–2010 ACS	2015–2019 ACS	2006–2010 ACS	2015–2019 ACS	2006–2010 ACS	2015–2019 ACS	2006–2010 ACS	2015–2019 ACS
Orange County	1,839,676 (62.0%)	1,931,263 (61.0%)	48,361 (1.6%)	55,591 (1.8%)	13,004 (0.4%)	14,424 (0.5%)	521,268 (17.6%)	649,042 (20.5%)	9,565 (0.3%)	10,152 (0.3%)	557,247 (18.8%)	507,572 (16.0%)	973,899 (32.8%)	1,078,726 (34.1%)
Laguna Woods	14,499 (89.0%)	12,250 (76.3%)	126 (0.8%)	114 (0.7%)	0 (0.0%)	13 (0.1%)	1,357 (8.3%)	3,169 (19.7%)	0 (0.0%)	0 (0.0%)	341 (2.0%)	507 (3.2%)	723 (4.4%)	929 (5.8%)
Aliso Viejo	32,625 (70.4%)	35,449 (80.0%)	1,476 (3.2%)	1,237 (2.4%)	48 (0.1%)	238 (0.5%)	6,520 (14.1%)	7,905 (15.6%)	40 (0.1%)	64 (0.1%)	5,885 (12.8%)	5,770 (11.4%)	7,927 (17.1%)	9,189 (18.1%)
Laguna Hills	22,306 (73.3%)	22,417 (70.9%)	241 (0.8%)	470 (1.5%)	156 (0.5%)	27 (0.1%)	3,111 (10.2%)	4,632 (14.7%)	98 (0.3%)	18 (0.1%)	4,744 (15.6%)	4,053 (12.9%)	6,672 (21.9%)	6,950 (22.0%)
Laguna Beach	20,746 (91.0%)	20,617 (89.5%)	128 (0.6%)	194 (0.8%)	12 (0.1%)	28 (0.1%)	1,050 (4.6%)	867 (3.8%)	40 (0.2%)	0 (0.0%)	903 (3.9%)	1,330 (5.7%)	1,513 (6.6%)	1,892 (8.2%)
Lake Forest	53,242 (69.4%)	55,374 (65.9%)	1,425 (1.9%)	1,837 (2.2%)	380 (0.5%)	860 (1.0%)	10,360 (13.5%)	15,816 (18.8%)	129 (0.2%)	111 (0.1%)	12,156 (15.8%)	9,976 (11.9%)	17,159 (22.4%)	18,381 (21.9%)
Census Tract 626.21	4,093 (77.6%)	7,581 (61.5%)	20 (0.4%)	194 (1.6%)	0 (0.0%)	14 (0.1%)	652 (12.4%)	3,654 (29.6%)	0 (0.0%)	0 (0.0%)	607 (11.5%)	888 (7.2%)	1,244 (23.6%)	1,557 (12.6%)
Census Tract 626.22	3,379 (77.8%)	3,025 (78.2%)	27 (0.6%)	14 (0.4%)	0 (0.0%)	0 (0.0%)	477 (11.0%)	736 (19.0%)	36 (0.8%)	0 (0.0%)	426 (9.8%)	93 (2.4%)	638 (14.7%)	35 (7.9%)
Census Tract 626.25	2,902 (70.5%)	2,547 (64.1%)	0 (0.0)	11 (0.3%)	0 (0.0%)	0 (0.0%)	365 (8.9%)	513 (12.9%)	0 (0.0%)	0 (0.0%)	848 (20.6%)	904 (22.8%)	1,349 (32.8%)	1,293 (32.5%)
Census Tract 626.41	2,774 (61.1%)	3,518 (65.4%)	58 (1.3%)	87 (1.6%)	0 (0.0%)	0 (0.0%)	566 (12.5%)	975 (18.1%)	0 (0.0%)	0 (0.0%)	1,163 (25.6%)	796 (14.8%)	1,732 (38.2%)	1,184 (22.0%)
Census Tract 626.46	2,759 (90.3%)	2,502 (72.9%)	20 (0.7%)	100 (2.9%)	0 (0.0%)	0 (0.0%)	202 (6.6%)	658 (19.2%)	0 (0.0%)	0 (0.0%)	75 (2.5%)	173 (5.0%)	139 (4.5%)	240 (7.0%)
Census Tract 626.47	3,007 (73.5%)	3,070 (67.4)	27 (0.7%)	170 (3.7%)	0 (0.0%)	13 (0.3%)	601 (14.7%)	788 (17.3%)	0 (0.0%)	0 (0.0%)	454 (11.1%)	512 (11.2%)	722 (17.7%)	994 (21.8%)
Census Tract 626.48	2,727 (92.8%)	1,996 (75.6%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	142 (4.8%)	510 (19.3%)	0 (0.0%)	0 (0.0%)	86 (2.9%)	134 (5.0%)	87 (3.0%)	110 (4.2%)
Census Tract 626.49	2,820 (93.2%)	2,542 (79.3%)	37 (1.2%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	155 (5.1%)	552 (17.2%)	0 (0.0%)	0 (0.0%)	13 (0.4%)	110 (3.4%)	67 (2.2%)	379 (11.8%)

<sup>1</sup> American Community Survey 2019 5-Year Estimates. Table DP05.

<sup>2</sup> American Community Survey 2010 5-Year Estimates. Table DP05.

**Table M: Race and Ethnicity Trends (2006–2010 ACS to 2015–2019 ACS)**

Jurisdiction	White	Black or African American	American Indian and Alaska Native	Asian	Native Hawaiian and Other Pacific Islander	Some Other Race and Two or More Races	Hispanic or Latino (of any race)
Orange County	+5.0%	+15.0%	+10.9%	+24.5%	+6.1%	-8.9%	+10.8%
Laguna Woods	-15.5%	-9.5%	--	+133.5%	--	+48.7%	+28.5%
Aliso Viejo	+8.7%	-16.2%	+395.8%	+21.2%	+60.0%	-2.0%	+15.9%
Laguna Hills	+0.5%	+95.0%	-82.7%	+48.9%	-81.6%	-14.6%	+4.2%
Laguna Beach	-0.6%	+51.6%	+133.3%	-17.4%	-100.0%	+47.3%	+25.0%
Lake Forest	+4.0%	+28.9%	+126.3%	+52.7%	-14.0%	-17.9%	+7.1%
Census Tract 626.21	+85.2%	+870.0%	--	+460.4%	--	+46.3%	+25.2%
Census Tract 626.22	-10.5%	-48.1%	--	+54.3%	-100.0%	-78.2%	-99.5%
Census Tract 626.25	-12.2%	--	--	+40.5%	--	+6.6%	-4.2%
Census Tract 626.41	+26.8%	+50.0%	--	+72.3%	--	-31.6%	-31.6%
Census Tract 626.46	-9.3%	+400.0%	--	+225.7%	--	+130.7%	+72.7%
Census Tract 626.47	+2.1%	+529.6%	--	+31.1%	--	+12.8%	+37.7%
Census Tract 626.48	-26.8%	--	--	+259.2%	--	+55.8%	+26.4%
Census Tract 626.49	-9.9%	-100.0%	--	+256.1%	--	+746.2%	+465.7%

## 6.12 LOCAL DATA AND KNOWLEDGE

### 6.12.1 Age and Income Restrictions

As described earlier in this exhibit, the majority of Laguna Woods is comprised of private communities that are restricted by income and to adults aged 55 and older. Of the 13,252 dwelling units in the City of Laguna Woods, 12,736 are located in the gated community of Laguna Woods Village (formerly Leisure World), which represents 80 percent of the City's total land area. Three additional age-restricted residential communities provide an additional 516 dwelling units in the City. Consequently, income and age restrictions have impeded housing choices for lower-income and younger residents interested in relocating to Laguna Woods.

Prior to the 1960s, Laguna Woods was a part of South Orange County's expansive Moulton Ranch, with only a few scattered ranch dwellings and barns comprising the nearly three square miles of land. In 1964, a portion of Moulton Ranch was purchased and developed into Leisure World Laguna Hills, a community for people aged 52 and older. The City was then officially incorporated as Orange County's 32nd city in 1999, resulting in a somewhat unique city with an average resident age that is greater than 75 years.

Existing income and age restrictions were not required by the City and are not a function of any local development code or regulation, but rather elective decision-making on the part of developers and property owners, in large part prior to the City's incorporation in 1999. In keeping with past practice, this Housing Element contains no income- or age-related housing mandates.

This Housing Element contains programs intended to affirmatively further fair housing for all persons, including a number of goals and policy objectives that specifically reference lower incomes (see Goals H-1, H-2, and H-3, and Policy Objectives H-1.1, H-1.2, H-1.4, and H-1.5). Policy Objective H-1.5 explicitly references "families," a term which includes persons of any age, and Policy Objective H-3.1 prioritizes efforts to increase access to housing without preconditions, including income or age.

Recognizing the impediments to housing production and choice associated with existing income and age restrictions, this Housing Element intentionally identifies only potential housing sites located outside of private communities that are currently income- and/or age-restricted. This is a change from previous Housing Elements for which all potential housing sites were located on property owned by entities affiliated with income- and age-restricted private communities. None of the potential housing sites identified in this Housing Element contain known income or age restrictions.

Program H-3.1.3 in this Housing Element provides for fee waivers or reductions, or other incentives, for housing projects that prepare and implement an affirmative marketing plan designed to attract renters or buyers of diverse demographics including, among other characteristics, familial status (meaning that housing projects seeking to obtain such incentives would not be eligible if they restrict occupant households from including children under the age of 18, or any other combination of family unit recognized by law). The incentives envisioned in Program H-3.1.3 will be prioritized based on factors including racial concentrations from U.S. Census Bureau data products, with an emphasis on avoiding the creation of geographically discernable patterns of segregation or racially



concentrated areas of poverty. The incentives are expected to promote housing production (and, thereby, housing choices) for all persons regardless of age.

### 6.12.2 Property Ownership Implications

As described in Sections 4.0 and 6.12.1 above, approximately 2.7 square miles of Laguna Woods' overall 3.3 square miles is occupied by Laguna Woods Village, a private gated community for people aged 55 and older. While there are properties within Laguna Woods Village that are perceived as vacant and might otherwise be potentially available for new housing development, all such property is held in trust by the Golden Rain Foundation for the benefit of the residents of Laguna Woods Village. Applicable governing documents restrict the Golden Rain Foundation's ability to build housing on, or unilaterally sell/lease, its property. Consequently, housing choice and the prospect of new housing construction is limited in most of Laguna Woods.

Property ownership of existing housing units within Laguna Woods Village is unique in that a large portion of the housing stock is comprised of co-ops wherein residents are members of a corporation which owns all real property, including the dwelling units, carports, and laundry facilities within the corporation's boundaries, and each member is entitled to occupy a specific dwelling unit under the terms of an occupancy agreement. Consequently, co-op residents do not enjoy the same latitude to modify and maintain their dwelling units as residents of more conventional single-family homes or condominiums, which may impede the development of accessory dwelling units and otherwise affect housing choice, as well as centralize many opportunities for the conservation and revitalization of housing stock with housing corporations rather than residents.

The City's legal obligation to support the development of accessory dwelling units is addressed in this Housing Element's Programs H-1.4.1, H-1.4.2, and H-1.4.3. To provide both housing corporations and residents with resources related to the conservation of dwelling units, this Housing Element includes Programs H-2.1.1, H-2.2.2, and H-2.2.3. Program H-2.3.1 complements those programs by formalizing a proactive code enforcement program focusing on housing-related rehabilitation needs, resulting in repairs, and seeking to mitigate potential cost, displacement, and relocation impacts on residents.

### 6.12.3 Environmental and Topography Constraints

The City has evaluated potential safety hazards that constrain future development within its boundaries and incorporated maps depicting the locations of those constraints within the Safety Element of its General Plan.

According to the Safety Element, fire hazards exist in the wildland-urban interface area in the western edge of Laguna Woods where urban development meets the open space areas west of the City. While some undeveloped land exists within the fire hazard severity zones (Laguna Coast Wilderness Park and Woods End Wilderness Preserve), this land is protected by irrevocable open space easements, which eliminates any possibility of their development. Therefore, the presence of fire hazards in these areas does not constrain housing development.

The Safety Element indicates that special flood hazard areas comprise approximately 26 acres of Laguna Woods. Flood hazards exist in the floodplain along Aliso Creek in the southern portion of

Laguna Woods and the Golden Rain Foundation’s nine-hole golf course near Paseo del Lago. Both of the areas affected by flooding hazards are within the boundaries of Laguna Woods Village and have been used as recreational amenities for community residents for more than 50 years. As such, the development of new housing on these areas is just as likely to be constrained by the property’s complex land ownership situation (common areas owned and maintained by the Golden Rain Foundation for the use and benefit of Laguna Woods Village residents) as it is by the presence of flood hazards.

According to the Safety Element, there are no mapped fault zones pursuant to the Alquist-Priolo Earthquake Fault Zoning Act that transect Laguna Woods; however, there are several major faults and fault zones in the vicinity of Laguna Woods. Although fault rupture and seismic shaking do present a risk to development in Laguna Woods, these hazards can be addressed by incorporating the design recommendations of engineers and geotechnical professionals. Therefore, seismic hazards do not represent a constraint on new housing development in Laguna Woods.

The Safety Element notes that landslide hazard zones exist in several areas of Laguna Woods, mainly in areas where steep slopes occur. In total, the State considers approximately 77 acres as prone to earthquake-induced landslides. According to the Safety Element, approximately 256 acres of land within Laguna Woods are prone to liquefaction. These areas include a strip of land in the northwestern portion of Laguna Woods, land along El Toro Road west of Calle Sonora, the Aliso Creek corridor, and a broad swath of the southeastern portion of Laguna Woods. Similar to seismic hazards, landslide and liquefaction hazards can be addressed in the design process by incorporating the input of engineers and geotechnical professions. Therefore, these hazards do not represent a constraint on new housing development in Laguna Woods.

#### **6.12.4 Relevant Factors Contributing to Fair Housing**

Due to the developed nature of Laguna Woods and the fact that the majority of the City’s existing housing stock is age- and income-restricted, the only way to add housing opportunities to younger residents or residents with lower incomes is to build more housing that is accessible to these populations. The sites that are identified for new housing production in the Housing Element present an opportunity for younger residents or residents with lower incomes to move to Laguna Woods since they exist on sites unaffected by existing age or income restrictions. The selection of these sites present opportunities for and contributes to the addition of fair housing in Laguna Woods.

### **6.13 CONCLUDING ANALYSIS**

Each of the 17 potential housing sites were also analyzed against three additional AFFH data layer maps: (1) areas that are defined by either the TCAC or HCD Opportunity Maps as being an area of “High Segregation and Poverty” or by the United States Department of Housing and Urban Development (HUD) as a “Racially or Ethically Concentrated Area of Poverty”; (2) areas identified as State Bill (SB) 535-defined “Disadvantaged Communities”; and (3) locations of cases throughout Laguna Woods that were filed with HUD’s Fair Housing Enforcement and Outreach (FHEO) branch in 2020.

Analysis of these data sets showed that Laguna Woods does not contain any areas defined by either the TCAC or HCD Opportunity Maps as being an area of High Segregation and Poverty or by HUD as a Racially or Ethnically Concentrated Area of Poverty. Although HCD's guidance for implementing AFFH states that affordable housing should aim to be developed in those areas in order to further fair housing, no such areas exist within Laguna Woods. Furthermore, Laguna Woods does not contain any SB 535-defined Disadvantaged Communities, and, as such, none of Laguna Woods' potential housing sites are located in a SB 535-defined Disadvantaged Community. Additionally, the entirety of Laguna Woods is located in an area that had less than .01 percent of complaints filed with FHEO in 2020, which means that few to no housing discrimination complaints have been filed in Laguna Woods and that housing discrimination is not currently seen as a major issue within Laguna Woods.

Using the various data available from HCD's AFFH Data Viewer, each of the 17 sites is situated within a census tract that is desirable from an AFFH standpoint for at least one of the categories described above. Therefore, each of the sites would affirmatively further fair housing opportunities.

Further, all 17 of the potential housing sites are located in census tracts with a higher percentage of disabled residents and a lower median household income than Orange County. In addition, seven of the 17 potential housing sites are located in census tracts with a higher percentage of residents living below the poverty threshold than Orange County, and 11 of the 17 potential housing sites are located in census tracts with a larger number of nonfamily households than married-couple family households. This indicates that the proposed housing sites are not concentrated in an area of elevated poverty, which suggests that the development of new affordable housing units on these sites would facilitate the integration of lower-income households into the community in a way that would affirmatively further fair housing opportunities.

## 7.0 REALISTIC DEVELOPMENT CAPACITY

Government Code Section 65583.2(c) requires that the City demonstrate that the projected residential development capacity of the sites can realistically be achieved. The number of estimated units should be adjusted, as necessary, based on land use controls and site improvement requirements; the realistic development capacity for the site; typical densities of existing or approved residential developments at a similar affordability level in the surrounding area; and the current or planned availability and accessibility of sufficient water, sewer, and dry utilities.

Each potential development site was independently analyzed to determine the extent to which the number of estimated units required adjustment to ensure that development capacity estimates are realistic. The adjustments identified as necessary are summarized below and have been incorporated into the realistic development capacity estimates in Table N.

- None of the sites are constrained by the availability or accessibility of sufficient water, sewer, and dry utilities. Therefore, no adjustments were made on account of those factors.
- The net developable area on each site was adjusted to 95 percent of the parcel area to reflect the need to construct on-site improvements, including sidewalks and utility easements, and other land use controls.
- The developable area on Site 8 was adjusted to approximately 60 percent of the parcel due to slope hazard constraints on the western third of the site.
- The development capacity on three of the five sites that are currently developed with places of worship (Sites 10–12) and Sites 9 and 17 was limited to 15–20 units per acre to reflect the proximity of those sites to existing, adjacent, lower-density residential uses.
- The development capacity on one of the five sites that are currently developed with places of worship (Site 13) and Site 16 was limited to 8–10 units per acre to reflect the proximity of those sites to existing, adjacent, lower-density residential uses.
- The development capacity at each of the sites was adjusted to 95 percent of the maximum density, and the number of units was rounded down to the nearest whole number, to reflect that not every housing project is built out to maximum density.
- Sites identified as providing development capacity for accommodating very low or low income units (Sites 1–8 and 15) were assigned a density range of 30 to 50 dwelling units per acre (du/ac). This range is realistic, in part, due to examples of comparable affordable housing projects elsewhere in Orange County including, but not limited to, the following:
  - Huntington Beach Seniors, Huntington Beach (Jamboree Housing) – 55.1 du/ac (0.78 acre)
  - Manchester-Orangewood, Anaheim (Jamboree Housing) – 35.7 du/ac (2.86 acres)
  - Miraflores, Anaheim (National Core) – 36.4 du/ac (2.36 acres)
  - Legacy Square, Santa Ana (National Core) – 53.5 du/ac (1.74 acres)
  - Mountain View, Lake Forest (National Core) – 36.2 du/ac (1.96 acres)

The only recent housing development project in Laguna Woods (San Sebastian Apartments) was also constructed at a comparable density of 42.1 du/ac (3.183 acres).

The City has not received any requests to develop housing at densities below those anticipated in this housing sites inventory, including below this 30 to 50 du/ac range.

- Sites identified as providing development capacity for accommodating moderate income units (Sites 10–12 and 14) were assigned a density range of 15 to 20 du/ac, or 20 to 30 du/ac. These ranges are realistic, in part, due to examples of comparable affordable housing projects elsewhere in Orange County including, but not limited to, the following:

Residential Medium-Low Density (15 to 20 du/ac)

- Birch Hills, Anaheim (Jamboree Housing) – 19.8 du/ac (5.8 acres)
- Santa Angelina, Placentia (National Core) – 16.9 du/ac (3.85 acres)

Residential Medium Density (20 to 30 du/ac)

- Compass Rose, Fullerton (Jamboree Housing) – 26.1 du/ac (1.76 acres)
- Wesley Village, Garden Grove (Jamboree Housing) – 21.4 du/ac (2.2 acres)

The City has not received any requests to develop housing at densities below those anticipated in this housing sites inventory, including below these 15 to 20 du/ac, and 20 to 30 du/ac ranges.

- Sites 2 and 10–14 are currently developed with places of worship. It is realistic to assume that housing could be constructed on these sites, in part, due to examples of comparable affordable housing projects co-located with places of worship elsewhere in Orange County including, but not limited to, the following:
  - Legacy Square, Santa Ana (National Core) – 53.5 du/ac (1.74 acres, Santa Ana United Methodist Church)
  - Santa Angelina, Placentia (National Core) – 16.9 du/ac (3.85 acres, Church of the Blessed Sacrament)
  - Wesley Village, Garden Grove (Jamboree Housing) – 21.4 du/ac (2.2 acres, Garden Grove United Methodist Church)

As previously discussed, in 2017, the property owner and a housing developer expressed interest in the Laguna Country United Methodist Church property (Site 14).

Table N estimates the number of new housing units that can realistically be built on each of the 17 potential housing sites based on the adjustments described above. As shown in Table N, the total future housing construction potential on the 17 sites, based on realistic capacities, is 1,196 units. This includes an excess, or overzoning, of 199 units, or approximately 20 percent more than the 997 units included in the City's housing needs allocation.

Overzoning helps to (1) ensure that sufficient adequate sites will remain available at all times to meet the remaining unmet housing needs for each income category, per Government Code Section 65863 ("No Net Loss Law"), and (2) compensate for urban land left vacant due to ownership and development constraints, per HCD's "Housing Element Site Inventory Guidebook Government Code Section 65583.2" published June 10, 2020. HCD also notes that "a sufficient supply of land beyond the time frame of the housing element helps prevent land shortages from bidding up land costs."

**Table N: Potential Housing Unit Production**

Site	Name	Vacant/ Non- vacant Site	Parcel Size (ac)	Proposed Zoning Overlay District	Densities (du/ac)	Development Capacity					Suitable for Lower-Income Households (Density & Parcel Size)	Financially Feasible for Federal & State Funding	Consolidation Potential due to Adjacency of Other Candidate Site
						Income Level				Total			
						Very Low	Low	Moderate	Above Moderate				
1	Town Centre Vacant Lot	V	1.8	Residential HD	30 to 50	10	11	0	60	81	Yes	Yes	Yes
2	Pacific Hills Calvary Chapel Parking Lot	NV	0.696	Residential HD	30 to 50	2	2	0	27	31	Yes	No	No
3	Rossmoor Electric	NV	1.232	Residential HD	30 to 50	5	6	0	44	55	Yes	Yes	No
4	Saddleback Golf Cars	NV	1.235	Residential HD	30 to 50	5	6	0	44	55	Yes	Yes	No
5	Laguna Woods Self Storage	NV	5.249	Residential HD	30 to 50	76	79	0	81	236	Yes	No	Yes
6	Animal Hospital	NV	0.76	Residential HD	30 to 50	2	3	0	29	34	Yes	No	Yes
7	PS Business Park (excludes Jack in the Box)	NV	2.867	Residential HD	30 to 50	24	26	0	79	129	Yes	Yes	No
8	Smart Parke	NV	2.373	Residential HD	30 to 50	6	7	0	50	63	Yes	Yes	No
9	McCormick & Son Mortuary	NV	1.411	Residential MLD	15 to 20	0	0	0	25	25	No	No	Yes
10	Lutheran Church of the Cross	NV	3.028	Residential MLD	15 to 20	0	0	35	19	54	No	Yes	No
11	Geneva Presbyterian Church	NV	3.955	Residential MLD	15 to 20	0	0	49	22	71	No	Yes	No
12	Saint Nicholas Catholic Church	NV	4.596	Residential MLD	15 to 20	0	0	61	22	83	No	Yes	Yes
13	Temple Judea	NV	1.757	Residential LD	8 to 10	0	0	0	15	15	No	No	Yes
14	Laguna Country United Methodist Church	NV	3.899	Residential MD	20 to 30	0	0	85	20	105	Yes	Yes	Yes
15	Medical Building in Town Centre	NV	2.69	Residential HD	30 to 50	22	23	0	76	121	Yes	Yes	Yes
16	Willow Tree Center East	NV	3.095	Residential LD	8 to 10	0	0	0	27	27	No	No	Yes
17	Helm Center	NV	0.65	Residential MLD	15 to 20	0	0	0	11	11	No	No	Yes
<i>Subtotal (units on nonvacant sites only)/93% of Lower Income Units</i>						142	152	230	591	1,115	-	-	-
<i>Subtotal (including all sites)</i>						152	163	230	651	1,196	935	817	738
<b>City's 2021–2029 RHNA Allocation</b>						<b>127</b>	<b>136</b>	<b>192</b>	<b>542</b>	<b>997</b>			
Surplus/(Deficiency)						25	27	38	109	199			
<b>Unmet Need (Only Deficiencies)</b>						-	-	-	-	-			

Source: Compiled by LSA Associates, Inc. (October 2021).

ac = acre(s)

City = City of Laguna Woods

du/ac = dwelling units per acre

NV = nonvacant

Residential HD = Residential High Density

Residential LD = Residential Low Density

Residential MD = Residential Medium Density

Residential MLD = Residential Medium-Low Density

RHNA = Regional Housing Needs Assessment

V = vacant

Table N also indicates that the 17 sites have the capacity to accommodate at least 312 lower-income units, which is 49 units, or 18.6 percent more than the 263 lower-income units included in the City's housing needs allocation. In addition, the sites have the capacity to accommodate at least 211 moderate-income units, which is 19 units, or approximately 9.9 percent more than the 192 moderate income units included in the City's housing needs allocation. Nine of the sites include maximum densities at or above HCD's standard threshold for accommodating lower-income units (30 units per acre) on properties 0.5 to 10 acres in size. In total, 11 of the sites could produce a sufficient number of units that would fall within the generally accepted range of financial feasibility for federal- or State-funded projects (50–150 units per project). 10 of the sites are adjacent to at least one other site, which provides opportunities for lot consolidation, thereby improving viability for development/redevelopment.

Of the 315 lower-income units identified in Table N, 22 units on Site 1 are viewed as realistic for development on vacant land, which represents approximately 8 percent of the City's housing needs allocation for lower-income households. Although the City intends to rely on nonvacant sites to accommodate more than 50 percent of its housing needs allocation for lower-income households, the City has determined that it would not be feasible to develop housing on any other vacant land that is within its jurisdiction. This is due to the fact that, as described in further detail in Section 4.0 of this Housing Sites Inventory and Analysis, most of the limited amount of vacant land that exists within Laguna Woods consists of publicly owned open space properties that are subject to conservation easements or deed restrictions that prohibit future development.

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## 8.0 QUANTIFIED OBJECTIVES

Government Code Section 65583(b)(1) and (2) require that the City establish the number of housing units, by income level, that can be constructed, rehabilitated, and conserved over a five-year time frame. Table O summarizes the City’s quantified objectives with regard to construction, rehabilitation, and preservation of housing over a five-year time period. These objectives have been established based on the City’s available resources and ability to satisfy housing needs within the context of the General Plan requirements set forth in state law.

**Table O: Summary of Quantified Objectives**

Income Level	Number of Units	Rehabilitation	Conservation/Preservation <sup>1</sup>
Very Low* (<50% of AMI)	127	5	N/A
Low (50–80% of AMI)	136	5	N/A
Moderate (80–120% of AMI)	192	5	N/A
Above Moderate (>120% of AMI)	542	5	N/A
<b>Total</b>	<b>997</b>	<b>20</b>	<b>N/A</b>

<sup>1</sup> As described in the City’s Housing Needs Assessment, none of the 17 affordable units within Laguna Woods is at risk of conversion to market rate units in the next 10 years; therefore, none of the units is in need of conservation or preservation.



**EXHIBIT D**

**HOUSING ELEMENT PERFORMANCE  
ASSESSMENT**

**CITY OF LAGUNA WOODS**

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**LSA**

~~August 2022~~ March 2023

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## EXHIBIT D

# HOUSING ELEMENT PERFORMANCE ASSESSMENT

### CITY OF LAGUNA WOODS

Submitted to:

City of Laguna Woods  
24264 El Toro Road  
Laguna Woods, California 92637

Prepared by:

LSA  
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Project No. LWD2101

# LSA

~~August 2022~~ March 2023

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REDLINE

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## 1.0 PROGRESS IN IMPLEMENTATION

Pursuant to Government Code Section 65588, each local government shall review its housing element as frequently as appropriate to evaluate all of the following: (1) the appropriateness of the housing goals, objectives, and policies in contributing to the attainment of the state housing goal, (2) the effectiveness of the housing element in attainment of the community's housing goals and objectives, (3) the progress of the city, county, or city and county in implementation of the housing element, and (4) the effectiveness of goals, policies, and related actions to meet the community's special housing needs.

State law requires that each Housing Element include a review of the progress made toward achieving the affordable housing goals of the previous Housing Element, and of the effectiveness and appropriateness of those previously adopted objectives. These results should be quantified where possible, but may be qualitative where necessary.

The City of Laguna Wood's (City) last Housing Element was adopted in 2014, and set forth a series of implementation measures with related objectives and policies for the following issue areas: maintain and improve residential neighborhoods and support quality housing for all residents; promote and encourage the development of housing opportunities to accommodate current and projected housing need; encourage and facilitate the development of affordable housing for all economic segments of the community, especially extremely- and low-income residents; and facilitate housing, transportation, and physical accommodations to aid persons with disabilities. This section reviews the continued appropriateness of these programs, the effectiveness of the current 2014–2021 Housing Element, and the progress in its implementation since 2014.

Table A, below, summarizes the City's progress for each implementation measure identified in the current Housing Element.

**Table A: Review of the City of Laguna Wood’s General Plan 2014–2021 Housing Element**

Housing Element	Implementation Status	Continue/Modify/Delete
<b>Objective 1: Maintain and improve residential neighborhoods and support quality housing for all residents</b>		
<b>Policy 1.A: Work towards full implementation of the 2014–2021 Housing Element objectives, policies, and programs in the Housing element.</b>		
<b>Program 1.A.1:</b> Provide a progress report on the 2014–2021 Housing Element programs and quantified objectives as part of the annual General Plan status reports to the State.	<b>Ongoing:</b> This is the City’s normal practice. The City submitted annual progress reports to the Department of Housing and Community Development (HCD) each year during the 2014–2021 Housing Element period.	The City will <u>delete</u> the program and replace it with Program H-4.1.2.
<b>Policy 1.B: Promote, encourage, and facilitate efforts to preserve the City’s housing stock.</b>		
<b>Program 1.B.1:</b> Continue to promote on-going building maintenance activities. To promote building maintenance, the City will: <ul style="list-style-type: none"> <li>Identify available funds for building maintenance activities and energy efficiency upgrades.</li> <li>Disseminate public information on available housing programs, such as the energy efficient equipment retrofit program (CDBG) at public counters and the City’s website.</li> <li>Assist property owners and property managers in their efforts to identify and mitigate housing maintenance issues.</li> </ul>	<b>Ongoing:</b> In 2010, the City obtained a California Energy Commission grant using federal funds to retrofit City Hall with dual-pane, low-E windows and energy efficient lighting and heating, ventilation, and air conditioning equipment. The project modeled energy efficiency retrofits to property owners and property managers. Through June 2017, the City offered a CDBG funded Residential Energy Efficiency Improvement Program. The City provides resources and assistance daily regarding housing maintenance at the building counter and via building inspections.	The City will <u>delete</u> the program and replace it with programs H-2.1.1, 2.2.1, and 2.2.3.
<b>Objective 2: Promote and encourage the development of housing opportunities to accommodate current and projected housing need.</b>		
<b>Policy 2.A: Promote construction of units consistent with the new construction needs identified in the Regional Housing Needs Assessment (RHNA).</b>		
<b>Program 2.A.1:</b> Work with property owners in the development of Specific Plans to guide the development of Urban Activities Center parcels to include residential development.	<b>Abandoned:</b> In 2017, after receiving an application from the property owner, the City amended the Land Use Element of the City’s General Plan to delete the Urban Activities Center land use designation. All properties formerly designated as Urban Activities Center have been re-designated and rezoned.	The City will <u>delete</u> the program as the City has deleted the Urban Activities Center land use designation from the General Plan.
<b>Program 2.A.2:</b> Work with commercial property owners to establish residential/commercial mixed use development standards for the City’s Commercial land use district.	<b>Not yet Implemented:</b> Sufficient housing opportunities to accommodate the City’s 2014–2021 RHNA allocation exist without the establishment of mixed use development standards.	The City will <u>delete</u> the program and replace it with a new rezoning program. See Program H-1.1.1.



**Table A: Review of the City of Laguna Wood’s General Plan 2014–2021 Housing Element**

Housing Element	Implementation Status	Continue/Modify/Delete
<b>Policy 2.B: Mitigate governmental constraints to the accommodation of special needs residents.</b>		
<b>Program 2.B.1:</b> Participate in the County of Orange Consolidated Plan program and in the Continuum of Care to provide housing for special needs populations, particularly extremely and very low income persons. Participation will include assigning a representative to participate in meetings and events sponsored by these programs. In addition, the Resource Guide for Orange County Homeless and other publications that support the program goals will be distributed from City Hall.	<b>Ongoing:</b> The City participated in the development of the County of Orange’s Consolidated Plan for the years 2010 to 2015, and 2015 to 2019. In 2015, the City hosted one of the County of Orange’s Consolidated Plan Community Workshops at City Hall. Various homeless resources, including County of Orange-produced resources, are available from City Hall.	The City will <u>delete</u> the program and replace it with other programs to address the needs of the specified populations.
<b>Program 2.B.2:</b> Revise the Laguna Woods Zoning Ordinance to identify zones that will allow the development of transitional housing [and] facilitate transitional housing and supportive housing developments that serve extremely and very low income households, consistent with Government Code Section 65583(c)(1). Because transitional and supportive housing can be configured in different ways – either as regular multi-family housing or as group quarters - the Zoning Ordinance amendment will ensure that transitional and supportive housing that function as a residential use will be treated as residential uses and only subject to those restrictions that apply to other residential uses of the same type in the same zone.	<b>Implemented:</b> Chapter 13.23 of the Laguna Woods Municipal Code, adopted in 2011. Laguna Woods Municipal Code amended in 2018, see Ordinance No. 18-05.	The City will <u>delete</u> the program and replace it with programs H-1.3.1, 1.3.2, and 1.3.3.
<b>Program 2.B.3:</b> Review and revise the Laguna Woods Zoning Ordinance 13.23 in regards to emergency homeless shelters to ensure compliance with Government Code Section 65583(a)(4).	<b>Implemented:</b> Chapter 13.23 of the Laguna Woods Municipal Code, adopted in 2011, was amended in 2018.	The City will <u>delete</u> the program and replace it with Program 1.5.1.
<b>Objective 3: Encourage and facilitate the development of affordable housing for all economic segments of the community, especially extremely- and low-income residents.</b>		
<b>Policy 3.A: Recognize the City’s leadership role in the maintenance, preservation, improvement, and development of affordable housing.</b>		
<b>Program 3.A.1:</b> Encourage and facilitate the development of affordable housing by: <ul style="list-style-type: none"> <li>Supporting non-profit organizations that address housing issues.</li> <li>Serving as an intermediary between non-profit organizations and interested residential developers.</li> <li>Assisting in application preparation and other efforts to secure funding sources for development of housing for extremely low-, very low-, low- and moderate-income residents.</li> </ul>	<b>Ongoing:</b> The City encourages the development of affordable housing as required by State law. Resources, information, and assistance for developers and other interested parties are available from City Hall. Seventeen (17) specifically designated affordable housing units are located in Laguna Woods. From 2014 to 2020, the City received no applications for any new housing development projects	The City will <u>delete</u> the program as the Housing Element includes various programs to assist in the development of affordable housing.

**Table A: Review of the City of Laguna Wood’s General Plan 2014–2021 Housing Element**

Housing Element	Implementation Status	Continue/Modify/Delete
<ul style="list-style-type: none"> <li>• Making available regional and local housing program information to residents, and assisting residents in contacting housing assistance organizations.</li> <li>• Inform interested developers about the range of housing allowed in areas outside of Laguna Woods Village, including housing for families.</li> <li>• Inform interested developers about the State density bonus program incentives available for development of affordable housing.</li> </ul>	(affordable as well as market rate housing developments).	
<p><b>Program 3.A.2:</b> Continue to encourage and facilitate the use of the City’s density bonus provisions to provide affordable housing opportunities. Revise the density bonus provisions as necessary in the City’s Municipal Code to be consistent with State density bonus law.</p>	<p><b>Ongoing:</b> Section 13.26.040 of the Laguna Woods Municipal Code, adopted in 2013; Laguna Woods Municipal Code amended in 2018; see Ordinance No. 18-03 and amended in 2020; see Ordinance No. 20-02.</p>	<p>The City will <u>delete</u> the program as the City’s residential density bonus standards are consistent with state law.</p>
<p><b>Program 3.A.3:</b> Encourage residents to apply, when available, for the Section 8 rental assistance program (through County of Orange Housing Authority) for extremely and very low-income rental households. Inform local rental property owners and eligible residents of Section 8 assistance and Section 8 waitlist openings through flyers and the City’s website. Provide technical assistance during the application process to interested residents. While the City endeavors to maintain the current level of assistance through the Section 8 (72 vouchers) program, the City has no jurisdiction over the funding and operation of the Section 8 voucher program.</p>	<p><b>Ongoing:</b> The City receives information and application forms for Section 8 housing through the County of Orange and makes them available to residents from City Hall.</p>	<p>The City will <u>delete</u> the program as the City provides referrals to the OC Housing Authority as a normal business practice.</p>
<p><b>Program 3.A.4:</b> Continue to use CDBG funds to fund projects that improve and maintain the quality of the City’s housing stock and residential infrastructure. While the City endeavors to maintain the current level of assistance through the CDBG program, the City has no jurisdiction over the funding and operation of the CDBG program.</p>	<p><b>Ongoing:</b> Through June 2017, the City offered a CDBG-funded Residential Energy Efficiency Improvement Program. Uncertainty surrounding the future availability of CDBG funds, as well as the impact of increasing compliance requirements and law enforcement costs on City resources, resulted in the end of the program. Staff continues to evaluate other potential, future uses of CDBG housing rehabilitation funds.</p>	<p>The City will <u>delete</u> the program. See programs H-2.1.1, 2.2.1, and 2.2.3.</p>

**Table A: Review of the City of Laguna Wood’s General Plan 2014–2021 Housing Element**

Housing Element	Implementation Status	Continue/Modify/Delete
<b>Program 3.A.5:</b> The City has received no complaints regarding any discriminatory actions and will continue to enforce all fair housing laws. The City Manager is responsible for addressing and/or referring fair housing complaints and questions to the Fair Housing Council of Orange and/or HUD. The City will provide information on fair housing rights and responsibilities, and seek to remedy known acts of discrimination within the community. The City will disseminate fair housing information at City Hall and throughout Laguna Woods in a variety of community places.	<b>Ongoing:</b> Fair housing assistance, resources, and information is available from City Hall, through the City’s code enforcement operation, and upon request.	The City will <u>delete</u> the program and replace it with Priority Issue 3.
<b>Program 3.A.6:</b> Review city processes and procedures as they pertain to the establishment of new housing, including market rate and all forms of affordable housing to remove undue constraints which hinder the development of new housing opportunities.	<b>Ongoing:</b> City staff has identified no undue constraints which hinder the development of new housing opportunities.	The City will <u>delete</u> the program as the Housing Element includes various programs related to updating City processes and procedures.
<b>Program 3.A.7:</b> Research potential funding sources (grants, loans, and other funds) which can be used towards the planning and development of affordable housing.	<b>Ongoing:</b> City staff continues to explore sources of funding to assist with affordable housing development.	The City will <u>delete</u> the program as the Housing Element includes various programs to assist in the development of affordable housing.
<b>Objective 4: Facilitate housing, transportation and physical accommodations to aid persons with disabilities.</b>		
<b>Policy 4.A: Maintain zoning/development standards that guide development of affordable housing near public transportation, and promote project designs that are accessible and accommodating to the disabled.</b>		
<b>Program 4.A.1:</b> Partner with property owners to identify and accomplish the retrofit of dwelling units and common facilities for handicapped accessibility. The City will participate at board meetings of the housing mutuals and the Golden Rain Foundation, the principal property owner in the City, to encourage retrofitting.	<b>Not yet Implemented:</b> While City officials often meet with the representatives of major property owners, a mutual approach to promoting retrofitting within the community is yet to be developed.	The City will <u>delete</u> the program and replace it with programs H-2.2.1 and 2.2.3.

CDBG = Community Development Block Grant  
 City = City of Laguna Woods  
 HCD = California Department of Housing and Community Development  
 HUD = United States Department of Housing and Urban Development

## 2.0 EFFECTIVENESS OF THE ELEMENT/SPECIAL NEEDS POPULATIONS

The 2014–2021 Housing Element resulted in changes to the Laguna Woods Zoning Ordinance that resulted in compliance of emergency homeless shelters with State law, as well as identification of zones that allow the development of transitional housing and facilitation of transitional housing and supportive housing developments that serve extremely- and very-low income households in those zones. For the reasons set forth in Table A, the City was unable to complete certain programs included in the 2014–2021 Housing Element, such as the creation of the two new housing units set by the Regional Housing Needs Assessment (RHNA) for the 5th Housing Element Cycle; working with property owners in the development of Specific Plans to guide the development of Urban Activities Center parcels to include residential development; the establishment of residential/commercial mixed use development standards for the City’s Commercial land use district; and the retrofit of dwelling units and common facilities for handicapped accessibility. Overall, the 2014–2021 Housing Element was effective in providing fair housing assistance, resources, and information to residents participating in the County of Orange Consolidated Program to provide housing for special needs populations, particularly extremely and very-low income persons, and continuing to maintain and improve residential neighborhoods.

Refer to Table A in the previous section for a discussion of whether the programs included in the 2014–2021 Housing Element should be continued, modified, or deleted based on their effectiveness. Table A also addresses various programs related to the housing needs of special needs populations (Programs 2.B.1, 2.B.2, 2.B.3, 3.A.1, and 4.A.1).

### 3.0 APPROPRIATENESS OF GOALS, OBJECTIVES, POLICIES, AND PROGRAMS

The 2014–2021 Housing Element established a comprehensive and firm basis for the City to move forward towards the achievement of the goals, policies, and programs in the document. As a result, Table A shows that many of the programs were achieved or implemented. Some major amendments included in the 2021–2029 Housing Element incorporate what has been learned from the results of the 2014–2021 Housing Element, including:

- Inclusion of a frequently asked questions (FAQs) section for the RHNA process to promote clarity and a common understanding of both the RHNA process and the City’s associated obligations.
- Inclusion of “goals” in addition to “policy objectives” to provide declarative statements that set forth the City’s approach to each of the priority issues.
- Objective 2 in the 2014–2021 Housing Element evolved into Policy Objective H-1.1 in the 2021–2029 Housing Element, which includes making sites available to accommodate current and projected housing needs for groups of all income levels in accordance with California Government Code Section 65583(c)(1). For implementation of Policy Objective H-1.1, the following program was added:
  - Rezone the 17 potential housing sites identified in the Housing Sites Inventory and Analysis to accommodate the City’s housing needs allocation.
- Objective 3 in the 2014–2021 Housing Element evolved into Policy Objective H-1.2 in the 2021–2029 Housing Element, which states that the City should assist in developing adequate housing to meeting the needs of extremely low, very low- low, and moderate-income households. For implementation of Policy Objective H-1.2, the following programs were added:
  - Prepare and maintain a webpage with information related to the 17 potential housing sites identified in the Housing Sites Inventory and Analysis, including a Geographic Information System (GIS) map layer with geospatial information.
  - Conduct a market study and then amend the existing inclusionary housing ordinance to modify the minimum percentages of new housing units that must be deed-restricted for extremely low, very low, and low-income households, as feasible and advantageous to promote the development of affordable housing.
  - Adopt an ordinance creating an expedited and fee-reduced lot consolidation process for consolidations involving any one or more of the 17 potential housing sites identified in the Housing Sites Inventory and Analysis for the purpose of developing housing projects in which at least 5% of housing units are affordable for extremely low income households; at least 10% of housing units are affordable for very low or low-income households; or, at least 50% of housing units are affordable for moderate-income households. To be eligible, the housing units shall be subject to an affordability covenant for at least 55 years.

- Adopt an ordinance waiving or reducing City building permit fees for housing projects in which at least 5% of housing units are affordable for extremely low income households; at least 10% of housing units are affordable for very low or low-income households; or, at least 50% of housing units are affordable for moderate-income households. To be eligible, the housing units shall be subject to an affordability covenant for at least 55 years.
- Amend various, existing housing-related provisions of the Laguna Woods Municipal Code to promote regulatory clarity.
- Continue to maintain website information regarding fees, exactions, and affordability requirements imposed by the City that are applicable to housing development projects, in accordance with California Government Code Section 65940.1.
- Objective 4 in the 2014–2021 Housing Element evolved into Policy Objective H-1.3 in the 2021–2029 Housing Element, which effectively changes the wording to provide reasonable accommodations for housing that is not only designed for persons with disabilities, but also intended for occupancy by or with supportive services for persons with disabilities. For implementation of Policy Objective H-1.3, the following programs were added:
  - Continue to consider transitional housing a residential use of property, subject only to those restrictions that apply to other residential dwellings of the same type in the same zoning district.
  - Continue to consider supportive housing a residential use of property, subject only to those restrictions that apply to other residential dwellings of the same type in the same zoning district.
  - Continue to allow supportive housing, as defined by California Government Code Section 65650, as a use permitted by right in all zoning districts where multifamily and mixed uses are permitted, as provided in California Government Code Article 11 (commencing with Section 65650).
  - Amend various, existing housing-related provisions of the Laguna Woods Municipal Code to conform to state law.
- The creation of a new objective, Policy Objective H-1.4, which incentivizes and promotes the creation of accessory dwelling units that can be offered at affordable rent for very low, low-, or moderate-income households.
- The creation of a new objective, Policy Objective H-1.5, which makes sites available to accommodate emergency housing needs for homeless persons and families.
- Objective 1 in the 2014–2021 Housing Element evolved into Policy Objective H-2.1, Policy Objective H-2.2, and Policy Objective H-2.3, which add promotion of accessible and accommodating housing options for persons with special needs and promotion of housing

conservation and revitalization. For implementation of Policy Objectives H-2.1, H-2.2, and H-2.3, the following programs were added:

- Prepare and maintain a webpage with information on home improvement-related financial assistance opportunities available to extremely low, very low, and low-income households. Train City staff to make referrals using the webpage.
- Investigate potential incentives for property owners to extend existing affordability covenants beyond the planned expiration date. If feasible and economical, adopt such incentives.
- Prepare and maintain a webpage with information on home improvement-related financial assistance opportunities available to persons with special needs. Train City staff to make referrals using the webpage.
- Adopt an ordinance waiving or reducing City building permit fees for improvements to the home of a person at least 60 years of age with a qualifying disability that are made to accommodate that disability, as provided for by California Health and Safety Code Section 17951.7. Consider including provisions allowing for similar building permit fee waivers or reductions for improvements to the home of a person with a qualifying disability that are made to accommodate that disability, regardless of age. Prepare and maintain a flyer with related information.
- Provide opportunities for reimbursements, grants, or other forms of financial assistance to support home improvements that increase accessibility or functionality for persons with special needs.
- Formalize a proactive code enforcement program that focuses on housing-related rehabilitation needs, results in repairs, and seeks to mitigate potential cost, displacement, and relocation impacts on residents.
- Program 3.A.5 in the 2014–2021 Housing Element was expanded to Goal H-3 in the 2021–2029 Housing Element, which involves the administration of housing and community development programs and activities in a manner to affirmatively further fair housing. Goal H-3 includes policy objectives and implementation programs relating to the following:
  - Enhancing housing mobility and protecting existing residents from displacement.
- The creation of a new goal, Goal H-4, with its own set of policy objectives, which calls for analysis related to Housing Element implementation. This includes annual monitoring of the newly adopted Housing Element and coordination of the implementation of the newly adopted Housing Element with water and sewer agencies.

This update to the Housing Element revises existing programs and includes new programs, where appropriate, to ensure that the document reflects the City's priorities and that updated requirements of California State law are addressed. Refer to the General Plan for the goals, policies, and programs of this Housing Element.

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#### **4.0 ASSEMBLY BILL 1233 – SHORTFALL OF SITES FROM THE 5TH CYCLE PLANNING PERIOD**

According to the annual progress reports (APRs) provided to the California Department of Housing and Community Development (HCD), the RHNA quantified the need for housing within the City to be two new housing units during the 5th Cycle planning period. However, no new housing units were built in the City, indicating a shortfall of new housing units triggering the provisions of Government Code Section 65584.09.

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**EXHIBIT E**

**PUBLIC PARTICIPATION EFFORTS**

**CITY OF LAGUNA WOODS**

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## 1.0 INTRODUCTION

Government Code Section 65583(c)(9) requires housing elements to “include a diligent effort by the local government to achieve public participation of all economic segments of the community in the development of the housing element, and the program shall describe this effort.” This report has been prepared to document efforts pursuant to Government Code Section 65583(c)(9).

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## 2.0 SUMMARY OF EFFORTS

The Southern California Association of Governments (SCAG) approved its 6th Cycle Final Regional Housing Needs Assessment (RHNA) Allocation Plan on March 4, 2021, at which point the City of Laguna Wood's (City) housing needs allocation was finalized.

### 2.1 PUBLIC MEETING #1

On May 5, 2021, the City Council held its first meeting to discuss and consider the RHNA and General Plan Housing Element Update. The meeting took place at Laguna Woods City Hall at 2 p.m. City Council meetings are also televised and closed captioned with reasonable accessibility accommodations available on request. Public comments were accepted in person, in writing, by telephone, or by computer (Zoom). All five members of the City Council participated.

The notice for this meeting was posted on the City's website and at locations pursuant to Government Code Section 54954.2 on April 30, 2021. In addition, on April 30, 2021, email notification was provided to parties who had requested such notification or contacted City staff previously. As of April 30, 2021, the distribution list consisted of 10 email addresses, including residents and representatives from the League of Women Voters of Orange Coast and Orange County United Way.

The presentation at this meeting included an introduction to the RHNA process and an overview of the City's housing needs allocation, required actions, and draft housing needs assessment. Frequently asked questions were also discussed. A draft housing needs assessment and RHNA Frequently Asked Questions document was included in the agenda packet.

At this meeting, one resident spoke during public comments.

### 2.2 PUBLIC MEETING #2

On May 19, 2021, the City Council held its second meeting to discuss and consider the RHNA and General Plan Housing Element Update. The meeting took place at Laguna Woods City Hall at 2 p.m. City Council meetings are also televised and closed captioned with reasonable accessibility accommodations available on request. Public comments were accepted in person, in writing, by telephone, or by computer (Zoom). All five members of the City Council participated.

The notice for this meeting was posted on the City's website and at locations pursuant to Government Code Section 54954.2 on May 14, 2021. In addition, on May 14, 2021, email notification was provided to parties who had requested such notification or contacted City staff previously. As of May 14, 2021, the distribution list consisted of 11 email addresses, including residents and representatives from the League of Women Voters of Orange Coast and Orange County United Way.

The presentation at this meeting included background information on the RHNA process and an overview of the City's housing needs allocation, and draft housing needs assessment. Staff also discussed a number of sites that community members might consider vacant based on appearance and associated constraints that could affect housing development. The City's new project website was



also announced ([www.cityoflagunawoods.org/projects](http://www.cityoflagunawoods.org/projects)). A draft housing sites inventory scenario and RHNA Frequently Asked Questions document were included in the agenda packet.

At this meeting, five residents and Cesar Covarrubias, Executive Director of The Kennedy Commission, spoke during public comments. Written public comments were received from seven residents (including one resident on behalf of the Welcoming Neighbors Home Initiative of Tapestry, a Unitarian Universalist Congregation) and The Kennedy Commission.

### **2.3 PUBLIC MEETING #3**

On June 2, 2021, the City Council held its third meeting to discuss and consider the RHNA and General Plan Housing Element Update. The meeting took place at Laguna Woods City Hall at 11:30 a.m. City Council meetings are also televised and closed captioned with reasonable accessibility accommodations available on request. Public comments were accepted in person, in writing, by telephone, or by computer (Zoom). All five members of the City Council participated.

The notice for this meeting was posted on the City's website and at locations pursuant to Government Code Section 54954.2 on May 28, 2021. In addition, on May 28, 2021, email notification was provided to parties who had requested such notification or contacted City staff previously. As of May 28, 2021, the distribution list consisted of 14 email addresses, including residents and representatives from The Kennedy Commission, Laguna Woods Democratic Club, League of Women Voters of Orange Coast, and Orange County United Way.

The presentation at this meeting included background information on the RHNA process and an overview of the City's housing needs allocation and revised draft housing needs assessment (revised following the May 19, 2021 City Council meeting). A revised draft housing sites inventory scenario, draft California Department of Housing and Community Development (HCD) Housing Element Sites Inventory Form, and RHNA Frequently Asked Questions document were included in the agenda packet. An electronic spreadsheet version of the HCD Housing Element Sites Inventory Form was posted on the City's website on May 28, 2021.

At this meeting, three residents spoke during public comments.

The City Council reached consensus for City staff to proceed with the General Plan Housing Element Update incorporating the housing sites scenario presented at this meeting.

### **2.4 PUBLIC MEETING #4**

On July 21, 2021, the City Council held its fourth meeting to discuss and consider the RHNA and General Plan Housing Element Update. The meeting took place at Laguna Woods City Hall at 2 p.m. City Council meetings are also televised and closed captioned with reasonable accessibility accommodations available on request. Public comments were accepted in person, in writing, by telephone, or by computer (Zoom). All five members of the City Council participated.

The notice for this meeting was posted on the City's website and at locations pursuant to Government Code Section 54954.2 on July 16, 2021. In addition, on July 16, 2021, email notification was provided to parties who had requested such notification or contacted City staff previously. As of July 16, 2021,

the distribution list consisted of 15 email addresses, including residents and representatives from The Kennedy Commission, Laguna Woods Democratic Club, League of Women Voters of Orange Coast, and Orange County United Way.

The presentation at this meeting included background information on the RHNA process and an overview of the City's housing needs allocation, draft General Plan Housing Element, and HCD review process. Drafts of the General Plan Housing Element and HCD Housing Element Sites Inventory Form were included in the agenda packet. An electronic spreadsheet version of the HCD Housing Element Sites Inventory Form was posted on the City's website on July 16, 2021. No change was made to the HCD Housing Element Sites Inventory Form since it was first made publicly available on May 28, 2021.

The agenda report noted that interested parties would have an opportunity to submit public comments directly to HCD during their review process and provided a link to additional information available on HCD's website.

At this meeting, one resident spoke during public comments. Written comments were received from one resident.

The City Council voted 4-1, with then-Mayor Pro Tem Moore voting no, to authorize the City Manager to submit drafts of the updated General Plan Housing Element and Housing Element Sites Inventory Form to HCD for review, as required by Government Code Section 65585.

## 2.5 HCD REVIEW PERIOD

The City Manager submitted the draft General Plan Housing Element and HCD Housing Element Sites Inventory Form to HCD for review on July 21, 2021 (HCD records this submittal as July 22, 2021, presumably due to the submittal occurring after regular business hours).

During HCD's review period, the following entities and individuals submitted comments directly to HCD, which HCD considered in its review pursuant to Government Code Section 65585(c):

- The Kennedy Commission
- YIMBY Law
- Catherine R Van Camp, resident
- Ramesh C Joshi, resident

HCD's findings were reported to the City in a letter dated September 20, 2021.

## 2.6 CALIFORNIA ENVIRONMENTAL QUALITY ACT PUBLIC COMMENT PERIOD

The draft Initial Study/Negative Declaration (IS/ND) for the General Plan Housing Element Update was made available for a 31-day public comment period between August 17, 2021 and September 16, 2021. A Notice of Intent to Adopt (NOIA) announcing the public comment period and providing information on how to access the IS/ND was published in the *Laguna Woods Globe* newspaper on August 12, 2021 and concurrently posted at City Hall and on the City's website. The NOIA was also mailed to all property owners in Laguna Woods and within a 1,000-foot radius of the City's boundaries, as required by the City's Local California Environmental Quality Act (CEQA) Procedures.

The draft IS/ND was directly distributed to the following parties:

- California State Clearinghouse
- California Department of Fish and Wildlife South Coast Region
- California Department of Housing and Community Development
- California Department of Toxic Substances Control
- California Department of Transportation (Caltrans) District #12
- California Regional Water Quality Control Board San Diego Region
- California Regional Water Quality Control Board Santa Ana Region
- Capistrano Unified School District
- City of Aliso Viejo Planning Services Department
- City of Irvine Community Development Department
- City of Laguna Beach Community & Economic Development Department
- City of Laguna Hills Community & Economic Development Department
- City of Lake Forest Community Development Department
- El Toro Water District
- Laguna Beach Unified School District
- Native American Heritage Commission
- Orange County Development Services
- Orange County Fire Authority
- Orange County Flood Control District
- Orange County Health Care Agency
- Orange County Transportation Authority
- Orange County Waste & Recycling
- Saddleback Valley Unified School District
- Southern California Air Quality Management District
- Southern California Association of Governments
- Southern California Edison
- Southern California Gas Company
- State Water Resources Control Board
- U.S. Fish & Wildlife Service

On August 17, 2021, the public comment period was extended by one day to September 17, 2021, due to the inadvertent distribution of an incorrect draft of the IS/ND to the parties listed above on August 16, 2021. The correct draft of the IS/ND was distributed on August 17, 2021.

Comment letters were received from the following parties:

- California Department of Housing and Community Development
- California Department of Transportation (Caltrans) District 12
- City of Irvine
- Gabrieleño Band of Mission Indians – Kizh Nation
- Gabrielino-Tongva Indian Tribe
- Juaneño Band of Mission Indians, Acjachemen Nation

- Orange County Fire Authority
- Saddleback Valley Unified School District
- Southern California Association of Governments

Individual responses were provided to each commenting party via mail and email on January 26, 2022. The responses included a copy of each party's comment letter and corresponding responses included as part of the Final IS/ND, as well as notice that the City Council was expected to consider adoption of the Final IS/ND at a public meeting on February 9, 2022.

While the primary purpose of the public comment period was to solicit input on the draft IS/ND as required by CEQA, the draft IS/ND included a project description with site-specific information consistent with the draft General Plan Housing Element and HCD Housing Element Sites Inventory Form acted upon by the City Council at the public meeting on July 21, 2021. A portion of the comments received during the public comment period applied to the project generally, as opposed to the draft IS/ND specifically.

## 2.7 REVISED DRAFT PUBLIC REVIEW PERIOD

On January 13, 2022, revised drafts of the General Plan Housing Element and HCD Housing Element Sites Inventory Form were posted on the City's website and made available from the City Clerk's Office for a 15-day public review period concluding on January 27, 2022.

A public notice announcing the public review period and providing information on how to access the revised draft documents was published in the *Laguna Woods Globe* newspaper on January 13, 2022. The public notice was posted at City Hall and on the City's website, as well as emailed to parties who had requested such notification or contacted City staff previously, on January 7, 2022. As of January 7, 2022, the distribution list consisted of 15 email addresses, including residents and representatives from The Kennedy Commission, Laguna Woods Democratic Club, League of Women Voters of Orange Coast, and Orange County United Way. The public notice noted the availability of in-person or virtual meetings with City staff to discuss or ask questions regarding the documents, and provided instructions for individuals who require translation services to communicate with the City.

"Clean" and redline versions of the revised draft General Plan Housing Element, and an electronic spreadsheet version of the HCD Housing Element Sites Inventory Form, were posted on the City's website and made available from City Hall on January 13, 2022.

During the Revised Draft Public Review Period, the following parties submitted comment letters to the City with additional distribution by the authors as noted:

- Catherine "Kate" R. Van Camp [sent to the City, the City Council, and the City Manager, with copies to HCD (HousingElements@hcd.ca.gov, Paul McDougall, and Marisa Prasse), Rona Henry with Welcoming Neighbors Home, and Cesar Covarrubias, Executive Director of The Kennedy Commission]

This letter expressed general support for the revised draft General Plan Housing Element. The author wrote that, in her opinion, "the requests of the HCD have been met."

- Welcoming Neighbors Home [sent by Rona Henry on behalf of herself and Rev. Kent Doss, minister of Tapestry Unitarian Universalist Congregation to the City and the City Council, with copies to the City Manager, HCD (HousingElements@hcd.ca.gov, Paul McDougall, and Marisa Prasse), The Kennedy Commission (Cesar Covarrubias, Mildred Perez, Daisy Cruz, and Cynthia Guerra), Kate Van Camp, and Rev. Doss]

This letter expressed general support for the revised draft General Plan Housing Element. The author requested that the City “include a program to implement a Congregational Overlay Zone” and “host a roundtable event with faith organizations located in Laguna Woods to explore the opportunities that exist for them to build.”

Both requests can be considered as part of the rezoning process described in Program H-1.1.1. The rezoning process will include the creation of four new overlay zoning districts and the adoption of minimum density and development standards for each. City staff are available to meet with faith organizations or other interested parties, as requested.

## 2.8 PUBLIC MEETING #5

On February 9, 2022, the City Council held its fifth meeting to discuss and consider the RHNA and General Plan Housing Element Update. The meeting took place at Laguna Woods City Hall at 2 p.m. City Council meetings are also televised and closed captioned with reasonable accessibility accommodations available on request. Public comments were accepted in person, in writing, by telephone, or by computer (Zoom). All five members of the City Council participated.

The notice for this meeting was posted on the City’s website and at locations pursuant to Government Code Section 54954.2 on February 4, 2022. In addition, on January 20, 2022, email notification was provided to parties who had requested such notification or contacted City staff previously. As of January 20, 2022, the distribution list consisted of 15 email addresses, including residents and representatives from The Kennedy Commission, Laguna Woods Democratic Club, League of Women Voters of Orange Coast, and Orange County United Way.

On February 4, 2022, a second email notification was provided to parties who had requested such notification or contacted City staff previously. The distribution list remained unchanged from the distribution list used for the first notification on January 20, 2022. The second notification included links to the agenda materials and notice that proposed revisions to the January 13, 2022 draft of the General Plan Housing Element were included therein.

Consideration of adoption of the General Plan Housing Element Update and Negative Declaration was additionally noticed as a public hearing. A public notice was published in the *Orange County Register* newspaper on January 27, 2022. The public notice included a project description adapted from the draft IS/ND and information on how to access the draft General Plan Housing Element and draft ND.

Copies of both public comment letters received during the Revised Draft Public Review Period were including in the agenda packet.

Drafts of the proposed General Plan Housing Element and HCD Housing Element Sites Inventory Form were included in the agenda packet, as well as redline versions of all revisions made since the drafts acted upon by the City Council at the public meeting on July 21, 2021. An electronic spreadsheet version of the HCD Housing Element Sites Inventory Form was posted on the City's website on February 4, 2022.

The City Council voted 5-0 to adopt a resolution adopting the General Plan Housing Element Update and Negative Declaration.

## **2.9 HCD REVIEW PERIOD**

The City Manager submitted the adopted General Plan Housing Element and HCD Housing Element Sites Inventory Form to HCD for review on February 9, 2021 (HCD records this submittal as February 10, 2021, presumably due to the submittal occurring after regular business hours).

During HCD's review period, the following entities and individuals submitted comments directly to HCD, which HCD considered in its review pursuant to Government Code Section 65585(c):

- Catherine R Van Camp, resident and housing advocate with Welcoming Neighbors Home
- Rona Henry, resident and chair of Welcome Neighbors Home

HCD's findings were reported to the City in a letter dated March 8, 2021. HCD reissued the letter to correct a typographical error dated April 8, 2021.

## **2.10 REVISED DRAFT PUBLIC POSTING AND NOTIFICATION**

On August 5, 2022, revised drafts of the General Plan Housing Element and HCD Housing Element Sites Inventory Form were posted on the City's website and made available from the City Clerk's Office. The posted materials included both "clean" and redline versions of the General Plan Housing Element, as well as an electronic spreadsheet version of the HCD Housing Element Sites Inventory Form. The latter was unchanged from the version adopted by the City Council on February 9, 2022.

A public notice announcing the public review period and providing information on how to access the revised draft documents was posted at City Hall and on the City's website, as well as emailed to parties who had requested such notification or contacted City staff previously, on August 5, 2022. As of August 5, 2022, the distribution list consisted of 15 email addresses, including residents and representatives from The Kennedy Commission, Laguna Woods Democratic Club, League of Women Voters of Orange Coast, and Orange County United Way. The public notice noted the availability of in-person or virtual meetings with City staff to discuss or ask questions regarding the documents, and provided instructions for individuals who require translation services to communicate with the City.

## **2.11 PUBLIC MEETING #6**

On August 12, 2022, the City Council held its sixth meeting to discuss and consider the RHNA and General Plan Housing Element Update. The meeting took place at Laguna Woods City Hall at 3:30 p.m. City Council meetings are also televised and closed captioned with reasonable accessibility

accommodations available on request. Public comments were accepted in person, in writing, by telephone, or by computer (Zoom). All five members of the City Council participated.

The notice for this meeting was posted on the City's website and at locations pursuant to Government Code Section 54954.2 on August 11, 2022. In addition, on August 11, 2022, email notification was provided to parties who had requested such notification or contacted City staff previously. As of August 11, 2022, the distribution list consisted of 15 email addresses, including residents and representatives from The Kennedy Commission, Laguna Woods Democratic Club, League of Women Voters of Orange Coast, and Orange County United Way. The notification included links to the agenda materials and notice that proposed revisions to the General Plan Housing Element adopted on February 9, 2022 were included therein.

Drafts of the proposed General Plan Housing Element and HCD Housing Element Sites Inventory Form were included in the agenda packet, as well as redline versions of all revisions made since the versions adopted by the City Council on February 9, 2022. An electronic spreadsheet version of the HCD Housing Element Sites Inventory Form was posted on the City's website on August 11, 2022.

The City Council voted 5-0 to adopt a resolution adopting the General Plan Housing Element Update.

## **2.12 REVISED DRAFT PUBLIC POSTING AAND NOTIFICATION**

On March XX, 2023, revised drafts of the General Plan Housing Element and HCD Housing Element Sites Inventory Form were posted on the City's website and made available from the City Clerk's Office. The posted materials included both "clean" and redline versions of the General Plan Housing Element, as well as an electronic spreadsheet version of the HCD Housing Element Sites Inventory Form. The latter was unchanged from the version adopted by the City Council on February 9, 2022.

A public notice announcing the public review period and providing information on how to access the revised draft documents was posted at City Hall and on the City's website, as well as emailed to parties who had requested such notification or contacted City staff previously, on March XX, 2023. As of March XX, 2023, the distribution list consisted of 15 email addresses, including residents and representatives from The Kennedy Commission, Laguna Woods Democratic Club, League of Women Voters of Orange Coast, and Orange County United Way. The public notice noted the availability of in-person or virtual meetings with City staff to discuss or ask questions regarding the documents, and provided instructions for individuals who require translation services to communicate with the City.

## **2.13 PUBLIC MEETING #7**

On March XX, 2023, the City Council held its seventh meeting to discuss and consider the RHNA and General Plan Housing Element Update. The meeting took place at Laguna Woods City Hall at XX. City Council meetings are also televised and closed captioned with reasonable accessibility accommodations available on request. Public comments were accepted in person, in writing, by telephone, or by computer (Zoom). XX members of the City Council participated.

The notice for this meeting was posted on the City's website and at locations pursuant to Government Code Section 54954.2 on March XX, 2023. In addition, on March XX, 2023, email notification was provided to parties who had requested such notification or contacted City staff previously. As of

March XX, 2023, the distribution list consisted of 15 email addresses, including residents and representatives from The Kennedy Commission, Laguna Woods Democratic Club, League of Women Voters of Orange Coast, and Orange County United Way. The notification included links to the agenda materials and notice that proposed revisions to the General Plan Housing Element adopted on August 12, 2022 were included therein.

Drafts of the proposed General Plan Housing Element and HCD Housing Element Sites Inventory Form were included in the agenda packet, as well as redline versions of all revisions made since the versions adopted by the City Council on August 12, 2022. An electronic spreadsheet version of the HCD Housing Element Sites Inventory Form was posted on the City's website on March XX, 2023.

The City Council voted XX-XX to XX a resolution adopting the General Plan Housing Element Update.

### **2.122.14 OTHER MEETINGS**

On May 17, 2021, the City Manager met via GoToMeeting with Village Management Services, Inc. (Laguna Woods Village) staff (Jeff Parker, CEO and Siobhan Foster, COO) to discuss the RHNA and General Plan Housing Element Update. Subsequent to the meeting, the City Manager forwarded Mr. Parker and Ms. Foster the agenda report for the May 19, 2021 City Council meeting and a RHNA Frequently Asked Questions document.

On May 25, 2021, the City Manager met by telephone with Cesar Covarrubias, Executive Director of The Kennedy Commission, to discuss inclusionary housing and incentives for affordable housing development on non-vacant sites. Subsequent to the meeting, Mr. Covarrubias forwarded the City Manager information on the City of San Clemente's Inclusionary Housing In-Lieu Fee Program Study.

On November 19, 2021, the City Manager met with Kate Van Camp, a resident and housing advocate with Welcoming Neighbors Home, to discuss the General Plan Housing Element Update, review letter from HCD, Ms. Van Camp's email correspondence to the City Manager dated October 3, 2021 (copied to the City Council, Rona Henry with Welcoming Neighbors Home, and Kimberly Adams with Orange County United Way), and various related topics. On November 20, 2021, Ms. Van Camp sent email correspondence as a follow-up to the meeting to the City Council with copies to the City Manager, HCD (HousingElements@hcd.ca.gov and Marisa Prasse), Rona Henry with Welcoming Neighbors Home, and Cesar Covarrubias, Executive Director of The Kennedy Commission.



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# **ITEM 8.1**

## **Attachment E**

Information Required to Complete HCD's Housing Element Sites Inventory Form  
for the Proposed Revised General Plan Housing Element

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**CITY OF LAGUNA WOODS  
 INFORMATION REQUIRED TO COMPLETE  
 THE HCD HOUSING ELEMENT SITES INVENTORY FORM  
 FOR THE PROPOSED REVISED GENERAL PLAN HOUSING ELEMENT**

Please note that the “Very Low-Income,” “Low-Income,” “Moderate-Income,” and “Above Moderate-Income” fields are estimates only. Potential future housing construction could occur at any income level, subject to compliance with applicable development standards, including inclusionary housing requirements.

<b>Site #1 Vacant lot near Town Centre</b>	
Table B: Candidate Sites Identified to be Rezoned to Accommodate Shortfall Housing Need	
Jurisdiction Name	Laguna Woods
Site Address/Intersection	North of Moulton Parkway, east of signalized intersection at Ayres Hotel
5 Digit ZIP Code	92637
Assessor Parcel Number	616-012-29
Very Low-Income	10
Low-Income	11
Moderate-Income	0
Above Moderate-Income	60
Type of Shortfall	Shortfall of Sites
Parcel Size (Acres)	1.8
Current General Plan Designation	Commercial
Current Zoning	Community Commercial
Proposed General Plan (GP) Designation	Commercial
Proposed Zoning	Residential High Density Overlay
Minimum Density Allowed	30
Maximum Density Allowed	50
Total Capacity	81
Vacant/Nonvacant	Vacant
Description of Existing Uses	Vacant
Suitable for Lower Income Households (Density & Parcel Size)	Yes
Financially Feasible for Federal & State Funding (Lower Income Suitability + 50-150 Unit Project Size)	Yes
Consolidation Potential Due to Adjacency of Other Candidate Site(s)	Yes

Please note that the “Very Low-Income,” “Low-Income,” “Moderate-Income,” and “Above Moderate-Income” fields are estimates only. Potential future housing construction could occur at any income level, subject to compliance with applicable development standards, including inclusionary housing requirements.

<b>Site #2</b>	
<b>Parking lot for Pacific Hills Calvary Chapel</b>	
Table B: Candidate Sites Identified to be Rezoned to Accommodate Shortfall Housing Need	
Jurisdiction Name	Laguna Woods
Site Address/Intersection	24481 Moulton Parkway
5 Digit ZIP Code	92637
Assessor Parcel Number	621-131-38
Very Low-Income	2
Low-Income	2
Moderate-Income	0
Above Moderate-Income	27
Type of Shortfall	Shortfall of Sites
Parcel Size (Acres)	0.696
Current General Plan Designation	Commercial
Current Zoning	Professional & Administrative Office
Proposed General Plan (GP) Designation	Commercial
Proposed Zoning	Residential High Density Overlay
Minimum Density Allowed	30
Maximum Density Allowed	50
Total Capacity	31
Vacant/Nonvacant	Non-Vacant
Description of Existing Uses	Church parking lot
Suitable for Lower Income Households (Density & Parcel Size)	Yes
Financially Feasible for Federal & State Funding (Lower Income Suitability + 50-150 Unit Project Size)	No
Consolidation Potential Due to Adjacency of Other Candidate Site(s)	No

Please note that the “Very Low-Income,” “Low-Income,” “Moderate-Income,” and “Above Moderate-Income” fields are estimates only. Potential future housing construction could occur at any income level, subject to compliance with applicable development standards, including inclusionary housing requirements.

<b>Site #3</b>	
<b>Rossmoor Electric</b>	
Table B: Candidate Sites Identified to be Rezoned to Accommodate Shortfall Housing Need	
Jurisdiction Name	Laguna Woods
Site Address/Intersection	24351 Moulton Parkway
5 Digit ZIP Code	92637
Assessor Parcel Number	621-131-21
Very Low-Income	5
Low-Income	6
Moderate-Income	0
Above Moderate-Income	44
Type of Shortfall	Shortfall of Sites
Parcel Size (Acres)	1.232
Current General Plan Designation	Commercial
Current Zoning	Community Commercial
Proposed General Plan (GP) Designation	Commercial
Proposed Zoning	Residential High Density Overlay
Minimum Density Allowed	30
Maximum Density Allowed	50
Total Capacity	55
Vacant/Nonvacant	Non-Vacant
Description of Existing Uses	Commercial businesses (Rossmoor Electric building; health and wellness)
Suitable for Lower Income Households (Density & Parcel Size)	Yes
Financially Feasible for Federal & State Funding (Lower Income Suitability + 50-150 Unit Project Size)	Yes
Consolidation Potential Due to Adjacency of Other Candidate Site(s)	No

Please note that the “Very Low-Income,” “Low-Income,” “Moderate-Income,” and “Above Moderate-Income” fields are estimates only. Potential future housing construction could occur at any income level, subject to compliance with applicable development standards, including inclusionary housing requirements.

<b>Site #4</b>	
<b>Saddleback Golf Cars</b>	
Table B: Candidate Sites Identified to be Rezoned to Accommodate Shortfall Housing Need	
Jurisdiction Name	Laguna Woods
Site Address/Intersection	23252 Via Campo Verde
5 Digit ZIP Code	92637
Assessor Parcel Number	621-131-26
Very Low-Income	5
Low-Income	6
Moderate-Income	0
Above Moderate-Income	44
Type of Shortfall	Shortfall of Sites
Parcel Size (Acres)	1.235
Current General Plan Designation	Commercial
Current Zoning	Community Commercial
Proposed General Plan (GP) Designation	Commercial
Proposed Zoning	Residential High Density Overlay
Minimum Density Allowed	30
Maximum Density Allowed	50
Total Capacity	55
Vacant/Nonvacant	Non-Vacant
Description of Existing Uses	Commercial business (Saddleback Golf Cars)
Suitable for Lower Income Households (Density & Parcel Size)	Yes
Financially Feasible for Federal & State Funding (Lower Income Suitability + 50-150 Unit Project Size)	Yes
Consolidation Potential Due to Adjacency of Other Candidate Site(s)	No



Please note that the “Very Low-Income,” “Low-Income,” “Moderate-Income,” and “Above Moderate-Income” fields are estimates only. Potential future housing construction could occur at any income level, subject to compliance with applicable development standards, including inclusionary housing requirements.

<b>Site #5</b>	
<b>Laguna Woods Self Storage</b>	
Table B: Candidate Sites Identified to be Rezoned to Accommodate Shortfall Housing Need	
Jurisdiction Name	Laguna Woods
Site Address/Intersection	24151 Moulton Parkway
5 Digit ZIP Code	92637
Assessor Parcel Number	616-012-19
Very Low-Income	76
Low-Income	79
Moderate-Income	0
Above Moderate-Income	81
Type of Shortfall	Shortfall of Sites
Parcel Size (Acres)	5.249
Current General Plan Designation	Commercial
Current Zoning	Community Commercial
Proposed General Plan (GP) Designation	Commercial
Proposed Zoning	Residential High Density Overlay
Minimum Density Allowed	30
Maximum Density Allowed	50
Total Capacity	236
Vacant/Nonvacant	Non-Vacant
Description of Existing Uses	Commercial business (Self-storage)
Suitable for Lower Income Households (Density & Parcel Size)	Yes
Financially Feasible for Federal & State Funding (Lower Income Suitability + 50-150 Unit Project Size)	No
Consolidation Potential Due to Adjacency of Other Candidate Site(s)	Yes

Please note that the “Very Low-Income,” “Low-Income,” “Moderate-Income,” and “Above Moderate-Income” fields are estimates only. Potential future housing construction could occur at any income level, subject to compliance with applicable development standards, including inclusionary housing requirements.

<b>Site #6</b>	
<b>Animal Hospital</b>	
Table B: Candidate Sites Identified to be Rezoned to Accommodate Shortfall Housing Need	
Jurisdiction Name	Laguna Woods
Site Address/Intersection	24271 El Toro Road
5 Digit ZIP Code	92637
Assessor Parcel Number	616-012-03
Very Low-Income	2
Low-Income	3
Moderate-Income	0
Above Moderate-Income	29
Type of Shortfall	Shortfall of Sites
Parcel Size (Acres)	0.76
Current General Plan Designation	Commercial
Current Zoning	Community Commercial
Proposed General Plan (GP) Designation	Commercial
Proposed Zoning	Residential High Density Overlay
Minimum Density Allowed	30
Maximum Density Allowed	50
Total Capacity	34
Vacant/Nonvacant	Non-Vacant
Description of Existing Uses	Commercial business (Animal hospital)
Suitable for Lower Income Households (Density & Parcel Size)	Yes
Financially Feasible for Federal & State Funding (Lower Income Suitability + 50-150 Unit Project Size)	No
Consolidation Potential Due to Adjacency of Other Candidate Site(s)	Yes

Please note that the “Very Low-Income,” “Low-Income,” “Moderate-Income,” and “Above Moderate-Income” fields are estimates only. Potential future housing construction could occur at any income level, subject to compliance with applicable development standards, including inclusionary housing requirements.

<b>Site #7</b>	
<b>PS Business Park (excludes Jack in the Box)</b>	
Table B: Candidate Sites Identified to be Rezoned to Accommodate Shortfall Housing Need	
Jurisdiction Name	Laguna Woods
Site Address/Intersection	23572 Moulton Parkway
5 Digit ZIP Code	92637
Assessor Parcel Number	616-021-30
Very Low-Income	24
Low-Income	26
Moderate-Income	0
Above Moderate-Income	79
Type of Shortfall	Shortfall of Sites
Parcel Size (Acres)	2.867
Current General Plan Designation	Commercial
Current Zoning	Community Commercial
Proposed General Plan (GP) Designation	Commercial
Proposed Zoning	Residential High Density Overlay
Minimum Density Allowed	30
Maximum Density Allowed	50
Total Capacity	129
Vacant/Nonvacant	Non-Vacant
Description of Existing Uses	Commercial businesses (Self-storage, retail, and food)
Suitable for Lower Income Households (Density & Parcel Size)	Yes
Financially Feasible for Federal & State Funding (Lower Income Suitability + 50-150 Unit Project Size)	Yes
Consolidation Potential Due to Adjacency of Other Candidate Site(s)	No

Please note that the “Very Low-Income,” “Low-Income,” “Moderate-Income,” and “Above Moderate-Income” fields are estimates only. Potential future housing construction could occur at any income level, subject to compliance with applicable development standards, including inclusionary housing requirements.

<b>Site #8 Smart Parke</b>	
Table B: Candidate Sites Identified to be Rezoned to Accommodate Shortfall Housing Need	
Jurisdiction Name	Laguna Woods
Site Address/Intersection	24334 El Toro Road
5 Digit ZIP Code	92637
Assessor Parcel Number	621-211-09
Very Low-Income	6
Low-Income	7
Moderate-Income	0
Above Moderate-Income	50
Type of Shortfall	Shortfall of Sites
Parcel Size (Acres)	2.373
Current General Plan Designation	Commercial
Current Zoning	Community Commercial
Proposed General Plan (GP) Designation	Commercial
Proposed Zoning	Residential High Density Overlay
Minimum Density Allowed	30
Maximum Density Allowed	50
Total Capacity	63
Vacant/Nonvacant	Non-Vacant
Description of Existing Uses	Pet boarding/day care
Suitable for Lower Income Households (Density & Parcel Size)	Yes
Financially Feasible for Federal & State Funding (Lower Income Suitability + 50-150 Unit Project Size)	Yes
Consolidation Potential Due to Adjacency of Other Candidate Site(s)	No

Please note that the “Very Low-Income,” “Low-Income,” “Moderate-Income,” and “Above Moderate-Income” fields are estimates only. Potential future housing construction could occur at any income level, subject to compliance with applicable development standards, including inclusionary housing requirements.

<b>Site #9</b>	
<b>McCormick &amp; Son Mortuary</b>	
Table B: Candidate Sites Identified to be Rezoned to Accommodate Shortfall Housing Need	
Jurisdiction Name	Laguna Woods
Site Address/Intersection	25002 Moulton Parkway
5 Digit ZIP Code	92637
Assessor Parcel Number	621-091-16
Very Low-Income	0
Low-Income	0
Moderate-Income	0
Above Moderate-Income	25
Type of Shortfall	Shortfall of Sites
Parcel Size (Acres)	1.411
Current General Plan Designation	Commercial
Current Zoning	Community Commercial
Proposed General Plan (GP) Designation	Commercial
Proposed Zoning	Residential Medium Density Overlay
Minimum Density Allowed	15
Maximum Density Allowed	20
Total Capacity	25
Vacant/Nonvacant	Non-Vacant
Description of Existing Uses	Commercial business (Mortuary)
Suitable for Lower Income Households (Density & Parcel Size)	No
Financially Feasible for Federal & State Funding (Lower Income Suitability + 50-150 Unit Project Size)	No
Consolidation Potential Due to Adjacency of Other Candidate Site(s)	Yes

Please note that the “Very Low-Income,” “Low-Income,” “Moderate-Income,” and “Above Moderate-Income” fields are estimates only. Potential future housing construction could occur at any income level, subject to compliance with applicable development standards, including inclusionary housing requirements.

<b>Site #10</b>	
<b>Lutheran Church of the Cross</b>	
Table B: Candidate Sites Identified to be Rezoned to Accommodate Shortfall Housing Need	
Jurisdiction Name	Laguna Woods
Site Address/Intersection	24231 El Toro Road
5 Digit ZIP Code	92637
Assessor Parcel Number	616-041-01
Very Low-Income	0
Low-Income	0
Moderate-Income	35
Above Moderate-Income	19
Type of Shortfall	Shortfall of Sites
Parcel Size (Acres)	3.028
Current General Plan Designation	Community Facilities
Current Zoning	Community Facilities-Private
Proposed General Plan (GP) Designation	Community Facilities
Proposed Zoning	Residential Medium-Low Density Overlay
Minimum Density Allowed	15
Maximum Density Allowed	20
Total Capacity	54
Vacant/Nonvacant	Non-Vacant
Description of Existing Uses	Lutheran Church of the Cross
Suitable for Lower Income Households (Density & Parcel Size)	No
Financially Feasible for Federal & State Funding (Lower Income Suitability + 50-150 Unit Project Size)	Yes
Consolidation Potential Due to Adjacency of Other Candidate Site(s)	No

Please note that the “Very Low-Income,” “Low-Income,” “Moderate-Income,” and “Above Moderate-Income” fields are estimates only. Potential future housing construction could occur at any income level, subject to compliance with applicable development standards, including inclusionary housing requirements.

<b>Site #11 (Parcel 1 of 2)</b>	
<b>Geneva Presbyterian Church</b>	
Table B: Candidate Sites Identified to be Rezoned to Accommodate Shortfall Housing Need	
Jurisdiction Name	Laguna Woods
Site Address/Intersection	24301 El Toro Road
5 Digit ZIP Code	92637
Assessor Parcel Number	616-191-05
Very Low-Income	0
Low-Income	0
Moderate-Income	6
Above Moderate-Income	3
Type of Shortfall	Shortfall of Sites
Parcel Size (Acres)	0.5
Current General Plan Designation	Community Facilities
Current Zoning	Community Facilities-Private
Proposed General Plan (GP) Designation	Community Facilities
Proposed Zoning	Residential Medium-Low Density Overlay
Minimum Density Allowed	15
Maximum Density Allowed	20
Total Capacity	9
Vacant/Nonvacant	Non-Vacant
Description of Existing Uses	Geneva Presbyterian Church
Suitable for Lower Income Households (Density & Parcel Size)	No
Financially Feasible for Federal & State Funding (Lower Income Suitability + 50-150 Unit Project Size)	Yes
Consolidation Potential Due to Adjacency of Other Candidate Site(s)	No

Please note that the “Very Low-Income,” “Low-Income,” “Moderate-Income,” and “Above Moderate-Income” fields are estimates only. Potential future housing construction could occur at any income level, subject to compliance with applicable development standards, including inclusionary housing requirements.

<b>Site #11 (Parcel 2 of 2)</b>	
<b>Geneva Presbyterian Church</b>	
Table B: Candidate Sites Identified to be Rezoned to Accommodate Shortfall Housing Need	
Jurisdiction Name	Laguna Woods
Site Address/Intersection	24301 El Toro Road
5 Digit ZIP Code	92637
Assessor Parcel Number	616-191-06
Very Low-Income	0
Low-Income	0
Moderate-Income	43
Above Moderate-Income	19
Type of Shortfall	Shortfall of Sites
Parcel Size (Acres)	3.455
Current General Plan Designation	Community Facilities
Current Zoning	Community Facilities-Private
Proposed General Plan (GP) Designation	Community Facilities
Proposed Zoning	Residential Medium-Low Density Overlay
Minimum Density Allowed	15
Maximum Density Allowed	20
Total Capacity	62
Vacant/Nonvacant	Non-Vacant
Description of Existing Uses	Geneva Presbyterian Church
Suitable for Lower Income Households (Density & Parcel Size)	No
Financially Feasible for Federal & State Funding (Lower Income Suitability + 50-150 Unit Project Size)	Yes
Consolidation Potential Due to Adjacency of Other Candidate Site(s)	No



Please note that the “Very Low-Income,” “Low-Income,” “Moderate-Income,” and “Above Moderate-Income” fields are estimates only. Potential future housing construction could occur at any income level, subject to compliance with applicable development standards, including inclusionary housing requirements.

<b>Site #12</b>	
<b>Saint Nicholas Catholic Church</b>	
Table B: Candidate Sites Identified to be Rezoned to Accommodate Shortfall Housing Need	
Jurisdiction Name	Laguna Woods
Site Address/Intersection	24252 El Toro Road
5 Digit ZIP Code	92637
Assessor Parcel Number	621-121-11
Very Low-Income	0
Low-Income	0
Moderate-Income	61
Above Moderate-Income	22
Type of Shortfall	Shortfall of Sites
Parcel Size (Acres)	4.596
Current General Plan Designation	Community Facilities
Current Zoning	Community Facilities-Private
Proposed General Plan (GP) Designation	Community Facilities
Proposed Zoning	Residential Medium-Low Density Overlay
Minimum Density Allowed	15
Maximum Density Allowed	20
Total Capacity	83
Vacant/Nonvacant	Non-Vacant
Description of Existing Uses	Saint Nicholas Catholic Church
Suitable for Lower Income Households (Density & Parcel Size)	No
Financially Feasible for Federal & State Funding (Lower Income Suitability + 50-150 Unit Project Size)	Yes
Consolidation Potential Due to Adjacency of Other Candidate Site(s)	Yes

Please note that the “Very Low-Income,” “Low-Income,” “Moderate-Income,” and “Above Moderate-Income” fields are estimates only. Potential future housing construction could occur at any income level, subject to compliance with applicable development standards, including inclusionary housing requirements.

<b>Site #13</b>	
<b>Temple Judea</b>	
Table B: Candidate Sites Identified to be Rezoned to Accommodate Shortfall Housing Need	
Jurisdiction Name	Laguna Woods
Site Address/Intersection	24512 Moulton Parkway
5 Digit ZIP Code	92637
Assessor Parcel Number	621-121-18
Very Low-Income	0
Low-Income	0
Moderate-Income	0
Above Moderate-Income	15
Type of Shortfall	Shortfall of Sites
Parcel Size (Acres)	1.757
Current General Plan Designation	Community Facilities
Current Zoning	Community Facilities-Private
Proposed General Plan (GP) Designation	Community Facilities
Proposed Zoning	Residential Low Density Overlay
Minimum Density Allowed	8
Maximum Density Allowed	10
Total Capacity	15
Vacant/Nonvacant	Non-Vacant
Description of Existing Uses	Temple Judea
Suitable for Lower Income Households (Density & Parcel Size)	No
Financially Feasible for Federal & State Funding (Lower Income Suitability + 50-150 Unit Project Size)	No
Consolidation Potential Due to Adjacency of Other Candidate Site(s)	Yes

Please note that the “Very Low-Income,” “Low-Income,” “Moderate-Income,” and “Above Moderate-Income” fields are estimates only. Potential future housing construction could occur at any income level, subject to compliance with applicable development standards, including inclusionary housing requirements.

<b>Site #14</b>	
<b>Laguna Country United Methodist Church</b>	
Table B: Candidate Sites Identified to be Rezoned to Accommodate Shortfall Housing Need	
Jurisdiction Name	Laguna Woods
Site Address/Intersection	24442 Moulton Parkway
5 Digit ZIP Code	92637
Assessor Parcel Number	621-121-23
Very Low-Income	0
Low-Income	0
Moderate-Income	85
Above Moderate-Income	20
Type of Shortfall	Shortfall of Sites
Parcel Size (Acres)	3.899
Current General Plan Designation	Community Facilities
Current Zoning	Community Facilities-Private
Proposed General Plan (GP) Designation	Community Facilities
Proposed Zoning	Residential Medium Density Overlay
Minimum Density Allowed	20
Maximum Density Allowed	30
Total Capacity	105
Vacant/Nonvacant	Non-Vacant
Description of Existing Uses	Laguna Country United Methodist Church
Suitable for Lower Income Households (Density & Parcel Size)	Yes
Financially Feasible for Federal & State Funding (Lower Income Suitability + 50-150 Unit Project Size)	Yes
Consolidation Potential Due to Adjacency of Other Candidate Site(s)	Yes

Please note that the “Very Low-Income,” “Low-Income,” “Moderate-Income,” and “Above Moderate-Income” fields are estimates only. Potential future housing construction could occur at any income level, subject to compliance with applicable development standards, including inclusionary housing requirements.

<b>Site #15</b>	
<b>Medical building in Town Centre</b>	
Table B: Candidate Sites Identified to be Rezoned to Accommodate Shortfall Housing Need	
Jurisdiction Name	Laguna Woods
Site Address/Intersection	24331 El Toro Road
5 Digit ZIP Code	92637
Assessor Parcel Number	616-012-24
Very Low-Income	22
Low-Income	23
Moderate-Income	0
Above Moderate-Income	76
Type of Shortfall	Shortfall of Sites
Parcel Size (Acres)	2.69
Current General Plan Designation	Commercial
Current Zoning	Professional & Administrative Office
Proposed General Plan (GP) Designation	Commercial
Proposed Zoning	Residential High Density Overlay
Minimum Density Allowed	30
Maximum Density Allowed	50
Total Capacity	121
Vacant/Nonvacant	Non-Vacant
Description of Existing Uses	Offices (SCOS Orthopedics building; health and wellness)
Suitable for Lower Income Households (Density & Parcel Size)	Yes
Financially Feasible for Federal & State Funding (Lower Income Suitability + 50-150 Unit Project Size)	Yes
Consolidation Potential Due to Adjacency of Other Candidate Site(s)	Yes

Please note that the “Very Low-Income,” “Low-Income,” “Moderate-Income,” and “Above Moderate-Income” fields are estimates only. Potential future housing construction could occur at any income level, subject to compliance with applicable development standards, including inclusionary housing requirements.

<b>Site #16</b>	
<b>Willow Tree Center East (Olive Garden, Cart Mart, and South County Adult Day Services)</b>	
Table B: Candidate Sites Identified to be Rezoned to Accommodate Shortfall Housing Need	
Jurisdiction Name	Laguna Woods
Site Address/Intersection	24260 El Toro Road
5 Digit ZIP Code	92637
Assessor Parcel Number	621-121-30
Very Low-Income	0
Low-Income	0
Moderate-Income	0
Above Moderate-Income	27
Type of Shortfall	Shortfall of Sites
Parcel Size (Acres)	3.095
Current General Plan Designation	Commercial
Current Zoning	Community Commercial
Proposed General Plan (GP) Designation	Commercial
Proposed Zoning	Residential Low Density Overlay
Minimum Density Allowed	8
Maximum Density Allowed	10
Total Capacity	27
Vacant/Nonvacant	Non-Vacant
Description of Existing Uses	Commercial businesses (retail and food), adult day services
Suitable for Lower Income Households (Density & Parcel Size)	No
Financially Feasible for Federal & State Funding (Lower Income Suitability + 50-150 Unit Project Size)	No
Consolidation Potential Due to Adjacency of Other Candidate Site(s)	Yes

Please note that the “Very Low-Income,” “Low-Income,” “Moderate-Income,” and “Above Moderate-Income” fields are estimates only. Potential future housing construction could occur at any income level, subject to compliance with applicable development standards, including inclusionary housing requirements.

<b>Site #17 Helm Center</b>	
Table B: Candidate Sites Identified to be Rezoned to Accommodate Shortfall Housing Need	
Jurisdiction Name	Laguna Woods
Site Address/Intersection	24902 Moulton Parkway
5 Digit ZIP Code	92637
Assessor Parcel Number	621-091-15
Very Low-Income	0
Low-Income	0
Moderate-Income	0
Above Moderate-Income	11
Type of Shortfall	Shortfall of Sites
Parcel Size (Acres)	0.65
Current General Plan Designation	Commercial
Current Zoning	Professional & Administrative Office
Proposed General Plan (GP) Designation	Commercial
Proposed Zoning	Residential Medium-Low Density Overlay
Minimum Density Allowed	15
Maximum Density Allowed	20
Total Capacity	11
Vacant/Nonvacant	Non-Vacant
Description of Existing Uses	Offices (Helm Medical Center building; health and wellness)
Suitable for Lower Income Households (Density & Parcel Size)	No
Financially Feasible for Federal & State Funding (Lower Income Suitability + 50-150 Unit Project Size)	No
Consolidation Potential Due to Adjacency of Other Candidate Site(s)	Yes

**8.2**

**CITY HALL WASTE DROP-OFF PROGRAM  
(PERSONAL MEDICATION AND HOME-  
GENERATED SHARPS WASTE DISPOSAL)**

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# City of Laguna Woods

## Agenda Report

**TO:** Honorable Mayor and City Councilmembers

**FROM:** Christopher Macon, City Manager

**FOR:** March 22, 2023 Adjourned Regular Meeting

**SUBJECT:** City Hall Waste Drop-Off Program (Personal Medication and Home-Generated Sharps Waste Disposal)

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### **Recommendation**

1. Authorize the City Manager to discontinue accepting unwanted personal medication at City Hall for subsequent disposal due to the implementation of California Senate Bill 212 (Jackson, Chapter 1004, Statutes of 2018), which established stewardship requirements for drug manufacturers and distributors.

AND

2. Reaffirm the City's commitment to accepting unwanted home-generated sharps at City Hall for subsequent disposal.

### **Background**

California Senate Bill 212 (Jackson, Chapter 1004, Statutes of 2018) (also known as California's Pharmaceutical and Sharps Waste Stewardship Law) requires the manufacturers or distributors of covered drugs or sharps to establish and implement stewardship programs providing for the collection, transportation, and disposal of unwanted drugs or sharps. Stewardship programs may be offered individually or by way of partnerships between multiple manufacturers and/or distributors.

Senate Bill 212 was signed into law in September 2018, but allowed several years for manufacturers and distributors to develop stewardship programs. The California Department of Resources Recycling and Recovery ("CalRecycle") anticipated full

implementation of stewardship programs by late 2022.

In the absence of stewardship programs assigning the responsibility for disposing of unwanted personal medication and home-generated sharps elsewhere, the City has offered a program allowing residents to drop off unwanted personal medication and home-generated sharps at City Hall for subsequent disposal. The City contracts with WM Curbside, LLC for disposal services at a current cost of approximately \$8,000 per year for personal medication and \$5,000 per year for home-generated sharps. Rates will increase beginning July 1, 2024.

### **Discussion**

Today's meeting is an opportunity for City Council action, as well as public input, on the proposed discontinuance of City Hall's acceptance of personal medication for subsequent disposal due to the implementation of Senate Bill 212. With Senate Bill 212 creating a legal and financial obligation for manufacturers and distributors to offer the type of program currently offered by the City, staff recommends that the City discontinue accepting unwanted personal medication at City Hall and, instead, refer residents to local stewardship programs. If the City Council takes the recommended action, staff anticipates "phasing out" the acceptance of unwanted personal medication over a three-month period to allow time for public education.

Staff also recommends that the City Council reaffirm its commitment to accepting unwanted home-generated sharps at City Hall for subsequent disposal.

#### *Personal Medication*

Two Laguna Woods pharmacies – CVS (24167 Paseo De Valencia) and Rite Aid (24330 El Toro Road) – have drop-off bins that residents can use, free of charge, to dispose of unwanted personal medication. Other nearby drop-off bin locations are listed at <https://med-project.org/locations/california/meds/find-a-location>. There are currently nine drop-off bins located within five miles of Laguna Woods.

The types of personal medication that can be placed in stewardship program drop-off bins mirror the types of personal medication accepted at City Hall.

Other than location, a key difference between the City's program and stewardship program drop-off bins is that pharmacies tend to be open longer hours than City Hall. For a comparison of Laguna Woods locations, please see Table 1.

*Table 1: City Hall and Laguna Woods Operating Hours*

<b>Laguna Woods City Hall Business Hours</b>	<b>Laguna Woods CVS Pharmacy Hours</b>	<b>Laguna Woods Rite Aid Pharmacy Hours</b>
Monday-Friday 7:30 a.m. to 5 p.m.	Monday-Friday 8 a.m. to 9 p.m. Saturday 9 a.m. to 6 p.m. Sunday 10 a.m. to 6 p.m.	Monday-Friday 8 a.m. to 10 p.m. Saturday 9 a.m. to 6 p.m. Sunday 10 a.m. to 6 p.m.

*Home-Generated Sharps*

Staff is not recommending any change to the City’s acceptance of unwanted home-generated sharps. While Senate Bill 212 imposes stewardship obligations on the manufacturers and distributors of sharps, those obligations differ from the City’s program in that they only require mail-back services to be offered (e.g., providing postage-prepaid containers that can be filled with unwanted sharps and mailed to a facility for subsequent disposal). The City’s program is more user-friendly in that it allows residents to drop-off unwanted home-generated sharps at City Hall.

Beginning with costs incurred in September 2022, Senate Bill 212 allows cities to be reimbursed for their sharps disposal efforts, meaning that the City’s payments to WM Curbside for disposing of unwanted home-generated sharps are now covered by sharps manufacturers and distributors. Unfortunately, Senate Bill 212 does not provide a similar reimbursement opportunity for unwanted personal medication.

**Fiscal Impact**

Discontinuing City Hall’s acceptance of personal medication is anticipated to result in General Fund savings of \$8,000 or more per fiscal year.

Since September 2022, City Hall’s acceptance of unwanted home-generated sharps has been offset by Senate Bill 212 reimbursements. So far, this fiscal year, staff has submitted reimbursement requests for \$2,592.24 in disposal costs.

Report Prepared With: Nadia Cook, Regulatory Programs Analyst

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**8.3**

**SOUTHERN CALIFORNIA ASSOCIATION OF  
GOVERNMENTS' 2023 GENERAL ASSEMBLY  
DELEGATE AND ALTERNATE DELEGATE**

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# City of Laguna Woods

## Agenda Report

**TO:** Honorable Mayor and City Councilmembers

**FROM:** Christopher Macon, City Manager

**FOR:** March 22, 2023 Adjourned Regular Meeting

**SUBJECT:** Southern California Association of Governments' 2023 General Assembly Delegate and Alternate Delegate

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### **Recommendation**

Appoint members of the City Council to serve as a delegate and alternate at the Southern California Association of Governments' 2023 General Assembly.

### **Background**

The Southern California Association of Governments ("SCAG") will host its annual General Assembly on May 4, 2023 in Palm Desert. Each year, member cities appoint a delegate and alternate to propose and vote on policy matters on their behalf at the General Assembly.

### **Discussion**

SCAG has requested that the City Council appoint a delegate and alternate for the 2023 General Assembly. If only one member of the City Council attends, there is no requirement to appoint an alternate.

### **Fiscal Impact**

SCAG will offer the delegate (or alternate) a complimentary hotel accommodation for the night of May 4, 2023, validated overnight parking, and meals.

Councilmembers Horne and Moore serve on SCAG policy committees and are also

provided complimentary hotel accommodations for the night of May 4, 2023, validated overnight parking, and meals, if they choose to attend.



8.4

**LAGUNA WOODS CIVIC SUPPORT FUND  
(ORIGINALLY AGENDIZED BY MAYOR PRO  
TEM HATCH ON JANUARY 18, 2023 AND RE-  
AGENDIZED BY COUNCILMEMBER MOORE)**

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**Excerpt from January 18, 2023 City Council meeting minutes:**

8.1 Laguna Woods Civic Support Fund  
(agendized by Mayor Pro Tem Hatch)

Moved by Councilmember McCary, seconded by Councilmember Horne, and carried on a 4-1 vote, with Councilmember Moore voting no, to:

1. Recognizing the Laguna Woods Civic Support Fund's success, maturity as an organization, and ability to function independent of the City, direct the Mayor to provide written notice of the City's termination of its formal involvement as contemplated in Section 5.5 of the Laguna Woods Civic Support Fund's Bylaws.

AND

2. Approve a contribution of \$5,000 to the newly independent Laguna Woods Civic Support Fund to support future activities.

AND

3. Appoint Councilmember Moore to serve as a liaison to the Laguna Woods Civic Support Fund to foster communication between the City and Laguna Woods Civic Support Fund related to their shared interest in supporting the City and Laguna Woods Branch of OC Public Libraries, from January 18, 2023 through December 31, 2024.

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City of  
Laguna Woods

24264 El Toro Road  
Laguna Woods, CA 92637  
Phone (949) 639-0500  
TTY (949) 639-0535  
Fax (949) 639-0591  
[www.cityoflagunawoods.org](http://www.cityoflagunawoods.org)

February 17, 2023

Laguna Woods Civic Support Fund  
Attn: Board of Directors  
24264 El Toro Road  
Laguna Woods, CA 92637

**SUBJECT: Bylaws Section 5.5 Notice**

Dear Laguna Woods Civic Support Fund Board of Directors:

At the regular meeting on January 18, 2023, the Laguna Woods City Council voted 4-1, with Councilmember Moore dissenting, to terminate the City of Laguna Woods' formal involvement with the Laguna Woods Civic Support Fund as contemplated in Section 5.5 of the Laguna Woods Civic Support Fund's Bylaws. This decision was made in recognition of the Laguna Woods Civic Support Fund's success, maturity as an organization, and ability to function independent of the City of Laguna Woods. Pursuant to Section 5.5, the City of Laguna Woods' formal involvement will end 30 calendar days from the date of this letter – March 19, 2023.

In addition to the aforementioned action, the Laguna Woods City Council voted 4-1, with Councilmember Moore dissenting, to approve a one-time contribution of \$5,000 to the Laguna Woods Civic Support Fund to support future activities. The Board of Directors might consider accepting the \$5,000 to aid in obtaining insurance, legal, and other administrative services that prove necessary once the City's involvement ends.

Finally, the Laguna Woods City Council voted 4-1, with Councilmember Moore dissenting, to appoint Councilmember Moore to serve as a liaison to the Laguna Woods Civic Support Fund to foster communication between the City of Laguna Woods and Laguna Woods Civic Support Fund related to their shared interest in supporting the City of Laguna Woods and Laguna Woods Branch of OC Public Libraries, from January 18, 2023 through December 31, 2024.

Thank you for your excellent work in support of the City of Laguna Woods and Laguna Woods Branch of OC Public Libraries. The City appreciates your efforts and looks forward to remaining apprised of your activities.

Sincerely,

A handwritten signature in blue ink that reads 'Cynthia S. Conners'.

Cynthia S. Conners  
Mayor

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**BYLAWS OF  
LAGUNA WOODS CIVIC SUPPORT FUND**

Certificate of Secretary

I, [NAME], certify that I am the duly appointed and acting Secretary of the Laguna Woods Civic Support Fund, a California Nonprofit Public Benefit Corporation, that the Bylaws attached hereto, consisting of [NUMBER OF PAGES] pages, are the bylaws of this Corporation as adopted by the Board of Directors on [DATE] to be effective on [DATE], and that they have not been amended or modified since such adoption and ratification.

Executed on [DATE] at Laguna Woods, California.

---

[NAME], Secretary

**BYLAWS OF  
LAGUNA WOODS CIVIC SUPPORT FUND**

*A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION*

*This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for charitable purposes.*

ADOPTED ON [DATE] TO BE EFFECTIVE ON [DATE]

**1. Name of Corporation**

1.1. The name of this Corporation shall be “Laguna Woods Civic Support Fund.”

1.2. The business of this Corporation may be done under business names other than that which is set forth in Section 1.1. of these Bylaws; provided, however, that both the decision to conduct business under other business names and the selection of any such other business names shall be subject to a two-thirds majority vote of the Board of Directors at a duly noticed public meeting thereof ~~and ratification by the City Council of the City of Laguna Woods (“City”) at a duly noticed public meeting thereof.~~

**2. Principal Office of Corporation**

2.1. The principal office for the transaction of the activities and affairs of this Corporation shall be located at such location within the City of Laguna Woods as the Board of Directors may designate by resolution or minute order. ~~Initially, and until such time as otherwise designated by resolution, the principal office of this Corporation shall be 24264 El Toro Road, Laguna Woods, California 92637.~~ Any change of the principal office shall be noted on these Bylaws opposite this Section 2 or, alternatively, these Bylaws may be amended to state the new principal location.

**3. Purpose of Corporation**

3.1. The specific and primary purpose of this Corporation shall be to raise and distribute funds to support programs, projects, and services of the City, as well as to function as a “friends of the library” group in support of the Laguna Woods branch of the County of Orange’s public library system. The act of distributing funds shall be interpreted broadly and shall include making donations to the City, County of Orange, or other organizations, as well as contracting for or otherwise providing services to third parties consistent with the purpose set forth in this Section 3.



3.2. Programs, projects, and services for which this Corporation may raise and distribute funds shall include, but not be limited to, those pertaining to public art, cultural affairs, human relations, social services, recreation, transportation, public parks, public infrastructure, public safety, and economic development (e.g., business attraction, retention, and promotion) in the City, as well as library services provided at the Laguna Woods branch of the County of Orange’s public library system.

3.3. All programs, projects, and services for which this Corporation raises or distributes funds shall be available to or benefit residents of the City, irrespective of which residential community they reside in.

~~3.4. This Corporation must receive prior written authorization from the City Council of the City for each program, project, or service for which this Corporation raises or distributes funds~~Intentionally blank.

3.5. The general purposes of this Corporation are the following:

- a) To receive, hold, and disburse gifts, bequests, devises, grants, and other funds to accomplish its specific and primary purpose;
- b) To enter into, make, and perform, and carry out contracts which are deemed necessary to accomplish its specific and primary purpose; and
- c) To own, lease, and maintain real and personal property which is deemed necessary to accomplish its specific and primary purpose.

3.6. This Corporation shall not, except to an insubstantial degree in conformance with applicable laws, engage in any activities or exercise any powers that are not in furtherance of its purpose as set forth in this Section 3.

#### **4. Limitations on Corporate Activities**

4.1. This Corporation shall be organized and operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, as may be amended from time to time (“Code”). This Corporation shall not carry on any activities not permitted to be carried on by a corporation exempt from federal income tax under Section 501(c)(3) of the Code or by a corporation whose contributions are deductible under Section 170(c)(2) of the Code.

4.2. This Corporation shall be organized and operated as a nonprofit public benefit corporation within the meaning of California Nonprofit Public Benefit Corporation

Law (set forth at California Corporation Code Section 5110 *et seq.*), as may be amended from time to time or replaced by a successor statute. Corporate activities shall conform to the requirements thereof.

4.3. This Corporation is expressly prohibited from each of the following:

- a) Activities to raise or distribute funds for programs, projects, or services that are not offered or provided by the City or supportive of the Laguna Woods branch of the County of Orange’s public library system.
- b) ~~Activities to raise or distribute funds for programs, projects, or services for which the City Council of the City has not specifically authorized support from this Corporation. Such authorizations shall be made in writing~~Intentionally blank.
- c) Activities to raise or distribute funds for programs, projects, or services that certain City residents may be precluded from based on which residential community they reside in (*e.g.*, programs, projects, and services that are only available to residents of a particular residential community).
- d) Activities to participate in, intervene in, or attempt to influence any political campaign on behalf of or in opposition to any candidate for public or private elected or appointed office, legislation, ballot measure, initiative, or similar voted matter (*e.g.*, publication or dissemination of materials with the purpose of attempting to influence legislation). This Corporation shall be nonprofit and nonpartisan.
- e) Activities to raise or distribute funds for religious organizations or religious purposes.

5. City Support of CorporationIntentionally blank.

~~5.1. —To the extent provided for by the City Council of the City and these Bylaws, and to the extent allowable by law, the City, members of the City Council of the City, and City staff may support this Corporation in all manners except making direct fundraising appeals of or to third parties. Members of the City Council of the City and City staff may participate in the design, development, and administration of fundraising campaigns and events, but shall not make direct fundraising appeals of or to third parties. For the purpose of this Section 5, “fundraising” shall include any activity in which support is sought from any person or entity of either a monetary, service, or in-kind nature, exclusive of services for which this Corporation contracts.~~

~~For the purpose of this Section 5, fundraising appeals made as a part of special event, meeting, or public speaking engagements, or content displayed on the City’s website or made available for public distribution at City facilities, or similar activities, shall not be considered “direct fundraising appeals of or to third parties.”~~

~~5.2. The Board of Directors shall reasonably, fully, and timely cooperate with the City and its agents and contractors to allow for the performance of their duties.~~

~~5.3. The City may audit or inspect, or cause to be audited or inspected, the financial statements or any other aspect of this Corporation’s activities, at any time, without limitation or restriction. In such instances, the Board of Directors shall reasonably, fully, and timely cooperate with the City and its agents and contractors.~~

~~5.4. The City may solicit legal advice or counsel in connection with its support of this Corporation. In such instances, the Board of Directors shall reasonably, fully, and timely cooperate with the City and its agents and contractors, and acknowledges the City’s right to follow and act in accordance with advice and counsel received, including to the extent that it may differ from directives of the Board of Directors.~~

~~5.5. The City reserves the right to terminate its involvement with this Corporation, either fully or in part, and with or without cause, with 30 calendar days written notice to the Board of Directors. In such instances, all officer positions held by City staff shall become vacant and the City’s responsibilities pursuant to these Bylaws shall end, to the extent specified in termination notice, upon its effective date. Unless the termination notice provides otherwise, Sections 3.4, 4.3(b), and 21.1 of these Bylaws (requiring authorization from the City Council of the City to raise or distribute funds for programs, projects, or services, or amend these Bylaws) shall automatically terminate upon the effective date that the City terminates its involvement with this Corporation. The City shall not be liable for incomplete or unfinished work.~~

## **6. Members of the Board of Directors of Corporation**

6.1. Subject to these Bylaws and federal and state law, all corporate powers shall be exercised by or under the authority of, and the business and affairs of this Corporation shall be controlled and conducted by, the Board of Directors.

6.2. The authorized number of members of the Board of Directors of this Corporation (“Directors”) shall be not less than three and not more than seven. The Board of Directors may include the following for terms established by ~~the City Council of the City~~ majority vote of the Board of Directors:

- a) ~~Up to two members of the City Council of the City, appointed by a majority vote of the City Council at a duly noticed public meeting thereof; and~~
- b)a)      Up to ~~three~~ five residents of the City, appointed by a majority vote of the ~~City Council~~ Board of Directors at a duly noticed public meeting thereof; and
- e)b)      Up to two persons representing businesses or organizations with a physical location in the City or that provide regular and ongoing services to residents of the City, appointed by a majority vote of the ~~City Council of the City~~ Board of Directors at a duly noticed public meeting thereof.

6.3. No person serving on the Board of Directors shall at any time be an interested person. An interested person is (i) any person being compensated by this Corporation for services rendered to it within the previous twelve (12) months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reimbursement paid to a Director for reasonable and necessary expenses incurred on behalf of this Corporation or (ii) any brother, sister, mother, father, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of any such person. Violations of the provisions of this Section 6.3 shall not affect the validity or enforceability of any transaction entered into by this Corporation.

6.4. A vacancy on the Board of Directors shall occur in the event of:

- a) The expiration of a Director's term (if applicable); or
- b) The resignation of a Director, when made in writing to the Board of Directors, Chair of the Board, ~~Chief Executive Officer~~, or Secretary; or
- c) The cessation of a Director to meet the minimum residency or occupational standards set forth in Section 6.2 of these Bylaws; or
- d) The death of a Director; or
- e) The declaration by resolution, approved by a majority vote of the Board of Directors at a duly noticed public meeting thereof, of a vacancy in the office of a Director who has been (i) convicted of a felony, (ii) declared of unsound mind by a court order, or (iii) found by final order or judgment of any court to have breached a duty under federal or state law including, but not limited to, the California Nonprofit Public Benefit Corporation Law; or

- f) The removal of a Director, with or without cause, by a two-thirds majority vote of the ~~City Council of City~~Board of Directors at a duly noticed public meeting thereof.

6.5. A vacancy on the Board of Directors shall be filled in the manner prescribed in Section 6.2 of these Bylaws for regular appointment of such Director, provided that such vacancies shall be filled as they occur. No reduction in the number of Directors shall have the effect of removing any Director prior to the expiration of his or her term of office.

## **7. Actions of the Board of Directors of Corporation**

7.1. The Board of Directors shall meet a minimum of once a year at the principal office of this Corporation or at such other location within the City selected by the Board of Directors in accordance with Section 2.1 of these Bylaws.

7.2. ~~All meetings of the Board of Directors and standing committees thereof shall comply with the noticing and other requirements of the Ralph M. Brown Act.~~Intentionally blank.

7.3. A majority of Directors shall constitute a quorum to conduct business, except to adjourn. The majority of the quorum present at a duly noticed public meeting may take action and such action shall be an act of the Board of Directors, subject to the more stringent provisions of this Corporation's articles of incorporation and the California Nonprofit Corporation Law, including, without limitation, those provisions relating to (i) approval of contracts or transactions in which a Director has a direct or indirect material financial interest, (ii) appointment of committees, and (iii) indemnification of Directors. A meeting at which a quorum is initially present may continue to transact business, despite the withdrawal of one or more Directors from the meeting, provided that actions are approved by at least a majority or two-third majority of the required quorum for that meeting, as may be required by these Bylaws. A majority of the Directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place. Notice of the time and place of holding an adjourned meeting shall be given in ~~accordance with the Ralph M. Brown Act~~writing to all Directors.

7.4. This Corporation shall not compensate Directors for their services, but may reimburse Directors for their reasonable and necessary expenses incurred on behalf of this Corporation, in accordance with such rules, standards, and procedures as may

be established by a majority vote of the Board of Directors at a duly noticed public meeting.

7.5. Subject to the provisions of the California Nonprofit Corporation Law and any limitations in the articles of incorporation and these Bylaws, the business and affairs of this Corporation shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board of Directors; provided, however, that in order to preserve the nonprofit status of this Corporation, neither the Board of Directors nor any member thereof shall do any act, or authorize or suffer the doing of any act by an officer of this Corporation, on behalf of this Corporation, which is inconsistent with the articles of incorporation, these Bylaws or the purpose of this Corporation. Any such act or acts shall be null and void.

## 8. Officers of Corporation

8.1. The officers of this Corporation shall be a Chair of the Board, Vice Chair of the Board, ~~Chief Executive Officer, Chief Financial Officer~~Treasurer, and Secretary. The ~~offices of Chair of the Board and Vice Chair of the Board shall be filled by officers of this Corporation shall be selected from existing~~ Directors. The Board of Directors may create other offices by resolution, with such other titles and such other duties as it determines and deems advisable. Any number of offices may be held by the same person, except that no person serving as ~~the Secretary or the Chief Financial Officer~~Treasurer may serve concurrently as the Chair of the Board.

8.2. The Chair of the Board shall be appointed by a majority vote of the Board of Directors at a duly noticed public meeting. The Chair of the Board shall preside over Board of Directors meetings, attest to the Board of Directors' approval of meeting minutes, and have such other powers and perform such other duties as the Board of Directors or these Bylaws may require.

8.3. The Vice Chair of the Board shall be appointed by a majority vote of the Board of Directors at a duly noticed public meeting. The Vice Chair of the Board shall serve as the Chair of the Board in his or her absence and have such other powers and perform such other duties as the Board of Directors or these Bylaws may require.

8.4. ~~The Chief Executive Officer shall be the City Manager of the City or his or her designee. The Chief Executive Officer shall serve as the general manager of this Corporation and shall supervise and direct all administrative activities and affairs, in accordance with policies established and direction provided by a majority vote of the Board of Directors at a duly noticed public meeting. The Chief Executive Officer~~

~~may support this Corporation in all manners except making direct fundraising appeals of or to third parties.~~Intentionally blank.

8.5. ~~The Chief Financial Officer shall be the City Treasurer of the City or his or her designee.~~ The ~~Chief Financial Officer~~Treasurer shall supervise and direct all financial activities and affairs of this Corporation, in accordance with policies established and direction provided by a majority vote of the Board of Directors at a duly noticed public meeting. ~~The Chief Financial Officer shall report to the Chief Executive Officer and may support this Corporation in all manners except making direct fundraising appeals of or to third parties.~~

- a) The ~~Chief Financial Officer~~Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of this Corporation. The books of account shall be open to inspection by any Director at all reasonable times.
- b) The ~~Chief Financial Officer~~Treasurer shall prepare and file, or cause to be prepared and filed, such financial statements and reports as are required by law, by these Bylaws, or by the Board of Directors. The ~~Chief Financial Officer~~Treasurer shall send or cause to be given to the Directors such financial statements and reports as are required to be given by law, by these Bylaws, or by the Board of Directors.
  - 1) An annual report shall be prepared in conformity with the requirements of Sections 6321 and 6322 of the California Nonprofit Corporation Law, or any successor statutes. The annual report shall be sent to each Director of this Corporation, and such other persons as are designated by the Board of Directors, no later than 120 days after the close of the fiscal year.
- c) The ~~Chief Financial Officer~~Treasurer shall deposit, or cause to be deposited, all money and other valuables in the name and to the credit of this Corporation with such depositories as the Board of Directors may designate.
- d) The ~~Chief Financial Officer~~Treasurer shall disburse and invest, or cause to be disbursed or invested, this Corporation's funds as the Board of Directors may order.
- e) The ~~Chief Financial Officer~~Treasurer shall render to the Board of Directors or any officer of this Corporation, or cause to be rendered, when requested, a timely account of all transactions as ~~Chief Financial Officer~~Treasurer and of the financial condition of this Corporation

- f) The ~~Chief Financial Officer~~Treasurer shall have such other powers and perform such other duties as the Board of Directors or these Bylaws may require.

8.6. ~~The Secretary shall be the City Clerk of the City or his or her designee. The Secretary shall be responsible for certain corporate functions. The Secretary shall report to the Chief Executive Officer and may support this Corporation in all manners except making direct fundraising appeals of or to third parties.~~

- a) The Secretary shall keep, or cause to be kept, at the principal office of this Corporation for public inspection (i) a book of all minutes of meetings and resolutions of the Board of Directors and standing committees of the Board of Directors, (ii) a copy of this Corporation's articles of incorporation, (iii) a copy of these Bylaws, (iv) this Corporation's annual state and federal financial statements and reports, and (v) the seal of this Corporation, if any.
- b) The Secretary shall give, or cause to be given, notice of all meetings of the Board of Directors and of standing committees of the Board of Directors that ~~the Ralph M. Brown Act or~~ these Bylaws requires to be given.
- c) The Secretary shall have such other powers and perform such other duties as the Board of Directors or these Bylaws may require.

8.7. Any officer shall have the ability to call a meeting of the Board of Directors, subject to providing written notice to all Directors at least three (3) calendar days in advance~~noticing and other requirements set forth in the Ralph M. Brown Act.~~

8.8. A vacancy in the office of Chair of the Board or Vice Chair of the Board shall occur in the event of:

- a) The expiration of an officer's term (if applicable); or
- b) The resignation of an officer, when made in writing to the Board of Directors, Chair of the Board (Vice Chair of the Board only), ~~Chief Executive Officer,~~ or Secretary; or
- c) The death of an officer; or
- d) The declaration by resolution, approved by a majority vote of the Board of Directors at a duly noticed public meeting thereof, of a vacancy in an office



of this Corporation for an officer who has been (i) convicted of a felony, (ii) declared of unsound mind by a court order, or (iii) found by final order or judgment of any court to have breached a duty under federal or state law including, but not limited to, the California Nonprofit Public Benefit Corporation Law; or

- e) The removal of an officer, with or without cause, by a majority vote of the Board of Directors at a duly noticed public meeting thereof.

8.9. A vacancy in the office of Chair of the Board, ~~or~~ Vice Chair of the Board, ~~Treasurer, or Secretary~~ shall be filled in the manner prescribed in these Bylaws for regular appointment of such office, provided that such vacancies shall be filled as they occur.

## 9. Members of Corporation

9.1. This Corporation shall have no “members” as that term is defined by Section 5056 of the California Corporation Code and shall be governed solely by its Board of Directors. In accordance with Section 5310(b) of the California Corporation Code, any action that would otherwise require approval by a majority of all members shall only require approval of the Board of Directors. There shall be no meetings of members as such. The persons constituting the Board of Directors may, at any given time and from time to time, act in their capacity as members pursuant to this Section 9.1, at meetings of the Board of Directors.

9.2. This Corporation may refer to individuals or entities associated with it as “members” even though those individuals or entities are not voting members. No such reference to “members” shall constitute any individual or entity a member within the meaning of Section 5056 of the California Corporation Code.

## 10. Fiscal Year

10.1. The fiscal year of this Corporation shall commence on July 1 and conclude on the immediately following June 30.

## 11. Budgets

11.1. Prior to the commencement of each fiscal year, the Board of Directors shall adopt a budget setting forth the estimated operating, capital, and other expenditures required in connection with, and the estimated receipts from, the activities of this Corporation for such fiscal year; ~~provided, however, that during its first fiscal year,~~

~~the Board of Directors shall adopt a budget for that initial year within four months of the first meeting of the Board of Directors.~~ Budgets shall require approval of either ~~a majority of the Board of Directors, inclusive of all members of the City Council of City serving thereon,~~ or a two-third majority of the Board of Directors, at a duly noticed public meeting thereof.

11.2. No expenditure may be made or obligation incurred which, when added to any other expenditure for the fiscal year of this Corporation, exceeds the adopted budget for that fiscal year by more than \$5,000.00 or any line item specified in the adopted budget by more than five percent (5%), without the prior approval of ~~a majority of the Board of Directors, inclusive of all members of the City Council of City serving thereon,~~ or a two-third majority of the Board of Directors, at a duly noticed public meeting thereof.

## 12. Deposits

12.1. All funds of this Corporation shall be deposited from time-to-time to the credit of this Corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

## 13. Payments and Instruments

13.1. Except as otherwise provided by law, these Bylaws or a resolution, written policy, or minute order of the Board of Directors, checks, drafts, promissory notes, orders for the payment of money, and any other evidence of indebtedness of this Corporation shall be signed by the Chair of the Board (or Vice Chair of the Board in absence of the Chair of the Board) and countersigned by the ~~Chief Executive Officer or Chief Financial Officer~~ Treasurer.

13.2. Except as otherwise provided by law or these Bylaws, the Board of Directors may authorize any officer or agent of this Corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of this Corporation. Such authority shall be made in writing and may be general or confined to specific instances. Unless authorized, no Director, officer, agent, or other person shall have any power or authority to bind this Corporation by any contract or engagement or to pledge its credit or render it liable monetarily for any purpose or in any amount.

## 14. Dedication of Assets

14.1. The property of this Corporation is irrevocably dedicated to public and charitable purposes and no part of the net income or assets of this Corporation shall

ever inure to the benefit of any Director, officer, or member thereof, or to the benefit of any private person, provided however that this Corporation is authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Section 3 of these Bylaws. Upon the dissolution or “winding up” of this Corporation, its assets (other than trust funds) remaining after payment, or provision for payment, of all debts and liabilities of this Corporation shall be distributed to (i) the City, provided that it is then an organization described in Section 170(c)(1) of the Code or the corresponding provision of any future United States internal revenue law, to be used for public purposes, and/or (ii) one or more nonprofit corporations organized and operated for the benefit of the residents of the City, such corporation or corporations to be selected by the Board of Directors, subject to approval of the City Council of the City. Such nonprofit corporation(s) must be exempt from federal income tax under Section 501(c)(3) of the Code or the corresponding provision of any future United States internal revenue law, and be organized and operate exclusively for charitable, scientific, literary, and/or educational purposes.

**15. Use of City Logo and City Titles Intentionally blank.**

~~15.1. The City’s logo shall not be used in fundraising materials or collateral without prior written authorization of the City Council of the City or the City Manager of the City. The City titles of any member of the City Council of the City or the City titles of any member of City staff shall not be used in fundraising materials or collateral.~~

**16. Non-Discrimination**

16.1. Neither this Corporation, nor any Director or officer in the performance of his or her duties, shall discriminate, in any way, against any person on the basis of race, color, religious creed, national origin, ancestry, sex, age, physical handicap, medical condition, sexual orientation or marital status.

**17. Application of Conflict of Interest Laws Intentionally blank.**

~~17.1. Notwithstanding any other provision of these Bylaws, this Corporation shall comply with the Political Reform Act of 1976, California Government Code Section 81000, et seq. This Corporation shall operate as if it is an “agency” and each Director and officer shall operate as if he or she is a “designated employee” as defined in the Political Reform Act. Each Director and officer shall comply with the conflict of interest reporting and disqualification requirements of the Political Reform Act. The Board of Directors shall adopt, periodically review, and if necessary, amend, a “conflict of interest code” as such term is defined in the Political Reform Act.~~

~~17.2. Directors who are also members of the City Council of City shall comply with the provisions of California Government Code Section 1090, *et seq.* and this Corporation shall operate as if it is a “body” of which the applicable Director is a member. No Director shall be financially interested in any contract made by him or her in his or her official capacity as a Director or made by this Corporation. Nor shall any Director be a purchaser at any sale or vendors at any purchase made by him or her in his or her official capacity as a Director or made by the Board of Directors. The prohibitions in this Section 17.2 shall be interpreted in the same manner as the prohibitions contained in California Government Code Section 1090, *et seq.* Every contract made in violation of this Section 17.2 by a Director may be avoided at the instance of any party except the Director interested therein.~~

**18. Compliance with California Public Records Act Intentionally blank.**

~~18.1. This Corporation shall comply with the provisions of the California Public Records Act, California Government Code Section 6250 *et seq.* This Corporation shall operate as if it is a “Local Agency” as that term is used in the California Public Records Act, and as such, shall be subject to all obligations and exemptions under the California Public Records Act.~~

**19. Indemnification of Directors, Officers, Employees, and Agents**

19.1. To the fullest extent permitted by law, this Corporation shall indemnify any present or former Director, officer, employee, or other “agent” of this Corporation, as that term is defined in Section 5238 of the California Nonprofit Corporation Law, against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any “proceeding,” as that term is used in Section 5238 of the California Nonprofit Corporation Law, and including an action by or in the right of this Corporation, by reason of the fact that the person is or was a person described in that section. “Expenses,” as used in these Bylaws, shall have the same meaning as in Section 5238(a) of the California Nonprofit Corporation Law.

19.2. On written request to the Board of Directors by any person seeking indemnification under Section 5238(b) or Section 5238(c) of the California Nonprofit Corporation Law, the Board of Directors shall promptly determine under Section 5238(e) of the California Nonprofit Corporation Law whether the applicable standard of conduct set forth in Section 5238(b) or Section 5238(c) has been met and, if so, the Board of Directors shall authorize indemnification. If the Board of Directors cannot authorize indemnification because the number of Directors who are

parties to the proceeding with respect to which indemnification is sought prevents the formation of a quorum of Directors who are not parties to that proceeding, application shall be made by this Corporation or the agent or the attorney or other person rendering a defense to the agent to the court in which the proceeding is or was pending for a determination, whether or not the application by the agent, attorney, or other person is opposed by this Corporation.

19.3. To the fullest extent permitted by law and except as otherwise determined by the Board of Directors in a specific instance, expenses incurred by a person seeking indemnification under Sections 19.1 and 19.2 of these Bylaws in defending any proceeding covered by those sections shall be advanced by this Corporation before final disposition of the proceeding, on receipt by this Corporation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately determined that the person is entitled to be indemnified by this Corporation for those expenses.

19.4. The Board of Directors shall have the power, but not the obligation, to purchase and maintain insurance in accordance with Section 5238(i) of the California Nonprofit Corporation Law and to the full extent permitted by law on behalf of its Directors, officers, employees, or other “agent” of this Corporation, as that term is defined in Section 5238 of the California Nonprofit Corporation Law, against any liability asserted against or incurred by any Director, officer, employee, or agent in such capacity or arising out of the Director’s, officer’s, employee’s, or agent’s status as such.

## **20. Construction and Definition of Bylaws**

20.1. Unless the context requires otherwise, the general provisions, rules of construction, and definitions set forth in the California Nonprofit Public Benefit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the preceding sentence, the masculine gender includes the feminine and neuter, the singular includes the plural, and the term “person” includes both a legal entity and a natural person, and vice versa for all references.

## **21. Amendment of Bylaws**

21.1. No amendment of these Bylaws shall be valid unless adopted by a two-thirds majority vote of the Board of Directors at a duly noticed public meeting thereof ~~and then ratified by the City Council of the City~~ at a duly noticed public meeting thereof.

## **22. Certificate of Secretary**

22.1. A certificate of the Secretary shall be affixed to the original, or most recent amended version of the Bylaws, such Certificate to be in the following form:

I, *[Secretary's Name]*, certify that I am the duly appointed and acting Secretary of the Laguna Woods Civic Support Fund, a California Nonprofit Public Benefit Corporation, that the Bylaws attached hereto, consisting of *[Number of Pages]* pages, are the bylaws of this Corporation as adopted by the Board of Directors on *[Date]* ~~and ratified by the City Council of the City on *[Date]* to be effective on *[Date]*~~, and that they have not been amended or modified since such adoption and ratification.

Executed on *[Date]* at Laguna Woods, California.

**8.5**

**COASTAL GREENBELT AUTHORITY  
APPOINTMENTS**

**(AGENDIZED BY COUNCILMEMBER MOORE)**

***(NO REPORT)***

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**8.6**

**FISCAL YEARS 2023-25 BUDGET AND WORK  
PLAN & FISCAL YEARS 2023-34 CAPITAL  
IMPROVEMENT PROGRAM DEVELOPMENT  
*(NO REPORT)***