

AGENDA

LAND USE & DESIGN REVIEW COMMITTEE

Regular Meeting
Thursday, November 14, 2013
9 A.M.

Laguna Woods City Hall
Council Chambers
24264 El Toro Road
Laguna Woods, CA 92637

AGENDA DESCRIPTION: The agenda descriptions are intended to give notice, to members of the public, of a general summary of items of business to be transacted or discussed. Any person wishing to address the Land Use & Design Review Committee on any matter, whether or not it appears on this agenda, may do so under the appropriate section of the agenda. Whenever possible, lengthy testimony should be presented to the Committee in writing (12 copies) and only pertinent points presented orally. Requests to speak to items on the agenda shall be heard at the appropriate point on the agenda; requests to speak about subjects not on the agenda will be heard during the Public Comment section of the meeting.

I. CALL TO ORDER

II. ROLL CALL

III. COMMITTEE BUSINESS

A. 2013 General Plan Housing Element Update

RECOMMENDED ACTION: Recommend that the City Council adopt the 2013 General Plan Housing Element Update.

IV. COMMITTEE MEMBER COMMENTS

V. PUBLIC COMMENTS

VI. ADJOURN

The next regular meeting of the Land Use & Design Review Committee will be at 9 a.m. on December 12, 2013, at Laguna Woods City Hall, 24264 El

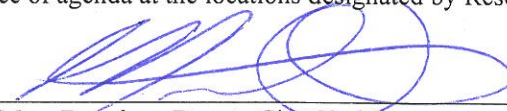
Toro Road, Laguna Woods, CA 92637. Meetings may be cancelled due to a lack of agenda items.

AMERICANS WITH DISABILITIES ACT: In compliance with Americans with Disabilities Act, if you need assistance to participate in this meeting, please contact the City Clerk at (949) 639-0500 (Voice) or, TDD (949) 639-0535 or the California Relay Service at (800) 735-2929 if you have a TDD or (800) 735-2922 if you do not have a TDD. Notification 48 hours prior to the meeting should enable the City to make reasonable arrangements to assure accessibility to the meeting.

AGENDA: The Land Use & Design Review Committee agenda and agenda back-up materials are available from the Office of the City Clerk, after 4:30 p.m., on the Friday prior to the Land Use & Design Review Committee meeting. The office of the City Clerk is located at Laguna Woods City Hall, 24264 El Toro Road, Laguna Woods, CA 92637. Copies of the agenda are provided at no cost. Agenda back-up materials are available at City Hall for inspection and copies are available at no charge prior to the meeting. A per page copy cost does apply after the meeting. If you wish to be added to the e-mail or regular mail list to receive a copy of the agenda, a request must be made to the City Clerk in writing. Copies of the agenda are mailed only if stamped, self-addressed envelopes are provided. The City of Laguna Woods mailing address is 24264 El Toro Road, Laguna Woods, CA 92637. Phone: (949) 639-0500, FAX (949) 639-0591.

I declare under penalty of perjury that I posted this notice of agenda at the locations designated by Resolution 02-33.

11/8/13
Date


Marc Donohue, Deputy City Clerk

LAND USE AND DESIGN REVIEW COMMITTEE RECAP

August 8, 2013
9:00 A.M.

Laguna Woods City Hall
Council Chambers
24264 El Toro Road
Laguna Woods, CA 92637112

I. CALL TO ORDER

The meeting was called to order by Chair Hamm

II. ROLL CALL

Present: Malone, Preli, Strom, Hatch, Lindstrom, Holman, Joss, Hamm, Schneider
Absent: Lo

III. COMMITTEE BUSINESS

A. Change Plan CP-906: Gate 7 Entrance into the Laguna Woods Village located at 24200 Calle Sonora

Planning Manager Kurnow made a presentation on the Change Plan including a description of the project proposed by Rengel & Company Architects on behalf of the Golden Rain Foundation for the re-construction of the Gate #7 Entrance and Gatehouse located at 24200 Calle Sonora. Committee members raised issues regarding the circulation around the Gate 7 area and proposed an updated condition of approval for the application to address this issue. Since the application was brought forward as an uncompleted application a few remaining items must be provided to staff prior to final approval of the Change Plan, including some minor changes to the agenda report.

B. 2013 General Plan Housing Element Update

Planning Manager Kurnow made a presentation on the 2013 Housing Element Update which covers the time period from 2014 to 2021. The presentation included a background on purpose of Housing Elements, the Regional Housing Needs Assessment (RHNA) allocation, the components included in the Housing Element and, a summary of changes incorporated into the Housing Element update. Upon completion of the presentation staff identified the steps of the approval process and open up the forum for committee member and public comments. Additionally, staff indicated all comments must be received by 5:00 P.M. August 30, 2013 at Laguna Woods City Hall. The Committee instructed staff to bring the Housing Element Update back to the Land Use Design Review Committee prior to City Council adoption for review once the

document has been updated based upon all comments received. Staff recorded all comments provided at the meeting and will accept written comments through the established time frame.

IV. PENDING PROJECTS

Assistant City Manager Reilly provided an update on the Moulton Smart Street Widening project and Village Activities Center Specific Plan.

V. COMMITTEE MEMBER COMMENTS

The committee instructed staff to provide a presentation on the significance of Average daily Trips (ADT's) at the next committee meeting.

VI. PUBLIC COMMENTS

None

VII. ADJOURNMENT

The next regularly scheduled meeting is September 12, 2013; meetings may be canceled due to a lack of agenda items.

City of Laguna Woods Agenda Report

DATE: November 14, 2013 Land Use & Design Review Committee Meeting

TO: Chair and Members of the Land Use & Design Review Committee

FROM: Brian Kurnow, Planning Manager

AGENDA ITEM: 2013 General Plan Housing Element Update

Recommended Action

Recommend that the City Council adopt the 2013 General Plan Housing Element Update.

Background

The Housing Element is one of the seven mandatory elements of the City's General Plan. State law requires inclusion of a housing element in recognition of the role that land use planning plays in the production of affordable housing. Housing elements guide city decision-making through a program including policies, procedures, and incentives for maintaining and expanding the housing supply in the City of Laguna Woods for all income groups.

Mandatory provisions of housing elements include:

- Identification and analysis of existing and projected housing needs, resources and constraints;
- A statement of goals, policies, quantified objectives, and scheduled programs for preservation, improvement and development of housing;
- Identification of adequate sites for housing; and
- Adequate provision for existing and projected needs of all economic segments of the community.

Housing elements must be updated in accordance with State law. The City's housing element was last updated in 2009.

State law requires that housing elements be reviewed by the California Department of Housing and Community Development (HCD) for compliance with applicable statutory requirements and that HCD's findings be incorporated prior to adoption, or that specified findings be made in response to HCD's comments.

Changes in State Law

In response to changes in State law, the 2013 Housing Element Update addresses the following:

- Amendment to Alternative Adequate Sites:
 - AB 720: Expands the timeline for cities to provide committed assistance for rehabilitation, conversion, or preservation of affordable housing.
 - AB 1867: Allows multifamily ownership housing converted to rental housing affordable to lower income households by acquisition of the purchase of affordable covenants to qualify towards meeting the alternative adequate sites requirement. Also reduces the required number of units in a complex to qualify for this section from four to three units.
 - AB 1103: Under certain conditions, allows foreclosed properties converted to housing affordable to lower income households by acquisition or the purchase of affordability covenants to qualify under the alternative adequate sites requirement.
- Emergency Shelters and Transitional and Supportive Housing (SB 2): Clarifies and strengthens housing element law to ensure that zoning encourages and facilitates emergency shelters and limits the denial of emergency shelters and transitional and supportive housing under the Housing Accountability Act.
- Extremely Low Income (AB 2635): Cities must assess the housing needs of extremely low-income households, in addition to the established requirement to examine the needs of very low, low, and moderate income households. An extremely low income is defined as 0 to 30% of the Area Median Income.
- Persons with Developmental Disabilities (SB 812): Identifies that housing elements must include an analysis of the special housing needs of the disabled including persons with developmental disabilities. Special needs groups often spend a disproportionate amount of their income to secure safe and decent housing and are sometimes subject to discrimination based on their specific needs or circumstances.

- Unaccommodated Housing Need (AB 1233): Promotes effective and timely implementation of local housing elements by requiring sites to be rezoned by prescribed deadlines if a city fails to adopt a housing element that identifies adequate sites or fails to timely implement programs in its housing element to identify adequate sites pursuant to Government Code Section 65583(c)(1).
- Longer Planning Period (SB 375): Extended the housing element planning period from five years to eight years, to better synchronize the Regional Transportation Plan process with the Regional Housing Needs Allocation and housing element process. (Government Code section 65588(b) & (f))

Discussion

The 2013 Housing Element Update incorporates comments received from the public input meeting on August 8, 2013 and subsequent correspondence. HCD completed its review of the 2013 Housing Element Update on November 1, 2013 with a few minor comments that staff subsequently incorporated into the element, including:

- Persons with Developmental Disabilities – The housing element must include an analysis of persons with developmental disabilities.
- Inclusionary Ordinance – The housing element must provide an analysis of the City’s existing inclusionary housing ordinance.
- Permit and Processing Procedures – A program should be included to review the City’s permit and processing procedures to identify any constraints in the development of affordable housing.
- Emergency, Transitional, and Supportive Housing – A program should be included to review the City’s emergency and transitional housing ordinance to ensure compliance with State law.

HCD has determined that the 2013 Housing Element Update is in compliance with State law. A copy of HCD’s letter is attached to this report.

Environmental Review

Adoption of the 2013 Housing Element Update requires environmental evaluation under the California Environmental Quality Act (CEQA). Staff has prepared an initial study and negative declaration. The negative declaration will be noticed for

public review for 30 days prior to the City Council's consideration of adoption.

Conclusion

The City is required to adopt its 2013 Housing Element Update by February 12, 2014, in order to qualify for an eight year planning cycle. If the housing element is not updated by February 12, 2014, an update will be required in four years.

Attachments: Proposed 2013 Housing Element Update
HCD Letter re: 2013 Housing Element Update Statutory Compliance

**City of Laguna Woods
2014-2021 Draft Housing Element**

City of Laguna Woods
24264 El Toro Road
Laguna Woods, CA 92637

November 2013

HOUSING ELEMENT

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HOUSING ELEMENT

I. INTRODUCTION

PURPOSE

The Housing Element is one of the seven mandatory elements of the General Plan. State law requires inclusion of a Housing Element in the General Plan in recognition of the role that land use planning plays in the production of affordable housing. The Housing Element will guide City decision-making through an action program including policies, procedures, and incentives for maintaining and expanding the housing supply in the City of Laguna Woods for all income groups. The Housing Element was prepared in concert with, and consideration of, the other required elements of the General Plan. Updates to the Housing Element and/or other General Plan elements that occur over the ~~five~~eight-year planning period shall continue to maintain internal consistency between all General Plan elements.

In accordance with State law the new update cycle requires housing elements to be updated every ~~five~~eight years to reflect a community's changing housing needs, if the document is not completed in a timely manner and is received over 120 later than the Housing Element due date established by HCD the jurisdiction will be placed on a four year update cycle. unless otherwise extended by State legislation. The updated Housing Element covers the period from July 2, 2006 August 31, 2014 to ~~June~~July 3031, 20142021.

The California Legislature has declared that a decent home and suitable living environment for every resident is the primary housing goal for the State. Specifically, Section 65580 of the California Government Codes sets forth the Legislature's findings as follows:

- a. The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farm-workers, is a priority of the highest order.
- b. The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.
- c. The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government.
- d. Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make

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adequate provision for housing needs of all economic segments of the community.

- e. The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.

Section 65581 of the California Government Code reflects the Legislative intent for mandating that each City and County prepare a Housing Element:

- a. To assure that counties and cities recognize their responsibilities in contributing to the attainment of the state housing goal.
- b. To assure that counties and cities will prepare and implement housing elements which, along with federal and state programs, will move toward attainment of the state housing goals.
- c. To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs.
- d. To ensure that each local government cooperates with other local governments in order to address regional housing needs.

To achieve these ends, the California Government Code makes certain provisions of the Housing Element mandatory. These provisions include:

- identification and analysis of existing and projected housing needs, resources and constraints;
- a statement of goals, policies, quantified objectives, and scheduled programs for preservation, improvement and development of housing;
- identification of adequate sites for housing; and
- adequate provision for existing and projected needs of all economic segments of the community.

Specific requirements for data collection and analysis necessary to prepare the Housing Element are set forth in Government Code Section 65583 and are discussed later in this document. The Government Code also requires that each draft Housing Element be reviewed by the California Department of Housing and Community Development and that the Department's findings be incorporated prior

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to adoption, or that specified findings be made in response to the Department's comments.

CHANGING STATE LEGISLATION

In response to changing State law pertinent to housing elements, this updated Housing Element addresses new State laws that are intended to facilitate and expedite the construction of affordable housing.

- Amendment to Alternative Adequate Sites:
 - AB 720: Expands the timeline for local government to provide committed assistance for rehabilitation, conversion or preservation of affordable housing.
 - AB 1867: Allows multifamily ownership housing converted to rental housing affordable to lower income households by acquisition of the purchase of affordable covenants to qualify towards meeting the alternative adequate sites requirement. Also reduces the required number of units in a complex to qualify for this section from four to three units.
 - AB 1103: Allows, under specific conditions, foreclosed properties converted to housing affordable to lower income households by acquisition or the purchase of affordability covenants to qualify under the alternative adequate sites requirement.

- Emergency Shelters and Transitional and Supportive Housing: SB 2 clarifies and strengthens housing element law to ensure zoning encourages and facilitates emergency shelters and limits the denial of emergency shelters and transitional and supportive housing under the Housing Accountability Act.

- Extremely Low Income – AB2635 requires localLocal jurisdictions to~~to~~must assess the housing needs of extremely low-income households, in addition to the established requirement to examine the needs of very-low, low-, and moderate-income households. The extremely low-income is defined as 0 to 30 percent of the Area Median Income. The Background Technical Report includes extremely low income households in its discussions on housing need.

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- Persons with Developmental Disabilities: SB 812 identifies that housing elements must include an analysis of the special housing needs of the disabled including persons with developmental disabilities. Special needs groups often spend a disproportionate amount of their income to secure safe and decent housing and are sometimes subject to discrimination based on their specific needs or circumstances. Chapter 507, Statutes of 2010 (SB 812), which took effect January 2011, amended State housing element law to require the analysis of the disabled to include an evaluation of the special housing needs of persons with developmental disabilities.
- Unaccommodated Housing Need: Chapter 614, Statutes of 2005 (AB 1233), amended State housing element law to promote effective and timely implementation of local housing elements. This bill requires sites to be rezoned by prescribed deadlines when a jurisdiction fails to adopt a housing element that identifies adequate sites or fails to timely implement programs in its housing element to identify adequate sites pursuant to Government Code Section 65583(c)(1).
- Longer Planning Period - SB 375 extended the housing element planning period from 5 years to 8 years, in order to better synchronize the Regional Transportation Plan (RTP) process with the Regional Housing Needs Allocation (RHNA) and housing element process. (Gov't Code section 65588(b) & (f))
- ~~Land Inventory and Analysis—AB2348 (Chapter 724) amended housing element law to include more specific requirements for the content of the land inventory and analysis section. Specifically, the land inventory must include parcel specific listing of available sites including the parcel number or “unique” reference.~~
- ~~Emergency shelters—SB2, Chapter 633 requires that local government assess homeless need and identify opportunities for addressing this need through siting of emergency shelters. Implementation Program 2.B.3 is included in the Housing Plan to comply with State law.~~

CITY OF LAGUNA WOODS

The City of Laguna Woods was incorporated in 1999 and is composed predominantly of private communities that are age-restricted for adults age 55 years of age and older. Development of age-restricted seniors' communities

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shielded from age-based discrimination challenges was facilitated by California Civil Code Section 51.3 et. seq. The statute includes recognition that “There are senior citizens who need special living environments and services, and there is an inadequate supply of this type of housing in the state.” While occupancy of existing dwellings within the private community of Laguna Woods Village is limited to households which must include at least one “qualifying resident” aged 55 years or older, several congregate care facilities outside of the Village offer housing opportunities for special needs residents under 55 years of age.

The unique demographic characteristics of a city comprised predominately of private senior communities, with many residents on fixed-incomes, are reflected in housing needs and affordability issues that are markedly different from more traditional cities. These characteristics (age, household size, employment, ethnicity, income, etc.) and the characteristics of housing in the City (number of units, tenure, size, cost, etc.) are described in the Community Needs Assessment section and serve as the basis for analysis of existing and future housing needs.

REGIONAL HOUSING NEEDS ASSESSMENT

A critical measure of compliance with State Housing Element Law is the ability of a jurisdiction to accommodate its share of the Regional Housing Needs Assessment (RHNA). In accordance with State Housing law, the SCAG has prepared a RHNA that quantifies the need for housing in each jurisdiction in the SCAG region between ~~2014~~2006 and ~~2014~~2021. The RHNA provides estimates of existing and future housing needs. The existing need is determined from information about current residents, including the number of extremely low and low income families paying more than 30% of income for housing; future need is based on projected growth in the number of households and the number of units needed to maintain a target vacancy rate. State law requiring that new, affordable housing not be concentrated in existing low income neighborhoods also guides the geographic distribution of RHNA dwelling units.

The RHNA for the City of Laguna Woods has been determined to include ~~135~~2 units broken down into the following affordability levels: ~~25 units~~one unit for very low-income households (0 to 50 percent of the Area Median Income (AMI)), ~~23~~and one unit units for low-income households (51 to 80 percent of the AMI), ~~27~~ units for moderate income households (80 to 120 percent of the AMI), and ~~60~~ units for moderate income households (greater than 120 percent of the AMI).

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HOUSING ELEMENT CONTENT

The Housing Element is organized into two sections:

Policy Document

The Policy Document defines a course of action for meeting the housing needs of the community, including those of both current and future residents, consistent with State law. The Policy Document reflects statutory requirements for courses of action appropriate to providing suitable, affordable housing in the City of Laguna Woods. These are defined through a series of “Objectives”, “Policies”, and “Implementation Measures”.

Objectives are broad statements about the ends, or outcomes, relative to housing that are to be achieved over the statutory term of the Housing Element. Policies suggest strategies for achieving the ends identified as Objectives. Policies provide general direction to decision makers in defining specific actions to achieve Objectives.

Implementation Programs are the specific, discreet actions to be taken as part of the strategy for achieving Objectives in maintaining and promoting production of decent housing affordable to a broad range of household types at all income levels.

The Policy Document provides direction for complying with State law through inclusion of the following:

- Identification of actions to be taken to implement Objectives through administration of land use and development controls, regulatory concessions and incentives, and use of appropriate federal and state financing and subsidy programs;
- Identification of adequate sites made available through appropriate zoning to facilitate and encourage development of a variety of types of housing for all income levels;
- Measures to be taken to assist in development of adequate housing to meet the needs of low and moderate income households;
- Steps to be taken to remove governmental constraints to maintenance, improvement, and development of housing;
- Steps to be taken to conserve and improve the conditions of existing affordable housing; and

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- Steps to be taken to promote housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, or color.

Background Document

The Background Document includes an inventory of existing housing in the City. Demographic characteristics of the population and of projected future residents are documented as prescribed by the California Government Code. Minimum mandatory information included in the Background Report of the Housing Element is as follows:

- An analysis of population and employment trends and documentation of projections and a quantification of the City's existing and projected housing needs for all income levels including the City's share of the regional housing need as determined by the Southern California Association of Governments;
- An analysis and documentation of household characteristics including level of payment compared to ability to pay, housing characteristics, including overcrowding and housing stock condition;
- An inventory of land suitable for residential development, including vacant sites and sites having potential for redevelopment, and an analysis of the appropriateness of the zoning and the adequacy of public facilities and services for these sites;
- An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including land use controls, building codes, fees, and other exactions required of developers, and local permit procedures;
- An analysis of potential and actual nongovernmental constraints upon the maintenance, improvement, or development of housing for all income levels including availability of land and project financing, the price of land, and cost of construction;
- An analysis of any special housing needs such as those of the handicapped, elderly, large families, farmworkers, and families and persons in need of emergency shelter;
- An analysis of opportunities for energy conservation with respect to residential development; and
- An analysis of existing assisted housing developments that are eligible to change from low-income housing uses during the next 10 years due to termination of subsidy contracts, mortgage prepayment, or expiration of restrictions on use.

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Public Participation

The Housing Element must identify community involvement and decision-making processes and techniques that are affirmative steps to generate input from low-income persons and their representatives as well as other members of the community. This means that input should be sought, received and considered before the Draft Housing Element is completed. Requirements for public participation are described in Section 65583(6)(B)) of the Government Code. The process is also intended to coordinate among various departments and other local agencies and housing groups, community organizations and housing sponsors. Collaboration enhances the effectiveness of Housing Element programs in indicating “the agencies and officials responsible for the implementation” (described in Section 65583(c)(6)(B)).

For the Laguna Woods Housing Element, a publicly-noticed study session was held with the Land Use Design Advisory Committee on August 8, 2013. The study session provided an overview of the Housing Element update process and sought input from residents and community organization about housing needs and issues in Laguna Woods.

The following organizations have been invited to participate and comment as part of the City’s Housing Element update:

The Kennedy Commission
17701 Cowan Avenue, Suite 200
Irvine, CA 92614
(949) 250-0909

Orange County Housing Providers
25241 Paseo de Alicia, Suite 120
Laguna Hills, CA 92653
(949) 380-3311

Affordable Housing Clearinghouse
23861 El Toro Road, Suite 401
Lake Forest, CA 92630
(949) 859-9255

Avalon Las Palmas
24962 Calle Aragon
Laguna Woods, CA 92637
(949) 586-3393

South County Outreach
26776 Vista Terrace
Lake Forest, CA 92630
(949) 380-8144

Avalon the Regency
24441 Calle Sonora
Laguna Woods, CA 92637
(949) 830-8057

South County Senior Services, Inc.
24300 El Toro Road, Suite A-2000
Laguna Woods, CA 92637

Avalon Las Palmas
24962 Calle Aragon
Laguna Woods, CA 92637

HOUSING ELEMENT

(949) 855-8033

Orange County Housing Authority
1770 N. Broadway
Santa Ana, CA 92706
(714) 480-2900

Fair Housing Council of Orange County
201 S. Broadway
Santa Ana, CA 92701
(714) 569-0823

Whispering Fountains
24300 El Toro Road
Laguna Woods, CA 92637
(949) 457-0327

OC Partnership
1505 E. 17th Street
Santa Ana, CA 92705
(714) 288-4007

Jamboree Housing Corporation
17701 Cowan Avenue, Suite 200
Irvine, CA 92614
(949) 263-8676

San Sebastian
24299 Pasco De Valencia
Laguna Woods, CA 92637
(866) 485-2868

(949) 586-3393

Golden Rain Foundation
P.O. Box 2220
Laguna Woods, CA 92637

Third Laguna Hills Mutual
c/o Professional Community Management
P.O. Box 2220
Laguna Woods, CA 92637

United Laguna Woods Mutual
c/o Professional Community Management
P.O. Box 2220
Laguna Woods, CA 92637

Fiftieth Laguna Hills Mutual
c/o Professional Community Management
P.O. Box 2220
Laguna Woods, CA 92637

Professional Community Management
c/o Professional Community Management
P.O. Box 2220
Laguna Woods, CA 92637

(To be completed: A description of comment letters received will be included in this section.)

HOUSING ELEMENT

II. HOUSING PLAN

OBJECTIVES, POLICIES, AND PROGRAMS

The objectives set forth in this section identify the City's goals to accommodate and facilitate the development and maintenance of affordable housing. The policies suggest courses of action that will move the City toward achieving the stated objectives. Implementation programs are the specific actions to be taken to achieve objectives. These programs are specific, discreet tasks that may be included, for example, in the City's work programs prepared in conjunction with adoption of annual municipal budget. Supported by the City's General Fund, the City of Laguna Woods Community Development Department is the agency that will pursue and implement the Housing Element program objectives.

Objective 1: Maintain and improve residential neighborhoods and support quality housing for all residents.

Policy 1.A: Work towards full implementation of the 2014-2021 Housing Element objectives, policies, and programs in the Housing element

Implementation

Program 1.A.1 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.

Responsibility: Community Development Department

Project Funding: General Fund

Timeframe: Ongoing 2014-2021 starting in 2015

Policy 1.B: Promote, encourage, and facilitate efforts to preserve the City's housing stock.

Implementation

Program 1.B.1 Continue to promote on-going building maintenance activities. To promote building maintenance, the City will:

- Identify available funds for building maintenance activities and energy efficiency upgrades.

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- Disseminate public information on available housing programs, such as the energy efficient equipment retrofit program (CDBG) at public counters and the City's website.
- Assist property owners and property managers in their efforts to identify and mitigate housing maintenance issues.

Responsibility: Community Development Department

Project Funding: Community Development Block Grant (CDBG) and various other funds

Timeframe: Ongoing 2014-2021; Identify available funds on an annual basis; Disseminate information: Ongoing 2014-2021

Objective 2: Promote and encourage the development of housing opportunities to accommodate current and projected housing need.

Policy 2.A: Promote construction of units consistent with the new construction needs identified in the Regional Housing Needs Assessment (RHNA).

Implementation

Program 2.A.1 Work with property owners in the development of Specific Plans to guide the development of Village Activities Center parcels to include residential development.

Responsibility: Community Development Department

Project Funding: General Fund

Timeframe: Specific Plan adoption before 2015

Implementation

Program 2.A.2 Work with commercial property owners to establish residential /commercial mixed use development standards for the City's Commercial land use district.

Responsibility: Community Development Department

Project Funding: General Fund

Timeframe: Amend municipal code before 2015

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Policy 2.B: Mitigate governmental constraints to the accommodation of special needs residents.

Policy 2.C Address the housing needs of special populations and extremely low income households through emergency shelters, transitional housing, supportive housing, and single-room occupancy units.

Implementation

Program 2.B.1 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.

Responsibility: Community Development Department

Project Funding: General Fund

Timeframe: 2014-2021

Implementation

Program 2.B.2 Revise the Laguna Woods Zoning Ordinance to identify zones that will allow the development of transitional housing 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.

Responsibility: Community Development Department

Project Funding: General Fund

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Timeframe: Within one year from adoption of the Housing Element

Implementation

Program 2.B.3 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).

Responsibility: Community Development Department

Project Funding: General Fund

Timeframe: Within one year from adoption of the Housing Element

Objective 3: Encourage and facilitate the development of affordable housing opportunities for all economic segments of the community, especially for extremely- and low-income residents.

Policy 3.A: Recognize the City's leadership role in the maintenance, preservation, improvement, and development of affordable housing.

Implementation

Program 3.A.1 Encourage and facilitate the development of affordable housing by:

- Supporting non-profit organizations that address housing issues.
- Serving as an intermediary between non-profit organizations and interested residential developers.
- 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.
- Making available regional and local housing program information to residents, and assisting residents in contacting housing assistance organizations.
- Inform interested developers about the range of housing allowed in areas outside of Laguna Woods Village, including housing for families.

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- Inform interested developers about the State density bonus program incentives available for development of affordable housing.

Responsibility: Community Development Department

Project Funding: General Fund

Timeframe: 2014-2021

Implementation

Program 3.A.2 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.

Responsibility: Community Development Department

Project Funding: General Fund

Timeframe: Municipal Code Amendment: As required; ongoing for use of the provisions

Implementation

Program 3.A.4 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.

Responsibility: Community Development Department

Project Funding: General Fund

Timeframe: 2014-2021: Advertising and technical assistance contingent on Section 8 waitlist openings.

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Implementation

Program 3.A.5 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 CDBG program.

Responsibility: Community Development Department

Project Funding: CDBG

Timeframe: Ongoing 2014-2021

Quantified Objective: Energy Efficient Equipment Retrofit Program: 40-50 households per year, contingent on availability of funds
ADA Improvements: varies based on funding received

Implementation

Program 3.A.6 The City has received no complaints regarding any discriminatory actions and will continue to enforce all fair housing law. 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.

Responsibility: Community Development Department

Project Funding: General Fund

Timeframe: Ongoing 2014-2021

Implementation

Program 3.A.7 Review city processes and procedures as they pertain 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.

Responsibility: Community Development Department

Project Funding: General Fund

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Timeframe: Review permit processes and procedures by the end of 2015

Objective 4. Facilitate housing, transportation and physical accommodations to aid persons with disabilities.

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.

Implementation

Program 4.A.2 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.

Responsibility: Community Development Department

Project Funding: General Fund

Timeframe: 2014-2021

Table II.1: 2014-2021 Objectives

| Objective | Extremely Low Income | Very Low Income | Low Income | Moderate Income | Above Moderate Income | Total |
|--------------------|----------------------|-----------------|------------|-----------------|-----------------------|----------|
| Construction (a) | 0 | 1 | 1 | 0 | -- | 2 |
| Rehabilitation (b) | 40 to 50 | | | | -- | 40 to 50 |
| Conservation (c) | | -- | -- | -- | -- | -- |

Notes:

(a) Construction objectives represents the City's remaining RHNA

(b) Assistance through the Energy Efficient Equipment Retrofit Program, contingent on funding levels provided to the City.

(c) There are no at-risk units in the City. City will continue to work with the County of Orange Housing Authority which provides Section 8 assistance for very low-income rental households. The City will inform local rental property owners and eligible residents of Section 8 assistance when available.

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III. HOUSING NEEDS ASSESSMENT

This document provides an overview of the housing and population conditions in Laguna Woods. This profile serves as the foundation for the Housing Element as required by the State Department of Housing and Community Development (HCD). Housing needs vary by demographic and household characteristics, cultural backgrounds and preferences, income, and other special circumstances, among others. Understanding population growth trends and age, race/ethnicity, and employment characteristics help determine the City's housing needs.

DATA SOURCES

Data sources used in this needs assessment include the U.S. Census (~~1990-2000~~ and ~~2000-2010~~ Censuses), California Department of Finance ~~2007-2012~~ Population and Housing Estimates, and various other sources. For demographic data, estimates are used to show changes in conditions since the ~~2000-2010~~ U.S. Census. Many of these estimate (such as data from the California Department of Finance) are shown solely as percentages, as the raw numbers carry a significant margin of error, especially for smaller geographies such as counties or cities. Nonetheless, the percentages presented give a general indication of population and employment trends.

Additional information has been drawn from the ~~2005-2009~~~~2004~~ Comprehensive Housing Affordability Strategy (CHAS) data, which is drawn from Census 2000 data. CHAS data is based on special tabulations for the U.S. Department of Housing and Urban Development (HUD) from sample Census data. Thus, the number of households in each category often deviates slightly from the 100% count due to extrapolations to the total household level. Because of this, interpretations of CHAS data should focus on proportions and percentages, rather than on precise numbers.

~~It should be noted that the~~The City of Laguna Woods was ~~not~~ included in the U.S. Census ~~2006-2007-2011~~ American Community Survey (ACS) ~~due to the City's relatively small population; the 2006 American Community Survey only provides data for communities that have a population of 65,000 or more. Where ACS data was not available-~~ the Hence, the California Department of Finance's ~~2007-2012 & 2013~~ Population and Housing Estimates are ~~were~~ provided ~~when possible;~~ however, these estimates do not provide detailed population and housing characteristics in the same manner as Census data. Data in this document is based

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primarily on Census ~~2000~~2010 data, as this is the most up-to-date information available for Laguna Woods.

SUMMARY

The City of Laguna Woods was incorporated in 1999 and is composed predominantly of private communities that are age-restricted for adults age 55 years and older. Development of age-restricted seniors' communities shielded from age-based discrimination challenges was facilitated by California Civil Code Section 51.3 et. seq. The statute includes recognition that "There are senior citizens who need special living environments and services, and there is an inadequate supply of this type of housing in the state." Consistent with this statute, occupancy of all existing dwellings in the City of Laguna Woods is limited to households which must include at least one "qualifying resident" aged 55 years or older.

Laguna Woods has a current estimated population of ~~18,426~~16,500 (California Department of Finance, January ~~2007~~2013). Over ~~86~~85% of the population is aged ~~62~~65 years or older, with the median age being ~~78~~77 (2010 Census). ~~Two-thirds~~Approximately 57% of the households are owner occupied, with the balance consisting of renters. Due to the fixed-income of many residents ~~and by the increases in home prices over the last ten years,~~ over half of the residents experience a housing cost burden (paying ~~more than 30%~~ or more of their income for housing). ~~CHAS AHS data indicates that around~~ approximately 65~~53~~% of total households pay ~~more than 30%~~ or more of their income for housing.

The unique demographic characteristics of a city comprised predominately of private senior communities are reflected in housing needs and affordability issues that are markedly different from more traditional cities. These characteristics (age, household size, employment, income, ethnicity, etc.) and the characteristics of housing in the City (number of units, tenure, size, cost, etc.) are described in this section and serve as the basis for analysis of existing and future housing needs that follow.

POPULATION CHARACTERISTICS

The ~~2000~~2010 U.S. Census indicates a total population of ~~16,507~~16,192 for the City of Laguna Woods. ~~The City successfully challenged the population provided by the 2000 U.S. Census and established the population for year 2000 as 18,207.~~

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More recent estimates provided by the California Department of Finance indicate a population of ~~18,426~~16,500 as of January ~~2007~~2013.

Age restrictions on occupancy of existing dwellings in private communities within the City of Laguna Woods suggest that the average and median age of residents will remain significantly above those of the County. No future population growth attributable to natural population growth is anticipated. Any increase in population will result from new housing development and continued increase in the life expectancy of the average resident.

Age

Total population and breakdown by age cohorts are included below in Table III.1. The population of Laguna Woods is significantly older than the population of Orange County, which has a median age of ~~33~~36.2 years, suggesting significantly different housing needs.

Table III.1: Population by Age for Year ~~2000~~2010

| | Under 5 | 5-14 | 15-19 | 20-34 | 35-64 | 65+ | Median Age |
|-----------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|------------------------------|---------------------------------|------------|
| 2000 <u>2010</u> | 3911 | 4224 | 4825 | 463157 | 1,9773,101 | 14,26812,874 | 7877 |
| % of Total | 0.24% <u>0.07%</u> | 0.25% <u>0.15%</u> | 0.11% <u>0.15%</u> | 0.98% <u>0.97%</u> | 12% <u>19.15%</u> | 86.42% <u>79.51%</u> | |

Source: U.S. Census ~~2000~~2010

It should be noted that, consistent with age restrictions at the various private residential communities within the City, the opportunity for anyone under the age of 55 to reside legally within the community is limited and as such, the age distribution in the City should remain relatively stable.

Race and Ethnicity

The U.S. Census provides statistics for race and ethnicity of the City's population. Table III.2 identifies the racial and ethnic distribution of the City's population compared to figures for Orange County, based on the ~~2000~~2010 U.S. Census.

The California Department of Finance provides ~~2007~~2012 & 2013 population estimates based on the ~~2000~~2010 U.S. Census data. However, the California Department of Finance's estimates do not include a distribution of racial and ethnic compositions in the same manner that the U.S. Census information is provided.

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Also, as noted above, the City successfully appealed its 2000 Census count to increase the reported population from 16,252 to 18,426. However, the Census tables containing detailed demographic data were not updated accordingly. Therefore, Table III.2 references 2000-2010 data that are based on a population of 16,252~~16,192~~ as reported in the Summary File Sample Data 3 (SF 3) Profile of General Population and Housing Characteristics: 2010 (DP-1) of the 2000-2010 U.S. Census. The SF 3 file is the long form estimates of total population and total housing units and may deviate slightly from the SF 1 file. Throughout this analysis, the percentages are considered representative of conditions in Laguna Woods.

Table III.2: Racial and Ethnic Composition

| Race and Ethnicity | City of Laguna Woods | | County of Orange | |
|--|----------------------|--------------|------------------|--------------|
| | Number | Percent | Number | Percent |
| One Race | 15,991 | 98.8 | 2,882,433 | 95.8 |
| White | 14,133 | 87.3 | 1,830,758 | 60.8 |
| Black or African American | 110 | 0.7 | 50,744 | 1.7 |
| American Indian and Alaska Native | 24 | 0.1 | 18,132 | 0.6 |
| Asian | 1,624 | 10.0 | 537,804 | 17.9 |
| Asian Indian | 68 | 0.4 | 40,732 | 1.4 |
| Chinese | 509 | 3.1 | 79,835 | 2.7 |
| Filipino | 273 | 1.7 | 71,060 | 2.4 |
| Japanese | 185 | 1.1 | 32,276 | 1.1 |
| Korean | 503 | 3.1 | 87,697 | 2.9 |
| Vietnamese | 31 | 0.2 | 183,766 | 6.1 |
| Other Asian | 55 | 0.3 | 42,438 | 1.4 |
| Native Hawaiian and Other Pacific Islander | 10 | 0.1 | 9,354 | 0.3 |
| Native Hawaiian | 5 | 0.0 | 1,901 | 0.1 |
| Guamanian or Chamorro | 4 | 0.0 | 1,382 | 0.0 |
| Samoan | 0 | 0.0 | 3,632 | 0.1 |
| Other Pacific Islander | 1 | 0.0 | 2,439 | 0.1 |
| Some Other Race | 90 | 0.6 | 435,641 | 14.5 |
| Two or More Races | 201 | 1.2 | 127,799 | 4.2 |
| Total population | 16,192 | 100.0 | 3,010,232 | 100.0 |

Source: 2010 US Census

Employment

The 2000-2007-2011 American Communities Survey U.S. Census indicated that a total of 2,150~~3,254~~ residents age 16 or older living in Laguna Woods are employed. This represents less than 15%~~approximately 20%~~ of the population and is consistent with the fact that Laguna Woods is predominately comprised of retired residents.

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The City has a limited employment base. An estimated ~~603~~ 1,250 to 1,270 people are employed at the eight largest businesses located within the City. The approximate number of employees for each of these employers is listed in Table III.3.

Table III.3: Eight Largest Employers in City of Laguna Woods

| Employer | Number of Employees |
|---|--------------------------|
| Ayers Hotel | 3525 |
| The Home Depot | 11595 to 100 |
| Long's Drugs CVS Pharmacy | 5044 |
| Mother's Market | 120105 |
| Rite-Aide | 21 |
| PCM | 122775** |
| Stater Brothers Markets, Inc. | 10095 to 110 |
| Von's Companies, Inc. | 5054 |
| 21 st Century Rainbow Realty | 47** |
| Total | 6031,240 to 1,260 |

*Full Time Equivalent Employees

** 45 of the 47 people are contract employees + PCM employs approximately 1,000 employees, however for the administrative building located within the City, there are approximately 122 employees

Source: Telephone Survey, September 21, 2007 July 18, 2013

Jobs/Housing Balance

The jobs-housing balance is represented by the ratio of the number of jobs in a community to the number of dwelling units in the community. The jobs-housing ratio is intended as a measure of the extent to which a community provides housing in quantities sufficient to house those employed in the area.

The Southern California Association of Governments has established a target jobs-housing ratio between 1.0 and 1.29 for communities within the SCAG region (that is, there should be between 1.0 and 1.29 jobs for each dwelling unit in the community). In practice, achieving the target balance is no indication that most or even many individuals both live and work in the community. Significant numbers of residents from housing-rich communities in Riverside and San Bernardino Counties, for example, commute to jobs in jobs-rich communities throughout southern Orange County.

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The jobs-housing ratio in Laguna Woods is ~~0.05-0.1~~ (~~603-1,250 jobs/13,252-13,016 dwelling units~~¹), indicating a clearly housing-rich community that is significantly lower than the jobs-housing ratio that SCAG has used to identify a balance in jobs and housing. This reflects the fact that Laguna Woods was developed as a retirement community; land not designated for open space or residential use was developed for retail goods and services uses for the convenience of residents of the planned community. With low rates of participation in the workforce due to the predominantly senior aged community, access to jobs was not a significant consideration in the design and development of the community.

Additional jobs may result from future development of the few areas that have land available for new retail, office, or medical space, as well as assisted housing. Most of the anticipated new jobs are likely to be in the relatively low-paying retail service sector, and many positions may be less than full time. Many of these future jobs, however, may be well suited for residents of Laguna Woods Village who choose to remain in the labor force on a part-time basis. For example, of the ~~15%~~^{20%} of City of Laguna Woods residents estimated to be in the labor force, some are part-time employees of Professional Community Management (PCM) in Laguna Woods Village.

A continuing shortage of qualified personnel in the service sector, high turnover rates of younger workers, and the desire of some active seniors to supplement their incomes may ultimately increase labor force participation of Laguna Woods' residents commensurate with creation of nearby, part-time job opportunities. Even with new employment opportunities in the City, however, the City will remain a housing-rich community according to SCAG's target jobs-housing ratio.

HOUSEHOLD CHARACTERISTICS

Assessment of present and future housing needs begins with consideration of the demographic characteristics of current residents. The basic unit for this demographic analysis is the "household". In this sense, a household includes all the persons occupying a housing unit and may be comprised of a family related by blood or marriage, a single individual, or a group of unrelated persons including roommates, unmarried couples, or an individual or individuals with a live-in caregiver.

¹ Dwelling unit count based on data provided provided by PCM for Laguna Woods Village and from City Building from the 2010 U.S. Census Department files for the remaining three residential communities. The official City unit count figure is 13,252. The figure initially provided by the 2000 U.S. Census was 12,650.

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Household Composition

According to the ~~2000-2010~~ U.S. Census, there ~~were~~ are a total of ~~11,699-13,016~~ households within the City of Laguna Woods. ~~As the City was not incorporated until 1999, comparable household data from the 1990 Census are not available.~~ The California Department of Finance ~~data indicates~~ reflects an estimated total of ~~12,591 occupied units as of January 2007~~ the same number of households within the City of Laguna Woods. However, this number does not reflect the City's actual data and is in the process of appealing this number with the U.S. Census. In accordance with the City's records there are 13,386 units, an increase of 370 over the Census figure. As the breakdown of the census data is considered representative of the City, the Census data will be fully utilized in the composition of the Housing Element.

~~However, since only one new housing unit has been constructed since 1984, it is assumed that the number of households has not changed significantly over this period of time.~~ The 2000 U.S. Census indicated that there were a total of 12,650 housing units, ~~so the California Department of Finance's estimated total for occupied housing units may reflect a decrease in the number of vacant units since 2000, however only one development (San Sebastian) which was completed between 2000 and 2012 which added 134 units to the City, including 15 affordable units.~~ Utilizing the actual data from the City (increase in 134 units) in comparison with the current Census data this reflected household growth of ~~—~~ approximately 1%. In comparison, the number of households in Orange County increased from ~~935,287~~ 827,066 in ~~2000~~ 1990 to ~~992,781~~ 935,287 households in ~~2000~~ 2010, a growth of ~~135.8%~~ 35.8%.

U.S. Census data from ~~2000-2010~~ indicate an average household size in Laguna Woods of ~~1.41~~ 1.42 persons. The California Department of Finance provides a recent estimate (January ~~2007~~ 2012) of approximately ~~1.45~~ 1.43 persons per household. The slight difference may be due to a difference in rounding techniques. By contrast, the average household size in Orange County in ~~1990~~ 2000 was ~~2.87~~ 3.00 persons and ~~rose~~ dropped slightly to ~~3.29~~ 2.99 persons per household by ~~2000~~ 2010.

Single-person households comprise approximately ~~62~~ 61.3% of all Laguna Woods households. Approximately ~~31~~ 29% of all households in the City are married-

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couple family households. Ninety-two percent (92.9%) of all households in the City include individuals 65 years and over.

Given that the majority of the existing housing in the City is located within a private community which are age-restricted, changes in mortality rates will likely have the greatest effect on household size. As the average lifespan of males approaches parity with that of females, a slight increase in average household size may be expected in the next decade.

Household Income

Estimates of current household incomes are derived from the 2000 U.S. Census provided from the 2007-2011 American Community Survey. The median household income in for the City in 2000 this period is estimated to be approximately \$30,493 (in 1999). By comparison, the median household income for Orange County was estimated at \$58,820. Table III.4, below, provides a breakdown by income ranges and illustrates the difference between the household income distribution for Laguna Woods and Orange County. Since the most currently available information for Laguna Woods is 2000 U.S. Census data, data from the 2000 U.S. Census is also used for Orange County for comparison purposes.

Table III.4: Household Income

| | City of Laguna Woods | | County of Orange | |
|------------------------|----------------------|---------|------------------|---------|
| | Number | Percent | Number | Percent |
| Less than \$10,000 | 892 | 7.7% | 38,785 | 3.9% |
| \$10,000 to \$14,999 | 782 | 6.7% | 32,854 | 3.3% |
| \$15,000 to \$24,999 | 2,082 | 18.0% | 69,387 | 7.0% |
| \$25,000 to \$34,999 | 1,984 | 17.1% | 72,581 | 7.4% |
| \$35,000 to \$49,999 | 2,075 | 17.9% | 109,243 | 11.1% |
| \$50,000 to \$74,999 | 1,629 | 14.1% | 165,948 | 16.8% |
| \$75,000 to \$99,999 | 964 | 8.3% | 133,367 | 13.5% |
| \$100,000 to \$149,999 | 696 | 6.0% | 179,920 | 18.2% |
| \$150,000 to \$199,999 | 307 | 2.6% | 87,624 | 8.9% |
| \$200,000 or more | 175 | 1.5% | 97,455 | 9.9% |

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| | | | | |
|------------------|------------|-------------|---------|--------------|
| Total households | 11,586,482 | 11,586,400% | 987,164 | 987,164,100% |
| | | | 936,154 | |

Source: 2000-2010 U.S. Census

The apparent difference in median household incomes between Laguna Woods' residents and the residents of Orange County as a whole is expected. Household incomes in the City are primarily comprised of non-wage income, including Social Security payments, pension proceeds, and the proceeds of other retirement investments. Moreover, these non-wage sources are often not considered as income by respondents to questionnaires that are used in compiling survey data.

Although median household income is usually suggestive of the relative magnitude of housing needs of a community, the unique demographics of Laguna Woods require that this factor be tempered by other, equally significant data. Census data (2010), for example, indicate that approximately 48.68% of owner-occupied households are without mortgage debt. Many households likely used equity from sales of principal, pre-retirement residences for all-cash purchases. A significant number of other households likely used this equity for substantial down payments. In both scenarios, housing expenses are relatively small even as a share of lower retirement incomes.

For housing planning and funding purposes, HCD uses five income categories to evaluate housing need based on the median family income (MFI) for the metropolitan area:

- Extremely Low-Income Households earn between 0 and 30% of MFI
- Very Low-Income Households earn between 31 and 50% of MFI
- Lower-Income Households earn between 51 and 80% of MFI
- ~~Moderate~~ Median-Income Households earn between 81 and 120% of MFI
- ~~Above-Moderate~~-Income Households earn between 101 and over 120% of MFI

In the Comprehensive Housing Affordability Strategy (CHAS), special Census tabulations developed by HUD provide a specific breakdown of household income adjusted for family size. For easier comparison, Table III.5 shows the difference between State and Federal income categories. For the Housing Element, State

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income categories will be used, but CHAS data will be presented to demonstrate income distribution by tenure, race, and for some special needs groups.

Table III.5: State and Federal Income Categories

| State Income Categories (HCD) | Federal Income Categories (HUD) |
|-----------------------------------|-----------------------------------|
| Extremely Low-Income (0-30% MFI) | Extremely Low-Income (0-30% MFI) |
| Very Low-Income (31-50% MFI) | LowVery Low-Income (31-50% MFI) |
| Low-Income (51-80% MFI) | ModerateLow-Income (51-80% MFI) |
| Moderate-Income (81-120% MFI) | Middle/Upper Income (81-100% MFI) |
| Above Moderate-Income (120%+ MFI) | |

As shown in Table III.6, middle/upper income elderly households comprise the largest share of all households. According to the 2000-2005-2009 CHAS, 17.24% of the City's total households were classified as extremely low income (0-30% of MFI), 21.24% earned very low income (31-50% of MFI), and 21.23% earned moderate income (51-80% MFI), and approximately 41.30% of households in the City had incomes above 80% of the median household income in 2000.

Table III.6: Tenure By Income by Household Type

| Household Type (Categories not exclusive) | Extremely Low- Income (0-30%) | | Very Low-Income (31-50%) | | Low-Income (51-80%) | | Moderate/Above Moderate Income (81% +) | |
|--|-------------------------------|---------------------------|--------------------------|---------------------------|---------------------|---------------------------|--|---------------------------|
| | Number | Percent of All Households | Number | Percent of All Households | Number | Percent of All Households | Number | Percent of All Households |
| Elderly Households (62+ years) | 2,875 | 22.73% | 2,835 | 22.41% | 2,740 | 21.66% | 3,395 | 26.84% |
| All Owner Occupied units | 1,985 | 15.69% | 2,340 | 18.50% | 2,380 | 18.81% | 3,170 | 25.06% |
| All Renter Occupied units | 1,005 | 7.94% | 655 | 5.18% | 470 | 3.72% | 645 | 5.10% |
| All Households | 2,990 | 23.64% | 2,995 | 23.68% | 2,850 | 22.53% | 3,815 | 30.16% |

Source: HUD CHAS Data Book, 2004-2005-2009 (Based on 2000 Census). Based on a total of 12,650 households

Housing Inventory

The number of housing units in the City (13,252) has not changed since the most recently constructed units were completed in the late 1980s includes the 134

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unit development completed in 2009 which was the only housing added in the 2000 to 2010 U.S Census period, an increase of approximately 1%. For purposes of comparison, the housing stock in Orange County overall increased by 108,221-57,494 units between 1990-2000 and 1999-2010, an increase of 13.15.8%.

Table III.7: Housing Units by Type

| Housing Unit Type | Number of Units | Percent of Total |
|--------------------------|----------------------|------------------|
| Single-Family Detached | 426,914 | 3.27.0% |
| Single-Family Attached | 3,703 | 28.5% |
| Multi-Family (2-4 units) | 4,179,226 | 31.517.1% |
| Multi-Family (5+ units) | 8,647,173 | 65.347.4% |
| City Total | 13,252,13,016 | 100.0% |

Source: City of Laguna Woods General Plan Department of Finance E-5 City/County Population and Housing Est. 2012

Multi-family dwellings with 5 or more housing units comprise 65.347.4% of housing units in the City. Multi-family dwellings consisting of 2 to 4 units comprise 31.517.1% of housing units, and single-family attached and detached units represent 3.235.5% of housing units.

Housing Tenure

Housing tenure refers to whether a unit is owned or rented. In 2000-2010, of the 11,699-11,302 occupied dwelling units, 9,929-8,730 or 84.977.2% of occupied housing units in Laguna Woods were owner occupied, compared with 61.459.3% of occupied units within Orange County. The remaining 1,770-2,572 occupied housing units, or 15.122.8%, were renter occupied. Countywide, 38.640.7% of all occupied units were renter occupied.

Vacancy Rates

The vacancy rate is a measure of the general availability of housing in the City. A low vacancy rate suggests that households may have more difficulty finding housing within their price range. A high vacancy rate indicates an oversupply of housing units within at least some price ranges.

The availability of vacant housing units provides households with choices on different unit types to accommodate changing needs. In Laguna Woods, changing needs could include divorce, children leaving home, or the need to move into an assisted living facility. A low vacancy rate tends to increase rents and housing prices, consequently limiting the housing options for some households.

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In general, vacancy rates of 2% to 3% for ownership housing and 5% to 6% for rental housing are considered healthy. The 2000–2010 Census indicated a homeowner vacancy rate of 1.84.1% and a rental vacancy rate of 5.210.2% in the City of Laguna Woods. The California Department of Finance’s estimates in January 2007–2012 indicate an overall vacancy rate of 7.6213.17%, which is slightly higher than in line with the overall vacancy rate of 7.513.2% identified in the 2000–2010 U.S. Census; however, the percentage provided by the California Department of Finance is strictly an estimate that uses the 2000–2010 U.S. Census as a benchmark. The homeowner and rental vacancy rates in the City are expected to decline in following years due to increases in average life expectancy, significant growth in the senior population as the “baby boom” generation ages, and because of limited developable land.

Residential Densities

Residential uses in Laguna Woods have been developed at an average density of 9.1 units per acre. Table III.8 identifies the number of acres developed at each of the three residential densities in the City. In December of 2010 the City Amended the General Plan Land Use Element and map creating a new designation, Residential Community (RC) which encompasses the previous Low and Medium Density Residential classifications. The RC designation is broken down by planning areas with two different allowable residential densities consistent with the previous residential densities. The Table III.8 identifies the previous residential densities and Table III.9 identifies current residential densities.

Table III.8: Existing-Previous Residential Density

| | Acres |
|--|--------------|
| Low Density – Less than 10 Dwelling Units per Acre | 630 |
| Medium-Density – 10-13 Dwelling Units per Acre | 786 |
| High Density – 13-35 Dwelling Units per Acre | 33 |
| Total | 1,449 |

Source: 2003 City of Laguna Woods General Plan

Table III.9: Current Residential Density

| | Acres |
|---|--------------|
| Residential Community (P.A. 1-A, 4-A, & 1-D) – Less than 10 Dwelling Units per Acre | 630 |
| Residential Community (P.A. 7-A, & 3-A) – 10-13 Dwelling Units per Acre | 786 |
| High Density – 13-35 Dwelling Units per Acre | 33 |
| Total | 1,449 |

Source: 2003 City of Laguna Woods General Plan (Updated 2010)

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Residential Communities in City of Laguna Woods

The City of Laguna Woods is unique in that it is predominantly comprised of private communities which are age restricted for adults 55 years and older. Of the ~~13,252~~13,016 dwellings units in the City identified by the 2010 Census, 12,736 are located in the private gated community of Laguna Woods Village. The balance of the units ~~are~~is distributed as follows: 140 units in The Fountains, 184 in Avalon Las Palmas (previously known as Alterra Wynwood at Palm Terrace), ~~and~~ 192 in Renaissance at the Regency, and 134 in San Sebastian. The various housing options, levels of amenities, and services provided at each development are described below. There is a discrepancy of the total number of dwelling units located in the City between City records and the U.S. Census. The City records which reflect the numbers identified above total 13,386 which is 370 more than what is identified by the U.S. Census.

Laguna Woods Village (formerly known as Leisure World)

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.

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Avalon Las Palmas (previously formerly known as Alterra Wynwood at Palm Terrace)

Avalon 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 locations, restaurants, concerts, and historical landmarks.

Renaissance at the Regency

Renaissance at the Regency consists of 192 rental units for seniors and offers both independent and assisted-living on a month-to-month basis. Services and amenities at Renaissance at the Regency 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 which under unique circumstances will accommodate individuals younger than 55 with assisted living.

The Fountains

The Fountains contains 140 rental units and is ~~the only~~ one of two independent living apartment facility in the City. Although age-restricted, The Fountains operates as an apartment community and does not provide assisted living services, special programs, or amenities.

San Sebastian

San Sebastian contains 134 rental units and of the total number of units has 15 affordable units for lower income residents. San Sebastian is also an age-restricted independent living apartment facility. This facility provides transportation services, fitness classes and social events for its residents.

Age of Housing Stock

Age of dwellings is one measure of housing stock conditions and a factor for determining the need for moderate or substantial rehabilitation. Without proper

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maintenance, housing units deteriorate over time. Older units, even when properly maintained, require periodic major repairs including new roofing and plumbing. Dwellings more than 30 years old are generally considered to fall into this category. Older units may also require significant upgrades to prevent loss from fire and earthquakes.

The first dwellings in the City of Laguna Woods were constructed in 1964. More than half of all units (60%) in the City were constructed between 1964 and 1970. The age distribution of housing units is shown in Table III.109. ~~Housing stock data does not include the 134 unit San Sebastian development anticipated to be completed in 2008.~~

Table III.910: Age of Housing Stock

| Year Built | Number of Units | Percent of Units |
|--------------|---------------------------------|-------------------------|
| 1964-1970 | 8,025 | 60.55 59.95% |
| 1971-1975 | 3,327 | 25.10 24.85% |
| 1976-1980 | 1,381 | 10.42 10.31% |
| 1981-Present | 519 653 | 3.93 4.89% |
| Total | 13,252 13,386 | 100% |

Source: City of Laguna Woods and Professional Community Management

All Laguna Woods Village units, whether cooperative or condominium ownership, are included within one of three mutual benefit corporations, or “mutuals.” The three mutuals are the United Laguna Hills-Woods Mutual (which is a cooperative) and the Third Laguna Hills Mutual, and Mutual Fifty Mutual (both condominium associations). Each of the three mutuals is organized as a nonprofit corporation to manage, operate, and maintain dwellings included within the respective mutual.

Funded by monthly “carrying” charges paid by homeowners, the mutuals contract with Professional Community Management (PCM) to administer maintenance and repair contracts and supervise staffing necessary to properly maintain the buildings and common areas of each of the mutuals. Reserve funds maintained by each mutual have allowed for scheduled replacement of major building components as they reach the end of their useful lives.

For persons living in cooperatives in the ~~United Laguna Hills Mutual~~United Laguna Woods Mutual, monthly carrying charges pay not only for common area and building maintenance, but also for replacement of major appliances, minor carpentry, plumbing, and electrical repairs within the units.

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With professional management and the uniformity and regularity of building maintenance within the three mutuals in Laguna Woods Village, all units are in an average or better than average state of repair. None are classified as “substandard” or “in need of substantial rehabilitation”.

Visual inspections of The Fountains apartment community, Renaissance at the Regency, and of Avalon Las Palmas revealed no evidence of deteriorated or substandard living conditions. Conversation with a City Building Inspector confirmed these observations.

HOUSING COST AND AFFORDABILITY

HUD defines affordable housing costs as contract rents or mortgage payments, including taxes and insurance, but not utilities, that are equal to or less than 30% of the gross income of very low, low, and moderate income households.

Households spending more than 30% of gross annual income on housing experience a housing cost burden, which occurs when housing costs increase faster than household income. When a household spends more than 30% of its income on housing costs, it has less disposable income for other necessities such as health care. Lower income households with a burdensome housing cost are more likely to become homeless. Homeowners with a housing cost burden have the option of selling the homes and become renters. Renters, on the other hand, are vulnerable and subject to constant changes in the housing market.

For purposes of determining housing affordability, the California Health and Safety Code Section 50052.5 & 50053 provides the following definition of affordable housing cost based on the area median income (AMI), which is adjusted by family size and income level for each MFI range:

Table III.1011: Calculation of Affordable Housing

| | Calculation of Affordable Housing Cost for Owner | Calculation of Affordable Housing Cost for Renters |
|-------------------------------|---|---|
| Extremely Low (0-30% MFI) | 30% of 30% AMI | 30% of 30% AMI |
| Very Low (0-50% MFI) | 30% of 50% AMI | 30% of 50% AMI |
| Lower (51-80% MFI) | 30% of 70% AMI | 30% of 60% AMI |
| Moderate Income (81-120% MFI) | 35% of 110% AMI | 30% of 110% AMI |

Using these updated affordability thresholds, current housing affordability can be estimated for the various income groups as identified in Table III.1112. The

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20122007 median income for a four person family (as defined by the California Department of Housing and Community Development) was \$78,700\$85,300.

Table III.11: Housing Affordability by Income Group, Orange County

| Income Group | AMI adjusted by size | | Affordable Monthly Payment | | Maximum Affordable Price | |
|-------------------------------|----------------------|----------|----------------------------|---------|--------------------------|---------|
| | | | Renter | Owner | Home | Rental |
| Extremely Low (0-30% MFI) | 30% AMI | | | | | |
| One Person | \$16,530 | | \$413 | \$413 | \$49,792.46 | \$363 |
| Small Family | \$21,240 | | \$531 | \$531 | \$59,944.32 | \$431 |
| Four Person Family | \$23,610 | | \$590 | \$590 | \$65,086.17 | \$465 |
| Large Family | \$25,500 | | \$638 | \$638 | \$63,723.80 | \$463 |
| Very Low (30-50% MFI) | 50% AMI | | | | | |
| One Person | \$27,550 | | \$689 | \$689 | \$85,917 | \$604 |
| Small Family | \$35,400 | | \$885 | \$885 | \$110,748 | \$760 |
| Four Person Family | \$39,350 | | \$984 | \$984 | \$117,559 | \$809 |
| Large Family | \$42,500 | | \$1,063 | \$1,063 | \$126,129 | \$863 |
| Lower (50-80% MFI) | 60%AMI | 70%AMI | | | | |
| One Person | \$33,060 | \$38,570 | \$827 | \$964 | \$122,921 | \$727 |
| Small Family | \$42,480 | \$49,560 | \$1,062 | \$1,239 | \$158,035 | \$912 |
| Four Person Family | \$47,220 | \$55,090 | \$1,181 | \$1,377 | \$170,033 | \$981 |
| Large Family | \$51,000 | \$59,500 | \$1,275 | \$1,488 | \$178,866 | \$1,025 |
| Moderate Income (81-120% MFI) | 110% AMI | | | | | |
| One Person | \$60,610 | | \$1,515 | \$1,768 | \$255,386 | \$1,415 |
| Small Family | \$77,880 | | \$1,947 | \$2,272 | \$327,233 | \$1,797 |
| Four Person Family | \$86,570 | | \$2,164 | \$2,525 | \$359,483 | \$1,964 |
| Large Family | \$93,500 | | \$2,338 | \$2,727 | \$382,709 | \$2,088 |

Notations:

1. Small Family -- 3 persons; Large Families -- 5 persons
2. Property taxes and insurance based on averages for the region
3. Calculation of affordable home sales prices based on a down payment of 10%, annual interest rate of 6.5%, 30 year mortgage, and monthly payment 30% of gross household income
4. Based on 2007 Orange County AMI of \$78,700

Table III.12: Housing Affordability by Income Group, Orange County

| Income Group | AMI Adjusted by Household Size ^a | Maximum Affordable Rental Payment ^b | Estimated Maximum Affordable |
|--------------|---|--|------------------------------|
|--------------|---|--|------------------------------|

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| | | | Purchase Price ^c |
|----------------------------------|-----------|------------|-----------------------------|
| Extremely Low (0-30% MFI) | | | |
| One Person Household | \$20,250 | \$506.25 | \$60,750 |
| Two Person Household | \$23,150 | \$578.75 | \$69,450 |
| Four Person Household | \$28,900 | \$722.50 | \$86,700 |
| Six Person Household | \$33,550 | \$838.75 | \$100,650 |
| Very Low (30-50% MFI) | | | |
| One Person Household | \$33,750 | \$843.75 | \$101,250 |
| Two Person Household | \$38,550 | \$963.75 | \$115,650 |
| Four Person Household | \$48,150 | \$1,203.75 | \$144,450 |
| Six Person Household | \$55,900 | \$1,397.50 | \$167,700 |
| Low (50-80% MFI) | | | |
| One Person Household | \$53,950 | \$1,348.75 | \$161,850 |
| Two Person Household | \$61,650 | \$1,541.25 | \$184,950 |
| Four Person Household | \$77,050 | \$1,926.50 | \$231,150 |
| Six Person Household | \$89,400 | \$2,235.00 | \$268,200 |
| Moderate (81-120% MFI) | | | |
| One Person Household | \$71,650 | \$1,791.25 | \$214,950 |
| Two Person Household | \$81,900 | \$2,047.50 | \$245,700 |
| Four Person Household | \$102,350 | \$2,558.75 | \$307,050 |
| Six Person Household | \$118,750 | \$2,968.75 | \$356,250 |

a. Based on HUD/HCD 2012 Income Limits

b. Calculated as 30% of income, divided by 12 months

c. Calculated as no more than three times the buyer's income

Comparing housing costs and maximum affordable prices for low income households shows that many households are being priced out of the Orange County rental and ownership market. Given the median home prices presented in Table III.11~~12~~, single-family home ownership is beyond the reach of most low income households. For home ownership, most moderate income households and low income large families may be able to afford a condominium.

Characteristics of Market-Rate Dwelling Units

Affordability of housing in the City of Laguna Woods must be considered in the context of its origin as a planned community built for seniors. Ownership and occupancy include access to a broad range of services and amenities for residents which need to be considered in the analysis of affordability of units offered for-sale and for-rent in the City.

The United Laguna ~~Hills-Woods~~ Mutual cooperative owns all of the real property (dwelling units, carports and laundries) within the boundaries of the mutual, and each member of the cooperative is entitled to occupy a specific dwelling unit under the terms of an Occupancy Agreement. Members pay a monthly assessment that is based on their respective shares of the corporation's mortgage payments, property

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taxes, maintenance, and other operating expenses as determined by the board of directors of the mutual.

In addition to exterior maintenance, the carrying charges of the ~~United Laguna Hills Mutual~~ United Laguna Woods Mutual cooperatives pay for major appliance repair and replacement, and electrical, plumbing, and carpentry repairs. Out-of-pocket expenses required of the resident owners are significantly lower than in other owner-occupied housing since many typical home improvements are included as part of those carrying charges and do not result in additional expenses to the owners.

Owners in the Third Laguna Hills Mutual and Mutual Fifty (condominium associations) own undivided interests in the defined common area of the real property of the respective condominiums. Each owner owns the air space of a specific dwelling unit, defined by the inner surfaces of walls, ceilings, and floors of the respective unit. Condominium unit owners pay a monthly carrying charge in an amount determined by the respective boards of directors of each mutual. In addition to payment of property taxes and insurance for common areas, the carrying charges pay for maintenance of common areas, including building exteriors. Each owner is responsible for property taxes, insurance, and interior maintenance associated with his or her unit.

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Affordability of For-Sale Dwelling Units

Recent representative resale prices for dwelling units in the City of Laguna Woods range from ~~\$39,000~~\$90,000 for a one-bedroom cooperative unit to ~~\$955,000~~\$1,332,500 for the largest condominium unit (Table III.4213). The median selling price in the City of Laguna Woods was ~~\$197,300~~²\$219,000 compared to ~~\$709,720~~655,630 -countywide.³

Table III.4213: Dwelling Unit Sales Prices

| Unit Type | Bedrooms | Lowest Price | Highest Price | Median Price |
|-------------------------------|----------|--------------------------------|----------------------------------|--------------------|
| Cooperative | One | \$90,000 \$39,000 | \$176,000 \$125,000 | \$190,000\$143,200 |
| | Two | \$130,000 \$60,000 | \$435,000 \$470,000 | |
| Attached/Detached Condominium | One | \$108,000 \$45,000 | \$309,000 \$292,000 | \$295,000\$272,900 |
| | Two | \$150,000 \$27,000 | \$1,430,000 \$890,000 | |
| | Three | \$235,000 \$120,000 | \$1,332,500 \$955,000 | |
| High-Rise Condominium | Studio | \$25,000 \$2,700 | \$28,900 \$2,700 | \$132,500\$57,300 |
| | One | \$35,000 \$30,000 | \$76,000 \$121,500 | |
| | Two | \$125,000 \$4,000 | \$280,000 \$140,000 | |
| | Three | \$419,000 | \$462,500 | |

Source: Laguna Woods Village Resale Report Redfin.com, 07/16/201208/01/2006 to 07/31/200707/15/2013

The resale values are used to illustrate calculations necessary to defining affordability of for-sale units in Laguna Woods. The example is based on the median-priced cooperative, condominium, and high-rise condominium units. Housing expenses include the required payment of principal and interest on mortgage debt, an assumed 1.25% allocation for taxes and homeowner insurance, and the respective monthly homeowners association fee (carrying charge). A 30-year mortgage, 10% down payment and a ~~6.54.5%~~ interest rate are assumed, generally reflecting market conditions in ~~2007~~2012.

² Source: Redfin.com

³ California Association of Realtors, July 2007May 2013

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Table III.1314: Owner-Occupied Housing Expenses

| | Cooperative | Attached/Detached Condominium | High-Rise Condominium |
|--|-------------------------|--------------------------------------|---------------------------------|
| Median Purchase Price | \$190,000\$143,200 | \$295,000\$272,900 | \$132,500\$57,336 |
| Down Payment | 10% | 10% | 10% |
| Interest Rate | 6.54.5% | 6.54.5% | 6.54.5% |
| Loan Amount | \$171,000\$128,880 | \$265,500\$245,610 | \$51,602\$119,250 |
| Monthly Principal and Interest | \$1,081\$653 | \$1,678\$1,552 | \$754\$326 |
| Monthly HOA Fee ² | \$502\$283 ³ | \$533\$279 ⁴ | \$1,500-1,8001,600 ⁵ |
| Total Monthly Housing Expense | \$1,583\$1,181 | \$2,211\$2,131 | \$2,254-2,554\$1,926 |
| | Cooperative | Attached/Detached Condominium | High-Rise Condominium |
| Required Monthly Income ⁶ | \$5,277\$3,936 | \$7,370\$7,103 | \$7,513-7,513\$6,420 |
| Monthly Private Mortgage Insurance and Property Tax ¹ | Included in HOA | \$308\$284 | \$13860 |

¹ Annual PMI and property tax assumed to be 1.25% of purchase price

² Homeowner's Association

³ Includes principal and interest on master mortgage, building exterior and common area maintenance, property taxes, major appliance repair and replacement and most plumbing, electrical, and carpentry repairs on unit interiors.

⁴ Includes building exterior and common area maintenance.

⁵ Includes building exterior and common area maintenance, housekeeping services, and meal service. Actual Fee amount is dependent upon unit model.

⁶ Assumes expenditure of no more than 30% of income on housing expenses.

Note that the monthly homeowners association fee represents a significant portion of monthly housing expense. In each case, the association fee covers not only the customary maintenance and insurance costs for common areas, but also the added services available to Laguna Woods Village residents, including transportation and recreation services; in the high-rise condominium unit, this monthly fee includes housekeeping and meal service.

The same data sources and assumptions used in the example of median-priced units (identified in Table III.1314) were used to determine affordability of for-sale units to very low and low income households. The household income ranges at each level are those from Table III.1112. Based on this analysis, the numbers of units affordable to prospective Laguna Woods' residents are shown in Table III.14. The household sizes used in this analysis reflect age and occupancy restrictions on all units in the example.

Housing affordability estimates for the City of Laguna Woods need to be viewed in the proper context: homeownership levels are highest among those aged 55 and

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over. Assets accumulated over a lifetime often include equity in a previous residence. These assets are used as down payments substantially larger than the 10% used in this analysis, resulting in significantly reduced principal and interest payment. ~~Estimates derived from Census data indicate up to 40% of transactions are all-cash purchases. In addition, the~~ The 2000-2010 U.S. Census also indicates that ~~48.468%~~ 48.468% of owner-occupied units (~~for a one-family attached or detached home~~) are not mortgaged, and the median monthly cost for these non-mortgaged homes is approximately ~~\$535787~~. Income levels, therefore, are less of a determinant in affordability analyses applied to seniors housing.

Affordability of For-Rent Dwelling Units

A significant number of for-rent units in Laguna Woods are in assisted living communities. For purposes of assessing affordability of renter-occupied units, the distinction between typical rental housing and assisted living rental housing is important to note. In a conventional rental situation, a dwelling unit is provided to a tenant in exchange for monthly rent; in assisted living rental housing, amenities such as meals, medical assistance, housekeeping, transportation, and various activity programs are included with the unit.

Rental rates for typical rental units were taken from the classified advertisements in the Laguna Woods Village Globe News on ~~September 13~~ May 23, 2007 2013. ~~There were nowas one~~ one one-bedroom units available at \$1,400 per month; ~~however~~ two two-bedroom units averaged \$1,543 1,575 per month, and there was one three-bedroom for rent at \$1600 per month. San Sebastian Apartments had one two-bedroom unit listed for \$1,900 per month. Contact was made with property management for the Whispering Fountains and San Sebastian; ~~a both are~~ both are for-rent apartment ~~complex~~ complexes within Laguna Woods, and ~~management~~ Management staff from Whispering Fountains indicated that their studios are currently renting for \$935 1,000 per month and their one-bedrooms are currently renting for \$995 1,075 month. Management staff from San Sebastian indicated that their one bedroom units currently rent for \$1,264 to \$1500 per month and the two bedroom units are renting for \$2,300 -\$3,423 per month.

Table III.15 shows the affordability of the average one- and two-bedroom, non-assisted rentals for each income group using income limits in Table III.11. Table III.16 provides cost characteristics for rental units experienced by renters in Laguna Woods.

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Table III.15: Affordability of Rental Units

| | Income Level | Affordable Rent (Maximum) | One-Bedroom Affordability Average ¹ | Two-Bedroom Affordability Average ² |
|---|---------------|---------------------------|--|--|
| Single-Person Households | Extremely Low | \$506,253.63 | Not Affordable | Not Affordable |
| | Very Low | \$604,843.75 | Not Affordable | Not Affordable |
| | Low | \$727,134.87 | Not Affordable | Not Affordable |
| | Moderate | \$1,415,179.12 | Affordable | Not Affordable |
| Small-Family Two-Person Households ³ | Extremely Low | \$434,578.75 | Not Affordable | Not Affordable |
| | Very Low | \$760,963.75 | Not Affordable | Not Affordable |
| | Low | \$912,541.25 | Not Affordable | Not Affordable |
| | Moderate | \$1,797,047.50 | Affordable | Affordable |

¹ Rent @ \$995,140/month

² Rent @ \$1,575,154/month

³ Small Family – 3 persons

Table III.16: Renter Cost Characteristics

| Renter Occupied Housing Units | 1,770,2585 Total Units | Percent of All Rental Units |
|-------------------------------|---------------------------|-----------------------------|
| GROSS RENT | | |
| Less than \$200 | 0 | 0% |
| \$200 to \$299 | 741 | 0.1.64% |
| \$300 to \$499 | 1060 | 5.90% |
| \$500 to \$749 | 242,167 | 13.76.5% |
| \$750 to \$999 | 421,169 | 23.86.5% |
| \$1,000 to \$1,499 | 342,134 | 19.343.9% |
| \$1,500 or more | 449,074 | 25.441.5% |
| No cash-rent paid | 203,374 | 11.5% |
| Median Rent | \$1,415,036 | |

Source: 2000-2010 U.S. Census

HOUSING NEEDS

Regional Housing Needs Assessment

In accordance with State Housing law, the SCAG has prepared a Regional Housing Needs Assessment (RHNA) that quantifies the need for housing in each jurisdiction in the SCAG region between 2006-2014 and 2014-2021. The RHNA provides estimates of existing and future housing needs. The existing need is determined from information about current residents, including the number of extremely low and low income families paying more than 30% of income for

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housing; future need is based on projected growth in the number of households and the number of units needed to maintain a target vacancy rate. State law requiring that new, affordable housing not be concentrated in existing low income neighborhoods also guides the geographic distribution of RHNA dwelling units. The RHNA can include replacement housing, as well as new construction.

The RHNA for the City of Laguna Woods is indicated in Table III.17.

Table III.17: Total Construction Need by Income for Planning Period 2006-2014/2014-2021

| Very Low | Low | Moderate | Above Moderate | Total |
|----------|-------|----------|----------------|-------|
| 251 | 231 | 270 | 600 | 1352 |
| 1950% | 1750% | 200% | 440% | 100% |

Source: Southern California Association of Governments

Overcrowding

The Census defines overcrowded housing units as “those in excess of one person per room average.” This excludes bathrooms, kitchens, hallways, and porches. Overcrowding is often reflective of insufficient income to secure housing with an appropriate number of rooms. The ~~2000-2010~~ U.S. Census indicated that in Laguna Woods, owner-occupied units average ~~1.43~~^{1.42} persons per household; renter-occupied units have fewer people on average, with ~~1.31~~^{1.39} persons per dwelling unit. The California Department of Finance provides more recent estimates (January ~~2007~~²⁰¹³) of ~~1.43~~^{1.458} persons per household as the average for all occupancy types. In ~~2000~~²⁰¹⁰, the U.S. Census estimated that ~~18-8~~ households (~~0.060~~^{15%} of all households) in Laguna Woods lived in overcrowded conditions.

The City has an average household size smaller than most cities due to the restrictions placed on occupancy of all existing units. The Conditions, Covenants and Restrictions (CC&Rs) for the Laguna Woods Village community limit the numbers of persons who may occupy a dwelling based on the number of bedrooms in the respective unit. Similar restrictions apply to occupancy at each of the other three residential communities in the City of Laguna Woods. With these privately imposed and enforced conditions, overcrowding is not a problem in the City.

Overpayment

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Affordable housing costs with respect to lower income households shall not exceed 30% of gross household income. That is, when households must spend more than 30% of their respective incomes for rent or mortgage payments, sufficient funds may not be available for other necessities, such as food, health care, and clothing.

The affordability standards apply to lower income households (those, at or below 80% of the area median income). Deterioration of housing stock is also associated with overpayment for housing. Expenditures for routine maintenance may be deferred in order to meet immediate expenses for other necessities such as food, clothing, medical care, and utilities. Overpayment also promotes overcrowding, which leads to a variety of problems from an acceleration in building deterioration to related code violations.

Data related to overpaying is an indicator of housing need for current residents of the City. Table III.18 indicates the numbers of lower income households paying more than 30% of their incomes. Of those low-income renters approximately 1,255,515, or 74.671.1%, are overpaying. In the lower income category of homeowners, 34.0840.8% are estimated to be over paying under the 30% standard.

Table III.18: Lower Income Households Overpaying for Housing

| Household Tenure | Lower Income | Total Over Paying | Percentage Over Paying |
|-------------------|--------------|-------------------|------------------------|
| Renter Households | 1,682,130 | 1,255,515 | 74.671.1% |
| Owner Households | 3,412,705 | 1,163,735 | 34.0840.8% |
| Total | 5,094,835 | 2,418,250 | 47.4748.1% |

Source: 2000 U.S. Census 2005-2009 CHAS Data

SPECIAL NEEDS GROUPS

State housing law requires that the special needs of certain disadvantaged groups be addressed. These households typically experience difficulty in securing decent, affordable housing, and are not well guarded under market conditions. Special needs groups include the elderly, homeless, large families, and disabled persons.

Elderly

With more than 8679.5% of the population over 65 years of age, the elderly are the largest special needs group in the City of Laguna Woods. Affordable housing has been identified by South County Senior Services as the primary need for the elderly; health care and in-home care and transportation services needs were also

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indicated. Significant resources for the elderly exist in and near the City of Laguna Woods and include:

- Florence Sylvester Memorial Senior Center; offers a nutrition program, congregate meals, home delivery of meals, social services case management, seniors activities, information, and referral services;
- Helping Hands; program sponsored by Volunteer Center of Greater Orange County maintains registry of in-home care providers;
- Orange County Housing Authority; provides “Section 8” rental vouchers provided through the U. S. Department of Housing and Urban Development for low-income seniors; and
- Age Well Senior Services formerly South County Senior Services; provides adult day-care program, meals-on-wheels for shut-ins, paratransit services, and various activity and learning programs.

Homeless

SCAG defines homeless people as “persons who are living or staying in emergency shelters; persons who sleep outside, in makeshift shelter, in cars or transportation areas such as bus or train terminals; or persons who are considered at risk.” The Orange County homeless population includes families and individuals representing every race, age group, and community in Orange County. As the cost of housing living in the 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 on-going 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 the State. The State has preempted local controls over certain types of facilities in that 24-hour occupancy by six or fewer

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persons in a residential facility allows the facility to be considered a residential use.

Because of the transient nature of homelessness, gauging an estimate of homeless persons in Laguna Woods is difficult. The County of Orange Housing and Community Services Department's ~~2007-2011~~ Continuum of Care application to HUD indicates a point-in-time count of sheltered and unsheltered homeless persons during the last week in January ~~2007-2011~~ as ~~3,649-6,989~~ total persons countywide. As much of Laguna Woods is gated, access to most of the community by homeless persons is difficult and as a result, there are virtually no homeless persons, as they may choose to situate themselves in neighboring jurisdictions.

In response to the homeless problem, the County of Orange Department of Housing and Community Services (HCS) coordinates a countywide Continuum of Care (CoC) system in response to rising homeless needs in the region. The Continuum of Care is a housing and service delivery system for the homeless. The Orange County Community Forum, the Orange County Leadership Cabinet, and the Orange County Department of Housing and Community Development share responsibility for planning and implementing this program.

The Orange County Continuum of Care system consists of six basic components:

- Advocacy on behalf of those who are homeless or at-risk of becoming homeless
- A system of outreach, assessment, and prevention for determining the needs and conditions of an individual or family who is homeless;
- Emergency shelters with appropriate supportive services to help ensure that homeless individuals and families receive adequate emergency shelter and referrals
- Transitional housing to help those homeless individuals and families who are not prepared to make the transition to permanent housing and independent living; and
- Permanent housing, or permanent supportive housing, to help meet the long term needs of homeless individuals and families.
- Reducing chronic homeless in Orange County and addressing the needs of homeless families and individuals using motels to meet their housing needs

State law requires that local jurisdictions ~~strengthen~~ provide provisions for addressing the housing needs of the homeless, including the identification of a

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zone or zones where emergency shelters are allowed as a permitted use without a conditional use permit. Section 50801(e) of the California Health and Safety Code defines emergency shelters as housing with minimal supportive services for homeless persons that is limited to occupancy of six months or fewer by a homeless person.

The City's Zoning Ordinance ~~does not explicitly address emergency shelters. Pursuant to State law, the City will amend the Zoning Ordinance to permit emergency shelters by right~~ was updated to include regulations in accordance with state law including SB2 to accommodate for emergency shelters and transitional housing.

Jurisdictions may establish objective standards for the emergency shelters to regulate the following, as permitted under SB2:

- The maximum number of beds/persons permitted;
- Parking based on demonstrated need but that does not exceed parking requirements for other uses in the same zone;
- The size/location of exterior and interior onsite waiting and client intake areas;
- The provision of onsite management;
- The proximity of other emergency shelters, provided that emergency shelters are not required to be more than 300 feet apart;
- The length of stay;
- Lighting; and
- Security during hours that the emergency shelter is in operation.

In addition to the regulations indicated above, emergency shelters in the zone ultimately selected will be subject to the same development standards and regulation as other uses allowed in the zone, as required by law.

An emergency shelter is a facility that provides temporary shelter for the homeless, usually for up to six months of stay. Transitional housing facilitates the movement of homeless individuals and families to permanent housing. Typically, transitional housing provides for up to two years of stay and is combined with supportive services that help the residents gain independent living skills. The Laguna Woods Zoning Code was amended during the previous housing element cycle to address these types of housing consistent with state law. ~~does not currently reference either type of housing directly. To facilitate the development of emergency housing and~~

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transitional housing, the City's Zoning Code will be amended to recognize these uses. The Zoning Code will be amended to ensure that development standards will accommodate extremely low income housing⁴ (Programs 2.B.2 and 2.B.3).

Specifically, the ~~The~~ City's Zoning Code ~~will was be~~ amended to identify which zone or zones will permit emergency shelters by right. ~~The City's ordinance included as Section 13.23 of the Laguna Woods Municipal Code (LWMC) with updated land use tables in Section 13.10.020 of the LWMC establishes Emergency and Transitional Housing by right in the Community Commercial (CC) Zone subject to regulations in accordance with SB2. The City will evaluate the Neighborhood Commercial (NC), Community Commercial (CC), Highway Commercial (HC) or Urban Activities (UAC) zones for inclusion of emergency homeless shelters as a by right use. These zones encompass approximately 161 acres. The lot sizes in these zone average between half an acre to 5 acres in size which are ideal for a use such as an emergency shelter. These uses are located~~ Community Commercial zoning is primarily located in the central part of the City (along El Toro Road and Moulton Parkway) with pockets of commercial in the easternmost area of the City and in the southeastern portion of the City adjacent to Moulton Parkway and easternmost portions of the City.

The ~~commercial~~ Community Commercial zones ~~zone~~ are ~~is~~ intended for development of low to high intensity commercial uses ~~and is the best fit for emergency shelters and transitional housing within the City. The UAC zone is intended to provide for the development utilizing a "specific plan" concept to ensure comprehensive development consistent with performance and development standards as outlined in the land use element of the City's General Plan. The City will work with property owners in the development of Specific Plans to guide the development of Urban Activities Center (UAC) parcels to include residential development (Program 2.A.1).~~

The commercial zones have sufficient capacity for at least one year-round shelter at existing facilities that can be converted to accommodate a shelter. ~~The UAC zone has capacity on vacant land that is currently in use as community garden plots. The interim use as garden plots is not an impediment to development as the property is privately owned and can be developed at any time.~~

⁴-On October 15, 2007, the State of California Governor signed into law Senate Bill 2 which amends GC Sections 65582, 65583, and 65589.5 of the State Housing Element Law. This legislation requires local jurisdictions to strengthen provisions for addressing the housing needs of the homeless, including the identification a zone or zones where emergency shelters are allowed as a permitted use without a conditional use permit. This legislation will take effect January 1, 2008 and will apply to jurisdictions with housing elements due June 30, 2008 and after.

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Emergency shelter conditions for approval ~~will be~~ are clearly specified in the City's Zoning Code, consistent with state law, and ~~will be~~ are similar to conditions required for similar uses in the same zones.

Large Families

Large family households (5 or more persons) may require special consideration because of their need for larger dwellings with four or more bedrooms to avoid overcrowding. Family households with five or more persons, however, often face additional limitations because of a lower family per capita income.

According to the ~~2000~~-2010 U.S. Census, the City of Laguna Woods had no households that included 5 or more persons. Large families, therefore, do not represent an unmet housing need in the City.

Female-Headed Households

In ~~2000~~2010, ~~6,528~~7,172 households (or ~~57~~-44 percent of households) had a female head of household. The majority of these households are women living alone. Traditionally female-headed households are considered a special needs group as they face inequalities in wages and must balance the needs of their children with the cost of housing with limited homeownership opportunities. These circumstances generally do not apply to women in Laguna Woods, as Laguna Woods is comprised predominately of private senior communities that are comprised (~~85~~-77 percent) of owner-occupied housing with a variety of amenities. Households in Laguna Woods do not face the traditional issues that seniors in the general population face such as housing maintenance and lack of transportation. All 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. Funded by monthly "carrying" charges paid by homeowners, the mutuals contract with Professional Community Management (PCM) to administer maintenance and repair contracts and supervise staffing necessary to properly maintain the buildings and common areas of each of the mutuals. Reserve funds maintained by each mutual have allowed for scheduled replacement of major building components as they reach the end of their useful lives. With professional management and the uniformity and regularity of building maintenance within the three mutuals in Laguna Woods Village, all units are in an average or better than average state of repair.

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Disabled Persons

The City of Laguna Woods consists predominantly of a senior population. Those who live here, or those who are planning to live in the City, do so because they know many of their needs will be met by local organizations and services. The City recognizes that the disabled have special needs with regard to location, and that housing needs to be located near public facilities, especially public transportation which provides service to those who rely on it the most.

The 2010 U.S. Census did not have disability data available for the City of Laguna Woods or the Orange County. The most recent available data is from the According to the 2000 U.S. Census. According to the 2000 there are approximately 6,115 Laguna Woods residents, or close to 38% of the population over age 5, that indicated that they had a disability. Due to the age of the population this number is significantly higher than the 2000 County figure (17%) but expected.

Table III.19: Disability by Age

| Age Group | Number | Percent of Age Group |
|-------------------|--------|----------------------|
| 5 to 15 years | 0 | 0% |
| 16 to 20 years | 5 | 17% |
| 21 to 64 years | 525 | 25% |
| 65 to 74 years | 1,006 | 26% |
| 75 years and over | 4,579 | 45% |
| Total | 6,115 | 100% |

Source: 2000 U.S. Census

The two major housing needs of persons with disabilities are affordability and access. Access is particularly important, as physically disabled persons often require specially designed dwelling units to permit access within the units, as well as to and from the unit. California Administrative Code Title 24 establishes requirements for access and adaptability for the physically handicapped including access ramps, larger door widths, and restroom modifications. These regulations apply to new construction, including apartment housing containing five or more units. Because the City has a predominant senior population, many with disabilities, there are established procedures for reviewing and approving plans that

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involve retrofitting of ramps, elevator lifts, and other accessories that benefit and aid the physically disabled.

Laguna Woods is committed to facilitating and circulating information about services. To this end, the City works with public and private organizations to disseminate information regarding a variety of service providers to citizens with disabilities. Some of these organizations are listed on the following pages. In addition, the City ~~will include adoption of a reasonable accommodation ordinance as a housing program in the 2006-2014 Housing Element (Program 4.A.1).~~has recently adopted a reasonable accommodation ordinance to better accommodate persons with disabilities.

Care Services:

- Florence Sylvester Memorial Senior Center offers a nutrition program, congregate meals, home delivery of meals, social services case management, seniors activities, information, and referral services;
- Home Helping Hands program sponsored by Volunteer Center of Greater Orange County maintains registry of in-home care providers;
- Age Well Senior Services formerly South County Senior Services Center provides adult day-care program, mealson-wheels for shut-ins, paratransit services, and various activity and learning programs.

Public Transportation Services:

- ACCESS ADA Service is the complementary paratransit service for OCTA fixed routes. Passengers are certified as eligible under criteria set forth by the ADA. Service is available on a subscription and advanced reservation basis;

Private Transportation Services:

- The Golden Rain Foundation Bus Transportation System provides transportation to nearby banking and restaurant facilities, shopping centers, houses of worship, and some of the most modern and complete medical and hospital facilities, all located in close proximity to the community. Rides are free to residents who show a resident identification card to the driver.
- South County Senior Services is a not-for-profit organization, which provides a full range of social services to seniors in south Orange County.

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The agency has a fleet of shuttle buses that are operated under contract to medical providers and social service groups.

- Residential facilities within Laguna Woods also provide shuttle service for their residents. These include the independent and assisted care facilities of Roosmoor Regency and Avalon Las Palmas, as well as Laguna Woods Village. Service is typically demand responsive and no fare is charged.
- Saddleback Hospital provides transportation through home caregivers and a variety of therapy departments. Patients are driven in the caregiver's personal car free of charge.

Developmentally Disabled Persons

A recent change in State law requires that the Housing Element discuss the housing needs of persons with developmental disabilities. As defined by federal law, "developmental disability" means a severe, chronic disability of an individual that:

- Is attributable to a mental or physical impairment or combination of mental and physical impairments;
- Is manifested before the individual attains age 22;
- Is likely to continue indefinitely;
- Results in substantial functional limitations in three or more of the following areas of major life activity: a) self-care; b) receptive and expressive language; c) learning; d) mobility; e) self-direction; f) capacity for independent living; or g) economic self-sufficiency;
- Reflects the individual's need for a combination and sequence of special, interdisciplinary, or generic services, individualized supports, or other forms of assistance that are of lifelong or extended duration and are individually planned and coordinated.

The Census does not record developmental disabilities, however according to the State of California's Department of Developmental Services most recent Fact Book (11th edition), as of December 2007 224,970 persons in the State of California were defined as developmentally disabled which is approximately 0.6% of the State's population in comparison with the 2010 Census. Proportionately this equates to approximately 98 persons in the City of Laguna Woods with developmental disabilities, based on the 2010 Census population.

Nearly 50% of the State's developmentally disabled population was identified as being under the age of 18. Of the total state developmentally disabled population

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73.5% of the population are cared for in private homes and as of September 30, 2013, only 1,410 residents with developmental disabilities were being assisted at the State's Developmental Centers and Regional Centers.

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.

Resources

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 the City of Laguna Woods there are services currently in place tailored to mobility impaired individuals including private bus services and subsidized taxi service which supplement public transportation options. Additionally, from a development standpoint the recent adoption of the City's reasonable accommodations ordinance is designed to reduce barriers for special needs populations.

ASSISTED HOUSING AT-RISK OF CONVERSION TO MARKET RATE HOUSING

State housing law requires an inventory and analysis of government-assisted dwellings units eligible for conversion from lower income housing to market rate housing during the next ten years. Reasons for this conversion may include expiration of subsidies, mortgage prepayments or pay-offs, and concurrent expiration of affordability restrictions.

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A review of the assisted housing inventory maintained by HUD indicated indicates that no assisted units subject to expiration of affordability restrictions are located within the City of Laguna Woods. Consequently, no analysis of costs and programs for preserving such units is necessary.

In 2008, ~~construction will be completed on the~~ San Sebastian, ~~a senior condominium development was completed with that will include~~ 15 units affordable to low income residents. The development utilized a density bonus and as a result, the affordable units ~~will be~~ subject to deed restrictions which will ensure continued affordability. In order to ensure continued affordability, the buyer of an affordable unit ~~will be~~ required to execute a series of documents, including the following:

- Promissory Note – for the difference between unrestricted market value and the restricted sales price of the unit
- Deed of Trust – to secure the Promissory Note
- Affordable Housing Covenant – Setting forth the obligation of the buyer to sell only to other qualified affordable buyers and at a restricted affordable housing cost for a period to be determined by the City. The Affordable Housing Covenant will also include provisions prohibiting the rental of the unit, maintenance standards, and limits on the maximum number of occupants.

~~Those documents will be prepared by the developer and will be subject to City review prior to offering the units for sale.⁵~~

As no units within the City 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,

⁵-Affordable Housing Plan and Density Bonus Application. Springbrook Realty Advisors, March 2005

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IV. HOUSING CONSTRAINTS ANALYSIS

The central goal of the Laguna Woods Housing Element is to provide opportunities for the construction of housing that meets identified housing needs. However, governmental, market, infrastructure, and environmental factors may constrain the provision of housing. State law requires that Housing Elements analyze potential and actual governmental and non-governmental constraints to the production, maintenance, and improvement of housing for all persons of all income levels and disabilities. The constraints analysis must also demonstrate local efforts to remove governmental constraints that hinder achievement of housing goals.

GOVERNMENTAL CONSTRAINTS

This section of the Housing Element addresses actual and potential constraints that City regulations and practices may impose on the development of housing. Such constraints may include land use controls (zoning), minimum required site improvements, fees, and entitlement processing procedures.

State-mandated programs and standards, including California codes relating to building and safety standards, typically allow very limited local discretion in adopting and implementing provisions less restrictive than the State models. An analysis of State-mandated programs that may constrain housing development are included here.

General Plan

Every city and county in California must prepare and adopt a General Plan, which serves as the blueprint for that jurisdiction's future physical development. The Land Use Element of the General Plan identifies the location, distribution, and density of land uses. The City's Zoning Code (Title 13 of the Municipal Code) serves as the primary tool for implementing the General Plan. The Zoning Code establishes more specific standards for development than the General Plan, including those governing the uses of buildings, the conditions subject to which buildings may be occupied, and the overall size of buildings.

The Laguna Woods General Plan includes ~~six~~eight land use designations: Low-Density Residential, Medium-Density Residential, High-Density Residential, Residential Community, Commercial, Community Facilities, Urban Activities Center, and Open Space. Residential densities set forth in the General Plan and

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implemented through the Zoning Code are expressed as the maximum permitted number of dwelling units per acre. Table IV.1 identifies the City’s residential categories and corresponding maximum densities.

With regard to the Urban Activities Center, no maximum density is established. Instead, the General Plan provides descriptions of permitted land uses within each of the Urban Activity Center areas and indicates a maximum number of dwelling units permitted within specific Urban Activity Center areas.

Table IV.1: General Plan Land Use Designations

| General Plan Designation | Description | Maximum Density |
|--------------------------|--|-----------------------------|
| Residential Community | Planning Area 1-A, 4-A, & 1-D (Same as Low Density) | Less than 10 du/acre |
| | Planning Area 7-A, & 3-A (Same as Medium Density) | 10-13 du/acre |
| Low Density | Allows for the development of low-density detached and attached single-family and multi-family developments. | Fewer—Less than 10 du/acre |
| Medium Density | Allow development of medium-density detached and attached dwellings within a density range of 10-13 dwelling units per acre. | 10-13 du/acre |
| High Density | Allows attached dwellings within a compact development form. | 13-35 du/acre |
| Urban Activities Center | Allows for mixed-use development that may include both commercial and residential uses. | Determined by Specific Plan |

Source: City of Laguna Woods Municipal Code and General Plan

Residential Land Use Designations

Affordability is typically correlated with permitted density of development. Low-density developments typically increase the cost of construction per unit. Higher-density projects typically have reduced land costs on a per unit basis and facilitate economies of scale in the construction of affordable units. Density bonuses offered by cities through zoning ordinances, consistent with State law, reduce the land costs per unit in return for affordability covenants on a specified number of the units.

The Laguna Wood General Plan allows for residential development up to a maximum density of 35 units per acre in the High Density Residential category. The State Department of Housing and Community Development has established “default densities” that by definition are considered sufficient to provide market-based incentives for the development of housing for lower-income households. The State established a default density of 20 dwelling units per acre for Laguna Woods, which can be applied to determine if a site is adequate for accommodating

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housing for very low- and low-income households. The City's High Density Residential designation (13-35 du/ac) and corresponding Residential Multi-Family (RMF) zone provide the opportunity for affordable housing development. The City's density range for residential development with an HDR/RMF is between 28 and 45 units per acre. Hence, the City's HDR/RMF designation provides the opportunity for affordable housing development within the State suggested default density of 20 units per acre for Laguna Woods.

Urban Activities Center Land Use Designation

The Urban Activities Center designation, or UAC, allows for mixed-use development that may include commercial and residential uses. For each UAC area, the Land Use Element identifies potential uses, with residential uses possible within specific UACs. To implement land use policy, the element requires preparation of a Specific Plan. The Land Use Element establishes performance criteria for the range and level of development permitted within the Specific Plan, with the chief criteria being traffic volumes, fiscal impact, and compatibility with surrounding uses. ~~To date, property owners of available UAC properties have not submitted specific plans for those properties.~~ A specific plan has been submitted by the property owner and is currently in the environmental review process.

Zoning Code

The Zoning Code includes limits on unit density (based on the General Plan), building height, and lot coverage, as well as minimum requirements for on-site parking. Differences in development standards can affect the relative affordability of dwellings. For purposes of comparison, Table IV.2 shows representative development standards for Laguna Woods and those of nearby cities.

Table IV.2: Comparison Zoning Standards for High-Density Residential Development – Laguna and Nearby Communities

| | Laguna Woods | Lake Forest | Laguna Hills | Laguna Niguel |
|-----------------|--|---------------------------------|---------------------|---------------------------------|
| Maximum Density | up to 35 ⁴³ du/ac (as allowed by the General Plan) | 43 du/ac | 30 du/ac | Case-by-case with use permit |
| Lot Coverage | 50% | Case-by-case with use permit | 40% | Case-by-case with use permit |

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Table IV.2: Comparison Zoning Standards for High-Density Residential Development – Laguna Woods and Nearby Communities

| | Laguna Woods | Lake Forest | Laguna Hills | Laguna Niguel |
|-----------------|---|--|---|---|
| Parking | 1.5 spaces for the 1 st bedroom and 0.5 spaces for each additional bedroom and 0.25 spaces of guest parking, per unit 1.5 spaces/1 BR unit; one space assigned | 1 to 2.5 space per unit based upon square footage and up to 1.50.2 spaces of guest parking, depending on per unit size | 1.5 spaces for the 1 st bedroom and 0.5 spaces for each additional bedroom and 0.2 spaces of guest parking, per unit 1.7 spaces/1 BR unit; 2.2 spaces/2 BR unit. One space covered | 1.5 spaces for the 1 st bedroom and 0.5 spaces for each additional bedroom and 0.5 spaces of guest parking, per unit 1.5 spaces/1 BR unit; 2.5 spaces/2 BR unit. One space covered |
| Permit Required | Use Permit Site Development Permit | Use Permit | Site development permit | Site development permit Use Permit |

Source: City Planning Departments

The information in the Table IV.2 indicates that development standards for high-density residential developments in Laguna Woods are comparable to those of nearby communities and the density standards correlate to the general density guidelines for affordable housing set forth in Section 65583.2 of the Government Code.

The Zoning Code establishes standards for lot size and area, yards and setbacks, lot coverage, building height, parking, and minimum unit size. Regulations are intended to protect and promote the health, safety, and general welfare of residents, as well as implement General Plan policies. Allowable densities are tied to the General Plan designations which allow up to 35 units per acre in the HDR designation. Table IV.3 identifies development standards for residential projects in Laguna Woods.

Table IV.3: Residential Development Standards

| Development Standard | Residential Multi-Family RMF | Residential Community RC | Residential Towers RT |
|--------------------------------------|------------------------------|--------------------------|-----------------------|
| Maximum Building Height (ft.) | 65 | 40 | None |
| Minimum Building Site Area (sq. ft.) | 7,200 | None | None |
| Minimum Area Per Unit (sq. ft.) | 1,000 | None | None |
| Minimum Setback (ft.) | | | |
| Front Yard | 20 | None | None |
| Side Yard from ROW | 5 | None | None |
| Rear Yard from ROW | 25 | None | None |
| Side Yard not abutting ROW | 5 | None | None |

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Table IV.3: Residential Development Standards

| Development Standard | Residential Multi-Family RMF | Residential Community RC | Residential Towers RT |
|---|-------------------------------------|---------------------------------|------------------------------|
| Rear Yard not abutting ROW | 25 | None | None |
| Distance Between Principal Structures (ft.) | 10 | None | None |
| Maximum Building Site Coverage | 50% | 50% | None |

Source: Laguna Woods Municipal Code 20072013

For both the RC and RT zones, developers have a great deal of flexibility and the City has broad discretion regarding the approach to residential development. This approach reflects the fact that Laguna Woods was developed as a planned community for senior residents, with many diverse types of housing developed to meet varied housing needs. The Zoning Code continues to provide flexibility for varied approaches to detached and attached housing for independent lifestyles, semi-independent housing or co-housing, and assisted housing. Residential Multi-Family Zone/District standards are not contingent on the number of units in the development.

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Residential Density Bonus

Section 13.26.040 of the City's Zoning Code is the density bonus provision, which is intended to provide incentives for the production of housing for very low, lower income, or senior households in accordance with California Government Code Sections 65915 and 65917. Consistent with State law, developers in Laguna Woods can receive density bonuses of 20 to 35 percent, depending on the amount and type of affordable housing provided, and "concessions", exceptions from normally applicable zoning and other development standards. While the City defers to State density bonus law, the latest State density bonus provisions have not been incorporated into the City's Zoning Code. Implementation Program 3.A.2 addresses this discrepancy. On March 20, 2013 the City adopted an updated Density Bonus Ordinance to ensure compliance with current state law.

Inclusionary Housing

In January of 2009 the City adopted an inclusionary housing ordinance. The City's inclusionary ordinance requires that new residential development, consisting of five or more units, to provide 15 percent of its newly constructed units to low and/or moderate income individuals. In the case of rental housing, 7.5% of the units would need to be provided each to very-low and low income residents. In the case of for-sale housing, 10% would need to be provided for low income residents and 5% for moderate income residents. Individuals who live or work in the City have first priority to rent or purchase inclusionary units.

The ordinance includes some flexibility in implementation by allowing for the consideration of alternatives to the construction of actual units within a project. This includes (1) off-site construction, (2) dedication of suitable land, or (3) payment of an in-lieu fee.

Parking Standards

Parking standards for residential developments are tailored to the vehicle ownership patterns associated with different residential uses and to reflect the fact that Laguna Woods population is predominately seniors. The Zoning Code requires parking spaces based on the number of units and sizes of those units. For single-family attached and detached units, the Zoning Code requires two covered parking spaces for each dwelling. If there are two or more dwelling units on one site, the standards are specific to the number of bedrooms in each dwelling. Studios and

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one-bedroom dwelling units are required to provide 1.5 off-street parking spaces for each dwelling unit, one of which must be covered, and one guest space for every four dwelling units. Dwelling units with two bedrooms must provide two parking spaces (one covered) and one guest space for every four dwelling units. Units with three or more bedrooms must provide two-and-a-half parking spaces for each unit, plus one-half parking space for each bedroom in excess of three, and one guest space for every four dwelling units. Two of the spaces must be covered. Mobile home developments must provide two spaces per site, and one guest space for each mobile home dwelling unit. Single Room Occupancy facilities are required to provide one-half space for each dwelling unit, plus one space for each employee.

Multi-family buildings containing five or more dwelling units may opt to abide by a separate requirement. These requirements are tailored to provide the needed number of parking spaces, based on the size of the dwelling units; these requirements are listed in Table IV.4. The parking requirements for the City of Laguna Woods are reasonable and do not cause an undue burden or constraint on housing development. Parking reductions can be requested of the City in situations where a characteristic of the project due to level of activity or transportation amenities does not necessitate the level of parking required.

Table IV.4: Parking Requirements for Multi-Family Buildings with 5+ Units

| Unit Size (Sq. Ft.) | Assigned | Unassigned |
|---------------------|----------|------------|
| 700 or less | 1.0 | 0 |
| 701-800 | 1.0 | +1.17 |
| 801-900 | 1.0 | +1.34 |
| 901-1,000 | 1.0 | +1.50 |
| 1,001-1,100 | 1.0 | +1.67 |
| 1,101-1,200 | 1.0 | +1.84 |
| 1,201-1,300 | 1.0 | +2.00 |
| 1,301-1,400 | 1.0 | +2.18 |
| 1,401-1,500 | 1.0 | +2.34 |
| over 1,500 | 1.0 | +2.50 |

Source: Laguna Woods Municipal Code 20072013

Open Space Requirements

To improve the living environment of residential neighborhoods, communities typically require housing developments to include a certain amount of open space,

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such as yards, common space, and landscaping. The City of Laguna Woods does not directly specify the amount of open space required for residential developments, but does mandate that all open space in the RC district must be landscaped and may include noncommercial recreational facilities incidental to the residential development such as outdoor recreation areas, walkways, covered and uncovered patios, fences, and necessary firefighting equipment and installations. Further, the required open space must be arranged and provided in such a manner that it is accessible and usable for residents living in the dwellings. This degree of flexibility does not constrain development and allows for open space to be tailored to the characteristics of specific residential products.

Providing for a Variety of Housing Types

The Land Use Element and Zoning Code allow for the development of a variety of housing types, including multi-family rental housing, factory-built housing, mobile homes, and emergency shelters and transitional housing. Table IV.5 indicates use regulations applicable to various residential uses within the three residential zoning districts. Discretionary review is required for several types of multi-family housing since the City's development standards are flexible and require review on an individual project basis. Laguna Woods' Zoning Code use regulations are considered standard for suburban communities in Orange County and Southern California and do not impede the ability to develop housing at appropriate densities.

Table IV.5: Permitted Residential Uses per Laguna Woods Zoning Code

| Land Use Types | RMF | RC | RT |
|--|-----|----|----|
| Accessory Building/Use | A | A | A |
| 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 | UP |
| Dwelling, Single-Family | P | P | X |
| Family Day Care Home, 14 or less | P | P | X |
| Guesthouse | X | A | X |
| Home Occupations | A | A | A |
| Mobile Home | P | P | X |
| Mobile Home Development | U | U | X |

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| | | | |
|--------------------------|---|---|---|
| Planned Unit Development | U | U | U |
|--------------------------|---|---|---|

Source: Laguna Woods Municipal Code, ~~2007~~2013

P = Automatically permitted use

A = Accessory Use. Use permitted only if accessory to another primary use on the same site

U = Use permitted with an approved use permit

X = Use is not permitted.

Multi-family Housing Units

All residential zones in the City of Laguna Woods allow and encourage multi-family housing. Multi-family housing is permitted by right in RMF₂ and RC₂ and RT districts, and is permitted with a use permit in the Residential Towers (RT) district.

The RT district was established to provide for the development and preservation of high-rise multi-family structures. This zoning district is implemented in one small area in the western portion of the City. ~~The use permit process establishes appropriate and unique development standards for residential development in the RC and RT zones, as the zoning regulations contain few standards. This allows for greater flexibility in development standards.~~

The RMF is intended to provide for the development and preservation of high-density multi-family residential neighborhoods with a moderate amount of open space. Care is taken to ensure that uses approved in this district are compatible with surrounding residential neighborhoods. RMF-zoned properties are located in ~~two~~ three areas of the City ~~near the Meuton Parkway~~ off major roadways.

To provide for the development and preservation of planned unit developments with a mixture of single-family attached and detached homes, as well as multi-family homes, the Residential Community (RC) zone was created. This zone encompasses most of the land within the City, reflecting the planned community heritage of Laguna Woods.

Additional development standards are applicable to multi-family housing with more than five dwelling units on site, including standards related to circulation, lighting, waste disposal and infrastructure. Permit processing can be accommodated in as few as 60 days it may vary based on the scale and complexity of a project.

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Second Units

In any district and specific plan areas where a single-family unit exists on a parcel zoned for single-family housing, a guesthouse or second residential unit (one per building site) is permitted consistent with State law. The second unit must not exceed 30% of the existing living area when attached to the main residential building, or may not be bigger than 1,200 square feet in floor area when detached. One additional uncovered parking space is required.

Residential Care Facilities and Housing with Supportive Services

The 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 zones. 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 by the City permit (Municipal Code Section 13.26.070). The use permit is intended for review and approval by the City to ensure that the development is compatible with the underlying zone of the property.

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 multi-family developments the required use permit process will establish appropriate and unique development standards for residential development in the RC and RT zones, as the zoning regulations contain few standards. This allows for greater flexibility in development standards.

Congregate Care Facilities

Congregate care facilities are permitted in any district or specific plan area zoned for either multi-family residential ~~or hotels~~ subject to the approval of a use permit. The use permit process establishes appropriate and unique development standards for development in the RC and RT zones, as the zoning regulations contain few standards. This allows for greater flexibility in development standards. To

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facilitate the production of congregate care facilities, and because the City regulates the total number of allowed dwelling units in planned communities, dwelling unit counts are adjusted downward. Also, density bonuses may be granted to congregate care facilities in residentially zoned areas in the same manner that they may be granted to standard residential projects.

Table IV.6: Congregate Care Facilities Equivalent Dwelling Unit Counts

| Configuration | Dwelling Unit Counts |
|--------------------------------|-----------------------------|
| 2 or more Bedrooms in the unit | 1 dwelling |
| 1 Bedroom in the unit | .5 dwelling |
| 0 Bedroom in the unit | .25 dwelling |
| Medical care rooms | 0 dwelling |

Source: Laguna Woods Municipal Code, ~~2007~~2013

Manufactured and Mobile Homes

Manufactured housing is permitted by right in all zones which permit single-family houses, pursuant to State law. Additionally, mobile homes are permitted in the RMF and RC zones, and mobile home parks are permitted in those same zones 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 criteria.

Emergency and Transitional Housing

An emergency shelter is a facility that provides temporary shelter for the homeless, usually for up to six months of stay. Transitional housing facilitates the movement of homeless individuals and families to permanent housing. Typically, transitional housing provides for up to two years of stay and is combined with supportive services that help the residents gain independent living skills. The Laguna Woods Zoning Code does not currently reference either type of housing directly. To facilitate the development of emergency housing and transitional housing, the City's Zoning Code will be amended to recognize these uses. The Zoning Code will be amended to ensure that development standards will accommodate extremely low income housing was amended in 2011 to include regulations pursuant to state law⁶ (Programs 2.B.2 and 2.B.3). Emergency and Transitional Housing.

⁶ On October 15, 2007, the State of California Governor signed into law Senate Bill 2 which amends GC Sections 65582, 65583, and 65589.5 of the State Housing Element Law. This legislation requires local jurisdictions to strengthen provisions for addressing the housing needs of the homeless, including the identification a zone or zones

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~~Specifically, the~~The City's Zoning Code ~~will be~~ amended in 2011 to identify ~~identifying which zone or zones will to~~ permit emergency shelters by right. The City ~~will evaluate the Neighborhood Commercial (NC),~~In the Community Commercial (CC), Highway Commercial (HC) or Urban Activities (UAC) ~~zones zone the City allows for inclusion of for~~ emergency homeless shelters as a by-right use. These zones encompass approximately 161 acres. The lot sizes in these zone average between half an acre to 5 acres in size which are ideal for a use such as an emergency shelter.~~The CC zone is the primary commercial zone for the City of Laguna Woods and is located~~ These uses are located primarily in the central part of the City (along El Toro Road and Moulton Parkway) with pockets of commercial in the easternmost area of the City and in the southeastern portion of the City adjacent to Moulton Parkway and easternmost portions of the City.

The commercial zones are intended for development of low to high intensity commercial uses. The UAC zone is intended to provide for the development utilizing a "specific plan" concept to ensure comprehensive development consistent with performance and development standards as outlined in the land use element of the City's General Plan. The City will work with property owners in the development of Specific Plans to guide the development of Urban Activities Center (UAC) parcels to include residential development (Program 2.A.1).

The commercial zones have sufficient capacity for at least one year-round shelter at existing facilities that can be converted to accommodate a shelter. The UAC zone has capacity on vacant land that is currently in use as community garden plots. The interim use as garden plots is not an impediment to development as the property is privately owned and can be developed at any time.

Emergency shelter conditions for approval ~~will be clearly~~ are specified in the City's Zoning Code, consistent with state law, ~~and will be similar to conditions required for similar uses in the same zones.~~

Single Room Occupancy Housing Facilities

Single Room Occupancy (SRO) facilities, as defined by the Zoning Code, are buildings with a common entrance containing a cluster of at least five rental units which provide sleeping and living facilities for one or two persons, where kitchen and/or bathroom facilities may be shared. The units must have a minimum of 100

where emergency shelters are allowed as a permitted use without a conditional use permit. This legislation will take effect January 1, 2008 and will apply to jurisdictions with housing elements due June 30, 2008 and after.

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net square feet of space for a single occupancy and 120 square feet for two-person occupancy. Any unit larger than 225 square feet shall be deemed an efficiency dwelling unit and not an SRO. SRO facilities are permitted in any district or specific plan area zoned for hotels, subject to the approval of a use permit (Municipal Code Section 13.26.170). As such, SROs are a ~~permitted use in the Highway Commercial (HC) zone, and are permitted with a use permit in the~~ Community Commercial (CC) zone. The use permit is intended for review and approval by the City. The management plan contains management policies, operations, emergency procedures, security program, rental procedures, maintenance plans, and staffing needs.

Farmworker Housing

The City of Laguna Woods has no land zoned for agriculture and has no need for farm worker housing given the fact that the City is predominately comprised of an age-restricted private senior community. If any agricultural uses exist in the City, the City will comply with the State Employee Housing Act (Section 17000 of the Health and Safety Code) that allows employee/farmworker housing in zones allowing agricultural uses.

Housing for Disabled Persons

State law requires localities to analyze potential and actual constraints upon housing for persons with disabilities, demonstrate efforts to remove governmental constraints, and include programs to accommodate housing designed for people with disabilities. The City has no special zoning or land use restrictions that regulate the siting of housing for persons with disabilities.

The definition of “family” may limit access to housing for persons with disabilities when municipalities narrowly define the word, illegally limiting the development of group homes for persons with disabilities, but not for housing similar sized and situated families. Laguna Woods defines “family” to mean 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, lodging house, club, or motel. To accommodate disabled persons in public facilities, the City defers to California Access Compliance Reference Manual from the Department of General Services a division of the State Architect ~~Title 24 of the California Handicap Accessibility Code.~~

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Pursuant to State law, Laguna Woods permits state-licensed residential care facilities serving six or fewer persons in all of its residential zoning districts by right. 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 Neighborhood Commercial (NC) and the Community Commercial (CC) zones.~~
- Family Day Care for 14 or less persons is also permitted in the RMF and RC zones.

The City has adopted the ~~2001–2010~~ 2010 California Building Standards Code. Standards within the Code 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.

Reasonable Accommodation

The Fair Housing Act requires that cities and counties 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 recently adopted a Reasonable Accommodations Ordinance in accordance with state law to provide for flexibility in the City's development standards to accommodate for persons with disabilities. ~~the City will adopt a reasonable accommodation ordinance and provide information to residents via the public counter and the City's website (Program 4.A.1).~~

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Encouraging a Variety of Housing Types

The City recognizes the importance of providing a variety of housing to meet the variety of needs of its residents. As such the City has adopted regulations pertaining to Emergency and Transitional Housing, Density Bonuses for affordable housing, and Reasonable Accommodations To further encourage and facilitate the development of a variety of housing types, the City will revise its Zoning Code to address and to clarify the location and siting of the following types of housing (Programs 2.B.2 and 2.B.3):

- Emergency Shelters
- Transitional Housing
- Supportive Housing

As mentioned previously, the City will also adopt a reasonable accommodation ordinance to provide equal access to housing for disabled residents.

Building Codes and Enforcement

Building codes regulate new construction, alteration, and reconstruction of buildings, and are intended to protect occupants from unnecessary risk of fire, structural collapse, unsanitary conditions, and injury or loss of life. Laguna Woods has adopted and enforces the California Codes, including the 2001 editions of the California Building Code (Uniform Building Code as amended), the California Electrical, Uniform Plumbing, and Uniform Mechanical Codes, the 1997 edition of the Uniform Housing and Uniform Administrative Codes, and the 2001 California Fire Code, as enforced by the Orange County Fire Authority.

These codes establish minimum construction standards for all residential buildings. Cities can adopt stricter standards, but may not impose less restrictive standards, except in very limited circumstances after making mandatory findings for review and approval at the State level. Thus, the City is precluded from revising its allied building codes as a means of reducing construction costs.

Local amendments were made to the California Building Code to facilitate safety and standards related to Laguna Woods. An appendix was added to regulate construction standards of buildings in special fire protection areas, meaning those which are in or adjacent to grass, brush, and forest covered lands. Additional fire standards are tailored specifically to tall buildings so that fire personnel may reach

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upper floors during emergencies. These standards include pressurized doors for buildings with more than 55 feet above the lowest floor having building access and helicopter landing pads for those with more than 75 feet above the lowest floor. Buildings that are more than 300 feet in width must also provide access doors or hose outlets so that all portions of the building can be reached with 150 feet of hose. The standard most closely related to housing in Laguna Woods is the requirement that every building more than two stories in height must install automatic fire extinguishing systems. While this requirement may add costs that can be passed on to renters, it helps quickly eliminate fires that may have far more costly impacts.

In addition to fire standards, the Building Code was amended to include provisions that require the undergrounding of utilities and signage for addresses of apartment and commercial buildings that are not directly visible from the street. These amendments help contribute to local safety and ease difficulties in locating destinations.

Title 24 of the California Administrative Code mandates uniform energy conservation standards for new construction. Minimum energy conservation standards implemented through Title 24 may increase initial construction costs throughout the State, but reduce operating expenses and expenditure of natural resources over the long run.

Building codes regulate new construction, alteration, and reconstruction of buildings, and are intended to protect occupants from unnecessary risk of fire, structural failure, unsanitary conditions, and injury or loss of life. The City of Laguna Woods has adopted or enforces these California Codes and Standards, the 2010 editions of the California Building, California Residential, California Electrical, California Plumbing, California Mechanical, California Energy, California Green Building Standards, California Fire Code as enforced by the Orange County Fire Authority, and the 2007 edition of the Uniform Housing Code.

These codes and standards establish minimum construction standards for all residential buildings. Cities can adopt stricter standards, but may not impose less restrictive standards, except in very limited circumstances after making mandatory findings for review and approval at the State level. Thus, the City is precluded from revising its related building codes as a means of reducing construction costs.

Local amendments were made to the referenced California Codes to facilitate safety and standards related to the City of Laguna Woods. As mandated by the

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State Fire Marshal, the City of Laguna Woods identified Very High Fire Hazard Severity Zones and adopted Chapter 7A of the California Building Code which regulates this zone. Beyond those required, High and Moderate buffer zones were adopted which provide graduating fire prevention features in order to protect residence from wildland fires. Additional building standards are adopted for buildings more than 300 feet in width, they must also provide access doors or hose outlets so that all portions of the building can be reached with the allotted amount of fire hose found on one engine. While these requirements may add costs that may be passed on to renters or owners, it helps quickly eliminate fires that may have far more costly impacts.

In addition to fire standards, the Building Code was amended to include provisions that require the undergrounding of utilities and signage for addresses of apartment and commercial buildings that are not directly visible from the street. These amendments help contribute to local safety and ease difficulties in locating destinations.

The California Energy Code and Green Building Standards Code mandate uniform energy conservation standards for new construction. Minimum energy conservation standards implemented through these Title 24 codes may increase initial construction costs throughout the State, but are expected to reduce operating expenses and expenditure of natural resources over the long run.

On and Off-Site Improvements

Site improvements and property dedications are important components of new development by contributing to the creation of decent housing and making housing development feasible. Development in Laguna Woods requires site improvements that vary by size and location. These may include grading, landscaping, irrigation, lighting, drainage, and vehicle and pedestrian access including curb cuts. Dedications include local streets, arterial highways, and transportation corridors, alleys, trails, paths, and pedestrian ways, flood control facilities, parks, easements for landscaping maintenance, public utility easements, public transit facilities, other public easements, access ways to the ocean shoreline, bay shoreline, lakes, reservoirs, rivers, or streams. Site improvements are required to make sure that there is adequate infrastructure for and access to a site and that it is compatible with surrounding neighborhoods. These requirements can be waived by the City Council but it is unlikely for most multi-family developments where site

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improvements may be necessary to accommodate the development. Many of these requirements and dedications can be waived as part of density bonus added incentives.

Any person who proposes to divide real property for the purpose of creating a residential subdivision or a parcel map for residential use must pay a park fee or provide park land consistent with Table IV.7.

Table IV.7: Park Land Dedication

| Dwelling Units per Gross Acre | Persons per Dwelling Unit | Parkland Acres per Dwelling Unit |
|--------------------------------------|----------------------------------|---|
| Up to 6.5 | 3.21 | 0.008 |
| 6.6 to 15.5 | 2.59 | 0.006 |
| 15.6 to 25.5 | 1.99 | 0.005 |
| 25.6 and Up | 1.88 | 0.0047 |

If a developer is required to provide dedicated parkland and provides park and recreational improvements to the dedicated land the value of the improvements together with any equipment located on the property is credited against the payment of fees or dedication of land required. These requirements can be waived by the City Council.

Second residential units shall be subject to a local park in-lieu fee assessed at 25% of the fee for a single family residence within the same tract and community analysis area (CAA).

Developer Fees and Exactions

Developer fees and exactions may be imposed on new development as a means to minimizing impacts on existing infrastructure and enabling required upgrades of infrastructure consistent with demands of the new development. State law requires that these fees be reasonably related to the mitigation of the identified impact, and that they be proportionate to the extent of impact associated with any given development project. These fees and exactions may add significantly to the cost of a housing unit.

State law requires that all development impact fees must have a substantial relationship, or nexus, to the residential development and that the fees must be proportional to the impact. Fees and exactions levied on new development in

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Laguna Woods include those for the Moulton Parkway and Laguna Niguel thoroughfares, the San Joaquin Hills and Eastern Transportation Corridors, and the Saddleback Valley Unified School District (Table IV.8). In each of these cases, the fees imposed on development in Laguna Woods are outside the control of, and cannot unilaterally be waived by, the City. Additionally, the Mouton Niguel Water District, of which Laguna Woods is a part, requires a \$361 fee for sewer attachment per unit. The City does impose a park and library fee on new developments to maintain the quality of life important to its residents. Laguna Woods' impact fees are comparable to those of surrounding communities in Orange County, as indicated in Table IV.8, with many communities requiring a similar in-lieu park fee and transportation fees. In the table below it identifies impact fees for multi-family development as this is the primary type of dwelling unit located within the City of Laguna Woods.

Table IV.8: 2007-2013 Impact Fees

| Impact Fee | Laguna Woods | Lake Forest | Laguna Hills | Laguna Niguel |
|--------------------------------|----------------------------------|--|---------------------------------------|--|
| SJHTC* | | | | |
| Multi-Family A | \$4,076\$2,781 | N/A | \$3,867\$2,781 | \$4,076\$2,781 |
| Multi-Family B | \$3,867\$2,158 | N/A | \$2,996\$2,158 | N/A |
| FETC** | | | | |
| Multi-Family A | N/A | \$4,272\$2,970 | N/A | N/A |
| Multi-Family B | N/A | \$3,040\$2,109 | N/A | N/A |
| Other Traffic/Road Fees | \$1,751\$1,612 | \$2,700 - \$5,198\$2,160 - \$4,157 | Pro-rate share\$1,612 - \$5,526 | \$1,231 - \$2,113\$942 - \$1,726 |
| Library Fee | \$242\$294 | \$213 | N/A | \$210 - \$227 |
| Fire Station | N/A\$600 | \$600\$63 | \$600N/A | \$600\$66 - \$276 |
| Traffic Signal | N/A | N/A | Pro-rate share | N/A |
| In-lieu Park Fee | \$8,000% of market value | % of market valueN/A | % of market value\$7,700 | % of market value\$9,929 |
| In-lieu Affordable Housing Fee | N/A | N/A | N/A | N/A |
| School Fee | \$2.63 per SF\$3.20 per SF | \$3.20 per SF\$2.62 per SF | \$3.20 per SF\$2.63 per SF | \$3.20 per SF\$4.62 per SF |
| Total High Estimate*** | \$14,069\$5,287 | \$9,746\$7,940 | \$11,567\$8,907+ | \$16,621\$5,334 |
| Total Low Estimate*** | \$13,860\$4,664 | \$6,016\$5,082 | \$10,696\$4,916+ | \$15,512\$4,533 |

* San Joaquin Hills Transportation Corridor

** Foothill/Eastern Transportation Corridor

*** Average total cost per unit, does not include the school district fee or In-Lieu Park Fee

Source: City of Laguna Woods, 2007 and 2006 2007 Land Development Fee Survey for Orange County, Building Industry Association of Southern California (City of Laguna Hills, City of Lake Forest, and City of Laguna Niguel)

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Processing and Permit Procedures

Development entitlement processing fees levied by cities for reviewing development applications may vary significantly, although by State law, such fees must reflect the actual costs incurred by the city in carrying out this function. The time allotted for processing each entitlement may also vary from city to city and can significantly affect the carrying costs of the developer (i.e. land purchase option payments, legal fees, interest on pre-development loans, etc.).

Table IV.9 identifies the types of discretionary applications effective in Laguna Woods and compares and fees in the City to those of surrounding jurisdictions. As the table indicates, the planning processing fees are comparable in each of the cities surveyed.

Table IV.9: Planning and Development Fees

| Fee Category | City of Laguna Woods Fee | Neighboring Jurisdiction Fees |
|--------------------------------------|--------------------------|-------------------------------|
| General Plan Amendment | \$5,000 Deposit | \$3,000 – \$6,500 Deposit |
| Zone Change | \$5,000 Deposit | \$3,000 – \$5,500 Deposit |
| Tentative Tract Map | \$2,000 Deposit | \$2,000 – \$5,500 Deposit |
| Conditional Use Permit | \$2,000 Deposit | \$2,000 – \$5,500 Deposit |
| Variance | \$1,500 \$2,000 Deposit | \$2,000 – \$5,500 Deposit |
| Site Plan Review | \$2,000 Deposit | \$600 – \$3,500 Deposit |
| Planned Community/Development Review | \$2,000 Deposit | \$3,500 – \$5,500 Deposit |

Source: City of Laguna Woods, 2007 and 2006-2007 Land Development Fee Survey for Orange County Building Industry Association of Southern California (City of Laguna Hills, City of Lake Forest, City of Laguna Niguel)

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Table IV.9: Planning and Development Fees

| Fee Category | Laguna Woods | Lake Forest | Laguna Hills | Laguna Niguel |
|---|-------------------------|--------------------|---------------------|----------------------|
| General Plan Amendment | \$5,000 Deposit | \$10,000 | \$6,000 | \$5,000 |
| Zone Change | \$5,000 Deposit | \$10,000 | \$6,000 | \$5,000 |
| Tentative Tract Map | \$2,000 Deposit | \$8,000 | \$3,500 | \$4,350 |
| Conditional Use Permit | \$2,000 Deposit | \$6,500 | \$4,000 | \$3,800 |
| Variance | \$1,500-\$2,000 Deposit | \$6,000 | \$3,500 | \$3,800 |
| Minor Site Development Permit | \$2,000 Deposit | \$2,500 | \$800 | \$2,000 |
| Planned Community/Major Site Development Permit | \$2,000 Deposit | \$7,500 | \$4,000 | \$4,400 |

Source: City of Laguna Woods, 2007-2013 and 2006-2007 Land Development Fee Survey for Orange County, Building Industry Association of Southern California (the City of Laguna Hills, City of Lake Forest, and City of Laguna Niguel)

Note that the most costly discretionary applications, for General Plan Amendments, will not be an unaccommodating factor in affordable housing development in the City of Laguna Woods. The Land Use Plan of the General Plan includes appropriate land use designations on the properties needed to accommodate future construction of affordable housing.

The Community Development Department is the lead agency in processing residential development applications and coordinates the processing of these applications with other City departments and agencies. The time required to process a development entitlement application can have significant cost implications for affordable housing. Changes in zoning designations or standards may be typical of entitlement requests accompanying proposals for affordable housing. In Laguna Woods, zone change requests can be accommodated in as few as 60 days if no environmental impact report is required. This timeframe reflects the minimum time necessary to prepare an application for final legislative action consistent with State planning and zoning and environmental statutes. This 60-day average is appreciably shorter than processing time incurred in comparable cities.

Conditional use permits and subdivision parcel maps typically can be approved in as few as 60 days, provided an environmental impact report is not required. As the City has no Planning Commission, City council decisions on parcel maps and conditional use permits are final. Any entitlement applications necessitating environmental impact reports are processed in compliance with the shortest periods

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allowed for review and final action consistent with the California Environmental Quality Act and the Permit Streamlining Act.

In general multifamily development project entitlements take approximately 9 months. All housing developments require a Tentative Tract Map/Subdivision Map. The last major project to go through this process was the San Sebastian Senior Condominium project (which included 15 affordable units) which took approximately 9 months from application date to entitlement hearing date, in this particular case it required a General Plan Amendment and Zone Change.

Based on this review, there is no indication that the timeframe for processing of discretionary development applications is a hindrance to development of affordable housing in Laguna Woods.

Permit Types

Use Permits

The purpose of a use permit is to allow City staff and decision makers to conduct review of development proposals that have the potential create impacts on surrounding uses, and to impose conditions on such development and operation of such uses to ensure compatibility. Laguna Woods also utilizes the use permit process to establish appropriate and unique development standards for residential development in the RC and RT zones, as the zoning regulations contain few standards. While this process may take a bit longer to process residential development permit applications, the process provides a high degree of flexibility for developers in designing multi-family development projects.

Site Development Permits

The purpose of a site development permit is to provide for administrative review of detailed development plans for a proposed use. Uses that require a site development permit are regarded as having a relatively low potential for adverse impacts on the subject site or surrounding community. In the review, the City is looking for compatibility with surrounding land uses both operationally and in the design of the project.

The following uses are exempt from the requirement to obtain site development permit approval:

- Community care facilities (fewer than 6 persons).

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- Dwelling, single-family
- Dwelling, multiple-family (fewer than 4 units)
- Large family day care homes
- Mobile homes (on individual lots)

Variances

The variance is a discretionary permit that allows for deviations from applicable standards of the Zoning Code, provided very specific findings can be made pursuant to State law. The variance procedure does not unduly burden housing development, as the City's discretion in granting variances is tied to the limitations established by State law. Also, given the flexible nature of the City's zoning standards for multi-family development, variance requests are infrequent.

Non-Governmental Constraints

Many factors that affect housing costs are influenced by broader market-based housing conditions. Land costs, construction costs, and labor costs all contribute to the cost of housing, and can hinder the production of affordable housing. Additionally, the availability of financing can limit access to homeownership for some low-income households.

Laguna Woods has unique non-governmental factors that influence how new housing is built and existing units maintained. As noted previously, the community originally consisted of a series of planned housing developments developed as the Rossmoor Leisure World senior housing community. Of the four square miles comprising the City, 3.8 ~~acres~~ square miles are occupied by the gated Laguna Woods Village. This community is and was built out consistent with the Rossmoor Leisure World Planned Community zoning administered by the County of Orange prior to incorporation of the City.

Laguna Woods Village has several homeowners' associations that have the legal ability to impose restrictions and requirements on their members. One such requirement is the establishment and enforcement of architectural standards. Homeowners in Laguna Woods Village must obtain an alteration permit from their particular homeowner association/mutual for proposed home improvement projects. Since homeowner association permits are based on agreements between private association and private property owners, the City cannot enforce or waive the requirement for obtaining an association permit. Also, the Covenant, Conditions, and Restrictions (CCRs) applicable to the associations stipulate that

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any proposal to add residential units within the boundaries of any of the three existing mutual HOAs require a vote of unit owners to revise the respective governing documents to accommodate such a proposal.

Because of the legal and administrative costs involved in developing new units within Laguna Woods Village, residential infill development within established residential neighborhoods Laguna Woods Village is considered unlikely. However, development may occur on the vacant or underutilized parcels designated Urban Activity Centers that are owned by the corporation that also controls Laguna Woods Village.

Commercial areas within the City of Laguna Woods were developed within the past 30 years and are generally well maintained, and remain economically and functionally viable. These properties also support the sales tax generators which support City services uniquely suited to the special needs of the majority seniors population. No opportunities for conversion of commercial space to residential use have been identified.

Market Impacts on Development Costs

Land Cost

Land cost is generally the major variable cost component affecting the production of new housing. Sustained market demand for housing coupled with diminishing supplies of undeveloped acreage have significantly constrained the ability of south Orange County cities to accommodate affordable housing. Rising land prices reflects this situation.

As of ~~September 2007~~ May 2013, only a limited number of vacant parcels zoned and suitable for development remain in Laguna Woods. No recent land sales have been recorded. Comparable land sales for Laguna Woods, therefore, are unavailable. Any land valuation effort would include and be derived from comparable sales in surrounding cities. Without significant differences in the physical environments, land costs in Laguna Woods are assumed to be comparable with those in surrounding areas. It is assumed, therefore, that any land made available for development will be valued so as to be no more or no less of a detriment to development of affordable housing than in other non-coastal areas of south Orange County.

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Given the relatively high proportion that land costs represent in the total cost of development, density increases are one option for facilitating construction of affordable housing. Density increases effectively reduce land costs on a per unit basis when tied to restrictive covenants reserving a proportion of the units for low and very low income residents.

Consistent with Section 65915 of the California Government Code, the City of Laguna Woods permits an increase in density by a factor of up to 1.35 or such other reduction in minimum development standards necessary to achieve comparable, identifiable cost reductions. In exchange, the developer must covenant to maintain 20% of the units for low income households, or 11% for very low income households, or 40% for moderate income households, for a period of not less than 30 years. The percentage of units required and related density bonuses are available to fewer units, at a lower density bonus rate, consistent with State law.

Construction Costs

Construction costs include the expense of building materials and labor. However, cost is also influenced by market demand and market-based changes in cost of materials. The cost depends on the type of construction and the quality of the product being produced.

An indicator of construction costs is Building Valuation Data compiled by the International Code Council (ICC). The unit costs compiled by the ICC include structural, electrical, plumbing and mechanical work, in addition to interior finish and normal site preparation. The data is national and does not take into account regional differences, and does not include the price of the land upon which the building is built.

The 2012 national averages for costs per square foot unit of apartments and single family homes are listed below:

Type I or II, Multi-Family: ~~\$111.73 to \$126.43~~ \$124.88 to \$142.14 per sq. ft.

Type V Wood Frame, Multi-Family: ~~\$86.28 to \$90.83~~ \$94.76 to \$121.89 per sq. ft.

Type V Wood Frame, One and Two Family Dwelling: ~~\$94.06 to \$99.79~~ \$103.92 to \$119.75 per sq. ft.

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The unit costs for residential care facilities generally range between \$109 and \$150 ~~\$119.86 and \$168.08~~ per square foot. These costs are exclusive of the costs of land and soft costs, such as entitlements, financing, etc. These costs are subject to market fluctuations nationwide. For example, following the widespread destruction in southern coastal states from hurricane Katrina, the cost of construction materials jumped significantly as the region sought to rebuild.

In addition to the cost of materials, labor costs can affect the total cost of construction. The cost of labor is based on a number of factors, including housing demand, number of contractors in the area, and whether or not laborers belong to a union. Labor costs may represent two to three times the cost of materials.

Construction costs can account for 35 to 45% of total housing costs. Rising construction costs also impact the ability of homeowners or landlords to provide needed rehabilitation of substandard residential units. The construction cost of housing affects the affordability of new housing and can be a constraint to the creation of affordable housing in the City. One way to reduce construction costs is to reduce the level of physical amenities. Another factor related to construction costs is the number of units built at one time. As the number increase, overall costs generally decrease as builders can benefit from the economies of scale.

Cities may revise existing development standards to reduce or eliminate requirements for enclosed parking spaces as a means to lowering construction costs. Local building departments have the authority to approve the use of a lower quality material and/or less costly construction method deemed to be satisfactory and at least equivalent to the applicable State building codes.

Energy Conservation Opportunities

The City of Laguna Woods enforces provisions of Title 24 of the California Administrative Code that require energy conservation in new residences. Standards in Title 24 may result in energy savings of approximately 50% over residential construction practices utilized prior to the Title 24 enactment. The City of Laguna Woods Building Department is aware of energy conserving design innovations and solar technology. The department utilizes the Solar Systems Code Review Manual and its companion document, the Pool and Spa Solar Systems Code Review Manual, published by the International Conference of Building Officials (ICBO), to facilitate installation of appropriate solar systems. Under existing State law (the California Resources Code), local jurisdictions may adopt structural energy

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conservation standards stricter than existing State standards. Such an increase in standards may have less of an impact in areas with moderate climates such as that in Laguna Woods.

Because reduction in vehicle trips is the most effective strategy to reduction of greenhouse gases, land use and circulation policies encouraging alternatives to the automobile through higher density, compact, pedestrian-friendly development help reduce greenhouse gases and slow climate change. The City's Land Use Element contains various programs related to higher density development and the facilitation of pedestrian connections. The Conservation Element includes implementation actions requiring that new development and reuse projects accommodate and promote transportation alternatives to the private automobile. In addition, the sites inventory for this Housing Element identifies a site to meet the City's remaining RHNA that is central to the City and near job and retail centers, and is within walking distance of bus routes that provide access to regional transportation, commercial centers, and a senior citizen center. The Laguna Woods community is already in the forefront of vehicle trip reduction strategies as all owners within Laguna Woods Village pay a homeowners' association fee that is used to provide residents with public transportation.

One area of concern in the City is the cost of electricity, especially as a source of space heating. Because all dwelling units in the Laguna Woods Village community have electric heating, all means of reducing the impact of high electric bills through conservation and opportunities for conversion to more efficient heating methods should be considered. Reductions in costs of space heating could appreciably reduce housing related costs for low-income residents. The City will play a lead role in spearheading a search for alternatives including solar-generated heat and power, as needed.

In March 2007, the City Council of the City of Laguna Woods adopted a resolution (resolution no. 07-09) and executed the U. S. Mayors' Climate Protection Agreement. The broad goal of the Climate Protection Agreement is to reduce manmade greenhouse gas emissions by 7% below 1990 levels by 2012.

To address the overall issues of sustainability and climate change, the Laguna Woods Greening the Woods Committee ~~is set to release~~ released a review of environmental practices related to residential components of the community and city maintained facilities, programs, and services; and develop practical recommendations for consideration by the City Council. The report included

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various positive efforts, large and small, already undertaken by the City. These include:

- Preservation of Woods End and Laguna Laurel open space (189 acres)
- Tree preservation and maintenance regulations
- Exceeding the goal of 50% waste diversion; prior year diversion was 68.65%
- City Hall energy efficient roof and heating/cooling system
- Low income resident energy efficient equipment retrofit program (CDBG)
- Urban run-off inspection program
- Alternative transportation trails
- Restrictive anti-smoking regulations (earned an A from American Lung Association)
- Drop off recycling programs at City Hall – white paper, fluorescent bulb, cell phones, small electric appliances, ink cartridges, batteries and medications
- Door to door e-waste and u-waste residential pick-up programs
- Use of rubberized asphalt on City roads
- Requirement that all construction and demolition waste in the City be sent to a specialized materials recycling facility

Among the various goals established by the Committee the following is a summary of goals related to land use and development:

Sustainable Land Use:

The City should incorporate an analysis of potential effects on greenhouse gas emissions and urban runoff into all of its land use decisions. This may involve, among other things, reducing the amount of paved surface and increasing the amount of planted areas for cooling, CO2 absorption and runoff percolation; reducing the need for short and long distance transport of goods; improving the walking and outdoor experience for residents and visitors; and reducing water use.

Sustainable Construction

The City should participate in understanding, supporting, developing and implementing state-of-the-art practices for energy efficiency and sustainable building practices. As a part of its efforts, the City should assure that its own buildings meet the highest environmental standards possible and should

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incorporate currently available green building practices into its construction codes and approval processes.

Public Outreach

Ultimately, the City's success in attaining any of its environmental goals will depend largely on the extent to which its citizens are aware of the issues and actively engaged in addressing them. The City should inform the community about the health, safety and economic benefits of reducing carbon emissions and attaining sustainability on an ongoing basis through the use of flyers, newsletters, its website, and television channel. This goal statement is a critical element in this report and as such recommendations for public information and outreach are included under every issue topic.

Financing

Financing costs are not subject to local influence. Control of interest rates is determined by national policies and economic conditions. Interest rates directly influence the purchasing power of homebuyers and the cost of home construction through construction loans. During the past planning period, the country has ~~seen~~ continued to see interest rates at historically low levels, enabling many households to purchase a home. The availability and cost of capital required for pre-development costs for new housing such as land purchase option money and project design and entitlement processing remain a deterrent to development of affordable multiple-family housing.

The Home Mortgage Disclosure Act (HMDA) requires lending institutions to disclose information on the disposition of loan applications by income, gender, and race/ethnicity of applicants. Table IV.10 presents the disposition of home purchase loan applications in ~~2005-2011~~ 2005-2011 by income of the applicants. The data is for the Santa Ana-Anaheim-Irvine MSA, of which Laguna Woods is a part. The data includes purchases of 1 to 4 unit homes as well as manufactured homes. Over ~~76~~ 56% of the loan applications were received from above moderate-income households (earning greater than 120% of Median Family Income [MFI]). Moderate-income households (80 to 120% of MFI) and lower-income households (less than 80% MFI) accounted for ~~14~~ 22% and ~~5~~ 21%, respectively. Origination refers to loans approved by the lender and accepted by the applicant. The overall loan origination rate was ~~60~~ 65%, and this rate decreased as income decreased. ~~These rates can be expected to contract further as a recent national survey~~

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conducted by the Federal Reserve found that more than half of banks responding reported they had tightened their lending standards for subprime mortgages. Additionally, slightly more than 10% of responding banks said they had recently tightened all lending standards, while none reported easing standards.⁷

Table IV.10: Disposition of Conventional Home Purchase Loan Applications for the Santa Ana-Anaheim-Irvine MSA

| Applicant Income | Total Apps. | Percent Originated | Percent Denied | Percent Other |
|----------------------------------|---------------|--------------------|----------------|---------------|
| Lower Income (<80% MFI) | 5,37814,324 | 4058% | 2818% | 3224% |
| Moderate Income (80 to 120% MFI) | 14,89414,944 | 5666% | 1712% | 2722% |
| Upper Income (>120% MFI) | 82,82837,660 | 6068% | 1611% | 2421% |
| All | 107,59866,928 | 6065% | 1713% | 2322% |

Source: Home Mortgage Disclosure Act (HMDA), 20052011.

Note: "Other" includes applications approved but not accepted, files closed for incompleteness, and applications withdrawn.

Applications do not sum to equal total based on the unavailability of income data for some applicants.

Foreclosures have been dropping as the economy seems to be leveling off, in comparison from previous years numbers. The number of foreclosures peaked state wide in February of 2009 accounting for 58.8% of all homes sold that month. In April of 2013 foreclosure sales only accounted for 13.5% of all homes sold in that month⁸. Even though foreclosures have been significantly declining it still remains a notable issue, however interest rates have also affected an increase in the number of foreclosures for households with sub prime loans. Unfortunately many households losing or on the verge of losing their homes are the low income families that "predatory lenders" target. Denied conventional home loans, their only avenue may have been the sub prime credit market. Subprime loans are characterized by higher interest rates and fees than prime loans, and are more likely to include prepayment penalties. Between 2006 and 2007, foreclosure notices in Orange County increased by 137%, from 1,255 notices to 2,984 notices⁹. As of June 2007, 821 of these homes had been lost to a foreclosure.¹⁰ Due due to the unique housing market in Laguna Woods and the prevalence of

⁷ Daily News, 8/13/07: No down mortgage a relief, buyers face more scrutiny. http://www.dailynews.com/business/ei_6616413

⁸ California April Home Sales. DQnews May 15, 2013

⁹ California Foreclosure Activity Continues to Rise. DQnews July 24, 2007

¹⁰ California Foreclosure Activity Continues to Rise. DQnews July 24, 2007

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homebuyer suing equity from previous residences, the foreclosure problem is not significant in Laguna Woods compared with other Orange County cities.

Environmental and Infrastructure Constraints

Environmental constraints can affect potential development due to increased costs of insurance or development. A lack of necessary infrastructure may also reduce the amount of land readily developable. In Laguna Woods, constraints are due to endangered species and sensitive habitats, possible seismic activity, areas where the community noise equivalent level (CNEL)¹¹ exceeds 65 CNEL, and other constraints which preclude or restrict the development of housing. This section briefly outlines these constraints.

Endangered Species and Sensitive Habitat

The presence of sensitive or protected habitat or species can constrain the amount of developable land. Sensitive species and habitats have been given special recognition by Federal, State, and local resource conservation agencies and organizations due to declining, limited or threatened populations as a result of habitat reduction due to urbanization. In Laguna Woods, coastal sage scrub is considered a sensitive habitat where it supports populations of sensitive species. California gnatcatchers are a federally listed threatened species that nest only in coastal sage scrub and have been observed throughout the San Joaquin Hills.

Aliso Creek is another significant biological resource in Laguna Woods. Riparian native and non-native vegetation occurs over approximately 14 acres along the creek, which passes through the City on the southeast. The creek is a water source and a potential movement corridor for area wildlife.

Seismic Activity

No Alquist-Priolo Earthquake Fault zones have been identified in the City. However, seismic activity on four known faults could affect the City. The closest of these is the Newport-Inglewood Fault Zone, located six miles southwest of the City. The Elsinore, San Andreas, and San Jacinto Faults also present risks, although the risks are not unusual.

¹¹ CNEL levels factor in both noise duration and time of day into the measurement of the noise level.

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Flood Hazards

Areas subject to flooding have been identified on Flood Insurance Rate Maps prepared by the Federal Emergency Management Agency (FEMA). Areas designated as Zone A (areas which may be inundated by a 100-year flood, but for which base flood elevations have not been determined) include the Laguna Woods Village Executive Golf Course, the retention pond on the Laguna Woods Village 27-hole golf course, a small portion of the drainage course in the northwestern corner of the City, an area adjoining the City's westerly boundary near Laguna Lake, and the floodplain along Aliso Creek. A small portion of Zone X (areas subject to inundation by a 100-year flood with an average depth of less than one foot) extends beyond the Aliso Creek channel in the vicinity of Avenida Sevilla and Ronda Sevilla, and two residential units are located within that area. Development in flood-prone areas can be dangerous to property, and may cause high insurance rates once constructed.

Noise Levels

Residential development must consider existing noise levels throughout the city. The Laguna Woods General Plan indicates that in excess of 65 CNEL are considered excessive and are defined as clearly incompatible with residential development. Residential development may therefore be constrained in locations where noise levels exceed 65 CNEL. Some residences adjacent or near major roadways currently experience noise levels in excess of 65 CNEL, including those near the I-5 Freeway, El Toro Road and Moulton Parkway. Residences near Santa Maria Avenue are expected to experience noise levels above 65 CNEL in the future due to increased regional traffic. Exterior mitigation through site design or noise barriers will likely be required.

Wastewater Service/Water Service

The El Toro Water District (ETWD) is the responsible agency for providing water service to the City of Laguna Woods. Approximately 85% of the connections in the City are residential users, with the balance made up of commercial, industrial, public and landscape irrigation users. The water delivered to the City is imported from the Colorado River and Northern California. Additionally, recycled water from the Water Recycling Plant operated by the ETWD and surrounded by the Laguna Woods Village Golf Course is available for irrigation.

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Disadvantaged Communities

The City of Laguna Woods has no Sphere of Influence (SOI) and therefore has no unincorporated disadvantage communities in accordance with SB 244.

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V. ~~HOUSING RESOURCES AND OPPORTUNITIES~~ SITES INVENTORY AND ANALYSIS

This section summarizes the land, financial, and administrative resources available for the development and preservation of housing in Laguna Woods. The analysis includes an evaluation of the availability of sites to meet the City's regional housing need for the ~~2006-2014~~2014-2021 Housing Element planning period, a review of financial resources to support housing activities, and a discussion of administrative resources available to assist in implementing the housing programs contained in the Housing Element.

RESIDENTIAL DEVELOPMENT POTENTIAL

State law requires jurisdictions to plan residential land allocation to ensure that adequate sites are available to meet expected growth. Specifically, a jurisdiction must show that its residential land inventory is adequate to accommodate its Regional Housing Needs Assessment (RHNA). This section addresses the credits applied toward the current RHNA and identifies sites to fulfill the remaining portion of the RHNA.

Residential Land Inventory

In Laguna Woods, land designated for residential use is nearly built out and development opportunities are extremely limited. Since the previous Housing Element, ~~0-134~~ units were constructed; however, the San Sebastian senior condominium project is currently under construction and will result in 134 new residential units. A discussion of this project is provided below.

Parcel 1, as so referred in the Land Use Element, is the only vacant parcel in the City that is specifically designated for residential use. The General Plan designation of the site is High Density Residential (HDR) and it is zoned Residential Multifamily District (RMF). A detailed analysis of the site is provided below in the Sites Inventory section.

~~In addition to Parcel 1, three vacant sites are designated Urban Activities Center District (UAC) in the Land Use Element. The Urban Activities Center land use designation allows for mixed use development that may include both commercial~~

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and residential uses. One of the UAC designated areas includes Parcel 7, which the Land Use Element identifies as a site that can potentially accommodate up to 299 residential units. Parcel 7 is a vacant non residentially zone site. While the three UAC sites are currently vacant, General Plan policy requires preparation of a specific plan to establish development plans. The City is currently working with property owners to prepare a specific plan that will include all UAC designated lands. Because the proposed specific plan is in the initial stages, it cannot be determined whether the sites will include residential development. Hence, the UAC sites are not included in the sites inventory analysis.

Credits toward RHNA

The fifth cycle RHNA covers the period of January 1, 2006October 2013 to June 30, 2014October 2021, whereas the Housing Element is submitted to the State for review and certification in June 2008. The fourth cycle RHNA overlaps and covers until June 2014. Any units completed prior to the end of the fourth cycle are credited towards that cycle; it is only after the fourth cycle is over that units are credited towards the fifth cycle. At this time there are no units being constructed or in the planning phase at this time. Local jurisdictions, in updating their housing elements, may credit by applicable income category the actual housing units constructed, or under construction, during the 2 ½ year gap (January 2006 to June 2008).

Units Under Construction: San Sebastian Senior Housing Development

One development currently under construction can be credited toward the current RHNA obligation. Construction of San Sebastian, a 134-unit senior condominium development, began in 2007. The project is located at 23522 Paseo De Valencia, at a site previously occupied by an administration building for Laguna Woods Village. The 3.1-acre project required a General Plan land use amendment to change the Land Use Designation from Commercial to High Density Residential (HDR), and a zone change from Professional and Administrative Office (PA) to Residential Multifamily (RMF). The development standards established in the City Zoning Code for the RMF zoning district are identified in Table V.1.

Fifteen units in the development will be restricted to low income households earning 80% or less of the median family income for Orange County. Final pricing of the remaining 119 units is still to be determined. The developer will submit the

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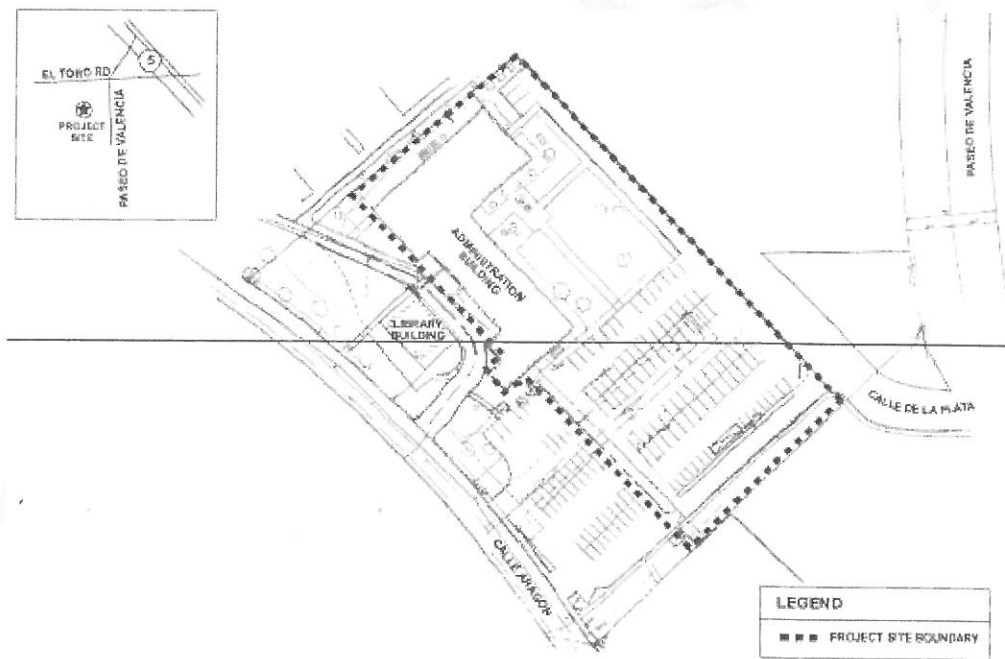
proposed pricing and an affordable housing agreement to the City for review and approval prior to the commencement of sales.

Table V.1: Summary of San Sebastian Housing Development

| Development | Status | General Plan Land-Use | Zoning Designation | Lot Size | Units | Density (du/acre) |
|--|---------------------------------|---|-------------------------------|-------------|-------|-------------------|
| San Sebastian Senior Condominiums 23522 Paseo De Valencia | 2007 Initial construction phase | High Density Residential (HDR: 13-35 dwelling units per acre) | Residential Multifamily (RMF) | 3.054 acres | 134 | 44 |

Figure V.1 identifies the San Sebastian project site.

Figure V.1: San Sebastian Project Site



Since 15 units are income restricted to low income households (<80% MFI), these units can be credited toward the low income RHNA obligation. The remaining units in the San Sebastian development (119 units) can be credited towards the above moderate income RHNA obligation, as final pricing of the remaining 119 units is yet to be determined. It is uncertain whether the pricing will meet the moderate or above moderate categories for the City's RHNA. With these units under construction, the City has partially met its RHNA obligation for low income housing (50-80% MFI) and the entire above moderate income RHNA obligation.

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The City has a remaining RHNA of 60 lower and moderate income units which must be met through identification of suitable sites (see Table 2).

Table V.2 Table V.1: Credits Toward RHNA

| Site | Very Low-Income <50% MFI | Low-Income 50-80% MFI | Moderate-Income 80-120% MFI | Above Moderate-Income >120% MFI | Total |
|-----------------------|-----------------------------|--------------------------|--------------------------------|------------------------------------|------------|
| San Sebastian | 0 | 15 | 0 | 119 | 134 |
| Total | 0 | 150 | 0 | 1190 | 1340 |
| RHNA | 251 | 231 | 270 | 600 | 1352 |
| RHNA Remaining | 251 | 81 | 270 | 0 | 602 |

Residential Sites Inventory

Pursuant to State law, the City must demonstrate that it has adequate residential sites at appropriate densities and development standards to accommodate the City's RHNA. Based on ~~Table V.2~~ Table V.1 the City's remaining RHNA is as follows:

- Very Low-Income 251 units
- Low-Income 81 units
- Moderate-Income 270 units
- Above Moderate-Income 0 units

Parcel 1 (as identified in the Land Use Element) provides the opportunity to accommodate the remaining need.

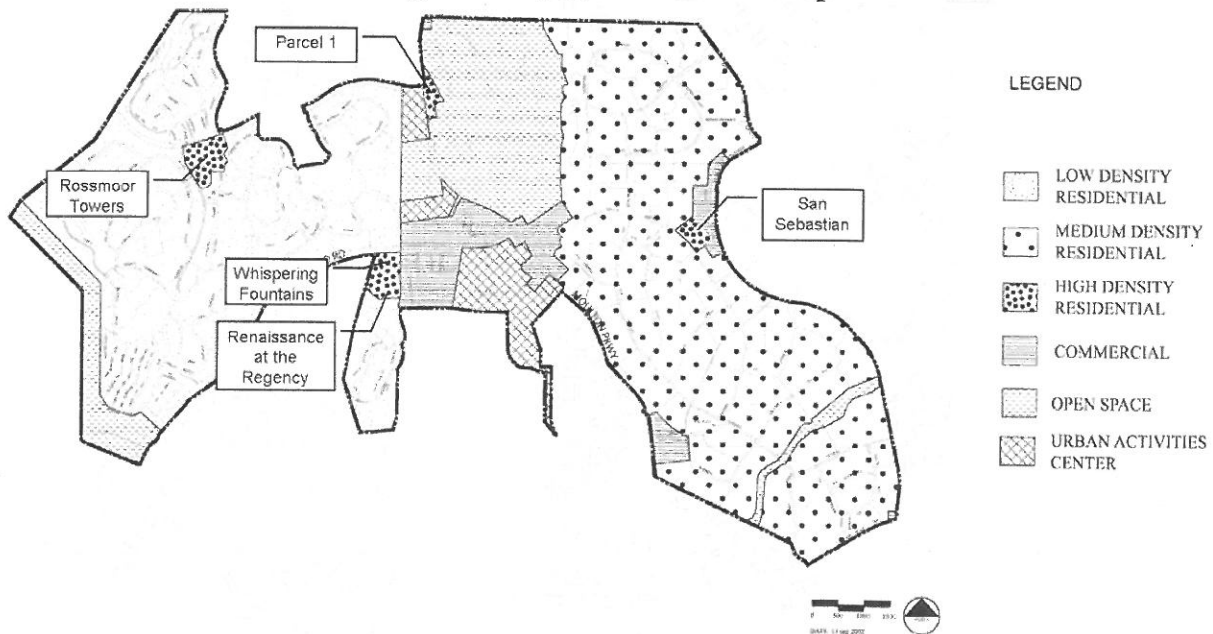
Vacant Residentially Zoned Site: Parcel 1

Parcel 1 is a 3.3-acre site on Moulton Parkway opposite the terminus of Santa Maria Avenue. The General Plan Land Use Element identifies this site as suitable for future development with residential uses. The General Plan Land Use Designation is High Density Residential (HDR), and rezoning of the site to be consistent with this land use designation was completed in 2003. Parcel 1 is not age restricted- the property is designated for high density residential uses allowing 13-35 dwelling units per acre with no entitlements on the property other than zoning. This is supported by the General Plan and the Municipal Code.

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The site is currently used as a garden center by the residents of Laguna Woods Village and is owned by the Golden Rain Foundation, which is the non-profit organization responsible for overseeing the management and maintenance of the facilities and services within Laguna Woods Village. The interim use as garden plots is not an impediment to development as the property is privately owned and can be developed at any time. The site is located outside the gated community of Laguna Woods Village and is immediately adjacent to the Laguna Woods Village Golf Course. The location is central to the City and near job and retail centers, and is within walking distance of bus routes that provide access to regional transportation, commercial centers, and a senior citizen center (see Figure V.2V.1).

Figure V.2V.1: Land Use Map



Source: City of Laguna Woods General Plan, Land Use Element, Amended July 16, 2003

The site is ~~able~~ ample in size to meet the remaining RHNA of one low and one very-low income units ~~60 units after a credit of 15 low income units and 119 above moderate income units is applied for the San Sebastian development under the current density requirements for the site.~~ The estimated units are based on the maximum density allowed by the site's land use designation and zoning (HDR/RMF). This is a realistic estimate based on previous high-density developments in Laguna Woods, discussed below.

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Table V.3V.2: Characteristics of Parcel 1 (Vacant)

| Site | General Plan Designation/ Zoning | APN # | Acres | Density (du/acre) | Expected Density (du/acre) | Projected units |
|---------------------------------------|-------------------------------------|------------|-------|-------------------------------------|----------------------------|-----------------|
| Moulton/ Santa Maria (Parcel 1) | HDR/RMF | 616-021-18 | 3.3 | 13-35 dwelling units per acre | 35 | 115 |

Appropriate housing for the subject site is a high-density, multi-story structure that can provide for-sale or for-lease homes. This housing type is most consistent with the City’s existing housing and would best meet the needs of the community. However, the HDR land use designation and the RMF zone are very flexible in accommodating a variety of housing types (see Housing Constraints Analysis). The Laguna Woods Zoning Code contains use permit provisions that allow for relief of development standards, such as height limits and setback requirements, for projects proposed to meet affordability objectives and requirements.

The 3.3-acre site has direct access from Moulton Parkway, and all curb and sidewalk improvements are in place. According to the Federal Flood Insurance Rate map, the subject parcel is not in a flood zone, nor is it mapped by the California Department Conservation to be an area of liquefaction or landslide potential. No active faults are presently known within the City. The nearest active fault is the Newport-Inglewood fault, which is located approximately three miles southwest of the study area.

All infrastructure, including domestic water and sewer, are available to the site. There is a 16-inch main water line running along Moulton Parkway. Residents in Laguna Woods consume an average of 246 gallons of water per day per unit, and generate an average of 184 gallons per day of wastewater. Water use as result of this residential development could increase by approximately 35,178 gallons per day. Wastewater could increase by approximately 26,312 gallons per day. The El Toro Water District has verified that there is sufficient supply and capacity to provide water and wastewater services to accommodate the potential increase in residential units over the planning period.

Parcel 1 will satisfy the remaining RHNA obligation by providing development opportunity for up to 115 units, distributed among the income categories as identified in [Table V.4](#) [Table V.3](#).

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Table V.4 Table V.3: Parcel 1 Residential Development Potential

| Site | Very Low-Income <50% MFI | Low-Income 50-80% MFI | Moderate-Income 80-120% MFI | Above Moderate-Income >120% MFI | Total |
|--|--------------------------|-----------------------|-----------------------------|---------------------------------|-------|
| Parcel 1 | 251 | 81 | 270 | 55113 | 115 |
| RHNA Remaining (after credit for units under construction) | 251 | 81 | 270 | 0 | 602 |
| RHNA Remaining | 0 | 0 | 0 | 0 | 0 |

No units were built within the City of Laguna Woods in the period between the start of the current RHNA projection period and the deadline for the adoption of this housing element.

Density and Affordability

The Laguna Woods General Plan designates Parcel 1 as High Density Residential (HDR) and the Zoning designation is Residential Multi Family (RMF). Based on affordability criteria established by the State Housing and Community Development Department, pursuant to AB 2348, a density standard of at least 20 units per acre is deemed adequate to facilitate construction of housing for lower-income households.

Four high-density residential developments (three existing, one under construction) are designated High Density Residential in Laguna Woods, as indicated in Figure V.2V.1, Land Use Map. The HDR designated area located in the northwest area of the City includes the Rossmoor Towers, a high-density condominium development consisting of two 14-story towers. The development includes 311 units on 11.2 acres, yielding a density of 28 dwelling units per acre. The HDR designated area located south of El Toro Road includes two communities: Whispering Fountains and Renaissance at the Regency. Whispering Fountains was developed at a density of 34 dwelling units per acre. Renaissance at the Regency has a density of 35 dwelling units per acre. As mentioned previously, the San Sebastian senior development currently under construction will yield a density of 44 units per acre. Given that existing and planned development on HDR/ RMF sites in the City has resulted in densities ranging from 28 to 45 units per acre density of 35 dwelling units per acre for Parcel 1 is a realistic assumption.

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Table V.4: High Density Developments in Laguna Woods

| Development | General Plan/Zoning | Size | Units | Density | Percent of Maximum Density for RMF Land Use Designation |
|----------------------------|---------------------|-----------|-------|------------|---|
| Rossmoor Towers | HDR/RMF | 11.2 ac. | 311 | 27.7 du/ac | 80% |
| Whispering Fountains | HDR/RMF | 4.118 ac | 140 | 33.9 du/ac | 97% |
| Renaissance at the Regency | HDR/RMF | 5.524 ac. | 192 | 34.8 du/ac | 99% |
| San Sebastian | HDR/RMF | 3.054 ac. | 134 | 43.9 du/ac | 126% |

Additionally, since Laguna Woods is predominately comprised of senior citizen, existing and future residents desire the lower maintenance housing scenario (limited private open space, for example) offered by higher density development. Reduced parking requirements also contribute to the potential for higher density as compared with other communities. Since the development of previous high-density residential developments, the City has revised the Zoning Code to include provisions that allow increased density and alternative development standards, such as reduction in parking requirements.

Table V.5: RMF Zoning District – Development Standards

| Development Standard | RMF Zone |
|-------------------------|---|
| Building Site Area | Minimum 7,200 square feet |
| Building Height | Maximum 65 feet |
| Area Per Unit | Minimum net land are per unit = 1,000 square feet |
| Setbacks: | |
| From right-of-way line: | Front – 20 feet Side – 5 feet + one extra foot for each story over two |
| From property line: | Rear – 25 feet Side – 5 feet |

FINANCIAL RESOURCES

Various federal and State programs are designed to promote development of housing for low- and very low-income households and for persons with special needs. Currently the City’s main source of funding for affordable housing development is through the Community Development Block Grant program (CDBG), described below. The City participates in the CDBG program as part of the County of Orange Urban County and received an allocation of \$200,000\$247,500 in CDBG funds in the 2012-2013 fiscal year, which is used to fund two projects. The first is the Phase V Energy Efficient Improvements Project,

HOUSING ELEMENT

which ~~is~~ ~~was~~ allocated ~~\$125,000~~ \$135,000 for energy-efficient improvements. This project assists approximately 50 residential units occupied by low- and moderate-income seniors. The second is for the ~~removal of architectural barriers improvements to city hall, which is~~ ~~was~~ allocated ~~\$75,000~~ \$112,500. ~~Currently, this project includes the construction of an ADA pathway from an adjacent bus stop to the entryway of City Hall.~~ Funding for this program has completed the construction of an ADA pathway providing better access to City hall and improving access into City Hall by redesigning the outdoor space adjacent to the City entrance.

A supplemental source includes Section 8 rental assistance, which was provided to ~~72-73~~ Laguna Woods residents through the Orange County Housing Authority. ~~As of 2007, Section 8 assistance is distributed to the 72 recipients as follows: 1 family, 61 elderly, and 10 disabled.~~ ~~As of September 15, 2007~~ July 16, 2013, there are currently ~~54-12~~ elderly and 1 disabled Laguna Woods' residents on the wait list.

Programs that may be of use in Laguna Woods are listed below. Information related to these programs will be updated annually and available from the Laguna Woods Community Development Department.

Federal Programs

- **Community Development Block Grant Program (CDBG)** – This program is intended to enhance and preserve the City's affordable housing stock. Funds are awarded to the City on a formula basis for housing activities. Eligible activities include acquisition, rehabilitation, economic development, and public services. CDBG grants benefit primarily households with incomes not exceeding 80% of the County median family income.
- **Section 8 Rental Assistance Program** – This program provides rental assistance payments to owners of private market-rate units on behalf of very low-income tenants.
- **Section 811/202 Program** – Non-profit organizations and consumer cooperatives are eligible to receive no interest capital advances from HUD for the construction of very low-income rental housing for senior citizens and disabled persons. Project-based assistance is also provided in conjunction with this program. Section 811 can be used to develop group homes, independent living facilities, and intermediate care facilities. Eligible

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activities include acquisition, rehabilitation, new construction, and rental assistance.

State Programs

- **California Housing Finance Agency (CHFA) Multiple Rental Housing Programs** – This program provides below-market-rate financing to builders and developers of multiple-family and elderly rental housing. Tax-exempt bonds provide below-market mortgage money. Eligible activities include new construction, rehabilitation, and acquisition of properties with 20 to 150 units for qualifying projects.
- **Low Income Housing Tax Credit (LIHTC)** – LIHTC provides tax credits to individuals and corporations that invest in low-income rental housing. Tax credits are sold to corporations and people with high tax liability and proceeds are used to create housing. Eligible activities include new construction, rehabilitation, and acquisition.
- **California Community Reinvestment Corporation (CCRC)** – This private, non-profit mortgage-banking consortium provides long-term debt financing for affordable multi-family rental housing. Eligible activities include new construction, rehabilitation, and acquisition.

ADMINISTRATIVE RESOURCES

Primary responsibility for the implementation of the City's housing programs and activities lies with the City Manager, the Community Development Department, and the Community Services Manager. The ~~Planning Advisory~~ Land Use Design Review Committee (~~PAC~~ GLUDRC) serves as an advisory committee for all planning-related issues, including implementation of the Housing Element's Objectives, Policies, and Implementation Programs, to the City Council and staff. Appointment to the PAC is open to any resident of the city.

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VI. REVIEW OF 2006-2014 HOUSING ELEMENT

Pursuant to Government Code Section 65588 local governments shall review their housing element and evaluate 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, and (3) the progress of the city, county, or city and county in implementation of the housing element.

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's last Housing Element was adopted in 2009, and sets 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 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 Element, and the progress in implementation since 2007.

The table below summarizes the City's progress for each implementation measure identified in the current Housing Element.

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Table VI.1: Review of 2006-2014 Housing Element

| <u>Housing Element</u> | <u>Implementation Status</u> |
|---|---|
| <p>Objective 1: <u>Maintain and improve residential neighborhoods and support quality housing for all residents.</u></p> | |
| <p>Policy 1.A: <u>Work towards full implementation of the 2006-2014 Housing Element objectives, policies, and programs in the Housing element</u></p> | |
| <p>Program 1.A.1 <u>Provide a progress report on the 2006-2014 Housing Element programs and quantified objectives as part of the annual General Plan status reports to the State.</u></p> | <p>Ongoing: <u>The annual general plan progress report for past years has been submitted to the Governor’s Office of Planning and Research and the Department of Housing and Community Development. City staff will continue to submit progress reports in future years.</u></p> |
| <p>Policy 1.B: <u>Promote, encourage, and facilitate efforts to preserve the City’s housing stock.</u></p> | |
| <p>Program 1.B.1 <u>Continue to promote on-going building maintenance activities. To promote building maintenance, the City will:</u></p> <ul style="list-style-type: none"> • <u>Identify available funds for building maintenance activities and energy efficiency upgrades.</u> • <u>Disseminate public information on available housing programs, such as the energy efficient equipment retrofit program (CDBG) at public counters and the City’s website.</u> • <u>Assist property owners and property managers in their efforts to identify and mitigate housing maintenance issues.</u> | <p>Ongoing: <u>The City receives money in the form of Community Development Block Grants (CDBG), for use in an energy efficient equipment retrofit program. The City continues to apply for CDBG funds, and will continue to implement the program each year as funds allow.</u></p> |

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| <p>Objective 2: Promote and encourage the development of housing opportunities to accommodate current and projected housing need.</p> | |
| <p>Policy 2.A: Promote construction of units consistent with the new construction needs identified in the Regional Housing Needs Assessment (RHNA).</p> | |
| <p>Program 2.A.1 Work with property owners in the development of Specific Plans to guide the development of Urban Activities Center parcels to include residential development.</p> | <p>Not Yet Implemented: In December 2011, the property owners submitted a Specific Plan and General Plan amendment to develop nine parcels that cover approximately 72 acres of Urban Activities Center land. The City is currently working on the Environmental Impact Report (EIR) for the proposed Specific Plan.</p> |
| <p>Policy 2.B: Mitigate governmental constraints to the accommodation of special needs residents.</p> | |
| <p>Program 2.B.1 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.</p> | <p>Partially Implemented: The City of Laguna Woods participated in the development of the County of Orange Consolidated Plan drafted for the years of 2010 – 2015. While the City provides numerous information pamphlets on an array of resources, they are yet to distribute a resource guide for Orange County homeless.</p> |
| <p>Program 2.B.2 Revise the Laguna Woods Zoning Ordinance to identify zones that will allow the development of transitional housing facilitate transitional</p> | <p>Partially Implemented: As part of a larger Zoning Code Update that occurred in 2010 and adopted in 2011, the City added Chapter 13.23 to the Laguna Woods</p> |

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| <p>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.</p> | <p>Municipal Code establishing Emergency and Transitional Housing Shelter regulations.- The zoning code will be re-evaluated to ensure proper compliance with Government Code Section 65583(c)(1).</p> |
| <p>Program 2.B.3 Review and revise the Laguna Woods Zoning Ordinance to provide for emergency homeless shelters that serve extremely and very low income households as a by-right use and develop objective standards to regulate emergency shelters as provided for under Government Code Section 65583(a)(4). Evaluate the Neighborhood Commercial (NC), Community Commercial (CC), Highway Commercial (HC) or Urban Activities (UAC) zones for inclusion of emergency homeless shelters as a by-right use.</p> | <p>Implemented: As part of a larger Zoning Code Update that occurred in 2010 and adopted in 2011, the City added Chapter 13.23 to the Laguna Woods Municipal Code establishing Emergency and Transitional Housing Shelter regulations.</p> |
| <p>Policy 2.C Address the housing needs of special populations and extremely low income households through emergency shelters, transitional housing, supportive housing, and single-room occupancy units.</p> | |

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| <p>Objective 3: Encourage and facilitate the development of affordable housing opportunities for all economic segments of the community, especially for extremely- and low-income residents.</p> | |
| <p>Policy 3.A: Recognize the City's leadership role in the maintenance, preservation, improvement, and development of affordable housing.</p> | |
| <p>3.A.1 Encourage and facilitate the development of affordable housing by:</p> <ul style="list-style-type: none"> • Supporting non-profit organizations that address housing issues. • Serving as an intermediary between non-profit organizations and interested residential developers. • 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. • Making available regional and local housing program information to residents, and assisting residents in contacting housing assistance organizations. • Inform interested developers about the range of housing allowed in areas outside of Laguna Woods Village, including housing for families. • Inform interested developers about the State density bonus program incentives available for development of affordable housing program. • Program incentives available for development of affordable housing. | <p>Ongoing: The City is continuing to work with past and present residential developers to promote affordable housing. In the 2009 reporting period, two additional deed restricted affordable unit were created through modifications to a property's Conditional Use Permit. The City will continue to work with future residential developers and to create zoning code ordinances that promote affordable housing.</p> |

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| <p><u>Program 3.A.2 Continue to encourage and facilitate the use of the City’s density bonus provisions to provide affordable housing opportunities. Revise the density bonus provisions in the City’s Municipal Code to be consistent with State density bonus law.</u></p> | <p><u>Ongoing: The City’s density bonus requirement provisions were recently updated in 2013 to ensure compliance with state law to encourage housing for moderate, low and very-low income households.</u></p> |
| <p><u>Program 3.A.3 Develop an inclusionary ordinance that requires new development to contribute toward provision of affordable housing. Standards will address minimum project size, percentage of units to be dedicated as inclusionary housing, definition of affordability required, exceptions to the ordinance, timeframe of affordability, and alternative opportunities for satisfying the inclusionary requirement.</u></p> | <p><u>Implemented: On January 21, 2009 the City adopted Section 13.25 titled Inclusionary Housing to the Laguna Woods Zoning Code.</u></p> <p><u>The City’s inclusionary ordinance requires that new residential development, consisting of five or more units, to provide 15 percent of its newly constructed units to low and/or moderate income individuals. In the case of rental housing, 7.5% of the units would need to be provided each to very-low and low income residents. In the case of for-sale housing, 10% would need to be provided for low income residents and 5% for moderate income residents. Individuals who live or work in the City have first priority to rent or purchase inclusionary units.</u></p> <p><u>The ordinance includes some flexibility in implementation by allowing for the consideration of alternatives to the construction of actual units within a project. This includes (1) off-site construction, (2) dedication of suitable land, or (3) payment of an in-lieu fee.</u></p> |
| <p><u>Program 3.A.4 Encourage residents to apply, when available, for the Section 8 rental assistance program (through County of Orange Housing Authority) for</u></p> | <p><u>Ongoing: The City provides Section 8 housing information and application forms. The City receives information for Section 8 housing through the County of</u></p> |

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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.

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| <p><u>Program 3.A.5 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 CDBG program.</u></p> | <p><u>Ongoing: The City continues to use CDBG funds to fund energy efficiency programs. The city will continue to fund the energy efficient program as CDBG funds allow.</u></p> |
| <p><u>Program 3.A.6 The City has received no complaints regarding any discriminatory actions and will continue to enforce all fair housing law. 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.</u></p> | <p><u>Ongoing: The City provides information about fair housing laws and procedures on request.</u></p> |

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| <p>Objective 4: Facilitate housing, transportation and physical accommodations to aid persons with disabilities.</p> | |
| <p>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.</p> | |
| <p>Program 4.A.1 Establish reasonable accommodation procedures in the Zoning Ordinance and as applicable, the Building Code, to provide disabled individuals or households equal housing opportunity through residential unit modifications intended to improve mobility and accessibility, and to provide the flexibility necessary for developing housing for individuals with disabilities.</p> | <p>Implemented: In 2013 the City adopted a reasonable accommodations ordinance to improve mobility and accessibility, and to provide the flexibility necessary for developing housing for individuals with disabilities.</p> |
| <p>Program 4.A.2 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 mutual's and the Golden Rain Foundation, the principal property owner in the City, to encourage retrofitting.</p> | <p>Not Yet Implemented: 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.</p> |

PROGRESS TOWARD 2006-2014 REGIONAL HOUSING NEEDS ASSESSMENT ALLOCATION

In accordance with State Housing law, the Southern California Association of Governments (SCAG) has prepared a Regional Housing Needs Assessment (RHNA) that quantifies the existing and future needs for housing in each jurisdiction in the SCAG region. In accordance with State Housing law, SCAG

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prepared a RHNA that quantifies the need for housing in each jurisdiction in the SCAG region between 2006 and 2014. The RHNA provides estimates of existing and future housing needs. The existing need is determined from information about current residents, including the number of extremely low and low income families paying more than 30% of income for housing; future need is based on projected growth in the number of households and the number of units needed to maintain a target vacancy rate. State law requiring that new, affordable housing not be concentrated in existing low income neighborhoods also guides the geographic distribution of RHNA dwelling units.

The RHNA consists of two measurements of housing need: (1) existing need and (2) future need. The existing need assessment examines key variables in the most recent Census to measure ways in which the housing market is not meeting the needs of current residents. These variables include the number of low-income families overpaying for housing, as well as severe overcrowding. Future need is based on projected growth in the number of households and the number of units needed to maintain a target vacancy rate.

The RHNA units broken down into the following affordability levels:

- Very Low Income (0-50% MFI)
- Lower Income (51-80% MFI)
- Moderate Income (81-120% MFI)
- Above Moderate income (120+% MFI)

These income levels are based on a percentage of the County's median income for a four person family (\$78,700 in 2007) and are adjusted for family/household size. The table below identifies the income limits of each category, as established by the California Department of Housing and Community Development, for Laguna Woods during the 2006-2014 RHNA cycle.

Annual Income Limit by Household Size

| <u>Income Category</u> | <u>1 Person</u> | <u>3 Person</u> | <u>4 Person</u> | <u>5 Person</u> |
|------------------------|-----------------|-----------------|-----------------|-----------------|
| <u>Very Low Income</u> | <u>27,550</u> | <u>35,400</u> | <u>39,350</u> | <u>42,500</u> |
| <u>Lower Income</u> | <u>38,570</u> | <u>49,560</u> | <u>55,090</u> | <u>59,500</u> |
| <u>Moderate Income</u> | <u>60,610</u> | <u>77,880</u> | <u>86,570</u> | <u>93,500</u> |

Source: City of Laguna Woods Housing Element, amended January 21, 2009

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The allocation for new construction units by income category for the City for the period of 2006-2014 is indicated in the following table:

Total Construction Need by Income 2006-2014

| <u>Very Low</u> | <u>Low</u> | <u>Moderate</u> | <u>Above Moderate</u> | <u>Total</u> |
|-----------------|------------|-----------------|-----------------------|--------------|
| 25 | 23 | 27 | 60 | 135 |
| 19% | 17% | 20% | 44% | 100% |

Source: City of Laguna Woods Housing Element, January 21, 2009

The City has a site that is approximately 3.3 acres zoned High Density Residential to provide opportunities to accommodate the previous RHNA allocation. This site still remains undeveloped.

The City continues to advance policy to meet existing and future housing need and satisfy the intent of the Housing Element. In an effort to ensure that new development provides its fair share of affordable housing, City staff has added inclusionary housing standards in the City's municipal code.

APPROPRIATENESS OF PREVIOUS HOUSING ELEMENT GOALS, POLICIES AND PROGRAMS

The 2008-2014 housing element established a comprehensive and firm basis for the City to move forward towards the achievement of the element's goals and policies, and programs. As a result many of the programs were achieved or implemented as shown in the table in the previous section. Some major accomplishments of the previous housing element were:

- Implementing an Inclusionary Housing Ordinance
- Implementing a Reasonable Accommodations Ordinance
- Ensuring compliance with the Density Bonus regulations
- Establishing guidelines for homeless shelters and transitional housing
- Acquiring funding for the improvement of existing affordable housing through CDBG grants
- Completion of the San Sebastian residential project which added 134 new units of which 15 are affordable

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Of the programs that have not been fully implemented this was largely as a result that the City could not initiate them independently. The implementation of the Village Activities Center Specific Plan (formerly the Urban Activities Center Specific Plan) required a submittal from the property owner. However, the property owner has been working with the City to get a plan approved. Another item is the development of the one parcel designated within the City to accommodate the City's RHNA allocation. Since the City is not in the position to be a residential developer nor is it the owner of the subject property the development of the property is largely at the discretion of the property owner.

As a result of the implementation of the 2008-2014 Housing Element several programs were able to be removed due to their full implementation and programs that are ongoing will continue to operate accordingly. With a change in development outlooks and paradigms since the last housing element update the major change and new program to be implemented in this housing element is accommodating for the development of mixed use (residential/commercial) development on commercially zoned sites.

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

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November 6, 2013

Christopher Macon
City Manager
City of Laguna Woods
24264 El Toro Road
Laguna Woods, CA 92637

Dear Mr. Macon:

RE: City of Laguna Woods' 5th Cycle (2013-2021) Draft Housing Element Update

Thank you for submitting the City of Laguna Woods' draft housing element received for review on September 9, 2013, along with additional revisions received on November 1, November 4 and November 5, 2013. Pursuant to Government Code Section 65585(b), the Department is reporting the results of its review.

The Department conducted a streamlined review of the draft housing element based on the City meeting all eligibility criteria detailed in the Department's Housing Element Update Guidance. A telephone conversation on October 29, 2013 with Mr. Brian Kurnow, Planning Manager, facilitated the review. The draft element with revisions meets the statutory requirements of State housing element law. The element will comply with State housing element law (Article 10.6 of the Government Code) once adopted and submitted to the Department, pursuant to Government Code Section 65585(g).

Please note, to remain on an eight year planning cycle, pursuant to Senate Bill 375 (Chapter 728, Statutes of 2008) the City must adopt its housing element within 120 calendar days from the statutory due date of October 15, 2013 for SCAG localities. If adopted after this date, the City will be required to revise the housing element every four years until adopting at least two consecutive revisions by the statutory deadline (Government Code Section 65588(e)(4)). For more information on housing element adoption requirements, please visit the Department's website at: http://www.hcd.ca.gov/hpd/hrc/plan/he/he_review_adoptionsteps110812.pdf.

Public participation in the development, adoption and implementation of the housing element is essential to effective housing planning. Throughout the housing element process, the City should continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly available and considering and incorporating comments where appropriate.

Mr. Christopher Macon
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The Department is pleased to inform the City that 4th cycle housing element compliance meets one of the threshold requirements of the Housing Related Parks (HRP) Program which rewards local governments for approving housing affordable to lower-income households. The HRP Program, funded by Proposition 1C, provides grant funds to eligible local governments for every qualifying unit permitted since 2010. Grant awards can be used to fund park-related capital asset projects. The HRP Program 2013 Notice of Funding Availability (NOFA), released October 2, 2013, announced the availability of \$25 million in grant funds to eligible applicants. Applications are due January 22, 2014. Further information about the HRP Program is available on the Department's website at <http://www.hcd.ca.gov/hpd/hrpp/>.

The Department appreciates the hard work and dedication of Mr. Brian Kurnow in preparation of the housing element and looks forward to receiving Laguna Woods' adopted housing element. If you have any questions or need additional technical assistance, please contact Fidel Herrera, of our staff, at (916) 263-7441.

Sincerely,



Jennifer Seeger
Housing Policy Manager