



February 14, 2022

Re: [Laguna Hills December 21, 2021 Draft Housing Element](#)

Dear Mayor Wheeler, Mayor Pro Tem Heft and Councilmembers Caskey, Pezold and Sedgwick,

We are adding to our comments about the housing element draft - representing the Welcoming Neighbors Home (WNH) Initiative, a ministry of Tapestry Unitarian Universalist Congregation – which has members who live in Laguna Hills.

During the Public Comments for the housing element discussion at the January 11, 2022, City Council meeting, Mr. Nick Buchanan, who said he has an ownership in the **commercial center on La Paz Road at McIntyre**, suggested that location would be a good place for housing. We concur and **ask that you add it to the site inventory with a commitment to zone it with a mixed-use overlay that would require at least 15% of the housing units to be for people with very low incomes.**

We ask that the City will **reach out to all commercial landowners to explore their interest in adding housing to their business properties AND implement a Mixed Use Overlay that will require 15% of the new housing units to be affordable to extremely low, very low and low income categories.**

Because of the [No Net Loss law](#) (SB 166 – 2017), with all of the housing in the Village at Laguna Hills project planned to only for moderate income and above moderate income (as proposed currently in the housing element), **this will put a lot of pressure on the City to find sites for lower income housing.** If you are limiting the number of sites you will be including in the proposed housing inventory, **consider fair housing laws and the impact of concentrating certain types of housing in particular areas. It's desirable to spread lower income housing out so all people have fair access to shopping, schools, transit, jobs, and other amenities.**

For easy reference, as you again consider the housing element, we note here again our previous comments:

**We agree with City Manager’s Rosenfield’s comment that input from the Council on proposed policies and programs in the housing element would be beneficial.** As we understand it, the policies and programs are an important component of the review to be done by the California State Office Housing and Community Development (HCD).

PlaceWorks staff noted the **following programs had relevance to Laguna Hills** – and they noted that they were interested in City Council input about these ideas. *We think inclusion of these policies/programs would strengthen the housing element and make it more likely to be found to be in compliance.*

1. The latest draft of the housing element includes a plan to consider an **Inclusionary Housing Policy** – which would be **similar to the “RHNA Ordinance”** that Mayor Wheeler had suggested when the housing element draft was first discussed with the Council in October 2021. **We urge you to strengthen this program in the housing element by committing to commission a feasibility study within 1 year of the housing element being adopted.** We recommend that the ordinance include a 15% requirement of affordable housing production at extremely- low, very- low- and low-income categories and that it apply to all residential projects. The ordinance should be flexible to allow for the development of affordable housing onsite, off site or provide for an appropriate in lieu fee option. We recommend an in-lieu fee option in the range of \$10,000 to \$15,000 per unit, or \$10 to \$15 per square foot, to go along with this policy. The in lieu fee must be calculated to achieve the gap financing needed to create affordable housing and be used to leverage additional state and federal housing funds.
2. **Mixed-Use Housing Overlay** - Mixed-use developments provide residential units along major corridors and can provide significant opportunities for affordable housing development. A Mixed-Use Housing Overlay would allow for the integration of housing with other uses on underutilized commercial or industrial sites while retaining existing commercial/industrial square footage usage to provide services to new residents and the surrounding community. The City should require 15% of housing to be affordable at the extremely- low, very- low and low-income levels in the mixed-use zoning – so that future developments will help contribute to the meeting the City’s RHNA (Regional Housing Needs Allocation).
3. **Affordable ADU Program** – We suggest the city pursue grant funding to start an ADU program that would incentivize homeowners to create an affordable rental unit on their property. This program would offer homeowners assistance for financing (e.g. an ADU Forgivable Loan Program), designing, and permitting ADUs in exchange for a

deed-restricted, affordable ADU. In addition, the City should implement a monitoring program to track the creation and affordability of ADUs.

4. **Congregational Housing Overlay** - A Congregational Housing Overlay Zone provides an opportunity for the development of affordable housing on religious sites while retaining the existing religious use. The overlay would provide 100% affordable units on congregational sites, with a focus on extremely- low, very- low and low-income categories.
  5. **[Adaptive Reuse Ordinance](#)** streamlines the regulatory process for converting non-residential buildings into affordable housing. This ordinance applied in the building of the [Santa Ana Arts Collective](#).
  6. **Land Value Recapture** is a concept gaining interest and traction among economists and municipalities. **This method seems particularly applicable to the Village project – but would pertain to other future developments.**
    - a. **“Land value recapture** is based on the observation that plan approvals – a public action – considerably increase the value of land by increasing what can be built (e.g., higher-density housing) on that land. It stands to reason that some of the increased land value should be recaptured by the public in the form of community benefits in the affected neighborhoods, that could bring additional public facilities and/or affordable housing to the city’s communities and the development on it.” ([DOWNTOWN COMMUNITY PLAN COMMUNITY BENEFITS PROGRAM](https://planning.lacity.org/odocument/2c541d44-8b58-478b-b2af-bedcc60271f7/Community_Benefits_Summary_PH_draft.pdf) [https://planning.lacity.org/odocument/2c541d44-8b58-478b-b2af-bedcc60271f7/Community\\_Benefits\\_Summary\\_PH\\_draft.pdf](https://planning.lacity.org/odocument/2c541d44-8b58-478b-b2af-bedcc60271f7/Community_Benefits_Summary_PH_draft.pdf))
    - b. Developed property has had tremendous gains over the last 30 years, especially in California. This increased value and wealth should also accrue to the city and its residents commensurate with this value escalation.
  7. **Linkage Fees**
    - a. **Los Angeles has an Affordable Housing Linkage Fee** (Linkage Fee). “This ordinance, adopted December 13, 2017, established a fee per square foot on certain new market-rate residential and commercial developments to generate local funding for affordable housing production and preservation. The fee varies by the type of use and by geography across the city.”<sup>1</sup> It is similar in concept to a Quimby Fee, and is structured to generate funding for housing and neighborhood improvement – such as parks.
    - b. We suggest that Laguna Hills explore this concept in relation to the **Village, and future developments**, by consulting with an economic expert familiar with the concept. This could ensure that the city and the taxpayers receive appropriate value out of the development.
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We expect that PlaceWorks could provide you with more information about these programs. But if other speakers are needed, we can recommend some to you.

**We think the adoption of the above policies and programs would make the housing element much stronger and help ensure that there is a more balanced approach to development in the future in Laguna Hills.**

Please feel free to contact Rona Henry at [rona.s.henry@gmail.com](mailto:rona.s.henry@gmail.com) if you have questions.

Sincerely,

Rona S. Henry, Chair  
Welcoming Neighbors Home Initiative  
Tapestry, a Unitarian Universalist Congregation

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