



To: Laguna Beach City Councilmembers and Planning Commissioners

From: Rev. Kent Doss, Minister, Tapestry, a Unitarian Universalist Congregation
Rona Henry, Chair, Welcoming Neighbors Home Initiative

Date: April 5, 2020

Re: Draft 6th Cycle Housing Element

CC: Paul McDougall, Chelsea Lee, Marisa Prasse & David Navarrette – California Department of Housing and Community Development

The Welcoming Neighbors Home Initiative is a ministry of Tapestry, a Unitarian Universalist Congregation. Our members live in Laguna Beach and in the neighboring communities of Laguna Woods, Lake Forest, Mission Viejo and in other nearby cities. As concerned citizens, we work to serve and advocate for people who are experiencing homelessness, who are at risk of losing their homes and those with low incomes who live and work in our communities.

We are very proud of our local cities and the quality of life they enable us all to have. At the same time, we are concerned about the increasing problem of homelessness for the most vulnerable of us and the lack of affordable housing for many other residents. Lack of attainable, workforce housing for lower-income families and individuals is a continuing crisis in Orange County.

Affordable housing in Laguna Beach is very limited, and is an important priority for the sustainability of a vital city. Having a variety of housing types and a diversity of households builds a stronger community. Not only will more affordable housing help create opportunities for those currently facing increased rents, but it can support the ongoing vibrancy of a critical economic engine of the city—restaurants, retail and hotels.

The comments below reflect a review of the **Draft Housing Element—6th Cycle**:

Outreach:

We are participants in several cities in review of the 6th cycle Housing Elements. We see a need for the City to improve its efforts to reach out to those who are lower income, and to various institutions who support those who need increased support. Most of the “community outreach” was conducted with standing committees and commissions and was not conducive to public comment. Many of the meetings were focused on comments by the consultant, staff and commissioners. In addition, some of the cities we find who have the best public participation reached out to service organizations and homeless providers in a proactive way, to find the best local solutions and data. In addition, we are not

aware of any intentional outreach to communities of color or to non-profits serving communities of color.

As a data point in review of the household income data, it states that 18.4% of households are very low income (living under 50% of the median income or living under \$57,650 for a family of two. It also states that **10% are extremely low income** -living under 30% of the median income or living **under \$30,800** for a family of two. These are the most housing vulnerable in the city in addition to those who are unhoused.

In addition, the latest version of the Housing Element document was made available within a week of this hearing, making it difficult for residents and other concerned groups to review.

Analysis section:

Employee needs for affordable housing

Laguna Beach has a reported 11,778 workers.

1.Does this number of workers include construction trades who come into the city for the day for once or more times, or housekeepers, service workers or child care providers who are not full-time and may come to work in Laguna Beach once a month or week?

2.Employment trends show the largest employee classes as Education and Social Services and Professional Services, and large portions also in Finance and Retail. Please include some analysis of employees and their incomes, and where they travel from.

3.Who is housing the employees who work in Laguna Beach? What percent of workers live in Laguna Beach? As examples-What percent of public servant/city employees live in Laguna Beach? What percent of school district employees live in Laguna Beach? We see in the program section you intend to support this group. It would be important to understand the problem more deeply.

Housing Conditions:

The Element states that the median monthly rent is \$2,299 a month.

1.Under housing conditions, please provide information on the conditions of rental housing based on the age of developments. It may be important to know how many rental housing developments may need rehabilitation to be maintained.

2.Please provide an inventory of housing that is ADA compliant for rental housing. The analysis states that there are 3,533 persons with some type of disability, which represents 16% of the city population. Of those 65 and older, 10% experience ambulatory disability.

Furthering Fair Housing:

We see little evaluation of past practices of the City of Laguna Beach that have led to less opportunities for all economic segments. The evaluation discusses a countywide perspective.

1.Outreach to lower income residents could uncover ongoing practices that are not furthering fair housing.

2.In addition, we recommend further analysis of land use practices that stifle the ability to build a mix of housing units, or maintain existing rental housing stock.

Section 3.3.2 Cost of Housing

We recommend that the city do more analysis of the cost of construction of extremely low and very low income units in Laguna Beach, to more greatly understand that the partnership with a developer involves some significant support from the city in terms of incentives. In addition, the example of using 50 units/acre should be reflected in the potential zoning of sites in the programs. To accommodate very low income units, it may be necessary for some sites to have zoning capacity of 50 units/acre.

Currently the section states:

The cost to construct an affordable housing project in Laguna Beach would be on the order of \$400,000 per (modest-sized) unit. If the developer paid \$125 per square foot for the land, that would result in a cost of \$110,000 per unit, assuming an FAR of just below 1 and corresponding to a density of 50 units per acre. The total cost of land and building, based on these assumptions, would be \$510,000 per unit.

Section 3.3.3 Cost of Land

The city document states in the next section: *To counteract limited land availability, the City promotes innovative housing concepts such as mixed-use development, second units, work/live quarters, mobile homes, and the rehabilitation of existing historic homes.*

In the document, the city should document where these units have been built in the last Housing Element cycle and how this will be promoted specifically. Our understanding is those who have promoted the development of a new work/live housing development faced very difficult approval processes.

Policy and Program Section:

Overall the Housing Element is difficult to read in the policy and program sections and potentially will lead to poor implementation. We recommend the consolidation of sections of the policy and program. In some cases the policy is more specific than the program. This leads to confusion.

Inclusionary Housing:

The city has had an ongoing inclusionary policy to secure affordable housing as a part of new construction. This is a practice that many cities adopt, and is one of the most important tools to provide new housing for all economic segments in the city.

We strongly recommend clarity in your inclusionary housing program. Currently the language is vague and difficult to implement.

We urge the City to amend the draft Housing Element to identify **a key income targets ---as other cities have done such as the City of Irvine and City of San Clemente**. Otherwise, it is both unclear to staff what is required, and unclear to developers about the city's intentions. Later we recommend tying your incentives to the achievement of these targets.

1. **Amend the Inclusionary Policy** below to identify key targets for needed income groups rather than being vague:

Existing Language with edits provided in [Tracked Changes](#)

HE 2.4

Require that 25% of the total number of units or lots, whichever is greater, in new subdivisions of two or more residential units or lots and 25% of new development of three or more units on existing building sites be affordable to extremely-low-, very-low-, or low- ~~or moderate~~-income households or persons. All efforts shall be made to accommodate very low and extremely low income units. At least 10% of the new units will be made affordable to very low and extremely low income, and the remaining 15% be affordable to low income. The affordable units may be provided either on- or off-site within the city. An in-lieu housing fee may be substituted for each lot or affordable unit in the project if there are 10-4 or fewer residences in the development. This requirement shall be applied to all subdivisions and new residential development. The in-lieu housing fee shall be adjusted annually based on the weighted average sales price per acre square foot of developed residential land sales in Laguna Beach within the prior 12-month period, and such fee may be adjusted as needed determined in accordance with the implementation of Action 1.8.3, Action 1.9.2 and Action 2.4.1.the City's policy.

2.Amend the incentives program to particularly incentivize at higher levels those who are building very low and extremely low income housing—the biggest need in the city.

HE 2.8

Provide incentives (e.g., density bonus, parking reductions, fee reductions/exemptions, assistance with federal and other funding applications, liberalized development standards, fast-tracking) to developers of projects that include extremely-low-, very-low- and low-income housing units. Provide increased incentives to deeper affordability and a schedule indicating levels of incentives.

Program 2: Zoning Toolbox

Zoning and other tools are the key to the city unlocking the potential to support housing for various income groups that the market cannot easily provide.

We recommend you amend the following:

Create an Evaluate a potential amendment to the R-3 Zone to allow multi-family housing restricted to extremely-low- to low/moderate-income occupancy as a permitted use, rather than a conditionally permitted use.

Program 6: Special Needs Housing

Many of the programs in the Element provide broad language. In addition, the special needs housing section only addresses homelessness and not adequately. There are many types of special needs including those with disabilities. You indicate that 16% of the city population has a disability.

We are providing the below as one example of where further actions could be identified more clearly. We imagine the city staff already know if the zoning ordinance is not in compliance. We recommend the following:

Amend Review the Zoning Ordinance for conformance with AB 2162 (Supportive Housing) requirements to allow supportive housing by-right in zones where multi-family and mixed uses are permitted and to remove minimum parking requirements for units occupied by supportive housing residents if the development is located within one-half mile of a public transit stop.

The population with the highest increase in population are those over 65.

What affordable housing construction programs are specifically addressing this need?

Program 8: Preservation of housing

Rental Housing Preservation:

One of the emerging issues in cities is the loss of rental housing that is affordable. There is little in the Element that could be found on a more specific and targeted effort to seek and then offer financial incentives to owners to maintain rental housing at an affordable rate.

See this program as an example:

Continue to support aging in place and support for extremely low and very low income residents through amortization and abatement agreements, or rehabilitation funds which allow residents to remain on the property under specified conditions to improve the property.

Long Term affordability

We recommend that affordability be required for at minimum 30 years, and with other subsidies potentially for the term of the housing life. Many cities have faced creating these opportunities only to find they lose affordability. This is especially critical for Extremely Low and Very Low income units.

See this language in the Draft that is very broad and inconclusive and our tracked changes recommended:

Impose adequate conditions of approval on projects that include extremely-low, very-low, low-, and moderate-income housing, to ensure that affordable units will continue to be priced at intended levels and that occupancy restrictions related to income and age will continue to be observed for a term of at least 30 years.

Program 7: Partnerships:

We applaud the City's interest in engaging churches and other faith institutions in potentially providing affordable housing on-site. As a faith institution we offer the following recommendation:

Conduct outreach to ~~faith institutions churches~~ to increase their understanding of the benefits the city can provide to them as they consider their sites as potential affordable housing sites. Create expedited planning processes, and allow housing by-right on faith institution sites. ~~provide information on state law regarding developing housing units on church parking lots.~~

Other:

~~Institutional zoning doesn't allow housing without a conditional use permit?~~

~~Incentives are what?~~

HE 1.12 Sustainability in construction

Given the climate of southern California and the need to become more sustainable as cities, we urge the city to adapt the Element to reflect clearer encouragement of the adaptation of roofs, and increase of solar panels. The current language is broad and not reflective in the program section.

Thank you for the opportunity to comment and for your service.