

City of Laguna Beach
AGENDA BILL

16

No. _____
Meeting Date: 9/10/2019

REGULAR

SUBJECT: AFFORDABLE HOUSING TASK FORCE FIVE-MINUTE REPORT, REQUEST AUTHORIZATION TO RECEIVE FUNDING THROUGH THE STATE OF CALIFORNIA'S SB 2 PLANNING GRANT PROGRAM, AND AUTHORIZE STAFF TO DISTRIBUTE THE REQUEST FOR PROPOSALS (RFP) FOR AFFORDABLE HOUSING RELATED STUDIES AND PROGRAMS.

SUMMARY OF THE MATTER:

This report includes 3 separate topic areas;

- 1) A 5 minute oral report at the September 10, 2019 City Council meeting from the Chair of the Affordable Housing Task Force;
- 2) SB 2 Planning Grant Program; and
- 3) Authorize Request for Proposals (RFP) Process for affordable housing related studies and programs if SB 2 funds are awarded.

Background:

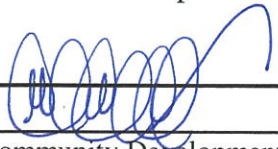
At the February 6, 2018 City Council meeting, the City Council appointed an eleven-member Task Force to identify dedicated funding sources for affordable housing as identified in the action programs listed in the 2014-2021 Housing Element of the General Plan (Action Programs 15 and 17). The mission of the Task Force also includes consideration of other associated programs within the Housing Element tied to funding for the development of affordable housing opportunities for long-term extremely low-to-moderate-income housing for seniors (62+), family housing for younger adults (25-44), and other special needs groups (Action Programs 8, 16, 26, and 27). As discussed in detail within the attached report, the Task Force recommends that the Council support the following actions:

- A. Create incentives within identified locations, zones, or areas for future affordable housing units.
- B. Secure available funding sources and tax credits to establish long term community programs that create affordable housing inventory, including Senate Bill 2 (SB 2) grant funds.
- C. Encourage community awareness to create Affordable Housing through awareness programs.

(Continued)

RECOMMENDATION: It is recommended that the City Council: (1) receive a 5 minute report from the Chair of the Affordable Housing Task Force; (2) adopt a resolution required by the State of California in order to apply for funding through the SB 2 Planning Grant Program; and (3) if SB 2 funds are awarded, direct the Community Development Director to proceed with distribution of an RFP to explore Affordable Housing Task Force Recommendations.

Appropriations Requested: \$ None

Submitted by: 
Community Development Director

Fund: _____

Coordinated with: _____

Attachments: Affordable Housing Task Force Report;

Resolution

Approved: 
City Manager

Housing Shortage Declared in the State of California

As reported by the California Department of Housing and Community Development (HCD), over the past 10 years, development of new housing production in the state of California has averaged less than 80,000 new units each year, which is below the projected need of 180,000, due to factors such as an increase in population growth, overcrowding and cost-burdened households. The Governor has declared the loss of units as a state of emergency pursuant to the California Emergency Services Act. As a result, in 2017 and 2018, the California Legislature signed multiple housing bills aimed to address the state's housing shortage and need for affordable housing. As a result, staff believes that all jurisdictions in the state of California will be required to plan for a greater number of affordable housing units than previously required. As such, the Affordable Housing Task Force recommends several options that support the development of affordable housing, including attainment of available funding sources and tax credits, including Senate Bill 2 (SB 2) planning grant funds, as further described below.

SB 2 Funding Opportunity

In 2017, the California Legislature enacted SB 2, the Building Homes and Jobs Act Trust Fund. This bill establishes a \$75 dollar recording fee on real estate documents to increase the supply of affordable homes in California. Specifically, the revenue generated from SB 2 is intended to be a permanent source of funding available to local governments for affordable housing purposes. On March 28, 2019, the Department of Housing and Community Development (HCD) released a Notice of Funding availability under SB 2 to all eligible local governments in California to adopt, and implement plans and process improvements that advance the goals of providing affordable housing production through a noncompetitive grant process. The City could be eligible for up to a maximum award amount of \$160,000. The deadline to submit the application is November 30, 2019. Staff recommends the City Council authorize staff to proceed with the submittal of an SB 2 Planning Grant program application to include the following four (4) planned activities.

- 1. A Planning Study to Explore the Opportunities and Constraints of the Affordable Housing Task Force Recommendations:**

In summary, the recommendations of the Task Force include securing available funding sources and tax credits to establish long term community programs that create affordable housing. Such programs could include, federal, state and county funding, a community land trust, a housing trust fund, affordable housing grant program, or loan modification program. Additionally, the Task Force made several recommendations with regard to potential affordable housing sites and corridors for possible infill and adaptive reuse opportunities to support affordable housing for extremely low-to-moderate-income housing for seniors (62+), family housing for younger adults, and other special needs group. Other recommendations include the development of incentives to encourage the development of accessory dwelling units, and affordable housing units through bonuses and flexible zoning standards. If awarded, grant funds would be used to hire a housing consultant to explore the opportunities and constraints of the Task Force recommendations.

2. Creation of a Loan Modification Program

On October 9, 2018 the City Council approved a revised Accessory Dwelling Unit Ordinance that would provide for the implementation and inclusion of a 0% deferred home modification loan program for low to moderate-income seniors 62 years and older seeking to create an ADU. Staff believes there is an opportunity to develop an expanded loan modification program for affordable housing for younger adults (25-44), and other special needs groups, as recommended by the Affordable Housing Task Force. If awarded grant funds, staff would come back with a recommended program at a future meeting date.

3. Creation of an Affordable Housing Inventory & Monitoring Program

On October 9, 2018 the City Council approved the implementation of a Monitoring Program for ADUs, which would include an annual monitoring, verification and reporting program for Accessory Dwelling Units (ADUs). This program would monitor ADUs that are deed-restricted for low- to moderate-income persons, senior units and owner-occupancy. Staff believes this program should be expanded to include the monitoring of all affordable housing units in the City besides ADUs. If grant funds are awarded, staff would return to the City Council with a recommended program at a future meeting date.

4. Expedited Processing

The SB 2 application may also include a request for assistance with efforts to enhance the City's web platform for Municipal Code and Zoning information, and to modernize and improve planning and permit database software processing. The City intends on purchasing a Cloud Based Land Management System (LMS) to enable it to create, manage and track Planning/ Zoning applications and activities, Building Permits, Building Inspections, and Code Enforcement actions. The new LMS will be required to maintain and improve the current levels of productivity, efficiency, and customer service with the high volumes handled by the City. If grant funds are awarded, they could be used to supplement these existing efforts.

Timeline

If grant funds are approved, staff anticipates a request for proposal (RFP) to help staff implement these efforts could be released by the end of December 2019. If awarded, grant funds must be expended by the end of the grant term period, which runs from March 28, 2019 to June 30, 2022.

Council Action Requested:

- A. Authorize the City Manager to apply for funding through the State of California's SB 2 Planning Grant Program up to a maximum of \$160,000.00 per the attached resolution.
- B. If awarded a grant, then authorize the Director of Community Development to proceed with a release of a request for proposal (RFP) for a qualified consultant to assist the City with implementation of the items described in this report.

**AFFORDABLE HOUSING TASK FORCE
RECOMMENDATIONS
May 16, 2019**



Affordable Housing Task Force – City of Laguna Beach

Affordable Housing Task Force Members:

Louis Weil (Chair)

Karin Martin (Co-Chair)

Allison Mathews

Gary Boisen

Jane Fulton

Marcus Skenderian

Chris Quilter

Robert Reed

Anne Johnson (Planning Commission Liaison)

Deborah Neev (Design Review Board Liaison)

Staff Liaisons:

Greg Pfof (Director of Community Development)

Monique Alaniz-Flejter (Associate Planner)

Garrett Wank (Planning Technician)

Table of Contents

Introduction & Background.....4-5

Executive Summary.....6

Section I: Land Use.....6-10

Section I: Maps (Potential Affordable Housing Sites and Zones).....11-19

Section II: Funding Opportunities.....20-22

Section III: Problem/Challenges.....23

Section IV: Recommendations and Solutions.....24

Appendix A: Definitions.....25-27

Memo from Task Force Regarding ADUs (August 1, 2018).....28

Supporting General Plan Housing Element Programs.....29-31

Appendix- 2019 State Income Limits for Orange County.....32

Affordable Housing Task Force Meeting Minutes.....33-49

INTRODUCTION:

Over the last 13 months the Affordable Housing Task Force has been deliberating the affordable housing challenges that Laguna Beach faces. Throughout the process it was recognized that there is not one solution for provision of affordable housing in a small coastal town rather a culmination that includes 1) changes to policy 2) local, state and private funding resources and 3) community education to create scalable impacts. With these considerations, the Task Force supports this document, with our findings, the recommendations and conclusions.

BACKGROUND:

On August 22, 2017, the Laguna Beach City Council established an Affordable Housing Task Force, as proposed in our state-mandated 2014-2021 Housing Element. At that meeting, the City Council authorized the establishment of the Affordable Housing Task Force whose mission was to identify funding sources for affordable housing. In addition, the Housing and Human Services Committee recommended that the Affordable Housing Task Force also provide additional recommendations tied to the programs identified in the Housing Element pertaining to Affordable Housing opportunities.

The focus of this effort is to identify funding sources for the development of long-term extremely low- to moderate-income housing for seniors (62+), family housing for younger adults (25-44) and other special needs groups, as well as to identify potential sites or zones in the City with the potential to be developed as affordable housing in the following income categories.

- Extremely Low-Income (less than 30% of the area median family income)
- Very Low-Income (No greater than 50% of the area median family income)
- Low-Income (Less than 80% of the area median family income)
- Moderate-Income (Up to 120% of the area median income)

Note: The 2019 Orange County Median Income is \$97,900.00 based on 4-person household.

Furthermore, the task force identified the programs in the current Housing Element that could support Affordable Housing within Laguna Beach. Laguna Beach is one of California's most expensive residential price per square-foot cities, it has limited buildable land and is not only part of the Coastal Zone but it also has much of the area identified has a high wildfire hazard area and tsunami danger areas. Laguna has always prided itself on its inclusionary culture and its citizens have worked to create multiple opportunities for housing (sanctioned or not). Unfortunately the limited available stock of affordable housing is scheduled to decrease. For example, in 2019, 15 units of Section 8 senior housing at Harbor Cove were lost because the affordable contract expired resulting in a 10% loss of the city's already small inventory. Without a plan to sustain the loss of affordable units, this could adversely affect affordable housing goals set in the Housing Element.

California's Governor and state officials have put California's communities on notice of a "Statewide Housing Crisis". Numerous new state laws continue to push ambitious housing goals and set new precedents with substantial penalties for communities that fail to act. Faced with these realities, can our community create sufficient affordable housing to satisfy the state's current and future requirements? Will Laguna Beach do its part?

The Task Force believes Laguna Beach can and will! Our hope is that this document becomes a beacon of an “Affordable Housing Conversation” within our community. We strongly believe that availability of Affordable Housing must be safeguarded to sustain and enhance the economic and cultural diversity of Laguna Beach. Prior generations of Laguna have been comprised of diverse economic, living, working, and creative classes. This diversity is part of the fabric of our town and has been since its inception in 1927.

The task force began by identifying six core programs within the Laguna Beach Housing Element that targeted Affordable Housing (Housing Element Programs 8, 26, 27, 15, 16 & 17). Through this process the group identified two common themes amongst the programs and agreed that two necessities had to be addressed; 1. Land and, 2. Funding. Both are vital links to creating Affordable Housing within Laguna Beach. These two initial themes were later formalized as; 1. Identifying Affordable Housing Locations, Zones or Areas for Future Affordable Housing Developments. 2. Secure Available Funding Sources, Incentives and Tax Credits.

In the Land discussion, the Task Force identified suitable vacant sites, areas, and zones. Additionally, opportunities for small-scale infill, second floor residential, adaptive reuse, and accessory dwelling units (ADU) were reviewed. Especially ADUs within or above existing structures. In addressing funding sources, the group discovered countless county, state, and federal programs to support affordable housing, also deciphering which ones were significant and flexible to appeal as investments despite the high cost of land. Similarly, we explored the benefits of a nonprofit Community Land Trust as a long-term undertaking.

Throughout this document, you will receive our team's findings; regarding the Land and Funding discussion, examples, recommendations, and supplement appendixes that includes our minutes, a glossary of key definitions, and supplemental information. This framework acts broadly in concept as there is no one fix that will solve this growing need for our community. These discussions and options are instead merely touch points, each requiring more specifics from field experts, the community, and staff to create the necessary pathways for Affordable Housing. Those experts will be necessary to research the specific applications and make great efforts to reduce the inconsistencies of the Laguna Beach conflicting city documents. (I.e. General Plan, Specific Plans, and Municipal Codes.) It will take a culmination of various efforts, applications, projects, and funding sources, to allow affordable housing development to occur organically within our community. The Task Force is also grateful for the expertise, guidance, and good will of Director of Community Development Greg Pfost, Associate Planner Monique Alaniz-Flejter and staff.

Finally, we must recognize the 12 former residents of the Harbor Cove community, who shared their stories of losing their homes, and the hundreds of individuals who took an interest in our Affordable Housing Task Force discussion via email or attending the meetings. Even though not all public viewpoints agreed with the Task Force, there was a positive common support for the creation of affordable housing units within Laguna Beach. Like most development issues within our city, growing Affordable Housing Stock harmoniously will need leadership to delicately balance the transparent, creative and open conversations. Because of these, complicated and challenging discussions the group formalized our third theme: 3. Increase community will and awareness to create Affordable Housing Inventory. This will be addressed in our 3rd and 4th sections. (issues and challenges, recommendations and solutions).

EXECUTIVE SUMMARY:

Through our Affordable Housing Task Force discussions and research, it became clear that Laguna Beach has a need to create Affordable Housing Inventory, and that 3 key strategies are necessary in order to do so:

1. Land Use: Create incentives within identified locations, zones, municipal codes or areas for future affordable housing units to be developed over time.
2. Funding: Secure available funding sources and tax credits to establish long term community programs that create Affordable Housing Inventory.
3. Community Will: Increase community awareness and will to create Affordable Housing Inventory;

There are four sections within this document. The first 3 sections identify the discussion points of the task force, provide examples, context, and provide directional comments as they are applied to the; 1. Land Use, 2. Funding Opportunities, and 3. Problems and Challenges. Then, final section 4, is summary of the group's formal recommendations.

- 1. Land Use:** Create incentives within identified locations, municipal codes, zones or areas for future affordable housing units.

The Task Force reviewed a series of maps identifying vacant buildable lots and existing parking lots (City and Privately Owned) with the potential to be developed as affordable housing for various segments of the community as described above. There are five distinct development types that were considered as follows:

- A. Adaptive Reuse
- B. Accessory Dwelling Units
- C. Aging in Place
- D. Infill Development
- E. New Construction / Vacant Land

A. Adaptive Reuse Analysis & Recommendations:

Rehabilitation, renovation, or conversion of existing building(s) or structure(s) for any other use(s) other than the present use(s). For example, the conversion of the GTE facility at the southwest corner of Third Street and Mermaid in Laguna Beach, to low-income housing.



Google Street View

- i. Possible/Suitable Areas
 - o Downtown – The Downtown Specific Plan (DSP) consists of a variety of buildings with conforming and non-conforming uses. DSP to allow Residential on upper floors and adjust for a more applicable approach towards parking needs.
 - o Canyon Business District - Commercial buildings in the Canyon Business District have been converted to student housing for LCAD. The area or sites could better serve the community needs by providing upper floor additions to allow for affordable mixed uses, live/work, senior and student housing.
 - o Coast Highway Commercial – Stretching from North to South Laguna there are a variety of structures that in their current form hinder the owners from upkeep, maintenance and development. The structures in these corridors should be targeted, and the municipal code modified to allow for a long term planned approaches that work to increase the inventory of small affordable residential units on the second floor existing or new structure.
- ii. Amortization/Abatement Locations (this also applies to ADUs)
 - o Possible/ Suitable Areas - Consider a program that would bring exiting illegal nonconforming sites into conformance provided safety concerns have been brought to code and accompanied with a deed restriction for low income and/or seniors.

B. Accessory Dwelling Units (ADU)

ADU is an attached or detached dwelling unit that provides complete and independent living accommodations and facilities for one or more persons and shall be considered ancillary to the main residential building of the allowed zone. The Task Force supports the development of affordable Accessory Dwelling Units citywide in all zones. The current ADU policy is under review at the Coastal Commission, and the Task Force suggests that the Council relook at the recommendations from Planning Commission and create more opportunities for ADUs, not less.

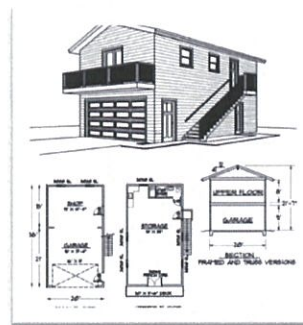


Photo Credit: aarp.org

- **Accessory Dwelling Unit Analysis & Recommendations**



Graphic Credit: Google Images



Graphic Credit: Favething.com

- Possible/Suitable Areas – Planning Commission requested the minimum lot size be at 4,000 square feet and the Task Force Agrees with this minimum and recommends affordable standards be encouraged.
- Consider criteria for all zones possibilities perhaps with deed or contract in years restrictions for low income and/or seniors. ADUs are a keyway to fill the need and they should be considered in all zones along mixed housing corridors vs just R I.
- Consider looking at extending the parking requirements incentives. As an example, an R2 property must have four covered parking spaces. If an R2 property was used as a residence plus an ADU, say for a senior caregiver, perhaps lessen this restriction. The Task Force views the current parking code as confusing and seems to create arbitrary application and interpretations. Allow carports, tandem spaces, smaller parking spaces (for smart cars/golf carts) and parking lifts (they are called out in General Plan as allowed but zoning code is silent).
- Consider establishing a 2 or 3 repeatable building permit pre-approved models of ADUs that would allow streamlined building permits with criteria and design elements. (City of Clovis is trying this out now)

Note: The Task Force Approved and Submitted a letter to council during the ADU Ordinance discussion. That letter is attached.

C. Aging in Place -Amortization Abatement Agreements

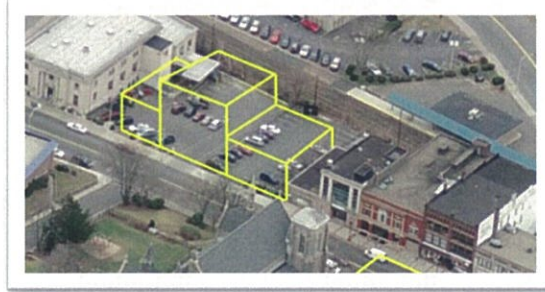
This program was approved by the City Council as recommended by the Senior Housing Task Force to support aging in place in Laguna Beach in cases where there is the following hardships: A) Where verifiable in-home care of a family member or the property owner is needed; B) Where the tenant is a senior age 62 and over; C) Where the owner is a senior age 62 and over and provides proof to the City that the income generated from the rental unit would help the senior age in place. With these circumstances, a person would have the ability to enter into an Amortization and Abatement Agreement which allows the residents to remain on the property until a triggering event occurs, such as the sale of the property or death of the resident, and can also be limited to a certain period of time.



Graphic Source: <https://www.thesusiq.org/>

Note: The Task Force Reviewed the Recommendations of the Senior Housing Task Force Report and are supportive of their recommendations.

- D. **Infill Development-** For the purpose of the task force this was defined as development or redevelopment of land that has been bypassed, remained vacant, and/or is underused in otherwise built-up areas. Infill can also be described as a vacant lot or parcel within the developed areas of the city where at least 80 percent of the land within a 300-foot radius of the site has been developed and where water, sewer, streets, schools, and fire protection have already been developed and are provided.



Graphic Credit: Be HBG (behbg.com)

- **Infill Development Recommendations:**
 - i. Possible/Suitable Affordable Housing Zone/ Areas
Properties were evaluated for the purpose of affordable criteria, affordable unit impact and targeted affordable demographic. (i.e., Senior, Sr. Assisted Living, Live Work, Student, and Affordable, low and extremely low income).
 - Downtown - Discussions with the Planning Commission regarding the Downtown Specific Plan have included the encouragement of housing in the downtown and the hope is to provide flexibility for more housing opportunities and possible changes to land use zoning.
 - Coast Highway Corridors - Opportunities could include amending the municipal code to allow for better 2nd floor addition ratios above commercial spaces, that could allow smaller scale affordable use or live/work spaces to be developed.
 - Canyon Business District – (Opportunities could include amending the municipal codes to allow for better 2nd & 3rd floor addition ratios above commercial spaces, that could allow smaller scale affordable use or live/work spaces to be developed.
 - Vacant Lots with Developable Scale as described under heading New Construction on Vacant Land on page 10.
- ii. Consider the following as it applies to zones and vacant land:
 - Our commercial neighborhoods have around 80+ one-story commercial properties many of which could easily have small apartments totaling more than 300 units
 - Code constraint challenges that need to be revised as current restrictions are not economically feasible, creating older buildings to deteriorate as restrictions make it economically unsound to make improvements. The following changes should be considered to support improvements and Affordable Housing:
Consider:
 - Increase the current ratio of 50% limit on residential 2nd floors above of first floor commercial floor area.

- Consider adjustments to Setbacks, Ground to Sky Open Space Requirements, Parking, etc.
- Development incentives such as a contracted time for affordability to encourage submittal of applications to address:
 - Affordability
 - Small size and scale units
 - Live work

E. New Construction on Vacant Land –

All parcels within the city limits were considered and then narrowed down based mostly on topography or other environmental constraints. The Task Force identified eight possible vacant buildable sites within Laguna Beach based on size and location criteria. Price of land or community concerns must be further considered in future planning discussions. The idea was to explore potential and in some cases these sites met the environmental criteria but could be unfeasible for other reasons. The sites are a combination of privately held and city owned.



Graphic Credit: Bing Images

i. New Build and Vacant Land Analysis & Recommendations (Pages 11-19):

The Task Force reviewed a series of twelve maps identifying vacant buildable lots and existing parking lots (City and Privately Owned). The maps were narrowed down to eight. The ones eliminated were sites deemed not to be feasible housing sites were already under construction, environmentally sensitive properties due to open space or hillside conditions, limited access, oceanfront properties, and city owned parks. Rankings (A, B or C) were established to identify affordable housing opportunities for the location.

A: Site Locations

Demographic Target: Affordable Units

Map 3: Single vacant Lot, 30,000sqft+, located at 113 Canyon Acres Drive,

Map 4: Downtown Zone

Map 7: 2 Lots, Single Owner, 11,000+sqft, located at 31822 Coast Highway

Demographic Target: Sr. Assisted Living or Managed Elderly Care w/ Affordable

Map 5: 8 Lots, 3 groupings of vacant lots, located N. Coast Highway

B: Site Locations

Demographic Target: Affordable Units

Map 2: 2 Lots, Single Owner 20,000+sqft, located at 20950 Laguna Canyon Rd.

Demographic Target: Sr. Assisted Living or Managed Elderly Care w/ Affordable

Map 6: 2 Lots, Single Owner, 10,000+sqft, located at 31526 Coast Highway,

Map 8: 1 Lot, Hospital Owned, 300,000+sqft, located at 31778 Sunset Ave,

C: Site Locations

Demographic Target: Affordable Units

Map 1: 3 Lots, City Owned & Private, 180,000+sqft. 20652 Laguna Canyon Rd.,

Map 5: 8 Lots, 3 groupings of vacant lots, located N. Coast Highway.

Note Public Remarks: Once the sites were identified by the Task Force, the residence and neighborhood organizations of the canyon voiced their concerns regarding an up-zoning suggestion on map 3, Canyon Acres Drive. In summary, their comments were limited in opposition for a site to host an affordable housing project, yet their main opposition was applicable to the zone changes of potential developments (i.e. size, capacities, hazards and parking, etc.).

MAP I

Legend

-  Parcels 2018
-  Very High Value Habitat
-  High Value Habitat
-  Seismic Hazard Liquefaction Areas
-  Streets

LAGUNA ANYON ROAD & RAQUEL ROAD



Task Force Evaluation and Recommendations:

Site Evaluation: “Dog Park”, 3 Lots, City Owned & Private, 180,000+ Sq. Ft. , 20652 Laguna Canyon Road.

- Target Demographic: Affordable Units
- Application Rank: C

Positives for Affordable Housing Project:

- Access to Transportation
- Repurpose could bring positive development
- Public/Private Funding Suitable

Negatives for Affordable Housing Project:

- Building Environment
- Density availability via Up Zone
- Neighborhood Balance

Requests:

- City to Evaluate Purchase of Nursery Site

Opportunities

- Dog Park –City Owned (Site 1 and 2)
- Nursery Site-Potential Infill Site (Underutilized) (Site 3)
- Artist Live-Work (Nursery Site)-Potentially a Permitted Use per Artist Live-Work Ordinance. LBMC 25.16.010 (Site 3)

Regulatory Constraints

- Open Space (Residential Uses-Not Permitted) and General Plan Land Use is inconsistent with residential uses (Site 1 and 2)
- Industrial Zone– Other Residential Use Types Not Permitted in MI-B (Laguna Canyon Annexation Area) (Site 3)
- 25' front setback +Roadway Dedication (50' from centerline of LCR) for new development + Maximum Building Height 31' above base flood elevation (page 37 of LCA SP). (Site 1,2, and 3)
- 100 Year FEMA Flood Plain. Coastal Development Permit Required-Appealable to the California Coastal Commission. Subject to Flood Damage Prevention. (Site 1,2 and 3)
- Laguna Canyon Annexation Area Specific Plan (MIB) Uses specific to Light Manufacturing and Commercial Services. (Site 1,2 and 3)

LAGUNA ANYON ROAD & RAQUEL ROAD

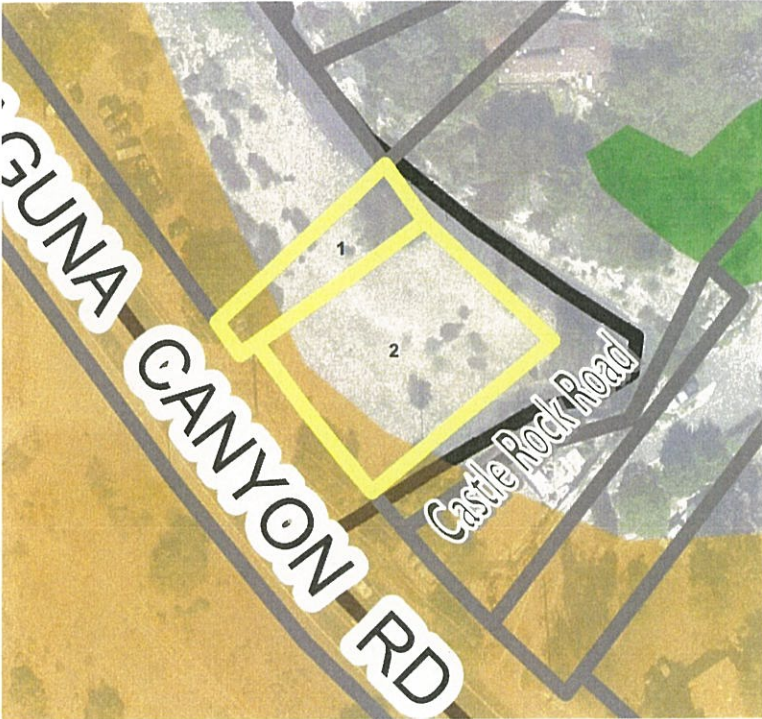
| # | APN | ADDRESS | ZONE | GENERAL PLAN | LOT SIZE (Sq. Ft.) | ENVIRONMENTAL CONSTRAINTS | OWNERSHIP |
|---|------------|-----------------|-------|--------------|--------------------|---------------------------------|-----------|
| 1 | 639-031-26 | | OSC-I | POS-PI | 118577 | Drainage/OSP/VHVH/VHV/FM/VHFHSZ | City |
| 2 | 632-051-02 | | OSC-I | POS-PI | 212809 | Drainage/OSP/VHVH/VHV/FM/VHFHSZ | City |
| 3 | 632-051-23 | 21065 Raquel Rd | M1B | I | 20157 | FM/VHFHSZ | Private |

MAP 2

Legend

- Parcels 2018
- Very High Value Habitat
- High Value Habitat
- Seismic Hazard Liquefaction Areas
- Streets

LAGUNA CANYON ROAD-NORTH OF CASTLE ROCK ROAD



Task Force Evaluation and Recommendations:

Site Evaluation: 2 Lots, Single Owner 20,000 + sq. ft., located at 20950 Laguna Canyon Road

- Target Demographic: Affordable Units
- Application: Rank: B

Positives for Affordable Housing Project:

- Potential Live Work/Student
- Access to Transportation
- Development of site could bring positive uses
- Public/Private Funding Suitable

Negatives for Affordable Housing Project:

- Building Environment
- Density availability via Up Zone
- Neighborhood Balance

Requests:

- City to evaluate additional bonuses to offer for Affordability, hillside development density with scale opportunities.
- Rezone for higher residential density

OPPORTUNITIES

- Accessible from Laguna Canyon Road & Castle Rock Road (Site 1 and 2)

CONSTRAINTS

- Not Currently Available: Approved for 4-Unit Live-Work Project (Permits Issued). One (1) "low-income unit" already approved by Planning Commission for this property with associated 4 unit Live-Work project (CUP 13-1531). (Site 1 and 2)
- With the exception of artist live-work, other residential uses not permitted in the M1A zone (Laguna Canyon Annexation Specific Plan)
- 25' front setback +Roadway Dedication (50' from centerline of LCR) for new development + Maximum Building Height 36'. 50 foot landscape buffer zone when abutting residential zones.
- 100 Year FEMA Flood Plain. Coastal Development Permit Required-Appealable to the California Coastal Commission. Subject to Flood Damage Prevention.
- Laguna Canyon Annexation Area Specific Plan

LAGUNA CANYON ROAD-NORTH OF CASTLE ROCK ROAD

| # | APN | ADDRESS | ZONE | GENERAL PLAN | LOT SIZE (Sq. Ft.) | ENVIRONMENTAL CONSTRAINTS | OWNERSHIP |
|---|------------|--------------------------|------|--------------|--------------------|---------------------------|-----------|
| 1 | 632-061-32 | | M1A | I | 3500 | OSP/FM/VHFHSZ | Private |
| 2 | 632-071-02 | 20000 Laguna Canyon Road | M1A | I | 10545 | OSP/FM/VHFHSZ | Private |

MAP 3

Legend

- Parcels 2018
- Very High Value Habitat
- High Value Habitat
- Seismic Hazard Liquefaction Areas
- Streets

LAGUNA CANYON ROAD-CANYON ACRES DRIVE



Task Force Evaluation and Recommendations:

Site Evaluation: One single vacant lot, 30,000 sq. ft.+, Located at 113 Canyon Acres Drive

- Target Demographic: Affordable Units
- Application Rank: A

Positives for Affordable Project:

- Affordable Housing/Senior/Student
- Access to Transportation
- Development of site could bring positives uses
- Public/Private Funding Suitable

Negative for Affordable Housing Project:

- Building Environment
- Density availability for Up Zone
- Neighborhood Balance/Complaints

Request:

- City to evaluate additional bonuses to offer for affordability, development density opportunities
- Rezone/plan area for higher residential density

OPPORTUNITIES

- R-2 Zone: Two-family dwelling is a permitted use.
- R-2 Zone: Residential housing, special needs is a permitted use as defined in LBMC 25.08.032.
- R-2 Zone: Permitted Use-Artist Live-Work Units –Subject to 25.16 of the Zoning Code. Subject to CUP approval.

CONSTRAINTS

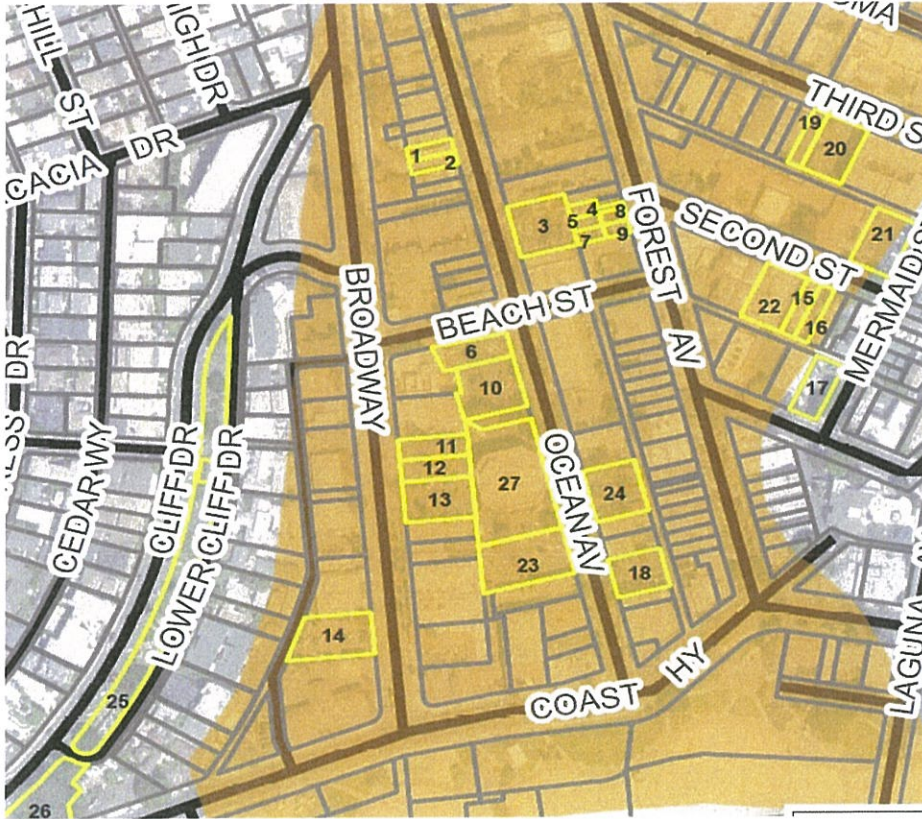
- FEMA Floodplain and Watercourse on property. Coastal Development Permit-Appealable to California Coastal Commission.
- Preliminary neighborhood concerns expressed with regard to density in Canyon Acres, and concerns with safety (i.e. evacuation, neighborhood compatibility, zoning, and fire safety).
- Development Restrictions: Open Space required based on gross floor area of development=40% of GFA=Open Space (60% of the 40% must be ground to sky).
- Maximum Height 25' (Subject to Verification)
- Street Plan Line: 5 feet from Canyon Acres Drive and 50' from centerline of Laguna Canyon Road.

LAGUNA CANYON ROAD-CANYON ACRES DRIVE

| # | APN | ADDRESS | ZONE | GENERAL PLAN | LOT SIZE (Sq. Ft.) | ENVIRONMENTAL CONSTRAINTS | OWNERSHIP |
|---|------------|--------------------|------|--------------|--------------------|---------------------------|-----------|
| 1 | 641-201-21 | 113 Canon Acres Dr | R2 | VMD | 31438 | Drainage/VHFHSZ | Private |

MAP 4

DOWNTOWN (PARKING AREAS)



See Land Use Sections I-1 Adaptive Reuse and I-4 Infill Development for the Affordable Housing Task Force Recommendations

Opportunities:

- Possible new build (infill) over existing parking areas.
- **CBD-I and 2:** Mixed Use allows for one dwelling unit for each 1,000 sq. ft. (V-5)
- Historic structures may be eligible for density bonus at a density of one unit per 1,000 sq. ft. (V-4)
- **CBD-O:** Density bonus (1,000 Per Unit) when 50% of units are committed to long-term, low-income, senior citizen (60 years) and/ or disabled.
- **CBD-O:** Max Building Height of 12' can be exempt with CUP provided that upper floor addition is used for low-income housing for City employees, seniors, and disabled.
- DTSP update may provide more flexibility for affordable units.
- Specific building sites not identified on this map for adaptive reuse. Further research required.
- Adaptive Reuse of Wells Fargo Bank.

Constraints

- Building Height Max 12'
- Lot areas constrained
- **CBD-O:** Number of residential units reduced by one (1) unit for every 1,000 sq. ft. of commercial floor area. (V-8)
- Transit Stop (Site 1 and 2) many parcels.
- Parking restrictions.
- Mixed use limits residential to the second floor.
- **CBDP:** Zoned for Public

| # | APN | ADDRESS | ZONE | GENERAL PLAN | LOT SIZE (Sq. Ft.) | ENVIRONMENTAL CONSTRAINTS | OWNERSHIP |
|----|------------|------------------|------|--------------|--------------------|---------------------------|-----------|
| 1 | 641-254-10 | 362 Ocean Ave | CBD1 | CBD | 1999 | VHFHSZ | City |
| 2 | 641-254-11 | 358 Ocean Ave | CBD1 | CBD | 1965 | VHFHSZ | City |
| 3 | 641-252-09 | 313 Ocean Ave | CBD1 | CBD | 10508 | VHFHSZ | City |
| 4 | 641-252-15 | | CBD2 | CBD | 1762 | VHFHSZ | City |
| 5 | 641-252-19 | | CBD2 | CBD | 1120 | VHFHSZ | City |
| 6 | 641-255-01 | 298 Forest Ave | CBD1 | CBD | 5480 | None | Private |
| 7 | 641-252-23 | | CBD2 | CBD | 1265 | VHFHSZ | City |
| 8 | 641-252-13 | 322 Forest Ave | CBD2 | CBD | 1171 | VHFHSZ | City |
| 9 | 641-252-22 | 324 Forest Ave | CBD2 | CBD | 1348 | VHFHSZ | City |
| 10 | 641-255-02 | 390 Ocean Ave | CBD1 | CBD | 10546 | None | Private |
| 11 | 641-255-19 | 277 Broadway | CBD2 | CBD | 5191 | None | Private |
| 12 | 641-255-18 | 269 Broadway | CBD2 | CBD | 5001 | None | Private |
| 13 | 641-255-17 | 259 Broadway | CBD2 | CBD | 10138 | None | Private |
| 14 | 496-012-25 | 104 N Coast Hwy | CBD2 | CBD | 10313 | CHTree | City |
| 15 | 641-266-16 | | CBD2 | CBD | 2836 | VHFHSZ | Private |
| 16 | 641-266-15 | | CBD0 | CBD | 2796 | VHFHSZ | Private |
| 17 | 641-266-09 | 348 Glenneyre St | CBD2 | CBD | 5506 | None | City |
| 18 | 641-253-22 | 225 Ocean Ave | CBD1 | CBD | 6272 | None | City |
| 19 | 641-264-11 | 361 3rd St | CBD0 | CBD | 2719 | Fault/VHFHSZ | Private |
| 20 | 641-264-12 | 363 3rd St | CBD0 | CBD | 8423 | Fault/VHFHSZ | Private |
| 21 | 641-264-15 | 424 3rd St | CBD0 | CBD | 7773 | VHFHSZ | Private |
| 22 | 641-268-03 | | CBD2 | CBD | 8565 | VHFHSZ | Private |
| 23 | 641-255-05 | | CBD1 | CBD | 13193 | None | Private |
| 24 | 641-253-25 | 235 Ocean Ave | CBD1 | CBD | 9718 | None | City |
| 25 | 496-011-01 | | CBDP | PRP | 29793 | None | City |
| 26 | 496-012-30 | | CBDP | PRP | 12569 | None | City |
| 27 | 641-255-04 | 260 Ocean Ave | CBD1 | CBD | 26900 | None | Private |

MAP 5

Legend

- Parcels 2018
- Very High Value Habitat
- High Value Habitat
- Seismic Hazard Liquefaction Areas
- Streets

COAST HIGHWAY-BETWEEN CLIFF DRIVE AND CRESCENT BAY DRIVE



Task Force Evaluation and Recommendation: Eight (8) Properties- North Coast Highway

- Target Demographic: Sr. Assisted Living/ Affordable
- Application Rank: A

Positives for Affordable Housing Project:

- Access to Transportation
- Public/Private/State Funding Suitable

Negatives for Affordable Housing Project:

- Economically Challenged
- Density availability via Up Zone

Requests:

- City to evaluate rezone to accommodate more Senior Services and Housing Needs

OPPORTUNITIES

- Vacant Lots
- Near Transportation
- Near Services

- Residential Care Facility Licensed is a permitted use subject to a Conditional Use Permit

- Unlicensed Residential Care Facility is a permitted use subject to a Conditional Use Permit

- Residential Housing Special Needs is a permitted use subject to a Conditional Use Permit

- Subterranean floor exempt from two floor height limit

CONSTRAINTS

- Not Currently Available: Approved for a mixed use development . Building Permits Issued. (Site 6)
- May Not Be Available: Application received for new single-family residence and ADU currently pending zoning plan check review (Site 7)
- Residential Care Facility Licensed must be integral to a commercial development and limited to no more than 50% of the gross floor area, and maximum of one (1) unit per 2,000 square feet of lot area. (Sites 1,2,3,5,6 and 8)
- Unlicensed Residential Care Facility maximum occupancy of six persons and maximum of one (1) unit per 2,000 sq. ft. of lot area (Sites 1,2,3,5,6, and 8)
- Residential housing special needs limited to 1 dwelling unit per 2,000 square-feet of lot area.
- Zoned for Single-Family use (Sites 4 and 7)
- Coastal Development Permit Required- LBMC 25.07.012 (F)
- Max Building Height 25' to 27' and two floors maximum including parking structure.
- Minimum open space required (25% of nonresidential gross floor area)
- Minimum open space required (40% of gross floor area for residential use)
- Design Review Required-Potential View Impacts
- Special Subdivision Setback-10 feet from Coast Highway + on-site turnaround required (Sites 1,2,3,4,5,6, 7 and 8)

| # | APN | ADDRESS | ZONE | GENERAL PLAN | LOT SIZE (Sq. Ft.) | ENVIRONMENTAL CONSTRAINTS | OWNERSHIP |
|---|------------|---------------------|------|--------------|--------------------|---------------------------|-----------|
| 1 | 053-134-21 | 1400 N Coast Hwy | CN | LBP | 6207 | None | Private |
| 2 | 053-134-22 | 1400 N Coast Hwy | CN | LBP | 5049 | None | Private |
| 3 | 053-134-23 | 1400 N Coast Hwy | CN | LBP | 5007 | None | Private |
| 4 | 053-134-20 | 300 Crescent Bay Dr | R1 | VLD | 7355 | None | Private |
| 5 | 053-134-06 | | CN | LBP | 4450 | None | City |
| 6 | 053-134-24 | | CN | LBP | 17876 | None | Private |
| 7 | 053-134-25 | | R1 | VLD | 10605 | None | Private |
| 8 | 053-151-01 | 1271 N Coast Hwy | CN | LBP | 10241 | None | Private |

MAP 6

Legend

- Parcels 2018
- Very High Value Habitat
- High Value Habitat
- Seismic Hazard Liquefaction Areas
- Streets

COAST HIGHWAY AND CATALINA STREET



Task Force Evaluation and Recommendations:

Site Evaluations: 2 Lots, Single Owner, 7,600 + sq. ft., located at 31562 Coast Highway

- Target Demographic: Senior Assisted/Affordable Units
- Access to Transportation
- Development of site near hospital/services
- Public/Private/State Funding Suitable

Negative for Affordable Housing Project:

- Economically Challenged
- Neighborhood Balance
- Density Availability via Up Zone

OPPORTUNITIES

- Vacant Land
- Near Services and Transportation

CONSTRAINTS

- Zone permits Single-Family residence and one Accessory Dwelling Unit
- Privately Owned (Same Owner –Both Lots)
- Maximum Building Height 25' and approximately 20' to 22.5' as measured from the curb elevation of Monterey Street.
- New development requires dedication on Coast Highway (50' ROW as measured from centerline of street). Approximate 20 foot dedication.
- New development requires right-of-way dedication on Coast Highway (minimum 50'-0 as measured from CL of Coast Highway). Approximate 15' to 20' dedication.
- On-site turnaround required.

COAST HIGHWAY AND CATALINA STREET

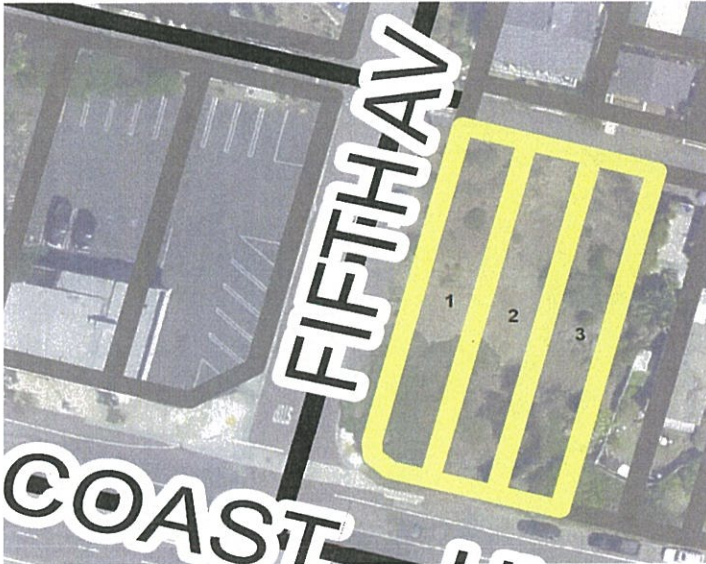
| # | APN | ADDRESS | ZONE | GENERAL PLAN | LOT SIZE (Sq. Ft.) | ENVIRONMENTAL CONSTRAINTS | OWNERSHIP |
|---|------------|-----------------|------|--------------|--------------------|---------------------------|-----------|
| 1 | 658-091-05 | 31526 Coast Hwy | R1 | VLD | 4260 | VHFHSZ | Private |
| 2 | 658-091-06 | 31532 Coast Hwy | R1 | VLD | 3410 | VHFHSZ | Private |

MAP 7

Legend

- Parcels 2018
- Very High Value Habitat
- High Value Habitat
- Seismic Hazard Liquefaction Areas
- Streets

COAST HIGHWAY AND 5TH AVENUE



OPPORTUNITIES

- Vacant Lots (Single Ownership)
- Permitted Uses with CUP and restrictions:
- LBMC 25.08.032) Residential housing, special needs” means dwelling units that accommodate specific demographic or occupational groups which call for specific housing types. Such groups include the elderly (age sixty-five and above), the disabled, female headed households, large families, farmworkers, homeless persons or families (including transitional and supportive housing), and extremely low, very low, low and moderate-income persons, as defined in the city’s housing element.
- Artist Live-Work subject to 25.16.050 standards
- Residential care facility, general
- Residential care facility small unlicensed and licensed (max 6 persons)
- Accessible, Public Transit, Nearby Services, and Located Near Hospital.

Task Force Evaluation and Recommendations:

Site Evaluation: 3 Lots, Single Owner.
11,000+sq.ft., located at 31822 Coast Highway

- Target Demographic: Affordable/Senior Units
- Application Rank: A

Positive for Affordable Housing Projects:

- Affordable Housing/Senior
- Access to Transportation
- Development of site near hospital/services
- Public/Private/State Funding Suitable

Negative for Affordable Housing Project:

- Economically Challenged
- Neighborhood Balance
- Density availability via Up Zone

CONSTRAINTS

- South Laguna Commercial Zone: Retail/Commercial permitted.
- Residential housing, special needs only as integral part of commercial development, but not limited to not more than 50% of the gross floor area. Subject to a Conditional Use Permit.
- No outdoor smoking, fire and building compliance, one thousand foot separation from other residential care facility and integral to commercial development. See above.
- New development requires right-of-way dedication on Coast Highway (minimum 50’-0 as measured from CL of Coast Highway), resulting in a reduced frontage of approximately 10’ to 15’

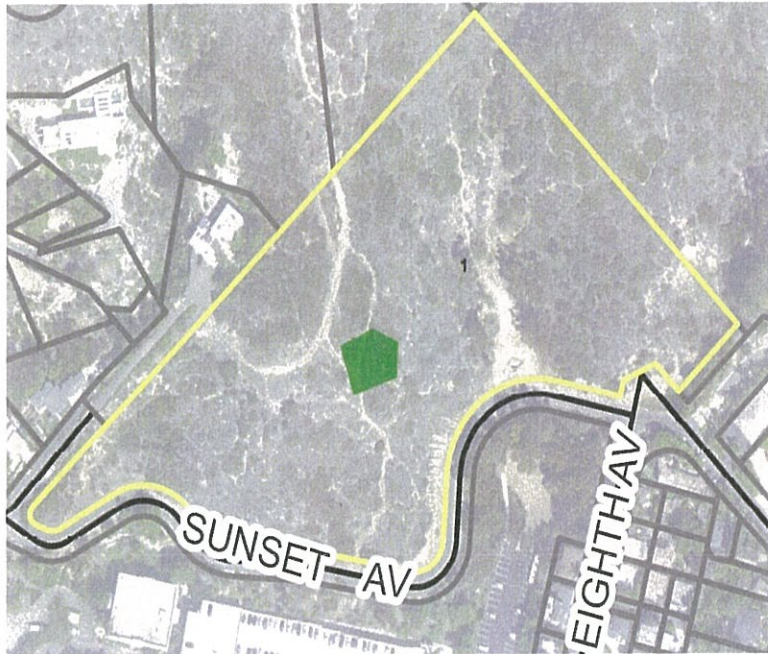
| # | APN | ADDRESS | ZONE | GENERAL PLAN | LOT SIZE (Sq. Ft.) | ENVIRONMENTAL CONSTRAINTS | OWNERSHIP |
|---|------------|-----------------|------|--------------|--------------------|---------------------------|-----------|
| 1 | 658-111-01 | 31822 Coast Hwy | SLV | LBP | 3680 | None | Private |
| 2 | 658-111-02 | 31832 Coast Hwy | SLV | LBP | 3660 | None | Private |
| 3 | 658-111-03 | 31834 Coast Hwy | SLV | LBP | 3992 | None | Private |

MAP 8

Legend

-  Parcels 2018
-  Very High Value Habitat
-  High Value Habitat
-  Seismic Hazard Liquefaction Areas
-  Streets

SUNSET AVENUE



Task Force Evaluation and Recommendations:

Site Evaluation: 1 Lot, Hospital Owned, 300,000 + sq.ft., located at 31178 Sunset Avenue

- Target Demographics: Senior Units/Managed Care/Affordable
- Application Rank: B

Positives for Affordable Housing Project:

- Senior/Managed Care/Variable Care/Affordable
- Access to Transportation
- Development of site near hospital/services
- Public/Private/State Funding Suitable

Negative for Affordable Housing Project:

- Economically Challenged
- Neighborhood Balance

Requests:

- City to evaluate additional bonuses to offer for affordability, development density opportunities.
- Rezone to reduce open space/plan area for higher residential density, service for Senior Living needs.

OPPORTUNITIES

- Zoning allows for institutional uses, such as extended care facilities.
- Accessible, Public Transit, Nearby Services, Located next to Hospital.
- Owned by the Hospital

CONSTRAINTS

- Hillside Slope-High Value Habitat, Fuel Modification, Very High Fire Hazard Severity Zone, Water Quality Sensitive Area, and Drainage Watercourse.

SUNSET AVENUE

| # | APN | ADDRESS | ZONE | GENERAL PLAN | LOT SIZE (Sq. Ft.) | ENVIRONMENTAL CONSTRAINTS | OWNERSHIP |
|---|------------|---------|-------|--------------|--------------------|-----------------------------------|-----------|
| 1 | 056-130-47 | | I-OSC | OS-PI | 351485 | Drainage/HVH/VHVH/WQESA/FM/VHFHSZ | Private |

Recommended Affordable Housing Infill Corridors

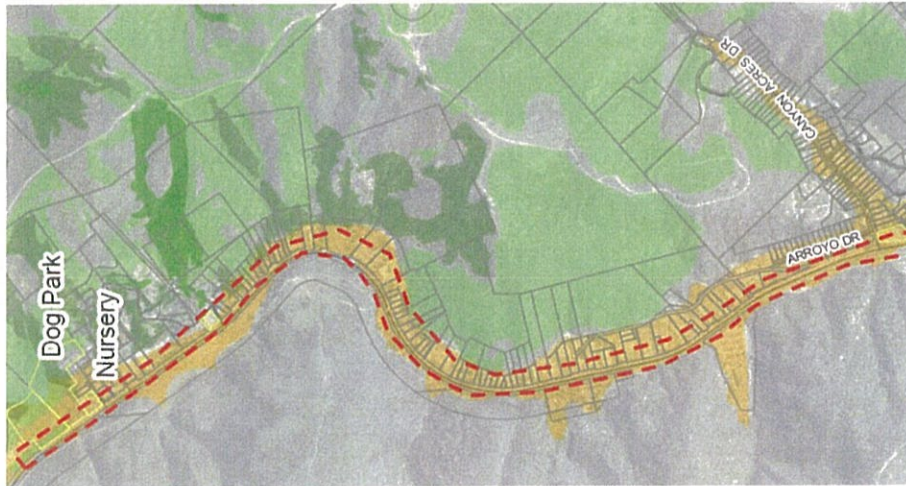
South Coast Highway Commercial Zones

COAST HIGHWAY-BETWEEN CLEO STREET & DIAMOND STREET



Canyon Business

LAGUNA CANYON ROAD-BETWEEN CANYON ACRES DRIVE TO DOG PARK



North Coast Highway Commercial Zones

COAST HIGHWAY-BETWEEN CLIFF DRIVE AND CRESCENT BAY DRIVE



II. Funding Opportunities: Secure available funding sources and tax credits to establish long term community programs that create Affordable Housing Inventory.

The City of Laguna Beach has not fully pursued available funding opportunities in the past most likely because it was assumed that incentives would not be available for high property value areas. Although this is still somewhat true the funding climate has opened to higher value communities to mitigate traffic and to increase housing opportunity to those people that currently live in these communities and those that work in these communities.

Funding Sources & Mechanisms

SB 2 Planning Grants

Applications are due November 30, 2019 for the first NOFA of this new grant program which could provide funding and technical assistance for the City of Laguna Beach to update its zoning or undertake other planning activities to accelerate housing production.

Funds are available to support planning activities of local jurisdictions that address the state's housing shortage and high housing costs. For a jurisdiction of Laguna Beach's size, each grant award may range from \$25,000 to \$160,000.

Eligible activities include:

- Updates to general plans, community plans, specific plans, local planning related to implementation of sustainable communities' strategies, or local coastal plans.
- Updates to zoning ordinances.
- Environmental analyses that eliminate the need for project-specific review.
- Local process improvements that expedite local planning and permitting.

NOFA information:

<http://www.hcd.ca.gov/grants-funding/active-funding/planning-grants.shtml>

Other State and Federal Funding

There are considerable financial resources for affordable housing in California after the passage of SB2 in 2017, followed by Propositions 1 and 2 in 2018. This funding along with other State and Federal funding is available through the California Department of Housing and Community Development (HCD).

Currently or soon-to-be available funds assist with the following housing needs: multifamily housing, affordable housing preservation, homeless housing and supportive services (including permanent supportive housing with mental health services), veterans, and mobile home park rehabilitation.

Current announcements for funding: <http://hcd.ca.gov/grants-funding/nofas.shtml>

Full list of HCD funding programs: <http://hcd.ca.gov/grants-funding/index.shtml>

Community Land Trust

A community land trust is a mechanism that allows a community to preserve land for permanent affordable housing. The nonprofit entity managing the land trust can also offer other types of housing assistance.

The Irvine Community Land Trust (ICLT) is a local example. This nonprofit organization acquires and retains land with the purpose of developing permanently affordable rental, ownership and special needs housing. It has created at least 327 permanently affordable housing units to date, with another 148 units underway. Originally part of the City of Irvine, the land trust became an independent entity in 2017.

The Irvine Community Land Trust maintains affordability of for-sale homes by using a 99-year, renewable ground lease which contains restrictions on the use of the home, including a limit on the amount that the home can be resold. The future sales price is determined by the resale formula which is designed to provide a fair return on the homeowner's investment but keep the price sufficiently below market rate prices so that the home will be affordable to the next income-eligible buyer.

The ICLT also provides affordable rental opportunities by directly owning a small number of rental units, and also owning land underneath affordable rental housing developments.

Other California examples of community land trusts include the Beverly Vermont Community Land Trust (in Los Angeles) and the Northern California Land Trust. Jurisdictions with land trusts include the counties of San Luis Obispo and Los Angeles. UC Irvine and Cal State Fullerton also use land trusts to provide affordable housing for their faculty and staff.

Potential funding sources for a community land trust: Developer contributions, private donations of land, and crowdfunding.

Housing Trust Fund

A housing trust fund is another way to pool community resources for affordable housing. A city or nonprofit manages a revolving loan fund, and issues low-cost loans that either directly assist families to purchase affordable homes, or assist with the development of affordable housing. Examples include Housing Trust Silicon Valley and the Santa Barbara Housing Trust.

Potential funding sources for a housing trust: Developer contributions, Local Housing Trust Match Program (California HCD grant program), National Housing Trust Fund Program (HUD program administered through California HCD), and crowdfunding.

Federal and State Tax Credits

The tried-and-true Low-Income Housing Tax Credit provides a financial incentive for developers to include certain percentages of affordable units in their housing projects. In California, the Federal and State Low-Income Housing Tax Credit Programs are administered by the California Tax Credit Allocation Committee (CTCAC). Website: <https://www.treasurer.ca.gov/ctcac/>.

Coordination with Other Communities

Housing is a regional issue and Laguna Beach can coordinate with other cities in a variety of ways to further the regional goal of providing affordable housing. For instance, grant applications can sometimes be strengthened by applying collaboratively rather than competing with neighboring communities. Also, Laguna should work to ensure that the impact of proposed new housing in surrounding communities is mitigated with funds allocated for affordable housing. New housing increases the number of visitors coming to Laguna Beach. In turn, this generates new visitor-serving jobs in Laguna. Typically, this type of job does not allow the employee to afford market-rate housing. Thus, new development that brings visitors to Laguna increases the demand for affordable housing. As neighboring communities engage in development agreements or environmental impact reviews, Laguna Beach should review the impacts and be at the table to create win-win collaborations.

Incentivize Private Development: ADU Incentives

Private development can be incentivized through a combination of zoning or policy mechanisms, guidance, and financing. Accessory Dwelling Units (ADUs) present an immediate opportunity for Laguna Beach to incentivize private development.

The Laguna Beach ADU ordinance provides regulatory incentives for ADUs to be dedicated as affordable or senior housing. The City could also provide financing and guidance to assist homeowners who would like to build ADUs. Examples of such resources in other communities:

San Mateo County – The Second Unit Resources Center website provides step-by-step guidance for property owners including design ideas, information on permitting, and a cost/income calculator. (<https://secondunitcentersmc.org/>)

City of Clovis – The Clovis Cottage Home Program (<https://cityofclovis.com/planning-and-development/planning/cottage-home-program/>) provides loans and floor plans for property owners to build ADUs within the Old Town area. Loans are available through a pilot partnership between the California Housing Finance Agency, the City of Clovis, and the nonprofit Self-Help Enterprises.

HCD provides additional examples of community resources on its ADU webpage (<http://www.hcd.ca.gov/policy-research/AccessoryDwellingUnits.shtml>).

Co-Housing / Co-Living for Special Populations

The co-housing / co-living model could be used in Laguna to create affordable housing for artists, seniors, young adults, and other specific populations with housing needs. In co-living homes, the private housing units are smaller, with amenities provided in shared community spaces—for instance, shared kitchens, recreation rooms, and gardens. Co-living development can be as small as a converted single-family home.

Funding for these types of developments could be provided by a community land trust or housing trust fund (see above).

III. Problems/Challenges

Development Challenges

- A. Existing Zoning and General Plan Land Use designation of existing properties may be inconsistent with permitting residential uses. Zoning – Many of the potential sites are challenged with zoning issues and are restricted due to zoning type, and spot zoning and/or up-zoning concerns.
- B. The Development Standards of the Zone – (i.e. setbacks, lot coverage, parking requirement, floor area ratios, right-of-way dedications, building height, and open space), limited lot size, and environmental considerations pose development challenges. Code constraints that must be addressed include Coastal Development Permits, parking, density, mixed use restrictions (cannot exceed 50% floor area of commercial activities), open space constraints, environmental constraints (flood plain, water course, blue line streams, fuel mod), and development restrictions.
- C. In commercial areas, development must consider availability of parking to ensure visitor serving and resident parking is preserved.
- D. In the Downtown Specific Plan, the building height is limited to 12 feet and there are housing restrictions. For example, discussions with the Planning Commission regarding the Downtown Specific Plan Update have been where to encourage housing in the downtown, and hopefully to provide flexibility for more housing opportunities, and possible changes to land use zoning.
- E. Buildings in the downtown may not be suitable for infill reuse as they are not designed to the earthquake standards to accommodate the upper floor.
- F. In the Laguna Canyon Annexation Area Specific Plan, land uses and development standards have issues related to small scale, rural, and uniqueness of the Canyon.
- G. Public Acceptance - Many neighborhoods have expressed resistance to affordable housing projects. The Task force believes a pilot program may be a necessary step because there doesn't seem to be the public will or buy-in to create sites for affordability for seniors, students, or artists.
- H. Ownership - Several of the vacant lots identified are privately owned and very expensive.

Funding Challenges

- A. Development costs for adaptive reuse could be cost prohibitive.
- B. Retrofit is more expensive than rebuilding new.
- C. With the elimination of redevelopment funding (Proposition 12), grant funding programs for affordable housing are more difficult to obtain.

IV. Recommendations and Solutions: The following 3 strategies, the Affordable Housing Task Force recommends the following actions to Council for consideration:

1. **Land:** Create incentives within identified locations, zones or areas for future affordable housing units.
 - a) Evaluate municipal regulatory barriers to creating small residential units and identify possible changes to the municipal code to address these barriers within the identified locations. The areas and city zoning for affordable housing.
 - b) Modify the current ADU Ordinance to further encourage and facilitate ADU construction by creating a toolkit which could include an informational guide, cost estimates, and pre-approved conceptual and building permit ready designs.
 - c) Initial land recommendations are identified in the MAPS Section of the Report (See pages 6-19), a more exhaustive search could yield more results.
2. **Funding:** Secure available funding sources and tax credits to establish long term community programs that create Affordable Housing Inventory.
 - a) Seek Senate Bill 2 state funding by November 30, 2019 deadline to support City planning efforts that facilitate affordable housing construction.
 - b) Pursue establishing a Community Land Trust (Independent Not-For-Profit) to acquire and manage land for permanent affordable housing.
 - c) Create a Housing Trust Fund (Independent Not-For-Profit) to manage and disburse grant funds and loans for projects involving affordable housing.
 - d) Coordinate with the County and neighboring communities for funding.
 - e) Dedicate staff or consultant time to pursue available funding, potentially with the assistance of a grant writing/management firm.
 - f) Seek funds from:
 - (1) Golden State Acquisition Fund
 - (2) Supportive Housing Multi-Family Housing Program (HCD)
 - (3) California Emergency Solutions and Housing Program (HCD)
 - (4) Emergency Solutions Grants Program (HCD)
 - (5) No Place Like Home Program (HCD)
 - (6) Programs for housing trusts: Local Housing Trust Match Program (HCD), National Housing Trust Fund Program (HUD via HCD)
 - g) Educate and facilitate the use of Low-Income Housing Tax Credits for the creation of affordable housing units.
 - h) Explore creating a loan or grant program for affordable and age restricted Accessory Dwelling Units (ADUs).
 - i) Explore creating a grant program utilizing the Housing In-Lieu Fee, up to \$25,000 for an affordable project.
 - j) Develop a Pre-Development Loan Program
 - k) Develop an Infill Infrastructure Grant Program
 - l) Support earmarks for Council approved Senior Housing Task Force Recommendations and Arts Market Study by Artspace recommendations for affordable artist work/live units.
3. **Community Will:** Increase community awareness to create Affordable Housing Inventory. A number of state laws are in the pipeline. If we don't respond, we may be in danger of state mandates forcing us to do something.
 - a) Encourage community support through awareness programs. These should include information about current housing costs; demographics including age distribution and income; numbers of lost and gained affordable unit inventory; and the potential benefits or impacts to residents.

Appendix-A (Definitions)

1. Above-Moderate Income Housing – A household with an annual income usually greater than 120 percent of the area Median Family Income adjusted by household size, as determined by a survey of incomes conducted by a city or county, or in the absence of survey, based on the latest available eligibility limits established by the U.S. Department of Housing and Urban Development (HUD) for the Section 8 housing program.
2. Adaptive Reuse- Rehabilitation, renovation, or conversion of existing building(s) or structure(s) for any other use(s) other than the present use(s). For example, the conversion of the GTE facility at the southwest corner of Third Street and Mermaid in Laguna Beach, to low-income housing.
3. Accessory Dwelling Unit- Means an attached or detached dwelling unit that provides complete and independent living accommodations and facilities for one or more persons and shall be considered ancillary to the main residential building of the allowed zone.
4. Amortization Abatement- In cases where there is the following hardships: A) Where verifiable in-home care of a family member or the property owner is needed; B) Where the tenant is a senior age 62 and over; C) Where the owner is a senior age 62 and over and provides proof to the City that the income generated from the rental unit would help the senior age in place. With these circumstances, a person would have the ability to enter into an Amortization and Abatement Agreement allows the residents to remain on the property until a triggering event occurs, such as the sale of the property or death of the resident, and can also be limited to a certain period of time.
5. Area Median Income (AMI) - Means the median family income of a geographic area of the state, as annually estimated by the United States Department of Housing and Urban Development pursuant to Section 8 of the United States Housing Act of 1937.
6. Artist Live/Work Unit- Means a unit that has both working space and residential dwelling area for an artist. The working space and residential dwelling area may be physically connected and may be structurally modified or designed to accommodate ancillary residential occupancy with the primary use for working activity. The residential dwelling area shall be entirely within the unit and shall have habitable area for residential living, including a complete kitchen space, studio or bedroom sleeping area(s), and bathroom and sanitary facilities. The working space shall be located within the unit, part of exclusive use common area appurtenant to the unit, or a combination of the two, with said working space to be regularly used by an artist as a place of work.
7. Artist-Means a person who produces art as a primary occupation and is engaged and active in one of the following fields:
 - (1) Fine Arts – including, but not limited to, painting drawing, sculpture, book arts, printmaking and mixed media.
 - (2) Imaginative Works – including, but not limited to, literature, poetry, photography, music composition, choreography, cinematography and computer arts.
 - (3) Functional Arts – including, but not limited to, metal, textiles, paper, wood, ceramic, glass and/or plastic objects.
 - (4) Performing Arts – including, but not limited to, singers, dancers, musicians, actors, performance artists; costume lighting, sound and set designers.

8. Below-Market Rate – A housing unit specifically priced to be sold or rented to low or moderate-income households for an amount less than its fair-market value. Both the State of California and HUD set standards for determining which households qualify as “low-income” or “moderate-income.” The financing of housing at less than prevailing interest rates.
9. Density Bonus- means the same as California Government Code Section §65915.
10. Extremely-Low Income Household –Means a household with an annual income less than 30% of the area median family income adjusted by household size, as determined by a survey of incomes conducted by a city or county, or in the absence of such a survey, based on the latest available eligibility limits established by the U.S. Department of Housing and Urban Development (HUD) for the Section 8 housing program (California Health and Safety Code Section §50105).
11. Fair Market Rent- Residential rent, including utility allowances, determined by the U.S. Department of Housing and Urban Development (HUD) for purposes of administering the Section 8 Housing Program.
12. In-Lieu Housing Fee – A City fund in which payment of in-lieu Housing Fees are deposited as an alternative to the provision of extremely-low, very-low, low and moderate income housing in new developments, or for the replacement of rental and/or low or moderate income housing.
13. Infill Development- Development or redevelopment of land that has been bypassed, remained vacant, and/or is underused in otherwise built-up areas.
14. Infill Site - An Infill site is described as a vacant lot or parcel within the developed areas of the city where at least 80 percent of the land within a 300-foot radius of the site has been developed and where water, sewer, streets, schools, and fire protection have already been developed and are provided.
15. Infill Housing Unit- Is defined as being located within an urbanized area or within an urban cluster on a site that has been previously developed for urban uses, or a vacant site where the properties adjoining at least two sides of the project site are, or previously have been, developed for urban uses. For the purposes of this definition, an urbanized area or an urban cluster is as defined by the United States Census Bureau.
16. Low-Income Household -A household with an annual income usually no greater than 80% of the area median family income adjusted by household size, as determined by a survey of incomes conducted by a city or a county or, in the absence of such a survey, based on the latest available eligibility limits established by HUD for the Section 8 housing program (California Health and Safety Code Section §50079.5).
17. Moderate-Income Household – A household with an annual income between the lower income eligibility limits and 120% of the area median family income adjusted by household size, usually as established by HUD for the Section 8 housing program (California Health and Safety Code Section §50093).

18. New Build: Development of affordable housing, assisted living, and senior housing on available vacant and buildable land within the City.
19. Residential Housing, Special Needs: “Residential housing, special needs” means dwelling units that accommodate specific demographic or occupational groups which call for specific housing types. Such groups include the elderly (age sixty-five and above), the disabled, female headed households, large families, farmworkers, homeless persons or families (including transitional and supportive housing), and extremely low, very low, low and moderate-income persons, as defined in the city’s housing element.
20. Residential Care Facility General: Means any facility licensed or unlicensed, in which seven or more individuals with a disability reside who are not living together as a single housekeeping unit. An individual with a disability is a person who has a physical or mental impairment that limits or substantially limits one or more major life activities, anyone who is regarded as having such impairment or anyone who has a record of such impairment, not including current, illegal use of a controlled substance.
21. Supportive Housing: Means housing with no limit on stay, that is occupied by the target population as defined in California Health and Safety Code §53260(d), and that is linked to onsite or offsite services that assist the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and when possible, work in the community. “Target population” means adults with low incomes having one or more disabilities, including mental illness, HIV or AIDS, substance abuse, or other chronic health conditions, or individual eligible for services provided under the Lanterman Developmental Disabilities Act and may, among other populations, include families with children, elderly persons, young adults aging out of the foster care system, individuals exiting from institutional settings, veterans, or homeless people. (California Health and Safety Code §50675.14 and §53260(d)).
22. Very-Low-Income Household- Means a household with an annual income usually no greater than 50% of the area median family income adjusted by household size, as determined by a survey of incomes conducted by a city or county or, in the absence of such a survey, based on the latest available eligibility limits established by HUD for the Section 8 housing program (California Health and Safety Code Section §65400).

Aug 1, 2018

Laguna Beach City Council
505 Forest Avenue
Laguna Beach, CA 92651

Re: Affordable Housing Task Force Recommendations on Accessory Dwelling Units (ADUs)

Honorable Council Members:

On July 19, 2018, the Laguna Beach Affordable Housing Task Force approved a special meeting for July 26th at the Susi Q to discuss the City's draft ADU ordinance (as presented at the May 8, 2018 Council hearing), and to develop recommendations for the Council as it considers whether to adopt this ordinance at the August 7, 2018 hearing.

A majority of Task Force members were present at the July 26 special meeting, and voted unanimously to state that the Affordable Housing Task Force supports ADUs within our community.

In addition, we voted unanimously to provide the following recommendations to the Council:

- To promote affordable housing, provide maximum incentives for ADUs that are deed-restricted for low-to moderate-income renters. Consider doubling the incentives if renters are also seniors, or are using rent vouchers.
- As one incentive, allow ADUs on lots as small as 4,000 square feet if deed-restricted for low-to moderate-income renters (assuming that the ordinance generally requires a minimum lot size of 6,000 square feet). This is a modification of the Planning Commission's recommendation, with a focus on incentivizing affordable housing for people with economic need.
- Recognizing concerns about parked cars hindering emergency access on certain streets, it is appropriate to require on-site parking for ADUs on "streets" that are impaired in this way. (the term streets is used vs neighborhoods)
- Consider allowing ADUs in all zones, on parcels that have adequate space and parking. This may be beyond the scope of the draft ordinance but should be considered now or in a future amendment. For instance, if a commercial parcel, one ADU per parcel, if multifamily zoned one ADU per parcel.
- Develop a transition process and timeframe to incentivize owners to bring existing nonconforming ADUs into conformance.

The Laguna Beach City Council created the Affordable Housing Task Force to assist in implementing the City's Housing Element, and in particular to help find potential sites and funding for affordable housing. ADUs immediately create affordable housing opportunities throughout Laguna, through the voluntary actions of many individual property owners.

We appreciate the work of the Council, Planning Commission, and City staff to facilitate the development of ADUs through this ordinance.

Thank you for considering these recommendations.

Louis Weil, Chair

Karen Martin, Co-Chair

| Action Program | Objectives | Applicable Goals/Policies | Funding Source | Responsible Agencies/Departments | Implementation Schedule |
|--|---|--|---|---|--|
| HOUSING ELEMENT 2014-2021- ADOPTED PROGRAMS PERTAINING TO AFFORDABLE HOUSING | | | | | |
| Program 8 – Encourage Affordable Units in Mixed-Use Developments: Evaluate increasing the allowable percentage of residential square footage for extremely-low- to moderate-income housing in mixed-use developments, and consider incentives to encourage residential development above the street level in commercial zones. (New) | Facilitate the production of affordable units in mixed-use developments. | Goal 2 Policies 2.5, 2.6, 2.7, 2.8, 2.12 & 2.15 | Community Development Department budget | Community Development Department, Planning/Zoning Divisions | Consider an amendment to zoning regulations for affordable housing units in mixed-use developments by December 2015. |
| Program 13 – Affordability Covenants: 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. Such conditions may include the selection of a monitoring agency, or management by a non-profit development corporation, a Housing Trust or a community-based housing development organization to implement the affordable housing rents/prices and related affordability conditions. | Ensure that private developments that include affordable housing continue to offer affordable units at intended prices and to the intended household types for the duration on the affordability period. As a condition of project approval, require all income-restricted extremely-low, very-low, low and moderate income housing to be affordable for 55 years or more, as allowed by law. | Goal 2 Policies 2.4, 2.8 & 2.14 | Community Development Department budget | Community Development Department, Planning Division Staff | Ongoing – continuation of an existing program. |
| Program 15 – Dedicated Affordable Housing Funding Source: Pursue a local dedicated funding source to subsidize the development of long-term extremely-low- to moderate-income housing (e.g., consider establishment of a housing trust fund in partnership with a foundation or non-profit and other potential funding sources). (New) | Identify or establish a local dedicated funding source to support development of affordable housing on a continual basis by December 30, 2017. | Goal 2 Policies 2.2, 2.5, 2.6, 2.9 & 2.15 | To be determined | Community Development Department, Planning Division Staff | Form a task force to research and provide recommendations to the Planning Commission regarding a dedicated funding source for affordable housing by December 30, 2017. |
| Program 16 – Funding for Affordable Units: Pursue a non-profit developer and dedicated funding source, including state funding, to subsidize the development of long-term extremely-low- to moderate-income housing for senior housing, family housing for younger adults (age 25-44) and other special needs groups. (New) | Facilitate the production of affordable housing. | Goal 2 Policies 2.2, 2.5, 2.6, 2.9 & 2.15 | Community Development Department budget | Community Development Department, Planning/Zoning Divisions | Consider interested non-profit and housing developers on an annual basis throughout the planning period. |

| Action Program | Objectives | Applicable Goals/Policies | Funding Source | Responsible Agencies/Departments | Implementation Schedule |
|---|--|--|---|---|--|
| HOUSING ELEMENT 2014-2021- ADOPTED PROGRAMS PERTAINING TO AFFORDABLE HOUSING | | | | | |
| Program 17 – Funding for Affordable Units: Pursue a dedicated funding source, including state funding, to potentially subsidize the monthly rental rates in market-rate housing for extremely-low to moderate-income younger families (householder age between 25–44), seniors (age 65 and above), and individuals with developmental disabilities and autism. (New) | Identify a source of rental assistance for younger families and persons with developmental disabilities. | Goals 2 & 3 Policies 2.2, 2.5, 2.6, 2.9, 2.15, 3.2, 3.3, 3.4, 3.5 & 3.6 | Community Development Department budget | Community Development Department, Planning/Zoning Divisions | Form a task force to research and provide recommendations to the Planning Commission regarding a dedicated funding source that includes affordable housing rental subsidies by December 30, 2017. |
| Program 23 – Preservation of At-Risk Affordable Units: Investigate the potential application of affordable housing subsidy programs and funding sources to preserve "at-risk" extremely-low-, very-low-, low- and moderate-income housing from conversion to market-rate housing on an ongoing basis, and establish a program for the City to work with property owners to preserve very-low-, low- and moderate-income housing that is "at-risk" for converting to market-rate housing. | Harbor Cove, a 15 low-income senior unit complex on Broadway, will be at-risk for conversion to market rate housing in 2019. Provide new sources of financing to preserve affordable housing opportunities, and establish a program to preserve "at-risk" affordable housing beyond the affordability expiration date. | Goal 2 Policies 2.1, 2.6, 2.8, 2.9 & 2.11 | Community Development budget | Community Development Department, Planning Division, and Housing & Human Services Committee | Evaluate financing opportunities identified within Chapter IV, as well as any other potential financing sources, including assistance from other knowledgeable sources on financing opportunities and best practices, evaluate non-profit ownership options to extend affordability, evaluate options for tenants that may be displaced by conversion of affordable housing to market-rate housing, and contact the Harbor Cove property owner to seek long-term affordability options by December 31, 2015. |
| Program 24 – Assist Affordable Housing Development: Continue to provide incentives such as reduced fees, density bonuses, developer assistance with federal and other funding applications, and In-lieu Housing Fund contributions for the development of housing that offers long-term affordability to extremely-low, very-low, low or moderate-income households and persons. | Encourage the development of extremely-low, very-low, low and moderate-income housing on a continual basis. | Goal 2 Policy 2.8 | Community Development Department budget, In-Lieu Housing Fund | Community Development Department, Planning Division Staff | Ongoing; Continue to provide a Housing Assistance Information Guide at the Planning counter and on the City website. |

| Action Program | Objectives | Applicable Goals/Policies | Funding Source | Responsible Agencies/Departments | Implementation Schedule |
|----------------|------------|---------------------------|----------------|----------------------------------|-------------------------|
|----------------|------------|---------------------------|----------------|----------------------------------|-------------------------|

HOUSING ELEMENT 2014-2021- ADOPTED PROGRAMS PERTAINING TO AFFORDABLE HOUSING

| | | | | | |
|--|---|---|--|---|---|
| Program 25 – Non-Profit Housing Ownership: Identify a community non-profit housing developer or Housing Trust to develop or acquire and retain long-term affordable housing within Laguna Beach. | To increase the quantity of low- and moderate-income housing opportunities in Laguna Beach. | Goal 2 Policies 2.6, 2.7, 2.8 & 2.10 | Federal, State and local funds, such as real estate transfer tax or a special sales tax; Community donations | Community Development Department, Planning Division Staff | Identify and open negotiations with non-profit housing developers to: 1) provide affordable housing monitoring services, and 2) assist the City by identifying potential affordable housing sites and developing and rehabilitating or acquiring long-term affordable housing within the City by December 31, 2018. |
| Program 26 – Identify Affordable Housing Sites: Planning staff shall solicit involvement of the Laguna Board of Realtors, the Architectural Guild, and private and non-profit developers to advise the City of potential low- and moderate-income housing development opportunity sites and opportunities for acquisition/rehabilitation of units in need of repair. | Utilize the expertise of real estate, development, and design professionals to educate the City regarding potential affordable housing development opportunities. | Goal 2 Policy 2.10, 2.12 & 2.15 | Community Development budget | Department of Community Development – Planning Division | Schedule annual review by the Housing & Human Services Committee of potential affordable housing development opportunities, including potential opportunities for acquisition/ rehabilitation of units in need of repair. |
| Program 27 – City-Owned Land: Give priority consideration to the use of appropriately zoned City-owned land as sites for potential development of extremely-low-, very-low-, low- and moderate-income housing. | Potential expansion of extremely-low-, very-low-, low- and moderate-income housing opportunities. | Goals 2 & 3 Policy 2.8, 2.10 & 3.2 | General Fund | City Manager, Community Development Department – Planning Division; and Housing and Human Services Committee. | The City shall acquire appropriately zoned land for extremely-low- to moderate-income housing as it becomes available and as City resources allow. |
| Program 41 – Consider New Strategies to Facilitate Affordable Housing Development: Evaluate the strategies of other cities to facilitate the development of low- and moderate-income residential units, including an "equivalent dwelling unit" method. (New) | Identify new methods to facilitate the production of affordable units. | Goals 1 & 2 Policies 1.7, 2.6, 2.7, 2.8, 2.15, 3.2 & 3.6 | Community Development budget | Community Development Department, Planning/Zoning Divisions | Evaluate new strategies and consider adoption of new programs by December 30, 2015. |
| Program 42 – Supportive Housing: Staff shall evaluate the feasibility of developing a supportive housing facility in the City, when proposed by a non-profit housing developer and/or provider. (New) | Facilitate the production of new supportive housing. | Goal 3 Policies 3.2, 3.3 & 3.6 | Community Development budget | Community Development Department, Planning/Zoning Divisions | Provide recommendations to the Planning Commission whenever supportive housing is proposed. |

| County | Income Category | Number of Persons in Household | | | | | | | |
|--|-----------------|--------------------------------|---|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| Last page instructs how to use income limits to determine applicant eligibility and calculate affordable housing cost and rent | | | | | | | | | |

| | | | | | | | | | |
|---|----------------------|-------|-------|-------|--------------|-------|-------|-------|--------|
| Modoc County Area Median Income: \$64,800 | Extremely Low | 13650 | 16910 | 21330 | 25750 | 30170 | 34590 | 39010 | 42800 |
| | Very Low Income | 22700 | 25950 | 29200 | 32400 | 35000 | 37600 | 40200 | 42800 |
| | Low Income | 36300 | 41500 | 46700 | 51850 | 56000 | 60150 | 64300 | 68450 |
| | Median Income | 45350 | 51850 | 58300 | 64800 | 70000 | 75150 | 80350 | 85550 |
| | Moderate Income | 54450 | 62200 | 70000 | 77750 | 83950 | 90200 | 96400 | 102650 |

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|--|----------------------|-------|-------|-------|--------------|--------|--------|--------|--------|
| Mono County Area Median Income: \$81,200 | Extremely Low | 17050 | 19500 | 21950 | 25750 | 30170 | 34590 | 39010 | 43430 |
| | Very Low Income | 28450 | 32500 | 36550 | 40600 | 43850 | 47100 | 50350 | 53600 |
| | Low Income | 44750 | 51150 | 57550 | 63900 | 69050 | 74150 | 79250 | 84350 |
| | Median Income | 56850 | 64950 | 73100 | 81200 | 87700 | 94200 | 100700 | 107200 |
| | Moderate Income | 68200 | 77950 | 87700 | 97450 | 105250 | 113050 | 120850 | 128650 |

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|--|----------------------|-------|-------|-------|--------------|-------|--------|--------|--------|
| Monterey County Area Median Income: \$74,100 | Extremely Low | 18900 | 21600 | 24300 | 26950 | 30170 | 34590 | 39010 | 43430 |
| | Very Low Income | 31450 | 35950 | 40450 | 44900 | 48500 | 52100 | 55700 | 59300 |
| | Low Income | 50300 | 57500 | 64700 | 71850 | 77600 | 83350 | 89100 | 94850 |
| | Median Income | 51850 | 59300 | 66700 | 74100 | 80050 | 85950 | 91900 | 97800 |
| | Moderate Income | 62250 | 71100 | 80000 | 88900 | 96000 | 103100 | 110250 | 117350 |

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|---|----------------------|-------|-------|--------|---------------|--------|--------|--------|--------|
| Napa County Area Median Income: \$100,400 | Extremely Low | 21100 | 24100 | 27100 | 30100 | 32550 | 34950 | 39010 | 43430 |
| | Very Low Income | 35150 | 40200 | 45200 | 50200 | 54250 | 58250 | 62250 | 66300 |
| | Low Income | 55650 | 63600 | 71550 | 79500 | 85900 | 92250 | 98600 | 104950 |
| | Median Income | 70300 | 80300 | 90350 | 100400 | 108450 | 116450 | 124500 | 132550 |
| | Moderate Income | 84350 | 96400 | 108450 | 120500 | 130150 | 139800 | 149400 | 159050 |

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|--|----------------------|-------|-------|-------|--------------|--------|--------|--------|--------|
| Nevada County Area Median Income: \$85,100 | Extremely Low | 16750 | 19150 | 21550 | 25750 | 30170 | 34590 | 39010 | 43430 |
| | Very Low Income | 27900 | 31900 | 35900 | 39850 | 43050 | 46250 | 49450 | 52650 |
| | Low Income | 44650 | 51000 | 57400 | 63750 | 68850 | 73950 | 79050 | 84150 |
| | Median Income | 59550 | 68100 | 76600 | 85100 | 91900 | 98700 | 105500 | 112350 |
| | Moderate Income | 71450 | 81700 | 91900 | 102100 | 110250 | 118450 | 126600 | 134750 |

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|--|----------------------|-------|-------|--------|--------------|--------|--------|--------|--------|
| Orange County Area Median Income: \$97,900 | Extremely Low | 24950 | 28500 | 32050 | 35600 | 38450 | 41300 | 44150 | 47000 |
| | Very Low Income | 41550 | 47500 | 53450 | 59350 | 64100 | 68850 | 73600 | 78350 |
| | Low Income | 66500 | 76000 | 85500 | 94950 | 102550 | 110150 | 117750 | 125350 |
| | Median Income | 68550 | 78300 | 88100 | 97900 | 105750 | 113550 | 121400 | 129250 |
| | Moderate Income | 82250 | 94000 | 105750 | 117500 | 126900 | 136300 | 145700 | 155100 |

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|--|----------------------|-------|-------|-------|--------------|--------|--------|--------|--------|
| Placer County Area Median Income: \$83,600 | Extremely Low | 17600 | 20100 | 22600 | 25750 | 30170 | 34590 | 39010 | 43430 |
| | Very Low Income | 29300 | 33450 | 37650 | 41800 | 45150 | 48500 | 51850 | 55200 |
| | Low Income | 46850 | 53550 | 60250 | 66900 | 72300 | 77650 | 83000 | 88350 |
| | Median Income | 58500 | 66900 | 75250 | 83600 | 90300 | 97000 | 103650 | 110350 |
| | Moderate Income | 70200 | 80250 | 90250 | 100300 | 108300 | 116350 | 124350 | 132400 |

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|--|----------------------|-------|-------|-------|--------------|-------|-------|--------|--------|
| Plumas County Area Median Income: \$70,700 | Extremely Low | 14650 | 16910 | 21330 | 25750 | 30170 | 34590 | 39010 | 43430 |
| | Very Low Income | 24400 | 27850 | 31350 | 34800 | 37600 | 40400 | 43200 | 45950 |
| | Low Income | 39000 | 44600 | 50150 | 55700 | 60200 | 64650 | 69100 | 73550 |
| | Median Income | 49500 | 56550 | 63650 | 70700 | 76350 | 82000 | 87650 | 93300 |
| | Moderate Income | 59400 | 67900 | 76350 | 84850 | 91650 | 98450 | 105200 | 112000 |

**MINUTES
AFFORDABLE HOUSING TASK FORCE MEETING**

Wednesday, March 15, 2018

1. Meeting called to order at 6:00 pm. Task Force Members, Jane Fulton, Marcus Skenderian, Robert Reed, Chris Quilter, Anne Johnson, Mo Honarkar, Debbie Neev, Gary Boisen, Allison Matthews, Louis Weil, and Karen Martin were present. Staff members Greg Pfof, Scott Drapkin, and Monique Alaniz-Flejter was also in attendance.
3. Public Communications – None
4. Discussion Items:
 - Staff provided the Task Force with an overview of the Housing Element and current Regional Housing Needs allocation of two (2) affordable units in Laguna Beach.
 - Staff provided a briefing on the key objectives of the Task Force:
 1. Identify New Strategies to Facilitate Affordable Housing & Funding Mechanisms
 2. Expand, Preserve and Replace Affordable Housing Stock
 3. Pursue Developer and Non-Profit Stakeholder Partnerships
 - The Task Force discussed the feasibility and constraints of preserving Harbor Cove, a 15 unit Section-8 Senior housing, which has an affordable covenant expiration of 2019.
 - Round table discussion topics included establishing affordable housing development on land owned by the City with no expiration, adaptive reuse of existing buildings, utilizing tax credits, bonds, the gap between rental market rates and Section-8 vouchers, developer constraints, inclusionary housing, micro units, and establishing goals of the task force.
 - Look into recently approved Newport Coast Affordable Housing project.
 - Utilizing in-lieu housing funds for seniors living in unpermitted units.
 - Staff to report on current affordable housing programs in place and recommendations from the Senior Housing Task Force at the next meeting.
5. Staff Report/Committee Member Reports
6. Meeting adjourned at 6:00pm to Thursday April 19, 2018.

**MINUTES
AFFORDABLE HOUSING TASK FORCE MEETING**

Wednesday, April 19, 2018

1. Meeting called to order at 6:00 pm. Task Force Members, Louis Weil, Karen Martin, Marcus Skenderian, Robert Reed, Chris Quilter, Anne Johnson, Mo Honarkar, Gary Boisen, and Allison Mathews, were present. Staff members Greg Pfost and Monique Alaniz-Flejter were also in attendance.
3. Public Communications – None
4. Discussion Items:
 - Election of Chair and Vice-Chair for 2018. Louis Weil was elected Chair and Karen Martin was elected as Vice-Chair.
 - Five members required to constitute a quorum in compliance with the Brown Act.
 - The Task Force voted to approve the 2018 Calendar for the next 3 months and re-evaluate progress of the Task Force in the upcoming months.
 - Staff confirmed affordable housing is determined by the Orange County median income.
 - Staff provided the Task Force with an Overview of Current Affordable Housing Programs.
 - Discussion regarding in-lieu housing fees and other possible ways to obtain funding for affordable housing.
 - Discussion on how the current in-lieu housing fees might be utilized (i.e. Senior Home Repair Program, for Seniors living in unpermitted units, and 0% loan modification program for seniors seeking to create an accessory dwelling unit). The current balance approximately \$300,000.00
 - Chris Quilter discussed the aging in place program “Lifelong Laguna” for seniors.
 - Topics of interest that the Task Force would like to discuss on future agenda, to include Senior Housing Task Force Recommendations, Newport Coast Affordable Housing Project, Harbor Cove, Map of Vacant Parcels, County Median Data, In-Lieu Housing Fund Balance, and Accessory Dwelling Unit Ordinance Progress.
5. Staff Report/Committee Member Reports
6. Meeting adjourned at 6:00pm to Thursday May 17, 2018.

MINUTES
AFFORDABLE HOUSING TASK FORCE MEETING

Thursday May 17, 2018

1. Meeting called to order at 5:00 pm. Task Force Members, Louis Weil, Karen Martin, Marcus Skenderian, Robert Reed, Chris Quilter, Anne Johnson, Mo Honarkar, Gary Boisen, and Allison Mathews, were present. Staff members Greg Pfost and Monique Alaniz-Flejter were also in attendance.
3. Public Communications – None
4. Discussion Items:
 - Overview and discussion of what is considered affordable housing. Staff provided a sample Affordable Rent Table (1-4 person household) based on the 2017 Area Median Income.
 - The Task Force reviewed twelve programs identified in the Housing Element pertaining to Affordable Housing as recommended by the Housing and Human Services Committee.
 - The Task Force identified and prioritized top policies and programs, resulting in the formation of two (2) focus groups to evaluate funding and land availability to be further explored and discussed at the next meeting.

Focus Group 1:
Program 8-Encourage Affordable Units in Mixed-Use Developments
Program 26-Identify Affordable Housing Sites
Program 27-City-Owned-Land

Focus Group 2:
Program 15- Dedicated Affordable Housing Funding Source
Program 16-Funding for Affordable Units
Program 17- Funding for Affordable Units
5. Staff Report/Committee Member Reports
6. Meeting adjourned at 6:10 pm to Thursday June 21, 2018.

MINUTES
AFFORDABLE HOUSING TASK FORCE MEETING (As Amended)

Thursday, June 21, 2018

1. Meeting called to order at 5:03 pm. Task Force Members Karen Martin, Debbie Neev, Robert Reed, Gary Boisen, Mo Honarkar, Chris Quilter were present. Task Force Member Allison Mathews arrived by 5:11 pm. Members not in attendance: Anne Johnson, Marcus Skenderian, Louis Weil. Staff member Greg Pfof was also in attendance.
2. Public Communications: Arthur Hill from South Laguna addressed the Task Force.
3. Minutes of the meeting of May 17, 2018 approved (Debbie Neev abstained due to absence at prior meeting)
4. Discussion Items:

ADU Ordinance – August 7, 2018 City Council Meeting

- Considerations:
 - Areas that don't work for safety—staff to meet with Fire Dept. then to Coastal
 - Restrictions on size of lot—6K or 4K
 - Size of units – SB831
 - Replacement parking can be tandem or open parking
 - Senior and affordable unit incentives
- Notice to access impaired neighborhoods (Bluebird, Canyon Acres)
- Legalization of unpermitted accessory dwelling units.
- Laguna Beach v. Neilson Case
- City is processing ADUs under existing ordinance
 - Hybrid view
 - Proper width in front of property
- Idea to invite a Council person to next meeting
- Greg will include copy of staff report of proposed ADU Ordinance via a link

Group 1 Discussion – LAND idea generation, just list of ideas not prioritized or vetted

- Demonstration projects – co-housing / board & care
- Convert R1 to R2 (up-zone; see Dana Point, Newport ADU Ordinances)
- Laguna Canyon:
 - Up-Zone Light Industrial to R2, C1, live/work, mixed use
 - Tiny manufactured homes on land near Boys & Girls Club (see handout provided by Allison)
 - 20 tiny homes
 - \$30-45K max cost to construct
 - Post office site / live-work overlay
- Downtown
 - Specific Plan
 - Small units above retail (300-400 units); comment made that 12 foot max height restriction may not be realistic

- Decrease traffic in Laguna Canyon
 - Increase height limit from 36' to 50'; look at Diamond Crestview and how they did formula-based height
- Land Use Element
 - See map 1-1 of GP planning boundaries
 - Hospital property
- Review City owned land closer to downtown
 - Obtain list of City owned land / identify vacant lots incl. address & parcel number (PDF of maps requested to be sent to all members of task force)
- ADUs on existing residential zoned parcels
- Hagan Place – parking area for potential additional units

Group 2 Discussion – FUNDING SOURCE idea generation, just list of ideas not prioritized or vetted

- Private funding
- State – taxes-> affordable housing initiatives
- County -
 - Local – in lieu housing fund
- Federal – Section 8 HUD
- Nonprofits –

Next steps:

- List of City-owned land, in an excel format including sort for vacant land.
- County has funding—who do we talk with? Karen to find out
- \$300K in the -in-lieu fee fund
- Prioritize and vet ideas

5. Meeting adjourned at 6:40 pm to Thursday, July 19, 2018

**MINUTES
AFFORDABLE HOUSING TASK FORCE MEETING**

Thursday, July 19, 2018

1. Meeting called to order at 5:00 pm. Task Force Members Robert Reed, Chris Quilter, Marcus Skenderian, Mohammad Honarkar, Jane Fulton, Louis Weil, Gary Boisen, Anne Johnson, Debbie Neev and Karen Martin were present. Members not in attendance: Allison Mathews. Guests and residents of Harbor Cove Apartments included Anna Gaglione, Alfred DeVita, Maria K, Kathryn Delp Dew, Betty Allen, Pete Martinez, Ronnie Hayes, Francis Skelton, Rebecca Washington, and Laguna Beach Seniors staff member Martha Hernandez. City staff members Greg Pfof and Monique Alaniz-Flejter were also in attendance.
2. Minutes of the meeting of June 21, 2018 approved as amended
3. Public Communications: Residents of Harbor Cove Apartments shared their concerns regarding a notification they received from the landlord of Harbor Cove Apartments confirming that the Section-8 housing program would no longer be offered after June of 2019. The residents of Harbor Cove who receive Section-8 housing expressed concern with losing their affordable housing in Laguna Beach.
4. Discussion Items Continued:
 - Greg discussed the background of Harbor Cove, which is a 15 unit Section-8 Senior Citizen housing development with an affordable covenant expiration of 2019.
 - Chris Quilter introduced himself to the Harbor Cove tenants and recommended that they work with Martha Hernandez, Care Manager with the Laguna Beach Seniors in finding affordable housing.
 - Anne Johnson explained that finding an affordable housing site will take more than a year, and recommended that the tenants of Harbor Cove begin looking for alternative affordable housing as soon as possible. Debbie Neev also agreed that because of the time needed to follow the public process, it would not be fair to misguide them.
 - Karen Martin indicated that if political will to process this within 120 days based on experience with other communities. Mo Honarkar agreed.
 - The Task Force discussed the possibility of creating a subcommittee to focus on Harbor Cove and preservation of "at-risk" affordable housing. After further discussion, it was agreed that the Task Force work together on this issue.
 - Greg provided staff with an overview of the Accessory Dwelling Unit Ordinance Update.
 - The Task Force voted to have a separate meeting to discuss and prepare recommendations to the City Council that support Accessory Dwelling Units before the August 7, 2018 City Council meeting. The special meeting date was scheduled for July 26, 2018 at 5:00pm to allow for the required 72 hour noticing.
 - The Task Force reviewed a map prepared by City staff identifying vacant buildable lots (City and Privately Owned). Specific areas were circled on the map Staff was directed to prepare a larger map of each circled area with parcel data (i.e. size of lot, zone, address, acreage and present zoning) to be further evaluated by the Task Force at the next meeting.
 - The Task Force continued ongoing discussions on prioritization of General Plan Housing Element Programs for Land and Funding opportunities for affordable housing.
 - Ideas discussed and added to the white board list included the possibility of a demonstration project and repurposing of existing underutilized buildings.
5. Meeting adjourned at 6:35 pm to Thursday, July 26, 2018

MINUTES
AFFORDABLE HOUSING TASK FORCE MEETING (SPECIAL MEETING)

Thursday, July 26, 2018

1. Meeting called to order at 5:00 pm. Task Force Members Robert Reed, Chris Quilter, Mohammad Honarkar, Louis Weil, Gary Boisen, Anne Johnson, Debbie Neev and Karen Martin were present. Members not in attendance: Allison Mathews, Jane Fulton and Marcus Skenderian. Guests Richard Mark Gerber, Maria K, Court Shannon, and Mina Brown were present. City staff members Greg Pfost and Monique Alaniz-Flejter were also in attendance.
2. Public Communications: Each guest introduced themselves to the Task Force.
3. Discussion Items:
 - The purpose of the meeting is to provide recommendations to City Council for consideration with the proposed ADU ordinance at the August 7, 2018 meeting.
 - Staff report for the City Council hearing to be published a week from today, per Greg.
 - Concerns expressed with regard to pending legislation AB 2890 with regard to ADUs.

Should ADUs be limited to R1 and RHP zones only, as in current code?

- According to Greg, the Council discussed the possibility of allowing ADUs in the R-2 zone but wanted to avoid introducing ADUs into areas of Laguna already impacted by traffic and parking.
- Task Force discussed how to measure density—should it be considered in terms of the actual number of people and cars in a neighborhood, or number of dwelling units which represents the potential population.

Council will discuss whether ADUs need to be excluded entirely from Access Impaired Neighborhoods

- The Task Force expressed concern with restricting one form of development (ADU) and not others in these neighborhoods.
- Review City Council Minutes of May 8, 2018 (decision points) and provide Task Force opinion of each.
- Would be helpful to provide definitions of: density, accessory, impaired access.

Incentive ideas

- In existing ADU ordinance: exemption from parking for deed-restricting unit to low-to moderate income senior, for 55 years. The proposed ordinance keeps this.
- The Planning Commission recommended to reduce 6,000 SF minimum lot to 4,000 SF lot if deed-restricted for seniors, and low-to moderate- income persons. The Council did not take action on this recommendation.
- Waive City development fees (current ordinance: low income gets 100% refund; moderate 50% refund)
- Incentives for handicapped accessible units on the ground floor (vs. ensuring space for cars)
- “Maximum incentives for people with the least amount of money who are long-time locals” per Chris Quilter.
- ADUs in all zones per Anne Johnson.

Other Discussion Points

- Create plans for an ADU that people can build, or is that too cookie-cutter?
- Would gated communities be required to accept ADUs?

Points for Task Force memo to Council:

- We support ADUs
- Recommend that parking on impaired streets be provided on site.
- Re-state the Planning Commission recommendation to allow ADUs on lots as small as 4,000 SF when the ADU is deed-restricted to low to moderate-income or senior (62 years and older).
- Support maximum incentives for low-to-moderate income affordable ADUs.
- Consider double incentives if for senior and/or rent vouchers (Section 8, veterans, etc.).
- Future ordinance / study the following:
 - Consider opening additional zones if lot size and parking permit / promote ADUs in more than single-family zones (Multi-Family zones are already hosting more illegal units, also have more services).
 - Provide a process and timeframe for legalizing nonconforming/illegal units at reduced fees

4. Meeting adjourned at 6:00 pm to Thursday, August 16, 2018

**MINUTES
AFFORDABLE HOUSING TASK FORCE MEETING**

Thursday, August 16, 2018

1. Meeting called to order at 5:00 pm. Task Force Members Robert Reed, Chris Quilter, Marcus Skenderian, Mohammad Honarkar, Jane Fulton, Louis Weil, Gary Boisen, Anne Johnson, Debbie Neev and Karen Martin were present. Members not in attendance: Allison Mathews. Guest Ann Christoph was in attendance. City staff member Monique Alaniz-Flejter was also in attendance.
2. Minutes of the meeting of July 19, 2018 and July 26, 2018 were approved as amended
3. Public Communications: None
4. Discussion Items:
 - The Task Force reviewed a series of twelve maps prepared by City staff identifying vacant buildable lots and existing parking lots (City and Privately Owned). The maps were reviewed in order to identify potential affordable housing sites in the City in accordance with Programs 8, 26, and 27 of the Housing Element of the General Plan. The information contained on the maps presented to the Task Force included lot area with parcel data (i.e. size of lot, zone, address, acreage and present zoning).
 - The Task Force reviewed each map and narrowed them down to be further reviewed at the next meeting. The maps and properties eliminated that were deemed not to be feasible housing sites included the village entrance area (already under construction), environmentally sensitive properties due to open space or hillside conditions, limited access, oceanfront properties, and city owned parks.
 - The map of the downtown was kept for further review as there may be properties which could qualify for up-zoning or adaptive reuse of underutilized buildings above the ground floor of existing retail spaces (supports Program 8). The Downtown Specific Plan Update is currently in progress and may already address this topic.
 - Other properties added to the discussion not identified on the maps to be further reviewed at the next meeting include 113 Canyon Acres Drive (vacant property on Laguna Canyon Road), 600 N. Coast Highway (Pavillions Shopping Center), and 21065 Raquel Road (formerly Laguna Gardens Nursery).
5. Meeting adjourned at 6:05 pm to Thursday, September 20, 2018

**MINUTES
AFFORDABLE HOUSING TASK FORCE MEETING**

Thursday, October 18, 2018

1. Meeting called to order at 5:00 pm. Task Force Members Robert Reed, Marcus Skenderian, Mohammad Honarkar, Jane Fulton, Louis Weil, Anne Johnson, and Debbie Neev were present. Members not in attendance: Chris Quilter, Gary Boisen and Karen Martin. Guests Arthur Hill and Katie Licari were in attendance. City staff members Scott Drapkin and Monique Alaniz-Flejter were also in attendance.
2. Minutes of the meeting of August 16, 2018 were approved. The September meeting was canceled due to a lack of quorum.
3. Public Communications: None
4. Discussion Items:
 - Jane Fulton provided the Task Force with an update of Harbor Cove, a 15 unit Section-8 Senior Citizens rental development with an affordable covenant expiration of 2019. There are twelve seniors from Harbor Cove looking for Section-8 housing. There is typically a two-year waiting list. Their vouchers must be used or they are lost. There are also several other seniors on the waiting list for affordable housing in Laguna Beach.
 - Mo Honarkar provided the Task Force with an overview of a proposed affordable housing project for a property located on Laguna Canyon Road and Canyon Acres Drive. A concept review of the plans will be presented to the Planning Commission at a future date.
 - Allison Mathews commented on the conceptual project that she supports community gardening for the elderly and that parking may not be needed.
 - Staff provided the Task Force with an overview and milestone progress report of ongoing discussions on prioritization of General Plan Housing Element Programs for Land and Funding opportunities for affordable housing.
 - The Task Force continued the land discussion pursuant to Programs 8, 26, and 27 of the Housing Element of the General Plan. As directed by the Task Force at the previous meeting, a series of eight maps prepared by City staff identified potential sites for affordable housing, assisted living, and senior living. The Task Force narrowed down the site as follows:
 - Map 1:-Dog Park - Mixed uses and Affordable-Nursery - Affordable / Artist Live Work
 - Map 2:-Sites 1&2 – Affordable
 - Map 3:-Site 113 Canyon Acres Drive with up zoning
 - Map 4:-City Parking Lots- In fill Housing
 - Map 5:-More suited for affordable housing for assisted and senior living
 - Map 6:-More suited for affordable housing for assisted and senior living
 - Map 7:-Affordable
 - Map 8:-Affordable
 - Louis Weil suggested that the Task Force prioritize the maps. It was discussed and determined that the maps would not be prioritized at this time.
 - Anne Johnsons commented that all sites need to be further analyzed.
5. Meeting adjourned at 6:00 pm to Thursday, November 15, 2018

**MINUTES
AFFORDABLE HOUSING TASK FORCE MEETING**

Thursday, November 15, 2018

1. Meeting called to order at 5:00 pm. Task Force Members Marcus Skenderian, Mohammad Honarkar, Gay Boisen, Louis Weil, Anne Johnson, Debbie Neev, Karen Martin, and Allison Mathews were present. Members not in attendance: Chris Quilter, Jane Fulton, and Robert Reed. Guest Katie Licari was in attendance. City staff members Scott Drapkin and Monique Alaniz-Flejter were also in attendance.
2. Minutes of the meeting of October 18, 2018 were approved.
3. Public Communications: None
4. Discussion Items:
 - The Task Force continued the land discussion pursuant to Programs 8, 26, and 27 of the Housing Element of the General Plan. As directed by the Task Force at the previous meeting, the Task Force narrowed down the sites for the purposes of affordable housing, assisted living, and senior housing as follows (may be modified with further analysis):
 - Map 1:-Dog Park - Mixed uses and Affordable-Nursery - Affordable / Artist Live Work
 - Map 2:-Sites 1&2 -- Affordable
 - Map 3:-Site 113 Canyon Acres Drive with up zoning
 - Map 4:-City Parking Lots- In fill Housing
 - Map 5:-More suited for affordable housing for assisted and senior living
 - Map 6:-More suited for affordable housing for assisted and senior living
 - Map 7:-Affordable
 - Map 8:-Affordable
 - Anne Johnson recommended that all sites should be suggested based on a variety of different needs.
 - Karen Martin mentioned that an analysis should explain why the sites were chosen. She also mentioned that a zoning overlay district could be placed on the properties.
 - Debbie Neev mentioned that certain lots might not be a fit.
 - Anne Johnson requested that staff prepare an analysis and matrix of the sites. With the Task Force's recommendation, let the Planning Commission and Council discuss and consider.
 - Karen Martin reported back to the Task Force on the 2018 California Affordable Housing Legislative Briefing presented by the Kennedy Commission on various funding bills passed through the legislature. Bills referenced in the discussion includes AB 3194 (Accountability Act), AB 2162 (Supportive Housing by right), and SB 2 (Building Jobs and Homes Act), SB 3-Proposition 1(Veterans and Affordable Housing Bond Act), and SB 35 (Streamline).
 - Staff reported that SB 2 is potential viable funding source.
 - Anne Johnson requested information on SB 2 to be provided by staff.
 - The Task Force formed two sub-committees in order to provide additional research regarding potential sites and funding sources. Each group will meet separately to discuss and report back to the Task Force at the next meeting.
 - Staff also suggested that the Task Force match the funding sources identified to the applicable Housing Element Programs being considered (i.e. Programs 8, 15, 16, 17, 26, and 27).
5. Meeting adjourned at 6:05pm to Thursday, December 20, 2018

- Allison Mathews asked if the City could buy and then re-design?
- Karen Martin indicated that retrofit is more expensive than rebuilding new.
- Greg suggested that a good way to start is to identify the zoning code restrictions for the sites and fees. Study zoning and then provide recommendations for more flexible incentives.
- Anne Johnson suggested that the group review the recommendations from the Senior Housing Task force and to not reinvent the wheel.
- Chris Quilter discussed accessory dwelling units.
- Karen Martin asked if ADUs can be located in only R-1 and RHP zones.
- Staff liaison, Monique Alaniz-Flejter indicated that if ADU is new attached and detached the ADU can only be located within the R1 and RHP zones, but if the ADU is located within the existing space of a single-family residence or legally established accessory building, then the ADU can be located on any property that permits a single-family use.
- Deborah Neev indicated that the analysis should address spot zoning.
- Deborah Neev indicated that the Task Force is not making any decisions. Environmental issues and zoning haven't even begun to be vetted. The potential funding will be outlined and presented to seek direction from the Council.
- Jane Fulton confirmed that there is full waiting list at Vista Aliso and Alice Court, and that 15 units would be lost at Harbor Cove.

5. Public Communications:

- Jay Grant requested that reference to up-zoning be removed for the Canyon Acres property.
- Randy Bater indicated that the canyon is burdened and that the housing crisis is due to profits being pushed to the limits.
- Loraine Laguna was concerned that the Laguna Canyon property was not specifically placed on this agenda for discussion.
- Eric Caris indicated that since 1987, the Canyon Acres area has been identified as residential neighborhood. Respect the zoning.
- Matthew Shubin asked how the County composes ratio of affordable is representative of the renter population. He provided a map of renters per affordable housing units in Orange County.
- Penny Milne outlined some of the constraints on Laguna Canyon as being located in a blueline stream (i.e. watercourse), setback restrictions, drainage from Top of the World, 100 year flood area, and exits into neighborhoods.
- Francois Langin was concerned that investors want to make money.
- Diane Valentino is a renter who is fighting to stay in Laguna as an artist.

6. Meeting adjourned at 6:30pm to Thursday February 21, 2019.

**MINUTES
AFFORDABLE HOUSING TASK FORCE MEETING**

Thursday, December 20, 2018

1. Meeting called to order at 5:00 pm. Task Force Members Marcus Skenderian, Mohammad Honarkar, Gay Boisen, Louis Weil, Anne Johnson, Debbie Neev, Karen Martin, Allison Mathews, Chris Quilter, Jane Fulton and Robert Reed were present. Guests Elisa Stipkovich, Jay Grant, Dan Burge, Jennifer Burge, Vivian Caris, Eric Caris, Steven Tollefsand, Sheila Maquilan, Marcia Klass, and Lorene Laguna were in attendance. Council Member Sue Kemp, and City staff members Greg Pfof and Monique Alaniz-Flejter were also in attendance.
2. Minutes of the meeting of November 15, 2018 were approved.
3. Public Communications: Members of the public expressed concerns with land discussions pertaining to property located at 113 Canyon Acres Drive, which was identified as a potential site to be considered for affordable housing, assisted living, or senior housing. Concerns included conflict of interest of a Task Force member involved with the property, access, safety, up-zoning, and increased density.
4. Discussion Items:
 - Louis Weil addressed the public regarding time allotted to speak due to number of guests and to keep the agenda moving forward.
 - Mo Honokar addressed the public regarding an affordable housing proposal at Laguna Canyon Road and Canyon Acres Drive that he intends to submit to the City for consideration. Mo indicated that he would withdraw from the committee if necessary.
 - Anne Johnson explained that public comments will go into the minutes. It's way too early in the process.
 - Community Development Director, Greg Pfof addressed the public on the background on the mission of the Task Force. The Task Force will prepare recommendations to be considered by the Planning Commission and City Council. There is currently no plan. It's too early to tell. Comments from the public will be forwarded along with the Task Force recommendations.
 - A letter prepared by the Laguna Canyon president Eric Caris was verbally read at the meeting and has been attached the minutes entered herein.
 - Guest Speaker Elisa Stipkovich, who is experienced in housing policy and administration, explained that housing is a public/private partnership that reflects a balance of the community needs, such as an aging population in particular, finding out what the City priorities are, what are the infrastructure issues (i.e. rehabilitation of existing buildings), and enforcement. She also indicated that there is plenty of funding available for affordable housing. The largest hurdles are identifying and overcoming the issue of opposition by residents.
 - Karen Martin indicated that it's knowing how to get the funding.
 - Staff liaison Monique Alaniz-Flejter asked if there are current grant funding programs for affordable housing that can be applied for without a specific project.
 - Elisa responded; that type of program has not been available since the elimination of redevelopment funding, and that government funded housing programs are typically tied to a specific development project.
 - Louis Weil indicated that it's about balance.
 - At the last meeting, the Task Force formed two sub-committees in order to provide additional research regarding potential sites and funding sources, and to report back to the group.

- Funding Discussion: (Deborah, Ann, Marcus, Louis, Karen and Allison): The group presented draft discussion points on potential funding sources in the categories of Planning, New Construction, Repurposing, and Homelessness:
 - Infill Infrastructure Grant Program Concept
 - Predevelopment Loan Program
 - AB 678, SB 167 and AB 1515
 - SB 2
 - Golden State Acquisition Fund (GSAF)
 - Supportive Housing Multifamily Housing Program
 - AB 1505 (Inclusionary Housing)
 - National Housing Trust Fund (New Construction)
 - Affordable Housing and Sustainable Communities (AHSC) Program
- Karen Martin expressed concerns with the need to provide affordable housing in Laguna.
- Community Development Director explained the Regional Housing Needs Assessment and compliance with State Law.
- Karen Martin expressed concern with the timing and grant funding deadlines recently posted by the State Housing & Community Development (HCD). The deadlines are also referred to as Notice of Final Action (NOFA).
- Staff explained that with City Council direction to proceed with recommendations, potential funding sources can be pursued.
- Staff Liaison, Monique Alaniz-Flejter indicated that the SB 2 guidelines have been recently released, and that staff is following this bill.
- Karen expressed the need to request a budget to hire a consultant to study the laws and outline what the next steps need to be to obtain funding.
- Anne Johnson indicated that we still need to look at infill, repurposing and new sites for construction. The following step would be to identify the site constraints (i.e. SWOT analysis).
- Potential Site Locations (Louis, Gary, Mo, Allison and Karen):
 - Draft discussion points for potential sites were evaluated for affordable criteria, affordable unit impact and targeted demographic (i.e. Senior Living, Assisted Living, Live-Work, Student, and Affordable in the categories of low-income and extremely-low income).
 - The Task Force also referred to the Accessory Dwelling Units to promote affordable housing.
 - The Task Force indicated the need to further discuss infill and repurposing.
 - Allison Mathews questioned why warehouse buildings in the Canyon could not be repurposed.
 - An affordable housing project, involving rehabilitation of the Hermosa Village Apartment homes in Anaheim was funded with tax credit deals.

5. Meeting adjourned at 6:20pm to Thursday, January 17, 2019.

MINUTES
AFFORDABLE HOUSING TASK FORCE MEETING

Thursday, January 17, 2019

1. Meeting called to order at 5:00 pm. Task Force Members Marcus Skenderian, Mohammad Honarkar, Gary Boisen, Louis Weil, Anne Johnson, Debbie Neev, Karen Martin, Allison Mathews, Chris Quilter, Jane Fulton and Robert Reed were present. Guests Joan McCollum, Marg Ewalt, Randy Bader, Lynn Lindsey, Michael Lindsey, Penny Milne, Renea Sendele, Mike and Jill Sweeney, Kent Russell, Deborah Young, Sarah Smart, Jay Grant, Michal Halinad, Francois Langin, Melissa Bellard, Mark Blumenfeld, Mike Jones, John Hanuauer, Joseph Fuszay, Bruce Macmillan, Marilyn and Frank Smart, Lorene Laguna, Diane Self, Julie Setterholm, Roland Schertenleib, Ted Taylor, Marcia Klass, Lural Taylor, Jim Hall, Jenifer Burge, Paul Merritt, Eric Caris, Mark and Sue Winner, Mario Visin, Caty Mullins, O. R. Leary, Libby Shackford, Sheila Maquilan, K. Delp Dew, Steve Shabazian, Mark Ward, were in attendance. Community Development Director, Greg Pfof and Staff Liaison, Monique Alaniz-Flejter were also in attendance.
2. Minutes of the meeting of December 20, 2018 were approved.
3. Task Force Member Reports: Louis Weil provided opening comments regarding some of the concerns that were expressed with regard to potential conflict of interest of a Task Force members who might be involved with development of sites considered in the recommendation to the City Council.
 - Mo Honarkar presented his letter of resignation to the Chair of the Task Force to avoid any conflict of interest.
 - Jane Fulton confirmed there is no conflict of interest with regard with working with the tenants of Harbor Cove, as the work is pro bono.
 - Marcus Skenderian confirmed that he was aware of a past involvement of Third Street Cottages and will be happy to recuse himself on any recommendations where there could be a potential conflict of interest.
4. Discussion Items:
 - Louis Weil explained that this is a complicated issue.
 - Louis Weil asked what are the issues are when people bring residential projects to the counter. Community Development Director, Greg Pfof responded that in commercial areas, mixed use is ok in some areas (cannot exceed 50% of the commercial activities), development requires Coastal Commission review to ensure visitor serving amenities are preserved, and that the development standards of the zone are a more difficult issue to look at. In the Downtown Specific Plan, the building height is limited to 12 feet and housing restrictions. Discussions with the Planning Commission regarding the Downtown Specific Plan Update have been where to encourage housing in the downtown, and hopefully to provide flexibility for more housing opportunities, and possible changes to land use zoning.
 - Greg also mentioned that in the Laguna Canyon Specific Plan area, land uses and development standards have issues related to small scale, rural, and uniqueness of the Canyon.
 - Robert Reed indicated that the buildings in the downtown may not be suitable for infill reuse as they are not designed to the earthquake standards to accommodate the upper floor.
 - Greg agreed that this is an issue and could be cost prohibitive.
 - Anne Johnson recalled an infill project in the City of Claremont that provided permanent space for artists.
 - Chris Quilter indicated that Hagan Place, which was previously a telephone company, is a good example of infill reuse.

MINUTES
AFFORDABLE HOUSING TASK FORCE MEETING

Thursday March 21, 2019

1. Meeting called to order at 5:05 pm. Task Force Members Louis Weil, Robert Reed, Debbie Neev, Jane Fulton, Chris Quilter, Anne Johnson, Gary Boisen, and Karen Martin were in attendance. Guests in attendance include Steve Tollefsrud, Sheila MaQuilan, Mike Sweeney, Marcia Klass, Mo Honarkar, Penelope Milne, Gail Duncan, David Shilling, and Lester Savit. Community Development Director, Greg Pfof and Staff Liaison, Monique Alaniz-Flejter were also in attendance.
2. Minutes of the meeting of January 17, 2019 were approved.
3. Public Communications:
 - Mike Sweeney spoke at the meeting on behalf of the Canyon Acres community. He indicated that they were presented with the preliminary housing proposals for property located at corner of Laguna Canyon Road and Canyon Acres and indicated that there are 250 signatures opposing up-zoning. He also indicated that there are seismic concerns, ingress and egress, density, mass, and flooding.
 - Marcia Klass indicated that corner has a lot going on and that there is a bus stop close by.
 - Mo Honarkar stated that Senior Housing vs. student housing was proposed as an option. He also referenced density bonus law mandated by state law.
 - Penny Milne indicated that she advocate for the Artisan to promote and reserve for lower incomes to bridge the gap.
4. Discussion Items:
 - Monique briefly presented the opportunities and constraints for map 1-8 that were discussed at previous Task Force meetings as having the potential to support affordable housing.
 - The Task Force agreed to review the maps and provide feedback to staff before the next meeting.
 - Chris Quilter briefly recapped the Task Force on the recently approved Arts Market Study (Artist Work/Live Units)
 - Chris asked with money on the table and lack of action what can we do? Greg Pfof responded that the Task Force can make recommendations with more flexibility, to incentivize or foster more affordable housing, such as parking credits or reduced parking.
 - Karen Martin indicated that the process is slow and there are problems and challenges.
 - Anne Johnson recommended to legalize unpermitted units.
 - Karen suggested co-living housing.
 - Anne Johnson indicated that the report needs to include define infill, density bonuses, incentives, more flexibility, section-8, artist live/work, and review cost of land and building.
 - Greg Pfof reported that the Task Force should finish their recommendations report and present to the City Council within 90 days from the last Council meeting which was held on March 5th.
5. Meeting adjourned at 6:20 p.m. to Thursday April 18, 2019

**MINUTES
AFFORDABLE HOUSING TASK FORCE MEETING**

Thursday April 18, 2019

1. Meeting called to order at 5:05 pm. Task Force Members Louis Weil, Robert Reed, Debbie Neev, Chris Quilter, Anne Johnson, Marcus Skenderian, Allison Mathews, Gary Boisen, and Karen Martin were in attendance. Jane Fulton was not in attendance. Guests in attendance included Marcia Klass, Mike Kane, Gail Duncan, and Rebecca Apodaca. Community Development Director, Greg Pfof and Staff Liaison, Monique Alaniz-Flejter were also in attendance.
2. Minutes of the meeting of March 18, 2019 were approved.
3. Public Communications: None
4. Discussion Items:
 - Comments received by Staff from Task Force Members was distributed (attached).
 - The Task Force reviewed the pre-draft recommendations report. Discussion topics included financing mechanisms such as land trust donations and charity, low-income housing tax credits, incentive ADUs through a grant or low interest loan program when affordable, land recommendations and associated maps, problems and challenges.
 - A question was raised whether or not the recipients of affordable housing programs can be limited to local citizens who reside in Laguna. Staff responded that it depends upon the source of the funding (i.e. state or local).
 - Staff indicated that a list of recommendations should be formulated in the report (i.e. exploring infill in the downtown, promoting adaptive reuse, or more flexibility in zoning).
5. Meeting adjourned at 6:15 p.m. to Thursday May 16, 2019

RESOLUTION NO. 19-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH, CALIFORNIA, AUTHORIZING APPLICATION FOR AND RECEIPT OF SB 2 PLANNING GRANTS PROGRAM FUNDS

WHEREAS, the State of California Department of Housing and Community Development (Department) has issued a Notice of Funding Availability (NOFA) dated March 28, 2019 for its Planning Grants Program (PGP); and

WHEREAS, the Department is authorized to provide up to \$123 million under the SB 2 Planning Grants Program from the Building Homes and Jobs Trust Fund for assistance to counties (as described in Health and Safety Code section 50470 et seq. [Chapter 364, Statutes of 2017 (SB 2)] related to the PGP Program; and

WHEREAS, the City Council of the City of Laguna Beach desires to submit a project application for the PGP program to accelerate the production of housing and will submit a 2019 PGP grant application as described in the Planning Grants Program NOFA and SB 2 Planning Grants Program Guidelines released by the Department for the PGP Program;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH DOES RESOLVE AND ORDER as follows:

SECTION 1. The City of Laguna Beach shall apply for and submit to the Department a 2019 Planning Grants Program application in the amount of \$160,000.00.

SECTION 2. In connection with the Planning Grants Program, if the City of Laguna Beach's application is approved by the Department, the City Manager is authorized to enter into, execute, and deliver a State of California Agreement (Standard Agreement) for the amount of \$160,000.00, and any and all other documents required or deemed necessary or appropriate to evidence and secure the approved PGP grant, the City of Laguna Beach's obligation related thereto, and all amendments thereto (collectively, the "PGP Grant

Documents”).

SECTION 3. The City of Laguna Beach shall be subject to the terms and conditions as specified in the Standard Agreement, the SB 2 Planning Grants Program Guidelines, and any applicable PGP guidelines published by the Department. Grant funds are to be used for allowable expenditures as specifically identified in the Standard Agreement. The City’s application in full is incorporated as part of the Standard Agreement. Any and all activities funded, information provided, and timelines represented in the City’s application will be enforceable through the executed Standard Agreement. The City Council hereby agrees to use the grant funds for eligible uses in the manner presented in the City’s application as approved by the Department and in accordance with the Planning Grants NOFA, the Planning Grants Program Guidelines, and 2019 Planning Grants program Application.

SECTION 4. The City Manager is authorized to execute the City of Laguna Beach Planning Grants Program application, the PGP Grant Documents, and any amendments thereto, on behalf of the City of Laguna Beach as required by the Department for receipt of the PGP Grant.

ADOPTED this 10th day of September, 2019.

Bob Whalen, Mayor

ATTEST:

Lisette Chel-Walker, City Clerk

I, LISETTE CHEL, City Clerk of the City of Laguna Beach, California, do hereby certify that the foregoing Resolution No. 19- was duly adopted at a Regular Meeting of the City Council of said City held on September 10, 2019, by the following vote:

AYES: COUNCILMEMBER(S):
NOES: COUNCILMEMBER(S):
ABSTAIN: COUNCILMEMBER(S):
ABSENT: COUNCILMEMBER(S):

City Clerk, City of Laguna Beach, California