



City of Laguna Hills City Council / Planning Agency

Don Caskey
Mayor

Jared Mathis
Mayor Pro Tempore

Erica Pezold
Council Member

Joshua Sweeney
Council Member

Dave Wheeler
Council Member

Special Meeting Agenda
Wednesday, August 19, 2026 - 4:00 PM
(Closed Session at 5:00 p.m. when scheduled)
City Council Chamber
24035 El Toro Road
Laguna Hills, CA 92653

In Person Public Comments: Any person wishing to address the City Council/Planning Agency on any matter, whether or not it appears on this Agenda, is asked to complete a pink "Request to Speak" form available on the table at the back of the Chamber and submit the form to the City Clerk. The Request to Speak form assists the Mayor in ensuring that all persons wishing to address the City Council are recognized and ensures accurate identification of meeting participants in the City Council/Planning Agency Minutes. Completion of the form is voluntary. It is City policy to limit public testimony to up to three (3) minutes per person, as determined by the Mayor, for Public Comments. If you are commenting on an Agenda item, your comments will be heard at the time that item is scheduled on the Agenda. If you are addressing the City Council on an item not listed on the Agenda, the City Council is prohibited by law from discussing or taking any action on that item.

Submission of Electronic Public Comments: Those wishing to make electronic public comments may submit their comments by [email to the City Clerk](#) no later than two (2) hours prior to the start of the meeting on August 19, 2026. In the subject line of the email, please state your name and the item number you are commenting on. Any public comment received that does not specify a particular agenda item number will be announced during the general public comment portion of the agenda. All comments received by the deadline on the date of the meeting will be provided to the City Council and will be provided for public inspection at the meeting. During the applicable agenda item, the City Clerk will announce the name of the sender and subject matter of all electronic comments received by the deadline on August 19, 2026. Email comments will NOT be read by the City Clerk during the meeting. Electronic public comments may only be submitted via email and comments via text and social media (Facebook, X (formerly Twitter), etc.) will not be accepted.

Remote Online Public Comments: Any person wishing to address the City Council/Planning Agency on any matter, whether or not it appears on this Agenda, can do so via two-way telephonic service by calling the number below and entering the meeting ID and passcode. When participating via two-way telephonic service, follow the instructions below to indicate you wish to speak during the meeting. It is City policy to limit public testimony to up to three (3) minutes per person, as determined by the Mayor, for Public Comments. You will be asked to raise your hands via *9. When recognized by the City Clerk using the last four (4) digits of your phone number, unmute your microphone by pressing *6 (Staff will grant permission) and provide comments. At the conclusion of your time, your ability to unmute will be removed by the Host. Remote participants must be present when called and are responsible for ensuring that they are connected and able to hear the meeting.

Two-way Telephonic Service Information:

Telephone Number: 669-444-9171 or 253-215-8782

Meeting ID: 858 5938 2799

Passcode: 92653

Please be mindful that the meeting will be recorded and all rules of decorum apply for in-person and virtual attendees.

For questions or assistance, please contact the City Clerk's Office at (949) 707-2635 or via [email](#).

Call to Order

Resolution No. 96-04-09-1 established rules of decorum for public meetings held by the City of Laguna Hills. Resolution No. 96-04-09-1 is available on the table at the back of the City Council Chamber.

Roll Call of City Council / Planning Agency Members

1. Public Comments

This is the time to address the City Council / Planning Agency on any matter not listed on this Agenda that is within the subject matter jurisdiction of the City Council. Public Comments are limited to three minutes per person, as determined by the Mayor.

2. Joint City Council / Planning Agency Public Hearings

2.1 RZNE-0014-2026 General Plan Amendment (GPA), Zoning Code Text Amendment (ZTA), and Zone Change (ZC) for No Net Loss Compliance. The proposed amendments consist of: (A) a General

Plan Amendment to amend the Land Use Element to comply with No Net Loss Law (Government Code Section 65863) by specifying that select Housing Element sites may be developed at residential densities between 30 and 80 dwelling units per acre; (B) a Zoning Text Amendment to implement the amended Land Use Element by renaming the existing Housing (H) Overlay Zone to Housing 50 (H50) Overlay Zone and introducing a new Housing 80 (H80) Overlay Zone; and (C) a Zone Change to apply the Housing 50 (H50) Overlay Zone and Housing 80 (H80) Overlay Zone to 23501 – 23561 Ridge Route Drive (APN# 588-331-12), 25201 – 25241 Paseo de Alicia (APN# 620-221-42, 620-221-44, and 620-221-49), and to additional properties as specified in the proposed ordinance.

Recommendation: That the City Council:

1. Conduct a public hearing;
2. Find that the proposed General Plan Amendment, Zoning Text Amendment, and Zone Change are statutorily exempt from review under the California Environmental Quality Act (CEQA) pursuant to California Public Resources Code Section 21080.085 as the project implements the schedule of actions contained in the City's certified 2021–2029 Housing Element;
3. Adopt a Resolution entitled: "RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, ADOPTING GENERAL PLAN AMENDMENT NO. RZNE-0014-2026 TO AMEND THE LAGUNA HILLS GENERAL PLAN LAND USE ELEMENT FOR THE 2021-2029 PLANNING PERIOD TO INCORPORATE REVISIONS PURSUANT TO GOVERNMENT CODE SECTION 65863 (NO NET LOSS LAW) THAT ENSURE THAT DEVELOPMENT OPPORTUNITIES REMAIN AVAILABLE THROUGHOUT THE HOUSING ELEMENT PLANNING PERIOD TO ACCOMMODATE THE JURISDICTION'S REGIONAL HOUSING NEED ALLOCATION (RHNA) AS REQUIRED BY THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT AND TO AMEND THE LAGUNA HILLS GENERAL PLAN LAND USE ELEMENT TO IMPLEMENT THE HOUSING ELEMENT."; and
4. Introduce for first reading, read by title only, and waive further reading of an Ordinance entitled: "AN ORDINANCE OF THE CITY OF LAGUNA HILLS, CALIFORNIA, ADOPTING ZONING TEXT AMENDMENT AND ZONING MAP AMENDMENT NO. RZNE-0014-2026, (1) A TEXT AMENDMENT TO TITLE 9 (ZONING AND SUBDIVISIONS) OF THE LAGUNA HILLS MUNICIPAL

CODE TO IMPLEMENT THE GENERAL PLAN HOUSING ELEMENT BY AMENDING CHAPTER 9-11 (OVERLAY DISTRICTS) TO IMPLEMENT THE AMENDED LAND USE ELEMENT BY RENAMING THE EXISTING HOUSING (H) OVERLAY ZONE TO HOUSING 50 (H50) OVERLAY ZONE AND INTRODUCING A NEW HOUSING 80 (H80) OVERLAY ZONE; AND (2) A ZONE CHANGE TO APPLY THE HOUSING 50 (H50) OVERLAY ZONE AND HOUSING 80 (H80) OVERLAY ZONE TO 23501 – 23561 RIDGE ROUTE DRIVE (APN# 588-331-12), 25201 – 25241 PASEO DE ALICIA (APN# 620-221-42, 620-221-44, AND 620-221-49), AND TO ADDITIONAL PROPERTIES AS SPECIFIED IN THE PROPOSED ORDINANCE.”

2.2 RZNE-0015-2026: An amendment to Title 9 of the Laguna Hills Municipal Code to establish inclusionary housing requirements as identified in Implementation Programs H-6 and H-7 of the Laguna Hills 2021-2029 Housing Element. The project includes: 1) an Ordinance establishing inclusionary housing requirements for residential development projects, in accordance with state law, and establishing an Inclusionary Housing Fund into which in-lieu fees will be deposited; and 2) a Resolution establishing a schedule of in-lieu affordable housing fees and administrative fees associated with inclusionary housing requirements.

Recommendation: That the City Council:

1. Conduct a public hearing;
2. Find that the Ordinance and Resolution are not subject to environmental review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Sections 15060(c)(2) and Section 15378 as the ordinance and resolution have no potential to result in a direct or reasonably foreseeable indirect physical change to the environment;
3. Introduce for first reading, read by title only, and waive further reading of an Ordinance entitled: “AN ORDINANCE OF THE CITY OF LAGUNA HILLS, CALIFORNIA, ADOPTING RZNE-0015-2026 FOR THE INCLUSIONARY HOUSING PROGRAM BY ADDING CHAPTER 9-73 (INCLUSIONARY HOUSING) OF TITLE 9 (ZONING CODE) OF THE LAGUNA HILLS MUNICIPAL CODE TO ESTABLISH AN INCLUSIONARY HOUSING PROGRAM, REQUIRE THE PROVISION OF AFFORDABLE HOUSING IN CERTAIN RESIDENTIAL DEVELOPMENTS, ESTABLISH AN INCLUSIONARY HOUSING FUND, PROVIDE ALTERNATIVE

METHODS OF COMPLIANCE, AND MAKE FINDINGS RELATED THERETO.”; and

4. Adopt a Resolution entitled: “A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, ESTABLISHING AN INCLUSIONARY HOUSING IN-LIEU AFFORDABLE HOUSING FEE AS AN ALTERNATIVE TO PROVIDING AFFORDABLE HOUSING UNITS REQUIRED BY CHAPTER 9-73 (INCLUSIONARY HOUSING) OF THE LAGUNA HILLS MUNICIPAL CODE.”

3. Administrative Reports

3.1 City Manager

3.2 Assistant City Manager

3.2.1 Approval of Amendment No.1 with All City Management Services for Crossing Guard Services

Recommendation: That the City Council: 1. Approve Amendment No. 1 to the Contract Services Agreement with All City Management Services, Inc. for Crossing Guard Services; 2. Authorize the City Attorney to make minor modifications as may be necessary to execute the Amendment; and 3. Authorize the City Manager to sign Amendment No. 1 to the Contract Services Agreement with All City Management Services, Inc. for Crossing Guard Services.

3.3

City Clerk

3.3.1 Adopt a Resolution Appointing Joshua Sweeney to the City Council to Represent Council District 2 for a Full-Term of Four Years in Lieu of an Election; and Cancelling the November 3, 2026, General Municipal Election for City Councilmember Council District 2, Pursuant to California Elections Code Section 10229

Recommendation: Staff makes no recommendation. This report is being presented to the City Council to facilitate discussion at the public hearing and for Council to consider appointing Joshua Sweeney to Council District 2 or move ahead with an election for District 2.

4. City Council Member Comments

Adjournment

The next Regular Meeting of the City Council/Planning Agency will be August 25, 2026, at 6:00p.m., in the City Council Chamber, located at 24035 El Toro Road, Laguna Hills, California.

CERTIFICATION

I, JOSHUA STEVENSON, City Clerk of the City of Laguna Hills, do hereby certify that a copy of the foregoing Agenda was posted at Laguna Hills City Hall, Laguna Hills Community Center, and Knotty Pine Park by August 14, 2026, at 5:00p.m.



Joshua Stevenson, City Clerk

It is the intention of the City of Laguna Hills to comply with the Americans with Disabilities Act in all respects. If as an attendee or a participant at this meeting you will need special assistance beyond what is normally provided, the City of Laguna Hills will attempt to accommodate you in every reasonable manner. Please contact the office of the City Clerk at (949) 707-2635. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to assure accessibility to this meeting.

Materials related to an item on this Agenda submitted to the City Council after distribution of the agenda packet are available for public inspection in the City Clerk's Office at 24035 El Toro Road, Laguna Hills, California, during normal business hours. In addition, such writings or documents will be made available for public review on the Agenda and Minutes public portal website and at the respective public meeting.

City Council Members receive no additional compensation or stipend as a result of simultaneously convening meetings of the Laguna Hills Planning Agency.



City of Laguna Hills City Council / Planning Agency Staff Report

Date: August 19, 2026

To: Mayor and Council Members

From: Jennifer Lowe, Community Development Director

Issue: RZNE-0014-2026 General Plan Amendment (GPA), Zoning Code Text Amendment (ZTA), and Zone Change (ZC) for No Net Loss Compliance. The proposed amendments consist of: (A) a General Plan Amendment to amend the Land Use Element to comply with No Net Loss Law (Government Code Section 65863) by specifying that select Housing Element sites may be developed at residential densities between 30 and 80 dwelling units per acre; (B) a Zoning Text Amendment to implement the amended Land Use Element by renaming the existing Housing (H) Overlay Zone to Housing 50 (H50) Overlay Zone and introducing a new Housing 80 (H80) Overlay Zone; and (C) a Zone Change to apply the Housing 50 (H50) Overlay Zone and Housing 80 (H80) Overlay Zone to 23501 – 23561 Ridge Route Drive (APN# 588-331-12), 25201 – 25241 Paseo de Alicia (APN# 620-221-42, 620-221-44, and 620-221-49), and to additional properties as specified in the proposed ordinance.

Recommendation: That the City Council:

1. Conduct a public hearing;
2. Find that the proposed General Plan Amendment, Zoning Text Amendment, and Zone Change are statutorily exempt from review under the California Environmental Quality Act (CEQA) pursuant to California Public Resources Code Section 21080.085 as the project implements the schedule of actions contained in the City's certified 2021–2029 Housing Element;
3. Adopt a Resolution entitled: "RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, ADOPTING GENERAL PLAN AMENDMENT NO. RZNE-0014-2026 TO AMEND THE LAGUNA HILLS GENERAL PLAN LAND USE ELEMENT FOR THE 2021-2029 PLANNING PERIOD TO INCORPORATE REVISIONS PURSUANT TO GOVERNMENT CODE SECTION 65863 (NO NET LOSS LAW) THAT ENSURE THAT DEVELOPMENT OPPORTUNITIES REMAIN AVAILABLE THROUGHOUT THE

HOUSING ELEMENT PLANNING PERIOD TO ACCOMMODATE THE JURISDICTION'S REGIONAL HOUSING NEED ALLOCATION (RHNA) AS REQUIRED BY THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT AND TO AMEND THE LAGUNA HILLS GENERAL PLAN LAND USE ELEMENT TO IMPLEMENT THE HOUSING ELEMENT.”; and

4. Introduce for first reading, read by title only, and waive further reading of an Ordinance entitled: “AN ORDINANCE OF THE CITY OF LAGUNA HILLS, CALIFORNIA, ADOPTING ZONING TEXT AMENDMENT AND ZONING MAP AMENDMENT NO. RZNE-0014-2026, (1) A TEXT AMENDMENT TO TITLE 9 (ZONING AND SUBDIVISIONS) OF THE LAGUNA HILLS MUNICIPAL CODE TO IMPLEMENT THE GENERAL PLAN HOUSING ELEMENT BY AMENDING CHAPTER 9-11 (OVERLAY DISTRICTS) TO IMPLEMENT THE AMENDED LAND USE ELEMENT BY RENAMING THE EXISTING HOUSING (H) OVERLAY ZONE TO HOUSING 50 (H50) OVERLAY ZONE AND INTRODUCING A NEW HOUSING 80 (H80) OVERLAY ZONE; AND (2) A ZONE CHANGE TO APPLY THE HOUSING 50 (H50) OVERLAY ZONE AND HOUSING 80 (H80) OVERLAY ZONE TO 23501 – 23561 RIDGE ROUTE DRIVE (APN# 588-331-12), 25201 – 25241 PASEO DE ALICIA (APN# 620-221-42, 620-221-44, AND 620-221-49), AND TO ADDITIONAL PROPERTIES AS SPECIFIED IN THE PROPOSED ORDINANCE.”

Background:

On June 28, 2022, the City Council adopted the 2021–2029 Housing Element Update in substantial compliance with State Housing Element Law. On May 8, 2023, the California Department of Housing and Community Development (“HCD”) determined that the amended Housing Element satisfies statutory requirements, contingent upon completion of required rezonings to ensure identified sites are available for high-density residential development. In response, the City implemented a program including amendments to the General Plan Land Use Element, zoning text and map updates, and adoption of objective design standards to facilitate housing production.

Pursuant to Government Code Section 65863 (No Net Loss Law), the City must maintain adequate site capacity to accommodate its Regional Housing Needs Allocation (RHNA) by income category throughout the planning period. If approved developments yield fewer units than anticipated for a given income category, the City must either demonstrate sufficient remaining capacity or identify additional adequate sites. The City may not deny a housing project on the basis that approval would trigger the need to identify additional sites. Required findings must quantify the remaining unmet RHNA by income level and the capacity of remaining Housing Element sites.

The City's 6th Cycle RHNA totals 1,985 units, including 921 lower-income, 354 moderate-income, and 710 above moderate-income units. The adopted Housing Element sites inventory demonstrated capacity for 3,061 units, exceeding RHNA requirements by 1,076 units overall, including surpluses in each income category.

Since September 23, 2025, the City has approved four residential developments—La Paz Village, Oakbrook Plaza, 23161 Mill Creek Road, and Terravita—totaling 922 units, including 44 very low-income units. Several projects utilized State Density Bonus Law and SB 330 provisions, allowing regulatory concessions and vesting of development standards. Consistent with Section 65863, staff evaluated approved and pending projects and remaining Housing Element sites. Upon the approval of the Terravita project on February 24, 2026, staff determined that remaining Housing Element sites lacked sufficient capacity to accommodate the City's remaining RHNA by income level. Specifically, the remaining lower-income RHNA need is 604 units, while realistic remaining capacity was 343 units, resulting in a deficit of 261 units.

On May 14, 2026, a development application was submitted for a residential development that would span three Housing Element sites. The proposed project includes 100 new residential units, including 5 units for very low-income households. This project is currently under review and will be scheduled for public hearing when ready. With only 5% of the total development designated as affordable housing, the City's deficiency for lower-income units increases to 443.

In accordance with Government Code Section 65863(c)(2), the City must, within 180 days, identify and make available additional adequate sites to address this shortfall. The statute further prohibits denial of housing projects based on the need to comply with this requirement.

Discussion:

Compliance with No Net Loss requirements is subject to strict statutory timelines and involves multiple procedural steps. Identification of replacement sites must be substantiated by a defensible capacity analysis, verification of consistency with applicable zoning designations, and, where applicable, amendments to the General Plan and Zoning Code. In addition, HCD coordination is required to ensure acceptance of updated site inventory assumptions, and CEQA compliance must be completed for any required rezoning actions.

At the regularly scheduled City Council meeting of March 10, 2026, City staff presented an amendment to the professional services agreement with De Novo Planning Group ("Consultant") to assist the City in identifying potential replacement sites, updating the Housing Element site inventory, coordinating with HCD, preparing necessary General Plan and Zoning Code amendments, and completing the required environmental review under the California Environmental Quality Act (CEQA). City staff also provided an in-depth report on the City's status as it relates to No Net Loss and an overview of requirements related to ensuring the City can accommodate its unmet RHNA needs by

income category. The City Council approved the professional services agreement with De Novo to ensure the timely address of the City's No Net Loss obligations, maintain Housing Element compliance, and reduce the risk of State enforcement actions or loss of local land use authority.

Study Sessions

The City conducted two public study sessions to obtain input from the City Council and the public regarding potential rezoning strategies to accommodate its Regional Housing Needs Allocation (RHNA). The first study session was held on April 1, 2026, during which City staff and the project consultant discussed No Net Loss and implications for non-compliance and presented 14 candidate sites for City Council consideration. The City Council provided feedback on the sites and identified other opportunities (apartment redevelopment, home-sharing, and mental health support units) to capture additional units. Following discussion, the City Council directed the consultant to conduct a detailed evaluation of 11 sites to determine their suitability and compliance with the site adequacy standards established by state housing law.

The site evaluation considered the following criteria:

- **Infrastructure Availability:** Water, wastewater, and dry utilities must be existing or planned to adequately support residential development.
- **Site Availability:** Sites must be available for residential development during the planning period. The City must be able to demonstrate that existing uses do not constitute an impediment to future residential development.
- **Site Size:** To accommodate lower-income housing, sites should generally range from 0.5 acre to 10 acres in size, consistent with state guidance for housing site adequacy.
- **Zoning Capacity:** Sites must be zoned, or proposed to be rezoned, to permit residential development at a minimum density of 30 dwelling units per acre (du/ac), as required to accommodate lower-income housing.

On April 29, 2026, the City conducted a second public study session to review the consultant's evaluation of the 11 candidate rezoning sites. The consultant presented the findings of the site adequacy assessment, which evaluated each property's suitability for accommodating residential development consistent with the City's Regional Housing Needs Allocation (RHNA). The analysis determined that three of the evaluated sites did not demonstrate sufficient redevelopment potential or otherwise failed to meet the feasibility criteria necessary for inclusion in the Housing Element site inventory. To comply with RHNA requirements, the City must identify sites that are available and have a realistic likelihood of redevelopment during the planning period to accommodate its assigned housing need. Based on the consultant's evaluation and City Council discussion, four sites were ultimately identified for rezoning to facilitate future residential development and support compliance with the City's RHNA obligations.

Based on the Consultant's evaluation and direction provided by the City Council during the second public study session, the proposed rezoning of four properties requires amendments to the City's General Plan Land Use Element, a Zoning Text Amendment to establish development standards that facilitate the development of additional residential units, and a Zone Change to amend the Zoning Map to apply the appropriate zoning designations necessary to permit residential development for the following sites identified in Table 1 and Figure 1.

Table 1 – Proposed Sites

Map ID	Address	Ac.	Proposed Density	Potential Capacity (MXU)	Notes
D	25201 Paseo de Alicia	5.5	30 – 80 du/ac	308	Alicia Office Park: High vacancy, high improvement total assessed value ratio (55.5-69.2%), property owner interest (letter of support provided 4/16/26)
E	25231 Paseo de Alicia				
F	25241 Paseo de Alicia				
N	23501, 23521, 23531, 23541, 23561, 23601, 23621, & 23641 Ridge Route Drive	9.5	30 – 80 du/ac	532	Some vacancy, low improvement to assessed value ratio (15.5%), property owner interest

Figure 1 – Proposed Sites



Amendment to General Plan Land Use Element

To further implement the actions necessary to maintain compliance with the No Net Loss Law, the proposed amendments to the General Plan Land Use Element include the following:

- Redesignating Site N from Freeway Commercial to Mixed Use to ensure consistency between the General Plan land use designation and the proposed zoning designation.
- Revising the Land Use Element to incorporate language consistent with the proposed amendments to the Zoning Code and Zoning Map by establishing two Housing Overlay designations that permit residential development at densities of 50 dwelling units per acre (du/ac) and 80 dwelling units per acre (du/ac).

Amendment to Zoning Code and Map:

To further implement the actions necessary to maintain compliance with the No Net Loss Law, the proposed amendments to Title 9 (Zoning) of the Laguna Hills Municipal Code, and the corresponding amendments to the Official Zoning Map, include the following:

- Chapter 9-11 (Housing Overlay Zone)
 - Section 9-11.030: Establish the Housing 50 Overlay Zone and Housing 80 Overlay Zone and identify the properties to which each overlay designation applies.
 - Section 9-11.060: Revise the development standards for the Housing 80 Overlay Zone to establish a permitted residential density range of 30 to 80 dwelling units per acre (du/ac) and a maximum building height of 75 feet.
- Official Zoning Map
 - Rezone Site N from Freeway Commercial (FC) to Mixed Use (MXU) to establish an underlying zoning designation that permits residential development and apply the Housing 80 Overlay Zone to the site.

Updated Site Inventory:

The City's remaining unmet need RHNA for the 6th Cycle Housing Element planning period consists of 599 lower-income housing units. As a result of the proposed General Plan and zoning amendments, the residential development capacity of the City's Housing Element Sites Inventory available to accommodate the remaining lower-income RHNA would increase from 156 units to 1,091 units. The additional residential capacity would restore the City's inventory of adequate sites to a level sufficient to satisfy the requirements of California Government Code Section 65863 (No Net Loss Law), resulting in a surplus capacity of 492 lower-income units beyond the City's remaining unmet lower-income RHNA.

Future Considerations:

For purposes of Housing Element compliance, HCD permits the City to credit up to 100 percent of the maximum residential development capacity on qualifying Housing Element sites toward meeting its lower-income Regional Housing Needs Allocation (RHNA). However, this methodology is used solely for planning and site inventory purposes and does not authorize the City to require that 100 percent of the dwelling units constructed on an individual Housing Element site be affordable to lower-income households. The actual affordability of units developed on these sites is determined by applicable legislation, development regulations, funding availability, market conditions, and any adopted affordable housing requirements. Consequently, market conditions may result in a lower proportion of deed-restricted affordable units than the development capacity assumed in the Housing Element and No Net Loss analysis. Adoption of an inclusionary housing ordinance requiring that 15 percent of units in qualifying residential developments be provided as affordable housing would help narrow this gap by ensuring that a portion of new residential units are affordable to lower-income households. While such an ordinance would not eliminate the City's ongoing obligation to monitor residential development capacity and maintain compliance with Government Code Section 65863, it would provide a measurable mechanism to increase the production of affordable housing, improve consistency between assumed and actual affordable housing outcomes, and reduce the potential for future shortfalls in the City's lower-income RHNA inventory.

CEQA:

The proposed General Plan Amendment, Zoning Text Amendment, and Zone Change are statutorily exempt from environmental review under the California Environmental Quality Act (CEQA) pursuant to California Public Resources Code Section 21080.085. This statutory exemption applies because the proposed amendments implement the program of actions identified in the City's certified 2021–2029 Housing Element. Specifically, the amendments are undertaken to satisfy Housing Element implementation requirements by establishing land use designations, zoning regulations, and development standards necessary to accommodate the City's RHNA and maintain compliance with applicable state housing laws. As implementation actions of a certified Housing Element, the proposed amendments qualify for the statutory exemption provided under Section 21080.085 and, therefore, are not subject to further environmental review under CEQA.

Public Notice:

The public hearing notice for this project was advertised in the Saddleback Valley News, an adjudicated newspaper of general circulation, on July 30, 2026, posted to the City's website, emailed to a distribution list of interested parties, mailed to neighboring jurisdictions and applicable utility companies and public agencies, mailed to property owners within a 300-foot radius of each candidate rezone site, and was physically posted on July 30, 2026, at Laguna Hills City Hall, Laguna Hills Community Center, and Courtyard at La Paz shopping center. Staff created a dedicated webpage on the City website about No Net Loss. The draft updates to the General Plan Land Use Element

and Chapter 9-11 of the Laguna Hills Municipal Code were posted on the City website for public viewing on August 11, 2026.

Fiscal Impact:

There is no direct fiscal impact associated with the proposed actions. However, failure to implement the proposed General Plan Amendment, Zoning Text Amendment, and Zone Change necessary to maintain compliance with the No Net Loss Law could have adverse financial and legal consequences for the City. State law requires jurisdictions to maintain an adequate inventory of sites with realistic development capacity to accommodate their remaining RHNA throughout the 6th Cyle Housing Element planning period. Failure to maintain compliance with the No Net Loss Law could result in the City falling out of compliance with its certified Housing Element and other applicable state housing requirements. Such noncompliance may affect the City's eligibility for certain state housing, transportation, and infrastructure funding programs and could subject the City to enforcement actions by the State of California or litigation by interested parties. Potential remedies may include court-ordered actions requiring the City to amend its General Plan and zoning regulations to restore adequate housing capacity, as well as other remedies authorized under state housing law.

Attachments:

1. Draft Resolution – General Plan Amendment
2. Draft Ordinance – Zoning Text Amendment and Zone Change

RESOLUTION NO. 2026-X

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, ADOPTING GENERAL PLAN AMENDMENT NO. RZNE-0014-2026 TO AMEND THE LAGUNA HILLS GENERAL PLAN LAND USE ELEMENT FOR THE 2021-2029 PLANNING PERIOD TO INCORPORATE REVISIONS PURSUANT TO GOVERNMENT CODE SECTION 65863 (NO NET LOSS LAW) THAT ENSURE THAT DEVELOPMENT OPPORTUNITIES REMAIN AVAILABLE THROUGHOUT THE HOUSING ELEMENT PLANNING PERIOD TO ACCOMMODATE THE JURISDICTION'S REGIONAL HOUSING NEED ALLOCATION (RHNA) AS REQUIRED BY THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT AND TO AMEND THE LAGUNA HILLS GENERAL PLAN LAND USE ELEMENT TO IMPLEMENT THE HOUSING ELEMENT.

The City Council of the City of Laguna Hills, California, hereby finds, determines, declares, and resolves as follows:

WHEREAS, pursuant to Government Code Section 65300 et seq., cities and counties are required to adopt a comprehensive, long-term General Plan to guide the social, economic, and physical development of their communities; and

WHEREAS, on July 14, 2009, the City Council of the City of Laguna Hills adopted the Laguna Hills General Plan Update and certified the Program Environmental Impact Report for the Laguna Hills General Plan Update (State Clearinghouse No. 20080811100) ("General Plan PEIR"); and

WHEREAS, the City of Laguna Hills has been assigned an allocation of 1,985 new housing units as its share of the Regional Housing Needs Assessment ("RHNA") in Southern California for the 6th Housing Element cycle covering the Planning Period 2021-2029; and

WHEREAS, on March 26, 2024, the City Council adopted an Amended 2021-2029 Housing Element update, which was certified by California Department of Housing and Community Development ("HCD") on May 23, 2024, that included an inventory of specific vacant and underutilized sites capable of accommodating the City's RHNA across all income levels; and

WHEREAS, subsequent to certification of the City's 2021–2029 Housing Element, the City approved one or more residential development projects on sites identified in the Housing Element site inventory, resulting in a reduction of the

residential development capacity previously assumed to satisfy the City's RHNA by 443 units; and

WHEREAS, pursuant to California Government Code Section 65863 (No Net Loss Law), a jurisdiction is required to ensure that its remaining sites inventory maintains adequate residential development capacity to accommodate its remaining RHNA for each income category throughout the planning period; and

WHEREAS, the City evaluated the remaining capacity of its Housing Element sites inventory following the approval of residential development projects and determined that amendments to the General Plan, Zoning Code, and Zoning Map are necessary to restore sufficient residential development capacity and maintain compliance with the requirements of Government Code Section 65863; and

WHEREAS, two public study sessions were held on April 1, 2026, and April 29, 2026, to allow for public engagement and discuss potential rezoning strategies to accommodate its Regional Housing Needs Allocation (RHNA); and

WHEREAS, implementation of the Project will result in rezoning opportunity sites identified in the Housing Element to satisfy the City's Regional Housing Needs Allocation (RHNA) requirement plus a buffer for lower income categories; amending the General Plan land use designations to allow for residential development and increased densities; and further amending the Land Use Element of the Laguna Hills General Plan in compliance with State law; and

WHEREAS, the City of Laguna Hills has initiated the following actions (collectively, the "Project"): (A) a General Plan Amendment to amend the Land Use Element to comply with No Net Loss Law (Government Code Section 65863) by specifying that select Housing Element sites may be developed at residential densities between 30 and 80 dwelling units per acre; (B) a Zoning Text Amendment to implement the amended Land Use Element by renaming the existing Housing (H) Overlay Zone to Housing 50 (H50) Overlay Zone and introducing a new Housing 80 (H80) Overlay Zone; and (C) a Zone Change to apply the Housing 50 (H50) Overlay Zone and Housing 80 (H80) Overlay Zone to 23501 – 23561 Ridge Route Drive (APN# 588-331-12), 25201 – 25241 Paseo de Alicia (APN# 620-221-42, 620-221-44, and 620-221-49), and to additional properties as specified in the proposed ordinance; and

WHEREAS, concurrently with adoption of this Resolution, the City Council adopted Ordinance No. 2026-X adopting a Zoning Text Amendment and Zone Change for the Project; and

WHEREAS, a notice of the public hearing, describing the project, date, time, and location of hearing was published on July 30, 2026, in the *Saddleback Valley News*, posted to the City's website, emailed to a distribution list of interested parties, mailed to property owners within a 300-foot radius of any candidate rezone site, and was

physically posted on July 30, 2026, at Laguna Hills City Hall, Laguna Hills Community Center, and Courtyard at La Paz shopping center; and

WHEREAS, the City Council has considered information and testimony presented by City staff, the City's Housing Element consultant, community residents and other interested parties at a duly noticed public hearing held on August 19, 2026.

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

SECTION 1. The foregoing recitals set forth above are true and correct and are incorporated by reference herein.

SECTION 2. The proposed General Plan Amendment, Zoning Text Amendment, and Zone Change are statutorily exempt from environmental review under the California Environmental Quality Act (CEQA) pursuant to California Public Resources Code Section 21080.085. This statutory exemption applies because the proposed amendments implement the program of actions identified in the City's certified 2021–2029 Housing Element. Specifically, the amendments are undertaken to satisfy Housing Element implementation requirements by establishing land use designations, zoning regulations, and development standards necessary to accommodate the City's RHNA and maintain compliance with applicable state housing laws. As implementation actions of a certified Housing Element, the proposed amendments qualify for the statutory exemption provided under Section 21080.085 and, therefore, are not subject to further environmental review under CEQA.

SECTION 3. Based upon evidence in the record, the City Council makes the following findings in support of the Amended Land Use Element of the General Plan:

1. California State law requires that each city adopt a general plan to describe its long-term goals and its policies and programs to achieve those goals. The Housing Element is a required element that must be updated at least every eight (8) years, according to a schedule set forth by the State Department of Housing and Community Development.
2. The City of Laguna Hills has been assigned an allocation of 1,985 new housing units as its share of the Regional Housing Needs Assessment ("RHNA") for Southern California for the 6th Housing Element cycle covering the Planning Period 2021-2029. The Amended 2021-2029 Housing Element Update includes a housing sites inventory intended to meet this requirement.
3. California Government Code Section 65863 (No Net Loss Law) requires jurisdictions to maintain an adequate inventory of sites with sufficient residential development capacity to accommodate the remaining unmet portion of their RHNA throughout the 6th Cycle Housing Element planning

period. Following approval of residential development projects on sites included in the City's Housing Element Sites Inventory, the City evaluated its remaining residential development capacity and determined that additional land use and zoning actions are necessary to restore adequate site capacity and maintain compliance with state law.

4. The City of Laguna Hills has a 6th Cycle Regional Housing Needs Allocation (RHNA) of 1,985 dwelling units for the 2021–2029 Housing Element planning period. Based on the City's No Net Loss analysis, the remaining inventory of adequate sites no longer provides sufficient residential development capacity to accommodate the City's remaining lower-income RHNA. The proposed amendments to the General Plan Land Use Element increase the residential development capacity of designated sites and restore the City's inventory of adequate sites necessary to satisfy its obligations under Government Code Section 65863.
5. The proposed amendments maintain consistency between the General Plan Land Use Element, the Housing Element, the Zoning Code, and the Official Zoning Map by aligning land use designations and permitted residential densities with the City's No Net Loss implementation strategy. The amendments provide the additional residential development capacity necessary to preserve an adequate inventory of sites while supporting the General Plan's objectives of encouraging infill development, promoting efficient land use patterns, and expanding opportunities for housing at a range of income levels.

SECTION 4. In accordance with Section 9-92.080 of the City of Laguna Hills Development Code, the following findings for approving General Plan Amendment No. RZNE-0014-2026 are made:

1. That the amendment or plan is consistent with the intent of the goals and policies of the General Plan as a whole, and is not inconsistent with any element thereof:

The proposed amendment to the General Plan Land Use Element is consistent with the goals, objectives, and policies of the General Plan and is not inconsistent with any of its elements. The amendment redesignates Site N from Freeway Commercial to Mixed Use to maintain consistency between the General Plan land use designation and the proposed zoning designation. The amendment also establishes that designated sites within the Housing 50 Overlay may be developed at residential densities between 20 and 50 dwelling units per acre and designated sites within the Housing 80 Overlay may be developed at residential densities between 30 and 80 dwelling units per acre, notwithstanding the density and intensity ranges identified in Tables LU-1 (Land Use Designations) and LU-3 (Expected Development Capacity).

These amendments maintain consistency between the General Plan, the Zoning Code, and the City's Housing Element by preserving adequate residential development capacity to accommodate the City's remaining Regional Housing Needs Allocation (RHNA) in accordance with California Government Code Section 65863 (No Net Loss Law). The amendments further support the General Plan's goals of promoting a balanced land use pattern, expanding housing opportunities, and encouraging orderly and coordinated development.

2. That the amendment or plan is necessary to prescribe reasonable controls and standards for affected land uses to ensure compatibility and integrity of those uses with other established uses:

The proposed amendment establishes clear land use and residential density standards for properties subject to the Housing 50 and Housing 80 Overlay designations while maintaining compatibility with surrounding development. The redesignation of Site N to Mixed Use provides an appropriate underlying land use designation to accommodate residential development in conjunction with the proposed Housing 80 Overlay. The specified density ranges provide predictable development standards that facilitate residential development on designated housing opportunity sites while ensuring compatibility with the City's overall land use framework. The amendments preserve sufficient residential development capacity to maintain compliance with Government Code Section 65863 and support orderly, coordinated growth consistent with the General Plan. This amendment will serve to help meet the City's RHNA of 1,985 new dwelling units during the 6th Cycle Planning Period (2021-2029).

3. That the amendment or plan is necessary to provide reasonable property development rights while protecting environmentally sensitive land uses and species:

The proposed amendment provides reasonable property development rights by establishing land use designations and residential density standards that facilitate housing development on designated sites while maintaining consistency with the City's certified Housing Element and the requirements of Government Code Section 65863. Specifically, the amendment redesignates Site N from Freeway Commercial to Mixed Use and establishes residential density ranges of 20 to 50 dwelling units per acre for Housing 50 Overlay sites and 30 to 80 dwelling units per acre for Housing 80 Overlay sites. These amendments preserve the City's ability to accommodate its remaining RHNA while ensuring that future development remains subject to all applicable federal, state, and local environmental regulations and development standards. The amendments do not alter existing environmental protection policies applicable to future development.

4. That the plan or amendment is necessary to correct discrepancies in standards or policies within the plan area or land use category:

The proposed amendment eliminates inconsistencies between the General Plan Land Use Element and the proposed zoning regulations by redesignating Site N from Freeway Commercial to Mixed Use and clarifying the residential densities permitted on properties designated with the Housing 50 and Housing 80 Overlays. The amendment specifies that the overlay density ranges supersede the density and intensity ranges identified in Tables LU-1 and LU-3 for designated overlay properties, thereby ensuring consistency among the General Plan, the Zoning Code, and the Official Zoning Map. These amendments accurately reflect the residential development capacity assigned to designated housing sites and support continued compliance with Government Code Section 65863.

5. That the plan or amendment is necessary to protect the general health, safety, or general welfare of the community as a whole:

The proposed amendment promotes the public health, safety, and general welfare by ensuring that the City maintains an adequate inventory of sites capable of accommodating its remaining RHNA throughout the Housing Element planning period, as required by Government Code Section 65863. The redesignation of Site N and the establishment of residential density ranges for the Housing 50 and Housing 80 Overlays provide the regulatory framework necessary to facilitate future residential development on identified opportunity sites while maintaining consistency between the General Plan and the Zoning Code. The amendments support the City's long-term housing objectives by expanding opportunities for a variety of housing types and densities, encouraging efficient land use patterns, and preserving the City's ability to comply with state housing law while protecting the quality of life for existing and future residents. The proposed amendments to the Land Use Element will implement Implementation Program H-11 of the Amended 2021-2029 Housing Element Update by specifying additional sites that may be developed at residential densities between 30 and 80 dwelling units per acre. Preserving the City's residential neighborhoods and maintaining the City's housing stock are essential steps to retaining the City's livability and character. Providing a greater diversity of housing types, such as multifamily apartments, condominiums, townhomes, and senior housing facilities, will allow both younger and older generations of Laguna Hills' residents to remain in the community. Housing variety will also enable citizens from a wide range of economic levels to live within the City.

SECTION 5. The Laguna Hills General Plan Land Use Element is hereby amended as follows to specify that designated sites under Housing 50 Overlay may be developed at residential densities between 20 and 50 dwelling units, notwithstanding the densities and intensities for specified land use designations set forth in Tables LU-1 (Land Use Designations) and LU-3 (Expected Development Capacity):

A Footnote 1 shall be revised and a new Footnote 2 added at the bottom of Table LU-1 (Land Use Designations) to read as follows:

¹ A lot designated with the Housing 50 (H50) Overlay Zone in the Laguna Hills Municipal Code may be developed at residential densities between 20 and 50 dwelling units per acre, with no FAR restrictions for residential development, regardless of the underlying land use designation. Nonresidential FAR restrictions continue to be required as defined by the underlying land use designation.

² A lot designated with the Housing 80 (H80) Overlay Zone in the Laguna Hills Municipal Code may be developed at residential densities between 30 and 80 dwelling units per acre, with no FAR restrictions for residential development, regardless of the underlying land use designation. Nonresidential FAR restrictions continue to be required as defined by the underlying land use designation.”

B. Footnote 2 shall be revised and a new Footnote 3 shall be added at the bottom of Table LU-3 (Expected Development Capacity) to read as follows:

¹ A lot designated with the Housing 50 (H50) Overlay Zone in the Laguna Hills Municipal Code may be developed at residential densities between 20 and 50 dwelling units per acre, with no FAR restrictions for residential development, regardless of the underlying land use designation. Nonresidential FAR restrictions continue to be required as defined by the underlying land use

² A lot designated with the Housing 80 (H80) Overlay Zone in the Laguna Hills Municipal Code may be developed at residential densities between 30 and 80 dwelling units per acre, with no FAR restrictions for residential development, regardless of the underlying land use designation. Nonresidential FAR restrictions continue to be required as defined by the underlying land use designation.”

SECTION 6. In the event any of the amendments made to the Land Use Element pursuant to General Plan Amendment No. RZNE-0014-2026 are inconsistent with the provisions of any other resolution, policy, or practice adopted by the City Council prior to the effective date of this resolution, the provisions of this resolution and General Plan Amendment No. RZNE-0014-2026 shall control and shall take precedence.

SECTION 7. If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Resolution is, for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Resolution. The City Council hereby declares that it would have adopted this Resolution and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more section, subsection, subdivision, sentence, clause, phrase, or portion thereof be declared invalid or unconstitutional.

SECTION 8. This Resolution shall take effect on September 25, 2026, the 31st day following adoption of this Resolution by the City Council.

PASSED, APPROVED, AND ADOPTED this 19th day of August, 2026.

DON CASKEY, MAYOR

ATTEST:

JOSHUA STEVENSON, CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss
CITY OF LAGUNA HILLS)

I, Joshua Stevenson, City Clerk of the City of Laguna Hills, California, DO
HEREBY CERTIFY that the foregoing is a true and correct copy of Resolution
No. 2026-X adopted by the City Council of the City of Laguna Hills, California, at a
Regular Meeting thereof held on the 19th day of August, 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(SEAL)

JOSHUA STEVENSON, CITY CLERK

EXHIBIT 1

AMENDED LAND USE ELEMENT



Laguna Hills GENERAL PLAN Land Use Element

July 14, 2009





Laguna Hills GENERAL PLAN

City Council

Mayor: Joel Lautenschlager
Mayor Pro Tem: Randal Bressette
Council Member: Melody Carruth
Council Member: R. Craig Scott
Council Member: L. Allan Songstad, Jr.

City Staff

Bruce Channing, City Manager
 Donald White, Assistant City Manager
 David Reynolds, Deputy City Manager/
 Community Services Director
 Vern Jones, Community Development Director
 Julie Molloy, Project Manager
 Peggy Johns, City Clerk
 Ken Rosenfield, Public Services Director/
 City Engineer
 Steve Doan, Chief of Police Services
 Greg Simonian, City Attorney
 Jennifer Luna, Administrative Assistant

General Plan Advisory Committee

Larry Bertino	Tom McCabe
Barbara Breazeale	Carol Meyers
Bud Freedman	John Oldroyd
Donald Frohlich	Melissa Palencia
Steve Geldt	Charles Reames
Steve Kazarian	Christina Salcido
Mary King	Marty Samuel
Joe Martinez	Don Sedgwick
Susan Masson	Everett Stone

Consultants to the City

EDAW | **AECOM**

In Association with:

Austin Foust Associates
 Stanley R. Hoffman Associates
 Wilson Geosciences

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Land Use



Introduction

The citizens of Laguna Hills take great pride in their City. Residents value the small town atmosphere and the qualities and characteristics that make Laguna Hills such a desirable place to live. Preserving the high standard of living that gives Laguna Hills its appeal is important to the City's residents. At the same time, opportunities exist to strengthen and improve the City and its quality of life.

The City recognizes that quality of life is dependent on preserving neighborhoods, open spaces, and public spaces that already enrich community life, and on creating a compatible and complementary mix of new housing and shopping choices, jobs, and services that can sustain a vibrant economy, a healthy environment, and a vital social life.

The Land Use Element focuses on how land is used in Laguna Hills. The arrangement and use of land helps determine community identity and character, how and where people interact, and how much they enjoy living and working in the community. Policies in this Land Use Element will protect and enhance established neighborhoods while helping the City

evolve into a more integrated, walkable, sustainable, and cohesive community with an identifiable center. The underlying form of the City established by the original planning and development of the community is well suited to accomplishing these objectives.

Some of the factors that must be addressed in achieving the desired community character are preserving environmental resources and open spaces, maintaining and improving the City's residential neighborhoods, creating lively public places, providing quality public services and facilities, integrating and connecting different land uses, maintaining and expanding thriving businesses, and maintaining a strong tax base. Policies addressing land use in this Element promote a pattern of future development that advances the City's desire for a higher quality of life and a more sustainable future.

Purpose and Scope of the Land Use Element

The Land Use Element is the foundation of the General Plan and serves as a compass that guides citizens, planners, and decision makers on the



desired pattern of growth, development, and change in Laguna Hills. This Element describes both existing and future land use activities and unifies the other elements of the General Plan by providing an overall policy context. The Land Use Element deals with the central issues of development and growth, and the quality of the community, and helps define the desired balance among the social, environmental, and economic costs and benefits associated with growth. Most of the Guiding Themes that were described in the Introduction section of the General Plan are manifested in this Element.

The Land Use Element identifies the distribution, location, and intensity of all land use types throughout the City. Text, maps, and diagrams establish the direction for land uses within the City and describe how these uses are integrated with other General Plan Elements and policies.

Background

The City of Laguna Hills has a variety of land uses, including residential, commercial, office, mixed use, public and institutional, open space and recreational, as well as planned community areas. The predominate land use in Laguna Hills is moderate to low density single-family homes. This contributes to the small-town character many residents identify with Laguna Hills. The City contains a range of housing types, including single-family detached and attached homes, apartments, condominiums, and mobile homes located throughout the City.

Nonresidential uses in the City, such as commercial and office, provide valuable revenue to the City and provide jobs and services for the community and region. Most commercial uses in the City are concentrated along Interstate 5 (I-5) and the major roadways. The City is almost entirely built out, although there are a few undeveloped large lot residential parcels scattered throughout the southern portion of the City.

Several patterns of development exist throughout the City of Laguna Hills. The next section more fully describes how land is used in the northern, central, and southern portions of the City. Surrounding land uses in adjacent communities are also described. Figure LU-1 depicts the location of the northern, central, and southern portions of Laguna Hills.

NORTHERN LAND USES

The northern portion of the City is generally located between Ridge Route Drive and Lake Forest Drive. A variety of uses are located here, including a mobile home park designated as High Density Residential, open space and park areas, neighborhood and freeway commercial centers, and a designated Mixed Use area. The Mixed Use area provides

the City with various goods and services needed to support the local community, including administrative and professional offices, institutional and government uses, business support uses, restaurants, personal services, and retail stores.

CENTRAL LAND USES

The central portion of Laguna Hills is generally located north of La Paz Road and south of Ridge Route Drive. This area of the City contains the City's downtown Urban Village, low, medium-low, and medium density residential neighborhoods. The medium density neighborhoods contain multi-family housing such as apartments and condominiums.

Pockets of this area also contain apartments and condominiums primarily southwest of Moulton Parkway. This area is designated as High Density Residential. Two apartment communities in this area, Rancho Moulton and Rancho Niguel, provide government-assisted affordable housing opportunities to Laguna Hills residents.

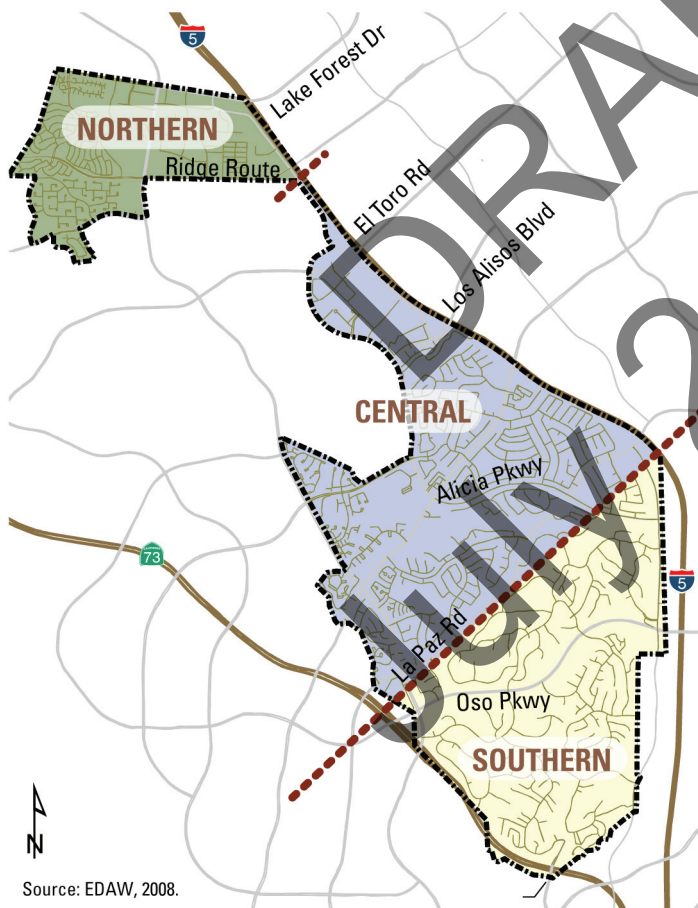


Figure LU-1
North, Central, and Southern
Areas of Laguna Hills

Figure LU-2
Urban Village Area



Source: EDAW, 2008.

Land designated as Community Commercial is also integrated throughout this area, which provides valuable services to the surrounding neighborhoods. These sites provide retail, markets, commercial services, restaurants, commercial recreation, professional and business offices, financial institutions, and automotive sales. There are medium-intensity commercial sites along I-5 serving the needs of the motoring public both in Laguna Hills and surrounding areas.

This area of the City is also home to Laguna Hills High School, north of La Paz Road, as well as two elementary schools, The Community Center and Sports Complex, and several neighborhood parks. Cultural resources are located along Coastal Street, and a historic adobe structure is located near Aliso Creek.

Urban Village

The civic and retail heart of Laguna Hills, the Urban Village, is also located in the central portion of the City (see Figure LU-2). This area is generally bounded by Paseo de Valencia on the north and west, Los Alisos Boulevard on the south, and I-5 on the east. This area is anchored by the Laguna Hills Mall and Saddleback Memorial Medical Center and is home to several retail stores as well as medical services and offices. The Laguna Hills Civic Center is also located within this area. The Urban Village Specific Plan (UVSP) guides new development in the Urban Village.



SOUTHERN LAND USES

The largest residential development in Laguna Hills is the Nellie Gail Ranch community. This community is bounded by I-5 on the east, State Route 73 (SR-73) on the west, and La Paz Road to the north. Located on 1,350 acres, Nellie Gail Ranch consists of 1,407 lots and is a mixture of tract and custom homes on large lots in an equestrian setting, with homes ranging from 1,700 to 17,000 square feet. The land use designation for this area is Estate Residential. Nellie Gail Ranch has an equestrian center, 20 miles of equestrian trails, and several parks and community areas, as well as substantial open space. The majority of Nellie Gail Ranch is developed, but there are a few vacant, buildable sites located throughout the community.

In addition to Nellie Gail Ranch, the southern portion of the City contains a few residential neighborhoods containing single-family detached homes, designated as Low and Medium-Low Density Residential. Community Commercial and Freeway Commercial uses serving local and regional residents are also located in the southern portion of the community.



SURROUNDING LAND USES

The cities of Mission Viejo and Lake Forest border Laguna Hills on the east. These cities are primarily residential, although there are a number of offices and businesses providing shopping and employment opportunities. Immediately north of Laguna Hills is the City of Irvine. Irvine provides much of the employment opportunities in the region, including large business parks, a commercial airport, and a university. To the west and south of Laguna Hills are the cities of Laguna Woods, Aliso Viejo, and Laguna Niguel, which are also predominantly residential communities with areas dedicated to office, business park, and commercial developments.

West of Laguna Hills is the Laguna Coast Wilderness Park. This 6,500-acre regional open space preserve provides Laguna Hills residents with numerous recreation opportunities within a short distance from the City.

Land Use Plan

The Land Use Plan describes the major concepts and land use system that guide future growth and development of Laguna Hills. The Land Use Plan for Laguna Hills builds upon the City's strengths by protecting established residential neighborhoods, yet providing opportunities to enhance and beautify the City by sustainable planning, integrating the City through physical and social connections, and strengthening the

City's identity. Five major issue areas comprise these concepts, which provide the framework for the Land Use Plan. These issue areas are:

- Activity Centers and Community Connections
- Respect for Existing Neighborhoods
- Sustainable and Creative Infill Development
- Enhancing the Community's Identity
- Fiscal Health and Economic Sustainability

These issue areas frame the direction the City will take in its land use goals, policies, and programs to implement the vision of Laguna Hills as captured in the Guiding Themes. These issues are interrelated and are woven throughout the Land Use Plan instead of being described in distinct sections.

LAND USE DENSITY AND INTENSITY

This element uses certain terminology to describe the 16 land use designations in Laguna Hills. The term "density" typically applies to residential uses and refers to the population and development capacity of residential land. Density is described in terms of dwelling units per acre of land, exclusive of existing or proposed streets and rights-of-way. Typical residential densities found within Laguna Hills are illustrated in Figure LU-3.

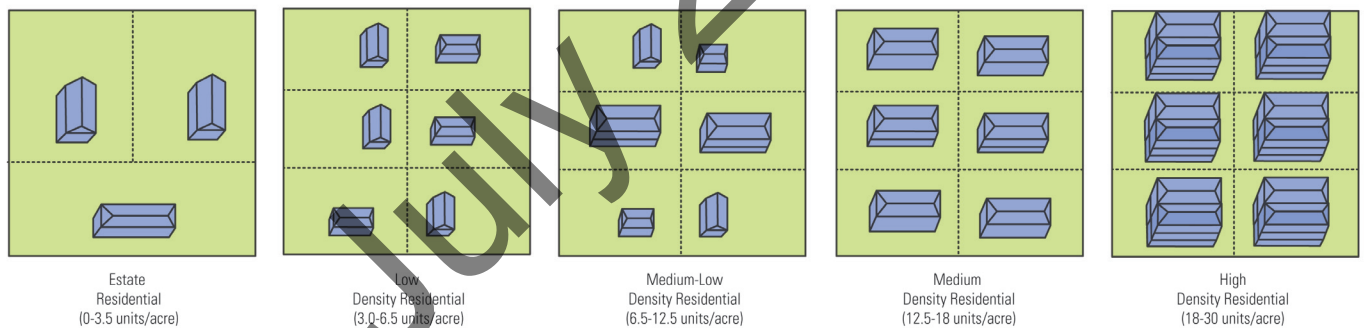
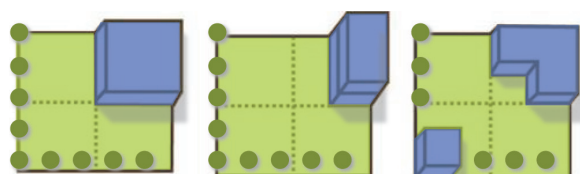
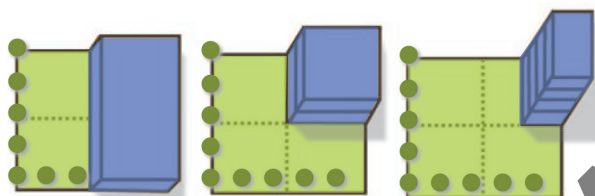


Figure LU-3
Typical Residential Densities

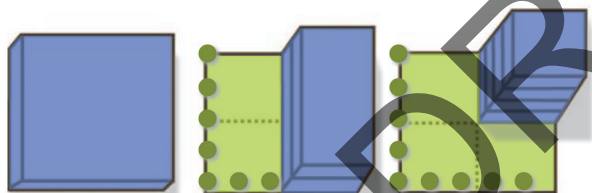
For nonresidential uses, the term “intensity” describes the degree to which a property is or can be developed. The measure of intensity Laguna Hills has adopted is the floor-area ratio. The floor-area ratio, or FAR, describes the relationship between the total square footage of development on a lot and the area of that lot. The FAR is determined by dividing the gross floor area of all buildings on a lot by the land area of that lot (Figure LU-4).



0.25 FAR



0.50 FAR



1.0 FAR

Floor Area Ratio (FAR)

$$\frac{\text{Gross Building Area}}{\text{Lot Area}}$$

Figure LU-4
Floor-Area Ratio Description

FAR and factors such as building square footage, building height, and the percent of lot coverage are all interrelated. For example, a 20,000-square-foot building on a 40,000-square-foot lot yields a FAR of 0.50. This 0.50 FAR can accommodate a single-story building that covers half the lot or a two-story building with reduced lot coverage. Figure LU-5 illustrates different FAR calculations.

LAND USE CLASSIFICATIONS

The Land Use Plan (Figure LU-6) graphically represents the planned distribution and intensity of land use in Laguna Hills. The colors shown on the map correspond to land use designations that describe the types of uses existing and planned in Laguna Hills. Given the built-out character of the community, only minor land use changes are expected to occur over the long term in Laguna Hills.



Building Floor Area = 160,000 SF
Lot Area = 800,000 SF
FAR = 0.20



Building Floor Area = 60,000 SF
Lot Area = 150,000 SF
FAR = 0.40

Figure LU-5
Typical Floor-Area Ratio
Calculations

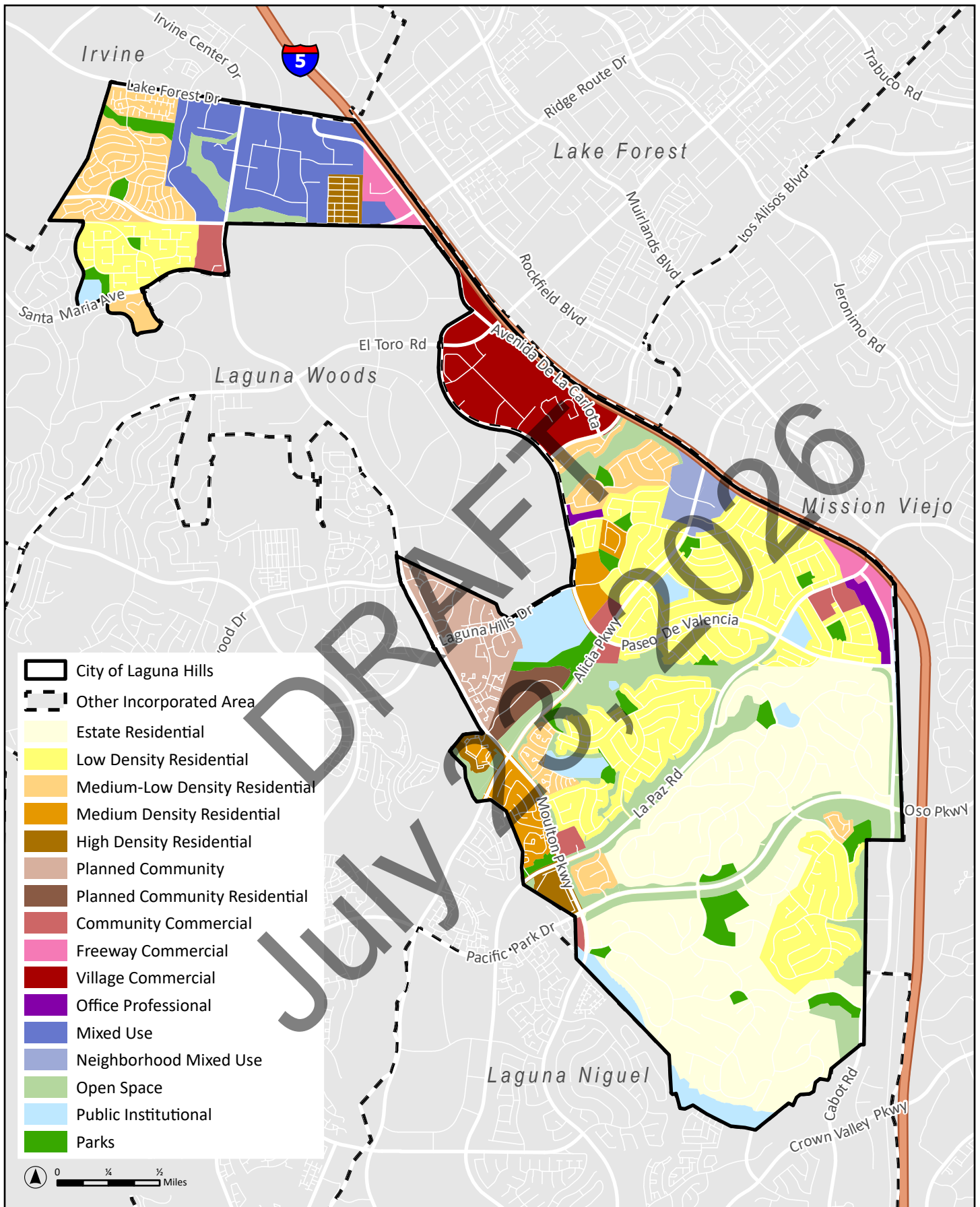


Table LU-1 provides a description of each General Plan land use designation within Laguna Hills and the range of density or intensity of development allowed within each category.

Table LU-1 Land Use Designations ¹			
	Land Use Designation	Density or Intensity	Description
Residential Land Uses			
	Estate Residential (ER)	0-3.5 dwelling units per acre	Estate Residential provides for low density, rural and equestrian-oriented, single-family residential neighborhoods in hillside areas. This designation is typified by large lot single-family homes that permit the keeping of large animals.
	Low Density Residential (LD)	3.0-6.5 dwelling units per acre	Low Density Residential provides for low density single-family detached residential neighborhoods. This designation is typified by medium to large lot single-family homes.
	Medium-Low Density Residential (MLD)	6.5-12.5 dwelling units per acre	Medium-Low Density Residential provides for medium-low density attached or detached residential neighborhoods. This designation is typified by small lot single-family homes, patio homes, duplexes, condominiums, and townhomes.
	Medium Density Residential (MD)	12.5-18.0 dwelling units per acre	Medium Density Residential provides for medium density multi-family residential neighborhoods. This designation is typified by condominiums and apartments.
	High Density Residential (HD)	18.0-30.0 dwelling units per acre	High Density Residential provides for intensive residential development compatible with surrounding urban development. This designation is typified by apartments and residential condominiums.

Table LU-1 Land Use Designations			
	Land Use Designation	Density or Intensity	Description
Planned Community Land Use			
	Planned Community (PC)	0.5-18.0 dwelling units per acre; 0.75 maximum FAR	Planned Community provides for a wide range of housing types, from estates on large lots to attached dwelling units (townhomes, condominiums, and clustered arrangements). This category permits the greatest flexibility for residential development. It also provides for high-intensity mixed use development. Appropriate land uses include but are not limited to residential, commercial, office, industrial park, civic, cultural, educational facility, and childcare facilities. This category is intended to facilitate a more efficient use of existing and future transportation systems, conserve energy resources, and develop residential densities that enhance the availability to provide affordable housing. The designation is characterized by a diversity of housing opportunities. The Planned Community district is located adjacent to major transportation corridors and is accessible to public transit facilities. A goal of this category is to foster around-the-clock activity by encouraging the mixing of activities thereby reducing the impacts on the transportation system.
	Planned Community Residential (PCR)	Maximum 600 dwelling units	Planned Community Residential provides for a wide range of medium-low density to high density multi-family housing types, which include apartments, attached townhomes, condominiums, and clustered multi-family arrangements. Appropriate land uses include residential and 10 to 13 acres of recreational land uses such as parks and open space.

**Table LU-1
Land Use Designations**

	Land Use Designation	Density or Intensity	Description
Commercial Land Uses			
	Village Commercial (VC)	No maximum FAR restrictions	The Village Commercial designation is envisioned as a master planned area (Urban Village Specific Plan area) containing specific design standards and policies that enhance pedestrian and vehicle circulation within the currently developed area. The intent of this designation is to establish a community core where commercial, civic, and high density residential uses would be appropriate. The area will contain enhanced pedestrian areas that conveniently link commercial, residential, and civic activity areas. Typical uses include those associated with large regional malls, as well as a medical center, financial institutions, institutional and government uses, auto-related services, community facilities, professional offices, and high density residential uses.
	Freeway Commercial (FC)	Maximum 0.40 FAR	The Freeway Commercial designation provides for the development and maintenance of medium intensity commercial uses that serve the needs of the motoring public in the local community and the regional area. This designation is intended to provide an environment that takes advantage of the superior access and visibility provided by I-5. Typical uses include those uses allowed under the Community Commercial designation, restaurants, discount warehouse outlets, service stations, and hotels and motels.
	Community Commercial (CC)	Maximum 0.35 FAR	The Community Commercial designation provides appropriately located areas for the general shopping and commercial service needs of area residents. Typical uses include general retail, markets, commercial services, restaurants, automotive repair and service, hardware and home improvement centers, commercial recreation, professional and business offices, financial institutions, and automotive sales.

**Table LU-1
Land Use Designations**

	Land Use Designation	Density or Intensity	Description
Office Land Uses			
	Office Professional (OP)	Maximum 0.50 FAR	The Office Professional designation provides for the establishment of office-based working environments for administrative and professional offices, as well as necessary support uses. Typical uses include administrative and professional offices, business-related retail and service functions, health care facilities, and vocational and trade schools.
Mixed Use Land Uses			
	Mixed Use (MU)	Maximum 0.38 FAR	The Mixed Use designation provides for areas where a variety of goods and services can be obtained within an overall planned environment. Within the Mixed Use designation, appropriate land uses include limited industrial and manufacturing uses, administrative and professional uses, institutional and government uses, business support uses, auto-related uses, eating and drinking establishments, personal services, and retail sales of durable goods and general retail sales.
	Neighborhood Mixed Use (NMU)	Maximum 0.38 FAR of .30 non-residential FAR and 0.08 residential FAR	The Neighborhood Mixed Use designation provides areas for a variety of different, compatible land uses to exist in proximity. The intent of the Neighborhood Mixed Use designation is to create attractive neighborhood-level centers that promote a more active, vibrant street life; increase pedestrian activity and reduce vehicular traffic; provide storefront style shopping streets; that provide a variety of compact, multi-family housing types close to jobs and services; and/or encourage walking and social interaction. Within the Neighborhood Mixed Use designation, appropriate land uses include mid-box anchors; administrative and professional uses; grocery and specialty stores; business support uses; eating and drinking establishments; cinemas; personal services; residential condos, apartments, and townhomes; and mixed use structures.

**Table LU-1
Land Use Designations**

	Land Use Designation	Density or Intensity	Description
Public/Institutional Land Uses			
	Public/Institutional (P/I)	Maximum 1.0 FAR	The Public/Institutional designation provides areas to conduct public and institution activities, including local, State, and federal agencies; special districts; public and private utilities; and regional institutions. Appropriate uses include City facilities; public and private schools; fire and sheriff stations; hospitals; libraries; post offices; and other public, quasi-public, and institutional uses.
Recreation Land Uses			
	Parks (P)	No maximum FAR restrictions	The Park designation provides for recreational facilities, as well as to protect public health and safety. Park designations consist of active and passive parks. Active parks generally contain ball fields, play equipment, restrooms; and biking, hiking, and equestrian trails. Community gardens may also be considered for some parks.
	Open Space (OS)	Not intended for development	The Open Space designation provides for the preservation of environmental resources, aesthetic attributes, outdoor recreation, buffering of incompatible land uses, and the protection of public health and safety. No density or intensity standard is applied to this designation. Areas designated as Open Space include creek corridors, utility corridors, publicly maintained open space, and open space reserves and preserves.

¹ A lot designated with the Housing 50 (H50) Overlay Zone in the Laguna Hills Municipal Code may be developed at residential densities between 20 and 50 dwelling units per acre, with no FAR restrictions for residential development, regardless of the underlying land use designation. Nonresidential FAR restrictions continue to be required as defined by the underlying land use designation.

² A lot designated with the Housing 80 (H80) Overlay Zone in the Laguna Hills Municipal Code may be developed at residential densities between 30 and 80 dwelling units per acre, with no FAR restrictions for residential development, regardless of the underlying land use designation. Nonresidential FAR restrictions continue to be required as defined by the underlying land use designation.



CONCEPTS OF THE CITY'S LAND USE PLAN

This section describes planning concepts that have been incorporated into the development of the Laguna Hills Land Use Plan. The concepts reflect extensive community input as articulated in the Guiding Themes as well as subsequent input by the community, City staff, and City officials. Several current planning concepts or trends are also described that are relevant to the community.

Neighborhood Preservation

Laguna Hills' residents value the secure and small town atmosphere in the City and enjoy knowing their neighbors and their neighborhoods. Many residents attribute the unique feel of Laguna Hills to the City's established neighborhoods and feel strongly connected to their neighborhoods. The Land Use Plan provides goals and policies that serve to protect, preserve, and enhance existing residential neighborhoods in the City. Where new development is proposed in proximity to established neighborhoods, landscaping, buffering, and design techniques will be incorporated to protect the neighborhoods from the effects of nearby growth.

Preserving the City's residential neighborhoods and maintaining the City's housing stock are essential steps to retaining Laguna Hills' character, livability, and quality of life that so many residents enjoy.

Current Planning Trends

Since the City adopted its first General Plan in 1994, several practices and trends have emerged in the urban planning and design fields. The underlying purpose of these planning concepts is to improve the quality of life in communities by providing greater housing choices, providing alternatives to driving, protecting environmental resources, creating a greater sense of community, and reducing environmental impacts. The Laguna Hills Guiding Themes, crafted by the community, encompass many of these planning concepts.

Smart Growth

One of the most prominent planning concepts is smart growth. Principles of smart growth include creating a range of housing opportunities and choices; creating walkable neighborhoods linking to key activity centers and shopping centers; mixing land uses; providing a variety of transportation choices; fostering distinctive, attractive communities with a strong sense of place; encouraging community and stakeholder collaboration; and preserving open space and environmental resources.

Many of the principles of smart growth have been incorporated into the Laguna Hills General Plan. The overall goal of the City in embracing smart growth is to enhance the quality of life for the residents of Laguna Hills while embracing change in a positive, proactive sustainable manner. Some of the principles related to smart growth are more fully developed in the sections below.

Mixed Use Development

Mixed use refers to the mixing of compatible land uses such as residential, commercial, and office in a vertical and/or horizontal configuration, which increases the balance of land uses within a given area. By integrating or mixing these compatible uses in proximity to one another, the City will create desirable places for people to live, work, shop, and play. The City has two mixed use designations—Mixed Use and Neighborhood Mixed Use. The Mixed Use designation allows a variety of office, public, light industrial, residential, and commercial establishments such as retail and restaurants in proximity. The goal of the Neighborhood Mixed Use designation is to create vital urban areas that accommodate housing opportunities, employment, retail, and amenities within walking distance, and will also create more vibrant areas of Laguna Hills at different times of the day. The Neighborhood Mixed Use designation excludes light industrial uses.

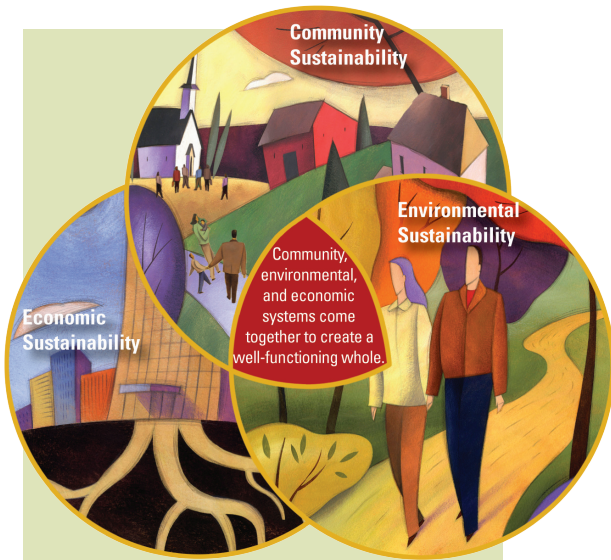
Mixed use buildings can be vertically mixed, with commercial space on the first floor and housing or office space above. Horizontal mixed use is also desirable at some locations, where commercial uses may be adjacent to offices or residences. Key to successful mixed use centers is creating pedestrian friendly environments within the centers and connections to neighboring uses through the use of trails, pathways, bikeways, and safe crosswalks.

Infill Development

Redeveloping or reconstructing existing structures or buildings on underutilized parcels is generally referred to as infill development. Laguna Hills has several areas, including aging commercial properties, that present opportunities for quality infill development.

Infill development enhances community character, optimizes City investments in infrastructure and community facilities, supports increased transit use, promotes more walking- and bike-friendly neighborhoods, reduces vehicle trips and resulting air pollution, increases housing diversity, and enhances retail viability.

Careful planning for the integration of these uses into the fabric of the City's existing built-up areas and/or along existing commercial corridors will help provide housing opportunities and maintain the character in Laguna Hills.



The term “green” used in an environmental context describes environmental practices that are highly energy efficient and have a minimal impact on the environment.

Sustainability

The most widely used definition of sustainability is “meeting the needs of the present without compromising the ability of future generations to meet their own needs.” For Laguna Hills, sustainability encompasses the concepts of community, environmental, and economic sustainability. Integrating goals, policies, and programs throughout the General Plan that promote sustainability will enhance the City’s natural resources, economic interests, and quality of life for present and future generations.

Laguna Hills embraces community or social sustainability by fostering community participation in civic and community events, improving the physical connections between neighborhoods and activity centers, providing access to a variety of housing opportunities, and creating vibrant places for people to connect and interact.

For environmental sustainability, Laguna Hills has crafted goals and policies that will promote energy conservation, reduce waste, incorporate smart growth and green building practices, and protect the City’s natural resources.

Economic sustainability encompasses sustaining economic growth in the City, expanding jobs and markets, relying on local businesses, and promoting an economically thriving city.

Green Buildings

Green or sustainable buildings use resources such as energy, water, and materials much more efficiently than traditional buildings. Green buildings reduce impacts to human health and the environment during the building’s lifecycle, through better siting, design, construction, operation, maintenance, and removal.

Green buildings are designed to reduce the overall impact of the built environment on human health and the natural environment by:

- Using energy, water, and other resources efficiently;
- Protecting occupant health and improving employee productivity; and
- Reducing waste, pollution, and environmental degradation.

Numerous green building programs and rating systems currently exist, and more programs are under development all the time. The following section describes two such green building rating systems. The City will promote the use of green buildings and landscaping techniques using Leadership in Energy and Environmental Design (LEED), Green Point Rated, or other green building standards and rating systems that may be appropriate for Laguna Hills.

Leadership in Energy and Environmental Design. LEED is a building rating system, developed by the U.S. Green Building Council (USGBC). The LEED green building rating system is a nationally accepted voluntary benchmark for the design, construction, and operation of high performance green buildings. Though largely focused on energy efficiency, LEED promotes a whole-building approach to sustainability that also considers sustainable site development, water savings, materials selection, and indoor environmental quality. Projects are certified at one of four levels (standard, silver, gold, platinum) based on the total number of points.

LEED-certified buildings use key resources more efficiently compared to conventional buildings. LEED-certified buildings are healthier work and living environments, which contributes to higher productivity and improved employee health and comfort.

GreenPoint Rated. GreenPoint Rated is a program of Build It Green, a professional nonprofit membership organization that promotes healthy, energy- and resource-efficient buildings in California. GreenPoint rated is a third-party rating system for single-family and multi-family homes based on a set of green building measures. A GreenPoint Rated home is graded on five categories:

- Energy Efficiency
- Resource Conservation
- Indoor Air Quality
- Water Conservation
- Community

If a home meets minimum point requirements in each category and scores at least 50 total points, then it earns the right to bear the GreenPoint Rated label. GreenPoint Rated homes are verified to exceed State building and energy code requirements for health and environmental performance. Currently, standards have only been developed for newly constructed single-family homes and multi-family homes in California. GreenPoint Rated for remodeling and existing homes is under development.

Urban Design

A wide variety of built and natural features contributes to the rich character of Laguna Hills. The Laguna Hills Mall area, the Civic Center, attractive residential neighborhoods, commercial corridors, neighborhood-serving shopping areas, employment centers, and open space areas all contribute to the mosaic of places and experiences that makes Laguna Hills unique. Careful urban design techniques can provide direction and guidance for development that enhances community character and natural beauty.

Incorporating urban design techniques that combine elements of urban planning, architecture, and landscape architecture in the Land Use Plan will:

- Enhance the City's unique identity and character and contribute to a positive City image;
- Stimulate investment and strengthen the economic vitality of the City;
- Contribute to a positive physical image and identity of the City;
- Maintain and protect the value of property; and
- Maintain a high quality of life without causing unnecessary high public or private costs for development or unduly restricting private enterprise, initiative, or innovation in design.

Economic Development

Sustainable economic development and fiscal health are important goals for the City of Laguna Hills. Proactively pursuing economic development will provide more job opportunities for the City's residents and will produce more revenue, allowing the City to provide higher levels of service and provide community amenities and facilities. Economic development also increases opportunities for local businesses and property owners. Laguna Hills will also promote economic development as a way to improve the City's regional desirability, revitalize existing commercial areas, and enhance quality of life for all City residents.

The City has several strengths that make Laguna Hills a competitive and desirable business environment. The City's location within south Orange County and access to I-5 and SR-73 are significant assets for Laguna Hills. The City also has a strong job market with large office, professional, retail, and service employment centers. The City's jobs-to-housing ratio is 2.4, which is significantly higher than surrounding jurisdictions and Orange County as a whole. The Urban Village Specific Plan area, Alicia Gateway, and North Business Park areas provide multiple opportunities for residential development, mixed use, and commercial development. The City also has existing infrastructure in place to serve new development. Upgrading or expanding infrastructure may be necessary to facilitate additional growth.

The City recognizes that businesses are an important source of the City's economic well-being. Sales tax is the largest General Fund revenue source to the City (36 percent), and a significant contributor to the economic vitality of the City. Property taxes and motor vehicle in lieu fees also contribute significantly to the City's General Fund revenues at approximately 30 and 13 percent, respectively. Per capita retail sales remain consistently strong and are the second highest in the City's market area.

Retaining existing jobs and expanding and attracting new businesses are critically important to the City. The City will promote public-private partnerships, incentives, and a supportive business climate to retain and expand existing and attract new businesses.

New development or redevelopment in key areas will provide local opportunities and attract visitors and residents from the region, contributing to the financial base of Laguna Hills. The City will pursue additional shopping, entertainment, cultural activities, and performing arts venues in Laguna Hills to meet more needs locally, while benefiting the City and residents. Mixed use development will support small business enterprises and entrepreneurship as well as provide a variety of housing opportunities to the community. These development opportunities are available in the Urban Village Specific Plan area, Alicia Gateway, North Business Park, and Via Lomas areas. The City's aging commercial centers will also be redeveloped over time, providing additional economic opportunities.

The City will actively market suitable areas and sites with adequate infrastructure for new and expanding businesses and will collaborate with local and regional organizations to promote the City and advertise local events. As part of its economic development strategy, the City will also prioritize capital infrastructure requirements and pursue innovative financing mechanisms to enable timely implementation of such improvements.

OPPORTUNITY AREAS

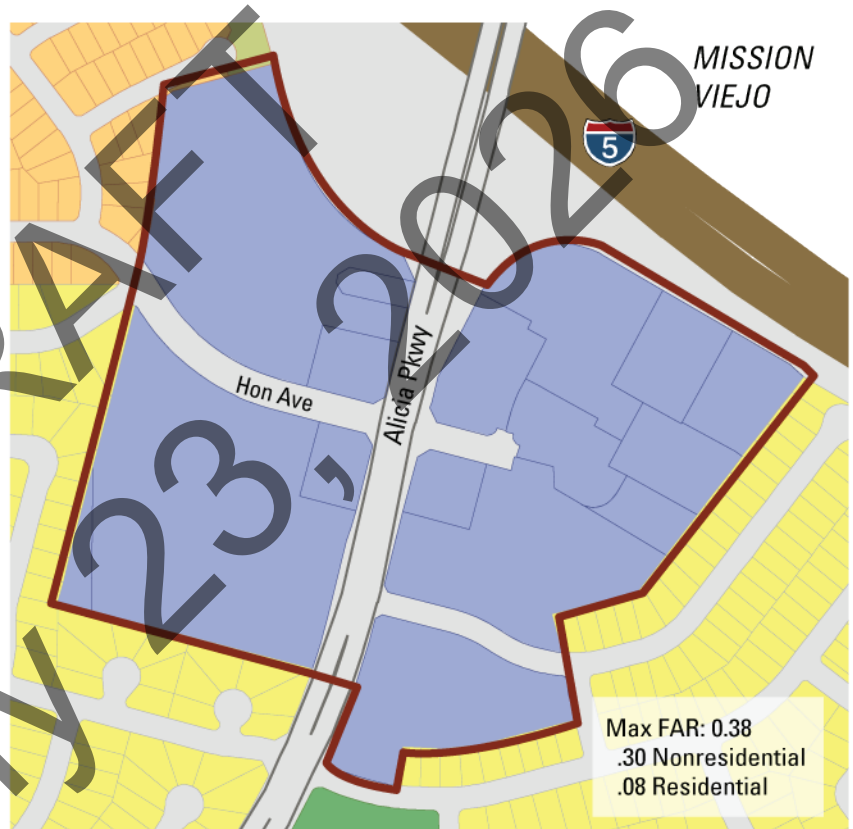
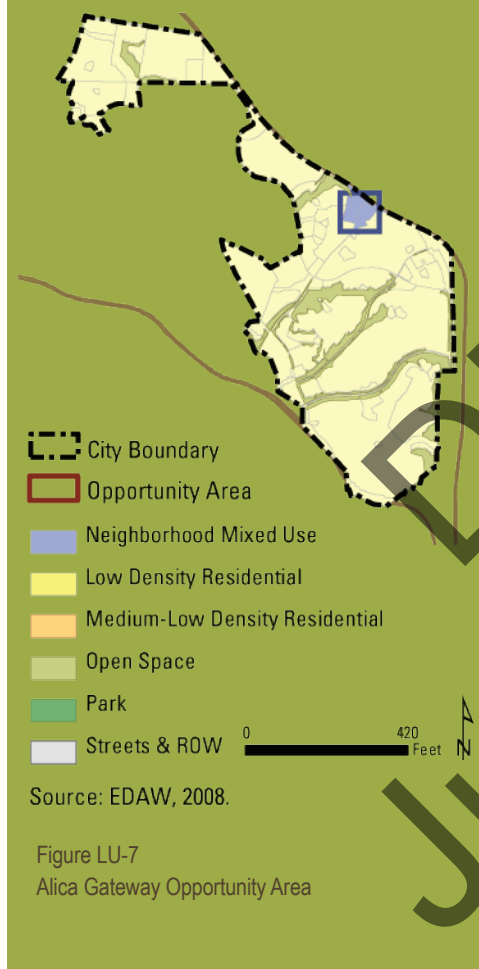
Opportunity areas represent sites within the City of Laguna Hills where future land use change is very likely to occur throughout the planning horizon of the General Plan. Each opportunity area has unique characteristics, opportunities, and constraints. The selection of the land use opportunity areas was the result of several months of collaboration and conversation between the public, City officials, City staff, and property owners. The selected opportunity areas represent sites in Laguna Hills that offer centrality and favorable market conditions and fulfill current needs for the City's commercial and housing markets in a changing economy. Finally, these sites offer the best potential for fulfilling the community's vision for Laguna Hills as described in the Guiding Themes.

As described in the following sections, this General Plan adjusts the land use designations in the opportunity areas. Outside of the opportunity areas, no major land use changes are anticipated to occur. The opportunity areas include Alicia Gateway, Via Lomas, and Moulton and La Paz.

Alicia Gateway

The Alicia Gateway opportunity area is 40.4 acres located just west of I-5. Alicia Parkway bisects the opportunity area from north to south, while Hon Avenue and Paseo de Alicia split the area from east to west. Figure LU-7 depicts the location of the Alicia Gateway opportunity area.

Alicia Gateway currently contains a variety of office and retail uses, including retail stores, restaurants, local services, fast-food establishments, and two gas stations. The area also contains a business park, a used car lot, and a public storage facility. Single-family homes border the area on the north, south, and west. No residential development is currently located within the boundaries of Alicia Gateway.



Alicia Gateway is a prime point of entry for the City of Laguna Hills. The plan for this area offers the opportunity to redesign the site in a way that welcomes visitors and residents into the community. Residential units located above retail on upper stories could take advantage of excellent views created by the natural topography of the City.

The General Plan features a Neighborhood Mixed Use designation for the entire Alicia Gateway area. The Neighborhood Mixed Use designation will create a moderate density center and gathering place by promoting a mix of retail, housing, and office uses; walkable connections, plazas, and green space for community gatherings; high-quality design and

architecture; orientation of buildings toward the street and pedestrians; and accessibility to transit. The Neighborhood Mixed Use designation promotes the development of vertical and horizontal mixed use. Allowed uses include commercial, retail, office, and residential. Standalone residential is prohibited. The maximum height is three stories, and the expected housing density range is between 10 and 20 dwelling units per acre with a maximum of 110 dwelling units on this site.

The Land Use Plan for this opportunity area is based upon development objectives established in the goals and policies of the Land Use Element and is consistent with the vision established in the Guiding Themes. Figure LU-8 illustrates planning concepts for the Alicia Gateway opportunity area. Redevelopment in Alicia Gateway will provide new housing, shopping, and business opportunities for the residents of Laguna Hills. Quality urban design using sustainable principles will improve the character of the area and enhance the identity of the City. Gathering places will enrich the community and provide social opportunities. Existing residential neighborhoods will be preserved and respected, while greater connectivity will promote walking from nearby neighborhoods to Alicia Gateway.



Figure LU-8
Alicia Gateway
Opportunity Area
Planning Concepts

Via Lomas

The Via Lomas opportunity area is located along Via Lomas in the west-central portion of the City and consists of 39 acres. Figure LU-9 depicts the location of the Via Lomas opportunity area.

The area is currently developed with 350 apartments and condominiums, consisting of one-story cluster condos and two-story apartments. A total of 102 units are within the Rancho Moulton and Rancho Niguel apartment complexes (51 units each). Both Rancho Moulton and Rancho Niguel were built in the early 1980s with Section 8 construction funds and provide affordable housing to low and moderate income residents. The Aliso Meadows condominiums have 248 units and provide an affordable home ownership opportunity for low and moderate income households.



Figure LU-9
Via Lomas Opportunity Area

The opportunity for this area is to redevelop the site, maintain the current number of existing rental opportunities on-site, provide additional homeownership opportunities, improve the quality of the housing stock, and add park and recreation opportunities. Additional development in the Via Lomas area would ensure a buffer area between the Via Lomas area and adjacent residential neighborhoods. Building height limitations would ensure that hillside neighborhoods surrounding the Via Lomas area retain their views and view corridors.

The General Plan designates this site as Planned Community Residential. This designation will allow a maximum of 600 dwelling units through a variety of different densities, which is an increase of 250 dwelling units over existing conditions. Building height will be a combination of two- and three-story structures. Additionally, up to about 13 acres of parks and recreation amenities will be added.

The land use plan for Via Lomas is based upon development objectives established in the goals and policies of the Land Use Element and is consistent with the vision established in the Guiding Themes. Redevelopment in Via Lomas will provide new housing and recreational opportunities as well as improve the overall character of the Via Lomas area. Sustainable building methods and energy efficiency principles will also enhance the environment. Figure LU-10 illustrates planning concepts for the Via Lomas opportunity area.

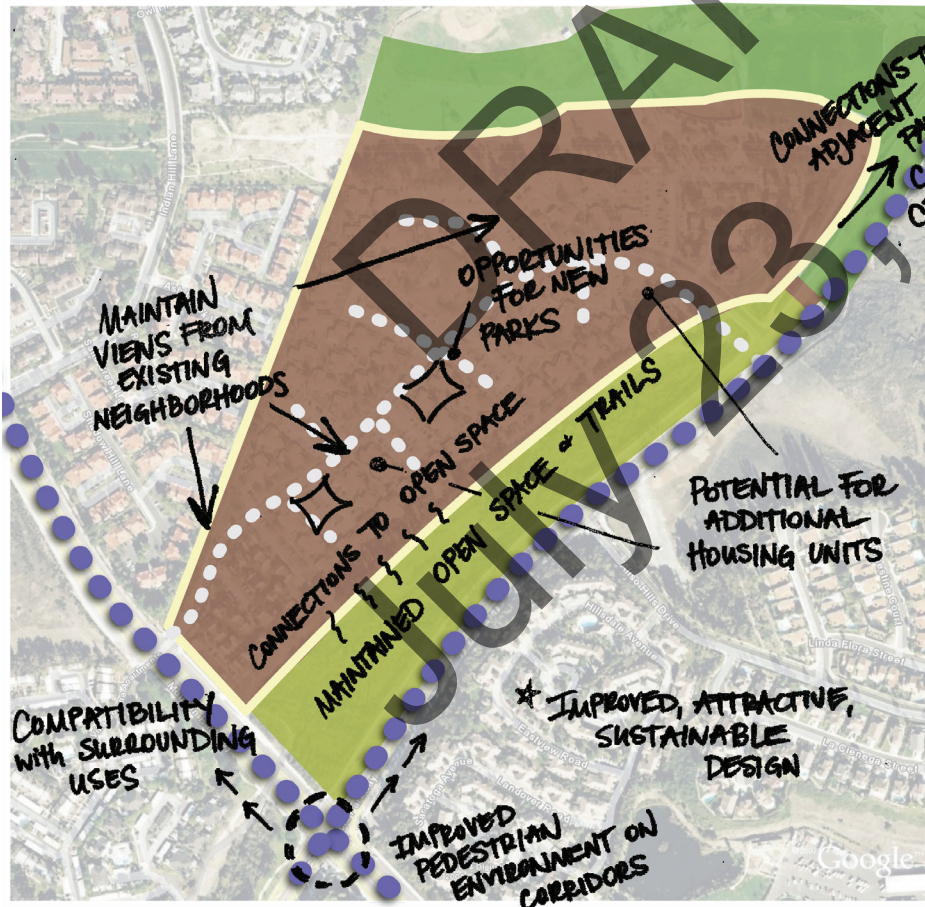


Figure LU-10
Via Lomas Concept Plan

Moulton and La Paz

The Moulton and La Paz opportunity area is located in southwest Laguna Hills and is bounded roughly by Moulton Parkway to the west, La Paz Road to the south, Alameda Avenue to the east, and the Moulton La Paz neighborhood to the north. Figure LU-11 depicts the location of the Moulton and La Paz opportunity area.

The predominant land use within the corridor is open space. Located near the southwest corner of this area is the Moulton/La Paz Center consisting of

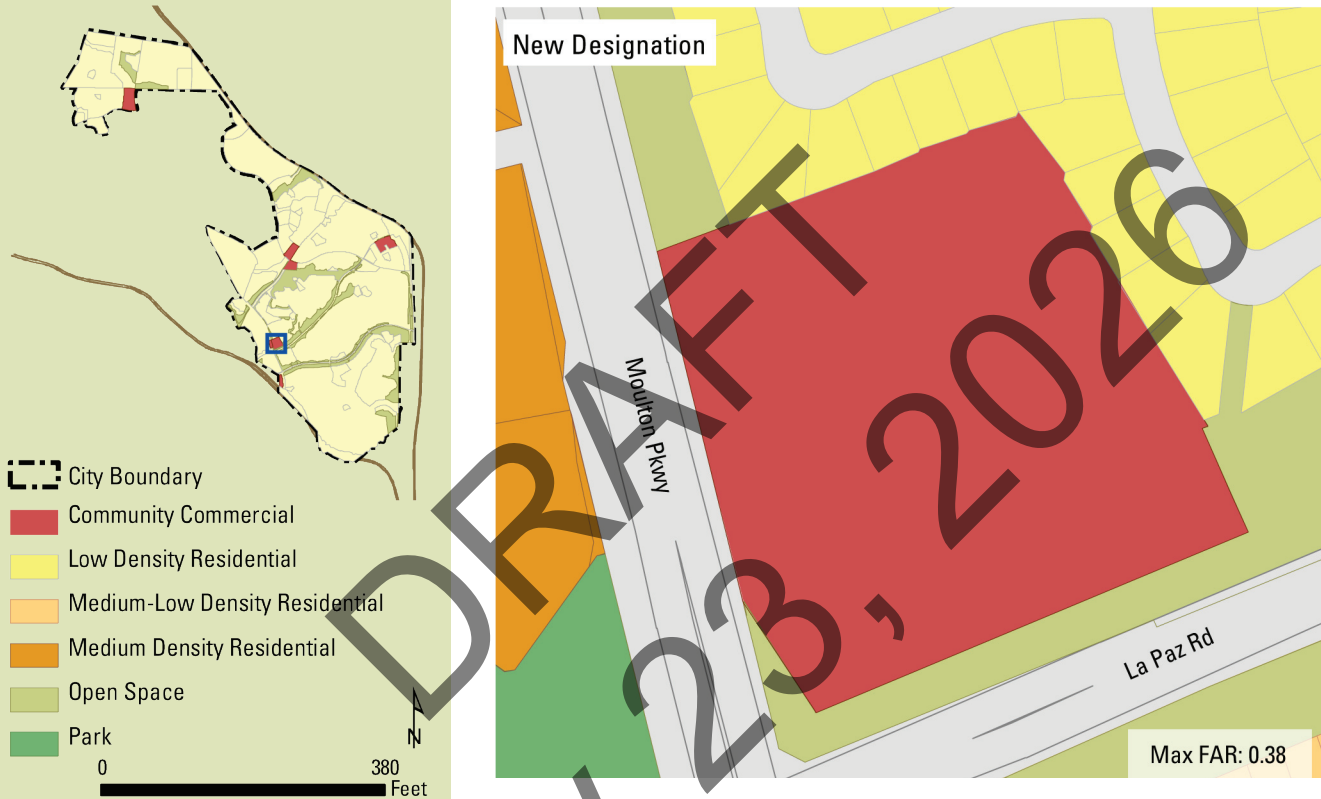


Figure LU-11
Moulton/La Paz
Opportunity Area

commercial land uses, including neighborhood retail stores, restaurants, and professional offices. The General Plan designation for this area is Community Commercial.

The key opportunity in this area is to extend the Community Commercial land use designation about 150 feet south. This would result in the loss of approximately 2.2 acres of unimproved, dedicated open space. This open space primarily consists of dirt and interspersed eucalyptus trees. The extension of the Community Commercial designation could allow redevelopment of the area with a minor expansion of square footage to commercial buildings, and reorient commercial buildings toward the street. Reorientation would improve the pedestrian environment along La Paz Road and create an active presence on the street by placing parking behind buildings away from the street. No residential development is allowed in this opportunity area. Local and regional trails and

adequate drainage facilities at the corner of Moulton Parkway and La Paz Road will be retained and opportunities to enhance the visual appeal of the open space corridor will be explored.

The Land Use Plan for Moulton and La Paz is based upon development objectives established in the goals and policies of the Land Use Element and is consistent with the vision established in the Guiding Themes. Redevelopment may provide some additional square footage for new business opportunities, which would contribute to the City's fiscal health and economic sustainability. This area could also be reconfigured to stimulate pedestrian activity on adjacent streets. Sustainable building methods and energy efficiency principles will also enhance the environment. Figure LU-12 illustrates planning concepts for the Moulton and La Paz opportunity area.

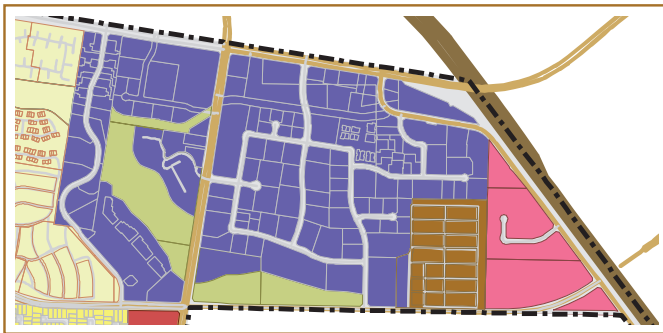


Figure LU-12
Moulton/La Paz Opportunity
Area Planning Concept

FUTURE STUDY AREAS

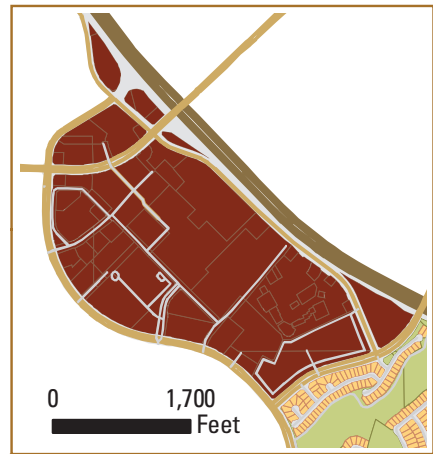
The City of Laguna Hills contains future study areas that have been considered for revitalization in the future. The Land Use Plan does not change any of the land use designations in the areas identified as future study areas. However, opportunities exist to redevelop, improve, or intensify some of the land uses in the future study areas. This section describes the North Business Park, Urban Village, La Paz Gateway, and Alicia Parkway/Aliso Hills Park Triangle future study areas. Figure LU-13 depicts the locations of the future study areas.

North Business Park

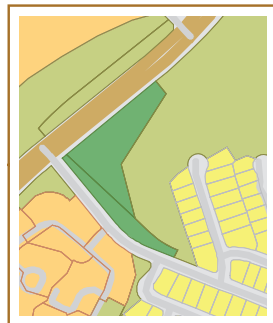


0 1,500
Feet

Urban Village

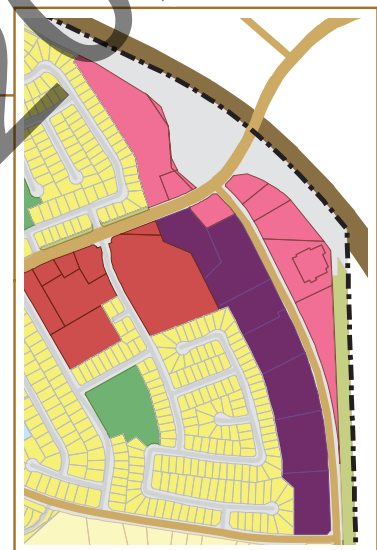


0 1,700
Feet

Alicia Parkway/
Aliso Hills Park Triangle

0 450
Feet

La Paz Gateway



0 1,000
Feet

Planned Land Use

Estate Residential	Freeway Commercial
Low Density Residential	Village Commercial
Medium-Low Density Residential	Office Park
Medium Density Residential	Mixed Use
High Density Residential	Neighborhood Mixed Use
Planned Community	Open Space
Planned Community Residential	Public/ Institutional
Community Commercial	Park

City Boundary
Local Streets
Major Streets
Freeway/ Toll Road

Source: EDAW, 2008.

Figure LU - 13
Future Study Areas

North Business Park

The North Business Park future study area is located in the northern part of Laguna Hills and is generally bounded by Lake Forest Drive on the north, Avenida de La Carlota on the east, Ridge Route Drive on the south, and Mill Creek Drive on the west. The area is approximately 380 acres. The majority (262 acres) of this study area is designated as Mixed Use. To the east of this area and adjacent to I-5 is approximately 54 acres designated as Freeway Commercial. A mobile home park is also within the southern portion of the area.

Existing uses within the North Business Park area include offices, retail, restaurants, motels, furniture stores, and industrial businesses. These businesses provide important employment and services for the residents of the City and provide the City with valuable sales tax revenue. No land use designation changes are proposed in this area.

Since many of the facilities within this future study area are one-story tilt-up construction buildings, opportunities for intensification are possible. Larger and better designed buildings could be built, perhaps containing more than one story, subject to the established FAR requirements and other development standards for the area. Additionally, some of the buildings in the southern portion of the study area could be reoriented toward Aliso Creek.

Urban Village

The Urban Village future study area is within the boundaries of the existing Urban Village Specific Plan (UVSP) area, which was adopted in November 2002. The UVSP regulates the development within the Urban Village area. This area consists of 240 acres bounded by Paseo de Valencia on the north and west, Los Alisos Boulevard on the south, and I-5 on the east.

The Urban Village area is the heart of Laguna Hills providing a mix of retail, office, financial, medical, residential, and transportation uses. The uses within this area provide numerous goods and services to the City's residents and also generate major sales tax revenues for the City. The Laguna Hills Transportation Center is located within this area, which is served by transit.

The General Plan Land Use designation for this area is Village Commercial. The purpose of the Urban Village area is to develop a community core in which a variety of public, regional commercial, recreational, and high density residential uses work in concert to create an urban village. The UVSP, which governs the land uses in this area, provides for a continuing mixture of land uses, including retail, residential hotel, medical offices, and general offices. These uses should be interconnected through safe pedestrian pathways and provide direct access to the transit center, civic center, and regional trails.

Opportunities in this area include intensification and redevelopment as already allowed under the UVSP. Additionally, the General Plan allows the addition of approximately 117,000 square feet of retail space, above and beyond that specified in the UVSP. Table LU-2 depicts the opportunities allowed under the UVSP and with the addition of retail space allowed under the General Plan.

Table LU-2 Urban Village Specific Plan Area			
Development Potential	Urban Village Specific Plan	Future Study Area	Total
Retail (SF)	183,000	117,000	300,000
Residential Dwelling Units	200	No additional proposed	200
Hotel Rooms	250	No additional proposed	250
General Office (SF) (no medical office)	380,000	No additional proposed	380,000
Medical Office (SF) (no general office)	138,000	No additional proposed	138,000

La Paz Gateway

The La Paz Gateway future study area is located immediately west of I-5 primarily south of La Paz Road and adjacent to Cabot Road. The area consists of 49.9 acres and is designated as Community Commercial, Freeway Commercial, and Office Professional.

The La Paz Gateway future study area contains a variety of commercial and office uses. Commercial uses include retail stores, restaurants, gas station, gym, and hotel. Some of the commercial centers within the La Paz Gateway have surplus, vacant leasable space.

Opportunities within the La Paz Gateway area include revitalization and redevelopment. Buildings could be reconstructed and/or enlarged and reoriented to create more vibrant street life and to provide better pedestrian access from adjacent areas. The addition of iconic architecture would also serve to enhance the character of the area and the image of Laguna Hills. The upper portion of the La Paz Gateway future study area has excellent eastward views of hills and mountains that should be enhanced through any redesign and revitalization of the site.

Alicia Parkway/Aliso Hills Park Triangle

The Alicia Parkway/Aliso Hills Park Triangle future study area is located at the southeast corner of the intersection of Alicia Parkway and Aliso Hills Drive. The area consists of a 2-acre flat triangular area along dedicated hillside open space and

recreation paths. The General Plan land use designation is Parks. This future study area is centrally located within the City. Opportunities for this area include providing additional active parks or recreation facilities or an additional civic use that could connect to the nearby Laguna Hills Community Center. Another option may be community gardens.

Expected Development Capacity

Table LU-3 identifies the development capacity associated with the planned distribution of land uses specified in the Land Use Plan. Over time, as properties transition from one use to another or property owners rebuild in the opportunity areas, land uses and intensities will gradually shift to align with the intent of the Land

Table LU-3 Expected Development Capacity ²						
Land Use Designation	Acreage	Density		Build-Out Capacity		
		du/ acre	FAR	Commercial (square feet)	Office (square feet)	Dwelling Units
Residential						
Estate Residential	1,094.42	5.0	--	--	--	5,472
Low Density	971.51	6.5	--	--	--	6,315
Medium-Low Density	380.08	12.5	--	--	--	4,751
Medium Density	115.46	18.0	--	--	--	2,078
High Density	57.78	30.0	--	--	--	1,733
Planned Community	139.81	18.0	--	--	--	2,517
Planned Community Residential	39.00	fixed	--	--	--	600
Mixed Use						
Mixed Use	262.31	3.5	0.30; 0.08 ¹	3,427,867	--	918
Neighborhood Mixed Use	61.53	3.5	0.30; 0.08 ¹	804,074	--	215
Commercial						
Community Commercial	101.57	--	0.35	1,515,452	--	--
Freeway Commercial	86.42	--	0.40	1,505,782	--	--
Village Commercial	226.17	--	--	375,000	518,000	200
Office Professional	26.03	--	0.50	--	566,933	--
Public/Recreation						
Public/Institutional	157.49	--	1.00	6,860,264	--	--
Parks	133.43	--	--	--	--	--
Open Space	393.22	--	--	--	--	--
Less ROW (subtract from total)	12.23	--	--	--	--	--
TOTAL	4,234	--	--	14,488,439	1,084,933	24,799

¹ Mixed Use designations have a maximum 0.38 FAR of 0.30 nonresidential FAR and 0.08 residential FAR. For this calculation, 0.08 FAR = 3.5 dwelling units per acre as reflected in the "du/acre" column.

² A lot designated with the Housing 50 (H50) Overlay Zone in the Laguna Hills Municipal Code may be developed at residential densities between 20 and 50 dwelling units per acre, with no FAR restrictions for residential development, regardless of the underlying land use designation. Nonresidential FAR restrictions continue to be required as defined by the underlying land use designation.

³ A lot designated with the Housing 80 (H80) Overlay Zone in the Laguna Hills Municipal Code may be developed at residential densities between 30 and 80 dwelling units per acre, with no FAR restrictions for residential development, regardless of the underlying land use designation. Nonresidential FAR restrictions continue to be required as defined by the underlying land use designation.

Use Element. Table LU-3 summarizes the land use distribution, and the resultant residential and nonresidential levels of development that can be expected from full implementation of land use policies established by this General Plan. Given the largely built-out character of Laguna Hills and the good condition of most buildings, significant redevelopment activities may not occur over the life of this General Plan. However, within opportunity areas described in this Element, future land use changes are anticipated.

Goals and Policies

The goals and policies section sets both broad and specific direction for the future of the City based on identified issues, as captured in the Guiding Themes and expressed by the community, City staff, and decision makers.

Five major issue areas are addressed in the goals and policies of the Land Use Element. These major issues are:

- Creating more active centers within the community through better physical and social connections;
- Protecting and enhancing established neighborhoods;
- Providing sustainable development opportunities in specific areas;
- Beautifying and enhancing the character of the community; and
- Promoting responsible economic development.

ACTIVITY CENTERS AND COMMUNITY CONNECTIONS

The residents of the City value the existing character of Laguna Hills and seek to enhance the City's attributes by encouraging pedestrian-friendly design that promotes physical connections between places and neighborhoods, and social connections between residents. Laguna Hills values well-landscaped, secure, clean, and human-scaled neighborhoods and business districts that accommodate walking. It is important to provide linkages that connect neighborhoods to schools, community centers, parks, and commercial services. Areas identified for mixed use development are defined by pedestrian-oriented streetscapes, and frequented as local gathering places (i.e., cafes, restaurants, plazas). These areas support surrounding neighborhoods and contribute to a more compact and consistent pattern of development.

Goal LU-1: Create diverse and vibrant activity centers and events that bring people together as a community.

Policy LU-1.1: Encourage new mixed use developments in the Urban Village, and other strategic locations, that complement and enhance Laguna Hills' existing community character.

Policy LU-1.2: Encourage the compatible integration of residential and service retail uses in proximity to job centers.

Policy LU-1.3: Promote intensified and revitalized land uses in the Urban Village within traffic, parking, and transit capabilities.

Policy LU-1.4: Promote walkability throughout the community through enhanced pedestrian amenities, attractive streetscapes, plazas, and civic gathering areas.

Policy LU-1.5: Bring commercial buildings close to the street, in appropriate areas, to create a livelier pedestrian realm that encourages window shopping and increased interaction.

Policy LU-1.6: Increase opportunities for pedestrian and bicycle connections to activity centers by well-designed and shaded pathways.

Policy LU-1.7: Promote and advertise community events in creative ways that ensure all segments of the community are encouraged to participate.

Policy LU-1.8: Support events and activities that cross area and neighborhood boundaries to bring together all segments of the community.

RESPECT FOR EXISTING NEIGHBORHOODS

Laguna Hills values the character of its existing neighborhoods, as they contribute to the extraordinary quality of life in the City. The goals and policies in this section identify how the City will continue to pursue proactive land use planning while protecting, maintaining, and enhancing existing neighborhoods. These policies ensure that new development complements and reinforces the unique characteristics of existing neighborhoods through sensitive infill and transitions in scale from adjacent centers and corridors.

Goal LU-2: Ensure development is compatible and interdependent with neighboring uses.

Policy LU-2.1: Preserve the distinctive character of residential neighborhoods by applying adopted design standards to new renovation projects.

Policy LU-2.2: Improve connections with surrounding uses by enhancing landscaping, providing pedestrian connections, incorporating green areas, and planting street trees.

Policy LU-2.3: Pursue code enforcement actions to ensure proper maintenance of homes, buildings, yards, and neighborhoods in all areas of the City.

Policy LU-2.4: Protect existing neighborhoods from the encroachment of incompatible activities and land uses.

Policy LU-2.5: Require the use of buffers and transitional areas, such as increased setbacks and extensive landscaping, between new activities and existing land uses.

Policy LU-2.6: Discourage high traffic-generating uses such as drive-throughs adjacent to sensitive uses such as schools, medical and assisted care facilities, and residential neighborhoods.

Policy LU-2.7: Expand the use of transitional and buffer areas to buffer sensitive uses from freeways, arterials, point sources of water pollution, hazardous materials, and noise.

Policy LU-2.8: Minimize impacts to surrounding neighborhoods and land uses through context-sensitive site design and architecture.

SUSTAINABLE AND CREATIVE INFILL DEVELOPMENT

Strategic growth and change in Laguna Hills will preserve existing viable neighborhoods while targeting new development to aging and underutilized commercial areas. The form of new development will be compact, mixed use and pedestrian oriented that will enhance the quality of life through improved connectivity with other parts of the City, greater access to amenities, enhanced safety, and greater housing and employment choices. New development will contain energy- and resource-efficient buildings and landscapes, access to effective public transit, and attractive pedestrian-friendly streets.

Goal LU-3: Encourage infill development that involves the revitalization of property in an economically and environmentally sustainable manner.

Policy LU-3.1: Encourage smart growth and sustainability principles as part of new development and redevelopment activities.

Policy LU-3.2: Encourage new development that uses land efficiently and offers flexibility to changing resident and shopping needs, contributing to the long-term vitality of the community.

Policy LU-3.3: Ensure safe, efficient pedestrian connections are made between adjacent neighborhoods, sidewalks, parking areas, and entrances to stores.

Policy LU-3.4: Incorporate open spaces, plazas, and outdoor dining areas into new development and redevelopment to provide visual relief and community gathering spaces.

Policy LU-3.5: Encourage public art and interactive landscape and design features to create interest and a sense of community.

Policy LU-3.6: Promote the design and placement of buildings to provide opportunities for solar and wind energy and passive cooling.

Policy LU-3.7: Support the upgrade of existing buildings and landscapes for energy efficiency, water conservation, and runoff reduction.

Policy LU-3.8: Encourage energy-efficient design features, including appropriate site orientation, use of light-colored or green roofing and building materials to reduce energy consumption related to heating and cooling.

Policy LU-3.9: Promote the use of green building and landscaping techniques consistent with Leadership in Energy and Environmental Design (LEED) and other relevant sustainability principles in both public and private development and redevelopment projects.

Policy LU-3.10: Create safe, inviting, and functional pedestrian and cyclist environments in new public and private development.

Policy LU-3.11: Provide incentives for development that enhance the environment, offer excellent urban design, and provide public amenities.

Policy LU-3.12: Incorporate Crime Prevention through Environmental Design (CPTED) measures and “visible spaces” into new developments as a means of promoting safe environments.

Policy LU-3.13: Use landscaping and urban design techniques to break up large parking areas and long monotonous walls in new development and redevelopment projects.

ENHANCING THE COMMUNITY'S IDENTITY

Bolstering the unique attributes of Laguna Hills is an important goal for the City. The unique character helps retain residents and workers and attracts visitors to the community. Policies in this section strive to enhance the beauty, image, connectivity and character of Laguna Hills and provide more distinction to the City.

Goal LU-4: Place a high priority on design, architecture, and landscaping that reflect the community's identity and gracious lifestyle.

Policy LU-4.1: Create distinctive gateway architecture, landscaping, and signs at major entries to the community and in community activity centers.

Policy LU-4.2: Create street frontages with architectural and landscape interest to provide visual appeal to the street and enhance the pedestrian experience in new development and redevelopment.

Policy LU-4.3: Expand the City's way-finding program as needed to direct people to activity centers and distinct destinations.

Policy LU-4.4: Encourage public art, street furniture, and other improvements that communicate the City's identity.

Policy LU-4.5: Continue to plant and maintain attractive drought-tolerant and native landscaping that enhances the character of Laguna Hills.

Policy LU-4.6: Ensure site design respects natural topography and takes advantage of views of scenic resources such as natural open spaces, creeks, and the hillsides.

Policy LU-4.7: Ensure that civic and cultural structures and activity centers create a clear identity for Laguna Hills.

Policy LU-4.8: Encourage developers to create unique project identities that enhance the overall character of the City.

FISCAL HEALTH AND ECONOMIC SUSTAINABILITY

A strong economic base is essential to the livelihood and livability in Laguna Hills. The City strives to promote fiscally responsible economic development that creates and maintains jobs in the City and increases tax revenues to provide valuable services and facilities to the City's residents. Replacement of aging infrastructure and revitalization of targeted areas allows the community to evolve, providing residents with new living, working, and shopping choices.

Goal LU-5: Maintain a fiscally viable and livable community that ensures a high quality of life for all Laguna Hills residents and business owners.

Policy LU-5.1: Identify and pursue funding sources to supplement the general fund, and ensure that service levels are maintained.

Policy LU-5.2: Maintain, follow, and periodically review a set of financial policies that are intended to safeguard financial assets, including budget surpluses; maintain the integrity of financial accounting systems; and ensure the long-term fiscal viability of the City.

Policy LU-5.3: Allocate funds to infrastructure improvements in targeted areas.

Policy LU-5.4: Continue to look for ways to streamline processes for revitalization and redevelopment projects.

Policy LU-5.5: Encourage public-private partnerships to improve existing infrastructure to accommodate desired projects.

Goal LU-6: Expand the variety of services, shopping, and entertainment opportunities in the community.

Policy LU-6.1: Encourage and promote the development of attractions desired by the community, such as upscale shopping, entertainment, cultural activities, and performing arts venues so that more needs are met locally.

Policy LU-6.2: Work closely with the private sector to update and expand the Laguna Hills Mall.

Policy LU-6.3: Work with property owners, developers, and local business groups to upgrade, revitalize, and beautify the City's aging commercial centers to attract desired new tenants.

Policy LU-6.4: Consider the needs of specific groups (such as families, teens, and seniors) as future retail, dining, and entertainment venues are proposed.

Goal LU-7: Facilitate the creation and expansion of private sector businesses and associated local career choices for Laguna Hills residents.

Policy LU-7.1: Collaborate with local businesses, the Laguna Hills Mall, merchant associations, the Orange County Business Council, and the Chamber of Commerce to promote and advertise local events.

Policy LU-7.2: Promote attractive employment generating business park uses that support a sound and diversified economic base compatible with the City's overall character.

Policy LU-7.3: Promote economically vital neighborhood commercial areas and mixed use areas that foster small business enterprises and entrepreneurship.

Policy LU-7.4: Encourage private property owners to revitalize, upgrade, and beautify aging and underperforming commercial and business areas.

Policy LU-7.5: Work with the business community to attract high end users to major commercial centers.

Policy LU-7.6: Actively engage the business community with City departments to ensure the needs of the business community are being heard and addressed.

Policy LU-7.7: Work to resolve the complex issues associated with multiple ownerships in commercial and business centers that hinder revitalization.

Policy LU-7.8: Attract and retain a balance of businesses that provide a full range of quality career choices, serving entry level as well as highly trained workers.

Policy LU-7.9: Identify incentives to target and attract businesses that diversify the City's tax and employment bases.

Summary of Approach

The goals, policies, and programs in the Land Use Element will help the City evolve into a more integrated, walkable, beautiful, sustainable, and cohesive community, while protecting and enhancing existing neighborhoods. Table LU-4 identifies the five major issues guiding the Land Use Element. These major issues represent the direction the City will take in its land use goals, policies, and programs to implement the vision of Laguna Hills as captured in the Guiding Themes and expressed in the Land Use Plan.

Table LU-4
Description of Actions to Address Land Use Issues

Issues	General Plan Policy					
	Element	Section	Policy	Programs	Figure	Table
Activity Centers and Community Connections	Land Use	Activity Centers And Community Connections	LU-1.1 through LU-1.8	LU-3, LU-10		
	Mobility	Walking and Cycling	M-3.1 through M-3.7	M-4 through M-7	M-3. (Bicycle Network)	Table M-2 (Bikeway Classification Description)
	Conservation and Open Space	Parks and Play	COS-2.1 through 2.5; COS-2.8	COS-6	COS-1 (Parklands) COS-3 (Trails Plan)	COS-3 (Public Parks) COS-4 (Private Parks) COS-5 (Trails)
Respect for Existing Neighborhoods	Land Use	Respect for Existing Neighborhoods	LU-2.1 through LU-2.8	LU-6		
	Housing	Neighborhood and Housing Preservation	H-1.1 through H-1.5	H-1 through H-5		
Sustainable and Creative Infill Development	Land Use	Sustainable and Creative Infill Development	LU-3.1 through LU-3.13	LU-3, LU-4, LU-8, LU-9, LU-10	LU-7 through LU-13 (Opportunity Areas)	LU-1 (Land Use Designation)
Enhancing the Community's Identity	Land Use	Enhancing the Community's Identity	LU-4.1 through LU-4.8	LU-7, LU-11, LU-12	LU-8	
	Mobility	Beautiful Streets	M-4.1 through M-4.3	M-11, M-12		
	Conservation and Open Space	Sustaining our Resources and Parks and Play	COS-1.14; COS-2.1; through COS-2.3	COS-1 through COS-5, COS-7, COS-8	COS-2 (Scenic Resources)	COS-1 (Significant Vista Points)

Table LU-4
Description of Actions to Address Land Use Issues

Issues	Element	Section	General Plan Policy		Figure	Table
			Policy	Programs		
Fiscal Health and Economic Sustainability	Land Use	Fiscal Health and Economic Sustainability	LU-5.1 through LU-5.5; LU-6.1 through LU-6.4; LU-7.1 through LU-7.9	LU-13 through LU-15		

DRAFT
 July 23, 2026

ORDINANCE NO. 2026 – X

AN ORDINANCE OF THE CITY OF LAGUNA HILLS, CALIFORNIA, ADOPTING ZONING TEXT AMENDMENT AND ZONING MAP AMENDMENT NO. RZNE-0014-2026, (1) A TEXT AMENDMENT TO TITLE 9 (ZONING AND SUBDIVISIONS) OF THE LAGUNA HILLS MUNICIPAL CODE TO IMPLEMENT THE GENERAL PLAN HOUSING ELEMENT BY AMENDING CHAPTER 9-11 (OVERLAY DISTRICTS) TO IMPLEMENT THE AMENDED LAND USE ELEMENT BY RENAMING THE EXISTING HOUSING (H) OVERLAY ZONE TO HOUSING 50 (H50) OVERLAY ZONE AND INTRODUCING A NEW HOUSING 80 (H80) OVERLAY ZONE; AND (2) A ZONE CHANGE TO APPLY THE HOUSING 50 (H50) OVERLAY ZONE AND HOUSING 80 (H80) OVERLAY ZONE TO 23501 – 23561 RIDGE ROUTE DRIVE (APN# 588-331-12), 25201 – 25241 PASEO DE ALICIA (APN# 620-221-42, 620-221-44, AND 620-221-49), AND TO ADDITIONAL PROPERTIES AS SPECIFIED IN THE PROPOSED ORDINANCE.

THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, HEREBY FINDS AND DETERMINES AS FOLLOWS:

WHEREAS, Title 9 (Zoning and Subdivisions) of the Laguna Hills Municipal Code (LHMC) establishes allowable uses of property and related development standards within all zoning districts in the City; and

WHEREAS, Title 9 (Zoning and Subdivisions) of the Laguna Hills Municipal Code (LHMC) establishes an official Zoning Map portraying the location and extent of the various zoning districts within the City; and

WHEREAS, Government Code Section 65584 requires local jurisdictions to encourage, promote, and facilitate the development of housing to accommodate its regional housing need; and

WHEREAS, the City of Laguna Hills has been assigned an allocation of 1,985 new housing units as its share of the Regional Housing Needs Assessment (“RHNA”) in Southern California for the 6th Housing Element cycle covering the 2021-2029 Planning Period; and

WHEREAS, on March 26, 2024, the City Council adopted an Amended 2021-2029 Housing Element update, which was certified by California Department of Housing and Community Development (“HCD”) on May 23, 2024, that included an inventory of specific vacant and underutilized sites capable of accommodating the City’s RHNA across all income levels; and

WHEREAS, subsequent to certification of the City's 2021–2029 Housing Element, the City approved one or more residential development projects on sites identified in the Housing Element site inventory, resulting in a reduction of the residential development capacity previously assumed to satisfy the City's RHNA by 443 units; and

WHEREAS, the City of Laguna Hills has initiated the following actions (collectively, the “Project”): (A) a General Plan Amendment to amend the Land Use Element to comply with No Net Loss Law (Government Code Section 65863) by specifying that select Housing Element sites may be developed at residential densities between 30 and 80 dwelling units per acre; (B) a Zoning Text Amendment to implement the amended Land Use Element by renaming the existing Housing (H) Overlay Zone to Housing 50 (H50) Overlay Zone and introducing a new Housing 80 (H80) Overlay Zone; and (C) a Zone Change to apply the Housing 50 (H50) Overlay Zone and Housing 80 (H80) Overlay Zone to 23501 – 23561 Ridge Route Drive (APN# 588-331-12), 25201 – 25241 Paseo de Alicia (APN# 620-221-42, 620-221-44, and 620-221-49), and to additional properties as specified in the proposed ordinance; and WHEREAS, this Zoning Text Amendment and Zoning Map Amendment No. RZNE-0014-2026 is a City-initiated zoning text amendment and zoning map amendment subject to Chapter 9-90 of the LHMC. Adoption of an amendment to the LHMC or to the official zoning map is a legislative act of the City Council subject to consideration and approval of an ordinance after a public hearing (LHMC §§ 9-90.050 and 9-90.060); and

WHEREAS, on March 26, 2024, the City Council adopted the 7th Addendum to the General Plan Program Environmental Impact Report (PEIR) for the Amended Housing Element Update; and

WHEREAS, concurrently with adoption of this Ordinance, the City Council adopted Resolution No. 2026-X adopting an amendment to the General Plan Land Use Element; and

WHEREAS, Implementation Program H-7 (Zoning Ordinance Update) of the Amended 2021-2029 Housing Element Update commits the City to evaluating and updating development standards, including open space, lot coverage, and height standards, and permit requirements for multifamily development; and

WHEREAS, to meet state law requirements to address the City's RHNA and to ensure a sufficient selection of sites in the City are available for higher density development, Implementation Program H-11 (2021-2029 Regional Housing Need) of the Amended 2021-2029 Housing Element Update commits the City to amending its Zoning and Development Code to “rezone” certain underutilized candidate sites identified in the Housing Element to modify the development standards applicable to such sites in order to allow multifamily residential uses at an increased allowable density subject to the requirements of Government Code Section 65583.2(h); and

WHEREAS, a notice of the public hearing, describing the project, date, time, and location of hearing was published on July 30, 2026, in the *Saddleback Valley*

News, posted to the City's website, emailed to a distribution list of interested parties, mailed via the United States Postal Service to property owners within the Mixed Use (MXU) zoning district, and property owners within a 300-foot radius of any Housing (H) Overlay Zone site, and was physically posted on July 30, 2026, at Laguna Hills City Hall, Laguna Hills Community Center, and Courtyard at La Paz shopping center; and

WHEREAS, the City Council of the City of Laguna Hills held a duly noticed public hearing and considered public comments and written and oral information and testimony presented by City staff, community residents, and other interested parties regarding the Project at a public hearing held on August 19, 2026; and

WHEREAS, on August 19, 2026, at a duly noticed public hearing, the City Council approved General Plan Amendment No. RZNE-0014-2026 (Resolution 2026-X), amending the Land Use Element in furtherance of the 2021-2029 Housing Element and State No Net Loss requirements.

THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA,
DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. The foregoing recitals set forth above are true and correct and are incorporated herein by reference.

SECTION 2. The proposed Zoning Text Amendment, and Zone Change are statutorily exempt from environmental review under the California Environmental Quality Act (CEQA) pursuant to California Public Resources Code Section 21080.085. This statutory exemption applies because the proposed amendments implement the program of actions identified in the City's certified 2021–2029 Housing Element. Specifically, the amendments are undertaken to satisfy Housing Element implementation requirements by establishing land use designations, zoning regulations, and development standards necessary to accommodate the City's RHNA and maintain compliance with applicable state housing laws. As implementation actions of a certified Housing Element, the proposed amendments qualify for the statutory exemption provided under Section 21080.085 and, therefore, are not subject to further environmental review under CEQA.

SECTION 3. In accordance with Section 9-92.080 of the City of Laguna Hills Development Code, the following findings for approving Zoning Text Amendment and Zoning Map Amendment No. RZNE-0014-2026 are made:

1. That the amendment or plan is consistent with the intent of the goals and policies of the General Plan as a whole, and is not inconsistent with any element thereof:

The proposed zoning text and map amendments implement Programs H-7 (Zoning Ordinance Update) and H-11 (2021-2029 Regional Housing Need) of the Amended 2021-2029 Housing Element Update by up-zoning candidate housing sites and by modifying the residential development standards in the

Housing Overlays that pertain to building height in order accommodate higher densities and satisfy the City's Regional Housing Need Allocation (RHNA) of 1,985 new dwelling units during the 6th Cycle Planning Period. The proposed Zoning Text Amendment and Zone Change implement the General Plan Land Use Element by establishing zoning regulations necessary to maintain compliance with California Government Code Section 65863 (No Net Loss Law). The amendments establish the Housing 50 Overlay Zone and Housing 80 Overlay Zone, identify the properties to which each overlay applies, establish corresponding residential development standards, and rezone Site N from Freeway Commercial (FC) to Mixed Use (MXU) to ensure consistency between the General Plan land use designation and the City's zoning regulations. The amendments provide zoning capacity consistent with the residential densities authorized by the General Plan Land Use Element and support the City's ability to maintain an adequate inventory of sites to accommodate its remaining RHNA.

2. That the amendment or plan is necessary to prescribe reasonable controls and standards for affected land uses to ensure compatibility and integrity of those uses with other established uses:

The proposed zoning text and map amendments modify residential densities and development standards to help meet the City's RHNA of 1,985 new dwelling units during the 6th Cycle Planning Period (2021-2029). The proposed amendments establish objective development standards for properties designated with the Housing 50 and Housing 80 Overlay Zones, including residential density and development regulations that facilitate housing opportunities while maintaining compatibility with surrounding land uses. The amendments direct higher-density residential development to sites identified through the City's No Net Loss analysis as having the greatest potential to accommodate additional housing and provide a predictable regulatory framework that promotes orderly development, efficient land use patterns, and compatibility with adjacent neighborhoods.

3. That the amendment or plan is necessary to provide reasonable property development rights while protecting environmentally sensitive land uses and species:

The proposed zoning text and map amendments implement the Amended 2021-2029 Housing Element Update, which provides an eight-year housing plan for the City, as required by state law. The proposed amendments provide reasonable development opportunities by establishing zoning regulations that permit residential development at densities necessary to restore the City's inventory of adequate housing sites in accordance with Government Code Section 65863. The Housing 50 Overlay permits residential development at densities between 20 and 50 dwelling units per acre, while the Housing 80 Overlay permits residential development at densities between 30 and 80

dwelling units per acre. Future development on affected properties will remain subject to all applicable federal, state, and local environmental regulations, development standards, and design requirements. The amendments do not alter the City's environmental protection policies or authorize development that would adversely affect environmentally sensitive resources.

4. That the plan or amendment is necessary to correct discrepancies in standards or policies within the plan area or land use category:

The proposed zoning text and map amendments are necessary to implement Programs H-7 (Zoning Ordinance Update) and H-11 (2021-2029 Regional Housing Need) of the Amended 2021-2029 Housing Element Update and to be consistent with the amendments made to the General Plan Land Use Element pursuant to General Plan Amendment No. RZNE-0014-2026. The proposed amendments establish zoning regulations that are consistent with the amended General Plan Land Use Element by creating the Housing 50 and Housing 80 Overlay Zones, establishing corresponding development standards, and applying appropriate zoning designations to identified No Net Loss sites. The rezoning of Site N from Freeway Commercial (FC) to Mixed Use (MXU) eliminates inconsistencies between the General Plan and the Official Zoning Map and provides an underlying zoning designation that supports residential development in conjunction with the Housing 80 Overlay. Collectively, the amendments ensure consistency among the General Plan, the Zoning Code, and the Official Zoning Map.

5. That the plan or amendment is necessary to protect the general health, safety, or general welfare of the community as a whole:

The proposed zoning text and map amendments are necessary to implement Programs H-7 (Zoning Ordinance Update) and H-11 (2021-2029 Regional Housing Need) of the Amended 2021-2029 Housing Element Update and to help the City accommodate its Regional Housing Need Allocation (RHNA) of 1,985 new dwelling units during the 6th Cycle Planning Period. Furthermore, the proposed amendments support the public health, safety, and general welfare by implementing zoning regulations necessary to maintain compliance with California Government Code Section 65863 and preserve an adequate inventory of sites capable of accommodating the City's remaining RHNA throughout the Housing Element planning period. The amendments establish objective development standards governing residential density, building height, setbacks, open space, landscaping, parking, and other site development requirements that ensure future residential development is compatible with surrounding land uses and adequately served by public infrastructure. The proposed zoning text and map amendment facilitates the development of housing on appropriate sites while maintaining consistency with the General Plan, the amendments promote balanced community

growth, expand housing opportunities, and further the City's long-term planning objectives.

SECTION 4. Title 9 of the Laguna Hills Municipal Code (Zoning and Subdivisions), Chapter 9-11 (Overlay Districts), Section 9-11.030 (Denotation/location of overlay districts), is hereby amended and restated to read in its entirety as follows:

“Overlay districts shall be denoted on the zoning map by the base district symbol followed by, as part of the symbol, parenthetically enclosed letters indicating the overlay district. The following overlay districts have been created:

District	Symbol	Location/Description
Vehicle Repair and Vehicle Body Repair/Paint Restoration	VR	23501, 23502, 23512, 23522, 23532, and 23551 Commerce Center Drive, in the North Laguna Hills Business Park
Hospitality Overlay Zone	HOZ	23002 Lake Forest Drive; 23052, 23041, 23046, 23061, and 23175 Avenida de la Carlota; 23421, 23441, and 23461 South Pointe Drive
Housing 50 Overlay Zone	H50	23272, 23282, 23330, 23332, 23382, 23422, 24411, and 24461 Mill Creek Drive;
Housing 80 Overlay Zone	H80	23201 and 23212 Mill Creek Drive; 23172 Plaza Pointe Drive; 23441, 23342, and 23421 South Pointe Drive; 25201, 25231, and 25241 Paseo de Alicia; 23501, 23521, 23531, 23541, 23561, 23601, 23621, & 23641 Ridge Route Drive

SECTION 5. Title 9 of the Laguna Hills Municipal Code (Zoning and Subdivisions), Chapter 9-11 (Overlay Districts), is hereby amended to add Section 9-11.060 (Housing overlay zone) to read in its entirety as follows:

“Development Standards. The development standards applicable to residential uses within the housing overlay zones are shown within Table 9-11.060. All other applicable development standards in the underlying zoning district and not in conflict with this section shall apply.

A. 9-11.060. Housing overlay zones.

- A. Purpose and Intent. The housing overlay zones (H50 and H80) are established to provide development and land use regulations for the development of housing on specified sites identified in the city of Laguna Hills 2021-2029 housing element to accommodate the city's unmet regional housing needs allocation (RHNA).
- B. Development Standards. The development standards applicable to residential uses within the housing overlay zones are shown within Table 9-11.060. All other applicable development standards in the underlying zoning district and not in conflict with this section shall apply.

Table 9-11.060		
Item	H50 Standard	H80 Standard
Minimum density	20 du/ac	30 du/ac
Maximum density	50 du/ac	80 du/ac
Maximum building height	65 ft	75 ft

- C. Special Provisions. The following regulations shall apply to the use of a lot designated within the housing overlay zones, in addition to all applicable provisions of this title. Where there is a conflict, the provisions of this section shall apply.
1. Residential uses shall occupy at least fifty (50) percent of the total gross floor area of a mixed use development.
 2. For developments in which twenty (20) percent or more of the units are affordable to lower income house-holds (income and affordability levels set forth in Sections 50079.5, 50093, and 50105 of the Health and Safety Code shall apply), owner-occupied and rental multifamily uses are considered a use by right pursuant to subdivisions (h) and (i) of Government Code Section 65583.2 and shall be reviewed ministerially by the Director.
 3. An applicant for a project pursuant to this section may apply for a density bonus, incentives or concessions, waivers or reductions in development standards, and reduced parking ratios in accordance with Government Code Section 65915 and Section 9-72.030.
 4. Dwelling, multiple-family is permitted as a stand-alone use.

SECTION 6. The official Zoning Map is hereby amended as shown in Exhibit 1 to this Ordinance to denote Housing 50 (H50) Overlay Zone and Housing 80 (H80) Overlay Zone for the applicable properties as referenced in LHMC Section 9-11.030 (Denotation/location of overlay districts).

SECTION 7. This Ordinance shall take effect on September 25, 2026, the 31st day following the adoption of this Ordinance by the City Council.

SECTION 8. Upon the effective date of this Ordinance, the provisions hereof shall supersede any inconsistent or conflicting provisions of the Laguna Hills Municipal Code.

SECTION 9. If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance is, for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more section, subsection, subdivision, sentence, clause, phrase, or portion thereof be declared invalid or unconstitutional.

SECTION 10. The City Clerk shall certify to the adoption of this Ordinance and cause the same to be posted at the duly designated posting places within the City and published once within fifteen days after passage and adoption as may be required by law; or, in the alternative, the City Clerk may cause to be published a summary of this Ordinance and a certified copy of the text of this Ordinance shall be posted in the Office of the City Clerk five days prior to the date of adoption of this Ordinance; and, within fifteen days after adoption, the City Clerk shall cause to be published, the aforementioned summary and shall post a certified copy of this Ordinance, together with the vote for and against the same, in the Office of the City Clerk.

PASSED, APPROVED, AND ADOPTED this _____ day of
_____ 2026.

DON CASKEY, MAYOR

ATTEST:

JOSHUA STEVENSON, CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss
CITY OF LAGUNA HILLS)

I, Joshua Stevenson, City Clerk of the City of Laguna Hills, California, DO
HEREBY CERTIFY that the foregoing Ordinance No. _____ was duly introduced
and placed upon its first reading at a Regular Meeting of the City Council on the
_____ day of _____ 2026, and that thereafter, said Ordinance
was duly adopted and passed at a Regular Meeting of the City Council held on the
_____ day of _____ 2026, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

(SEAL)

JOSHUA STEVENSON, CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss
CITY OF LAGUNA HILLS)

AFFIDAVIT OF POSTING
AND PUBLICATION

JOSHUA STEVENSON, being first duly sworn, deposes and says:

That she is the duly appointed and qualified City Clerk of the City of Laguna Hills;

That in compliance with State Laws of the State of California, ORDINANCE NO. _____, being:

AN ORDINANCE OF THE CITY OF LAGUNA HILLS, CALIFORNIA, ADOPTING ZONING TEXT AMENDMENT AND ZONING MAP AMENDMENT NO. RZNE-0014-2026, (1) A TEXT AMENDMENT TO TITLE 9 (ZONING AND SUBDIVISIONS) OF THE LAGUNA HILLS MUNICIPAL CODE TO IMPLEMENT THE GENERAL PLAN HOUSING ELEMENT BY AMENDING CHAPTER 9-11 (OVERLAY DISTRICTS) TO IMPLEMENT THE AMENDED LAND USE ELEMENT BY RENAMING THE EXISTING HOUSING (H) OVERLAY ZONE TO HOUSING 50 (H50) OVERLAY ZONE AND INTRODUCING A NEW HOUSING 80 (H80) OVERLAY ZONE; AND (2) A ZONE CHANGE TO APPLY THE HOUSING 50 (H50) OVERLAY ZONE AND HOUSING 80 (H80) OVERLAY ZONE TO 23501 – 23561 RIDGE ROUTE DRIVE (APN# 588-331-12), 25201 – 25241 PASEO DE ALICIA (APN# 620-221-42, 620-221-44, AND 620-221-49), AND TO ADDITIONAL PROPERTIES AS SPECIFIED IN THE PROPOSED ORDINANCE.

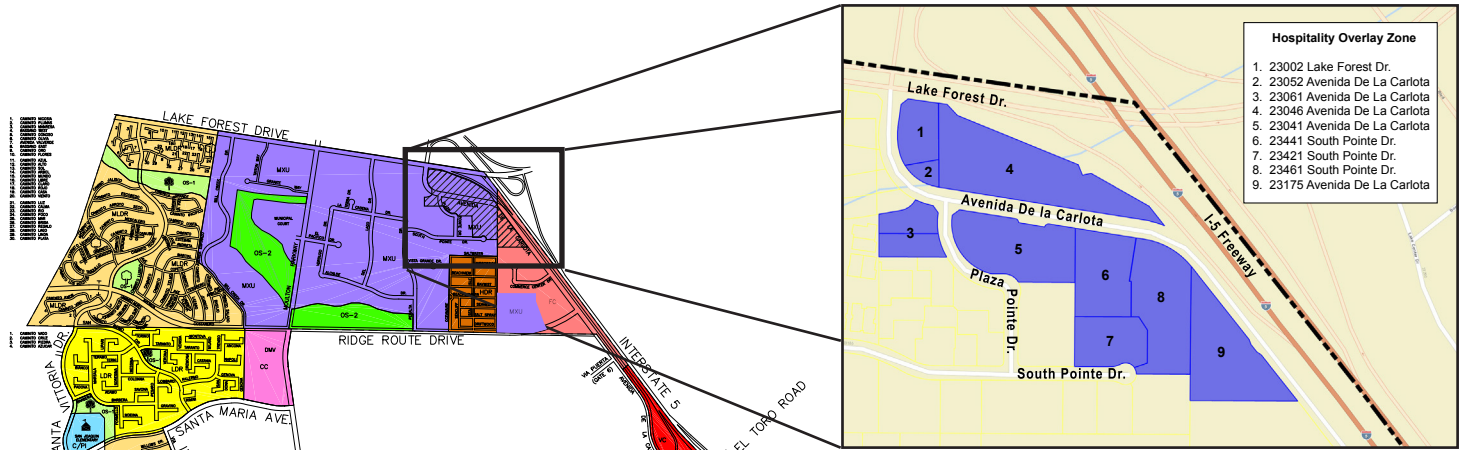
on the _____ day of _____ 2026, was published in summary in the Saddleback Valley News; and was, in compliance with City Resolution No. 2004-05-25-2, by the _____ day of _____ 2026, and the _____ day of _____, 2026, caused to be posted in three places in the City of Laguna Hills, to wit:

Laguna Hills City Hall
Laguna Hills Community Center
La Paz Center

JOSHUA STEVENSON, CITY CLERK
Laguna Hills, California

EXHIBIT 1

OFFICIAL ZONING MAP, AS AMENDED



ZONING DISTRICTS

PLANNED COMMUNITY

- PC LAGUNA HILLS PLANNED COMMUNITY
- PCR LAGUNA HILLS PLANNED COMMUNITY RESIDENTIAL

RESIDENTIAL

- ER ESTATE RESIDENTIAL
- LDR LOW DENSITY RESIDENTIAL
- MLDR MEDIUM-LOW DENSITY RESIDENTIAL
- MDR MEDIUM DENSITY RESIDENTIAL
- HDR HIGH DENSITY RESIDENTIAL

COMMERCIAL/OFFICE

- VC VILLAGE COMMERCIAL
- FC FREEWAY COMMERCIAL
- CC COMMUNITY COMMERCIAL
- OP OFFICE PROFESSIONAL

MIXED USE

- MXU MIXED USE
- NMU NEIGHBORHOOD MIXED USE

PUBLIC/INSTITUTIONAL

- C/PI COMMUNITY/PRIVATE INSTITUTION
- HS HIGH SCHOOL
- ES ELEMENTARY SCHOOL

OPEN SPACE

- OS-1 PARKS
- PP PUBLIC PARK
- PRP PRIVATE PARK
- OS-2 DRAINAGE FACILITIES
- OS-3 LANDSCAPE CORRIDORS
- CL CITY LIMITS

OVERLAY ZONES

- HOZ HOSPITALITY OVERLAY ZONE (HOZ)



CITY OF LAGUNA HILLS ZONING DISTRICT MAP

PREPARED BY THE PLANNING CENTER



DATE	REVISION
11/12/00	Adoption of Zoning Ordinance
07/20/00	Amendment Effective
08/16/00	PC Amendment
08/28/01	Nettie Golf Subdivision
08/28/06	Adoption of Zoning District Map Amendment

LHM-TDM/DMC 10/11/09

ORDINANCE NO. 2026 – X
AN ORDINANCE OF THE CITY OF LAGUNA HILLS,
CALIFORNIA, ADOPTING RZNE-0015-2026 FOR THE
INCLUSIONARY HOUSING PROGRAM BY ADDING
CHAPTER 9-73 (INCLUSIONARY HOUSING) OF TITLE 9
(ZONING CODE) OF THE LAGUNA HILLS MUNICIPAL
CODE TO ESTABLISH AN INCLUSIONARY HOUSING
PROGRAM, REQUIRE THE PROVISION OF
AFFORDABLE HOUSING IN CERTAIN RESIDENTIAL
DEVELOPMENTS, ESTABLISH AN INCLUSIONARY
HOUSING FUND, PROVIDE ALTERNATIVE METHODS OF
COMPLIANCE, AND MAKE FINDINGS RELATED
THERETO

THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA,
HEREBY FINDS AND DETERMINES AS FOLLOWS:

WHEREAS, Article XI, Section 7 of the California Constitution authorizes cities to adopt and enforce ordinances to protect the public health, safety, and welfare; and

WHEREAS, California Government Code Sections 65580 through 65589.11 (Housing Element Law) require every city and county to plan for and facilitate the development of housing to meet the housing needs of all economic segments of the community; and

WHEREAS, Government Code Section 65584 requires local jurisdictions to encourage, promote, and facilitate the development of housing to accommodate its regional housing need; and

WHEREAS, the City of Laguna Hills has been assigned an allocation of 1,985 new housing units as its share of the Regional Housing Needs Assessment ("RHNA") in Southern California for the 6th Housing Element cycle covering the 2021-2029 Planning Period; and

WHEREAS, the City Council adopted the City of Laguna Hills 2021-2029 Housing Element on March 26, 2024, and the California Department of Housing and Community Development ("HCD") subsequently determined that the Housing Element to be in substantial compliance with State Housing Element Law on May 23, 2024; and

WHEREAS, the Housing Element identifies implementation programs intended to increase the supply of affordable housing and specifically includes Programs H-6 and H-7 directing the City to evaluate and adopt an Inclusionary Housing Program and corresponding in-lieu fee; and

WHEREAS, the City's RHNA for the Sixth Housing Element Cycle requires the City to plan for the accommodation of housing affordable to households at all income levels, including very low-, low-, and moderate-income households; and

WHEREAS, although HCD permits jurisdictions to assume that qualifying Housing Element sites may accommodate lower-income housing at densities established under State Housing Element Law for purposes of Housing Element planning and site inventory, actual residential development is influenced by market conditions, available financing, applicable development regulations, and state housing laws, and may result in fewer deed-restricted affordable housing units than assumed during the applicable Housing Element planning period; and

WHEREAS, on August 19, 2026, at a duly noticed public hearing, the City Council approved General Plan Amendment No. RZNE-0014-2026 (Resolution 2026-X), amending the Land Use Element in furtherance of the 2021-2029 Housing Element and State No Net Loss requirement; and

WHEREAS, absent an inclusionary housing requirement or comparable affordable housing program, future residential development may not produce sufficient affordable housing opportunities to address the City's housing needs or support continued compliance with Housing Element implementation objectives and No Net Loss requirements; and

WHEREAS, establishment of an Inclusionary Housing Fund will ensure that all in-lieu fees collected pursuant to this ordinance are used exclusively to increase, preserve, or assist the production of affordable housing within the City and to administer and monitor the Inclusionary Housing Program; and

WHEREAS, the City Council finds that requiring residential development to contribute toward affordable housing opportunities through the construction of inclusionary units, approved alternative compliance methods, or payment of an in-lieu fee will further important public purposes by increasing the supply of affordable housing, promoting economically diverse neighborhoods, implementing the City's Housing Element, and advancing the public health, safety, and welfare; and

WHEREAS, the City Council further finds that the requirements established by this ordinance are reasonable, uniformly applicable, consistent with State Housing Element Law, and necessary to implement the City's adopted housing policies while providing flexibility through alternative compliance options where appropriate; and

WHEREAS, a notice of the public hearing, describing the project, date, time, and location of hearing was published on July 30, 2026, in the *Saddleback Valley News*, posted to the City's website, emailed to a distribution list of interested parties, mailed via the United States Postal Service to property owners within the Mixed Use (MXU) zoning district, and property owners within a 300-foot radius of any Housing (H)

Overlay Zone site, and was physically posted on July 30, 2026, at Laguna Hills City Hall, Laguna Hills Community Center, and Courtyard at La Paz shopping center; and

WHEREAS, the City Council of the City of Laguna Hills held a duly noticed public hearing and considered public comments and written and oral information and testimony presented by City staff, community residents, and other interested parties regarding the Project at a public hearing held on August 19, 2026.

THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA,
DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. The foregoing recitals set forth above are true and correct and are incorporated herein by reference.

SECTION 2. The adoption of this ordinance is not subject to the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Sections 15060(c)(2) and 15378 because the ordinance establishes a regulatory program that does not commit the City to any specific development project and has no potential to result in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment.

SECTION 3. In accordance with Section 9-92.080 of the City of Laguna Hills Development Code, the following findings for approving Zoning Text Amendment No. RZNE-0015-2026 are made:

1. That the amendment or plan is consistent with the intent of the goals and policies of the General Plan as a whole, and is not inconsistent with any element thereof:

The proposed amendment is consistent with the goals and policies of the Laguna Hills General Plan, including the Housing Element, by implementing Housing Element Programs H-6 and H-7, which call for the establishment of an inclusionary housing program to increase the production and preservation of affordable housing. The ordinance advances the General Plan's housing goals by promoting a balanced housing supply that accommodates households at a range of income levels, expanding opportunities for affordable housing within new residential developments, and providing an additional implementation tool to assist the City in meeting its Regional Housing Needs Allocation (RHNA) obligations while maintaining compliance with State Housing Element Law.

2. That the amendment or plan is necessary to prescribe reasonable controls and standards for affected land uses to ensure compatibility and integrity of those uses with other established uses:

The proposed amendment establishes objective and uniformly applicable development standards governing the provision of affordable housing within qualifying residential developments. The ordinance requires inclusionary units to be integrated throughout residential developments, constructed to be comparable in appearance and quality to market-rate units, distributed proportionately by bedroom type, and provided with equivalent access to project amenities. These standards ensure that affordable housing is compatible with surrounding residential development, preserves neighborhood character, and promotes cohesive, mixed-income communities while providing clear and consistent development regulations applicable to all qualifying projects.

3. That the amendment or plan is necessary to provide reasonable property development rights while protecting environmentally sensitive land uses and species:

The proposed amendment does not alter permitted land uses, increase allowable residential densities, expand development into environmentally sensitive areas, or modify existing environmental protection standards. Instead, the ordinance establishes affordable housing requirements applicable only to otherwise permitted residential development and provides multiple compliance options, including on-site construction, alternative methods of compliance, and limited use of in-lieu fees. The ordinance preserves reasonable development rights while maintaining all existing environmental regulations, development standards, and resource protection requirements applicable to future development projects.

4. That the plan or amendment is necessary to correct discrepancies in standards or policies within the plan area or land use category:

The proposed amendment implements adopted Housing Element policies and implementation programs by establishing a regulatory framework that ensures future residential development contributes to the City's affordable housing objectives. While the Housing Element assumes that qualifying residential sites will accommodate a significant number of lower-income households for planning purposes, existing development regulations do not require the production of affordable housing units within market-rate residential projects. The proposed ordinance addresses this regulatory gap by establishing consistent affordable housing requirements, implementation procedures, and alternative compliance mechanisms that align the Municipal Code with the City's adopted Housing Element policies and affordable housing objectives.

5. That the plan or amendment is necessary to protect the general health, safety, or general welfare of the community as a whole:

The proposed amendment promotes the public health, safety, and general welfare by increasing opportunities for the development and preservation of affordable housing for lower- and moderate-income households, supporting a diverse housing supply, and helping to address documented community housing needs. The ordinance assists in implementing State Housing Element Law, promotes long-term housing stability, reduces barriers to housing opportunity, and establishes a permanent funding source for affordable housing through the Inclusionary Housing Fund. By requiring future residential development to contribute toward affordable housing, the ordinance advances important public purposes, supports economic diversity, and strengthens the City's ability to maintain compliance with State housing requirements while enhancing the overall quality of life for current and future residents.

SECTION 4. Chapter 9-73 (Inclusionary Housing) of Title 9 (Development Code) is hereby added to the Laguna Hills Municipal Code, which shall read as follows:

Chapter 9-73 Inclusionary Housing

Sections:

- 9-73.010 Purpose and intent.**
- 9-73.020 Definitions.**
- 9-73.030 Applicability.**
- 9-73.040 Exemptions.**
- 9-73.050 Inclusionary Housing Standards.**
- 9-73.060 Alternatives to Constructing Inclusionary Housing Units.**
- 9-73.070 Affordable Housing Plan.**
- 9-73.080 Density Bonus.**
- 9-73.090 Administration and Enforcement.**

9-73.010 Purpose and Intent.

The purpose of this section is to promote, facilitate, and require the development of affordable housing opportunities for moderate-, low-, and very low-income households within the residential developments proposed to be constructed in the City of Laguna

Hills. The intent of this program is to ensure that a portion of new residential developments contribute to the City's housing needs by providing housing options, or equivalent funds, to establish housing units for moderate and lower-income levels.

9-73.020 Definitions.

As used in this chapter, the following items shall have meanings as set forth below.

“Accessory dwelling unit” or “ADU” as defined in California Government Code Section 66313 means an attached or detached residential dwelling unit that provides complete independent living facilities for one or more persons and is located on a lot with a proposed or existing primary residence.

“Affordable housing unit” means a dwelling unit restricted for occupancy by an eligible household at an affordable rent or affordable housing cost, as applicable, consistent with this chapter and applicable state law.

“Affordable housing agreement” means a legally enforceable recorded agreement between a property owner or owners and the City of Laguna Hills to ensure that the long-term inclusionary requirements of this chapter are satisfied. The agreement establishes, among other things, the number of required inclusionary units, location, affordability tenure, terms and conditions of affordability and unit production schedule, and deed restrictions.

“Allowable housing expense” means the total monthly or annual recurring expenses required of a household to obtain and maintain the housing unit. For an ownership unit, allowable housing expenses include loan principal and interest at the time of initial purchase by the homebuyer, allowances for property and mortgage insurance, property taxes, homeowners' association dues, and a reasonable allowance for utilities as defined Section 50052.5 of the Health and Safety Code; the utility allowance shall be as established by the Orange County Housing Authority. For a rental unit, allowable housing expenses include rent as defined in Section 50053 of the Health and Safety Code and a utility allowance as established by the Orange County Housing Authority, as well as all monthly payments made by the tenant to the lessor in connection with use and occupancy of a housing unit and land and facilities associated therewith, including any separately charged fees, utility charges, or service charges assessed by the lessor and payable by the tenant.

“Affordable housing plan” means a plan in conformance with this chapter specifying the manner in which affordable units will be provided.

“Density bonus” means an increase in the number of units permitted in a proposed residential development provided pursuant to California State Density Bonus Law as set forth in California Government Code Section 65915, et seq.

“Developer” means any person, firm, partnership, association, joint venture, corporation, or any entity or combination of entities, which seeks City approvals for all or part of a

residential development. The term “developer” also means the owner or owners of any such property for which such approvals are sought.

“Extremely low-income household” means households that earn 30% or less than the Area Median Income for Orange County as determined, as annually defined by the California Department of Housing and Community Development.

“Incentives or concessions” means the regulatory incentives and concessions as defined in California Government Code Section 65915(k), to include, but not be limited to, the reduction of site development standards or zoning code requirements, approval of mixed-use zoning in conjunction with the housing project, or any other regulatory incentive that would result in identifiable cost reductions to enable the provision of housing for the designated income group or qualifying residents.

“Inclusionary housing fund” means the fund established by the City pursuant to Section 9-73.090.A.

“Inclusionary unit” means an ownership or rental unit that will be offered for rent or sale exclusively to moderate- and/or lower-income households and maintained as an affordable housing unit, as required by this chapter.

“Household” means all persons residing in a unit.

“Low-income household” means a household with a gross annual income ranging above 50% and below 80% of the Area Median Income for Orange County as annually defined, by the California Department of Housing and Community Development.

“Lower-income household” includes low-income, very low-income and extremely low-income households, whose gross income does not exceed 80% of the Area Median Income for Orange County as determined annually by the California Department of Housing and Community Development.

“Market-rate unit” means a dwelling unit in a residential development that is not an inclusionary unit.

“Moderate-income Household” means a household with a gross annual income ranging above 80% to 120% of the Area Median Income for Orange County as determined, as annually defined by the California Department of Housing and Community Development.

“Ownership unit” means a residential dwelling unit intended to be sold individually to owners.

“Rental unit” means a residential dwelling unit intended not to be developed or constructed to be sold individually.

“Residential development” means any project for the development of land requiring a ministerial or discretionary permit for which an application has been submitted to the

City, which would create new ownership or rental units intended for permanent occupancy by either the construction or alteration of structures or the conversion of a use to residential from any other use.

“Total residential units” means, the number of dwelling units in the base residential development, including market-rate units and inclusionary units, but excluding density bonus units provided pursuant to California Government Code Section 65915, et seq.

“Very low-income household” means households with a gross annual income ranging above 30% to 50% of the Area Median Income for Orange County as determined, as annually defined by the California Department of Housing and Community Development.

9-73-030 Applicability.

The provisions of this chapter shall be applicable as follows:

- A. Except as otherwise provided in this chapter or by state or federal law, residential developments consisting of ten (10) or more dwelling units shall provide inclusionary units of the number and type required by, and which meet the standards set forth in, Section 9-73.050.
- B. The inclusionary housing requirements set forth in this chapter shall be applied no more than once to an approved development and/or vested entitlement by the City, regardless of changes in the ownership of the development, provided the total number of units does not change.

9-73-040 Exemptions.

The provisions of this chapter shall not apply to the following projects:

- A. Projects that are not a residential development.
- B. Any project that provides affordable housing in a manner that is equivalent to or greater than the requirements of this chapter, such as a project that has greater and longer affordability covenants than required by this section, subject to approval by the City Council.
- C. Accessory dwelling units (ADUs), except as required by this Chapter 9-73.
- D. Residential development projects that consist only of one primary dwelling unit.
- E. Residential development projects for which application of this chapter would impair vested rights under state or federal law, including rights arising from a development agreement, vesting tentative map, preliminary application submitted pursuant to Government Code Section 65941.1, complete application, building permit, or other

entitlement recognized by law, where such rights or entitlements are in effect on the effective date of the ordinance enacting this chapter.

F. Remodels and additions to single-family homes.

9-73.050 Inclusionary Housing Standards.

The provisions of this section shall apply to new residential development required to provide inclusionary units pursuant to this chapter.

A. Number and Type of Units Required.

1. Rental Units. For residential developments consisting of ten (10) or more new dwelling units and containing rental units, at least fifteen percent (15%) of the new rental units shall be inclusionary units that are reserved for occupancy by lower-income households as affordable housing units.
 - a. At least seven and one-half percent (7.5%) of the new rental units shall be inclusionary units that are reserved for occupancy by very low-income households.
 - b. The remaining inclusionary units provided may be reserved for occupancy by low-income households.
2. Ownership Units. For residential developments consisting of ten (10) or more new dwelling units and containing ownership units, at least fifteen percent (15%) of the new ownership units shall be inclusionary units that are reserved for sale to and occupancy by lower-income and moderate-income households as affordable housing units.
 - a. At least five percent (5%) of the new ownership units shall be inclusionary units that are reserved for sale to and occupancy by lower-income households.
 - b. The remaining inclusionary units provided may be reserved for sale to and occupancy by moderate-income households.
3. Fractions of units less than one-half (0.5) shall be rounded down to the nearest whole number and any fraction of a unit equal to or greater than one-half (0.5) shall be rounded up to the next whole number to establish the required number of inclusionary units. Alternatively, at the developer's option, any fractional unit requirement may be satisfied by paying a pro-rata fractional in-lieu fee into the inclusionary housing fund.

B. Design. The following design standards shall apply to residential development containing inclusionary units. The City Council shall have the discretion to approve modifications to design standards through a development agreement if the property

owner provides deeper levels of affordability at required percentages and/or higher percentages of affordability.

1. Inclusionary units shall be integrated with market rate units within a residential development as a whole, and shall be comparable in infrastructure, construction quality, and design to the market-rate units. Within the range of the common architectural theme(s) for the project as a whole, the exterior appearance, entrances, and other architectural features and the interior finishes and features of the inclusionary units shall be comparable to those of the market rate units of the same size, model, and/or plan type, with the exception of optional upgrades or improvements available to buyers of for-sale market rate units at an additional cost.
 2. Inclusionary units shall be distributed throughout the residential development and not concentrated in a single area of the development or to a specific floor or area on a specific floor within a mixed-income multifamily structure. However, nothing in this subsection is intended to preclude a project consisting of up to 100 percent affordable housing project where permitted by applicable state or federal law.
 3. To the extent practicable, the bedroom and bathroom count ratio for the inclusionary units shall be proportional, in number of bedrooms and bathrooms, to the market rate units and shall be equitably distributed throughout the residential development.
 4. Residents of inclusionary units shall have the same rights and unrestricted access to all common amenities in the development, such as parking, open space, storage, and recreational space, as do residents of market-rate units.
- C. Timing of construction. Inclusionary units shall be constructed and occupied concurrently with or prior to the construction and occupancy of market-rate units. In phased developments, inclusionary units shall be constructed and occupied concurrently or prior to the market-rate units in each applicable phase of the development.
- D. Duration of affordability requirement.
1. Rental inclusionary units shall remain affordable housing units occupied by persons and families of the required income level for a minimum of 55 years, unless otherwise approved by the City Council.
 2. Ownership inclusionary units shall remain affordable housing units and shall be sold and resold only to, and occupied by, persons and families of the required income level for a minimum of 55 years, unless a longer period is required by applicable law or agreed to pursuant to subsection 3 below. The affordable housing agreement shall establish the applicable resale restrictions and methodology for determining the maximum allowable resale price during the affordability period.

3. The City and the property owner may agree to a longer term of affordability in exchange for additional incentives or concessions, or if required by a provision of state or federal law or the terms of a program providing a subsidy to the residential development.

E. Affordable Housing Agreement.

1. An affordable housing agreement shall be entered into between the City and the fee owners of the property on which a residential development subject to the provisions of this chapter is located. The affordable housing agreement shall be prepared by the City, at the developer's cost, and shall be a legally binding agreement, executed by the City Manager, or his or her designee, and in a form and substance satisfactory to the City Manager and the City Attorney, and containing those provisions necessary to ensure that the requirements of this chapter are satisfied, whether through the provision of inclusionary units or through an approved alternative method. The affordable housing agreement shall be executed and recorded prior to final subdivision map approval or, where a subdivision map is not being processed, prior to the issuance of building permits for any portion of the residential development. The affordable housing agreement shall remain a senior, non-subordinate covenant and as an encumbrance running with the land for the full term thereof. In no event shall the affordable housing agreement be made junior or subordinate to any deed of trust or other documents providing financing for the construction or operation of the residential development, or any other lien or encumbrance whatsoever for the entire term of the required covenants.
2. Unless otherwise provided by law or authorized by the City Manager, for residential developments containing inclusionary units, the affordable housing agreement shall include provisions acceptable to the City that address or require the following:
 - a. The number, affordability level, affordability period, unit size mix, and locations of all inclusionary units. For inclusionary units that will be rented, the City may require the inclusionary units to be "floating" units that are not permanently designated.
 - b. The timing of construction of the inclusionary units.
 - c. Minimum maintenance standards for the residential development.
 - d. The methodology for determining each inclusionary unit's initial and ongoing rent or sales and resale price(s), along with any resale restrictions, occupancy requirements, and/or eligibility requirements. The methodology shall be consistent with the affordability calculation methodologies and household size assumptions established pursuant to Section 9-73.090(B).
 - i. For residential developments containing ownership inclusionary units, the affordable housing agreement shall include provisions requiring the initial

buyer(s) of each inclusionary unit meet the applicable income and eligibility requirements established for the unit and occupy the unit at all times until resale of the unit to another qualified buyer. The affordable housing agreement shall also require the initial purchaser and, if applicable, each subsequent purchaser, of an inclusionary unit, to execute and/or record one or more agreements and/or restrictive covenants benefiting and enforceable by the City, which address, among other things, the purchaser's obligations pertaining to certification of income, financing or refinancing of the unit, occupancy of the unit, property maintenance, insurance, periodic certification of compliance with applicable agreement terms, and re-sale of the unit. Such documents may include, without limitation promissory notes, deeds of trust, reimbursement agreements, option agreements, equity sharing agreements, and/or other covenants and regulatory documents necessary to ensure continued compliance with pertinent provisions of applicable law, conditions of approval, and the affordable housing agreement for the required affordability period.

- ii. For residential developments containing rental inclusionary units, the affordable housing agreement shall include provisions requiring the owner to verify and certify, prior to the initial occupancy, and annually thereafter, that, each tenant household occupying an inclusionary unit meets the applicable income and eligibility requirements established for the unit, and to annually prepare a compliance report and certify that the inclusionary units are in compliance with the affordable housing agreement.
- e. Recordkeeping requirements, including, but not limited to, provisions requiring the developer and/or property owner(s) to maintain inclusionary unit sales documents, tenant leases, income certifications, and other books, documents, and records related to the sale or rental of the inclusionary units and operation of the project for a specified minimum period of time; to allow the City to inspect any such books, documents, or records and to conduct an independent audit or inspection of such records at a location that is reasonably acceptable to the City Manager upon prior written notice; and to permit the City and its authorized agents and representatives to access the property and examine the housing units and to interview tenants and employees for the purpose of verifying compliance with the affordable housing agreement.
- f. For residential developments containing ownership inclusionary units, the affordable housing agreement shall contain provisions requiring the developer: (a) to prepare and obtain the City's approval of a marketing program for the sale of the inclusionary units to qualified purchasers prior to the issuance of a certificate of occupancy for any portion of the project; (b) to thereafter market the inclusionary units in accordance with the marketing program; and (c) to provide the City with periodic reports with respect to the sale of the inclusionary units.

- g. For residential developments containing rental inclusionary units, the affordable housing agreement shall contain provisions regarding property management and management responsibilities and shall require the developer to prepare and obtain the City's approval of a management plan for the project prior to the issuance of a certificate of occupancy for any portion of the project.
 - h. The payment of fees to reimburse the City for the estimated reasonable costs incurred by the City in monitoring the developer's compliance with, and otherwise administering, the affordable housing agreement, including, but not limited to, the City's review of marketing and management plans and annual compliance reports and the conduct of inspections and/or audits.
 - i. A description of additional incentives granted by the City, if any.
 - j. Other matters related to the development, maintenance, preservation, and retention of the inclusionary units deemed necessary and appropriate by the City Manager.
3. Compliance Monitoring. Each affordable housing agreement shall include provision for the monitoring by the City of each residential development and each inclusionary unit for compliance with the terms of this Chapter, the affordable housing agreement, and as required by law. The City Council may, by resolution, establish fees to recover the City's reasonable costs of administering, monitoring and enforcing the requirements of this Chapter and any affordable housing agreement.

9-73.060 Alternatives to Constructing Inclusionary Units.

The following alternatives may be used to satisfy the requirement to provide inclusionary units on a project site:

A. Alternate Methods of Compliance.

- 1. Applicants may propose other concepts for meeting the requirements of this section, whether on- or off-site. Any alternate method of compliance shall be subject to the review and approval of the City Council, in its discretion. No applicant shall be entitled to approval of an alternate method of compliance.
- 2. Alternative means of compliance may include, but are not limited to, land dedication for affordable housing, off-site construction of affordable housing, or acquisition and rehabilitation of existing affordable housing units.
- 3. The City Council may, in its discretion, approve or deny alternate methods of compliance. In determining whether to approve an alternate method, the City Council shall consider whether the applicant has demonstrated that the proposed method furthers the purpose and intent of this chapter and provides an affordable

housing benefit that the City Council determines is appropriate in light of the otherwise applicable inclusionary housing obligation. Such methods may include satisfying inclusionary requirements through the provision of ADUs subject to affordability restrictions.

B. In-Lieu Fee. In lieu of providing inclusionary units in a project, a developer may pay the City's in-lieu fee to satisfy the inclusionary housing requirement.

1. Developers of residential developments consisting of ten (10) or more for sale units may pay the City's in-lieu fee to satisfy the inclusionary housing requirement.
2. Developers of residential developments consisting of ten (10) to twenty (20) rental units may pay the City's in-lieu fee to satisfy the inclusionary housing requirement.
3. Except as provided in subsection C.1 below, developers of residential developments of more than twenty (20) rental units do not have the option of an in-lieu fee payment and must either construct inclusionary units equal to fifteen (15) percent of the new units in accordance with Section 9-73.050 or satisfy the requirement through an alternate method of compliance approved by the City Council pursuant to this section.
4. In-lieu fees shall be paid prior to the issuance of the first building permit for the residential development. For phased developments, the developer may pay a pro rata share of the in-lieu fee concurrently with the issuance of building permits for each development phase.
5. In-lieu fees shall be paid according to a fee schedule adopted by the City Council and amended from time to time.
6. All in-lieu fees collected shall be deposited into the inclusionary housing fund.

C. Adjustments or Waivers.

1. Extreme Economic Hardship. Residential development projects consisting of more than twenty (20) rental units may, in the sole and absolute discretion of the City Council, be permitted to pay the applicable in-lieu fee in lieu of constructing some or all of the required inclusionary units, provided the developer shows, based on substantial evidence, that constructing the required inclusionary units on-site would present an extreme economic hardship, based on objective, industry standard factors such as project size, site constraints, and/or financial considerations.
2. Takings. Notwithstanding any other provision of this chapter, the requirements of this chapter may be waived, adjusted, or reduced in the sole discretion of the City Council if the developer shows, based on substantial evidence, that applying the requirements of this chapter would take property in violation of the United States

or California Constitutions. Such a waiver, adjustment or reduction may be approved only to the extent necessary to avoid an unconstitutional result, after adoption of written findings, based on substantial evidence, supporting the determination. In making a determination on an application for such a waiver, adjustment or reduction, the developer shall bear the burden of proof of presenting substantial evidence to support the claim, and the City may assume each of the following when applicable: (a) that the developer will provide the most economical inclusionary units feasible, meeting the requirements of this chapter and any regulations adopted to implement this chapter; and (b) that the developer is likely to obtain housing subsidies when such funds are reasonably available.

3. Any request for relief pursuant to subsection C shall be submitted to the City concurrently with the affordable housing plan and shall set forth in detail the factual and legal basis for the request.

9-73.070 Affordable Housing Plan.

- A. A developer of a residential development subject to this chapter shall submit an affordable housing plan to the City detailing how the requirements of this chapter will be met and implemented. The affordable housing plan shall be submitted as part of the developer's development application to the Community Development Department. The Community Development Director shall determine if the submitted affordable housing plan is complete and in substantial conformance with this chapter.
- B. The affordable housing plan shall include, without limitation, the following information:
 1. The total number of inclusionary units at each affordability level proposed to be provided and the calculations used to determine the number of required inclusionary units.
 2. A floor plan and site plan depicting the location, size, and bedroom count of each proposed market-rate and inclusionary unit.
 3. A detailed description of how each of the requirements set forth in Section 9-73.050 will be met.
 4. If the developer is proposing an alternative means of compliance pursuant to Section 9-73.060, a detailed description of the proposal and all supporting documentation.
 5. Any request for density bonus, incentives, concessions, waivers, parking reductions, phasing, or alternative compliance related to the residential development.

6. Such other information as is reasonably requested by the Community Development Director.
- C. The affordable housing plan is subject to review and approval of the applicable City review authority on the same basis as is required for the development application determination.

9-73.080 Density Bonus.

Pursuant to the State Density Bonus Law (California Government Code Section 65915, et sq.), if the developer is proposing to provide affordable units in exchange for an increase in density, concessions, incentives, or waivers or reductions of development standards, the affordable units required to fulfill the density bonus may also count as inclusionary units required by this chapter, provided they also meet, or exceed, the requirements outlined in Section 9-73.050.

9-73.090 Administration and Enforcement.

- A. Inclusionary Housing Fund. There is hereby established a separate fund of the City, to be known as the inclusionary housing fund. All monies collected pursuant to this Chapter shall be deposited in the inclusionary housing fund. Additional monies from other sources may be deposited in the inclusionary housing fund. The monies and all earnings from investments of the monies in the inclusionary housing fund shall be expended exclusively to provide or assure continued provision of affordable housing in the City through, including but not limited to, acquisition, construction, development assistance, rent subsidies, or first-time homebuyer programs, and for the associated costs of administering and monitoring these programs.
- B. Administrative Regulations and Interpretations.
 1. The Community Development Director shall publish maximum rent and sale price schedules at least annually, in accordance with the methodologies set forth in California Health and Safety Code Sections 50052.5 and 50053, utilizing current data from the California Department of Housing and Community Development and Orange County Housing Authority's utility allowance schedules. The Director shall also establish and apply uniform household size assumptions and affordability calculation methodologies consistent with applicable state law and HCD guidance for purposes of determining affordable rents, affordable housing costs, and initial and resale sales prices.
 2. The Community Development Director may issue regulations or interpretations to assist in the implementation and administration of all aspects of this Chapter, including, but not limited to, the establishment of eligibility requirements and/or preference standards that may be applied in the selection of homebuyers and tenants.
- C. Enforcement.

1. Violations. Violations of this Chapter may be enforced by all available remedies at law or in equity, including, but not limited to those set forth in Chapter 1-32 of the Laguna Hills Municipal Code.
2. Forfeiture of Funds. Any individual who sells an inclusionary unit in violation of this chapter shall be required to forfeit any money in excess of the affordable housing cost at such time. Any individual who rents an inclusionary unit in violation of this chapter shall be required to forfeit all money so obtained. Recovered funds shall be deposited into the inclusionary housing fund.
3. Legal Actions. The City may institute any appropriate legal actions to enforce the provisions of this chapter and all affordable housing agreements, covenants, resale restrictions, promissory notes, deeds of trust, and other requirements placed on inclusionary units, including actions for injunctive relief or damages.
4. Recovery of Costs. In any action to enforce this chapter, or an affordable housing agreement recorded hereunder, the City shall be entitled to recover its reasonable attorney's fees and costs.

SECTION 5. This Ordinance shall take effect on September 25, 2026, the 31st day following the adoption of this Ordinance by the City Council.

SECTION 6. Upon the effective date of this Ordinance, the provisions hereof shall supersede any inconsistent or conflicting provisions of the Laguna Hills Municipal Code.

SECTION 7. If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance is, for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more section, subsection, subdivision, sentence, clause, phrase, or portion thereof be declared invalid or unconstitutional.

SECTION 8. The City Clerk shall certify to the adoption of this Ordinance and cause the same to be posted at the duly designated posting places within the City and published once within fifteen days after passage and adoption as may be required by law; or, in the alternative, the City Clerk may cause to be published a summary of this Ordinance and a certified copy of the text of this Ordinance shall be posted in the Office of the City Clerk five days prior to the date of adoption of this Ordinance; and, within fifteen days after adoption, the City Clerk shall cause to be published, the aforementioned summary and shall post a certified copy of this Ordinance, together with the vote for and against the same, in the Office of the City Clerk.

PASSED, APPROVED, AND ADOPTED this _____ day of
_____ 2026.

DON CASKEY, MAYOR

ATTEST:

JOSHUA STEVENSON, CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss
CITY OF LAGUNA HILLS)

I, Joshua Stevenson, City Clerk of the City of Laguna Hills, California, DO
HEREBY CERTIFY that the foregoing Ordinance No. _____ was duly introduced
and placed upon its first reading at a Regular Meeting of the City Council on the
_____ day of _____ 2026, and that thereafter, said Ordinance
was duly adopted and passed at a Regular Meeting of the City Council held on the
_____ day of _____ 2026, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

(SEAL)

JOSHUA STEVENSON, CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss
CITY OF LAGUNA HILLS)

AFFIDAVIT OF POSTING
AND PUBLICATION

JOSHUA STEVENSON, being first duly sworn, deposes and says:

That she is the duly appointed and qualified City Clerk of the City of Laguna Hills;

That in compliance with State Laws of the State of California, ORDINANCE NO. _____, being:

AN ORDINANCE OF THE CITY OF LAGUNA HILLS, CALIFORNIA, ADOPTING ZONING TEXT AMENDMENT AND ZONING MAP AMENDMENT NO. RZNE-0014-2026, (1) A TEXT AMENDMENT TO TITLE 9 (ZONING AND SUBDIVISIONS) OF THE LAGUNA HILLS MUNICIPAL CODE TO IMPLEMENT THE GENERAL PLAN HOUSING ELEMENT BY AMENDING CHAPTER 9-11 (OVERLAY DISTRICTS) TO IMPLEMENT THE AMENDED LAND USE ELEMENT BY RENAMING THE EXISTING HOUSING (H) OVERLAY ZONE TO HOUSING 50 (H50) OVERLAY ZONE AND INTRODUCING A NEW HOUSING 80 (H80) OVERLAY ZONE; AND (2) A ZONE CHANGE TO APPLY THE HOUSING 50 (H50) OVERLAY ZONE AND HOUSING 80 (H80) OVERLAY ZONE TO 23501 – 23561 RIDGE ROUTE DRIVE (APN# 588-331-12), 25201 – 25241 PASEO DE ALICIA (APN# 620-221-42, 620-221-44, AND 620-221-49), AND TO ADDITIONAL PROPERTIES AS SPECIFIED IN THE PROPOSED ORDINANCE.

on the _____ day of _____ 2026, was published in summary in the Saddleback Valley News; and was, in compliance with City Resolution No. 2004-05-25-2, by the _____ day of _____ 2026, and the _____ day of _____, 2026, caused to be posted in three places in the City of Laguna Hills, to wit:

Laguna Hills City Hall
Laguna Hills Community Center
La Paz Center

JOSHUA STEVENSON, CITY CLERK
Laguna Hills, California

RESOLUTION NO. 2026-X

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, ESTABLISHING AN INCLUSIONARY HOUSING IN-LIEU AFFORDABLE HOUSING FEE AS AN ALTERNATIVE TO PROVIDING AFFORDABLE HOUSING UNITS REQUIRED BY CHAPTER 9-73 (INCLUSIONARY HOUSING) OF THE LAGUNA HILLS MUNICIPAL CODE.

The City Council of the City of Laguna Hills, California, hereby finds, determines, declares, and resolves as follows:

WHEREAS, the City Council introduced Ordinance No. 2026-X to add Chapter 9-73 (Inclusionary Housing) of Title 9 (Development Code) to the Laguna Hills Municipal Code; and

WHEREAS, the proposed Inclusionary Housing Program requires qualifying residential developments to provide affordable housing units or satisfy affordable housing obligations through approved alternative means of compliance, including payment of an in-lieu fee where authorized by the ordinance; and

WHEREAS, the City retained Keyser Marston Associates, Inc., a housing economics and real estate consulting firm, to conduct an Inclusionary Housing In-Lieu Fee Analysis that include an in-depth analysis of development costs and analysis of in-lieu fee payment amounts that correlate to the income and affordability standards in Ordinance No. 2026-X; and

WHEREAS, the Keyser Marston Associates, Inc. analysis evaluated representative rental and ownership housing prototypes, current residential market conditions, affordability standards established under California law, and the affordability gap associated with providing deed-restricted affordable housing units within market-rate residential developments; and

WHEREAS, the analysis concluded that the recommended in-lieu fees are reasonably related to the economic value associated with satisfying the City's inclusionary housing obligations and are based upon the estimated affordability gap between market-rate housing values and affordable housing values under the proposed ordinance; and

WHEREAS, inclusionary housing requirements have a disproportionate impact on smaller projects, because there are fewer market rate units available to spread the impact created by the income and affordability standards and the related in-lieu fee schedule was prepared on a sliding scale; and

WHEREAS, the City Council may, by separate resolution, establish an Administrative Fee to recover costs reasonably borne in providing the administration,

enforcement, regulation, products, or services of Chapter 9-73; and shall include an inflationary index that shall allow for administrative inflationary increases, provided such increases do not exceed the established index factor; and

WHEREAS, establishment of an Inclusionary Housing Fund will ensure that all in-lieu fees collected pursuant to this ordinance are used exclusively to increase, preserve, or assist the production of affordable housing within the City and to administer and monitor the Inclusionary Housing Program; and

WHEREAS, the City Council has reviewed the report entitled, Inclusionary Housing: In-Lieu Fee Analysis, dated August 1, 2026, by Keyser Marston Associates, Inc.; and

WHEREAS, the City Council held a duly noticed public hearing on August 19, 2026, to consider the update to the City's Inclusionary Housing Program and in-lieu fee requirements.

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

SECTION 1. The recitals above are each incorporated by reference and adopted as findings by the City Council.

SECTION 2. The Resolution is not subject to environmental review under the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Sections 15060(c)(2) and Section 15378 as the ordinance and resolution have no potential to result in a direct or reasonably foreseeable indirect physical change to the environment.

SECTION 3. That the City Council hereby adopts the Inclusionary Housing In-Lieu Development fee based on the square footage of leasable and/or saleable area in the applicable development as set forth below.

In-Lieu Fee Schedules		
Measured Per Square Foot of Total Gross Floor Area of Leasable or Saleable Area in Residential Development		
Number of Units	Rental Development	Ownership Housing Development
10	\$3.75	\$5.58
11	\$7.49	\$11.16
12	\$11.24	\$16.75
13	\$14.98	\$22.33
14	\$18.73	\$27.91
15	\$22.47	\$33.49
16	\$26.22	\$39.07
17	\$29.96	\$44.65
18	\$33.71	\$50.24

19	\$37.45	\$55.82
20	\$41.20	\$61.40

SECTION 4. That the City Council hereby determines that an Administration Fee may be established by separate resolution to recover costs reasonably incurred in providing administration, enforcement, regulation, products, or services of Chapter 9-73.

SECTION 5. That this resolution shall take effect on September 25, 2026, the 31st day following the adoption of Ordinance No. 2026-X by the City Council.

PASSED, APPROVED, AND ADOPTED this ____ day of _____, 2026.

DON CASKEY, MAYOR

ATTEST:

JOSHUA STEVENSON, CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss
CITY OF LAGUNA HILLS)

I, Joshua Stevenson, City Clerk of the City of Laguna Hills, California, DO HEREBY CERTIFY that the foregoing is a true and correct copy of Resolution No. _____ adopted by the City Council of the City of Laguna Hills, California, at a Regular Meeting thereof held on the ____ day of _____, 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(SEAL)

JOSHUA STEVENSON, CITY CLERK



KEYSER MARSTON

A S S O C I A T E S

INCLUSIONARY HOUSING:

IN-LIEU FEE ANALYSIS

Prepared for:

City of Laguna Hills

Prepared by:

Keyser Marston Associates, Inc.

August 1, 2026

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ATTACHMENTS

Attachment 1: Affordable Housing Cost Calculation Methodologies

- Appendix A: Affordable Rent Calculation Methodology
- Appendix B: Affordable Sales Price Calculation Methodology

Attachment 2: Rental Development

- Appendix A: Rent Survey: 4+ Star Properties
- Appendix B: Affordable Rent Calculations
- Appendix C: In-Lieu Fee Calculations
- Exhibit I: Low Density Prototype: 26 Units/Acre
- Exhibit II: Medium Density Prototype: 37 Units/Acre
- Exhibit III: High Density Prototype: 53 Units/Acre

Attachment 3: Ownership Housing Development

- Appendix A: Resale Home Sales Survey
- Appendix B: Affordable Sales Price Calculations
- Appendix C: In-Lieu Fee Calculations
- Exhibit I: Large Acreage Townhome Prototype: 15 Units/Acre
- Exhibit II: Small Acreage Townhome Prototype: 15 Units/Acre

Attachment 4: Inclusionary Housing Program Surveys

- Appendix A: California – Statewide
- Appendix B: Orange County

I. EXECUTIVE SUMMARY

A. Background

The City of Laguna Hills (City) received California Department of Housing and Community Development (HCD) approval of its Sixth Cycle Housing Element (Housing Element) on May 23, 2024.¹ This approval was based in part on the fact that the City completed rezoning activities that make adequate sites available pursuant to California Government Code Section 65583.2 (h) and (i).

As part of the Housing Element adoption process the City began evaluating the potential for creating an Inclusionary Housing program to assist in fulfilling a portion of the established Regional Housing Needs Assessment (RHNA) goals. The Laguna Hills RHNA allocations are presented in the following table:

Sixth Cycle RHNA Allocation City of Laguna Hills		
Income Category	Total Obligation	% of Total
Very Low ²	568	28.6%
Low	353	17.8%
Moderate	354	17.8%
Above Moderate	710	35.8%
Totals	1,985	100.0%

The City has prepared a draft Inclusionary Housing Ordinance (Draft Ordinance) that imposes the following affordable housing requirements:

1. The program requirements will be imposed on residential developments that include 10 or more units.

¹ The Housing Element was approved by the City Council on March 26, 2024, and it covers the period between 2021 and 2029.

² The very low income category includes the unmet need for extremely low income units.

2. A 15% affordable housing production requirement will be imposed on residential developments that are subject to the requirements. The income and affordability mixes set forth in the Draft Ordinance are presented in the following table:

Income and Affordability Standard Draft Inclusionary Housing Ordinance		
Income Category	Rental Development	Ownership Housing Development
Very Low	7.5%	
Low	7.5%	5%
Moderate		10%

3. The in-lieu fee analysis presented in this report is based on the “Affordability Gaps” associated with the proposed Inclusionary Housing requirements. However, the City Council can choose to apply a discount to the in-lieu fee amounts at their discretion.
4. Based on the parameters set forth in the Draft Ordinance, an in-lieu fee payment option will be provided to the following residential development types:
 - a. Rental developments that include between 10 and 20 units; and
 - b. Ownership housing developments of any size that would be subject to the Inclusionary Housing obligations.

The City engaged Keyser Marston Associates, Inc. (KMA) to prepare an analysis of the in-lieu fee payment amounts that correlate to the income and affordability standards that are included in the Draft Ordinance. KMA was not engaged to prepare a financial evaluation of the identified Inclusionary Housing production requirements.

The development prototypes evaluated in this in-lieu fee analysis were created by KMA based on the following:

1. Properties that are available for residential development and projects that are anticipated for development that were identified in the Housing Element; and
2. Market surveys that cover the area encompassed by Laguna Hills, Laguna Niguel, Aliso Viejo, Mission Viejo and Lake Forest.

B. Findings

The results of the KMA In-Lieu Fee Analysis are summarized in the following text and tables.

BASE IN-LIEU PAYMENT AMOUNTS

Based on the Inclusionary Housing requirements that were evaluated, KMA estimated the associated in-lieu fee payment amounts as follows:³

Base In-Lieu Fee Payment Amounts Residential Developments with 10 or More Units Affordability Gap Analyses	
Rental Development	
Per Inclusionary Unit	\$269,300
Per Square Foot of Total Leasable Area in the Development	\$41.20
Ownership Housing Development	
Per Inclusionary Unit	\$647,000
Per Square Foot of Total Saleable Area in the Development	\$61.40

KMA recommends that the City base the in-lieu fee payment obligations on the total leasable area for rental developments and the total saleable area for ownership housing developments. This methodology accounts for the fact that Affordability Gaps tend to vary based on the unit sizes included in the development.

DISCOUNTED IN-LIEU FEE SCHEDULES

Inclusionary housing requirements have a disproportionate impact on smaller projects, because there are fewer market rate units available to spread the impact created by the income and affordability standards. To reflect this, KMA recommends that City impose the in-lieu fee on a sliding scale basis for residential developments that consist of between 10 and 20 units.

³ The in-lieu fee payment amounts identified throughout this report are presented in 2026 dollars.

Based on the in-lieu fees derived from the Affordability Gap analyses, KMA recommends that the in-lieu payment schedules presented in the following table be applied.

Discounted In-Lieu Fee Schedules Measured Per Square Foot of Total Leasable or Saleable Area in the Residential Development		
Number of Units	Rental Development	Ownership Housing Development
10	\$3.75	\$5.58
11	\$7.49	\$11.16
12	\$11.24	\$16.75
13	\$14.98	\$22.33
14	\$18.73	\$27.91
15	\$22.47	\$33.49
16	\$26.22	\$39.07
17	\$29.96	\$44.65
18	\$33.71	\$50.24
19	\$37.45	\$55.82
20	\$41.20	\$61.40

IN-LIEU FEE PAYMENT UPDATES

The in-lieu fee payment amounts should be re-evaluated at least every five years. To allow in-lieu fees to keep pace with changes in the marketplace during the intervening periods, the in-lieu fees should continue to be adjusted each year based on an index such as the year-to-year percentage change in home prices in Orange County.

II. APPROACH

The purpose of this analysis is to estimate the in-lieu fee payment amounts that can be supported by rental and ownership housing development projects. The KMA analysis is based on the Inclusionary Housing requirements that the City has set forth in the Draft Ordinance, and on current market and financial conditions.

A. Affordability Gaps

The foundational premise of this analysis is that an in-lieu fee will correlate to the Affordability Gap associated with producing the Inclusionary Units required by the Inclusionary Housing program. The Affordability Gap can generally be defined as the difference between the achievable market rate rents or sales prices and the allowable rents or sales prices for the designated Inclusionary Units.

B. Development Prototypes

The financial analyses that KMA prepared are based on prototype rental and ownership housing developments. Recognizing the limited amount of vacant land in Laguna Hills that is suitable for residential development, the prototypes were created based on the following:

1. The anticipated residential development identified in the Housing Element;
2. The properties that were made available by the rezoning activities that are codified in Zoning Text Amendment and Zoning Map Number RZNE-0011-2024; and
3. The results of the KMA market surveys.

It is important to understand that the prototypes used in this analysis do not represent actual projects. Instead, the prototypes represent composites of residential developments that were identified as part of the analysis process.

C. Income and Affordability Standards

The Draft Ordinance imposes a 15% Inclusionary Housing requirement on residential developments that will be subject to the Inclusionary Housing program requirements. For the purposes of this analysis KMA applied the following assumptions:

1. Household income qualification standards are based on the following California Health and Safety Code (H&SC) sections:

Household Income Qualification Standards	
Very Low Income	Section 50105
Low Income	Section 50079.5
Moderate Income	Section 50093

2. The affordability calculations are based on the following standards:

Affordability Standards		
	% of AMI ⁴	Source ⁵
<u>Affordable Rents</u>		
Low Income	80%	Assembly Bill 1505
Very Low Income	50%	HSC Section 50053
Affordable Sales Prices	110%	HSC Section 50052.5

⁴ AMI=Area Median Income. The AMI is based on Orange County as a whole.

⁵ The "Affordable Housing Cost" calculation methodologies are detailed in Attachment 1.

D. Analysis Organization

The KMA analysis is supported by the following Attachments and Appendices:

ATTACHMENT 1: AFFORDABLE HOUSING COST CALCULATION METHODOLOGIES

Appendix A:	Affordable Rent Calculation Methodology
Appendix B:	Affordable Sales Price Calculation Methodology

ATTACHMENT 2: RENTAL DEVELOPMENT

Appendix A:	Rent Survey: 4+ Star Properties
Appendix B:	Affordable Rent Calculations
Appendix C:	In-Lieu Fee Calculations

ATTACHMENT 3: OWNERSHIP HOUSING DEVELOPMENT

Appendix A:	Resale Home Sales Survey
Appendix B:	Affordable Sales Price Calculations
Appendix C:	In-Lieu Fee Calculations

ATTACHMENT 4: INCLUSIONARY HOUSING PROGRAM SURVEYS

Appendix A:	California – Statewide
Appendix B:	Orange, Los Angeles, San Diego, Ventura and Santa Barbara Counties

III. RENTAL DEVELOPMENT ANALYSIS

A. Rental Development Prototypes

The rental development prototypes embody the following characteristics:

Prototype Characteristics - Rental Development			
	Low Density Prototype: 26 Units/Acre	Medium Density Prototype: 37 Units/Acre	High Density Prototype: 53 Units/Acre
Site Area (Acres)	16.0	8.0	4.0
Total Units	416	296	212
Bedroom Mix			
Studio Units			5%
One-Bedroom Units	43%	55%	50%
Two-Bedroom Units	49%	45%	45%
Three-Bedroom Units	8%		
Total Number of Units	100%	100%	100%
Unit Sizes (Square Feet)			
Studio Units			570
One-Bedroom Units	780	750	745
Two-Bedroom Units	1,160	1,190	1,140
Three-Bedroom Units	1,590		
Weighted Averages	1,031	948	913

The information KMA used in the in-lieu fee analysis for rental development follows:

1. In July 2026, KMA undertook a survey of rental developments that were constructed within the past 10 years and that received four or more stars in the CoStar rating system. The survey results are presented in Attachment 2 – Appendix A.
2. KMA prepared “Affordable Rent” calculations for the prototype rental developments. The results are provided in Attachment 2 – Appendix B.

Based on the preceding information, KMA prepared Affordability Gap analyses to estimate the in-lieu fee amounts that are equivalent to the financial impact associated with fulfilling the Inclusionary Housing program requirements on site within market rate rental developments.

B. Rent Estimates

MARKET RATE RENTS

The projected market rents are presented in the following table:

Projected Market Rate Rents - Rental Development			
	Low Density Prototype: 26 Units/Acre	Medium Density Prototype: 37 Units/Acre	High Density Prototype: 53 Units/Acre
Number of Bedrooms	Monthly Rents		
Studio Units			\$2,410
One-Bedroom Units	\$2,930	\$2,760	\$2,740
Two-Bedroom Units	\$3,720	\$3,550	\$3,700
Three-Bedroom Units	\$4,960		
Weighted Average Rent Per Square Foot of Leasable Area	\$3.38	\$3.29	\$3.45

AFFORDABLE RENTS

The Affordable Rents are summarized in the following table:

Affordable Rents - Rental Development		
Number of Bedrooms	Low Income Units	Very Low Income Units
Studio Units	\$1,842	\$1,115
One-Bedroom Units	\$2,102	\$1,270
Two-Bedroom Units	\$2,334	\$1,398

C. Estimated Affordability Gaps – Rental Development

KMA estimated the Affordability Gaps associated with the prototype rental developments using the following calculation methodology:

1. The differences between the estimated achievable market rate rents and the defined Affordable Rents were calculated for studio, one-bedroom, two-bedroom and three-bedroom rental units.
2. KMA assumed that the property taxes for developments that include designated Inclusionary Units would be based on a lower assessed value due to the reduction in net operating income that would be generated by the project. KMA deducted this lower property tax expense from the estimated rent difference.
3. The estimated “Net Annual Rent Difference Per Inclusionary Unit” represents the annual rent difference minus the estimated property tax savings.
4. The “Affordability Gap Per Inclusionary Unit” is estimated by capitalizing the Net Annual Difference Per Inclusionary Unit at a market rate stabilized return on total investment.

The Affordability Gap calculations are provided in Attachment 2 – Appendix C. The results are summarized in the following table:

Estimated Affordability Gaps Per Inclusionary Unit Weighted Averages Rental Development			
	Low Density Prototype: 26 Units/Acre	Medium Density Prototype: 37 Units/Acre	High Density Prototype: 53 Units/Acre
Low Income Units	\$219,200	\$162,400	\$171,900
Very Low Income Units	\$379,800	\$319,400	\$327,900

D. In-Lieu Fee Calculations – Rental Development

The Affordability Gaps Per Inclusionary Unit were converted into the in-lieu fee payments that would be required to fulfill the Inclusionary Housing requirements on site within a proposed

market rate rental development. The conversion calculations are presented in Attachment 2 – Appendix C – Exhibits I - III.

The in-lieu fee payment amounts that resulted from the Affordability Gap analyses are summarized in the following table:

In-Lieu Fee Payment Supported Based on the Affordability Gap Analysis Inclusionary Housing Percentage: 7.5% Low Income Units + 7.5% Very Low Income Units Rental Development		
	Affordability Gap Per Inclusionary Unit	In-Lieu Fee Per Square Foot of Total Leasable Area
Low Density Prototype: 26 Units/Acre	\$299,500	\$43.30
Medium Density Prototype: 37 Units/Acre	\$240,900	\$37.80
High Density Prototype: 53 Units/Acre	\$249,900	\$41.30
Weighted Average In-Lieu Fee Per Square Foot of Total Leasable Area		\$41.20

KMA is recommending that the City provide the following discounted in-lieu fee schedule for rental developments that consist of between 10 and 20 units:

Recommended In-Lieu Fee Schedule Measured Per Square Foot of Total Leasable Area in the Rental Development	
Number of Units	In-Lieu Fee
10	\$3.75
11	\$7.49
12	\$11.24
13	\$14.98
14	\$18.73
15	\$22.47
16	\$26.22
17	\$29.96
18	\$33.71
19	\$37.45
20	\$41.20

IV. OWNERSHIP HOUSING DEVELOPMENT ANALYSIS

A. Ownership Housing Development Prototypes

The ownership housing development prototypes embody the following characteristics:

Prototype Characteristics - Ownership Housing Development		
	Large Acreage Townhome Prototype: 15 Units/Acre	Small Acreage Townhome Prototype: 15 Units/Acre
Site Area (Acres)	16.5	2.0
Total Units	248	30
Bedroom Mix		
Two-Bedroom Units	50%	
Three-Bedroom Units	30%	40%
Four-Bedroom Units	20%	60%
Total Number of Units	100%	100%
Unit Sizes (Square Feet)		
Two-Bedroom Units	1,200	
Three-Bedroom Units	1,850	1,800
Four-Bedroom Units	1,985	2,000
Weighted Averages	1,552	1,920

The information KMA used in the ownership housing development analysis can be described as follows:

1. KMA undertook a survey in July 2026 of the resale of market rate townhomes and condominiums that were constructed within the past 10 years. The survey results are presented in Attachment 3 – Appendix A.

2. KMA prepared “Affordable Sales Price” calculations for the two-bedroom, three-bedroom, and four-bedroom ownership housing units. The calculation methodology is described in Attachment 1 – Appendix B.

Based on the preceding information, KMA prepared Affordability Gap analyses to estimate the in-lieu fee amounts that are equivalent to the financial impact associated with fulfilling the Inclusionary Housing program requirements on site within market rate ownership housing development projects.

B. Sales Price Estimates

MARKET RATE SALES PRICES

Based in part on the KMA market survey, the projected market rate sales prices for the prototype ownership housing development projects are presented in the following table:

Projected Market Rate Sales Prices Ownership Housing Development		
	Large Acreage Townhome Prototype: 15 Units/Acre	Small Acreage Townhome Prototype: 15 Units/Acre
Number of Bedrooms	Sales Prices	
Two-Bedroom Units	\$905,000	
Three-Bedroom Units	\$1,108,000	\$1,078,000
Four-Bedroom Units	\$1,266,000	\$1,276,000
Weighted Average Sales Price Per Square Foot of Saleable Area	\$669	\$623

AFFORDABLE SALES PRICE CALCULATIONS

The Affordable Sales Price calculations are presented in Attachment 3 – Appendix B. The results are summarized in the following table:

Affordable Sales Prices Ownership Housing Development		
Number of Bedrooms	Moderate Income	
	Units	Low Income Units
Two-Bedroom Units	\$480,600	\$180,000
Three-Bedroom Units	\$531,800	\$197,900
Four-Bedroom Units	\$569,700	\$209,100

C. Estimated Affordability Gaps – Ownership Housing Development

The Affordability Gaps that were derived from the KMA analysis of the ownership housing development prototypes are presented in the following table:

Estimated Affordability Gaps Per Inclusionary Unit Weighted Averages Ownership Housing Development		
	Large Acreage Townhome Prototype: 15 Units/Acre	Small Acreage Townhome Prototype: 15 Units/Acre
Moderate Income Units	\$524,000	\$642,000
Low Income Units	\$847,000	\$992,000

D. In-Lieu Fee Calculations – Ownership Housing Development

As can be seen in the preceding table, the gaps between the average market rate price and the designated Affordable Sales Prices range from \$524,000 to \$992,000. The weighted average Affordability Gap among the two development prototypes is estimated at \$647,000 per Inclusionary Unit.

As shown in Attachment 3 – Appendix C, the Affordability Gaps are translated into the in-lieu fee payments that would be required to fulfill the Inclusionary Housing requirements on site within a proposed market rate ownership housing development.

The in-lieu payment amounts that resulted from the Affordability Gap analyses are summarized in the following table:

In-Lieu Fee Payment Supported Based on the Affordability Gap Analysis Inclusionary Housing Percentage: 10% Moderate Income Units + 5% Low Income Units Ownership Housing Development		
	Affordability Gap Per Inclusionary Unit	In-Lieu Fee Per Square Foot of Saleable Area
Large Acreage Townhome Prototype: 15 Units/Acre	\$628,800	\$60.40
Small Acreage Townhome Prototype: 15 Units/Acre	\$782,000	\$67.90
Weighted Average In-Lieu Fee Per Square Foot of Saleable Area		\$61.40

KMA is recommending that the City provide a discounted in-lieu fee schedule for developments that consist of between 10 and 20 units. The recommended in-lieu fee schedule is presented in the following table:

Recommended In-Lieu Fee Schedule Measured Per Square Foot of Total Saleable Area in the Ownership Housing Development	
Number of Units	In-Lieu Fee
10	\$5.58
11	\$11.16
12	\$16.75
13	\$22.33
14	\$27.91
15	\$33.49
16	\$39.07
17	\$44.65
18	\$50.24
19	\$55.82
20+	\$61.40

V. INCLUSIONARY HOUSING PROGRAM SURVEYS

As a crosscheck to the preceding financial analysis, KMA undertook a survey of California jurisdictions that impose Inclusionary Housing requirements on residential development. KMA also narrowed the survey to illustrate the in-lieu fees being assessed by cities located in Orange County. The surveys are presented in Attachment 4.

As can be seen in the survey, the Orange County jurisdictions apply a variety of different methodologies to the establishment of in-lieu fee payment amounts. These variances can be attributed to a number of different considerations such as:

1. The program goals;
2. Project size thresholds;
3. Varying treatments of rental versus ownership housing development;
4. The community's view on density; and
5. The level of responsibility the jurisdiction wishes to take in implementing affordable housing developments.

The responses to these considerations guide the use of one of the following approaches to setting in-lieu fee payment amounts:

1. An Affordability Gap methodology, which sets the in-lieu fee payments at amounts that are sufficient to fulfill the Inclusionary Housing requirements on site within the market rate development that triggered the obligation; or
2. A discounted payment amount to encourage payment of the in-lieu fee; or
3. A schedule that varies the in-lieu fee based on the number of units in the residential project.

The KMA analysis is based on setting the in-lieu fee payment amounts that are equivalent to the cost that would be incurred to provide the Inclusionary Units on site with the market rate development that triggered the affordable housing obligations. However, as can be seen in the survey, a wide variety of methodologies are employed in the Orange County cities that currently have Inclusionary Housing programs.

VI. CONCLUSIONS / RECOMMENDATIONS

A. Applicability

KMA recommends that the City permit developers of the following residential development types to pay a fee in lieu of producing some or all of the affordable housing units required by the Inclusionary Housing program:

1. In recognition of the disproportionate impact Inclusionary Housing requirements have on small projects, KMA recommends that all residential developments that include between 10 and 20 units should be permitted to pay a discounted in-lieu fee amount.
2. Rental developments provide a good opportunity for the incorporation of Inclusionary Units, because the projects are under one ownership and the tenants do not have expectations of receiving value appreciation when they choose to relocate. For these reasons KMA offers the following recommendations:
 - a. As a baseline, rental developments with more than 20 units should be required to produce the requisite number of Inclusionary Units; and
 - b. The City Council should be provided with the discretion to allow an in-lieu fee to be paid for rental developments with more than 20 units if the developer can demonstrate that the obligation creates an extreme economic hardship circumstance.
3. Given the magnitude of the Affordability Gaps associated with ownership housing units in Laguna Hills, KMA recommends that ownership housing developments of any size should be provided with the option to pay a fee in lieu of producing any Inclusionary Units.

B. In-Lieu Fee Payment Amounts

BASE IN-LIEU FEE PAYMENT AMOUNTS

The in-lieu fees presented in this analysis represent the amounts that would need to be charged to provide the City with sufficient funds to produce the same number of Inclusionary Units in similar locations and product types as the market rate residential developments that would be subject to the Inclusionary Housing program obligations.

It is KMA's opinion that an in-lieu fee measured against the square footages of the units corresponds more closely to the Affordability Gap than an in-lieu fee that is measured by the number of units in the development. As such, KMA recommends that the in-lieu fee be based on the total leasable area for rental developments and the total saleable area for ownership housing developments.

Based on this assumption, KMA recommends that the base in-lieu fees be set as follows:

1. Rental Development: \$41.20 per square foot of total leasable area in the development.
2. Ownership Housing Development: \$61.40 per square foot of total saleable area in the development.

DISCOUNTED IN-LIEU FEE SCHEDULES

Recognizing that Inclusionary housing requirements have a disproportionate impact on smaller projects, KMA recommends that City provide a discounted in-lieu fee schedules for residential developments that consist of between 10 and 20 units. KMA recommends that the following schedules be applied.

Discounted In-Lieu Fee Schedules Measured Per Square Foot of Total Leasable or Saleable Area in the Residential Development		
Number of Units	Rental Development	Ownership Housing Development
10	\$3.75	\$5.58
11	\$7.49	\$11.16
12	\$11.24	\$16.75
13	\$14.98	\$22.33
14	\$18.73	\$27.91
15	\$22.47	\$33.49
16	\$26.22	\$39.07
17	\$29.96	\$44.65
18	\$33.71	\$50.24
19	\$37.45	\$55.82
20	\$41.20	\$61.40

C. In-Lieu Fee Payment Updates

The in-lieu fee payment amounts should be updated at regular intervals:

1. A full evaluation should be undertaken at least every five years.
2. To allow in-lieu fees to keep pace with changes in the market place during the intervening periods, the in-lieu fees should continue to be adjusted each year based on the following process:
 - a. Median sales value information for home resales in Orange County should be compiled annually. The Redfin Corporation currently produces and publishes this information.
 - b. The increase or decrease in the in-lieu fee should be based on the year-to-year percentage change in the median new home sales price.

ATTACHMENT 1
AFFORDABLE HOUSING COST CALCULATION METHODOLOGIES
INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS
LAGUNA HILLS, CALIFORNIA

APPENDIX A

AFFORDABLE RENT CALCULATION METHODOLOGY

ASSUMPTIONS

The Affordable Rent calculations are presented in Attachment 2 – Appendix B. The calculations are based on the following assumptions:

1. The household income information used in the calculations is based on 2026 income statistics for Orange County as a whole. The household incomes for very low and low income households are produced annually by the United States Department of Housing and Urban Development (HUD) and distributed by the California Department of Housing and Community Development (HCD).
2. The household size appropriate for the unit is based on the California Health and Safety Code (H&SC) Section 50052.5 standard of the number of bedrooms in the home plus one.¹ H&SC Section 50052.5 refers to this as “the family size appropriate for the unit.” This is a benchmark that is used for calculation purposes only. It is neither an occupancy minimum nor a maximum.
3. The benchmark household incomes used in the Affordable Rent analyses are based on the following standards:
 - a. The very low income rents are calculated based on 50% of AMI.² This percentage of AMI is based on the standard imposed in H&SC Section 50053.
 - b. The low income rents are based on 80% of AMI. This percentage of AMI is based on the standard imposed by Assembly Bill 1505..
4. Thirty percent (30%) of defined household income is allocated to housing-related expenses.
5. The following monthly utilities allowances were applied in this analysis.³

¹ For example, the imputed household size for a one-bedroom unit is two persons.

² AMI=area median income. The AMI is based on Orange County as a whole.

³ Utilities allowances are based on utilities costs comprised of electric heating, cooking and water heating; basic electric, and air conditioning. The allowances are based on the Orange County Housing Authority utility allowance schedule effective as of October 1, 2025.

Utility Allowances Rental Development Prototypes	
Number of Bedrooms	Monthly Utilities Allowances
Studio	\$98
1	\$116
2	\$161
3	\$203

AFFORDABLE RENTS

The resulting affordable rents are presented in the following table:

Affordable Rents Rental Development Prototypes		
Number of Bedrooms	Very Low Income	Low Income
Studio	\$1,115	\$1,842
1	\$1,270	\$2,102
2	\$1,398	\$2,334
3	\$1,530	\$2,569

APPENDIX B

AFFORDABLE SALES PRICE CALCULATION METHODOLOGY

ASSUMPTIONS

The Affordable Sales Price calculations are presented in Attachment 3 – Appendix B. The calculations are based on the following assumptions:

1. The household income information used in the calculations is based on 2026 income statistics for Orange County as a whole. The household incomes are produced annually by the following governmental entities:
 - a. The information for low income households is produced by HUD and distributed HCD; and
 - b. The information for moderate income households is produced and distributed by HCD.
2. The Affordable Sales Price estimates are based on the calculation methodology imposed by H&SC Section 50052.5.
3. As defined in H&SC Section 50052.5, the benchmark household size that is used in the calculations is set at the number of bedrooms in the home plus one. This is neither an occupancy minimum nor a maximum.
4. The benchmark household incomes used in the Affordable Sales Price analyses are based on the following standards imposed by H&SC Section 50052.5:
 - a. The low income sales prices are calculated based on 70% of AMI.
 - b. The moderate income sales price are calculated based on 110% of AMI.
5. The following percentages of the defined household income are allocated to housing-related expenses:
 - a. Low income households: 30% of the defined household income.
 - b. Moderate income households: 35% of the defined household income.

6. Based on research undertaken by KMA, the variable housing related expense assumptions used in this analysis are presented in the following table:

Variable Housing Related Expenses Ownership Housing Development Prototypes		
Number of Bedrooms	Monthly Utilities Allowances ⁴	Monthly HOA, Insurance & Maintenance
2	\$283	\$350
3	\$358	\$360
4	\$439	\$370
Property Taxes: 1.15% of the Affordable Sales Price ⁵		

Affordable Sales Prices

The Affordable Sales Price represents the maximum price that can be charged for an Inclusionary Unit. The Affordable Sales Price calculations are based on the sum of the mortgage amount that can be supported by the income available after the other housing expenses are paid plus a benchmark down payment. The assumptions applied in this analysis are:⁶

1. The mortgage terms used in the analysis were based on a 30-year fully amortizing loan at a 6.58% interest rate. ⁷
2. The benchmark down payment is set at 5% of the estimated Affordable Sales Price. A down payment of this magnitude is commonly allowed by affordable housing programs.

⁴Utilities allowances are based on utilities costs comprised of electric heating, cooking and water heating; basic electric; and water, sewer and trash services. The allowances are based on the Orange County Housing Authority utility allowance schedule effective as of October 1, 2025.

⁵ The property tax expense calculations are based on the assumption that the City will impose long term resale controls on the Inclusionary Units.

⁶ The actual mortgage and down payment amounts will vary from buyer to buyer. However, the sum of the mortgage and the down payment cannot exceed the Affordable Sales Price.

⁷ Based on a 25 basis points premium applied to the Freddie Mac monthly average, between August 2025 and July 2026, for a fixed-interest rate loan with a 30-year amortization period.

The resulting Affordable Sales Prices are estimated as follows:

Affordable Sales Prices		
Ownership Housing Development Prototypes		
Number of Bedrooms	Low Income	Moderate Income
2	\$180,000	\$480,600
3	\$197,900	\$531,800
4	\$209,100	\$569,700

ATTACHMENT 2

RENTAL DEVELOPMENT

INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS

LAGUNA HILLS, CALIFORNIA

ATTACHMENT 2: APPENDIX A

**RENT SURVEY: 4+ STAR PROPERTIES
RENTAL DEVELOPMENT
INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS
LAGUNA HILLS, CALIFORNIA**

ATTACHMENT 2: APPENDIX A

RENT SURVEY: 4+ STAR PROPERTIES
RENTAL DEVELOPMENT
INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS
LAGUNA HILLS, CALIFORNIA

Name	Address			# of Units	Unit Size (SF)	Average Effective Rent	
						Total	Per SF
I.	Studio Units						
Blu Apts	27930 Cabot Rd	Laguna Niguel	92677	61	563	\$2,526	\$4.49
Vantis Apts	90 Vantis Dr	Aliso Viejo	92656	16	567	\$2,416	\$4.26
Apex	27960 Cabot Rd	Laguna Niguel	92677	42	619	\$2,417	\$3.90
IMT Laguna Niguel	26033 Cape Dr	Laguna Niguel	92677	39	634	\$2,229	\$3.52
Hanover Laguna Niguel	27942 Forbes Rd	Laguna Niguel	92677	37	635	\$2,648	\$4.17
Adagio on the Green	26600 Oso Pky	Mission Viejo	92691	10	662	\$2,613	\$3.95
Vilara	26033 Getty Dr	Laguna Niguel	92677	13	684	\$2,642	\$3.86
	Minimum				563	\$2,229	\$3.52
	Maximum				684	\$2,648	\$4.49
	Weighted Average				611	\$2,475	\$4.07
II.	One-Bedroom Units						
Adagio on the Green	26600 Oso Pky	Mission Viejo	92691	121	704	\$2,826	\$4.01
Blu Apts	27930 Cabot Rd	Laguna Niguel	92677	244	766	\$3,105	\$4.05
Vantis Apts	90 Vantis Dr	Aliso Viejo	92656	242	738	\$2,729	\$3.70
Reata Oakbrook Village	24391 Avenida de la Carlota	Laguna Hills	92653	158	750	\$2,707	\$3.61
Skye @ Laguna Niguel	2811 Cabot Rd	Laguna Niguel	92677	97	760	\$2,644	\$3.48
IMT Laguna Niguel	26033 Cape Dr	Laguna Niguel	92677	249	764	\$2,641	\$3.46
Hanover Laguna Niguel	27942 Forbes Rd	Laguna Niguel	92677	143	766	\$2,917	\$3.81
Avalon Baker Ranch	1000 Lupine	Lake Forest	92630	182	777	\$2,939	\$3.78
Sendero Gateway Apt Homes	1701 Gateway Pl	Mission Viejo	92694	116	809	\$2,754	\$3.40
Apex	27960 Cabot Rd	Laguna Niguel	92677	154	828	\$2,796	\$3.38
Vilara	26033 Getty Dr	Laguna Niguel	92677	191	860	\$3,140	\$3.65
	Minimum				704	\$2,641	\$3.38
	Maximum				860	\$3,140	\$4.05
	Weighted Average				775	\$2,848	\$3.68

ATTACHMENT 2: APPENDIX A

RENT SURVEY: 4+ STAR PROPERTIES
 RENTAL DEVELOPMENT
 INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS
 LAGUNA HILLS, CALIFORNIA

Name	Address			# of Units	Unit Size (SF)	Average Effective Rent	
						Total	Per SF
III.	Two-Bedroom Units						
Sendero Gateway Apt Homes	1701 Gateway Pl	Mission Viejo	92694	138	1,088	\$3,414	\$3.14
Skye @ Laguna Niguel	2811 Cabot Rd	Laguna Niguel	92677	45	1,126	\$3,441	\$3.06
Vantis Apts	90 Vantis Dr	Aliso Viejo	92656	177	1,138	\$3,702	\$3.25
Apex	27960 Cabot Rd	Laguna Niguel	92677	88	1,149	\$3,529	\$3.07
Adagio on the Green	26600 Oso Pky	Mission Viejo	92691	125	1,153	\$3,572	\$3.10
Avalon Baker Ranch	1000 Lupine	Lake Forest	92630	210	1,162	\$3,709	\$3.19
Hanover Laguna Niguel	27942 Forbes Rd	Laguna Niguel	92677	129	1,171	\$3,843	\$3.28
Blu Apts	27930 Cabot Rd	Laguna Niguel	92677	121	1,171	\$4,263	\$3.64
IMT Laguna Niguel	26033 Cape Dr	Laguna Niguel	92677	36	1,176	\$3,426	\$2.91
Reata Oakbrook Village	24391 Avenida de la Carlota	Laguna Hills	92653	131	1,191	\$3,546	\$2.98
Vilara	26033 Getty Dr	Laguna Niguel	92677	85	1,200	\$4,124	\$3.44
	Minimum				1,088	\$3,414	\$2.91
	Maximum				1,200	\$4,263	\$3.64
	Weighted Average				1,155	\$3,710	\$3.21
IV.	Three-Bedroom Units						
Sendero Gateway Apt Homes	1701 Gateway Pl	Mission Viejo	92694	32	1,313	\$4,068	\$3.10
IMT Laguna Niguel	26033 Cape Dr	Laguna Niguel	92677	24	1,328	\$3,687	\$2.78
Avalon Baker Ranch	1000 Lupine	Lake Forest	92630	35	1,594	\$4,938	\$3.10
Vilara	26033 Getty Dr	Laguna Niguel	92677	10	1,720	\$4,898	\$2.85
	Minimum				1,313	\$3,687	\$2.78
	Maximum				1,720	\$4,938	\$3.10
	Weighted Average				1,454	\$4,361	\$3.00

¹ Source: CoStar, July 2026. The survey includes projects built since 2015 in the cities of Laguna Hills, Laguna Niguel, Aliso Viejo, Mission Viejo and Lake Forest. The survey excludes affordable projects.

ATTACHMENT 2: APPENDIX B

**AFFORDABLE RENT CALCULATIONS
RENTAL DEVELOPMENT
INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS
LAGUNA HILLS, CALIFORNIA**

ATTACHMENT 2: APPENDIX B

AFFORDABLE RENT CALCULATIONS
2026 INCOME STANDARDS
RENTAL DEVELOPMENT
INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS
LAGUNA HILLS, CALIFORNIA

		Studio Units	One-Bedroom Units	Two-Bedroom Units	Three-Bedroom Units
I. General Assumptions					
Benchmark Household Size	¹	1	2	3	4
Area Median Income	²	\$97,000	\$110,900	\$124,750	\$138,600
Monthly Utilities Allowance	³	\$98	\$116	\$161	\$203
II. Affordable Rent Calculations					
A. Low Income	⁴				
% of AMI Used for Calculation Purposes		80%	80%	80%	80%
Benchmark Annual Household Income		\$77,600	\$88,720	\$99,800	\$110,880
Percentage of Income Allotted to Housing Expenses		30%	30%	30%	30%
Annual Income Available for Housing Expenses		\$23,280	\$26,616	\$29,940	\$33,264
Monthly Income Available for Housing Expenses		\$1,940	\$2,218	\$2,495	\$2,772
(Less) Monthly Utilities Allowance		(\$98)	(\$116)	(\$161)	(\$203)
Maximum Allowable Rent		\$1,842	\$2,102	\$2,334	\$2,569
B. Very Low Income	⁵				
% of AMI Used for Calculation Purposes		50%	50%	50%	50%
Benchmark Annual Household Income		\$48,500	\$55,450	\$62,375	\$69,300
Percentage of Income Allotted to Housing Expenses		30%	30%	30%	30%
Annual Income Available for Housing Expenses		\$14,550	\$16,635	\$18,713	\$20,790
Monthly Income Available for Housing Expenses		\$1,213	\$1,386	\$1,559	\$1,733
(Less) Monthly Utilities Allowance		(\$98)	(\$116)	(\$161)	(\$203)
Maximum Allowable Rent		\$1,115	\$1,270	\$1,398	\$1,530

¹ For the purposes of calculating the Affordable Rents, Health & Safety Code Section 50052.5 sets the benchmark household sizes at the number of bedrooms in the unit plus one. This is neither an occupancy cap nor a floor.

² Based on the 2026 Orange County household incomes published by the California Department of Housing & Community Development (HCD).

³ Based on the Orange County Housing Authority utility allowances effective as of October 1, 2025. Assumes: Electric Heating, Electric Cooking, Electric Water Heater, Basic Electric, and Air Conditioning.

⁴ This percentage of AMI is based on the standard identified in AB 1505.

⁵ This percentage of AMI is based on the standard identified in Health & Safety Code Section 50053.

ATTACHMENT 2: APPENDIX C

**IN-LIEU FEE CALCULATIONS
RENTAL DEVELOPMENT
INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS
LAGUNA HILLS, CALIFORNIA**

ATTACHMENT 2: APPENDIX C - EXHIBIT I

IN-LIEU FEE CALCULATIONS
 LOW DENSITY PROTOTYPE: 26 UNITS/ACRE
 RENTAL DEVELOPMENT
 INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS
 LAGUNA HILLS, CALIFORNIA

		Low Income	Very Low Income		
I.	<u>Rent Difference</u>				
A.	<u>One-Bedroom Units</u>				
	Market Rents	1	\$2,930	\$2,930	
	Affordable Rent	2	2,102	1,270	
	Difference		\$828	\$1,660	
B.	<u>Two-Bedroom Units</u>				
	Market Rents	1	\$3,720	\$3,720	
	Affordable Rent	2	2,334	1,398	
	Difference		\$1,386	\$2,322	
C.	<u>Three-Bedroom Units</u>				
	Market Rents	1	\$4,960	\$4,960	
	Affordable Rent	2	2,569	1,530	
	Difference		\$2,391	\$3,431	
II.	<u>Distribution of Total Units</u>	3			
	One-Bedroom Units		43%	43%	
	Two-Bedroom Units		49%	49%	
	Three-Bedroom Units		8%	8%	
III.	Annual Rent Difference Per Inclusionary Unit		\$14,718	\$25,509	
	Less: Property Tax Difference	4	(3,760)	(6,520)	
	Net Annual Rent Difference Per Inclusionary Unit		\$10,958	\$18,989	
IV.	<u>Assumptions</u>				
	Total Units		416	416	
	Total Leasable Area		428,730	428,730	
	Weighted Avg Unit Size (Sf)		1,031	1,031	
	Inclusionary Housing Percentage		7.5%	7.5%	
	Inclusionary Units		31	31	
	Affordability Gap Per Inclusionary Unit	5	\$219,200	\$379,800	
V.	<u>In-Lieu Fee</u>			Totals	
	Total In-Lieu Fee		\$6,795,200	\$11,773,800	\$18,569,000
	Per Total Unit in the Project		\$16,330	\$28,300	\$44,630
	Per Square Foot of Total Leasable Area		\$15.80	\$27.50	\$43.30

¹ Based in part on the survey presented in ATTACHMENT 2: APPENDIX A.

² See ATTACHMENT 2: APPENDIX B.

³ The unit mix distribution is based on the prototypes KMA created based on developments identified in the Certified Housing Element and on the information in rent survey.

⁴ Based on the rent differential capitalized at a 4.50% rate to establish the value, and a 1.15% property tax rate.

⁵ Based on the Net Annual Rent Difference Per Inclusionary Unit capitalized at the Market Rate Stabilized Return on Investment generated by the prototype apartment development.

ATTACHMENT 2: APPENDIX C - EXHIBIT II

IN-LIEU FEE CALCULATIONS
MEDIUM DENSITY PROTOTYPE: 37 UNITS/ACRE
RENTAL DEVELOPMENT
INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS
LAGUNA HILLS, CALIFORNIA

		Low Income	Very Low Income
I.	Rent Difference		
A.	One-Bedroom Units		
	Market Rents ¹	\$2,760	\$2,760
	Affordable Rent ²	2,102	1,270
	Difference	\$658	\$1,490
B.	Two-Bedroom Units		
	Market Rents ¹	\$3,550	\$3,550
	Affordable Rent ²	2,334	1,398
	Difference	\$1,216	\$2,152
II.	Distribution of Total Units ³		
	One-Bedroom Units	55%	55%
	Two-Bedroom Units	45%	45%
III.	Annual Rent Difference Per Inclusionary Unit	\$10,909	\$21,451
	Less: Property Tax Difference ⁴	(2,790)	(5,480)
	Net Annual Rent Difference Per Inclusionary Unit	\$8,119	\$15,971
IV.	Assumptions		
	Total Units	296	296
	Total Leasable Area	280,520	280,520
	Weighted Avg Unit Size (Sf)	948	948
	Inclusionary Housing Percentage	7.5%	7.5%
	Inclusionary Units	22	22
	Affordability Gap Per Inclusionary Unit ⁵	\$162,400	\$319,400
V.	In-Lieu Fee		
			Totals
	Total In-Lieu Fee	\$3,572,800	\$7,026,800
	Per Total Unit in the Project	\$12,070	\$23,740
	Per Square Foot of Total Leasable Area	\$12.70	\$25.00
			\$37.70

¹ Based in part on the survey presented in ATTACHMENT 2: APPENDIX A.

² See ATTACHMENT 2: APPENDIX B.

³ The unit mix distribution is based on the prototypes KMA created based on developments identified in the Certified Housing Element and on the information in rent survey.

⁴ Based on the rent differential capitalized at a 4.50% rate to establish the value, and a 1.15% property tax rate.

⁵ Based on the Net Annual Rent Difference Per Inclusionary Unit capitalized at the Market Rate Stabilized Return on Investment generated by the prototype apartment development.

ATTACHMENT 2: APPENDIX C - EXHIBIT III

IN-LIEU FEE CALCULATIONS
HIGH DENSITY PROTOTYPE: 53 UNITS/ACRE
RENTAL DEVELOPMENT
INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS
LAGUNA HILLS, CALIFORNIA

		Low Income	Very Low Income		
I.	<u>Rent Difference</u>				
A.	<u>Studio Units</u>				
	Market Rents	1	\$2,410	\$2,410	
	Affordable Rent	2	1,842	1,115	
	Difference		\$568	\$1,296	
B.	<u>One-Bedroom Units</u>				
	Market Rents	1	\$2,740	\$2,740	
	Affordable Rent	2	2,102	1,270	
	Difference		\$638	\$1,470	
C.	<u>Two-Bedroom Units</u>				
	Market Rents	1	\$3,700	\$3,700	
	Affordable Rent	2	2,334	1,398	
	Difference		\$1,366	\$2,302	
II.	<u>Distribution of Total Units</u>	3			
	Studio Units		5%	5%	
	One-Bedroom Units		50%	50%	
	Two-Bedroom Units		45%	45%	
III.	Annual Rent Difference Per Inclusionary Unit		\$11,545	\$22,025	
	Less: Property Tax Difference	4	(2,950)	(5,630)	
	Net Annual Rent Difference Per Inclusionary Unit		\$8,595	\$16,395	
IV.	<u>Assumptions</u>				
	Total Units		212	212	
	Total Leasable Area		193,540	193,540	
	Weighted Avg Unit Size (Sf)		913	913	
	Inclusionary Housing Percentage		7.5%	7.5%	
	Inclusionary Units		16	16	
	Affordability Gap Per Inclusionary Unit	5	\$171,900	\$327,900	
V.	<u>In-Lieu Fee</u>			Totals	
	Total In-Lieu Fee		\$2,750,400	\$5,246,400	\$7,996,800
	Per Total Unit in the Project		\$12,970	\$24,750	\$37,720
	Per Square Foot of Total Leasable Area		\$14.20	\$27.10	\$41.30

¹ Based in part on the survey presented in ATTACHMENT 2: APPENDIX A.

² See ATTACHMENT 2: APPENDIX B.

³ The unit mix distribution is based on the prototypes KMA created based on developments identified in the Certified Housing Element and on the information in rent survey.

⁴ Based on the rent differential capitalized at a 4.50% rate to establish the value, and a 1.15% property tax rate.

⁵ Based on the Net Annual Rent Difference Per Inclusionary Unit capitalized at the Market Rate Stabilized Return on Investment generated by the prototype apartment development.

ATTACHMENT 3

OWNERSHIP HOUSING DEVELOPMENT 10% MODERATE INCOME UNITS + 5% LOW INCOME UNITS INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS LAGUNA HILLS, CALIFORNIA

ATTACHMENT 3: APPENDIX A

RESALE HOME SALES SURVEY

OWNERSHIP HOUSING DEVELOPMENT

10% MODERATE INCOME UNITS + 5% LOW INCOME UNITS

INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS

LAGUNA HILLS, CALIFORNIA

ATTACHMENT 3: APPENDIX A

RESALE HOME SALES SURVEY
OWNERSHIP HOUSING DEVELOPMENT
10% MODERATE INCOME UNITS + 5% LOW INCOME UNITS
INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS
LAGUNA HILLS, CALIFORNIA

1

Address			Unit Size (SF)	Sales Price		Year Built
				Total	Per SF	
I.	Two-Bedroom Units					
59 Sanctuary Ln	Mission Viejo	92692	1,248	\$773,000	\$619	2022
420 Coyote	Lake Forest	92610	1,324	\$790,000	\$597	2021
235 Carmona	Lake Forest	92630	1,325	\$912,000	\$688	2020
901 Sunset Rdg	Lake Forest	92610	1,453	\$855,000	\$588	2021
200 Winterbrook	Lake Forest	92610	1,453	\$850,000	\$585	2022
26 Prominence	Lake Forest	92630	1,655	\$1,050,000	\$634	2018
Minimum			1,248	\$773,000	\$585	2018
Maximum			1,655	\$1,050,000	\$688	2022
Average			1,410	\$871,700	\$618	2021
II.	Three-Bedroom Units					
109 Alder Rdg	Lake Forest	92610	1,410	\$830,000	\$589	2021
64 Jasmine	Lake Forest	92630	1,427	\$1,003,000	\$703	2017
36 Savannah	Lake Forest	92630	1,427	\$950,000	\$666	2017
39 Savannah	Lake Forest	92630	1,427	\$937,000	\$657	2017
53 Savannah	Lake Forest	92630	1,512	\$997,800	\$660	2017
81 Savannah	Lake Forest	92630	1,563	\$1,000,000	\$640	2018
125 Lugo Ln	Mission Viejo	92692	1,583	\$890,000	\$562	2023
47 Finch	Lake Forest	92630	1,655	\$1,215,000	\$734	2016
18 Prominence	Lake Forest	92630	1,655	\$1,138,000	\$688	2018
12 Prominence	Lake Forest	92630	1,655	\$1,072,500	\$648	2018
1412 El Paseo	Lake Forest	92610	1,662	\$970,000	\$584	2016
323 Adela	Lake Forest	92630	1,702	\$1,100,000	\$646	2020
371 Bellver	Lake Forest	92630	1,703	\$1,070,000	\$628	2020
335 Adela	Lake Forest	92630	1,703	\$1,042,000	\$612	2021
381 Bellver	Lake Forest	92630	1,711	\$1,070,000	\$625	2020
381 Bellver	Lake Forest	92630	1,711	\$1,070,000	\$625	2020
248 Finch	Lake Forest	92630	1,712	\$1,050,000	\$613	2017
29 Prominence	Lake Forest	92630	1,712	\$1,050,000	\$613	2017
329 Adela	Lake Forest	92630	1,734	\$1,050,000	\$606	2022
209 El Paseo	Lake Forest	92610	1,734	\$1,025,000	\$591	2016
506 Deeann	Lake Forest	92610	1,761	\$965,000	\$548	2020
305 Blackrock	Lake Forest	92610	1,761	\$992,500	\$564	2022
132 Denali	Lake Forest	92630	1,769	\$1,035,000	\$585	2021
69 Prominence	Lake Forest	92630	1,772	\$1,035,000	\$584	2017
303 Carmona	Lake Forest	92630	1,789	\$1,068,000	\$597	2020
407 Coyote Pass	Lake Forest	92610	1,817	\$990,000	\$545	2021

ATTACHMENT 3: APPENDIX A

RESALE HOME SALES SURVEY
OWNERSHIP HOUSING DEVELOPMENT
10% MODERATE INCOME UNITS + 5% LOW INCOME UNITS
INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS
LAGUNA HILLS, CALIFORNIA

1

				Sales Price		Year Built
Address			Unit Size (SF)	Total	Per SF	
55 Sanctuary Ln	Mission Viejo	92692	1,938	\$975,000	\$503	2023
133 Lugo Ln	Mission Viejo	92692	1,952	\$912,000	\$467	2023
49 Finch	Lake Forest	92630	1,965	\$1,300,000	\$662	2016
73 Prominence	Lake Forest	92630	1,965	\$1,130,000	\$575	2017
67 Sanctuary Ln	Mission Viejo	92692	1,968	\$975,000	\$495	2023
83 Hideaway Loop	Mission Viejo	92692	1,968	\$950,000	\$483	2022
220 Finch	Lake Forest	92630	2,033	\$1,250,000	\$615	2016
207 Denali	Lake Forest	92630	2,179	\$1,240,000	\$569	2021
Minimum			1,410	\$830,000	\$467	2016
Maximum			2,179	\$1,300,000	\$734	2023
Average			1,736	\$1,039,600	\$599	2019

III. Four-Bedroom Units

231 Denali	Lake Forest	92630	1,889	\$1,370,000	\$725	2021
168 Denali	Lake Forest	92630	1,909	\$1,255,000	\$657	2020
85 Hideaway Loop	Mission Viejo	92691	1,931	\$1,025,000	\$531	2021
115 Hideaway Loop	Mission Viejo	92692	1,931	\$1,025,000	\$531	2021
203 Denali	Lake Forest	92630	1,981	\$1,288,800	\$651	2021
38 Sanctuary Ln	Mission Viejo	92692	1,985	\$940,000	\$474	2022
233 Denali	Lake Forest	92630	2,010	\$1,280,000	\$637	2021
269 Siena	Lake Forest	92630	2,010	\$1,358,000	\$676	2020
457 Palermo	Lake Forest	92630	2,020	\$1,110,000	\$550	2021
608 Shadowbrook	Lake Forest	92610	2,067	\$950,000	\$460	2020
601 Shadowbrook	Lake Forest	92610	2,152	\$1,175,000	\$546	2020
155 Alder Rdg	Lake Forest	92610	2,152	\$1,199,000	\$557	2020
201 Mountain Sage	Lake Forest	92610	2,152	\$1,095,000	\$509	2020
13 Hideaway	Mission Viejo	92692	2,246	\$1,125,000	\$501	2021
105 High Mdw	Lake Forest	92610	2,322	\$1,149,000	\$495	2019
104 Alder Rdg	Lake Forest	92610	2,343	\$1,120,000	\$478	2021
225 Denali	Lake Forest	92630	2,401	\$1,428,000	\$595	2021
261 Siena	Lake Forest	92630	2,401	\$1,370,000	\$571	2021
406 Coyote Pass	Lake Forest	92610	2,402	\$1,120,000	\$466	2021
601 Catalonia	Lake Forest	92630	2,796	\$1,520,000	\$544	2022
Minimum			1,889	\$940,000	\$460	2019
Maximum			2,796	\$1,520,000	\$725	2022
Average			2,155	\$1,195,100	\$555	2021

¹ Source: Redfin, July 2026. The survey includes sales that occurred between July 2025 and July 2026 in the cities of Laguna Hills, Laguna Niguel, Aliso Viejo, Mission Viejo, and Lake Forest. The survey is limited to homes constructed since 2016.

ATTACHMENT 3: APPENDIX B

AFFORDABLE SALES PRICE CALCULATIONS

OWNERSHIP HOUSING DEVELOPMENT

10% MODERATE INCOME UNITS + 5% LOW INCOME UNITS

INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS

LAGUNA HILLS, CALIFORNIA

ATTACHMENT 3: APPENDIX B

AFFORDABLE SALES PRICE CALCULATIONS
2026 INCOME STANDARDS
OWNERSHIP HOUSING DEVELOPMENT
INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS
LAGUNA HILLS, CALIFORNIA

		Two-Bedroom Units	Three-Bedroom Units	Four-Bedroom Units
I. General Assumptions				
Benchmark Household Size	2	3	4	5
Area Median Income	3	\$124,750	\$138,600	\$149,700
Annual Utilities Allowance	4	\$3,396	\$4,296	\$5,268
HOA, Maintenance & Insurance	5	\$4,200	\$4,320	\$4,440
II. Affordable Sales Price Calculations	6			
A. Moderate Income				
% of AMI Used for Calculation Purposes		110%	110%	110%
Benchmark Annual Household Income		\$137,225	\$152,460	\$164,670
Income Allotted to Housing @ 35% of Income		\$48,030	\$53,360	\$57,630
Property Taxes @ 1.15% of Affordable Sales Price		\$5,530	\$6,120	\$6,550
Income Available for Mortgage Debt Service	6	\$34,904	\$38,624	\$41,372
Affordable Sales Price				
Supportable Mtg @ 6.58% Interest	7	\$456,600	\$505,200	\$541,200
Home Buyer Down Payment @ 5% of ASP		24,000	26,600	28,500
Affordable Sales Price		\$480,600	\$531,800	\$569,700
B. Low Income				
% of AMI Used for Calculation Purposes		70%	70%	70%
Benchmark Annual Household Income		\$87,325	\$97,020	\$104,790
Income Allotted to Housing @ 30% of Income		\$26,200	\$29,110	\$31,440
Property Taxes @ 1.15% of Affordable Sales Price		\$2,070	\$2,280	\$2,400
Income Available for Mortgage Debt Service		\$13,074	\$14,374	\$15,182
Affordable Sales Price				
Supportable Mtg @ 6.58% Interest		\$171,000	\$188,000	\$198,600
Home Buyer Down Payment @ 5% of ASP		9,000	9,900	10,500
Affordable Sales Price		\$180,000	\$197,900	\$209,100

¹ Based on the 2026 Orange County household incomes published by the California Housing & Community Development Department (HCD). The Affordable Sales Price calculations are based on the California Health and Safety Code Section 50052.5 methodology.

² Under the California Health & Safety Code Section 50052.5 calculation methodology, the benchmark household size is set at the number of bedrooms in the unit plus one. This benchmark is used solely for the purposes of calculating the Affordable Sales Price. It is neither an occupancy cap nor a floor.

³ Based on the Orange County Housing Authority utilities allowances effective as of October 1, 2024. Assumes: Electric Heating, Electric Cooking, Electric Water Heater, Basic Electric, Air Conditioning, Water, Sewer and Trash.

⁴ Based in part on information derived from the home resales survey presented in ATTACHMENT 3: APPENDIX A.

⁵ Based on the Income Allotted to Housing minus the following: Annual Utilities Allowance; HOA, Maintenance & Insurance; and Property Taxes @ 1.15% of Affordable Sales Price.

⁶ Based on a 25 basis points premium applied to the Freddie Mac monthly average, between August 2025 and July 2026, for a fixed-interest rate loan with a 30-year amortization period.

ATTACHMENT 3: APPENDIX C

**IN-LIEU FEE CALCULATIONS
OWNERSHIP HOUSING DEVELOPMENT
10% MODERATE INCOME UNITS + 5% LOW INCOME UNITS
INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS
LAGUNA HILLS, CALIFORNIA**

ATTACHMENT 3: APPENDIX C - EXHIBIT I

IN-LIEU FEE CALCULATIONS
LARGE ACREAGE TOWNHOME PROTOTYPE: 15 UNITS/ACRE
OWNERSHIP HOUSING DEVELOPMENT
INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS
LAGUNA HILLS, CALIFORNIA

		Moderate Income	Low Income Units
		Units	
I.	<u>Sales Price Difference</u>		
A.	Two-Bedroom Units		
	Market Price	1	\$905,000
	Affordable Sales Price	2	480,600
	Difference		\$424,400
B.	Three-Bedroom Units		
	Market Price	1	\$1,108,000
	Affordable Sales Price	2	531,800
	Difference		\$576,200
C.	Four-Bedroom Units		
	Market Price	1	\$1,266,000
	Affordable Sales Price	2	569,700
	Difference		\$696,300
II.	<u>Distribution of Total Units</u>	3	
	Two-Bedroom Units		50%
	Three-Bedroom Units		30%
	Four-Bedroom Units		20%
III.	<u>Assumptions</u>		
	Total Units		248
	Total Saleable Area		384,950
	Weighted Avg Unit Size (Sf)		1,550
	Inclusionary Housing Percentage		10%
	Inclusionary Units		25
	Affordability Gap Per Inclusionary Unit	4	\$524,000
IV.	<u>In-Lieu Fee</u>		
			Totals
	Total In-Lieu Fee	\$13,100,000	\$10,164,000
	Per Total Unit in the Project	\$52,800	\$41,000
	Per Square Foot of Saleable Area	\$34.00	\$26.40

¹ Based in part on a sales survey undertaken by KMA in April 2025. See ATTACHMENT 3: APPENDIX A.

² See ATTACHMENT 3: APPENDIX B.

³ The unit mix distribution is based on the prototypes KMA created based on developments identified in the Certified Housing Element and on the information in rent survey.

⁴ Based on the weighted average difference between the market rate prices and the Affordable Sales Prices.

ATTACHMENT 3: APPENDIX C - EXHIBIT II

IN-LIEU FEE CALCULATIONS
SMALL ACREAGE TOWNHOME PROTOTYPE: 15 UNITS/ACRE
OWNERSHIP HOUSING DEVELOPMENT
INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS
LAGUNA HILLS, CALIFORNIA

		Moderate Income Units	Low Income Units
I.	<u>Sales Price Difference</u>		
	A. Two-Bedroom Units		
	Market Price ¹	\$0	\$0
	Affordable Sales Price ²	0	0
	Difference	\$0	\$0
	B. Three-Bedroom Units		
	Market Price ¹	\$1,078,000	\$1,078,000
	Affordable Sales Price ²	531,800	197,900
	Difference	\$546,200	\$880,100
	C. Four-Bedroom Units		
	Market Price ¹	\$1,276,000	\$1,276,000
	Affordable Sales Price ²	569,700	209,100
	Difference	\$706,300	\$1,066,900
II.	<u>Distribution of Total Units</u> ³		
	Two-Bedroom Units	0%	0%
	Three-Bedroom Units	40%	40%
	Four-Bedroom Units	60%	60%
III.	<u>Assumptions</u>		
	Total Units	30	30
	Total Saleable Area	57,600	57,600
	Weighted Avg Unit Size (Sf)	1,920	1,920
	Inclusionary Housing Percentage	10%	5%
	Inclusionary Units	3	2
	Affordability Gap Per Inclusionary Unit ⁴	\$642,000	\$992,000
IV.	<u>In-Lieu Fee</u>		
	Totals		
	Total In-Lieu Fee	\$1,926,000	\$1,984,000
	Per Total Unit in the Project	\$64,200	\$66,100
	Per Square Foot of Saleable Area	\$33.40	\$34.40
			\$67.80

¹ Based in part on a sales survey undertaken by KMA in April 2025. See ATTACHMENT 3: APPENDIX A.

² See ATTACHMENT 3: APPENDIX B.

³ The unit mix distribution is based on the prototypes KMA created based on developments identified in the Certified Housing Element and on the information in rent survey.

⁴ Based on the weighted average difference between the market rate prices and the Affordable Sales Prices.

ATTACHMENT 4

INCLUSIONARY HOUSING PROGRAM SURVEYS INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS LAGUNA HILLS, CALIFORNIA

APPENDIX A

INCLUSIONARY HOUSING SURVEY

STATEWIDE

INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS

LAGUNA HILLS, CALIFORNIA

APPENDIX A

INCLUSIONARY HOUSING SURVEY
STATEWIDE
INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS
LAGUNA HILLS, CALIFORNIA

Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development		
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period
I. <u>Inclusionary Requirements: Both Rental and Ownership Projects</u>									
Agoura Hills	Create on-site units; pay an in-lieu fee for the required Low and/or Moderate Income Units. In-lieu fee cannot be paid to fulfill the very low income requirement.	15%	No	10	7% @ VL + 4% @ Low + 4% @ mod	55	10	7% @ VL + 4% @ Low + 4% @ mod	45
Alameda	Create on-site units; create off-site units; pay in-lieu fee. Full sch	15%	No	5	4% @ VL + 4% @ Low + 7% @ Mod	59	5	4% @ VL + 4% @ Low + 7% @ Mod	59
Albany	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land.	15%	Yes	5		Perpetual	5		Perpetual
Alhambra	Create on-site units; create off-site units; pay in-lieu fee; donate land. Program requirements are only applied in designated areas.	15%	No	5	6% at 120% AMI+ 9% at 80% AMI		5	6% at 120% AMI+ 9% at 80% AMI	
Arcadia	Create on-site units; create off-site units; pay in-lieu fee by right for ownership projects; rental projects with 20 or fewer units; and fractional unit obligations	Rental: 9% to 18% Own: 5%	No	10	9% VL or 5% VL + 6% Low or 14% Low or 18% Mod	55	10	5% Mod	Earlier of first resale or 45 years. Equity share on first resale
Avalon	Create on-site units; create off-site units; pay in-lieu fee. Full sch	20%	No	4	Decided per project	55	4	Decided per project	55
Berkeley	Create on-site units; pay in-lieu fee.	20%	No	5	80% unless subsidies are available	Life of the Building	5	80%	Life of the Building
Brea	On-site units; pay in-lieu fee; land dedication; acquisition and conversion of other units within city. City provides incentives to mitigate the impact of the requirement.	10%	Yes	10	5% ELI; or 7% VLI + 3% up to 140% AMI; or 10% LI + 5% up to 140% AMI; or 20% 120% AMI; or 30% 140% AMI	55	10	5% ELI; or 7% VLI + 3% up to 140% AMI; or 10% LI + 5% up to 140% AMI; or 20% 120% AMI; or 30% 140% AMI	45
Burbank	Create on-site units; create off-site units through new construction, substantial rehabilitation, or adaptive reuse; donate land; pay in-lieu fee.	15%	No	5	5% @ Very Low + 10% @ Low	> of 55 years or as long as resid use	5	Mod	> of 55 years or as long as resid use

APPENDIX A

INCLUSIONARY HOUSING SURVEY
STATEWIDE
INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS
LAGUNA HILLS, CALIFORNIA

Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development		
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period
Calabasas	Create on-site units; create off-site units; convert market rate units; preserve or rehab existing housing; pay in-lieu fee.	20%	No	5	20% @ 110%; 15% @ 90%; 10% @ 75%; or 5% at 50%		5	20% @ 110%; 15% @ 90%; 10% @ 75%; or 5% at 50% of AMI	
Campbell	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land.	15%	No	10	6% @ VL + 9% @ Low	55	10	120%	45
Carlsbad	Create units; pay in-lieu fee. Reduced requirement is provided if the affordable units are set at very low or extremely low income.	15%	No	1	Low	55	1	Low	30
Chino	Create on-site units; create off-site units; pay in-lieu fee; donate land; create a site within an ownership housing development on which rental units are constructed. Program requirements are only imposed in designated residential overlay areas.	Rental: Up to 26 DU/AC @ 9% / 13% Above 30 DU/AC Ownership @ 3%	Yes	10	80% AMI	> of 75 years or as long as resid use	10	Mod	45
Chula Vista	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land. Excludes area west of I-805 identified as "Area of Low/Moderate Income Concentration".	10%	No	20	5% @ Low + 5% @ Mod	Life of Bldg	20	5% @ Low + 5% @ Mod	Life of Bldg
Claremont	Create on-site units; pay in-lieu fee ; land donation.	15%	No	5	5% @ Low + 10% @ Mod	> of 55 years or as long as resid use	5	5% Claremont Low + 10% Mod	Equity share on first resale
Colma	Create on-site units; pay in-lieu fee.	20%	No	5	5% @ VL + 5% @ Low + 10% @ Mod	55	5	5% @ VL + 5% @ Low + 10% @ Mod	45
Concord	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee.	10%	Yes	5		55	5		45
Contra Costa County	Create on-site units; create off-site units; pay in-lieu fee; donate land. Program requirements are only applied in designated areas.	15%	No	5	3% @ VL + 12% @ Lower	55	5	3% @ Lower + 12% @ Mod	3
Coronado	Create units; pay in-lieu fee. Reduced requirement is provided if the affordable units are set at very low or extremely low income.	20%	No	2	Low		2	Mod	
Cupertino	1-7 units pays in-lieu fee. Create on-site units; create off-site units; pay impact/linkage fee; donate land.	15%	No	7	50% / 80%	99	7	50% / 120%	99

APPENDIX A

INCLUSIONARY HOUSING SURVEY
STATEWIDE
INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS
LAGUNA HILLS, CALIFORNIA

Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development		
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period
Davis	Create on-site units; preserve or rehab existing housing; pay in-lieu fee; donate land.	10% - 25%	No	5-19 , 20+	5-19: 15% @ 80% or 10% @ 50%. 20+: 25% @ 80% or 10% @ 50%	Perpetual	5	120%	Perpetual
Del Mar	Create on-site units. In-lieu fee option provided for subdivisions that create new lots.	15% - 20%	No	2	2-30: 15% @ ELI, VL, or Low 30-49: 20% @ ELI, VL, or Low 50+: 20% @ ELI, VL, or Low - At least 20% ELI	55	2	2-30: 15% @ ELI, VL, or Low 30-49: 20% @ ELI, VL, or Low 50+: 20% @ ELI, VL, or Low - At least 20% ELI	55
Downey	Create on-site units; create off-site units; pay in-lieu fee in the case of extreme hardship for apartments.	11%/10%	No	10	Mod	> of 55 years or as long as resid use	10	Mod	45
Dublin	Create on-site units; create off-site units; pay in-lieu fee; donate land. Program requirements are only applied in designated areas.	12.5%	No	20	50% @ 120% + 20% @ 80% + 30% @ 50%	55	20	5% @ 80% + 7.5% @ 120%	55
Encinitas	Create on-site units; create off-site units; create ADU's; preserve at-risk units; pay in-lieu fee; donate land.	15%/20%	No	7	15% @ VL or 20% @ Low	Perpetual	7	15% VL or 20% @ Low	Perpetual
Fillmore	Create on-site units; create off-site units; pay in-lieu fee; donate land.	15%	No	5	20+: 5% ELI or VL & 10% Low 17-19: 2 Low + one ELI or VL; 10- 16: 2 Low; 5-9: 1 Low	55	5	20+: 5% ELI or VL & 10% Low 17-19: 2 Low + one ELI or VL; 10- 16: 2 Low; 5-9: 1 Low	45
Fremont	Has a production option, but the in-lieu fee option is more cost effective.	15%	No	2	10% @ Low		2	5% @ Mod + 10% @ Low	
Fort Bragg	Create on-site units. With City Council approval: create off-site units; create small secondary units in SFH projects with 30 or fewer units; acquisition/rehabilitation; land donation.	4-6 Units: 1 7+: 15%	Yes	4	4-6: 1 @ Mod (ADU) 7+: 1/3 @ VLI + 1/3 @ Low + 1/3 @ Mod	55	4	4-6 Condos: 1 @ Mod (ADU) All other: 1/2 at 100% AMI + 1/2 @ Mod	45
Goleta	Create on-site units; create off-site units; donate land; pay in-lieu fee; acquisition/rehabilitation. Income/Affordability trade off of extremley low and very low income units to low and moderate income units in demonstrated extreme hardship.	20% - reduced to 15% with public benefit	No	5	2.5% @ ELI + 2.5% @ VL+ 5% @ Low + 5% @ Mod + 5% at Above Mod	Generally 55 years, but not less than 30 years	5	2.5% @ ELI + 2.5% @ VL+ 5% @ Low + 5% @ Mod + 5% at Above Mod	Generally 55 years, but not less than 30 years

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				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period
Hayward	Create on-site units; create off-site units; pay in-lieu fee; propose additional alternatives.	6% / 7.5% - 10%	Yes	2	4-6: 1 @ Mod (ADU) 7+: 1/3 @ VLI + 1/3 @ Low + 1/3 @ Mod	55	4	Mod	45
Huntington Beach	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land.	10%	No	3	Low	55	3	Mod	45
Irvine	Projects with fewer than 50 units can create on-site units; convert market rate housing to affordable housing; extend the term of an existing affordable project; pay in-lieu fee; transfer units to a nonprofit housing agency; create off-site units; donate land. Projects with 50+ units must produce the affordable units on site.	15%	No	Ordinance applies to all housing projects. 50 unit threshold for the production requirement	5% @ 50% + 5% @ 80% + 5% @ 120%. Defined credits for deeper affordability & # of bedrooms.	30	50	5% @ 50% + 5% @ 80% + 5% @ 120%. Defined credits for deeper affordability & # of bedrooms.	30
Jurupa Valley	Create on-site units; create off-site units; pay in-lieu fee; convert market rate units to affordable units; preserve at-risk housing; donate land.	7%	No	1	25% Mod + 25% Low + 50% VL	55	1	25% Mod + 25% Low + 50% VL	45
Laguna Beach	Create on-site units; create off-site units; pay in-lieu fee; acquire and convert market rate units to covenanted affordable units.	10% to 15%	No	10	10% Low or VL or 15% Mod	25	10	15% Mod	15
Laguna Woods	Create on-site units; create off-site units; pay in-lieu fee; donate land. Program requirements are only applied in designated areas.	15%	No	5	7.5% @ VL + 7.5% @ VL	45	5	5% VL + 5% Low	45
La Habra	Create on-site units; create off-site units; pay in-lieu fee; acquire and convert market rate units to covenanted affordable units.	Rental: 9% or 6% / Own: 15%	No	10	9% @ Mod or 6% @ VL & Low	55	10	110%	45
Long Beach	Create on-site units; pay in-lieu fee; donate land.	Rental: 8% 2026 / 12% 2027 Own: 10%	No	10	VL or Low	> of 55 years or as long as resid use	10	110%	> of 55 years or as long as resid use
Los Altos	Create on-site units; create off-site units. Program requirements are only imposed in designated areas.	Rental: 5-9 @ 15% & 10+ @ 30%. Ownership @ 15%	No	5	5-9: 15% @ Mod, 10+: 5% @ Low + 15% @ Mod	30	10	7.5% @ Mod, 7.5% @ Low	30

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				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period
Los Angeles County	Create on-site units; create off-site units. Program requirements vary by subarea.	5%-20% depending on project size & income standard	No	5	Averages: <40% AMI: 10% or 5% - sm proj <65% AMI: 15% or 7% - sm proj <80% AMI: 20% or 10% sm proj	55 or Perpetual	5	Coastal SLA: Avg 135% AMI SLA & ELA: 20% or 10% SG Valley: 15% or 7% Santa Clarita & Antelope Valley: 5%	Equity share on first sale
Menlo Park	Create on-site units; create off-site units; pay in-lieu fee. Full sch	10%	Yes	5	80% /120%		5	80% /120%	
Mill Valley	Create on-site units.	25%	Yes	4	120%	Perpetual	4	120%	Perpetual
Mission Viejo	Create on-site units; create off-site units; pay in-lieu fee; donate land.	15%	No	1 / Projects with 9 or fewer units produce 1 ADU	7.5% VL + 7.5% Low	55	1 / Projects with 9 or fewer units produce 1 ADU	10% Mod + 5% Low	45
Monterey County	Create on-site units; create off-site units; pay in-lieu fee for projects with three or four units.	25%	Yes	3	On-Site: 6% VL + 6% Low + 8% Mod + 5% Workforce Off-Site: 25% VL	Perpetual	3	On-Site: 6% VL + 6% Low + 8% Mod + 5% Workforce Off-Site: 25% Low	Perpetual
Nevada County	Create on-site units; create off-site units Program requirements are only applied in designated areas.		No	20		30	20		30
Norco	Create on-site units; create off-site units; pay in-lieu fee for projects with 20 or fewer units; donate land.	15%	No	5	6% Mod+9% Low Credits for deeper affordability	Perpetual	5	6% Mod+9% Low Credits for deeper affordability	45%
Oceanside	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land; purchase credits from another project.	15%	No	10	Low	55	10	Low or Mod	55
Oxnard	Create on-site units; create off-site units; pay in-lieu fee in limited circumstances.	10%	No	10	5% @ VL + 5% Low	55	10	Low	20
Pacifica	Create on-site units; create off-site units; pay in-lieu fee; donate land. Program requirements are only applied in designated areas.	15%	No	8	6% @ VL + 4.5% @ Low + 4.5% @ Mod	55	8		45

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				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period
Pasadena	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land. Excludes area west of I-805 identified as "Area of Low/Moderate Income Concentration".	20%	No	10	5% @ 50% + 5% @ 80% + 10% @ 120%	Perpetual	10	110%	45
Petaluma	Create on-site units; pay in-lieu fee; donate land	15%	No	5	7.5% @ VL; 7.5% @ Low	45	5	7.5% @ Low + 7.5% @ Mod	55
Pleasanton	Create on-site units; create off-site units; pay in-lieu fee; donate land; credit transfers; other alternate methods of compliance	15%	Yes	15	50% to 80%		15	50% to 120%	Perpetual
Pomona	Create on-site units; create off-site units; pay in-lieu fee; donate land; create a site within an ownership housing development on which rental units are constructed.	Rental: 13% Own: SFH 7%; TH/Condos 11%	Yes	3	120%	> of 55 years or as long as resid use	3	120%	45
Poway	Create on-site units; create off-site units; pay in-lieu fee. Full schedule goes into effect in 2023 for rental and 2025 for ownership.	Rental: 15% Own: 15% or 20%	No	1	Very Low	55	1	15% @ Low or 20% @ Mod	45
Redlands	Create on-site units; create off-site units; pay in-lieu fee; land donation; create a site within an ownership housing development on which rental affordable units are constructed.	Rental: 9%, 10% of 12% Own: 5%	Yes	10	Rental: 5% Low + 7% Mod; or 5% VL + 5% Mod; or 9% Low	55	10	5% Mod	55
Redwood City	Create on-site units; create off-site units; preserve or rehab units; pay impact/linkage fee; donate land	20% / 15%	No	20	10% @ Mod + 5% @ Low + 5% @ VL	30	5	Moderate	30
Sacramento County	Has a production option, but the in-lieu fee option is more cost effective.	10%	No	1	80%		1	80%	
San Benito County	Create on-site units; create off-site units; pay in-lieu fee; submit Affordable Housing Plan. Additional off-site radius requirement for remote sites.	16.7% (1/6 units) for 6–10 units; 20% for 11+ units	No	6	For 11+ units: 7.5% @ ELI, 7.5% @ Low, 5% @ Mod	life of bldg	6	For 11+ units: 7.5% @ ELI, 7.5% @ Low, 5% @ Mod	45
San Bruno	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land. Excludes area	15%	No	10	For 6–10 units: in-lieu fee required	55	10	For 6–10 units: in-lieu fee required	45
San Buenaventura	Create on-site units; create off-site units; pay in-lieu fee; preserve or rehab existing housing; donate land.	15% / 10%	No	7	Low	55	7	Mod	45

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				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period
San Clemente	Create on-site units; create off-site units, pay in-lieu fee; donate land.	4%	No	6	Very Low	30	6	Very Low	30
San Diego (City)	Create on-site units; create off-site units; rehabilitate existing units, SRO hotel rooms, or conversion of guest rooms; pay in-lieu fee; donate land.	5% to 20% depending on location	No	10	Outside FUA: 10% @ 60% Inside FUA: 20% @ 65% Barrio Logan: 15% VL and Low University Community Plan: 10% @ 60% or 5% @ 80% + Fee or 10% @ 120% +Fee	55	10	Outside FUA: 10% @ 100% or 15% @120% Inside FUA: 20% @ 65% Barrio Logan: 15% VL and Low University Community Plan: 10% @ 60% or 5% @ 80% + Fee or 10% @ 120% +Fee	15
San Diego County	???	5% to 20%	???	???	GP Compliant: 5% ELI or 5% VL or 10% Low GP Amendment: 20% Low	???	???	GP Compliant: 5% VL or 10% Low or 15% Moderate GP Amendment: 20% Low	???
San Francisco	Create on-site units; create off-site units; pay in-lieu fee. Full schedule goes into effect in 2023 for rental and 2025 for ownership.	15% to 20% / 15% to 26%	Yes	10	55% to 110%		10	80% to 130%	
San Jose	Create on-site units; create off-site units; preserve or rehab units; in-lieu fee; donate land; credit transfers; reduction for deeper affordability.	15%	Yes	20	5% @50% + 5% @ 60% + 5% @ 100%	99	20	120%	99
San Juan Capistrano	Create on-site units; pay in-lieu fee.	10%	No	2	Lower Income	55	2	Lower Income	55
San Luis Obispo (City)	Create on-site units; pay an in-lieu fee to fulfill the entire obligation; pay an in-lieu fee for fractional unit obligations.	6% / 10%	Yes	1	3% Very Low + 3% Low	55	1	5% Low + 5% Moderate	45
San Marcos	Create on-site, create off-site units for ownership housing projects; pay an in-lieu fee for six or fewer rental unit projects and for all ownership housing projects.	15%	No	1	Hhld income set by the City. <=25% of the affordable units may be Mod.	55	1	Requirement is set by the City on a project by project basis	55

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				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period
San Mateo County	Create on-site units; create off-site units; pay in-lieu fee; donate land. Affordable housing plan required. May also preserve/rehab existing units or dedicate land. In lieu fees allowed for smaller projects.	20%	Yes	5	10% @ ELI + 10% @ Low	55	5	Up to 10% @ Moderate, remainder @ Low or VLI	55
San Rafael	Create on-site units; create off-site units; pay in-lieu fee; land donation. City provides incentives to mitigate the impact of the requirement.	10% to 15%	No	2	2-15 Units: 10% low; 15+ Units: 15% Low or 10% Low + 10% Mod	Perpetual - City Council can reduce to 40 years	2	2-15 Units: 10% low; 15+ Units: 15% Low or 10% Low + 10% Mod	Perpetual - City Council can reduce to 40 years
Santa Ana	Only applies to changes in land use and zoning designations. Create on-site units; off-site units; substantially rehab existing units; pay in-lieu fee.	Rental: 5% - 15% & Own: 5%	No	5	15% @ Low or 10% @ VL or 5% @ ELI or 5% Low + 3% VL + 2% ELI	55	5	120%	55
Santa Barbara (City)	Create on-site units; create off-site units; pay in-lieu fee for 1 to 9 & fractional units; donate land.	10% / 15%	No	5	Mod	90	1	120% to 200%	90 / restarts on each resale
Santa Barbara (County)	Excludes projects located within the Cuyama Housing Market Area. Create on-site units; pay in-lieu fee to fulfill some or all of the obligation; construct ADUs to fulfill the workforce housing obligation. Coastal Zone development: If the County deems the obligation to be financially infeasible the obligation can be fulfilled elsewhere within the Coastal Zone or within three miles of the Coastal Zone.	15%	Yes	5	5-19 Units: 1 Mod Unit 20+ Units: 2.5% VL + 2.5% Low + 5% Mod + 5% Workforce	90	5	5-19 Units: 1 Mod Unit 20+ Units: 2.5% VL + 2.5% Low + 5% Mod + 5% Workforce	90
Santa Clara (City)	Create on-site units; create off-site units; dedicate land; pay an in-lieu fee for fractional unit obligations.	15%	No	10	Mix of ELI, VL, Low & Mod. Must average less than 100% of AMI	55	10	Mix of ELI, VL, Low & Mod. Must average less than 100% of AMI	20
Santa Clara County (Excluding Cities & Stanford Community Plan Area)	Create on-site units; create off-site units; in-lieu fee payments for projects with three to six units and for fractional unit obligations; conversion of existing market rate units.	16%	No	3	Lower	55	3	Moderate	55
Santa Cruz (City)	Create on-site units; create off-site units; pay in-lieu fee; donate land. Program requirements are only applied in designated areas.	20%	Yes	2	50% for SRO's 80% all other	Perpetual	2	120%	Perpetual

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				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period
Santa Monica	Create on-site units; create off-site units; pay in-lieu fee; acquisition/rehabilitation; donate land.	15%	Yes	2	20+ units: 15% equally divided among 50%, 80%, 110% <20 units: 15% at 80% AMI	55	2	20+ units: 15% equally divided among 50%, 80%, 110% <20 units: 15% at 80% AMI	55
Santa Paula	Create on-site units; create off-site units; pay in-lieu fee. Full schedule goes into effect in 2023 for rental and 2025 for ownership.	10% to 17%	Yes	10	15% Low or 10% VL	55	10	15% Low or 10% VL	45
Santa Rosa	Has a production option, but the in-lieu fee option is more cost effective.	5% to 8% / 10%	No	1	5% @ 50% or 8% @ 60%		2	110%	
Scotts Valley	Create on-site units; create off-site units with City Council approval; in-lieu fee allowed for 1–6 units; full unit required at 7+ units; fractional units may pay in-lieu for the fraction; projects with avg. lot size >1 acre may opt for on-site in-lieu fee with City Council approval.	15%	Yes	7	Based on Health & Safety Code Section 33413 requirement for redevelopment agencies	55	7	Based on Health & Safety Code Section 33413 requirement for redevelopment agencies	45
Solana Beach	Create on-site units; create off-site units; create rental units to fulfill an ownership housing development requirement; preservation or conversion of existing units; payment of the Affordable Housing Impact Fee.	15%	No	5	VL or Low	99	5	VL or Low	99
Sonoma (City)	Create on-site units.	20%	Yes	5	120%	55	5	120%	55
Sonoma County	Create on-site units; create off-site units; in-lieu fee payment based on unit size; alternatively, construct ADU or farmworker unit; acq of existing units and imposition of affordability covenants; land donation.	10% or 15% / 20%	Yes	1	≥15% @ Low/VLI, or ≥10% @ ELI/VLI	55	1	10% @ Low + 10% @ Mod	30 yrs restarts on each resale
South San Francisco	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee	20%	No	4		55	4		55
South Pasadena	Create on-site units; create off-site units; pay in-lieu fee for 3 or 4 rental unit projects, ownership for any size project, & fractional units; rehab existing market rate units; donate land.	20%	No	3	10 or fewer units: multiple options 11 or more units: 10% ELI or VL + 10% Low	55	3	Moderate	55
Sunnyvale	Create on-site units; create off-site units; pay in-lieu fee; donate land, unit conversion, other proposals.	15.0%	No	7	5% @ 50% + 10% @ 60%	55	7	100%	30

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				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period
Thousand Oaks	Create on-site units; rental units to fulfill ownership requirement; in-lieu fee; donate land.	Rental: 10% Own: 5%/10%	Yes	10	Low	> of 55 years or as long as resid use	10	SFH: 5% Mod Condo: 10% Mod	45
Tiburon	Create on-site units; create off-site units; pay in-lieu fee. Full sch	15%	No	3	5% @ Low + 10% @ Mod	Perpetual	3	5% @ Low + 10% @ Mod	Perpetual
Union City	Create on-site units; create off-site units; pay in-lieu fee. Full sch	15%	No	7	4.5% @ VL + 10.5% @ Low		7	1.5% @ Low + 4.5% @ 100% + 9% @ 120%	
Vista	Create on-site units; pay in-lieu fee	9%	No	20	5% Low or lower + 4% Mod or lower			5% Low or lower + 4% Mod or lower	
Watsonville	Based on Watsonville median income, which is set at 70% of Santa Cruz County median income. On-site affordable units required; in-lieu fee allowed only for 6 units or fewer	20% rental 15% own up to 50 units; 20% above 50 units	Yes	7	5% Median + 5% Low + 10% VL or Section 8 Based on City income	55	7	7 to 50 Units: 5% Above Mod + 5% Mod + 5% AMI 51+ Units: 10% Above Mod + 5 % Mod + 5% AMI	45
West Sacramento	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land.	10%	No	5	5% @ 50% + 5% @ 60%	55	5	70%	45
West Hollywood	Create on-site units; create off-site units; pay in-lieu fee for 2-10 unit projects.	20%	No	2	Low / Mod	> of 55 years or as long as resid use	2	Low / Mod	> of 55 years or as long as resid use

II. Inclusionary Requirements: Ownership Projects Only

Carpinteria	Create on-site units; pay in-lieu fee in limited circumstances.	12%	No				5	200%	30
Danville	Create on-site units; pay in-lieu fee.	10%	Yes				7	110%	20
Folsom	Create on-site units; create off-site units; pay in-lieu fee; donate land; acq/rehab; other proposals.	10%	No				10	3% @ VL + 7% @ Low	
Lafayette	Create on-site units; create off-site units.	15%	No				2	9% @ Mod + 6% @ VL	45
Monterey	Create on-site units; donate land.	20%	No				6		Perpetual
Mountain View	Create on-site units; pay in-lieu fee.	15%	No				3	100%	55
Rohnert Park	Create on-site units; create off-site units; pay in-lieu fee.	15%	No				50		55
San Leandro	Create on-site units; pay in-lieu fee.	15%	Yes				2	9% @ Mod + 6% @ Low	55

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				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period

III. Inclusionary for Ownership Projects & Impact Fee for Rental Projects

Capitola	Create on-site units; create off-site units; pay in-lieu fee; land donation.	15%	Yes				7	Mod	> of life of bldg or 55 years
Emeryville	Ownership: Create on-site units; create off-site units. Rental: Pay impact fee; voluntarily produce off-site units.	Rental: 12% Own: 20%	No	Voluntary production is permitted at 4% VL + 8% Low	55		10	Mod	45
Fontana	Create on-site units; pay in-lieu fee; develop a reduced percentage at deeper affordability.	10%	No				5	4% @ VL + 4% @ Low + 2% @ Mod	55
Palo Alto	Create on-site units; create off-site units; in-lieu for fractional unit; convert market rate units to affordable units; preserve at-risk housing; donate land.	15% < 5 / 20% 5 acres +	Yes				1	67% @ 80-100% 33% @ 100-120%	99
San Carlos	Create on-site units; create off-site units; pay impact/linkage fee.	15%	Yes		55		2	10% @ Mod + 5% @ Low	45
Salinas	The Ordinance does not apply to the Downtown Area. Create on-site units. City Council review and approval is required for off-site construction; partnership with an experienced affordable housing developer; purchase of excess affordable units constructed in the Future Growth Area; and land donation.	12%, 15% or 20%	Yes	Voluntary production is permitted at 4% VL + 8% Low If the impact fee is paid 12% of the unit must be rented to Section 8 tenants			10	4% VL + 8% Low / own or rental + 4% Mod + 4% Wkfrce own or 6% Median + 6% Mod + 3% Wkfrce own or 8% VL + 4% Low rental	Resale at fmv in return for
Santa Cruz County	Create on-site units; participation in the County's existing conversion program; financial contribution to a nonprofit sponsored affordable housing project in an off-site location with additional units; provide affordable rental units; Affordable Housing Impact Fee payment for ownership units with fewer than seven units and for fractional unit obligations.	15%	Yes	Voluntary production in place of Affordable Housing Impact Fee payment			7	Mod	> of life of bldg or 55 years

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				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period
Truckee	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; pay impact/linkage fee; donate land. Requirements vary by zones, neighborhoods or districts.	15%	No				7		Perpetual

IV. Mandatory Inclusionary for Ownership Projects & Voluntary Inclusionary for Rental Projects

Pittsburg	Create on-site units; pay in-lieu fee.	15%/20%	Yes				5	9% @ Mod + 6% @ Low, or 20% @ Mod	
San Juan Bautista	Create on-site units; pay impact/linkage fee.	6%					6	80%	
San Marcos	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land.	15%	No			55		120%	55
Solana Beach	Create on-site units; create off-site units; preserve or rehab existing housing; pay impact/linkage fee.	15%	No	5		55	5		45

V. Rental Projects Only

Anaheim	Create on-site units; create off-site units; pay in-lieu fee; donate land.	10%	No	35	At least 3% VL + at least 7% Low	> of 55 years or as long as resid use			
Costa Mesa	Applies only to: properties located in areas for which the City has completed a Zone Change and/or General Plan Amendment that allows for residential development; and properties that receive City approval of a General Plan Amendment, Zone Change, or other discretionary approval. Create on-site units; create off-site units; pay in-lieu fee; donate land.	5% or 10% & 4% or 6%	No	50	Projects at 60+ units per acre: 5% VL or 10% Low Properties at less than 60 units per acre: 4% VL or 6% Low	55			
Fullerton	Applies only to the Transportation Specific Plan area. Create on-site units.	15%	No		5% @ VL + 5% @ Low + 5% @ Mod	55			
Glendale	Create on-site units; create off-site units; pay in-lieu fee; donate land; acquisition/rehabilitation.	15%	No	8	60%	55			

APPENDIX B

INCLUSIONARY HOUSING SURVEY
ORANGE COUNTY
INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS
LAGUNA HILLS, CALIFORNIA

APPENDIX B

INCLUSIONARY HOUSING SURVEY
ORANGE COUNTY
INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS
LAGUNA HILLS, CALIFORNIA

Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development			In-Lieu Fee
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period	
I. <u>Inclusionary Requirements: Both Rental and Ownership Projects</u>										
Brea	On-site units; pay in-lieu fee; land dedication; acquisition and conversion of other units within city. City provides incentives to mitigate the impact of the requirement.	10%	No	10	5% ELI; or 7% VLI + 3% up to 140% AMI; or 10% LI + 5% up to 140% AMI; or 20% 120% AMI; or 30% 140% AMI	55	10	5% ELI; or 7% VLI + 3% up to 140% AMI; or 10% LI + 5% up to 140% AMI; or 20% 120% AMI; or 30% 140% AMI	45	Calculated per project. Based on the Affordability Gap.
Huntington Beach	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land.	10%	No	3	Low	55	3	Moderate	45	Sliding Scale: 3 to 30 units. In-Lieu Fee allowed for projects up to 100 units. Rental: \$3.84 to \$38.40/SF Ownership: \$2.72 to \$27.20/SF. The per SF measurement caps at 2,000 SF.
Irvine	Projects with fewer than 50 units can create on-site units; convert market rate housing to affordable housing; extend the term of an existing affordable project; pay in-lieu fee; transfer units to a nonprofit housing agency; create off-site units; donate land. Projects with 50+ units must produce the affordable units on site.	15%	No	Ordinance applies to all housing projects. 50 unit threshold for the production requirement	5% @ 50% + 5% @ 80% + 5% @ 120%. Defined credits for deeper affordability & # of bedrooms.	30	Ordinance applies to all housing projects. 50 unit threshold for the production requirement	5% @ 50% + 5% @ 80% + 5% @ 120%. Defined credits for deeper affordability & # of bedrooms.	30	Calculated per project. The calculation methodology is based on the average land value in Irvine, the average density of housing in Irvine, and a defined predevelopment cost allowance. Formula: [(Land Value ÷ Density) + Predevelopment Allowance] x Percentage Share of Cost related to affordable units not being produced.
Laguna Beach	Create on-site units; create off-site units; pay in-lieu fee; acquire and convert market rate units to covenanted affordable units.	10% to 15%	No	10	10% Low or VL or 15% Mod	25	10	15% Mod	15	In-lieu fee is adjusted annually based on the weighted average sales price per acre of developed residential land in Laguna Beach within the prior 12 month period.
Laguna Woods	Create on-site units; create off-site units; pay in-lieu fee; donate land.	5%/10%	No	5	2.5% @ ELI + 2.5% @ VL	45	5	5% VL + 5% Low	45	\$642 per square foot applied to the total square feet of the required affordable units.

APPENDIX B

INCLUSIONARY HOUSING SURVEY
ORANGE COUNTY
INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS
LAGUNA HILLS, CALIFORNIA

Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development			In-Lieu Fee
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period	
La Habra	Create on-site units; create off-site units; pay in-lieu fee; acquire and convert market rate units to covenanted affordable units.	Rental: 9% or 6% / Own: 15%	No	10	9% Mod or 6% VL & Low	55	10	110%	45	\$6.50 per square foot of total building area.
Mission Viejo	Create on-site units; create off-site units; pay in-lieu fee; donate land.	15%	No	1 / Projects with 9 or fewer units produce 1 ADU	7.5% VL + 7.5% Low	55	1 / Projects with 9 or fewer units produce 1 ADU	10% Mod + 5% Low	45	In-lieu fee is allowed for rental developments with fewer than 20 units, and for all ownership housing developments. Rental: \$41.90/SF Ownership \$58.20/SF
San Juan Capistrano	Create on-site units; pay in-lieu fee.	10%	No	2	Lower Income	55	2	Lower Income	55	Based on 90% of the Affordability Gap, which is updated monthly based on benchmark market prices.
Santa Ana	Only applies to changes in land use and zoning designations. Create on-site units; off-site units; pay in-lieu fee.	Rental: 5% / 15% & Own: 5%	No	5	15% @ Low or 10% @ VL or 5% @ ELI or 5% Low + 3% VL +2% ELI	55	5	120%	55	Fee charged per sf of habitable area: 5-9: \$6.00; 10-14: \$9.00; 15-19: \$12; 20+: \$15. Discounts for use of skilled and trained labor force.

II. Inclusionary Requirements: Rental Projects Only

Anaheim	Create on-site units; create off-site units; pay in-lieu fee; donate land.	10%	No	35	At least 3% VL + at least 7% Low	> of 55 years or as long as resid use	In-Lieu fee paid by right. \$10 per square foot of leasable area in the market rate project.			
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APPENDIX B

INCLUSIONARY HOUSING SURVEY
ORANGE COUNTY
INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS
LAGUNA HILLS, CALIFORNIA

Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development			In-Lieu Fee
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period	
Costa Mesa	Applies only to: properties located in areas for which the City has completed a Zone Change and/or General Plan Amendment that allows for residential development; and properties that receive City approval of a General Plan Amendment, Zone Change, or other discretionary approval. Create on-site units; create off-site units; pay in-lieu fee; donate land.	5% or 10% & 4% or 6%	No	50	Projects at 60+ units per acre: 5% VL or 10% L Properties at less than 60 units per acre: 4% VL or 6% L	55				In-Lieu fee paid by right. \$10 per square foot of leasable area in the market rate project.



City of Laguna Hills City Council / Planning Agency Staff Report

Date: August 19, 2026

To:

From:

Issue: City Manager

Recommendation:

Background:

Fiscal Impact:

Attachments:

None



City of Laguna Hills City Council / Planning Agency Staff Report

Date: August 19, 2026
To: Mayor and Council Members
From: Joe Ames, Assistant City Manager
Issue: Approval of Amendment No.1 with All City Management Services for Crossing Guard Services

Recommendation: That the City Council: 1. Approve Amendment No. 1 to the Contract Services Agreement with All City Management Services, Inc. for Crossing Guard Services; 2. Authorize the City Attorney to make minor modifications as may be necessary to execute the Amendment; and 3. Authorize the City Manager to sign Amendment No. 1 to the Contract Services Agreement with All City Management Services, Inc. for Crossing Guard Services.

Background:

On October 24, 2023, the City Council awarded a contract for crossing guard services to All City Management Services, Inc. effective November 10, 2023, after conducting a formal competitive bid for crossing guard services in September 2023. The City's current contact services agreement for crossing guard services expired on June 30, 2026.

The 2023 bid process was conducted pursuant to Laguna Hills Municipal Code (LHMC) Section 3-08.090, where the procurement of non-professional services with an estimated value greater than \$50,000 are required to be made by competitive formal bidding procedures. Such contracts are required to be awarded by the City Council to the lowest responsive, responsible bidder consistent with the City's established best qualified vendor selection criteria set forth in LHMC Section 3-08.100 (See, LHMC Section 3-08.090(A)–(H)). In determining the best qualified vendor consideration is to be given to price, quality, and performance of non-professional services to be provided by the vendor.

In September 2023, three bidders responded to the City's Notice Inviting Bids for crossing guard services: 1. Citiguard, Inc., 2. All City Management Services, and 3. Alltech Industries, Inc. While Citiguard provided slightly lower rates than All City Management Services, Inc., City staff recommended All City Management Services based on the demonstrated quality of services provided and the fact that they have been providing service since 1994.

At City staff's request, ACMS provided a proposal to continue services to the City for another three (3) years. That cost proposal was as follows: Year 4 (2026/2027) = \$193,536 (or \$38.40 per hour); Year 5 (2027/2028) = \$205,531.20 (or \$40.78 per hour); Year 6 (2028/2029) = \$218,282.40 (or \$43.31 per hour). The current year cost is \$182,246.40 (or \$36.16 per hour). The proposed increases represented a 6% year-over-year increase.

City staff reached out to neighboring cities and found a neighboring city that has lower rates with a company that never submitted a proposal in response to the City's Notice Inviting Bids in 2023. While it is unknown if that company would bid on Laguna Hills' crossing guard service needs, City staff recommends issuing a Notice Inviting Bids for crossing guard services anticipating that the company may submit a lower cost proposal for evaluation.

Therefore, City staff is recommending that City Council approve Amendment No. 1 to the current Contract Services Agreement with All City Management Services, Inc. for Crossing Guard Services that will extend the contract until December 31, 2026. This action will allow enough time for City staff to issue a Notice Inviting Bids for crossing guard services, review the bids, and make an award recommendation for a long-term contract.

Fiscal Impact:

Proposed Amendment No. 1 to the current Contract Services Agreement with All City Management Services, Inc. for Crossing Guard Services that will extend the contract until December 31, 2026 has a total estimated fiscal impact of \$85,248.00. There is sufficient budget in the City's operating budget to fund the anticipated expense.

Attachments:

1. Proposed Amendment No. 1 to All City Management Services Agreement

AMENDMENT NO. 1
TO AGREEMENT FOR PROFESSIONAL SERVICES
All City Management Services, Inc
Crossing Guard Services

THIS FIRST AMENDMENT to the All City Management Services, Inc. Professional Services Agreement for Citywide Traffic Signal Maintenance Services (the "Amendment" or "Amendment No. 1") is made and entered into to be effective July 1, 2026, by and between the CITY OF LAGUNA HILLS, a municipal corporation organized and existing under the laws of the State of California, (hereinafter referred to as "City") and ALL CITY MANAGEMENT SERVICES, INC., a California corporation, (hereinafter referred to as "Contractor"). City and Contractor are sometimes hereinafter individually referred to as "Party" and are hereinafter collectively referred to as "Parties".

RECITALS

A. City and Contractor previously entered into that certain Professional Services Agreement for Citywide Traffic Signal Maintenance Services, which was made and entered into on November 10, 2023 (the "Agreement"), and which may be duly amended, in writing, from time to time by the Parties. Sections 2.3 (Changes in Scope), and 3.2 (Schedule of Performance) of the Agreement provide that the Agreement may be amended, modified, and additional services provided, in writing at any time by mutual consent of the Parties.

B. City has been satisfied with Contractor's services provided under this Agreement and desires to renew the Agreement pursuant to Section 3.4 (Term), which provides for extensions.

C. Contractor submitted a proposal dated _____ to extend the Agreement through December 31, 2026, a copy of which proposal is attached hereto as Exhibit A to this Amendment and incorporated herein by this reference.

D. The Parties now desire to extend the term of the Agreement through December 31, 2026 and to approve the rate adjustment set forth herein. The adjusted rates, as set forth in Exhibit A to this Amendment, shall supersede and replace the fees, rates and/or unit prices set forth in Contractor's 1 Proposal/Scope of Work previously attached under Exhibit A to the Original Agreement.

E. Pursuant to Section 2.1 (Maximum Contract Amount), the Parties further desire to extend the Term of the Agreement and increase the Annual Maximum Amount to include the following additional not-to-exceed annual compensation amounts: Eighty-Five Thousand Two Hundred Forty-Eight Dollars (\$85,248.00) for an extension of the contract for an additional six months, expiring December 31, 2026; and an additional Five Thousand Dollars (\$5,000) for unforeseen circumstances. As a result, the total not-to-exceed Maximum Contract Amount set forth in Section 2.1 is hereby increased from Four Hundred Fifty-Seven Thousand One Hundred Fifty-Two Dollars (\$457,152) to Five Hundred Forty-Seven Thousand Four Hundred Dollars (\$547,400). All other terms, conditions, and scope of work set forth in the original Exhibit A shall remain in full force and effect.

NOW, THEREFORE, in consideration of the mutual promises and covenants herein, the Parties agree as follows:

AGREEMENT

1. Extended Term. The Parties hereby agree to extend the term of the Original Agreement for an additional period of six months commencing on July 1, 2026 and expiring on December 31, 2026. Unless sooner terminated in accordance with the terms hereof.
2. Rate adjustment. The adjusted rates applicable during the Extended Term are set forth in Exhibit A attached hereto and incorporated herein by this reference. Exhibit A superseded and replaces the fee schedule, rates, and unit prices contained in the Original Proposal/Scope of Work previously attached as Exhibit A to the Original Agreement.
3. Maximum Contract Amount. Pursuant to Section 2.1 of the Original Agreement, the Parties hereby agree to increase the Maximum Contract Amount from Four Hundred Fifty-Seven Thousand One Hundred Fifty-Two Dollars (\$457,152) to Five Hundred Forty-Seven Thousand Four Hundred Dollars (\$547,400) (hereinafter referred to as the " Maximum Contract Amount"). Compensation shall be payable according to the fees and at the rates, charges and unit prices set forth in Exhibit A, attached hereto and incorporated herein.
4. Full Force and Effect. This Amendment is supplemental to the Agreement and is by reference made part of said Agreement. All of the terms, conditions, and provisions, thereof, unless specifically modified herein, shall continue in full force and effect. In the event of any conflict or inconsistency between the provisions of this Amendment and any provisions of the Agreement, the provisions of this Amendment No. 1 shall in all respects govern and control.
5. Recitals. The above-referenced Recitals are hereby incorporated into this Amendment No. 1 as though fully set forth herein and made part of the Agreement and each Party acknowledges and agrees that such Party is bound, for purposes of this Agreement, by the same.
6. Corporate Authority. Each of the undersigned represents and warrants that (i) the Party for which he/she is executing this Amendment is duly authorized and existing, (ii) he/she is duly authorized to execute and deliver this Amendment on behalf of the Party for which he/she is signing, (iii) by so executing this Amendment, the Party for which he/she is signing is formally bound to the provisions of this Amendment, and (iv) the entering into this Amendment does not violate any provision of any other agreement to which the Party for which he/she is signing is bound.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the Parties have executed and entered into this Amendment to the Agreement as of the date first written above.

"CITY"

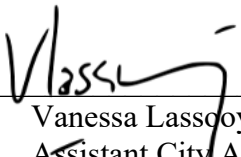
CITY OF LAGUNA HILLS, a California
municipal corporation

By: _____
DON CASKEY,
Mayor

ATTEST:

By: _____
JENNIFER LEE, City Clerk

APPROVED AS TO FORM:

By:  _____
Vanessa Lasscoy,
Assistant City Attorney

"CONTRACTOR"

ALL CITY MANAGEMENT SERVICES, INC.,
a California corporation

By: _____
Name: Baron Farwell
Its: President

By: _____
Name: Demetra Farwell
Its: Corporate Secretary

ATTACHMENT “A”



City of Laguna Hills City Council / Planning Agency Staff Report

Date: August 19, 2026
To: Mayor and Council Members
From:
Issue: Adopt a Resolution Appointing Joshua Sweeney to the City Council to Represent Council District 2 for a Full-Term of Four Years in Lieu of an Election; and Cancelling the November 3, 2026, General Municipal Election for City Councilmember Council District 2, Pursuant to California Elections Code Section 10229

Recommendation: Staff makes no recommendation. This report is being presented to the City Council to facilitate discussion at the public hearing and for Council to consider appointing Joshua Sweeney to Council District 2 or move ahead with an election for District 2.

Background:

On June 9, 2026, the City Council adopted Resolution No. 2026-06-09-01, calling and giving notice of the holding of a general election for the purpose of electing one person from Council Districts 1, 2, and 4 to the City Council for full four-year terms.

As of the close of the nomination period on Friday, August 7, 2026, only one person, Joshua Sweeney, filed nomination papers to run for the office of City Councilmember representing Council District 2.

California Elections Code (EC) Section 10229 allows the City Council to take one of the following courses of action when only one person has filed nomination papers for an office: (1) Appoint to the office the person who has been nominated, or (2) hold the election if either no one or only one person has been nominated. The City Clerk certification of facts required by EC Section 10229 is included as an attachment to this report.

Fiscal Impact:

The Orange County Registrar of Voters ("OC ROV") provided an estimate of costs related to the November 3, 2026 General Municipal Election. Estimates are based on projections of total jurisdictional participation and the average cost per voter. The OC ROV is estimating the average cost per voter between \$1.75 and \$2.20. There were 12,514 registered voters within the City on 08/07/2026.

The Orange County Registrar of Voters estimates the cost of conducting the 2026 General Municipal Election for City Council District 2 will be between \$10,401 - \$12,566.

There are additional costs that are related to public notices that have to be translated and sent for publication to local newspapers that are not included in the cost estimate from the County.

Attachments:

1. City Clerk Certification that there are not more candidates than elected offices-1
2. 20260811_Draft Election Cancellation Resolution
3. Publication Proof
4. California Elections Code Section 10229

CITY OF LAGUNA HILLS
NOTICE OF CITY CLERK'S CERTIFICATION THAT THERE ARE NOT MORE
CANDIDATES THAN OFFICES TO BE ELECTED

NOTICE IS HEREBY GIVEN, pursuant to [Section 10229 of the Elections Code](#) of the State of California, to the following facts relating to the general municipal election to be held on Tuesday, November 3, 2026:

As of the close of the nomination period on August 7, 2026 for the election of one (1) Member of the Councilmember District No. 2 of said City for the full term of four (4) years, there are not more candidates than offices to be elected.

The person so nominated is:

Joshua Sweeney
Laguna Hills City Councilmember

That Section 10229 of the Elections Code allows one of the following courses of action to be taken by the City Council:

1. Appoint to the office the person who has been nominated.
2. Appoint to the office any eligible voter if no one has been nominated.
3. Hold the election if either no one or only one person has been nominated.

On August 19, 2026, the City Council will meet to either make the appointment or direct an election to be held. The person appointed, if any, shall qualify and take office and serve exactly as if elected at a municipal election for the office. If, by the 75th day before the municipal election, no person has been appointed to the office(s) pursuant to (1) or (2) above, the election shall be held for such office(s).

If the City Council makes an appointment pursuant to Section 10229 of the Elections Code, the City Clerk shall not accept for filing any statement of write in candidacy which is submitted after the appointment is made.

A handwritten signature in blue ink that reads "Joshua Stevenson". The signature is written in a cursive, flowing style.

Dated: August 7, 2026
Joshua Stevenson
City Clerk, City of Laguna Hills

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF LAGUNA HILLS, CALIFORNIA APPOINTING
JOSHUA SWEENEY TO THE CITY COUNCIL TO
REPRESENT COUNCIL DISTRICT 2 FOR A FULL-TERM
OF FOUR YEARS BEGINNING IN 2027 IN LIEU OF AN
ELECTION; AND CANCELLING THE NOVEMBER 3,
2026, GENERAL MUNICIPAL ELECTION FOR CITY
COUNCILMEMBER COUNCIL DISTRICT 2,
PURSUANT TO CALIFORNIA ELECTIONS CODE
SECTION 10229**

WHEREAS on June 9, 2026, the City Council adopted Resolution No. 2026-06-09-01, calling and giving notice of the holding of a general municipal election for the purpose of electing one person each from Council Districts 1, 2, and 4 to the City Council of the City of Laguna Hills for full four-year terms; and

WHEREAS, as of the close of the nomination period on Friday, August 7, 2026, only one person filed nomination papers to run for the office of City Councilmember representing District 2; and

WHEREAS, Section 10229 of the California Elections Code allows the City Council to take one of the following courses of action when only one person has filed nomination papers for an office: (1) Appoint to the office the person who has been nominated, or (2) hold the election if either no one or only one person has been nominated.

WHEREAS, pursuant to Section 10229 of the California Elections Code, a notice, (Proof of Publication), herein attached and incorporated by reference as Exhibit "A", was published on August 13, 2026, in the OC Register, certifying these facts and the options available to the City Council; and

WHEREAS, pursuant to Section 10229 of the California Elections Code, if by the 75th day before the scheduled General Municipal Election (August 20, 2026), no person has been appointed to this office pursuant to (1) above, the election for Council District 2 is required to be held along with all other elective offices on the ballot. If an appointment is made to this office, the General Municipal Election for Council District 2 must be cancelled, but the General Municipal Election will be held for all other elective offices on the ballot; and

WHEREAS, if the City Council makes an appointment pursuant to Section 10229 of the California Elections Code, the City Clerk/Elections Official shall not accept for filing any statement of write-in candidacy for City Councilmember from Council District No. 2 which is submitted after the appointment is made; and

WHEREAS, cancelling the uncontested election for Council District 2 will save the City the unnecessary costs of holding that uncontested election; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS THAT:

1. That the above recitals are true and correct.
2. Pursuant to Section 10229 of the California Elections Code, the following action is taken:

The following person is appointed to the office to which she was nominated, and is considered to be the same as being elected, pursuant to Section 10229(a) of the California Elections Code:

<u>Name</u>	<u>Office</u>	<u>Term</u>
Joshua Sweeney	City Councilmember Council District 2	Full-Term of four years

SECTION 3. Pursuant to Elections Code Section 10229, the General Municipal Election scheduled to be held on Tuesday, November 3, 2026, to elect a candidate for City Council Member from Council District 2 is hereby cancelled because only one person is nominated to be elected in that District, and the City Council has made the above appointment. The General Municipal Election shall still be held to elect candidates for City Council Member from Council Districts 1 and 4.

SECTION 4. The person appointed shall qualify and take office and serve exactly as if elected at the General Municipal Election for the office.

SECTION 5. The City Clerk shall certify to the passage and adoption of this Resolution and so notify the Orange County Registrar of Voters and Board of Supervisors of the City Council's action, and is authorized to take any other administrative actions necessary to cancel the 2026 general municipal election for Council District 2.

PASSED, APPROVED, AND ADOPTED this 19th day of August 2026

Don Caskey, Mayor

ATTEST:

Joshua Stevenson, City Clerk

APPROVED AS TO FORM:

Colin Burns, City Attorney

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss
CITY OF LAGUNA HILLS)

I, Joshua Stevenson, City Clerk of the City of Laguna Hills, California, DO HEREBY CERTIFY that the foregoing is a true and correct copy of Resolution No. 2026-08-19-XX adopted by the City Council of the City of Laguna Hills, California, at a Special Meeting thereof held on the 19th day of August 2026, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

(SEAL)

Joshua Stevenson, City Clerk

EXHIBIT A
OC REGISTER PROOF OF
PUBLICATION

NOTE: The proof of publication is on the following page.

CITY OF LAGUNA HILLS

NOTICE OF CITY CLERK'S CERTIFICATION THAT THERE ARE NOT MORE
CANDIDATES THAN OFFICES TO BE ELECTED

NOTICE IS HEREBY GIVEN, pursuant to Section 10229 of the Elections Code of the State of California, to the following facts relating to the general municipal election to be held on Tuesday, November 3, 2026:

As of the close of the nomination period on August 7, 2026 for the election of one (1) Member of the Councilmember District No. 2 of said City for the full term of four (4) years, there are not more candidates than offices to be elected.

The person so nominated is:

Joshua Sweeney

Laguna Hills City Councilmember

That Section 10229 of the Elections Code allows one of the following courses of action to be taken by the City Council:

1. Appoint to the office the person who has been nominated.
2. Appoint to the office any eligible voter if no one has been nominated.
3. Hold the election if either no one or only one person has been nominated.

On August 19, 2026, the City Council will meet to either make the appointment or direct an election to be held. The person appointed, if any, shall qualify and take office and serve exactly as if elected at a municipal election for the office. If, by the 75th day before the municipal election, no person has been appointed to the office(s) pursuant to (1) or (2) above, the election shall be held for such office(s).

If the City Council makes an appointment pursuant to Section 10229 of the Elections Code, the City Clerk shall not accept for filing any statement of write in candidacy which is submitted after the appointment is made.

Dated: August 7, 2026

Joshua Stevenson

City Clerk, City of Laguna Hills

The Orange County Register
Published: 8/13/26



State of California

ELECTIONS CODE

Section 10229

10229. (a) If, by the 88th day, during normal business hours as posted, prior to the day fixed for a regularly scheduled municipal election or the 83rd day before the election, during normal business hours as posted, if an incumbent fails to file pursuant to Section 10225, (i) no one or only one person has been nominated for any office that is elected on a citywide basis, or (ii) no one or only one person is nominated to be elected from or by a legislative district, or (iii) in the case of any office or offices to be elected at large, the number of persons who have been nominated for those offices does not exceed the number to be filled at that election; or, if, by the 88th day, during normal business hours as posted, before a municipal election to fill any vacancy in office, no one or only one person has been nominated for any elective office to be filled at that election, and the election is subject to Section 36512 of the Government Code, the city elections official shall submit a certificate of these facts to the governing body of the city and inform the governing body of the city that it may, at a regular or special meeting held before the municipal election, adopt one of the following courses of action:

- (1) Appoint to the office the person who has been nominated.
- (2) Appoint to the office an eligible elector if no one has been nominated.
- (3) Hold the election, if either no one or only one person has been nominated. The city elections official shall publish a notice of the facts described in this section and the courses of action available under this subdivision. Publication shall be made pursuant to Section 6061 of the Government Code in any newspaper of general circulation as designated by the city elections official.

After the fifth day following the date of posting or publication, the governing body of the city may make the appointment or direct an election to be held in the affected territory. The person appointed, if any, shall qualify and take office and serve exactly as if elected at a municipal election for the office.

Notwithstanding Section 10403, if, by the 75th day before the municipal election, no person has been appointed to office pursuant to paragraph (1) or (2), the election shall be held.

(b) Subdivision (a) shall not apply if, at the regularly scheduled municipal election, more than one person has been nominated to another city office to be elected on a citywide basis or a city measure has qualified and is to be submitted to the voters at that municipal election.

(c) Notwithstanding Chapter 1 (commencing with Section 8600) of Part 3 of Division 8, or any other provision of the law to the contrary, if the governing body of a city makes an appointment pursuant to subdivision (a), the elections official shall

not accept for filing any statement of write-in candidacy that is submitted after the appointment is made.

(d) Nothing in this section shall be construed to prevent a city from enacting an ordinance pursuant to Section 36512 of the Government Code, requiring that a special election be held, or from enacting an ordinance pursuant to Section 36512 of the Government Code, providing that a person appointed to fill a vacancy on the city council shall hold office only until the date of the special election, or both. Any ordinance or ordinances may allow for appointment consistent with subdivision (a) without requiring or providing for a special election.

If an appointment to office is made in a particular legislative district pursuant to subdivision (a), that appointment shall not affect the conduct of the municipal election in other legislative districts of the city.

(Amended by Stats. 2009, Ch. 549, Sec. 3. (AB 1574) Effective January 1, 2010.)