

II. HOUSING NEEDS ASSESSMENT

Laguna Niguel is located in southern Orange County approximately midway between San Diego and Los Angeles. The City is a master-planned community that offers a range of lifestyle and housing opportunities. Much of Laguna Niguel's growth took place prior to its incorporation in 1989. Since incorporation, the city has grown substantially from a population of approximately 44,400 to about 63,700 residents in 2012. Laguna Niguel is approximately 14.7 square miles in area and is bounded by Dana Point to the south, San Juan Capistrano to the east, Mission Viejo to the northeast, Laguna Hills to the north, Aliso Viejo to the northwest, and Laguna Beach to the west. The Census Bureau reported that the population is relatively affluent with a median household income in 2010 of about \$97,000 compared to \$74,000 for Orange County and \$61,000 for California.

This chapter examines general population and household characteristics and trends, such as age, race and ethnicity, employment, household composition and size, household income, and special needs. Characteristics of the existing housing stock (e.g., number of units and type, tenure, age and condition, costs) are also addressed. Finally, the city's projected housing growth needs based on the 2014-2021 Regional Housing Needs Assessment (RHNA) are examined.

The Housing Needs Assessment utilizes the most recent data from the U.S. Census², California Department of Finance (DOF), California Employment Development Department (EDD), Southern California Association of Governments (SCAG) and other relevant sources. Supplemental data was obtained through field surveys and from private vendors. In addition, the City's 2010-2015 Consolidated Plan provides useful information for this update of the Housing Element.

A. Population Characteristics

1. Population Growth Trends

Laguna Niguel was incorporated December 1, 1989 with a population of approximately 44,400. From 1990 to 2000, the population of the newly incorporated city grew by about 39 percent. The city has experienced slower growth since 2000, increasing by only about 3 percent from 2000 to 2012 to an estimated population of 63,691 in 2012 (see Table II-1 and Figure II-1). The city's 2012 population represents approximately 2.1 percent of the county's total population of 3,055,792.

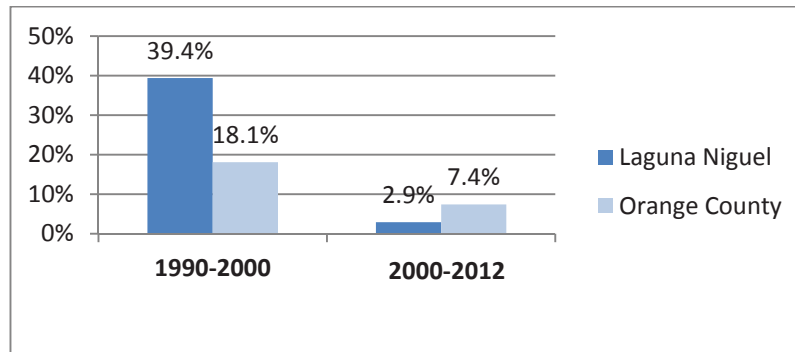
**Table II-1
Population Trends, 1990-2012
Laguna Niguel vs. Orange County**

	1990	2000	2012	Growth 1990-2000	Growth 2000-2012
Laguna Niguel	44,400	61,891	63,691	39.4%	2.9%
Orange County	2,410,556	2,846,289	3,055,792	18.1%	7.4%

Sources: U.S. Census; Calif. Dept. of Finance Table E-5 (2012)

² The two primary sources of Census data used in this analysis are the 2010 Decennial Census, which is based on a 100% survey of American households, and the American Community Survey (ACS), which is a random sampling process updated annually. At the time this document was prepared, the 2006-2010 5-year ACS data was the most current data available.

**Figure II-1
Population Growth – 1990-2012
Laguna Niguel vs. Orange County**



2. Age

Housing needs are influenced by the age characteristics of the population. Different age groups require different accommodations based on lifestyle, family type, income level, and housing preference. Table II-2 provides a comparison of the city’s and county’s population by age group in 2010. This table shows that the City’s population is somewhat older than the county as a whole, with a smaller proportion of residents in the age groups up to 40 and a larger proportion of mature adults and senior citizens. The median age of the city’s population exceeds the county median by over 6 years (42.8 vs. 36.2 years).

**Table II-2
Age Distribution
Laguna Niguel vs. Orange County**

Age Group	Laguna Niguel		Orange County	
	Persons	%	Persons	%
Under 5 years	3,241	5%	191,691	6%
5 to 9 years	3,833	6%	198,769	7%
10 to 14 years	4,398	7%	210,195	7%
15 to 19 years	4,253	7%	227,689	8%
20 to 24 years	3,213	5%	213,601	7%
25 to 29 years	3,123	5%	215,362	7%
30 to 34 years	3,023	5%	198,166	7%
35 to 39 years	3,728	6%	213,605	7%
40 to 44 years	4,793	8%	225,438	7%
45 to 49 years	5,895	9%	230,596	8%
50 to 54 years	6,048	10%	213,589	7%
55 to 59 years	5,091	8%	175,127	6%
60 to 64 years	4,143	7%	146,727	5%
65 to 69 years	2,898	5%	107,421	4%
70 to 74 years	1,854	3%	80,033	3%
75 to 79 years	1,393	2%	63,133	2%
80 to 84 years	1,043	2%	49,570	2%
85 years and over	1,009	2%	49,520	2%
Total	62,979	100%	3,010,232	100%
Median age	42.8		36.2	

Source: 2010 Census

3. Race and Ethnicity

The racial and ethnic composition of the city differs from the county in that a lower proportion of city residents are Hispanic/Latino or other racial minorities. Approximately 73 percent of city residents are non-Hispanic white, contrasted with 44 percent for the county as a whole. The percentage of Hispanics residing in the city, at approximately 14 percent, is substantially lower than that of the county. Asians, at 9 percent, represent the City's largest non-Hispanic minority group (Table II-3).

Table II-3
Race/Ethnicity
Laguna Niguel vs. Orange County

Racial/Ethnic Group	Laguna Niguel		Orange County	
	Persons	%	Persons	%
Not Hispanic or Latino	54,218	86%	1,997,259	66%
-White	45,682	73%	1,328,499	44%
-Black or African American	693	1%	44,000	1%
-American Indian/Alaska Native	115	0%	6,216	0%
-Asian	5,390	9%	532,477	18%
-Native Hawaiian/Pacific Islander	79	0%	8,357	0%
-Other races or 2+ races	2,259	4%	77,710	3%
Hispanic or Latino (any race)	8,761	14%	1,012,973	34%
Total	62,979	100%	3,010,232	100%

Source: 2010 Census, Table DP-1

B. Household Characteristics

1. Household Composition and Size

Household characteristics are important indicators of the type and size of housing needed in a city. The Census defines a “household” as all persons occupying a housing unit, which may include single persons living alone, families related through marriage or blood, or unrelated persons sharing a single unit. Persons in group quarters such as dormitories, retirement or convalescent homes, or other group living situations are included in population totals, but are not considered households.

Table II-4 provides a comparison of households by type for the city and Orange County as a whole, as reported in the 2010 Census. Family households comprised approximately 71 percent of all households in the city, the same as the county as a whole. The household composition in the city is very similar to that of the county although a smaller proportion of City households have children under 18. However, the city’s average household size of 2.59 is somewhat lower than Orange County as a whole (2.99).

Table II-4
Household Composition
Laguna Niguel vs. Orange County

Household Type	Laguna Niguel		Orange County	
	Households	%	Households	%
Family households:	17,234	71%	708,491	71%
Husband-wife family	14,077	58%	538,268	54%
With own children under 18 years	6,211	26%	258,719	26%
Male householder, no wife present	886	4%	54,615	6%
With own children under 18 years	416	2%	22,972	2%
Female householder, no husband present	2,271	9%	115,608	12%
With own children under 18 years	1,059	4%	53,896	5%
Nonfamily households:	6,998	29%	284,290	29%
Householder living alone	5,390	22%	207,849	21%
Households with individuals under 18 years	8,085	33%	375,387	38%
Households with individuals 65 years and over	5,899	24%	252,420	25%
Total households	24,232	100%	992,781	100%
Average household size	2.59		2.99	

Source: 2010 Census, Table DP-1

2. Housing Tenure

Housing tenure (owner vs. renter) is an important indicator of the housing market. Communities need an adequate supply of units available both for rent and for sale in order to accommodate a range of households with varying income, family size and composition, and lifestyle. Table II-5 provides a comparison of the number of owner-occupied and renter-occupied units in the city in 2010 as compared to the county as a whole. It reveals that the level of home ownership for the city (69 percent) is substantially higher than the county (56 percent).

Table II-5
Household Tenure –
Laguna Niguel vs. Orange County

Housing Type	Laguna Niguel		Orange County	
	Units	%	Units	%
Occupied housing units	24,232	96%	992,781	95%
Owner-occupied housing units	17,453	69%	588,313	56%
Average household size of owner-occupied units	2.58		2.98	
Renter-occupied housing units	6,779	27%	404,468	39%
Average household size of renter-occupied units	2.61		3.00	
Vacant housing units	1,080	4%	56,126	5%
For rent	391	2%	25,254	2%
Rented, not occupied	27	0.1%	1,327	0.1%
For sale only	152	1%	8,434	1%
Sold, not occupied	65	0.3%	2,096	0.2%
For seasonal, recreational, or occasional use	287	1%	10,806	1%
All other vacants	158	1%	8,209	1%
Homeowner vacancy rate (%)	0.9		1.4	
Rental vacancy rate (%)	5.4		5.9	
Total housing units	25,312	100%	1,048,907	100%

Source: 2010 Census, Table DP-1

3. Overcrowding

Overcrowding is often closely related to household income and the cost of housing. The U.S. Census Bureau considers a household to be overcrowded when there is more than one person per room, excluding bathrooms and kitchens, with severe overcrowding when there are more than 1.5 occupants per room. Table II-6 summarizes recent overcrowding data for the City of Laguna Niguel compared to the county as a whole.

Table II-6
Overcrowding –
Laguna Niguel vs. Orange County

Occupants per Room	Laguna Niguel		Orange County	
	Units	%	Units	%
Owner occupied units	18,428	100%	599,032	100%
1.01 to 1.50	57	0.3%	18,297	3%
1.51 to 2.00	5	0.0%	4,962	1%
2.01 or more	10	0.1%	1,527	0.3%
Renter occupied units	5,928	100%	385,471	100%
1.01 to 1.50	193	3%	38,874	10%
1.51 to 2.00	31	0.5%	18,709	5%
2.01 or more	56	0.9%	7,508	2%

Source: Census 2006-2010 ACS, Table B25014

This table shows that overcrowding was much more prevalent among renters than for owner-occupied units in both Laguna Niguel and the county. Approximately 4 percent of the city's renter-occupied households were overcrowded compared to less than 1 percent of owner-occupants.

4. Household Income and Overpayment

Household income is a primary factor affecting housing needs in a community. According to recent Census data, the median household income in Laguna Niguel was approximately \$97,000, approximately 30 percent higher than the Orange County median income of \$74,344 (Table II-7).

Table II-7
Median Household Income –
Orange County and Selected Cities

Jurisdiction	Median Household Income	% of County Median Income
Dana Point	\$80,609	108%
Laguna Beach	\$98,634	133%
Laguna Niguel	\$97,018	130%
Lake Forest	\$91,040	122%
Mission Viejo	\$95,878	129%
Rancho Santa Margarita	\$99,722	134%
San Juan Capistrano	\$76,686	103%
Orange County	\$74,344	100%
California	\$60,883	82%

Source: U.S. Census, 2006-2010 ACS, Table DP-3

While median income statistics provide a general indication of residents' financial status, overpayment data is more useful in assessing needs, particularly at the lower end of the spectrum. Recent amendments to state law now require an assessment of the needs of *extremely-low-income* households, defined as those whose annual incomes do not exceed 30% of the county median (about \$29,000 for a 4-person family in 2012 – see Table II-15). According to state housing policy, overpaying occurs when housing costs exceed 30 percent of gross household income. Table II-8 displays recent estimates for overpayment by household income level. This table shows that 90 percent of all lower-income renter households and 72 percent of all lower-income owner households in Laguna Niguel were overpaying for housing. For all households in Laguna Niguel, 52 percent of renters and 44 percent of owners were overpaying. While extremely low-income owners appeared to suffer the greatest cost burden, with 96 percent of this category overpaying for housing, a majority of all lower-income households, both renters and owners, were found to be overpaying for housing. Although homeowners enjoy income and property tax deductions and other benefits that help to compensate for high housing costs, lower-income homeowners may need to defer maintenance or repairs due to limited funds, which can lead to deterioration. For lower-income renters, severe cost burden can require families to double up, resulting in overcrowding and related problems.

Table II-8
Overpayment by Income Category –
Laguna Niguel

Income Category	Owners		Renters	
	Households	Percent	Households	Percent
Extremely low households	350		385	
Households overpaying	335	95.7%	340	88.3%
Very low households	1,760		1,000	
Households overpaying	1,280	72.7%	895	89.5%
Low households	1,915		1,065	
Households overpaying	1,300	67.9%	980	92.0%
Subtotal: All lower-income households	4,025		2,450	
Subtotal: Households overpaying	2,915	72.4%	2,215	90.4%
Moderate households	2,990		1,360	
Households overpaying	1,845	61.7%	550	40.4%
Above moderate households	10,860		1,750	
Households overpaying	3,085	28.4%	105	6.0%

Source: U.S. Department of Housing and Urban Development, CHAS, based on the 2006-2008 ACS. Table 15

Extremely Low Income Households

State law requires quantification and analysis of existing and projected housing needs of extremely-low-income (ELI) households. Extremely-low-income is defined as households with income less than 30% of area median income. According to HCD income data (see Table II-7), the area median income for Orange County in 2012 was \$85,300. For ELI households, this results in an income of \$28,900 or less for a four-person household. ELI households have a variety of housing problems and needs.

Existing Needs. Recent Census data estimated that approximately 735 ELI households resided in Laguna Niguel (Table II-8), and of these, 88% of renter households and 96% of owner households were overpaying. High cost burden can also lead to other problems such as overcrowding and deferred maintenance of owner-occupied housing.

Projected Needs. The projected housing need for ELI households is assumed to be 50% of the very-low-income regional housing need of 43 units (see Table II-24). As a result, the City has a projected need for 22 ELI units during the current planning period. The resources and programs to address this need are generally

the same as for other lower-income categories and are discussed throughout the Housing Element, including Chapter V, the Housing Plan. Because the needs of ELI households overlap extensively with other special needs groups, further analysis and resources for these households can be found in Section IV.A.1.d, Zoning for Affordable Housing and Special Needs Housing, page 41.

C. Employment

Employment is an important factor affecting housing needs within a community. The jobs available in each employment sector and the wages for these jobs affect the type and size of housing residents can afford.

1. Current Employment

Current employment and projected job growth have a significant influence on housing needs during this planning period. Recent Census estimates (Table II-9) reported that the city had a workforce of 34,233 persons, or 68 percent of the working-age population. About 5 percent of those in the labor force, in both Laguna Niguel and the county as a whole, were unemployed.

Table II-9
Labor Force –
Laguna Niguel vs. Orange County

Labor Force Status	Laguna Niguel		Orange County	
	Persons	%	Persons	%
Population 16 years and over	50,529	100%	2,315,782	100%
In labor force	34,233	68%	1,559,264	67%
Civilian labor force	34,119	68%	1,556,696	67%
Employed	31,664	63%	1,442,008	62%
Unemployed	2,455	5%	114,688	5%
Armed Forces	114	0%	2,568	0%
Not in labor force	16,296	32%	756,518	33%

Source: Census 2006-2010 ACS, Table DP3

As seen in (Table II-10), approximately 51 percent of the city's working residents were employed in management, business, science and arts. A significant percentage of workers (30 percent) were employed in sales and office-related occupations. A relatively low percentage of workers (11 percent) were employed in service-related occupations such as waiters, waitresses, and beauticians. Blue collar occupations such as machine operators, assemblers, farming, transportation, handlers, and laborers constituted about 4 percent of the workforce.

Table II-10
Employment by Occupation –
Laguna Niguel

Occupation	Laguna Niguel	
	Persons	%
Civilian employed population 16 years and over	31,664	100%
Management, business, science, and arts occupations	16,297	51%
Service occupations	3,576	11%
Sales and office occupations	9,419	30%
Natural resources, construction, and maintenance occupations	1,081	3%
Production, transportation, and material moving occupations	1,291	4%

Source: U.S. Census 2006-2010 ACS, Table DP3

2. Projected Job Growth

Future housing needs are affected by the number and type of new jobs created during this planning period. Table II-11 shows projected job growth by occupation for the Santa Ana-Anaheim-Irvine MSA (Orange County) for the period 2008-2018. Total employment in Orange County is expected to grow by 8.4% during this 10-year period. The overall growth is expected to add 135,500 new jobs and bring the total employment in Orange County to approximately 1.75 million by 2018.

Table II-11
Projected Job Growth by Occupation, 2008-2018 –
Santa Ana-Anaheim-Irvine Metropolitan Statistical Area

NAICS Code	Industry Title	Annual Average Employment		Employment Change	
		2008	2018	Jobs	Percent
	Total Employment	1,620,600	1,756,100	135,500	8.4
	Self Employment (A)	124,300	127,800	3,500	2.8
	Unpaid Family Workers (B)	1,200	1,300	100	8.3
	Private Household Workers (C)	8,900	13,000	4,100	46.1
	Total Farm	4,600	4,600	0	0.0
	Total Nonfarm	1,481,600	1,609,400	127,800	8.6
1133,21	Mining and Logging	600	600	0	0.0
23	Construction	91,200	99,500	8,300	9.1
31-33	Manufacturing	174,100	168,000	-6,100	-3.5
22,42-49	Trade, Transportation, and Utilities	271,600	292,800	21,200	7.8
42	Wholesale Trade	86,700	92,000	5,300	6.1
44-45	Retail Trade	155,600	168,700	13,100	8.4
22,48-49	Transportation, Warehousing, and Utilities	29,300	32,100	2,800	9.6
48-49	Transportation and Warehousing	25,400	27,300	1,900	7.5
51	Information	30,100	29,800	-300	-1.0
52-53	Financial Activities	113,100	118,100	5,000	4.4
52	Finance and Insurance	76,100	80,500	4,400	5.8
53	Real Estate and Rental and Leasing	37,000	37,600	600	1.6
54-56	Professional and Business Services	266,600	300,100	33,500	12.6
55	Management of Companies and Enterprises	26,100	27,000	900	3.4
56	Admin/Support and Waste Mgmt & Remediation	124,500	136,400	11,900	9.6
61-62	Education Svcs, Health Care, and Social Assistance	150,700	183,900	33,200	22.0
61	Educational Services (Private)	23,600	27,400	3,800	16.1
62	Health Care and Social Assistance	127,100	156,500	29,400	23.1
71-72	Leisure and Hospitality	176,400	195,900	19,500	11.1
71	Arts, Entertainment, and Recreation	36,800	40,500	3,700	10.1
72	Accommodation and Food Services	139,700	155,400	15,700	11.2
81	Other Svcs (excludes Private Household Workers)	46,500	49,600	3,100	6.7
	Government	160,800	171,100	10,300	6.4
	Federal Government	11,700	11,600	-100	-0.9
	State and Local Government	149,000	159,500	10,500	7.0
	State Government	28,000	31,500	3,500	12.5
	Local Government	121,000	128,000	7,000	5.8

Source: California Employment Development Department, March 2009 Benchmark

Industry detail may not add up to totals due to independent rounding

(A) Self-Employed persons work for profit or fees in their own business, profession, trade, or farm. Only the unincorporated self-employed are included in this category. The estimated and projected employment numbers include all workers who are primarily self-employed and wage and salary workers who hold a secondary job as a self-employed worker.

(B) Unpaid family workers are those persons who work without pay for 15 or more hours per week on a farm or in a business operated by a member of the household to whom they are related by birth or marriage.

(C) Private Household Workers are employed as domestic workers whose primary activities are to maintain the household.

Industry employment is based on the Quarterly Census of Employment and Wages (QCEW) program.

3. Jobs-Housing Balance

A regional balance of jobs to housing helps to ensure that the demand for housing is reasonably related to supply. When the number of jobs significantly exceeds the housing supply, the rental and for-sale housing markets may become overheated, requiring households to pay a larger percentage of their income for housing. In addition, a tight housing market can result in overcrowding and longer commute times as workers seek more affordable housing in outlying areas. The current jobs-housing objective within the SCAG region is one new housing unit for every 1.5 jobs.³ According to SCAG's Integrated Growth Forecast, in 2010 there were 18,536 jobs in Laguna Niguel compared to 25,312 housing units, a jobs/housing ratio of 0.73.

According to recent Census data, 89.3 percent of employed Laguna Niguel residents worked in Orange County, and approximately 20 percent of all workers were employed within the city limits (Table II-12).

Table II-12
Job Location for Laguna Niguel Residents

Workplace Location	Percentage
Worked in state of residence	99.3%
Worked in county of residence	89.3%
Worked in place of residence	19.9%
Worked outside county of residence	10.0%
Worked outside state of residence	0.7%

Source: Census 2006-2010 ACS, Table S0801

³ SCAG 2008 Regional Comprehensive Plan, Land Use & Housing Chapter

D. Housing Stock Characteristics

This section presents an evaluation of the characteristics of the community's housing stock and helps in identifying and prioritizing needs. The factors evaluated include the number and type of housing units, recent growth trends, age and condition, tenure, vacancy, housing costs, affordability, and assisted affordable units at-risk of loss due to conversion to market-rate. A housing unit is defined as a house, apartment, mobile home, or group of rooms, occupied as separate living quarters, or if vacant, intended for occupancy as separate living quarters.

1. Housing Type and Growth Trends

As of 2012, the housing stock in Laguna Niguel was comprised mostly of single-family homes, which made up about 77 percent of all units, while multi-family units comprised about 23 percent of the total. There are no mobile homes in the city. Table II-13 provides a breakdown of the housing stock by type along with growth trends for the city compared to the county as a whole for the period 2000–2012.

Table II-13
Housing by Type, 2000-2012 –
Laguna Niguel vs. Orange County

Structure Type	2000		2012		Growth	
	Units	%	Units	%	Units	%
Laguna Niguel						
Single-family	18,174	76%	19,547	77%	1,373	94%
Multi-family	5,695	24%	5,779	23%	84	6%
Mobile homes*	0	-	0	-	0	-
Total units	23,869	100%	25,326	100%	1,489	100%
Orange County						
Single-family	614,359	63%	663,030	63%	48,671	59%
Multi-family	322,675	33%	355,807	34%	33,132	40%
Mobile homes	32,450	3%	33,524	3%	1,074	1%
Total units	969,484	100%	1,052,361	100%	82,877	100%

Source: Cal. Dept. of Finance, Tables E-5 & E-8

*Note: DOF data incorrectly reports mobile homes in Laguna Niguel. The City is working with DOF to correct the errors.

Between 2000 and 2012, single-family homes represented about 94 percent of all units added to the city's housing stock compared to 59 percent for the county as a whole.

2. Housing Age and Conditions

Housing age is often an important indicator of housing condition. Housing units built prior to 1978 before stringent limits on the amount of lead in paint were imposed may have interior or exterior building components coated with lead-based paint. Housing units that are more than 30 years old are the most likely to need rehabilitation and to have lead-based paint in deteriorated condition. Table II-14 shows the age distribution of the housing stock in Laguna Niguel compared to Orange County as a whole.

Table II-14
Age of Housing Stock

Year Built	Laguna Niguel		Orange County	
	Units	%	Units	%
Built 2005 or later	203	1%	21,184	2%
Built 2000 to 2004	898	3%	63,957	6%
Built 1990 to 1999	5,995	23%	120,798	12%
Built 1980 to 1989	12,563	49%	167,031	16%
Built 1970 to 1979	4,172	16%	262,455	25%
Built 1960 to 1969	1,614	6%	215,213	21%
Built 1950 to 1959	223	1%	138,061	13%
Built 1940 to 1949	52	0%	26,745	3%
Built 1939 or earlier	85	0%	26,810	3%
Total units	25,805	100%	1,042,254	100%

Source: Census 2006-2010 ACS, Table DP-4

This table shows that only about 23 percent of housing units in Laguna Niguel were constructed prior to 1980. The fact that the vast majority of the city's housing stock is less than 30 years old suggests that there is less need for rehabilitation than in most jurisdictions in Southern California.

Because more than three-quarters of the city housing stock was built after 1980, structural deterioration and maintenance problems are rare. However, the goal of the City's Code Enforcement program is to address housing concerns before they become serious problems.

It is estimated that approximately 5 percent of the homes in the City's older neighborhoods, typically built in the late 1960s and early 1970s, are in need of structural repairs consisting primarily of new roofs and window replacements. There are approximately 6,000 dwelling units in Laguna Niguel that were built prior to 1980, therefore it is estimated that approximately 300 dwelling units may be in need of some structural repair, which represents about 1 percent of the total housing stock in Laguna Niguel.

3. Housing Cost

a. Housing Affordability Criteria

State law establishes five income categories for purposes of housing programs based on the area (i.e., county) median income ("AMI"): extremely-low (30% or less of AMI), very-low (31%-50% of AMI), low (51%-80% of AMI), moderate (81-120% of AMI) and above moderate (over 120% of AMI). Housing affordability is based on the relationship between household income and housing expenses. According to HUD and the California Department of Housing and Community Development⁴, housing is considered "affordable" if the monthly payment is no more than 30% of a household's gross income. In some areas, such as Orange County, these income limits may be increased to adjust for high housing costs.

⁴ HCD memo of 2/1/2012 (<http://www.hcd.ca.gov/hpd/hrc/rep/state/incNote.html>)

Table II-15 shows affordable rent levels and estimated affordable purchase prices for housing in Orange County (including Laguna Niguel)⁵ by income category. Based on state-adopted standards, the maximum affordable monthly rent (including utilities) for extremely-low-income households is \$723, while the maximum affordable rent for very-low-income households is \$1,204. The maximum affordable rent for low-income households is \$1,926, while the maximum for moderate-income households is \$2,559.

Maximum purchase prices are more difficult to determine due to variations in mortgage interest rates, qualifying procedures, down payments, special tax assessments, homeowner association fees, property insurance rates, etc. With this caveat, the maximum home purchase prices by income category shown in Table II-15 have been estimated based on typical conditions.

**Table II-15
Income Categories and Affordable Housing Costs, 2012 –
Orange County**

2012 County Median Income = \$85,300	Income Limits	Affordable Rent	Affordable Price (est.)
Extremely Low (<30%)	\$28,900	\$723	--
Very Low (31-50%)	\$48,150	\$1,204	--
Low (51-80%)	\$77,050	\$1,926	\$300,000
Moderate (81-120%)	\$102,350	\$2,559	\$400,000
Above moderate (120%+)	>\$102,350	>\$2,559	>\$400,000

Assumptions:
 -Based on a family of 4
 -30% of gross income for rent or Principal/Interest/Taxes/Insurance
 -10% down payment, 4.5% interest, 1.25% taxes & insurance, \$200 HOA dues
 Source: Cal. HCD; J.H. Douglas & Associates

b. For-Sale Housing

Housing sales price statistics for 2012 (Table II-16) show that the median sales prices of single-family detached homes and condos were \$636,000 and \$279,000, respectively. Based on the estimated affordable purchase prices shown in Table II-15 above, most detached homes are only affordable for above-moderate income households but a significant proportion of condo units were affordable to moderate- and even some lower-income residents. These data illustrate that large public subsidies are generally required to reduce sales prices to a level that is affordable to very-low-income buyers.

**Table II-16
Housing Sales Prices 2012 –
Laguna Niguel**

ZIP Code	Single-Family		Condo	
	Sales	Median	Sales	Median
92677	737	\$636,000	480	\$279,000

Source: DQ News, 2/2013

⁵ Affordable rent and purchase prices are based on county median income.

c. Rental Housing

As described previously in the discussion of income and overpayment (Table II-8), a large proportion of renters in Laguna Niguel fall within the lower-income categories. As a result, trends in rental rates have a major impact on these residents. According to the apartment research firm RealFacts, rents in Orange County reached an all-time high in 2012 with a countywide average of \$1,604. In the wake of the financial crisis of 2008-2009 average rents in Orange County declined from \$1,603 in 2008 to \$1,473 in early 2010, but growing demand has allowed the market to fully recover those temporary losses. Real estate professionals expect rents to continue rising in the near future as growing demand exceeds the pace of new apartment construction.

When market rents are compared to the amount lower-income households can afford to pay (Table II-15), it is clear that very-low- and extremely-low-income households have a difficult time finding housing without overpaying. The gap between average rents and affordable rent for 4-person families at the very-low-income level is about \$400 per month, while the gap at the extremely-low-income level is \$881 per month. However, at the low-income and moderate-income levels, households are much more likely to find affordable rentals.

E. Special Needs

Certain groups have greater difficulty in finding decent, affordable housing due to special circumstances. Such circumstances may be related to one's employment and income, family characteristics, disability, or other conditions. As a result, some Laguna Niguel residents may experience a higher prevalence of overpayment, overcrowding, or other housing problems.

State Housing Element law defines "special needs" groups to include persons with disabilities (including developmental disabilities), the elderly, large households, female-headed households with children, homeless people, and farm workers. This section contains a discussion of the housing needs facing each of these groups.

1. Persons with Disabilities

The most recent available Census data reported that approximately 2,970 people between 16 and 64 years of age, or about 7.2 percent of the working age population, reported a work-related disability (Table II-17). Of those aged 65 and over, 941 (about 17.1 percent) reported some form of physical disability. Reported disabilities included persons whose disability hinders their ability to go outside the home (3.8 percent of the working age population and 16.9 percent of the senior population). Housing opportunities for the handicapped can be maximized through housing assistance programs and providing universal design features such as widened doorways, ramps, lowered countertops, single-level units and ground floor units.

Table II-17
Persons with Disabilities by Age Group –
Laguna Niguel

Disability by Age	Disabilities	Percent
Age 5 to 15 - total persons*	10,586	--
With a sensory disability	61	0.6%
With a physical disability.	64	0.6%
With a mental disability	331	3.1%
With a self-care disability	87	0.8%
Age 16 to 64 - total persons*	41,288	--
With a sensory disability	523	1.3%
With a physical disability.	1,105	2.7%
With a mental disability	609	1.5%
With a self-care disability	264	0.6%
With a go-outside-the-home disability	1,564	3.8%
With an employment disability	2,970	7.2%
Age 65 and over - total persons*	5,508	--
With a sensory disability	535	9.7%
With a physical disability.	941	17.1%
With a mental disability	392	7.1%
With a self-care disability	357	6.5%
With a go-outside-the-home disability	932	16.9%

Source: 2000 Census, SF3 Tables P8 and P41

* Numbers in shaded rows represent persons, not disabilities. Persons may report more than one disability

Developmentally Disabled

As defined by federal law, “developmental disability” means a severe, chronic disability of an individual that:

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

The Census does not record developmental disabilities. According to the U.S. Administration on Developmental Disabilities, an accepted estimate of the percentage of the population that can be defined as developmentally disabled is 1.5 percent. Many developmentally disabled persons can live and work independently within a conventional housing environment. More severely disabled individuals require a group living environment where supervision is provided. The most severely affected individuals may require an institutional environment where medical attention and physical therapy are provided. Because developmental disabilities exist before adulthood, the first issue in supportive housing for the developmentally disabled is the transition from the person’s living situation as a child to an appropriate level of independence as an adult.

The State Department of Developmental Services (DDS) currently provides community-based services to approximately 243,000 persons with developmental disabilities and their families through a statewide system of 21 regional centers, four developmental centers, and two community-based facilities. The Regional Center of Orange County (RCOC) is one of 21 regional centers in the State of California that provides point of entry to services for people with developmental disabilities. The RCOC is a private, non-profit community agency that contracts with local businesses to offer a wide range of services to individuals with developmental disabilities and their families.

Any resident of Orange County who has a developmental disability that originated before age 18 is eligible for services. Services are offered to people with developmental disabilities based on Individual Program Plans and may include: Adult day programs; advocacy; assessment/consultation; behavior management programs; diagnosis and evaluation; independent living services; infant development programs; information and referrals; mobility training; prenatal diagnosis; residential care; respite care; physical and occupational therapy; transportation; consumer, family vendor training; and vocational training. RCOC also coordinates the state-mandated Early Start program, which provides services for children under age three who have or are at substantial risk of having a developmental disability. According to the RCOC February 2010 Facts and Statistics data, the RCOC currently serves approximately 16,728 individuals. Of those, a total of 239 individuals, 138 whom are under age 18, currently reside in Laguna Niguel according to Jack Stanton, RCOC Chief Counselor.

The mission of the Dayle McIntosh Center is to advance the empowerment, equality, integration and full participation of people with disabilities in the community. The Center is not a residential program, but instead promotes the full integration of disabled persons into the community. Dayle McIntosh Center is a consumer-driven organization serving all disabilities. Its staff and board are composed of over 50% of people with disabilities. Its two offices service over 500,000 people in Orange County and surrounding

areas with disabilities. The Center's South County branch is located in Laguna Hills, immediately adjacent to Laguna Niguel.

In addition to these resources, City housing programs that respond to the needs of this population include 1-Emergency Shelters and Transitional/Supportive Housing, 2-Affordable Housing Development, 3-Conservation and Improvement of Existing Low- and Moderate-Income Housing, and 4-Promotion of Equal Housing Opportunity.

2. Elderly

Recent Census Bureau estimates reported 18,428 owner-occupied households and 5,928 renter-occupied households in Laguna Niguel where the householder was 65 or older (Table II-18). Many elderly persons are dependent on fixed incomes or have disabilities. Elderly homeowners may be physically unable to maintain their homes or cope with living alone. The housing needs of this group can be addressed through smaller units, second units on lots with existing homes, shared living arrangements, congregate housing, and housing assistance programs.

Table II-18
Elderly Households by Tenure –
Laguna Niguel

Householder Age	Owner		Renter	
	Households	%	Households	%
Under 65 years	14,392	78%	5,376	91%
65 to 74 years	2,375	13%	306	5%
75 to 84 years	1,225	7%	140	2%
85 years and over	436	2%	106	2%
Total Households	18,428	100%	5,928	100%

Source: U.S. Census 2006-2010 ACS, Table B25007

3. Large Households

Household size is an indicator of need for large units. Large households are defined as those with five or more members. Recent Census estimates show that approximately 57 percent of owner households and 64 percent of renter households in Laguna Niguel have only one or two members. About 9 percent of renter households had five or more members, while about 8 percent of owners were large households (Table II-19). This distribution indicates that the need for large units with four or more bedrooms is expected to be significantly less than for smaller units.

Table II-19
Household Size by Tenure –
Laguna Niguel

Householder Age	Owner		Renter	
	Households	%	Households	%
1 person	4,134	22%	1,660	28%
2 persons	6,500	35%	2,162	36%
3 persons	3,620	20%	740	12%
4 persons	2,832	15%	836	14%
5 persons	924	5%	262	4%
6 persons	302	2%	159	3%
7 persons or more	116	1%	109	2%
Total Households	18,428	100%	5,928	100%

Source: U.S. Census 2006-2010 ACS, Table B25009

4. Female-Headed Households

Recent Census estimates reported that 7 percent of owner households and 17 percent of renter households in the city were headed by a female (Table II-20). While female-headed households represent a small portion of households, they are likely to have housing problems such as overpayment or overcrowding. City programs to facilitate new affordable housing development and conservation of existing affordable homes help to serve the needs of single-parent households with low- and moderate-incomes.

Table II-20
Household Type by Tenure –
Laguna Niguel

Household Type	Owner		Renter	
	Households	%	Households	%
Married couple family	11,731	64%	2,239	38%
Male householder, no wife present	479	3%	226	4%
Female householder, no husband present	1,372	7%	995	17%
Non-family households	4,846	26%	2,468	42%
Total Households	18,428	100%	5,928	100%

Source: U.S. Census 2006-2010 ACS, Table B11012

5. Farm Workers

Farm workers are traditionally defined as persons whose primary income is from seasonal agricultural work. Historically, Orange County's economy was linked to agriculture. Today, Orange County is a mostly developed urban/suburban region, with a strong local economy that is not tied to an agricultural base. While there are still significant active farming areas on the Irvine Ranch to the north and Rancho Mission Viejo to the southeast, shifts in the county's economy to manufacturing, technology, and service-oriented sectors have significantly curtailed agricultural production. Recent Census⁶ estimates reported that 91 persons living in Laguna Niguel were employed in agricultural occupations. This total includes all occupations, including profession and managerial categories. Since there are no significant agricultural operations within Laguna Niguel, the need for permanent farmworker housing is of less concern than in other areas where large-scale agricultural operations exist. The needs of lower-income agricultural workers

⁶ 2006-2010 ACS, Table S2405

who are permanent residents are addressed through a variety of affordable housing programs that serve the needs of all lower-income persons and are not restricted only to farmworkers.

6. Homeless Persons

Throughout the country, homelessness is a serious problem. Factors contributing to homelessness include: the general lack of emergency shelters and transitional housing, housing affordable to lower-income persons; an increasing number of persons whose incomes fall below the poverty level; reductions in public assistance for the poor; and the de-institutionalization of the mentally ill.

To estimate the number of homeless in the city an analysis of existing studies/estimates was utilized and different organizations and agencies were consulted. The County of Orange Housing and Community Services Department undertakes a biannual “Point-in-Time” survey of the homeless population as part of its application for homeless assistance grant funds to HUD. The most recent Point-in-Time survey for which results are available (January 2011) estimated that there were approximately 6,939 homeless persons at the time of the survey, of which 2,667 were sheltered and 4,272 were unsheltered⁷. While the survey did not estimate the total homeless population by jurisdiction, the survey did ask respondents where they lived just prior to becoming homeless. Of the 610 survey respondents, 4 (0.7%) reported Laguna Niguel as their last city of residence.

By the very nature of homelessness, it is difficult to determine the location of homeless persons. Based on field observations, law enforcement personnel reported that there are no locations in the City where the homeless congregate, but individuals are occasionally seen passing through. Regardless of what methodology is used for estimating the location of the homeless, this is a regional issue and the City will continue to work cooperatively with the County and other agencies to address it from a regional perspective.

Senate Bill (SB) 2 of 2007 requires that jurisdictions quantify the need for emergency shelter and determine whether existing facilities are adequate to serve the need. An emergency shelter is defined as “housing with minimal supportive services for homeless persons that is limited to occupancy of six months or less by a homeless person. No individual or household may be denied emergency shelter because of an inability to pay.” If adequate existing facilities are not available, the law requires jurisdictions to identify areas where new facilities are permitted “by-right” (i.e., without requiring discretionary approval such as a use permit). A jurisdiction could also satisfy its shelter needs through a multi-jurisdictional agreement with up to two adjacent communities to develop at least one year-round shelter within two years of the beginning of the planning period. As noted in Chapter IV the City allows emergency shelters in compliance with SB 2.

Inventory of Emergency Shelters and Transitional Housing Facilities

Local facilities that are available to serve the needs of homeless persons and families in Laguna Niguel are discussed below.

- **Emergency Shelters** – Emergency shelters are generally geared toward providing immediate housing to persons without shelter. Stays in emergency shelters are typically limited to a short period of time (1 to 90 days). Several service agencies located near Laguna Niguel provide emergency shelter and services for the homeless in south Orange County. These shelters and services are identified in Table II-21. The number of beds listed represents total shelter capacity – none of the shelter beds are restricted for persons from Laguna Niguel. Based on this data, there are approximately 130 emergency shelter beds available to serve homeless persons who may be in Laguna Niguel.

⁷ 2011 Orange County Homeless Census and Survey Comprehensive Report, Applied Survey Research, 2011

Table II-21
Emergency Shelters Serving Laguna Niguel

Shelter Name	Location ¹	No. of Beds	Services	% of Beds/Services for Chronic Homeless
CSP Youth Shelter	Laguna Beach	6	Emergency housing, support and family reunification services	0%
Cold Weather Shelter ²	Laguna Beach	40	Emergency housing during winter months	100%
Friendship Shelter	Laguna Beach	3	Emergency housing and support services	100%
Gilchrist House	San Clemente	10	Emergency housing and supportive services for women and children	20%
Human Options	Irvine	40	Emergency housing and support services for victims of domestic violence	15%
Laura's House	San Clemente	30	Emergency housing and support services for victims of domestic violence	15%

Source: County of Orange Housing and Community Services Department

1. Location may be administrative office and not location of shelter facility.

2. Beds only available during winter months

- Transitional/Supportive Housing** – Transitional and supportive housing is an important component for assisting homeless individuals and families to become self-sufficient. Facilities serving this target population in southern Orange County are shown in Table II-22. The number of beds listed represents total shelter capacity – none of the shelter beds are restricted for persons from Laguna Niguel. Based on this data, there are approximately 185 transitional housing beds available to serve residents of the city. City land use regulations permit transitional and supportive housing as a residential use subject to the same regulations and procedures that apply to other residential units of the same type in the same zone in conformance with state law.

**Table II-22
Transitional Housing Facilities Serving Laguna Niguel**

Shelter Name	Location	No. of Beds	Services	% of Beds/Services for Chronic Homeless
Families Forward	Irvine	13	Transitional housing and supportive services for families	10%
Friendship Shelter	Laguna Beach	26	Transitional housing and supportive services for single adults	30%
Henderson House	San Clemente	24	Transitional housing for single adults recovering from substance addiction	30%
Hope's House	Aliso Viejo	10	Transitional housing and supportive services for women with infants	30%
Gilchrist House	San Clemente	16	Transitional housing and supportive services for women and children	25%
Kathy's House	San Juan Capistrano	12	Transitional housing & support services for victims of domestic violence	25%
Laura's House	San Clemente	8	Transitional housing and support services for victims of domestic violence	15%
South County Community Outreach	Laguna Hills & Mission Viejo	56 to 73	Transitional housing (17 housing units) & support services for families (5 units in Mission Viejo)	25%
Toby's House	Capistrano Beach & Mission Viejo	15	Transitional housing for pregnant women and infants	0%

Source: County of Orange Housing and Community Services Department

F. Assisted Housing at Risk of Conversion

This section identifies all residential projects in the city that are under an affordability restriction, along with those housing projects that are at risk of losing their low-income affordability restrictions within the ten-year period 2013 to 2023. This information is used in establishing quantified objectives for units that can be conserved during this planning period. The inventory of assisted units includes all units that have been assisted under any federal Department of Housing and Urban Development (HUD), state, local and/or other program.

1. Inventory of Assisted Units

Assisted projects in Laguna Niguel are shown in Table II-23. The table shows that of the three assisted projects in the city, two are eligible to convert to market rate within the 2013-2023 timeframe.

Table II-23
Inventory of Assisted Units

Project	Type of Assistance	Total Units/ Affordable Units	Project Type	Expiration Date	At Risk 2013-2023?
Alicia Park Apartments	223(a)(7)/221(d)(4)M	56/56	Sec. 8	11/2013	Yes
Rancho Niguel	Section 8 NC	51/51	Sec. 8	4/2032	No
Village La Paz	Section 8 NC	100/100	Sec. 8	6/2017	Yes

Sources:

OC Housing & Community Services Dept. and City of Laguna Niguel Community Development Dept.
California Housing Partnership Corporation, 2/2013

2. Units at Risk

According to the California Housing Partnership and the City's analysis, there are two assisted projects that are at-risk during 2013-2023 in Laguna Niguel. In general, there are three actions that can result in the conversion of public-assisted units:

1. Prepayment of HUD mortgages:
 - a. Section 221(d)(3) or (4)M – property owner receives either below-market interest rate or market interest rate loans from HUD with a rental subsidy for tenants as well. The program also allows for long-term mortgages (up to 40 years) that can be financed with Government National Mortgage Association (GNMA) Mortgage Backed Securities.
 - b. Section 236 – property owner receives financial assistance from HUD to pay interest costs, thereby reducing tenant rental costs. Rental subsidies may also be provided to the tenants.
 - c. Section 223(a)(7) – property owner is provided funds to refinance existing debt and to complete necessary repairs, resulting in lower debt service and improved mortgage security. It is available only to mortgages currently insured by FHA.
 - d. Section 202 – non-profit property owner receives a loan from HUD to pay for development costs with a rental subsidy for senior tenants.
 - e. Section 811 – property owner receives financial assistance from HUD to pay for development costs of units for special needs.

2. Expiration/opt-out of project-based Section 8 rental assistance contracts

The Section 8/Housing Voucher Choice Program provides rental subsidies to the property owner of a pre-qualified project. The financial assistance pays the difference between the tenant's ability to pay and the contract rent.

An opt-out may occur if the property owner decides to pre-pay the balance of the HUD mortgage. During this process, HUD may offer incentives to the property owner. Such incentives range from refinancing the mortgage at a lower interest rate to establishing higher rents. If at any point during this process the property owner fails to complete a HUD-required step, the Section 8 contract automatically rolls over for another 5-year period.

3. Other

Expiration of other affordability periods may occur when utilizing the following funding sources:

- a. Low-income Housing Tax Credits (LIHTC)
- b. Bond financing
- c. Density bonuses
- d. California Housing Finance Agency (CHFA)
- e. Community Development Block Grant (CDBG)
- f. HOME Program

At-Risk Status

Two assisted properties, representing 156 lower-income rental units, are at risk of conversion as identified in Table II-23 above. Financial assistance mandates affordable income restrictions and occupancy that will expire on the date shown.

- Alicia Park Apartments and Village La Paz – The use restrictions for Alicia Park Apartments and Village La Paz are a result of HUD-issued, Project Specific Section 8 Contracts that were executed at the time the original FHA mortgages were originated. The purpose of the Project Specific Section 8 contract is to ensure that the project's units remain affordable to qualified, low-income tenants for the life of the contract, which is offered at 15- to 20-year terms, and require renewal every 5 years thereafter.

If the owners of Alicia Park Apartments and Village La Paz choose to opt-out of their Section 8 contracts, it would represent a loss of 156 units of affordable rental housing, a significant decrease in Laguna Niguel's available pool of affordable housing units.

The projects that are at risk of conversion contain a significant number of 3- and 4-bedroom units. Therefore, loss of any large family units as well as the 1- and 2-bedroom affordable units would likely affect the already burdened low-income rental population.

Cost Analysis

The primary factors used to analyze the cost of preserving low-income housing include:

1. Acquisition costs – depends on size, location, current sales figures.
2. Rehabilitation costs – average cost to rehabilitate - \$40,000 (based on data compiled by the State Department of Housing and Community Development's Multifamily Housing Programs).
3. New construction costs – depends on size, construction materials, financing costs, and off- and on-site improvements.

4. Rental assistance – depends on the income of the household and Fair Market rents. As of March, 2012, Fair Market rents for Orange County are as follows:
- Efficiency - \$1,126
 - 1-bedroom - \$1,294
 - 2-bedroom - \$1,621
 - 3-bedroom - \$2,268
 - 4-bedroom - \$2,525

As shown previously in Table II-15, a very-low-income household of four persons earning 50% of median income (\$48,150) can afford to pay \$1,204 per month (including a utility allowance) for housing. This would require a monthly rental subsidy of \$417, or \$5,004 per year for a 2-bedroom unit. Therefore if affordability covenants were to expire on all of the 156 units in the at-risk projects, a total cost of approximately \$780,000 per year would be required in order to provide rental housing at comparable affordability levels.

Preservation Resources

Efforts by the City to retain the at-risk housing units must draw upon basic resources as follows:

- Organizational Resources - The following local agencies are potential organizations with experience and capacity to assist in the preservation of at-risk units:
 - a. Orange County Community Housing Corp. (Santa Ana)
 - b. Jamboree Housing Corp (Irvine)
 - c. Mary Erickson Foundation (San Clemente)
 - d. National Community Renaissance of California (Rancho Cucamonga)
- Financial Resources – The following is a list of potential financial resources to be considered as part of the City’s overall financial plan to retain affordable housing units. The City of Laguna Niguel does not have a Redevelopment Agency.
 - a. Community Development Block Grant – The City currently receives approximately \$232,000 in CDBG funds from HUD annually.
 - b. Orange County Housing & Community Development Department – The County receives annual funding from HUD to administer the Section 8 Housing Voucher Choice Program and the HOME Program.
 - c. Affordable Housing Clearinghouse – serves a mortgage brokerage that specializes in financing affordable housing projects.

G. Low- and Moderate-Income Housing in the Coastal Zone

The western edge of the city is within the Coastal Zone. Government Code Section 65590 et seq. prohibits conversion or demolition of existing residential dwelling units occupied by low- or moderate-income persons or families unless provision has been made for the replacement in the same city or county of those dwelling units with units for persons and families of low- or moderate-income (excludes structures with less than 3 units, or less than 10 units for projects with more than one structure, among other exclusions).

Section 65590(d) further requires new housing development in the coastal zone to provide housing units for persons and families of low or moderate income, or if not feasible, to provide such units at another location within the same city or county, within the coastal zone or within three miles thereof.

Prior to the incorporation of Laguna Niguel in 1989, 727 housing units were permitted by the County within the portion of the Coastal Zone that is now part of the City. One apartment project, Seaview Summit, was built prior to incorporation and included 48 deed-restricted lower-income units. The affordability covenants on those units subsequently expired and the units converted to market rate. A small number of new single-family infill homes have been built but no residential units have been demolished or converted within the Coastal Zone since City incorporation in 1989.

H. Future Growth Needs

1. Overview of the Regional Housing Needs Assessment

The Regional Housing Needs Assessment (RHNA) is a key tool for local governments to plan for anticipated growth. The RHNA quantifies the anticipated need for housing within each jurisdiction for the projection period from January 2014 to October 2021. Communities then determine how they will address this need through the process of updating the Housing Elements of their General Plans.

The current RHNA was adopted by the Southern California Association of Governments (SCAG) in October 2012. The future need for housing is determined primarily by the forecasted growth in households in a community. Each new household, created by a child moving out of a parent's home, by a family moving to a community for employment, and so forth, creates the need for a housing unit. The housing need for new households is then adjusted to maintain a desirable level of vacancy to promote housing choice and mobility. An adjustment is also made to account for units expected to be lost due to demolition, natural disaster, or conversion to non-housing uses. The sum of these factors – household growth, vacancy need, and replacement need – determines the construction need for a community. Total housing need is then distributed among four income categories on the basis of the county's income distribution, with adjustments to avoid an over-concentration of lower-income households in any community.

2. 2014-2021 Laguna Niguel Growth Needs

In October 2012 SCAG adopted the final RHNA growth needs for each of the County's cities plus the unincorporated area. The total housing growth need for the City of Laguna Niguel during the 2014-2021 planning period is 182 units. This total is distributed by income category as shown in Table II-24. While not explicitly addressed in the RHNA, state law⁸ now requires the Housing Element to estimate the future needs of extremely-low-income (ELI) households. Pursuant to state law, the ELI need is estimated to be 50% of the very-low category, or 22 units during this planning period.

⁸ California Government Code §65583(a)(1)

Table II-24
2014-2021 Regional Housing Growth Needs – Laguna Niguel

Very Low*	Low	Moderate	Above Mod	Total
43	30	34	75	182
23.4%	17.1%	18.5%	41.0%	100.0%

*50% of the VL need (22 units) is assumed to be ELI units

Source: SCAG 2012

A discussion of the City's growth need and inventory of suitable sites to accommodate the need is provided in Chapter III, Resources and Opportunities.

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