

**City of Laguna Niguel
Analysis of Impediments to Fair Housing Choice**

May 2005

**City of Laguna Niguel
Community Development Department
27781 La Paz Road
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8251.02

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1. Introduction

1.1 Purpose of Report

Promoting equal access to housing for all residents is an objective of the Laguna Niguel General Plan. As such, the City has continued to support fair housing activities coordinated by the Fair Housing Council of Orange County (FHCOC). In 1997, Laguna Niguel became an entitlement jurisdiction under the Community Development Block Grant (CDBG) program funded by the U.S. Department of Housing and Urban Development (HUD). This entitlement status allows the City to receive CDBG funds directly from HUD to provide decent housing and a suitable living environment, to expand economic opportunities for low and moderate income persons, as well as to further fair housing for all.

HUD is committed to eliminating racial and ethnic segregation and other discriminatory practices in housing, and will use all the programmatic and enforcement tools available to achieve this goal. The fundamental goal of HUD's fair housing policy is to make housing choice a reality through fair housing planning (FHP). HUD has also prepared a Fair Housing Planning Guide to help jurisdictions undertake their fair housing planning through:

- Completion of an Analysis of Impediments (AI) to Fair Housing Choice;
- Implementation of actions to eliminate identified impediments; and
- Maintenance of fair housing records.

This report constitutes the AI for the City of Laguna Niguel. The AI is a review of impediments to fair housing choice in the public and private sector, and it involves:

- A comprehensive review of an entitlement jurisdiction's laws, regulations, and administrative policies, procedures, and practices;
- An assessment of how those laws, regulations, and administrative policies, procedures and practices affect the location, availability, and accessibility of housing; and
- An assessment of conditions, both public and private, affecting fair housing choice.

1.2 Federal and State Fair Housing Laws

Fair housing is a right protected by both Federal and State of California laws. With these laws, virtually every housing unit in California is subject to fair housing practices.

Federal Laws

The federal **Fair Housing Act of 1968** and **Fair Housing Amendments Act of 1988** (42 U.S. Code §§ 3601-3619, 3631) are federal fair housing laws that prohibit discrimination in all aspects of housing, such as the sale, rental, lease or negotiation for real property. The Fair Housing Act prohibits discrimination based on race, color, national origin, sex, and religion. In 1988, the Fair Housing Act was amended to extend protection to familial status and people with disabilities (mental or physical). In addition, the Amendment Act provides for "reasonable accommodations", requiring a property owner to allow structural

modifications for persons with disabilities, if requested, at their own expense, and sets housing code standards for new multi-family dwellings to accommodate the physically disabled.

California Laws

The State Department of Fair Employment and Housing (DFEH) enforce California laws that provide protection and monetary relief to victims of unlawful housing practices. The **Fair Employment and Housing Act** (FEHA) prohibits discrimination and harassment in housing practices, including:

- Advertising
- Application and selection process
- Unlawful evictions
- Terms and conditions of tenancy
- Privileges of occupancy
- Mortgage loans and insurance
- Public and private land use practices (zoning)
- Unlawful restrictive covenants

The following categories are protected by FEHA:

- Race or color
- Ancestry or national origin
- Sex
- Marital status
- Source of income
- Sexual orientation
- Familial status (households with children under 18 years of age)
- Religion
- Mental/Physical disability
- Medical condition
- Age

In addition, the FEHA requires housing providers to make a reasonable accommodation in rules, policies, practices and services to permit persons with disabilities to use and enjoy a dwelling. The law also allows persons with disabilities, at their own expense, to make reasonable modifications of the premises.

The **Unruh Civil Rights Act** provides protection from discrimination by all business establishments in California, including housing and accommodations, because of age, ancestry, color, disability, national origin, race, religion, sex, and sexual orientation. While the Unruh Civil Rights Act specifically lists "sex, race, color, religion, ancestry, national origin, disability, or medical condition" as protected classes, the California Supreme Court has held that protections under the Unruh Act are not necessarily restricted to these characteristics.

Furthermore, the **Ralph Civil Rights Act** forbids acts of violence or threats of violence because of a person's race, color, religion, ancestry, national origin, age, disability, sex, sexual orientation, political affiliation, or position in a labor dispute (California Civil Code section 51.7). Hate violence can be: verbal or written threats; physical assault or attempted assault; and graffiti, vandalism, or property damage.

1.3 Definition of Fair Housing

In light of the various pieces of fair housing legislation passed at the federal and state levels, fair housing throughout this report is defined as follows:

Fair housing is defined as a condition in which individuals of similar income levels in the same housing market have a like range of choice available to them regardless of race, color, ancestry, national origin, religion, sex, disability, arbitrary age, marital status, familial status, sexual orientation, source of income, or any other category which may be defined by law now or in the future.

1.4 Definition of Impediments

Within the legal framework of federal and state laws and based on the guidance provided by the U.S. Department of Housing and Urban Development (HUD) Fair Housing Planning Guide, impediments to fair housing choice can be defined as:

- *Any actions, omissions, or decisions taken because of race, color, ancestry, national origin, religion, sex, disability, arbitrary age, marital status, familial status, sexual orientation, source of income which restrict housing choices or the availability of housing choices; or*

- *Any actions, omissions, or decisions which have the effect of restricting housing choices or the availability of housing choices on the basis of race, color, ancestry, national origin, religion, sex, disability, arbitrary age, marital status, familial status, sexual orientation, source of income.*

To affirmatively promote equal housing opportunity, the City must work to remove impediments to fair housing choice.

1.5 Organization of Report

This report is divided into six sections, including this introduction. Organization of this report adheres to HUD’s suggested format for the AI.

1. The **Introduction** explains the purpose of the analysis of impediments to fair housing, defines "fair housing," lists the data and funding sources for the report, and describes the public participation process.

2. The **Community Profile** presents demographic, income, and housing characteristics in the City of Laguna Niguel, as well as transportation access to job centers. This section also evaluates the location of community care facilities and presents the degree of housing segregation based on race.

3. The **Current Fair Housing Profile** presents fair housing programs and activities in the City. This section also assesses the nature and extent of fair housing complaints and violations in Laguna Niguel, as well as hate crime incidences.
4. **Lending Practices** assesses the disposition of loan applications by applicant income, race, type of loans, and lender.
5. **Local Policies** analyzes various public policies and actions that may impede fair housing in the City.
6. **Conclusions and Recommendations** summarizes the findings regarding fair housing issues in the City of Laguna Niguel and provides recommendations for furthering fair housing practices.
7. The **Signature Page**, signed by the City Manager and will be included after adoption of this AI, certifies that the Analysis of Impediments represents the City's official conclusions regarding impediments to fair housing choice and the actions necessary to address identified impediments.

1.6 Preparers of Report/Data Sources Used

This report was prepared through a collective effort between City staff and Cotton/Bridges/Associates under contract to the City of Laguna Niguel. The following data sources were used to complete this AI. Sources of specific information are identified in the text, tables, and figures.

- 1990 and 2000 U.S. Census
- 2005-2010 Draft Laguna Niguel Consolidated Plan
- California Department of Finance, Population and Housing Estimates, 2004
- California Department of Social Services, Community Care Licensing Division
- City of Laguna Niguel General Plan
- City of Laguna Niguel Zoning Ordinance
- Orange County Housing Authority, Section 8 data
- Home Mortgage Disclosure Act (HMDA) data regarding lending patterns in 2003
- Dataquick Property Index
- Orange County Transportation Authority
- FBI Hate Crime Statistics, 1999-2003
- Fair Housing Council of Orange County
- Local boards of realtors
- Local apartment associations
- Local lenders

1.7 Funding Source

This report was funded with Community Development Block Grant (CDBG) funds as part of the City's CDBG planning and administration activities.

1.8 Public Participation Process

The Fair Housing Planning Guide issued by HUD encourages public participation and consultation for preparation of the AI. These requirements include:

- Consult with housing and service providers and other related agencies
- Conduct a publicly noticed hearing during the development of the AI
- Provide a 30-day public review period for the Draft AI

The City of Laguna Niguel conducted a consultation workshop in conjunction with preparation of the Consolidated Plan on December 15, 2004; no comments were provided.

The draft AI was available for review between April 14, 2005 and May 14, 2005 at the City Clerk's office, Community Development Department, Crown Valley Library, and Sea Country Senior and Community Center. The City conducted a public hearing on May 17, 2005 to receive public comments and adopt the AI. The City did not receive any comments during the 30-day public review period or during the public hearing.

2. Community Profile

This section of the AI analyzes the socioeconomic profile of City residents, housing stock characteristics, and employment and transportation conditions that may affect the ability of households in Laguna Niguel with similar income levels to have a like range of housing choices. The location of community facilities, such as group homes, in relation to low and moderate income areas is also analyzed.

Due to the comprehensive scope and complexity of data presented in this section, various data sources have been utilized. For each topic of discussion, the most appropriate and current data is used. For example, data from the 2000 Census, the HUD-developed Comprehensive Housing Affordability Strategy (CHAS), and the Population and Housing Estimates from the California Department of Finance may be used on the same topic. The use of different sources in may result in data that differ slightly; nonetheless, the data will be consistent in that it is demonstrating the same trend.

2.1 Demographic Profile

Examination of demographic characteristics can indicate the need for and the extent of equal access to housing in a community. Factors such as population growth, age characteristics, and race/ethnicity shape a region's housing needs and play a role in identifying potential impediments to fair housing choice.

2.1.1 Population Growth

According to the 1990 Census, the City of Laguna Niguel population was 44,400 and by the 2000 Census, it had increased to 61,891. The population growth for the City during the 1990s was 39.4 percent, the fastest growing city compared to neighboring cities and more than two times faster than the County (18.1 percent increase between 1990 and 2000). The State Department of Finance (DOF) estimated the 2004 Laguna Niguel population at 65,669 persons. As shown in Table 2-1, between 2000 and 2004 Laguna Niguel had the largest population growth (6.1 percent) among neighboring communities.

Table 2-1
Population: 1990 - 2004
Laguna Niguel and Surrounding Cities

Jurisdiction	1990	2000	2004	% Change 1990 to 2000	% Change 2000 to 2004
Dana Point	31,896	35,110	36,532	10.1%	4.1%
Laguna Beach	23,170	23,727	24,774	2.4%	4.4%
Laguna Hills	N/A	31,178	33,010	--	5.9%
Laguna Niguel	44,400	61,891	65,669	39.4%	6.1%
Mission Viejo	72,820	93,102	97,752	27.9%	5.0%
San Juan Capistrano	26,183	33,826	35,834	29.2%	5.9%
Orange County	2,410,556	2,846,289	3,017,298	18.1%	6.0%

Sources: 1990 and 2000 Census; State Department of Finance, Population Estimates for Cities and Counties, January 1, 2004.

2.1.2 Age Distribution

The age structure of a population points toward current and future demands for housing. The age composition of a community affects housing demand since different age groups have very different housing needs. Typically, young adult households may occupy apartments, condominiums, and smaller single-family homes because of size and/or affordability. Middle-age adults may prefer larger homes as they begin to raise their families, while seniors may prefer apartments, condominiums, mobile homes, or smaller single-family homes that have lower costs and less extensive maintenance needs.

According to the 2000 Census, the median age in Laguna Niguel was 37.5, significantly higher than the County median of 33.3. Table 2-2 shows a similar age distribution for the City and County, except that those ages 45-54 comprised a higher proportion of the Laguna Niguel population (16.8 percent) than the County population (12.7 percent). This is reflective of the large proportion of adults and families that have moved into the City's new housing stock in recent years. Proportionately, Laguna Niguel has fewer persons over the age of 65 (8.9 percent) than Orange County (9.9 percent), again reflecting that Laguna Niguel is a newer community with a predominance of families.

**Table 2-2
Age Characteristics: 2000
Laguna Niguel and Orange County**

Age Range	Laguna Niguel		Orange County	
	# of Persons	% of Population	# of Persons	% of Population
0-4	4,346	7.0%	216,014	7.6%
5-17	12,112	19.6%	552,405	19.4%
18-20	1,710	2.8%	116,240	4.1%
21-24	1,984	3.2%	151,941	5.3%
25-44	20,362	32.9%	943,613	33.2%
45-54	10,414	16.8%	360,739	12.7%
55-59	3,302	5.3%	128,152	4.4%
60-64	2,166	3.5%	96,422	3.4%
65-74	3,130	5.1%	148,702	5.2%
75-84	1,845	3.0%	97,967	3.5%
85+	520	0.8%	34,094	1.2%
TOTAL	61,891	100%	2,846,289	100.0%

Source: 2000 Census

2.1.3 Racial/Ethnic Composition

Laguna Niguel is comprised predominantly of White households (82.2 percent), a higher proportion than that of the County (64.7 percent). According to the 2000 Census, the two largest minority groups in the City were Hispanic households (7.5 percent) and Asian households (6.6 percent). Combined, minority households made up 17.8 percent of the City's total households. In comparison, 35.3 percent of the County's households were minority households (see Table 2-3). The proportion of White households in the City decreased from 86.6 in 1990 to 82.2 percent in 2000. The County's White households also decreased from 75.8 to 64.7 percent during the same time period. Laguna Niguel and Orange County are gradually becoming more diverse communities.

**Table 2-3
Racial/Ethnic Composition: 2000**

Race/Ethnicity	City of Laguna Niguel		County	
	Number of Households	% of Total	Number of Households	% of Total
White	19,074	82.2%	605,493	64.7%
Black	307	1.3%	16,493	1.8%
Asian	1,536	6.6%	109,155	11.7%
Hispanic	1,737	7.5%	182,312	19.5%
Other*	563	2.4%	21,834	2.3%
Total	23,217	100.0%	935,287	100.0%

Source: 2000 Census.

*The "Other" category includes American Indian and Alaskan Natives, and persons who identified themselves as some 'other race.'

Distribution of Racial and Ethnic Minorities

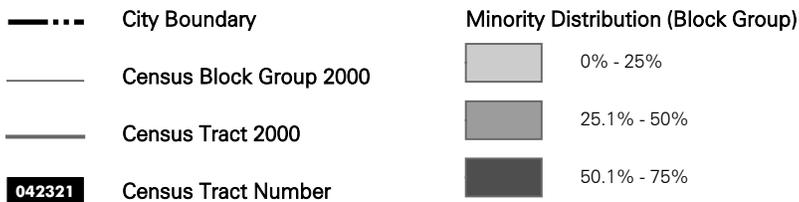
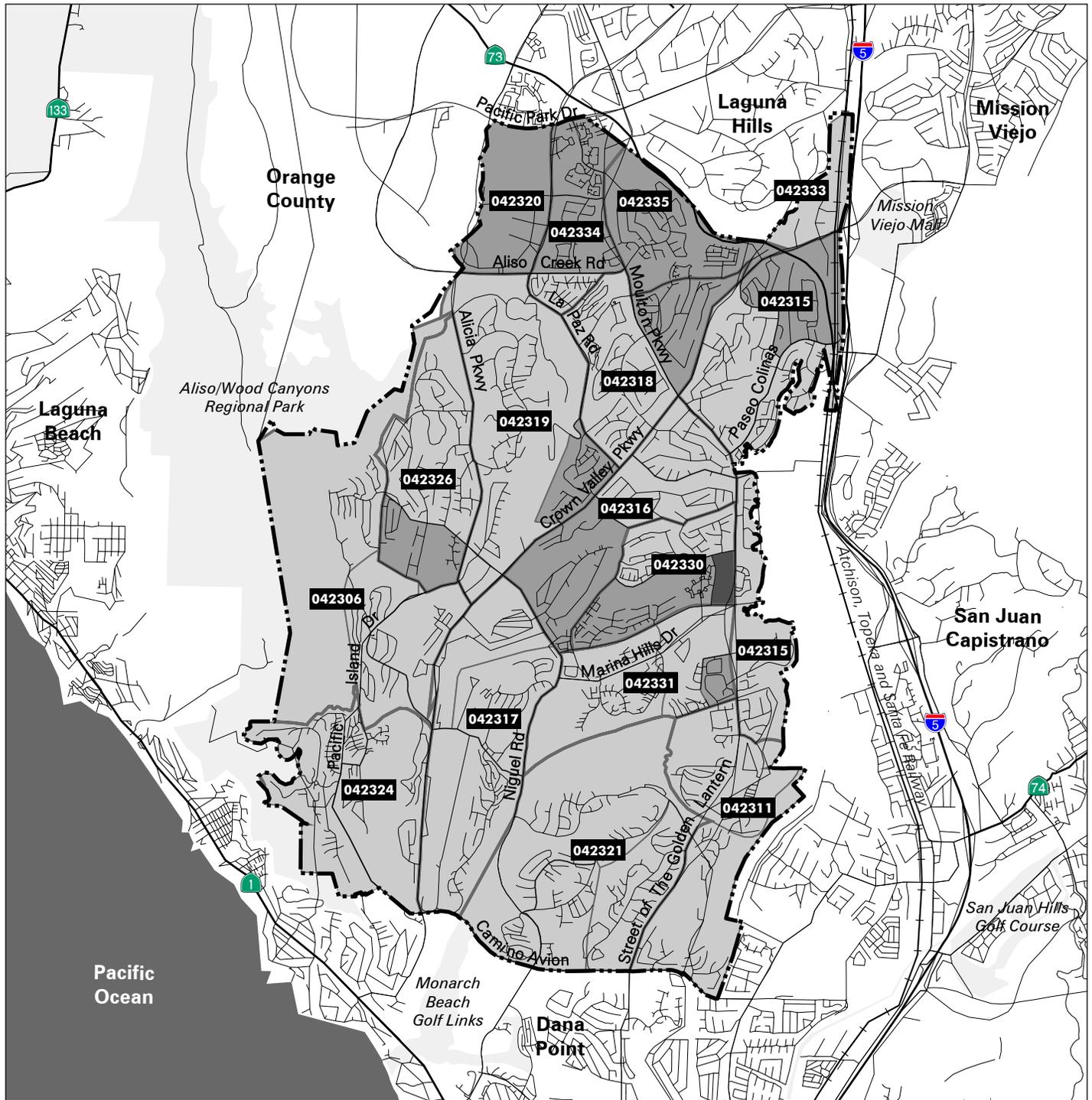
Figure 2-1 shows the distribution of racial and ethnic minorities by census block group. Census block group 42330.02 has the highest proportion of minority populations (63 percent). An additional thirteen block groups have proportions of minority populations that are between 25 and 50 percent of the total population in the block group. Within the City boundaries, these block groups are located within the central and northern portions of the City. Nine of the fourteen block groups correspond to low and moderate income areas.

Residential Segregation

Residential segregation refers to the degree to which groups live separately from one another. The term segregation historically has been linked to the forceful separation of racial groups. However, as more minorities move into suburban areas and outside of traditional urban enclaves, segregation is becoming increasingly self imposed.

The Dissimilarity Index is the most commonly used measure of segregation between two groups, reflecting their relative distributions across neighborhoods (as defined by Census tracts). The index represents the percentage of the minority group that would have to move to new neighborhoods to achieve perfect integration of that group. An index score can range in value from 0 percent, indicating complete integration, to 100 percent, indicating complete segregation.

Overall the level of segregation in Laguna Niguel is low. The highest level of segregation citywide exists between Whites and Blacks (35.7 percent) and between Whites and Hispanics (20.3 percent) and the lowest between Asian and Whites (17.8 percent). Because the dissimilarity index is affected by small sample sizes, the index for segregation between Whites and Blacks should be used with caution.



Minority composition includes Hispanic, African-American, Asian, Pacific Islander, American Indian, and Two or More Races.

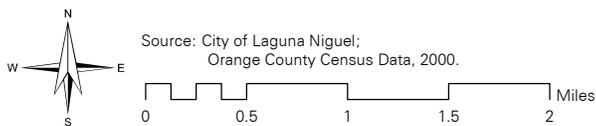


Figure 2.1
Distribution of
Minority Populations

2.1.4 Income Characteristics

Household income is the most important factor determining a household's ability to balance housing costs with other basic life necessities. While economic factors that affect a household's housing choice are not a fair housing issue per se, the relationships among household income, household type, race/ethnicity, and other factors often create misconceptions and biases that raise fair housing concerns. To the extent that affordability issues disproportionately impact a particular group that is protected by fair housing laws, fair housing concerns may also arise.

HUD has established the following income categories based on the Median Family Income (MFI) for Orange County:

- Extremely Low Income (0-30% of Area MFI)
- Low Income (31-50% of Area MFI)
- Moderate Income (51-80% of Area MFI)
- Middle/Upper Income (>80% of Area MFI)

Collectively, Extremely Low and Low Income are referred to as lower income.

Based on the above criteria, 10 percent of Laguna Niguel's total households in 2000 were lower income households and 11 percent were moderate income households (Table 2-4). Thus, lower and moderate income (from 0-80 percent MFI) households comprised 21 percent of the City's total households. The proportion of low and moderate income households varied somewhat by ethnicity. Approximately 40 percent of Hispanic households were low and moderate income, compared to 35 percent of Blacks, 24 percent of Asians, and 19 percent of Whites. Furthermore, a higher proportion of elderly were within the low and moderate income categories compared to the citywide average.

**Table 2-4
Household Income by Race/Ethnicity**

Race/ Ethnicity	% of Total	% Extremely Low Income (<30% MFI)	% Low Income (31- 50% MFI)	% Moderate Income (51-80% MFI)	% Middle and Upper Income (>80% MFI)
White	83%	4%	5%	10%	81%
Black	1%	13%	4%	18%	65%
Asian	7%	7%	5%	12%	76%
Other	2%	12%	8%	16%	64%
Hispanic	7%	5%	13%	22%	60%
All Households	100%	5%	5%	11%	79%
Elderly	16%	7%	12%	17%	65%
Small Families	54%	3%	3%	9%	85%
Large Families	10%	4%	3%	12%	81%
Others	21%	8%	6%	11%	75%

Source: Comprehensive Housing Affordability Strategy (CHAS), 2004.

* The sum of percentages may be greater than 100 percent due to rounding.

Concentration of Low and Moderate Income Population

Figure 2-2 illustrates the geographic distribution of the City's low and moderate income population by census block group. In Laguna Niguel, HUD defines a low and moderate income area as a census tract or block group in which at least 25.7 percent of the population was categorized as low and moderate income. A total of ten census block groups have concentrations of low and moderate income residents: 042315.01; 042326.01 and 02; 042330.02 and 03; 042331.03, 042334.01, 02 and 03; and 042335.01. Comparing locations of the low and moderate block groups with the distribution of ethnic minorities indicates that nine of the fourteen block groups with proportions of minority populations of 25 to 75 percent correspond to low and moderate income areas.

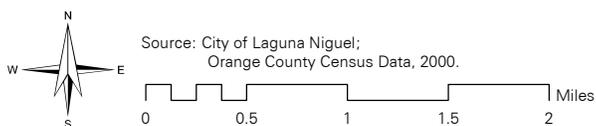
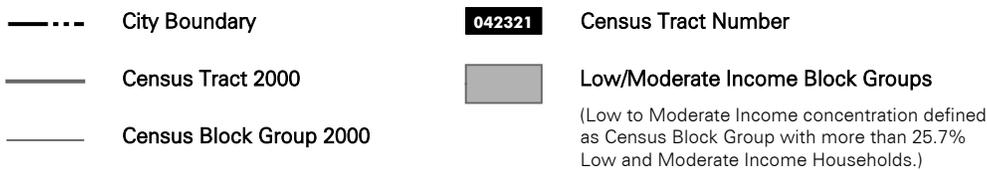
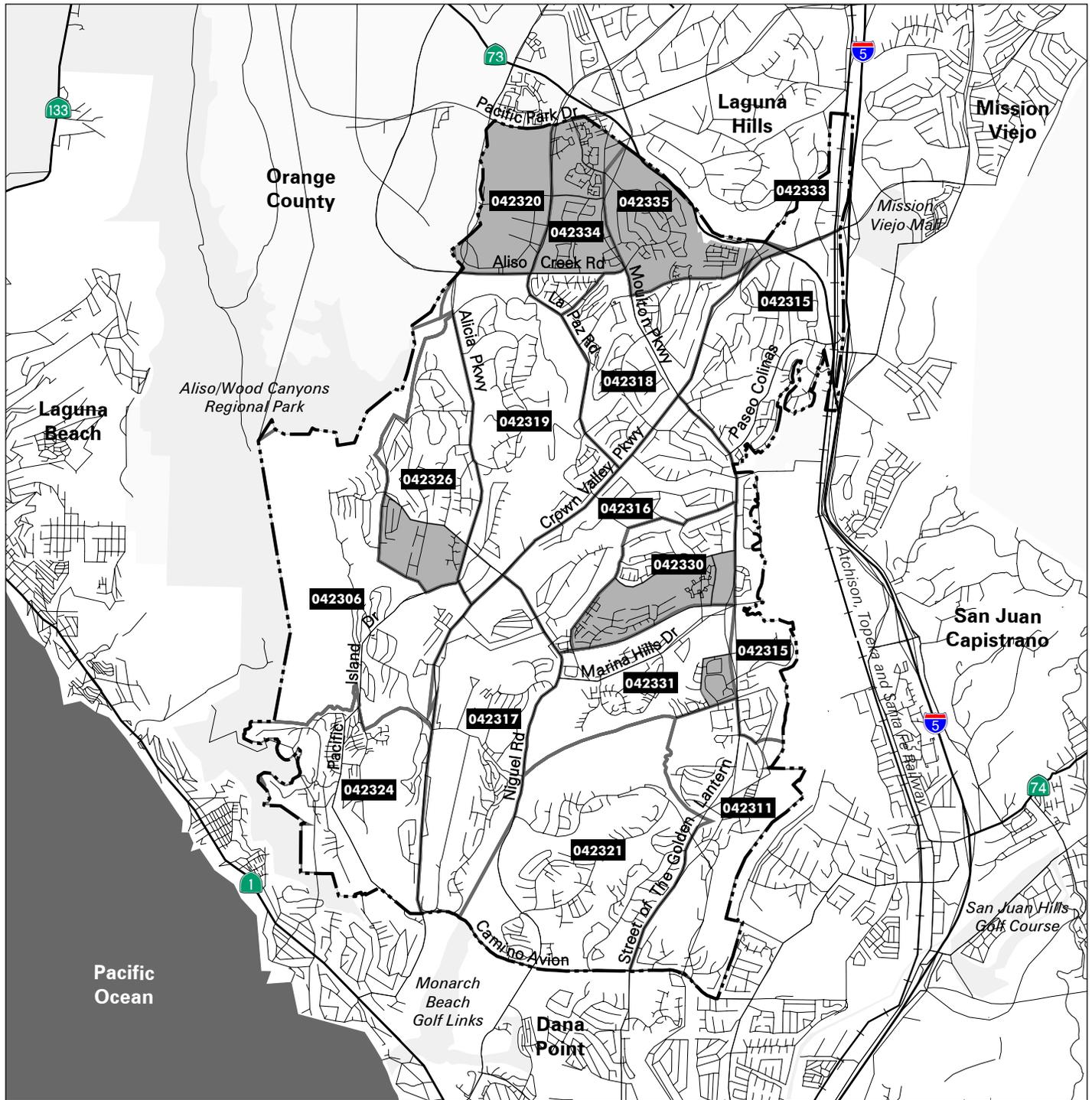


Figure 2.2
Location of Low and Moderate Income Areas

2.1.5 Household Characteristics

The Census defines a household as all persons who occupy a housing unit, which may include single persons living alone, families related through marriage or blood, and unrelated individuals living together. Persons living in retirement or convalescent homes, dormitories, or other group living situations are not considered households. Household characteristics are important when analyzing housing needs since households with different characteristics have unique housing needs and may face different impediments in the housing market. For example, many families with children may face housing discrimination by landlords who fear that children will cause property damage. Discrimination can manifest itself in the form of higher security deposits and outright refusal to rent to families with children. This section details the various household characteristics affecting fair housing choice.

Household Composition

A comparison of household types in Laguna Niguel and Orange County is presented in Table 2-6. In 2000, there were a total of 23,217 households in Laguna Niguel. Similar to Orange County, the majority (72.3 percent) of City households consisted of families. Of the non-family households in Laguna Niguel, approximately three-fourths (74.3 percent) consisted of single-person households, roughly the same as the County proportion (73.9 percent). Also, a total of 306 persons in the City lived in group quarters, such as assisted living facilities. Specifically, three new assisted living facilities were added since the adoption of the 2000-2005 Consolidated Plan, including Aegis Assisted Living with a capacity of 96 beds.

Table 2-5
Household Type: 2000
Laguna Niguel and Orange County

Household Type	Laguna Niguel				Orange County	
	1990		2000		2000	
	Number	Percent of Total	Number	Percent of Total	Number	Percent of Total
Families	12,398	72.2%	16,793	72.3%	667,917	71.4%
With children	6,189	36.0%	8,837	38.1%	345,803	37.0%
With no children	6,209	36.2%	7,956	34.3%	322,114	34.4%
Non-Families	4,774	27.8%	6,424	27.7%	267,370	28.6%
Singles	3,184	66.7%	4,774	74.3%	197,650	73.9%
Other non-families	1,590	33.3%	1,650	25.7%	69,720	26.1%
Total Households	17,172	100.0%	23,217	100.0%	935,287	100.0%
Average Household Size	2.58		2.65		3.00	

Source: 1990 and 2000 Census.

Household Size

Household size identifies sources of population growth and overcrowding in individual housing units. A city's average household size will increase over time if there is a trend toward larger families. In communities where the population is aging, the average household size may decline. In 2000, the City's average household size was 2.65. Average household size in Laguna Niguel increased to 2.73 in 2004, indicating an increase in family

households. Similarly, average household size in the County increased from 3.00 in 2000 to 3.07 in 2004.

2.1.6 Special Needs Groups

Certain households, because of their special characteristics and needs, have greater difficulty finding decent, accessible and affordable housing. These circumstances may be related to age, family characteristics, or disability. These “special needs” groups include the elderly, disabled persons, large households, female-headed households, persons with AIDS and related diseases and homeless persons. An overview of licensed community care facilities in Laguna Niguel serving persons with special needs is provided in Table 2-6, followed by a detailed discussion of each of the special needs groups.

**Table 2-6
Licensed Community Care Facilities**

Age	Total Number of Facilities	Total Capacity (number of beds)	Specialized Care
			Developmental Disability
Age 18-59			
Adult Residential	1	6	6
Age 60+			
Elderly Residential Care	28	255	---
Total	29	261	6

Source: State of California Department of Social Services Community Care Licensing Division, 2004.

Notes:

1. The specialized care columns are not mutually exclusive.
2. Adult residential facilities provide care for persons age 18 to 59 years including both developmentally disabled adults and persons suffering from mental illness or psychiatric disorders.
3. Elderly residential facilities provide care for persons age 60 and above.

Elderly and Frail Elderly

Due to fixed and limited incomes, prevalence of physical or mental disabilities, limited mobility, and high health care costs, seniors are considered a special needs group. Their low income status limits their ability to balance the need for housing and other necessities such as health care. A senior on a fixed income faces great difficulty finding safe and affordable housing. Subsidized housing and federal housing assistance programs (such as Section 8) are increasingly challenging to secure and often involve a long waiting list.

The population over 65 years of age is considered elderly and has special needs due to four main concerns:

- **Income:** Many people over 65 are retired and living on a fixed income;
- **Health Care:** Due to their higher rate of illness, health care costs can be burdensome;
- **Transportation:** Many seniors use public transit. However, a significant number of seniors have disabilities and require alternatives to public transportation; and
- **Housing:** Many elderly persons live alone and rent their housing units.

These characteristics indicate a need for smaller, lower cost housing units with easy access to public transportation and to health care facilities.

The 2000 Census data reported that 5,495 persons (approximately 9 percent of the City's total population) were 65 years of age or older, similar to the 10 percent average in Orange County. Approximately 3,157 persons (57 percent of all elderly) have some sort of disability and were considered "frail" elderly persons. The 2000 Census breaks down disability into five categories; a) sensory disability, b) physical disability, c) mental disability, d) self-care disability, and e) go-outside-home disability. Frail elderly are persons with one or more limitations to daily activities, defined in the Census as persons with sensory, self care, or mobility limitation.

According to Comprehensive Housing Affordability Strategy (CHAS) data developed by HUD, approximately 19 percent of the elderly households in Laguna Niguel were extremely low and low income households. An additional 17 percent were moderate income households. Smaller, low cost housing units located near medical and public transportation facilities are required to meet the needs of elderly households. This need for elderly housing may include supportive housing, such as intermediate care facilities, group homes, and other housing that includes a planned service component. Needed services include personal care, housekeeping, meals, personal emergency response, and transportation. A total of 28 residential facilities (approximately 255 beds) in Laguna Niguel are licensed to provide housing for persons 60 years and over.

Persons with Disabilities

Fair housing choice for persons with disabilities can be compromised based on the nature of their disability. Persons with physical disabilities may face discrimination in the housing market because of the use of wheelchairs, need for home modifications to improve accessibility, or other forms of assistance. Landlords/owners sometimes fear that a unit may sustain wheelchair damage or may refuse to exempt disabled tenants with service/guide animals from a no-pet policy. A major barrier to housing for people with mental disabilities is opposition based on the stigma of mental disability. Landlords often refuse to rent to tenants with a history of mental illness. Neighbors object when a house becomes a group home for persons with mental disabilities. Often jurisdictions enact and enforce special-permit requirements and other zoning restrictions to deny housing to people with (or perceived as having) a mental disability.

According to the 2000 Census, there were 6,132 Laguna Niguel residents with one or more disabilities, comprising 9.9 percent of the City population. Due to an overall increase in longevity and lower fatality rates, the proportion of disabled individuals is increasing nationwide. Special housing needs for persons with disabilities fall into two general categories: physical design to address mobility impairments and social, educational, and medical support to address developmental and mental impairments.

A physically disabled person has an illness or impairment that impedes his or her ability to function independently. Physically disabled people have several unique housing needs. First, special construction features tailored to a person's disability are necessary to facilitate access and use of the property. The location of housing and availability of transportation is also important because disabled people may require access to a variety of social and specialized services. According to the 2000 Census, there were a total of 2,110 Laguna Niguel residents with a physical disability.

The basic definition of a developmental disability relates to a person's score on standardized intelligence tests. Persons with IQ below 70 are typically defined as developmentally

disabled. According to ARC (the Association of Retarded Citizens), approximately one to three percent of the population nationwide is developmentally disabled.

Severe mental illness includes the diagnoses of psychoses (e.g. schizophrenia) and the major schizoaffective disorders (e.g. bipolar, major depression). Chronic mental illness refers to duration of at least one year. According to national estimates, approximately one percent of the adult population meets a definition of severe mental illness based on diagnosis, duration, and disability. Housing is an integral part of a system of care for the severely mentally ill because the prime support network and focus of daily living activities is associated with the residence. The major barrier to stable and decent housing for the seriously mentally ill is the availability of affordable housing. According to the 2000 Census, there were a total of 1,332 residents of Laguna Niguel with a mental disability.¹

Female-Headed Households

Single-parent households require special consideration and assistance because of their greater need for day care, health care, and other facilities. Female-headed households with children in particular tend to have lower incomes, thus limiting housing availability for this group. Women in general are disproportionately responsible for household-supporting activities, such as trips to the grocery store or accompany young children to and from schools. Women using public transit are often forced to look for employment near home that will allow them time to complete these household-sustaining trips.² Therefore, housing choices for female-headed households are comparatively more limited than for two-parent families.

The 2000 Census reported 1,667 single-parent households with children under age 18 in Laguna Niguel, representing approximately 7 percent of all households in the City. Of these 1,667 single-parent households, 1,258 were female-headed households (75 percent) and 409 (25 percent) were male-headed households with children. Affordability needs of female-headed households can be addressed through rent subsidies and affordable housing development. Housing opportunities for female-headed households with children can be improved through policies that call for the provision of affordable childcare, and for the location of family housing sites in close proximity to recreational facilities and public transit.

Large Households

Large households are defined as households with five or more members. These households are usually families with two or more children or families with extended family members such as in-laws or grandparents. Large households are a special needs group because the availability of adequately sized, affordable housing units is often limited. To save for necessities such as food, clothing, and medical care, very low- and low-income large households may reside in smaller units, resulting in overcrowding. While affordability itself is not a fair housing issue, the competition for lower priced housing and the scarcity of larger, low rent units may create an atmosphere where fair housing violations may occur. Furthermore, families with children, especially those who are renters, may face discrimination or differential treatment in the housing market. For example, some landlords may charge large households a higher rent or security deposit, limit the number of children in a complex, confine them to a specific location, limit the time children can play outdoors, or choose not to rent to families with children altogether.

¹ The 2000 Census does not provide numbers based on severity or level of any type of disability.

² Blumenberg, Evelyn, "Reverse Commute Transit Programs and Single Mothers on Welfare: A Policy Mismatch?" Institute of Transportation Studies, Volume 1, Number 2: December, 2002.

According to the 2000 Census, 2,273 large households resided in Laguna Niguel, representing approximately 10 percent of all households. Among the City's large households, 75 percent owned their own home and 25 percent were renter-households.

CHAS data indicated that almost 14 percent of all large households in Laguna Niguel were extremely low and low income, while 45 percent were moderate income. In particular, 15 percent of large family renter-households were low and moderate income compared to 10 percent of large family owner-households. Furthermore, 65 percent of large renter-households experienced housing problems compared to 44 percent of large owner-households.

The City contains more housing units with four and more bedrooms than the number of large households with the need for multi-bedroom dwelling units. In 2000, the City had an inventory of 7,442 large size units (with four or more bedrooms), 6,085 of which were owner-occupied and 1,357 were renter-occupied (Table 2-7). The issue in Laguna Niguel relates primarily with the affordability, rather than the availability, of such units.

**Table 2-7
Number of Bedrooms in Occupied Dwelling Units**

Bedrooms	Owner		Renter	
	1990	2000	1990	2000
4 bedrooms	4,059	5,769	205	1,330
5+ bedrooms	570	316	9	27
Total	4,629	6,085	214	1,357

Source: 1990 and 2000 Census.

Persons with HIV Infection and AIDS

Persons with HIV/AIDS face an array of barriers to obtaining and maintaining affordable, stable housing. For persons living with HIV/AIDS, access to safe, affordable housing is as important to their general health and well-being as access to quality health care. For many, the persistent shortage of stable housing is the primary barrier to consistent medical care and treatment. Despite federal and state anti-discrimination laws, many people face illegal eviction from their homes when their illness is exposed. While housing discrimination is not covered by the Americans with Disabilities Act, the Fair Housing Act prohibits housing discrimination against persons with disabilities, including persons with HIV/AIDS.

According to the AIDS Surveillance and Monitoring Program of the Orange County Health Care Agency, the AIDS rate in Laguna Niguel was 127 cases per 100,000 persons, compared to Laguna Beach's rate of 1,096 cases per 100,000 for the year 2003, the highest rate in the County. The AIDS Surveillance and Monitoring Program reported that in 2003, Laguna Niguel had 83 people living with AIDS. Currently, there is no service or facility in Laguna Niguel for persons with HIV infection or AIDS.

2.2 Housing Market Conditions

A discussion of fair housing choice must be preceded by an assessment of the housing market being analyzed. This section provides an overview of the characteristics of the local market. The Census Bureau defines a housing unit as a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied (or, if vacant, is intended for occupancy) as separate living quarters. Separate living quarters are those in which the occupants live separately from any other individuals in the building and which have direct access from outside the building or through a common hall.

2.2.1 Housing Characteristics

Housing Growth

The State Department of Finance reported 24,664 housing units in Laguna Niguel in 2004, representing an increase of almost 31 percent since 1990. In South Orange County, the housing inventory increased at a faster rate due to the availability of large tracts of vacant land. Nevertheless, HUD estimates that housing production between 1990 and 2000, lagging (two percentage points) behind the growth in the number of households.³ The inability to produce enough housing units to accommodate the increasing number of households reduced vacancy rates and increased housing prices.

Table 2-8
Housing Growth: 1990-2004
Laguna Niguel and Surrounding Cities

Jurisdiction	1990	2000	2004	% Change (1990 to 2004)
Dana Point	14,666	15,682	15,880	8.3%
Laguna Beach	12,846	12,965	13,174	2.6%
Laguna Hills	NA	11,303	11,108	---
Laguna Niguel	18,892	23,885	24,664	30.5%
Mission Viejo	26,393	32,985	33,714	27.7%
San Juan Capistrano	9,612	11,320	11,676	21.5%
Orange County	875,072	935,287	1,003,929	9.1%

Source: California State Department of Finance, Population, and Housing Estimates, January 2004 and 2000 Census.

Housing Type

The predominant type of dwelling unit in Laguna Niguel remains the single-family detached units, representing 55 percent of the housing stock in 2004, as shown in Table 2-9, while multi-family units represented approximately 27 percent. There has been significant decrease in mobile homes in the City since 1990.

³ HUD Economic Research, *Analysis of the Orange County, CA Housing Market*. January 2004.

**Table 2-9
City of Laguna Niguel
Housing Type: 1990 and 2004**

Housing Type	1990		2004	
	# of Units	% of Total	# of Units	% of Total
Single-Family Detached	10,161	53.8%	13,590	55.4%
Single-Family Attached	4,173	22.1%	5,007	18.0%
Multi-Family	4,422	23.4%	6,051	26.6%
Mobile Homes	136	0.7%	16	0.0%
Total Units	18,892	100.0%	24,664	100.0%
Occupied Housing Units	17,172	90.9%	23,217	97.2%
Vacancy Units	1,720	9.1%	668	2.8%

Source: 2000 Census; California State Department of Finance, Population Estimates, January 2004.

Tenure

Tenure in the housing industry typically refers to the occupancy of a housing unit – whether the unit is owner-occupied or renter-occupied. The tenure distribution (owner versus renter) of a community’s housing stock influences several aspects of the local housing market. Residential mobility is influenced by tenure, with ownership housing showing a much lower turnover rate than rental housing. Housing cost burden is generally more prevalent among renters than among owners. Tenure preferences are primarily related to household income and composition, and age of the householder.

The vast majority (75 percent) of the occupied housing in Laguna Niguel was owner-occupied, as documented by the 2000 Census. Countywide, owner-households accounted for 67 percent of the occupied housing stock.

Vacancy Rate

Vacancy rate is a measure of the availability of housing in a community. This rate also provides an indication of how well the housing supply is meeting housing demand. A low vacancy rate is indicative of a tight housing market and suggests that people may have difficulty finding housing in their price range. Conversely, a high vacancy rate typically suggests that there is an oversupply of housing. In a tight housing market, the competition for housing may create an atmosphere where fair housing violations may occur. Based on industry standards, optimal vacancy rates range from 1.5 to 2.0 percent for ownership units and 5 to 6 percent for rental units. According to the 2000 Census, the homeowner vacancy rate was 0.8 percent and the rental vacancy rate was 3.3 percent, representing a tight housing market.

Overcrowding

An overcrowded housing unit is defined as a unit with more than one person per room, excluding bathrooms, kitchens, hallways, and porches. A severely overcrowded household is one with more than 1.5 persons per room. Unit overcrowding typically results from the combined effect of low earnings and high housing costs in a community, and reflects the inability of households to buy or rent housing that provides a reasonable level of privacy and space. The prevalence of overcrowding varies significantly by the income, type, and size of the household. Generally, lower income households and large families are

disproportionately affected by overcrowding. Overcrowding is also generally more prevalent among renters than among owners.

Table 2-10 summarizes the extent of overcrowding in Laguna Niguel. This data suggests that the incidence of overcrowding in Laguna Niguel is very low. In 2000, there were a total of 687 (3 percent) renter-occupied and 321 (1.4 percent) owner-occupied units defined as overcrowded. In contrast, 2000 Census figures for Orange County were 19.5 percent for renter-occupied and 4.1 percent for owner-occupied units.

**Table 2-10
Overcrowded Housing**

Number of Persons per Room	Rental Units	% of Total Occupied Rental Units	Owner Units	% of Total Occupied Owner Units
Overcrowded (1.01 to 1.5 person/ room)	303	1.3	236	1.0
Severely Overcrowded (>1.5 persons/room)	384	1.7	85	0.4
Total Overcrowded (>1.0 persons/room)	687	3.0	321	1.4

Source: 2000 U.S. Census

2.2.2 Cost of Housing

This section evaluates the cost of housing in Laguna Niguel. If housing costs are relatively high in comparison to household income, a correspondingly high rate of housing problems occurs. An emphasis must be made that housing affordability alone is not necessarily a fair housing issue. Fair housing concerns may arise only when housing affordability disproportionately impacts groups that are protected by fair housing laws.

Ownership Housing Costs

According to data from the California Association of Realtors, overall ownership housing costs in Laguna Niguel are higher than in the County. The median value of home sales in March 2004 was about \$632,000 in Laguna Niguel, much higher than the \$515,000 median value for the County.

Home values in Laguna Niguel have increased over time. As shown in Table 2-11, the median home sales price in Laguna Niguel increased by almost 30 percent from \$486,750 in March 2003 to \$632,000 in March 2004. With the exception of Laguna Beach and Dana Point, the median home prices in neighboring cities were lower than that of Laguna Niguel.

Table 2-11
Median Area Housing Sales Price: 2003 - 2004
Laguna Niguel and Surrounding Cities

Jurisdiction	March 2004	March 2003	% Change
Dana Point	\$695,000	\$540,000	28.7%
Laguna Beach	\$1,250,000	\$925,000	35.1%
Laguna Hills	\$390,000	\$330,000	18.2%
Laguna Niguel	\$632,000	\$486,750	29.8%
Mission Viejo	\$575,000	\$425,000	35.3%
San Juan Capistrano	\$524,000	\$419,000	25.1%
Orange County	\$515,000	\$394,500	30.5%

Source: California Association of Realtors, March 2004.

According to data for homes sold between April and November 2004 in Laguna Niguel, the majority of housing units sold in the City were single-family dwellings (473) compared to 388 condominiums (see Table 2-12). The median prices of single-family homes ranged from \$349,000 to \$4,235,000, and most of the single-family home sales involved units with either three or four bedrooms. Most condominiums sold were two-bedroom units and had a median price of \$430,000.

Table 2-12
Single-Family and Condominium Home Sales in Laguna Niguel, CA

Type	Bedrooms	Units	Price Range	Average	Median
Home	1	3	\$940,000-\$1,490,000	\$1,143,333	\$1,000,000
	2	79	\$375,000-\$1,280,000	\$619,023	\$600,000
	3	205	\$349,000-\$2,499,000	\$746,851	\$685,000
	4	173	\$425,000-\$4,235,000	\$942,851	\$855,000
	5	10	\$675,000-\$2,999,000	\$1,607,800	\$1,625,000
	6	2	\$832,000-\$2,375,000	\$1,603,500	\$1,603,500
	7	1	\$ 2,250,500	--	--
Total	--	473	\$349,000-\$4,235,000	\$824,690	\$739,500
Condos	1	56	\$125,000-\$540,000	\$350,295	\$359,000
	2	181	\$69,000-\$1,300,000	\$436,501	\$429,000
	3	81	\$307,000-\$1,349,000	\$572,797	\$525,000
	4	67	\$510,000-\$569,000	\$545,667	\$558,000
Total	--	388	\$69,000-1,349,000	\$463,123	\$430,000

Source: DataQuick (2004)

Rental Housing Costs

As previously stated, Laguna Niguel is a predominantly owner-occupied community, with 75 percent of the households being owners, and 25 percent renters. The rental housing market in Laguna Niguel is comprised of apartments, town homes and condominiums, and some single-family homes.

Rental information for the City of Laguna Niguel was obtained from a review of advertisements in the Orange County Register and an internet service (Apartments.com) during November 2004 and January 2005. The majority of rental listings were one- and two-bedroom apartments and three-bedroom houses, condos, and town homes. Only two studio apartment listings during the review of rental rates were found and at both ends of the spectrum: affordable at \$500 and luxury at \$1,750. Four- and five-bedroom rental units were only found in single-family market with median rents of \$3,100 and \$2,950 respectively.

Table 2-13
Market Rental Rates: 2004

Unit Type	Rental Range	Median Rent
Apartments		
Studio	\$500 - \$1,750	\$1,125
1-Bedroom	\$695 - \$1,950	\$1,115
2-Bedroom	\$1,100 - \$2,200	\$1,523
3-Bedroom	\$1,400 - \$2,500	\$1,723
Homes*		
1-Bedroom	---	\$1,150
2-Bedroom	\$1,300 - \$1,745	\$1,523
3-Bedroom	\$1,500 - \$3,600	\$2,100
4-Bedroom	\$2,200 - \$4,500	\$3,100
5-Bedroom	\$2,950 - \$3,795	\$2,950

Source: OC Register.com and Apartments.com, November 2004 and January 2005.
Homes include single-family dwellings, condos, and town homes.

Housing Affordability

Housing affordability can be estimated by comparing the cost of renting or owning a home with the maximum affordable housing costs to households at different income levels. Taken together, this information can generally indicate the size and type of housing available to each income group and can indicate which households are more susceptible to overcrowding and cost burden. While affordability is not a fair housing concern, it does affect housing choice. Fair housing concerns may also arise when housing affordability issues disproportionately affect groups that are protected by fair housing laws.

HUD conducts annual household income surveys nationwide to determine the maximum affordable housing payments of different households and their eligibility for federal housing assistance. In evaluating affordability, the maximum affordable price refers to the maximum amount that could be afforded by households in the upper range of their respective income categories. Federal housing programs use a standard affordable housing cost of no more than 30 percent of the gross household income.

Assuming that the potential homebuyer within each income group has sufficient credit, a downpayment of 10 percent, and maintains affordable housing expenses (i.e. spends no greater than 30 percent of their income on the mortgage, taxes and insurance), the maximum affordable home prices are presented in Table 2-14. Given the median home prices presented earlier, homeownership is beyond the reach of extremely low, low, and moderate income households. Similarly, extremely low income households cannot afford market rents in the City and low income households are faced with a very limited number of units that are affordable to them.

**Table 2-14
Housing Affordability Matrix Orange County - 2004**

Income Group	Income Levels		Maximum Affordable Price	
	Annual Income	Affordable Payment	Home	Rental
Extremely Low (0-30% AMI)				
One Person	\$ 15,900	\$ 398	\$ 25,929	\$ 348
Small Family	\$ 20,400	\$ 510	\$ 36,916	\$ 410
Large Family	\$ 24,500	\$ 613	\$ 46,145	\$ 463
Low (30-50% AMI)				
One Person	\$ 26,450	\$ 661	\$ 72,294	\$ 611
Small Family	\$ 34,000	\$ 850	\$ 96,684	\$ 750
Large Family	\$ 40,800	\$ 1,020	\$ 117,779	\$ 870
Moderate (50-80% AMI)				
One Person	\$ 40,250	\$ 1,006	\$ 132,941	\$ 956
Small Family	\$ 51,750	\$ 1,294	\$ 174,691	\$ 1,194
Large Family	\$ 62,100	\$ 1,553	\$ 211,387	\$ 1,403

Assumptions:

1. Small Family = 3 persons; Large Families = 5 or more persons
2. Utility costs for renters assumed at \$50/\$100/\$150 per month
3. Monthly affordable rent based on payments of no more than 30% of household income
4. Property taxes and insurance based on averages for the region
5. Calculation of affordable home sales prices based on a down payment of 10%, annual interest rate of 6.5%, 30-year mortgage, and monthly payment of gross household income

Housing Overpayment

According to HUD, households paying more than 30 percent are defined as having a “cost burden” and households paying more than 50 percent are defined as having a “severe cost burden.” Households paying more than 30 percent of their income on housing have limited remaining income for other necessities. Upper income households generally are capable of paying a larger proportion of income for housing; therefore, estimates of housing cost burden generally focus on low and moderate income households. Table 2-15 shows the distribution of overpaying households in Laguna Niguel. A higher percentage of renter-households (40 percent) were affected by cost burden than all households and owner-households in Laguna Niguel (34 percent).

**Table 2-15
Housing Cost Burden***

Housing Problem	Laguna Niguel		Orange County	
	Number	Percent of Households	Number	Percent of Households
Cost Burden (All Households)*	7,978	34%	306,515	36%
Owner-Occupied	5,680	34%	154,880	32%
Renter-Occupied	2,314	40%	151,635	42%

Source: HUD CHAS Data 2004.

*Paying 30 percent or more of income to housing

2.2.3 Housing Condition

The age of housing is commonly used by state and federal housing programs as a factor in estimating rehabilitation needs. Typically, most homes begin to require major repairs or have significant rehabilitation needs such as new roofing, foundation work, and new plumbing at 30 to 40 years of age.

Laguna Niguel has a relatively new housing stock, with approximately 77 percent of its housing units built between 1980 and 1998, (Table 2-16). Only about 6 percent of the City's units were built before 1970 and are reaching the age when major repairs may be needed.

Table 2-16
Age of Housing Stock: 2000

Year Built	Number of Units	Percent of Total
1939 or earlier	59	0.2%
1940-1949	38	0.2%
1950-1959	67	0.3%
1960-1969	1,326	5.5%
1970-1979	3,694	15.5%
1980-1989	11,621	48.6%
1990 - 1998	6,874	28.8%
1999 - March 2000	214	0.9%
Total	23,893	100.0%

Sources: 2000 U.S. Census.

2.3 Public and Assisted Housing Needs

The availability and location of public and assisted housing may be a fair housing concern. If such housing is concentrated in one area of a community or of a region, a household seeking affordable housing is limited to choices within the area. Public/assisted housing and housing assistance must be accessible to qualified households regardless of race/ethnicity, disability, or other special characteristics.

2.3.1 Public Housing

Laguna Niguel has no public housing.

2.3.2 Tenant-Based Rental Housing Assistance

Despite popular perception, most of the nation's affordable housing stock is not in public housing projects but in privately owned and operated developments subsidized by the federal government.⁴ Section 8 is a rent subsidy program that helps very low income families and seniors pay rents in private units. Section 8 tenants pay a minimum of 30 percent of their income for rent and the local housing authority pays the difference up to the

⁴ Forbes, Elaine, "Eroding Neighborhood Integration: The Impact of California's Expiring Section 8 rent Subsidy Contracts on Low Income Family Housing " UCLA Lewis Center for Regional Policy Studies, Working Paper #34, 2000.

payment standard established by the housing authority. The Orange County Housing Authority administers the Section 8 Housing Choice Voucher Program on behalf of the City.

According to the Orange County Housing Authority, a total of 118 Laguna Niguel residents receive Section 8 Rental Assistance as of January 2005. Of these households that receive Section 8 assistance, 51 were senior households, 32 were family households, and 32 were households with persons with disabilities.

Since the demand for housing assistance often exceeds the limited resources available, long waiting periods are common. The Orange County Housing Authority opened its Section 8 Waiting List in June, 2001 and received more than 17,000 pre-applications during a one-month period. On July 1, 2001, the Housing Authority closed the list. Unfortunately, it may take as long as three to five years to deplete the current waiting list and accept applications for a new list. Nonetheless, clients from the County's Social Services Agency (SSA) or Health Care Agency (HCA) may qualify for a limited number of Housing Vouchers that OCHA has dedicated for special needs and programs, such as Family Unification and ShelterPlus Care.

**Table 2-17
Section 8 Voucher Holders**

Race/Ethnicity	Number	Percent
White	74	63%
Black	8	7%
Asian	7	6%
Other	1	--
Unreported	28	24%
Hispanic	9	8%
Total	118*	100%

Source: Orange County Housing Authority, January 2005.

* Hispanic householders are defined under more than one racial/ethnic category.

According to the Orange County Housing Authority, a total of 90 Laguna Niguel family households remain on the waiting list, which was closed on July 1, 2001 for Section 8 rental assistance. The Housing Authority has placed those who meet the first category preferences (seniors and persons with disabilities) and will be working on providing assistance to the remaining households on the waiting list before opening the waiting list within the next year.

2.3.3 Federally Assisted Rental Units At-Risk of Converting to Market Rate

A total of 276 lower income apartment units in five projects are affordable housing units which are eligible to convert to market rate housing in five years. These projects are identified in Table 2-18. However, it should also be noted that some market rate rents are affordable to moderate income households. A project that is scheduled to convert to market rate does not necessarily mean the loss of all affordable units (although conversion will probably result in the loss of all low income units).

As part of the City's 2000-2005 Housing Element update, the City developed policies and programs to monitor the status of these at-risk units and pursue opportunities to preserve or replace the City's affordable housing stock.

**Table 2-18
Assisted Units At-Risk of Conversion to Market Rate**

Name	Location	Program	Termination Date	Total Affd. Units	Total Units
Alicia Park Apartments	23681 Cambridge Circle 92677	Section 8	11/28/2008	56	56
Hidden Hills	30041 Tessier Street 92677	Mortgage Revenue Bond	11/01/2009	66	324
Niguel Summit	30252 Pacific Island Drive 92677	Mortgage Revenue Bond	11/01/2009	34	170
Seaview Summit	102 Calais Street 92677	Mortgage Revenue Bond	11/01/2009	20	100
Village La Paz	24275 Avenida Breve 92677	Mortgage Revenue Bond/ Section 8	8/15/2006	100	100
Total				276	750

Source: City of Laguna Niguel

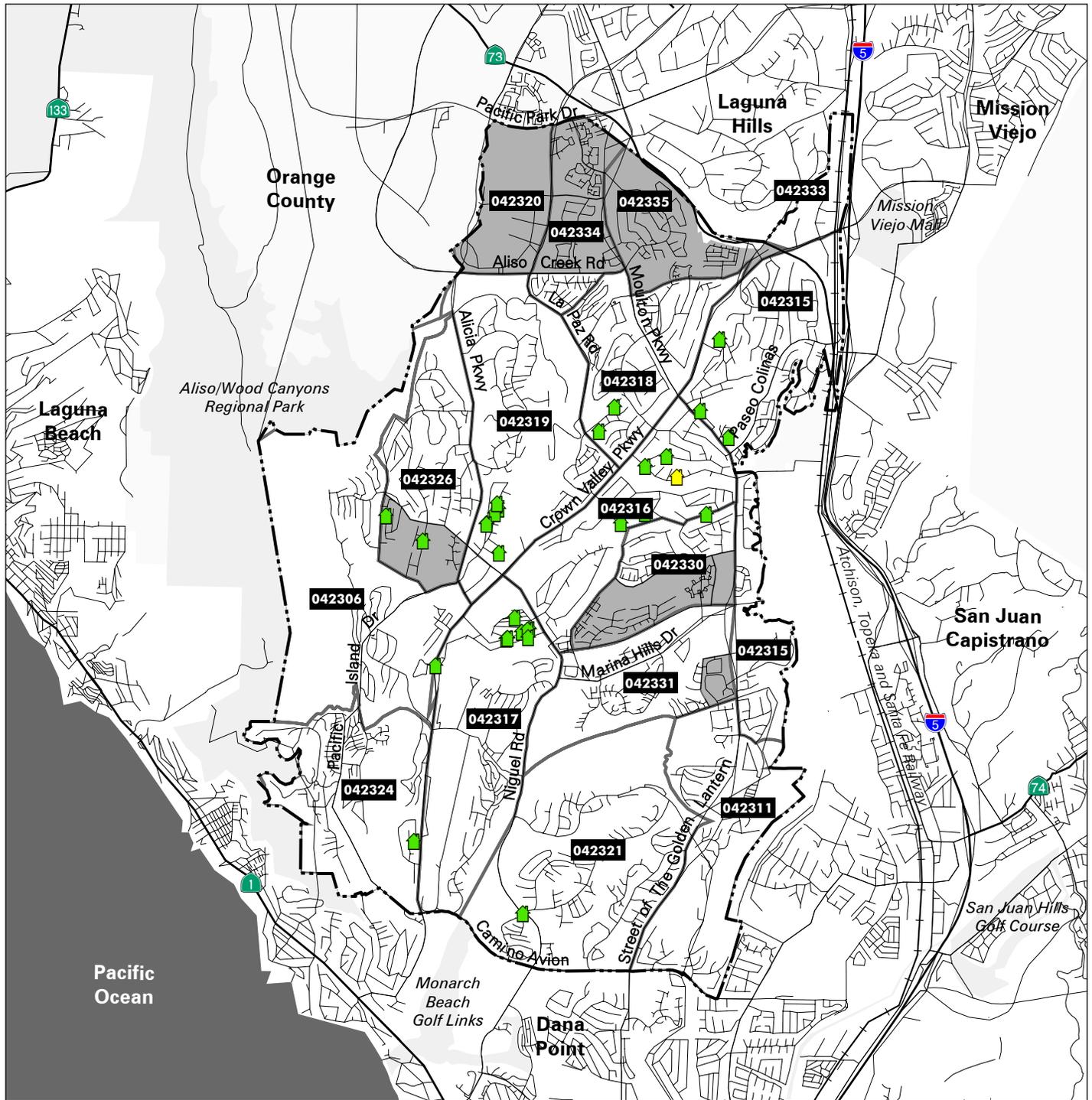
2.4 Licensed Community Care Facilities

According to the State of California Department of Social Services, Community Care Licensing Division, there are 29 licensed community care facilities in Laguna Niguel (Table 2-7, previously presented). Two types of licensed care facilities are located in Laguna Niguel:

Adult Residential Facilities provide care for persons age 18 to 59, including both developmentally disabled adults and persons suffering from mental illness or psychiatric disorders. Referrals for the latter group are made by the State Department of Mental Health.

Elderly Residential Facilities provide care for persons age 60 and over. Most of the residents are self-placed although some may be referred by private agencies.

Elderly residential facilities are the most common types of licensed community care facilities in Laguna Niguel. As shown in Figure 2-3, the majority of licensed community care facilities are located in the center portion of the City. There are only two facilities located within the low and moderate income areas of Laguna Niguel.



- City Boundary
- Census Tract 2000
- Census Block Group 2000
- 042321 Census Tract Number
- Low/Moderate Income Block Groups
(Low to Moderate Income concentration defined as Census Block Group with more than 25.7% Low and Moderate Income Households.)
- 🏠 Licensed Care Facilities
- 🏠 Adult Residential
- 🏠 Residential Care/Elderly

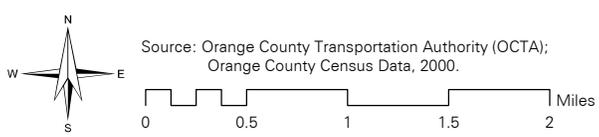


Figure 2-3
Licensed Care Facilities
and Low/Moderate Income Areas

2.5 Major Employers and Public Transit

Public transit plays an important role in offering housing choice. Public transit should link lower income households, which are often transit dependent, to major employers where many lower income persons may work and where job opportunities may exist. If an integral relationship between public transit, major employers, and lower income housing does not exist, fair housing choice will be impeded because persons who depend on public transit will be limited in their choice of where they can live.

2.5.1 Public Transit

The Orange County Transportation Authority (OCTA) provides public transportation services to Laguna Niguel and surrounding areas of Orange County. Several fixed-route bus lines link Laguna Niguel with neighboring cities and counties. OCTA also runs one Stationlink route through Laguna Niguel that provides a link between train stations and major employment/activity centers and are designed to meet the scheduled trains.

OCTA offers two programs for special needs passengers:

- 1) ACCESS is OCTA's shared-ride service for people who are unable to use the regular, fixed-route bus service because of functional limitations caused by a disability.
- 2) Senior Mobility Program (SMP) is designed to fill the gap between local fixed route buses and ADA paratransit or ACCESS service by providing local transportation services to the elderly who reside in participating cities in Orange County, including Laguna Niguel.

A significant issue for transportation options is the rising cost of using bus and rail service. On October 25, 2004, the OCTA Board of Directors approved new bus fare prices, effective January 2, 2005, to eliminate a \$3 million deficit. The approved increase, the first in nearly 14 years, includes a doubling of rates for disabled and elderly riders (from \$0.25 to \$0.50) who account for about 15 percent of the bus system's ridership.⁵ Under the new fare structure, normal curb-to-curb fares for paratransit vehicles – small buses that transport persons with disabilities – would increase from \$1.70 to \$2.25, and premium door-to-door service would increase from \$3.30 to \$4.10. Such increases in bus fares may significantly impact the mobility of lower income elderly and disabled residents.

In addition, the City typically provides CDBG funding to the South County Senior Services Paratransit program which provides specialized transportation services for low income, transit-dependent elderly and disabled residents within Laguna Niguel. City funds are used for one day of service while the other two days are funded through grants provided by the Orange County Transit Authority (OCTA).

2.5.2 Access to Major Employers

In Laguna Niguel, Costco is the top private employers with 250 employees. As shown in Table 2-19, other major employers in the City of Laguna Niguel include a Mercedes-Benz dealership (215 employees) and a janitorial supply company (200 employees).

⁵ McKibben, Dave Higher Bus Fares Could Be Right Around the Corner. Los Angeles Times September 10, 2004.

**Table 2-19
Top Five Private Employers**

Employers	Number of Employees
Costco Wholesale	250
Mission Imports Mercedes-Benz	215
Coastline Janitorial Maintenance & Supplies	200
Prudential California Realty	145
TGI Friday's	110

Source: www.myOC.com

The locations of these major employers are mapped on Figure 2-4 to show the proximity of major employers to local transit routes. None of the major employers are located within the low and moderate income areas but are nonetheless located in close proximity. All major employers are located in very close proximity to OCTA bus routes.

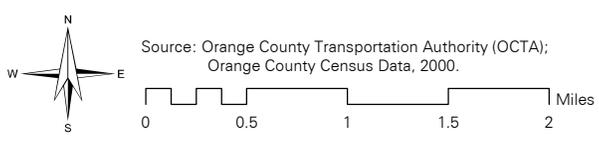
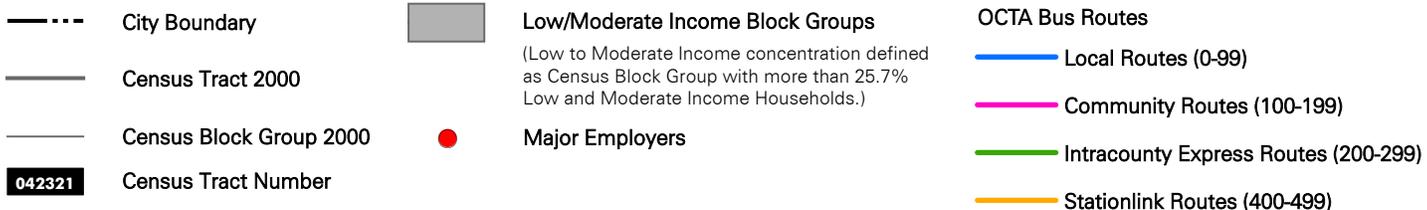
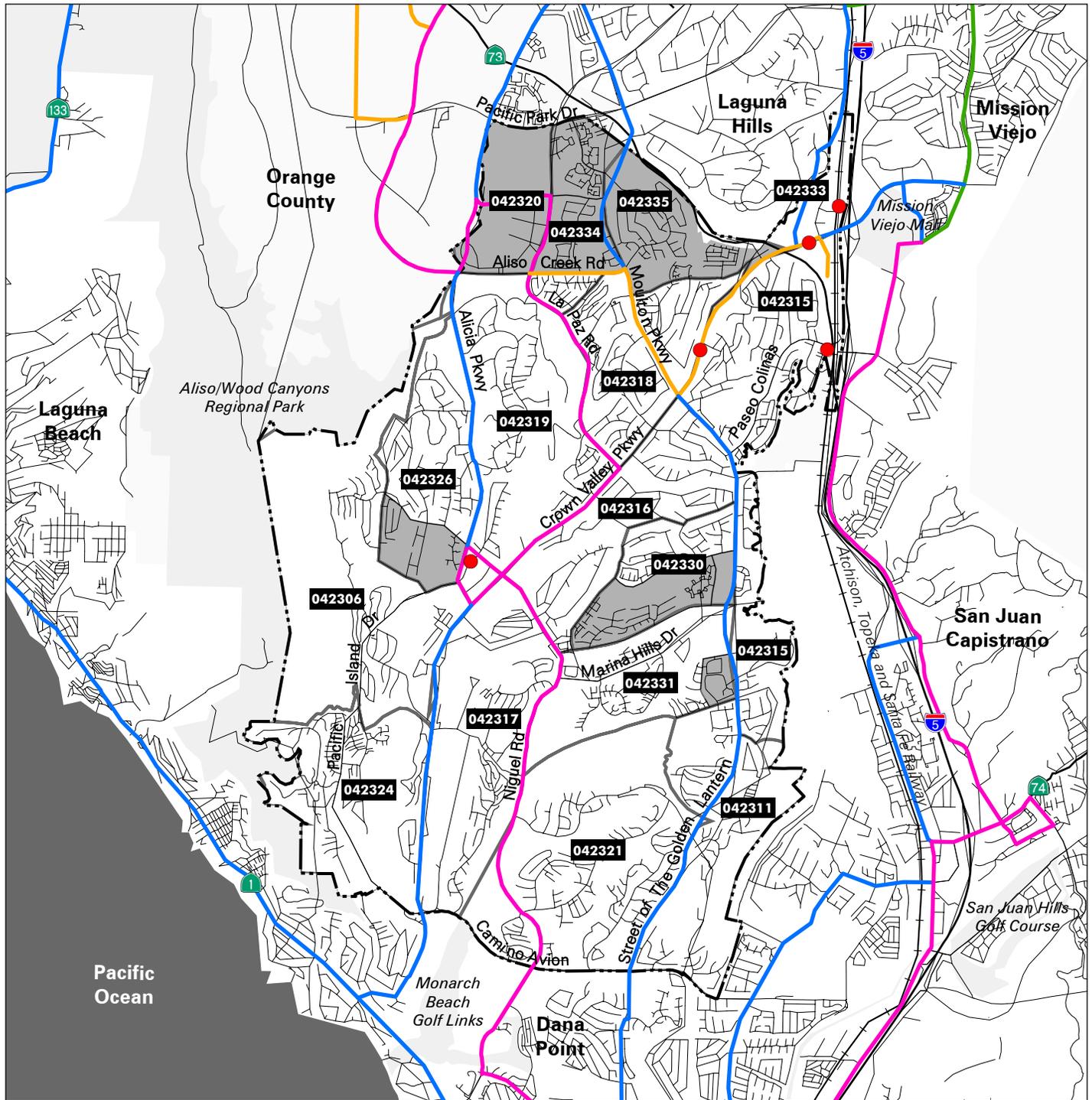


Figure 2-4
Major Employers,
Transportation Routes
and Low/Moderate Income Areas

3. Current Fair Housing Profile

3.1 Fair Housing Program/ Activities

3.1.1 Fair Housing Council of Orange County

The City of Laguna Niguel provides CDBG funds to the Fair Housing Council of Orange County (FHCOC), a private non-profit organization, for the provision of fair housing services, including educational outreach, tenant/landlord dispute resolution, and discrimination complaints.

Community Education and Outreach

FHCOC provides numerous avenues of fair housing education and outreach to the public, including:

- Fair housing presentations and workshops;
- A variety of information on fair housing law, landlord/tenant dispute resolution programs as well as specific publications aimed at particular groups such as apartment owners and managers and realtors, etc.; and
- Annual poster/essay contest for 5th and 6th grade classes.

FHCOC’s presentations and workshops provide residents with information about landlord/tenant and fair housing rights and obligations. FHCOC also publishes fact sheets and booklets on housing laws and the “Fair Housing Times” newsletter. Information is also distributed via news media about housing issues or other noteworthy stories concerning improving the quality of housing and housing opportunities in Orange County communities.

Landlord/Tenant Dispute Resolution

FHCOC assists residents in resolving questions and avoiding disputes over notices to terminate tenancy, evictions, returns of security/holding deposits, substandard conditions, and other landlord/tenant issues. FHCOC provides counseling and information about individual’s rights and responsibilities.

Discrimination Complaints

FHCOC tries to resolve complaints involving alleged housing discrimination before resorting to litigation. If complaints warrant legal action, legal advice or representation may be provided. In addition, FHCOC may refer residents to governmental enforcement agencies such as the Department of Employment and Housing or qualified private attorneys.

3.1.2 Association of Realtors

All real estate associations are required to provide education on fair housing for their members. The booklet entitled *Professionalism in Real Estate Practice*, published by the National Association of Realtors, contains a professional code of ethics. Article 10 of the code of ethics reads:

The realtor shall not deny equal professional services to any person for reasons of race, color, religion, sex, handicap, familial status, or national origin. The realtor shall not be party of any plan or agreement to discriminate against a person or persons on the basis of race, color, religion, sex, handicap, familial status, or national origin.

Realtors are advised that they must provide equal professional service to all, and must ensure that advertising and marketing campaigns are not construed as expressing any racial or ethnic preference. New members must sign a certificate to uphold the code of ethics.

The Orange County Association of Realtors (OCAR) serves Orange County from the Los Angeles County line in the north to San Diego County in the south. The OCAR service area encompasses 12 cities and much of the County's unincorporated areas. OCAR has a total membership of over 10,000 realtors and associates.

OCAR provides continuing education classes, hands-on computer training workshops, and real estate supplies, and conducts quarterly orientation seminars for all new realtors. It addresses a number of components including:

- Government Affairs
- Professional Standards (e.g., Code of Ethics)
- Multiple Real Estate Listings
- Fair Housing Issues

The discussion of fair housing issues for members is facilitated by the FHCOC. OCAR arranges for seminars and presentation on-site or at the FHCOC offices. Fair housing education also includes the presentation of the National Association of Realtors' fair housing video. The goal of these trainings is to educate real estate professionals as to how they are expected to conduct themselves as licensees.

Comments from local realtors, OCAR, and the Apartment Association of Orange County indicated that they had encountered few fair housing concerns in the City and surrounding area. Instead, they indicated that the high cost of housing was the major concern for residents.

3.1.3 Apartment Association

The Apartment Association of Orange County has a membership of approximately 3,300 property owners and managers. The Apartment Association of Orange County conducts Resident Screening Seminars approximately every six months, which provide training and information on fair housing, including training for apartment owners, and the legal issues related to fair housing.

The Association offers a Certified Apartment Managers (CAM) seminar quarterly. The seminar encompasses two different courses: CAM 1 - Survey of Apartment Management and CAM 2 - Advanced Apartment Management. Both courses address legal aspect of apartment management, including fair housing. In addition to the Certified Manager's Seminar, the Association partners with the FHCOC to offer in-house fair housing training. The Association also provides legal resources for manager and owners regarding fair housing questions. The Association refers members to the FHCOC for fair housing questions the Association cannot adequately address. The Association does not participate in any landlord/tenant mediation.

3.1.4 Orange County Mortgage Brokers Association

The Orange County Mortgage Brokers Association (OCMBA) represents approximately 500 mortgage brokers in the County, while there are more than 25,000 mortgage brokers practicing in the County. According to representatives of OCMBA, many mortgage "brokers" are application takers who have not received any formal training and may lack knowledge of fair housing practices.⁶ The President of OCMBA serves as a clearinghouse for fair housing complaints, clarifying rights and responsibilities and referring callers to the appropriate agencies.

3.2 Fair Housing Complaints, Violations, and Suits

3.2.1 Fair Housing Council of Orange County

The following section summarizes the results of fair housing complaints originating in Laguna Niguel as received by the FHCOC, and evaluates the nature and extent of fair housing and tenant/landlord complaints in the City.

During FYs 2001 through 2003, FHCOC provided an estimated 420 Laguna Niguel households with landlord/tenant and housing discrimination services. Of these 420 households assisted, 34 were fair housing related complaints. Of the 34 households that filed complaints, 47 percent of these households categorized their race/ethnicity as "Other", 29 percent were from Black households and 24 percent were from White households. According to FHCOC, the complaints were based on national origin (27 percent), disability (24 percent), race (23 percent), and familial status (22 percent).

Most of the households (44 percent) with fair housing complaints were provided with information and counseling about their rights and options of action while 31 percent of complaints were reviewed and 15 percent were investigated. Complaints which are unable to reach successful resolution are referred either to the Department of Fair Employment and Housing (DFEH), HUD, or to a private attorney. One test was conducted by the FHCOC due to complaint of discrimination by a Laguna Niguel resident.

In addition to fair housing complaints, a large number of Laguna Niguel residents sought the FHCOC for landlord/tenant counseling and dispute resolution services. Between July 2001 and June 2004, FHCOC handled 846 landlord/tenant issues, assisting 386 households. Characteristics of the callers are as follows:

⁶ Peter Perez, President, and John Russell, 1st Vice President, of the Orange County Chapter of the California Association of Mortgage Brokers.

- Race/ethnicity of callers: 71 percent Whites, 13 percent Hispanics, 5 percent Blacks, 2 percent Asians, and 8 percent "Other"
- 33 callers were over 65 years of age
- 61 callers were female-headed households
- Income of callers: 153 were very low income, 83 were low income households, and 60 were extremely low income

Of the 846 issues handled, 723 (86 percent) were resolved, 49 issues went to small claims court, while other resolutions include referral to code enforcement, private attorneys, and Legal Aid.

3.2.2 Department of Fair Employment and Housing

The Department of Fair Employment and Housing (DFEH) is the largest State civil rights agency in the country. In 1980, DFEH was established as an independent department charged with enforcing California's comprehensive employment, housing, public accommodations and public service non-discrimination laws, as well as the State's bias-related hate violence law. DFEH routinely provides technical assistance to employers, business establishments and housing providers regarding their responsibilities under the law. DFEH receives and investigates discrimination complaints in its 15 district offices throughout the State. The FHCOC works in partnership with HUD and the State DFEH. If the mediation/conciliation through FHCOC is unsuccessful, the case is then referred to DFEH or HUD.

Between 2000 and 2004, DFEH received eight housing complaints from residents in Laguna Niguel.⁷ As shown in Table 3-1 below, familial status and race/ethnicity were the top two bases for housing discrimination in Laguna Niguel between 2000 and 2004.

**Table 3-1
Housing Complaints in Laguna Niguel**

Basis of Complaint*	2000	2001	2002	2003	2004	Total
Disability (Limbs)	1	--	--	--	--	1
Familial Status (Children)	1	1	--	1	1	4
Marital Status (Divorced)	1	--	--	--	--	1
National Ancestry	--	--	1	--	--	1
Race/Color	1	1	--	--	--	2
Retaliation (For Filing)	--	--	--	--	1	1

* Complaints may be due to more than one reason or basis.
Source: California Department of Fair Employment and Housing, 2004

The alleged acts of housing discrimination involve eviction (4), harassment (1), refusal to rent (3), unequal access to facilities (1), and unequal terms (3). A case may involve more than one act of discrimination.

Four (50 percent) of the housing complaint cases resulted in "no probable cause to prove a violation of the statute", three (38 percent) were "successfully conciliated", and one (12 percent) was "successfully mediated."

⁷ Data provided by DFEH does not include cases that may be currently pending in their housing unit.

3.2.3 Hate Crimes

Hate crimes are violent acts against people, property, or organizations motivated by the group to which they belong or identify with. While they have been committed throughout American history, it was not until early in this decade that the federal government began to collect data on how many and what kind of hate crimes are being committed, and by whom.

Hate crimes become a fair housing concern when residents are intimidated or harassed at their residence or neighborhood, which is where the majority of hate crimes occur. Fair housing violations due to hate crimes also occur when people will not consider moving into certain neighborhoods, or have been run out of their homes for fear of harassment or physical harm. The Federal Fair Housing Act makes it illegal to threaten, harass, intimidate or act violently toward a person who has exercised their right to free housing choice. Persons who break the law have committed a serious crime and can face time in prison, large fines or both, especially for violent acts, serious threats of harm, or injuries. In addition, this same behavior may violate similar state and local laws, leading to more punishment for those who are responsible. Some examples of illegal behavior include threats made in person, writing or by telephone; vandalism of the home or property; rock throwing; suspicious fires, cross-burning or bombing; or unsuccessful attempts at any of these.

According to the FBI annual reports on hate crime statistics, between 1999 and 2003, 10 hate crimes were reported in the City of Laguna Niguel. The bias motivation was predominantly based on ethnicity (60 percent), followed by religion (30 percent), and race (10 percent). Overall, the incidence of hate crimes in the City was less than one percent per 1,000 people (0.15 percent). The bias motivation for hate crimes committed in Laguna Niguel is presented in Table 3-2 and compared to neighboring jurisdictions.

**Table 3-2
Hate Crime Statistics**

Jurisdiction	Race	Religion	Sexual Orientation	Ethnicity	Disability	Total No.	No./ 1,000 population
Laguna Beach	2	4	10	1	0	17	0.69
Laguna Hills	1	0	1	1	0	3	0.09
Laguna Niguel	1	3	0	6	0	10	0.15
Lake Forest	4	3	1	5	0	13	0.17
Mission Viejo	3	2	2	1	0	8	0.08

Source: FBI Hate Crime Statistics, 1999-2003.

Generally, caution should be used when using hate crime statistics, because reporting hate crimes is voluntary on the part of the local jurisdictions. Some states started submitting data only recently, and not all jurisdictions are represented in the reports. Many jurisdictions, including those with well-documented histories of racial prejudice, reported zero hate crimes. Another obstacle to gaining an accurate count of hate crimes is the reluctance of many victims to report such attacks.

4. Lending Practices

Potential impediments to fair housing choice in Laguna Niguel, in both the private and public sectors, can be related to housing brokerage services, lending and insurance practices, restrictive covenants, and public policies.

The Community Reinvestment Act (CRA) is intended to encourage certain regulated financial institutions to help meet the credit needs of all of their communities, including lower income neighborhoods. In tandem with the CRA, the Home Mortgage Disclosure Act (HMDA) requires lending institutions to make annual public disclosures of their home mortgage lending activity.

Detailed 2003 HMDA data for conventional and government-backed home purchase and home improvement loans in Laguna Niguel were examined. Appendix A to this report includes detailed HMDA data analysis.

HMDA data provides some insights regarding the lending patterns that exist in a community. However, the HMDA data is only an indicator of potential problems; it cannot be used to conclude definite redlining or discrimination.

In the HMDA data, loan applications received by banks and other lending institutions are either originated, approved but not accepted, denied, withdrawn, or closed. Origination refers to loans approved by the lending institution and accepted by the applicant. Approved but not accepted refers to loans approved by the bank but not accepted by the applicant. Denied refers to loans which were not approved by the lending institution. Withdrawn or closed refers to loan applications which were withdrawn by the applicant or closed by the lending institution due to incomplete information of other circumstances.

4.1 Conventional Home Purchase Loans

Laguna Niguel is a predominantly White community. White households represented the majority (approximately 65 percent) of applicants for mortgage loans in the City in 2003. Asian and Hispanic applicants constituted only a small portion of the applicants, at five and four percent, respectively. The racial/ethnic composition of loan applicants generally approximates that of the general population.

Overall, White applicants had the highest number (1,863 applications) of approved loans, while Native American and Asian applicants had higher approval rates at 85.7 percent and 84.3 percent, respectively. However, since Laguna Niguel is a predominantly White community, the number of minority applicants is considerably smaller. Given the small pool of minority applicants, it is difficult to precisely determine if there are significant differences in loan approval and denial rates. Table 4-1 shows the total number of conventional mortgage loan applications in Laguna Niguel in 2003 and the associated loan disposition by race of applicant.

**Table 4-1
Disposition of Conventional Home Purchase Loan Applications
by Race of Applicant: 2003**

Race	Total Applicants		Approved		Denied		Withdrawn/Closed	
	#	% of Total	#	Approval Rate	#	Denial Rate	#	Withdrawal, Closed Rate
Native	7	0.2%	6	85.7%	1	14.3%	0	0.0%
Asian	171	4.9%	144	84.3%	17	9.9%	10	5.8%
Black	26	0.7%	20	76.9%	5	19.2%	1	3.8%
Hispanic	145	4.2%	110	75.9%	23	15.9%	12	8.3%
White	2,279	65.3%	1,863	81.7%	210	9.2%	206	9.0%
Joint	112	3.2%	95	84.8%	8	7.1%	9	8.0%
Other	68	1.9%	51	75.0%	10	14.7%	7	10.3%
Not Available	681	19.5%	476	69.9%	90	13.2%	115	16.9%
Total	3,489	100.0%	2,435	79.9%	364	10.4%	360	10.3%

Source: HMDA, Peertrax, LAR Summary, 2003.

4.2 Conventional Home Improvement Loans

Laguna Niguel has a relatively new housing stock, with approximately 77 percent of its housing units built between 1980 and 1998. Overall, the City's housing stock is in excellent condition. Therefore, there has not been a high demand for home improvement financing. In 2003, only 279 homeowners sought home improvement financing. Many applicants did not disclose their racial and ethnic background when applying for home improvement loans. Generally, White applicants still constituted the majority of loan applicants (58 percent). The total number of conventional home improvement loan applications and the associated loan disposition by race of applicant are shown in Table 4-2. As shown, Asian applicants had a slightly higher approval rate for home improvement loans than White applicants. However, there were only 11 Asian loan applicants.

**Table 4-2
Disposition of Conventional Home Improvement Loan Applications
by Race of Applicant: 2003**

Race	Total		Approved		Denied		Withdraw/Closed	
	#	% of Total	#	Approval Rate	#	Denial Rate	#	Withdrawal, Closed Rate
Native	1	0.4%	0	0.0%	1	100.0%	0	0.0%
Asian	11	3.9%	8	72.7%	2	18.2%	1	9.1%
Black	2	0.7%	0	0.0%	2	100.0%	0	0.0%
Hispanic	6	2.2%	3	50.0%	3	50.0%	0	0.0%
White	162	58.1%	117	72.2%	31	19.1%	14	8.6%
Other	9	3.2%	6	66.7%	2	22.2%	1	11.1%
Joint	3	1.1%	0	0.0%	3	100.0%	0	0.0%
Not Available	85	30.5%	41	48.2%	24	28.2%	20	23.5%
Total	279	100.0%	175	62.7%	68	24.4%	36	12.9%

Source: HMDA, Peertrax, LAR Summary, 2003.

4.3 Conventional Loan Applications by Tract Income

The 2003 HMDA data classified census tracts in Laguna Niguel as primarily upper income, with three census tracts (423.30, 423.34, and 423.35) classified as middle income. No census tract in Laguna Niguel was classified as low/moderate income by HMDA in 2003. Approximately, 77 percent of the mortgage loan applications were for homes located in the upper income tracts, with the remaining 23 percent for homes in the three middle income tracts in Laguna Niguel. The loan denial rate was only slightly lower in the middle income tract (9 percent) than in the upper income tracts (12 percent).

4.4 Conventional Home Loan Applications by Applicant Income

Logically, income of the loan applicants plays a critical role in determining loan approval/denial rates. Loan denials based on the income and affordability of applicants point more toward the need for assistance rather than to potential discrimination.

4.4.1 Conventional Home Purchase Loans by Income

The number of applicants for conventional home purchase loans and the disposition of these loan applications are shown in Table 4-3. As shown, the applications for home purchase loans in 2003 were predominantly from households earning above 120 percent of the County Median Family Income (MFI).

Although households earning more than 120 percent of the County MFI had the highest number of approved loans, households earning 100 to 120 percent of County MFI had a higher approval rate, 81.4 percent compared to 80.7 percent for households earning more than 120 percent County MFI. Loan denial rate was the lowest for households earning less than 50 percent County MFI. In addition, the rate of withdrawn or closed files was the highest among the households earning less than 50 percent of County MFI.

**Table 4-3
Disposition of Conventional Home Purchase Loan Applications
by Income of Applicant: 2003**

Applicant Income	Total		Approved		Denied		Withdraw/Closed	
	#	% of Total	#	Approval Rate	#	Denial Rate	#	Withdrawal, Closed Rate
< 50%	28	0.8%	20	71.4%	1	3.6%	7	25.0%
50 - <80%	180	5.2%	134	74.4%	23	12.8%	23	12.8%
80 - <100%	224	6.4%	166	74.1%	36	16.1%	22	9.8%
100 - 120%	296	8.5%	241	81.4%	28	9.5%	27	9.1%
>120%	2,623	75.2%	2,117	80.7%	249	9.5%	257	9.8%
NA	138	4.0%	87	63.0%	27	19.6%	24	17.4%
Total	3,489	100.0%	2,765	79.2%	364	10.4%	360	10.3%

Source: HMDA, Peertrax, LAR Summary, 2003.

4.4.2 Conventional Home Improvement Loans by Income

The number and disposition of conventional home improvement loan applications made by income of Laguna Niguel residents in 2003 are shown in Table 4-4. This table shows that for home improvement loans, almost three-quarters of all applicants had incomes above 120 percent County MFI. Among the few lower and moderate income households who pursued home improvement financing, their loan approval rates were also comparatively lower than that for upper income households. Overall, applicants with incomes above 120 percent County MFI had the highest approval rate for conventional home improvement loan applications.

**Table 4-4
Disposition of Conventional Home Improvement Loan Applications
by Income of Applicant: 2003**

Applicant Income	Total		Approved		Denied		Withdraw/Closed	
	#	% of Total	#	Approval Rate	#	Denial Rate	#	Withdrawal, Closed Rate
< 50%	9	3.2%	1	11.1%	7	77.8%	1	11.1%
50% - 80%	23	8.2%	14	60.9%	5	21.7%	4	17.4%
80% - 100%	19	6.8%	11	57.9%	7	36.8%	1	5.3%
100%-120%	21	7.5%	10	47.6%	5	23.8%	6	28.6%
>=120%	204	73.1%	138	67.6%	42	20.6%	24	11.8%
NA	3	1.1%	1	33.3%	2	66.7%	0	0.0%
Total	279	100.0%	175	62.7%	68	24.4%	36	12.9%

Source: HMDA, Peertrax, LAR Summary, 2003.

4.5 Conventional Home Loan Applications by Lender

In 2003, five mortgage lenders received almost 32 percent of the conventional home purchase loan applications in Laguna Niguel. The top five lenders in Laguna Niguel are Washington Mutual Bank (327 applications), Wells Fargo Home Mortgage (228 applications), Countrywide Home Loans (225 applications), Bank of America (168 applications), and ABN Mortgage Group Mortgage (164 applications). Table 4-5 shows the market share, loan approval, and loan denial rates of each of these five lenders.

Although Washington Mutual had the largest number of approved loan applications in Laguna Niguel, Wells Fargo had the highest loan approval rate (89.9 percent). Countrywide had the lowest loan denial rate (2.2 percent) of the five major lenders. Bank of America had the highest percent of applications that were closed or withdrawn (15.5 percent).

One thing to note is that the HMDA data does not include a field that identifies whether an individual loan application was a subprime or manufactured home loan application. However, HUD annually identifies a list of lenders who specialize in either subprime or manufactured home lending. According to 2003 data compiled by HUD, two active lenders in south Orange County specialize in subprime lending: Greenpoint Mortgage and Wells Fargo.⁸ The subprime lenders serve the typically "hard-to-serve" market, where potential borrowers have less-than-desirable credit history or inadequate collateral. Because of the

⁸ HUD Subprime and Manufactured Home Lender List. 2003.

higher risks (higher default rates) involved for the lenders in serving the subprime market, high interest rates and loan fees are typically associated with subprime lending.

**Table 4-5
Disposition of Conventional Home Purchase Loan Applications
by Lending Institution: 2003**

Lender	Total		Approved		Denied		Withdraw or Closed	
	#	Market Share	#	Approval Rate	#	Denial Rate	#	Withdrawal, Closed
Washington Mutual Bank	327	9.3%	271	82.9%	46	14.1%	10	3.0%
Wells Fargo Home Mortgage	228	6.5%	205	89.9%	12	5.3%	22	8.0%
Countrywide Home Loans	225	6.4%	192	85.3%	5	2.2%	28	12.4%
Bank of America	168	4.8%	131	78.0%	11	6.5%	26	15.5%
ABN AMRO Mortgage Group	164	4.7%	138	84.1%	6	3.7%	20	12.2%
Total Market	3,489	100%	2,765	79.3%	364	10.4%	360	10.3%

Source: HMDA, Peertrax, LAR Summary, 2003.

4.6 Government-Backed Loans

Government-backed financing represents an alternative to conventional financing. Sources of government-backed financing include the Federal Housing Administration (FHA), the Department of Veterans Affairs (VA), and the Rural Housing Services/Farm Service Agency (RHS/FSA). The total applications, approvals, and denials for conventional and government-backed home purchase loans in Laguna Niguel are compared in Table 4-6.

As shown in Table 4-6, only 41 homeowners in Laguna Niguel obtained home purchase loans from government-backed financing. The loan approval rate was higher for government-backed loans (87 percent) in 2003 compared to conventional loans (79 percent). The home prices in Laguna Niguel preclude many households from using government-backed loans.

**Table 4-6
Comparison of Conventional and Government-Backed
Home Purchase Loan Applications - 2003**

Disposition	Conventional		Government-Backed	
	# of Applications	% of Total	# of Applications	% of Total
Loans Approved	2,765	79.3%	36	87.8%
Denied	364	10.4%	3	7.3%
Closed, Withdrawn	360	10.3%	2	4.9%
Total	3,489	100.0%	41	100.0%

Source: HMDA, Peertrax, LAR Summary, 2003.

Even fewer homeowners relied on government-backed financing for home improvement in Laguna Niguel. As shown in Table 4-7, only 2 applicants applied for government-backed home improvement loans compared to 279 applicants for conventional improvement loans.

Both applicants were approved for the government-backed home improvement loan therefore making the approval rate artificially high.

**Table 4-7
Comparison of Conventional and Government-Backed
Home Improvement Loan Applications - 2003**

Disposition	Conventional		Government-Backed	
	# of Applications	% of Total	# of Applications	% of Total
Loans Approved	175	62.7%	2	100.0%
Denied	68	24.4%	0	0.0%
Closed, Withdrawn	36	12.9%	0	0.0%
Total	279	100.0%	2	100.0%

Source: HMDA, Peertrax, LAR Summary, 2003.

4.6.1 Private Homebuyer Assistance Programs

A common obstacle for first-time homebuyers in achieving homeownership is the difficulty in saving adequate funds to make a down payment. Among the top five lenders - four offer special mortgage programs that allow first-time homebuyers to contribute three percent or less for down payment.

- Washington Mutual offers a “Low Down Payment” loan which provides first-time homebuyers and low to moderate income households the ability to borrow up to \$232,000 towards the purchase of a home with as little as a three-percent down payment. The down payment can also come from a variety of sources including a credit care advance, or a gift from a family member as an unsecured personal loan.
- Wells Fargo provides a “First Home Program” which is designed in part to help low and moderate income households achieve homeownership. Under this program, Wells Fargo provides a special package of home financing services such as one-on-one counseling, free pre-approval, first-time homebuyer seminars, and a variety of specialized mortgage products.
- Countrywide also offers a variety of down payment assistance programs, including the “House America 95 Percent LTV Program.” This program provides low and moderate-income buyers with a mortgage loan option with a five-percent down payment, more flexible debt ratios, and terms ranging from 15 to 30 years.
- Bank of American offers programs such as the “Neighborhood Advantage Zero Down” program which provides low and moderate income households the ability to borrow up to \$350,000 towards the purchase of a home with no down payment for applicants with good credit and offers flexible rates and terms.

4.6.2 County-Sponsored Home Assistance Programs

Mortgage Assistance Program (MAP)

The County’s MAP provides silent second loans to assist low income first-time homebuyers, with annual incomes not to exceed 80 percent of the Area Median Income (AMI). The loans are designed to help pay for the down payment and/or closing costs to purchase a home.

The three-percent simple interest, deferred payment loan has a term of 30 or 45 years, depending on the funding source, and a maximum loan amount of \$40,000. Homebuyers must occupy the property as their primary residence. There is a one-percent minimum down payment required for this program and the total sales prices shall not exceed 85 percent of the Orange County median sales price for all homes. All applicants are required to attend a homebuyer education workshop.

Mortgage Credit Certificate (MCC) Program

In conjunction with local cities and in partnership with Affordable Housing Applications, the Mortgage Credit Certificate (MCC) program is offered through the County of Orange. The MCC is a Federal Income Tax Credit program. An MCC increases the loan amount you qualify for and it increases an applicant's take-home pay. The MCC entitles applicants to take a Federal income tax credit of 20 percent of the annual interest they pay on their home mortgage. Because the MCC reduces an applicant's Federal income taxes and increases their net earnings, it helps homebuyers qualify for a first home mortgage. The MCC is registered with the IRS, and it continues to decrease Federal income taxes each year, for as long as an applicant lives in the home.

Southern California Home Financing Authority (SCHFA)

Southern California Home Financing Authority (SCHFA) is a joint powers authority between Los Angeles and Orange Counties formed in June 1988 to issue tax-exempt mortgage revenue bonds for low and moderate income first time homebuyers. The program features below-market, 30-year fixed mortgage rates, and down payment assistance. There is one participating lender in Laguna Niguel (Bank of America) and numerous others in the County of Orange.

4.7 Predatory Lending

Predatory lending involves abusive loan practices usually targeting minority homeowners or those with less-than-perfect credit histories. These predatory practices include high fees, hidden costs, unnecessary insurance requirements, and larger repayments due in later years. One of the most common predatory practices is placing borrowers into higher interest rate loans than called for by their credit status. Although the borrowers may be eligible for a loan in the prime market, they are directed into more expensive and higher fee loans in the subprime market.

4.7.1 Examples of Predatory Lending

As defined above, predatory lending includes a wide variety of improper practices. In fact, over 39 different types of predatory lending have been documented involving all aspects of the lending process, from origination to the collection of the loan. These practices typically target and steer low income, minorities, or the elderly to high-rate lenders.

In particular, HUD has raised concern about two categories of improper or predatory lending practices. The first type, which generally is easier to identify, involves blatant fraud or acts of deception such as forging signatures or obtaining signatures on blank documents, falsifying loan applicant income or appraised value of the property, or employing bait and switch tactics.

A second type, which is often more difficult to identify, involves various manipulative practices that cause borrowers to enter into abusive loans. Common abusive loans include:

- **Equity Stripping:** This type of practice occurs when a loan is based on the equity of a home rather than the borrower's ability to repay. This type of loan often has high fees, prepayment penalties, and different terms and conditions than a regular home loan.
- **Packing:** This involves the practice of adding credit insurance or other extras into the loan. The supplements to the loan are often very profitable to the lenders and are typically financed in a single up-front or balloon payment.
- **Flipping:** This practice is a form of equity stripping and happens when a lender convinces a borrower to repeatedly refinance a loan within a short period of time. The lender typically charges high points and fees each time as part of the mortgage.

Given the heightened concern regarding predatory lending activities in Southern California and throughout the State, residents should be alerted and educated on the issue of predatory lending.

4.7.2 Protections against Predatory Lending

Federal Legislative Changes and Actions

Predatory lending is a growing fair housing issue. However, no law currently administered by the Federal Reserve Board contains a statutory or regulatory definition of predatory lending. Predatory lenders who discriminate receive some scrutiny under the Fair Housing Act of 1968, which requires equal treatment in terms and conditions of housing opportunities and credit regardless of race, religion, color, national origin, family status, or disability. This applies to loan originators as well as the secondary market. The Equal Credit Opportunity Act of 1972 requires equal treatment in loan terms and availability of credit for all of the above protected categories, as well as age, sex, and marital status. Lenders that engage in predatory lending would violate these acts, if they target Black, Hispanic, or elderly households to buy higher priced and unnecessary loan products; treat loans for protected classes differently than those of comparably credit-worthy applicants; or have policies or practices that have a disproportionate effect on the protected classes.

In addition, the Truth in Lending Act (TILA) promotes the informed use of consumer credit, through disclosure of loan costs and terms. To comply with this act, lenders must disclose information about payment schedules, prepayment penalties, and the total cost of credit. In 1994, Congress amended the TILA in response to abusive lending practices. The new legislation, referred to as the Home Ownership and Equity Protection Act (HOEPA), provides new information to protect borrowers. HOEPA requires disclosure of information if the annual percentage rate (APR) is ten percentage points above the prime, or if fees are above 8 percent of the loan amount.

Furthermore, HUD, in conjunction with the U.S. Department of Treasury, formed the Joint-Task Force on Predatory Lending in 2000. The task force conducted an in-depth investigation of the problem and issued recommendations to Congress regarding improving consumer literacy and disclosure, reforming sales practices, improving market structure, and restricting abusive terms and conditions.

State of California AB 489 (as amended by AB 344)

Following North Carolina's lead, in September 2001, California became the second state to pass a law banning predatory lending. The law enables State regulators and the Attorney General to attempt to prevent "predatory" lending practices by authorizing the State to enforce and levy penalties against licensees that do not comply with the provisions of this bill. AB 489 protections against predatory lending to consumers across the State include:

- **Financing of Credit Insurance:** On all home loans, the bill prohibits the financing of single premium credit insurance policies into the loans. Credit insurance policies on home loans may still be sold as long as they are paid off monthly like other insurance.
- **Steering:** The bill prohibits borrowers in covered loans from being steered or counseled into loans with rates above what is appropriate for their credit risk, according to the lender's classifications.
- **Ability to Repay:** The bill prohibits lenders from making a covered loan, knowing that the borrower cannot repay.
- **Home Improvement Contracts:** The bill prevents home improvement contractors from getting paid directly out of the proceeds of covered loans.
- **Prepayment Penalties:** In the subprime market, prepayment penalties are commonly used to trap borrowers at higher interest rates than they should be paying or force them to pay an extra fee to receive a loan with a more reasonable interest rate. The bill sets restrictions on some of the worst abuses - limiting such penalties on covered loans to no longer than three years and requiring the originator to offer a choice of a loan without a prepayment penalty at least three days before closing.
- **Negative Amortization:** The principal amounts of second mortgages may not increase over the course of a covered loan.
- **Prepaid Payments:** Prepaid installments may not be financed into the loan, resulting in extra interest charges.
- **Interest Rate Changes upon Default:** The interest rate may not increase as a result of the borrower defaulting.
- **Encouragement of Default:** A lender or broker may not encourage a consumer to default on the consumer's existing home loan when soliciting to refinance the consumer into a new covered loan.

4.8 Covenants, Conditions, and Restrictions (CC&Rs)

Covenants, Conditions, and Restrictions (CC&Rs) are restrictive contracts that involve voluntary agreements, which run with the land they are associated with. The Statute of Frauds (Civil Code Section 1624) requires them to be in writing, because they involve real property. They must also be recorded in the County where the property is located in order to bind future owners. Owners of parcels may agree amongst themselves as to the restrictions on use, but in order to be enforceable, they must be reasonable.

The California Department of Real Estate reviews CC&Rs for all subdivisions of five or more lots, or condominiums of five or more units. This review is authorized by the Subdivided Lands Act and mandated by the Business Professions Code, Section 11000. It includes a wide range of issues, including compliance with fair housing law.

The review must be completed and approved before the Department of Real Estate will issue a final subdivision public report. This report is required before a real estate broker can sell the units, and each prospective buyer must be issued a copy of the report. If the CC&Rs are not approved, a deficiency notice will be issued by the Department of Real Estate, requiring the real estate broker to revise the CC&Rs.

Communities with old subdivisions or condominium developments may still contain CC&Rs that do not comply with the fair housing law. However, provisions in the CC&Rs that violate the fair housing law are not enforceable.

5. Local Policies

This section discusses some of the key policies and regulations in Laguna Niguel that may affect the availability of housing choice or access to housing. The Laguna Niguel Housing Element, General Plan, Zoning Ordinance, Consolidated Plan and other documents have been reviewed to evaluate the following potential impediments to fair housing choice and affordable housing development:

5.1 Land Use Policies, Zoning, and Building Codes

5.1.1 General Plan

Laguna Niguel is one of the first master planned communities in Southern California. The City’s existing and future land uses were determined by the County of Orange prior to the City’s incorporation in 1989. The majority of the City’s future development has already been entitled by development agreements, vesting tentative tract maps, or final tract maps. Because of these previous entitlements, the City has little control over future land uses.

The Laguna Niguel General Plan incorporates the development entitlements previously granted by the County of Orange and sets forth policies for guiding such development as well as development for the rest of the City. These policies, together with zoning, establish the amount and distribution of land to be allocated for various uses throughout the City. The following are the residential land use categories identified in the General Plan Land Use Element:

**Table 5-1
City of Laguna Niguel
General Plan Residential Land Use Categories**

Residential Land Use Category	Gross Allowable Density
Rural Residential	0.25 d.u./acre
Residential Estate	5 d.u./acre
Single Family	15 d.u./acre
Planned Residential	15 d.u./acre
Attached Residential	22 d.u./acre
Multi-Family	see below

Multi-family housing densities are governed by development agreements as defined in community planning area. The City has not established a maximum or minimum allowable density. Multi-family projects are reviewed and approved or denied on a case by case basis. The City allows for the development of a range of multi-family housing as long as it complies with City development standards.

The City’s General Plan Housing Element has established programs and actions to assist low and moderate income seniors through the implementation of the Managed Care Overlay District; and to continue to provide Section 8 rental assistance to very low income households.

State legislation mandates the inclusion of mobile home/manufactured housing in a City's land use policy. The City's Zoning Code provides for the development of a variety of housing types including mobile homes/manufactured housing in Laguna Niguel.

5.1.2 Zoning Code

The Laguna Niguel Zoning Code contains a range of zoning designations that regulate residential areas within the City (Table 5-2). The density requirements adhere to the General Plan Land Use Element policies. Maximum densities range from 1 unit for every 4 acres to 22 units per acre. Development standards such as density, height, setback, and parking are specified in the Zoning Code. The zones permit a wide variety of housing types to be developed within Laguna Niguel. Development standards are liberal enough to facilitate a mix of housing types that will serve residents of various socioeconomic levels while maintaining a desirable living environment.

**Table 5-2
City of Laguna Niguel
Zoning Code Residential Districts**

District	Residential Use
RS-1	Rural Residential
RS-2	Residential Estate
RS-3/RS-4	Single Family
RP	Planned Residential
RA	Attached Residential
RM	Multi-Family

Definition of a Family

The Laguna Niguel Zoning Ordinance defines a "family" as one or more related or unrelated persons occupying one dwelling unit. The word "family" includes the occupants of residential care facilities (as defined in the Zoning Code) serving six or fewer persons which are permitted or licensed by the state. The word "family" does not include occupants of a fraternity, sorority, boardinghouse, lodging house, club or motel. This definition of family encompasses a wide range of household types and does not serve to impede access to housing.

Second Units

The Laguna Niguel Zoning Code provides for second units in residential zones. The maximum square footage of an attached second unit shall not exceed 30 percent of the floor area of the primary single family residence. The floor area of a detached second unit shall not exceed 1,200 square feet. For second units of 640 sq. ft. or less, a minimum of one additional enclosed off-street parking space shall be provided. For second units greater than 640 sq. ft., a minimum of one additional enclosed off-street parking space plus one additional enclosed or unenclosed parking space shall be provided. Pursuant to State law, approval of second units is ministerial provided the applicant meets the City's established standards.

Community Care/Homeless Facilities

The Lanterman Developmental Disabilities Services Act (Sections 5115 and 5116) of the California Welfare and Institutions Code declares that mentally and physically disabled persons are entitled to live in normal residential surroundings and that the use of property for care of six or fewer disabled persons is a residential use for the purpose of zoning. A State-authorized, certified, or licensed family care home, foster home, or group home serving six or fewer disabled persons or dependent and neglected children on a 24-hour-a-day basis is considered a residential use that is permitted in all residential zones, including but not limited to residential zones for single-family dwellings. No local agency can impose stricter zoning or building and safety standards on these homes.

Sec. 9-1-35.19 of the Laguna Niguel Municipal Code indicates that facilities serving six or fewer patients are permitted without discretionary action in all residential districts and are considered a residential use of the property for zoning purposes.

Due to the unique characteristics of larger (more than six persons) community care facilities, most jurisdictions use a Conditional Use Permit process to ensure neighborhood compatibility in the siting of these facilities. The City of Laguna Niguel Zoning Code contains specific provisions for community care facilities with more than six persons as part of the City's Managed Care Overlay District. Community care facilities are subject to applicable provisions of the Uniform Building Code and State Health and Safety Codes. As previously stated, 29 licensed community care facilities (mostly for six or fewer persons) are located in Laguna Niguel. Managed care facilities with seven or more residents require a use permit and are permitted in the Managed Care Overlay District within the City. Managed care facilities as defined in the Laguna Niguel Zoning Code include assisted living facility, convalescent hospitals, and residential care facilities for the elderly. The use permit process does not constitute an impediment for these facilities. In fact, a large, assisted living facility has been completed in Laguna Niguel.

Reasonable Accommodations

Under State and Federal law, local governments are required to "reasonably accommodate" housing for persons with disabilities when exercising planning and zoning powers. Jurisdictions must grant variances and zoning changes if necessary to make new construction or rehabilitation of housing for persons with disabilities feasible, but are not required to fundamentally alter their zoning ordinance.

Although most local governments are aware of State and Federal requirements to allow reasonable accommodations, if specific policies or procedures are not adopted by a jurisdiction, disabled residents may be unintentionally displaced or discriminated against. The City of Laguna Niguel currently does not have a reasonable accommodations policy or ordinance.

Density Bonuses

Senate Bill 1818, which amended California Government Code Section 65915, provides that a local government shall grant a density bonus of at least 20 percent and an additional incentive, or financially equivalent incentive(s) to a developer of a housing development agreeing to construct at least: (a) 10 percent of the units for lower income households; (b) 5 percent of the units for very low income households; (c) a senior citizen housing development; or (d) 10 percent of units in a condominium project for moderate income

households. The City of Laguna Niguel has not yet adopted a local ordinance that reflects the amended State density bonus provisions.

Parking Requirements

The current parking standards set forth in the Zoning Code generally require two parking spaces per unit in the single-family zones. For multi-family complexes, 0-1 bedroom dwelling units require 1.5 off-street parking spaces (one space shall be covered); 2-bedroom units require 2 off-street parking spaces (at least one space shall be covered); and 3 or more bedroom dwelling units require 2.5 covered off-street parking spaces plus 0.5 parking units for every bedroom in excess of three (at least two spaces shall be covered for each dwelling unit). The requirement that off-street parking be covered is not applicable to multi-family projects of five or more dwelling units or second units. These parking requirements are typical for communities in the South Orange County.

5.1.3 Building Codes

The City has adopted the State Uniform Building and Housing Codes. These codes are considered to be the minimum necessary to protect the public health, safety and welfare. No local amendment has either been initiated or approved which directly affect housing standards or processes.

5.2 Housing Policies

5.2.1 Housing Element

The State Department of Housing and Community Development (HCD) has found the City of Laguna Niguel Housing Element in compliance with State housing law. An important component of HCD approval of any housing element includes a determination that the local jurisdiction's policies do not unduly constrain the maintenance, improvement, and development of housing for all income levels.

The Laguna Niguel Housing Element contains a number of goals, policies, and actions that address affordable housing needs through the provision of adequate sites, affordable housing development, housing conservation and improvement, and equal housing opportunities. The Laguna Niguel Housing Element identifies the following goals:

1. A diversity of housing opportunities that satisfy the physical, social and economic needs of existing and future residents of Laguna Niguel.
2. Equal housing opportunity for all residents in Laguna Niguel.

The policies help ensure that residents of Laguna Niguel have as much choice about the type and location of their housing as can feasibly be provided. Policies to ensure a wide range of housing opportunities include:

1. Ensure that housing is safe and sanitary with adequate public services to accommodate the needs of City residents.
2. Promote the continued maintenance and enhancement of the existing housing stock.

3. Promote a variety of housing opportunities that accommodate the needs of all income levels of the population.
4. Support innovative public, private and non-profit efforts in development of affordable housing, particularly for special needs groups.
5. Pursue all available forms of local, state and federal assistance to support development and implementation of housing programs.
6. Monitor the number of affordable units eligible for conversion to market-rate units and develop programs to minimize the loss of these units.
7. Encourage and support the enforcement of laws and regulations prohibiting the discrimination in lending practices in the sale or rental of housing.
8. Support actions to reduce regulatory constraints which impede equal housing opportunities.
9. Ensure that City land use and housing policies and regulations do not create unreasonable barriers to housing and housing support services to special needs population groups such as the elderly, families with children, persons with disabilities, and the mentally ill.

Programs and objectives are included in the Housing Element to implement these housing goals.

5.2.2 Moratoriums/Growth Management

The City of Laguna Niguel does not have building moratoriums or growth management plans that limit housing construction.

5.2.3 Development Fees/Assessments

The Laguna Niguel Housing Element indicates the City's development fees are comparable to, and in many cases lower, than fees charged by surrounding communities. The City periodically conducts a comparison of development fees charged by the City and surrounding communities.

5.3 Community Representation

The following summarizes the purpose and selection process for Laguna Niguel Planning Commission and the CDBG Ad Hoc Committee, which are closely related to housing development and preservation in the City.

Planning Commission

The Laguna Niguel Planning Commission is responsible for: 1) preparing, periodically reviewing, and recommending revisions to the General Plan to the City Council; and 2) performing other land use-related functions pertaining to conservation, planning, and zoning as the City Council may direct.

The Planning Commission is selected from applicants who are residents of Laguna Niguel. Applicants are interviewed and then appointed by a vote of the full City Council. The Planning Commission is comprised of five members.

CDBG Ad Hoc Committee

This committee is responsible for reviewing service provider applications for the City's CDBG program. The committee is made up of two City Council members who serve on a rotating basis as well as the Community Development Director, the Public Works Director, and the Assistant City Manager.

The City's selection process and criteria for the Planning Commission and CDBG Ad Hoc Committee do not prevent fair representation.

6. Conclusions and Recommendations

The previous sections of this AI analyze areas where potential impediments to fair housing choice may occur in both the public and private sectors. The following section builds upon this analysis and provides recommendations for addressing the fair housing issues identified in the AI. These recommendations will provide input for the City in developing its fair housing actions for the Five-Year Consolidated Plan and annual Action Plan.

The following information outlines conclusions and recommendations for the City with regard to fair housing choice. However, the key impediment to expanding access to housing in Laguna Niguel for all economic segments is the high cost of housing. As a local government, the City of Laguna Niguel has little influence over this market condition. Furthermore, much of the land in the City was entitled for development prior to the City's incorporation in 1989, substantially limiting the City's control over land use related issues. Therefore, the items listed below focus on areas where the City can have an impact over issues affecting fair housing choice. Some recommendations are the same as the 2000 AI because they are still relevant today.

6.1 Public Outreach

Many of the factors that limit housing choice are related to lack of education about laws, regulations and policies, as well as limited information about available public and private programs. Typically, small property managers/owners are the major violators of fair housing laws due to their lack of understanding of fair housing laws. Problems of adequate training and dissemination of fair housing information are made more difficult by turnover in management companies and staff.

Certain segments of the population are more susceptible to housing discrimination due to their special circumstances or needs.

- **Large households:** Large households often face discrimination in the housing market, particularly in the rental housing market on the basis of excess wear and tear to the units and potential safety and liability issues due to presence of children. According to the 2000 Census, 2,273 large households resided in Laguna Niguel. In addition, CHAS data indicated that 65 percent of large renter-households experienced housing problems compared to 44 percent of large owner-households.
- **Elderly:** In a tight housing market, the elderly are very vulnerable to housing discrimination due to their fixed income and potential liability issues (e.g. a fall on the building premise). The 2000 Census indicated that approximately 5,500 elderly persons (65 years of age and older) resided in Laguna Niguel, approximately 9 percent of the total population.
- **Disability:** Fair housing choice for persons with disabilities can be compromised based on the nature of their disability. Persons with physical disabilities may face discrimination primarily due to the use of wheelchairs, need for home modifications to improve accessibility, or other forms of assistance. Mentally ill tenants also face the barrier of stigmatization and biases.

- **Persons with HIV/AIDS:** Persons with HIV/AIDS face an array of barriers to obtaining and maintaining affordable, stable housing. Stigmatism associated with their illness and sexual orientation can add to the difficulty of obtaining and maintaining housing.

Public outreach in regard to fair housing and other housing issues can be improved by:

1. Providing links to fair housing and other housing resources on the City's website. Public counters should also prominently display fair housing information.
2. Continue working with the Fair Housing Council of Orange County to provide fair housing workshops to residents, realtors, and property managers/owners. Efforts are needed to expand community participation in these workshops, including participation by City staff and by residential property managers/owners, and particularly those of smaller rental projects. Ensure that a workshop is held at least annually in Laguna Niguel.
3. Target fair housing education and outreach materials to segments of the population most affected by limited-housing choice. This can include the disabled, the elderly, persons living with HIV/AIDS, and low and moderate income families.
4. Continue working with the Apartment Association of Orange County to increase membership by Laguna Niguel owners and managers, and to increase training through the Association's Certified Apartment Manager's Seminar, which could significantly improve the landlord/tenant relationship.
5. Using community events to promote diversity and tolerance with the aim of reducing the incidence of hate crimes in the City.

6.2 Public Policies and Programs

The City does not have a formal reasonable accommodations ordinance or policy, however, the City works with residents and businesses on a case-by-case basis to resolve accessibility issues when they arise.

1. Continue to implement the Managed Care Overlay District that permits senior and handicapped housing facilities in specified non-residential zones.
2. Encourage apartment owners to list available rental units with the Orange County Housing Authority for the Section 8 rental assistance program.
3. Continue support of the administration and enforcement of State and federal fair housing laws.

6.3 Lending Practices

Under the Home Mortgage Disclosure Act (HMDA), lending institutions are required to disclose information on the disposition of loan applications and the income, gender, and race of loan applicants. Approval and denial rates within Laguna Niguel varied among different racial/ethnic groups. Native American applicants had the highest approval rating with an approval rate at 85.7 percent, followed by Asian applicants with an approval rating of 84.3, White applicants achieving an approval rate of 81.7 percent and Black applicants at 76.9 percent. Hispanic applicants had the lowest approval rate in the City at 75.9 percent. However, the number of minority applicants is limited and therefore, these rates may be skewed.

As is typical nationwide, home improvement loans have much a lower origination rate than mortgage loans in Laguna Niguel. Origination refers to loans approved by the lending institution and accepted by the applicant. The withdraw/closed rate was highest for low income households (25 percent), compared to moderate income households (13 percent) and middle and upper income households (9.8 and 9.1 percent). The HMDA data also indicate that the denial rate was highest for Black applicants at 19 percent, compared to 9 percent for Whites and 10 percent for Asians. Only a minute number of loans were government-back loans.

Many of the reasons for loan denials are not directly related to fair housing discrimination. Application denials may relate to credit history and financial management factors. The City's overriding impediment is the cost of housing set by private market factors, which the City has limited ability to mitigate. To further housing choice in the Laguna Niguel and increase the rate of loan origination, the City can:

1. Collaborate with service providers or local lenders to provide education and outreach on the home purchase and home rehabilitation loan process, credit history and financial management.
2. Disseminate information to lower income and minority households regarding homebuyer assistance programs and government-backed lending opportunities.

6.4 Housing Affordability

Most of the housing problems in Laguna Niguel are the result of high housing costs and the overall lack of affordable housing. While housing affordability per se is not a fair housing concern, lack of affordable housing creates a competitive market condition that may foster housing discrimination. Also, housing affordability tends to disproportionately affect the minority population. In this regard, housing affordability is a fair housing concern.

The City of Laguna Niguel is committed to expanding affordable housing opportunities. While this is difficult given the City's location in one of the most expensive areas of the region for housing and the fact that the majority of the City's future development has already been entitled by development agreements, the City can facilitate the expansion of affordable housing options by:

1. Continue to support the policies outlined in the Housing Element of the General Plan related to the promotion of affordable housing and fair housing objectives.

2. As part of the Housing Element update, incorporate policies and programs specific to fair housing goals.
3. Continue participation in the County of Orange Mortgage Credit Certificate Program, as a means of providing financial assistance for the purchase of single-family housing.
4. Continue participation in the Section 8 program and facilitating use of the Section 8 program by advertising to owners and residents.
5. Make information available to developers about the range of funding sources and programs available for developments that include affordable units.
6. The City will continue to encourage the production of housing designed specifically for special needs population groups in conjunction with density bonuses and/or regulatory incentives.
7. Contact the owners of the six properties at-risk between 2005 and 2010 to determine their willingness to maintain their rental units as affordable housing in exchange for appropriate financial incentives.
8. The City should pursue opportunities to participate in homeownership assistance programs offered by the County, State, and Federal agencies, as well as by private lenders.

7. Signature Page

I, _____, hereby certify that this Analysis of Impediments to Fair Housing Choice for the City of Laguna Niguel represents the City's conclusions about impediments to fair housing choice, as well as actions necessary to address any identified impediments.

Name

Date

Title

Appendix A

HMDA Data

LAR SUMMARY

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**INCLUDED
 IN THIS
 ANALYSIS**

Geographic Area:TRACT GROUP: LAGUNA NIGUEL
Purpose:Home Purchase (1)
Loan Type:Conventional (1)
Owner Occupancy:All Owner Occupancy Codes
Criteria:ALL INSTITUTIONS
Year:2003 **Analysis Perspective:** HMDA

Segment	Total Applications		Loans Originated		Applications Approved but not Accepted		Applications Denied		Applications Withdrawn		Files Closed for Incompleteness		Loans Purchased
	Number	%Total	Number	%Apps	Number	%Apps	Number	%Apps	Number	%Apps	Number	%Apps	Number
RACE:													
Native	7	0.2	5	71.4	1	14.3	1	14.3	0	0.0	0	0.0	1
Asian	171	4.9	121	70.8	23	13.5	17	9.9	9	5.3	1	0.6	26
Black	26	0.7	12	46.2	8	30.8	5	19.2	1	3.8	0	0.0	2
Hispanic	145	4.2	97	66.9	13	9.0	23	15.9	8	5.5	4	2.8	21
White	2,279	65.3	1,663	73.0	200	8.8	210	9.2	163	7.2	43	1.9	288
Joint	112	3.2	87	77.7	8	7.1	8	7.1	8	7.1	1	0.9	8
Other	68	1.9	48	70.6	3	4.4	10	14.7	5	7.4	2	2.9	9
Not Available	681	19.5	414	60.8	62	9.1	90	13.2	78	11.5	37	5.4	574
GENDER:													
Joint	1,464	42.0	1,069	73.0	132	9.0	140	9.6	93	6.4	30	2.0	180
Male	930	26.7	637	68.5	90	9.7	115	12.4	65	7.0	23	2.5	122
Female	807	23.1	561	69.5	74	9.2	77	9.5	76	9.4	19	2.4	116
Not Available	288	8.3	180	62.5	22	7.6	32	11.1	38	13.2	16	5.6	511
APPLICANT INCOME:													
< 50%	28	0.8	19	67.9	1	3.6	1	3.6	3	10.7	4	14.3	6
50% to < 80%	180	5.2	124	68.9	10	5.6	23	12.8	19	10.6	4	2.2	21
80% to < 100%	224	6.4	142	63.4	24	10.7	36	16.1	11	4.9	11	4.9	35
100% to < 120%	296	8.5	217	73.3	24	8.1	28	9.5	24	8.1	3	1.0	44
>=120%	2,623	75.2	1,864	71.1	253	9.6	249	9.5	194	7.4	63	2.4	311
Not Available	138	4.0	81	58.7	6	4.3	27	19.6	21	15.2	3	2.2	512
TRACT INCOME:													
Low	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
Middle	810	23.2	591	73.0	76	9.4	76	9.4	47	5.8	20	2.5	241
Upper	2,679	76.8	1,856	69.3	242	9.0	288	10.8	225	8.4	68	2.5	688
Not Available	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
TRACT MINORITY:													
< 10%	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
>= 10% to < 20%	1,176	33.7	821	69.8	109	9.3	129	11.0	92	7.8	25	2.1	302
>= 20% to < 50%	2,313	66.3	1,626	70.3	209	9.0	235	10.2	180	7.8	63	2.7	627
>= 50% to < 80%	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
>= 80%	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
Not Available	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
TOTALS:	3,489	100.0	2,447	70.1	318	9.1	364	10.4	272	7.8	88	2.5	929

LAR SUMMARY

Printed On: 01/04/2005

Time: 14:31:17

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**INCLUDED
IN THIS
ANALYSIS**

Geographic Area:TRACT GROUP: LAGUNA NIGUEL

Purpose:Home Purchase (1)

Loan Type:FHA-insured (2), VA-guaranteed (3), FSA/RHS-insured (4)

Owner Occupancy:All Owner Occupancy Codes

Criteria:ALL INSTITUTIONS

Year:2003

Analysis Perspective: HMDA

Segment	Total Applications		Loans Originated		Applications Approved but not Accepted		Applications Denied		Applications Withdrawn		Files Closed for Incompleteness		Loans Purchased
	Number	%Total	Number	%Apps	Number	%Apps	Number	%Apps	Number	%Apps	Number	%Apps	Number
RACE:													
Native	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
Asian	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
Black	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
Hispanic	5	12.2	5	100.0	0	0.0	0	0.0	0	0.0	0	0.0	2
White	27	65.9	21	77.8	5	18.5	1	3.7	0	0.0	0	0.0	14
Joint	2	4.9	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0
Other	2	4.9	1	50.0	0	0.0	0	0.0	0	0.0	1	50.0	0
Not Available	5	12.2	2	40.0	0	0.0	2	40.0	1	20.0	0	0.0	8
GENDER:													
Joint	16	39.0	14	87.5	1	6.3	0	0.0	1	6.3	0	0.0	5
Male	14	34.1	7	50.0	3	21.4	3	21.4	0	0.0	1	7.1	4
Female	11	26.8	10	90.9	1	9.1	0	0.0	0	0.0	0	0.0	8
Not Available	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	7
APPLICANT INCOME:													
< 50%	2	4.9	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	1
50% to < 80%	9	22.0	7	77.8	2	22.2	0	0.0	0	0.0	0	0.0	2
80% to < 100%	10	24.4	9	90.0	0	0.0	1	10.0	0	0.0	0	0.0	6
100% to < 120%	8	19.5	6	75.0	1	12.5	0	0.0	0	0.0	1	12.5	5
>=120%	12	29.3	7	58.3	2	16.7	2	16.7	1	8.3	0	0.0	4
Not Available	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	6
TRACT INCOME:													
Low	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
Middle	16	39.0	11	68.8	1	6.3	3	18.8	1	6.3	0	0.0	10
Upper	25	61.0	20	80.0	4	16.0	0	0.0	0	0.0	1	4.0	14
Not Available	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
TRACT MINORITY:													
< 10%	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
>= 10% to < 20%	6	14.6	6	100.0	0	0.0	0	0.0	0	0.0	0	0.0	4
>= 20% to < 50%	35	85.4	25	71.4	5	14.3	3	8.6	1	2.9	1	2.9	20
>= 50% to < 80%	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
>= 80%	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
Not Available	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
TOTALS:	41	100.0	31	75.6	5	12.2	3	7.3	1	2.4	1	2.4	24

LAR SUMMARY

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ANALYSIS**

Geographic Area:TRACT GROUP: LAGUNA NIGUEL
Purpose:Home Improvement (2)
Loan Type:Conventional (1)
Owner Occupancy:All Owner Occupancy Codes
Criteria:ALL INSTITUTIONS
Year:2003 **Analysis Perspective:** HMDA

Segment	Total Applications		Loans Originated		Applications Approved but not Accepted		Applications Denied		Applications Withdrawn		Files Closed for Incompleteness		Loans Purchased
	Number	%Total	Number	%Apps	Number	%Apps	Number	%Apps	Number	%Apps	Number	%Apps	Number
RACE:													
Native	1	0.4	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0	0
Asian	11	3.9	7	63.6	1	9.1	2	18.2	1	9.1	0	0.0	0
Black	2	0.7	0	0.0	0	0.0	2	100.0	0	0.0	0	0.0	0
Hispanic	6	2.2	3	50.0	0	0.0	3	50.0	0	0.0	0	0.0	0
White	162	58.1	95	58.6	22	13.6	31	19.1	10	6.2	4	2.5	1
Joint	9	3.2	6	66.7	0	0.0	2	22.2	1	11.1	0	0.0	0
Other	3	1.1	0	0.0	0	0.0	3	100.0	0	0.0	0	0.0	0
Not Available	85	30.5	37	43.5	4	4.7	24	28.2	17	20.0	3	3.5	6
GENDER:													
Joint	127	45.5	81	63.8	13	10.2	20	15.7	11	8.7	2	1.6	0
Male	63	22.6	27	42.9	8	12.7	20	31.7	6	9.5	2	3.2	0
Female	44	15.8	23	52.3	5	11.4	10	22.7	5	11.4	1	2.3	1
Not Available	45	16.1	17	37.8	1	2.2	18	40.0	7	15.6	2	4.4	6
APPLICANT INCOME:													
< 50%	9	3.2	1	11.1	0	0.0	7	77.8	1	11.1	0	0.0	0
50% to < 80%	23	8.2	11	47.8	3	13.0	5	21.7	3	13.0	1	4.3	0
80% to < 100%	19	6.8	9	47.4	2	10.5	7	36.8	1	5.3	0	0.0	1
100% to < 120%	21	7.5	7	33.3	3	14.3	5	23.8	5	23.8	1	4.8	0
>=120%	204	73.1	119	58.3	19	9.3	42	20.6	19	9.3	5	2.5	0
Not Available	3	1.1	1	33.3	0	0.0	2	66.7	0	0.0	0	0.0	6
TRACT INCOME:													
Low	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
Middle	59	21.1	33	55.9	4	6.8	10	16.9	11	18.6	1	1.7	3
Upper	220	78.9	115	52.3	23	10.5	58	26.4	18	8.2	6	2.7	4
Not Available	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
TRACT MINORITY:													
< 10%	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
>= 10% to < 20%	77	27.6	40	51.9	8	10.4	22	28.6	6	7.8	1	1.3	2
>= 20% to < 50%	202	72.4	108	53.5	19	9.4	46	22.8	23	11.4	6	3.0	5
>= 50% to < 80%	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
>= 80%	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
Not Available	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
TOTALS:	279	100.0	148	53.0	27	9.7	68	24.4	29	10.4	7	2.5	7

LAR SUMMARY

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**INCLUDED
 IN THIS
 ANALYSIS**

Geographic Area:TRACT GROUP: LAGUNA NIGUEL
Purpose:Home Improvement (2)
Loan Type:FHA-insured (2), VA-guaranteed (3), FSA/RHS-insured (4)
Owner Occupancy:All Owner Occupancy Codes
Criteria:ALL INSTITUTIONS
Year:2003 **Analysis Perspective:** HMDA

Segment	Total Applications		Loans Originated		Applications Approved but not Accepted		Applications Denied		Applications Withdrawn		Files Closed for Incompleteness		Loans Purchased	
	Number	%Total	Number	%Apps	Number	%Apps	Number	%Apps	Number	%Apps	Number	%Apps	Number	
RACE:														
Native	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0
Asian	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0
Black	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0
Hispanic	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0
White	2	100.0	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0
Joint	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0
Other	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0
Not Available	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0
GENDER:														
Joint	1	50.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0
Male	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0
Female	1	50.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0
Not Available	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0
APPLICANT INCOME:														
< 50%	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0
50% to < 80%	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0
80% to < 100%	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0
100% to < 120%	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0
>=120%	2	100.0	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0
Not Available	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0
TRACT INCOME:														
Low	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0
Middle	1	50.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0
Upper	1	50.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0
Not Available	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0
TRACT MINORITY:														
< 10%	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0
>= 10% to < 20%	1	50.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0
>= 20% to < 50%	1	50.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0
>= 50% to < 80%	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0
>= 80%	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0
Not Available	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0
TOTALS:	2	100.0	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0

Appendix B
Proof of Publication

AFFIDAVIT OF PUBLICATION

STATE OF CALIFORNIA,)
) ss.
County of Orange)

I am a citizen of the United States and a resident of the County aforesaid; I am over the age of eighteen years, and not a party to or interested in the above entitled matter. I am the principal clerk of the **Saddleback Valley News**, a newspaper that has been adjudged to be a newspaper of general circulation by the Superior Court of the County of Orange, State of California, on December 7, 1988, Case No. A-86742 in and for the South Orange County Judicial District, County of Orange, State of California; that the notice, of which the annexed is a true printed copy, has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to wit:

December 31, 2004

"I certify (or declare) under the penalty of perjury under the laws of the State of California that the foregoing is true and correct":

Executed at Santa Ana, Orange County, California, on

December 31, 2004

Alvie Kuen
Signature

Saddleback Valley News
625 N. Grand Ave.
Santa Ana, CA 92701
(714) 796-7000 ext. 2209

PROOF OF PUBLICATION

This space is for the County Clerk's Filing Stamp

Proof of Publication of _____



**CITY OF MISSION VIEJO
NOTICE OF PUBLIC HEARING**

Notice is hereby given that the City of Mission Viejo is asking public input regarding the Community Development Block Grant (CDBG) Program's five-year Consolidated Plan for Fiscal Years 2005-2010. The primary objective of the CDBG program is "the development of viable urban communities by providing decent housing, a suitable living environment and expanding economic opportunities principally for persons of low and moderate income." The City may allocate 15 percent of the annual CDBG award to public service organizations.

On January 10, 2005, the City of Mission Viejo will conduct a public meeting to receive public input on housing and community development needs in Mission Viejo. Each year the City of Mission Viejo receives Community Development Block Grant (CDBG), funds from HUD for local community development, housing activities, and public services. To ensure appropriate priorities are set in spending this money, HUD requires that the City prepare a five-year Consolidated Plan to identify housing and community development needs and to develop a strategy to address the needs. Mission Viejo wants you to have a voice in how the City invests this money.

Mission Viejo invites your participation at a community meeting to discuss housing and community development needs and the programs/services you would like to see in your neighborhood. Please join us for a meeting at the following place and time:

Community Development Public Meeting

Date: Monday, January 10, 2005
Time: 4:00 p.m. or soon thereafter
Location: Saddleback Room, City of Mission Viejo, 200 Civic Center, Mission Viejo, CA 92691

In addition, written comments may be submitted to the City of Mission Community Development Department prior to January 10, 2005.

If further information is desired regarding the City's CDBG program, please contact Tom Martin in the City's Community Development Department at (949) 470-3055.

Charles E. Wilson
Director of Community Development

Printed: Saddleback Valley News
December 31, 2004
6483008

1-1487

AFFIDAVIT OF PUBLICATION

STATE OF CALIFORNIA,)
) ss.
County of Orange)

I am a citizen of the United States and a resident of the County aforesaid; I am over the age of eighteen years, and not a party to or interested in the above entitled matter. I am the principal clerk of the Saddleback Valley News, a newspaper that has been adjudged to be a newspaper of general circulation by the Superior Court of the County of Orange, State of California, on December 7, 1988, Case No. A-86742 in and for the South Orange County Judicial District, County of Orange, State of California; that the notice, of which the annexed is a true printed copy, has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to wit:

February 4, 2005

"I certify (or declare) under the penalty of perjury under the laws of the State of California that the foregoing is true and correct":

Executed at Santa Ana, Orange County, California, on

February 4, 2005

Olivia Kusan
Signature

Saddleback Valley News
625 N. Grand Ave.
Santa Ana, CA 92701
(714) 796-7000 ext. 2209

PROOF OF PUBLICATION

This space is for the County Clerk's Filing Stamp

Proof of Publication of



**CITY OF MISSION VIEJO
NOTICE OF PUBLIC HEARING**

Notice is hereby given that the City of Mission Viejo is seeking public input regarding the Community Development Block Grant (CDBG) Program for Fiscal Year 2005-2006. The City is eligible to receive \$574,351 in CDBG funds from the U.S. Department of Housing and Urban Development (HUD) for Fiscal Year 2005-2006. The primary objective of the CDBG program is "the development of viable urban communities by providing decent housing, a suitable living environment and expanding economic opportunities principally for persons of low and moderate income." The City may allocate 15 percent of the annual CDBG award to public service organizations. Therefore, a total of \$86,242 is available for eligible public service providers.

On February 16, 2005, the City of Mission Viejo Community Services Commission will conduct a public hearing to: 1) receive public input on housing and community development needs in Mission Viejo; 2) review public service applications; and 3) recommend to the City of Mission Viejo Planning and Transportation Commission which applications should be included in the Draft Annual Action Plan for FY2005-2006. The Draft Annual Action Plan for FY 2005-2006 designates the City's proposed use of CDBG funds, and the Five-Year Consolidated Plan identifying housing and community development needs and establishing CDBG funding priorities, will be available for public review from February 22, 2005 to March 28, 2005. On March 14, 2005, the City of Mission Viejo Planning and Transportation Commission will conduct a public hearing to: 1) examine all aspects of the proposed application; 2) recommend to the City Council specific programs and funding amounts; and 3) review/approve the Draft Annual Action Plan and Five-Year Consolidated Plan.

All interested persons are invited to attend the public hearings to comment on the City's proposed CDBG program. In addition, written comments may be submitted to the City of Mission Community Development Department prior to March 28, 2005.

Community Services Commission Public Hearing
Date: **Tuesday, February 16, 2005**
Time: **8:30 p.m. or soon thereafter**
Location: **City Council Chamber, City of Mission Viejo, 200 Civic Center, Mission Viejo, CA 92687**

Planning and Transportation Commission Public Hearing
Date: **Monday, March 14, 2005**
Time: **1:00 p.m. or soon after**
Location: **City Council Chamber, City of Mission Viejo, 200 Civic Center, Mission Viejo, CA 92687**

If further information is desired regarding the City's CDBG program, please contact Tim Martin in the City's Community Development Department at (949) 476-3053.

**/s/ Charles H. Wilson
Mayor of Community Development**
Publish: Saddleback Valley News
February 4, 2005 6832822/4-192