



APPENDIX A: LETTER OF INTENT

ENTITLEMENT REQUEST

This application is being submitted to request entitlements for the NCC Affordable Housing project. The applicant requests ministerial approval of the project as a “use by right” in accordance with the Affordable Housing on Faith and Higher Education Lands Act of 2023.

PROJECT DESCRIPTION

The Applicant proposes to redevelop a property located in the center of the City of Laguna Beach. The property is currently improved with a church campus which consists of a sanctuary (southwest side), church offices (northwest side), Bridge Hall (northeast side), and a former parish house (central).

The reimagined site will reduce the footprint of the current Church buildings to allow the opportunity to create affordable housing. The Applicant proposes demolition of the existing church buildings and construction of a mixed-use project consisting of a 2-story 48,360 SF residential building ("Affordable Housing Development") with 44 affordable housing units (excluding a manager's unit) and a repurposed 8,510 SF religious institution. The redesigned yet smaller square footage will allow for the continuation of NCC's legacy as a community gathering place for religious/spiritual activities, weddings, memorials, cultural/wellness programs, as well as ongoing scheduled programs.

The residential unit mix will consist of a variety of studios, 1-,2-, and 3- bedroom apartments with a preference for income-qualified employees who work in Laguna Beach. By offering affordable housing to those who contribute to the local economy, the Project is strengthening the fabric of the Laguna Beach community while ensuring the community remains a place where working residents can live affordably and thrive.

The non-residential component will consist of a rebuilt religious institution, operating as the Neighborhood Congregational Church. The Operational Information associated with the church facility follows:

- Hours of Operation - NCC has 5 staff who will be on site during normal business hours on weekdays and the weekend. Sunday worship time is 10 a.m. and is typically attended by 35-60 people. NCC hosts community events in its facility space. Special events such as weddings, memorials, cultural/wellness and musical events occur on the week and weekend days, and sometimes nights and can be attended by up to 230 people.
- Number of Employees - 5 staff members daily.

- Alcoholic Beverages - Alcoholic Beverages are not proposed to be served or sold as part of the regular operation of the church. However special events where Alcoholic Beverages are desired to be served or sold would be subject to proper permitting and compliance with Laguna Beach municipal code.
- Food Services – Food service at the church is typically associated with NCC gatherings, special events and food assistance programs offered by the church.
- Live Entertainment – While not offered on a regular basis, live entertainment may be part of worship services or special events subject to proper permitting and accordance with Laguna Beach municipal code.
- Occupancy Information – The church sanctuary is designed to allow up to 230 people, the classroom is designed to hold up to 50 people, and the office space is designed to hold up to 5 staff members.

GENERAL PLAN CONSISTENCY

LAGUNA BEACH HOUSING ELEMENT 2021-2029

The California Legislature has declared that “the availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.” To accomplish this housing goal, California Government Code, Article 10.6 Housing Elements (§65580) mandates that each local government adopt a Housing Element as part of its General Plan.

The City of Laguna Beach adopted its present Housing Element 2021-2029 on January 24, 2023 with a subsequent revision on June 11, 2024. The City of Laguna Beach is in its 6th planning cycle that covers the period October 15, 2021 to October 15, 2029. The City adopted its first Housing Element on October 2, 1974. Revisions to the Housing Element were subsequently made in 1981, 1985, 1990, 2001, 2012, and 2014.

The Housing Element is required to identify an adequate number of and property zoned sites to facilitate housing production of the City’s regional fair share of housing. As part of the Housing Element 2021-2029, the City of Laguna Beach has a Regional Housing Needs Allocation (“RHNA”) of 394 units, including 118 for very low, and 80 for low-income households.

As part of its new sites for RHNA, the City identified Site No. 1 as 340 St. Ann’s Drive (Section 4 RHNA and Housing Resources, p. 76) as the 0.85-acre portion of the Neighborhood Congregational Church property. The Element states with a “*conservative density of 45 units per acre*” the 0.85-acre portion of the site “*could yield at minimum of 31 lower-income units.*”

The Element makes it clear that *“any such development of the site, in order to be feasible, would likely include the adjoining R-2 zoned parking lot which is a 0.35-acre parcel.”* With the inclusion of the adjoining R-2 zoned 0.35-acre parcel, the total Project Site is 1.2 acres, which yields a greater capacity for affordable housing units on the site.

Affordable housing is of great necessity in the City of Laguna Beach which has not completed 100% affordable housing developments in the past 21 years. Laguna Beach is one of the most expensive cities to live in the U.S. According to the Housing Element, between 20% to 60% of renters in the City are cost burdened, spending half or more of their household income on housing.

The approval of the Project would supply the City with 44 new affordable housing units for lower income households, with the exclusion of the manager’s unit. It will alleviate residents of severe housing cost burden and aid the City in meeting their RHNA requirement of 394 units in this Housing Element cycle ending in 2029. Apart from providing affordable housing for the residents of Laguna Beach, the Project will include the construction of a new religious institution for the community to use as a gathering and reflective space.

SUPPLEMENTAL PROJECT NARRATIVE & SB 4 CHECKLIST

Please refer to the attached “SUPPLEMENTAL PROJECT NARRATIVE & SB 4 CHECKLIST” for additional information and SB 4 applicability.

APPLICANT REPRESENTATIVE:

The Related Companies of California, LLC,
a California limited liability company

By: Liane Takano

Name: Liane Takano
Its: Authorized Representative