



APPENDIX A: LETTER OF INTENT
340 St. Ann's Drive – NCC Affordable Housing

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 (SB 4).

PROJECT DESCRIPTION

In partnership with Neighborhood Congregational Church (NCC), the Applicant proposes to develop a portion of the property located at 340 St. Anns Dr. 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 parsonage (central).

The Applicant proposes dividing the property into 2 separate parcels by way of a parcel map, demolition of the existing former parish house, and construction of a residential 100% affordable housing community on the existing church parking lot and former parsonage site. The development will consist of a 2-story 30,690 SF residential building ("Affordable Housing Development") with 29 affordable housing units (excluding 1 manager's unit) constructed over a 1-story semi-subterranean podium parking garage.

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. There are multiple benefits of providing affordable housing. 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. This housing will reduce traffic and pollution from commuting and reduce carbon emissions by using land in areas developed by reducing sprawl.

The remaining church facilities will remain in place and will continue as a religious institution, operating as the Neighborhood Congregational Church.

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 properly 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.*" The project site for the proposed Affordable Housing Development is in fact the parking lot site and a portion of Site No. 1 identified in the Housing Element.

The proposed project is also consistent with new programs and policies contained in the housing element to incentivize development of affordable housing on religious institution sites including:

- Program 5.2-1(e.) incentives for religious institutions that provide 100% affordable housing;
- Policy HE-2.14 to encourage housing on religious institutions;
- and
- Program 5.2-7(a.) which requires outreach to religious institutions

Affordable housing is of great necessity in Laguna Beach. There have been no 100% affordable housing developments built in the past 21 years, and Laguna Beach is one of the most expensive cities to live in the U.S.. According to the Housing Element, 48.6% of renters in the City are cost burdened, spending more than 30% of their household income on housing.

The approval of the Project would supply the City with 29 new affordable housing units for lower income households, with the exclusion of the manager's unit. The rentals 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.

Together with Neighborhood Congregational Church, we're energized by what's possible and grateful to take this journey. We are confident that together we can shape a future honoring the deep need for affordable housing in Laguna Beach.

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