

Focus Group Summary

City of Rancho Santa Margarita Housing Element Update

May 2021

In partnership with De Novo Planning Group



Introduction

The City of Rancho Santa Margarita (RSM) is updating its Housing Element as part of the 2021-2029 Housing Element Cycle (Cycle 6). The Housing Element is a section of the City's General Plan that looks at housing needs and conditions within Rancho Santa Margarita. It is a State-mandated policy document that identifies goals, policies, and programs that the City uses to direct and guide actions related to housing.

Each city and county in California is required to have a Housing Element and update it at least every eight years. Updating the Housing Element gives the City a clear picture of housing-related issues such as: housing supply and demand, the types of housing available within the City, housing affordability, and homelessness. Once the Housing Element is updated, it must be approved by the California Department of Housing and Community Development (HCD). Updating the Housing Element will ensure that the City meets State requirements, and makes Rancho Santa Margarita eligible for State grants and other funding resources. It will also give elected and appointed officials clear guidance on housing issues facing Rancho Santa Margarita.

The State requires that every city and county must help accommodate new housing growth. Since people often live and work in different places, housing needs are assessed at a regional level based on population trends and other factors to determine how much growth each local jurisdiction will need to accommodate. This is called the "Regional Housing Needs Allocation" or "RHNA" for short. The RHNA quantifies the need for housing on a regional level, and then allocates a portion of new growth to each city and county. Rancho Santa Margarita's RHNA allocation for the 2021-2029 planning period is 680 units. This means that the City of Rancho Santa Margarita is responsible for identifying areas that can accommodate 680 new housing units. Rancho Santa Margarita's RHNA allocation is divided into income categories, as detailed on the [project website](#). The City of Rancho Santa Margarita is NOT responsible for building new homes. However, Rancho Santa Margarita must demonstrate to HCD that there is enough land zoned for housing to accommodate the allocated share of new homes.

As part of the community outreach program for the Housing Element Update, the City facilitated an online survey to gain insight into the most acceptable development types to accommodate the City's RHNA. Through the "Development Types Survey", which is summarized under separate cover, the public identified the following development types as most acceptable to accommodate the RHNA:

1. Development on undeveloped/underdeveloped sites
2. Repurposing of office sites to accommodate a mix of uses
3. Workforce housing in the business park
4. Accessory Dwelling Units

To gain additional direction on the most acceptable development types (or combination of development types), the City hosted five focus group meetings with various stakeholders. Focus group participants were provided an overview of all potential sites within the four categories listed above (as identified in the public survey), and the potential development capacity for each. Participants were asked to weigh-in on the opportunities and challenges associated with these development types, and provide direction on the most acceptable strategy to accommodate the City's RHNA while referencing *possible* scenarios, as illustrated in the table below. The scenarios were presented to the focus groups to help spark discussion, and are not intended to represent final recommendations or preferred strategies. Additional information, including maps of the potential development sites, are included in Appendix A.

HOW TO GET TO 680 UNITS?

- What scenarios or components of the scenarios are most acceptable?
- What components are least acceptable?
- Are there any other development types we should consider?

Development Type	Scenario A	Scenario B	Scenario C	Scenario D	Scenario E
Sphere of Influence	-	-	-	612 (SFD)	-
Chiquita Ridge	540 (MF)	-	86 (SFD)	-	-
Rose Canyon	-	-	-	28	100
Repurposing of Office Sites	30	640	464	-	440
Workforce Housing in the BP	60	-	90	-	90
Accessory Dwelling Units	40	40	40	40	40
Total	680	680	680	680	680

The five focus group meetings included discussions with the following:

1. Community Association of Rancho (CAR) Members
2. Community Association of Rancho (CAR) Alternates
3. Applied Medical Representatives
4. Housing Advocates
5. At-Large Community Members

This Report, including its Appendices, summarizes the results of these focus groups.

Key Findings

- The repurposing of office sites was found to generally to be a very acceptable option among all the groups; reasons for this included the land, infrastructure and access are already in place, and the sites provide good proximity to services.. Most groups felt that this option is likely to be most acceptable to existing residents.
- With respect to the addition of Workforce Housing in the Business Park, focus group members were generally comfortable with the idea of allowing housing in the Business Park or other nonresidential areas (with owners' cooperation) which would include regulations for a maximum number of units or square feet of residential in this category.
- Four of the five groups were generally supportive of development at Chiquita Ridge. However, one group preferred to maintain it as open space.
- All groups were generally accepting of development at the Rose Canyon site, given that it is surrounded by residential uses, but agreed that further study is needed.
- The groups expressed mixed feelings about development in the Sphere of Influence citing access and wildfire issues as primary concerns regarding future development there.
- Three groups expressed specific concerns regarding development in Very High Fire Hazard Severity Zones (VHFHSZ); however, some felt that development could occur in the VHFHSZ if planned properly.
- Within the Sphere of Influence area, many participants raised concerns about safe and secure access and the number of site development/planning issues that would need to be addressed through the project review process.
- The groups provided mixed input regarding Accessory Dwelling Units (ADUs), with two groups finding ADUs as the least acceptable development option.
- Practical vehicular access to properties and impacts on traffic in all development scenarios was a main concern.
- Most focus group members preferred a combination of the development scenarios and thought that distributing units across several or all development types would result in the best chance to see actual production of housing units appropriate for different income levels.
- Housing Advocate group participants stressed a need for a diversity of housing for mixed incomes and providing affordable ownership units in addition to rental units.

Development Type/Site Review Summary

Development Type/Site	Acceptability
Accessory Dwelling Units	Mixed response, two groups found these to be the least acceptable development type, three were groups were neutral to mildly accepting
Chiquita Ridge	Four of the five groups supported further study of development on the City-owned Chiquita Ridge Property
Repurposing of Office Sites	Acceptable to all groups
Rose Canyon	All five groups found Rose Canyon to be an acceptable site, subject to further study
Sphere of Influence	Mixed reactions, while not completely unacceptable for future study, all groups expressed a variety of concerns related to future development in this area
Workforce Housing in Business Park	Acceptable to all groups with limitation on total amount

Common Questions

The following is a list of questions and answers which were discussed in each of the five focus groups.

Q: Is the City responsible for developing the number of homes identified in the RHNA?

A: The City is required to identify specific sites in the Housing Element and to zone them to accommodate the City's RHNA. The City must identify sites that can achieve objectives of the RHNA and cannot select sites that are completely infeasible. The City is not responsible for implementing or financing the development of housing. Once the zoning is in place, private developers may choose to develop housing on the selected sites. The City also cannot force any property owner to develop residential uses.

Q: What was methodology for determining number/percentage of units? Does it accurately reflect the needs of the City?

A: SCAG was allocated 1.3M housing units to accommodate in the region, and RSM was allocated 680 units. The State sets the income levels based upon Area Median Income (AMI). Orange County's AMI was \$103,000 for 2020. The units and associated income categories are shown below:

Income Category	Number of Units	Percent of Total
Very-low Income (<50%AMI)	209	30.6%
Low-Income (50-80% AMI)	120	17.6%
Moderate Income (80-120% AMI)	125	18.3%
Above Moderate-Income (>120% AMI)	226	33.4%
Total	680	100%

The City does not agree with the allocation and did appeal it, but this appeal, along with essentially every other appeal, was denied by SCAG. Additional appeals are not available, therefore the City is required to move forward to plan for the RHNA in order to comply with State law. For a list of potential penalties the City would face for not complying with Housing Element law, visit the [project website](#).

Q: How were most/least acceptable development types determined?

A: The most/least acceptable potential development types were determined through a community survey that received 280 responses. Respondents were asked to indicate which development types they preferred and those they were not in favor of; open-ended questions also allowed for additional potential development types to be identified.

Q: Does the order of the development scenarios have any significance? Can they be combined, or must they be selected as is?

A: The development scenarios were provided as conversation starters to illustrate possible ways in which the development types could be combined to achieve the RHNA. The scenarios were intended to spur discussion, and the order does not have any meaning. It is likely that a hybrid scenario will be needed to achieve the RHNA of 680 units.

Appendices

- A: Focus Group Meeting Presentation
- B: CAR Member Focus Group Meeting Notes
- C. CAR Alternates Focus Group Meeting Notes
- D. Applied Medical Representative Focus Group Meeting Notes
- E. Housing Advocate Focus Group Meeting Notes
- F. Community Members At-Large Focus Group Meeting Notes

HOUSING ELEMENT UPDATE AND DEVELOPMENT TYPE FOCUS GROUP DISCUSSION

CITY OF RANCHO SANTA MARGARITA

APRIL 2021

CHERYL KUTA, DEVELOPMENT SERVICES DIRECTOR

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BACKGROUND

State Requirements for Cities

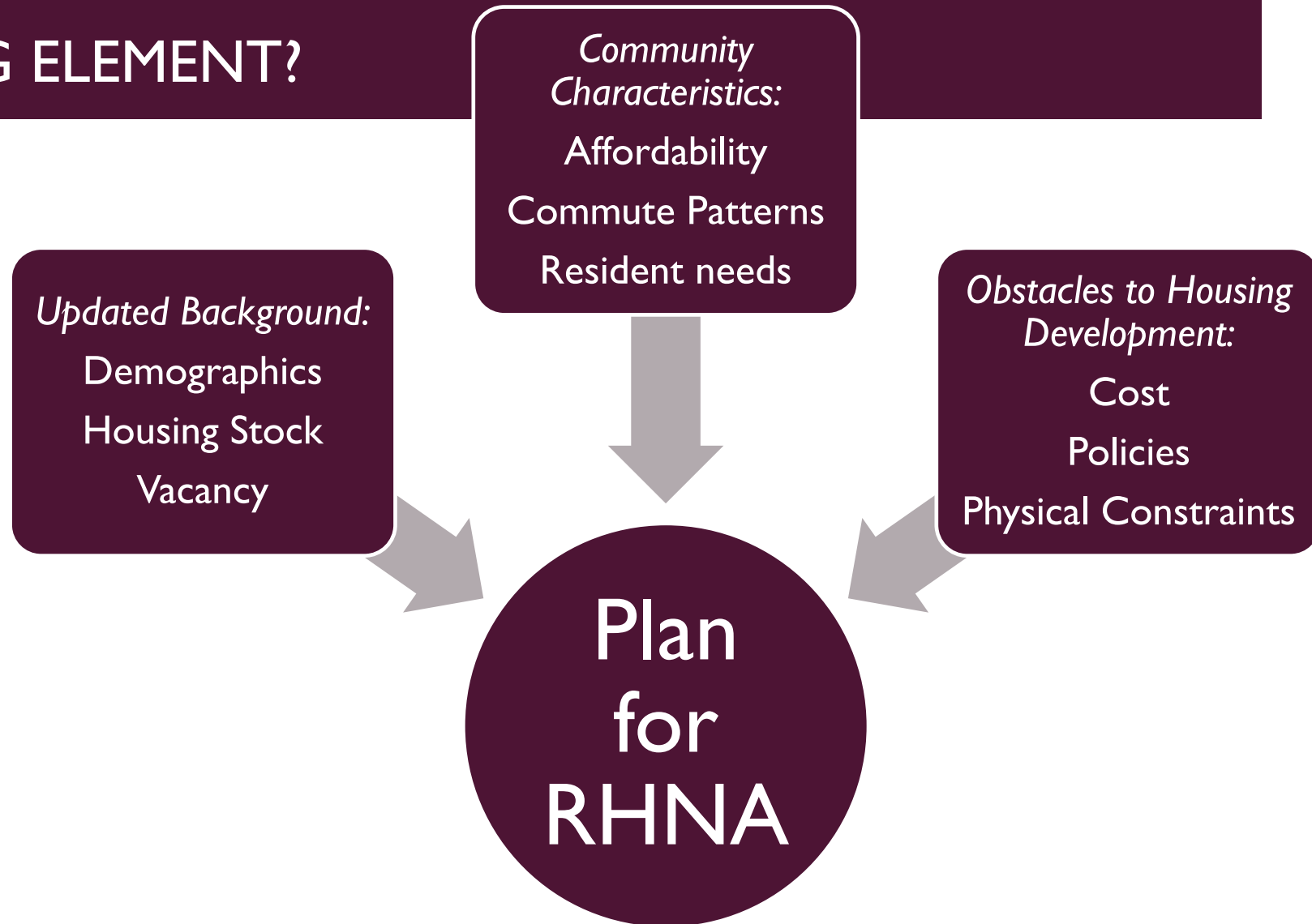
- General Plan with mandatory elements
- Housing Element must be updated **every eight years**
- CA Department of Housing and Community Development (HCD)
 - Sets regional housing need number
 - Reviews and certifies Housing Elements

Southern California Association of Governments (SCAG)

- Council of Governments for six-county region: Imperial, Los Angeles, Orange, Riverside, San Bernardino, Ventura
- 197 jurisdictions in SCAG Region including 191 cities
- Distributes regional housing need from State
 - Methodology
 - Appeals
- SCAG Housing Element updates due for “6th Cycle” October 2021
- Adopts Regional Transportation Plan
- Orange County Council of Governments is a **subregional** entity (34 cities, County, Special Districts)

WHAT'S IN A HOUSING ELEMENT?

- Provides goals, policies and programs to guide the City's actions toward housing production... What does that mean??



REGIONAL HOUSING NEEDS ALLOCATION (RHNA)

- 1,341,827 housing units to SCAG Region
 - Six counties: Imperial, Los Angeles, Orange, Riverside, San Bernardino, Ventura
 - 197 jurisdictions
- 183,430 housing units to Orange County
 - 34 Cities and County Unincorporated Areas
- Table shows sample of Orange County Cities' RHNA
- 3 cities with lower RHNA than RSM: Dana Point, Laguna Beach, Villa Park

Jurisdiction	RHNA
Rancho Santa Margarita	680
Aliso Viejo	1,193
Laguna Hills	1,980
Lake Forest	3,228
Mission Viejo	2,211
San Clemente	978
Irvine (highest in OC)	23,554
Villa Park (lowest in OC)	296

CITY OF RANCHO SANTA MARGARITA 6TH CYCLE RHNA

- 6th Cycle Housing Element: October 2021 to October 2029 (8 years)
- Breakdown impacts the types and densities of units that need to be planned
- Compare to March 2020 General Plan – 580 dwelling units over 20 years
- The City needs to identify specific sites to accommodate its RHNA at all income categories

RSM RHNA Breakdown

Income Category	Number of Units	Percent of Total
Very-low Income (<50% AMI)	209	30.6%
Low Income (50-80% AMI)	120	17.6%
Moderate Income (80-120% AMI)	125	18.3%
Above Moderate Income (>120% AMI)	226	33.4%
Total	680	

RHNA SITE CRITERIA

Existing Site Condition (occupied sites require special analysis)

Realistic Capacity Potential (not all sites will develop at maximum density)

Acceptable RHNA Site

Site Size and Ownership (sites should be between 0.50 and 10 acres)

Demonstrated History of Successful Development (can be local or regional history)

POTENTIAL DEVELOPMENT TYPES

Development Type	Examples	Potential Housing
Accessory Dwelling Units	Second units on existing residential property including attached, detached, and converted interior space; also known as guest house, granny-flat, or accessory apartment.	Accessory dwelling units may be developed on many residential parcels throughout the City.
Reuse/Repurpose of Office Sites	General and medical office sites in commercial or business park districts.	Office uses could be replaced with new residential development or new residential development could occur in conjunction with new or replacement office buildings (mixed-use).
Reuse/Repurpose of General Commercial Shopping Center Sites	Larger commercial centers with stores and businesses which serve a citywide or regional trade area.	Larger general commercial centers could be replaced with new residential development or new residential development could occur in conjunction with new or replacement commercial uses (mixed-use).

POTENTIAL DEVELOPMENT TYPES

Development Type	Examples	Potential Housing
Reuse/Repurpose of Neighborhood Commercial Shopping Center Sites	Smaller commercial centers with stores and businesses that serve the needs of nearby neighborhoods.	Smaller neighborhood commercial shopping centers could be replaced with new residential development or new residential development could occur in conjunction with new or replacement commercial uses (mixed-use).
Workforce Housing in Business Park	Office, Industrial, or Manufacturing sites in the business park area (surrounding Avenida Empresa and Avenida De Las Banderas).	Housing within the business park as homes for employees of local companies.
Housing on Church Property	Various.	Develop housing on church sites in addition to retaining existing church use(s).

POTENTIAL DEVELOPMENT TYPES

Development Type	Examples	Potential Housing
Housing on Surplus School Property	Various.	Develop residential uses on surplus school property, if ever identified by the School District.
Vacant or Underutilized Properties	Open space or agricultural properties.	To be determined based on site-specific evaluations. Larger sites could accommodate a mix of housing types.

PUBLIC INPUT – DEVELOPMENT TYPE SURVEY

Most Acceptable Development Types

- Development on undeveloped/underdeveloped sites
- Repurposing of office sites into mixed-use residential/office developments
- Workforce housing in the business park
- Accessory Dwelling Units (ADUs)

Least Acceptable Development Types

- Repurposing of neighborhood commercial centers
- Repurposing of general commercial centers
- Housing on church sites
- Repurposing of surplus school property

DEVELOPMENT ON UNDEVELOPED/UNDERDEVELOPED SITES: SPHERE OF INFLUENCE AREA

Opportunities

- Potential to identify capacity in Sphere of Influence
- Low-density development (already allowed under current County zoning/Specific Plan) can count towards above-moderate income units

Challenges

- Housing Element would need to include a program to annex property within 3 years
- Access and VHFHSZ issues
- Coordination with County of Orange



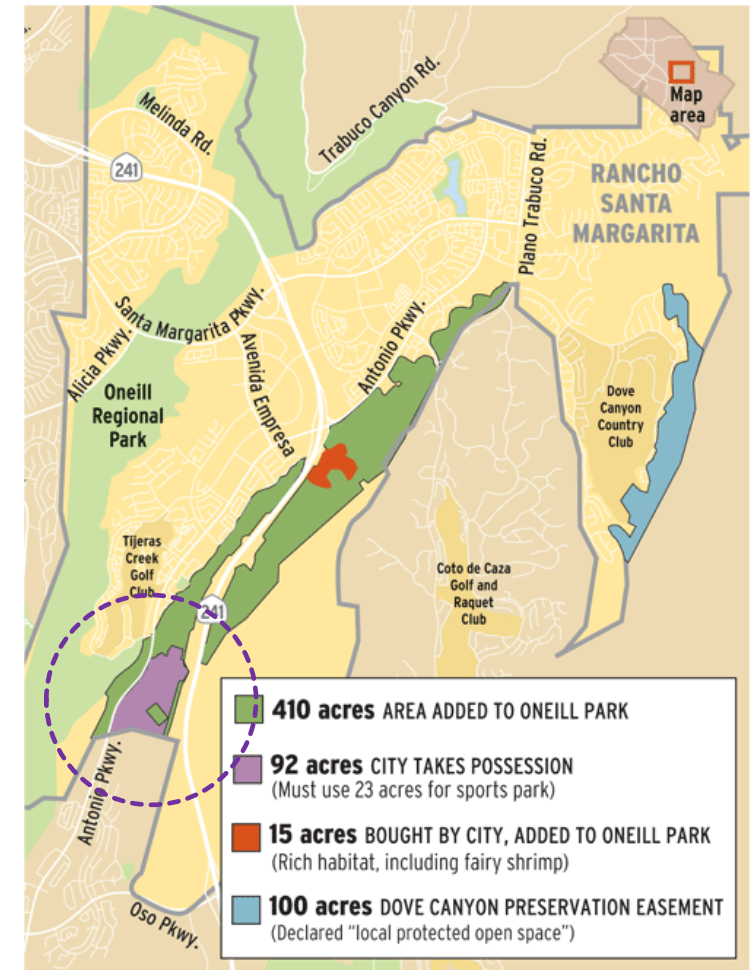
DEVELOPMENT ON UNDEVELOPED/UNDERDEVELOPED SITES: CHIQUITA RIDGE

Opportunities

- Owned by the City (very acceptable to HCD)
- Approximately 92 acres total; 32 acres available for development and 23 acres would be required to be developed as a sports park
- Prior scenario analysis to demonstrate capacity

Challenges

- Surplus Land Act
- Rezone would require an Environmental Impact Report (significant time and financial resources)
- In VHFHSZ
- Expensive to develop



DEVELOPMENT ON UNDEVELOPED/UNDERDEVELOPED SITES: ROSE CANYON

Opportunities

- Up to 3.5 acres subject to confirmation of ownership
- Surrounded by residential

Challenges

- Right-of-way abandonment process
- In VHFHSZ
- Further study is required to determine feasible capacity



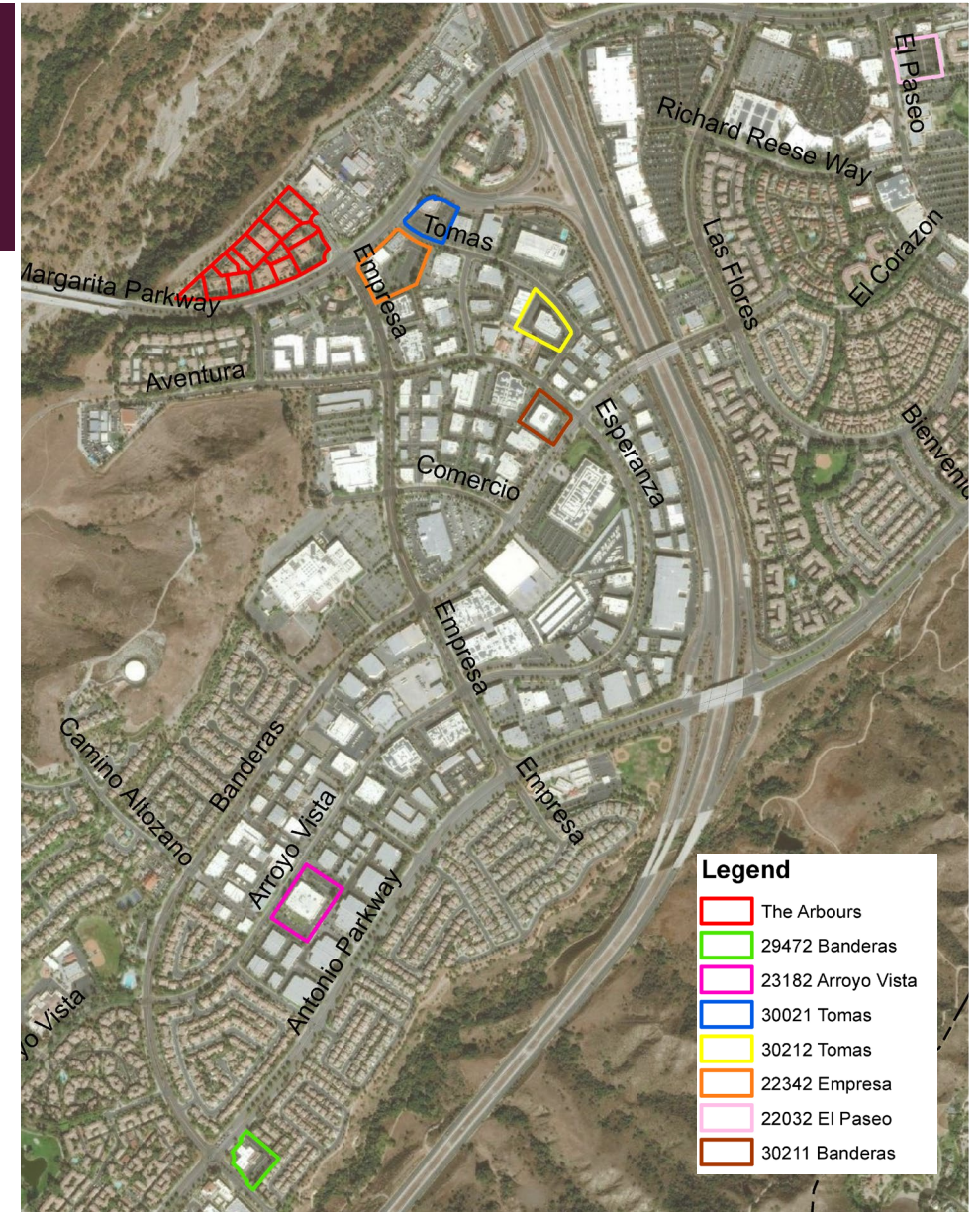
REPURPOSING OF OFFICE SITES

Opportunities

- Office footprints could be reduced due to new “work from home” trends
- Can accommodate residential only development or residential and offices uses in mixed-use formats
- History of similar redevelopment in the region
- Most are outside of VHFHSZ

Challenges

- Coordination with property owners of individual office sites is required



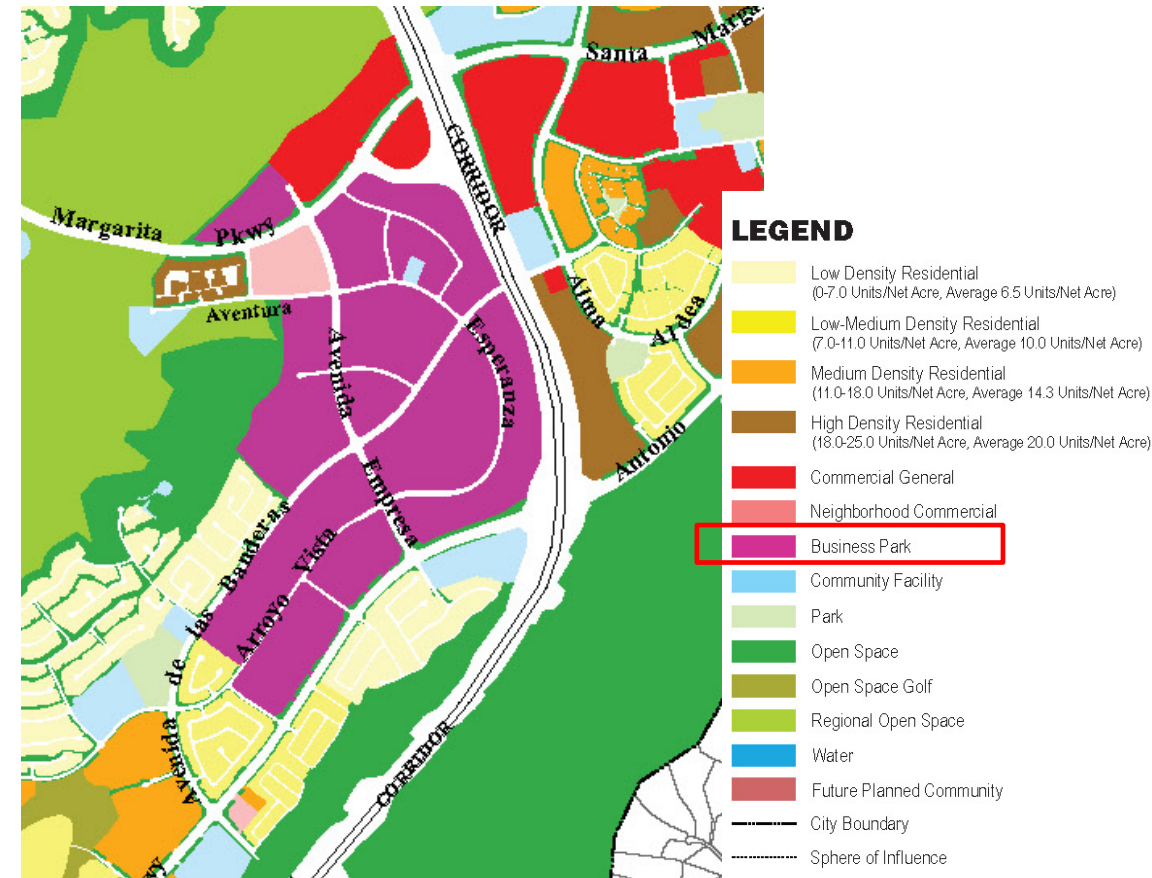
WORKFORCE HOUSING IN THE BUSINESS PARK

Opportunities

- Desire from the business community to allow residential development in the business park
- Opportunity to support employers and their employees
- Not in VHFHSZ

Challenges

- Potential to integrate residential development into a business park environment (limited access to goods and services)
- Need to identify specific sites



ACCESSORY DWELLING UNITS

Opportunities

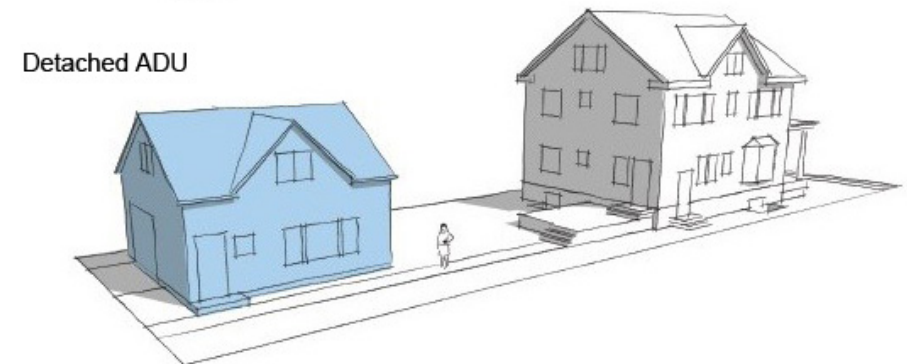
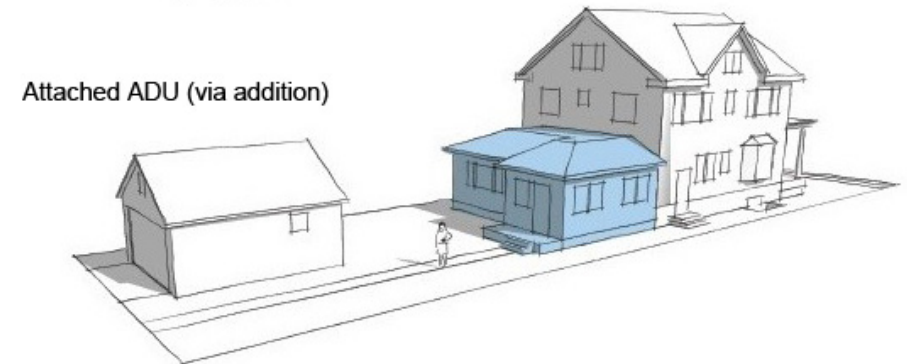
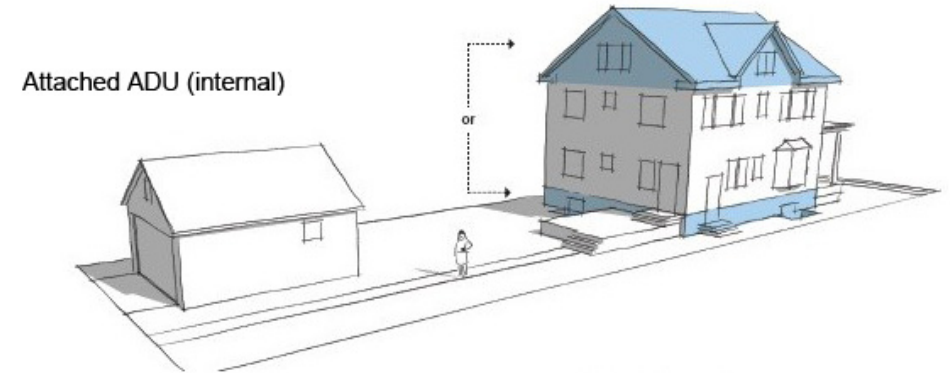
- City is already required to allow ADUs in accordance with State law
- State considers ADUs a source of affordable housing
- HCD will allow ADUs to satisfy a portion of RHNA (safe harbor methodology, no additional research required)

Challenges

- State law dictates where ADUs are allowed and associated affordability levels
- HOA acceptance and regulations

Examples of Accessory Dwelling Units (ADUs)

ADUs in blue; main residence in white



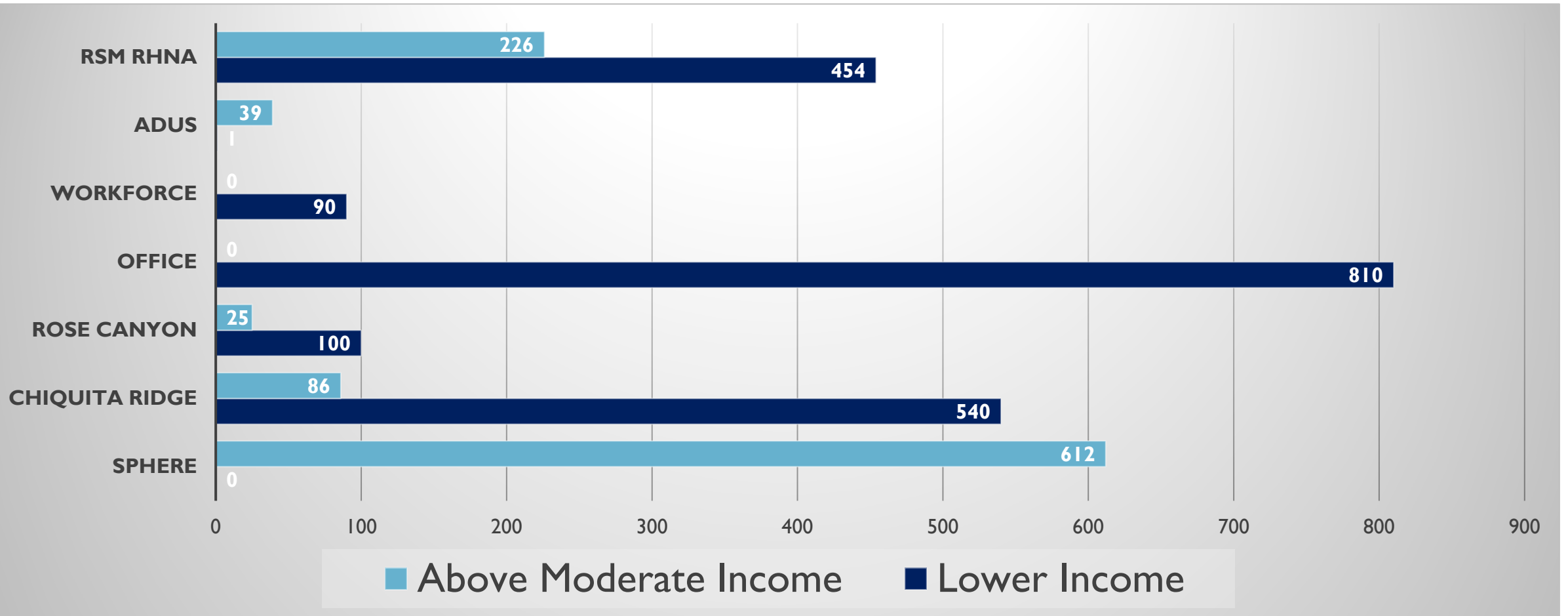
APPROXIMATE DEVELOPMENT TYPE CAPACITY

Development Type	<u>Max</u> Lower Household Income Potential (at 30 du/ac, except for ADUs)	<u>Max</u> Above Moderate Household Income Potential	Total Potential
Sphere of Influence	-	612	612
Chiquita Ridge	540 (18 acres, could be in mixed-use format)	86 (18 acres, single-family detached format)	86 – 540 units (depends on density mix)
Rose Canyon	100 (assuming full 3.5 acres, could be less)	25 (5,500 sqft lots)	25 – 100
Repurposing of Office Sites	810 (27 acres) - Sites ranging from 0.50-10 acres	*	810
Workforce Housing in the Business Park	90 (assuming 3 acres of potential development, could be more)	*	90
Accessory Dwelling Units	39	1	40

* Units affordable to lower household incomes could also be used to satisfy the City's above moderate household income requirements

NOTE: Additional analysis will be required to confirm final capacity in compliance with State requirements

APPROXIMATE DEVELOPMENT TYPE CAPACITY



HOW TO GET TO 680 UNITS?

- For discussion purposes only, different scenarios to accommodate the City's RHNA are identified on the following slide
- The City must demonstrate it can accommodate 454 units in areas zoned for at least 30 du/ac (or through ADUs); the remaining 226 units can be above-moderate income, such as single-family detached units
- Additional research and analysis is required to ensure that the City's proposed strategy to accommodate its RHNA will be approved by the State

Reminder: RSM RHNA Breakdown

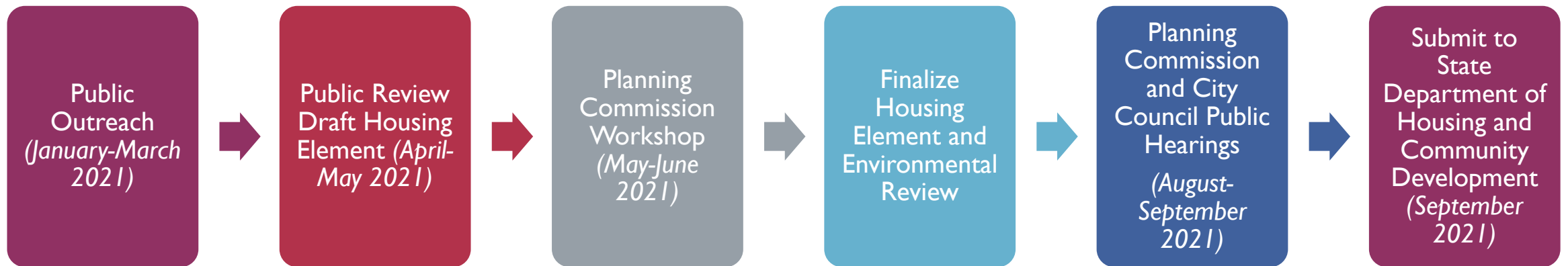
Income Category	Number of Units
Lower Income (> 120% AMI)	454
Above Moderate Income (> 120% AMI)	226
Total	680

HOW TO GET TO 680 UNITS?

- What scenarios or components of the scenarios are most acceptable?
- What components are least acceptable?
- Are there any other development types we should consider?

Development Type	Scenario A	Scenario B	Scenario C	Scenario D	Scenario E
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Total	680	680	680	680	680

HOUSING ELEMENT SCHEDULE



NEXT UP

- Summarize survey results and post to website
- Planning Commission Workshop
- Prepare Public Review Draft Housing Element

HOUSING ELEMENT UPDATE AND DEVELOPMENT TYPE FOCUS GROUP DISCUSSION

CITY OF RANCHO SANTA MARGARITA

APRIL 2021

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HOW TO GET TO 680 UNITS?

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Voting by Development Type (Order of Acceptability)

1. Chiquita Ridge

- Discussion:
 - Has highest probably because City owns the land, and infrastructure and access are already in place
- Number of participants finding the option acceptable: **6** (number one choice out of group)

2. (Tie) Repurposing of Office Sites

- Discussion:
 - Access and infrastructure already in place
- Number of participants finding the option acceptable: **5**

2. (Tie) Workforce Housing in the BP

- Discussion:
 - Yes, this is a good possibility
- Number of participants finding the option acceptable: **5**

4. (Tie) Sphere of Influence

- Discussion:
 - Number of issues to address from entitlement standpoint
 - Long time frame
 - Trabuco Canyon can't be widened
- Number of participants finding the option acceptable: **3**

4. (Tie) Rose Canyon

- Discussion:
 - Not ideal, too much opposition

Appendix B: CAR Focus Group Meeting Notes 4/13/21

- Rose Canyon cannot be arterial road
- Number of participants finding the option acceptable: **3**

6. ADUs

- Discussion:
 - Some members completely oppose ADUs
- Number of participants finding the option acceptable: **0**

General Discussion

ADUs

- What are the ADU standards?
 - State requires that City allow ADUs
 - Can be attached, detached, or reconfigured space
 - ADU requirements are here regardless of RHNA...ADUs are one way to meet RHNA requirement
 - City can require/allow ADUs above State requirements, but not less
 - City can count 40 ADUs toward RHNA
 - ADUs must have separate entrance and cooking facilities
- Concerns about building 3rd story affecting views
 - Zoning does not allow anything higher than 30 ft in residential zone
 - Stock photo - not advocating for 3rd stories
- Concerns about ADUs getting abused

Repurposing of Office Sites

- How would repurposing of office sites physically happen?
 - 2 paths forward:
 - 1st - property owner could choose to repurpose to full residential use
 - 2nd - residential developers could acquire and redevelop property
- What are the pre-covid occupancy rates vs. post?
- Has this had success in Ladera Ranch? SLC? La Verne?
- Is this a doable thing in our community?

Sphere of Influence

- Does this take into account the nursery property?
 - Looked at City's full SOI, including nursery property
- Would require some renegotiation with property owners
- Who are all the property owners within the SOI?
- Includes TCWD property

Chiquita Ridge

- Can the County help the City in terms of modifying agreements to help the City meet RHNA requirements?
 - Unknown

Eminent domain and access for northern sphere

- How would access to the community work? Shadow Rock?
- Who's going to build the bridge?
- Would eminent domain be used to build housing?

Appendix B: CAR Focus Group Meeting Notes 4/13/21

- No eminent domain is proposed
- City is not required to build housing, they are required to zone to accommodate housing
- Access would be addressed at time of development proposal
- At this time, the capacity for discussion purposes is consistent with the current zoning for the property
- The sphere property may be in the County's HE sites inventory

How were most/least acceptable development types determined?

- Through community survey, 280 responses
- Statistic difference between top 4 and bottom 4
- Hard to believe repurpose of surplus school property is in bottom 4 - did people misunderstand what this is/means?

Practicality of Proposed Solutions

- Need practical access to properties
- Does the State really care about how practical these options are?
- What level of reasonableness goes into selection of sites?
 - If access not reasonable, not ok
 - If hard/difficult, ok
 - City required to discuss circulation and access
 - If doesn't exist currently, what it might look like
 - Don't need details of cost and location at this time, but plan for what would happen at time of development
- What if properties ID'd are not feasible to develop?
 - City needs to ID appropriate zoning to meet RHNA
 - State recognizes the difficulties with implementing development
 - If they do not develop for whatever reason, the City would need to re-address those issues in future HE update
 - Want to pick sites that can achieve objective of RHNA, don't want to pick sites that are completely infeasible

Infrastructure

- Is it up to the developer to estimate and cover the cost of infrastructure?
 - Yes

School Sites

- How would school sites be redeveloped?
 - School District would have to designate sites and go through a disposition process, then developer would have to apply for rezoning
 - Anyone can submit an application to develop/rezone a property, even if not ID'd in the HE inventory

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General Discussion

ADUs

- Least favorite – would directly impact more homeowners than any other options
- Would not impact me personally, but could impact others
 - Concerns with blocking views
 - Would need to look at further
- How can HOAs prohibit ADUs if required by state law?
 - CCRs have limitations that aren't part of state law
 - HOAs currently having this fight with state
 - New legislation to lessen reach of HOAs
 - As a City, we make zoning consistent with state law
- Who gets the 39 units?
 - Not limited to 39, if less or more ok
 - 1 ADU has been built to date
 - In this instance, HCD will not require identification of specific sites

Repurposing of Office Sites

- Preferred option
 - Numbers make it look like this is easiest way
 - Would impact the least amount of homeowners
- Open to this b/c a lot of it seems to be sitting there empty
- Do we have a lot of vacant offices right now is RSM?
 - Building in blue: 46% vacant
- What would impact be on infrastructure? Want to make sure infrastructure could accommodate additional growth.
 - Analysis done at time of development proposal to make sure can accommodate housing units
 - Infrastructure upgrades responsibility of developer

Appendix C: CAR Alternates Focus Group Meeting Notes 4/21/21

- Would want to make roads adequate to prevent gridlock
 - Signals, wider streets, etc.
- Commercial/retail opportunities?
 - Great opportunity to zone for mixed use which would allow office to stay
- Possibility to convert existing office buildings to apartments?
 - Not sure – it would be up to developers
- Would be opposed to high rise buildings
 - More appropriate in LA or Irvine
- High rise probably not option for RSM
 - City Council is very committed to master plan and character of community
 - Will plan for additional units at most appropriate density possible

Very High Fire Hazard Severity Zones

- Nobody wants to build in these zones
- Dove Canyon just had fire last weekend
- Would prefer not to put any more development in that area, including nursery
- Because street where people would have to evacuate not adequate
- Tiny road in canyon would be nightmare for emergency evacuation
- Don't picture anyone in that area being receptive to development
- Difficulty putting in additional roads
- Don't want to be in a situation where people are stuck like Paradise or Yosemite
- Firewall breaks in community made it comforting to live here
 - People who move here understand the fire risk
 - But also wind can blow and situation can turn on a dime
- Not opposed to having a few developments in Chiquita Ridge or Rose Canyon
 - But also moved here because liked feeling of openness and not having view blocked
 - Mixed feelings on Chiquita Ridge and Rose Canyon, ok with it as long as done properly
 - Want to keep openness of what I bought into

Workforce Housing

- Second choice behind office sites
- Will help take pressure of roads

Access for northern sphere

- Nursey land right next to our property
- Shadow Rock access would highly impact our community

Infrastructure

- Subdivision Map Act and CEQA – requires analysis of infrastructure
- CEQA has section on wildfire risk
- 3 Bills in current legislative session dealing with development in high fire hazard zones

Questions

- Who is paying for this? How much does RSM have to pay? Is the City responsible for doing the development?
 - No (same answers as previous notes)
- Who has final say so in which direction we are going to go with?

Appendix C: CAR Alternates Focus Group Meeting Notes 4/21/21

- We are developing recommendations based on citizen feedback and professional opinions
- Focus group feedback will be shared with Planning Commission in June
- Ultimate decision rests with CC

HOW TO GET TO 680 UNITS?

- What scenarios or components of the scenarios are most acceptable?
- What components are least acceptable?
- Are there any other development types we should consider?

Development Type	Scenario A	Scenario B	Scenario C	Scenario D	Scenario E
Sphere of Influence	-	-	-	612 (SFD)	-
Chiquita Ridge	540 (MF)	-	86 (SFD)	-	-
Rose Canyon	-	-	-	28	100
Repurposing of Office Sites	30	640	464	-	440
Workforce Housing in the BP	60	-	90	-	90
Accessory Dwelling Units	40	40	40	40	40
Total	680	680	680	680	680

Discussion

Statements

- Group is supportive of anything that would help keep RSM progressive and moving forward
- If all business park gets converted to residential, could change nature of the City
 - Can do overlay on specific parcels with owners' cooperation (ideal)
 - Potential to regulate "up to X # of units" or "XX sq ft of residential"
 - For example, commercial recreation is currently allowed only up to 150K sq ft, once developed, no more CUPs (can do something similar for residential)
 - Larger overlay with safety valve for X # of units to prevent criticism of benefitting specific property owners only
- Might be more acceptability for higher cap if larger overlay zone
- Leave it floating so no owner/developer would disproportionately benefit from zoning
- Consensus that the information presented is very detailed, group not sure if able to rank choices at this time (needs more time to think about the issues/opportunities)
 - Voting does not commit to final choice
 - We will have ongoing discussions
 - Will provide copy of presentation to participants; keep to selves until complete all focus group meetings
- No matter how you slice it, RSM is small community, and shortage of all types of properties (including housing), concern if we convert too many properties to residential, could create shortage of other property types
- RSM is master planned community for 50K, and that's what we have, so any additional development needs to be carefully considered
- In general, the 3 undeveloped sites seem to represent low hanging fruit
- Support for both repurposing office and workforce housing in the business park but
- Interested in what the approach would be – blanket zoning or specific areas – and if there would be a cap on residential development for these development types

Appendix D: Applied Medical Focus Group Meeting Notes 4/15/21

Questions & Answers

- How are SOI and Rose Canyon in Scenario D?
 - Order doesn't have any meaning
- What is the ownership in SOI?
 - All under private ownership, all within unincorporated County
 - One nurse there
 - William Lyon Homes
- How would access work in SOI because currently no road?
 - Access determined at time of development proposal
- Was workforce housing ranked high by the community?
 - Yes
- Why no repurposing of commercial?
 - Not desirable by community through survey
- Is eminent domain proposed?
 - No
 - The goal is zoning at this point
- What happens if none of the units are developed in next 8 years?
 - Then must deal with during next HE update
- How would repurposing of office sites work?
 - Could completely rezone office sites, and they would be legal non-conforming
 - Could do overlay zone – office properties could accommodate residential, but office sites stay and don't become legal non-conforming
 - Can also do overlay zones in business park area
- Do you get credit for potential # of homes, or must be actual # of homes?
 - Potential, based on similar scenarios
 - HE must ID specific sites by APN that have programs in place to accommodate City's RHNA at different densities
 - State says that at 30 DUs/AC, that density threshold is adequate for lower income categories (result in units affordable to low-income), but we know that's not always true in practice
- What is the significance of outlined parcels in the business park slide?
 - Parcels with 100% office use
- What is the schedule for the HE update?
 - Oct 15th of this year
 - Must implement zoning within 3 years of HE being adopted (Oct 2024)
- How are income thresholds defined?
 - State sets thresholds
- What was methodology for determining number/percentage of units?
 - SCAG allocated 1.3M units across the region
- Does it accurately reflect the needs of the City?
 - RSM did appeal 680 unit allocation
 - 60% of OC cities appealed
 - Over 100 cities throughout SoCal appealed
 - SCAG denied all but 2 appeals
- Does anything not seem like a good idea?
 - No strong concerns
 - Nothing on slide is really bad idea, but don't know enough yet to choose favorite(s)

HOW TO GET TO 680 UNITS?

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General Discussion

Chiquita Ridge

- What is current zoning?
 - Open space, so would need to be rezoned
- 23 of the 92 acres shown in purple must be dedicated to a sports park as part of settlement agreement with County
 - No indication that County is willing to change this
- 18 acres is estimated pad development size after grading

Rose Canyon

- Are most residents above moderate income here?
 - Yes
- Might be good spot to focus on for low-income residents to help with disparities in availability of services/lack of services

Repurposing of Office Sites

- Some people will be able to work from home, but some will also need to go back to offices, so should keep some office space

ADUs

- Any flexibility on splitting lots to convey to another owner to create another source of revenue?
- Appreciate you don't think ADUs will solve all housing problems
- How were ADUs #s calculated?
 - 5 /year for 8 year planning period

Workforce Housing

- 10% of homeowners work for cities, 10% teachers and police and fire, ministers or pastors

Appendix E: Advocate Focus Group Meeting Notes 4/21/21

- Could be good option if people could live and work in same area

How important is access to transportation?

- Depends on of quality of transportation route, and whether it helps get people to work
- From financing perspective – affordable housing funding prioritizes areas that have services and transportation, could help with tax credits
- H4H matches people with a product that will make quality of life easier, avoid huge commutes
- If not close to people's jobs and services, then no good
- Cheaper doesn't equal better
 - i.e. cost of living in Riverside doesn't offset cost of commuting from Riverside

Policies/Programs

- Aside from density, are you looking at any other policies or programs that would help provide affordable units?
 - City will explore role that policies and programs play
 - Not at this stage yet
- Important for policies/program to go hand-in-hand, otherwise you lose the opportunity
 - Other cities have not been able to do after the fact because property owners want to retain land value

Home Ownership

- Majority of conversation re: affordable housing is on rental units
 - This is a massive key part of equation, important to have stable rental option
 - But also need to provide affordable ownership units
- Moderate income for a family of 4 is just over \$100K in OC
 - If they can't afford market rate rent, they are never going to be able to afford moving from an affordable rental to a market rate home
 - Cannot go from \$2,600 to \$5,000/mo payment
- Must provide missing link in continuum from rental to ownership
- There is a gap in home ownership between whites and other races
- City should be careful to not segregate affordable rental units from market rate homes
- Equity in home ownership helps with generational wealth

Preferred Scenarios

- SOI could be good, but maybe a Scenario F could have some units in all locations
- Agree with mix of scenarios (with some units in all locations)
- Distributing across all locations would be best chance for affordable housing
- A, C and E are better ones
- Need diversity of housing, needs to be for mixed-income levels in all locations
- A and B could be good opportunities,

Misc conversation at end of meeting

- Repurposing areas could increase property values
 - Happening in Santa Ana
- What is considered affordable in OC?
- Be careful of moderate-income units counting as low-income
- Make sure to include affordable housing provision to increase affordable housing at all income levels

Appendix E: Advocate Focus Group Meeting Notes 4/21/21

- In lieu fees not effective
 - In lieu fee should be an amount that will allow to leverage funding and enable affordable housing
- Inclusionary Zoning
 - % to different income levels
 - Gives developer heads up so can consider when cost estimating
 - Knowing specifics will make development easier
- Find innovative ways and incentives other than inclusionary policies
 - H4H can help develop and fill units
 - H4H tried to partner with developer... offered to make 10 units affordable and put families in homes, and take burden away from developer but stopped by NIMBYs
 - In a commercial use site, developer took housing money and in lieu fees to partner with H4H to create mixed use
- Similar framework to ADU incentives
 - Keep at affordable level, get discounted fees or other incentives
- A lot of cities are concerned about providing affordable units, but they all end up being for moderate income, then they have to go back and rezone for very low and low income, would save manpower in future by having zoning in place in place ahead of time
- Be pragmatic about how development moves forward
- Zonings or overlays are opportunities to capture affordability
- Be careful how to describe affordable housing because saying that \$90-100K is low income is staggering to a lot of people
- Explain we are trying to house individuals who already work in our communities and having trouble paying rent
- "Softer density" – ADUs and duplexes and splitting lots, triplex that looks same and matches aesthetic of 1-2 single family housing
- Land use and city zoning are a subsidy, are a way to increase development
 - Important for city to look with this framework, instead of just trying to meet numbers
 - Make sure we don't lose when allowing for new opportunities, subsidizing market rate development
 - Make sure to capture affordability
- Typical H4H home costs \$450K, partly paid for by owner, part donations
 - If can build 2-4 homes instead of 1, helps with costs
 - Allowed to maximize land available

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General Discussion

SOI and Chiquita Ridge

- Would these two communities stand alone, or would they be part of larger RSM (SAMLARC)? i.e., Robinson Ranch doesn't fall into RSM or get perks of living here. Would they be allowed to use the lake, parks, etc.?
 - None if those properties are currently within SAMLARC
 - Process to develop their own HOAs
 - Any park within Chiquita Ridge would be public
- Northern area and SOI not a good idea
- Has any traffic study been done? Would need massive change throughout the canyon.
 - Does not get into specifics of how infrastructure would be developed – that would happen at the time of subdivision application
- Nice flat land, but probably too much work to not make that a traffic nightmare

Repurposing of Office Sites

- A lot of housing being developed in LA County is taking biz parks and converting into housing units – is that a possibility in RSM?
- Strong believer of switching from biz park to housing units – has that been considered?
 - Yes, 2 options supported by community: Repurposing of some office properties and subset of allowing for workforce housing
- RSM Pkwy – is RV dealership part of that or could it be?
 - Not at this point in time
- Conversion of commercial centers was popular b/c wanting to maintain balance
- Conversion of office spaces would be more acceptable by citizens
- Going into open space not good idea
- Great part of living in RSM is open space
- Going into open space b/c of environmental reasons won't be looked upon well by residents

Appendix F: Community At Large Focus Group Meeting Notes 4/29/21

- Moved here because of the views
- To develop undeveloped land you lose the wilderness effect
- I agree 100%, we should look into commercial properties where owners are willing to convert their properties into residential
- Business not returning in blue square on office sites slide, will mostly be vacant
- Envisioning as future homeowner, where I would prefer to buy...
 - Tomas along RSM Pkwy, 30212, where dentist office is
 - Walking proximity to everything is extremely ideal
 - Ideal repurposing sites
- What kind of research is being done about existing businesses and what would be taken away, and how that would affect the community?
- If we eliminate those, then everyone has to drive out of community to get needs met
 - Next steps will be to reach out to specific property owner and see if they would be interested
 - Development happens in free market, no one be forced, can redevelop if so desire
- Is there some limit that city puts on numbers of dentists, etc.
 - Idea with re-use is that maybe there is too much and can consolidate, and housing could be added to what's there
- If property owner says no, then might not be possible even if we like it?
 - Yes, but started with community input first b/c have to start somewhere
 - We want mutually agreeable decisions

Rose Canyon

- Is already in middle of developed area
- Better idea b/c a lot of people's concerns are traffic, best location as far as flow of traffic
- Agree with last commenter, commercial property already used/spoken for
- Work home trends will continue
- Doesn't make a lot of sense
- Quality of life, residents live close to golf course b/c walking paths, trails
- The more you nip away at that, the more you reduce quality of life
- Why was Rose Canyon never developed?
 - Road ROW where road was supposed to continue up to switch backs
 - Transition road that never happened

High Risk Fire Areas

- Still not over Sept/Oct, has completely changed where considered moving
- Don't want to live in these areas
- Maybe eliminate Chiquita Ridge and Rose Canyon

Questions

- In the past, the biz center near Dove Canyon has been talked about as potential for changing to residential? Why not considered?
 - Rated as least acceptable by community
 - Application on file (incomplete for 1.5 years)
- Are we zoning for someone like Toll Brothers to come in and develop homes?
 - One possibility
 - Allocations for low and very low and moderate income housing
 - Need to zone for a host of development types
- Does the every 8 years have an end point? When do we run out of space?

Appendix F: Community At Large Focus Group Meeting Notes 4/29/21

- 1.3M housing units given to region by the State; Gov Newsom and legislature have made housing a priority
 - A lot of Southern California cities unhappy with RHNA allocation process
 - Call to change process currently in progress
- On existing housing, will owners be able to get tax credits to build addition that they can rent out?
 - Not aware of any that exist right now
- Are there really 40 properties in RSM that have adequate lot size for ADU?
 - RSM has limited experience (only 1 ADU)
 - There are lots that are appropriate
 - Unlikely to think 40 will be developed over next 8 years
 - Allowed to count as credit, like a free BINGO space
- Does RSM have limit on how high we can build? Is it a consideration to go higher to get more units out of the same land?
 - Yes, fine balancing act. Council very supportive of maintaining master plan, so no high rise
 - Option to go a little higher, but need to find happy medium

Overall Consensus

- Focus on sites in developed areas first
- Then if need to look at any other areas, SOI and Chiquita Ridge would be least preferable
- Rose Canyon might be ok to explore
- Will probably be combination of scenarios