



**2013-2021 MID-TERM HOUSING ELEMENT  
OF THE GENERAL PLAN**

**FOR REVIEW BY THE STATE  
DEPARTMENT OF HOUSING &  
COMMUNITY DEVELOPMENT**

**APPROVED FOR TRANSMITTAL TO  
HCD BY CITY COUNCIL ON  
FEBRUARY 5, 2020**

**CITY OF CANYON LAKE**  
**MID-TERM HOUSING ELEMENT OF THE GENERAL PLAN**  
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## **Section I**

### **Introduction**

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**A. INTRODUCTION**

A housing element is one of the seven mandated elements of the General Plan and it must be updated every eight years unless otherwise extended by legislation. The City of Canyon Lake's Housing Element covers the planning period from October 2013 to October 2021. The mandated contents of the City's Housing Element are described in great detail in Title 7, Chapter 3, Article 10.6, Government Code Sections 65580 through Government Code 65589.8. The law governing the contents of Housing Elements is the most detailed of all elements of the General Plan.

According to Government Code Section 65583:

*The housing element shall consist of an identification and analysis of existing and projected housing needs and a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. The housing element shall identify adequate sites for housing, including rental housing, factory-built housing, mobilehomes, and emergency shelters, and shall make adequate provision for the existing and projected needs of all economic segments of the community.*

**B. ORGANIZATION OF THE HOUSING ELEMENT**

In addition to the Introduction, the *2013-2021 Housing Element* includes Section II and six Appendices:

Section II Housing Program: This section presents a summary of housing needs and constraints; a statement of goals, policies, and objectives; and a description of planned actions to address the program requirements of Government Code Section 65583(c).

Appendix A: Assessment of Housing Needs: The Appendix includes data and analysis of the Canyon Lake's existing and projected housing needs.

Appendix B: Sites Inventory and Analysis: The Appendix identifies the sites that accommodate Canyon Lake's share of the regional housing need for above moderate, moderate and lower income housing units.

Appendix C: Housing Resources: This Appendix describes financial, administrative and energy conservation resources that can contribute to addressing the City's housing needs.

Appendix D: Governmental Constraints: The Appendix describes actual and potential governmental constraints that hinder the City's ability to address housing needs.

Appendix E: Nongovernmental Constraints: This Appendix describes market conditions that impede the development of housing for all economic segments, including the availability of financing, land costs, and construction costs.

Appendix F: Progress Report: The Appendix describes the progress the City has made in implementing the actions adopted in the *2008-2014 Housing Element*.

**C. RECENT LEGISLATION**

In 2017, 2018 and 2019 many housing bills were enacted into law some of which added to the required content of a local housing element. A brief summary is given below of some of the recent housing element related legislation:

**AB 1397**: (2017): Sites – AB 1397 amends the Housing Element Law, specifically Government Code Sections 65580, 65583, and 65583.2. Its purpose is to strengthen the obligation of local governments to identify a supply of adequate sites available to meet their housing needs for all income levels in their housing elements.

**AB 166** (2017): No Net Loss – AB 166 amends the No Net Loss Law to require the land inventory and site identification programs in the housing element to always include throughout the planning period sufficient and adequate sites to accommodate the unmet of a city or county's share of the regional housing need.

**AB 686** (2018): Assessment of Fair Housing – AB 686 will require an expanded analysis of fair housing. Housing elements submitted to HCD after January 2021 must include an Assessment of Fair Housing. The City plans to complete a draft AFH by April 2021.

**AB 879** (2018): Governmental and Nongovernmental Constraints – AB 879 expands the scope of analysis regarding governmental and nongovernmental constraints.

**AB 1771 and SB 828** (2018): Regional Housing Needs Assessment – These bills impose new regulations regarding the preparation of regional housing need allocation plans, including an objective to increase access to areas of high opportunity for lower income residents.

**AB 101 (2019): Judicial Enforcement** - After HCD finds a housing element noncompliant, the Attorney General is now required to seek a court order directing the city to bring its housing element into compliance with the law. To secure compliance, the court is directed to retain jurisdiction, hold status conferences, and impose fines, and may appoint a receiver to step in, take the process over from the city, and “bring the jurisdiction’s housing element into substantial compliance.”

**AB 671 (2019): Plan for ADU Incentives** - This bill requires that a housing element include a plan that creates incentives and promotes the creation of accessory dwelling units that can be offered at affordable rent, as defined in Section 50053 of the Health and Safety Code, for very low, low-, or moderate-income households. For purposes of housing element planning, “accessory dwelling units” has the same meaning as “accessory dwelling unit” as defined in paragraph (4) of subdivision (i) of Section 65852.2.



## **Section II**

### **Housing Program**

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**A. INTRODUCTION**

Section II presents the City's Housing Program. The Housing Program describes the efforts the City has undertaken and will undertake during the 2013-2021 planning period to address its housing needs.

The Housing Program explains:

- Agencies responsible for program implementation
- Consistency of the Housing Element with the General Plan
- Public participation efforts
- Priority water and sewer service

Section II also describes the meanings ascribed to the following terms:

- Goals
- Policies
- Quantified objectives

Of particular importance are the quantified objectives which represent numerical targets for the construction, rehabilitation and conservation of housing.

The Housing Program also describes 23 actions that will be implemented during the planning period.

**B. RESPONSIBLE AGENCIES, GENERAL PLAN CONSISTENCY, PUBLIC PARTICIPATION, AND PRIORITY WATER AND SEWER SERVICE****1. Responsible Agencies and General Plan Consistency**

Government Section 65583(c)(7) states that the Housing Program shall -

*Include an identification of the agencies and officials responsible for the implementation of the various actions and the means by which consistency will be achieved with other general plan elements and community goals.*

**a. Responsible Agencies**

Chart II-1 (page II-9) lists 23 housing programs that will be implemented during the planning period. The agencies responsible for program implementation include:

*County of Riverside Economic Development Agency*

- First Time Homebuyer Down Payment Assistance Program (Program #7)
- Mortgage Credit Certificate Program (Program #8)
- Home Enhancement Program (Program #19)

*County of Riverside Housing Authority*

- Section 8 Rental Assistance Program (Program #6)

*Western Riverside Council of Governments (WRCOG)*

- PACE Financing Programs (Program #23)

*Inland Regional Center*

- Developmentally Disabled Outreach Program (Program #11)

*Fair Housing Council of Riverside County*

- Reasonable Accommodation Program (Program #12)
- Fair Housing Services Program (Program #20)
- Assessment of Fair Housing (Program #22)

*Canyon Lake Planning Department*

- SB 2 Planning Grant Program (Program #1)
- General Plan/Housing Element Consistency (Program #2)
- Canyon Lake Village Overlay Zone (Program #3)
- No Net Loss Program (Program #4)
- Annual Housing Element Progress Report (Program #5)
- Accessory Dwelling Unit Program (#9)
- Affordable Housing Density Bonus Program (Program #10)
- Developmentally Disabled Outreach Program (Program #11)
- Reasonable Accommodation Program (Program #12)
- Housing and Social Services Information and Referral Directory (Program #13)
- Extremely Low Income Housing Program (Program #14)
- Single Room Occupancy (SRO) Development Standards (Program #15)
- Monitor Cumulative Effects of Overlay Zone Development Standards (Program #16)
- Omnibus Zoning Ordinance Amendments Program (Program #17)
- Development Fee Impact Program (Program #18)
- Fair Housing Information Program (Program #21)
- Assessment of Fair Housing (Program #22)

**b. General Plan Consistency**

During the balance of the planning period from **February 2020** to October 2021, consistency between the Housing Element and General Plan will be maintained by the implementation of four actions. Program #2 – General Plan/Housing Element Consistency – describes the four actions.

**2. Public Participation Effort****a. Background**

Government Code Section 65583(c)(7) states that a housing element must be developed through an effort that achieves public participation of all economic segments of the community.

The City's public participation effort to engage all residents, including low and moderate income households, included:

- Engaging the public through web based strategies, including a housing survey
- Posting notices regarding the Housing Element on the City's website
- Keeping the Property Owners Association (POA) informed throughout the development of the Draft **Mid-Term** Housing Element
- Outreach to church and community groups
- **Housing Element public participation meeting**
- **Public review period commencing on January 27, 2020**
- **City Council meeting on February 5, 2020**

**Public input to the Mid-Term Housing Element also was based on the public participation effort as described in the Housing Element adopted by the City Council on October 2, 2019.**

**Prior to holding the public participation meeting and City Council meeting, the public notices and agendas advised the public that if, as an attendee or participant, special assistance was needed, the City Clerk was to be informed of the particular need at least 48 hours before the workshop or meeting.**

Language interpreters did not attend the **public participation meeting** and Public Hearing. The meetings were conducted in the English language. The City staff did not believe interpreters would be needed because, according to the 2013-2017 American Community Survey, only 27 households are limited English speaking households, a number that represent 0.7% of all households. All 27 limited English speaking households spoke Asian and Pacific languages at home.

**b. Housing Needs Survey**

**The Housing Needs Survey was posted on the City's webpage in mid-October 2019 and the responses were tabulated in mid-January 2020. Twelve permanent resident home owners responded to the survey. The average household size was 2.75 persons and 11 of the 12 households had annual incomes of \$60,000 or more. The annual household income distribution is listed below:**

- **Less than \$60,000 1 household**
- **\$60,000- \$71,999 4 households**
- **\$72,000 - \$107,9994 households**
- **\$108,000 or more 3 households**

Three respondents stated they "have difficulty using stairs, bathtub, etc." or "need grab bars, ramps, or other accessibility modifications."

With regard to personal housing needs, eight of the 11 who responded to the question indicated their "monthly utility bills are too high." Four respondents indicated they "need financial help with home repairs and maintenance."

With respect to housing programs, five respondents stated there is a need for "assistance with monthly housing costs" and four respondents indicated a need for "first time homebuyer assistance."

**Although the responses to the survey are very limited, they do reveal a potential need for the County's home repair program to focus on home modifications and for the County to continue the first time home buyer assistance program.**

**c. Housing Element Public Participation Meeting**

**A public participation meeting was held on the afternoon of January 16, 2020 at the City Council Chambers. The public was notified of the meeting by publication of a public notice on the City's webpage and one published in the local newspaper (Friday Flyer).**

**The notice stated that the purpose of the meeting was to:**

- **Inform the public on the features of the Mid-Term Housing Element**
- **Status of the Mid-Term Housing Element update process**
- **Receive community input**
- **Respond to questions**
- **Provide an overview of recently enacted State laws that affect the scope and content of the Mid-Term Housing Element**

**In addition, the City Planner invited the following to the public participation meeting: POA Planning Manager, Chamber of Commerce, Executive Pastor Dave Dick, Canyon Lake Community Church, and Mary Stein, Habitat for Humanity.**

**Two residents attended the public participation meeting regarding the Mid-Term Housing Element. The City Planner and consultant gave a PowerPoint presentation that covered the following topics: Background Information; Scope of a Housing Element; State's Role in the Housing Element Process; Current Status of the City's Housing Element; Timetable for Approval of the Mid-Term Housing Element; Consequences of Not Having a Housing Element in Compliance; and Overview of 2019 Housing Laws.**

**The residents asked a question regarding the ADU laws that became effective on January 1, 2020. The City Planner provided an overview of recent legislation, including AB 881, SB 13 and AB 68. In addition, the residents were informed of AB 670 which makes any governing HOA document void and unenforceable to the extent that prohibits the construction or use of ADUs or junior ADUs.**

**The residents also asked a question regarding the ability of the City to meet the projected housing need. The City Planner and consultant provided the residents with an overview of the sites that accommodate the projected housing need.**

**The residents asked when the brochure describing the process for requesting a reasonable accommodation would be available. They were informed it was being reviewed by City staff and would be available soon after it was finalized.**

**d. Public Review Period**

Prior to the City Council public meeting, the Public Review Draft Mid-Term Housing Element was available for review at City Hall. Additionally, the Mid-Term Housing Element was posted on the City's webpage with the following announcement:

Available now for review is the 2013-2021 Public Review Draft Mid-Term Housing Element. Updates to the plan (in bold) will be submitted to the State Department of Housing & Community Development. A housing element is one of seven mandated elements of the General Plan and it must be updated every eight years unless otherwise extended by legislation.

No written or verbal comments were received by City staff prior to the City Council's public meeting. However, the document remains on the City's webpage and the public may submit comments to the City Planner.

**e. City Council Public Meeting**

The City Council held a public meeting on February 5, 2020 to discuss the Mid-Term Housing Element and consider authorizing its transmittal to HCD. The City Planner gave a PowerPoint presentation that summarized the reason for preparing a Mid-Term Housing Element, the programs implemented since the City Council adopted the Initial Housing Element on October 2, 2019, the HCD review process, and the recommended City Council actions.

A letter sent to the Mayor and City Manager by the Inland Counties Legal Services, Inc. was presented to the City Council and staff at the meeting. In the letter Mr. Anthony Kim, Esq. describes what he views as deficiencies in the Mid-Term Housing Element. Mr. Kim also spoke in opposition to the City Council moving forward on the Mid-Term Housing Element.

No other persons spoke either in favor or in opposition to the Mid-Term Housing Element.

A City Council member asked if the City is now in compliance with the Housing Element law. The City Planner explained that the Mid-Term Housing Element must be transmitted to HCD for the mandatory 60-day review period. During this period, HCD will contact the City regarding any revisions that will be required on the Mid-Term Housing Element in order for HCD to find the Housing Element in compliance with State law.

The City Council unanimously approved authorizing the City staff to transmit the Mid-Term Housing Element to HCD for its review.

The City Council also approved the first reading of the Zoning Ordinance Amendments implementing Program #17 – Omnibus Zoning Ordinance Amendments Program, Mixed Use Zone, and Program #9 - ADU Ordinance. The City Council also was informed that the ADU ordinance must be transmitted to HCD within 60 days after approval of it on the second reading.

**Three persons commented on the Zoning Ordinance Amendments. One person spoke in favor of the Mixed Use Ordinance, noting that it will contribute to creating a village atmosphere. The same person opposed the ADU Ordinance, noting concerns with the potential size of the ADUs and those that could be built on elevations above existing homes.**

**A second person opposed the ADU Ordinance noting that it would change the character of the City and that he was against low income housing units.**

**Mr. Kim also commented on the ADU Ordinance. He explained that the ADU Ordinance lacked landscape standards.**

**The City Attorney and City Planner also described AB 670 which makes void and unenforceable covenants, conditions, and restrictions (CC&Rs) that either effectively prohibit or unreasonably restrict the construction or use of an ADU or JADU on a lot zoned for single-family residential use.**

**The City Council approved the first reading of the following ordinances:**

**Ordinance No. 195: Amend Zoning Ordinance to reflect various State mandated requirements**

**Ordinance No. 196: Mixed Use Zone**

**Ordinance No. 197: Accessory Dwelling Units**

### **3. Priority Water and Service**

Government Code Section 65589.7(a) states:

The housing element adopted by the legislative body and any amendments made to that element shall be immediately delivered to all public agencies or private entities that provide water or sewer services for municipal and industrial uses, including residential, within the territory of the legislative body. Each public agency or private entity providing water or sewer services shall grant a priority for the provision of these services to proposed developments that include housing units affordable to lower income households.

The City will transmit a copy of the **Mid-Term** Housing Element with a cover letter referencing Government Code Section 65589.7(a) to the Elsinore Valley Municipal Water District (EVMWD) and the Eastern Municipal Water District (EMWD).

## **C. HOUSING PROGRAM OVERVIEW**

### **1. Goals, Policies and Objectives**

Government Code Section 65583(b)(1) states that a Housing Program must include:

A statement of the community's goals, quantified objectives, and policies relative to the maintenance, preservation, improvement and development of housing.

HCD explains that goals are general statements of purpose which indicate the general direction that a city intends to take with respect to its housing problems. The goals also should be consistent with legislative findings, legislative intent and other expressions of statewide housing goals.

Policies provide a link between housing goals and programs; they guide and shape actions taken to meet housing objectives.

HCD defines quantified objectives as the maximum numbers of housing units that a jurisdiction projects can be constructed, rehabilitated, conserved and preserved during the planning period. HCD suggests that to the extent possible objectives should be set forth for individual programs.

Government Code Section 65583(b)(2) states:

It is recognized that the total housing needs ... may exceed available resources and the community's ability to satisfy this need within the content of the general plan requirements outlined in Article 5 (commencing with Section 65300). Under these circumstances, the quantified objectives need not be identical to the total housing needs.

This interpretation is confirmed by Opinion No. 03-104 (May 18, 2005) of the Office of the Attorney General that states:

We conclude that a community may establish its maximum number of housing units by income category that can be constructed, rehabilitated, and conserved over the next five-year period below the number of housing units that would meet the community's goal of achieving its share of the regional housing needs established pursuant to the Planning and Zoning Law if the community finds its available resources in the aggregate, including but not limited to federal and state funds for its housing programs, its own local funds, tax or density credits, and other affordable housing programs, are insufficient to meet those needs.

(pgs. 7 and 8)

## **2. Schedule of Actions**

Government Code Section 65583(c) requires a housing element to include:

A program that sets forth a schedule of actions during the planning period, each with a timeline for implementation, that may recognize that certain programs are ongoing, such that there will be beneficial impacts of the programs within the planning period, that the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the housing element....

The types of actions that must be set forth in a housing element are described in Government Code Section 65583(c):

- Identify actions that will be taken to make sites available during the planning period with appropriate zoning and development standards and with services and facilities to accommodate that portion of the city's share of the regional housing need for each income level that could not be accommodated on sites identified in the sites inventory. Government Code Section 65583(c)(1)

- Assist in the development of adequate housing to meet the needs of extremely low-, very low-, low- and moderate- income households. Government Code Section 65583(c)(2)
- Address and, where appropriate and legally possible, remove governmental and nongovernmental constraints to the maintenance, improvement, and development of housing, including housing for all income levels and housing for persons with disabilities. Government Code Section 65583(c)(3)
- Conserve and improve the condition of the existing affordable housing stock, which may include addressing ways to mitigate the loss of dwelling units demolished by public or private action. Government Code Section 65583(c)(4)
- Promote housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status or disability. Government Code Section 65583(c)(5)

Government Code Section 65583(c)(6), which requires actions to preserve existing affordable housing, does not apply to the City because Canyon Lake does not have an affordable housing development.

### **3. Funding Resources**

The production and rehabilitation of affordable housing depend on numerous funding sources. Usually, a single funding source will not contribute all the resources needed to create housing affordable to lower income households. The financing gap – that is, the difference between what lower income households can afford and the costs to create affordable housing – requires several sources of funding.

The following funding resources are included in the City's Housing Program:

- Housing Authority of the County of Riverside -- Section 8 Rental Assistance
- County of Riverside Economic Development Agency -- CDBG funds
- County of Riverside Economic Development Agency -- HOME funds
- Fair Housing Council of Riverside County, Inc. – CDBG funds
- Western Riverside Council of Governments – PACE funds

Other resources such as Federal and State Low Income Housing Tax Credits may become available to a future affordable housing development.

### **D. QUANTIFIED OBJECTIVES**

Table II-1 on the next page states the quantified objectives for the 2013-2021 planning period.

**Table II-1**  
**City of Canyon Lake**  
**Quantified Objectives: 2013-2021**

<b>Category</b>	<b>Extremely Low</b>	<b>Very Low</b>	<b>Low</b>	<b>Moderate</b>	<b>Above Moderate</b>	<b>Total</b>
Construction	0	0	2	20+	40+	62+
Rehabilitation	1	1	1	0	0	3
Conservation	1	1	3	2	0	7

The “new construction” objective refers to the number of new units that potentially could be constructed during the 2013-2021 planning period, given the City’s land resources, constraints, and proposed programs. This objective includes the housing units constructed between January 1, 2014 and December 31, 2018 plus housing units projected to be constructed in 2019, 2020 and the first nine months of 2021. The two lower income housing units are projected to result from fee reductions, fee waivers, and other programs implemented during the balance of the planning period.

The “Rehabilitation” objective refers to the number of existing units expected to be rehabilitated or having minor repairs done during the planning period. This objective includes the repair of three housing units through the County of Riverside Economic Development Agency’s home repair and rehabilitation programs. The objective does not include the number of homes that may be improved because homeowners obtained home improvement loans.

The “Conservation/Preservation” objective refers to the preservation of the existing affordable housing stock throughout the planning period. This objective includes three lower income renter households receiving Section 8 rental assistance (2 current and 1 future). The objective also includes affordable housing conserved through the County’s First Time Homebuyer Assistance Program (2) and Mortgage Credit Certificate (MCC) program (2).

Chart II-1 on the next page shows how the 23 specific action programs are categorized into the six mandated housing program categories.

Chart II-2 on pages II-11 and II-12 describes for each program category:

- Specific Programs
- Responsible Implementing Agency
- Quantified Objective
- Time Schedule
- Funding Source

**Chart II-1**  
**City of Canyon Lake**  
**2013-2021 Housing Element Update: List of Programs by Category**

<b>Program Category</b>	<b>Specific Program</b>
<b>Category 1 – Designate Adequate Housing Sites</b>	1. SB 2 Planning Grant 2. General Plan/Housing Element Consistency 3. Canyon Lake Village Overlay Zone 4. No Net Loss Program 5. Annual Housing Element Progress Report
<b>Category 2 – Assist in the Development of Low and Moderate Income Housing</b>	6. Section 8 Rental Assistance Program 7. First Time Homebuyer Down Payment Assistance Program 8. Mortgage Credit Certificate Program 9. Accessory Dwelling Unit Program 10. Affordable Housing Density Bonus Program 11. Developmentally Disabled Outreach Program 12. Reasonable Accommodation Program 13. Housing and Social Services Information and Referral Directory 14. Extremely Low Income Housing Program
<b>Category 3 – Remove Governmental and Nongovernmental Constraints</b>	15. Single Room Occupancy (SRO) Development Standards 16. Monitor Cumulative Effects of Overlay Zone Development Standards 17. Omnibus Zoning Ordinance Amendments Program 18. Development Impact Fee Program
<b>Category 4 – Conserve and Improve Existing Affordable Housing</b>	19. County Housing Enhancement Program
<b>Category 5 – Promote Fair Housing</b>	20. Fair Housing Services Program 21. Fair Housing Information Program 22. Assessment of Fair Housing Program
<b>Category 6 Promote Energy Conservation</b>	23. PACE Financing Programs

**Chart II-2**  
**City of Canyon Lake: Housing Program Summary**

Specific Programs	Responsible Agency	Quantified Objective	Time Schedule	Funding Source
<b>Designate Adequate Housing Sites</b>				
1. SB 2 Planning Grant	City Planning Dept. Planning consultants	Complete Planning Grant Study	7/1/2020 – 6/30/2021	SB 2 Planning Grant
2. General Plan/Housing Element Consistency	City Planning Department	Prepare APRs	4/1/2020 4/1/2021	General Fund for Department staff
3. Canyon Lake Village Overlay Zone	City Planning Department City Attorney	Adopt criteria and incentives Create lot split	March 31, 2020	General Fund for City staff
4. No Net Loss Program	City Planning Department	Maintain sites that accommodate lower income housing	Prepare tracking process by 6/30/2020	General Fund for Department staff
5. Annual Progress Report	City Planning Department	Complete two APRs	4/1/2020 4/1/ 2021	General Fund for Department staff
<b>Development of Low and Moderate Income Housing</b>				
6. Section 8 Rental Assistance Program	County of Riverside Housing Authority	3 lower income households	Ongoing	County Section 8 contract with HUD
7. First Time Homebuyer Down Payment Assistance Program	County Economic Development Agency	2 lower income households	Ongoing	County HOME Funds
8. Mortgage Credit Certificate Program	County Economic Development Agency	2 moderate income households	Ongoing	County MCC Funds
9. Accessory Dwelling Unit Program	City Planning Department	Adopt ADU and JADU Ordinances	03/31/2020 <b>First reading completed on 02/05/2020</b>	General Fund for Department staff
10. Affordable Housing Density Program	City Planning Department	Complete Density Bonus Ordinance	Prepare DBO by 6/30/2020	General Fund for Department staff
11. Developmentally Disabled Outreach Program	City Planning Department Inland Regional Center	Complete Outreach	6/30/2020	General Fund for Department staff
12. Reasonable Accommodation Program	City Planning Dept. Fair Housing Council of Riverside County	Complete Program	<b>Draft completed in Nov 2019 Final in Feb 2020</b>	General Fund for Department staff

**Chart II-2 continued**  
**City of Canyon Lake: Housing Program Summary**

Specific Programs	Responsible Agency	Quantified Objective	Time Schedule	Funding Source
<b>Remove Governmental and Nongovernmental Constraints</b>				
13. Housing and Social Services Information and Referral Directory	City Planning Department	Complete Directory	<b><i>Draft completed in Nov 2019 Final in Feb 2020</i></b>	General Fund for Department staff
14. Extremely Low Income Housing Program	City Planning Department	Adopt fee waiver resolution	Adoption of fee waiver resolution by 6/30/2020	General Fund for Department staff
15. Single Room Occupancy (SRO) Development Standards	City Planning Department	Prepare SRO Development Standards	Adoption of development standards by 6/30/2020	General Fund for Department staff
16. Monitor Cumulative Effects of Overlay Zone Development Standards	City Planning Department	Prepare Monitoring Report	Ongoing	General Fund for Department staff
17. Omnibus Zoning Ordinance Amendments Program	City Planning Department	Adopt Zoning Ordinance Amendments	<b><i>3/31/2020 First reading completed on 02/05/2020</i></b>	General Fund for Department staff
18. Development Impact Fee Program	City Planning Department	Complete consultation with Districts and WRCOG	Complete Program by 6/30/2020	General Fund for Department staff
<b>Conserve and Improve Existing Affordable Housing</b>				
19. County Enhancement Program	County Economic Development Agency	3 repaired housing units	2019-2021	County HOME and NSP Funds
<b>Promote Fair Housing</b>				
20. Fair Housing Services Program	Fair Housing Council of Riverside County	Workshops, seminars and services	Ongoing	County CDBG Funds
21. Fair Housing Information Program	City Planning Department	Information provided in flyers, posters and on City's website	<b><i>February 2020</i></b>	General Fund for Department Staff
22. Assessment of Fair Housing	City Planning Dept. Fair Housing Council of Riverside County	Complete Draft AFH	April 1, 2021	General Fund for Department Staff CDBG funds
<b>Promote Energy Conservation</b>				
23. Energy Conservation PACE Programs	Western Riverside Council of Governments	450 homes	Ongoing	PACE Financing

**PROGRAM CATEGORY #1:****ACTIONS TO MAKE SITES AVAILABLE TO ACCOMMODATE THE RHNA**

Section 65583(c)(1) states that the housing program must:

*“Identify actions that will be taken to make sites available during the planning period with appropriate zoning and development standards and with services and facilities to accommodate that portion of the city’s ... share of the regional housing need for each income level that **could not** be accommodated on sites identified in the inventory ... without rezoning...”*

**1. Housing Need Summary**

The Sites Inventory and Analysis (Appendix B) identified the sites available to accommodate Canyon Lake’s share of the regional housing need. Housing built between January 1, 2014 and December 31, 2018 has met the housing need allocated for moderate- and above-moderate income households. A portion of a 9.18 acre site can accommodate the development of 59 housing units at a density of 20-24 dwelling units per acre.

Program Category 1 describes five actions that support efforts to ensure that sufficient and adequate sites are available to accommodate the RHNA:

- SB 2 Planning Grant (Program #1)
- General Plan/Housing Element Consistency (Program #2)
- Canyon Lake Village Overlay Zone (Program #3)
- No Net Loss Program (Program #4)
- Annual Housing Element Progress Report (Program #5)

**2. Goals, Policies and Quantified Objectives****a. Goals**

- Accommodate the housing needs of all income groups which were allocated to the City by the *5<sup>th</sup> Cycle Regional Housing Needs Assessment Final Allocation Plan, 1/1/2014 – 10/1/2021*.
- Facilitate the construction of the maximum feasible number of housing units for all income groups.

**b. Policies**

- Designate sites that provide for a variety of housing types.
- Implement the Land Use Element, Housing Element and Zoning Ordinance to achieve adequate sites for extremely low, very low, low, moderate and above moderate households.
- In the lands included in the Canyon Lake Village Overlay Zone, allocate the 10-acre requirement for housing development at a density of 20-24 dwellings per acre proportionally based on the parcel size of the three parcels:

Assessor Parcel	354-030-026	9.18 acres	28.7%	2.9 acres
Assessor Parcel	354-030-024	11.16 acres	34.9%	3.5 acres
Assessor Parcel	354-030-037	<u>11.64 acres</u>	<u>36.4%</u>	<u>3.6 acres</u>
		31.98 acres	100.0%	10.0 acres

- ✓ **Following submittal of a complete application, expedite the processing of the development application for the property included in the Overlay Zone.**
- ✓ **Expedite the processing of a Specific Plan and CEQA document(s).**
- ✓ **Encourage fee waivers and/or reductions from the City, Western Riverside Council of Governments (TUMF fees); Eastern Municipal Water and Sewer District (water and sewer connection fees); Elsinore Valley Municipal Water District (water and sewer connection fees); and Lake Elsinore Unified School District (developer fees).**

c. New Construction Quantified Objectives

The quantified objectives by income group are:

- Lower Income 2 units
- Moderate Income 20+ units
- Above Moderate Income 40+ housing units

The “new construction” objective, as previously explained, refers to the number of new units that potentially could be constructed during the 2013-2021 planning period, given the City’s land resources, constraints, and proposed programs. This objective includes the housing units constructed between January 1, 2014 and December 31, 2018 plus housing units projected to be constructed in 2019, 2020 and first nine months of 2021. The two lower income housing units are projected to result from fee reductions, fee waivers, and other programs implemented during the balance of the planning period.

### **3. Housing Programs**

a. SB 2 Planning Grant Program (Program #1)

The Planning Grant Program (PGP) is a one-time component of SB 2 that, among other provisions, provides financial and technical assistance to local governments to update planning documents in order to:

- Accelerate housing production
- Streamline the approval of housing development affordable to owner and renter households at all income levels
- Facilitate housing affordability, particularly for all income groups
- Promote development consistent with the State Planning Priorities

The priorities are listed below:

- Rezone to Permit by Right Residential Development
- Develop Objective Design and Development Standards

- Prepare Specific Plans or Formed Based Codes with CEQA Streamlining
- Adopt Accessory Dwelling Unit (ADU) or Other Low-Cost Building Strategies
- Expedited Processing
- Housing Related Infrastructure Financing and Fee Reduction Strategies

**On November 26, 2019, the City submitted to HCD its SB 2 Planning Grant application.**

b. General Plan/Housing Element Consistency (Program #2)

The City's General Plan was adopted in 1996. It included the seven mandated elements: Land Use, Circulation, Housing, Open Space, Conservation, Safety and Noise. The Land Use Element was amended in 2009 and the Safety Element was amended in 2012. The City Planner has determined that the 2013-2021 Housing Element is consistent with all the other General Plan Elements. For example, the Land Use Element and 2013-2021 Housing Element are consistent with respect to the areas designated as residential land use. As another example, the 2013-2021 Housing Element does not propose residential land use in any areas that are preserved as open space or for the conservation of land resources.

During the balance of the planning period from **February 2020** to October 2021, the City will work to ensure consistency between the **Mid-Term** Housing Element and General Plan. Among the actions the City will take to ensure consistency are the following:

- Maintain consistency by preparation of the General Plan Annual Progress Report (APR)
- Include an internal consistency section in the Housing Element Annual Progress Report
- Amend the Safety and Conservation Elements of the General Plan
- Incorporate environmental justice policies in the General Plan

The General Plan APR, which is completed in April of each year, reports on the status and implementation progress of the General Plan Elements. The APR contains information on the status of amendments to the General Plan and the status of work efforts and programs implemented by the City each year that go toward meeting the goals and objectives and fulfilling the policies set forth in each General Plan Element.

In future APRs, the City will include information on whether any of these amendments will generate a need to amend the Housing Element with respect to goals, policies, objectives, programs or the Sites Inventory. Revisions to the Housing Element then can be made concurrently with amendments to the other General Plan Elements. In this way, internal consistency between the General Plan Elements and the Housing Element will be maintained throughout the planning period.

The Housing Element internal consistency section will describe the revisions to the Housing Element that were enacted the prior calendar year in order to maintain consistency with all the other General Plan Elements.

The City will include an analysis and policies regarding fire and flood hazard management in the Safety and Conservation Elements of the General Plan (Government Code Section 65302(g)). The City also will meet the requirements of SB 3000 (Leyva, Chapter 587) which requires that cities and counties that have disadvantaged communities' incorporate environmental justice policies into their General Plans, either in a separate element or by integrating related goals, policies and objectives throughout the other elements.

The General Plan and Housing Element APRs will be completed annually by April of each year.

The analysis and policies associated with the Safety and Conservation Elements and the environmental justice policies will be completed by mid-year 2020.

c. Canyon Lake Village Overlay Zone (Program #3)

The site identified to accommodate the City's share of the regional housing need is 9.18 acres in size. The 2013-2021 **Mid-Term** Housing Element allocates 2.9 acres of the 9.18 acre site (assessor parcel 354-030-026) for new housing to be developed at a density of 20-24 dwelling units per acre. The site needs to be split so that a developer interested in developing new housing at a density of 20-24 dwelling units per acre does not need to purchase the entire 9.18 acre site.

Program #3 will accomplish the following:

- Establish criteria so that residential development occurs on the most level and accessible portions of the site. The implementation of the criteria will result in less grading and lower site preparation costs.
- Proactively achieve a lot split of 2.9 acres that meets the criteria established to have development occur on the most level and accessible portions of the site.

**The City has contacted a civil engineer and has provided background information so that a determination can be made on the most buildable 2.9 acres of the 9.18 acre site. After the civil engineer has rendered his findings, the City will work with the property owner to create a parcel split for the buildable portion of the site.**

The City Planner and City Attorney will be responsible for implementation of Program #3. The program will be implemented by March 31, 2020.

d. No Net Loss Program (Program #4)

To ensure sufficient residential capacity is maintained to accommodate the Regional Housing Needs Allocation (RHNA) need, the City developed and implemented a process to track housing developed on the sites identified in the Sites Inventory and Analysis completed for the *2008-2014 Housing Element*. The intent of the process was to comply with Government Code Section 65863(a) which requires each city and county to ensure that its inventory or programs of adequate sites can accommodate its share of the regional housing need throughout the planning period.

SB 166 (2017) modified the No Net Loss Law—Government Code § 65863—to make sure that localities *at all times* have sites available and identified in their housing elements to meet their unmet RHNA. Before amendment, the law prohibited local governments from reducing density of a site or approving development on a site at less than the density attributed to the site in the housing element unless it found that there were sufficient other sites in the housing element or designated a replacement site. Rather than only identifying sites for the housing element at the beginning of the planning period, the No Net Loss statute requires cities and counties to ensure that they maintain the availability of sufficient sites at sufficient densities to address the RHNA needs for lower income housing or to take remedial action by identifying and, if necessary,

rezoning alternative sites to replace the ones not developed at the affordability or the densities projected in the sites inventory.

The amendments in SB 166 added to these requirements to ensure that the land inventory and site identification programs of a housing element always include sufficient sites to accommodate the city's or county's share of the regional housing needs in all income categories. It requires that, if a local government approves development that does not include lower income housing on a site identified in the housing element to accommodate the lower income RHNA, it must identify and rezone a replacement site if the remaining sites are insufficient to accommodate the lower income RHNA.

In summary, *at no time* may a city or county allow development that causes the land inventory to become insufficient to meet the RHNA for lower- and moderate-income households, unless alternative sites are made available in 180 days.

Source: Public Interest Law Project, *No-Net-Loss Law Strengthened Fortified Housing Element Site Preservation Requirements*, February 2018, page 2

The City will update its process of tracking housing development in order to ensure compliance with No-Net-Loss requirements of SB 166. The process will be updated by June 30, 2020.

e. Annual Housing Element Progress Report (Program #5)

Government Code Section 65400 requires each jurisdiction (city council or board of supervisors) to prepare an annual progress report on the jurisdiction's status and progress in implementing its housing element. Each jurisdiction's Annual Progress Report (APR) must be submitted to HCD and the Governor's Office of Planning and Research (OPR) by April 1 of each year (covering the previous calendar year). The APRs must be submitted on forms adopted by HCD and contain information such as the following:

- Housing units permitted
- Housing units constructed
- Housing types
- Tenure
- Affordability levels

Annually, the City will submit the APR by the April 1st deadline.

**PROGRAM CATEGORY #2:*****ASSIST IN THE DEVELOPMENT OF ADEQUATE HOUSING TO MEET THE NEEDS OF ALL ECONOMIC SEGMENTS***

Government Code Section 65583(c)(2) states that a housing program shall:

*“Assist in the development of adequate housing to meet the needs of extremely low-, very low-, low- and moderate- income households.”*

**1. Housing Need Summary**

The number of extremely low-, very low-, low- and moderate income renters and owners that are cost burdened (30% of more spent on housing costs) is listed on the next page:

	<u>Renters</u>	<u>Owners</u>
Extremely low	45	80
Very low	34	170
Low	79	260
Moderate	<u>105</u>	<u>75</u>
	<u>263</u>	<u>585</u>

The City's share of the regional housing need for the four income groups is listed below:

▪ Extremely low	10
▪ Very low	11
▪ Low	14
▪ Moderate	16

Special housing needs include the following populations: elderly; persons with disabilities, including developmentally disabled persons; large families; farmworkers; female householders; and the homeless. Canyon Lake has no farmworkers or homeless persons. Large families comprise a very small percentage of all the City's households. Special needs populations with the largest numerical housing needs include the elderly, disabled persons, and female householders.

**2. Goals, Policies and Quantified Objectives****a. Goals**

Provide housing opportunities for all residents of Canyon Lake.

Attain a housing stock which meets the needs of all income groups.

**b. Policies**

Provide rental assistance to lower income households through programs administered by the County of Riverside Housing Authority.

Facilitate affordable housing through adopted procedures for density bonus units.

Work cooperatively with non-profit and for profit housing developers to secure financing for affordable housing from sources such as the Riverside County Economic Development Agency, State Department of Housing and Community Development, CalHFA, and California Tax Credit Allocation Committee.

c. Quantified Objectives

Provide Section 8 rental assistance to three extremely low, very low and/or low income households,

Encourage the development of two housing units affordable to lower income households.

**3. Housing Programs**

a. Section 8 Rental Assistance (for Existing Cost Burdened Households) (Program #6)

The Housing Authority of the County of Riverside administers the Section 8 Housing Choice Voucher (HCV) program within the City limits. The HCV Program is HUD's major program for assisting very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market. Since housing assistance is provided on behalf of the family or individual, participants are able to find their own housing, including single-family homes, townhouses and apartments.

In general, a family's income may not exceed the very low income limits (50% of the median income) for Riverside County. By law, the Housing Authority must provide 75% of its vouchers to applicants whose incomes do not exceed 30% of the County median income.

Under the provisions of the HCV Program, the tenant pays approximately 30% of his/her income towards rent, and the Housing Authority pays the balance of the rent to the property owner, who participates in the program on a voluntary basis. The Housing Authority established voucher payment standards inclusive of rent plus utility amounts. The current (05/01/2019) voucher payment standards by bedroom size are listed below:

<u>Bedrooms</u>	<u>Maximum Monthly Rent</u>
0	\$826
1	\$986
2	\$1,232
3	\$1,717
4	\$1,919
5	\$2,207
6	\$2,494

As of March 2019, the Housing Authority was assisting two Canyon Lake lower income households.

The City will work with the Housing Authority to schedule a community and landlord outreach workshop in order to increase awareness of the HCV Program. The workshop will be scheduled to occur between January 2020 and March 2020.

**b. First-Time Home Buyer Down Payment Assistance Program (Program #7)**

The Down Payment Assistance Program provides HOME funds for down payment assistance to lower income households that have not owned homes within a three-year period. The program is available for households with an annual income that is no greater than 80% of the Riverside County median income as published by HUD. For a 3-person household, the maximum income is \$48,550.

The maximum price for a single-family home is \$370,550. A buyer may receive financial assistance up to 20% of the purchase price; however, the maximum down payment assistance cannot exceed \$75,000. The deferred second mortgage does not require any monthly payment and is not interest bearing. No payments are required until the home is sold, transferred, or ceases to be the buyer's principal residence.

Eligible participants must:

- Be a first time home buyer
- Purchase a home that is in standard condition and meets all of the other program requirements
- Have sufficient income and credit worthiness to qualify for a 30-year, fixed-rate first mortgage from an approved participating lender
- Provide a minimum contribution of 3% of the purchase price from the buyer's own funds
- Be low-income (<80% of median income)
- Occupy the home being purchased as a principal residence

The Economic Development Agency of the County is responsible for implementation. In order to contribute to program implementation during the planning period, the City will take the following actions:

- Advertise the program in the City's e-news online newsletter
- Provide at City Hall a brochure describing the Down Payment Assistance Program

The program may be utilized to purchase a home in Riverside County's unincorporated area and 13 cooperating cities. Consequently, only a few households can be assisted in any one city. The quantified objective is two low income households during the planning period.

**c. Mortgage Credit Certificate Program (Program #8)**

First time homebuyers in Canyon Lake can obtain financial assistance through the Mortgage Credit Certificate Program (MCC). The MCC income limits are:

▪ 1-2 persons household	\$77,500
▪ 3 or more person household	\$89,125

The maximum home purchase price is \$373,765.

Income qualified applicants can take an annual tax credit against their federal income taxes of up to 20% of the annual interest paid on the applicant's mortgage. An MCC, therefore, reduces the amount of federal income taxed owed by a qualified borrower by 20% of the annual interest paid on the mortgage.

Through the tax credit, the homeowner's disposable income is increased thereby allowing the household to afford higher housing costs given their income. When using the MCC tax credit, the borrower is still eligible to deduct the remaining 80% of the annual mortgage interest payment not claimed as a credit.

The Riverside County Economic Development Agency administers the Mortgage Credit Certificate (MCC) Program. Lenders participating in this program will process mortgage loan applications and will prepare the buyers MCC application.

The City will take the following actions:

- Advertise the program in the City's e-news online newsletter
- Provide at City Hall a brochure describing the MCC Program

The MCC program may be utilized in Riverside County's unincorporated area and 13 cooperating cities. Consequently, only a few households can be assisted in any one city. The quantified objective is two moderate income households.

d. Accessory Dwelling Unit Program (Program #9)

Currently, the processing and approval of ADUs comply with State law. The analysis of governmental constraints suggests that the City should adopt ADU and JADU ordinances.

Effective January 1, 2020 six ADU bills (AB 68, AB 587, AB 670, AB 671, AB 881 and SB 13) took effect. These bills established the parameters for the development of the City's ADU Ordinance with respect, for example, to the zones in which ADUs must be permitted; prohibition of an owner occupancy requirement; prohibition from requiring a minimum lot size; setback standards; parking standards; and review time periods.

**The City Council held a public hearing on February 5, 2020 to consider the approval of an ordinance pertaining to ADUs and JADUs. The first reading of the ADU Ordinance was unanimously approved by the City Council.**

The City Planner and City Attorney will be responsible for implementing Program #17. It will be completed (**second reading**) by March 31, 2020.

**AB 671 requires a housing element to include a plan that creates incentives and promotes the creation of accessory dwelling units that can be offered at affordable rent. The incentives the City will implement are:**

- **Preparation of prototypical plans for ADUs that can be developed on lots of different sizes and dimensions**
- **Preparation of an ADU checklist that will guide and instruct homeowners on the process for developing an ADU**
- **Description of ways to achieve affordability through programs such as Section 8; CDBG and HOME funds; and fee waivers or reductions**
- **Description of financing options available for the development of ADUs based on the requirements of CalFHA and local lenders**

- **Conduct informational workshops to describe the process for developing ADUs in the City**

**AB 101 funds may be available to the City to facilitate implementation of the incentives.**

e. Affordable Housing Density Bonus Procedure (Program #10)

Under State law, developer participation in a density bonus program is voluntary, not mandated. However, Government Code Section 65915 requires cities to provide certain incentives, concessions or density bonuses to an applicant constructing housing units, a portion of which are restricted as affordable units or units restricted for senior citizens.

“Density bonus” means a density increase over the otherwise allowable zoning maximum gross residential density on a site as of the date of application by the applicant to the City, or, if elected by the applicant, a lesser percentage of density increase, including, but not limited to, no increase in density.

“Density bonus units” mean residential units granted pursuant to a density bonus ordinance which exceed the otherwise allowable zoning maximum residential density for a housing development.

In 2017 and 2018 legislation amended the State density bonus law (Government Code Sections 65915-65918), effective January 1, 2019. Most, but not all, of the amendments to the density bonus law would apply to a City of Canyon Lake Density Bonus Ordinance.

Government Code Section 65915(a)(1) states:

A city ... shall adopt an ordinance that specifies how compliance with this section will be implemented.

The City will adopt a density bonus ordinance (DBO) that meets all of the Government Code requirements by March 31, 2020. A draft of the ordinance will be completed by March 1, 2020. The City Planner and City Attorney will be responsible for preparation of the Draft and Final DBO.

f. Developmentally Disabled Outreach Program (Program #11)

Through this program, the City will work with the Inland Regional Center to implement an outreach program that informs families within Canyon Lake on housing and services available for persons with developmental disabilities. The program will include the preparation of an informational brochure, posting on the City’s website information on available services, and conducting a workshop for individuals/families. The City also will work with the Inland Regional Center to identify funding sources that can address the housing needs of developmentally disabled persons.

This program will be implemented by June 30, 2020. The City Planner will be responsible for implementing this program.

g. Reasonable Accommodation Program (Program #12)

The federal Department of Justice and Department of Housing and Urban Development encourage local governments -

...to ensure that the [reasonable accommodation] procedure or other exceptions to local zoning regulations are well known throughout the community by, for example, posting them at a readily accessible location and in a digital format accessible to persons with disabilities on the government's website.

Source: Joint Statement of the Department of Housing and Urban Development and Department of Justice, State and Local Land Use Laws and Practices and the Application of the Fair Housing Act, September 10, 2016, page 17

The City will post the reasonable accommodation procedure on its webpage.

A reasonable accommodation brochure will be prepared and made available at the following locations:

- Planning Department/Building Department counter
- City Administrative Office counter
- Canyon Lake Library
- Canyon Lake Property Owners Association office
- Caregiver Providers office (located next to City Hall)
- Community Access Center office located in Perris.

The City will work with the Property Owners Association to have the POA establish a procedure for review of requests for a reasonable accommodation.

**A draft of the reasonable accommodation brochure/application was completed in November 2019. The brochure/application will be finalized in February 2020.**

The City Planner will be responsible for implementing the program to promote the reasonable accommodation procedure.

h. Housing and Social Services Information and Referral Directory (Program #13)

The City will prepare a directory that will connect residents with resources that can help them find affordable housing, mitigate housing cost burdens, and access other social services needed because of their special needs.

The Directory will list housing developments, individuals or organizations alphabetically or thematically with details such as names, addresses, and telephone numbers. Among the organizations that will be included in the Directory are:

- County of Riverside Housing Authority (e.g., Section 8)
- County of Riverside Economic Development Agency (e.g., home repairs, down payment assistance)
- Habitat for Humanity (e.g., housing repairs)
- Affordable Housing Development Locations
- Department of Public Social Services (DPSS) (e.g., social services)
- Community Action Partnership (e.g., poverty reduction)

- Community Access Center (e.g., disabled)
- Inland Regional Center (e.g., developmentally disabled)
- H.O.P.E. (e.g., food insecurity)
- Riverside Transit Authority (e.g., transit dependent)

**A draft of the directory of housing and social services was completed in November 2019. The directory will be finalized in February 2020.**

The City Planner will be responsible for implementation of Program #13.

i. Extremely Low Income Housing Program (Program #14)

As noted on page II-7, the Housing Program must assist in the development of adequate housing to meet the needs of extremely low-income households. This program consists of two components as described below.

*1) Fee Waivers for Extremely Low Income (ELI) Housing:* The City shall adopt a resolution waiving 100% of the application processing fees for developments in which 5% of the housing units are affordable to extremely low-income households. To be eligible for fee waiver, the housing units shall be affordable by affordability covenant.

The resolution on fee waivers will be adopted by June 30, 2020.

*2) Assisting ELI Housing Development:* The City will encourage the development of housing for extremely low-income households through a variety of activities such as outreaching to developers on at least an annual basis to discuss the development of ELI housing, providing technical assistance, providing expedited processing, identifying funding and grant opportunities, supporting applications for funding on an ongoing basis and/or offering additional incentives beyond density bonus provisions.

**PROGRAM CATEGORY #3:**

***ADDRESS AND REMOVE GOVERNMENTAL AND NONGOVERNMENTAL  
HOUSING CONSTRAINTS***

More specifically, Government Code Section 65583(c)(3) states that a housing program must:

*“Address and, where appropriate and legally possible, remove governmental and nongovernmental constraints to the maintenance, improvement, and development of housing, including housing for all income levels and housing for persons with disabilities.*

*“The program shall remove constraints to, and provide reasonable accommodations for housing designed for, intended for occupancy by, or with supportive services for, persons with disabilities.*

*“Transitional and supportive housing shall be considered a residential use of property and shall be subject only to those restrictions that apply to other residential dwellings of the same type in the same zone.”*

**1. Housing Need Summary**

The analysis of potential and actual governmental constraints has demonstrated that follow-up actions are appropriate in following areas:

- Single Room Occupancy Housing (SROs): the City should establish development standards for this housing type.
- Accessory Dwelling Units (ADUs): evaluate ADU ordinances adopted by cities located in Riverside County; review HCD's sample ADU ordinance; review ADU legislation enacted in 2019; and prepare and adopt an ordinance
- Junior Accessory Dwelling Units (JADUs): evaluate JADU ordinances adopted by other cities in Riverside County; review HCD's sample JADU ordinance; and prepare and adopt a City JADU ordinance
- The City has not yet adopted a Density Bonus Ordinance (DBO). The City will adopt a DBO that satisfies all State requirements by March 31, 2020.
- The Zoning Ordinance needs to be amended in order to address factory built housing; employee housing in residential zones permitting agricultural uses; conditionally permitting group homes housing seven or more persons in residential zones; permitting by right supportive housing pursuant to AB 2162, and adopting a Mixed Use Zone to implement the Land Use Element designation.
- City fees comprise a very small percentage of the development costs of new single-family and multiple-family housing. The City will work with other agencies such as the Western Riverside Council of Governments, Lake Elsinore Unified School District and water/sewer districts to gather support for fee reductions for affordable housing developments.

With regard to nongovernmental constraints, financing costs have been at historic lows for several years and are still at low levels compared to the interest rates prevailing in the 1970s, 1980s and 1990s. In Canyon Lake, the availability of financing to purchase a home, refinance a home, or improve a home has increased between 2008 and 2017.

Land sales prices are available for R-1 single-family lots for a six month period from September 2018 to March 2019. Twenty lots (sold, pending active) had sales prices of less than \$50,000. Lots that sell for \$50,000 or less facilitate the production of housing at prices within the means of moderate income households.

There are no sales data available to estimate the cost of the land included in the three assessor parcels comprising the Village Overlay. Based on a recent WRCOG study, Table E-4 (page E-10) estimates a multifamily per unit cost of \$17,737. Extrapolating this per unit value to a one acre site with a density of 20 dus/ac translates to a per acre cost of \$355,000.

The estimated per acre cost of \$355,000 could be substantially less than market value, however.

For instance, the land costs for the Sierra Avenue Family Apartments and Day Creek Villas were on the order of \$65,000 per unit (page E-12).

Estimates of construction costs based on two sources indicate mid-range costs of \$113 and \$138 per square foot for single-family homes and apartment units, respectively. The per square foot construction costs should be interpreted as order of magnitude costs as one source estimates construction costs based on prototypical developments that have not yet been developed in Canyon Lake.

Land and construction costs each contribute to establishing the minimum costs to produce housing. Total development costs also include development impact fees, soft costs, and developer's overhead and profit.

Between January 1, 2014 and December 31, 2018, 46 single-family homes were constructed and sold. One-third and two-thirds of the homes sold for prices affordable to moderate income and above moderate income households, respectively. None of the homes sold for prices affordable to lower income households.

ADUs and JADUs usually have smaller than average housing unit sizes and no land costs. These two factors can contribute to having housing units produced at lower than average development costs. It is notable that ADUs and JADUs count toward meeting a portion of the City's share of the regional housing need.

Density bonus units are by definition affordable due, in part, to lower per unit land values.

## **2. Goals, Policies and Quantified Objectives**

### **a. Goals**

Remove existing governmental constraints to the maintenance, preservation, improvement and development of housing.

Remove existing and, where appropriate and legally possible, future governmental constraints that may hinder addressing the housing needs of disabled persons.

### **b. Policies**

Prepare Zoning Ordinance development standards and requirements that address the housing needs of special populations such as disabled persons.

Evaluate the possibility of establishing maximum housing unit sizes in order to reduce construction costs.

Permit reduced parking standards based on the results of a parking study correlating the need for parking to the housing unit/bedroom mix of the proposed project.

### **c. Quantified Objectives**

As this program category does not involve the rehabilitation, conservation or construction of housing, numerical targets are not established.

## **3. Housing Programs**

### **a. Single Room Occupancy (SRO) Development Standards (Program #15)**

To ensure development standards do not constrain the development of SROs, the City will adopt development standards which may include a consideration of management plans, housing unit sizes, occupancy restrictions, cooking facilities, parking, and other related matters.

The City Planner and City Attorney will be responsible for preparation of the development standards. The standards will be adopted by March 31, 2020.

**b. Monitor Cumulative Effect of Overlay Zone Development Standards (Program #16)**

Residential development has not yet been developed within the sites/assessor parcels included within the Canyon Lake Village Overlay Zone. The Overlay Zone establishes density, height, parking, housing unit size and other development standards. The City will monitor the cumulative effect of these development standards on site capacity when specific plans are reviewed and as development on the sites occur.

The City Planner will be responsible for implementing this program on an ongoing basis.

**c. Omnibus Zoning Ordinance Amendments Program (Program #17)**

The Zoning Ordinance will be amended to address the following:

- Ensure that factory built housing is permitted in all zones that permit residential land uses
- Employee housing in all zones that permit residential uses and agriculture uses
- Supportive and transitional housing to be permitted by right pursuant to AB 2162 in all zones that permit residential land uses
- Remove the 300 foot spacing requirement for emergency shelters
- Permitting group homes for 7 or more persons by conditional use permit

**The City Council held a public hearing on February 5, 2020 to consider approval of the Zoning Ordinance Amendments to implement Program #17. The City Council unanimously approved the first reading of the Zoning Ordinance Amendments.**

The City Planner and City Attorney will be responsible for implementing Program #17. It will be completed (**second reading**) by March 31, 2020.

**d. Development Impact Fee Program (Program #18)**

The City's development fees comprise a small percentage of the total fees that are charged single-family and multiple family developments. Affordable housing developments must pay the same amount of fees as market rate developments. Through this program, the City will work with WRCOG, the Lake Elsinore Unified School District and the water and sewer districts to determine if it would be possible for those agencies to reduce their fees in order to facilitate the development of affordable housing development.

The City Planner will implement this program. A report of the programs findings will be transmitted to the City Council by June 30, 2020.

**PROGRAM CATEGORY #4:*****CONSERVE AND IMPROVE THE CONDITION OF THE EXISTING STOCK***

Government Code Section 65583(c)(4) states that a housing program shall describe actions to:

*"Conserve and improve the condition of the existing affordable housing stock, which may include addressing ways to mitigate the loss of dwelling units demolished by public or private action."*

**1. Housing Need Summary**

The City's housing rehabilitation need is minimal, according to field experience of the housing code enforcement officer. There is one property with illegal construction in need of rehabilitation and construction repairs. No homes are too deteriorated to repair; thus, at this time there are no homes that meet the need for replacement.

**2. Goals, Policies and Quantified Objectives****a. Goals**

Maintain a housing stock free of substandard conditions.

**b. Policies**

Continue to implement the City's housing code enforcement activities.

Continue to cooperate with the County of Riverside in the implementation of home repair programs.

**c. Quantified Objectives**

The quantified objectives include:

Repair three homes during the planning period.

**3. Housing Programs****a. County Home Enhancement Program (Program #19)**

The County's Home Enhancement Program, funded by CDBG funds, annually assists a total of 15 low-income homeowners with grants for the rehabilitation of stick built or modular (attached to private land) owner-occupied single-family homes. Improvements are limited to exterior rehabilitation relative to health and safety and building preservation improvements that qualify as eligible activities under CDBG regulations. CDBG funds are used for inspections, rehabilitation, and program delivery expenses.

Because the program can assist households living in the unincorporated area and 13 cooperating cities, only a few housing units can be rehabilitated in any one city. The City of Canyon Lake quantified objective is three repaired housing units during the planning period with the following income distribution:

▪ Extremely Low Income	1 housing units/households
▪ Very Low Income	1 housing units/households
▪ Low Income	1 housing units/households

**In 2016, the City used County CDBG funds to implement a home repair program in partnership with Habitat for Humanity Inland Valley. Five homes were repaired for low income households eligible to be assisted by CDBG funds.**

**PROGRAM CATEGORY #5****PROMOTE HOUSING OPPORTUNITIES FOR ALL PERSONS**

Section 65583(c)(5) requires that the housing program:

*“Promote housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability.”*

**1. Housing Need Summary**

In California, it is illegal to discriminate in housing against anyone because of race, color, ancestry, religion, sex, marital status, disability, national origin, familial status, sexual orientation or source of income. The Fair Housing Council of Riverside County is an agency that receives and attempts to resolve housing discrimination complaints.

**2. Goals, Policies and Quantified Objectives****a. Goals**

Attain a housing market with “fair housing choice” meaning the ability of persons of similar income levels regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status or disability to have available to them the same housing choices.

**b. Policies**

Continue to promote fair housing opportunities through the City’s participation in the County’s Community Development Block Grant Program.

Promote fair housing by providing information to residents on agencies that can help them with their fair housing needs.

**c. Quantified Objectives**

Quantified objectives are not established for this program category because a projection of the cases and clients to be served cannot be made at this time.

**3. Housing Programs****a. Fair Housing Services (Program #20)**

The Fair Housing Council of Riverside County (FHCRC) provides a variety of services to City residents. The FHCRC has six offices in Riverside County with one located in downtown Riverside. The FHCRC provides the following services:

*Anti-Discrimination:* receives, investigates, resolves (through conciliation or referral to enforcement agency), housing discrimination complaints; also conducts workshops, seminars, and disseminates written fair housing information

*Landlord-Tenant:* receives, investigates, mediates, counsels renter/owner rights and responsibilities; also conducts workshops, seminars, and disseminates written landlord-tenant information.

*Training and Technical Assistance:* conducts property management training workshops and seminars.

*Enforcement of Housing Rights:* conducts housing discrimination audits and tests and refers discrimination cases to HUD, State Department of Fair Employment and Housing (DFEH) or private attorney.

*Administrative Hearings:* conducts administrative hearing for County of Riverside Housing Authority tenant grievance and Section 8 hearings.

As Canyon Lake is a cooperating CDBG/HOME city with the County of Riverside, the fair housing services will be available to residents throughout the planning period.

During the planning period, the City will work with the FHCRC to conduct - within the community - fair housing workshops and seminars as well as property management seminars. Additionally, the City will establish a link to the FHCRC website.

b. Fair Housing Information (Program #21)

The City will make fair housing information available at City Hall, Property Owners Association, Chamber of Commerce, and the Canyon Lake Library. The information will include brochures and other written information that will be obtained from the Fair Housing Council of Riverside County. In addition, the City's e-news will periodically publish announcements on the availability of fair housing information. The City also will make information available on its Website and provide links to additional resources.

**The Fair Housing Council of Riverside County, Inc. brochure, fair housing poster, and predatory lending information in the English and Spanish languages are available at City Hall.**

c. Assessment of Fair Housing (Program #22)

Housing Elements submitted to HCD after January 1, 2021 must include an Assessment of Fair Housing (AFH). The purpose of the AFH is to:

Promote and affirmatively further fair housing opportunities and promote housing throughout the community for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability, and other characteristics protected by the California Fair Employment and Housing Act. Government Code Section 65583(c)(5)

The City will prepare a *Draft Assessment of Fair Housing* by April 1, 2021. The AFH will include the following required components:

- A summary of fair housing issues
- An assessment of fair housing enforcement and fair housing outreach capacity

- An analysis of integration and segregation patterns and trends, racially or ethnically concentrated areas of poverty, disparities in access to opportunity, disproportionate housing needs, and displacement risk
- An assessment of the contributing factors for the identified fair housing issues
- Identification of fair housing priorities and goals

In order to effectively complete the AFH, the City will seek the assistance of the FHCRC. The Fair Housing Council has been awarded a HUD Community Compass Technical Assistance and Capacity Building Grant. Through that grant the FHCRC can provide the City technical assistance during the preparation of the AFH.

**PROGRAM CATEGORY #6**  
**PROMOTE ENERGY CONSERVATION**

Section 65583(c)(7) requires that a housing element include:

*“An analysis of opportunities for energy conservation with respect to residential development. Cities and counties are encouraged to include weatherization and energy efficiency improvements as part of publicly subsidized housing rehabilitation projects. This may include energy efficiency measures that encompass the building envelope, its heating and cooling systems, and its electrical system.”*

**1. Summary**

Conservation can be accomplished by reducing the use of energy consuming items, or by physically modifying existing structures and land uses. The California Energy Commission first adopted energy conservation standards for new construction in 1978. These standards contained in Title 24 of the California Administrative Code contain specifications relating to insulation, glazing, heating and cooling systems, water heaters, swimming pool heaters, and several other items.

**2. Goals, Policies and Objectives**

a. Goal

Achieve reductions in energy consumption.

b. Policies

Encourage energy conserving techniques in the siting and design of new housing.

Enforce all state energy conservation requirements for new residential construction.

Encourage the use of rehabilitation assistance funds to make residences more energy efficient.

Encourage homeowner participation in and utility providers' programs to reduce maintenance and energy costs for households with low incomes, and increase efforts to inform the public about available cost-saving, energy conservation programs.

c. Objective

Reduce energy consumption.

**3. Housing Program**

a. PACE Financing Programs (Program #23)

The City will continue to encourage homeowners to participate in available programs that facilitate energy conservation improvements. WRCOG administers PACE (Property Assessed Clean Energy) Programs in collaboration with its private sector partners, which provide financing for energy efficiency, renewable energy, and water conservation retrofits on residential and commercial properties. Financing is paid back through a lien placed on the property tax bill.

Homeowners have used and will continue to use through the balance of the planning period, the following programs:

- CaliforniaFIRST Program: Administered by WRCOG in partnership with Renew Financial, provides residential and commercial PACE financing to property owners.
- HERO Residential Program: Administered by WRCOG in partnership with Renovate America, provides residential PACE financing to homeowners.
- PACE Funding: Administered by WRCOG in partnership with PACE Funding Group LLC, which provides financing to homeowners.

During the 2013-2021 planning period, the PACE programs have provided to City homeowners \$9 million in financing for 425 energy efficiency, water conservation and renewable energy improvements.



## Appendix A Assessment of Housing Needs

**APPENDIX A**  
**ASSESSMENT OF HOUSING NEEDS**  
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**A. INTRODUCTION AND SUMMARY****1. Introduction**

The assessment of housing needs includes an analysis of the following:

- Housing characteristics including housing types, vacancies and housing stock condition
- Housing cost burdens (housing costs as a percentage of income)
- Overcrowding
- Special housing needs
  - ✓ elderly
  - ✓ persons with disabilities
  - ✓ persons with developmental disabilities
  - ✓ large families
  - ✓ farmworkers
  - ✓ families with female heads of households
  - ✓ families and persons in need of emergency shelter
- Population trends
- Employment trends
- Share of the regional housing need

**2. Summary**

The housing stock is comprised of nearly 4,600 dwelling units. The 2013-2017 American Community Survey estimates rental and owner vacancy rates of 7.8% and 10.8%, respectively. The City's housing rehabilitation need is one housing unit and no dwelling is so deteriorated that it should be replaced.

In Canyon Lake, owners occupy 79% and renters occupy 21% of all housing units.

The City has a far larger number of lower income owners (615) households compared to renters (175).

The number of cost burdened owners far exceeds the number of cost burdened renters. The majority of cost burdened owners have middle- or above-middle incomes.

Housing cost burden is the most significant problem confronting lower income households. Cost burdened renters can be assisted by the County's Section 8 rental assistance program. However, there are no funding resources to provide ongoing financial assistance to owners who are overpaying (i.e., 30%+ on housing costs).

Special needs populations with the largest numerical housing needs include the elderly, disabled persons, and female householders.

The City's share of the regional housing need is 83 housing units of which 35 are for lower income households.

**B. HOUSING CHARACTERISTICS**

Part B includes information on –

- Existing housing stock
- Vacant housing units
- Condition of the existing housing stock

**1. Existing Housing Stock**

As of January 1, 2019, Canyon Lake's housing stock is comprised of 4,577 housing units. Table A-1 shows that more than nine out of 10 housing units are single-family detached structures.

**Table A-1**  
**City of Canyon Lake**  
**Housing Stock by Type of Unit**  
**January 1, 2019**

Type of Unit	Number of Units	Percent
1 unit, detached	4,227	92.3%
1 unit, attached	134	2.9%
2 to 4 units	73	1.6%
5+ units	76	1.7%
Mobile homes	67	1.5%
Total Housing Units	4,577	100.0%

Source: California Department of Finance, Demographic Research Unit, City/County Population and Housing Estimates, January 1, 2019

**2. Vacant Housing Units**

SCAG and HCD consider healthy vacancy rates to be 1.5% for the owner and 5% for the renter housing stock, respectively. The 2013-2017 American Community Survey estimates rental and owner vacancy rates of 7.8% and 10.8%, respectively. The total number of vacant units was 469, a number which excludes units sold but awaiting occupancy and “other vacant units” which are, for example, units held for occupancy by a caretaker or janitor, and units held for personal reasons of the owner.

**3. Condition of the Existing Housing Stock**

The City's housing rehabilitation need is minimal, according to field experience of the housing code enforcement officer. There is one property with illegal construction in need of rehabilitation and construction repairs. No homes are too deteriorated to repair; thus, at this time there are no homes that need replacement.

In addition, the Property Owners Association actively monitors home maintenance and improvements for compliance with adopted community standards.

## C. HOUSEHOLD CHARACTERISTICS

Part C examines the following household characteristics:

- Tenure
- Household income groups
- Level of payment compared to ability to pay
- Overcrowding
- Race and ethnicity

### 1. Tenure – Owners and Renters

Tenure refers to owner and renter occupancy of housing units. In Canyon Lake, owners occupy 79% and renters occupy 21% of all housing units. Table A-2 shows that the overwhelming percentage of both owners and renters occupy single family detached dwellings.

**Table A-2**  
**City of Canyon Lake**  
**Tenure by Units in Structure – 2017**

<b>Units in Structure</b>	<b>Owner Occupied</b>	<b>Percent of Occupied</b>	<b>Renter Occupied</b>	<b>Percent of Occupied</b>	<b>Total Occupied</b>
1, detached	3,065	95.8%	767	89.8%	3,832
1, attached	52	1.6%	18	2.1%	70
2	0	0.0%	0	0.0%	0
3 or 4	34	1.1%	8	0.9%	42
5 to 9	0	0.0%	0	0.0%	0
10 or more	0	0.0%	44	5.2%	44
Mobile home	50	1.5%	17	2.0%	67
<b>Total</b>	<b>3,201</b>	<b>100.0%</b>	<b>854</b>	<b>100.0%</b>	<b>4,055</b>

Source: 2013-2017 American Community Survey 5-Year Estimates, Table S2504, Physical Characteristics of Occupied Housing Units

### 2. Household Income Groups

#### a. Definitions of Household Income Groups

Table A-3 lists the percentages of the Riverside County median income that define five income groups.

Table A-4 estimates the number of owners and renters in five income groups based on the most recent data that are available, which is for the year 2015. HUD uses income groups that differ slightly from those used by HCD. However, both departments define lower income as consisting of extremely low-, very low- and low-income households.

In Canyon Lake, lower income owners (615) households far outnumber renters (175).

**Table A-3**  
**Riverside County**  
**Definitions of Income Groups as a**  
**Percentage of Riverside County Area Median Income**

<b>Income Group</b>	<b>% of Median Income</b>
Extremely Low	0-30%
Very Low	30-50%
Low	50-80%
Moderate	80-120%
Above Moderate	120%+

**Table A-4**  
**City of Canyon Lake**  
**Annual Household Income Distribution by Tenure – 2015**

<b>Income Group (% of area median income)</b>	<b>Owner Households</b>	<b>Renter Households</b>	<b>Total Households</b>	<b>Percent Distribution</b>
Extremely Low 0-30%	90	45	135	3.3%
Very Low 30-50%	210	50	260	6.3%
Low 50-80%	315	80	395	9.6%
Middle 80-100%	295	110	405	9.9%
Above Middle >100%	2,580	330	2,910	70.9%
Total	3,490	620	4,110	100.0%

Source: Comprehensive Housing Affordability Strategy (CHAS) Data, 2011-2015 American Community Survey

**b. 2018 Income Limits for Income Groups**

Table A-5 shows the 2018 household income limits for four income groups, adjusted by household size. The *above* moderate income group encompasses households with incomes more than the upper limits of the moderate-income category.

The income limits are essentially identical to the 2015 income limits. For example, in 2015 a 3-person lower income household had an income ceiling of \$48,250 or just \$300 less than in 2018.

**Table A-5**  
**Riverside County**  
**2018 Annual Household Income Limits Adjusted by Household Size**

Household Size (# of persons)	Extremely Low Income	Very Low Income	Low Income	Moderate Income
1 person	\$14,150	\$23,600	\$37,750	\$55,250
2 persons	\$16,460	\$27,000	\$43,150	\$63,150
3 persons	\$20,780	\$30,350	\$48,550	\$71,050
4 persons	\$25,100	\$33,700	\$53,900	\$78,950
5 persons	\$29,420	\$36,400	\$58,250	\$85,250
6 persons	\$33,740	\$39,100	\$62,550	\$91,600
7 persons	\$38,060	\$41,800	\$66,850	\$97,900
8 persons	\$42,380	\$44,500	\$71,150	\$104,200

Source: California Department of Housing and Community Development, State Income Limits for 2018, April 26, 2018

### **3. Level of Payment Compared to Ability to Pay**

Level of payment compared to ability is measured by housing costs as a percentage of income. For lower income households, housing costs exceed ability to pay when 30% or more of their income is expended on housing costs. These households are referred to as “overpaying” or “cost burdened.” “Severe” cost burden occurs when lower income households spend 50% or more of their income on housing costs.

#### **a. Renter Households**

Table A-6 shows that 283 renter households were cost burdened, according to the 2011-2015 Comprehensive Housing Affordability Strategy (CHAS) data. An estimated 160 renter households were severely cost burdened. Lower income households comprised 158 of the 283 cost burdened renter households.

The Section 8 rental housing assistance program helps a few of the cost burdened renters. As of March 2019, two Canyon Lake households are being provided rental housing assistance through the County of Riverside Housing Authority’s Section 8 program.

#### **b. Owner Households**

Table A-7 shows that the number of cost burdened owners far exceeds the number of cost burdened renters. The majority of cost burdened owners have above-middle incomes. Data are unavailable to explain why such a large number and percentage of the City’s owner households are cost burdened.

**Table A-6**  
**City of Canyon Lake**  
**Number and Percentage of Renters Cost Burdened by Income Group**

<b>Household Income Group</b>	<b>Cost Burden 30-50%</b>	<b>% of All Cost Burden</b>	<b>Cost Burden 50%+</b>	<b>% of All Cost Burden</b>
Extremely Low <30%	0	0.0%	45	28.1%
Very Low 30-50%	4	3.2%	30	18.8%
Low 50-80%	4	3.2%	75	46.9%
Middle 80-100%	95	77.3%	10	6.2%
Above Middle >100%	20	16.3%	0	0.0%
Total	123	100.0%	160	100.0%

Source: Comprehensive Housing Affordability Strategy (CHAS) Data, 2011-2015 American Community Survey

Cost burden is the ratio of housing costs to household income. For renters, housing cost is gross rent (contract rent plus utilities).

**Table A-7**  
**City of Canyon Lake**  
**Number and Percentage of Owners Cost Burdened by Income Group**

<b>Household Income Group</b>	<b>Cost Burden 30-50%</b>	<b>% of All Cost Burden</b>	<b>Cost Burden 50%+</b>	<b>% of All Cost Burden</b>
Extremely Low <30%	0	0.0%	80	11.0%
Very Low 30-50%	35	4.9%	135	18.6%
Low 50-80%	15	2.1%	245	33.8%
Middle 80-100%	10	1.4%	65	9.0%
Above Middle >100%	655	91.6%	200	27.6%
Total	715	%	725	%

Source: Comprehensive Housing Affordability Strategy (CHAS) Data, 2011-2015 American Community Survey

Cost burden is the ratio of housing costs to household income. For owners, housing cost is “selected monthly owner costs”, which includes mortgage payment, utilities, association fees, insurance, and real estate taxes.

In summary, housing cost burden is the most significant problem confronting lower income households. Cost burdened renters can be assisted by the County's Section 8 rental assistance program. However, there are no funding resources to provide ongoing financial assistance to owners who are overpaying (i.e., spending 30%+ on housing costs).

#### **4. Overcrowding**

Government Code Section 65584.01(b)(1) defines overcrowding as one person per room in a dwelling. The U.S Census and ACS provide data on the ratio of the number of persons occupying a housing unit to the number of rooms in the dwelling. These data are often used as an *indicator* of the magnitude of overcrowded households.

Overcrowding is not a major problem in Canyon Lake. The data in Table A-8 reveal that only 38 households are crowded, a number representing less than 1% of all households.

**Table A-8**  
**City of Canyon Lake**  
**Persons per Room by Tenure – 2017**

<b>Persons Per Room</b>	<b>Owner Occupied</b>	<b>Percent</b>	<b>Renter Occupied</b>	<b>Percent</b>	<b>Total Households</b>	<b>Percent</b>
Less than 1.00	3,185	99.5%	832	97.4%	4,017	99.1%
1.01 to 1.50	16	0.5%	22	2.6%	38	0.9%
1.51 or more	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>3,201</b>	<b>100.0%</b>	<b>854</b>	<b>100.0%</b>	<b>4,055</b>	<b>100.0%</b>

Source: 2013-2017 American Community Survey 5-Year Estimates, Table S2501 Occupancy Characteristics

#### **5. Race and Ethnicity**

##### **a. Race and Ethnic Categories**

The housing element law and federal Fair Housing Act do not define race. The racial categories included in the 2010 Census and American Community Survey forms generally reflect a social definition of race recognized in this country, and are not an attempt to define race biologically, anthropologically or genetically. In addition, the U.S. Census Bureau recognizes that the race categories include both racial and national origin or socio-cultural groups. Census 2010 and the American Community Survey provide for six race categories:

- White Alone
- Black, African American or Negro Alone
- American Indian or Alaska Native Alone
- Asian Alone
- Native Hawaiian or Other Pacific Islander Alone
- Some Other Race Alone

Individuals who chose more than one of the six race categories are referred to as the two or more races population. All respondents who indicated more than one race can be collapsed into the two or more races category, which combined with the six alone categories, yields seven

mutually exclusive and exhaustive categories. Thus, the six race alone categories and the two or more races category sum to the total population.

The 2010 Census and American Community Survey race and ethnic categories follow the Office of Management and Budget (OMB) Policy Directive No. 15 (May 12, 1977) and the 1997 revisions. The OMB's efforts are to standardize the racial and ethnic categories so that federal government agencies can monitor discrimination, as required by the Civil Rights Act of 1964, the Voting Rights Act of 1965, the Fair Housing Act of 1968, the Equal Credit Opportunity Act of 1974, and the Home Mortgage Disclosure Act of 1975.

Source: Victoria Hattam, "Ethnicity & the American Boundaries of Race: Rereading Directive 15," *Daedalus – Journal of the American Academy of the Arts & Sciences*, Winter 2005, pgs. 61-62

Ethnicity means being of Hispanic or Latino Origin or not being of such origin.

b. Definitions of Minority Populations

The populations comprising "minority" groups are defined in the same way by the OMB, Federal Department of Transportation (DOT), Federal Financial Institutions Examination Council (FFIEC), and Council on Environmental Quality (CEQ - environmental justice guidelines). The OMB and DOT both define the minority populations as Black, Hispanic (regardless of race), Asians (including Pacific Islanders) and American Indian and Alaskan Native. The FFIEC, for purposes of Home Mortgage Disclosure Act (HMDA) data collection, states that:

...the percentage minority population means, for a particular census tract, the percentage of persons of minority races and whites of Hispanic or Latino Origin, in relation to the census tract's total population.

The CEQ environmental justice guidelines provide the following definition:

Minority individuals – Individuals who are members of the following population groups: Hispanic or Latino, American Indian or Alaska Native, Asian, Black or African American, Native Hawaiian or Other Pacific Islander, multiracial minority (two or more races, at least one of which is a minority race).

The non-minority population is White, Non-Hispanic or Latino.

c. City of Canyon Lake Race/Ethnicity Characteristics

Table A-9 shows that almost 81% of the City's total population estimate of 11,043 persons identify as White, Alone Not Hispanic or Latino persons. Just over 13% identify as Hispanic or Latino persons and six percent identify with other racial groups.

Table A-10 shows that in 2017 1,473 persons identified themselves as being of Hispanic or Latino Origin. With respect to race –

- 70% of the Hispanic population identify their race as White
- Approximately 26% identify Some Other Race
- Almost 3% identified themselves as having Two or More Races

Thus, many Hispanic or Latino people do not identify with the White Alone Race Category but rather consider themselves as belonging to Some Other Race. Indeed, 98.8% (38,697/39,171) of the Some Other Race population is Hispanic or Latino. Canyon Lake is not unusual in terms of the racial identification of the Hispanic or Latino population.

**Table A-9**  
**City of Canyon Lake**  
**Population by Race and Ethnicity: 2017**

<b>Race/Ethnicity</b>	<b>Number</b>	<b>Percent</b>
Hispanic or Latino	1,473	13.3%
Not Hispanic or Latino		
White Alone	8,915	80.7%
Black or African American Alone	84	0.8%
American Indian and Alaska Native Alone	4	0.0%
Asian Alone	324	2.9%
Native Hawaiian and Other Pacific Islander Alone	9	0.1%
Some Other Race Alone	27	0.2%
Two or More Races	207	1.9%
Total	11,043	100.0%

Source: American Community Survey, 2013-2017 5-Year Estimates, Table B03002: Hispanic or Latino Origin by Race.

**Table A-10**  
**City of Canyon Lake**  
**Race of Hispanic or Latino and Not Hispanic or Latino Populations: 2017**

<b>Race</b>	<b>Hispanic or Latino</b>	<b>Percent Distribution</b>	<b>Not Hispanic or Latino</b>	<b>Percent Distribution</b>	<b>Total</b>	<b>Percent Distribution</b>
White Alone	1,036	70.3%	8,915	93.2%	9,951	90.1%
Black or African American Alone	0	0.0%	84	0.9%	84	0.8%
Asian Alone	13	0.9%	324	3.4%	337	3.1%
American Indian or Alaska Native Alone	0	0.0%	9	0.1%	9	0.1%
Hawaiian or Other Pacific Islander Alone	0	0.0%	4	0.0%	4	0.0%
Some Other Race Alone	382	25.9%	27	0.3%	409	3.7%
Two or More Races	42	2.9%	207	2.2%	249	2.3%

Source: American Community Survey 201-2017 5-Year Estimates, Table B03002: Hispanic or Latino Origin by Race

d. Index of Dissimilarity

As described in Section II – Housing Program - the City of Canyon Lake will include an Assessment of Fair Housing in the 2021-2029 Draft Housing Element. The City assumes that HCD will issue guidance on the data and analysis requirements of an Assessment of Fair Housing. Based on the requirements under federal law, the HCD may require an analysis of racial/ethnic segregation using an Index of Dissimilarity.

Briefly, the dissimilarity index measures the relative separation or integration of groups across all neighborhoods of a city. Brown University's Diversity and Disparities database has calculated an Index of Dissimilarity for cities throughout the United States.

According to Brown University, a value of 60 (or above) is considered very high. It means that 60% (or more) of the members of one group would need to move to a different tract in order for the two groups to be equally distributed. Values of 40 or 50 are usually considered a moderate level of segregation, and values of 30 or below are considered to be fairly low.

Canyon Lake's Index of Dissimilarity shows a fairly low segregation level for six racial/ethnic group pairings as follows:

White-Black/Black-White	8.7
White-Hispanic/Hispanic-White	5.8
White-Asian/Asian-White	2.1

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Black-Hispanic/Hispanic-Black	7.4
Black-Asian/Asian-Black	9.7
Hispanic-Asian/Asian-Hispanic	7.4

The subject of race and ethnicity and racial/ethnic segregation will be analyzed in more detail in the Assessment of Fair Housing.

#### **D. AT RISK HOUSING**

According to HCD:

For the purpose of housing-element law, assisted housing developments (or at-risk units) are defined as multifamily, rental housing complexes that receive government assistance under any of the federal, state, and/or local programs (listed below) or any combination of rental assistance, mortgage insurance, interest reductions, and/or direct loan programs and are eligible to convert to market-rate units due to termination (opt-out) of a rent subsidy contract, mortgage prepayment, or other expiring use restrictions within 10 years of the beginning of the housing-element planning period.

There is no multifamily rental housing complexes that receive government assistance under Federal, State, and/or local programs located in Canyon Lake and, therefore, there is no affordable housing at risk of conversion to market rate housing.

#### **E. SPECIAL HOUSING NEEDS**

Special housing needs refer to population groups whose needs are unique or different from the general population. These groups include:

- Elderly
- Persons with disabilities, including developmentally disabled persons
- Large families
- Farmworkers
- Families with female heads of households
- Families and persons in need of emergency shelter

##### **1. Elderly**

###### **a. Housing Needs**

Among the top elderly needs, as reported in the *County of Riverside FY 2016-2020 Area Plan on Aging*, were: transportation; in home supportive services; and housing.

By definition, the frail elderly need assistance to perform daily living activities. The frail elderly may experience difficulty eating, bathing, toileting, etc. by oneself and/or difficulty using the telephone, getting outside, shopping, and doing light house work, etc. by oneself. The frail elderly may be assisted by in-home care, or by residing in supportive housing arrangements.

Seniors participating in the *Area Plan on Aging* needs assessment process mentioned the following needs: “in home supportive services” and “services for those who care for others”. The *Area Plan* states that frail seniors are among the populations with the greatest economic and social needs.

Since 2000 the number and percentage of the total population 62 years of age and older has increased. Table A-11 shows that between 2000 and 2017 the elderly population increased by 548 persons and currently represents about 23% of the City's total population.

**Table A-11**  
**City of Canyon Lake**  
**Elderly Population 62 Years of Age and Older**

Year	Number	Percent of Total Population
2000	1,989	20.0%
2010	2,188	20.7%
2017	2,537	23.0%

Sources: 2000 U.S. Census, 2010 U.S. Census and 2013-2017 American Community Survey, Table S0101, Age and Sex

An indicator of the frail elderly population is persons 85 years and older. There are an estimated 269 persons in this age group, according to the data in Table A-12.

**Table A-12**  
**City of Canyon Lake**  
**Elderly Population by Age Group – 2017**

Age Group	Total	Percentage
62-64	539	21.2%
65-74	1,133	44.7%
75-84	596	23.5%
85+	269	10.6%
Total	2,537	100.0%

Source: 2013-2017 American Community Survey 5-Year Estimates, Table DP05, ACS Demographic and Housing Estimates

#### **b. Services Addressing the Needs of the Elderly**

**The City has prepared a draft directory of housing and social services which will be completed February 2020. The Directory lists affordable senior housing developments located in the adjacent cities of Lake Elsinore, Menifee and Perris.**

**Additionally, the Directory identifies senior focused services such as the Canyon Lake Senior Center, local home health care services, the County of Riverside In Home Supportive Services, services provided by the Riverside County Office of Aging and Riverside Transit Agency. The senior services located in the City are based on business licenses on file at City Hall.**

**2. Persons with Disabilities****a. Housing Needs**

The housing needs of disabled persons may include independent living units with affordable housing costs; supportive housing with affordable housing costs; and housing with design features that facilitate mobility and independence. The shortage of available, accessible, and/or affordable housing is an acute problem for most people with disabilities (PWD).

According to the Riverside County Office on Aging:

Affordable housing is a serious problem for seniors and adults with disabilities at this time in Riverside County and will increase in importance as efforts are made to reduce institutionalization and provide support to individuals living in community settings.

Table A-13 indicates that almost 11% of the City's population has one or more disability. Very few people less than 35 years of age have a disability. The largest number of disabled persons is in the 35-64 age group. This age group, however, is a 30-year age cohort which explains the large of disabled persons compared to the other age groups. Forty-five percent of the elderly 75 years of age or older have a disability.

**Table A-13**  
**City of Canyon Lake**  
**Disability Prevalence Rates by Age Group: 2017**

<b>Age Group</b>	<b>With a Disability</b>	<b>No Disability</b>	<b>Total Population</b>	<b>Prevalence Rate</b>
Under 5 years	0	618	618	0.0%
5 to 17 years	22	1,638	1,660	1.3%
18 to 34 years	15	1,868	1,883	0.8%
35 to 64 years	613	4,271	4,884	12.6%
65 to 74 years	133	1,000	1,133	11.7%
75 years +	389	476	865	45.0%
Total	1,172	9,871	11,043	10.6%

Source: 2013-2017 American Community Survey, Table B18101, Sex by Age by Disability Status

The American Community Survey collects data on six disability conditions:

- Hearing difficulty includes respondents who stated they were “deaf or ... [had] serious difficulty hearing.”
- Vision difficulty includes respondents who stated they were “blind or ... [had] serious difficulty seeing even when wearing glasses.”
- Cognitive difficulty includes respondents who due to physical, mental, or emotional condition, had “serious difficulty concentrating, remembering, or making decisions.”
- Ambulatory difficulty includes respondents who had “serious difficulty walking or climbing stairs.”

- Self-care difficulty includes respondents who had “difficulty dressing or bathing.” Difficulty with these activities are two of six specific Activities of Daily Living (ADLs) often used by health care providers to assess patients’ self-care needs.
- Independent living difficulty includes respondents who due to a physical, mental, or emotional condition, had difficulty “doing errands alone such as visiting a doctor’s office or shopping.” Difficulty with this activity is one of several Instrumental Activities of Daily Living (IADL) used by health care providers in making care decisions.

Table A-14 shows that independent living and ambulatory difficulties were the two most prevalent disabling conditions, accounting for 57% of all disabilities.

**Table A-14**  
**City of Canyon Lake**  
**Types of Disabilities by Age Group: 2017**

Age Group	Hearing	Vision	Cognitive	Ambulatory	Self-Care	Independent Living	Total
< 18 years	0	22	0	0	0	0	22
18-34 years	2	0	15	0	0	15	32
35-64 years	90	164	191	239	76	263	1,023
65-75 years	67	0	16	71	0	38	192
75+ years	187	0	53	212	94	246	792
Total	346	186	275	522	170	562	2,061

Source: 2013-2017 American Community Survey 5-Year Estimates, Table S1810, Disability Characteristics

### **b. Services Addressing the Needs of Persons with Disabilities**

Part E.1.b describes services that also assist disabled elderly and non-elderly persons. These services include in home supportive services which allows disabled persons to live at home in a non-institutional setting; Riverside County Office in Aging services; and Riverside Transit Agency services.

**The City has prepared a draft directory of housing and social services, which will be completed in February 2020. The Directory lists services addressing the needs of persons with disabilities including the Community Access Center and Inland Regional Center.**

#### **1. Community Access Center**

The corporate office of the Community Access Center is located in Riverside. The office in closest proximity to Canyon Lake is the Perris/Menifee Office located which is located in the City of Perris, about 15 miles from the Canyon Lake City Hall. On average, this distance is covered in 20 minutes.

The Perris/Menifee Office serves the following cities and communities: Canyon Lake, Hemet, Lake Elsinore, Moreno Valley, Menifee, Murrieta, Perris, San Jacinto, Temecula, and Wildomar.

Among the services offered by the Community Access Center are:

- Advocacy Services

- Assistive Technology
- Senior Low Vision Services
- Human Resources

An Independent Living Advocate has offices in the Perris/Menifee Office.

The Community Center is able to assist individuals with physical disabilities who reside in institutional settings to regain their independence within their community. Institutional settings include:

- Nursing Home
- Rehabilitation Facility
- Transitional or supported Housing (minimal assistance available for step-down transition options)

This service can assist disabled persons who had to move from Canyon Lake transition back to residing in the City. Various levels of assistance are available based on need and individual resources:

- General assistance in finding affordable and accessible housing
- Financial assistance to pay deposits and assist with necessary household items
- Case management to develop a transition plan
- Attendant services to assist with activities of daily living
- Adaptive equipment loan services
- Peer support and advocacy
- Information and referral
- Independent living skills training and guidance

### **3. Persons with Developmental Disabilities**

#### **a. Housing Needs**

The Inland Regional Center serves approximately 25,000 developmentally disabled persons residing in the Counties of Riverside and San Bernardino. Canyon Lake's proportionate share of the two-county developmentally disabled population is 61 persons.

According to Section 4512 of the Welfare and Institutions Code a "Developmental disability" means a disability that originates before an individual attains age 18 years, continues, or can be expected to continue, indefinitely, and constitutes a substantial disability for that individual which includes mental retardation, cerebral palsy, epilepsy, and autism. This term shall also include disabling conditions found to be closely related to mental retardation or to require treatment similar to that required for individuals with mental retardation, but shall not include other handicapping conditions that are solely physical in nature.

Many developmentally disabled persons can live and work independently within a conventional housing environment. More severely disabled individuals require a group living environment where supervision is provided. The most severely affected individuals may require an institutional environment where medical attention and physical therapy are provided. Because developmental disabilities exist before adulthood, the first issue in supportive housing for the developmentally disabled is the transition from the person's living situation as a child to an appropriate level of independence as an adult.

According to the State Department of Developmental Services:

Affordable housing is a cornerstone to individuals with developmental disabilities residing in their local communities. Due to the high cost of housing in California, many individuals served by the regional centers require deep subsidies in order to make housing affordable. DDS is actively pursuing projects that will increase capacity and precipitate the construction of new affordable housing.

The Inland Regional Center (IRC), one of 21 Regional Centers in California, has commented that “our clients will require HUD based affordable housing options due to the low amount of monthly income they receive.”

There are a number of housing types appropriate for developmentally disabled people. The IRC cites the following residential options:

- Living with your family
- Supported and independent living
- Foster family agency
- Adult family care agency
- Board and care

According to the California Department of Developmental Services, almost 80% of the developmentally disabled population resides in the home of a family member, guardian, or conservator. It is likely that almost all of the Canyon Lake’s disabled population live in a home since the other residential options are not located within the City.

#### **b. Services Addressing the Needs of Persons with Developmental Disabilities**

**The City has prepared a draft directory of housing and social services, which will be completed in February 2020. The Directory lists the services described below.**

##### **1. State Department of Developmental Services**

The State Department of Developmental Services (DDS) currently provides community based services to approximately 243,000 persons with developmental disabilities and their families through a statewide system of 21 regional centers, four developmental centers, and two community-based facilities.

##### **2. Inland Regional Center**

The Inland Regional Center, which serves both Riverside and San Bernardino counties, provides point of entry to services for people with developmental disabilities. The center is a private, non-profit community agency that contracts with local businesses to offer a wide range of services to individuals with developmental disabilities and their families. There is a field office located in the City of San Bernardino at 1365 South Waterman Avenue.

To better serve the needs of its consumers, Inland Regional Center designed programs according to age, specialization, and geographic location. Categories include Early Start/Prevention, 0-3; School age, 3-15; Transition, 16-22; Adult, 23-57; and Senior, 57+.

The Inland Regional Center utilizes person-centered planning to develop an Individual’s Program Plan (IPP). The IPP outlines the goals developed by the developmentally disabled

individual and their support team, as well as the services and supports they will receive to help those goals. Many of the services/supports listed in the IPP are funded by Inland Regional Center. However, services and supports may be provided by other agencies such as the Social Security Administration, school districts, county agencies, etc.

Attachment A describes the Inland Regional Center's Common Services. Housing related services include:

- Independent living skills
- Housing support services (for example, accessibility services, payee services, parenting support services)
- Supportive living services (for persons living on their own who may need 24 hour support)

Section 2 – Housing Program - describes a program to address the needs of developmentally disabled persons.

#### **4. Large Families**

##### **a. Housing Needs**

HCD defines large families as consisting of five or more persons. Census data provides estimates of households with five, six, seven or more persons.

Lower income, large families need three, four or five bedroom housing units at affordable costs. Since housing with these numbers of bedrooms usually command higher costs than smaller units, affordability is another key need of large families/households.

According to Table A-15, the 317 large families comprise neither a large number nor percentage of all the City's households. Additionally, owners comprise three-fourths of all large families. In contrast renters, owners have more options by which to add more square footage or rooms to their dwellings.

**Table A-15**  
**City of Canyon Lake**  
**Tenure by Household Size: 2017**

<b>Households Size (Number of Persons)</b>	<b>Owner Occupied</b>	<b>Renter Occupied</b>	<b>Total Households</b>	<b>Percent Distribution</b>
1	783	174	957	23.6%
2	1,246	156	1,402	34.6%
3	584	230	814	20.1%
4	355	210	565	13.9%
5	163	56	219	5.4%
6	54	28	82	2.0%
7+	16	0	16	0.4%
Total	3,201	854	4,055	100.0%

Source: 2013-2017 American Community Survey, Table B25009, Tenure by Household Size

**b. Services Addressing the Needs of Large Families**

**The City has prepared a draft directory of housing and social services, which will be completed in February 2020. The Directory lists the services described below.**

**1. County of Riverside Community Action Partnership (CAP)**

CAP is a public community action agency that receives funding from the federal Community Services Block Grant (CSBG) Program.

CAP's housing assistance program provides a savings match to help families develop an Individual Development Account (IDA). The IDA has first-time homebuyer purchase as one of the assets to save for, and works with the Housing Authority of the County of Riverside and its first time home buyers' down payment assistance program. Homes in contrast to apartments have more bedrooms and space and can more readily accommodate the needs of large families.

CAP also administers programs and services offering education and wealth building that strengthens families such as:

- Earned Income Tax Credit (EITC)
- Parent/Children Poverty Reduction Program
- On the Job Training

Large families that are cost burden can benefit from the poverty reduction program. This program can lead to increased income and potentially reduce the proportion of family income spent on housing costs.

**2. Habitat for Humanity**

Habitat for Humanity is located in the City of Riverside.

Habitat for Humanity constructs new homes and rehabilitates homes in need of repair. The City and Habitat partnered to implement a mobile home repair program. That program is being evaluated by the City and County Economic Development Agency.

**3. County of Riverside Department of Public Services (DPSS)**

DPSS provides adult services, children services and self-sufficiency services. It provides cash assistance to families (e.g., CalWORKs) and food and nutrition assistance (e.g., CalFRESH).

The Department of Public Social Services has offices located throughout the County in Blythe, Indio, Cathedral City, Rancho Mirage, Banning, Hemet, Perris, Temecula, Lake Elsinore, Norco, Arlington, Moreno Valley, and Riverside.

The offices in closest proximity to Canyon Lake are located in Perris and Lake Elsinore. The Perris office is located 14 miles from Canyon Lake City Hall. On average, the distance is a 19 minute car drive. The Lake Elsinore office is located seven miles from the Canyon Lake City Hall. On average, the distance is a 12 minute car drive.

Financial assistance available from DPSS can help to mitigate the adverse impacts of housing cost burden, which often leaves families without enough income to pay for food and other basic needs.

#### **4. Canyon Lake Family Matters**

Family Matters is a 501(c)(3) organization and was started as a Club for the entire family. The Club's goal is to host low cost and sometimes free events throughout the year to bring families together and raise funds for the needy in Canyon Lake.

#### **5. H.O.P.E. (Helping Our People in Elsinore)**

H.O.P.E. is a food pantry located in Lake Elsinore. H.O.P.E. provides meals to needy families, seniors and homeless persons in Lake Elsinore, Sedco Hills, Canyon Lake, Wildomar, and Lakeland Village areas. CFBG funds are used for consumable supplies, space costs, utilities, food, transportation, and operational costs associated with providing the services. Canyon Lake's share of the \$64,728 annual budget is \$21,511.

On Mondays, the packing team makes up bags of food to go out for delivery during the week. Drivers on their routes pick up and deliver food Tuesday through Friday.

### **5. Farmworkers**

#### **a. Housing Needs**

HCD guidance indicates that a housing element should estimate the number of permanent and migrant farmworkers within the community. A farm worker is –

- A person who performs manual and/or hand tool labor to plant, cultivate, harvest, pack and/or load field crops and other plant life.
- A person who attends to live farm, ranch or aquacultural animals including those produced for animal products.

Source: State of California, Employment Development Department, Labor Market Information Division, Occupational Definitions

Because of their predominantly low incomes, housing affordability is an acute need for farmworkers.

The City has no land devoted to the production of field crops and/or other plant life. Likewise, there is no land used for animals. As a result, there are no farmworkers employed in Canyon Lake.

Based on the above information, the City concludes that there is not a need for farmworker housing in Canyon Lake.

There is no need for farmworker housing due to the City's existing land use pattern. However, the City's Zoning Ordinance permits by right agriculture uses in the R-R, R-1, R-2, and R-3 residential zones. Health & Safety Code Section 17021.6 precludes a local government from requiring a conditional use permit, zoning variance, and/or other zoning clearance for certain agriculture housing.

Therefore, the City must update the Zoning Ordinance to permit employee housing by right in those four residential zones pursuant to the requirements of Health & Safety Code Section 17021.6.

**b. Services Addressing the Needs of Farmworkers**

Farmworker housing is not located within the City of Canyon Lake.

Farmworker housing is predominantly located in the Coachella Valley sub-region of Riverside County. For example, in the City of Indio the following farmworker housing developments are located: Desert Gardens Apartments, Fred Young Farm Labor Camp, and Horizons at Indio. In Coachella the following farmworker housing developments are located: Las Casas Apartments, Casa Grande, Fuente de Paz Apartments, and Las Flores Family Apartments.

**6. Female Householders****a. Housing Needs**

By way of background, householders are classified by type according to the sex of the householder and the presence of relatives.

The County of Riverside Commission for Women has determined that there is a “need for additional in-home care options and affordable assisted living facilities as the population of seniors grows.” (Annual Report, 2015-2016, page 3) Additional housing needs often experienced by female householders includes:

- Affordable housing
- Assistance in locating housing or in securing shared housing
- Access to housing which accommodates children
- Access to housing which is designed for security and convenience
- Access to housing near parks and open space to serve the needs of female householders with children.

In 2017, 860 female householders lived in Canyon Lake: 359 were a family householder and 501 were a nonfamily householder of which 418 lived alone and 83 lived with others.

A family householder is a householder living with one or more people related to her by birth, marriage, or adoption. The householder and all of the people in the household related to her are family members. A nonfamily householder is a householder living alone or with nonrelatives only.

Forty percent (342/860) of all female householders were 65 years of age or older.

Female householders comprise 21% of all householders (860/4055).

**b. Services Addressing the Needs of Female Householders**

**The City has prepared a draft directory of housing and social services, which will be completed in February 2020. The Directory lists the services described below.**

**1. Child Care Services**

The Canyon Lake Community Church Preschool (age 2-5 years) is located outside the gated part of Canyon Lake at 30515 Railroad Canyon Road. The preschool's capacity is 49 children.

The City of Menifee has six pre-schools with a combined capacity of 331 children.

The City of Lake Elsinore has 11 pre-schools with a combined capacity of 601 children.

There are no school age (ages 5-17 years) child care centers located in Canyon Lake.

A total of 11 school age child care centers are located in Menifee and Lake Elsinore with a combined capacity of 730 children.

**2. Riverside County Department of Public Social Services (DPSS)**

The DPSS child care programs provide child care payments to a variety of eligible families. From working CalWORKs recipients to parents of children receiving protective services, the child care programs offer families prompt and accurate access to help with child care expenses. All child care funds are paid on behalf of the customer directly to the provider of their choice.

**3. Child Care Resource & Referral**

This state and federally funded program assists parents in Riverside County with finding licensed child care near their home, work, or child's school. The computerized, geographically based program lists over 2,800 licensed centers and family child care homes. The Online Referral System requests the following family and children information:

- Location: near home, near work/school, near child/children's school
- Preferred provider type: family child care home, child care center, or other

**4. County of Riverside Commission for Women**

The Commission is located in downtown Riverside. Among the Commission's purposes are: 1) to identify issues, concerns and needs affecting women and 2) refer individuals to appropriate services, organizations, and resources. It also recommends policies and procedures to the County Board of Supervisors.

**7. **Families and Persons in Need of Emergency Shelter******a. **Unsheltered Homeless****

Unsheltered homeless are defined as those who reside in places not meant for human habitation, such as cars, parks, sidewalks, abandoned buildings, or on the street.

The 2019 Riverside County Homeless Point in Time (PIT) Count identified a total of 2,045 unsheltered homeless adults and children. The City of Riverside had the largest number of unsheltered homeless persons and highest percentage of the County's unsheltered homeless persons: 439 and 21.5%.

The PIT Counts conducted in 2015, 2016, 2017, 2018 and 2019 have reported zero (0) unsheltered homeless persons in Canyon Lake. In 2019, Eastvale had zero homeless and Indian Wells had two unsheltered homeless.

**b. Emergency Shelter Zoning and Capacity Estimate****1. City of Canyon Lake**

As previously noted, the PIT counts conducted in the past five years all have reported zero (0) homeless in Canyon Lake. The C-1 Zone permits emergency shelters with up to five beds by right and emergency shelters with six or more beds with approval of a Conditional Use Permit (CUP). The information described below demonstrates there is sufficient space in the C-1 Zoned land to accommodate an emergency shelter.

The acreage of the three areas zoned C-1 is:

- .82 ac
- 2.09 ac
- 23.8 ac (Towne Center)

These three areas are located outside the gated portion of Canyon Lake.

Turnover, vacancies, and the sale of commercial space and buildings are a recurring process within the City's commercial areas, as demonstrated by the issuance of new business license applications. In early August 2019, there were at least five vacant spaces in C-1 Zoned areas:

- 1 vacant space @ 120 SF
- 3 vacant spaces @ 160 SF
- 1 vacant @ 1,944 SF

There was at least one commercial building for sale. It contains 7,176 square feet.

In addition, the 34-room Rodeway Inn and Suites is located within the Towne Center. As the City does not restrict stays to 30 days or less, the motel could also provide emergency shelter to homeless persons for a period of six months.

**2. Riverside County Emergency Shelters**

There are 14 emergency shelters with a total of 879 beds located in Riverside County. Of the 879 beds available –

- 305 beds are for families with children
- 380 beds are for households without children
- 37 beds are only for children
- 120 beds in two shelters are for domestic violence victims
- 37 beds are in shelters for youth

Homeless service providers continually work toward linking homeless individuals and families to existing mainstream benefits. The Continuum of Care (CoC) Collaborative Applicant (Department of Public Social Services [DPSS]) provides assistance for the County including Temporary Assistance to Needy Families (TANF), MediCal, and Food Stamps (CalFRESH).

Three CoC agencies also receive Supportive Services for Veteran Families (SSVF) grants to partner with the Housing Authority of the County of Riverside to increase the number of vets who will receive VA benefits and other services.

**The City has prepared a draft directory of housing and social services, which will be completed in 2020. The Directory lists the homeless shelters located in nearest proximity to Canyon Lake: Path of Life Community Shelter, Path of Life Ministries Family Shelter and I Care Shelter Home all of which are located in the City of Riverside.**

## **F. PROJECTED HOUSING NEEDS**

### **1. Population Trends and Projections**

During the 10 year period between the April 2000 Census and April 2010 Census, the City's population grew by 609 persons or 6.1%. The annual average population gain was 61 persons. Table A-16 shows the population growth trends between 2010 and 2019. During the nine-year period, 724 persons were added to the City's population, according to the DOF. The annual average population gain was 80 persons.

The City's projected population depends on the construction of new housing units and a decrease in the number of vacant housing units. An average population gain of 80 persons would mean that Canyon Lake's population would be almost 12,100 persons by 2029.

**Table A-16  
City of Canyon Lake  
Population Growth Trends: 2010-2019**

<b>Year</b>	<b>Total Population</b>	<b>Annual Increase</b>	<b>Total Increase</b>
2010	10,561		
2011	10,661	100	100
2012	10,771	110	210
2013	10,807	36	246
2014	10,873	66	312
2015	10,953	80	392
2016	11,021	68	460
2017	11,138	117	577
2018	11,213	75	652
2019	11,285	72	724

Source: Census 2010 (April 1st) and January 1st population estimates for years 2011-2019 prepared by the State Department of Finance, Demographic Research Unit Population Estimate

## 2. Employment Trends and Projections

In 2017, 1,856 jobs were located in Canyon Lake. In the 10-year period from 2007 to 2017, there has been an increase of 580 jobs, which is a 45% increase. Construction is the job sector with the largest numerical increase, followed by retail. Refer to Table A-17.

By way of background, total jobs include wage and salary jobs and jobs held by business owners and self-employed persons. The total job count does not include unpaid volunteers or family workers, and private household workers.

In the immediate future of three to five years jobs growth will depend on the occupancy of retail and office space in the Towne Center and an increase in people working at home. In 2017, 258 workers worked at home.

**Table A-17**  
**City of Canyon Lake**  
**Jobs by Sector: 2015 and 2017**

Job Sector	2007		2017		Net Change
	Number	Percent	Number	Percent	
Public	11	0.9%	17	0.9%	6
Wholesale	19	1.5%	48	2.6%	29
Manufacturing	20	1.6%	33	1.8%	13
Transportation	24	1.9%	84	4.5%	60
Information	29	2.3%	84	4.5%	55
Other <sup>1</sup>	92	7.2%	156	8.4%	64
Leisure	97	7.6%	173	9.3%	76
Retail	134	10.5%	243	13.1%	109
Construction	154	12.1%	306	16.5%	152
Education	167	13.1%	152	8.2%	-15
Finance	221	17.3%	228	12.3%	7
Professional <sup>2</sup>	308	24.0%	332	17.9%	24
Total	1,276	100.0%	1,856	100.0%	580

<sup>1</sup>0.1% was added to Other so 2015 total = 100%

<sup>2</sup>0.1% was added to Professional so 2017 total =100%

Source: Southern California Association of Governments, City of Canyon Lake Local Profile Report, May 2019, pages 24 and 27

## 3. Share of Regional Housing Needs

Canyon Lake's share of the regional housing need is determined by SCAG. The SCAG "region" encompasses the counties of Ventura, Los Angeles, Orange, Riverside, San Bernardino and Imperial. On November 12, 2012, HCD approved SCAG's *Regional Housing Needs Allocation Plan*, a plan that allocated the region's need of 412,000 new housing units to the unincorporated area of each county and to each of the cities located in the region.

The major component of each jurisdiction's share of the regional need is household growth, which refers to the increase in the number of households (i.e., occupied housing units) which was projected for the period from January 1, 2014 to October 1, 2021.

Two additional components were added to household growth: a vacancy allowance and a replacement need.

The vacancy allowance is an allowance (unit increase) which is made to facilitate availability and mobility among owner and renter units.

The replacement allowance is the need to replace housing units lost from the housing stock.

According to SCAG's regional housing need determination:

For this RHNA cycle (2014-2021) only...a new 1-time adjustment was made to account for unprecedented high vacancies in the existing stock, due to unusual conditions including high foreclosures and recession uncertainties.

Canyon Lake's share of the regional housing need was calculated as follows:

▪ Household Growth	+141
▪ Vacancy Allowance	+3
▪ Replacement Allowance	+0
▪ Vacancy Credit	-61
▪ Housing Need	83

Table A- 18 shows how the need for 83 housing units is allocated to five income groups.

**Table A-18**  
**City of Canyon Lake**  
**Share of Regional Housing Needs**  
**January 1, 2014 – September 30, 2021**

<b>Income Group</b>	<b>Number</b>	<b>Percent</b>
Extremely Low	10	12.0%
Very Low	11	13.2%
Low	14	16.9%
Moderate	16	19.3%
Above Moderate	32	38.6%
Total:	83	100.0%

Source: Southern California Association of Governments, *5<sup>th</sup> Cycle Regional Housing Needs Assessment Final Allocation Plan*, 1/1/2014 – 10/1/2021, adopted by Regional Council on October 4, 2012 and approved by HCD on November 26, 2012

**Attachment A**  
**Inland Regional Center: Common Services**

## Inland Regional Center Common Services and Descriptions

Service Offered by Regional Center	Service Description	Ages 0-3	Children's Services	Adult Services
<b>Adult Day Centers/Programs</b>	<p>There are several options for Adult Consumers to go to during the day. In these programs, Adult Consumers learn new skills, socialize, and have their care needs met. Some of these programs may specialize in various care needs such as:</p> <ul style="list-style-type: none"> <li>• Community Integration</li> <li>• Creative Arts</li> <li>• Health Care Needs</li> </ul>			✓
<b>Behavior Management Services *</b>	Services that provide a variety of health care professionals to address behavioral challenges in various settings.	✓	✓	✓
<b>Client/Parent/Support Behavior Intervention Training</b>	Services to train the Consumer's support system that assists the Consumer to improve his/her behavior.	✓	✓	✓
<b>Crisis Team – Evaluation and Behavioral Intervention</b>	Crisis support teams who can mobilize in the community when a Consumer is in short-term behavioral crisis.		✓	✓
<b>Durable Medical Equipment *</b>	<p>Special medical equipment and medical related supplies for Consumers' medical care needs. These products may include the following:</p> <ul style="list-style-type: none"> <li>• Diapers</li> <li>• Eyewear and hearing supplies</li> <li>• Mobility equipment such as walkers and wheelchairs</li> <li>• Nutritional supplies</li> <li>• Orthotics and prosthetics</li> <li>• Positioning and adaptive equipment</li> </ul>	✓	✓	✓
<b>Early Start Therapeutic Services</b>	Services focused on the therapeutic needs of children ages 0-3 years.	✓		
<b>Employment Programs</b>	<p>There are several services that focus in the areas of helping adult Consumers obtain employment. There are various levels of supports to meet a Consumer's employment needs. Some of the employment services may include the following:</p> <ul style="list-style-type: none"> <li>• Day programs that offer employment and training</li> <li>• Group-Focused Employment Services</li> <li>• Individualized Employment Services</li> </ul>			✓
<b>Family Home Agency</b>	Certified family homes where Consumers reside. The family helps Consumers with day-to-day care needs and includes them in family activities.			✓

\*Generic funding sources such as Medi-Cal, Medicare, private insurance, trust funds, etc., must be explored before IRC can fund.

## Inland Regional Center Common Services and Descriptions

Service Offered by Regional Center	Service Description	Ages 0-3	Children's Services	Adult Services
<b>Health Care Facilities</b>	Facilities that provide skilled nursing services and inpatient care to Consumers who would not be able to live on their own or in a care home due to the severity of their care needs.	✓	✓	✓
<b>Housing Support Services</b>	Services may be provided to Consumers to assist them with living on their own. Some of these services may include: <ul style="list-style-type: none"> <li>• Accessibility Services</li> <li>• Payee Services</li> <li>• Parenting Support Services</li> </ul>		✓	✓
<b>Increase Community Access</b>	Regional centers can help Consumers become independent by learning how to drive or help with modifying vehicles to fit their needs. Some of these services may include: <ul style="list-style-type: none"> <li>• Vehicle Modification</li> </ul>		✓	✓
<b>Independent Living Services</b>	Functional skills training for Adult Consumers to acquire or maintain skills to live independently in his or her own home. Services may be provided in the home of a parent, family member, or other person.			✓
<b>Infant Development Services *</b>	Services designed to aid in the developmental needs of children ages 0-3 years.	✓		
<b>Mobility Training</b>	Services to help Consumers learn to use public transportation in their community. This can help increase independence in the community.			✓
<b>Out-of-Home Respite Services</b>	Services that provide a break to the family or caregiver from the daily care needs of a Consumer. This respite occurs outside of the family home.		✓	✓
<b>Pharmaceutical Services *</b>	Services that allow regional centers to purchase medications for Consumers when they are unable to access health care insurance.	✓	✓	✓
<b>Residential Care Homes</b>	Care homes that provide a safe place for Consumers to live. They are licensed homes that have 24-hour support staff. There are several different kinds of care homes that support the unique needs of each Consumer. Some of these homes may include: <ul style="list-style-type: none"> <li>• Behavioral care needs</li> <li>• Children and Adult care homes</li> <li>• Elder care needs</li> <li>• Medical care needs</li> </ul>	✓	✓	✓

\*Generic funding sources such as Medi-Cal, Medicare, private insurance, trust funds, etc., must be explored before IRC can fund.

## Inland Regional Center Common Services and Descriptions

Service Offered by Regional Center	Service Description	Ages 0-3	Children's Services	Adult Services
<b>Respite Services – In-Home</b>	Services provided in the family home that enable a caregiver or family member to take a break from the daily care needs of the Consumer.		✓	✓
<b>Self-Determination</b>	Program options for child and adult Consumers that provide freedom, control, and responsibility in choosing services and supports to help meet their needs.		✓	✓
<b>Specialized Transportation</b>	<p>Regional centers offer a variety of options to help Consumers access the community when they are unable to do so on their own. Some of these options may include:</p> <ul style="list-style-type: none"> <li>• Family member paid transportation</li> <li>• Non-medical transportation</li> <li>• Public transportation, such as a city bus</li> </ul>	✓	✓	✓
<b>Supplemental Program Supports</b>	<p>Additional staff that are added to a Consumer's support system when they are in crisis or need additional supports to continue using the services they are receiving. These services are typically in place temporarily until the Consumer is no longer in need. These supports may be used in the following areas:</p> <ul style="list-style-type: none"> <li>• Community</li> <li>• Day Program</li> <li>• Residential</li> </ul>		✓	✓
<b>Supported Living Services</b>	Services provided to Consumers who live on their own who may need up to 24-hour support.			✓
<b>Therapies *</b>	<p>Regional centers can provide therapies specific to Consumers' specialized needs. These therapies may include:</p> <ul style="list-style-type: none"> <li>• Occupational Therapy</li> <li>• Physical Therapy</li> <li>• Speech Therapy</li> </ul>	✓	✓	✓
<b>Translator/Interpreter Services</b>	Services to help Consumers and their families communicate when they speak a language other than English.	✓	✓	✓

**\*Generic funding sources such as Medi-Cal, Medicare, private insurance, trust funds, etc., must be explored before IRC can fund.**



## **Appendix B**

### **Sites Inventory and Analysis**

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**A. INVENTORY OF LAND SUITABLE AND AVAILABLE FOR RESIDENTIAL DEVELOPMENT**

In Government Code Section 65580(f) the California legislature finds and declares that -

Designating and maintaining a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality's housing need for all income levels is essential to achieving the state's housing goals ....

The requirements of an inventory of land are explained in more detail in Government Code Section 65582.1(a)(3):

An inventory of land suitable and available for residential development, including vacant sites and sites having realistic and demonstrated potential for redevelopment during the planning period to meet the locality's housing need for a designated income level, and an analysis of the relationship of zoning and public facilities and services to these sites.

Government Code 65583.2(a) requires the inventory of land suitable for residential development to identify sites that can be developed for housing within the planning period (i.e., 2013-2021) and that are sufficient to provide for the jurisdiction's share of the regional housing need for all income levels.

**B. SITES TO ACCOMMODATE THE *ABOVE MODERATE INCOME* HOUSING NEED ALLOCATION OF 32 HOUSING UNITS**

Table B-1 shows the number of housing units constructed between January 1, 2014 (the start of the RHNA period) and December 31, 2018. During this five-year period, 47 housing units were constructed: 46 single-family homes and one mobile home.

The above moderate income housing need has been met by the construction of 32 housing units. This number of *above moderate income* housing units excludes 15 of the 47 total housing units constructed that were sold at prices affordable to *moderate income* households.

All of the constructed sites and vacant single family lots are located within developed areas of Canyon Lake where roads as well as water, sewer, natural gas and electrical grids have been established. Consequently, infrastructure already is already available for these sites/lots.

There are two water agencies that serve Canyon Lake: the Elsinore Valley Municipal Water District (EVMWD) and Eastern Municipal Water District (EMWD). A few hundred homes on the north east side of the city, primarily north of Canyon Lake Drive and approximately east of Mayflower Drive, are served by the EMWD.

According to the *2015 Urban Water Management Plan Final Report* (June 2016):

It is the stated goal of EVMWD to 'provide reliable, cost-effective, high quality water and wastewater services that are dedicated to the people we serve'. Based on conservative water supply and demand assumptions over the next 20 years in combination with conservation of non-essential demand during certain dry years, the Plan successfully achieves this goal.

**Table B-1**  
**City of Canyon Lake**  
**Housing Units Constructed**  
**Between January 1, 2014 and December 31, 2018**

<b>Year</b>	<b>Units Constructed</b>
<b>2014</b>	<b>11</b>
<b>2015</b>	<b>11</b>
<b>2016</b>	<b>6</b>
<b>2017</b>	<b>5</b>
<b>2018</b>	<b>14</b>
<b>Total</b>	<b>47</b>

Sources: State of California, Department of Finance, *E-5 Population and Housing Estimates for Cities, Counties and the State – January 1, 2011-2018*. City of Canyon Lake, Housing Unit Change Form, 1/1/18-12/31/18

Current regulations of the EVMWD require developers of new development projects within its planning area to provide required on-site water and sewer infrastructure and to pay a water and sewer system connection fee. Developers pay the connection fees after they have received the Service Commitment Letter from the District.

The City and Property Owners Association (POA) coordinate with dry utility providers, including electric, gas, telephone, and cable, during project entitlement and building permit process. Electricity is provided by Southern California Edison while natural gas is provided by Southern California Gas Company. Internet service is available from AT&T (DSL & fiber); Frontier (fiber); Spectrum (cable); Mediacom (cable); and Viaset (satellite).

Additional vacant sites/lots accommodating the above moderate income housing need are identified in Attachments A and B.

Attachment A lists by assessor parcel number and lot size 126 vacant lots with a General Plan designation of Low Density and a zoning designation of R-1.

Attachment B lists by assessor parcel number and lot size five vacant lots with a General Plan designation of Very Low Density and Zoning of E-R-2-1/2.

Exhibit 1 (General Plan) and Exhibit 2 (Zoning) show the R-1 and E-R 2-1/2 sites/lots.

**C. SITES TO ACCOMMODATE THE *MODERATE INCOME* HOUSING NEED  
ALLOCATION OF 16 HOUSING UNITS**

Between January 1, 2014 and December 31, 2018, 15 housing units that were constructed during that time span were sold at prices affordable to moderate income households.

Sales prices are known for 33 of the 46 single-family dwellings built between January 1, 2014 and December 31, 2018. To determine affordability, information in addition to sales prices was determined: down payments, loan amounts, interest rates, homeowner's insurance premium payments, property taxes, and homeowner's association fees.

Table B-2 shows that 10 homes had monthly payments affordable to 3- and 4-person moderate income households. The annual household incomes required to make the monthly payments ranged from a low of \$64,046 to a high of \$78,420. The required annual household incomes fall within the ranges of the 3- and 4-person moderate income limits established for the years 2014 through 2018. Refer to Table B-3.

**Table B-2  
City of Canyon Lake  
Moderate Income Housing Units  
Built and Sold Between January 1, 2014 to December 31, 2018**

Sources: As noted below:

Bdrms.	Price <sup>1</sup>	Loan Amount <sup>2</sup>	Monthly Pmt <sup>3</sup>	Hazard Ins. <sup>4</sup>	Property Taxes <sup>5</sup>	HOA Dues <sup>6</sup>	Total Payment	Monthly Income Required <sup>7</sup>	Annual Income
3	\$460,000	\$250,000	\$1,192.10	\$125	\$407.08	\$245	\$1,969.18	\$5,626	\$67,5127
3	\$332,771	\$266,217	\$1,269.42	\$125	\$233.59	\$245	\$1,868.01	\$5,337	\$64,046
5	\$347,000	\$277,600	\$1,352.66	\$125	\$300.68	\$245	\$2,023.33	\$5,781	\$69,372
3	\$377,500	\$275,000	\$1,339.99	\$125	\$329.40	\$245	\$2,039.38	\$5,827	\$69,924
4	\$358,000	\$304,300	\$1,392.05	\$125	\$311.03	\$245	\$2,073.08	\$5,923	\$71,077
4	\$369,000	\$295,200	\$1,383.92	\$125	\$321.39	\$245	\$2,075.31	\$5,930	\$71,160
3	\$430,000	\$300,000	\$1,406.42	\$125	\$378.83	\$245	\$2,155.26	\$6,158	\$73,896
4	\$415,000	\$332,000	\$1,518.77	\$125	\$364.71	\$245	\$2,253.47	\$6,440	\$77,280
5	\$339,900	\$332,859	\$1,621.91	\$125	\$293.14	\$245	\$2,285.06	\$6,529	\$78,348
4	\$444,500	\$333,300	\$1,524.71	\$125	\$392.49	\$245	\$2,287.20	\$6,535	\$78,420

<sup>1</sup> Sales prices were obtained from assessor information through Realist and the Pacific West Association of Realtors Multiple Listing Service (MLS). In one case, the sales price was determined as the median between the assessed value (lower) and Zillow estimate (higher).

<sup>2</sup> Based on actual down payment when known; if unknown, a 20% down payment was applied.

<sup>3</sup> Based on the interest rates prevailing in the year of sale based on Freddie Mac historical interest rates. 30-year loan term is assumed.

<sup>4</sup> Homeowners insurance assumed to be \$125 per month.

<sup>5</sup> Based on property tax rate and other assessments per the County of Riverside, Office of the Treasurer-Tax Collector

<sup>6</sup> Homeowners Association fee based on sales data obtained from the MLS.

<sup>7</sup> Based on a house payment to monthly income ratio of .35. Only one of the homes sold since January 1, 2014 involved FHA financing. Fannie Mae has a debt to income ratio (DTIR) of 45% on conventional loans to get an approved/eligible decision per the Automated Underwriting System. Freddie Mac can go up to a 50% DTIR. Thus, 35% of income can be allocated to housing expenses and 10% to 15% for installment debt.

**Table B-3**  
**County of Riverside**  
**Moderate Income Limits by Household Size and Year**

<b>Year</b>	<b>Number of Persons in Household</b>		
	<b>3 Persons</b>	<b>4 Persons</b>	<b>5 Persons</b>
2014	\$70,200	\$78,000	\$84,250
2015	\$70,200	\$78,000	\$84,250
2016	\$70,200	\$78,000	\$84,250
2017	\$70,200	\$78,000	\$84,250
2018	\$71,050	\$78,950	\$85,250

Source: California Department of Housing and Community Development, Income Limits for Years 2014, 2015, 2016, 2017 and 2018

Thus, 10 of 33 homes (or 30%) of the 33 homes for which sales prices are known were affordable to moderate income households. The 30% figure was applied to the total of 46 single family homes sold to derive an estimate of 14 homes having been built after January 1, 2014 and sold at prices affordable to moderate income households.

In addition, one mobile home was constructed. The term of the loan and interest rate for the mobile home was not known and, therefore, it was allocated to the moderate income category instead of the lower income category.

In summary, 15 new housing units accommodated the moderate income housing need.

Additional vacant sites/lots accommodating the moderate income housing need are identified in Attachment A. This attachment lists by assessor parcel number 95 vacant R-1 lots.

Exhibit 1 (General Plan) and Exhibit 2 (Zoning) show the R-1 zoned sites/lots.

As of March 2019, there were 16 active listings of vacant R-1 lots for sale at prices of \$50,000 or less. Lots at these costs will facilitate the development of new housing at prices affordable to moderate income households.

The availability and accessibility to water and sewer infrastructure and access to dry utilities for moderate income sites is the same as for above moderate income housing sites.

**D. SITES TO ACCOMMODATE THE *LOWER INCOME HOUSING NEED*  
ALLOCATION OF 35 HOUSING UNITS**

The lower income housing need allocated to the City is 35 housing units. The Canyon Lake Village Overlay Zone (Chapter 9.20 of the Zoning Ordinance) was designed to meet this need and has been applied to the area encompassed by the three contiguous assessor parcels shown on Exhibit B-1: 354-030-024, 354-030-026, and 354-030-037. The three parcels are owned by one entity.

**1. Assessor Parcel 354-030-026**

Assessor parcel 354-030-026 is the site identified as accommodating the lower income housing need of 35 housing units. This site is one of the three parcels previously included by the City in the 2008-2014 certified Housing Element. It is 9.18 acres in size and vacant.

**2. Location**

The site is located outside the gated portion of Canyon Lake and is not subject to the CC&Rs of the Canyon Lake Property Owners Association.

By way of background, Canyon Lake was formed by a dam that was built in 1927. Rain water coming from the San Jacinto Mountains and surrounding valleys supplied the lake with rain water until 1955, when an agreement between the Elsinore Valley Municipal Water District and Temescal Water Company brought a more stable supply to the reservoir.

In 1968, Corona Land Company began the development of Canyon Lake. In December 1990, Canyon Lake became an incorporated city, and, according to the POA website, all of the areas outside the gates are under the jurisdiction of the City Council.

The site is located in the southwestern portion of the City between Canyon Lake Golf Club and Railroad Canyon Dam. The site is bounded by single-family residences to the east and vacant land to the north, west and south.

**3. General Plan and Zoning Designations**

The current General Plan and Zoning designations are noted below:

- General Plan Designation: Mixed Use (refer to map on page B-14)
- Zoning: SP Zone Specific Plan (refer to map on page B-15)

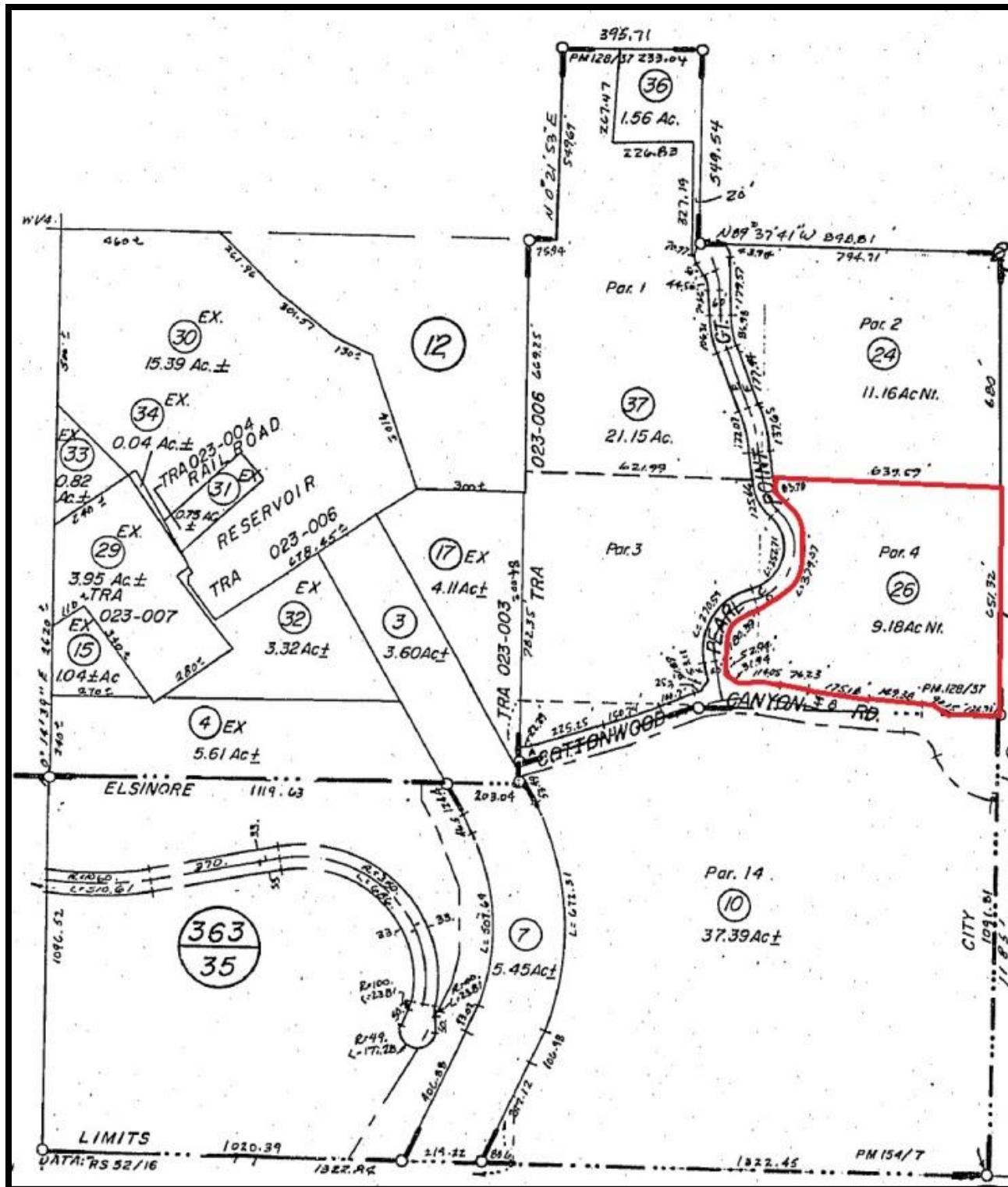
The General Plan was amended in 2009 to provide for Mixed Use Development. According to the General Plan Land Use Element:

The purpose of the Mixed Use designation is to establish a mix of commercial and residential uses.

**The City Council approved the first reading of a Mixed Use Zone on February 5, 2020.**

## **Exhibit B-1**

### **Assessor Parcel Locations and Boundaries**



Lands designated Mixed Use permit up to 24 dwelling units per acre with City Council approval of a Specific Plan. A Specific Plan must include the following information:

- The distribution, location, and extent of the uses of land
- The nature and scope of essential facilities such as transportation, sewage, water, drainage, solid waste disposal, and energy
- Development standards and criteria
- Standards and plans for the conservation, development and utilization of natural resources
- Implementation measures
- Relationship of the Specific Plan to the General Plan

Prior to the transmittal of the Specific Plan to the City Council, the City Planner may request additional information from the applicant.

#### **4. Housing Capacity**

The Canyon Lake Village Overlay Zone requires that a maximum of 10 acres of land within the three parcels listed in the first paragraph below C shall be available to be developed for multi-family housing at a density of 20-24 dwelling units per acre.

The 2013-2021 Housing Element includes a policy that the 10 acre requirement shall be allocated in proportion to each parcel's share of the total 31.98 acres encompassed by the three assessor parcels:

Assessor Parcel	354-030-026	9.18 acres	28.7%	2.9 acres
Assessor Parcel	354-030-024	11.16 acres	34.9%	3.5 acres
Assessor Parcel	354-030-037	<u>11.64 acres</u>	<u>36.4%</u>	<u>3.6 acres</u>
		31.98 acres	100.0%	10.0 acres

Assessor parcel 354-030-026 is 9.18 acres in size and 2.9 acres is its proportionate share (28.7%) of the requirement of 10 acres being designated at a density of 20-24 housing units per acre. The capacity of the site is 59 housing units.

#### **5. Permitted Residential Land Uses**

The Canyon Lake Village Overlay Zone provides for “a variety of multifamily housing types and a diverse housing unit mix” including:

- SRO/efficiency units
- One-bedroom units
- Two-bedroom units
- Three-bedroom units
- Four-bedroom units
- Housing units accommodating the needs of senior and disabled households
- Transitional Housing
- Supportive Housing
- Employee Housing

Program #16 – Zoning Ordinance Amendments Program – will include additional residential uses and requirements such as supportive housing by right pursuant to AB 2162.

**6. Access**

Access to the site – assessor parcel 354-030-026 – is from the existing Sparkle Drive to the future Pearl Point Court roadway. There is a 60 foot easement for road purposes, as noted on Tract 3831, from the end of Sparkle Drive to Pearl Point Court.

**7. Availability of Infrastructure**

EVMWD Engineering Manager Matthew Bates provided the City Planner on June 5, 2019 with a map showing the water and sewer lines proximate to the site identified as assessor parcel number 354-030-026. An 8" ACP water line is located immediately adjacent to the eastern boundary of this site/assessor parcel. There also is an 8" water line at the end of Sparkle Drive. In the engineer's opinion a loop system can be created which would extend along the future Pearl Point Court roadway to connect both 8" lines.

Immediately adjacent to the southern boundary and on a portion of assessor parcel number 354-030-026 there is a PVC sewer line that transitions from 10" to 16" and is parallel to the future Cottonwood Canyon Road.

As noted staff met with the EVMWD Engineering Department and discussed the potential development of the site. Plans would need to be prepared and submitted to EVMWD, but infrastructure is available for future development.

**8. Dry Utilities**

The City coordinates with dry utility providers, including electric, gas, telephone, and cable, during project entitlement and building permit process. Electricity is provided by Southern California Edison while natural gas is provided by Southern California Gas Company. Internet service is available from AT&T (DSL & fiber); Frontier (fiber); Spectrum (cable); Mediacom (cable); and Viaset (satellite).

**9. Environmental Conditions**

The site is not flat and will require cut and fill grading.

The site is subject to the Chapter 9.15 Hillside and Ridgeline Development regulations which were adopted in 2009. Among the purposes of Chapter 9.15 are to "provide guidelines and standards in visually sensitive areas to minimize the adverse impacts of grading."

Applications for projects subject to the hillside and ridgeline regulations must include information such as: conceptual grading plan and drainage plan including a separate map with proposed fill areas and cut areas; existing and proposed circulation and drainage improvements; slope analysis map; and a geotechnical report. A Hillside and Ridgeline Development Application must be submitted for City review and approval. The application is reviewed by the City Planner in consultation with the Building Official and City Engineer. The City Planner is authorized to render decisions on the application unless the permit application is made in conjunction with another application which requires City Council approval.

A variance application for a single family residence was filed in 2017 for property subject to the Hillside and Ridgeline Development regulations. No action was taken on the proposal. Therefore, there is no knowledge on the time it will take to process an application.

The site is located in FEMA Zone X, which is an “area of minimal flood hazard.”

Canyon Lake and Lake Elsinore are located within the Elsinore Area Plan segment of the Western Riverside County Multiple Species Habitat Plan. The target acreage range within the City of Canyon Lake is 30 - 50 acres. The target acreage range within the City of Lake Elsinore is 4,830 - 7,870 acres.

Source: Western Riverside County Multiple Species Habitat Conservation Plan, Section 3.3.3, Elsinore Area Plan, Target Acreages

The Habitat Conservation Summary Map as of October 2017 shows that the subject site is not located within a target conservation area that the Western Riverside County Regional Housing Authority will acquire over the next 25 years.

The subject site is not impacted by environmental constraints such as flood zones; wetlands, contamination, and Williamson Act land or easements.

## **10. Dam Inundation**

Canyon Lake, sometimes referenced as Railroad Canyon Reservoir, is a reservoir created in 1928 by the construction of the Railroad Canyon Dam. The reservoir covers approximately 525 acres, has 14.9 miles of shoreline, and has a storage capacity of 11,586 acre-feet. It is owned and operated by the Elsinore Valley Municipal Water District.

Dam failure would not impact the subject site as it located east and north of the dam. In the event of a collapse, the water would flow into the San Jacinto River channel and flow down to Lake Elsinore.

The Canyon Lake Safety Element describes potential impacts from dam inundation caused by failures of the Perris Dam and Diamond Valley Dams. However, the mapping is too generalized to determine if the subject site is located within a dam inundation area. However, several areas in the City, particularly, the northern portions, are located within a dam inundation area.

A catastrophic event such as a major earthquake could damage the Perris Dam located in the City of Perris and the Diamond Valley Lake Dams located in the City of Hemet. The Perris Dam is located 12.4 miles from the subject site. The Diamond Valley Lake Dams are located 11.7 miles from the subject site.

The California Department of Water Resources does not have on its website dam inundation maps for these two dams. The Safety Elements of each city have delineated the potential dam inundation areas.

The Perris Dam, which was constructed from 1970 to 1974, was identified as a high priority state-owned dam due to its proximity to nearby faults and large downstream communities.

Earthquakes pose some of the highest risks to dams in California.

In April 2018, the California Department of Water Resources (DWR) completed a major retrofit to Perris Dam as part of a statewide effort to reduce seismic risks to dams. Upgrades to the 130-foot tall, earthen dam included strengthening roughly 800,000 cubic yards of foundation material by mixing cement with soil and reinforcing it with a 1.4 million-cubic-yard

earthen stability berm placed on the downstream side of the dam. The dam upgrades were designed to withstand a magnitude 7.5 earthquake.

The dam remediation is one of three major projects to improve seismic stability and enhance public safety in the Perris Dam Remediation Program. Other projects include:

- Outlet Tower Improvements, with completion planned for 2021
- Emergency Release Facility (ERF) Project, with completion planned for 2023.

The ERF project provides improvements downstream of the reservoir that would direct the flow of water in an emergency requiring the dewatering of the reservoir. Flows would be directed through a series of berms and lined and unlined channels that would ultimately terminate at the Riverside County Flood Control and Water Conservation District's Perris Valley Channel. The Outlet Tower and ERF projects enhance the safety of the dam for other risks in addition to that posed by earthquakes.

The Hemet Safety Element examined the dam inundation areas of three dams: East Dam of Diamond Valley Lake; West Dam of Diamond Valley Lake; and the Saddle Dam of Diamond Valley Lake. The collapse of the East Dam would inundate western Hemet and portions of San Jacinto and Winchester. The collapse of the Saddle Dam would inundate the southwestern part of Hemet and Winchester. The Western Dam would inundate a small portion of Hemet and an area south and west of Hemet.

Because the Perris dam inundation map does not extend beyond the City limits and it is unclear what is included in the “area south and west of Hemet,” the Menifee Safety Element was reviewed. The dam inundation maps of the Perris Dam and Diamond Valley indicate that the subject site is either not within or only a small portion is within the dam inundation areas.

Development has not been precluded in the other areas of Canyon Lake that are located within the dam inundation areas. The City has in place evacuation routes and disaster preparedness measures that will help to mitigate potential adverse impacts associated with flooding and inundation hazards.

## **E. DESCRIPTIONS OF ENVIRONMENTAL CONSTRAINTS**

### **1. Guidelines**

Section 65583.2 (b)(4) states that the inventory of sites shall include:

*A general description of any environmental constraints to the development of housing within the jurisdiction, the documentation of which has been made available to the jurisdiction. This information need not be identified on a site-specific basis.*

The analysis of environmental conditions indicates that there are no constraints to development of the sites identified by the Sites Inventory and Analysis. There are no known constraints that would reduce the housing capacity identified for each site listed in the Sites Inventory and Analysis.

The source for the analysis of environmental conditions is: City of Canyon Lake, *Canyon Lake's General Plan Safety and Housing Element Update – Initial Study and Negative Declaration*, March 2012, 64 pages

The term planning area in the following narrative refers to the City of Canyon Lake boundaries.

## **2. Hillside Development**

Chapter 9.15 Hillside and Ridgeline Development regulations were adopted in 2009. Among the purposes of Chapter 9.15 are to “provide guidelines and standards in visually sensitive areas to minimize the adverse impacts of grading.”

Applications for projects subject to the hillside and ridgeline regulations must include information such as: conceptual grading plan and drainage plan including a separate map with proposed fill areas and cut areas; existing and proposed circulation and drainage improvements; slope analysis map; and a geotechnical report. A Hillside and Ridgeline Development Application must be submitted for City review and approval. The application is reviewed by the City Planner in consultation with the Building Official and City Engineer. The City Planner is authorized to render decisions on the application unless the permit application is made in conjunction with another application which requires City Council approval.

## **3. FEMA Flood Zones**

According to the Federal Emergency Management Agency (FEMA), several parcels in the southeastern portions of Canyon Lake are within either a 100 or 500 year flood zone. However, the properties that are within these FEMA zones are already developed with single family residences and as a marina. The *2012 General Plan Safety Element* contains policies that address hazards related to flooding:

- Implementation Policy: SF-2.2      Mitigate flooding hazards of new development or expansion of existing projects within the FEMA 100- year/500-year Floodplain area.
- Implementation Policy: SF-2.3      Require new development within the 100 year flood plain or repeat flood properties as identified by FEMA to conduct hydrological studies, to assess the potential impacts the new development will have on the flooding and sedimentation potential of existing development down grade and implement appropriate mitigation measures to reduce this impact to an acceptable level.

## **4. Dam Inundation**

Refer to discussion on page B-9.

## **5. Seiches**

No large water bodies are located within or near Canyon Lake that could cause a seiche. The planning area’s distance from the Pacific Ocean minimizes exposure to tidal wave hazards resulting from offshore earthquakes. Canyon Lake is not subject to mudflows. Future residential development will not expose people or structures to the risk of loss, injury, or death involving inundation as a result of seiche, tsunami, or mudflow.

## **6. Geologic Hazards**

The planning area is not located within the boundary of an Alquist-Priolo Fault Hazard Zone. No impacts due to fault rupture will occur.

The planning area is subject to strong seismic ground shaking, as are all projects located within Southern California. According to the City's Safety Element, several major faults pass within a 35-mile radius of Canyon Lake. These faults include the Elsinore, San Jacinto, and San Andreas faults. A major earthquake produced along any of these faults has the potential to produce strong ground shaking in the planning area. No active faults have been identified at the ground surface within the planning area. Nevertheless, compliance with current California Uniform Building Code seismic safety standards will provide protection against impacts from ground shaking.

Most of the planning area is susceptible to possible ground failure due to liquefaction hazards. Liquefaction is the loss of sheer strength in surface soils, leading to ground failure. Ground shaking, coupled with groundwater tables that are close to the surface may result in liquefaction. Also, a few areas within the planning area are subject to earthquake-induced landslides because of steep slopes. The *2012 General Plan Safety Element Update* contains policies that address geologic hazards related to earthquakes, including liquefaction and landslides:

- Implementation Policy: SF-1.2      New habitable structures shall be designed and built in accordance with the most recent California Building Code.
- Implementation Policy: SF-1.6      Require liquefaction assessment studies for all projects proposed in areas identified as potentially susceptible to liquefaction.
- Implementation Policy: SF-1.10      Utilize hillside development standards which consider slope factors, soils instability and geotechnical issues.

## **7. Hazards/Contamination**

Hazardous materials are used every day in industrial, commercial, medical, and residential applications. The primary concern associated with a hazardous materials release is the short- and/or long-term effect to the public from exposure to these substances. Canyon Lake does not have any businesses that generate, use or store hazardous materials that are identified in any federal or state hazardous listing. Future housing development will not create, emit, transport or store hazardous materials in significant quantities.

According to the Environmental Protection Agency (EPA Cortese List), there are no Superfund sites, CERCLIS (Comprehensive Environmental Response, Compensation and Liability Act of 1980) sites, or TRI (Toxics Release Inventory) sites in Canyon Lake. Residential development will be approved in accordance with the provisions of the Zoning Ordinance, consistent with the General Plan and as permitted by the POA.

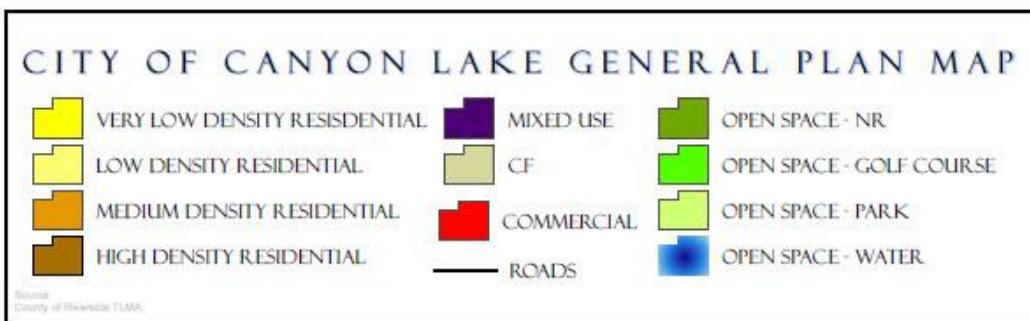
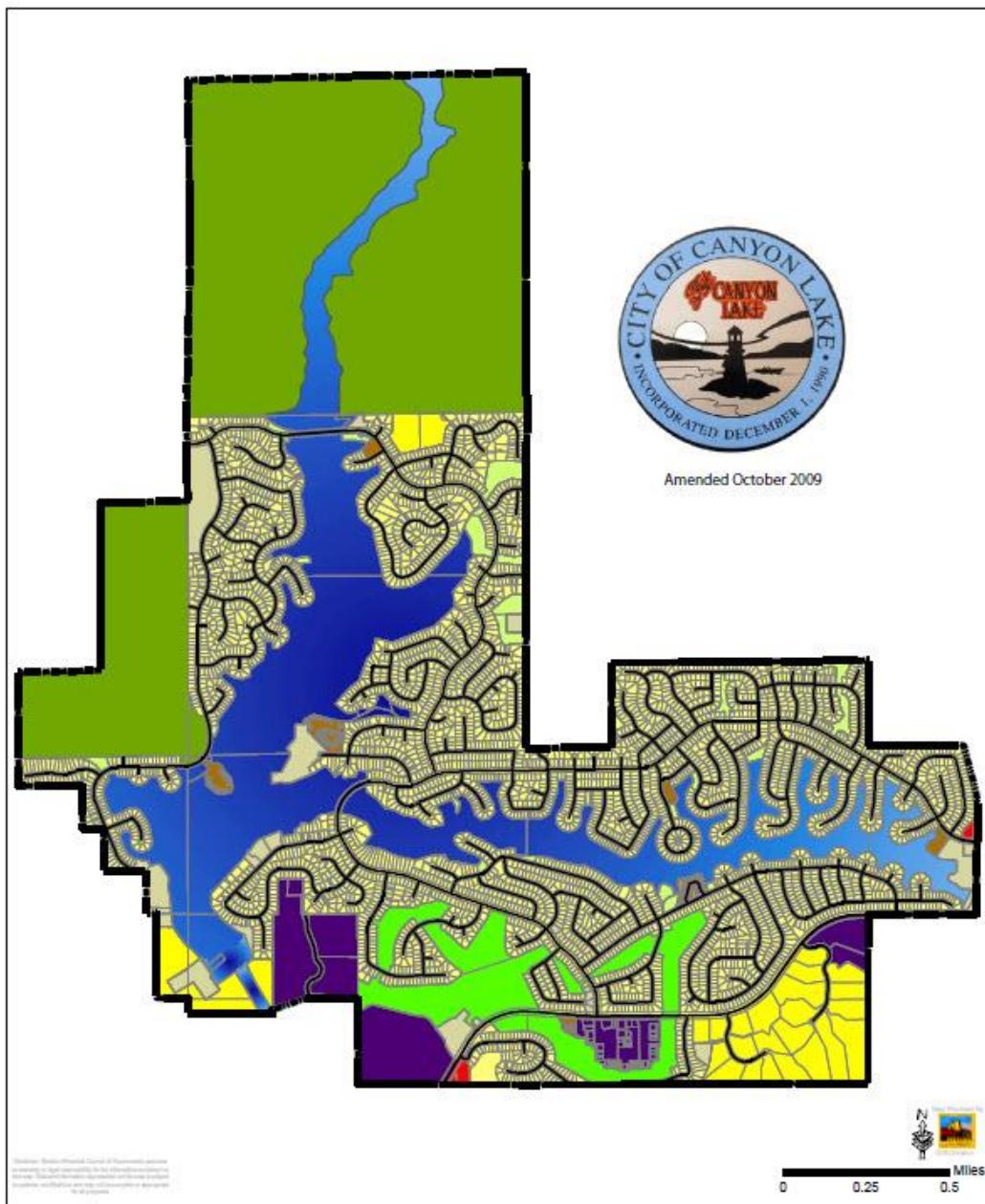
## **8. Farmlands/Williamson Act**

Most of the planning area is designated Urban and Built-Up Land on the latest Farmland Mapping and Monitoring Program (FMMP) map for Riverside County. The Urban and Built-Up Land designation indicates areas that are occupied by residential, commercial, and industrial structures and buildings. There are a few properties within the planning area that are designated

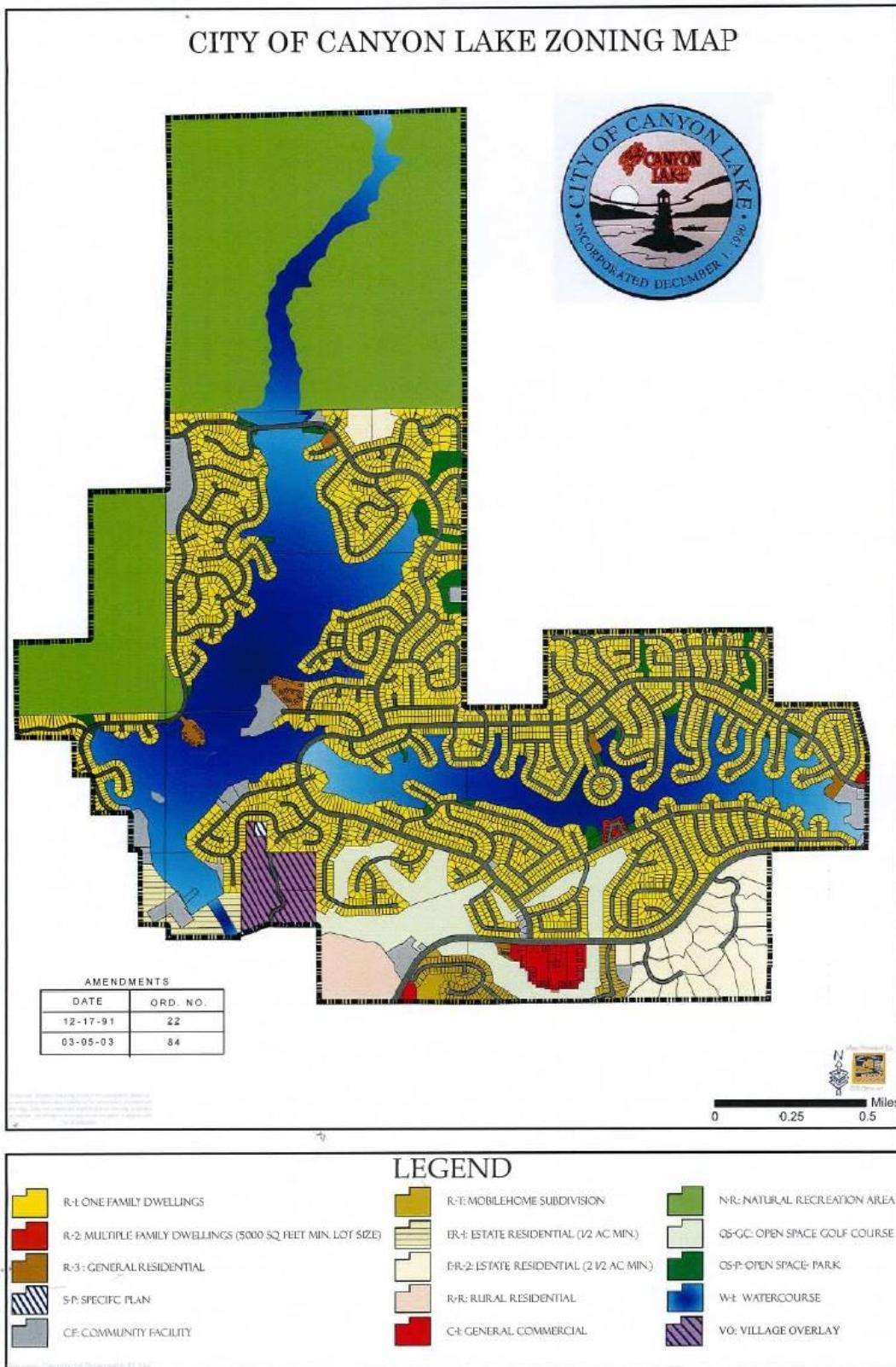
Other Land. The lake within the planning area is designated Water. This designation indicates a perennial water body of at least 40 acres. There is no prime farmland, unique farmland or farmland of Statewide Importance properties located in the planning area.

The planning area is predominately urbanized and developed with single family residences, commercial businesses, golf course and open space recreational areas. There is no existing agriculture zoning within the planning area. Riverside County is a participant in the Williamson Act; however, there are no Williamson Act contracts for the planning area or in the surrounding area. No conflict with any Williamson Act contract will occur.

## Exhibit B-2



## Exhibit B-3



**Attachment A**  
**City of Canyon Lake Above Moderate Income Housing Sites**  
**Vacant Sites/Lots with General Plan Designation Low Density and R-1 Zoning and**  
**(Lots>8,000 Square Feet)**

<b>Assessor Parcel Number</b>	<b>Lot Size (Sq. Ft.)</b>	<b>Capacity</b>
351-131-013	8,276.4	1
351-181-016	8,276.4	1
351-184-001	8,276.4	1
353-034-002	8,276.4	1
353-041-026	8,276.4	1
353-052-032	8,276.4	1
353-132-002	8,276.4	1
353-132-004	8,276.4	1
353-132-033	8,276.4	1
353-152-015	8,276.4	1
353-162-015	8,276.4	1
353-171-001	8,276.4	1
353-172-023	8,276.4	1
353-191-015	8,276.4	1
353-244-003	8,276.4	1
354-092-022	8,276.4	1
354-102-007	8,276.4	1
354-112-014	8,276.4	1
354-132-028	8,276.4	1
354-132-034	8,276.4	1
355-131-011	8,276.4	1
355-144-004	8,276.4	1
355-162-004	8,276.4	1
355-233-006	8,276.4	1
351-181-022	8,712.0	1
353-073-012	8,712.0	1
353-082-016	8,712.0	1
353-131-015	8,712.0	1
353-162-016	8,712.0	1
353-171-012	8,712.0	1
353-171-014	8,712.0	1
353-182-019	8,712.0	1
353-261-025	8,712.0	1
354-062-023	8,712.0	1
354-152-017	8,712.0	1
355-103-031	8,712.0	1
353-111-004	9,147.6	1
353-222-028	9,147.6	1
353-232-007	9,147.6	1
353-253-023	9,147.6	1
355-222-034	9,147.6	1
355-231-008	9,147.6	1

**Attachment A continued**  
**City of Canyon Lake Above Moderate Income Housing Sites**  
**Vacant Sites/Lots with General Plan Designation Low Density and R-1 Zoning and**  
**(Lots>8,000 Square Feet)**

<b>Assessor Parcel Number</b>	<b>Lot Size (Sq. Ft.)</b>	<b>Capacity</b>
355-272-021	9,147.6	1
351-131-003	9,583.2	1
351-181-003	9,583.2	1
353-021-011	9,583.2	1
353-021-012	9,583.2	1
353-034-003	9,583.2	1
353-073-006	9,583.2	1
353-111-010	9,583.2	1
353-281-013	9,583.2	1
355-272-020	9,583.2	1
351-181-004	10,018.8	1
353-052-043	10,018.8	1
353-162-012	10,018.8	1
353-281-017	10,018.8	1
353-282-006	10,018.8	1
354-231-002	10,018.8	1
354-231-003	10,018.8	1
355-222-010	10,018.8	1
351-052-010	10,454.4	1
351-131-002	10,454.4	1
353-023-002	10,454.4	1
353-111-005	10,454.4	1
353-131-009	10,454.4	1
353-143-008	10,454.4	1
353-221-010	10,454.4	1
355-154-001	10,454.4	1
355-222-008	10,454.4	1
355-272-019	10,454.4	1
353-032-005	10,890.0	1
353-102-006	10,890.0	1
353-112-023	10,890.0	1
353-112-024	10,890.0	1
353-131-005	10,890.0	1
353-032-013	11,325.6	1
353-041-042	11,325.6	1
354-091-026	11,325.6	1
354-132-029	11,325.6	1
353-032-010	11,761.2	1
353-191-009	11,761.2	1
353-222-020	11,761.2	1
353-282-009	11,761.2	1
353-041-035	12,196.8	1

## Attachment A continued

**City of Canyon Lake Above Moderate Income Housing Sites**  
**Vacant Sites/Lots with General Plan Designation Low Density and R-1 Zoning and**  
**(Lots>8,000 Square Feet)**

Assessor Parcel Number	Lot Size (Sq. Ft.)	Capacity
354-091-034	12,196.8	1
353-083-014	12,632.4	1
353-071-002	13,068.0	1
354-220-007	13,068.0	1
355-391-019	13,068.0	1
354-112-017	13,939.2	1
353-041-046	14,374.8	1
354-112-016	14,374.8	1
353-071-006	14,810.4	1
353-231-009	15,246.0	1
354-091-005	15,246.0	1
353-202-007	15,681.6	1
354-132-012	16,117.2	1
351-131-024	16,552.8	1
354-231-008	16,552.8	1
355-021-002	16,552.8	1
353-020-002	16,988.4	1
353-032-007	17,424.0	1
353-171-018	17,424.0	1
354-231-011	19,602.0	1
351-151-011	22,651.2	1
353-181-004	24,393.6	1
353-162-006	25,700.4	1
354-103-013	27,007.2	1
353-112-028	44,431.2	1
354-030-015	45,302.0	1
363-080-003	47,916.0	1
353-201-001	138,956.4	1
354-030-032	144,619.0	1
355-360-005	155,073.6	1
355-360-006	179,031.6	1
355-350-003	186,001.2	1
353-020-001	187,308.0	1
354-030-004	211,266.0	1
353-162-017	253,954.8	1
354-030-017	258,311.0	1
355-360-012	280,090.8	1
354-030-033	357,196.0	1
354-030-026	399,881.0	1
363-080-005	437,342.0	1
354-030-037	921,294.0	1
354-030-013	1,524,164.0	1
Total		126

**Attachment B**  
**City of Canyon Lake Above Moderate Income Housing Sites**  
**Vacant Sites with General Plan Designation**  
**Very Low Density and Zoning ER-2-2-1/2**

<b>Assessor Parcel Number</b>	<b>Lot Size (Sq. Ft.)</b>	<b>Capacity</b>
353-162-017	253954.8	1
355-350-003	186001.2	1
355-360-005	155073.6	1
355-360-006	179031.6	1
355-360-012	280090.8	1
Total		5

**Attachment C**  
**City of Canyon Lake Moderate income Housing Sites**  
**Vacant Sites/Lots with General Plan Designation Low Density and R-1 Zoning**  
**(Lots<8,000 Square Feet)**

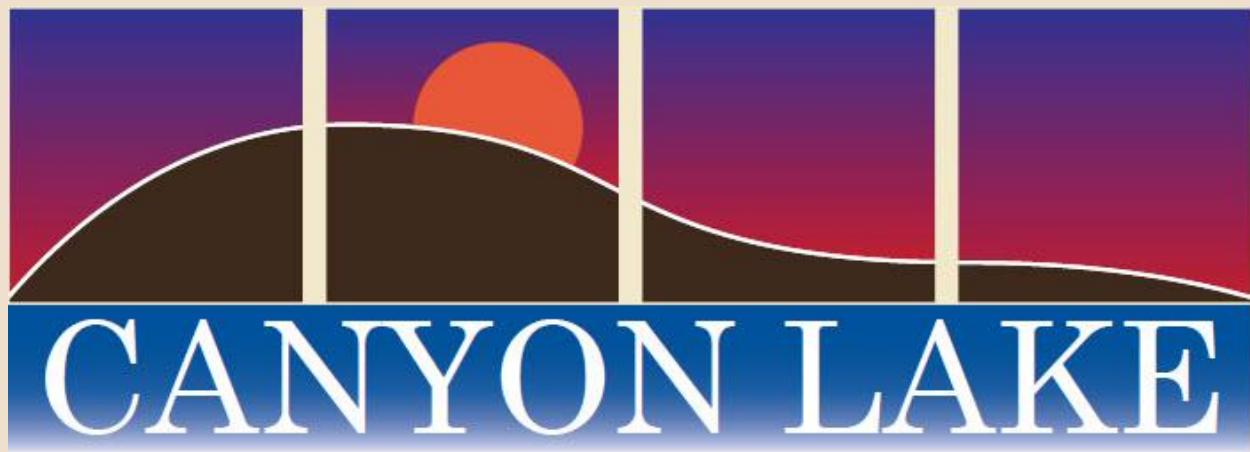
<b>Assessor Parcel Number</b>	<b>Lot Size (Sq. Ft.)</b>	<b>Capacity</b>
353-031-001	5,227.2	1
353-083-005	6,098.4	1
354-061-005	6,098.4	1
354-072-008	6,098.4	1
354-131-012	6,098.4	1
354-242-009	6,098.4	1
355-072-007	6,098.4	1
355-092-054	6,098.4	1
355-103-020	6,098.4	1
355-171-013	6,098.4	1
355-181-012	6,098.4	1
355-222-034	6,098.4	1
353-021-015	6,534.0	1
354-061-018	6,534.0	1
355-092-015	6,534.0	1
355-092-016	6,534.0	1
351-142-001	6,969.6	1
353-042-013	6,969.6	1
353-081-004	6,969.6	1
353-111-008	6,969.6	1
353-112-017	6,969.6	1
353-112-046	6,969.6	1
353-132-013	6,969.6	1
353-152-004	6,969.6	1
353-253-017	6,969.6	1
354-041-006	6,969.6	1
354-072-021	6,969.6	1
354-091-010	6,969.6	1
354-152-042	6,969.6	1
354-242-020	6,969.6	1
355-181-011	6,969.6	1
353-021-016	7,405.2	1
353-052-044	7,405.2	1
353-052-052	7,405.2	1
353-053-011	7,405.2	1
353-081-003	7,405.2	1
353-113-009	7,405.2	1
353-132-001	7,405.2	1
353-132-014	7,405.2	1
353-132-017	7,405.2	1
353-143-009	7,405.2	1
353-152-005	7,405.2	1

**Attachment C continued**  
**City of Canyon Lake Moderate income Housing Sites**  
**Vacant Sites/Lots with General Plan Designation Low Density and R-1 Zoning**  
**(Lots<8,000 Square Feet)**

<b>Assessor Parcel Number</b>	<b>Lot Size (Sq. Ft.)</b>	<b>Capacity</b>
353-152-006	7,405.2	1
353-162-022	7,405.2	1
353-171-003	7,405.2	1
353-171-015	7,405.2	1
353-172-020	7,405.2	1
353-253-028	7,405.2	1
353-261-012	7,405.2	1
353-261-024	7,405.2	1
353-291-006	7,405.2	1
354-041-020	7,405.2	1
354-151-024	7,405.2	1
354-151-025	7,405.2	1
354-152-040	7,405.2	1
354-152-044	7,405.2	1
354-220-038	7,405.2	1
355-063-005	7,405.2	1
355-091-015	7,405.2	1
355-092-023	7,405.2	1
355-111-011	7,405.2	1
355-111-022	7,405.2	1
355-132-002	7,405.2	1
355-132-008	7,405.2	1
355-132-009	7,405.2	1
355-132-011	7,405.2	1
355-142-012	7,405.2	1
355-144-006	7,405.2	1
355-152-003	7,405.2	1
355-162-012	7,405.2	1
355-184-005	7,405.2	1
355-233-011	7,405.2	1
355-272-006	7,405.2	1
355-411-005	7,405.2	1
355-413-003	7,405.2	1
353-033-014	7,840.8	1
353-033-015	7,840.8	1
353-052-037	7,840.8	1
353-053-005	7,840.8	1
353-083-021	7,840.8	1
353-111-009	7,840.8	1
353-112-007	7,840.8	1
353-112-011	7,840.8	1
353-132-003	7,840.8	1

**Attachment C continued**  
**City of Canyon Lake Moderate income Housing Sites**  
**Vacant Sites/Lots with General Plan Designation Low Density and R-1 Zoning**  
**(Lots<8,000 Square Feet)**

<b>Assessor Parcel Number</b>	<b>Lot Size (Sq. Ft.)</b>	<b>Capacity</b>
353-172-006	7,840.8	1
353-182-016	7,840.8	1
353-192-004	7,840.8	1
353-203-005	7,840.8	1
353-261-015	7,840.8	1
354-132-032	7,840.8	1
354-132-047	7,840.8	1
355-023-035	7,840.8	1
355-071-006	7,840.8	1
355-102-027	7,840.8	1
355-231-020	7,840.8	1
Total		95



## **Appendix C**

### **Housing Resources**

**APPENDIX C**  
**HOUSING RESOURCES**  
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Appendix C describes financial, administrative and energy conservation resources. Some, but not all, of the resources provide assistance that could contribute to addressing the City's housing needs. For example, there are zero homeless persons in the City and therefore the lack of need would not justify the use of Continuum of Care (CoC) resources in Canyon Lake.

The availability of land resources to accommodate the City's share of the regional housing need was described in Appendix B - Sites Inventory and Analysis.

## **A. FINANCIAL RESOURCES**

### **1. Section 8 Rental Assistance**

The County of Riverside Housing Authority administers this program. Rental assistance covers the difference between the market rent and the rent that income-eligible renters can afford based on 30% of their monthly income. The program assists two Canyon Lake resident households.

### **2. Community Development Block Grant Funds (CDBG)**

Canyon Lake is not eligible to receive CDBG funds directly from HUD. Annually, HUD allocates CDBG funds to the County of Riverside. The County's CDBG allocation formula annually allocates approximately \$18,000 to the City. These funds enable local non-profits to provide public services.

### **3. Home Investment Partnership Program (HOME)**

Canyon Lake is not eligible to receive HOME funds directly from HUD. Annually, HUD allocates HOME funds to the County of Riverside in the range of \$1.7 million to \$2.5 million. The County does not allocate HOME funds directly to cities using a formula. Over the most recent 5-year period, the County has allocated HOME funds to support throughout the unincorporated area and participating cities tenant-based rental assistance, down payment assistance, rental rehabilitation and an estimated 55-70 new rental and farmworker housing units.

### **4. Low Income Housing Tax Credits**

This program provides equity for the development of affordable housing. The City does not have direct access to this funding, which is awarded by the California Tax Credit Allocation Committee to experienced non-profit and for-profit developers on a competitive basis. During the 5-year period from 2014-2019, 12 new construction developments located in Riverside County were awarded funding. The developments included March Veterans Village (also recipient of AHSC funds) and developments located in Beaumont, Coachella, Corona, Indio, Jurupa Valley, Mecca, Lake Elsinore, Palm Desert, Riverside, and Temecula. AHSC is described on page C-3.

Table C-1 and Table C-2 identify the tax credit financed projects completed in Riverside County between CY 2014 and CY 2018.

**Table C-1**  
**Riverside County 9% Tax Credit Projects**  
**by City and Type of Project: CY 2014- CY 2018**

<b>City</b>	<b>Project Name</b>	<b>Total Units</b>	<b>Low Income Units</b>	<b>Housing Need</b>
<b>Acquisition/Rehabilitation</b>				
Beaumont	Cherrywood Senior Apartments	30	29	At-Risk
Desert Hot Springs	Desert Horizon Apartments	44	43	Large Family
Desert Hot Springs	Desert Hot Springs Portfolio	99	97	SRO
Hemet	Mobley Lane Apartments (aka Greystone Apartments)	41	40	Large Family
La Quinta	Washington Street Apartments	140	138	Seniors
San Jacinto	Manzanita Garden Apartments	36	35	At-Risk
San Jacinto	San Jacinto Village Apartments	38	37	At-Risk
<b>New Construction</b>				
Beaumont	Illinois Avenue Apartments	38	37	Special Needs
Coachella	Cesar Chavez Phase II	80	79	Large Family
Indio	Villa Hermosa Apartments Phase II	68	67	Large Family
Jurupa Valley	Vista Rio Apartments	39	38	Large Family
Mecca	Paseo de los Heroes III	81	80	Large Family
Riverside	Home Front at Camp Anza	30	29	Large Family

Source: California Tax Credit Allocation Committee, Annual Reports, 2014-2018

**Table C-2**  
**Riverside County 4% Tax Credit Projects**  
**by City and Type of Project: CY 2014- CY 2018**

City	Project Name	Total Units	Low Income Units	Housing Need
<b>Acquisition/Rehabilitation</b>				
Cathedral City	Mountain View Apartments	280	276	Seniors
Coachella	Las Palmas II Apartments	81	80	Large Family
Corona	Corona Park Apartments	160	158	Non-Targeted
Hemet	Hemet Vistas 1&2R	144	143	Large Family
Indio	Desert Oasis Apartments	90	89	Large Family
Indio	Indio Desert Palms	144	142	Large Family
Indio	Olive Court Apartments	78	77	Large Family
Indio	Summer Field Apartments	268	266	Large Family
Moreno Valley	Cottonwood Place	109	108	Large Family
Palm Springs	Rancheria del Sol Apartments	76	75	Non-Targeted
Riverside	Mt. Rubidoux Manor	188	186	Seniors
Temecula	Rancho California	55	54	Large Family
<b>New Construction</b>				
Lake Elsinore	Cottages at Mission Trail	143	142	Large Family
Corona	East 6th Street Family Apartments	85	84	Large Family
Lake Elsinore	Mission Trail Apartments	81	80	Large Family
March Air Force Base	March Veterans Village	138	136	Special Needs
Palm Desert	The Sands	388	78	Non-Targeted
Temecula	Madera Vista Apartments Phase 3	30	29	Large Family

Source: California Tax Credit Allocation Committee, Annual Reports, 2014-2018

## 5. Affordable Housing and Sustainable Communities Program (AHSC)

The AHSC Program reduces greenhouse gas (GHG) emissions through projects implementing land-use, housing, transportation, and agricultural land preservation practices that support infill and compact development. Funding for the AHSC Program is provided from the Greenhouse Gas Reduction Fund (GGRF), an account established to receive Cap-and-Trade auction proceeds. During the first three rounds, two housing developments located in Riverside County were funded: March Veterans Village and Las Palmas II Apartments in Coachella.

## 6. CalHFA Multifamily Mixed Income Program

The new Multifamily Mixed-Income Program will provide competitive, long-term gap financing to developments that are affordable for a mix of incomes between 30% and 120% of the Area Median Income (AMI). Fifteen percent of the funds gathered in the Building Homes and Jobs Trust Fund will be allocated to CalHFA for this program.

The Agency will make \$40 million available for Mixed-Income Program applicants in 2019. CalHFA's initial projections based on current funding are that this program will produce between 750 and 1,125 new homes each year. Some of the key guidelines include up to 55 years of required affordability, priority given to projects with the lowest per unit subsidy request and preferences given to projects that restrict at least 10% of the units for the Missing Middle, defined as 81% to 120% of AMI.

## **7. CalHFA Homebuyer Programs**

The agency offers a variety of loan programs to purchasers of a home: conventional loans, government insured loans (FHA, VA), down payment assistance programs, and Mortgage Credit Certificates (MCCs).

## **8. CalHFA Multifamily Programs**

CalHFA's Taxable, Tax-Exempt, or CalHFA funded *Permanent Loan* programs provide competitive long-term financing for affordable multifamily rental housing projects. Eligible projects include newly constructed or acquisition/rehabilitation developments that provide affordable housing opportunities for individuals, families, seniors, veterans, and special needs tenants.

CalHFA's *Conduit Issuer Program* is designed to facilitate access to tax-exempt and taxable bonds by developers that seek financing for eligible projects that provide affordable multifamily rental housing for individuals, families, seniors, veterans or special needs tenants. The conduit bonds may be used to finance the acquisition, rehabilitation, and/or development of an existing project, or they can be used for the construction of a new project.

## **9. HCD No Place Like Home Program (NPLH) Program**

This program provides funding and tools that enables HCD to address affordability issues associated with creating housing units that are specifically set aside for persons with serious mental illness who are chronically homeless, homeless, or at-risk of becoming chronically homeless. Under the program, the Department may make loans to reduce the initial cost of acquisition and/or construction or rehabilitation of housing, and may set funds aside to subsidize extremely low rent levels over time.

## **10. HCD Multifamily Housing Program**

Funds for the program were authorized by the Veterans and Affordable Housing Act of 2018. The program funds new construction, rehabilitation of housing, development or conversion of a nonresidential structure to a rental housing development. Eligible uses include land acquisition and construction. The maximum rent limit is 30% of 60% of Area Median Income (AMI), adjusted by unit size.

## **11. HCD Supportive Housing Multifamily Housing Program**

Funds available are for multifamily rental housing projects involving new construction, rehabilitation, acquisition and rehabilitation, or conversion of nonresidential structures for the purpose of development of rental housing containing permanent supportive housing units for the target population.

**12. HCD Veterans Housing and Homelessness Prevention Program**

This program involves collaboration between HCD, California Department of Veteran Affairs, and California Housing Finance Agency to provide \$600 million in Proposition 41 general obligation bonds to fund affordable multifamily rental, supportive and transitional housing. The goal is to fund 4,800 new veteran housing units including 2,880 to 3,300 permanent supportive housing units for homeless veterans. Of the permanent supportive housing units, 1,200 to 1,400 will be for chronically homeless veterans. Priority is placed on housing to be developed in areas with especially high concentrations of California's most vulnerable veterans while preserving funding for other areas.

**13. Permanent Local Housing Allocation (PLHA) Program**

SB 2 created a dedicated revenue source for affordable housing and directed the HCD to make available 70% of the moneys in the Building Homes and Jobs Trust Fund, collected on and after January 1, 2019, to local governments. Ninety percent of the moneys available will be allocated based on the formula used under Federal law to allocate CDBG funds to CDBG entitlement jurisdictions within California. Ten percent of the funds will be distributed to non-entitlement jurisdictions through a competitive grant program.

**14. Housing for Healthy California (HHC) Program**

In September of 2017, as part of a landmark housing package, Governor Jerry Brown signed AB 74 into law. The HCD is authorized to develop the Housing for a Healthy California (HHC) Program. The HHC program creates supportive housing for individuals who are recipients of or eligible for health care provided through the California Department of Health Care Services, Medi-Cal program. The goal of the HHC program is to reduce the financial burden on local and state resources due to the overutilization of emergency departments, inpatient care, nursing home stays and use of corrections systems and law enforcement resources as the point of health care provision for people who are chronically homeless or homeless and a high-cost health user.

**15. Building Homes and Jobs Act (SB 2)**

**In year 2 and beyond 70% of funds generated by the \$75 recording fee on real estate transactions will be allocated to cities per a specified formula. Ninety percent of the funds generated will be allocated to cities that receive CDBG funds based on the formula HUD uses to allocate such funds – population, extent of poverty, extent of overcrowding. Ten percent of the funds will be allocated on a competitive application basis.**

**16. AB 101****a. New State Low Income Housing Tax Credits Program**

**Provides for the allocation of \$500 million in new state low-income housing tax credits for new construction projects that receive the federal 4 percent tax credit. For these new credits, the bill would increase the eligible basis for these projects from 13 percent to 30 percent. It would require at least \$300 million of this to be available to new construction projects receiving the federal 4 percent tax credit, and would allow up to \$200 million to be available to projects receiving assistance from the California Housing Finance Agency (CalHFA) Mixed Income Program.**

**b. Mixed Income Program**

**AB 101 (2019) appropriates \$500 million for CalHFA's Mixed Income Program, which provides financing for mixed-income housing developments.**

**c. CalHome Program**

**AB 101 (2019) allows the CalHome program to include accessory dwelling units (ADUs) and junior accessory dwelling units (JADU), and to authorize the program to make grants for housing purposes in declared disaster areas.**

**B. ADMINISTRATIVE RESOURCES**

Administrative resources include organizations that are able to assist the City in implementing housing activities, including some of those described in Section II - Housing Program.

**1. California Department of Housing and Community Development (HCD)**

This agency can provide technical assistance on a myriad of housing topics, including model housing programs and ordinances.

**2. County of Riverside Housing Authority**

This agency administers the Section 8 Housing Voucher Program and Public Housing Program. Two Canyon Lake householders are receiving rental assistance from the voucher program. The HA's area of operation is all of the incorporated cities and unincorporated areas of the County of Riverside.

**3. Riverside City & County Continuum of Care (CoC)**

The CoC is a network of private and public sector homeless service providers, designed to promote community-wide planning and the strategic use of resources addressing homelessness. The CoC seeks to improve coordination and integration with mainstream resources and other community programs for people who are experiencing or are at-risk of becoming homeless. Annually, the CoC receives HUD funding in the amount of almost \$10 million. The funds have been allocated permanent supportive housing, rapid re-housing, supportive services, Homeless Management Information System (HMHS), and CoC planning.

**4. County of Riverside Economic Development Agency (EDA)**

This agency administers programs such as down payment assistance, home repairs, and Mortgage Credit Certificates. Funding sources include CDBG, HOME and Emergency Solutions Grants (ESG). The EDA operates in 14 cooperating cities, including Canyon Lake, and unincorporated areas.

**5. Western Riverside Council of Governments (WRCOG)**

This agency administers several energy conservation programs, including PACE and California FIRST.

**6. Non-Profit Housing Organizations**

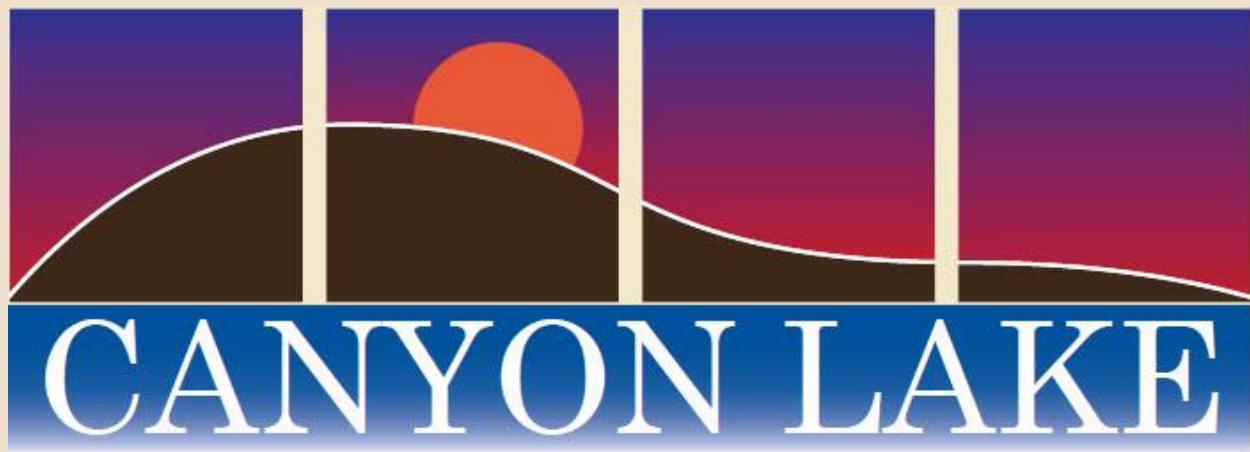
There are several non-profit organizations located in Riverside County. In the past the City had a partnership with Habitat for Humanity to administer in the City a home repair program.

**C. ENERGY CONSERVATION RESOURCES**

WRCOG administers multiple PACE Programs in collaboration with private sector partners, which provide financing for energy efficiency, renewable energy, and water conservation retrofits on residential and commercial properties. Financing is paid back through a lien on the property tax bill.

The California FIRST Program is administered by WRCOG in partnership with Renew Financial and provides residential and commercial PACE financing to property owners.

The HERO Residential Program is administered by WRCOG in partnership with Renovate America and provides PACE financing to homeowners.



## Appendix D Governmental Constraints Analysis

**APPENDIX D**  
**ANALYSIS OF POTENTIAL AND ACTUAL GOVERNMENTAL CONSTRAINTS**  
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**A. INTRODUCTION AND SUMMARY****1. Introduction**

Government Code Section 65583(a)(5) requires:

*An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels...*

The constraints analysis must examine the:

- Types of housing that can be developed
- Types of housing that can be developed for persons with disabilities
- Land use controls and their impact on the development of housing
- Building codes and their enforcement
- Site improvement requirements for new development
- Fees and other exactions and their impact on the cost of housing
- Local processing and permit procedures and their impact on development timetables
- Other City adopted ordinances that directly impact the cost and supply of housing

The analysis also must:

- Demonstrate local efforts to remove governmental constraints that hinder meeting the City's share of the regional housing need
- Demonstrate local efforts to remove governmental constraints that hinder meeting the need for housing for persons with disabilities, supportive housing, transitional housing, and emergency shelters

**2. Summary**

The analysis of potential and actual governmental constraints has demonstrated that follow-up actions are appropriate in the following areas:

- Single Room Occupancy Housing (SROs): the City should establish development standards for this housing type.
- Accessory Dwelling Units (ADUs): evaluate ADU ordinances adopted by cities located in Riverside County; review HCD's sample ADU ordinance; review ADU legislation enacted in 2019; and prepare and adopt an ordinance
- Junior Accessory Dwelling Units (JADUs): evaluate JADU ordinances adopted by other cities in Riverside County; review HCD's sample JADU ordinance; and prepare and adopt a City JADU ordinance
- The City has not yet adopted a Density Bonus Ordinance (DBO). The City will adopt a DBO that satisfies all State requirements by March 31, 2020.
- The Zoning Ordinance needs to be amended in order to address factory built housing; employee housing in residential zones permitting agricultural uses; conditionally permitting group homes housing seven or more persons in residential zones; permitting by right supportive housing pursuant to AB 2162; removing the 300 foot spacing requirement for emergency shelters; and adopting a Mixed Use Zone to implement the Land Use Element designation.
- City fees comprise a very small percentage of the development costs of new single-family and multiple-family housing. The City will work with other agencies such as

the Western Riverside Council of Governments, Lake Elsinore Unified School District and water/sewer districts to gather support for fee reductions for affordable housing developments.

The actions listed above are included in Section II – Housing Program.

## **B. ACTIONS TO FACILITATE AND ENCOURAGE A VARIETY OF TYPES OF HOUSING**

Government Code Section 65583(c)(1) requires the Housing Element to -

*...facilitate and encourage the development of a variety of types of housing for all income levels, including multifamily rental housing, factory-built housing, mobilehomes, housing for agricultural employees, supportive housing, single-room occupancy units, emergency shelters, and transitional housing.*

### **1. Overview of Housing Types**

Seven zones permit residential land uses:

- R-R Rural Residential
- ER-1 Estate Residential
- ER-2 Estate Residential
- R-1 Single Family
- R-2 Multiple Family
- R-3 General Residential
- R-T Mobile Home Subdivision

The General Plan Land Use Element has a land use designation of Mixed Use. Because the Zoning Ordinance does not include a Mix Use Zone, the types of housing that would be permitted cannot be described. The Zoning Ordinance will be amended to describe the nature and scope of residential uses that will be permitted in the Mixed Use Zone.

The C-1 General Commercial Zone does not permit residential land uses.

Emergency shelters are permitted in the C-1 General Commercial Zone.

Table D-1 lists the zones in which various housing types are permitted.

### **2. Non-Special Needs Housing Types**

The following non-special needs housing types are permitted in one or more residential zones:

- Single family dwellings are permitted in all zones except in the R-T Zone
- Duplexes are permitted in the R-2 and R-3 Zones
- Multiple family dwellings are permitted in the R-2 and R-3 Zones and Canyon Lake Village Overlay Zone
- Apartment houses are permitted in the R-3 Zone and Canyon Lake Village Overlay Zone
- Mobile homes are permitted in the RT Zone

**Table D-1**  
**City of Canyon Lake**  
**Allowable Residential Uses in Residential Zones**

<b>Residential Uses</b>	<b>Residential Zones</b>							
	<b>R-R</b>	<b>ER 1</b>	<b>ER 2</b>	<b>R-1</b>	<b>R-2</b>	<b>R-3</b>	<b>R-T</b>	<b>OZ</b>
<b>Non-Special Needs Housing</b>								
Single Family Dwelling	P	P	P	P	P	P	X	P
2 Family Dwellings	X	X	X	X	P	P	X	X
Multiple Family Dwellings	X	X	X	X	P	P	X	P
Apartment Houses	X	X	X	X	P	P	X	P
Mobile Homes <sup>1,2</sup>	P	X	X	X	X	X	P	X
Mobile Home Parks	C	X	X	C	C	C	C	X
<b>Factory-Built Housing<sup>2</sup></b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>	<b>P</b>
SRO Housing	X	X	X	X	X	X	X	P
<b>Special Housing Needs</b>								
Employee Housing	P	P	P	P	P	P	P	P
Supportive Housing	P	P	P	P	P	P	P	P
Transitional Housing	P	P	P	P	P	P	P	P
Senior Housing	X	C	C	X	X	X	X	X
Boarding Homes	X	X	X	X	P	P	X	X
Congregate Care Residential	X	X	X	X	P	P	X	X
Congregate Care Residential With Density Bonus up to 50%	X	X	X	X	C	C	X	X
Group Homes 6 of Less	P	P	P	P	P	P	P	P
<b>Group Homes 7 or More<sup>3</sup></b>	<b>C</b>	<b>C</b>	<b>C</b>	<b>C</b>	<b>C</b>	<b>C</b>	<b>C</b>	<b>C</b>

<sup>1</sup>The processing procedures for manufactured housing is consistent with Government Code Section 65852.3(a) which requires, with the exception of architectural standards, that mobile homes shall be subject to the same development standards to which a conventional single-family residential on the same lot would be subject.

<sup>2</sup>On February 5, 2020, the Zoning Ordinance was amended (first reading) to permit factory built housing and manufactured housing in all zones that permit residential land uses.

<sup>3</sup>On February 5, 2020, the Zoning Ordinance was amended (first reading) to conditionally permit group homes for 7 or more persons in the residential zones.

Not listed above is a Mixed Use Zone to implement the Land Use Element Mixed Use Development designation. On February 5, 2020, the Zoning Ordinance was amended (first reading) to establish a Mixed Use Zone.

OZ=Canyon Lake Village Overlay Zone

P = Permitted

C = Conditional Use Permit

X= Not Permitted (or not specifically listed in the list of permitted land uses)

NL = Not specifically listed in the Zoning Ordinance

- Mobile home parks are conditionally permitted in the R-1 Zone, R-2 Zone, R-3 Zone and RT Zone
- Factory built housing is permitted in the R-T Zone
- SRO housing is permitted in the Canyon Lake Village Overlay Zone

The Zoning Ordinance will be amended to permit factory built housing in all zones that permit stick built housing.

### **3. Special Needs Housing Types**

The following special needs housing types are permitted in one or more residential zones:

- Employee housing, supportive housing, and transitional housing are permitted in all residential zones
- Senior housing is conditionally permitted in the ER-1 and ER-2 Zones
- Boarding homes are permitted in the R-2 and R-3 Zones
- Congregate care residential is permitted in the R-2 and R-3 Zones
- Congregate care residential with a density bonus is conditionally permitted in the R-2 and R-3 Zones
- Group homes housing six or fewer persons are permitted in all residential zones

The Zoning Ordinance will be amended to conditionally permit group homes housing seven or more persons in residential zones.

### **4. Single Room Occupancy (SRO) Housing**

Single-room occupancy units have yet to be developed in Canyon Lake. However, the Canyon Lake Village Overlay Zone permits this housing type as well as others and facilitates and encourages a diverse mix of housing types and housing unit sizes. However, development standards have not yet been adopted for this housing type. Thus, Section II – Housing Program – includes an action to prepare and adopt SRO development standards.

### **5. Accessory Dwelling Units (ADUs)**

“Accessory dwelling unit” means an attached or a detached residential dwelling unit which provides complete independent living facilities for one or more persons. The ADU must include permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the single-family dwelling is situated. An accessory dwelling unit also includes an efficiency unit, which is a housing unit for occupancy by no more than two persons and having a minimum of 150 square feet and which may have a partial kitchen or bathroom as specified by local ordinance. (Health and Safety Code Section 17958.1)

The State legislature has found that ADUs create an opportunity to address a variety of housing needs and provide affordable housing options for family members, friends, students, the elderly, in-home health care providers, the disabled, and others. Further, ADUs offer an opportunity to expand housing choices within existing neighborhoods.

**Several amendments to California law became effective January 1, 2020, regarding the creation of accessory dwelling units (ADU) and junior accessory dwelling units (JADU). Chapter 653, Statutes of 2019 (Senate Bill 13, Section 3), Chapter 655,**

**Statutes of 2019 (Assembly Bill 68, Section 2) and Chapter 659 (Assembly Bill 881, Section 1.5 and 2.5) build upon recent changes to ADU and JADU law (Government Code Section 65852.2, 65852.22 and Health & Safety Code Section 17980.12) and further address barriers to the development of ADUs and JADUs.**

This recent legislation, among other changes, addresses the following:

- Development standards shall not include requirements on minimum lot size (Section (a)(1)(B)(i)).
- Clarifies areas designated for ADUs may be based on water and sewer and impacts on traffic flow and public safety.
- Eliminates owner-occupancy requirements by local agencies (Section (a)(6) & (e)(1)) until January 1, 2025.
- Prohibits a local agency from establishing a maximum size of an ADU of less than 850 square feet, or 1000 square feet if the ADU contains more than one bedroom (Section (c)(2)(B)).
- Clarifies that when ADUs are created through the conversion of a garage, carport or covered parking structure, replacement off-street parking spaces cannot be required by the local agency (Section (a)(1)(D)(xi)).
- Reduces the maximum ADU and JADU application review time from 120 days to 60 days (Section (a)(3) and (b)).
- Clarifies “public transit” to include various means of transportation that charge set fees, run on fixed routes and are available to the public (Section (j)(10)).
- Establishes impact fee exemptions or limitations based on the size of the ADU. ADUs up to 750 square feet are exempt from impact fees and impact fees for an ADU of 750 square feet or larger shall be proportional to the relationship of the ADU to the primary dwelling unit (Section (f)(3)).
- Defines an “accessory structure” to mean a structure that is accessory or incidental to a dwelling on the same lot as the ADU (Section (j)(2)).
- Authorizes HCD to notify the local agency if the department finds that their ADU ordinance is not in compliance with state law (Section (h)(2)).
- Clarifies that a local agency may identify an ADU or JADU as an adequate site to satisfy RHNA housing needs as specified in Gov. Code Section 65583.1(a) and 65852.2(m).
- Permits JADUs without an ordinance adoption by a local agency (Section (a)(3), (b) and (e)).
- Allows a permitted JADU to be constructed within the walls of the proposed or existing single-family residence and eliminates the required inclusion of an existing bedroom or an interior entry into the single-family residence (Gov. Code Section 65852.22).
- Allows upon application and approval, an owner of a substandard ADU 5 years to correct the violation, if the violation is not a health and safety issue, as determined by the enforcement agency (Section (n)).
- Creates a narrow exemption to the prohibition for ADUs to be sold or otherwise conveyed separate from the primary dwelling by allowing deed-restricted sales to occur. To qualify, the primary dwelling and the ADU are to be built by a qualified non-profit corporation whose mission is to provide units to low-income households (Gov. Code Section 65852.26).
- Removes covenants, conditions and restrictions (CC&Rs) that either effectively prohibit or unreasonably restrict the construction or use of an

**ADU or JADU on a lot zoned for single-family residential use are void and unenforceable (Civil Code Section 4751).**

- **Requires local agency housing elements to include a plan that incentivizes and promotes the creation of ADUs that can offer affordable rents for very low, low-, or moderate-income households and requires HCD to develop a list of state grants and financial incentives in connection with the planning, construction and operation of affordable ADUs (Gov. Code Section 65583 and Health and Safety Code Section 50504.5)**

Generally, an ADU and a JADU, as described below, that meets the census definition of a housing unit and is reported to the Department of Finance (DOF) as part of the DOF annual City and County Housing Unit Change Survey can be credited toward the RHNA based on the appropriate income level.

The US Census defines a housing unit as a house, an apartment, a mobile home or trailer, 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 persons in the building and which have direct access from the outside of the building or through or common hall.

The City will 1) review and evaluate ADU ordinances adopted by other cities located in Riverside County; 2) review HCD's sample ADU ordinance; and 3) adopt a local ordinance.

## **6. Junior Accessory Dwelling Units**

AB 2406 (Chapter 755, Statutes of 2016) authorizes local governments to permit junior accessory dwelling units (JADU) through an ordinance. The bill defines JADUs to be a unit that cannot exceed 500 square feet and must be completely contained within the space of an existing residential structure.

The City will 1) review and evaluate JADU ordinances adopted by other cities located in Riverside County; review HCD's model ordinance; and 2) adopt a local ordinance.

## **C. HOUSING FOR DISABLED PERSONS**

The assessment of housing needs (Appendix A) estimates that 1,172 disabled persons reside in Canyon Lake. According to the State Department of Social Services (SDSS), the housing stock contains three licensed group homes providing housing for 18 elderly and frail elderly persons. Therefore, almost all disabled persons live in a housing unit, not in an institutional setting. The disabled persons could be the householder, spouse, child, grandchild, grandparent or other relative, or a disabled person living in a residential care facility for the elderly.

## **D. LAND USE CONTROLS**

The analysis of land use controls includes the following:

- Density
- Lot size and lot coverage
- Setbacks
- Height limits
- Parking requirements (including standards for enclosed or covered and guest spaces)

- Housing unit size requirements
- Floor area ratios (FAR)
- Open space requirements
- Growth controls or similar ordinances
- Moratoria and prohibitions against multifamily housing
- Locally adopted ordinances that directly impact the cost and supply of residential development

The analysis should discuss impacts on the cost and supply of housing and evaluate the cumulative impacts of standards, particularly if development standards impede the ability to achieve maximum allowable densities.

## 1. Density

### a. General Plan

The General Plan residential land use categories include:

▪ Very Low Density	0.5 dwellings per acre (minimum lot size = 1/2 acre)
▪ Low Density	6.05 dwellings per acre
▪ Medium Density	8.7 dwelling units per acre
▪ High Density	18 dwelling units per acre (minimum lot size = 7,200 s.f.)

The General Plan was amended in 2009 to provide for Mixed Use Development. The purpose of this designation is to establish a mix of commercial and residential land uses. The Floor Area Ratio is 0.5 and up to 24 dwelling units per acre are permitted with City Council approval of a Specific Plan. The Zoning Ordinance does not include a corresponding mixed use zone and, consequently, development standards are not listed in Table D-3.

### b. Zoning Ordinance

Table D-2 (page D-9) shows the development standards of the City's seven residential zones:

- R-R Rural Residential
- ER-1 Estate Residential
- ER-2 Estate Residential
- R-1 Single Family
- R-2 Multiple Family
- R-3 General Residential
- R-T Mobile Home Subdivision

The residential zones facilitate the development of housing at several densities, ranging from one dwelling for every 20 acres to a minimum of 20 dwelling units per acre.

The Canyon Lake Property Owners Association (POA) is comprised of multiple residential tracts that were recorded in 1968, 1969, 1970, 1973, 1975, 1983 and 1985. The recorded residential tracts show the boundaries of the legal lots. The recordation of the residential tracts occurred while the land was under the jurisdiction of the County of Riverside. The City of Canyon Lake incorporated on December 1, 1990. The City's General Plan was adopted on October 2, 1996 and amended on October 7, 2009.

The developed and vacant R-1 lots are located within a gated portion of Canyon Lake.

There is one developed and one vacant ER-2 zoned lots in a gated part of Canyon Lake.

The developed R-2 and R-3 zoned lots are located within a gated portion of Canyon Lake. There are no vacant R-2 and R-3 lots.

The developed R-T zoned mobile home subdivision is gated.

Not within a gated portion of Canyon Lake is an ER-2 zoned area which is located south of Railroad Canyon Road and east of the Towne Center. The developed and four vacant ER-2 zoned lots are part of the Property Owners Association.

Also not gated is the difficult to develop Rural Residential area adjacent to the westerly City limits and Railroad Canyon Road.

In 2012, the Zoning Ordinance and Map were amended to establish the Canyon Lake Village Overlay Zone on a portion of the land designated as Mixed Use by the 2009 General Plan amendment. The land included in the Overlay Zone is not gated and not a part of the Property Owners Association.

## **2. Lot Size and Lot Coverage**

Table D-3 shows the range of minimum lots sizes and maximum lot coverage for the residential zones. A maximum lot coverage ratio has not been set forth for three residential zones. The lot size and lot coverage standards have not impeded obtaining the maximum housing unit capacity on the residential lots. The vacant R-1 and ER-2 lots will be able to build one unit per lot.

Fifty percent is the maximum lot coverage in the Canyon Lake Village Overlay Zone. Housing units have not yet been constructed on the sites located within the Overlay Zone. Section II – Housing Program – includes a program to monitor the cumulative impact of the development standards, including lot sizes and lot coverage, on housing supply capacity.

## **3. Setbacks**

In the lower density zones, setbacks do not consume much of the area of lots one-half acre or larger in size. The setbacks for R-1 lots are typical for lots of 7,200 square feet. The setbacks would consume 2,700 square feet on a lot measuring 60' by 120'. The remaining lot area is more than sufficient to construct a one- or two-story home and a two car garage. Also, as noted Table D-3, the R-1 Zone has a height limit of 40 feet or three stories.

Setbacks would consume an estimated 2,200 square feet in the R-2 Zone. However, the setbacks would not constrain development potential as housing in this zone has 3-story height limit and maximum lot coverage of 60%.

The R-3 setbacks are not overly excessive as front and rear setbacks are only 10 feet. The front, rear and side setbacks would consume 2,200 square feet on a lot that is 60' by 120'.

**Table D-2**  
**City of Canyon Lake**  
**Development Standards of Residential Zones**

Source: City of Canyon Lake Zoning Ordinance

<b>Zone</b>	<b>Density DU/Acre</b>	<b>Lot Size</b>	<b>Lot Coverage</b>	<b>Set Back</b>	<b>Height</b>	<b>Parking Spaces</b>	<b>Housing Unit Size</b>
R-R Rural Residential	1/20 acres	1/2 acre	N/A	Not listed	40 ft.	2	N/A
ER-2 Estate Residential	0.4	2.5 acres	25%	25-front 15-side 15-rear	40 ft.	2	1800 SF
ER-1 Estate Residential	0.5	20,000 SF	N/A	20-front 5-side 10-rear	40 ft.	2	1000 SF
R-1 One Family	6.05	7200 SF	N/A	20-front 3-5 side 10-rear	40 ft. 3 stories	2	N/A
R-2 Multiple Family	8.7	7200 SF	60%	20-front 3-5 side 10-rear	40 ft. 3 stories	Based upon bedrooms 1.25 - 2.75/du	750 SF
R-3 General Residential	18	7200 SF	50%	10-front 5-side 10-rear	50 ft. 75 ft. by exception	same as above	750 SF
R-T Mobilehome Subdivision	6.05 to 17	7200 SF in subdivision 2500 min in parks	65%	10-front 5-side 5-rear	40 ft. 3 stories	2	450 SF mobile home 750 SF factory built
Canyon Lake Overlay Zone	20-24	2-5 acres	50%	Varies	30 ft.	Refer to parking discussion	SRO 150-400 SF Studio 500 SF 1 bd-650 SF 2 bd-800 SF 3 bd-1000 SF 4 bd-1200 SF

The existing mobilehome park was developed consistent with the setback requirements of the R-T Zone.

Setbacks have not been established for the Canyon Lake Village Overlay Zone.

The Zoning Ordinance setback requirements do not adversely impact the cost and supply of housing. The vacant R-1 and ER-2 lots will be able to build one unit per lot.

#### **4. Height Limits**

Height limits, according to HCD, can constrain a development's ability to achieve maximum densities especially in combination with other development controls.

The maximum height of six zones is 40 feet and in one zone it is 50 feet.

The vacant R-1 and ER-2 lots will be able to build one unit per lot.

Thirty feet is the height limit in the Canyon Lake Village Overlay Zone. Housing units have not yet been constructed on the sites located within the Overlay Zone. Section II – Housing Program – includes a program to monitor the cumulative impact of the development standards, including height limits, on housing supply capacity.

#### **5. Parking**

According to HCD, the analysis should focus on whether parking standards reflect parking demand and examine whether parking standards impede a developer's ability to achieve maximum densities. Additionally, the analysis should provide information on whether provisions are in place to provide parking reductions where less need is demonstrated, particularly for persons with disabilities, the elderly, affordable housing, and infill and transit-oriented development.

##### **a. Single Family Homes**

For a single family home two parking spaces with one of two spaces covered is required. Given the car ownership in the City, the requirement matches the demand. The 2013-2017 American Community Survey indicates that practically all households had one or more vehicles available. In fact, 50% of all households had three or more vehicles. Only 49 households reported not having a vehicle available.

In addition, construction cost savings are possible because only one of the two spaces needs to be covered. The single family parking requirements are not a development constraint.

##### **b. Multiple Family Units**

The multifamily parking standards are:

- One bedroom or studio dwelling unit: 1.25 spaces per dwelling unit
- Two bedroom dwellings: 2.25 spaces per dwelling unit
- Three or more bedroom dwelling: 2.75 spaces per dwelling unit

At least one space must be covered, semi-enclosed or in a carport. Development costs are lowered because it is not required to have the parking spaces in an enclosed garage.

All R-2 and R-3 sites have been developed.

c. Mobilehome Parks

The Zoning Ordinance requires a minimum of two off-street auto parking spaces, which may be tandem, for each mobile home space, and at least one additional space for guest parking for each eight mobile home spaces within the park.

The developed R-T Mobilehome subdivision has met the parking standards.

d. Canyon Lake Village Overlay Zone

The parking standards are:

- SRO/efficiency, studio, and 1-bedroom units: one covered space
- Two-bedroom units: one covered space plus one uncovered space
- Three- and four-bedroom units: one covered parking space and one and one-half uncovered parking spaces

Covered parking space must be in a garage or carport.

Multifamily developments of 10 or more dwelling units must provide one visitor parking space for every 10 dwellings.

Requests may be made for reduced parking requirements based on the results of a parking study correlating the need for parking to the housing unit/bedroom mix of the proposed development and the population to be housed (for example, disabled persons, seniors).

Housing units have not yet been constructed on the sites located within the Overlay Zone. Section II – Housing Program – includes a program to monitor the cumulative impact of the development standards, including parking standards, on housing supply capacity.

e. Special Needs Housing

Special needs housing such as transitional housing, supportive housing and group homes must abide by the parking standards of the zone in which they are located.

Special needs populations such as the disabled often do not generate the same parking demand as non-disabled persons. Developmentally disabled adults, for instance, often do not have driver licenses.

The reasonable accommodation procedure allows disabled persons or their representatives to request a reduction in parking space requirements.

f. Density Bonus Units

The City will establish procedures for processing applications for density bonus units by March 31, 2020. In the event that a density bonus application is submitted to the City, the City will

comply with the parking requirements of the density bonus law as it exists on the date of the application.

## **6. Housing Unit Size Requirements**

The minimum dwelling unit sizes do not adversely impact the cost and supply of housing. No minimum standard is required in two zones. In two zones, 450 square feet is the minimum housing unit size. In the two highest density zones – R-2 and R-3, 750 square feet is the minimum dwelling unit size.

Table D-3 shows that the Canyon Lake Village Overlay Zone has a variety of minimum unit sizes based on whether the unit is an SRO/efficiency unit, studio unit or has bedrooms.

The City's minimum housing unit sizes are not excessively large.

Housing units have not yet been constructed on the sites located within the Overlay Zone. Section II – Housing Program – includes a program to monitor the cumulative impact of the development standards, including housing unit sizes, on housing supply capacity.

## **7. Floor Area Ratios (FAR)**

A floor area ratio is specifically stated for housing to be constructed in the R-3 Zone. An FAR of 2 to 1 is allowed in the R-3 Zone. However, there are no vacant or non-vacant R-3 zoned sites located in the City.

The 2 to 1 FAR is also established for the Mixed Use Development land use designation. As previously explained, the City will adopt a Mixed Use Zone to implement the land use designation.

## **8. Open Space Requirements**

An open space requirement is stated only for the R-2 Zone. The R-2 zone requires useable open space of 1,000 square feet to be contained within the rear yards.

The usable open space requirement of the Canyon Lake Village Overlay Zone is 150 square feet per dwelling unit.

The City's open space standards do not adversely impact the cost or supply of housing. The vacant R-1 and ER-2 lots will be able to build one unit per lot. Housing units have not yet been constructed on the sites located within the Overlay Zone. Section II – Housing Program – includes a program to monitor the cumulative impact of the development standards, including open space requirements, on housing supply capacity.

## **9. Growth Control or Similar Ordinances**

The City has enacted no ordinances, policies, procedures, or measures to specifically limit the amount or timing of residential development. The City has enacted no limits to the number of residential building permits that can be issued within specific timeframes.

The Canyon Lake Village Overlay Zone establishes minimum lot areas of two to five acres. The purposes of these standards are 1) to facilitate the feasibility of multifamily development by

requiring developments of at least 40 housing units (2 acres at 20 dus/ac) and 2) to avoid a concentration of multifamily housing by establishing a maximum lot size of five acres, which yields at least 100 housing units (5 acres at 20 dus/ac).

The land within the boundaries of the Canyon Lake Village Overlay Zone has a Mixed Use Development land use designation, which allows the development of residential and commercial uses. A maximum of 10 acres of the total 32 acres covered by the Overlay Zone must be developed at a density of 20-24 housing units per acre. Thus, the maximum capacity of the 10 acres is 240 housing units. The balance of the land within the Overlay Zone – almost 22 acres – can be developed for a combination of commercial uses and residential land uses at densities lower than 20-24 dwelling units per acre.

## **10. Moratoria and Prohibitions Against Multifamily Housing**

The City has not established a moratorium on the construction of multifamily housing. Likewise, the City has not adopted any ordinance, policy or procedure that prohibits the development of multifamily housing.

## **11. Locally Adopted Ordinances that Directly Impact the Cost and Supply of Residential Development**

Recorded tracts are in place for all residentially zoned land in the City except for the area designated as the Canyon Lake Village Overlay Zone.

The City has adopted a hillside ordinance and related development standards to maintain the hillside form. The site identified as accommodating the City's share of the regional housing need is subject to the requirements of Chapter 9.15 Hillside and Ridgeline Development regulations which were adopted in 2009. Among the purposes of Chapter 9.15 are to "provide guidelines and standards in visually sensitive areas to minimize the adverse impacts of grading."

Applications for projects subject to the hillside and ridgeline regulations must include information such as: conceptual grading plan and drainage plan including a separate map with proposed fill areas and cut areas; existing and proposed circulation and drainage improvements; slope analysis map; and a geotechnical report. A Hillside and Ridgeline Development Application must be submitted for City review and approval. The application is reviewed by the City Planner in consultation with the Building Official and City Engineer. The City Planner is authorized to render decisions on the application unless the permit application is made in conjunction with another application which requires City Council approval.

A variance application for a single family residence was filed in 2017 for property subject to the Hillside and Ridgeline Development regulations. No action was taken on the proposal. Therefore, there is no knowledge on the time it will take to process an application.

The City has adopted neither an inclusionary ordinance nor a short term rental ordinance.

The City has not adopted any other ordinances that directly impact the cost and supply of housing. However, the City will adopt a density bonus ordinance meeting all State requirements by mid-year 2020. Density bonus units have the effect of lowering the per unit land costs in a density bonus project.

Fees are discussed in Part G below.

**E. BUILDING CODES AND ENFORCEMENT**

The City adopted the 2016 CBC (California Building Code). Two local amendments to the Code were adopted: one requiring construction permits for concrete or concrete block fences over 4 feet tall and one requiring a permit for any grading over 50 cubic yards, or two feet of cut or one foot of fill dirt. These amendments do not impact the cost or supply of housing.

Developers of residential housing are primarily owner builders or investor builders. The construction contractors retained by these developers are very familiar with the code requirements. The City's Building Official indicates that the building regulations and policies are clear and consistent and allow predictability in the process.

With respect to existing housing, the City enforces the Building Maintenance Code requirements. Enforcement occurs on a complaint driven basis with limited proactive cases often referred by the Property Owners' Association (POA). The code enforcement officer reviews the site and advises corrective actions. The City's policy is to seek voluntary compliance before commencing any legal actions.

The City's housing rehabilitation need is minimal, according to field experience of the housing code enforcement officer. At this time there are no homes that meet the need for replacement. There is one property with illegal construction in need of rehabilitation and construction repairs; none are too deteriorated to repair.

The City's website provides information on the housing repair programs administered by the County's Economic Development Agency.

In addition, the Property Owners Association actively monitors home maintenance and improvements for compliance with adopted community standards.

**F. ON- AND OFF-SITE IMPROVEMENTS**

On/off-site improvement standards establish site and infrastructure requirements to support new residential development such as streets, sidewalks, water and sewer, drainage, curbs and gutters, utility easements and landscaping. Although the cost of these improvements can represent a significant share of the cost of producing new housing, they are necessary to create a livable environment.

Estimates of site improvements contribution to total development costs are unavailable for the City. However, a WRCOG study has estimated development costs for prototypical single family and multifamily housing. This study estimates that "basic site work and lot improvements" costs are as follows:

- Single-Family: \$31,652 or 5.6% of the total development costs of \$561,600
- Multifamily: \$9,766 or 2.9% of the total development costs of \$334,915

Canyon Lake's street system was developed in a sequence of subdivision maps. Most of the City has existed as a private, gated community with access to the community provided at staffed entry ports off the three public roadways. Only Goetz Road and Railroad Canyon Road are public, dedicated, accepted and maintained rights-of-way. All other roadways are privately managed and maintained by Canyon Lake Property Owners Association.

Access to the gated portion of the City is through Canyon Lake Drive North, Canyon Lake Drive South and Vacation Drive. All interior streets are private streets. These streets were designed and constructed to meet street section requirements of the County of Riverside. Street sections were designed following accepted transportation engineering practice to handle the expected traffic capacity upon buildout. The interior system consists of local neighborhood streets, collectors and three major streets. All streets are asphaltic concrete paved; however, some residential lots are served by unpaved access ways.

Most streets have curb and gutter along their length. On-street parking occurs within neighborhood streets while major streets have restricted or limited parking along their length.

All properties are served by a public sewer system. The master water service delivery system covers the entire City and existing vacant developable lands can be served through minor extensions and connections. All other utility services are in place and have capacity designed to meet the full buildout of the City. Additionally, the utility companies have provided will serve letters to other large developments programmed in the immediate area adjacent to the City.

#### **G. FEES AND OTHER EXACTIONS**

Single-family and multiple-family developments must pay both City and non-city fees. The non-city fees include those charged by water and sewer districts, a school district, and regional fees such as the Transportation Uniform Mitigation Fee and the Multiple Species Habitat Conservation Plan Impact Fee.

Table D-3 shows the typical single-family individual fees and the aggregate fee amount. The total fee amount is estimated to be \$47,192 per unit which represents 9.4% of the cost of a \$500,000 single-family home. City imposed fees represent only 1.1% of the total fees imposed on a typical single-family home. Stated differently, *City* imposed fees represent a small percentage of the value of a typical single-family home.

Table D-4 shows the typical multiple-family individual fees and the aggregate fee amount. The total fee amount is just more than \$32,300 per unit which represents about 11% to 16% of the cost of a typical multiple-family dwelling. City imposed fees represent only 0.9% to 1.4% of the total fees imposed on a typical multiple-family dwelling.

The City fees do not adversely impact the cost or supply of housing. However, the City will work with WRCOG, the Lake Elsinore Unified School District, and EVMWD to determine if it may be possible to reduce fees for the purpose of facilitating the development of affordable housing.

**Table D-3**  
**City of Canyon Lake**  
**Fees for Single Family Homes**

<b>Fee Category</b>	<b>Fees</b>
Plot Plan Approval <sup>1</sup>	\$200
Building Plan Check <sup>2</sup>	\$5,200
School District <sup>3</sup>	\$9,475
TUMF <sup>4</sup>	\$8,873
Water Connection Fee <sup>5</sup>	\$13,540
Sewer Connection Fee <sup>5</sup>	\$7,800
MSHCP <sup>6</sup>	\$2,104
Total Per Unit	\$47,192
% of \$500,000 home	9.4%

<sup>1</sup>Plot plan fees are a \$1,000 deposit with the balance returned. The \$200 fee is an estimate.

<sup>2</sup>Assumes a 2,500 square foot dwelling; includes plan check fee, bldg/elect/plumb/mech fees including 600 SF garage

<sup>3</sup>\$3.79 per square feet of residential living area; Fee is charged by the Lake Elsinore Unified School District

<sup>4</sup>TUMF refers to Transportation Uniform Mitigation Fee. It is charged by the Western Riverside Council of Governments (WRCOG).

<sup>5</sup>Water and sewer connection fees are charged by the Elsinore Valley Municipal Water District.

<sup>6</sup>Refers to Multiple Species Habitat Conservation Plan.

**Table D-4**  
**City of Canyon Lake**  
**Fees for Multi-Family Housing**

<b>Fee Category</b>	<b>Fees</b>
Plot Plan Approval <sup>1</sup>	\$200
Building Plan Check <sup>2</sup>	\$2,640
School District <sup>3</sup>	\$4,548
TUMF <sup>4</sup>	\$6,134
Water Connection Fee <sup>5</sup>	\$13,032
Sewer Connection Fee <sup>5</sup>	\$4,680
MSHCP <sup>6</sup>	\$1,094
Total Per Unit	\$32,328
% of \$200,000 apartment	16.2%
% of \$250,000 apartment	12.9%
% of \$300,000 apartment	10.8%

<sup>1</sup>Plot plan fees are a \$1,000 deposit with the balance returned. The \$200 fee is an estimate.

<sup>2</sup>Assumes a 1,200 square foot apartment dwelling; includes plan check fee, bldg/elect/plumb/mech fees calculated at 80% of a 1,500 square foot single-family dwelling unit.

<sup>3</sup>\$3.79 per square feet of residential living area; Fee is charged by the Lake Elsinore Unified School District.

<sup>4</sup>TUMF refers to Transportation Uniform Mitigation Fee. It is charged by the Western Riverside Council of Governments (WRCOG).

<sup>5</sup>Water and sewer connection fees are charged by the Elsinore Valley Municipal Water District. Water fees are based on Equivalent Dwelling Unit (EDU) for single family homes and are approximately \$13,032 per unit. Sewer fees are based on building of 5+ Units (\$4,680 per unit).

<sup>6</sup>Refers to Multiple Species Habitat Conservation Plan. The fee above is based on a project of 14.1+ dwelling units per acre.

**H. PERMIT PROCEDURES AND PROCESSING TIMELINES****1. Plot Plans**

A plot review is required of proposed residential development in the City's residential zones. A Plot Plan requires the submittal of the following information:

- Topography
- Infrastructure
- Existing structures
- Proposed improvements

Approval of a plot plan requires—

- General Plan consistency
- Protection of public health, safety and general welfare
- Compatibility with adjacent land uses

Plot plans are reviewed and approved by the City Planner within one day to one week.

**2. Conditional Use Permit (CUP)**

Table D-1 lists the uses and zones in which a conditional use permit (CUP) is required. Mobile home parks, senior housing, and congregate care housing requesting a 50% density bonus require a CUP. A CUP application requires the following information:

- Physical dimensions of property and structures
- Location of existing and proposed structures
- Setbacks
- Circulation
- Ingress and egress
- Land uses

A public hearing is held on a CUP application. A CUP is approved if the application described above is not detrimental to the health, safety or general welfare of the community.

The City Council approves a CUP. (Canyon Lake does not have a Planning Commission.)

Upon submittal of a complete CUP, the application must be reviewed by the City Council. Because the City Council meets once a month, the CUP could be considered by the City Council eight to 12 weeks after submittal to the City Planner.

**3. Building Permits**

The City contracts with Interwest Consulting Group for Building and Safety services.

Plans submitted for plan check need two complete sets of documents including plans, engineering calculations, energy calculations, truss calculations, and soils and compaction reports (if applicable). An additional set of partial plans, including the site and floor plans, is required to be provided prior to approval for the County Assessor's office. Plan check will take approximately 10 working days for the first review of the documents. Subsequent reviews will be done in five working days.

Prior to issuing a permit, the applicants need to provide approval of the project from the Canyon Lake Property Owners Association (POA), if there is any exterior work involved, including grading, retaining walls, reroofing or other exterior modifications.

#### **4. Design Review**

The City does not require architectural review for residential projects.

The Property Owners Association (POA) reviews the plans for new single family homes. Plans are developed by the architect/engineer and submitted to the POA Planning and Compliance (P&C) Department. P&C checks the submitted material to ensure completeness and submits it for publication in the local paper. Following publication, the Architectural Control Committee (ACC) will review the plans for the new home.

P&C staff informed the City that on average it takes two weeks from the time a submittal is accepted as complete to review and approve the plans including design review. Following approval, one copy of the stamped plan is available for pickup after 10AM the next working day. The stamped copy is taken to the City of Canyon Lake Building Department for its review.

POA review and approval is not required on the site identified as accommodating the City's share of the regional housing need for lower income households. It is, however, required in the ungated ER-2 zoned area.

#### **5. Other Permit and Processing Procedures**

As noted above the processing timeline for plot plans, CUPs, building permits and design review are not lengthy.

Table D-6 shows the processing times for other approvals and permits. All other plan approvals and permits must be considered and approved by the City Council. Many of the timelines are estimates because the City has not had recent experience with the following: the processing of a multifamily development, General Plan Amendment, Zone Change, Specific Plan, Development Plan and Tract Map.

**Table D-6**  
**City of Canyon Lake**  
**Single- and Multi-Family Residential Developments**  
**Typical Processing Times by Type of Permit**

<b>Type of Approval or Permit</b>	<b>Typical Processing Time</b>
Development Plan	6-12 months
Specific Plan	6-12 months
Tract Map	4-6 months
Parcel Map	3 months
General Plan Amendment	6-12 months
Zone Change	4-6 months
Variance	2-3 months

If the processing time could potentially be lengthy, the City would have the developer deposit funds in order to enable the City to retain technical consultants to assist in the processing of a permit or application.

The City's processing timelines must abide by the Permit Streamlining Act (Government Code Section 65920 et. seq.), the California Environmental Quality Act ((CEQA) (Public Resources Code Section 21000, et. seq.), and the Subdivision Map Act.

## **6. 2019 State Laws Impacting the City's Processing Timelines**

**The City will implement State law enacted in 2019 that requires a permitting agency to act on an application to create a new accessory dwelling unit within 60 days from the date the local agency receives a completed application if there is an existing single-family or multifamily dwelling on the lot. If the permit application to create an accessory dwelling unit or a junior accessory dwelling unit is submitted with a permit application to create a new single-family dwelling on the lot, the City may delay acting on the permit application for the accessory dwelling unit or the junior accessory dwelling unit until the City acts on the permit application to create the new single-family dwelling. However, the City – pursuant to State law - will consider the application to create the accessory dwelling unit or junior accessory dwelling unit without discretionary review or hearing.**

The City's timelines also will be consistent with those contained in SB 330 Housing Crisis Act of 2019. For example, SB 330 limits the number of public hearings on a housing development project to five. The State law also reduces the time that the City has to approve or disapprove an application under the permit streamlining act from 120 to 90 days for a housing project that requires CEQA review and from 90 to 60 days if a housing project is at least 49% affordable units.

## **I. EFFORTS TO REMOVE GOVERNMENTAL CONSTRAINTS THAT HINDER THE CITY FROM MEETING ITS SHARE OF THE REGIONAL HOUSING NEED**

During the process of preparing the *2008-2014 Housing Element*, the City identified the following constraints:

- Lack of sufficient land to accommodate the fair share allocation for lower income housing (51 units)
- Lack of vacant land designated at the densities that encourage and facilitate the development of affordable housing

The Land Use Element, Zoning Ordinance and Zoning Map were amended in May 2012 to remove these governmental constraints. As a result of these actions, the Canyon Lake Village Overlay Zone designates two to 10 acres at a minimum density of 20-24 dwelling units per acre. ADUs and JADUs can be counted as accommodating the RHNA for the *2013-2021 Housing Element* as well as the *2021-2029 Housing Element*. In Section II, the Housing Program includes an action to evaluate whether the City should prepare ordinances for ADUs and JADUs, or continue to comply with the State standards as described in Table D-2. Residential development since January 1, 2014 has met the above moderate and moderate income housing need.

Although the City has zoned land at the minimum densities that encourage and facilitate the development for affordable housing, no applications for the development of affordable housing have been submitted to the City since the zoning action was taken in mid-year 2012.

One reason for this lack of interest is that the affordable housing requires several sources of public funding. Besides having appropriate residential densities, research completed by the League of California Cities has found that multiple sources of funding are required to render an affordable housing development feasible.

Between 2014 and 2018, only 14 new affordable housing developments located in Riverside County have received funding approvals from two of the State's major funding programs: Low Income Housing Tax Credits (LIHTC) and Affordable Housing Sustainable Communities (AHSC).

## **J. EFFORTS TO REMOVE CONSTRAINTS ON MEETING THE NEED FOR HOUSING FOR PERSONS WITH DISABILITIES**

### **1. Land Use and Zoning Policies**

#### **a. Reasonable Accommodation Procedure**

The City has adopted a formal procedure for a disabled applicant's request for a reasonable accommodation. A request for reasonable accommodation may include a modification or exception to the rules, standards and practices for the siting, development and use of housing or housing-related facilities that would eliminate regulatory barriers and provide a person with a disability equal opportunity to housing of their choice.

The City will implement a program to promote the reasonable accommodation procedure.

#### **b. Definition of Family**

In 1980, the California Supreme Court in the City of Santa Barbara v. Adamson struck down a municipal ordinance that permitted any number of *related* people to live in a house in a R1 zone, but limited the number of *unrelated people* who were allowed to do so to five. A group home for individuals with disabilities that functions like a family could be excluded from the R1 zone solely because the residents are *unrelated* by blood, marriage or adoption.

Both State and Federal fair housing laws prohibit definitions of family that either *intentionally* discriminate against people with disabilities or *have the effect* of excluding such individuals from housing.

The City has updated the Zoning Ordinance to define "family" consistent with the letter and spirit of fair housing laws. The Zoning Ordinance family definition is -

"Family" means one or more persons living together as a single housekeeping unit in a dwelling unit. Family also means the persons living together in a licensed residential facility, as that term is defined in California Health and Safety Code Section 1502(a)(1) serving six or fewer persons, excluding the licensee, the members of the licensee's family, and persons employed as facility staff who reside at the facility.

**c. Licensed Group Homes**

The City has three licensed residential care facilities housing a total of 18 elderly and frail elderly persons.

California law requires that many types of licensed facilities serving six persons or fewer be treated for zoning purposes like single-family homes. Except in extraordinary cases in which even a single-family home requires a conditional use permit, these laws bar conditional use permits for facilities that serve six or fewer persons

To achieve consistency with fair housing laws, the City amended the Zoning Ordinance to permit licensed group homes (residential care facilities) for six or fewer persons in all zones that permit single-family homes. As a part of the Zoning Ordinance amendment, the City established an all-inclusive term of “licensed group homes” to identify the scope of residential care facilities to be permitted unconditionally.

**d. Siting or Separation Requirements for Licensed Residential Care Facilities**

The federal Departments of Justice (DOJ) and Housing and Urban Development (HUD) acknowledge that neighborhoods as well as the disabled may suffer if licensed residential care facilities are over concentrated.

Over concentration of certain care homes in a neighborhood is regulated by the State for licensed facilities. Except for foster homes and elderly care, licenses issued by the State must be a minimum of 300 feet away from any other licensed home (as measured from the outside walls of the house – Health and Safety Code Section 1520.5) If a home is less than the 300 feet, an exemption must be granted by a city, otherwise the license is denied.

The City complies with fair housing laws as they relate to spacing and separation requirements. The City has not adopted a standard different from or more stringent than the one the State applies.

**e. Parking Requirements for Persons with Disabilities**

The City's parking standards are established for different uses, not in terms of the occupants of the use. For instance, the City does not have parking standards for single- or multi-family housing occupied by disabled or elderly persons.

The City, however, recognizes that disabled persons who occupy licensed residential care facilities generate a parking need different from non-disabled persons. For instance, developmentally disabled persons may not have licenses to drive a car. The reasonable accommodation procedure allows disabled persons (or their representatives) the opportunity to request a reduction and/or waiver of parking requirements.

**2. Permits and Processing**

HCD suggests that this part evaluate the process for requesting retrofit for accessibility, ensuring compliance with all State laws regulating permit requirements of licensed residential care facilities with fewer than six persons in single-family zones, and identification of any conditions or use restrictions for licensed residential care facilities with greater than six persons or group homes that will be providing services on-site.

**a. Requesting Retrofit for Accessibility**

Non-structural retrofits within buildings like adding grab bars, replacing doorknobs with single-lever doorknobs, and exchanging toilets do not require building permits, or City approvals. Structural retrofits like widening doorways or constructing ramps requires a building permit. These requirements are the same for single- and multi-family housing. Tenants residing in apartments must first obtain permission from the owner and/or property manager to make the retrofits.

**b. Ensuring Compliance with all State Laws Regulating Requirements for Licensed Residential Care Facilities**

As explained earlier, the City amended the Zoning Ordinance in order to ensure compliance with all State laws that regulate licensed residential care facilities.

**c. Conditions or Use Restrictions for Licensed Residential Care Facilities with Greater than 6 Persons or Group Homes that will be Providing Services On-Site**

The City's Zoning Ordinance does not specify residential care facilities serving seven or more persons as a permitted or conditionally permitted use in any of the residential zones. The Zoning Ordinance will be amended to define this use and include it as a conditionally permitted use in one or more zones.

**3. Building Codes**

HCD recommends that the analysis discuss the year of the Uniform Building Code adoption and any amendments that might diminish the ability to accommodate persons with disabilities, identification of adopted universal design elements in the building code, the provision of reasonable accommodation for persons with disabilities in the enforcement of building codes and the issuance of building permits.

**a. Building Code Adoption and Amendments**

The City has adopted the 2016 California Building Code (CBC) with two amendments. Neither of the amendments, which were described earlier, adversely impacts the development of housing for disabled persons.

**b. Universal Design Elements**

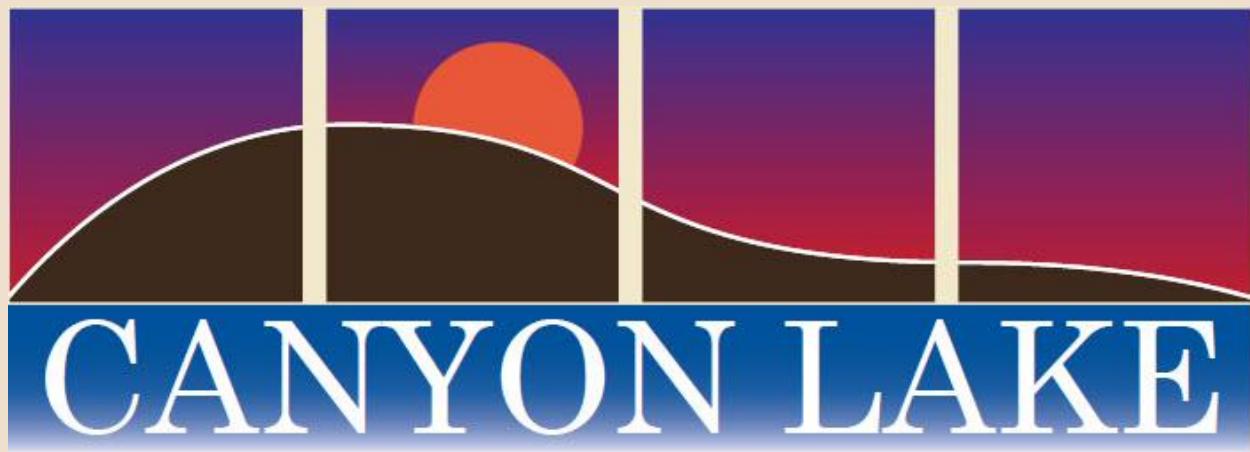
Although the City has not adopted a “universal design ordinance” this is not deemed a constraint on existing or new housing for disabled persons. The City understands that universal design aims to serve all people of all ages, sizes, and abilities and is applied to all buildings. For instance, a universal design feature is any component of a house that can be used by everyone regardless of his or her level of ability or disability. A feature, for instance, such as no steps at entrances. Or single-lever water controls at all plumbing fixtures and faucets.

On October 31, 2005, HCD certified and made available the “Model Universal Design Local Ordinance.” HCD indicated that the Ordinance might be adopted voluntarily in substantially the same form by any city or county pursuant to Health and Safety Code Section 17959.

The City's enforcement of the Uniform Building Code does not create an impediment to fair housing choice. The City does not have land for large subdivision tract development. Therefore, a "universal design ordinance" is not practical for the City to adopt.

c. Building Code Reasonable Accommodations

The City, as described earlier, has adopted a reasonable accommodation procedure. A disabled person or his/her representative may request an exception to zoning and building code standards.



## **Appendix E**

### **Nongovernmental Constraints Analysis**

**APPENDIX E**  
**ANALYSIS OF POTENTIAL AND ACTUAL NONGOVERNMENTAL CONSTRAINTS**  
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## **APPENDIX E NONGOVERNMENTAL CONSTRAINTS ANALYSIS**

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### **A. INTRODUCTION AND SUMMARY**

#### **1. Introduction**

Government Code Section 65583(a)(6) requires -

An analysis of potential and actual nongovernmental constraints upon the maintenance, improvement, or development of housing for all income levels...

The analysis must examine the following:

- Availability of financing
- Price of Land
- Cost of construction
- Requests to develop housing at densities below those stated in the sites inventory and analysis (Government Code 65583.2)(c)
- Length of time between receiving approval for a housing development and submittal of an application for building permits
- Efforts to remove nongovernmental constraints creating a gap between the planning for and construction of housing

#### **2. Summary**

Financing costs have been at historic lows for several years and are still at low levels compared to the interest rates prevailing in the 1970s, 1980s and 1990s. In Canyon Lake, the availability of financing to purchase a home, refinance a home, or improve a home has increased between 2008 and 2017.

Land sales prices are available for R-1 single-family lots for a six month period from September 2018 to March 2019. Twenty lots (sold, pending and active) had sales prices of less than \$50,000. Lots that sold for \$50,000 or less facilitate the production of housing at prices within the means of moderate income households.

Estimates of construction costs based on two sources indicate mid-range costs of \$113 and \$138 per square foot for single-family homes and apartment units, respectively. The per square foot construction costs should be interpreted as order of magnitude costs as one source estimates construction costs based on prototypical developments that have not yet been developed in Canyon Lake.

Land and construction costs each contribute to establishing the minimum costs to produce housing. Total development costs also include development impact fees, soft costs, and developer's overhead and profit.

Between January 1, 2014 and December 31, 2018, 46 single-family homes were constructed and sold. One-third and two-thirds of the homes sold for prices affordable to moderate income and above moderate income households, respectively. None of the homes sold for prices affordable to lower income households.

## **APPENDIX E NONGOVERNMENTAL CONSTRAINTS ANALYSIS**

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### **B. AVAILABILITY OF FINANCING**

The analysis of the availability of financing is based on the Home Mortgage Disclosure Act (HMDA) data. The HMDA provides data on conventional, FHA, home improvement and refinancing loan applications. The data identifies five types of action taken on a loan application: loan originated, application approved by the lender and not accepted by the applicant, application withdrawn, file closed for incompleteness and application denied.

The vast majority of the City limits are located within two census tracts: 427.14 and 427.16. The HMDA loan data, found in Tables C-1 and C-2, includes the information for these two census tracts. A few small areas of the City are located in four other census tracts, which also include the City of Lake Elsinore and Quail Valley.

#### **1. Home Purchase Loan Applications**

Calendar year 2017 HMDA data is the most recent data available and it was released in September 2018.

Home purchase activity includes loans applications to purchase existing and new homes. In 2017, 250 home purchase loan applications were submitted by borrowers of which 36% and 64% were for FHA financing and conventional financing, respectively. The 2017 conventional financing denial rate was 16.9% compared to 13.3% for FHA financing. Refer to Table E-1.

By comparison, the analysis presented in the 2008-2014 Housing Element showed that 201 home purchase loan applications were made in 2008, of which 33% and 67% involved FHA and conventional financing, respectively. The loan denial rates were: FHA, 9.0% and conventional, 31.3%. Refer to Table E-2.

Over the past decade (2008-2017) the availability of financing for home purchases has increased, as the overall denial rates have decreased during this period. The 2017 loan denial rate for all loan applications was 15.6%. In contrast, it was 23.9% in 2008.

#### **2. Refinancing Loan Applications**

In 2017, 307 loan applications were submitted to lenders to refinance a home loan compared to 285 in 2008. Financing availability was far greater in 2017 than in 2008. Only 24.8% of the refinancing loan applications were denied in 2017 compared to 48.1% in 2008. Refer to Tables E-1 and E-2.

#### **3. Home Improvement Loan Applications**

In 2017, 61 home improvement loan applications were submitted to lenders compared to 39 in 2008. Financing availability was far greater in 2017 than in 2008. Only 26.8% of the refinancing loan applications were denied in 2017 compared to 56.4% in 2008. Refer to Tables E-1 and E-2.

## APPENDIX E NONGOVERNMENTAL CONSTRAINTS ANALYSIS

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**Table E-1**  
**City of Canyon Lake**  
**Loan Denial Rates by Census Tract – 2017**

Type of Loan	<b>427.14</b>	<b>427.16</b>	<b>Total</b>
Percent Minority	11%	31%	
Median Income as % of MSA	121%	136%	
<hr/>			
Home Purchase Loans			
FHA, FMHA & VA			
Loans Originated	33	40	73
Application Approved, Not Accepted	3	2	5
Application Denied	4	8	12
Total Applications	40	50	90
Percent Denied	10.0%	16.0%	13.3%
Conventional			
Loans Originated	40	87	127
Application Approved, Not Accepted	2	4	6
Application Denied	6	21	27
Total Applications	48	112	160
Percent Denied	12.5%	18.8%	16.9%
Refinancings			
Loans Originated	90	125	215
Application Approved, Not Accepted	8	8	16
Application Denied	32	44	76
Total Applications	130	177	307
Percent Denied	24.6%	24.9%	24.8%
Home Improvement			
Loans Originated	13	30	43
Application Approved, Not Accepted	0	2	2
Application Denied	7	9	16
Total Applications	20	41	61
Percent Denied	35.0%	22.0%	26.2%
Total Applications	238	380	618
Percent Denied	20.6%	21.6%	21.2%

Note: Denial rates are calculated as the number of denied loan applications divided by the total number of applications, excluding withdrawn applications and application files closed for incompleteness. Neil Bhutta, Steven Laufer and Daniel R. Ringo, *Residential Mortgage Lending: Evidence from the Home Mortgage Disclosure Act Data*, Federal Reserve Board Bulletin, November 2017, Vol. 103, No. 6, page 13

Source: Federal Financial Institutions Examination Council, "Table 1: Home Mortgage Disclosure Act, Disposition of Loan Applications by Location of Property and Type of Loan", 2017.

## APPENDIX E NONGOVERNMENTAL CONSTRAINTS ANALYSIS

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**Table E-2**  
**City of Canyon Lake**  
**Loan Denial Rates by Census Tract – 2008**

Type of Loan	<b>427.14</b>	<b>427.16</b>	<b>Total</b>
Percent Minority	12%	15%	
Median Income as % of MSA	154%	151%	
<hr/>			
Home Purchase Loans			
FHA, FMHA & VA			
Loans Originated	22	32	54
Application Approved, Not Accepted	3	4	7
Application Denied	1	5	6
Total Applications	26	41	67
Percent Denied	3.8%	12.2%	9.0%
Conventional			
Loans Originated	27	51	78
Application Approved, Not Accepted	3	11	14
Application Denied	14	28	42
Total Applications	44	90	134
Percent Denied	31.8%	31.1%	31.3%
Refinancings			
Loans Originated	45	73	118
Application Approved, Not Accepted	13	17	30
Application Denied	40	97	137
Total Applications	98	187	285
Percent Denied	40.8%	51.9%	48.1%
Home Improvement			
Loans Originated	8	7	15
Application Approved, Not Accepted	0	2	2
Application Denied	9	13	22
Total Applications	17	22	39
Percent Denied	52.9%	59.1%	56.4%
Total Applications	185	340	525
Percent Denied	34.6%	42.1%	39.4%

Source: Federal Financial Institutions Examination Council, “Aggregate Table 1: Home Mortgage Disclosure Act, “Disposition of Loan Applications by Location of Property and Type of Loan”, 2008.

## **APPENDIX E NONGOVERNMENTAL CONSTRAINTS ANALYSIS**

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### **4. Availability of Financing from the County of Riverside**

Lower income Canyon Lake householders are eligible to participate in the County of Riverside Down Payment Assistance Program and Home Enhancement Program. Householders with incomes at the moderate income level or below are eligible to participate in the Mortgage Credit Certificate (MCC) Program.

#### **a. Down Payment Assistance Program**

This program provides down payment assistance as a silent-second loan in the amount of up to 20% of the purchase price and is provided on a first-come, first-served basis. If the property is no longer maintained as the principal residence of the buyer or is sold prior to the end of the 15 year affordability period, all HOME direct subsidy funds must be repaid. Otherwise, the loan is converted to a grant after the affordability period.

#### **b. Mortgage Credit Certificate (MCC) Program**

A Mortgage Credit Certificate (MCC) entitles qualified home buyers to reduce the amount of their federal income tax liability by an amount equal to a portion of the interest paid during the year on a home mortgage. This tax credit allows the buyer to qualify more easily for a loan by increasing the effective income of the buyer. The County of Riverside MCC Program provides for a 20% rate which can be applied to the interest paid on the mortgage loan. The borrower can claim a tax credit equal to 20% of the interest paid during the year. Since the borrowers taxes are being reduced by the amount of the credit, this increases the take-home pay by the amount of the credit. The buyer takes the remaining 80% interest as a deduction. When underwriting the loan, a lender takes this into consideration and the borrower is able to qualify for a larger loan than would otherwise be possible.

#### **c. Home Enhancement Program**

The County administers the Home Enhancement Program, a program that will use CDBG funds in FY 2019-2020 to assist 15 low-income homeowners with grants for rehabilitation of stick built or modular (attached to private land) owner-occupied single-family residences. Improvements are limited to exterior rehabilitation relative to health, safety and building preservation improvements that qualify as eligible activities.

### **5. Redlining/Financing Availability by Census Tract**

Redlining describes a situation where mortgage services are denied or limited for two specific reasons:

- The racial and/or ethnic composition of an area's residents
- The age of an area's properties

Redlining is when lenders used discriminatory and unfair lending practices that result in reduced lending accessibility for borrowers in the areas that show high populations of racial minorities, regardless of the credit of each individual borrower. The word redlining comes from the practice of outlining in red those geographical areas that were perceived to pose a higher mortgage risk. Redlining can affect a particular street, block, census tract, or an entire city.

## APPENDIX E NONGOVERNMENTAL CONSTRAINTS ANALYSIS

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According to the U.S. Department of Housing and Urban Development (HUD), the analysis of loan denial rates by census tract will help to identify if there are underserved neighborhoods. More specifically, the census tract analysis compares unusually high denial rates in minority and non-minority neighborhoods. Attachment A describe some of the more recent ways in which redlining is measured.

Neither of Canyon Lake's two census tracts can be considered minority. The minority population comprises 11% and 31% of the population in the two census tracts, respectively.

The last row in Tables E-1 and E-2 shows all the loan applications submitted for all the loan types in each of the two census tracts.

In 2008, 34.6% of 185 loan applications for properties located in census tract 427.14 were denied. In contrast, in 2017 a total of 238 loan applications were submitted to lenders of which 20.6% were denied.

In 2008, 42.1% of 340 loan applications for properties located in census tract 427.16 were denied. In contrast, in 2017 a total of 380 loan applications were submitted to lenders of which 21.6% were denied.

The data in the last row of Tables E-1 and E-2 (pages E-3 and E-4) demonstrate that the percentage of loans denied in each census tract decreased significantly between 2008 and 2017.

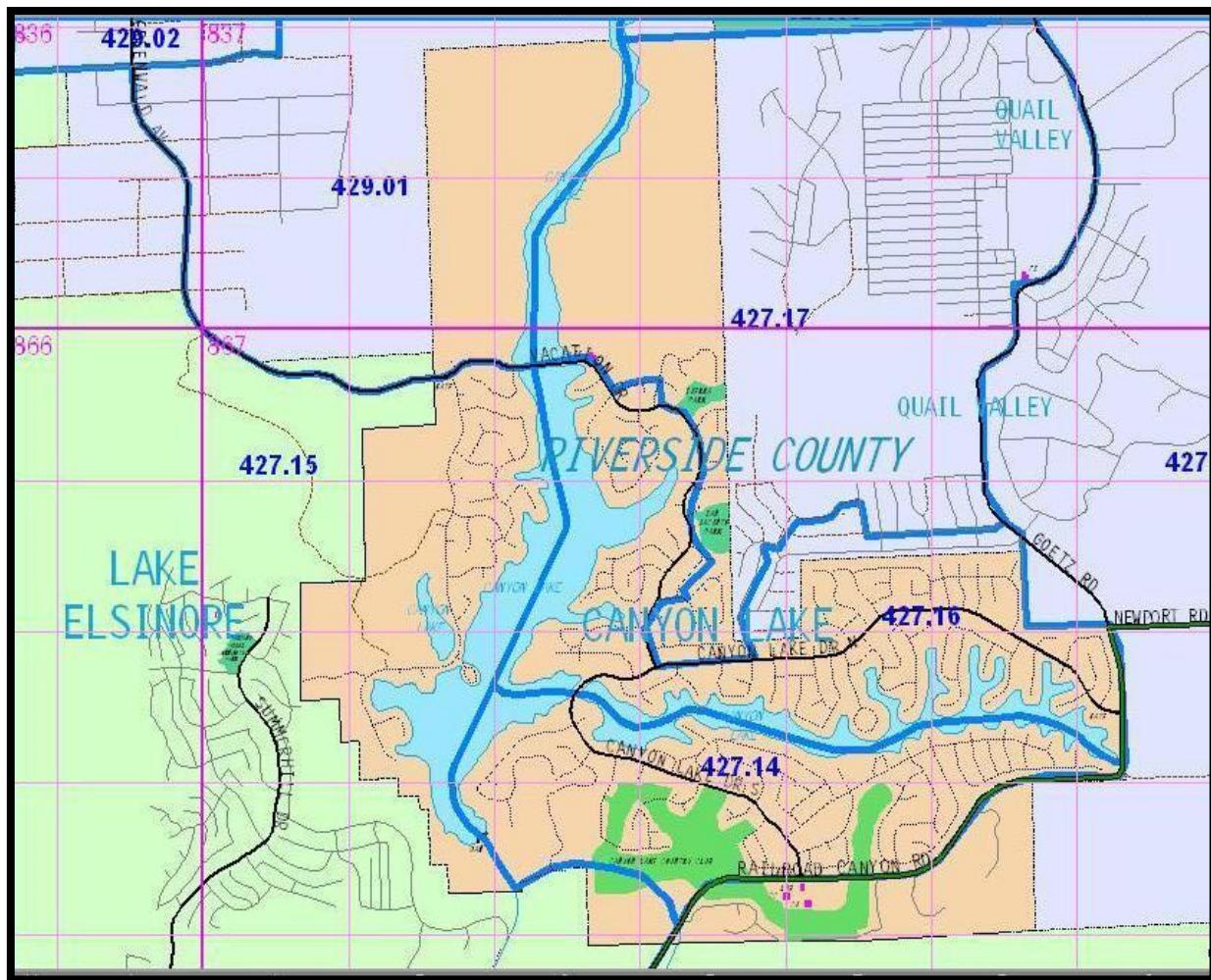
Additionally, the minority population living in census tract 427.16 almost doubled between 2008 and 2017. In census tract 427.14, the percent minority population remained about same in 2017 as in 2008.

Both of these findings indicate that redlining is not an issue in the City.

## APPENDIX E NONGOVERNMENTAL CONSTRAINTS ANALYSIS

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### Exhibit E-1 Census Tract Boundaries



## APPENDIX E NONGOVERNMENTAL CONSTRAINTS ANALYSIS

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### C. PRICE OF LAND

#### 1. R-1 Single Family Lots

On average land costs comprise one-fourth of the value of a single family home and an estimated five percent of a multifamily dwelling unit, according to a study completed for the Western Riverside Council of Governments.

Land sales prices are available for R-1 single-family lots for a six month period from September 2018 to March 2019. According to the data in Table E-3, 20 lots (sold, pending and active) had sales prices of less than \$50,000. Lots that sold for \$50,000 or less facilitate the production of housing at prices within the means of moderate income households. Lower income households could not afford the housing constructed on lots with prices of \$50,000 which probably would range, at a minimum, between \$200,000 and \$250,000.

**Table E-3**  
**City of Canyon Lake**  
**Land Sales Prices Active, Pending and**  
**Sold September 17, 2018-March 17, 2019**

<b>Status</b>	<b>Price</b>	<b>Lot Size</b>	<b>Price Per Square Foot</b>
Active	\$5,900	4,792	\$1.23
	\$15,000	10,454	\$1.43
	\$22,000	8,712	\$2.53
	\$22,900	4,792	\$4.78
	\$24,250	13,068	\$1.86
	\$24,250	13,068	\$1.86
	\$37,000	10,454	\$3.54
	\$38,900	8,276	\$4.70
	\$39,000	7,405	\$5.27
	\$39,000	25,265	\$1.54
	\$39,900	7,405	\$5.39
	\$44,900	7,405	\$6.06
	\$48,000	8,276	\$5.80
	\$49,000	6,970	\$7.03
	\$49,900	16,988	\$2.94
	\$49,900	11,326	\$4.41
	\$55,000	66,647	\$0.83
	\$55,000	7,405	\$7.43
	\$56,500	10,890	\$5.19
	\$57,000	10,019	\$5.69
	\$60,000	6,970	\$8.61
	\$60,000	7,841	\$7.65
	\$60,000	104,544	\$0.57
	\$65,000	7,841	\$8.29

## APPENDIX E NONGOVERNMENTAL CONSTRAINTS ANALYSIS

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**Table E-3 continued**  
**City of Canyon Lake**  
**Land Sales Prices Active, Pending and**  
**Sold September 17, 2018-March 17, 2019**

<b>Status</b>	<b>Price</b>	<b>Lot Size</b>	<b>Price Per Square Foot</b>
Active-Continued	\$65,000	8,276	\$7.85
	\$65,000	13,504	\$4.81
	\$66,000	6,970	\$9.47
	\$69,000	8,712	\$7.92
	\$69,900	74,057	\$0.94
	\$75,000	87,120	\$0.86
	\$79,000	15,246	\$5.18
	\$79,000	9,583	\$8.24
	\$79,000	8,712	\$9.07
	\$79,900	11,761	\$6.79
	\$80,000	8,276	\$9.67
	\$85,000	19,602	\$4.34
	\$95,000	7,405	\$12.83
	\$119,000	6,970	\$17.07
	\$119,900	7,405	\$16.19
	\$150,000	78,001	\$1.92
	\$219,000	10,454	\$20.95
	\$265,900	27,007	\$9.85
	\$274,900	7,841	\$35.06
	\$399,000	8,712	\$45.80
	\$595,000	10,890	\$54.64
Pending	\$16,750	6,970	\$2.40
	\$67,000	7,405	\$9.05
	\$199,000	6,098	\$32.63
	\$295,000	417,740	\$0.71
	\$295,000	417,740	\$0.71
Sold	\$9,000	20,038	\$0.45
	\$45,000	7,405	\$6.08
	\$45,000	7,405	\$6.08
	\$99,900	9,148	\$10.92
	\$240,000	7,405	\$32.41
	\$277,500	6,098	\$45.51

Source: Pacific West Association of Realtors (PWR) Multiple Listing Service.

## APPENDIX E NONGOVERNMENTAL CONSTRAINTS ANALYSIS

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### 2. Multifamily Land

There are no sales data available to estimate the cost of the land included in the three assessor parcels comprising the Village Overlay. Based on a recent WRCOG study, Table E-4 (page E-11) estimates a multifamily per unit cost of \$17,737. Extrapolating this per unit value to a one acre site with a density of 20 dus/ac translates to a per acre cost of \$355,000.

The estimated per acre cost of \$355,000 could be substantially less than market value, however.

For instance, the land costs for the Sierra Avenue Family Apartments and Day Creek Villas were on the order of \$65,000 per unit (page E-13).

### D. COST OF CONSTRUCTION AND TOTAL DEVELOPMENT COSTS

In April 2019, WRCOG published an analysis of development impact fees in western Riverside County. In order to calculate the impact of development fees, the analysis first prepared prototypical single-family and multiple family developments, which are described on the following page. Although the prototypical developments do not represent the scale of developments that could occur in Canyon Lake, the analysis is useful to understand the order of magnitude costs of construction and total development costs.

#### 1. Components of Development Costs

The development cost categories are described below:

- Direct Construction Costs – Site Work/Improvements and Vertical Construction Costs. Estimates were taken from RS Means (a construction cost data provider) estimates, available pro formas, and feedback from developers where provided.

The direct construction costs shown, whether provided by developers or through RS Means, assume non-union construction costs per square foot. The actual construction cost per square foot would be higher if union-labor is required. Depending on the specific union roles required, direct construction would be expected to increase by 10% or more.

- Indirect Costs – Architecture and Engineering Costs, Sales and Marketing, Financing, Development Impact Fee, and other soft costs. Estimates were taken from RS Means, the WRCOG Fee Comparison, available pro formas, and feedback from developers where provided.
- Development Impact Fees - The development cost estimates include the average development impact fees for WRCOG jurisdictions. In reality, the fees, like other development costs factors, vary by jurisdiction.
- Developer Return Requirements – Developer return requirements were set to be equal to 10% of development value for all land uses. This represented between 10 and 20% of direct and indirect construction costs consistent with typical developer hurdle returns.
- Land Costs – Land costs were based on the estimated residual land values when costs and returns were subtracted from estimates of development value and/or information on actual land transactions. Development values in all cases were adjusted to ensure land

## APPENDIX E NONGOVERNMENTAL CONSTRAINTS ANALYSIS

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values reached between 25% and 35% of development value, unless other information was available to justify a different percentage. This was used as a general metric of potential feasibility; i.e., if the residual land value fell below this level, developers would have a hard time finding willing sellers of land and so the project as a whole may not be feasible.

### 2. Single-Family Construction Costs and Total Development Costs

In Table E-4 the single-family costs are based on a prototypical development of a 50-unit residential subdivision of 7,200 square foot lots and 2,700 square foot homes. The direct construction costs are \$96.13 per square foot (\$259,550/2,700 SF).

**Table E-4**  
**County of Riverside**  
**Residential Development Costs**

<b>Development Costs, and Values, and Return</b>	<b>Single Family Per Unit</b>	<b>Percent of Total</b>	<b>Multifamily Per Unit</b>	<b>Percent of Total</b>
<b>Direct Costs</b>				
Basic Site Work/Lot Improvements	\$31,652	5.6%	\$9,767	2.9%
Direct Construction Cost	\$227,898	40.6%	\$196,540	58.7%
Hard Cost Total	\$259,550	46.3%	\$206,307	61.6%
<b>Indirect Costs</b>				
TUMF	\$8,873	1.6%	\$6,134	1.8%
Other Development Impact Fees	\$38,597	6.9%	\$23,572	7.0%
Other Soft Costs	\$56,893	10.1%	\$47,674	14.2%
Soft Cost Total	\$104,363	18.6%	\$77,380	23.1%
<b>Total Direct and Indirect Costs</b>	<b>\$363,913</b>	<b>64.8%</b>	<b>\$283,687</b>	<b>84.7%</b>
<b>Developer Return Requirement</b>	<b>\$56,160</b>	<b>10.0%</b>	<b>\$33,491</b>	<b>10.0%</b>
<b>Land Value</b>	<b>\$141,527</b>	<b>25.2%</b>	<b>\$17,737</b>	<b>5.3%</b>
<b>Total Costs/Return</b>	<b>\$561,600</b>	<b>100.0%</b>	<b>\$334,915</b>	<b>100.0%</b>

Source: Western Riverside Council of Governments (WRCOG), *Final Report: Updated Analysis of Development Impact Fees in Western Riverside County*, pages 33.

The International Code Council semi-annually publishes Building Valuation Data (BVD) that estimates the “average” construction costs per square foot which jurisdictions should use to determine permit fees. The average costs include foundation work, structural and nonstructural building components, electrical, plumbing, mechanical and interior work. For single-family homes, the City uses the February 2019 BVD per square foot construction cost of \$130.04.

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The two sources provide different estimates of per square foot construction costs (\$96 to \$130). Although the reasons why the estimates differ are not known, they may be based on how the costs components are defined. The mid-range per square foot cost of \$113 probably is a useful indicator that captures different projects, residential densities and home sizes.

### 3. Multiple Family Construction Costs and Total Development Costs

In Table E-4 the multifamily per unit costs are based on a prototypical development of 200 market rate apartments in a building with 260,000 square feet. The assumed housing unit size is 1,300 square feet (260,000 SF/200 units). The average per square foot cost is \$158.69 (\$206,307/1,300 SF). For multiple family housing, the City uses the February 2019 BVD per square foot construction cost of \$ 117.40.

The two sources provide different estimates of per square foot construction costs (\$159 to \$117). Although the reasons why the estimates differ are not known, they may be based on how the costs components are defined. The mid-range per square foot cost of \$138 probably is a useful indicator that captures different projects, residential densities and apartment sizes.

## E. COST OF AFFORDABLE HOUSING

The development costs associated with affordable housing are high and often exceed those of market rate projects. In many cities the cost of single family homes are less than those of individual apartments in an affordable housing development. The cost of new affordable housing is neither low cost nor cheap.

The United States Government Accounting Office (GAO) determined that in California the 2015 average per apartment unit development cost financed by Low Income Housing Tax Credits (LIHTC) was \$335,727. The 2015 average cost was 10% higher than in 2011.

Source: United States Government Accountability Office, *Low-Income Housing Tax Credit: Improved Data and Oversight Would Strengthen Cost Assessment and Fraud Risk Management*, September 2018, page 116

Affordable housing developments provide housing primarily for lower income households – that is, households whose annual income is 80% or less the County median income. Table E-5 shows three annual incomes all of which fall within the 3-person low income group (i.e., 50% to 80% of the Riverside County median income). Affordable rents are typically calculated as 30% of income; however, the landlord actually receives the contract rent.

**Table E-5**  
**Rental Housing Cost Calculations**

Annual Income	Monthly Income	Affordable Rent <sup>1</sup>	Utility Costs <sup>2</sup>	Contract Rent <sup>3</sup>
\$36,000	\$3,000	\$900	\$175	\$725
\$42,000	\$3,500	\$1,050	\$175	\$875
\$48,000	\$4,000	\$1,200	\$175	\$1,025

<sup>1</sup>Calculated as 30% of monthly income

<sup>2</sup>Based on County of Riverside Housing Authority Utility Allowance Chart

<sup>3</sup>Calculated as affordable rent minus utility costs

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Table E-6 shows the maximum loan amounts that can be supported by the rents affordable to households having annual incomes of \$36,000, \$42,000 and \$48,000. The maximum loan amounts represent 23% to 32% of the average per unit development cost of \$335,727.

**Table E-6**  
**Maximum Loan Amount for Affordable Rents**

Monthly Contract Rent	\$725	\$875	\$1,025
Less Vacancy Allowance @ 5%	\$36	\$44	\$51
Gross Operating Income	\$689	\$831	\$974
Operating Expenses <sup>1</sup> @30% of Gross Income (Rent)	\$218	\$263	\$308
Net Operating Income	\$471	\$569	\$666
Amount Available for Debt @ 1.25 DCR <sup>2</sup>	\$377	\$455	\$533
Maximum Loan Amount <sup>3</sup>	\$77,093	\$93,044	\$108,994

<sup>1</sup>30% of Gross Rent is an industry standard

<sup>2</sup>DCR is Debt Coverage Ratio and is an industry standard

<sup>3</sup>The loan amount is based on an assumed interest rate of 4.2% (current market) amortized over 30 years

However, because 1) the development costs of tax credit projects have increased since 2015 and 2) they provide housing for extremely low and very low income households, the affordable rents usually supports 10% or less of the total development costs. HCD has reported that the average percentage shares of funding sources for an affordable housing development are as follows:

▪ State housing tax credits	11%
▪ Federal housing tax credits	43%
▪ Private bank loans	9%
▪ Federal HOME funds	5%
▪ Federal Home Loan Bank Affordable Housing Program	3%
▪ State housing funds e.g. Veterans Housing and Homeless Prevention Program	19%
▪ State Mental Health Services Act Housing funds	6%

An example is the Sierra Avenue Family Apartments located in Fontana which was the only Inland Empire project awarded 9% tax credits in the first round of 2019. The per unit development cost is projected to be \$434,939. Bank loans represent approximately 7% of the permanent financing, which totals \$26,594,800. Tax credit equity and deferred developer fee represent 57% of the permanent financing. All other sources of funds are from the City of Fontana (i.e., land lease, HOME funds, etc.).

The only Inland Empire 9% tax credit project approved in the second round of 2018 also had bank loans equaling 7% of the total permanent financing costs. The approved project – Day Creek Villas – is located in the City of Rancho Cucamonga. The City contributed 21% of the total permanent financing amount of \$31,430,508.

The City of Canyon Lake does not have access to the types of financial and land resources that the cities of Fontana and Rancho Cucamonga contributed to their affordable housing developments. In 2011, the City of Canyon Lake began the process of creating a redevelopment agency. That effort was halted in 2012 because California law abolished existing and prevented the creation of new redevelopment agencies. In the future the City will have access, on a competitive basis, to funding from the Permanent Local Housing Allocation (PLHA) Program.

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This program will provide funding for the development, rehabilitation, and preservation of affordable rental and ownership housing.

HCD has found that:

Unstable funding makes it difficult to plan for new, affordable development and limits housing production efficiency over time. Funding uncertainty also makes it difficult to identify and separate the cost impacts of location, construction, fees, and program requirements, and which cost drivers, if any, can be reduced without compromising program outcomes.

HCD also has concluded that:

Rarely does any single housing program provide sufficient resources to fund a complete development. Therefore, developers must apply for, and receive funding from multiple programs and address each program's overlapping policy goals along the way. Applying for, and securing many layers of funding can add substantially to the time and difficulty it takes to start production. Scarce resources for housing bring even more attention to the need to control costs, and the effect of having to layer funding from multiple sources (among other issues that could impact costs) is being examined by the state's housing agencies. Policies that speed up the development process, reduce excessive parking requirements, and limit unnecessary regulatory cost can help control costs and maximize public funding.

Source: California Department of Housing and Community Development, *California's Housing Future: Challenges and Opportunities: Final Statewide Housing Assessment 2025*, February 2018, pages 44 and 45

State Treasurer Fiona Ma, along with staff, kicked off a 10-city *Building for California's Future* tour on June 14, 2019 in the City of Riverside. The purpose of the tour is to obtain public input regarding the revisions to regulations of the California Debt Limit Allocation Committee and California Tax Credit Allocation Committee. Among the goals of the regulatory revisions are to increase housing production and contain development costs.

### F. HOUSING PRICES AND RENTS

#### 1. Housing Prices

In the 5-year period between January 1, 2014 and December 31, 2018, 32 homes sold at prices affordable to above moderate income households. The remaining number – 15 – was sold at prices affordable to moderate income households.

In 2017, according to the American Community Survey, the median home value of owner-occupied housing units with a mortgage was \$414,800. A portion of the owner-occupied housing units – 14% - had values of less than \$300,000 and were affordable to moderate income households. There were in 2017 2,471 housing units with a mortgage.

The median home value of owner-occupied housing units without a mortgage was \$346,500. Approximately one-third of homes with a mortgage had values of less than \$300,000. There were in 2017 730 housing units without a mortgage.

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In summary, there were 590 homes with values of less than \$300,000, a number that represents 18% of all owner-occupied housing units. Housing in this price range is affordable to moderate income households.

### 2. Housing Rents

A survey was completed in early August 2019 of housing advertised for rent by the offices of local companies such as Coldwell Banker and Realty One.

Twelve single-family homes were advertised for rent. Ten of the 12 homes had asking monthly rents of \$2,599 or more. An annual income of \$103,800 is needed to be able to afford a rental payment of \$2,599 with an allocation of 30% of income to monthly rent.

Two homes for rent had somewhat more affordable monthly rents:

- \$1,350 for a 2 bedroom, 2 bath home with 1,344 SF
- \$1,795 for a 3-bedroom, 2 bath home with 1,920 SF

A one-bedroom apartment with 1,000 square feet was available for rent for \$1,380 per month on a one-year lease.

Although the sample size of advertised rentals is small, the market rents appear for the most part to be unaffordable to lower income households. A few of the advertised rentals are within the means of moderate income households.

Table E-7 shows that the 2017 American Community Survey estimates that 649 of the 806 rental units had monthly rents of \$1,500 or more, a number which represents 80% of all rental units. (The 649 number includes 27 two-bedroom and 622 three-bedroom units.)

**Table E-7**  
**City of Canyon Lake**  
**Bedrooms by Gross Rent: 2017**

<b>Number of Bedrooms</b>	<b>Number of Units</b>	<b>Monthly Rent</b>
1	29	\$1,000-\$1,499
2	6	\$500-\$749
	34	\$1,000-\$1,499
	27	\$1,500+
	37	\$500-\$749
3	51	\$1,000-\$1,499
	622	\$1,500+
	Total	806

Source: 2013-2017 American Community Survey 5-Year Estimates, Table B25068 Bedrooms by Gross Rent

Approximately 14% of all rentals (N=114) had monthly rents of \$1,000 to \$1,499 per month. The most affordable rental units were those with monthly rents of \$500-\$749 per month. A household with an annual income of \$30,000 can afford a \$750 rental unit with an allocation of 30% of their income on gross rents. ( $\$30,000/12 = \$2,500 \times .30 = \$750$ ) About 6% of the rental units had monthly rents of less than \$750.

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### **G. REQUESTS TO DEVELOP HOUSING AT DENSITIES BELOW THOSE STATED IN THE SITES INVENTORY AND ANALYSIS (GOVERNMENT CODE 65583.2(C)**

The City has received no request to reduce the density of a site included in the inventory of the 2008-2014 Housing Element. Additionally, no request to reduce the density of a residential site or parcel has been received by the City since January 1, 2014.

### **H. LENGTH OF TIME BETWEEN RECEIVING APPROVAL FOR A HOUSING DEVELOPMENT AND SUBMITTAL OF AN APPLICATION FOR BUILDING PERMITS**

During the planning period from January 1, 2014 to December 31, 2018, development has included 46 single-family homes and one mobile home on lots zoned R-1. On average, 12 homes are processed annually by the Property Owners Association (POA) and the City.

The POA reviews the plans for new single family homes. Plans are developed by the architect/engineer and submitted to the POA Planning and Compliance (P&C) Department. P&C checks the submitted material to ensure completeness and submits it for publication in the local paper. Following publication, the Architectural Control Committee (ACC) will review the plans for the new home.

P&C staff informed the City that on average it takes two weeks from the time a submittal is accepted as complete to review and approve the plans including design review. Following approval, one copy of the stamped plan is available for pickup after 10AM the next working day. The stamped copy is taken to the City of Canyon Lake Building Department for its review.

Exterior work such as grading, retaining walls, block walls, driveways and fences are included in the new home application processing described in the previous paragraph.

The City Planning Department reviews plot plans. After the City Planner approves the Plot Plan, the City Building Department conducts a building permit plan check on the building plan approved by the POA.

Plot plans for single family homes are reviewed and approved by the City Planner within one day to one week.

Building permit plan check takes approximately 10 working days for the first review of the documents. Subsequent reviews are done in five working days.

The length of time for reviewing and approving single family building plans is not unduly lengthy.

The City has not processed a multifamily development application and, consequently, is not able to estimate the length of time it may take to process an application and for a development to receive building permits.

### **I. EFFORTS TO REMOVE NONGOVERNMENTAL CONSTRAINTS CREATING A GAP BETWEEN THE PLANNING FOR AND CONSTRUCTION OF HOUSING**

Income stagnation is a nongovernmental constraint that is evident now and will probably continue into the 2021-2029 planning period. Some nongovernmental constraints that are not

## APPENDIX E NONGOVERNMENTAL CONSTRAINTS ANALYSIS

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evident now may emerge toward the end of the 2013-2021 planning period and possible prevail in the 2021 planning period such as labor shortage and consequent increase in construction costs and NIMBYISM.

### **1. Income Stagnation**

Considerable attention has been paid to the adverse impacts that high housing costs have on lower income renters. Often not acknowledged, or acknowledged enough, is the fact that housing cost burdens involve not only costs but income. This means that reducing housing costs burdens, especially severe cost burdens, is unlikely to happen if a strategy of increasing housing production is not also coupled with one that raises the incomes of lower income families, particularly renters.

The PEW Research Center has found that -

...despite the strong labor market, wage growth has lagged economists' expectations. In fact, despite some ups and downs over the past several decades, today's real average wage (that is, the wage after accounting for inflation) has about the same purchasing power it did 40 years ago. And what wage gains there have been have mostly flowed to the highest-paid tier of workers.

The Public Policy Institute of California has described a few strategies to boost income:

Raising the minimum wage—as the state and many California cities are doing—may help some working poor adults, but many of those positively affected are not poor and questions remain about whether some workers will see reduced hours. In addition, policies that promote more predictable work schedules and support access to child care could help working poor parents maintain and expand their employment hours. But ultimately, raising wages and work hours depends on substantially improving career prospects for the working poor—which requires access to high-quality education and training programs.

Income stagnation impedes the ability of lower income renters living in Canyon Lake to reduce their housing cost burdens.

### **2. Construction Labor Shortage and Increase in Construction Costs**

This nongovernmental constraint may adversely impact the development of multifamily housing in Canyon Lake. Economist John Husing has documented the declines in people working in the construction industry:

Surprisingly, the job recovery appears to have given the Inland Empire a better job mix than before the downturn. The Great Recession hit U.S. males particularly hard with a significant share of job losses in the male dominated manufacturing and construction sectors. Thus, 4.4 million men lost jobs during the recession, nearly three times the 1.5 million lost by women. This showed up in the inland area with the construction dropping from 127,500 jobs in 2006 to 59,100 in 2011, a loss of -68,400 or -53.6% due to the mortgage/foreclosure crisis. Since 2011, the employment has returned to 105,314, a gain of 46,200 jobs. However, that means there are still -22,200 fewer people working for local construction companies in 2019. These are relatively good jobs with 2019 median pay of \$52,482.

## APPENDIX E NONGOVERNMENTAL CONSTRAINTS ANALYSIS

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Source: John E. Husing, Inland Empire Economic Quarterly Report, July 2019, page 2

The development of affordable housing has been impacted by the construction labor shortage and local rules. At a California Tax Credit Allocation Committee held in January 2019, the following comments were made:

There was a public comment by Somaya Abdelgany with Satellite Affordable Housing Associates (SAHA). She introduced herself as the project manager for Abel Gonzales Apartments. She stated that Ms. Boatman-Paterson summarized the concerns surrounding the construction costs for the project accurately. She noted the total development cost for this project was \$688,000 per unit with a hard construction cost of \$423,000 per unit. Ms. Abdelgany stated their last project in Oakland had a construction cost of \$421,000. She added that since the projects are in such close proximity to San Francisco, they have to pull from the same labor force to construct the project, which increases the construction costs. Ms. Abdelgany also stated the City of Oakland had a 50% local and small local business requirement for all trades and an additional 50% for local employment of Oakland residents resulting in subcontractors having to scramble to find Oakland based businesses charging a local higher premium for working in Oakland, further exacerbating the already impacted markets. She stated the ongoing treads in hard constructions costs are due to the existing markets, rules and regulations. Ms. Boatman-Patterson asked Ms. Abdelgany if she had a percentage of how much extra the 50% requirement costs. Ms. Abdelgany stated she reviewed the hard costs with her local contractor and noted the local requirement is adding an additional 5% to the cost. She thanked the Committee for their time.

California Tax Credit Allocation Committee, Minutes of the January 16, 2019 Meeting

In the future a Canyon Lake multifamily development may need to compete for a labor force that also may have work opportunities in Lake Elsinore, Corona, or Riverside, for example.

### **3. NIMBYISM**

A definition of Nimbyism is offered below:

NIMBY (an acronym for the phrase "Not In My Back Yard"), or Nimby, is a characterization of opposition by residents to a proposed development in their local area. The residents are often called Nimbys, and their viewpoint is called Nimbyism.

Nimbyism may occur in the future in connection with a specific development.

### **4. Local Efforts to Mitigate Impacts**

The City cannot directly mitigate income stagnation. However, the planned directory of housing and social services will provide information on ways to increase income such as through the earned income tax credit (EITC).

In the future the City will need to coordinate with a for-profit or non-profit developer to mitigate the possible impacts of NIMBYISM and of a possible labor shortage when a multifamily development is approved for construction.

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In addition, the City will be applying for an SB 2 Planning Grant that will further the following grant objectives:

- Accelerate housing production
- Streamline the approval of housing development affordable to owner and renter households at all income levels
- Facilitate housing affordability, particularly for all income groups
- Promote development consistent with the State Planning Priorities

## APPENDIX E NONGOVERNMENTAL CONSTRAINTS ANALYSIS

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### Attachment A American Bankers Association Inventing Redlining by Ignoring Intent, CRA Performance, or Purchased Loans

A new regulatory approach to consideration of redlining emerged in the last couple of years as grounds for fair lending enforcement. Previously, analysis focused on disparate treatment, and regulators considered the places where a bank originated loans to determine whether a bank intentionally avoided lending in minority neighborhoods. Recently, regulators have begun reaching beyond a bank's geographical footprint, examining marketing and outreach efforts. This approach relies heavily on statistical analysis based on broad assumptions, rather than on the-ground review and consideration of actual community conditions. The exercise of regulatory discretion—neighboring on the arbitrary—has been noticeable at every juncture in this process. The enforcement cases also suggest a failure by the Agencies to conform to the Supreme Court's standards for the application of statistical disparities to avoid regulatory abuse.

Recent enforcement actions call into question the relationship between the Community Reinvestment Act (CRA) and redlining. Congress passed CRA in 1977 to encourage banks to meet local credit needs,<sup>23</sup> virtually eradicating redlining. It has been the regulatory practice of decades, to ensure compliance with fair lending mandates, that lenders would identify the physical location of their loans to demonstrate proper distribution of credit within their communities. Lenders would rely, with regulatory concurrence, on their CRA Assessment Area as the basis for this analysis. Under the regulations that implement CRA, an Assessment Area must include the institution's main office, its branches, and its deposit-taking ATMs, as well as surrounding geographies in which the institution has originated or purchased a substantial portion of its loans.<sup>24</sup> A bank's delineation of its Assessment Area is regularly reviewed during a CRA performance evaluation.

In recent redlining enforcement actions, Agencies have disregarded a bank's CRA assessment area. Instead they have overlaid their own creation, a “reasonably expected market area” (REMA) or a “Proper Assessment Area”—an area Agencies assert that the bank should serve. In other words, Agencies substitute the bank's judgment about the market area it can serve with their own judgment, informed by a subjective use of statistical analysis. Arguably, the REMA appears designed to justify a preconceived regulatory conclusion of redlining. There has resulted the curious anomaly of banks that received high CRA marks over an extended period of time facing regulatory assertions of redlining. Which conflicting regulatory evaluations are correct and which in error?

Unlike CRA regulations, Agencies have created the REMA concept outside of public notice and comment. They have not offered guidance about how to define a REMA or when and why Agencies will disregard a bank's CRA assessment area. This practice—typically announced during the fair lending exam—handicaps a bank's ability to explain its performance, business strategy, institutional capacity and constraints, and other relevant factors involved in the bank's efforts to reach all sectors of its community. It discourages bank outreach and innovation, for fear of running afoul of an unknown statistical measure. Compounding this problem, in some enforcement actions Agencies have been unwilling to consider purchased loans, despite the fact that under CRA banks are encouraged to purchase loans. It has long been recognized that purchasing loans promotes financial access, facilitates a bank's portfolio diversity, and significantly enhances a bank's reach into underserved areas and communities, while supporting local loan originators by providing market access for their loans. Regulatory disregard for purchased loans may reduce credit availability and limit local economic growth, particularly in economically stressed areas.

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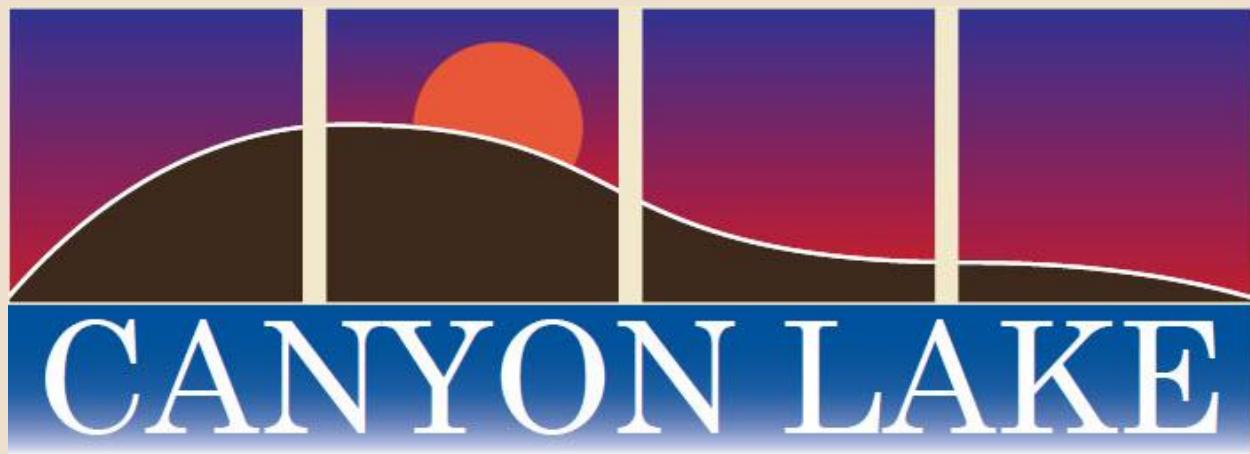
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<sup>23</sup> 12 U.S.C. § 2109 (“It is the purpose of this chapter to require each appropriate Federal financial supervisory agency to use its authority when examining financial institutions, to encourage such institutions to help meet the credit needs of the local communities in which they are chartered consistent with the safe and sound operation of such institutions.”) See also S. Rep. 95-175 at p. 35 (May 16, 1977) (“[T]he Committee is aware of amply documented cases of redlining, in which local lenders export savings despite sound local lending opportunities.”)

<sup>24</sup> 12 C.F.R. § 228.41.

Source: American Bankers Association, Fair Lending: Fighting Illegal Discrimination: Promoting Growth for the Community, April 2017, pages 7-8



## **Appendix F Progress Report**

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PROGRESS REPORT  
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**A. INTRODUCTION**

Section 65588(a) of the Government Code requires the City to review the *2008-2014 Housing Element* to evaluate:

- “Effectiveness of the element” (Section 65588[a][2]): A comparison of the actual results of the earlier element with its goals, objectives, policies and programs. The results should be quantified where possible (e.g., rehabilitation results), but may be qualitative where necessary (e.g., mitigation of government constraints).
- “Progress in implementation” (Section 65583[a][3]): An analysis of the significant differences between what was projected or planned in the earlier element and what was achieved.
- “Appropriateness of goals, objectives and policies” (Section 65588[a][1]): A description of how the goals, objectives, policies and programs of the updated element incorporate what has been learned from the results of the prior element.

The information presented in Appendix F provides a progress report on implementation of the *2008-2014 Housing Element* and provides insights on the policies and programs that should be retained and carried forward in the *2013-2021 Housing Element*.

**B. EFFECTIVENESS OF THE HOUSING ELEMENT**

The following are the results of implementing the programs which were included in the adopted *2008-2014 Housing Element*:

- 2 lower income households benefitted from Section 8 rental assistance
- 4 low income households received down payment assistance from the County of Riverside
- 1 low income household obtained down payment assistance and a Mortgage Credit Certificate (MCC)
- 5 homes have been rehabbed/repaired
- 2 households have been assisted with their housing discrimination complaints
- 425 homes have had energy efficiency improvements completed
- 62 above moderate income single family homes were constructed
- 1 moderate income mobile home was constructed

**C. PROGRESS IN IMPLEMENTATION**

Table F-1 provides information on the actual results of implementing the 14 actions included in the adopted *2008-2014 Housing Element*. The “status of program implementation” shows 12 of the 14 actions have been implemented. Two programs have not yet been implemented: 1) actions to prepare and adopt a Density Bonus Ordinance and 2) actions such as a resolution to encourage the development of Extremely Low Income Housing. These two programs have been carried forward and included in the *2013-2021 Housing Element* and are scheduled for adoption by mid-year 2020.

**D. APPROPRIATENESS OF GOALS, POLICIES AND OBJECTIVES**

The City believes that the goals, policies and objectives of the 2008-2014 Housing Element are appropriate and should be carried forward to the *2013-2021 Housing Element*. In order to promote achievement of the goals, policies and objectives the City will conduct more outreach to agencies such as WRCOG, County of Riverside Economic Development Agency and Fair Housing Council of Riverside County, Inc. The City has very limited resources and must involve agencies such as those listed in the preceding sentence to accomplish its goals and objectives.

**Chart F-1**  
**City of Canyon Lake**  
**Housing Program Implementation Progress**

<b>Program</b>	<b>Objective</b>	<b>Timeframe</b>	<b>Status of Program Implementation</b>
1. Canyon Lake Village Overlay Zone Program	Zone 10 acres at a density of 20-24 dwellings per acre	Accomplished May 31, 2012	Accomplished Implementation ongoing
2. No Net Loss Program	Development of Evaluation Procedure	September 30, 2012	Program and procedure developed in March 2019
3. Section 8 Rental Assistance Program	Assist 5 lower income households	Ongoing	2 lower income households are being assisted as of March 2019 per the records of the Housing Authority of the County of Riverside
4. First Time Homebuyer Down Payment Assistance Program and Neighborhood Stabilization Program	1 low and 2 moderate income households	2010-2014	5 households have been assisted per the records of the County of Riverside Economic Development Agency. Total loans equal \$278,470.
5. Mortgage Credit Certificate Program	1 low and 2 moderate income households	2010-2014	1 household has been assisted per the records of the County of Riverside Economic Development Agency. Tax credit amount \$18,825.
6. Density Bonus Procedures Program	Adopt Procedure	December 31, 2012	Procedure has not been adopted. The City will adopt a density bonus ordinance per SB 1818 requirements as well as those that became effective on January 1, 2019. The DBO is scheduled for adoption by June 30, 2019.
7. Extremely Low Income Housing Program	Outreach to developers; fee waiver resolution; SRO development standards	June 30, 2014	Not yet accomplished. Scheduled for adoption June 30, 2020.
8. Reasonable Accommodation Procedure Program	Adopt Procedure	December 31, 2012	Procedure was approved on June 17, 2019
9. Housing for the Disabled Zoning Code Amendments Program	Adopt Amendments	December 31, 2012	Amendments were adopted June 5, 2019

**Chart F-1 continued**  
**City of Canyon Lake**  
**Housing Program Progress**

<b>Program</b>	<b>Objective</b>	<b>Timeframe</b>	<b>Status of Program Implementation</b>
10. Special Housing Needs Zoning Ordinance Amendments Program	Adopt Amendments	December 31, 2012	Amendments were adopted June 5, 2019
11. Energy Conservation Program	Complete Program Development	December 31, 2012	PACE (Property Assessed Clean Energy) programs have provided \$9 million in financing for 425 energy efficiency, water conservation and renewable energy improvements.
12. County Housing Repair and Rehabilitation Programs and Neighborhood Stabilization Program	6 rehabilitated housing units	2010-2014	5 homes have been rehabbed per the records of the County of Riverside Economic Development Agency. Repair assistance equaled \$45,986 plus assistance included in down payment assistance for 3 homes
13. Fair Housing Services Program	Services Provided	2010-2014	Ongoing. 2 housing discrimination complaints have been filed by Canyon Lake residents. City residents are able to attend workshops and seminars held in the adjacent City of Menifee.
14. Fair Housing Information Program	Information provided in flyers and on City's website	2010-2014	Accomplished. Information is posted on City's website and bulletin board.