



2021-2029 HOUSING ELEMENT

**ADOPTED BY
CITY COUNCIL
CITY OF CANYON LAKE**

February 9, 2022

RESOLUTION 2022-09

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CANYON LAKE, CALIFORNIA, APPROVING GENERAL PLAN AMENDMENT 22-01 AMENDING THE CITY OF CANYON LAKE HOUSING ELEMENT FOR THE 6TH CYCLE, YEARS 2021 TO 2029

WHEREAS, The City of Canyon Lake has adopted a General Plan, consistent with Government Code Section 65300; and

WHEREAS, said General Plan includes a Housing Element certified by the State Department of Housing and Urban Development for the 5th Cycle, Years 2013 to 2021; and

WHEREAS, the City Council has received correspondence from the State Department of Housing and Community Development requiring an update to that document for the 6th Cycle, Years 2021 to 2029; and

WHEREAS, the City of Canyon Lake Housing Element has been updated to provide the required materials and documentation requested by the State Department of Housing and Community Development in their adoption of a Housing Element on October 2, 2019, and as referenced in their recent letter of December 7, 2021 to the City of Canyon Lake as part of the City's 6th Cycle Housing Element Update; and

WHEREAS, the City of Canyon Lake has contacted groups, organizations and members of the public to receive input on the proposed Housing Element update; and

WHEREAS, the amended Housing Element projects meeting the needs of the City of Canyon Lake for all income groups for the eight year period encompassing the 6th Cycle, Year 2021 to 2029; and

WHEREAS, this Housing Element update was noticed with a 1/8 page advertisement in the Friday Flyer for public hearing, before the City Council on February 9, 2022, as provided for in Government Code Section 65091; and

WHEREAS, an Initial Study/Proposed Negative Declaration was prepared consistent with the California Environmental Quality Act (CEQA) and made publicly available for review and comment August 10 to August 30, 2021, and used as a basis for the evaluation of this update.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF CANYON LAKE DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Based upon the staff report, public testimony, and record herein, the City Council makes the following findings regarding GPA (General Plan Amendment) 21-01:

1. The proposed Housing Element update is in accordance with the requirements of the 6th Cycle Housing Element and updated to be consistent with the comments provided by the State Housing and Community Development (HDC) in their letter dated December 7, 2021.
2. The proposed Housing Element update contains a number of the same programs as the City's 5th Cycle Housing Element.
3. The proposed Housing Element update focuses on meeting the identified number of new housing units within the City, providing programs to meet identified needs and housing requirements, and continuing a number of the previously adopted programs to meet identified housing needs.
4. The proposed Housing Element update does not require the establishment of additional residentially designated properties or an increase in residential densities to meet identified housing needs, as reflected in the General Plan Land Use Map.
5. The proposed Housing Element update does not involve a change to or conflict with any of the General Plan's visions, goals, and principles.
6. The proposed Housing Element update has been evaluated to determine compliance with the California Environmental Quality Act (CEQA) and represents the City's independent evaluation of the project.

Section 2. The proposed Housing Element provides an analysis demonstrating the potential for redevelopment of non-vacant sites based upon the following methodology and evaluation:

1. The City of Canyon Lake is dominated by a single-family development pattern approved decades ago and developed before its incorporation.
2. The single family subdivision maps were recorded in the late 1960's when the property was within the unincorporated area of the County of Riverside.
3. The original intent of the development was a master plan for senior living located around an existing water reservoir.
4. Initial criteria adopted by the Property Owners Association restricted the number of floors in a residential structure, with exceptions only for a two-story structure, with the intent to make the housing design amenable for seniors.
5. This single family subdivision pattern is substantially built out. The specific number of vacant lots as of the date of last Housing Element survey, was 226, of which all but 17 are less than half an acre in size. 95 of these lots are less than 8,000 sq. ft. in size. The balance of the vacant lots are located within areas comprising steeper slopes or are irregular in configuration.

6. The vacant single family lots in the City are randomly distributed throughout the developed area, due to the lack of involvement of merchant builders constructing groups of housing in a typical subdivision buildout pattern. New single-family housing in the City is constructed by individual property owners, predominantly for the property owner, and purchased through individual lot sales.
7. All residential lots within City are part of the Property Owners Association (POA). Only 25 residential lots within the City's designated Hillside area are not behind gates. However, the two streets that service this area are proposed to be relinquished by the City to the POA for maintenance and access control. As such, this area is to be gated as well. The 25 lots in question are in the City's hillside area with steep terrain.
8. Due to the limited area of vacant land for new development and the City's desire to undertake mixed-use development consistent with the desires of the Governor's Office of Planning and Research, the City has focused its attention on the Canyon Lake Towne Center as an opportunity area for new mixed-use residential development.
9. The City of Canyon Lake has hired a consultant team with experience in mixed use design to prepare a Specific Plan for the Towne Center to provide a design concept that would be successful in the development of housing to meet the City's identified need.
10. The City has had discussions with a developer about undertaking mixed use development at various locations within the City. The Developer expressed optimism in their ability to construct this type of development project within the City and to work with the City Staff on this type of concept.
11. The mixed use development at the Towne Center is in an optimal location for redevelopment, due to a number of factors:
 - a. Existing food, retail, and administrative services within the Towne Center.
 - b. Proximity to public transit on Railroad Canyon Road.
 - c. Proximity to regional freeways, I-15 and State Route 215.
 - d. Employment opportunities both within the Towne Center and the surrounding urbanized area, including the adjoining Cities Lake Elsinore and Menifee.
 - e. City ownership of a portion of the Towne Center.
 - f. Infrastructure that serves the existing commercial development, including water, sewer, natural gas, cable, and electricity.
 - g. Reduced environmental concerns due to the existing commercial development of the site that includes improvements to the entirety of the shopping center site, including parking, landscaping and buildings.
 - h. There are no Development Impact Fees adopted specifically for City use.
12. Development of the site could occur as either a large redevelopment project encompassing the entire property or incrementally. If developed incrementally, individual buildings could be constructed separately from the balance of this specific plan area.

13. The proposed residential component of the Towne Center (TC) Specific Plan is to be located over existing commercial development. The TC is currently comprised of 17 separate buildings. All four of the proposed residential housing sites would be located over existing separate commercial buildings. As such, construction for one building would be separate from other buildings, thus providing for the ability to construct housing incrementally.

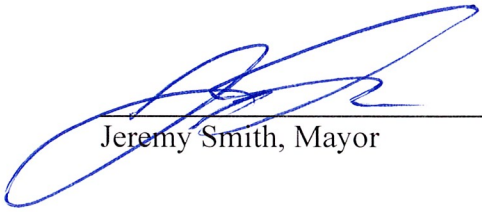
Section 3. The City Planner is hereby authorized by the City Council to edit any deficiencies in the Housing Element by advisement of the State of California Housing and Community Development Department regarding any policies or programs regarding:

1. Conformance with State statutes.
2. Enabling City Staff is able to make technical corrections/revisions based on State Housing and Community Development Department comments on the adopted Element.

Section 4. The Initial Study/Proposed Negative Declaration did not identify any significant environmental impacts for the adoption of the proposed Negative Declaration.

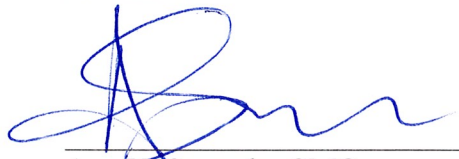
Section 5. Pursuant to the above findings, the City Council of the City of Canyon Lake adopts the findings and the environmental determination provided in this resolution and approve GPA 21-01.

PASSED, APPROVED, AND ADOPTED on this 9th day of February, 2022.



Jeremy Smith, Mayor

ATTEST:



Ana V. Sauseda, CMC
City Clerk

State of California)
County of Riverside) ss
City of Canyon Lake)

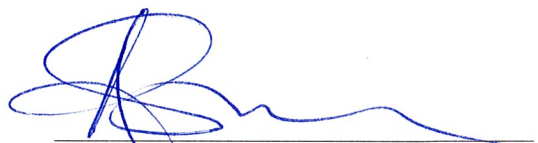
I, Ana V. Sauseda, City Clerk of the City of Canyon Lake, California, DO HEREBY CERTIFY, that the foregoing is a true and correct copy of Resolution No. 2022-09, adopted by the City Council of the City of Canyon Lake, California, at a regular meeting thereof, held on February 9, 2022, by the following vote:

AYES: Councilmember Castillo, Councilmember Dain, Mayor Pro Tem Greene,
Mayor Smith

NOES:

ABSTAIN:

ABSENT: Councilmember Welty



Ana V. Sauseda, CMC
City Clerk



Section I

Introduction

A. BACKGROUND

Canyon Lake began as a master-planned community developed by Corona Land Company in 1968. The “City of Canyon Lake” was incorporated on December 1, 1990. Railroad Canyon Dam was built in 1927, and impounds the San Jacinto River to fill the reservoir, which covers 383 acres and has 14.9 miles of shoreline.

The community is named for Canyon Lake reservoir, also known as the Railroad Canyon Reservoir, which it surrounds. The reservoir, created in 1928 with the construction of the Railroad Canyon Dam, has a storage capacity of 11,586 acre feet. It is owned and operated by the Elsinore Valley Municipal Water District. The reservoir is supplied by storm water runoff from the San Jacinto River and Salt Creek. Water from the reservoir feeds the Canyon Lake Water Treatment Plant, which provides approximately 10% of the domestic water supply in the Lake Elsinore/Canyon Lake area.

Three business or shopping areas are located within the City of Canyon Lake. One is located at the west end of the city on Railroad Canyon Road, and another at the east end of the city on Goetz Road. The main shopping and business center of the city, Canyon Lake Towne Center, is located directly across Railroad Canyon Road from the Main (south) entrance gates. It provides Canyon Lake with many services, and is the location of Canyon Lake City Hall, a county sheriff's satellite station, a Riverside County branch library, and the Property Owner's Association offices, which are all located side by side in the same building. Another building in the Towne Center mall houses the Canyon Lake Chamber of Commerce.

B. GOVERNMENT CODE REQUIREMENTS

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 2021 to October 2029. The mandated contents of a 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 a housing element 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, mobile homes, and emergency shelters, and shall make adequate provision for the existing and projected needs of all economic segments of the community.

C. ORGANIZATION OF THE HOUSING ELEMENT

In addition to the Introduction, the *2021-2029 Housing Element* includes Section II (Housing Program) and seven 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 existing and projected housing needs.

Appendix B Assessment of Fair Housing: The Appendix contains information on fair housing protected groups; describes fair housing issues; and recommends goals, priorities; and strategies.

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

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

Appendix G: Progress Report: The Appendix describes the progress the City has made in implementing the actions adopted in the *2021-2024 Housing Element*.

D. HOUSING ELEMENT CONSISTENCY WITH OTHER GENERAL PLAN ELEMENTS

The City's General Plan was adopted in 1996. It includes 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 Safety Element is currently being updated (September 2021).

During the planning period, consistency between the *2021-2029 Housing Element* and the other General Plan Elements will be maintained through the General Plan Annual Progress Report. This Report, which is completed in April of each year, reports on the status and implementation progress of the General Plan Elements. The Progress Report contains information on the status of General Plan amendments, if any, and how internal consistency will be maintained between the Housing Element and the other six elements.

E. WATER AND SEWER PRIORITY

Government Code Section 65589.7(a) requires the *2021-2029 Housing Element* that is adopted by the City Council to be delivered to agencies providing the City's water and sewer services. 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*. [Emphasis added]

The City will transmit a copy of the adopted *2021-2029 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).

F. PUBLIC PARTICIPATION AND CONSULTATION

During the preparation of the *Draft 2021-2029 Housing Element* the following public participation and consultation efforts were undertaken:

- City Council Meeting – May 5, 2021

A presentation was made to the City Council and the public on the progress made on the preparation of the Towne Center Specific Plan. The Specific Plan is being jointly funded by the City and an SB 2 Planning Grant.

Two of the topics discussed at the meeting were the vision for the Towne Center and how mixed-use sites can accommodate the RHNA.

- Community Housing Element Workshop – July 1, 2021

The Planning Director invited the following organizations to the Workshop:

- ✓ Canyon Lake Community Church
- ✓ Chamber of Commerce
- ✓ Property Owners Association
- ✓ The Giardinelli Law Group (offices are located in Canyon Lake)
- ✓ Housing Authority of the County of Riverside
- ✓ Jamboree Housing Corporation (located in Irvine)
- ✓ Riverside Housing Development Corporation
- ✓ Habitat for Humanity (located in Riverside)

A week before the Workshop, the date and time of the Housing Element Workshop were announced in the local newspaper (Friday Flyer).

Unfortunately none of the invitees or the public attended the Workshop.

Efforts to keep the public informed will continue through public notices and announcements; providing information on the City's website; providing copies of the *Draft 2021-2029 Housing Element* at City Hall, the Library, and POA offices.

- City Council Public Meeting – September 1, 2021

To be added

- Draft Public Review Period

There will be a 60 to 90 day period to allow the public time to review and comment on the *2021-2029 Draft Housing Element*

- City Council Public Hearing – December 1, 2021

Critical information regarding community surveys, community needs assessment, services provided, number and types of persons assisted, and policy recommendations were obtained from the following organizations:

- California Department of Developmental Disabilities
Data on the number of Canyon Lake clients and their living arrangements
- Amanda Swartz
Community Access Center
Information on home modifications and transition to independent living
- Carrie Harmon
Community Action Partnership
Information on poverty reducing programs
- Disability Rights California
Information on reasonable accommodations, reasonable modifications, service and companion animals
- County of Riverside Area Agency on Aging
Information on needs assessments, survey of seniors, housing priorities
- Fair Housing Council of Riverside County, Inc.

Review and comments on the fair housing enforcement, resources and outreach section (Appendix B) of the Preliminary Draft Housing Element by the staff of the Fair Housing Council of Riverside County, Inc.

- Housing Authority of the County of Riverside – Cindy Hui (Section 8 statistics and Housing Opportunity Area Maps)
- Public Counsel Pro Bono Law Firm
Information on best practices regarding planning for emergency shelters
- Inland Regional Center
Information on services provided and licensed and unlicensed living options
- Southern California Association of Governments (SCAG) – Kevin Kane (RHNA methodology and housing data)
- Turner Center for Housing Innovation
Information on housing development costs, impact of local development impact fees, density bonuses
- Vicki Gums
U.S. Department of housing and Urban Development (HUD)
San Francisco Regional Office
Information on housing discrimination complaints filed Canyon Lake residents by basis and alleged act

- Western Riverside County Council of Governments (WRCOG)

In addition, the *Draft 2021-2029 Housing Element* was posted on the City's website for review by the interested public.

Additional public participation opportunities will be available during the 60-day HCD review period and the public hearings that will be held by the City Council.

The public participation and consultation effort contributed to the development of the *2021-2029 Housing Element* in the following ways:

- Housing programs have been incorporated into the Housing Element to initiate and maintain ongoing consultation and involvement with mainstream organizations such as the Area Agency on Aging and the Inland Regional Center.
- The FHCRC provided valuable information on fair housing enforcement and capacity. In addition, insights were provided by the FHCRC on fair housing actions.
- The Public Counsel provided data on best practices concerning the development of emergency shelters.



Section II Housing Program

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

A program which sets forth a five-year schedule of actions the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the housing element....

Section II also is a summary of the *2021-2029 Housing Element* and is organized according to five action categories that must Housing Program must address:

- Identify Actions to Make Sites Available to Accommodate the City's Share of the Regional Housing Need That Could Not Be Accommodated on the Sites Identified in the Land 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 [Government Code Section 65583(c)(4)]
- Promote and Affirmatively Further Fair Housing Opportunities throughout the Community or Communities for All Persons Regardless of Race, Religion, Sex, Marital Status, Ancestry, National Origin, Color, Familial Status, or Disability [Government Code Section 65583(c)(5)]

The City does not have an affordable housing development at risk of conversion to market rate housing during the next 10-years (through 2031). Therefore, it does not need to create programs that –

- Preserve for Lower Income Households the Assisted Housing Developments at Risk of Conversion to Market Rate Housing [Government Code Section 65583(c)(6)]

Table II-1 lists 19 individual programs according to five program categories.

**Table II-1
City of Canyon Lake
2021-2029 Housing Program**

Program Category	List of Programs
Category 1 – Actions to Make Sites Available to Accommodate the RHNA	1.1 Recorded R-1 Vacant Lot Development Program
	1.2 Rezone Program on Mixed-use Sites - Towne Center Specific Plan
	1.3 No Net Loss Program
	1.4 Annual Housing Element Progress Report
Category 2 – Assist in the Development of Adequate Housing to Meet the Needs of All Economic Segments	2.1 Section 8 Housing Choice Voucher Program
	2.2 First Time Homebuyer Program
	2.3 Affordable Housing Incentives Program
	2.4 ADU Incentives Plan
	2.5 Area Agency on Aging Outreach Program
	2.6 Inland Regional Center Outreach Program
Category 3 – Address and Remove Governmental and Nongovernmental Housing Constraints	3.1 Zoning Ordinance Amendments
	3.2 Continue to Ensure the Community Is Aware of the Reasonable Accommodation Procedure
	3.3 SB 35 Streamlining Information
Category 4 – Conserve and Improve the Condition of the Existing Housing Stock	4.1 Housing Code Enforcement
	4.2 Homeowner Housing Rehabilitation Program
Category 5 – Promote and Affirmatively Further Housing Opportunities for All Persons	5.1 AFFH Outreach Program
	5.2 Fair Housing Services Program
	5.3 Affirmative Fair Housing (Marketing AFHM) Plan – Multifamily Housing
	5.4 Displacement Risk Program

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...*

Housing Needs Summary

The Southern California Association of Governments (SCAG) regional housing need was determined by the State Department of Housing and Community Development (HCD). The SCAG "region" encompasses the counties of Ventura, Los Angeles, Orange, Riverside, San Bernardino and Imperial.

The total regional need is 1,341,827 housing units. Canyon Lake's share is 129 housing units. The City must identify sites that can accommodate its share of the regional housing

The City's share of 129 housing units is divided to income groups. The lower income housing need is 67 housing units (21 + 22+ 24).

Table II-2
City of Canyon Lake
Share of Regional Housing Needs
June 30, 2021 – October 15, 2029 (8.3 years)

Income Group	Number	Percent
Extremely Low	21	16.4%
Very Low	22	17.2%
Low	24	18.8%
Moderate	24	18.8%
Above Moderate	38	28.8%
Total:	129	100.0%

Source: Southern California Association of Governments, SCAG 6th Cycle RHNA Allocation, 03/04/21

Sites to accommodate Canyon Lake's share of the regional housing need include:

Above Moderate Income

- 5 vacant lots with a General Plan designation of Very Low Density and Zoning of E-R-2-1/2.
- 126 vacant lots recorded lots zoned R-1
- 86 housing units on non-vacant land located in the Towne Center Specific Plan

Moderate Income Housing Need

- 95 recorded vacant lots zoned R-1
- 35 housing units on non-vacant land located in the Towne Center Specific Plan

Lower Income Housing Need

- 67 housing units on non-vacant land located in the Towne Center Specific Plan

The sites inventory demonstrates there are sufficient lots to accommodate the above moderate- and moderate-income housing needs on vacant land. Additional land is available on non-vacant land located within Towne Center Specific Plan.

Because there are sufficient vacant lots to accommodate the above moderate- and moderate-income housing need, a “**re-zoning**” program is not necessary.

The lower income housing need is accommodated on non-vacant land located in the Towne Center Specific Plan.

Goals

- Accommodate the housing needs of all income groups which were allocated to the City by the 6th Cycle Regional Housing Needs Assessment Final Allocation Plan.
- Facilitate the construction of the maximum feasible number of housing units for all income groups.

Policies

- Designate sites that provide for a variety of housing types.
- Implement the Land Use Element, Housing Element, Towne Center Specific Plan and Zoning Ordinance to achieve adequate sites for extremely low, very low, low, moderate, and above moderate households.

Program 1.1 Recorded R-1 Vacant Lot Development Program

As a part of the City’s residential land inventory, the City has 130 vacant recorded residential lots. The purposes of this program are to maintain a database that includes each lot:

- Timing and status of lot development
 - ✓ Building Permit application submitted
 - ✓ ADU permit application submitted
 - ✓ Start of Construction
 - ✓ Completion of Construction
 - ✓ Sales Date

- Location of lot development
 - ✓ Address
 - ✓ Assessor Parcel Number
 - ✓ Census Tract
 - ✓ Zip Code Area
- Cost of Development
 - Building Valuation
 - Estimated Market Value
 - Sales Price

Objective: Prepare an Annual Vacant Residential Lot Development Report

Responsible Agency: Planning Department and Building Department

Timeline/interim Milestones

- Prepare the first Annual Report by January 2023
- Continue to prepare Residential Annual Lot Development Reports during the remainder of the 8-Year Planning Period
- Incorporate as appropriate data in the Annual Progress Report due in April of each year

Funding Source(s): General Fund

Program 1.2 Rezone Program on Mixed-use Sites - Towne Center Specific Plan

To accommodate the lower-income RHNA of 67 housing units, the City will identify and rezone sites within the Towne Center Specific Plan, allowing owner-occupied and rental multifamily residential uses “by-right”, at a minimum of 20 units per acre by February 2022. Sites will allow projects to be 100% residential by-right but shall require residential uses to occupy at least 50% of the total floor area of the mixed-use project. Rezoned sites will permit owner-occupied and rental multifamily uses by right pursuant to Government Code section 65583.2(i) for developments in which 20% or more of the units are affordable to lower income households and will be selected from sites in the assessor parcel listing (Appendix C) and have the capacity for at least 16 units per site.

Objective: Adopt a Towne Center Specific Plan consistent with the requirements of Government Code section 65583.2(i).

Responsible Agency: Planning Department

Timing/Interim Milestones:

- Adopt Towne Center Specific Plan by Summer 2022
- Provide for the development of 74 lower income housing units (67 RHNA share + 10% buffer) by Summer 2022
- Identify and create affordable housing development incentives by September 2022
- Identify and describe affordable housing development strategies by March 2023
- Conduct surveys of affordable housing developers between September 2022 and March 2023
- Conduct meetings and workshops with for-profit and non-profit housing developers between April 2023 and September 2023
- Identify a catalyst project between October 2023 and December 2023
- Implement incentives, strategies, and catalyst project(s) between January 2024 and October 2029

Funding: General Fund and additional State and Federal funding sources as they become available

Program 1.3 No Net Loss Program

To ensure sufficient residential capacity is maintained to accommodate the RHNA for each income category, within one year of adoption of the *2021-2029 Housing Element*, develop and implement a formal, ongoing (project-by-project) evaluation procedure pursuant to Government Code section 65863. The evaluation procedure will track the number of extremely low-, very low-, low-, moderate-, and above moderate-income units constructed to calculate the remaining unmet RHNA by income group. The evaluation procedure will also track the number of units built on the identified sites to determine the remaining site capacity by income category and will be updated continuously as developments are approved.

No action can be taken to reduce the density or capacity of a site (e.g., downzone, moratorium), unless other additional adequate sites are identified prior to reducing site density or capacity.

If a development is being approved on an identified site at a lower density than what was assumed for that site identified in the *2021-2029 Housing Element*, additional adequate sites must be made available within 180 days of approving the development. A program to identify the replacement sites, and take the necessary actions to make the site(s) available and ensure they are adequate sites, will be adopted prior to, or at the time of, the approval of the development.

Subsequent to adopting an evaluation procedure, the City will monitor rezones and development of residential units, and update the sites inventory. The sites inventory will be posted on the Planning Department's website and will be updated at least once a year.

At least annually, the City will update, if necessary, the sites inventory in conjunction with the Housing Element Annual Reports prepared pursuant to Government Code section 65400.

Objective: Develop and maintain a no net loss evaluation procedure.

Responsible Agencies: Planning Department and Building Department

Timeline/Interim Milestones:

- Within one year of adoption of the *2021-2029 Housing Element*, develop and implement/ a formal ongoing evaluation procedure pursuant to Government Code Section 65863.
- The Planning Department prepared a draft procedures based on technical guidance provided by HCD

Funding Source(s): General Fund

Program 1.4 Annual Housing Element Progress Report

Government Code Section 65400 requires each jurisdiction in the State to prepare an Annual Progress Report (APR) documenting the progress on implementing its Housing Element. Each jurisdiction's 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 City will supplement the APR data with information on collected from Program 1.1 Recorded R-1 Vacant Lot Development Program.

Objective: Produce and submit the APR to HCD and OPR by April 1st of each year

Responsible Agency: Planning Department

Timeline: Produce housing data annually

Funding Source(s): General Fund

**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.

Housing Needs Summary

Appendix A is the City's *Assessment of Housing Needs*. Table II-3 summarizes the existing housing needs according to four categories:

- Cost Burdened Households
- Overcrowded Households
- Affordable housing at Risk of Conversion to Market Rate Housing
- Special Housing Needs.

Goal

- To the maximum extent possible, meet the housing needs of households living in Canyon Lake with financial resources available from the County Riverside (Housing Authority of the County of Riverside and County of Riverside Economic Development Agency)

Policies

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

Table II-3
City of Canyon Lake
Assessment of Housing Need Summary

	# of Renter Households	# of Owner Households
Cost Burden	364	1,115
Severe Cost Burden	205	455
Overcrowded Households (1.01+ persons per room)	0	26
Overcrowded Households (1.51+ persons per room)	0	0
At-Risk Housing	No existing affordable housing is at risk of conversion to market rate housing in the next 10 years	
Special Housing Needs		
	1,645 elderly households (62+) live in Canyon Lake	
	25% of elderly householders 65+ live alone	
	44% of elderly householders 65+ are married couples	
	60% of elderly householders have lower income and a high number and percentage probably experience cost burdens and severe cost burdens	
Frail Elderly	Approximately 171 elderly persons 65+ are estimated to be frail	
	271 elderly persons 65+ have a propensity to fall multiple times during a year	
Persons with Disabilities	Almost 1,300 persons are estimated to be disabled (11.5% of the total population)	
	1,059 households have one or more disabled member	
	21% of the households with a disabled member live alone	
Persons with Developmental Disabilities	126 persons are served by the Inland Regional Center	
	120 live in a single family dwelling	
	<11 live in a care facility	
Large Families	Approximately 250 owner large families live in the City	
	Approximately 44 renter large families live in the City	
Farmworkers	18 persons are employed in the farming, fishing and forestry occupations	
Female Householders	Approximately 400 female householders live in the City	
Homeless	The homeless population is estimated to be zero persons	

Source: Appendix A Assessment of Housing Needs

Special Needs Policies

Elderly

- To relieve housing cost burdens, continue to promote Section 8 rental assistance
- To expand housing choices at potentially reduced costs, implement incentives for ADU development, which may provide the elderly with a housing option
- Provide financial assistance, if possible, to help the elderly make home modifications that could prevent falls.

These policies are implemented by programs involving Section 8 rentals assistance, affordable housing incentives, ADU incentives, and Area Agency on Aging outreach

Disabled Population

- To relieve housing cost burdens, continue to promote Section 8 rental assistance
- Promote and make the community aware of the Reasonable Accommodation Procedure including the availability of a brochure and application.
- Provide information to the owners of rental properties regarding reasonable accommodations, reasonable modifications, and service and companion animals
- Provide financial assistance, if possible, to make home modifications
- *These policies are implemented by programs involving Section 8 rentals assistance, reasonable accommodation procedure, Inland Regional Center Outreach, and Area Agency on Aging outreach*

Developmentally Disabled Population

- Explore with the Inland Regional Center the need for home modifications in homes occupied by persons with developmental disabilities
 - Post on the City's website information on the services and resources available from the Inland Regional Center
- These policies involve continuing to implement the Developmentally Disabled Outreach Program*

Large Families

- Promote the down payment assistance program to enable large renter families to buy a home with enough bedrooms
 - Create incentives including funding resources for the development of ADUs
- These policies are implemented by the County's Home Owner Rehabilitation Program, ADU incentives, and private home improvement loans*

Female Householders

- Work with the Fair Housing Council of Riverside County, Inc. to ensure that female householders are free from housing discrimination on the basis of sex and familial status.
- Amend the Zoning Ordinance to comply with State law that addresses the special needs of female householders.

These policies are implemented by coordination with the FHCRC and the Zoning Ordinance Amendments Program

Homeless Population

- Continue to keep informed of County of Riverside's Continuum of Care activities.
- Complete Zoning Ordinance amendments to define low barrier navigation centers and include in the list of permitted uses in the mixed-use zone.
- *These policies are implemented by coordination with the County of Riverside Continuum of Care and the Zoning Ordinance Amendments Program*

Housing Programs

Program 2.1 Section 8 Housing Choice Voucher Program

The Section 8 Housing Choice Voucher is administered by the Housing Authority of the County of Riverside. The program provides rental assistance to extremely low- and very low-income and special needs households (e.g., elderly and disabled).

As of September 2021, the Housing Authority provided rental assistance to one household living in Canyon Lake. On average, one to three households received rental assistance in recent years.

The City will continue to support the Housing Authority's applications to the U.S. Department of Housing and Urban Development (HUD) for additional funding and assist the Housing Authority in marketing the program to rental property owners.

Objective: Provide assistance to at least five extremely low- and very low-income households during the 2021-2029 period.

Responsible Agency: Housing Authority of the County of Riverside

Timeframe/Interim Milestones:

- *Post information on the "nuts and bolts" of the Section 8 Housing Voucher Program on the City's website*
- *Conduct a landlord workshop with the Housing Authority to explain how the Program works rental property owners*
- *Implementation throughout the 2021-2029 planning period*

Funding Source: HUD Housing Choice Vouchers

Program 2.2 First Time Homebuyer Program

Canyon Lake is a CDBG/HOME cooperating city with the County of Riverside. Through this cooperative effort, City residents and projects located in Canyon Lake are eligible to participate in three County funded programs including the First-Time Homebuyer Program, Mortgage Credit Certificate Program (reduced federal income tax liability) and the Neighborhood Stabilization Program (silent second mortgage purchase price assistance).

The First Time Homebuyer Program provides down payment assistance up 20% of the purchase price (not to exceed \$75,000).

The County's 2019-2024 Consolidated Plan allocates \$4,353,170 to the First Time Homebuyer Program. The funding amount is projected to assist 100 households over a five-year period. The funding amount may assist households living in the County territory and the cooperating cities. Therefore, the number of households that can be assisted in any one city is limited.

Objective: First Time Homebuyer Assistance to five buyers purchasing homes in Canyon Lake.

Responsible Agencies: County of Riverside Economic Development Agency

Timeframe/Interim Milestones:

- By the Summer 2022, the City will post information on the program on its website.
- Annually conduct a FTHB Workshop hosted by the City and FHCRC
- Ongoing throughout the 2021-2029 8-year planning period,

Funding Source: County of Riverside HUD CDBG/HOME Funds

Program 2.3 Affordable Housing Incentives Program

For-profit and non-profit developers play a significant role in providing affordable housing. The City will encourage and support the development of rental developments that meet the needs of lower-income renters, extremely low-income households, seniors, and persons with disabilities, including developmental disabilities. Actions will include:

- Meeting with potential affordable housing developers, providing site information, assisting in the entitlement processes, and considering on a case-by-case possible development incentives.
- Posting the sites inventory on the City's website. Assisting developers in identifying available sites for residential and mixed-use developments.
- Encouraging use of the density bonus provisions through technical assistance and information dissemination.
- Alerting housing developers with known interest in developing within the City when opportunities are available (e.g. sites, partnerships, City-owned land, availability of funding).
- Deferring, reducing and/or waiving development fees in order to facilitate and encourage the development of housing that meets the City's housing needs.

Objective: Use of affordable housing incentives by private developers which will be reported in the Annual Progress Report.

Responsible Agency: Planning Department

Timeframe/Interim Milestones:

Meet with developers at least once a year with technical assistance and information dissemination

Conduct pre-application conferences and on a case-by-case basis

Implementation throughout the planning period

Funding: General Fund

Program 2.4 ADU Incentives Plan

The City has adopted an ADU Ordinance.

The production of lower cost ADUs is a function of housing unit size. The smaller the ADU, the less costly it will be to construct.

The incentives will include:

- Inform owners of fee exemptions for ADUs of less than 750 SF
- Provide if resources become available fee waivers and reductions from City, school district and special district fees

- Provide owners with examples of small ADUs (<500 SF)
- Inform owners of the Section 8 Housing Choice Voucher Program and County of Riverside Housing Authority contacts

Objective: Implement incentives to produce lower cost ADUs

Responsible Agency: Planning Department and Building Department

Timeline/Interim Milestones:

- Post on the City's website examples of ADUs
- Provide owners with a brochure describing the ADU Program
- Provide owners with strategies on how to reduce ADU construction costs
- Ongoing implementation throughout the planning period

Funding: General Fund

Program 2.5 Area Agency on Aging Outreach Program

The City will reach out to the Area Agency on Aging to assist toward achievement of the following *Area Plan on Aging* goal, objective and policy:

- Goal: Participate in discussions, coalitions, collaborations, and initiatives that focus on developing *age-friendly, disability friendly communities* that support older adults and persons with disabilities, allowing them to remain in the homes and communities of their choice.
- Objective: Assist with providing safe and affordable housing solutions to keep older adults and persons with disabilities in the homes and communities of their choice.
- Policy: Provide emergency assistance in the form of housing, rental, utility, transportation, home repairs and modifications, falls prevention, and mobility management assistance.

Objective: Complete outreach and City support

Responsible Agency: Planning Department

Timeframe/Interim Milestones:

Participate in the Needs Assessment, Community Surveys, and Planning Workshops conducted by the Area Agency on Aging – as needed

Provide input to the Area Plan Update – as needed

Funding Source: General Fund

Program 2.6 Inland Regional Center Outreach Program

The City will continue to reach out to the Inland Regional Center to obtain the most recent information on: 1) description of common services (e.g., adult day programs, housing support services, etc.); 2) living options (brochures in English and Spanish); and 3) transition fact sheets describing the transition from adolescence to adulthood (in both English and Spanish).

The City will also work with the Inland Regional Center to obtain the most data on the types of housing occupied by Canyon Lake's developmentally disabled youth and adults (e.g., home of parent, foster/family home, etc.)

Objective: Complete outreach and City support

Responsible Agency: Planning Department

Timeframe/Interim Milestones:

- Post information on the City's website.
- Participate in the Needs Assessment, Community Surveys, and Planning Workshops conducted by the Inland Regional Center – as needed
- Provide input to the Area Plan Update – as needed

Funding Source: General Fund

PROGRAM CATEGORY #3:**ADDRESS AND REMOVE GOVERNMENTAL AND NONGOVERNMENTAL HOUSING CONSTRAINTS**

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.

Governmental Constraints Summary

Actions to remove governmental constraints are identified by the analysis in Appendix C and HCD comments on the Draft Housing Element in Appendix C are described below:

AB 234 requires the City to permit large-family homes by right in multi-family zones. The Zoning Ordinance will be amended to provide a definition of large family home and to include this use as a use permitted by right in the R-2, R-3, Canyon Lake Village Overlay Zone, and Towne Center Specific Plan.

The City also must provide for a streamlined ministerial approval process for multifamily projects that include at least 50% affordability. Canyon Lake is one of 220 jurisdictions in the State that have made insufficient progress toward their Lower income RHNA (Very Low and Low income) and are therefore subject to the streamlined ministerial approval process of SB 35.(Chapter 366, Statutes of 2017). The streamline ministerial approval process applies to proposed developments with at least 50% affordability.

The City must provide information about the locality's process for applying and receiving ministerial approval, The City must accept any application that meets the requirements for a standard multifamily entitlement submittal and that contains information showing how the development complies with the requirements of the SB 35 Guidelines.

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.

Policies

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

- 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.

Housing Programs

Program 3.1 Zoning Ordinance Amendments

a. HCD Comments

In its review of the Draft Housing Element, HCD found that amendments to the Zoning Ordinance are needed to be following State law. They are listed below as well as updates on how the comments on supportive housing and employee housing have been addressed by amendments to the Zoning Ordinance.

Emergency Shelters: While housing element law does allow a jurisdiction to limit the number of beds or persons permitted to be served nightly by a facility, standards must be designed to encourage and facilitate the development of, or conversion to, an emergency shelter. The element must analyze the 5-bed limit as a potential constraint for the development of emergency shelters and must amend its emergency shelter parking requirements to comply with AB 139/Government Code section 65583, subdivision (a)(4)(A).

Low Barrier Navigation Centers: Low Barrier Navigation Centers shall be a use by-right in zones where multifamily and mixed uses are permitted, including nonresidential zones permitting multifamily uses pursuant to Government Code section 65660. The element must demonstrate compliance with this requirement and include programs as appropriate.

Permanent Supportive Housing: Supportive housing shall be a use by-right in zones where multifamily and mixed uses are permitted, including nonresidential zones permitting multifamily uses pursuant to Government Code section 65651. The element must demonstrate compliance with this requirement and include programs as appropriate. (See “b” below)

The Zoning Ordinance was amended in 2020 to meet the requirements of Government Code Section 65651.

Section 9.30.020(b)[uses permitted] of the Zoning Ordinance was amended to read as follows:

(b) Supportive housing by right as defined in Government Code Section 65651(a) through (d).

(Ord. 196, passed 3-4-2020)

Single Room Occupancy (SRO) Units: The element must clarify how the zoning code allows SRO units or add a program as appropriate.

Zoning Ordinance amendments to address SROs are scheduled to be adopted in the Summer of 2022. Amendments include a definition and minimum housing unit sizes. SROs will be a permitted use in the R-3, CLVOZ, and Towne Center Specific Plan

Employee Housing: The element must demonstrate zoning is consistent with the Employee Housing Act (Health and Safety Code, § 17000 et seq.), specifically, sections 17021.5 and 17021.6. Section 17021.5 requires employee housing for six or fewer employees to be

treated as a single-family structure and permitted in the same manner as other dwellings of the same type in the same zone. Section 17021.6 requires employee housing consisting of no more than 12 units or 36 beds to be permitted in the same manner as other agricultural uses in the same zone.

The Zoning Ordinance was amended in 2020 to meet the employee housing requirements as follows:

Canyon Lake Zoning Ordinance 9.28.010 Uses in residential zones.

Notwithstanding anything to the contrary in the Canyon Lake Zoning Code or regulations:

(a) Employee housing accommodating six or fewer employees is deemed a single-family use and permitted in all zones permitting single-family residential land use. (Health & Safety Code Section 17021.5).

Section 17021.6 does not apply to the City of Canyon Lake because it has no agricultural zones.

Accessory Dwelling Units (ADU): HCD reviewed the adopted ADU Ordinance and identified revisions that are needed in order to be consistent with State law. The element should add a program to update the City's ADU ordinance to comply with state law. A program is in process to incorporate the ADU Ordinance Update.

b. Actions to Implement the 2013-2021 Housing Element

The following ZOAs were identified as necessary by the 5th Cycle Housing Element

- Canyon Lake Village Overlay District: revise minimum housing unit sizes and increase building height from 30 feet to 35 feet as a result of the cumulative impact of the development standards
- Compact Housing Units: adopt a definition of compact housing units to encompass SROs, micro-units, and small studio units; establish development standards; and include as a permitted use in the R-3, CLVOZ, and Towne Center Specific Plan
- Density Bonus Ordinance: adopt a DBO that meet State law requirements.
- Emergency Shelters: revise the maximum shelter size from 5 to 10 beds and the spacing requirement; also address parking space standards based on recent State law.
- Low barrier navigation center: adopt a definition for this land use and add to the list of permitted uses in the Mixed-Use Zone.

Zoning Ordinance Amendments have been prepared for the actions listed above. The first reading of the Amendments will happen in the Summer of 2022.

By way of explanation, a "Low Barrier Navigation Center" is a Housing First, low-barrier, service-enriched shelter focused on moving people into permanent housing that provides temporary living facilities while case managers connect individuals experiencing

homelessness to income, public benefits, health services, shelter, and housing. “Low Barrier” means best practices to reduce barriers to entry such as allowing pets; storage of possessions; and privacy.

Government Code Section 65560 et. seq. requires that local jurisdictions allow “low barrier navigation centers” by right in areas zoned for mixed use and in non-residential zones permitting multifamily residential uses, if they meet the requirements specified in Government Code Section 65662.

c. Actions to Remove Governmental Constraints Identified by the 2021-2029 Housing Element

AB 234 requires the City to permit large-family (child care) homes by right in multi-family zones. The Zoning Ordinance will be amended to provide a definition of large family home and to include this use as a use permitted by right in the R-2, R-3, Canyon Lake Village Overlay Zone, and Towne Center Specific Plan.

There also is a need to update the ADU Ordinance based on HCD recommendations.

Objective: Completion and adoption of the Zoning Ordinance amendments

Responsible Agency: Planning Department

Timeframe: Approval of the first reading of the Zoning Ordinance Amendments in the Summer of 2022

Funding Source: General Fund and LEAP (Local Early Action Planning) Grant

Program 3.2 Continue to Ensure the Community Is Aware of the Reasonable Accommodation Procedure

The City has prepared an application and brochure describing the Reasonable Accommodation Procedure. The application and brochure are available at the Planning Department and Building Department counters.

To increase community awareness, the brochure/application will be posted on the City’s website.

Objective: Increase community awareness of the reasonable accommodation application and brochure

Responsible Agency: Planning Department and Building Department

Timeframe/Interim Milestones:

- Post the brochure and application and additional relevant information on the City’s website by June 2022
- Ongoing throughout the 2021-2029 planning period

Funding Source: General Fund

Program 3.3 SB 35 Streamlining Information

SB 35 requires cities and counties to streamline review and approval of eligible affordable housing projects by providing a ministerial approval process, exempting such projects from environmental review under the California Environmental Quality Act (CEQA). The City has not received any SB 35 development applications or inquiries. To accommodate any future SB 35 applications or inquiries, the City will create and make available to interested parties

an informational packet that explains the SB 35 streamlining provisions in Canyon Lake and provides SB 35 eligibility information.

Objective: Implementation of SB 35 streamlining ministerial approval process

Responsible Agency: Planning Department

Timeframe/Interim Milestones

- Information packet availability by June 2022
- Ongoing throughout the 2021-2029 planning period

Funding Source: General Fund

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.

Housing Needs Summary

With respect to the quality of the existing housing, the City's needs are minimal:

1 housing units in need of rehabilitation

0 housing units in need of replacement

Goal

- Conserve and improve the condition of Canyon Lake's existing housing stock.

Policies

- *Code Enforcement.* Enforce adopted code requirements that set forth acceptable health and safety standards for the occupancy of existing housing.
- *Rehabilitation Programs.* Continue to facilitate to provide information on the County's rehabilitation programs regarding financial assistance to repair and improve homes.

Program 4.1 Housing Code Enforcement

Many code violations are referred to as "public nuisances" and have a negative impact on property values or the enjoyment and safety of the community. Through voluntary compliance, cooperation, and a spirit of personal responsibility for the well-being of the community, conditions that create code violations can be eliminated.

In residential zones, the following are common code violations:

- Accumulation of trash, junk, and debris in public view.
- Overgrown, dead, decayed hazardous vegetation
- Deteriorated fencing, walls, buildings, structures
- Broken windows
- Lack of maintenance for pools, spas, ponds or other bodies of water
- Illegal grading
- Construction without building permits – patios, retaining walls, pools, garage conversions
- Graffiti
- Zoning violations

Objective: The City will continue providing ongoing inspection services to review code violations

Responsible Agency: Code Compliance Department

Timeframe: Implementation throughout the 8-year planning period

Funding Source: General Fund

Program 4.2 Homeowner Housing Rehabilitation Program

The City is a cooperating city in the County of Riverside Urban County CDBG Program. The County's *2019-2024 Consolidated Plan* allocates \$4,235,710 to the Homeowner Housing Rehabilitation Program. The 5-year goal is the rehabilitation of 125 owner-occupied housing units. Canyon Lake home owners may apply for the financial assistance provided by this program.

County staff has indicated that there have been very few applications from Canyon Lake residents in the past five years. The City will continue to cooperate with the County of Riverside in the implementation of home repair and rehabilitation programs.

The City will post information on its website describing the County program and encouraging eligible homeowners to submit an application.

Objective: Five homes rehabilitated through the County's program during the 2021-2029 planning period.

Responsible Agencies: Planning Department

Timeframe: Ongoing implementation throughout 2021-2029 planning period

Funding: County CDBG funds

PROGRAM CATEGORY #5**PROMOTE AND AFFIRMATIVELY FURTHER HOUSING OPPORTUNITIES FOR ALL PERSONS**

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

Promote and affirmatively further fair housing opportunities and promote housing throughout the community or communities 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 and any other state and federal fair housing and planning law.

Assessment of Fair Housing Summary

Appendix B presents the *Assessment of Fair Housing*. The assessment includes a demographic summary of fair housing protected classes; analysis of fair housing issues; description of factors contributing to fair housing issues; and a fair housing action plan encompassing priorities, goals, and strategies.

Goal

Continue to promote equal housing opportunity in the City's housing market regardless of age, disability/medical condition, race, sex, marital status, ethnic background, source of income, and other protected characteristics

Policies

Fair Housing Laws. Refer possible violations of the federal and California fair housing acts to the Fair Housing Council of Riverside County, Inc.

Affirmatively Further Fair Housing. Promote and affirmatively further fair housing opportunities and promote housing throughout the community or communities 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 and any other state and federal fair housing and planning law.

Program 5.1 AFFH Outreach Program

HCD guidance for a jurisdiction's *Assessment of Fair Housing* was published in late April 2021. By that date, the City had completed a Preliminary Draft Housing Element. There was insufficient time to incorporate into the Draft the fair housing outreach described in the technical guidance.

Consequently, community outreach will be initiated and completed from the adoption date of the 2021-2029 through 2022. The outreach efforts will begin

- Listing and describing the efforts suggested by the HCD technical guidance.
- Discussing the efforts with HCD staff
- Involving the following agencies in the "community outreach" program:

- Fair Housing Council of Riverside County, Inc. (FHCRC)
- California Department of Fair Employment and Housing (DFEH)
- U.S. Department of Housing and Urban Development (HUD)
- Community access Center
- Complete the Community Outreach Program through one-on-one meetings, focus groups and/or Community Workshop

Objective: Implement the Community Outreach Program by December 2022

Responsible Agencies: Planning Department

Funding Source: General Fund and/or County CDBG funds

Timeframe: Complete Program by December 2022

Program 5.2 Fair Housing Services Program

The City of Canyon Lake takes affirmative steps to promote fair housing practices. The City works with the Fair Housing Council of Riverside County, Inc. to provide fair housing services for residents.

The City will:

- Continue to refer cases and questions to the FHCRC for enforcement of prohibitions on discrimination in lending practices and in the sale or rental of housing.
- Work to increase awareness of fair housing protections.
- Make fair housing information available at City Hall, Chamber of Commerce, Senior Center, and the Public Library. The information will include brochures and other written information that will be obtained from the FHCRC. In addition, the City will make information available on its Website and provide links to additional resources.
- The City will work to obtain training and education on fair housing issues for the benefit of City staff.
- Work with the Fair Housing Council of Riverside County, Inc. to ensure that female householders are free from housing discrimination on the basis of sex and familial status.
- Post on the City's website information on availability and location of childcare services.
- The City will work with the FHCRC to schedule Fair Housing Workshops.

Objective: Implement the Fair Housing Services Program

Responsible Agencies: Planning Department

Timeline: Website:

- Public counter posting of fair housing resources within six months of adoption of the 2021-2019 Housing Element.
- Other actions to be accomplished and implemented on an ongoing basis as needed

Funding Source: General Fund and/or County CDBG funds

Timeframe: Implementation throughout the 8-year planning period.

5.3 Affirmative Fair Housing (AFHM) Marketing Plan [Multifamily Housing]

A key purpose of the AFFH is to create inclusive communities and neighborhoods based on race and ethnicity and other protected classes such as disabled persons, national origin and female householders. An associated objective is to remove artificial barriers to buying or renting housing based on these characteristics.

To achieve these purposes the City require the developers of mixed-use developments in the Towne

Center to prepare and implement an Affirmative Fair Housing Marketing Plan consisting of the following:

- Property location
- Demographics of the market area
- Identification of populations groups interested but least likely to buy or rent at the property location
- Develop outreach efforts to the targeted population groups
- Develop targeted advertising to the population groups
- Obtain input and evaluation of the Marketing Plan from the FHCRC

Objective: Complete the requirements for the Affirmative Fair Housing (AFHM) Marketing Plan by December 2022

Responsible Agencies: Planning Department, FHCRC, affordable housing developers

Timeframe/Interim Milestones:

Complete the Plan requirements by December 2022

Implementation throughout the 8-year planning period.

Funding Source: General Fund and/or County CDBG funds

5.4 Displacement Risk Program

Some population groups are at risk of displacement from their housing. Homelessness is a very low risk Th as there are zero homeless in Canyon Lake. Evictions and living in precarious housing situations are potential risk. The latter terms refers to householders with extremely low incomes and spending more than one-half of their income on housing expenses.

The Displacement Risk Program will involve making resources available to prevent – to the extent possible - -displacement. The City will work with the Housing Authority of the County of Riverside and local non-profit to make available – when needed – financial resources such to prevent householders from being displaced from their Canyon Lake housing.

Objective: Complete the Displacement Risk Program by the end of 2022

Responsible Agencies: Planning Department, FHCRC, affordable housing developers

Timeframe: Implementation throughout the 8-year planning period

Funding Source: General Fund and/ other funding sources that may become available

QUANTIFIED OBJECTIVES

According to HCD's *Building Blocks: A Comprehensive Housing Element Guide*:

The quantified objectives should estimate the number of units likely to be constructed, rehabilitated, or conserved/preserved by income level during the planning period. The quantified objectives do not represent a ceiling on development, but rather set a target goal for the jurisdiction to achieve, based on needs, resources, and constraints.

Ideally, construction objectives will be equal to identified needs. However, when a locality has determined total housing needs exceed the locality's ability to meet those

needs with existing resources, the quantified objectives may be less than the total identified need as specified in the locality's regional housing need allocation. Under these circumstances, localities may target limited resources to areas of greatest need (based on the analysis completed). The housing element, however, must describe the analysis used to establish the quantified objectives.

- The "New Construction" objective refers to the number of new units that potentially could be constructed using public and/or private sources over the planning period, given the locality's land resources, constraints, and proposed programs.
- The "Rehabilitation" objective refers to the number of existing units expected to be rehabilitated during the planning period.
- The "Conservation/Preservation" objective refers to the preservation of the existing affordable housing stock throughout the planning period.

Table II-4
Quantified Objectives: 2021-2029

Category	Extremely Low	Very Low	Low	Moderate	Above Moderate	Total
Construction	21	22	24	24	38	129
Rehabilitation	1	2	87	85	86	109
Conservation/ Preservation	3	2	0	0	0	5

The "construction" objective includes:

- 67 lower income housing units. In 2020, the average size of a project awarded low income housing tax credits was 67 housing units.
- At least the RHNA allocation of 24 moderate income housing units
- At least the RHNA allocation of 38 above moderate income housing units

The "rehabilitation" objective is the sum of the following:

- Extremely Low Income: 1 units per the County Program
- Very Low Income: 2 units per the County Program
- Low Income: 2 units per the County program and 85 privately funded home improvement loans
- Moderate): 85 per privately funded home improvement loans
- Above Moderate: 86 per privately funded home improvement loans

The Home Mortgage Disclosure Act (HMDA) reports that annual average of 32 home improvement loans was approved in 2018 and 2019. It is projected that 256 home improvement loans would be approved over the 8-year planning period and that they would be distributed evenly among the low, moderate and above moderate-income groups. According to HMDA, a home improvement loan is any dwelling-secured loan to be used, at least in part, for repairing, rehabilitating, remodeling, or improving a dwelling or the real property on which the dwelling is located,

The “conservation/preservation” objective includes the following:

- Section 8: 3 extremely low income households and 2 very low income households.



Appendix A

Assessment of Housing Needs

A note about the American Community Survey (ACS) Data: Single-year and multiyear estimates from the ACS are all “period” estimates derived from a sample collected over a period of time, as opposed to “point-in-time” estimates such as those from past decennial censuses.

In the case of ACS multiyear estimates, the period is 5 calendar years (e.g., the 2015–2019 ACS estimates cover the period from January 2015 through December 2019).

Multiyear estimates are labeled to indicate clearly the full period of time (e.g., “The child poverty rate in 2015–2019 was X percent.”). They do not describe any specific day, month, or year within that time period.

For data users interested in obtaining detailed ACS data for small geographic areas (areas with fewer than 65,000 residents), ACS 5-year estimates are the only option.

Data for individual census tracts is available only from the ACS 5-year estimates.

Source: U.S. Census Bureau, *Understanding and Using American Community Survey Data*, pages 13-16

A note about COVID-19: The ACS 2015-2019 estimates are the source for many of the tables and data presented and discussed in Appendix A. The ACS data does not reflect the impacts of COVID 19 and, therefore, may not portray accurately the 2021 conditions in Canyon Lake. Indeed, the tables and data describe the conditions that existed over a 5-year period, a period that ended in December 2019 which was three months before the March 2020 lockdown caused by the spread of COVID-19.

The COVID-19 pandemic caused job losses and associated income losses as well an increase in homelessness. Persons employed in the food industry would experience disproportionately adverse economic impacts compared to those working in software development or who are able to work remotely at home.

A recent economic report explained that -

The majority of pandemic-related job losses were low-skill, low-wage positions that impacted the region's at-risk communities the most.

Lower-income Southern California residents already faced significant challenges before the pandemic, resulting in continued housing affordability concerns, domestic outmigration, and an overall reduction in quality-of-life. The pandemic has clearly exacerbated these issues. While federal stimulus may have supported these communities during the initial months of the pandemic, it has since diminished, further complicating the financial picture for many families throughout the region. While lower-wage positions are often overlooked, they are crucial to “essential” businesses and to the explosive growth in gross domestic product (GDP) experienced in Q3 2020.

Lower-wage segments at the national, state, and SCAG regional level have all felt significantly more employment losses than middle- or high-wage segments.

Source: Southern California Association of Governments, *Regional Briefing Book*, December 2021, pages 6 and 9

Many of the characteristics discussed in the assessment of housing needs have not changed because of the pandemic. The existing housing stock and its physical condition remain unchanged. The number of vacant housing units, however, may have increased above the levels reported as of January 1, 2020. Certain household characteristics such as the elderly, persons with disabilities, and large families have not changed due to the pandemic. The population and employment projections remain the same.

The number of cost burdened households – those spending 30% or more of their income on housing costs - may have increased because of a loss of income, or no income at all. But some owners and renters may have skipped making their housing payments which would have dampened any increase in housing cost burdens.

A. INTRODUCTION

Chart A-1 lists the components of the assessment of housing needs.

**Chart A-1
City of Canyon Lake
Components of the Housing Needs Assessment**

▪ Housing Stock Characteristics
✓ Number and Types of Housing ✓ Vacant Housing Units ✓ Condition of the Existing Housing Stock
▪ Household Characteristics
✓ Tenure ✓ Household Income Groups ✓ Level of Payment Compared with Ability to Pay ✓ Overcrowding ✓ Race and Ethnicity
▪ Affordable Housing At-Risk of Conversion to Market Rate Housing
▪ Special Housing Needs
✓ Elderly ✓ Persons with Disabilities ✓ Persons with Developmental Disabilities ✓ Large Families ✓ Farmworkers ✓ Families with Female Heads of Household ✓ Families and Persons in Need of Emergency Shelter
▪ Projected Housing Needs
✓ Population Trends and Projections ✓ Employment Trends and Projections ✓ Share of the Regional Housing Need

B. HOUSING CHARACTERISTICS

Part B includes information on –

- Number and types of housing units
- Vacant housing units
- Condition of the existing housing stock

1. Existing Housing Stock

As of January 1, 2021, the existing housing stock is comprised of almost 4,600 housing units. Table A-1 shows that over 90% of the housing units are single-family detached homes. Multifamily buildings of 5 or more units comprise less than two percent of the housing stock. The existing housing stock also contains 670 mobile homes.

Table A-1
City of Canyon Lake
Housing Stock by Type of Unit
January 1, 2021

Type of Unit	Number of Units	Percent
1 unit, detached	4,239	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	4,589	100.0%

Source: California Department of Finance, Demographic Research Unit, City/County Population and Housing Estimates, January 1, 2021

2. Vacant Housing Units

The California Department of Finance (DOF) estimates that 606 of the 4,589 housing units are vacant. The vacant housing units represent a 13.2% vacancy rate. According to DOF, vacancy rates are based on 2010 Census benchmark data, adjusted to incorporate the directional changes described by the latest available ACS data. Exact data on foreclosures or other housing market indicators are not reliably available to adjust vacancy rates and are not used.

Based on American Community Survey (ACS) data, it can be estimated that of the 606 vacant units –

- 100 are rental units
- 57 are for sale/sold units
- 416 are for seasonal, recreational, or occasional use
- 33 are “other vacant”

The “effective” rental vacancy is lower than 13.2% because so many housing units are unavailable to buy or rent.

According to the American Community Survey:

A housing unit is vacant if no one is living in it at the time of interview. Units occupied at the time of interview entirely by persons who are staying two months or less and who have a more permanent residence elsewhere are considered to be temporarily occupied,

and are classified as “vacant.” New units not yet occupied are classified as vacant housing units if construction has reached a point where all exterior windows and doors are installed and final usable floors are in place. Vacant units are excluded from the housing inventory if they are open to the elements, that is, the roof, walls, windows, and/or doors no longer protect the interior from the elements. Also excluded are vacant units with a sign that they are condemned or they are to be demolished.

Vacant units for seasonal, recreational, or occasional use are used or intended for use only in certain seasons or for weekends or other occasional use throughout the year. Seasonal units include those used for summer or winter sports or recreation, such as beach cottages and hunting cabins. Seasonal units also may include quarters for such workers as herders and loggers. Interval ownership units, sometimes called shared-ownership or timesharing condominiums, also are included here.

If a vacant unit does not fall into any of the specific categories, it is classified as “Other vacant.” For example, this category includes 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 analysis of the condition of the existing stock involves estimating “substandard” and “dilapidated” housing units. Housing in substandard condition may need minor or moderate repairs or be in need of substantial rehabilitation. Dilapidated condition refers to dwellings suffering from excessive neglect, where the dwelling is not only structurally unsound and maintenance is nonexistent but also not fit for human habitation in its current condition. Housing in dilapidated condition should be demolished and replaced.

As housing ages, the physical structure can deteriorate over time if not regularly maintained. Deteriorating structures can discourage reinvestment, depress neighborhood property values, and even become health hazards. Maintaining and improving housing quality helps bolster value.

According to the field experience of the housing code enforcement officer, there is one home in need of rehabilitation due to illegal construction. No homes are so deteriorated that they require replacement.

Thus, as of January 2022:

- Rehabilitation Need 1 housing unit
- Replacement Housing Need Zero Housing Units

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. A household consists of the persons occupying a housing unit. The number of occupied housing units and households is the same.

In Canyon Lake, owner and renter households occupy 78.5% and 21.5% respectively of all housing units. More than 94% of all owners occupy single family detached homes (3,132/3,319). Eighty-two home owners live in mobile homes. (Note: The ACS data on mobile homes differs from the DOF estimates.)

Renters predominantly occupy single-family detached homes. Almost 19% of all single-family detached homes are renter-occupied (725/3,857).

Refer to Table A-2 for a detailed breakdown of the tenure data.

Table A-2
City of Canyon Lake
Tenure by Units in Structure: 2015-2019

Units in Structure	Owner Occupied	Percent	Renter Occupied	Percent	Total	Percent
1, detached	3,132	94.4%	725	79.6%	3,857	91.2%
1, attached	17	0.5%	45	4.9%	62	1.5%
2 apartments	0	0.0%	0	0.0%	0	0.0%
3 or 4 apartments	64	1.9%	80	8.8%	144	3.4%
5 to 9 apartments	0	0.0%	0	0.0%	0	0.0%
10 or more apartments	24	0.7%	31	3.4%	55	1.3%
Mobile home or other type of housing	82	2.5%	30	3.3%	112	2.6%
Total	3,319	100.0%	911	100.0%	4,230	100.0%

Source: 2015-2019 American Community Survey 5-Year Estimates, Table S2504, Physical Housing Characteristics for Occupied Housing Units

2. Household Income Groups

a. Definitions of Household Income Groups

Household income groups are defined in terms of the percentages of Riverside County's median income:

- Extremely low 0-30%
- Very low 30-50%
- Low 50-80%
- Moderate 80-120%
- Above Moderate 120%+

Table A-3 shows that the income limits are adjusted by household size; for example, a 6-person low income household (\$69,900) has a higher income than a 4-person low income household (\$60,250).

Table A-3
Riverside County
2021 Annual Household Income Limits Adjusted by Household Size

Household Size (# of Persons)	Extremely Low Income	Very Low Income	Low Income	Moderate Income
1 person	\$16,600	\$27,650	\$44,250	\$65,100
2 persons	\$19,000	\$31,600	\$50,600	\$74,400
3 persons	\$21,960	\$35,550	\$56,900	\$83,700
4 persons	\$26,500	\$39,500	\$63,200	\$93,000
5 persons	\$31,040	\$42,700	\$68,300	\$100,450
6 persons	\$35,580	\$45,850	\$73,350	\$107,900
7 persons	\$40,120	\$49,000	\$78,400	\$115,300
8 persons	\$44,660	\$52,150	\$83,450	\$122,750

Source: California Department of Housing and Community Development, State Income Limits for 2020, April 26, 2021

b. Number of Households by Income Group

Table A-4 estimates the number of owners and renters in five income groups. Lower income households comprise a little more than one in five of all households. "Lower" income includes the three groups with incomes less than 80% of the area median income. The number of lower income owner households is twice that of lower income renters..

Table A-4
City of Canyon Lake
Annual Household Income Distribution by Tenure: 2013-2017

Income Group (% of area median income)	Owner Households	Renter Households	Total Households	Percent Distribution
Extremely Low 0-30%	70	50	120	3.0%
Very Low 30-50%	230	50	280	6.9%
Low 50-80%	280	155	435	10.7%
Moderate 80-100%	330	50	380	9.4%
Above Moderate >100%	2,295	550	2,845	70.0%
Total	3,205	855	4,060	100.0%

Source: Comprehensive Housing Affordability Strategy (CHAS) Data, 2013-2017 American Community Survey

It should be noted that Table 2 and Table 4 report different numbers of owners and renters. It is not known why different numbers are reported, although Table 2 covers a period from 2015 to 2019 while Table 4 covers the 2013-2017 period.

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 renters, housing cost is gross rent (contract rent plus utilities). For owners, housing cost is "selected monthly owner costs", which includes mortgage payment, utilities, association fees, insurance, and real estate taxes

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. Cost Burdened Renter Households

Table A-5 shows that 364 (159+205) renter households are cost burdened. In fact, 43% of all renter households are cost burdened (364/855).

Table A-5
City of Canyon Lake
Number and Percentage of Renters Cost Burdened by Income Group: 2013-2017

Household Income Group	Cost Burden 30-50%	% of All Cost Burden	Cost Burden 50%+	% of All Cost Burden
Extremely Low <30%	0	0.0%	30	14.6%
Very Low 30-50%	4	2.5%	30	14.6%
Low 50-80%	30	18.9%	125	61.0%
Moderate 80-100%	30	18.9%	10	4.9%
Above Moderate >100%	95	59.7%	10	4.9%
Total	159	100.0%	205	100.0%

Source: Comprehensive Housing Affordability Strategy (CHAS) Data, 2013-2017 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).

Of the 364 cost burdened renters, 44% (159/364) are cost burdened and 56% are severely cost burdened, respectively. The severely cost burdened renter households are spending more than one-half of their income on housing costs. The extremely low income renters who are severely cost burdened face serious economic hardships.

The Housing Authority of the County of Riverside administers a rental assistance program called the Section 8 Housing Choice Voucher Program. The program assists extremely low and

very low income cost burdened renters to make their rental payments. As of September 2021, one Canyon Lake household is receiving Section 8 rental housing assistance. Ninety-eight Canyon Lake households are on the Section 8 Waiting List, including 12 elderly and 26 disabled householders.

b. Cost Burdened Owner Households

Table A-6 shows that the number of cost burdened owners is more than the number of cost burdened renters – 1,115 owners (660 + 455) compared to 364 (159renters. The vast majority of cost burdened owners have above moderate income.

Table A-6
City of Canyon Lake
Number and Percentage of Owners Cost Burdened by Income Group: 2013-2017

Household Income Group	Cost Burden 30-50%	% of All Cost Burden	Severe Cost Burden 50%+	% of All Severe Cost Burden
Extremely Low <30%	10	1.5%	60	13.2%
Very Low 30-50%	25	3.8%	150	33.0%
Low 50-80%	20	3.0%	165	36.2%
Moderate 80-100%	55	8.3%	30	6.6%
Above Moderate >100%	550	83.4%	50	11.0%
Total	660	100.0%	455	100.0%

Source: Comprehensive Housing Affordability Strategy (CHAS) Data, 2013-2017 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.

The American Community Survey defines “income” as follows:

“Total income” is the sum of the amounts reported separately for wage or salary income; net self-employment income; interest, dividends, or net rental or royalty income or income from estates and trusts; Social Security or Railroad Retirement income; Supplemental Security Income (SSI); public assistance or welfare payments; retirement, survivor, or disability pensions; and all other income.

Income does not include: capital gains, money received from the sale of property (unless the recipient was engaged in the business of selling such property); the value of income “in kind” from food stamps, public housing subsidies, medical care, employer contributions for individuals, etc.; withdrawal of bank deposits; money borrowed; tax refunds; exchange of money between relatives living in the same household; gifts and lump-sum inheritances, insurance payments, and other types of lump sum receipts.

It is possible that for an unknown number of above moderate income owners, “income” does not accurately measure ability to pay. They may possess resources apart from income such as cash savings and stocks.

No programs are available to ease the hardships that lost burdened owners experience. It may be possible for some owners to take advantage of historically low interest rates and refinance their loans in order to reduce their monthly payments.

In summary, housing cost burden is a significant problem for renter and owners households. Forty-three percent of all renters and 35% of all owners are cost burdened, respectively.

Housing cost burdens cause economic hardships because after making their monthly housing payments so little income remains to meet other needs such as food, utilities, transportation, health insurance and child care.

The incomes of cost burdened households would need to dramatically increase in order for them to have a housing payment that would not consume more than 30% of their household budgets.

4. Overcrowding

The ACS does not define an overcrowded housing unit or household. The ACS does publish 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 overcrowded households. There are, however, several other indicators of overcrowded households such as persons per bedroom, square footage per person, and Uniform Building Code occupancy standards.

Government Code Section 65584.01(b)(1) defines overcrowding as one person per room in a dwelling. Demographers have offered the following evaluation of the 1.01 persons per room ratio:

Persons per room has been used as the primary indicator for measuring overcrowding. In this calculation, all persons (adults and children of both sexes) are counted equally, as are all rooms. The room count does not include bathrooms, hallways, closets, and porches.

To measure overcrowding, we combine two variables to form the ratio of the number of persons in the household to the number of rooms reported in the housing unit. This ratio is trichotomized to reflect key policy thresholds: one person or fewer per room, 1.01 to 1.50 persons per room, and more than 1.50 persons per room. ...*the highest of the three categories measures severe overcrowding and is proposed as a less culturally restrictive assessment of behavior that constitutes a 'problem'.* [Emphasis added]

Dowell Myers and Seong Woo Lee, *Immigration Cohorts and Residential Overcrowding in Southern California*, Demography, Volume 33-Number 1, February 1996, pages 52 and 55

According to the 1.01 ratio, there are 26 and zero overcrowded owners and renters, respectively. The 1.51 ratio reduces the number to no overcrowded households. Refer to Table A-7. Overcrowding is a problem affecting only a few owners.

Table A-7
City of Canyon Lake
Persons per Room by Tenure – 2015-2019

Persons Per Room	Owner Occupied	Percent	Renter Occupied	Percent	Total Households	Percent
Less than 1.00	3,293	99.2%	911	100.0%	4,204	99.4%
1.01 to 1.50	26	0.8%	0	0.0%	26	0.6%
1.51 to 2.00	0	0.0%	0	0.0%	0	0.0%
2.01 or more	0	0.0%	0	0.0%	0	0.0%
Total	3,319	100.0%	911	100.0%	4,230	100.0%

Source: 2015-2019 American Community Survey 5-Year Estimates, Table B25014 Tenure by Occupants Per Room

5. Race and Ethnicity

In order to avoid duplication of data and analysis, Appendix B – Assessment of Fair Housing – discusses race and ethnicity.

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 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.

The City does not have an assisted rental housing development at risk of conversion to market rate housing.

E. SPECIAL HOUSING NEEDS

Government Code Section 65583(a)(7)) requires an analysis of any special housing needs experienced by:

- Elderly persons
- Persons with disabilities
- Persons with developmentally disabled as defined in Section 4512 of the Welfare and Institutions Code
- Large families
- Farmworkers
- Families with female heads of households
- Families and persons in need of emergency shelter

1. Elderly

a. Population and Household Characteristics

The ACS estimates that 2,691 elderly persons make Canyon Lake their home, a number that represents 24% of the City's total population. Elderly men and women are essentially the same (1,343 and 1,348). Almost 24% (643/2,691) of the elderly are in the "older" age cohort of 80 years of age or older. Refer to Table A-8.

The ACS estimates that 1,645 elderly households live in Canyon Lake. The average household size is 1.64 persons per household (2,691/1,645). Almost 41% of the elderly households are in the 65-74 age group. Refer to Table A-9

In terms of tenure, more than 90% of the elderly householders are home owners. The elderly home ownership rate is significantly higher than the non-elderly's. In fact, the elderly comprise 46% of all the City's homeowners. Refer to Table A-9 for the household data.

Table A-8
City of Canyon Lake
Elderly Population by Age Group and Sex: 2015-2019

Age Group	Male	Female	Total	Percent
62-64	269	315	584	21.7%
65-66	177	81	258	9.6%
67-69	161	231	392	14.6%
70-74	335	226	561	20.8%
75-79	131	122	253	9.4%
80-84	130	172	302	11.2%
85+	140	201	341	12.7%
Total	1,343	1,348	2,691	100.0%
Percent	49.4%	50.9%	100.0%	

Source: 2015-2019 American Community Survey, Table B01001, Sex by Age

Table A-9
City of Canyon Lake
Elderly Households by Tenure: 2015-2019

Age	Owner	Renter	Total	Percent
62-64	293	39	332	20.2%
65-74	602	68	670	40.7%
75-84	381	17	398	24.2%
85+	245	0	245	14.9%
Total	1,521	124	1,645	100.0%
Percent	92.5%	7.5%	100.0%	

Sources: 2015-2019 American Community Survey, Table B25007, Tenure by Age of Householder

b. Living Arrangements of the Elderly

Elderly persons –

- Live alone
- In a housing unit with one or more persons
- Group quarters

1: Elderly Living Alone and In Households

Table A-10 shows that about one in four of all elderly persons 65 years of age or older live alone. Married couples comprise about 44% of the elderly households 65 years of age or older. Almost 31% of the elderly are male householders, female householders, or live with unrelated individuals. Data are unavailable for the elderly householders aged 62-64 years.

Table A-10
City of Canyon Lake
Elderly Households 65 Years+ by Tenure
And Household Type: 2015-2019

Household Type	Owner	Renter	Total	Percent
Living Alone	368	58	426	25.4%
Married Couples	708	27	735	43.8%
Male Householder	11	0	11	0.7%
Female Householder	80	0	80	4.8%
Not Living Alone	61	0	61	25.4%
Total	1,228	85	1,313	100.0%
Percent	91.5%	8.5%	100.0%	

Sources: 2015-2019 American Community Survey, Table B25011, Tenure by Household Type (including living alone) and Age of Householder

Canyon Lake seniors have lived in the City for a long time. Of the 1,228 seniors 65 years of age or older -

- 34% have lived in the City 10 to 20 years
- 24% have lived in the City 20 to 30 years
- 21% have lived in the City 30 or more years

Almost all seniors live in a housing unit. And about 25% of those living in a housing unit live alone. Living alone can take a toll on some elderly. Some of the responses to the Riverside County Office on Aging survey of the elderly include:

- "Have to adjust to single life"
- "Can't stand living alone"
- "I feel isolated"

2. Elderly Living In Group Housing Environments

A Group Quarters (GQs) is a place where people live or stay in a group living arrangement that is owned or managed by an entity or organization providing housing and/or services for the residents. People living in GQs usually are not related to each other. GQs include places such as skilled nursing facilities and group homes. An estimated nine persons live in group quarters, according to the State Department of Finance.

c. Housing Needs of the Elderly

1. Examples of Housing Needs Experienced by the Elderly

Research on the housing needs of elderly persons has resulted in the following observations:

Older persons experience another very different category of housing-related problems when they have physical or cognitive limitations that make it difficult for them to conduct their usual life styles, take care of themselves, or maintain their dwellings without the help of others. Depending on the types and seriousness of their impairments, they may have to adopt one or more of the following options: secure help from family members or move into a family member's home; obtain homemaker assistance, help with personal care, or nursing services from professional paid providers, home-based services, or community care providers, or relocate to a supportive seniors housing option. Older persons that are more at risk of having these limitations and having the fewest options will have one or more the following risk factors: they will be chronologically very old, will be poor, alone, unable to secure any type of assistance from family, less educated, or belong to a racial or ethnic minority.

Older persons may find that they have significantly less disposable income if they incur out of pocket costs for home- and community-based care and health care expenses, in particular prescription medicine costs. Those on fixed incomes may particularly find that paying for these expenses results in their once tolerable housing costs becoming a new burden, and in the case of older homeowners, make it difficult for them to afford their dwelling's maintenance, upkeep, and upgrading costs.

The physical environment of the dwelling has the potential for worsening the effects of these physical and cognitive limitations. The design features and overall physical condition of a dwelling and its location relative to everyday needs may offer new obstacles or even an unsafe environment for impaired older persons to conduct their accustomed life-styles. Among the possible consequences: a car or a bus route may become unusable and accessing everyday community needs may become very difficult, an upstairs of a dwelling may suddenly become inaccessible, throw rugs may become a walking hazard, using a stove may become unsafe, or a bathroom's shower or toilet may be difficult or impossible to use.

Older persons with unavailable family supports and with the lowest incomes represent the greatest potential demand on their State and locality's government-subsidized long-term care resources. Thus, these limitations are not just a personal affair, they become the "problems" of stakeholders in the public sector.

Source: Stephen M. Golant, Ph.D., *The Housing Problems of the Future Elderly Population*, A Report Prepared for the Commission on Affordable Housing and Health Facility Needs for Seniors in the 21st Century, January 2002, page 85

2. Housing Costs Exceeding Ability to Pay

Housing costs burdens are or will become a serious problem to the elderly with the lowest incomes.

According to SCAG's pre-certified housing data, an 'elderly family' consists of two persons with either or both age 62 or over. Of the City's 1,450 elderly family households, 34% have lower incomes – that is, 80% or less of the Riverside County median household income. A 2-person household with an annual income of less than \$48,200 is considered low income (see Table A-3). Many, if not the majority, of the low income households are probably experiencing housing cost burdens.

The Riverside County *Area Plan on Aging* conducted a Needs Assessment that included almost 1,200 Community Assessment Surveys. Three responses concerning housing, food insecurity, and general economic hardships are noted below:

- 14% agreed that “I had a utility shut off due to my inability to pay the bill.”
- 18% agreed that “I did not have enough money to pay my rent or mortgage.”
- 23% agreed that “I had to choose between by basic needs (housing, food, medication) because I did not have enough money to pay for it all.”

3. Propensity to Fall Among the Elderly

As people get older, particularly after age 75, they become susceptible to falls which often lead to hospitalizations and increased medical costs. A UCLA health study revealed the age-specific propensities to fall:

The proportion of older Californians falling multiple times during the year increases with age. Among those ages 65-74, 10.6 percent reported multiple falls in the past year, compared to 13.8 percent of those 75- 84 and 19.3 percent of those ages 85 and over. Multiple falls also occurred more often than average among those with chronic conditions and disabilities, and they were most common among older adults who were legally blind, with almost one third (30.8 percent) reporting multiple falls.

Source: Steven P. Wallace, Ph.D., UCLA Center for Health Policy Research, *More than Half a Million Older Californians Fell Repeatedly in the Past Year*, November 2014, page 1

Table A-11 estimates that 271 elderly persons experience multiple falls during the course of a year.

Table A-11
City of Canyon Lake
Elderly Population Experiencing Multiple Falls: 2015-2019

Elderly Age Group	Total Population	Percent With Multiple Falls	Estimated Number With Multiple Falls
65-74	1,211	10.6%	128
75-84	555	13.8%	77
85+	341	19.3%	66
Total	2,107	12.6%	271

Source: Age data from Table A-9

4. Frail Elderly Population and Associated Supportive Housing Needs

Based on the Cardiovascular Health Study (CHS), frail elderly indicators include low grip strength, low energy, slowed walking speed, low physical activity, and/or unintentional weight loss. Still other indicators are based on a Frailty Index which accounts for disability, diseases, physical and cognitive impairments, and geriatric syndromes (falls, deliriums).

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.

There are an estimated 171 frail elderly based on Canyon Lake's 65 years+ population and frailty prevalence rates. Table A-12 shows that the frailty prevalence rate increases dramatically for the elderly population when they reach 85 years of age or older.

Table A-12
City of Canyon Lake
Estimate of Frail Elderly Population
By Age Group: 2015-2019

Age Group	Total	Frailty Prevalence	Frailty Prevalence
65-74	1,211	3.9%	47
75-84	555	11.6%	64
85+	241	25.0%	60
Total	2,107	7.7%	171

Source: Table A-X and Qian- Li Xue, PhD, *The Frailty Syndrome: Definitions and Natural History*, Clinics in Geriatric Medicine, February 1, 2011. Based on Cardiovascular Health Study (CHS)

Some of the responses to Riverside County's Office on Aging survey of the elderly include:

- "Aging is taking its toll"
- "I am going downhill"

- “It hurts to get old”
- “Will be unable to care for my husband in 5 years”

d. Housing Programs and Services Addressing the Needs of the Elderly

1. Residential Care Facilities for the Elderly and Adult Residential Facilities

The elderly live in housing units either alone or with a person or persons. They also live in group home environments that are designed to accommodate their needs.

Residential Care Facilities for the Elderly (RCFEs) — sometimes called “Assisted Living” (e.g., 16+ beds) or “Board and Care” (e.g., 4 to 6 beds) — are non-medical facilities that provide room, meals, housekeeping, supervision, storage and distribution of medication, and personal care assistance with basic activities like hygiene, dressing, eating, bathing and transferring. RCFEs serve persons 60 years of age and older.

This level of care and supervision is for people who are unable to live by themselves but who do not need 24 hour nursing care. RCFEs are considered non-medical facilities and are not required to have nurses, certified nursing assistants or doctors on staff.

Two residential care facilities for the elderly are located in Canyon Lake. They have a combined capacity of 12 beds. There also is one residential care facility for the elderly with a license pending. It has a capacity of six beds.

2. Area Agency on Aging Services

Area Agencies on Aging (AAAs) are local aging programs that provide information and services on a range of assistance for older adults and those who care for them. The federal Older Americans Act (OAA) and the Older Californians Act (OCA) provide the legislative context for California’s 33 AAAs to fund specific services, identify unmet needs, and engage in systems development activities.

AAAs are primarily responsible for a geographic area, also known as a planning and service area (PSA), that is a city, a single county, or a multi-county district. The Riverside County Office on Aging services the entire county unincorporated area and incorporated cities.

AAAs coordinate and offer services that help older adults remain in their homes, if that is their preference, aided by services such as home-delivered meals, homemaker assistance, and whatever else it may take to make independent living a viable option. By making a range of supports available, AAAs make it possible for older individuals to choose the services and living arrangements that suit them best.

3. Senior Center of Canyon Lake

The Senior Center is a multipurpose facility located in Canyon Lake. It has weekly and monthly activities such as ad hoc painters, needlecraft, and Art Association meetings.

4. Legal Services

Inland Counties Legal Services provides free civil legal assistance to seniors who are 60 years or older who reside in Riverside or San Bernardino Counties.

Seniors who are low income, 75 years of age or older, non- or limited-English speaking, homebound, live alone or who are disabled, chronically ill, or functionally impaired receive priority in service.

Legal assistance includes housing issues such as mobile home park tenancies, evictions, and removing property liens.

e. Housing Element Policies and Programs

The Area Agency on Aging is responsible for the development of plans and policies to address the needs of the elderly population. The City will reach out to the Area Agency on Aging to identify actions it can take to help achieve the following *Area Plan on Aging* goal, objective and policy:

- Goal: Participate in discussions, coalitions, collaborations, and initiatives that focus on developing *age-friendly, disability communities* that support older adults and persons with disabilities, allowing them to remain in the homes and communities of their choice.
- Objective: Assist with providing safe and affordable housing solutions to keep older adults and persons with disabilities in the homes and communities of their choice.
- Policy: Provide emergency assistance in the form of housing, rental, utility, transportation, home repairs and modifications, falls prevention, and mobility management assistance.

In addition, the *2021-2029 Housing Element* will include the following types of policies and programs:

- To relieve housing cost burdens, continue to promote Section 8 rental assistance
- To expand housing choices at potentially reduced costs, implement incentives for ADU development, which may provide the elderly with a housing option
- Establish senior housing development guidelines that may be used on an optional basis by developers in the Towne Center Specific Plan area
- Provide financial assistance, if possible, to help the elderly make home modifications that could prevent falls.

Section II describes the programs and policies in greater detail.

2. Persons with Disabilities

a. Population and Household Characteristics

Disabled persons can have one or more of the following 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.

Approximately 1,300 residents have one or more disability, a number that represents 11.5% of the City’s total population. The disability prevalence rate, or percent disabled, steadily increases with age. More than 50% of the seniors 75 years old or older have a disability. Table A-13 presents the number and percent of disabled persons by age group.

Table A-14 shows that an estimated 1,059 households have one or more member with a disability, a number that is 25% of all households. The member with a disability could be the head of household, a spouse, a child or other related or unrelated person living in the housing unit.

Table A-13
City of Canyon Lake
Disability Prevalence Rates by Age Group: 2015-2019

Age Group	With a Disability	No Disability	Total Population	Prevalence Rate
Under 5 years	0	550	550	0.0%
5 to 17 years	95	1,710	1,805	5.3%
18 to 34 years	45	1,674	1,719	2.6%
35 to 64 years	501	4,488	4,989	10.0%
65 to 74 years	164	1,047	1,211	13.5%
75 years +	483	413	896	53.9%
Total	1,288	9,822	11,170	11.5%

Source: 2015-2019 American Community Survey 5-Year Estimates, Table B18101, Sex by Age by Disability Status

Table A-14
City of Canyon Lake
Disabled Householders: 2015-2019

Household Disability Status	Number	Percent
Households with one or more persons with a disability	1,059	25.0%
Households with no persons with a disability	3,171	75.0%
Total	4,230	100.0%

Source: 2015-2019 American Community Survey 5-Year Estimates, Table B22010, Receipt of Food Stamps/SNAP in the Past 12 Months by Disability Status for Households

b. Living Arrangements of People with Disabilities

1. Group Living Arrangements

Very few disabled people are living in group living arrangements such as adult residential facilities, residential care facilities for the elderly, assisted living, board and care facilities or skilled nursing facilities. The State Department of Finance estimates that nine persons live in group quarters, which means that the vast majority of disabled persons live in a housing unit.

According to the California Community Care Licensing Division, there are no adult residential facilities located in the City.

An ARF is a residential home for adults 18 to 59 with mental health care needs or who have physical or developmental disabilities and require or prefer assistance with care and supervision.

2. Separate Living Quarters

Table A-14 shows that approximately one in four households have a member with a disability. The disabled member, as previously noted, could be the head of household, a spouse, child, relative or other person living in the occupied housing unit.

Almost all of the disabled population lives in a housing unit. They do not reside, as reported above, in an institutional setting such as a nursing home or rehabilitation facility.

Column 3 of Table A-15 records the incidence of having a member with a disability by household size. One person and two-person households have the highest incidence of disability; roughly one out of five of the one-person and two-person households have a member with a disability. Of course, in a one-person household, the only member is the member with the disability. Four- and five person households have the lowest incidence of disability.

The incidence levels reported in Column 3 of Table A-15 may seem counter intuitive, as households with more members would appear to be more likely to have a member with a disability. However, the likelihood of a person having a disability depends upon such factors as the age of the person. Larger households tend to have younger members and, therefore, members less likely to have a disability.

Column 2 of Table A-15 shows the number Canyon Lake households by household size. The last column provides an estimate of the number of households within each household size that have a disabled member. (20.8% of all 1-person households (N=894) have a disabled member.

According to the ACS (Table A-14), Canyon Lake has an estimated 1,059 households with a disabled member.

Table A-15
City of Canyon Lake
Estimate of Households with a Disabled Member by Household Size

Household Size	Number of Households	Percent w/a Disabled Member	Number of Households w/a Disabled Member
1-person	894	20.8%	186
2-person	1,783	19.3%	344
3-person	698	15.5%	108
4-person	561	10.6%	59
5-person	229	12.6%	29
6-person	65	15.2%	10
Total	4,230	17.4%	736

Source: Frederick J. Eggers and Fouad Moumen, Econometrics, Inc. Disability Variables in the American Housing Survey, prepared for the U.S. Department of Housing and Urban Development, Office of Policy Development & Research, November 2011, page 13

c. Housing Needs of Disabled Persons

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.

More specifically, the special needs of disabled persons may include:

- Accessibility and suitability of key 'functional rooms' such as bathrooms, kitchens, toilets (including extra downstairs toilets) which enable disabled people to conduct their own activities of living
- Structural needs such as wheelchair accessibility, no internal stairs, bathroom with grab bars
- Flat, level ground between garage and entryway
- Non-porch stairs
- Modifications to housing unit
- Assistance with maintenance and repairs
- Close proximity to doctors, caregivers
- Housing costs with the means of ability to pay

To meet some of their special needs, renters may request that the owners approve requests for reasonable accommodations and/or reasonable modifications. Renters may also need to move to find housing that meets their special needs. On the other hand, disabled homeowners may remain in their homes and make physical adaptations to their dwelling.

d. Housing Programs and Services Addressing the Needs of Persons with Disabilities**1. Services that Assist Elderly and Non-Elderly Disabled Persons**

The persons living in housing units make their home within a neighborhood. Some have become disabled while they lived in the same neighborhood and home. Some, too, are cared for by family members who live in the same home or relatives who have a home nearby. Still others receive care from the In Home Supportive Services Program.

The In-Home Supportive Services Program helps pay for services provided to eligible persons who are 65 years of age or over, or legally blind, or disabled adults and children, so they can remain safely in their own homes. IHSS is considered an alternative to out-of-home care, such as nursing homes or board and care facilities.

The County of Riverside DPSS does not publish statistical data on persons receiving IHSS by city, age, or race/ethnicity.

2. Community Based Transition Services

Under the landmark 1999 U.S. Supreme Court Olmstead decision, the state of California is required to accommodate those with physical, mental or developmental disabilities who live in institutions, or are at risk of doing so, in the least restrictive settings possible. Living in “institutions” is considered living in a segregated setting - that is, all other persons living in the institution are disabled.

The “institutional” setting in the Olmstead decision was a psychiatric hospital. Additional institutional settings include “institutions for mental disease,” mental health rehabilitation centers, hospitals and rehabilitation centers, and nursing facilities. Some disabled persons who live in a nursing facility may qualify for living in a community setting with attendant care.

The Community Access Center (CAC) is an Independent Living Center with an office in downtown Riverside. The CAC is able to assist individuals with physical disabilities who reside in institutional settings to regain their independence within their community.

No institutional settings such as a nursing home or rehabilitation facility are located in Canyon Lake.

e. Housing Element Policies and Programs

Based on the foregoing analysis, the *2021-2029 Housing Element* will include the following types of policies and programs:

- To relieve housing cost burdens, continue to promote Section 8 rental assistance
- Promote and make the community aware of the Reasonable Accommodation Procedure including the availability of a brochure and application.
- Provide information to the owners of rental properties regarding reasonable accommodations, reasonable modifications; and service and companion animals
- Provide financial assistance, if possible, to make home modifications

Some of the policies and programs also have the objective of affirmatively furthering fair housing.

Section II describes the programs and policies in greater detail.

3. Persons with Developmental Disabilities

a. Inland Regional Center Customers

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."

Canyon Lake is located within the service area of the Inland Regional Center (IRC), which is one California's 21 regional centers. The Inland Regional Center serves approximately 25,000 developmentally disabled persons residing in the Counties of Riverside and San Bernardino.

The California Department of Development Services publishes counts of consumers by zip code. The Department serves 126 consumers in Canyon Lake' 92587 zip code:

- 76 customers are 17 years of age or younger
- 50 customers are 18 years of age or older.

b. Living Arrangements

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.

Table A-16 shows that 120 of the 126 developmentally disabled persons live in the home of a parent, family member, or guardian. Therefore, the overwhelming majority of developmentally disabled residents are not living in an institutional setting.

Table A-16
City of Canyon Lake
Living Quarters of Persons With
Developmental Disabilities: End of June 2019

Home of Parent/Family/Guardian	120
Independent/Supported Living	0
Community Care Facility	<11
Intermediate Care Facility	0
Foster/Family Home	<11
Other	0
Age <17 years	76
Age 18+ years	50

Source: California Department of Development Services, *Consumer Count by California ZIP Code and Residence Type*, end of June 2019

c. Housing Needs of Developmentally Disabled Persons

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.

Rental assistance is a need experienced by many developmentally disabled adults.

d. Housing Programs and Services Addressing the Needs of Persons with Developmental Disabilities

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.

DDS has followed the Lanterman Act's direction to promote "opportunities for individuals with developmental disabilities to be integrated into the mainstream of life in their home communities, including supported living and other appropriate community living arrangements."

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, and county agencies.

The Inland Regional Center's 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)

e. Housing Element Policies and Programs

Based on the foregoing analysis, the *2021-2029 Housing Element* will include the following types of policies and programs:

- Explore with the Inland Regional Center the need for home modifications in homes occupied by persons with developmental disabilities
- Post on the City's website information on the services and resources available from the Inland Regional Center
- Continue to implement the Developmentally Disabled Outreach Program, as described below.

The City reached out to the Inland Regional Center and obtained the following information: 1) description of common services (e.g., adult day programs, housing support services, etc.); 2) living options (a brochure in English and Spanish); and 3) transition fact sheet describing the transition from adolescence to adulthood (in both English and Spanish).

The City also worked with the Inland Regional Center to obtain the data on the types of housing occupied by Canyon Lake's developmentally disabled youth and adults (e.g., home of parent, foster/family home, etc.)

Section II describes the programs and policies in greater detail.

4. Large Families

a. Population and Household Characteristics

Large families are households consisting of five or more persons. Table A-17 shows that there almost 300 large families comprising almost 7% of all the City's households. Owners constitute 85% of all large families.

Table A-17
City of Canyon Lake
Tenure by Household Size: 2015-2019

Households Size (Number of Persons)	Owner Occupied	Renter Occupied	Total Households	Percent Distribution
5	195	34	229	5.4%
6	55	10	65	1.5%
7+	0	0	0	0.0%
Total	250	44	294	100.0%

Source: 2015-2015 American Community Survey 5-Year Estimates, Table B25009, Tenure by Household Size

b. Housing Needs of Large Families

Larger families may need an additional bedroom. Owners, if they have enough income, can pay for a bedroom addition or the construction of an accessory dwelling unit.

Lower income renters and owners face a significant financial barrier to accommodate their space needs with more spacious housing.

c. Housing Programs and Services Addressing the Needs of Large Families

1. County Down Payment Assistance Program

Lower income renter householders are eligible to participate in the County of Riverside Down Payment Assistance Program. Renter householders with incomes at the moderate income level or below are eligible to participate in the Mortgage Credit Certificate (MCC) Program. Large renter families can obtain more living space by moving to a single family home.

2. Funding for the Development of Accessory Dwelling Units (ADUs)

Through the County of Riverside, the City is eligible to receive a share of the County's Permanent Local Housing Allocation (PLHA) funds. One of the eligible funding activities is the development of accessory dwelling units.

3. 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.

4. 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 DPSS has offices located throughout the County including, but not limited, Hemet, Perris, Temecula, Lake Elsinore, and Moreno Valley.

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.

d. Housing Element Policies and Programs

Based on the foregoing analysis, the *2021-2029 Housing Element* will include the following types of policies and programs:

- Promote the down payment assistance program to enable large renter families to buy a home with enough bedrooms
- Create incentives including funding resources for the development of ADUs

Section II describes the programs and policies in greater detail.

5. Farmworkers

a. Housing Needs

Eighteen persons are employed in the farming, fishing and forestry occupations, according to SCAG's pre-certified housing data,

Maps from the State of California Department of Conservation Farmland Mapping and Monitoring Program show no farmland in Canyon Lake.

b. Farmworker Housing

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. Population and Household Characteristics**

A *household* includes all the people who occupy a housing unit. People who are not living in households are classified as living in group quarters or are homeless. One person in each household is designated as the *householder*. In most cases, this is the person or one of the people in whose name the home is owned, being bought, or rented.

There are two household types: family and non-family.

A *family* consists of a householder and one or more other people living in the same household who are related to the householder by birth, marriage, or adoption. All people in a household who are related to the householder are regarded as members of his or her family.

A family may consist of a married couple, cohabiting couple, male householder, or *female householder*.

A nonfamily household is a householder living alone or with nonrelatives only.

Therefore, a female householder can be:

- A family with a female householder and no spouse present
- A nonfamily householder who lives alone or with nonrelatives only

Furthermore, a family female householder may have children or no children.

The ACS estimates that 407 female householders live in Canyon Lake, a number that represents about 10% of all households.

b. Housing Needs of Female Householders

Housing needs often experienced by female householders may include:

- Housing with costs within their ability to pay
- Housing in close proximity to work place
- Access to housing which accommodates children
- Access to housing near parks and open space to serve the needs of female householders with children.
- Access to housing which is designed for security and convenience
- Assistance with maintenance and repairs for elderly women living alone

c. Housing Programs and Services Addressing the Needs of Female Householders

1. 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.

2. Child Care Centers

The City has the following child care centers:

- One child care center pre-school with a capacity of **100** children (Canyon Lake Community Church)
- One large family child care home with a capacity of 14 children

Data are unavailable regarding small family child care homes.

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

The Riverside County Department of Public Social Services (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 the customer 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. The State of California sets the maximum rate paid for child care. The amount is based on the age of the child, the type of care used, whether the provider is licensed or un-licensed, and the amount of time the child care is needed. In some cases, the child care provider may charge more than the maximum amount DPSS can pay. In this case, the customer pays the difference. In addition, some families may have to pay a part of the cost of child care because their gross income is over a certain amount for their family size.

4. 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

The Riverside County DPSS also has an online Service Provider Directory. Female householders can complete searches by service type and services available in close proximity to a specific address.

5. Housing Element Policies and Programs

Based on the foregoing analysis, the *2021-2029 Housing Element* will include the following types of policies and programs:

- Work with the Fair Housing Council of Riverside County, Inc. to ensure that female householders are free from housing discrimination on the basis of sex and familial status.
- Amend the Zoning Ordinance to comply with State law that addresses the special needs of female householders.

As an example of the above, the City will adopt a Zoning Ordinance amendment to comply with AB 234 – Keeping Kids Closer to Home Act. This bill established the “Keeping Kids Closer to Home Act” which aims to expand childcare opportunities for California families. This legislation allows large family childcare homes that provide care for up to 14 children in multifamily units, meaning these large family daycare homes are now to be treated as a residential use of property in local ordinances. The bill also prohibits a property owner or manager from refusing to sell or rent a dwelling unit to a person that is a daycare provider. The law prohibits local jurisdictions from imposing a business license, fee, or tax for the privilege of operating both small and large daycare homes as well.

Section II describes the programs and policies in greater detail.

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 January 2020 Riverside County Homeless Point in Time (PIT) Count identified zero unsheltered homeless adults and children living in Canyon Lake. The prior year PIT count also found zero homeless persons in Canyon Lake.

The City of Riverside had 587 homeless persons, the largest number in the County.

b. Emergency Shelter Zoning and Shelter Space Needs

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 Zoning Ordinance will be amended to increase the bed capacity from 5 to 10 beds.

The living space standards of efficiency dwelling units was relied on to calculate an order of magnitude estimate of the square footage needed to accommodate homeless persons. The efficiency dwelling unit standard is 220 square feet for the first occupant and 100 square feet for all additional persons. Thus, approximately 620 square feet would be needed to provide enough sleeping space for five homeless persons. Additional space would be needed for staff, bathrooms, etc. It is assumed that 1,000 to 1,500 square feet would be sufficient to meet the space needs generated by an emergency shelter housing five persons.

The C-1 Zone (Towne Center) has an abundance of vacant buildings for lease or purchase that can accommodate the space needs of a 10-person emergency shelter.

c. 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 such as Temporary Assistance to Needy Families (TANF), MediCal, and Food Stamps (CalFRESH).

d. Housing Element Policies and Programs

Based on the foregoing analysis, the *2021-2029 Housing Element* will include the following types of policies and programs:

- Continue to keep informed of County of Riverside's Continuum of Care activities.
- Complete Zoning Ordinance amendments to define low barrier navigation centers and include in the list of permitted uses in the mixed use zone.

F. PROJECTED HOUSING NEEDS

1. Population Trends and Projections

The January 1, 2021 Department of Finance (DOF) population estimate is 11,025 persons. Of the total population, 11,016 live in households (housing units) and nine persons live in group quarters.

During the nearly 11 year period between April 1, 2010 Census and January 1, 2021, the City's population grew by 464 persons or 4.4%. The annual average population gain was approximately 42 persons.

Approximately 350 persons would be added to the total population if the City's RHNA was constructed by 2029. This estimate is based on an average household size of 2.76 persons (per DOF database) applied to the RHNA need of 129 housing units.

2. Employment Trends and Projections

In 2016, 1,800 jobs were located in the City, according to SCAG's *Connect SoCal Demographics and Growth Forecast*. By 2045, the growth forecast expects 2,600 jobs to be located in Canyon Lake, a net increase of 800 jobs over a 29-year period. The average annual jobs increase of 28 jobs means that 225 jobs could be added during the 2021-2029 planning period.

Job growth would contribute to generating a need for new housing in the number calculated as the City's share of the regional housing need.

3. Share of Regional Housing Needs/Regional Housing Needs Assessment

The SCAG Region's housing need was determined by HCD. The SCAG "region" encompasses the counties of Ventura, Los Angeles, Orange, Riverside, San Bernardino and Imperial.

On August 22, 2019, HCD provided SCAG with a numerical determination of the region's existing and projected housing need (1,344,740) for the 8.3 year period from June 30, 2021 to October 15, 2029.

On September 18, 2019 SCAG transmitted to HCD a letter objecting to HCD's regional housing need determination. The objection letter offered alternative regional housing need determinations ranging between 823,808 and 920,772 housing units.

On October 15, 2019, HCD notified SCAG that it disagreed with SCAG's objection letter and issued the *Final Regional Housing Needs Assessment*, as shown in Table A-18.

Table A-18
SCAG Region:
Final Regional Housing Needs Assessment
June 30, 2021 to October 15, 2029

Income Group	Number of Housing Units
Very Low	351,796
Low	223,807
Moderate	223,967
Above Moderate	559,267
Total	1,341,827

Source: California Department of Housing and Community Development, SCAG Region, Final Regional Housing Needs Assessment

Given the final determination of the regional housing need, SCAG's responsibility then became establishing a methodology to distribute, meaning allocate, a share of the total regional housing need of 1,341,827 housing units to each county (6) and city (191) in the region.

The total regional housing need is comprised of two components: *projected need* and *existing need*.

Three components comprise the regional *projected* need of 504,970 housing units: household growth (466,958); future vacancy need (14,467); and replacement need (23,545).

The regional *existing* need is 836,857 housing units (total need of 1,341,827 minus projected need of 504,970).

SCAG's Regional Council voted to approve a Draft RHNA Methodology on November 7, 2019 and transmitted it to HCD for their statutorily required review. On January 13, 2020, HCD

completed its review of the draft methodology and found that it furthers the objectives of Regional Housing Need Assessment (RHNA).

On March 4, 2020, SCAG's Regional Council voted to approve the Final RHNA Methodology. To determine a jurisdiction's projected need, the allocation methodology uses a three-step process:

- Determine the jurisdiction's regional projected household growth *based on local input*
- Determine future vacancy need based on a jurisdiction's existing composition of owner and renter households and apply a vacancy rate on projected household growth based on the following:
 - ✓ Apply a 1.5% vacancy need for owner households
 - ✓ Apply a 5.0% vacancy need for renter households
- Determine a jurisdiction's net replacement need based on replacement need survey results

For Canyon Lake the RHNA methodology to determine the City's projected housing need resulted in the following numbers:

- | | |
|--|-------------------|
| ▪ Projected Need Based on <i>Local Input</i> : | 82 housing units |
| ▪ Vacancy Adjustment: | 2 housing units |
| ▪ Existing Need due to Job Accessibility | 45 housing units |
| ▪ Replacement Need: | 0 housing units |
| ▪ Total Projected Need: | 129 housing units |

HCD explains "existing need" as referring to legislative changes which are intended to explicitly address housing production "backlog." The backlog refers to persons living in existing housing units who would live independent of others (a household) if there was sufficient housing production. Government Code Section 65584.01(b)(1) cites two indicators that capture the "backlog" and form the basis for computing "existing need."

- Overcrowded households: "more than one resident per room in each room in a dwelling."
- Cost burdened: "the share of very low-, low-, moderate-, and above moderate-income households that are paying more than 30 percent of household income on housing costs."

The total existing need of 836,857 housing units was split into two parts:

- 50% was allocated on the basis of population near transit; that is, designated High Quality Transit Areas (HQTAs).

Canyon Lake's share of the regional population within HQTAs is zero housing units.

- 50% allocated on the basis of jobs accessibility.

Canyon Lake's share of the regional jobs accessibility is 45 housing units.

The Final RHNA Methodology allocates 129 housing units to Canyon Lake:

Projected and existing need comprise 65% (84) and 35% (45), respectively, of the City's total RHNA allocation.

After determining a jurisdiction's total RHNA allocation, the next step is to assign the total allocation into four RHNA income categories. The four RHNA income categories are:

- Very low (50% or less of the county median income)
- Low (50-80%)
- Moderate (80 to 120%)
- Above moderate (120%and above)

One RHNA objective specifically requires that the RHNA methodology allocate a lower proportion of housing need in jurisdictions that already have a disproportionately high concentration of those households in comparison to the county distribution. Additionally, another objective, affirmatively furthering fair housing (AFFH), requires that the RHNA methodology further the objectives of addressing significant disparities in housing needs and access to opportunity in order to overcome patterns of segregation.

With the Regional Council's adoption of Connect SoCal in its entirety on September 3, 2020, SCAG distributed the draft RHNA Allocation to local jurisdictions on September 4, 2020.

Cities and counties were able to appeal their Draft RHNA allocation. SCAG approved only two of the almost 50 appeals that were submitted. The SCAG Regional Council approved the Final RHNA allocation on March 4, 2021.

Table A-19 shows the City's Final RHNA allocation by income group.

Table A-19
City of Canyon Lake
Share of Regional Housing Needs
June 30, 2021 – October 15, 2029 (8.3 years)

Income Group	Number	Percent
Extremely Low	21	16.4%
Very Low	22	17.2%
Low	24	18.8%
Moderate	24	18.8%
Above Moderate	38	28.8%
Total:	129	100.0%

Source: Southern California Association of Governments, 6th Cycle Final RHNA Allocation Plan (approved by HCD on 3/22/21) and modified on 7/1/21



Appendix B

Assessment of Fair Housing

A. GOVERNMENT CODE REQUIREMENTS

1. Background

a. HUD's Assessment of Fair Housing

On July 16, 2015, the U.S. Department of Housing and Urban Development (HUD) published a [final rule on Affirmatively Furthering Fair Housing](#) (AFFH rule).¹ The AFFH rule established a process that certain recipients of HUD funding (referred to in the rule as “program participants”) were to use to help them meet their long-standing obligations to affirmatively further fair housing. The AFFH rule created a standardized process for fair housing planning – referred to in the AFFH rule as an Assessment of Fair Housing (AFH).

On January 5, 2018 HUD published a notice in the Federal Register suspending the obligation to prepare and submit an AFH.

In the *Federal Register* notice, HUD claimed that, based on reviews of the 49 initial AFHs submissions, local governments needed additional time and technical assistance to adjust to the AFFH process and complete AFH submissions that HUD could accept. Thirty-five percent of the 49 submissions (17 submissions) were not accepted when first submitted. HUD did not discuss why they were not accepted or how meaningful the deficiencies were.

b. AB 686 (Santiago)

AB 686 was introduced on April 3, 2017. The June 4, 2018 version added the Assessment of Fair Housing to the program requirements of a local housing element, beginning on January 1, 2021. Government Code Section 65583(c)(5) states the housing program shall -

Promote and affirmatively further fair housing opportunities and promote housing throughout the community or communities 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 (Part 2.8 (commencing with Section 12900) of Division 3 of Title 2), Section 65008, and any other state and federal fair housing and planning law.

AB 686 does not ascribe a quantified meaning to the phrase “throughout” a community.

2. Assessment of Fair Housing Requirements

Appendix B presents an *Assessment of Fair Housing* for purposes of providing direction to the City on the goals, priorities and strategies it can adopt to affirmatively further fair housing (AFFH).

The Government Code requirements relating to affirmatively furthering fair housing and the assessment of fair housing are described on the next page.

¹ The AFFH rule is published at 80 Fed. Reg. 42,272 and codified at 24 CFR Part 5, along with conforming amendments to Parts 91, 570, and 903. The effective date of the AFFH rule is August 17, 2015.

Affirmatively Furthering Fair Housing/Assessment of Fair Housing**Government Code Section 8899.50**

(a) For purposes of this section, the following terms have the following meanings:

(1) “Affirmatively furthering fair housing” means taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws. The duty to affirmatively further fair housing extends to all of a public agency’s activities and programs relating to housing and community development.

Government Code Section 65583(c)

(9) (A) Affirmatively further fair housing in accordance with Chapter 15 (commencing with Section 8899.50) of Division 1 of Title 2. **The program** shall include an assessment of fair housing in the jurisdiction that shall include all of the following components:

(i) A summary of fair housing issues in the jurisdiction and an assessment of the jurisdiction’s fair housing enforcement and fair housing outreach capacity.

(ii) An analysis of available federal, state, and local data and knowledge to identify integration and segregation patterns and trends, racially or ethnically concentrated areas of poverty, disparities in access to opportunity, and disproportionate housing needs within the jurisdiction, including displacement risk.

(iii) An assessment of the contributing factors for the fair housing issues identified under clause (ii).

(iv) An identification of the jurisdiction’s fair housing priorities and goals, giving highest priority to those factors identified in clause (iii) that limit or deny fair housing choice or access to opportunity, or negatively impact fair housing or civil rights compliance, and identifying the metrics and milestones for determining what fair housing results will be achieved.

(v) Strategies and actions to implement those priorities and goals, which may include, but are not limited to, enhancing mobility strategies and encouraging development of new affordable housing in areas of opportunity, as well as place-based strategies to encourage community revitalization, including preservation of existing affordable housing, and protecting existing residents from displacement.

The *Assessment of Fair Housing* presents an analysis of five potential issues:

- Integration and segregation patterns and trends
- Racially or ethnically concentrated areas of poverty
- Disparities in access to opportunity
- Disproportionate housing needs within the jurisdiction
- Displacement risk

Government Code Section (c)(9)(A) requires the analysis of fair housing issues within a jurisdiction. This focus is appropriate because it is the City's goals, priorities and strategies that will guide the actions to be taken to AFFH. The obstacles of comparing the city to a "region" are explained later in this *Assessment of Fair Housing*.

The fair housing analysis is hindered because the American Community Survey (ACS) does not produce data for each of the protected classes. For example, data are unavailable from the ACS regarding religious affiliation and the cost burdens experienced by sex of householder or by familial status.

The purpose of the analysis is to provide a basis to identify a "fair housing issue." For example, does segregation exist in the jurisdiction? Are there racially and ethnically concentrated areas of poverty in the jurisdiction?

If there are fair housing issues in the jurisdiction, then the assessment must identify and describe the factors that contribute to: 1) limiting or denying fair housing choice or access to opportunity and 2) negatively impact fair housing or civil rights compliance.

The jurisdiction then must identify for each contributing factor, the fair housing priorities and goals and the strategies to implement those priorities and goals. Government Code Section 65583(c)(9)(A)(v) provides examples of possible strategies and actions:

- Enhancing mobility strategies
- Encouraging development of new affordable housing in areas of opportunity
- Place-based strategies to encourage community revitalization
- Preservation of existing affordable housing
- Protecting existing residents from displacement

The strategies and actions become necessary when a fair housing issue is identified and the factors that contribute to that issue are known to some degree of certainty.

Government Code Section 8899.50(b) states:

In selecting meaningful actions to fulfill the obligation to affirmatively further fair housing, this section does not require a public agency to take, or prohibit a public agency from taking, any one particular action.

According to Government Code Section 8899.50(c):

This section shall be interpreted consistent with the Affirmatively Furthering Fair Housing Final Rule and accompanying commentary published by the United States Department of Housing and Urban Development contained in Volume 80 of the Federal Register, Number 136, pages 42272 to 42371, inclusive, dated July 16, 2015. Subsequent

amendment, suspension, or revocation of this Final Rule or its accompanying commentary by the federal government shall not impact the interpretation of this section.

In preparing the AFH, the program participants – primarily Community Development Block Grant (CDBG) entitlement communities – were advised by HUD to use several available resources, including the *AFFH Rule Guidebook*, which was made available to grantees on December 15, 2015.

B. FAIR HOUSING PROTECTED CHARACTERISTICS AND PROTECTED CLASSES

A “protected class” is a group of people with a common characteristic who are legally protected from housing discrimination.

According to U.S. Department of Housing and Urban Development (HUD):

- *Protected Characteristics* are race, color, religion, sex, familial status, national origin, having a disability, and having a type of disability. (24 C.F.R. § 5.152)
- *Protected Class* means a group of persons who have the same protected characteristic; e.g., a group of persons who are of the same race are a protected class. Similarly, a person who has a mobility disability is a member of the protected class of persons with disabilities and a member of the protected class of persons with mobility disabilities. (24 C.F.R. § 5.152)

Federal Protected Classes

- Race
- Color
- National Origin
- Disability: Mental and Physical
- Religion
- Sex
- Familial Status

California Protected Classes

- Marital Status
- Ancestry
- Source of Income
- Sexual Orientation
- Age*
- Gender Identity, Gender Expression
- Genetic Information
- Military or Veterans Status
- Primary Language*
- Citizenship/Immigration Status*

*Covered under the Unruh Civil Rights Act, which applies to most housing accommodations in California.

Income, per se, is not a protected class. According to HUD:

...the Fair Housing Act does not prohibit discrimination on the basis of income or other characteristics not specified in the Act, and it is not HUD's intent to use the AFFH rule to expand the characteristics protected by the Act.

Source: Federal Register July 16, 2015, page 42283

The federal Fair Housing Act prohibits both intentional discrimination and policies and practices that discriminate against the seven protected classes/groups. According to HUD's Office of General Counsel (OGC), people with limited English proficiency (LEP) are not a protected class under the Fair Housing Act. However, the OGC explains that there is a close link between LEP and certain racial and national origin groups.

C. DEFINITIONS OF FAIR HOUSING PROTECTED CLASSES AND DISCRIMINATION EXAMPLES

1. Race

The Fair Housing Act does not define "race". Data on race is required for many federal programs and the Census Bureau collects race data in accordance with guidelines provided by the U.S. Office of Management and Budget (OMB) and these data are based on self-identification. The racial categories included in the census form 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 Census Bureau recognizes that the categories of the race item include both racial and national origin or socio-cultural groups. Census 2010 and the American Community Survey provide for six race categories: White; Black, African American or Negro; American Indian or Alaska Native; Asian; Native Hawaiian or Other Pacific Islander; and Some Other Race.

Example: Discrimination against African-Americans by a Caucasian apartment manager.

2. Color

The Fair Housing Act does not define "color". However, it probably refers to the complexion of a person's skin color or pigmentation. The 2010 racial categories can be traced to Statistical Policy Directive No.15, promulgated by the OMB on May 12, 1977. "The four racial categories stipulated in the (1977) directive parallel the classic nineteenth-century color designations of black, white, red (American Indian or Alaska native), and yellow (Asian or Pacific Islander); there is no brown race in the American ethnoracial taxonomy." [Victoria Hattam, "Ethnicity & the Boundaries of Race: Re-reading Directive 15," *Daedalus*, Winter 2005, page 63]

Example: Discrimination against a dark-skinned African-American by a light-skinned African-American.

3. National Origin

"National origin" means the geographic area in which a person was born or from which his or her ancestors came. The geographic area need not be a country for it to be considered someone's "national origin," but rather can be a region within a country, or a region that spans

multiple countries. In general, national origin discrimination can occur even if a defendant does not know, or is mistaken about, precisely from where the plaintiff originates.

Example: Discrimination against a Puerto Rican individual by a Mexican property owner.

4. Disabled/Disability

The term “disability” means, with respect to an individual:

- A physical or mental impairment that substantially limits one or more major life activities of such individual;
- A record of such an impairment; or
- Being regarded as having such impairment.

Disability does not include current, illegal use of or addiction to a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)).

Example: Not allowing a disabled individual to have a service animal in a renter’s apartment.

5. Religion

“Religion” refers to all aspects of religious belief, observance, and practice. According to the United States Department of Justice (DOJ), this prohibition covers instances of overt discrimination against members of a particular religion as well as less direct actions, such as zoning ordinances designed to limit the use of private homes as places of worship.

Example: Discriminating against non-Catholics (Muslim, Buddhist, etc.) because of their religion.

6. Sex

The protected group includes gender (male or female), gender identity, and gender expression. California’s Fair Employment and Housing Act defines “sex” as including, but not limited to, pregnancy, childbirth, medical conditions related to pregnancy or childbirth and a person’s gender, as defined in Section 422.56 of the Penal Code. Government Code Section 12926(p)

Example: A property manager refusing to rent an apartment to a female householder.

7. Familial Status

“Familial Status: means one or more individuals (who have not attained the age of 18 years) being domiciled with--

- A parent or another person having legal custody of such individual or individuals; or
- The designee of such parent or other person having such custody, with the written permission of such parent or other person.

The protections afforded against discrimination on the basis of familial status shall apply to any person who is pregnant or is in the process of securing legal custody of any individual who has not attained the age of 18 years. (42 U.S.C. 3602(k))

Example: Forcing families with children to live on the first floor, or not renting to individuals with young children.

D. DEMOGRAPHIC SUMMARY

The Demographic Summary contains data on the numbers of people and households who are members of six protected classes under the provisions of both federal and California law. The demographic summary establishes benchmarks that will enable the City to track trends as the American Community is released each year.

1. Race/Color Protected Class

a. Race and Ethnic Categories

Census 2010 and the 2015-2019 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 categories. Thus, the six race *alone* categories and the *two or more races* category sum to the total population.

b. Definitions of Non-Minority and Minority Populations

The *non-minority* population includes White persons who are not of Hispanic or Latino origin (e.g., Mexican, Cuban, and Puerto Rican). All other population groups comprise the minority population. The minority population is defined in the same way by the Office of Management and Budget (OMB), Federal Department of Transportation (DOT), Federal Financial Institutions Examination Council (FFIEC), and Council on Environmental Quality (CEQ - environmental justice guidelines).

The race and ethnic categories follow the 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.

Refer to the next page for definitions of race and Hispanic or Latino origin.

Census Definitions of Race

White. A person having origins in any of the original peoples of Europe, the Middle East, or North Africa. It includes people who indicate their race as “White” or report entries such as Irish, German, Italian, Lebanese, Arab, Moroccan, or Caucasian.

Black or African American. A person having origins in any of the Black racial groups of Africa. It includes people who indicate their race as “Black, African Am., or Negro” or report entries such as African American, Kenyan, Nigerian, or Haitian.

American Indian or Alaska Native. A person having origins in any of the original peoples of North and South America (including Central America) and who maintains tribal affiliation or community attachment. This category includes people who indicate their race as “American Indian or Alaska Native” or report entries such as Navajo, Blackfeet, Inupiat, Yup’ik, or Central American Indian groups or South American Indian groups.

Asian. A person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam. It includes people who indicate their race as “Asian Indian,” “Chinese,” “Filipino,” “Korean,” “Japanese,” “Vietnamese,” and “Other Asian” or provide other detailed Asian responses.

Native Hawaiian or Other Pacific Islander. A person having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands. It includes people who indicate their race as “Native Hawaiian,” “Guamanian or Chamorro,” “Samoan,” and “Other Pacific Islander” or provide other detailed Pacific Islander responses.

Some Other Race. Includes all other responses not included in the “White,” “Black or African American,” “American Indian or Alaska Native,” “Asian,” and “Native Hawaiian or Other Pacific Islander” race categories described above. Respondents reporting entries such as multiracial, mixed, interracial, or a Hispanic, Latino, or Spanish group (for example, Mexican, Puerto Rican, Cuban, or Spanish) in response to the race question are included in this category.

Two or More Races. People may choose to provide two or more races either by checking two or more race response check boxes, by providing multiple responses, or by some combination of check boxes and other responses. The race response categories shown on the questionnaire are collapsed into the five minimum race groups identified by OMB and the Census Bureau’s “Some Other Race” category. For data product purposes, “Two or More Races” refers to combinations of two or more of the following race categories: White, Black or African American, American Indian or Alaska Native, Native Hawaiian or Other Pacific Islander, and Some Other Race.

There are 57 possible combinations involving the race categories shown above. Thus, according to this approach, a response of “White” and “Asian” was tallied as Two or More Races, while a response of “Japanese” and “Chinese” was not because “Japanese” and “Chinese” are both Asian responses.

Census Definitions of Hispanic or Latino Origin

People who identify with the terms “Hispanic,” “Latino,” or “Spanish” are those who classify themselves in one of the specific Hispanic, Latino, or Spanish categories listed on the questionnaire (“Mexican,” “Puerto Rican,” or “Cuban”) as well as those who indicate that they are “another Hispanic, Latino, or Spanish origin.” People who do not identify with one of the specific origins listed on the questionnaire but indicate that they are “another Hispanic, Latino, or Spanish origin” are those whose origins are from Spain, the Spanish-speaking countries of Central or South America, or the Dominican Republic.

c. Canyon Lake's Population by Race and Ethnicity

Table B-1 shows the population growth by race and ethnicity between 2010 and 2015-2019. During this period there was a net gain of 609 persons. The Asian population contributed to almost one-half of the population growth. The White and Hispanic populations also had relatively large population gains.

Table B-1 indicates that during the decade the Black population decreased to zero. Based on the 2012-2016 CHAS Data, SCAG estimates that there are 10 Black resident householders. In addition, the Home Mortgage Disclosure Act (HMDA) data reports that in 2018 and 2019 all six home loan applications submitted by Black borrowers were approved. It is assumed that after loan closing, these borrowers either moved to Canyon Lake or used the home as a second home.

Table B-1
City of Canyon Lake
Population Growth by Race and Ethnicity: 2010 to 2015-2019

Race/Ethnicity	2010	2015-2019	Increase/ Decrease
Hispanic or Latino	1,303	1,494	191
Not Hispanic or Latino			
White Alone	8,630	8,771	141
Black or African American Alone	122	0	-122
American Indian and Alaska Native Alone	40	33	-7
Asian Alone	184	478	294
Native Hawaiian and Other Pacific Islander Alone	33	21	-12
Some Other Race Alone	21	33	12
Two or More Races	228	340	112
Total	10,561	11,170	609

Sources: U.S. Census Bureau; 2010 Census, 2010 Summary File 1, Table P9 Hispanic or Latino, and Not Hispanic or Latino Origin by Race

U.S. Census Bureau; American Community Survey, 2015-2019 5-Year Estimates, Table B03002 Hispanic or Latino by Race

d. Race of Hispanic or Latino and Not Hispanic or Latino Populations

Table B-2 shows that in 2015-2019 almost 1,500 persons identified themselves as being of Hispanic or Latino Origin. With respect to race –

- About 58% (872/1,494) of the Hispanic population said that their race was White Alone
- About 29% said they belonged to Some Other Race
- About 6% identified themselves as having Two or More Races

Table B-2
City of Canyon Lake
Race of Hispanic or Latino and Not Hispanic or Latino Populations: 2015-2019

Race	Hispanic or Latino	Percent	Not Hispanic or Latino	Percent	Total
White Alone	872	58.4%	8,771	90.6%	9,643
Black or African American Alone	0	0.0%	0	0.0%	0
Asian Alone	24	1.6%	478	4.9%	502
American Indian or Alaska Native Alone	0	0.0%	33	0.3%	33
Native Hawaiian/Other Pacific Islander Alone	68	4.6%	21	0.2%	89
Some Other Race Alone	434	29.0%	33	0.3%	467
Two or More Races	96	6.4%	340	3.5%	436
Total	1,494	100.0%	9,676	99.8%	11,170

Note: does not sum to 100% because of rounding

Source: U.S. Census Bureau; American Community Survey. 2015-2019 5-Year Estimates, Table B03002: Hispanic or Latino Origin by Race

2. Sex of Householder Protected Class

Federal and State fair housing laws prohibit discrimination based on a person's sex. The United States Department of Justice (DOJ) has stated:

The Fair Housing Act makes it unlawful to discriminate in housing on the basis of sex. In recent years, the Department's focus in this area has been to challenge *sexual harassment* in housing. Women, particularly those who are *poor*, and with limited housing options, often have little recourse but to tolerate the humiliation and degradation of sexual harassment or risk having their families and themselves removed from their homes.

In addition, *pricing discrimination* in mortgage lending may also adversely affect women, particularly minority women. This type of discrimination is unlawful under both the Fair Housing Act and the Equal Credit Opportunity Act. [Emphasis added]

Source: United States Department of Justice, Civil Rights Division, Housing and Civil Enforcement Section, *The Fair Housing Act*, July 25, 2008, pages 2 and 3

Table B-3 presents data on the number of householders by type. Female householders comprise approximately 10% of all householders. The largest numbers of householders are married couples (2,642) and householders living alone (894). Male householders account for less than 3% of all householders.

Table B-3
City of Canyon Lake
Number of Households by Type: 2015-2019

Household Type	Number	Percent
Married Couples	2,642	62.5%
Female Householders	407	9.6%
Male Householders	116	2.7%
Householder Living Alone	894	21.1%
Householder Living w/Others	171	4.0%
Total	4,230	100.0%

Source: U.S. Census Bureau; American Community Survey. 2015-2019 5-Year Estimates, Table S2501 Occupancy Characteristics

3. National Origin/Ancstry Protected Class

The Fair Housing Act and California Fair Employment and Housing Act prohibit discrimination based upon national origin. According to the United States Department of Justice, such discrimination can be based either upon the country of an individual's birth or where his or her ancestors originated.

a. Foreign Born Population by Region of Birth

The foreign-born population includes anyone who is not a U.S. citizen or a U.S. national at birth, including respondents who indicated they were a U.S. citizen by naturalization or not a U.S. citizen. Table B-4 indicates that Canyon Lake' foreign born population consists of almost 720 persons. Of this total number approximately 47% were born in Asia and 25% were born in Europe.

Table B-4
City of Canyon Lake
Foreign Born Population by Region of Birth: 2015-2019

Region	Number	Percent
Europe	177	24.7%
Asia	338	47.2%
Africa	0	0.0%
Oceania	12	1.7%
Latin America	97	13.5%
North America	92	12.8%
Total	716	100.0%

Source: U.S. Census Bureau; American Community Survey. 2015-2019 5-Year Estimates, Table DP02 Selected Social Characteristics in Canyon Lake

b. Origins of the Hispanic or Latino Population

Almost 1,500 Hispanic or Latino persons reside in Canyon Lake. Table B-5 shows that Mexico is the origin of nearly 65% of all Hispanic persons.

Table B-5
City of Canyon Lake
Persons of Hispanic Origin: 2010 and 2015-2019

Hispanic Origin	2015-2019	
	Number	Percent
Mexican	967	64.7%
Puerto Rican	169	11.3%
Cuban	51	3.4%
Other Spanish/Hispanic	307	20.5%
Total	1,494	100.0%

Source: U.S. Census Bureau; American Community Survey, 2015-2019 5-Year Estimates, Table DP05: ACS Demographic and Housing Characteristics

c. Origins of Asian Persons

Table B-6 shows the origins of the Asian population. Origin information is unknown for almost 37% of the population. An estimated 27.5% of the Asian population is of Chinese origin.

Table B-6
City of Canyon Lake
Origins of Asian Population: 2015-2019

Origin	Number	Percent
Asian Indian	40	8.0%
Chinese	138	27.5%
Filipino	117	23.3%
Japanese	13	2.6%
Korean	0	0.0%
Vietnamese	10	2.0%
Other Asian	184	36.7%
Total	502	100.0%

Source: U.S. Census Bureau; American Community Survey. 2015-2019 5-Year Estimates, Table DP02 Selected Social Characteristics in Canyon Lake

4. Familial Status Protected Class

a. Background

The Fair Housing Amendments Act of 1988 prohibits discriminatory housing practices based on familial status. In most instances, according to the United States Department of Justice, the Act prohibits a housing provider from refusing to rent or sell to families with children. However, housing may be designated as housing for older persons (55 years + of age). This type of housing, which meets the standards set forth in the Housing for Older Persons Act of 1995, may operate as “senior housing” and exclude families with children.

The Act protects families with children less than 18 years of age, pregnant women, or families in the process of securing custody of a child under 18 years of age. The Department of Justice has stated:

In addition to prohibiting the outright denial of housing to families with children, the Act also prevents housing providers from imposing any special requirements or conditions on tenants with children. For example, landlords may not locate families with children in any single portion of a complex, place an unreasonable restriction on the number of persons who may reside in a dwelling, or limit their access to recreational services provided to other tenants.

Source: United States Department of Justice, Civil Rights Division, Housing and Civil Enforcement Section, *The Fair Housing Act*, July 25, 2008, page 3

b. Population Characteristics

Almost 30% of all households have children. The majority of families with children are married couples (972) and female householders (200) with no husband present. Refer to Table B-7.

Non-family households do not have children. A non-family household is a householder *living alone* or with *nonrelatives* only. Unmarried couple households, whether opposite-sex or same-sex, with no relatives of the householder present are tabulated in nonfamily households.

Table B-7
City of Canyon Lake
Households with Children: 2015-2019

Household Type	Households	With Children	Percent With Children
Married Couples	2,642	972	36.8%
Cohabiting Couples	133	50	37.6%
Female Householders, No Husband Present	766	200	26.1%
Male Householders, No Wife Present	689	11	1.6%
Total	4,230	1,233	29.1%

Source: U.S. Census Bureau; American Community Survey, 2015-2019 5-Year Estimates, Table DP02 Selected Social Characteristics

5. Handicap/Disability Protected Class

a. Background

The Fair Housing Act prohibits discriminatory housing practices based on handicap/disability. Among other prohibitions, the Act is intended to prohibit the application of special restrictive covenants and conditional or special use permits that have the effect of limiting the ability of such individuals to live in the residence of their choice. Fair housing laws, therefore, make it illegal to deny a housing opportunity on the basis of disabilities.

In addition, the law prohibits applying one standard to one class of individuals while applying a different standard to another class of individuals. For example, it would be illegal to ask a disabled individual applying for an apartment to provide a credit report if non-disabled applicants do not have to provide one.

Housing opportunities for disabled persons are impeded by practices in both the private and public sectors. For instance, “denied reasonable modification/accommodation” is often cited as an alleged act in housing discrimination complaints. Additionally, apartment rental ads often state “no pets allowed,” even though disabled persons may have service or companion animals. In the public sector, housing opportunities can be impeded because a city has not adopted a reasonable accommodation procedure, or if adopted has not made the procedure widely known in the community.

The United States Department of Justice has indicated a major focus of its efforts is on public sector impediments that may restrict housing opportunities for disabled persons. The Department has stated:

The Division’s enforcement of the Fair Housing Act’s protections for persons with disabilities has concentrated on two major areas. One is insuring that zoning and other regulations concerning land use are not employed to hinder the residential choices of these individuals, including unnecessarily restricting communal, or congregate, residential arrangements, such as group homes. The second area is insuring that newly constructed multifamily housing is built in accordance with the Fair Housing Act’s accessibility requirements so that it is accessible to and usable by people with disabilities, and, in particular, those who use wheelchairs.

Source: United States Department of Justice, Civil Rights Division, Housing and Civil Enforcement Section, *The Fair Housing Act*, July 25, 2008, page 4

b. Population and Household Characteristics

Almost 1,300 residents have one or more disability, a number that represents 11.5% of Canyon Lake’s total population. The disability prevalence rate, or percent disabled, steadily increases with age. More than half of the senior population 75 years old or older has a disability. Table B-8 presents the number and percent of disabled persons by age group.

Table B-8
City of Canyon Lake
Disability Prevalence Rates by Age Group: 2015-2019

Age Group	With a Disability	No Disability	Total Population	Prevalence Rate
Under 5 years	0	550	550	0.0%
5 to 17 years	95	1,710	1,805	5.3%
18 to 34 years	45	1,674	1,719	2.6%
35 to 64 years	501	4,488	4,989	10.0%
65 to 74 years	164	1,047	1,211	13.5%
75 years +	483	413	896	53.9%
Total	1,288	9,882	11,170	11.5%

Source: 2015-2019 American Community Survey 5-Year Estimates, Table B18101, Sex by Age by Disability Status

Table B-9 shows that an estimated 1,059 households have one or more member with a disability, a number that equals one in four of all households. The member with a disability could be the head of household, a spouse, a child or other related or unrelated person living in the housing unit.

Table B-9
City of Canyon Lake
Disabled Householders: 2015-2019

Household Disability Status	Number	Percent
Households with one or more persons with a disability	1,059	25.0%
Households with no persons with a disability	3,171	75.0%
Total	4,230	100.0%

Source: 2018 American Community Survey 1-Year Estimates, Table B22010, Receipt of Food Stamps/SNAP in the Past 12 Months by Disability Status for Household

6. Limited English Proficiency (LEP) Protected Class

a. Background

LEP refers to a person's limited ability to read, write, speak, or understand English. Individuals who are LEP are not a protected class under the federal Fair Housing Act. Nonetheless, the Act prohibits housing providers from using LEP selectively based on a protected class or as a pretext for discrimination because of a protected class. The Act also prohibits housing providers from using LEP in a way that causes an unjustified discriminatory effect.

b. LEP Households

A "Limited English speaking household" is one in which no member 14 years old and over (1) speaks only English at home or (2) speaks a language other than English at home and speaks English "Very well."

Respondents were asked to indicate their English-speaking ability based on one of the following categories: “Very well,” “Well,” “Not well,” or “Not at all.” Those who answered “Well,” “Not well,” or “Not at all” are sometimes referred to as “Less than ‘very well.’”

After data are collected for each person in the household, the limited English-speaking household variable is calculated by checking if all people 14 years old and older speak a language other than English. If so, the calculation checks the English-speaking ability responses to see if all people 14 years old and older speak English “Less than ‘very well.’” If all household members 14 and over speak a language other than English and speak English “Less than ‘very well,’” the household is considered part of this group that may be in need of English language assistance.

There are an estimated 191 limited English speaking households residing in Canyon Lake. The large majority of limited English speaking households speak Asian and Pacific Island languages. Refer to Table B-10 for data on the number and percentage of limited English speaking households.

Table B-10
City of Canyon Lake
Limited English Speaking Households: 2015-2019

Households Speaking	Limited English-Speaking Households	Percent of all Limited English-Speaking Households
Spanish	29	15.2%
Other Indo-European Languages	9	4.7%
Asian and Pacific Island Languages	153	80.1%
Other Languages	0	0.0%
Total	191	100.0%

Source: U.S. Census Bureau; American Community Survey, 2015-2019 5-Year Estimates, Table DP02 Selected Social Characteristics

Limited English Speaking Households Speak English less than “very well”

c. Primary Language

In California, “primary language” is a protected class. Primary language means that people whose first language is not English are protected from housing discrimination. Tenants have the right to use their preferred language and private housing providers do not have to provide a translator, but they must speak with a translator if the tenant has one. Tenants whose first language is not English should not be treated differently, harassed, or refused housing/services.

E. SEGREGATION/INTEGRATION ANALYSIS

For the purposes of the Affirmatively Furthering Fair Housing (AFFH) rule, “segregation” “means a condition in which there is a high concentration of persons of a particular race, color, religion, sex, familial status, national origin, or having a disability or a type of disability in a particular geographic area when compared to a broader geographic area. 24 C.F.R. § 5.152²

For the purposes of the AFFH rule, “integration” “means a condition in which there is not a high concentration of persons of a particular race, color, religion, sex, familial status, national origin, or having a disability or a type of disability in a particular geographic area when compared to a broader geographic area. 24 C.F.R. § 5.1523

The AFFH rule does not define the meaning of “High.”

1. Dissimilarity Index Measures Segregation/Integration

The Dissimilarity Index, according to HUD’s *Assessment of Fair Housing Tool for Local Governments*, measures the degree to which two groups are evenly distributed across a geographic area and is a commonly used measure for assessing residential segregation between two groups. The analysis is typically conducted for a city or county based on the racial and ethnic distribution of the population within the census tracts that comprise the jurisdiction. A census tract is a standardized geographic unit with a population of approximately 4,000. Census tracts provide a standardized geographic unit to report census data and compare change over time. The boundaries of census tracts remain the same from one census to the next and only change if there is a major increase or decrease in the population.

The values of the Dissimilarity Index range from 0 to 100. An index value of 0 indicates that a city is completely integrated when measuring for example the distributions of Whites and Blacks, while an index value of 100 indicates the city is completely segregated. The value of the Dissimilarity Index is based on the proportion of the two groups within each census tract relative to the distribution of the two groups in the city. It is not based on the proportion of the two groups within the city. Table B-11 provides an example that helps to explain the DI.

Table B-11
Dissimilarity Index Example

	City A		City B		City C	
Census Tract	White	Black	White	Black	White	Black
100	3,900	100	0	200	0	200
101	3,900	100	0	200	3,900	100
102	3,900	100	7,800	0	3,900	100
103	3,900	100	7,800	0	7,800	0
Total	15,600	400	15,600	400	15,600	400
Dissimilarity Index	0		100		50	

In each of these hypothetical cities, there are 15,600 Whites (97.5%) and 400 Blacks (2.5%). Because of the small proportion (2.5%) of Blacks, these cities could be labelled as “segregated.” However, the Dissimilarity Index for these cities ranges from 0 to 100.

The difference in the values of the Dissimilarity Index is based on the distribution of the White and Black populations within each of the census tracts. In City A with a Dissimilarity Index of 0, the proportion of Whites and Blacks in each census track is the same. In City B with a Dissimilarity Index of 100, all the Whites are in two census tracts and all the Blacks are in two census tracts. In City C with a Dissimilarity Index of 50, there is one census tract that is exclusively Black, one census tract that is exclusively White, and two tracts where the

proportion of Blacks to White is the same and is relative to the City's proportion of the two groups.

HUD suggests that a Dissimilarity Index value of less than 40 generally indicates low segregation, while values between 40 and 54 generally indicates moderate segregation, and values between 55 and 100 generally indicates a high level of segregation, as shown in Table B-12.

Table B-12
Levels of Segregation

Dissimilarity Index Value	Level of Segregation
< 40	Low Segregation
40 - 54	Moderate Segregation
> 54	High Segregation

2. Regional Dissimilarity Index

The "Region" statistics included in HUD data encompass all the cities and unincorporated communities located in Riverside and San Bernardino, a vast geographic area of some 27,408 square miles. The distance from the city halls of Blythe (Riverside County) and Ontario (San Bernardino County) is 188 miles, a 3 hour drive. The distance from the city halls of Needles (San Bernardino County) and Rancho Cucamonga (San Bernardino County) is 215 miles, a 3 and 1/2 hour drive.

HUD data shows that the Region currently experiences a Moderate Level of Segregation among all four groups: Non-White/White, Black/White, Hispanic/White and Asian or Pacific Islander/White. The trends analysis shows that three groups moved from a low to moderate segregation level between 1990 and 2010: Non-White/White; Hispanic/White; and Asian or Pacific Islander/White. Refer to Table B-13.

Table B-13
Riverside/San Bernardino Counties Regions
Dissimilarity Indices: 1990, 2000, and 2010

Racial/Ethnic Dissimilarity Index	1990	2000	2010
Non-White/White	32.92	38.90	41.29
Black/White	43.74	45.48	47.66
Hispanic/White	35.57	42.40	43.96
Asian or Pacific Islander/White	33.17	36.31	43.07

Source: HUD Table 3, Racial/Ethnic Dissimilarity Trends
HUD note below on Table 3:

In Table 3, the current dissimilarity indices for 2010 exclude multiracial individuals, while the 1990, 2000, and 2010 trend racial data from the Brown Longitudinal Tract Database includes multiracial individuals in the racial categories.

Data Source: Decennial Census, 2010; Brown Longitudinal Tract Database (LTDB) based on decennial census data, 2010, 2000 & 1990. Decennial Census data are Block-group level and LTDB data are census tract level.

3. City of Canyon Lake Dissimilarity Index

Brown University has constructed Dissimilarity Indices for the nation's cities for the same time period and using the same data sources as HUD.

The Dissimilarity Indices for the City of Canyon Lake are as follows:

- White-Black/Black-White: 8.7
- White-Hispanic/Hispanic-White: 5.8
- White-Asian/Asian-White: 2.1
- Black-Hispanic/Hispanic-Black: 7.4
- Black-Asian/Asian-Black: 9.4
- Hispanic-Asian/Asian-Hispanic: 7.4

All of the indices are at a low level of segregation. Consequently, segregation is not a fair housing issue affecting the City.

A comparison of the 2010 Census data and 2015-2019 ACS data shows a lower percentage of the White population and a higher percentage of the minority population. Based on the 2012-2016 CHAS Data, SCAG estimates that there are 10 Black resident householders. In addition, the Home Mortgage Disclosure Act (HMDA) data reports that in 2018 and 2019 all six home loan applications submitted by Black borrowers were approved. It is assumed that after loan closing, these borrowers either moved to Canyon Lake or used the home as a second home.

Table B-14 shows the percentage distributions of the population by race and ethnicity in 2010 and 2015-2019.

Table B-14
City of Canyon Lake
Population by Race and Ethnicity: 2010 and 2015-2019

Race/Ethnicity	2010	2015-2019
Non-Hispanic White	81.8%	78.5%
Non-Hispanic Black	1.2%	0.0%
Hispanic	12.3%	13.4%
Asian	1.7%	4.3%
Other	3.0%	3.8%
Total	100.0%	100.0%

Source: U.S. Census 2010 and American Community 5-Year Estimates 2015-2019

4. Households with a Disabled Member

The vast majority of disabled persons live in separate living quarters (a housing unit) not in a group quarters setting (nursing home). There are no Adult Residential Facilities (ARFs) located

in Canyon Lake according to the California Department of Social Services/Community Care Licensing Division. An ARF is a residential home for adults 18 to 59 with mental health care needs or who have physical or developmental disabilities and require or prefer assistance with care and supervision.

The ACS data is only available for entire census tracts. The census tracts are not split between cities or between a city and unincorporated area. There are five census tracts that are partially within the City of Canyon Lake. However, only two (427.14 and 427.16) have a majority of the area located within Canyon Lake's city boundaries. As a result, the total household count of 3,236 in Table B-15 is less than the city-wide total of 4,230.

Of the City's 1,059 households with a disabled member, 886 live in census tracts 427.14 and 427.16. Table B-15 shows the number in each census tract of households with a disabled member. Forty-two percent of all households reside in 427.14 compared to 58% of all disabled households. The figures for 427.16 are 58% of all households reside in the census tract compared to 42% of all householders.

The fact that census tract 427.14 has a greater share of disabled householders compared to all householder could be the result of several factors. The older age cohorts may have become disabled in place. Many people who are now seniors have lived in Canyon Lake for two to three or more decades.

Table B-15
City of Canyon Lake
Segregation/Integration Analysis of Households with a Disabled Member

Census Tract	Households w/ Disabled Member	All Households	Census Tract Percentage¹	Citywide Percentage²
427.14	514	1,372	42.4%	58.0%
427.16	372	1,864	57.6%	42.0%
Total	886	3,236	100.0%	

¹Census tract total households as a percentage of all households within City (1,372/3,236)

²Households with disabled member as % of all households with disabled member (514/886)

Source: 2015-2019 American Community Survey 5-Year Estimates, Table B22010, Receipt of Food Stamps/SNAP in the Past 12 Months by Disability Status for Households

5. Households with Children

Table B-16 shows the number of households with children in each census tract. The table also shows the total number of households living in each census tract. Column 3 shows the percentage distribution of households with children by census tract. They correspond fairly closely with the percentages of all households. For example, approximately 36%% of all households with children live in census tract 427.14. That percentage is similar to the 42% of all households in the City living in that same census tract. The data demonstrate that there is no concentration in terms of where households with children are living in the City.

Table B-16
City of Canyon Lake
Segregation/Integration Analysis of Households with Children

Census Tract	Households w/ Children	All Households	Census Tract Percentage¹	Citywide Percentage²
427.14	346	1,372	42.4%	35.7%
427.16	623	1,864	57.6%	64.3%
Total	969	3,236	100.0%	

¹Census tract total households as a percentage of all households within City (1,372/3,326)

²Households with children as % of all households with children (346/969)

Source: U.S. Census Bureau; American Community Survey, 2015-2019 5-Year Estimates, Table DP02 Selected Social Characteristics

F. RACIALLY/ETHNICALLY CONCENTRATED AREAS OF POVERTY

1. Background

To assist communities in identifying racially or ethnically-concentrated areas of poverty (R/ECAPs), HUD developed a census tract-based definition of R/ECAPs. The definition involves thresholds for racial/ethnic concentration and poverty:

- A non-White population of 50% or more
- A poverty rate that exceeds 40% or is three or more times the regional poverty rate, whichever rate is lower

For the Region, the three time poverty rate is 44.4%. For Riverside County alone it is 41.1%

Census tracts with this extreme poverty that satisfy the racial/ethnic concentration threshold are deemed by HUD to be R/ECAPs.

2. Analysis

HUD explains the importance of the R/ECAP analysis in the following terms:

A large body of research has consistently found that the problems associated with segregation are greatly exacerbated when combined with concentrated poverty. Neighborhoods of concentrated poverty may isolate residents from the resources and networks needed. Concentrated poverty has also been found to have a long-term effect on outcomes for children growing up in these neighborhoods related to a variety of indicators, including crime, health and education and future employment and lifetime earnings. An R/ECAP analysis is consistent with addressing concerns raised in the legislative history of the Fair Housing Act. The 1968 Kerner Commission on Civil Disorders acknowledged that “segregation and poverty” create “a destructive environment.”

There are no R/ECAPs located in Canyon Lake. Table B-17 reports on the poverty rates and minority population percentages in census tracts 427.14 and 427.16. Neither the poverty rate nor minority percentages reach the thresholds of an R/ECAP.

Seventy-nine percent of Canyon Lake's total population lives in the two census tracts (8,795/11,170)

Table B-17
City of Canyon Lake
Racially/Ethnically Concentrated
Areas of Poverty: 2015-2019

Census Tract	Total Population	Poverty Rate	Percent Minority
427.14	3,519	6.8%	20.2%
427.16	5,275	7.6%	27.5%

Source: 2018 American Community Survey 5-Year Estimates, Table B17020 Poverty Status in the past 12 Months by Age and Table B03002 Hispanic or Latino by Race

Note: ACS data is only available for entire Census Tracts regardless of the city boundary. There are five Census Tracts that are partially within the City of Canyon Lake. However, only two (427.14 and 427.16) have a majority of the area located within Canyon Lake's City boundaries. As a result, the total population of 8,794 is less than the city-wide total of 11,170.

G. DISPARITIES IN ACCESS TO OPPORTUNITY

1. Opportunity Mapping Tool

The TCAC/HCD Opportunity Mapping Tool is based on 12 indicators of access to opportunity. Table B-18 describes the Housing Opportunity Mapping Indicators and Measures. Of the 12 housing opportunity indicators, three are associated with poverty, one with racial segregation, one with job proximity and three with school proficiency.

Neighborhoods – meaning census tracts – are designated into one of the following six resource categories:

- Highest
- High
- Moderate
- Moderate (Rapidly Changing)
- Low
- High Segregation & Poverty

Table B-18
California TCAC/HCD
Housing Opportunity Mapping Indicators and Measures: 2021

Indicator	Measure
Poverty	Percent of the population with incomes above 200% of the federal poverty level
Adult Education	Percent of adults with a bachelor's degree or above
Employment	Percent of adults age 20-64 who are employed in the civilian labor force or in the armed forces
Job Proximity	Number of jobs filled by workers with less than a BA that fall within a given radius (determined by the typical commute distance of low wage workers in each region) of each census tract population weighted centroid
Median Home Value	Value of owner-occupied units
CalEnviroScreen	CalEnviroScreen 3.0 Pollution Indicators
Math Proficiency	Percentage of 4 th graders who meet or exceed math proficiency standards
Reading Proficiency	Percentage of 4 th graders who meet or exceed literacy standards
High School Graduation Rates	Percentage of high school cohort that graduate on time
Student Poverty Rate	Percent of students not receiving free or reduced-price lunch
Poverty	Tracts with at least 30% of the population falling under the federal poverty line
Racial Segregation	Tracts with a racial Location Quotient of higher than 1.25 for Black, Hispanic, Asian, or all people of color in comparison to the county

Source: California Fair Housing Task Force, *Methodology for the 2021 TCAC/HCD Opportunity Map*, December 2020, pages 6 and 7

The 2021 TCAC/HCD Housing Opportunity Mapping classifies Canyon Lake's census tracts into the following resource categories:

<u>Census Tract</u>	<u>City Boundaries</u>	<u>Resource Category</u>
427.14	All within City	Highest (location of Village Overlay)
427.16	Mostly within City	High
427.15	Partly within City	High
427.17	Partly within City	High
427.33	Partly within City	High (location of Town Center)

2. County of Riverside Housing Authority

During briefings sessions with Section 8 families, the Housing Authority encourages families to move to high opportunity areas by explaining the advantages of moving to an area that may offer better quality housing, education and employment opportunities.

The Housing Authority has prepared a map that shows areas of high opportunity located throughout Riverside County.

H. DISPROPORTIONATE HOUSING NEEDS

1. Background

For purposes of the *Assessment of Fair Housing* -

Disproportionate housing needs refers to a condition in which there are *significant disparities* in the proportion of members of a *protected class* experiencing a *category of housing need* when compared to the proportion of members of any other *relevant groups or the total population* experiencing that category of housing need in the applicable geographic area. For purposes of this definition, categories of housing need are based on such factors as cost burden, severe cost burden, overcrowding, and substandard housing conditions.... 24 CFR 5.154 [Emphasis added]

The categories of housing need, therefore, include:

- Cost Burden
- Severe Cost Burden
- Overcrowding
- Substandard Housing Conditions

“Disproportionate,” according to the *Assessment of Fair Housing* federal rules, means that there are significant disparities - within a protected class - of the percentage of people or households experiencing a housing need. No threshold measures are provided in the AFFH Rule to enable jurisdictions to determine what is “significant.”

2. Indicators of Disproportionate Housing Needs

Data are unavailable on the cost burdens and substandard housing conditions experienced by the different protected classes (e.g., race, disability, familial status). Data are available on overcrowding by race and ethnicity.

a. Extremely Low Income by Race and Ethnicity

Table B-19 shows that the percentages of extremely low income Asian and Hispanic households are twice as high as White households. This may very well mean that Asian and Hispanic households experience disproportionate housing needs relating to cost burden and severe cost burden when compared to White households. None of the Black householders have extremely low incomes.

Table B-19
City of Canyon Lake
Extremely Low Income Households by Race/Ethnicity: 2012-2016

Race and Ethnicity	Total Households	Extremely Low Households	Percent Extremely Low Income Households
White, Non-Hispanic	3,560	100	2.8%
Black, Non-Hispanic	10	0	0.0%
Asian and Other, Non-Hispanic	175	10	5.7%
Hispanic	425	20	4.7%
Total	4,170	130	3.1%
Renter-occupied	750	45	6.0%
Owner-occupied	3,410	85	2.5%
Total	4,160	130	3.1%

Source: Southern California Association of Governments, *Pre-Certified Local Housing Data, August 2020*, based on HUD CHAS Data 2012-2016

b. Very Low Income Cost Burdens by Income

Table B-20 describes the number of very low income renter and owner households that experience cost burden and severe cost burden.

For renters, housing cost is gross rent (contract rent plus utilities). Among very low income *renters*, 64% are cost burdened and 60% are severely cost burdened.

For owners, housing cost is "selected monthly owner costs", which includes mortgage payment, utilities, association fees, insurance, and real estate taxes.

The data shows that about 82% of all very low income *owners* are cost burdened and 70% are severely cost burdened.

This means that the owner households within each racial and ethnic group are more likely to be cost burdened and severely cost burdened than the renters.

c. Overcrowding by Race and Ethnicity

Less than 1% of Canyon Lake's households are overcrowded. White, non-Hispanic households experience all the overcrowding. Refer to Table B-21.

Table B-20
City of Canyon Lake
Very Low Income (<50% AMI)
Cost Burden and Severe Cost Burden
By Tenure: 2013-2017

Tenure	Total Low Income (<50% AMI)	Number Cost Burdened	Percent Cost Burdened	Number Severely Cost Burdened	Percent Severely Cost Burdened
Renters	100	64	64.0%	60	60.0%
Owners	300	245	81.7%	210	70.0%
Total	400	309	77.3%	270	67.5%

Note: Low/moderate income means less than 80% of the area median income
 Cost burden = 30% or more of income spent on housing costs
 Severe cost burden = 50% or more spent on housing costs

Source: Comprehensive Housing Affordability Strategy ("CHAS") Data, based on 2013-2017 American Community Survey and 2010 Census

Table B-21
City of Canyon Lake
Disproportionate Housing Needs Analysis
Overcrowding by Race and Ethnicity

Race/Ethnicity	Number of Households	Number Overcrowded	Percent Overcrowded
Hispanic	439	0	0.0%
Some Other Race Alone	175	0	0.0%
Black/African American	0	0	0.0%
Asian	141	0	0.0%
White Alone, Not Hispanic or Latino	3,480	26	0.7%
Two or More Races	131	0	0.0%
American Indian/Alaska Native	18	0	0.0%
Native Hawaiian/Pacific Islander	32	0	0.0%
Total	4,416	26	0.6%

Source: U.S. Census Bureau; American Community Survey, 2015-2019 5-Year Estimates, Table B25014 B-I, Occupants Per Room

I. DISPLACEMENT RISK

There is no risk of displacing low income or minority populations due to the development of residential and non-residential projects. None of the sites identified as accommodating the RHNA allocation will cause the removal of existing residential structures,

J. FAIR HOUSING ENFORCEMENT, OUTREACH AND RESOURCES ANALYSIS

1. Fair Housing Enforcement

a. Background

HUD's *AFFH Guidebook* states the following regarding the lack of private fair housing outreach and enforcement:

The term "local private fair housing outreach and enforcement" refers to outreach and enforcement actions by private individuals and organizations, including such actions as fair housing education, conducting testing, bring lawsuits, arranging and implementing settlement agreements. A lack of private enforcement is often the result of a lack of resources or a lack of awareness about rights under fair housing and civil rights laws, which can lead to underreporting of discrimination, failure to take advantage of remedies under the law, and the continuation of discriminatory practices. Activities to raise awareness may include technical training for housing industry representatives and organizations, education and outreach activities geared to the general public, advocacy campaigns, fair housing testing and enforcement.

Source: U.S. Department of Housing and Urban Development, *AFFH Guidebook*, December 13, 2015, page 212

The City is required to identify local and regional fair housing or civil rights agencies and organizations that provide fair housing information, outreach, and enforcement, and to describe their capacity to assist in fair housing analysis and investigation.

b. Analysis

The enforcement of fair housing laws is accomplished by HUD, the California Department of Fair Employment and Housing (DFEH) and the Fair Housing Council of Riverside County, Inc. (FHCRC).

The DFEH is responsible for enforcing state fair housing laws that make it illegal to discriminate. The DFEH may file signed complaints with HUD if the matter falls within the jurisdiction of that agency. As a substantially equivalent agency, DFEH's findings are usually accepted by HUD.

Locally, the FHCRC takes part in a variety of activities to fight housing discrimination, such as free educational workshops, outreach to the community, and the investigation of housing discrimination complaints. The capacity of the FHCRC enables it to provide fair housing information, outreach, and enforcement to 24 cities and communities located in Riverside County plus the unincorporated area of the County.

FHCRC includes a total of 14 staff: two Housing Counselors, five Fair Housing Counselors, one Program Manager, one Fair Housing Testing Coordinator, one Fair Housing Outreach Specialist, one Accountant, an Executive Director and two administrative staff members. FHCRC also has two interns.

The funding that supports the efforts of the FHCRC includes CDBG funds received from participating jurisdictions within its service area and grant funds such as HUD's Fair Housing Initiatives Program (FHIP).

FHIP provides funds to eligible organizations through competitive grants under three initiatives that are designed to prevent or eliminate discriminatory housing practices and inform individuals of their rights and responsibilities under the Fair Housing Act. In FY 2020, the FHIP program awarded \$40 million in grants to 110 organizations to meet the objectives under one or more of the core program initiatives: enforcing the Fair Housing Act under the Private Enforcement Initiative, educating the public and industry stakeholders on fair housing under the Education and Outreach Initiative, and building organizational capacity under the Fair Housing Organizations Initiative.

HUD provides FHAP funding annually on a noncompetitive basis to state and local agencies that enforce fair housing laws that are substantially equivalent to the Fair Housing Act. FHAP agencies support a variety of fair housing administrative and enforcement activities, including complaint investigation, conciliation, administrative and/or judicial enforcement; training; implementation of data and information systems; and education and outreach.

The FHCRC was awarded a FHIP Private Enforcement Initiative (PEI) grant of \$360,000 and a FHIP Education and Outreach Initiative (EOI) grant of \$125,000 to undertake various enforcement, education and outreach activities that promote Fair Housing. The activities are designed to minimize and eliminate impediments to fair housing choice. Specifically, FHCRC conducts systematic investigations, provides technical assistance to municipalities regarding compliance with fair housing laws, and provide fair housing education to the population of Riverside County.

FHCRC's proposed activities include conducting fair housing tests on rentals, sales and design and construction; hosting the Annual Housing Conference during National Fair Housing Month; creating partnerships with local agencies and three partnerships with universities and colleges, conducting town hall meetings to connect the public with housing professionals and industry leaders, conduct trainings, create new educational materials in various languages and systematic investigations which will help remove barriers to fair housing.

The FHCRC provides a full range of services including:

- Anti-discrimination
- Landlord/tenant counseling
- First time homebuyer seminars
- Foreclosure prevention
- Loan modification
- Back-to-Work FHA
- Training

Additionally, the FHCRC completed a Cultural Diversity Grant through the National Association of REALTORS (NAR) for the Inland Valleys Association of REALTORS (IVAR) members to attend the 2020 and 2021 Housing Conferences.

FHCRC is also a certified continuing education credit training organization through the California Department of Real Estate.

2. Housing Discrimination Complaints

HUD's San Francisco Regional Office reported only one housing discrimination complaint filed by a Canyon Lake resident in the 10 year period from January 1, 2010 to December 31, 2019.

That complaint alleged “discriminatory advertising, statements and notices.” The “conciliation/settlement was successful.

There were no fair housing inquiries submitted by City residents to the Fair Housing Council of Riverside County, Inc. during the period from June 2015 through July 2020.

3. Civil Rights Institute of Inland Southern California (CRI)

The Civil Rights Institute of Inland Southern California (CRI) is a non-profit 501(c)(3) currently under construction in Downtown Riverside and will serve as a repository that will include exhibit and archival space for historical civil rights documents, artifacts, videos and audio recordings of all of the communities and regions surrounding Riverside County. The CRI will be located in a five-story building which also includes a large conference room, an office for the Fair Housing Council of Riverside County Inc. and 72 units of affordable housing.

Although the CRI will have a significant focus on African American contributions to the civil rights movement, its purpose is to include and embrace all ethnic communities and perspectives. The proposed activities that the CRI will provide include:

- Providing public programming and children’s programs focusing on civil rights and the region’s civil rights history
- Program exhibits and performances that support civil rights activities
- Housing an archive and library of regional civil right materials
- Conducting oral history projects and support the production of civil rights audio and video productions through the media center
- Recognizing the region’s civil rights leaders and their impacts

3. Conclusion

No fair housing issue exists because of the lack of an organization to enforce fair housing laws. The FHCRC provides a full range of fair housing services and is the City of Canyon Lake’s fair housing provider.

K. FAIR HOUSING ISSUES AND CONTRIBUTING FACTORS

The research and analysis demonstrates that the following are not fair housing issues:

- Integration and segregation patterns and trends
- Racially or ethnically concentrated areas of poverty
- Disparities in access to opportunity
- Displacement risk
- Fair housing enforcement, outreach and resources

Disproportionate housing needs are experienced by Hispanic (cost burdens); Black householders (cost burdens); and White householders (overcrowding).

The specific factors that contribute to the disproportionate housing needs are unclear.

Cost burdens are a function of two components: household income and housing costs. The household income of some Hispanic and Black households is not enough in order to afford

market rate rents. For example, almost one-half of the rental housing stock commands a monthly gross rent of at least \$1,500. A monthly income of \$5,000 is needed to afford that monthly rent ($\$5,000 \times .30 = \$1,500$).

It also is possible, but cannot be proven with the available data, that lower cost rental opportunities become unavailable to Hispanic and Black households because of housing discrimination. Thus, it forces these households to find housing that is more costly and thereby creates a housing cost burden.

L. FAIR HOUSING PRIORITIES, GOALS AND STRATEGIES

The fair housing priorities, goals and strategies are set forth in the context of the following:

- Findings and conclusions drawn from the research and analysis conducted to prepare the *Assessment of Fair Housing*.
- Findings and conclusions drawn from completion of the *Assessment of Housing Needs* (Appendix A), especially in regard to cost burdens, severe cost burdens, overcrowding and the special needs of the elderly, families with children, female householders, and large families.
- City's share of the regional housing need (129 housing units)
- Fair housing services available from the Fair Housing Council of Riverside County, Inc.

1. Priorities

- Addressing disproportionate housing needs
- Addressing the housing needs of fair housing protected groups by the development of a diversity of housing types. (e.g., Towne Center Specific Plan)
- Increasing the community's awareness of fair housing (e.g., POA, City staff, local groups)

2. Goals

- Continue to seek ways to enhance the City's ability to affirmatively further fair housing.
- Create new affordable housing that addresses racial and ethnic inclusive patterns of housing occupancy.

3. Strategies

- Adopt a Towne Center Specific Plan that incorporates and promotes new housing opportunities for fair housing protected groups:
 - ✓ Disabled (e.g., sensory impaired, hearing impaired)
 - ✓ Seniors

- ✓ Veterans
- Achieve outreach efforts with affordable housing developers that have expertise in the development of affordable housing for fair housing protected groups.
- Develop a collaborative effort with the Fair Housing Council of Riverside County, Inc. to increase the community's awareness of fair housing through activities such as those listed below:
 - ✓ Staff training
 - ✓ Community Workshops
 - ✓ Provide a link to the FHCRC under the Quick Connect, Local Agencies, or Residents links
 - ✓ Distribute FHCRC literature at the City Hall, Administrative Offices, Library and POA

Attachment A is a list of fair housing resources

**Attachment A
City of Canyon Lake
2021-2029 Housing Element
Fair Housing Resources**

Fair Housing Enforcement Agencies

- U.S. Department of Housing and Urban Development
hud.gov

Los Angeles Field Office
United States Department of Housing & Urban Development (HUD)
Los Angeles Field Office
300 North Los Angeles Street, Suite 4054
Los Angeles, CA 90012
Phone: (213) 894-8000
Email: [Customer Service](#)
Fax: (213) 894-8107
[TTY](#): (213) 894-8133 or (800) 877-8339 or dial 7-1-1 (Not available in all areas.)
- California Department of Fair Employment and Housing
<https://www.dfeh.ca.gov/>
Los Angeles Office
320 West 4th Street, 10th Floor
Los Angeles, CA 90013
Monday to Friday: 8am to 5pm
Phone: (213) 439-6799
- Fair Housing Council of Riverside County, Inc.
<https://fairhousing.net/>
Email: fhcrc@fairhousing.net

Main Office:
4164 Brockton Avenue
Riverside, CA 92501
(951) 682-6581
Fax: (951) 682-0262
Hours: Monday to Friday: 8 am to 5 pm
Phone: 1-951-682-6581

Independent Living Center

- Community Access Center
6848 Magnolia Ave. Suite 150
Riverside, CA 92506
<https://www.ilcac.org/about.html>

Executive Director:
Paul Van Doren; 951-274-0358 ext. 107
E-Mail: execdir@ilcac.org
Programs Director:
Faustino Alvarez; 951-274-0358 ext. 123
E-Mail: pmgr1@ilcac.org

Disability Advocates

- Disability Rights California
<https://www.disabilityrightsca.org/>

Ontario Office
3602 Inland Empire Blvd Suite C-110
Ontario, CA 91764



Appendix C

Sites Inventory and Analysis

A. GOVERNMENT CODE REQUIREMENTS

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

Guidance on how to complete the sites inventory and analysis is provided by HCD in the following Guidebook:

California Department of Housing and Community Development, *Housing Element Site Inventory Guidebook*, June 10, 2020, 44 pages.

According to HCD's *Guidebook*:

The purpose of the housing element's site inventory is to identify and analyze specific land (sites) that are available and suitable for residential development in order to determine the jurisdiction's capacity to accommodate residential development and reconcile that capacity with the jurisdiction's Regional Housing Need Allocation (RHNA). The site inventory enables the jurisdiction to determine whether there are sufficient adequate sites to accommodate the RHNA by income category. A site inventory and analysis will determine whether program actions must be adopted to "make sites available" with appropriate zoning, development standards, and infrastructure capacity to accommodate the new development need.

Sites are suitable for residential development if zoned appropriately and available for residential use during the planning period. If the inventory demonstrates that there are insufficient sites to accommodate the RHNA for each income category, the inventory must identify sites for rezoning to be included in a housing element program to identify and make available additional sites to accommodate those housing needs early within the planning period.

The land inventory must identify sites that –

- Can be developed for housing within the 8-year planning period of 2021 to 2029
- Sufficient to provide for a jurisdiction's share of the regional housing need for each income level – lower, moderate and above moderate

B. CRITERIA THAT DETERMINE "ADEQUATE" HOUSING SITES

Canyon Lake's share of the RHNA is 129 housing units: 67 lower income, 24 moderate income, and 38 above moderate income housing units.

Several criteria must be satisfied by a site to be deemed "adequate" to accommodate the City's share of the RHNA. For example, sites should be neither too small nor too large and they should be zoned at densities that are appropriate to accommodate the RHNA by income group.

1. Types of Sites

A "site" is a parcel or group of parcels that can accommodate a portion of the City's RHNA. There are many types of sites including:

- Vacant sites zoned for residential use (e.g., R-1 lots)
- Vacant sites zoned for nonresidential use that allow residential development
- Residentially zoned sites that are capable of being developed at a higher density (non-vacant sites, including underutilized sites)
- Sites owned or leased by a city, county, or city and county
- Sites zoned for nonresidential use that can be redeveloped for residential use including a program to rezone the site to permit residential use (e.g., Town Center Specific Plan)
- Pending, approved, or permitted development

2. Sites to Affirmatively Further Fair Housing Government Code section 65583.2(a)

Pursuant to AB 686, for housing elements due on or after January 1, 2021, sites must be identified throughout a community in a manner that affirmatively furthers fair housing opportunities [Government Code Section 65583(c)(10)].

For purposes of the housing element site inventory, this means that sites identified to accommodate the lower-income need are not concentrated in low-resourced areas (lack of access to high performing schools, proximity to jobs, location disproportionately exposed to pollution or other health impacts) or areas of segregation and concentrations of poverty.

HCD identifies one resource that jurisdictions may use to identify “low” resource areas and “areas of segregation and concentration”. That resource is the California Tax Credit Allocation Committee/California Department of Housing and Community Development Opportunity Maps. According to the *Guidebook*:

When determining sites to include in the inventory to meet the lower income housing need, HCD recommends that a local government first identify development potential in high opportunity neighborhoods. This will assist the local government in meeting its requirements to affirmatively further fair housing and ensure developments are more competitive for development financing.

3. Size of Sites

To be deemed adequate to accommodate housing for lower income households, the size of sites should be neither too small nor too large.

a. “Small” Sites Are Inadequate

A parcel smaller than one half acre is considered inadequate to accommodate housing affordable to lower income households, unless the housing element demonstrates development of housing affordable to lower income households on these sites is realistic or feasible. All the non-vacant sites in the City are less than one-half acre in size except for two.

b. “Large” Sites Are Inadequate

Parcels larger than 10 acres, according to HCD, are considered inadequate to accommodate housing affordable to lower income households, unless the housing element demonstrates development of housing affordable to lower income households on such sites was successful during the prior planning period, or there is other evidence that the site is realistic and feasible for lower income housing.

None of the sites included in the City’s sites inventory are larger than 10 acres.

4. No Net Loss Law

The “no net loss” law encourages cities to identify in the land inventory sites with a total housing unit capacity that exceeds the RHNA allocation for each income group. HCD provides the following guidance:

To comply with the No Net Loss Law, as jurisdictions make decisions regarding zoning and land use, or development occurs, jurisdictions must assess their ability to accommodate new housing in each income category on the remaining sites in their housing element site inventories. A jurisdiction must add additional sites to its inventory if land use decisions or development results in a shortfall of sufficient sites to accommodate its remaining housing need for each income category.

To ensure that sufficient capacity exists in the housing element to accommodate the RHNA throughout the planning period, it is recommended the jurisdiction create a buffer in the housing element inventory of at least 15 to 30 percent more capacity than required, especially for capacity to accommodate the lower income RHNA. Jurisdictions can also create a buffer by projecting site capacity at less than the maximum density to allow for some reductions in density at a project level.

Source: California Department of Housing and Community Development, *Housing Element Site Inventory Guidebook*, June 10, 2020, page 22

5. Non-Vacant Sites

The sites identified in the City to accommodate the lower income RHNA are both “vacant” and “non-vacant.” The sites also will accommodate more than 50% of the lower income RHNA. Consequently, findings must be made based on substantial evidence that the existing use will be discontinued during the eight-year planning period.

When a city relies on non-vacant sites, the first step is to demonstrate the existing uses “do not constitute an impediment to additional residential development.” An analysis also must be completed of the City’s track record in facilitating development and market conditions that will encourage new housing development.

The following information is extracted from HCD’s *Housing Element Sites Inventory Guidebook*.

A vacant site is a site without any houses, offices, buildings, or other significant improvements on it. Improvements are generally defined as development of the land (such as a paved parking lot, or income production improvements such as crops, high voltage power lines, oil wells, etc. or structures on a property that are permanent and add significantly to the value of the property.

If the inventory identifies nonvacant sites to address a portion of the RHNA, the housing element must describe *the realistic development potential of each site* within the planning period. Specifically, *the analysis must consider the extent that the nonvacant site’s existing use impedes additional residential development*, the jurisdiction’s past experience converting existing uses to higher density residential development, market trends and conditions, and regulatory or other incentives or standards that encourage additional housing development on the nonvacant sites.

If a housing element relies on non-vacant sites to accommodate 50 percent or more of its RHNA

for lower income households, the non-vacant site's existing use is presumed to impede additional residential development, *unless the housing element describes findings based on substantial evidence that the use will likely be discontinued during the planning period*. The housing element must include the following:

- As part of the resolution adopting the housing element, findings stating the uses on non-vacant sites identified in the inventory to accommodate the RHNA for lower income are likely to be discontinued during the planning period and the factors used to make that determination. This can be included in the body or in the recital section of the resolution.

Example: WHEREAS, based on <name factors here (e.g., expiring leases, dilapidated building conditions, etc.)>, the existing uses on the sites identified in the site inventory to accommodate the lower income RHNA are likely to be discontinued during the planning period, and therefore do not constitute an impediment to additional residential development during the period covered by the housing element.

- The housing element should describe the findings and include a description of the substantial evidence they are based on.

In general, substantial evidence includes facts, reasonable assumptions predicated upon facts, and expert opinion supported by facts.

Examples of substantial evidence that an existing use will likely be discontinued in the current planning period include, but are not limited to:

- ✓ The lease for the existing use expires early in the planning period.
- ✓ The building is dilapidated, and the structure is likely to be removed, or a demolition permit has been issued for the existing uses.
- ✓ There is a development agreement that exists to develop the site within the planning period.

The entity operating the existing use has agreed to move to another location early enough within the planning period to allow residential development within the planning period.

- ✓ The property owner provides a letter stating its intention to develop the property with residences during the planning period.

C. HCD COMMENTS ON 2021-2029 DRAFT HOUSING ELEMENT

On December 7, 2021, HCD transmitted its written findings and comments on the *Draft Sites Inventory and analysis*. The written findings and comments are summarized below.

1. Parcel Listing

- Identify the affordability level of each site.
- Identify General Plan and Zoning designation of each site.
- Calculate realistic housing unit capacity of each site.
- Include a general map of each site
- Double-check parcel sizes

2. City-Owned Sites

The existing City-owned properties within the Towne Center that comprise the various City Offices, would remain within the Towne Center Specific Plan area, and would be relocated to another portion of the site. Once the relocation occurs those office locations would be available for new commercial uses. As such, there are no known conditions that preclude development.

3. Constraints Posed by the Small Sites and Future Project Design Parameters

It is acknowledged that small sites do pose a constraint to the assembling parcels/lots to render a site feasible for development. The design of the Towne Center Specific Plan (TCSP) is to consolidate and assemble the existing parcels in a manner that will reflect the structures in which future housing will be located as shown in the attached Specific Plan conceptual diagrams. (See Exhibit C-1)

The existing ownership pattern in the TCSP reflects the existing design of individual buildings in which the exterior building walls of individual suites within the buildings are the limits of the parcel boundary, rather than the more conventional design that includes adjacent parking, landscaping, and building setbacks. The proposed Specific Plan would continue to utilize this general concept, thus new parcel sizes would reflect the building footprint of the larger proposed structures and not include typical building setback areas and onsite parking. This concept would establish new lots that are larger than the current design but consolidate existing suites/lots into a size adequate to meet the needs of future residential buildings.

Sites within the TCSP are inventoried in the tables on pages C-9 and C-10; the City does own property within the TCSP that can be developed to incorporate housing as a mixed-use at those locations.

The proposed housing units would be located within an existing commercial shopping center. The proposed TCSP would add housing to the existing commercial footprint, with some minor site alterations. Many existing commercial uses in the TCSP are on their own parcel, configured to match the existing building size and, as such, do not include setback areas for landscaping or parking. A number of these parcels with individual uses and individual parcel numbers would be consolidated under the proposed specific plan. However, the existing uses could remain the same. The intended attraction of the TCSP is to enhance the viability of the site for existing and future commercial uses by incorporating additional housing units that would provide potential users with greater access to services including transportation, thereby promoting greater opportunity for new residences. These additional housing units would include extremely-low, very-low, and low-income persons. The Towne Center location provides a site for multifamily housing that currently does not exist within the urbanized area. The proximity of commercial businesses and services in the TCSP and the surrounding area would improve the attractiveness of the site to future occupants and stimulate developer interest. This proposed design concept could continue the use of smaller sized parcels, yet achieve the required housing density through the use of multi-story structures as proposed in the TCSP.

D. SITES INVENTORY INFORMATION

HCD comments required the City to provide additional information on each site included in the land inventory as follows:

- Identify the affordability level of each site.
- Identify General Plan and Zoning designation of each site.
- Calculate realistic housing unit capacity of each site.
- Include a general map of each site
- Double-check parcel sizes

1. Sites to Accommodate the Above Moderate Income RHNA Allocation of 38 Housing Units

The above moderate income housing need of 38 housing units is accommodated by 85 R-1 recorded lots.

Additionally, Site C as shown on Exhibit C-1 also accommodates a portion of the above moderate income RHNA (86 housing units).

EXHIBIT C-1
Towne Center Specific Plan ~~Concept~~ Site Plan





2. Sites to Accommodate Moderate income RHNA Allocation of 24 Housing Units

The moderate-income housing need of 24 housing units is accommodated by 30 R-1 recorded lots.

Additionally, Site A as shown on Exhibit C-1 also accommodates a portion of the moderate income RHNA (25 housing units).

3. Sites to Accommodate the Lower Income RHNA Allocation of 67 Housing Units

The sites to accommodate the lower income housing need have a capacity for 77 housing units: The site capacity provides a 10-unit surplus above the RHNA.

- Site D 15 housing units
- Site B 46 housing units
- Site A 16 housing units (portion)

Site D is the Rodeway Inn and Suites.

The site capacity is 15 housing units.

The General Plan designation is Mixed Use (MU).

The Zoning Designation is General Commercial (GC) (at the time the SP is adopted the property will be rezoned to MU to permit the inclusion of residential uses proposed in the Towne Center Specific Plan).

Site D

Assessor Parcel Number	Address	Uses	Size
355-300-035	31820 Railroad Canyon Road	Rodeway Inn and Suites 34-rooms	.82 ac

Site B

The site capacity of Site B is 46 lower income housing units.

The General Plan designation is Mixed Use (MU).

The Zoning Designation is General Commercial (GC) (at the time the SP is adopted the property will be rezoned to MU to permit the inclusion of residential uses proposed in the Towne Center Specific Plan).

Site B

Assessor Parcel Number	Address	Existing Land Use	Parcel Size
355-300-033	31630 Railroad Canyon Road, Ste. 8	Rodeo Smoke Shop	.09 ac
355-300-033	31630 Railroad Canyon Road, Ste. 3	Vacant	.06 ac
355-300-033	31630 Railroad Canyon Road	Law Office Frenzel	.06 ac
355-300-033	31630 Railroad Canyon Road, Ste. 4	McCoy Coldwell Bank RE	.06 ac
355-300-033	31630 Railroad Canyon Road	Canyon Lake Med Spa	.06 ac
355-300-033	31630 Railroad Canyon Road, Ste. 1	Baby Bound Ultrasound	.06 ac
355-300-032	31620 Railroad Canyon Road	Coldwell Banker RE	.12 ac
355-300-012	31618 Railroad Canyon Road	Gallery Homes	.09 ac
355-310-024	(portion of this APN)	Surface Parking Lot	.85 ac
355-300-014	all of this parking area	Surface Parking Lot	.45 ac

Site A

The site capacity of Site A is 16 for lower income housing units.

The General Plan designation is Mixed Use (MU).

The Zoning Designation is General Commercial (GC) (at the time the SP is adopted the property will be rezoned to MU to permit the inclusion of residential uses proposed in the Towne Center Specific Plan).

Site A
Affordability Level = Lower Income

Assessor Parcel Number	Address	Existing Use	Size
355-330-028	31618 Railroad Canyon Road	Walker Lawyers	.20 ac
355-330-028	31506 Railroad Canyon Road	Colon Care	
355-330-028	31504 Railroad Canyon Road	Family Dentistry	
355-330-033	31512 Railroad Canyon Road	Canyon Lake Property Owners Association	.11 ac
	31502 Railroad Canyon Road	POA part of	-----
355-330-034	31516 Railroad Canyon Road	City Offices/Library	.11 ac
355-330-009	31520 Railroad Canyon Road, #A	VDC Provider Inc.	.11 ac
	31520 Railroad Canyon Road, #B	Western Training Site	-----
355-330-010	31524 Railroad Canyon Road	Midtown Liquidation	.20 ac
355-330-035	(portion of this APN)	Surface parking lot	.99 ac

The above information lists the existing sites by assessor parcel number. However, since new development will be built over the existing, the new development will be assigned different APNs.

E. CITY-OWNED SITES

City offices for the Building, Planning, Code Enforcement, and Business Licenses Departments are located in site A on Exhibit C-1. Additional City owned property for Administrative Staff is located in a portion of the area encompassing site C. The Towne Center Specific Plan will relocate the City Offices to another portion of the Towne Center site that has a more centralized location.

F. LOT CONSOLIDATION POLICIES AND INCENTIVES

The Towne Center Specific Plan (TCSP) has goals and objectives, and standards and guidelines to facilitate the development of the site.

The existing ownership pattern in the TCSP reflects the existing building design in which the existing exterior wall of suites and buildings are the limits of the parcel boundary. The proposed TCSP would continue to utilize that general concept, thus parcel sizes would reflect the building footprint of the proposed structures and not include typical building setback areas and onsite parking.

Sites within the TCSP are inventoried in the tables on page C-9. The City does own property within the boundaries of the TCSP and housing has been incorporated within those locations as part of a mixed-use use design.

The proposed housing units would be located within an existing commercial shopping center. The proposed TCSP would add housing to the existing commercial footprint, with some minor site alterations. Many existing commercial uses in the TCSP are on their own parcel, configured

to match the existing building size and, as such, do not include setback areas for landscaping or parking. A number of these parcels with individual uses and individual parcel numbers would be consolidated under the proposed specific plan. However, the existing uses could remain the same. The intended attraction of the TCSP is to enhance the viability of the site for existing and future commercial uses by incorporating additional housing units that would provide potential users with greater access to services including transportation, thereby promoting greater opportunity for new residences. These additional housing units would include extremely-low, very-low, and low-income persons. The Towne Center location provides a site for multifamily housing that currently does not exist within the urbanized area. The proximity of commercial businesses and services in the TCSP and the surrounding area would improve the attractiveness of the site to future occupants and stimulate developer interest. This proposed design concept could continue the use of smaller sized parcels, yet achieve the required housing density through the use of multi-story structures as proposed in the TCSP.

G. EXISTING LAND USE CONDITIONS

1. Existing Circulation

Canyon Lake lies between two major north-south interstates; located approximately 2.5 miles east of Interstate-15 (I-15) and five miles west of Interstate 215 (I-215) linking Canyon Lake to northern Riverside County and San Diego County.

2. Site Access

Access to the Towne Center occurs from Railroad Canyon Road at the intersection with Towne Center East and Towne Center West. Both intersections provide signalized access. A number of interior circulation roads facilitate access to the interior of the Towne Center

3. Existing Land Use Conditions

a. Existing Land Use Conditions

The Towne Center is fully developed shopping center. Existing Land uses include offices, retail, civic offices, a post office, and a hotel. The general layout of the existing Towne Center includes 17 separate stand-alone buildings. Each building has various property ownerships. As a result, there are over 40 separate owners within the Towne Center. As of summer 2021, there were a total of 127 tenants – office, retail, restaurants, lodging, etc.

b. Planning Area 1 – Housing

This Planning Area is currently developed with a Hotel (Building B). Referred to as Residential Site D, this Planning Area has the potential to re-develop per the Towne Center Specific Plan (TCSP) as two levels of residential, perhaps townhomes. A third level may be permitted to achieve desired density. This Planning Area is also a preferred location to accommodate affordable housing units as it is adjacent to existing multi-family residential to the west and includes both pedestrian and enhanced pedestrian pathways allowing pedestrian access to Railroad Canyon Road.

c. Planning Area 2 – Commercial Retail and Housing

This Planning Area is currently developed (Buildings 7 and 9). Referred to as Residential Site B,

this Planning Area contains one of the two vehicular access points into the Towne Center and has the potential to re-develop Building 7 per the TCSP as a five-level structure providing one level of commercial-retail and four levels of residential. This Planning Area is also a preferred location to accommodate affordable housing. It includes pedestrian pathways providing residents and visitors access to Railroad Canyon Road and adjacent Planning Areas.

d. Planning Area 4 – Commercial Retail and Housing

This Planning Area is currently developed (Building 1); a portion of which houses the City's current civic center and office uses. Referred to as Residential Site A, this Planning Area provides one of the two vehicular access points into the Towne Center and affords high visibility to the community from Railroad Canyon Road. This allows for the opportunity to re-develop the existing building per the TCSP as a vertical mixed use four level structure providing for one level of commercial retail and three levels of residential. Additional levels may be permitted to allow for desired residential density.

e. Planning Area 5 – Commercial Retail and Housing

This Planning Area is currently developed (Building 2); currently supporting both civic and office uses. Referred to as Residential Site C, this Planning Area has the potential to re-develop per the TCSP as a five-level structure providing two levels of commercial-retail and parking along with three levels of residential.

H. SUITABILITY OF THE TOWNE CENTER SPECIFIC PLAN SITES IMPEDIMENTS TO AND INCENTIVES FOR MIXED-USE DEVELOPMENT

The Towne Center Specific Plan (TCSP) will direct future developers to meet the City's vision and goals for the Center, including requirements related to City's Housing Element Update. The TCSP will provide for a variety of land use types allowing for residential, open space, business/service and public facility related uses.

With respect to residential land uses, the TCSP will provide guidelines for housing/mixed use design with opportunities for the development of both affordable and age-restricted housing to help retain current Canyon Lake members. With respect to non-residential and uses, the TCSP will allow for the retention of the existing uses, many of which will need to remain as allowable, and provide opportunities for new uses.

Exhibits C-1 and C-2 show Conceptual Site Plans for the Towne Center. Table C-1 depicts how some of the existing buildings at the Towne Center will be utilized for re-development with new buildings proposed under the Towne Center Specific Plan to accommodate mixed use residential. The four housing sites are in the color dark grey and the color yellow for the (existing Roadway Inn).

Not all of the buildings in the Towne Center are proposed to be affected by the Specific Plan at this time and it is expected that the current tenants/occupants and uses of these buildings will remain commercial/office in nature.

I. IMPEDIMENTS TO AND INCENTIVES FOR MIXED-USE DEVELOPMENT OF THE TOWNE CENTER

The City of Canyon Lake is dominated by a single-family development pattern approved decades ago. Subdivision maps were recorded in the late 1960's when the property was in the unincorporated area of the County of Riverside. The original intent of the development was a master plan for senior living located around an existing water revisor. Initial criteria adopted by the Property Owners Association even restricted the number of floors in a residential structure, with exceptions only for a two-story structure, with the intent to make the housing design amenable for seniors. This single family subdivision pattern is substantially built out.

The specific number of vacant lots as of the date of last year's survey, was 226, of which all but 17 are less than a half an acre in size. Ninety-five (95) of these lots are less than 8,000 sq. ft. in size. The balance of the vacant lots are located within areas comprising steeper slopes or are irregular in configuration. The vacant single family lots in the City are randomly distributed throughout the developed area, due to the lack of involvement of merchant builders constructing groups of housing in a typical subdivision design. New single-family housing in the City is constructed by individual property owners, predominantly for the property owner, and purchased through individual lot sales.

All residential lots within City are part of the Property Owners Association (POA). Only 25 residential lots within the City's designated Hillside area are not behind gates. However, the two streets that service this area are proposed to be relinquished by the City to the POA for maintenance and access control. As such, this area is to be gated as well. The 25 lots in question are in the City's hillside area with steep terrain.

Due to the limited area of vacant land for new development and the City's desire to undertake mixed-use development consistent with the desires of the Governor's Office of Planning and Research, the City has focused its attention on the Canyon Lake Towne Center as an opportunity area for new mixed-use residential development.

The City has had discussions with a developer about undertaking mixed use development at various locations within the City. The Developer expressed optimism in their ability to construct this type of development project within the City and to work with the City Staff on this type of concept.

The mixed-use development at the Towne Center is in an optimal location for redevelopment, due to a number of factors:

- a. Existing food, retail, and administrative services within the Towne Center.
- b. Proximity to public transit on Railroad Canyon Road.
- c. Proximity to regional freeways, I-15 and State Route 215.
- d. Employment opportunities both within the Towne Center and the surrounding urbanized area, including the adjoining Cities of Lake Elsinore and Menifee.
- e. City ownership of a portion of the Towne Center.
- f. Infrastructure that serves the existing commercial development, including water, sewer, natural gas, cable, and electricity.
- g. Reduced environmental concerns due to the existing commercial development of the site that includes improvements to the entirety of the shopping center site, including parking, landscaping and buildings.

- h. There are no Development Impact Fees adopted specifically for City use.

Development of the site could occur as either a large redevelopment project encompassing the entire property or incrementally. If developed incrementally, individual buildings could be constructed separately from the balance of this specific plan area.

The proposed residential component of the Towne Center (TC) Specific Plan are to be located over existing commercial development. The TC is comprised of 17 separate buildings. All four of the proposed residential housing sites would be located over existing separate commercial buildings. As such, construction for one building would be separate from other buildings, thus providing for the ability to construct incrementally.

J. SUITABILITY OF NONVACANT SITES AND AFFIRMATIVELY FURTHERING FAIR HOUSING

1. Segregation/Integration

HUD has determined that a Dissimilarity Index (DI) value of less than 40 indicates low segregation, while values between 40 and 54 indicates moderate segregation, and values between 55 and 100 generally indicates a high level of segregation, as shown in Table C-1.

Table C-1
Levels of Segregation

Dissimilarity Index Value	Level of Segregation
< 40	Low Segregation
40 - 54	Moderate Segregation
> 54	High Segregation

Brown University has calculated the Dissimilarity Indices for all cities located in metro areas. The Brown University data based was used HUD for determining the DI for cities that received *prepared Assessments of Fair Housing* under the AFFH Rule. The Dissimilarity Indices for the City of Canyon Lake are as follows:

- White-Black/Black-White: 8.7
- White-Hispanic/Hispanic-White: 5.8
- White-Asian/Asian-White: 2.1
- Black-Hispanic/Hispanic-Black: 7.4
- Black-Asian/Asian-Black: 9.4
- Hispanic-Asian/Asian-Hispanic: 7.4

All of the indices are at a “low level” of segregation (<40). Consequently, the Towne Center Specific Plan is not located in a “high” segregation neighborhood/census tract.

Additionally, the Towne Center Specific Plan is not located in a racially/ethnically concentrated area of poverty (R/ECAP). AR/ECAP is a neighborhood with a population that is 50% nonwhite and 40% or more with below poverty level incomes.

2. Foster Inclusive Communities

The Towne Center Specific Plan will create an “inclusive” neighborhood insofar as “income is concerned and may create one based to “race and ethnicity” through implementation of Affirmative Fair Housing Marketing Plans.

The development of the TCSP will produce 188 housing units of which 36% will be lower income housing units and meet the City’s RHNA. The income mix will be at the neighborhood and project levels.

The race and ethnicity of the future occupants is unknown. To attain inclusiveness, the City will require developers to prepare and implement Affirmative Fair Housing Marketing Plans. The plans will focus on attracting home buyers from population groups least likely to apply for the new housing and that could be underrepresented among the new home buyers.

Section II – Housing Program – describes the program for Affirmative Fair Housing Marketing Plans.

3. Access to Opportunity

Tax Credit Allocation Committee and California Housing Community Development Department determine access to opportunity as a function of resources available at the neighborhood level. The Towne Center Specific Plan is located in a “high” resource neighborhood meaning the access to opportunity is available.

The TCAC/HCD Opportunity Mapping Tool is based on 12 indicators of access to opportunity. Of the 12 housing opportunity indicators, three are associated with poverty, one with racial segregation, one with job proximity and three with school proficiency. Neighborhoods – meaning census tracts – are designated into one of the following six resource categories:

- Highest
- High
- Moderate
- Moderate (Rapidly Changing)
- Low
- High Segregation & Poverty

The Towne Center Specific Plan is located in Census Tract 427.33 which is high resource.

4. Concentration of Lower Income Housing Sites

Sixty-seven (67) housing units is average project size of a Lower Income Housing Site project. One project of 67 housing units is not considered a “concentration” by the Tax Credit Allocation Committee (TCAC). The development of 67 affordable housing units over three sites would be considered a de-concentration.

K. FINDINGS

Retention of the existing uses, many of which will need to remain as allowable, will provide opportunities for new residential units and establishes the findings that the redevelopment of the sites utilizes a multistory/multifamily approach with pillar parking. This approach provides that there is not a loss of current usage only an expansion of uses that include extremely-low, very-low

and low-income categories of housing in a Towne Center. Additional findings that the redevelopment for multifamily units in the TCSP provides the opportunity to create housing adjacent to major employment, opportunities to support retail, both may utilize pedestrian traffic which lessens the greenhouse emission.

L. INFRASTRUCTURE

1. Public Infrastructure Providers

The Towne Center is fully developed with existing infrastructure. The following discussion provides details of the existing conditions. As the Towne Center re-develops, future developers will be responsible to ensure sufficient capacity exist in each system. Table C-3, Public Facility Providers, identifies the utility service purveyors.

**Table C-3
Public Facility Providers**

Purveyor	Service
Elsinore Valley Water District	Water
Elsinore Valley Water District	Sewer
Verizon	Communications
Southern California Edison	Electricity
Southern California Gas Company	Natural Gas
Waste Management	Solid Waste Disposal

2. Water and Sewer Districts

Elsinore Valley Municipal Water District provides domestic water service and sanitary sewer to the Towne Center. Canyon Lake is a drinking water reservoir and plays a very important role in EVMWD's overall water supply. EVMWD's Canyon Lake Water filtration plant serves Canyon Lake residents and customers throughout the District's service area during summertime peak water demand. All properties are served by a public sewer system.

M. DRY UTILITIES

The following service providers provide services and infrastructure to the Towne Center

- Verizon Frontier - Communications
- Southern California Gas Company - Natural Gas
- Southern California Edison – Electric

N. ENVIRONMENTAL CONSTRAINTS

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 within the Towne Center 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.

An environmental Mitigated Negative Declaration is being prepared for the Towne Center Specific Plan.

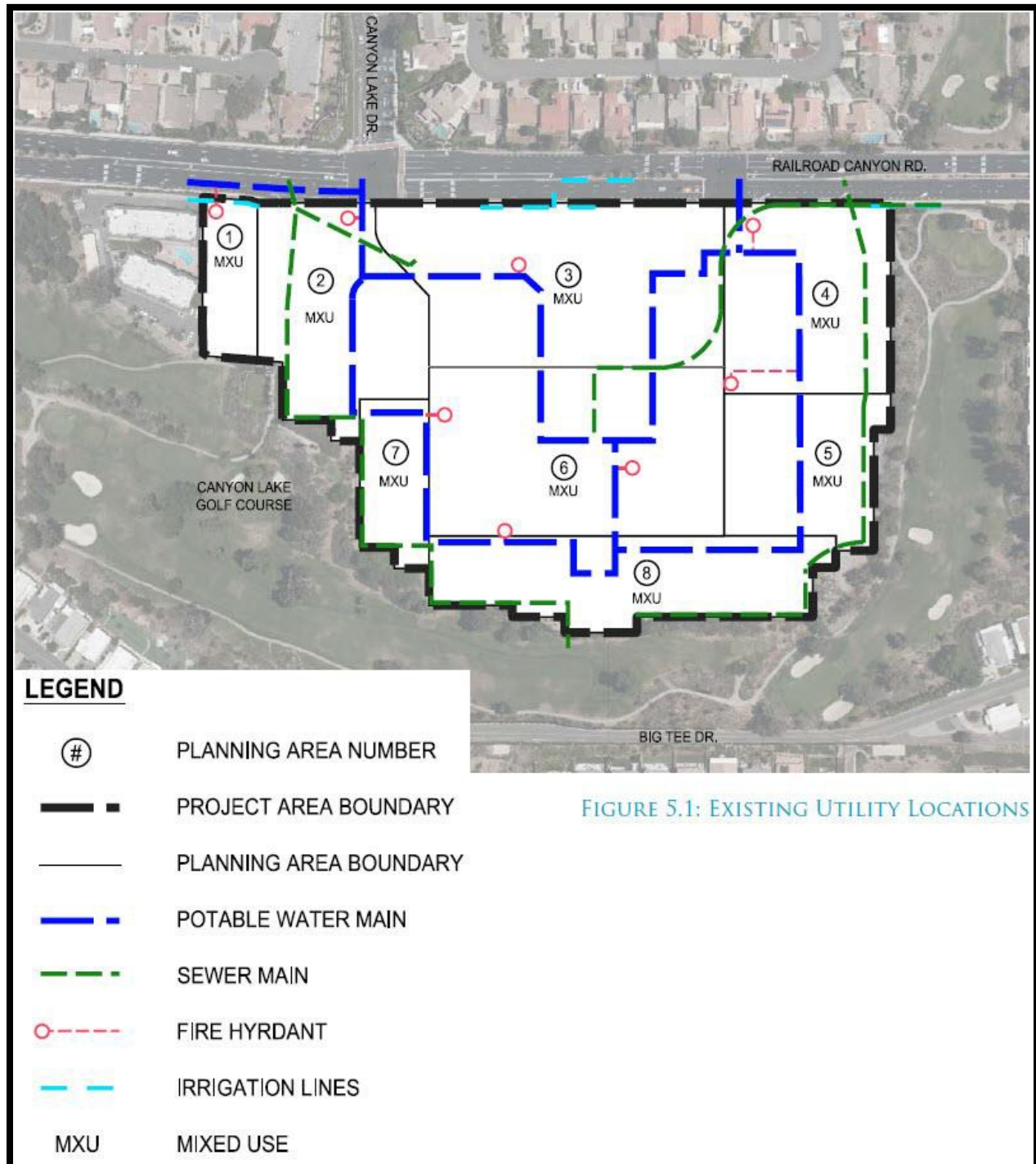
EXHIBIT C-1
Towne Center Specific Plan Conceptual Site Plan



EXHIBIT C-1 (continued)



EXHIBIT C-2 WATER AND SEWER MAINS





Appendix D

Governmental Constraints Analysis

A. INTRODUCTION

1. Government Code Requirements

Government Code 65583(a)(5) requires -

An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the *types of housing* identified in paragraph (1) of subdivision (c), and *for persons with disabilities* as identified in the analysis pursuant to paragraph (7), including *land use controls, building codes and their enforcement, site improvements, fees and other exactions* required of developers, *local processing and permit procedures*, and any *locally adopted ordinances that directly impact the cost and supply of residential development*. The analysis shall also demonstrate *local efforts to remove governmental constraints that hinder the locality from meeting its share of the regional housing need* in accordance with Section 65584 and from meeting the need for housing for persons with disabilities, supportive housing, transitional housing, and emergency shelters identified pursuant to paragraph (7). [Emphasis added]

Government Code Section 65583(c)(1) identifies the “types of housing” that must be permitted by the City’s Zoning Ordinance:

- Multifamily rental housing
- Factory-built housing
- Mobile homes
- Housing for agricultural employees
- Supportive housing
- Single-room occupancy units
- Emergency shelters
- Transitional housing

Government Code Section 65583(a)(7) requires –

An analysis of any special housing needs, such as those of ...persons with disabilities, including a developmental disability.

In addition to the previously mentioned types of housing, Government Code Sections 65852.2 and 65852.22 provide for the creation of accessory dwelling units (ADUs) and junior accessory dwelling units (JADUs).

Finally, Government Code Section 65660 et. seq. requires that local jurisdictions allow “low barrier navigation centers” by right in areas zoned for mixed use and in non-residential zones permitting multifamily residential uses, if they meet the requirements specified in Government Code Section 65662.

2. Description of Necessary Zoning Ordinance Amendments (ZOAs) based on the Governmental Constraints Analysis and HCD Comments

a. HCD Comments

In its review of the Draft Housing Element, HCD found that amendments to the Zoning Ordinance are needed in order to be in compliance with State law. They are listed below

as well as updates on how the comments on supportive housing and employee housing have been addressed by amendments to the Zoning Ordinance.

Emergency Shelters: While housing element law does allow a jurisdiction to limit the number of beds or persons permitted to be served nightly by a facility, standards must be designed to encourage and facilitate the development of, or conversion to, an emergency shelter. The element must analyze the 5-bed limit as a potential constraint for the development of emergency shelters and must amend its emergency shelter parking requirements to comply with AB 139/Government Code section 65583, subdivision (a)(4)(A)).

Low Barrier Navigation Centers: Low Barrier Navigation Centers shall be a use by-right in zones where multifamily and mixed uses are permitted, including nonresidential zones permitting multifamily uses pursuant to Government Code section 65660. The element must demonstrate compliance with this requirement and include programs as appropriate.

Permanent Supportive Housing: Supportive housing shall be a use by-right in zones where multifamily and mixed uses are permitted, including nonresidential zones permitting multifamily uses pursuant to Government Code section 65651. The element must demonstrate compliance with this requirement and include programs as appropriate. (see “b” below)

The Zoning Ordinance was amended in 2020 to meet the requirements of Government Code Section 65651.

Section 9.30.020(b)[uses permitted] of the Zoning Ordinance was amended to read as follows:

(b) Supportive housing by right as defined in Government Code Section 65651(a) through (d).

(Ord. 196, passed 3-4-2020)

Single Room Occupancy (SRO) Units: The element must clarify how the zoning code allows SRO units or add a program as appropriate.

Zoning Ordinance amendments to address SROs are scheduled to be adopted in the Summer of 2022. Amendments include a definition and minimum housing unit sizes. SROs will be a permitted use in the R-3, CLVOZ, and Towne Center Specific Plan

Employee Housing: The element must demonstrate zoning is consistent with the Employee Housing Act (Health and Safety Code, § 17000 et seq.), specifically, sections 17021.5 and 17021.6. Section 17021.5 requires employee housing for six or fewer employees to be treated as a single-family structure and permitted in the same manner as other dwellings of the same type in the same zone. Section 17021.6 requires employee housing consisting of no more than 12 units or 36 beds to be permitted in the same manner as other agricultural uses in the same zone.

The Zoning Ordinance was amended in 2020 to meet the employee housing requirements as follows:

Canyon Lake Zoning Ordinance 9.28.010 Uses in residential zones.

Notwithstanding anything to the contrary in the Canyon Lake Zoning Code or regulations:

(a) Employee housing accommodating six or fewer employees is deemed a single-family use and permitted in all zones permitting single-family residential land use. (Health & Safety Code Section 17021.5).

Section 17021.6 does not apply to the City of Canyon Lake because it has no agricultural zones.

Accessory Dwelling Units (ADU): HCD reviewed the adopted ADU Ordinance and identified revisions that are needed in order to be consistent with State law. The element should add a program to update the City's ADU ordinance to comply with state law.

A program was added to incorporate the ADU Ordinance Update.

b. Governmental Constraints Analysis

Two Zoning Ordinance Amendments were identified:

- ADU Ordinance Update
- Large family day care homes as a permitted use in the Mixed-Use Zone.

c. Actions to Implement the 2013-2021 Housing Element

The following ZOAs were identified as necessary by the 5th Cycle Housing Element

- Canyon Lake Village Overlay District: revise minimum housing unit sizes and increase building height from 30 feet to 35 feet as a result of the cumulative impact of the development standards
- Compact Housing Units: adopt a definition of compact housing units to encompass SROs, micro-units, and small studio units; establish development standards; and include as a permitted use in the R-3, CLVOZ, and Towne Center Specific Plan
- Density Bonus Ordinance: adopt a DBO that meet State law requirements.
- Emergency Shelters: revise the maximum shelter size from 5 to 10 beds and the spacing requirement; also address parking space standards based on recent State law.
- Low barrier navigation center: adopt a definition for this reference and add to the list of permitted uses in the Mixed Use Zone.

Zoning Ordinance Amendments have been prepared for the actions listed above. The first reading of the Amendments is to be scheduled in the Summer of 2022.

By way of explanation, a "Low Barrier Navigation Center" is a Housing First, low-barrier, service-enriched shelter focused on moving people into permanent housing that provides temporary living facilities while case managers connect individuals experiencing homelessness to income,

public benefits, health services, shelter, and housing. “Low Barrier” means best practices to reduce barriers to entry such as allowing pets; storage of possessions; and privacy.

Government Code Section 65560 et. seq. requires that local jurisdictions allow “low barrier navigation centers” by right in areas zoned for mixed use and in non-residential zones permitting multifamily residential uses, if they meet the requirements specified in Government Code Section 65662.

d. Actions to Remove Governmental Constraints Identified by the 2021-2029 Housing Element

AB 234 requires the City to permit large-family (child care) homes by right in multi-family zones. The Zoning Ordinance will be amended to provide a definition of large family home and to include this use as a use permitted by right in the R-2, R-3, Canyon Lake Village Overlay Zone, and Towne Center Specific Plan.

The also needs to update the ADU Ordinance based on HCD recommendations.

3. Outline of Governmental Constraints Analysis

The Government Code requirements provide an outline for the governmental constraints analysis as follows:

- Zone Districts Permitting a Variety of Housing Types (Part B)
- Land Use Controls - Residential Zones (Part C)
- Land Use Controls – Specific Plans (Part D)
- Building Codes and Their Enforcement (Part E)
- On- and Off-Site Improvements (Part F)
- Fees and Other Exactions (Part G)
- City Processing and Permit Procedures (Part H)
- Analysis of Adopted Ordinances that Directly Impact the Cost and Supply of Housing (Part I)
- Description of Efforts to Remove Governmental Constraints that Hinder the City from Meeting its Share of the Regional Housing Need (Part J)
- Description of Efforts to Remove Governmental Constraints that Hinder the City from Meeting Special Housing Needs (Part K)

B. ZONE DISTRICTS PERMITTING A VARIETY OF HOUSING TYPES

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

Nine 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
- Canyon Lake Village Overlay Zone (OZ)
- Mixed Use

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; Canyon Lake Village Overlay Zone; and Towne Center Specific Plan
- Apartment houses are permitted in the R-3 Zone and Canyon Lake Village Overlay Zone
- Mobile homes are permitted in the RT Zone

On March 4, 2020, the Zoning Ordinance was amended to conditionally permit group homes for seven or more persons in the residential zones. State law allows cities to require a conditional use permit for residential care facilities for seven or more persons.

Because California law only protects facilities serving six or fewer residents, many cities and counties restrict the location of facilities housing seven or more clients. They may do this by requiring use permits, adopting special parking and other standards for these homes, or prohibiting these large facilities outright in certain zoning districts. While this practice may raise fair housing issues, no published California decision prohibits the practice, and analyses of recent State legislation appear to assume that localities can restrict facilities with seven or more clients. Some cases in other federal circuits have found that requiring a conditional use permit for large group homes violates the federal Fair Housing Act. However, the federal Ninth Circuit, whose decisions are binding in California, found that *requiring a conditional use permit for a building atypical in size and bulk for a single-family residence* does not violate the Fair Housing Act. [Emphasis added]

Barbara Kautz, Goldfarb & Lipman LLP, *Select California Laws Relating to Residential Recovery Facilities and Group Homes*, pages 3, presented at the Third Annual Fair Housing and Public Accommodations Symposium, Golden State University, April 22, 2011

The seven-person limit does not adversely impact the housing supply. Applicants for a licensed group home housing seven or more persons can request a reasonable accommodation to create a licensed group home such as a residential care facility for the elderly.

During the period of the 5th Cycle Housing Element, the City did not receive an application for a licensed group home housing seven or more persons. The lack of applications may indicate a weak market for this use. Also, throughout the State the pandemic has caused the closure of group homes housing seven or more persons.

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

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

Residential Uses	Residential Zones							
	R-R	ER 1	ER 2	R-1	R-2	R-3	R-T	OZ
Non-Special Needs Housing								
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	P	X	X	X	X	X	P	X
Mobile Home Parks	C	X	X	C	C	C	C	X
Factory-Built Housing	P	P	P	P	P	P	P	P
Compact Housing Units	X	X	X	X	X	P	X	P
Special Housing Needs								
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 or Less	P	P	P	P	P	P	P	P
Group Homes 7 or More ³	C	C	C	C	C	C	C	C

P = Permitted

C = Conditional Use Permit

X= Not Permitted (or not specifically listed in the list of permitted land uses)

4. Compact Housing Units including Single Room Occupancy (SRO) Housing

SROs, Micro-Units and small studios are essentially the same, housing type, especially because the maximum unit size of an SRO is 500 SF under the regulations of the California Tax Credit Allocation Committee. A studio and micro-unit as well as an SRO all can be constructed within 500 SF of living area. Therefore, the City has adopted a definition of *compact housing unit* to encompass the three housing types.

Nearly all definitions state that an SRO *may* contain a kitchen and bathroom. SROs in newly constructed buildings do not have to require the occupants to share a common kitchen and bathroom.

The minimum unit size should be large enough to accommodate a kitchen or kitchenette and a bathroom. Research has shown that developers and renters alike prefer that a compact housing unit in a new apartment building include both of these features rather having to share a common facility with other residents.

It is assumed that a minimum unit size of 350 SF will provide enough space to accommodate a kitchen and bathroom as well as a living area and space for a bed. However, it is not known if a dishwasher and stacked washer/dryer also could be fit within 350 SF.

A maximum unit size of 500 SF aligns with California Tax Credit Allocation Committee's maximum unit size for an SRO unit.

D. LAND USE CONTROLS – TOWNE CENTER SPECIFIC PLAN

The Canyon Lake Towne Center is currently a fully developed commercial shopping center. An SB 2 Planning Grant has provided the financial resources needed to prepare a Specific Plan for the Towne Center. The purpose of Towne Center Specific Plan is to: (1) incorporate multifamily residential development within the existing or any future development design of the Center; (2) enhance the Center's commercial viability and attractiveness; (3) provide upgraded amenities and design features; and to provide site opportunities to accommodate the City's share of the regional housing need for the 2021-2029 period.

The TCSP development standards are described below.

Maximum Density	125 dwelling units per acre
Maximum Building Height	95 feet
Maximum Floor Area (per Tax Credit allocation Committee regulations)	

Compact Housing Unit	350 SF – 500SF
1-bedroom unit	450 SF
2-bedroom	unit 700 SF
3-bedroom unit	900 SF
4-bedroom unit	1,100 SF
Maximum Floor Area (market rate housing developments)	

Compact Housing Unit	350 SF – 500SF
Studio Unit	500 SF
1-bedroom unit	650 SF
2-bedroom unit	800 SF
3-bedroom unit	1,100 SF
4-bedroom	1,200 SF

Parking Required for Multifamily Dwellings

1 or fewer bedrooms	1.0 spaces per unit
2-bedrooms	2.0 spaces per unit
3 or more bedrooms	2.5 spaces per unit

Guest Parking	0.25 spaces per unit
Senior Living Unit	0.75 spaces per unit

E. LAND USE CONTROLS – RESIDENTIAL DISTRICTS

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, according to HCD, 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 = ½ 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.)
- Mixed Use Up to 24 dwelling per acre with City Council approval of a Specific Plan

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.

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 2 acres to a maximum of 18 dwelling units per acre based on General Plan Density limits.

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 lot in a gated part of Canyon Lake.

All of the developed R-2 and R-3 zoned lots are located within the gated portion of Canyon Lake.

The R-T zoned mobile home subdivision is within a gated area and developed.

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, which encompass all areas within the City.

Also not gated is the difficult to develop Rural Residential area located adjacent to the westerly City limits on the north side of 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 lot 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 are able to accommodate 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.

However, based on the analysis of the cumulative impact of the Overlay Zone development standards, the building height must be increased from 30 feet to 35 feet in order to achieve the minimum density of 20 dwellings per acre.

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 typically for lots of 7,200 square feet in size. 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 in 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'.

The 35' building height limit of the Overlay Zone is subject to approval of a Zoning Ordinance Amendment scheduled in the Summer of 2022.

**Table D-2
City of Canyon Lake
Development Standards of Residential Zones**

Zone	Density DU/Acre	Lot Size	Lot Coverage	Set Back	Height	Parking Spaces	Housing Unit Size
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	35 ft.*	Refer to parking discussion	Compact Housing Unit 350-500 SF 1 bd-450 SF 2 bd-700 SF 3 bd-900 SF 4 bd-1100 SF

Source: City of Canyon Lake Zoning Ordinance

The existing mobile home 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 are able to accommodate one unit per lot.

4. Height Limits

Height limits, according to HCD, can constrain a development's ability to achieve maximum densities

The maximum height of six zones is 40 feet and in one zone it is 50 feet.

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. HCD has found that the current 30-foot height limit could pose a constraint to development and site capacity. Based on the analysis of the cumulative impact of the Overlay Zone development standards, the building height should be increased from 30 feet to 35 feet to achieve the minimum density of 20 dwellings per acre.

A Zoning Ordinance amendment to increase the height limit from 30 feet to 35 feet is scheduled for adoption in the Summer of 2022.

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 housing 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 are required by the City. 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.

Construction cost savings are possible because the City requires only one of the two spaces 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 the Zoning Ordinance requires to parking spaces to be an enclosed garage.

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:

- Compact housing 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).

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

A Density Bonus Ordinance is scheduled for adoption in the Summer of 2022.

The parking requirements for density bonus projects will be consistent with State law.

- Studio and 1 bedroom units 1.0 spaces
- 2 and 3 bedroom units 1.5 spaces

- 4 bedrooms 2.5 spaces

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.

Housing units have not yet been constructed on the sites located within the Overlay Zone. HCD has determined that the minimum housing unit sizes pose a constraint to the cost and supply of housing. To address this constraint, a Zoning Ordinance Amendment is scheduled to be adopted in the Summer of 2022 that will align the minimum housing unit sizes with those of the California Low Income Housing Tax Credit Program:

<u>Housing Type</u>	<u>Tax Credit SF</u>	<u>Overlay Zone SF</u>
▪ Compact housing unit	200 to 500	350 to 500
▪ One-bedroom	450	650
▪ Two Bedrooms	700	800
▪ Three bedrooms	900	1,000
▪ Four bedrooms	1,100	1,200

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 2:1 is allowed in the R-3 Zone. However, there are no vacant R-3 zoned sites located in the City.

The Zoning Ordinance does not include FARs for the other residential zones.

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 are able to accommodate one unit per lot.

9. Mixed-Use Zone

Several of the General Plan Mixed Use land use locations have a variety of unique physical and design features that are discussed below..

Village Overlay.

The Village Overlay area is currently undeveloped land within an existing hillside. The General Plan Land Use Element designates this area for Mixed Use Development. The Housing Element

of the General Plan requires that a portion of land within this area be developed for a mixture of housing types at a minimum of 20 dwelling units per acre in order to accommodate the City's share of the regional housing need for the 2013-2021 time period. The balance of the land can be developed for nonresidential and other types of residential land uses.

Development in the Village Overlay area is already subject to the approval of a Specific Plan. The Municipal Code currently provides detailed residential development requirements for this location. The General Plan Land Use Element also requires the use of a Specific Plan in particular circumstances. Due to the detailed requirements that exist for this particular location and potential administrative conflicts that would arise if the existing development standards are modified, it is unlikely the use of the Mixed Use Zone would be applicable to this location.

Towne Center.

The Canyon Lake Towne Center is currently a fully developed commercial shopping center. The purpose of utilizing Mixed Use Zone within the shopping center is to: (1) incorporate multifamily residential development within the existing or any future development design of the Center; (2) enhance the Center's commercial viability and attractiveness; and (3) provide upgraded amenities and design features. Mixed Use development in the Towne Center is subject to the approval of a Specific Plan as described in Section [9.30.040](#) and rezoning of the property to Mixed Use.

Additional Mixed Use Locations.

The General Plan Mixed Use land use designations established throughout the City are intended to provide development opportunities for a mixture of multifamily residential and commercial development and to incorporate unique design requirements and features that are tailored to the site specific needs of each location. The Village Overlay and Towne Center are either specifically referenced in the Housing Element for multiple family development or currently operate an existing use without residential development.

The other potential locations for mixed use currently include an existing church and vacant hillside land. Due to the existence of the church and the site constraints of the vacant parcel exhibited by significant hillside topography, it may not be appropriate to maintain Mixed Use land use designations on these properties. However, in order to properly address and regulate future development in these areas as they currently exist, it may be appropriate to utilize the Specific Plan process to enumerate appropriate development standards for each location/

9. Growth Control or Similar Ordinances

The City has not enacted ordinances, policies, procedures, or measures to specifically limit the amount or timing of residential development. The City has not enacted limits to the number of residential building permits that can be issued within specific timeframes such as annually/

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 lower income 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 local 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.

Fees are discussed in Part G below.

E. BUILDING CODES AND ENFORCEMENT

For the purpose of prescribing regulations for erecting, construction, enlargement, alteration, repair, improving, removal, conversion, demolition, occupancy, equipment use, height, and area of buildings and structures, the following construction codes have been adopted:

- California Building Code, 2019 Edition, including Chapter 1 Division II, and Appendix J based on the 2018 International Building Code published by the International Code Council
- California Residential Code, 2019 Edition including Appendices J and V, based on the 2018 International Residential Code as published by the International Code Council
- California Fire Code, based on the 2018 International Fire Code published by the International Code Council
- California Green Building Standards Code, 2019 Edition
- California Plumbing Code 2019 Edition, based on the 2018 Uniform Plumbing Code
- California Mechanical Code, 2016 Edition, based on the 2018 Uniform Mechanical Code as published by the International Association of Plumbing and Mechanical Officials
- California Electrical Code, 2019 Edition, based on the 2017 National Electrical Code

- International Property Maintenance Code, 2018 Edition, as published by the International Code Council
- Uniform Code for the Abatement of Dangerous Buildings, 1997 Edition, as published by
- Exemptions from permit requirements of this Code shall not be deemed to grant authorization for any work to be done in any manner in violation of the provisions of this Code or any other laws or ordinances of this jurisdiction. A permit shall not be required for masonry or concrete fences or retaining walls not over three feet high.

Many code violations are referred to as “public nuisances” and have a negative impact on property values or the enjoyment and safety of the community. Through voluntary compliance, cooperation, and a spirit of personal responsibility for the well-being of the community, conditions that create code violations can be eliminated.

In residential zones, the following are common code violations:

- Accumulation of trash, junk, and debris in public view.
- Overgrown, dead, decayed hazardous vegetation
- Deteriorated fencing, walls, buildings, structures
- Broken windows
- Lack of maintenance for pools, spas, ponds or other bodies of water
- Illegal grading
- Construction without building permits – patios, retaining walls, pools, garage conversions
- Graffiti
- Zoning violations

The City will continue providing ongoing inspection services to review code violations

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. 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 large residential developments located in close proximity 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 up to \$50,510 per unit which represents just over 10% of the cost of a \$500,000 single-family home. The City imposed fees amount to \$5,400 of the \$50,510 total fee amount. 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 \$32,900 per unit which represents about 11% to 16.5% of the cost of a typical multiple-family dwelling. The City imposed fees add up to \$2,840 of the total fees imposed on a typical multiple-family dwelling (\$32,900)

Towne Center Impact Fees and Extractions

In certain instances, funding for on-site facilities will be tied directly to the Canyon Lake Towne Center Specific Plan. The developer will pay all impact fees and extractions as required by the Development Agreement. On-site local streets, private streets and drives, utility connections from the main trunk lines and drainage facilities are typical examples of facilities that will be funded by the developer. Such improvements will usually be required concurrently with the development.

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

Fee Category	Fees
Plot Plan Approval ¹	\$200
Building Plan Check ²	\$5,200
School District ³	\$10,200
TUMF ⁴	\$9,810
Water Connection Fee ⁵	\$110,691 to \$17,214
Sewer Connection Fee ⁵	\$7,886 to \$9,285
MSHCP ⁶	\$2,935
Total Per Unit	\$45,386 to \$50,510
% of \$500,000 home	10.1%

¹Plot plan fees are a \$1,000 deposit with the balance returned. The \$200 fee is an estimate.

²Assumes a 2,500 square foot dwelling; includes plan check fee, bldg/elect/plumb/mech fees including 600 SF garage.

³\$4.08 per square feet of residential living area; Fee is charged by the Lake Elsinore Unified School District effective May 11, 2029.

⁴TUMF refers to Transportation Uniform Mitigation Fee. It is charged by the Western Riverside Council of Governments (WRCOG).

⁵Water and sewer connection fees are charged by the Elsinore Valley Municipal Water District.

⁶Refers to Multiple Species Habitat Conservation Plan.

Table D-4
City of Canyon Lake
Fees for Multi-Family Housing

Fee Category	Fees
Plot Plan Approval ¹	\$200
Building Plan Check ²	\$2,640
School District ³	\$4,896
TUMF ⁴	\$6,389
Water Connection Fee ⁵	\$13,032
Sewer Connection Fee ⁵	\$4,680
MSHCP ⁶	\$1,094
Total Per Unit	\$32,931
% of \$200,000 apartment	16.5%
% of \$250,000 apartment	13.2%
% of \$300,000 apartment	11.0%

¹Plot plan fees are a \$1,000 deposit with the balance returned. The \$200 fee is an estimate.

²Assumes 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.

³\$4.08 per square feet of residential living area; Fee is charged by the Lake Elsinore Unified School District effective May 11, 2020

⁴TUMF refers to Transportation Uniform Mitigation Fee. It is charged by the Western Riverside Council of Governments (WRCOG).

⁵Water 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).

⁶Refers 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

Plot plans are not required for residential development in the following zones: R-R Zone (Rural Residential); R-1 Zone (One-Family Dwellings); and R-T Zone (Mobilehome Subdivisions and Mobilehome Parks).

A plot plan must be submitted and approved for residential development in the following zones:

- Single family dwellings in the E-R Zones (Estate Residential Zones)

- Duplexes, multiple family dwellings, and apartment houses in the R-2 Zone (Multiple Family Zone) and the R-3 Zone (General Residential)

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.

The sites inventory identifies five vacant E-R Zoned lots. All other E-R zoned lots have been developed with single family homes. In the E-R Zones, plot plans also are required for Private and Public Utility Facilities.

In the E-R Zones, a Temporary Use Permit and plot plan is required for Temporary Uses and Special Events (Block Parties). A Conditional Use Permit and plot plan are required for Wireless Communication Facilities.

The City Planner has concluded that new single family home development on the remaining five vacant lots would be compatible with the adjacent and already constructed homes in the E-R Zones. The compatibility of the other non-residential uses subject to a plot plan approval in the E-R Zones would need to be evaluated when the plot plans are submitted to the City Planner.

The R-2 and R-3 zoned sites already have been developed. There are no vacant R-2 or R-3 zone sites located in Canyon Lake.

Prior to the development of multifamily uses in the Canyon Lake Village Overlay Zone, a Specific Plan must be approved by the City Council.

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.

5. Multifamily Development Processing

Multifamily is a permitted use in the Canyon Lake Village Overlay Zone. Multifamily housing will be a permitted use in the Towne Center Specific Plan.

6. Reasonable Accommodation Procedure Processing

Building and development standards may constrain the ability of persons with disabilities to live in housing units that are suited to their needs. Reasonable accommodation refers to flexibility in standards and policies to accommodate the needs of persons with disabilities. The Zoning Ordinance allows for special provisions that meet the needs of persons with disabilities without the need for variances. The Reasonable Accommodation Ordinance is codified in Chapter

17.220 of the Zoning Code.

a. Findings and Decision

Any decision on an application shall be supported by written findings addressing the criteria set forth in the procedure. An application for a reasonable accommodation shall be granted if all of the following findings are made:

- The housing, which is the subject of the request, will be used by an individual disabled under the Federal Fair Housing Act and the California Fair Employment and Housing Act.
- The requested reasonable accommodation is necessary to make specific housing available to an individual with a disability under the Federal Fair Housing Act and the California Fair Employment and Housing Act.
- The requested reasonable accommodation would not impose an undue financial or administrative burden on the City.
- The requested reasonable accommodation would not require a fundamental alteration in the nature of a City program or law, including, but not limited to, land use and zoning. (Ord. 679 2-19-19)

b. Appeals

Any decision of the Director or designee may be appealed by the applicant to the Planning Commission. The appeal shall be made in writing and filed with the Director within 15 days following the final decision. The appeal shall clearly state the reasons for the appeal. Where the request for accommodation is in conjunction with an application for another approval, permit or entitlement, the appeal procedures for such other approval, permit or entitlement shall control. (Ord. 679 2-19-19)

c. Factors for Considering Requests for Reasonable Accommodation

When evaluating applications for a reasonable accommodation, the City staff uses the following factors:

Factor 1: Is the housing, which is the subject of the request for reasonable accommodation, to be used by an individual protected under the Act?

An individual is protected under the Act if he or she meets the definition of disability. Additionally, if the specific housing is for people with disabilities, this prerequisite is met.

Factor 2: Is the request for accommodation necessary to make specific housing available to an individual protected under the Act?

Under the Act, cities and counties have an affirmative duty to provide individuals with disabilities reasonable accommodations to "rules, policies, practices, or services, when such accommodation may be necessary to afford such persons equal opportunity to use and enjoy a dwelling." Whether an accommodation is necessary requires a "fact-specific inquiry regarding each such request." Failure to make reasonable accommodation is a violation of the Act.

Factor 3: Whether the requested accommodation would impose an undue financial or administrative burden on the jurisdiction?

Once an individual establishes that an accommodation is necessary for equal access to housing, then the jurisdiction must provide the requested accommodation unless they present evidence that granting the accommodation would impose an undue financial or administrative burden on the jurisdiction. The analysis is a fact-specific inquiry. If the jurisdiction establishes an undue burden, then the accommodation is not reasonable and should not be granted by local government. In the land use and zoning context, many requests for accommodation will be a request to modify or waive a regulation or procedure. It costs a jurisdiction nothing to waive a rule, meaning that “. . . the accommodation request amounts to nothing more than a request for non-enforcement of a rule.” In those instances, a jurisdiction would not be likely to demonstrate undue burden.

Factor 4: Whether the requested accommodation would require a fundamental alteration in the nature of a program?

In addition to not imposing an undue financial or administrative burden, a reasonable accommodation must also not result in the fundamental alteration in the nature of a program. “Fundamental alteration” has been defined as, “(1) a substantial change in the primary purpose or benefit of a program or activity; or (2) a substantial impairment of necessary or practical components required to achieve a program or activity’s primary purpose or benefit.” In the land use and zoning context, “fundamental alteration in the nature of the program” means an alteration so far reaching that it would change the essential zoning scheme of a municipality. The case law indicates that in most instances granting a request to modify or waive a zoning policy or procedure, does not result in a fundamental alteration in the nature of a program.

Source: Mental Health Advocacy Services, Inc., *Model Ordinance for Providing Reasonable Accommodations under the Fair Housing Act*, December 1997

Table II-1 below states the quantified objectives for the 2013-2021 planning period.

7. ADU Processing Timeline

The City implements 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 complete application if there is an existing single-family or multifamily dwelling on the lot (Government Code Section 65852.2 (a)(3) and (b)).

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.

8. SB 330 Streamlining

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.



Appendix E
Analysis of Non-Governmental Constraints

A. 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
- 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

In addition, information is presented on housing prices and rents.

B. AVAILABILITY OF FINANCING

The analysis of the availability of financing is based on the Home Mortgage Disclosure Act (HMDA) data on Federal Housing Administration (FHA) and conventional loan applications made by borrowers to buy a home in Canyon Lake. The data provide the basis to calculate loan denial rates by loan type, borrower income, race/ethnicity, and census tract. The HMDA data analysis covers calendar years 2018 and 2019. The 2020 data will not be available until September 2021.

1. Analysis of Home Purchase Loan Applications

During the two-year period 372 loan applications were made of which 10.2% were denied and 89.8% were approved. The loan denial rates for conventional loan applications were higher than for FHA loan applications: 11.7% to 7.0%. Refer to Table E-1.

Overall, the vast majority – almost nine of every 10 loan applications - are approved.

Conventional loan applications dominate the market as they comprise nearly 70% (257/372) of all loan applications.

Table E-1
City of Canyon Lake
FHA/VA and Conventional
Loan Applications and Denial Rates: 2018 and 2019

Type of Application	2018 Number/Percent	2019 Number/Percent	Total Number/Percent
FHA/VA			
Total Applications	60	55	115
Number Denied	4	4	8
Percent Denied	6.7%	7.3%	7.0%
Conventional Loans			
Total Applications	122	135	257
Number Denied	17	13	30
Percent Denied	13.9%	9.6%	11.7%
All Loans			
Total Applications	182	190	372
Number Denied	21	17	38
Percent Denied	11.5%	8.9%	10.2%

Source: Federal Financial Institutions Examination Council (FFIEC), Home Mortgage Disclosure Act (HMDA) Website HMDA Data Browser

Table E-2 reports on loan denial rates by loan type and income.

Among FHA borrowers, the applicants having incomes of less than \$80,000 per year had much higher loan denial rates than those with annual incomes of more than \$80,000. Borrower's with annual less than \$80,000 comprised 21% of all FHA loan applicants. Notably, none of the borrowers with incomes of \$120,000 or more had their loans denied.

As with FHA borrower's, the conventional loan applicants with yearly incomes of less \$80,000 experienced the highest loan denial rates. The loan applicants with the lowest denial rates had annual incomes of more than \$80,000.

The major reasons for loan denial are poor credit history and high debt to income ratios. These could be reasons for the higher than average denial rates of the lower income groups.

Table E-2
City of Canyon Lake
FHA/VA and Conventional Loan Denial Rates by Household Income: 2018 and 2019

Loan Type and Income	Total Applications	Total Denied	Percent Denied
FHA/VA Loans			
<\$60,000	4	1	25.0%
\$60,000-\$69,999	7	1	14.3%
\$70,000-\$79,999	13	2	15.4%
\$80,000-\$89,999	21	1	4.8%
\$90,000-\$99,999	14	0	0.0%
\$100,000-\$109,999	12	2	16.7%
\$110,000-\$119,999	15	1	6.7%
\$120,000-\$129,999	4	0	0.0%
\$130,000-\$139,999	6	0	0.0%
\$140,000-\$149,999	7	0	0.0%
\$150,000+	12	0	0.0%
Income N/A	0	0	0.0%
Total	115	8	7.0%
Conventional Loans			
<\$60,000	15	3	20.0%
\$60,000-\$69,999	10	1	10.0%
\$70,000-\$79,999	22	2	9.1%
\$80,000-\$89,999	16	1	6.3%
\$90,000-\$99,999	21	1	4.8%
\$100,000-\$109,999	13	3	23.1%
\$110,000-\$119,999	22	1	4.5%
\$120,000-\$129,999	25	3	12.0%
\$130,000-\$139,999	16	2	12.5%
\$140,000-\$149,999	9	0	0.0%
\$150,000+	87	13	14.9%
Income N/A	1	0	0.0%
Total	257	30	11.7%
All Loans			
<\$60,000	19	4	21.1%
\$60,000-\$69,999	17	2	11.8%
\$70,000-\$79,999	35	4	11.4%
\$80,000-\$89,999	37	2	5.4%
\$90,000-\$99,999	35	1	2.9%
\$100,000-\$109,999	25	5	20.0%
\$110,000-\$119,999	37	2	5.4%
\$120,000-\$129,999	29	3	10.3%
\$130,000-\$139,999	22	2	9.1%
\$140,000-\$149,999	16	0	0.0%
\$150,000+	99	13	13.1%
Income N/A	1	0	0.0%
Total	372	38	10.2%

Source: Federal Financial Institutions Examination Council (FFIEC), Home Mortgage Disclosure Act (HMDA) Website HMDA Data Browser

Table E-3 shows the loan denial rates by race and ethnicity.

More than half (55.6%) of all applications were made by White, Non-Hispanic applicants. About 10% of the applicants were Hispanic or Latino. Thus, nearly two thirds of all applications were made by White, Non-Hispanic or Hispanic/Latino applicants.

Only about 1% of all applications were made by Asian applicants. The remaining 21% of the applications were made by other racial groups but also includes applications where the race/ethnicity was not available.

While Asian borrowers experience the highest loan denial rates at 25%, there were only four applications made by Asian borrowers in 2018 and 2019. Hispanic borrowers had a denial rate nearly twice that of White, Non-Hispanic borrowers, 18.4% versus 9.7%.

The “other” borrowers also had a slightly higher than average loan denial rate of almost 13% versus a citywide denial rate of about 10%.

Table E-3
City of Canyon Lake
FHA/VA and Conventional Loan Denial Rates
By Race and Ethnicity: 2018 and 2019

Race/Ethnicity	Total Applications	Total Denied	Percent Denied
FHA/VA Loans			
Hispanic or Latino	16	2	12.5%
White, Not Hispanic or Latino	78	4	5.1%
Asian, Not Hispanic or Latino	1	0	0.0%
All Other ¹	20	2	10.0%
Total	115	8	7.0%
Conventional			
Hispanic or Latino	30	5	16.7%
White, Not Hispanic or Latino	166	16	9.6%
Asian, Not Hispanic or Latino	3	1	33.3%
All Other ¹	58	8	13.8%
Total	257	30	11.7%
All Loans			
Hispanic or Latino	46	7	15.2%
White, Not Hispanic or Latino	244	20	8.2%
Asian, Not Hispanic or Latino	4	1	25.0%
All Other ¹	78	10	12.8%
Total	372	38	10.2%

¹Includes all other races and applications where race and/or ethnicity were not available

Source: Federal Financial Institutions Examination Council (FFIEC), Home Mortgage Disclosure Act (HMDA) Website HMDA Data Browser

The Hispanic FHA loan applicants experience a loan denial rate almost two and one-half times greater than the White borrowers. The reasons for such a loan denial disparity are not known. However, the HMDA data is limited to two years and a total of only 16 borrowers.

The Hispanic conventional borrowers have a loan denial rate almost twice as high as the White loan applicants. There were, however, only 30 Hispanic conventional loan applicants.

2. 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 worthiness 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.

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.

HMDA data was assembled for the two census tracts that are located entirely or predominantly within the City. Table E-4 shows that the census tracts had denial rates of 8.2% and 11.7%.

Overall, the loan denial/loan approval rates are similar and no individual census tract appears to be underserved.

Table E-4
City of Canyon Lake
FHA/VA and Conventional Loan Denial Rates by Census Tract: 2018 and 2019

Census Tract	FHA/VA Loans			Conventional Loans			All Loans		
	Total Apps.	Total Denied	Percent Denied	Total Apps.	Total Denied	Percent Denied	Total Apps.	Total Denied	Percent Denied
427.14	48	2	4.2%	111	11	9.9%	159	13	8.2%
427.16	67	6	9.0%	146	19	13.0%	213	25	11.7%
Total	115	8	7.0%	257	30	11.7%	372	38	10.2%

Source: Federal Financial Institutions Examination Council (FFIEC), Home Mortgage Disclosure Act (HMDA) Website HMDA Data Browser

C. LAND COSTS

1. Single Family Lots

Land costs are typically one of the major components of the total costs of developing single-family housing. Land costs can be based on raw land or finished lots. The cost of finished lots should represent between 16% and 25% of the home sales price.

The vast majority of single family residential development will occur on individual single family lots with construction occurring by an owner-builder or by “spec” custom home builders.

There are numerous scattered lots for sale that vary greatly in terms of size and asking prices.

Land costs were collected for lots sold in 2021, pending sales, and those in the active, for sale market.

Eleven of the 41 single family lots sold for less than \$70,000. Nine of the 41 lots sold for between \$70,000 and \$100,000. One of the seven pending lot sales had a price of less than \$50,000. In the active market, two lots had an asking price of less than \$50,000 and three had asking prices of \$50,000 to \$80,000.

Table E-5
City of Canyon Lake
Land Sales Prices Active¹, Pending and Sold
Calendar Year 2021

Status	Price	Lot Size (S.F.)	Price/S.F.
Active	\$30,000	8,276	\$3.62
	\$30,000	8,276	\$3.62
	\$57,500	8,276	\$6.95
	\$65,000	8,276	\$7.85
	\$74,999	13,068	\$5.74
	\$99,000	7,405	\$13.37
	\$119,000	7,405	\$16.07
	\$135,000	9,147	\$14.76
	\$145,000	7,405	\$19.58
	\$160,000	12,632	\$12.67
	\$168,000	19,602	\$8.57
	\$169,000	8,712	\$19.40
	\$215,000	15,246	\$14.10
	\$230,000	16,117	\$14.27
	\$2,500,000	1,524,164	\$1.64
Pending	\$39,900	16,988	\$2.35
	\$65,000	7,405	\$8.78
	\$79,900	7,841	\$10.19
	\$229,000	16,117	\$14.21
Sold	\$11,000	4,792	\$2.30
	\$35,000	7,841	\$4.46
	\$38,000	7,405	\$5.13
	\$45,000	8,276	\$5.44

	\$50,000	7,405	\$6.75
	\$50,000	7,841	\$6.38
	\$55,000	6,534	\$8.42
	\$55,000	7,405	\$7.43
	\$57,450	6,969	\$8.24
	\$58,000	9,147	\$6.34
	\$59,000	8,276	\$7.13
	\$60,000	10,019	\$5.99
	\$60,000	11,761	\$5.10
	\$62,000	7,841	\$7.91
	\$67,000	7,405	\$9.05
	\$70,000	6,970	\$10.04
	\$70,000	8,276	\$8.46
	\$70,000	9,583	\$7.30
	\$74,500	7,323	\$10.17
	\$75,000	7,405	\$10.13
	\$82,000	7,405	\$11.07
	\$90,000	7,841	\$11.48
	\$95,000	8,276	\$11.48
	\$100,000	6,970	\$14.35
	\$145,000	16,553	\$8.76
	\$160,000	16,553	\$9.67
	\$165,000	7,841	\$21.04
	\$180,000	7,841	\$22.96
	\$199,500	9,583	\$20.82
	\$200,000	5,663	\$35.32
	\$205,000	23,522	\$8.72
	\$210,000	6,970	\$30.13
	\$238,000	7,841	\$30.35
	\$250,000	417,740	\$0.60
	\$250,000	417,740	\$0.60
	\$285,000	6,098	\$46.74
	\$365,000	9,148	\$39.90
	\$375,000	7,349	\$51.03
	\$384,999	8,712	\$44.19
	\$461,000	8,712	\$52.92
	\$732,000	10,890	\$67.22

¹The date for Active properties is January 6, 2022

Source: California Regional Multiple Listing Service (CRMLS).

2. Multifamily Land Costs

There were no multifamily zoned sites for sale as of January 2022 and no closing of multifamily land during the 2021 calendar year. In May 2021, one mixed use parcel of 35+/- acres came on the market with an asking price of \$3,500,000 or \$100,000 per acre.

D. COMPONENTS OF TOTAL DEVELOPMENT COSTS

According to the Turner Center:

Total development costs are made up of a lot of different line items, including land or property acquisition costs, construction costs, architectural/engineering costs, local development fees, as well as fees associated with the “soft” costs of development (e.g., legal fees, appraisals, and insurance).

Source: Turner Center for Housing Innovation, *The Costs of Affordable Housing Production: Insights from California’s 9% Low-Income Housing Tax Credit Program*, March 2020, page 8 (Author: Carolina Reid)

Research completed by the Turner Center found that between 2008 and 2018, the hard costs of building apartment housing in California increased by \$68 per square foot. The research shows that *hard construction costs* (material and labor) are the primary driver of rising development costs. The shortage in the construction labor market and higher prices for general contractors (as well as the subcontractors they hire) is affecting affordable housing development—just as this shortage impacts market-rate development.

Source: Turner Center for Housing Innovation, *The Hard Costs of Construction: Recent Trends in Labor and Material Costs for Apartment Buildings in California*, March 2020, 25 pages (Authors: Hayley Raetz, Teddy Forscher, Elizabeth Kneebone, and Carolina Reid)

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.

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%

F. HOUSING PRICES AND RENTS

1. Housing Prices

The American Community Survey (ACS) collects data on the owner's estimate of a home's value if it were for sale. Canyon Lake's median home value was \$442,900 for the five-year period between 2015 and 2019.

Based on the owner estimates, only about 12% of the homes had a value of less than \$300,000. An estimated 27.9% had values in the range of \$300,000 to \$399,000. The balance of homes – 60% - had estimated value of \$400,000 or more.

Table E-6
City of Canyon Lake
Value of Housing Units: 2015-2019

Value	Number	Percent
Less than \$100,000	94	2.8%
\$100,000 to \$124,999	32	1.0%
\$125,000 to \$149,999	0	0.0%
\$150,000 to \$174,999	10	0.3%
\$175,000 to \$199,999	48	1.4%
\$200,000 to \$249,999	65	2.0%
\$250,000 to \$299,999	151	4.5%
\$300,000 to \$399,999	926	27.9%
\$400,000 to \$499,999	778	23.4%
\$500,000 to \$749,999	865	26.1%
\$750,000 to \$999,999	241	7.3%
\$1,000,000 to \$1,499,999	89	2.7%
\$1,500,000 to \$1,999,999	12	0.4%
\$2,000,000 or more	8	0.2%
Total	3,319	100.0%

Source: 2015-2019 American Community Survey 5-Year Estimates, Table B25075 Value Occupancy

The ACS home value data are two years old and are collected over a five year timeframe. Therefore, the home values do not reflect the surge in home prices that has happened over the past year. In Riverside County, for instance, the median sales price increased from \$450,000 to \$575,000 (+27.8%) between June 2020 and June 2021.

The California Association of Realtors' (C.A.R.) Housing Affordability Index (HAI) measures the percentage of households that can afford to purchase a median-priced, single-family home in California. C.A.R. also reports affordability indices for regions and select counties within the

state as well as by race and ethnicity. The index is considered the most fundamental measure of housing well-being for home buyers in the state.

The C.A.R. report for Riverside County indicates that \$85,600 is the minimum household income need to buy a median-priced (\$460,000) existing single-family home. The percentage of households who could afford to buy the home is listed below:

- White, Non-Hispanic 50%
- Asian 56%
- Hispanic 40%
- Black 43%

2. Housing Rents

The ACS collects data on the gross rents of renter-occupied housing units.

Gross rent is the contract rent plus the estimated average monthly cost of utilities (electricity, gas, and water and sewer) and fuels (oil, coal, kerosene, wood, etc.) if these are paid by the renter (or paid for the renter by someone else). Gross rent is intended to eliminate differentials that result from varying practices with respect to the inclusion of utilities and fuels as part of the rental payment. Renter units occupied without payment of rent are shown separately as “No rent paid” in the tabulations.

Rental units with three or more bedrooms comprise about 80% of the stock. The reason is that about 93% of renters live in single unit dwellings.

Only about 1% of Canyon Lake’s renter households had rents less \$1,000 per month. The vast majority of renters had rents over \$1,500 per month. Many of these units are probably renter-occupied single-family detached homes. Refer to Table E-7 below.

Table E-7
City of Canyon Lake
Bedrooms by Monthly Gross Rent: 2015-2019

Monthly Gross Rent	No Bedroom	1 Bedroom	2 Bedrooms	3+ Bedrooms	Total	Percent
Less than \$300	0	0	0	0	0	0.0%
\$300-\$499	0	0	0	0	0	0.0%
\$500-\$749	0	0	0	8	8	1.0%
\$750-\$999	0	0	0	0	0	0.0%
\$1,000-\$1,499	0	31	110	10	151	18.1%
\$1,500 or more	0	0	25	652	677	81.0%
Total	0	31	135	670	836	100.0%
Percent	0.0%	3.7%	16.1%	80.1%	100.0%	

Table E-8 shows the median gross rents by number of bedrooms. The median gross rent for a 2-bedroom unit is \$1,245.00. A monthly income of approximately \$4,100 is needed to afford a unit renting for \$1,245 with 30% of income.

Table E-8
City of Canyon Lake
Median Gross Rent by Bedrooms: 2015-2019

Number of Bedrooms	Median Gross Rent
No bedroom	0
1 bedroom	0
2 bedrooms	\$1,245
3 bedrooms	\$2,114
4 bedrooms	\$2,627

Source: American Community Survey, 2015-2019 5-Year Estimates, Table B25031 Median Gross Rent by Bedrooms

G. REQUESTS TO DEVELOP HOUSING AT DENSITIES BELOW THOSE STATED IN THE SITES INVENTORY AND ANALYSIS (GOVERNMENT CODE 65583.2(C))

Housing development since 2014 has consisted of single-family home construction. Consequently, there were no requests to decrease density.

H. LENGTH OF TIME BETWEEN RECEIVING APPROVAL FOR A HOUSING DEVELOPMENT AND SUBMITTAL OF AN APPLICATION FOR BUILDING PERMITS

Approval of a plot is necessary before an application for a building permit can be submitted to the Property Owners Association (POA) and Building Department. The Planning Director typically reviews and approves a plot plan within an hour. The developer - often an owner-builder – is then able to submit a building permit application.

I. EFFORTS TO REMOVE NONGOVERNMENTAL CONSTRAINTS CREATING A GAP BETWEEN THE PLANNING FOR AND CONSTRUCTION OF HOUSING

Efforts will include:

- Adoption of a density bonus program to reduce per unit land costs.
- Implementation of the ADU Ordinance to promote new housing on parcels with no associated land costs,
- Creation of a new housing type – compact housing units of 350 to 500 SF – to promote new housing with lower construction costs.



Appendix F

Housing Resources

Appendix F describes housing financial and administrative resources. Some of the resources provide assistance that could help address the City's housing needs. The availability of land resources to accommodate the City's share of the regional housing need was described in Appendix C - Sites Inventory and Analysis.

A. FINANCIAL RESOURCES

1. Financial Resources Available to the City

a. Community Development Block Grant Funds (CDBG)

The City is a cooperating city in the County of Riverside Urban County CDBG Program. The County's *2019-2024 Consolidated Plan* allocates \$4,235,710 to the Homeowner Housing Rehabilitation Program. The 5-year goal is the rehabilitation of 125 owner-occupied housing units. Canyon Lake home owners may apply for the financial assistance provided by this program.

Canyon Lake is not eligible to receive CDBG funds directly from HUD. The County's CDBG allocation formula annually allocates approximately \$18,000 to \$23,000 to Canyon Lake. These funds are allocated by the City to CDBG-eligible activities.

b. 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 to local governments, collected on and after January 1, 2019. 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.

The PLHA funds are received directly by the County of Riverside. HCD estimates that the County of Riverside will receive \$24 million over a 5-year period.

Canyon Lake is eligible to receive a share of the PLHA funds received by the County.

2. 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. The County's *2019-2024 Consolidated Plan* allocates funds to the following projects:

▪ First Time Homebuyer Assistance	\$4,353,170	100 households assisted
▪ Rental Units Constructed	\$2,353,170	200 housing units
▪ Rental Units Rehabilitated	\$1,000,000	50 housing units

Income eligible households may apply for FTHB assistance to buy a home located in the City.

3. 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 one very low income Canyon Lake household (February 2021). Ninety-three resident households are on the Section 8 Waiting List.

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 (TCAC) to experienced non-profit and for-profit developers on a competitive basis.

TCAC has prepared maps showing neighborhoods (census tracts) ranking from a low to highest access to opportunity. Canyon Lake's two census tracts are ranked highest and high.

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.

6. CalHFA Multifamily Mixed Income Program

The CalHFA Mixed-Income Program (MIP) provides long-term subordinate financing for new construction of multifamily housing projects which restrict units at a mix between 30% and 120% of the Area Median Income. The program was created after Senate Bill 2 (SB2), the Building Homes and Jobs Act which was signed into law in 2017, established an annual appropriation to the Agency for the purpose of creating mixed income multifamily residential housing for lower to moderate income households. CalHFA receives 15% of the Building Homes and Jobs Act Fund for this purpose.

For 2021, the Agency has also made available funds provided through Assembly Bill 101. The bill directs the funding to CalHFA to be used to finance low- and moderate-income housing.

CalHFA expects to have a total of \$60 million available for MIP subordinate financing in 2021.

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 acquired/redeveloped 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.

“Veteran” means any person who served in the active military, naval, or air service of the United States or as a member of the National Guard who was called to and released from active duty or active services for a period of not fewer than 90 consecutive days or was discharged from service due to a service-related disability. This includes veterans with other-than-honorable discharges.

At least 50% of the funds awarded shall serve veteran households with extremely low incomes. Of those units targeted to extremely low-income veteran housing, 60% shall be supportive housing units.

13. 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.

14. 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% tax credit. For these new credits, the bill would increase the eligible basis for these projects from 13% to 30%. It would require at least \$300 million of this to be available to new construction projects receiving the federal 4% 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. 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. The HA's area of operation is all of the unincorporated areas of the County and all incorporated cities.

3. Fair Housing Council of Riverside County, Inc.

The FHCRC provides fair housing services to Canyon Lake's residents. The full scope of services is described in Appendix B.

4. Riverside County Continuum of Care (CoC)

The [Continuum of Care](#) for Riverside County - CoC Program provides homeless assistance by leveraging funding needed through the HUD Consolidated Application; this provides collaboration between providers of housing and homeless assistance programs and other federal programs. 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. The CoC seeks to improve and expand the collection of data countywide, develop performance measurements, and allows for each community to tailor its' program to the particular strengths and challenges within that community. The goal is to assist people to achieve stability through self-sufficiency.

Some of the CoC's activities include the annual HUD Continuum of Care Programs Notice of Funds Availability (NOFA), for homeless services and housing programs, the Emergency Food and Shelter Program (EFSP) NOFA and the biennial Point in Time Count and Survey of homeless individuals in the whole county.



Appendix G

Progress Report

A. GOVERNMENT CODE REQUIREMENTS

HCD suggests that the Progress Report (officially known as review and revision) discuss:

"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.

"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), but may be qualitative where necessary (e.g., mitigation of 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.

B. APPROPRIATENESS OF GOALS, OBJECTIVES AND POLICIES

Section II – Housing Program – establishes goals, objectives and policies for the five program categories mandated by State law. Several of the goals and policies are appropriate to carry forward to the 2021-2029 planning period. However, the goals and policies have been updated to include many important pro-housing policies.

The goals and policies have been updated to reflect the findings of the Assessment of Housing Needs (Appendix A) and Assessment of Fair Housing (Appendix B). In addition, the linkage between the housing needs assessment and the special needs goals and policies has been improved. Moreover, the vision of the Towne Center Specific Plan has been incorporated into the goals, objectives and policies.

The quantified objectives have also been adjusted to account for the accomplishments made during the 2013-2021 planning period. Quantified objectives have been adjusted for the production, rehabilitation, and preservation/conservation of housing

C. 5th CYCLE HOUSING ELEMENT EFFECTIVENESS

The Housing Element has been effective in the identification of goals, policies and programs to address the City's housing needs. The Element has guided the City's efforts to improve its policies and practices and to adopt Zoning Ordinance Amendments to comply with numerous State laws.

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.

This part of Appendix G evaluates the effectiveness of the 5th Cycle Housing Element on a program-by-program basis.

Program 1 SB 2 Planning Grant

Program 1 of the 5th Cycle Housing Element was partially effective. The objective of the SB 2 Planning Grant was to complete the Towne Center Specific Plan within the 5th Cycle planning period. That schedule was revised by the SB 2 Agreement between HCD and the City. The Draft TCSP was completed in September 2021 and is now scheduled for adoption in the Spring of 2022. Although the Housing Element schedule was not met, the SB 2 Agreement schedule will be satisfied.

The primary goal of the planning effort has been achieved: to identify sites for RHNA above moderate-, moderate- and lower-income housing need in a multi-story mixed use development.

The TCSP will be incorporated into the 6th Cycle (2021-2029) Housing Element. The mixed-use development concepts and housing sites described by the TCSP are incorporated into Appendix C – Sites Inventory. The Specific Plan provides for the development of 188 housing units on mixed-use sites, meaning three to four stories of residential above commercial. The TCSP creates development incentives including streamlined processing and regulatory relief.

Program 2 General Plan/Housing Element Consistency

Program 2 of the 5th Cycle Housing Element was partially effective. The objective of Program 2 was to update, as needed, elements of the General Plan to achieve internal consistency among all elements of the General Plan. The Safety Element was identified as the one element that because of recent state laws required updating. Program 2 will be achieved in 2022, not 2021 as originally planned.

The 6th Cycle Housing Element will incorporate the Safety Element's goals, policies, and programs that pertain to the issues addressed by the *2021-2029 Housing Element*. The 6th Cycle Housing Element will be amended following adoption of the Safety Element in 2022.

Program 3 Canyon Lake Village Overlay Zone (CLVOZ)

Program 3 of the 5th Cycle Housing Element was partially effective. One of the Program's objectives was met: a civil engineer was retained by the City and he identified 2.5-3.0 acres of flat buildable land within the 9+ acre site.

The second objective – a parcel split – was not achieved because the City has received from developers inquiries on development of all three adjacent parcels. The developer interest could lead to applications to amend the Land Use Element and Zoning. Additionally, the Specific Plan process with regard to multifamily developed has not been evaluated to identify how it can be made less cumbersome.

The CLVOLZ site is not included in the land inventory (Appendix C). The sites to accommodate the 6th Cycle Housing Element are incorporated into the TCSP.

Program 4 No Net Loss Program

Program 4 of the 5th Cycle Housing Element was effective as the City continued to comply with the State law (Government Code Section 65863(a)). Based on an HCD Technical Memorandum, the Planning Department developed a No Net Loss Monitoring Procedure. The 6th Cycle Housing Element incorporates a No Net Loss Program.

Program 5 Annual Progress Report

Program 5 of the 5th Cycle Housing Element was effective as Annual Progress Reports were submitted by the City to HCD. The 6th Cycle Housing Element incorporates an APR Program.

Program 6 Section 8 Rental Assistance

Program 6 of the 5th Cycle Housing Element was partially effective. The Program 6 objective was to rental assistance to five households through the County of Riverside Section 8 Housing Choice Voucher Program. As of September 2021, only one Canyon Lake lower income household was assisted by the rental assistance program. The Program's effectiveness could be hindered by a lack of interest to participate in the Program and market rents exceeding the Section 8 Fair Market Rents (MFRs).

Program 7 First Time Homebuyer Program

Program 7 of the 5th Cycle Housing Element was not effective as no homes were purchased in Canyon Lake by households benefitting from down payment assistance. The objective was assistance to five households. The Program offers a maximum \$75,000 in down payment assistance, an amount which represents 20% of a home with a sales price of \$375,000. It is possible that the program objective was not met because very few homes were for sale at a price of less than \$375,000.

The *2021-2029 Housing Element* will continue to incorporate the FTHB Program with the objective of assistance to five households, The City anticipates that outreach and other efforts can increase participation in the Program. The FHCRC will conduct FTHB workshops that also will involve local Realtors and staff from the County Economic Development Agency. During the preparation of the fourth Annual Progress

Program 8 Mortgage Credit Certificate (MCC) Program

Program 8 of the 5th Cycle Housing Element was not effective. The MCC Program runs in tandem with the FTHB Program. The MCC Program will be incorporated into the *2021-2029 Housing Element*, The City staff believes that increasing participation in the FTHB Program also will lead to the increased use of Mortgage Credit Certificates.

Program 9 Accessory Dwelling Unit (ADU) Program

Program 9 of the 5th Cycle Housing Element was effective. The ADU Ordinance was adopted on March 4, 2020. One building permit application to construct a 195 square foot ADU was submitted in September 2021.

HCD has reviewed the adopted ADU ordinance and has recommended changes to the ordinance. The Planning Department is in the process of updating the ordinance.

The 6th Cycle Housing Element incorporates an ADU Program that includes incentives to encourage the development of accessory dwelling units.

Program 10 Affordable Housing Density Program

Program 10 of the 5th Cycle Housing Element was partially effective. The primary objective of Program 10 was the adoption of a Density Bonus Ordinance during the 5th Cycle planning period. A draft of the DBO was finished and it is scheduled for adoption by the City Council in the Summer of 2022.

Density bonuses are incorporated into the 6th Cycle Housing Element as one of the incentives of the Affordable Housing Incentives Program.

Program 11 Developmentally Disabled Outreach Program

Program 11 of the 5th Cycle Housing Element was effective as outreach efforts were accomplished with the Inland Regional Center and Community Access Center. Information was obtained on transition services, housing services, and the number Canyon Lake developmentally disabled residents served by the Inland Regional Center.

The 6th Cycle Housing Element incorporates the Outreach Program. In addition to posting information on its website, the City will invite the Community Access Center and Inland Regional Center to attend a housing-focused Community Workshop. The Workshop will be scheduled for the Summer of 2023.

Program 12 Reasonable Accommodation Procedure

Program 12 of the 5th Cycle Housing Element was effective. The RAP was posted on the City's website additionally, a reasonable accommodation procedure brochure and application was prepared and made available at the Planning Department and Building Department counters.

The reasonable accommodation procedure is carried forward to the 6th Cycle Housing Element, A program is included in the new Housing Element to insure the community if aware of it.

Program 13 Housing and Social Services Directory

Program 13 of the 5th Cycle Housing Element was effective as the Directory was completed and made available to City residents. The *2021-2029 Housing Element* does not incorporate the Directory. The Directory was a one-time effort. The City's future efforts will concentrate on housing services such as fair housing resources.

Program 14 Extremely Low Income Housing Program

Program 14 of the 5th Cycle Housing Element was not effective as zero housing units targeted to ELI households were rehabilitated or constructed. The Program is incorporated into the 2021-2028 Housing Element. The City staff believes that the Towne Center Specific Plan will result in the production of affordable housing units, a portion of which would be occupied by ELI households.

Program 15 Single Room Occupancy (SRO) Development Standards

Program 15 of the 5th Cycle Housing Element was effective. The Housing Element defines SROs and micro-units within the meaning of compact housing units. The Housing Element also

states that SROs are a permitted use in the residential zones and lists the minimum housing unit sizes.

There is no need to continue this program.

Program 16 Monitor the Cumulative Effects of Development Standards

Program 16 of the 5th Cycle Housing Element was effective. Upon evaluation of the cumulative effects of the development standards in the Village Overlay Zone, it was determined that the height of 30 feet should be increased to 35 feet and the minimum housing unit standard should match those of the California Tax Credit Allocation Committee.

There is no need to continue this program.

Program 17 Omnibus Zoning Ordinance Amendments Program

Program 17 of the 5th Cycle Housing Element was partially effective. The objective of the Program was to adopt certain amendments to the Zoning Ordinance such as increasing the emergency shelter bed limit. Drafts of the amendments have been completed and they are scheduled for adoption by the City Council in the Summer of 2022.

There is no need to continue this program.

Program 18 Development Impact Fee Program

Program 18 of the 5th Cycle Housing Element was not effective. No actions were taken to determine if WRCOG, the school district or water districts would reduce the fees for an affordable housing development. The *2021-2029 Housing Element* includes a program to provide incentives to produce affordable housing. One of the incentives is a reduction in impact fees.

Program 19 County Home Enhancement Program

Program 19 of the 5th Cycle Housing Element was not effective. No homes were rehabilitated with the use of the County's HOME funds. The Program is being carried forward to the 6th Cycle Housing Element. City staff believes it may be possible to have residents participate in the Program following outreach and marketing efforts.

Program 20 Fair Housing Services Program

Program 20 of the 5th Cycle Housing Element was effective. The County of Riverside contracts with the Fair Housing Council of Riverside County to provide a wide variety of services to residents of unincorporated areas and 13 cities, including Canyon Lake. The 6th Cycle Housing Element incorporates a fair housing services program.

Program 21 Fair Housing Information Program

Program 21 of the 5th Cycle Housing Element was effective. Information on fair housing was made available to reside. The City will continue to provide residents with the most recent fair housing information.

Program 22 Assessment of Fair Housing (AFH)

Program 22 of the 5th Cycle Housing Element was effective. The Draft AFH was completed in April 2021. The AFH was revised pursuant to the HCD comments. The AFH is incorporated into the 6th cycle Housing Element as Appendix B.

Program 23 PACE Financing Program

Program 23 of the 5th Cycle Housing Element was effective. The objective of 4,500 homes achieving energy efficient improvements was met.

D. RHNA PROGRESS

Canyon Lake's RHNA for the 2014-2021 timeframe was 83 housing units. Table G-1 shows that between 2014 and 2020, building permits were issued for 42 housing units. Although no lower income housing units have been built, a primary purpose of the Towne Center Specific Plan is to create opportunities for the development of affordable housing through sites identification, development standards and streamlined processing.

Table G-1
City of Canyon Lake
RHNA Progress: 2014-2020

Income Group	RHNA	Building Permits	Remaining Units
Very Low	21	0	21
Low	14	0	14
Moderate	16	10	6
Above Moderate	32	32	0
Total	83	42	41

E. PROGRESS IN IMPLEMENTATION

Table G-2 provides information on the actual results of implementing the 23 actions included in the adopted *2013-2021 Housing Element*. Fifteen of the programs have been fully implemented; three have been partially completed; and two have not yet been implemented.

City residents have not participated to the extent originally planned in three County programs: first time homebuyer program; mortgage credit certificates; and the housing rehabilitation program. The City staff will be working with the County to identify ways to improve participation in the programs.

F. BENEFICIAL IMPACTS OF IMPLEMENTING THE 2014/021 HOUSING ELEMENT

The beneficial impacts of implementing the *2014-2021 Housing Element* on special needs populations included:

General: A Directory of social services available to special population groups was prepared.

Elderly: The housing needs assessment and demographic trends demonstrated that guidelines

RESOLUTION 2022-09

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CANYON LAKE, CALIFORNIA, APPROVING GENERAL PLAN AMENDMENT 22-01 AMENDING THE CITY OF CANYON LAKE HOUSING ELEMENT FOR THE 6TH CYCLE, YEARS 2021 TO 2029

WHEREAS, The City of Canyon Lake has adopted a General Plan, consistent with Government Code Section 65300; and

WHEREAS, said General Plan includes a Housing Element certified by the State Department of Housing and Urban Development for the 5th Cycle, Years 2013 to 2021; and

WHEREAS, the City Council has received correspondence from the State Department of Housing and Community Development requiring an update to that document for the 6th Cycle, Years 2021 to 2029; and

WHEREAS, the City of Canyon Lake Housing Element has been updated to provide the required materials and documentation requested by the State Department of Housing and Community Development in their adoption of a Housing Element on October 2, 2019, and as referenced in their recent letter of December 7, 2021 to the City of Canyon Lake as part of the City's 6th Cycle Housing Element Update; and

WHEREAS, the City of Canyon Lake has contacted groups, organizations and members of the public to receive input on the proposed Housing Element update; and

WHEREAS, the amended Housing Element projects meeting the needs of the City of Canyon Lake for all income groups for the eight year period encompassing the 6th Cycle, Year 2021 to 2029; and

WHEREAS, this Housing Element update was noticed with a 1/8 page advertisement in the Friday Flyer for public hearing, before the City Council on February 9, 2022, as provided for in Government Code Section 65091; and

WHEREAS, an Initial Study/Proposed Negative Declaration was prepared consistent with the California Environmental Quality Act (CEQA) and made publicly available for review and comment August 10 to August 30, 2021, and used as a basis for the evaluation of this update.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF CANYON LAKE DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Based upon the staff report, public testimony, and record herein, the City Council makes the following findings regarding GPA (General Plan Amendment) 21-01:

1. The proposed Housing Element update is in accordance with the requirements of the 6th Cycle Housing Element and updated to be consistent with the comments provided by the State Housing and Community Development (HDC) in their letter dated December 7, 2021.
2. The proposed Housing Element update contains a number of the same programs as the City's 5th Cycle Housing Element.
3. The proposed Housing Element update focuses on meeting the identified number of new housing units within the City, providing programs to meet identified needs and housing requirements, and continuing a number of the previously adopted programs to meet identified housing needs.
4. The proposed Housing Element update does not require the establishment of additional residentially designated properties or an increase in residential densities to meet identified housing needs, as reflected in the General Plan Land Use Map.
5. The proposed Housing Element update does not involve a change to or conflict with any of the General Plan's visions, goals, and principles.
6. The proposed Housing Element update has been evaluated to determine compliance with the California Environmental Quality Act (CEQA) and represents the City's independent evaluation of the project.

Section 2. The proposed Housing Element provides an analysis demonstrating the potential for redevelopment of non-vacant sites based upon the following methodology and evaluation:

1. The City of Canyon Lake is dominated by a single-family development pattern approved decades ago and developed before its incorporation.
2. The single family subdivision maps were recorded in the late 1960's when the property was within the unincorporated area of the County of Riverside.
3. The original intent of the development was a master plan for senior living located around an existing water reservoir.
4. Initial criteria adopted by the Property Owners Association restricted the number of floors in a residential structure, with exceptions only for a two-story structure, with the intent to make the housing design amenable for seniors.
5. This single family subdivision pattern is substantially built out. The specific number of vacant lots as of the date of last Housing Element survey, was 226, of which all but 17 are less than half an acre in size. 95 of these lots are less than 8,000 sq. ft. in size. The balance of the vacant lots are located within areas comprising steeper slopes or are irregular in configuration.

6. The vacant single family lots in the City are randomly distributed throughout the developed area, due to the lack of involvement of merchant builders constructing groups of housing in a typical subdivision buildout pattern. New single-family housing in the City is constructed by individual property owners, predominantly for the property owner, and purchased through individual lot sales.
7. All residential lots within City are part of the Property Owners Association (POA). Only 25 residential lots within the City's designated Hillside area are not behind gates. However, the two streets that service this area are proposed to be relinquished by the City to the POA for maintenance and access control. As such, this area is to be gated as well. The 25 lots in question are in the City's hillside area with steep terrain.
8. Due to the limited area of vacant land for new development and the City's desire to undertake mixed-use development consistent with the desires of the Governor's Office of Planning and Research, the City has focused its attention on the Canyon Lake Towne Center as an opportunity area for new mixed-use residential development.
9. The City of Canyon Lake has hired a consultant team with experience in mixed use design to prepare a Specific Plan for the Towne Center to provide a design concept that would be successful in the development of housing to meet the City's identified need.
10. The City has had discussions with a developer about undertaking mixed use development at various locations within the City. The Developer expressed optimism in their ability to construct this type of development project within the City and to work with the City Staff on this type of concept.
11. The mixed use development at the Towne Center is in an optimal location for redevelopment, due to a number of factors:
 - a. Existing food, retail, and administrative services within the Towne Center.
 - b. Proximity to public transit on Railroad Canyon Road.
 - c. Proximity to regional freeways, I-15 and State Route 215.
 - d. Employment opportunities both within the Towne Center and the surrounding urbanized area, including the adjoining Cities Lake Elsinore and Menifee.
 - e. City ownership of a portion of the Towne Center.
 - f. Infrastructure that serves the existing commercial development, including water, sewer, natural gas, cable, and electricity.
 - g. Reduced environmental concerns due to the existing commercial development of the site that includes improvements to the entirety of the shopping center site, including parking, landscaping and buildings.
 - h. There are no Development Impact Fees adopted specifically for City use.
12. Development of the site could occur as either a large redevelopment project encompassing the entire property or incrementally. If developed incrementally, individual buildings could be constructed separately from the balance of this specific plan area.

13. The proposed residential component of the Towne Center (TC) Specific Plan is to be located over existing commercial development. The TC is currently comprised of 17 separate buildings. All four of the proposed residential housing sites would be located over existing separate commercial buildings. As such, construction for one building would be separate from other buildings, thus providing for the ability to construct housing incrementally.

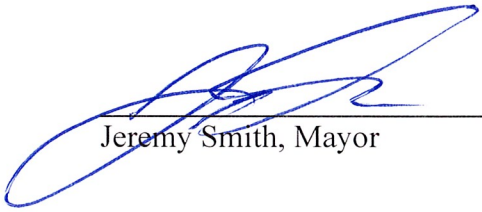
Section 3. The City Planner is hereby authorized by the City Council to edit any deficiencies in the Housing Element by advisement of the State of California Housing and Community Development Department regarding any policies or programs regarding:

1. Conformance with State statutes.
2. Enabling City Staff is able to make technical corrections/revisions based on State Housing and Community Development Department comments on the adopted Element.

Section 4. The Initial Study/Proposed Negative Declaration did not identify any significant environmental impacts for the adoption of the proposed Negative Declaration.

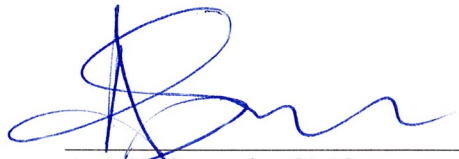
Section 5. Pursuant to the above findings, the City Council of the City of Canyon Lake adopts the findings and the environmental determination provided in this resolution and approve GPA 21-01.

PASSED, APPROVED, AND ADOPTED on this 9th day of February, 2022.



Jeremy Smith, Mayor

ATTEST:



Ana V. Sauseda, CMC
City Clerk

State of California)
County of Riverside) ss
City of Canyon Lake)

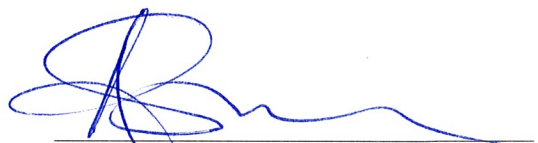
I, Ana V. Sauseda, City Clerk of the City of Canyon Lake, California, DO HEREBY CERTIFY, that the foregoing is a true and correct copy of Resolution No. 2022-09, adopted by the City Council of the City of Canyon Lake, California, at a regular meeting thereof, held on February 9, 2022, by the following vote:

AYES: Councilmember Castillo, Councilmember Dain, Mayor Pro Tem Greene,
Mayor Smith

NOES:

ABSTAIN:

ABSENT: Councilmember Welty



Ana V. Sauseda, CMC
City Clerk