

**CITY OF TEMECULA  
AGENDA REPORT**

**TO:** City Manager/City Council

**FROM:** Luke Watson, Deputy City Manager

**DATE:** March 28, 2023

**SUBJECT:** Receive and File General Plan and Housing Element Annual Progress Report for the Period of January 1, 2022 to December 31, 2022

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**PREPARED BY:** Katie Garcia, Planning Technician

**RECOMMENDATION:** That the City Council receive and file the General Plan and Housing Element Annual Progress Report for the period of January 1, 2022 to December 31, 2022.

**BACKGROUND:** State law (Government Code Section 65400 and 65700) requires that all cities and counties submit an annual report on the implementation of the General Plan and Housing Element to their legislative bodies, the Governor's Office of Planning and Research (OPR) and the California Department of Housing and Community Development (HCD) by April 1<sup>st</sup> of each year. The purpose of the General Plan Annual Progress Report (GP-APR) and Housing Element Annual Progress Report (HE-APR) is to update the community, City Council, HCD and OPR on General Plan and Housing Element implementation progress (Attachment 1). This report is also used as an aid to identify prospective changes, or updates that may be needed for the General Plan and Housing Element.

The City's last comprehensive General Plan update was completed in 2005. During the last several years, the City has amended the General Plan, to implement required Housing Element programs, and update the General Plan Land Use Element with updated policies (i.e., zoning change and increasing residential density, etc.). On February 8, 2022, the City adopted a Housing Element of the General Plan in compliance with the Regional Housing Needs Allocation (RHNA) 6<sup>th</sup> Cycle (2021-2029).

**DISCUSSION:** Since the adoption of General Plan in 2005, the State of California has passed legislation and updated policies that require updates to the General Plan. The city is in the third phase of a four-phase process to update the General Plan and is strategically sequencing these various updates to be efficient from a cost and technical perspective.

The first phase of the General Plan update included updating the City's Traffic Impact Analysis (TIA) Guidelines to address Vehicle Miles Travelled (VMT) for CEQA analysis. In addition,

Phase 1 included updates to the Housing and Public Safety Elements of the General Plan, which are complete.

Phase 2 included an update to the City's Quality of Life Master Plan (QLMP), which is a broad-level visionary document serving as the foundation in the General Plan update.

Phase 3 includes a Fiscal Land Use Study to determine absorption rate for future residential, commercial, industrial, and hotel uses. This phase also includes development of a Complete Streets Policy document and a Climate Action Plan (CAP) baseline analysis.

Phase 4 will include the hiring of a consultant to lead the General Plan update, which will include updates to the remaining elements, a Climate Action Plan and Environmental Impact Report (EIR).

The General Plan Annual Progress Report documents the current General Plan's compliance and provides a phased work program to update the General Plan. As required by law, the GP-APR for 2022 will be submitted to California Department of Housing and Community Development and Office of Planning and Research (OPR) by April 1, 2023. The filing also included the 2022 Housing Element Annual Progress Report.

### **General Plan Progress**

For reporting year 2022, the city adopted the following amendments to the General Plan:

- **Temecula Village Phase II GPA (PA20-1323):** A General Plan Amendment to amend the underlying General Plan Land Use designation of the project site from Professional Office (PO) to Medium Density Residential (M) to accommodate 134 units.
- **Temecula Village PDO Amendment (PA20-1324):** A Planned Development Overlay Amendment for PDO-5, Temecula Village. This special overlay zoning is intended to be compatible and complimentary to the existing residential development and M (Medium Density Residential, 7-12.9 dwelling units/acre) proposed as part of the PDO.

Furthermore, the General Plan contains implementation programs, which are achieved through the goals and policies of each General Plan element. Notable accomplishments to implement the General Plan programs include:

- Modifying land use designations to accommodate more housing to meet RHNA;
- Making consistency findings between the City's General Plan goals and policies and the proposed 2023-2027 Capital Improvement Program (CIP); and
- Updating the City's Housing Element, most recently the 6<sup>th</sup> Cycle was approved by HCD on December 15, 2022.

### **Housing Element Progress**

The Housing Element is intended to identify and establish City policies with respect to meeting the housing needs of existing and future residents in the City. It establishes policies that will guide City decision-making and sets forth an action plan to implement its housing goals. The

commitments are in furtherance of the statewide housing goals of early attainment of decent housing and a suitable living environment for every California family, as well as a reflection of the concerns unique to the City of Temecula.

Pursuant to Government Code Section 65400, the City is required to prepare and submit an Annual Progress Report (APR) to the California Department of Housing and Community Development (HCD) and the Governor's Office of Planning and Research (OPR) Department on the status and implementations of its Housing Element. The APR includes information on the jurisdiction's progress in addressing the Regional Housing Needs Allocation (RHNA), including the number of housing units permitted and/or constructed by income level, number of units entitled, and the status of programs identified within the Housing Element.

### **Regional Housing Needs Allocation**

Pursuant to Government Code Section 65584, the City is required to submit an annual progress report of the City's efforts in addressing our portion of the RHNA allocation as delineated in the Housing Element (Attachment 3). The City's sixth cycle RHNA allocation is 4,193 units. As a point of clarification, the RHNA allocation numbers are applicable to all income categories, not just the extremely low and very low categories. The City is required to plan for housing across all income categories, and every residential unit built in the City counts towards our RHNA allocation. However, the City is not mandated to ensure that all of its RHNA units are actually built. The City is only required to demonstrate to HCD that adequate sites are properly zoned to accommodate affordable housing. This was accomplished with the adoption and certification of 2021-2029 Housing Element (Resolution No. 21-2029) and the 2018 Affordable Housing Overlay Zone (AHOZ) (Resolution No. 18-09). Attachment 2 of this staff report, demonstrate Temecula's 2021-2029 RHNA Breakdown by Year.

### **2022 Housing Element Reporting Analysis**

Since the adoption of the 2021-2029 Housing Element by City Council, the Community Development Department has prepared and submitted to HCD and OPR the required Housing Element annual reports. In 2022, staff processed 11 Housing Development Applications totaling 78 proposed units. The proposed units were reviewed and approved by the Planning Commission, City Council, or Administratively by Staff. A total of 594 building permits were issued for variety of housing types (Attachment 3). Notably, three affordable housing projects are under construction: Vine Creek, Las Haciendas, and Arrive totaling 192 units varying in levels of affordability. The 2022 Annual Progress Report serves to comply with State requirements to report annually on the progress of the General Plan implementation including specific requirements for reporting on the City's Housing Element and reflect the many accomplishments toward implementing the City of Temecula's General Plan. On February 8, 2022, the City adopted the 6<sup>th</sup> Cycle Housing Element (2021-2029), future reports will detail its efficacy.

**FISCAL IMPACT:** There are no fiscal impacts associated with the State's General Plan Annual Progress Report submitted yearly to OPR. However, the 2017 Legislative Housing Package increased the importance of the Housing Element Annual Progress Report. Consequences for failing to complete and submit the Annual Report may include court sanctions and losing local

control over affordable multifamily housing development entitlements to a new streamlined approval process.

**ATTACHMENTS:**

1. General Plan and Housing Element Annual Progress Report for 2022
2. Temecula's 2021-2029 RHNA Breakdown by Year
3. Appendix A - Housing Element Annual Progress Report for 2022