A photograph of a two-story house with a balcony, set against a sunset sky. The house has light-colored siding and a dark roof. A young tree is planted in front of the house. The text is overlaid on the left side of the image.

# **PUBLIC REVIEW DRAFT**

## **2021–2029**

### **HOUSING ELEMENT**

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**August 2021**

City of Temecula  
41000 Main Street  
Temecula, CA 92590  
<https://temeculaca.gov/>

PUBLIC DRAFT

# **PUBLIC REVIEW DRAFT 2021–2029 HOUSING ELEMENT**

**PREPARED FOR: CITY OF TEMECULA**

41000 Main Street  
Temecula, CA 92590

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PUBLIC DRAFT

## **2021-2029 HOUSING ELEMENT ORGANIZATION**

### **Part 1: Housing Plan**

Part 1 of the 2021-2029 Housing Element is the City's "Housing Plan", which includes the goals, policies, and programs the City will implement to address constraints and needs. The City's overarching objective is to ensure that decent, safe housing is available to all current and future residents at a cost that is within the reach of the diverse economic segments which comprise Temecula.

### **Part 2: Background Report**

Part 2 of the 2021-2029 Housing Element is the "Background Report" which identifies the nature and extent of Temecula's housing needs, including those of special populations, potential housing resources (land and funds), potential constraints to housing production, and energy conservation opportunities. By examining the City's housings, resources, and constraints, the City can then determine a plan of action for providing adequate housing, as presented in Part 1: Housing Plan. In addition to identifying housing needs, the Background Report also presents information regarding the setting in which these needs occur. This information is instrumental in providing a better understanding of the community, which in turn is essential for the planning of future housing needs.

### **Appendix A: Housing Sites Inventory**

The Housing Element must include an inventory of land suitable and available for residential development to meet the City's regional housing need by income level.

### **Appendix B: Glossary**

The Housing Element includes, as Appendix B, a glossary of key terms and phrases.

### **Appendix C: Public Engagement Summary**

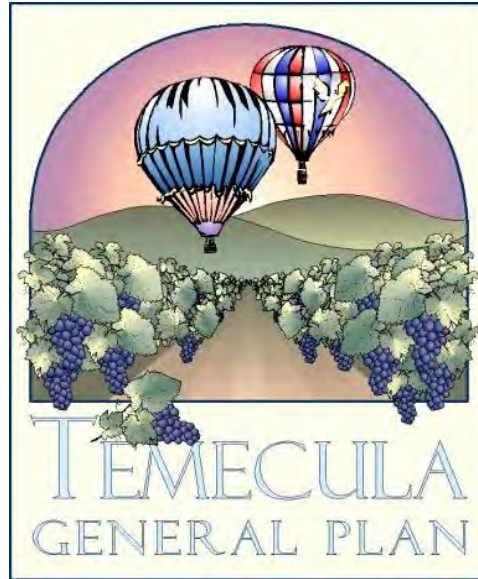
As part of the Housing Element Update the process, the City hosted numerous opportunities for the community and key stakeholders to provide feedback on existing housing conditions, housing priorities, priority areas for new residential growth, and topics related to fair housing. Public engagement was facilitated in both English and Spanish to further engage the Temecula community. Public participation played an important role in the refinement of the City's housing goals and policies and in the development of new housing programs, as included in Part 1: Housing Plan. The public's input also helped to validate and expand upon the contextual information included in Part 2: Background Report. The City's efforts to engage the community in a meaningful and comprehensive way are summarized in Appendix C.

### **Appendix D: 2017 Assessment of Fair Housing**

In 2017 the City of Temecula prepared an Assessment of Fair Housing. This Assessment provides the foundation and context for the City's Assessment of Affirmatively Furthering Fair Housing, as included in Part 2 of the Housing Element.

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CITY OF TEMECULA  
GENERAL PLAN HOUSING ELEMENT  
PART 1: HOUSING PLAN



CYCLE 6 HOUSING ELEMENT UPDATE

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# I. INTRODUCTION

The eight-year plan is the centerpiece of the 2021-2029 Housing Element for Temecula. The Housing Plan sets forth the City's goals, policies, and programs to address the identified housing needs. Housing programs included in this plan define the specific actions the City will take to achieve specific goals and policies. The City's overall strategy for addressing its housing needs has been defined according to the six goals:

1. Providing adequate housing sites;
2. Assisting in development of affordable and special needs housing;
3. Removing constraints to housing production;
4. Conserving and improving existing housing stock;
5. Affirmatively furthering fair housing; and
6. Promoting public participation.

## A. Goals and Policies

### Provide Adequate Housing Sites

**Goal 1** Provide a diversity of housing opportunities that satisfy the physical, social, and economic needs of existing and future residents of Temecula.

**Discussion** The City provides for a mix of new housing opportunities by designating a range of residential densities and promoting creative design and development of vacant land and reuse of developed land. By providing for the construction of a range of housing, the needs of all sectors of the community can be met.

**Policy 1.1** Provide an inventory of land at varying densities sufficient to accommodate the existing and projected housing needs in the City.

**Policy 1.2** Encourage residential development that provides a range of housing types in terms of cost, density, unit size, configuration, and type, and presents the opportunity for local residents to live and work in the same community by balancing jobs and housing types.

- Policy 1.3** Require a mixture of diverse housing types and densities in new developments around the village centers to enhance their pedestrian orientation and diversity.
- Policy 1.4** Support the use of innovative site planning and architectural design in residential development.
- Policy 1.5** Encourage the use of clustered development to preserve and enhance important environmental resources and open space, consistent with sustainability principles.
- Policy 1.6** Encourage the development of compatible mixed-use projects that promote and enhance the village concept, facilitate the efficient use of public facilities, support alternative transit options, and provide affordable housing alternatives by establishing a program of incentives for mixed-use projects.
- Policy 1.7** Where feasible, use City-owned or City-controlled land for affordable housing projects.
- Policy 1.8** To the extent feasible, make use of the tools available to the City to assemble land or sell land at a write-down for affordable housing.
- Policy 1.9** Maintain adequate capacity to accommodate the City's unmet Regional Housing Needs Allocation (RHNA) for all income categories throughout the planning period.
- Policy 1.10** Allow by-right approval for housing developments proposed for non-vacant sites included in one previous housing element inventory and vacant sites included in two previous housing elements, provided that the proposed housing development consists of at least 20 percent lower income and affordable housing units.

## **Assist in Development of Affordable and Special Needs Housing**

**Goal 2 Provide housing for people of different economic segments and with special needs.**

**Discussion** The City of Temecula works to provide a variety of affordable housing opportunities for all economic segments of the community. By coordinating with other government agencies and nonprofit organizations to access funding sources for affordable housing and to partner in the creative provision of affordable housing, the City

helps provide safe and affordable housing for all residents in the community. The City is also committed to ensuring that adequate housing opportunities are available for persons with special needs, such as the elderly, persons with disabilities, including persons with developmental disabilities, large families, single-parent households, and the homeless.

**Policy 2.1** Promote a variety of housing opportunities that accommodate the needs of all income levels of the population, and provide opportunities to meet Temecula's fair share of extremely low-, very low-, low- and moderate- income housing by promoting the City's program of density bonuses and incentives.

**Policy 2.2** Support innovative public, private, and nonprofit efforts in the development of affordable housing, particularly for special needs groups.

**Policy 2.3** Encourage the use of nontraditional housing models, including single-room occupancy (SRO) or Efficiency Unit Housing structures and manufactured housing, to meet the needs of special groups for affordable housing, temporary shelter, and/or transitional housing.

**Policy 2.4** Pursue all available forms of private, local, state, and federal assistance to support development and implementation of the City's housing programs.

**Policy 2.5** Require that all new affordable housing developments incorporate energy- and water-efficient appliances, amenities, and building materials to reduce overall housing-related costs for future low- and moderate-income households and families.

**Policy 2.6** Establish and maintain a City database to monitor trends in the economy and Temecula's demographics to be able to anticipate shifts in trends, while continuing to provide relevant affordable housing.

**Policy 2.7** Develop and coordinate multi-agency, regional, and cross-jurisdictional approaches to homelessness and special needs housing, including transitional housing.

## **Remove Constraints to Housing Production**

**Goal 3** Reduce and/or remove governmental and non-governmental constraints in the maintenance, improvement, and development of housing, where appropriate and legally possible.

**Discussion** The City's goal is to reduce or remove constraints to the maintenance, improvement, and development of housing to ensure the provision of housing affordable to all members of the community. Governmental requirements for the development and rehabilitation of housing often add to the cost of the provision of affordable housing and may result in fewer opportunities for housing affordable to lower-income households. Although nongovernmental constraints like the cost of land, construction costs, and the availability of financing are primarily market-driven and generally outside direct government control, Temecula can influence and offset the negative impact of nongovernmental constraints through responsive programs and policies.

**Policy 3.1** Expedite processing procedures and fees for new construction or rehabilitation of housing.

**Policy 3.2** Consider mitigating development fees for projects that provide affordable senior housing, and special needs.

**Policy 3.3** Periodically review City development standards to ensure consistency with the General Plan and to ensure high-quality affordable housing.

**Policy 3.4** Monitor State and federal housing-related legislation, and update City plans, ordinances, and processes as appropriate to remove or reduce governmental constraints. **Policy 3.5** Regularly identify and evaluate the impact of nongovernmental constraints on housing development and implement programs to reduce negative impacts.

## **Conserve and Improve Existing Housing Stock**

**Goal 4** Conserve the existing housing stock with an emphasis on affordable housing.

**Discussion** Along with providing for new affordable housing opportunities, the City also has a goal to preserve existing affordable housing opportunities for residents. By providing incentives and programs to maintain both the affordability and the structural integrity of existing units, the City ensures that affordable housing opportunities are preserved as the housing stock ages.

**Policy 4.1** Monitor the number of affordable units eligible for conversion to market-rate units and continue the means to minimize the loss of these units.

**Policy 4.2** Develop programs directed at rehabilitating and preserving the integrity of existing housing stock for all income levels.

**Policy 4.3** Support the efforts of private and public entities in maintaining the affordability of units through implementation of energy conservation and weatherization programs.

### **Affirmatively Further Fair Housing**

**Goal 5 Affirmatively further fair housing, providing equal housing opportunity for all residents in Temecula.**

**Discussion** In order to make provisions for the housing needs of all segments of the community, the City must affirmatively further fair housing and ensure that equal and fair housing opportunities are available to all residents.

**Policy 5.1** Encourage and support the enforcement of laws and regulations prohibiting discrimination in lending practices and insurance practices to purchase, sell, rent, and lease property.

**Policy 5.2** Support fair housing efforts to ensure that all income segments of the community have unrestricted access to appropriate housing.

**Policy 5.3** Encourage housing design standards that promote the accessibility of housing for persons with special needs, such as the elderly, persons with disabilities, including persons with developmental disabilities, large families, single-parent households, and the homeless.

**Policy 5.4** Encourage and consider supporting local private nonprofit groups that address the housing needs of the homeless and other disadvantaged groups.

**Policy 5.5** Prohibit discrimination in the sale or rental of housing based on age, familial status, race, ethnicity, gender, sexual orientation, or other protected characteristics for all housing projects approved by the City.

**Policy 5.6** Encourage the equitable spatial distribution of affordable housing throughout the City, particularly where adequate support facilities exist (i.e. alternative transportation, jobs, etc.).

**Policy 5.7** Educate the public on lower-income and special needs housing through existing annual reports or other forms of media.

**Policy 5.8** Assist in affirmatively furthering and enforcing fair housing laws by providing support to organizations that provide outreach and education regarding fair housing rights, receive and investigate fair housing allegations, monitor compliance with fair housing laws, and refer possible violations to enforcing agencies.

**Policy 5.9** Accommodate persons with disabilities who seek reasonable waiver or modification of land use controls and/or development standards pursuant to procedures and criteria set forth in the Zoning Ordinance.

## **Promote Public Participation**

**Goal 6** Encourage collaboration between housing developers and neighborhood organizations on affordable housing projects and addressing neighborhood concerns.

**Discussion** The promotion of public participation in the planning process is an important responsibility for local agencies. Residents and other stakeholders like the development community and neighborhood organizations are all influenced by the City's housing plans and programs and their input must be considered and reflected in the City's decision-making process.

**Policy 6.1** Use the public participation process to educate the public on lower-income and special needs housing through existing annual reports or other forms of media.

**Policy 6.2** Strengthen opportunities for participation in the approval process for all housing projects, including affordable housing.

## **B. Housing Programs**

The goals and policies contained in the Housing Plan address Temecula's identified housing needs and are implemented through a series of housing programs. Housing programs include both programs currently in operation in the city and new programs that have been introduced to address the unmet housing needs, affirmatively further fair housing, and ensure that Temecula's housing goals, policies, and programs are aligned with federal and state requirements. This section provides a description of each housing program and future program goals, along with identifying the program funding sources, responsible agency, and time frame for implementation.

## **Provide Adequate Housing Sites (Goal 1)**

A key element in satisfying the housing needs of all segments of the community is the provision of adequate sites for housing of all types, sizes, and prices. This is an important function in both zoning and General Plan designations.

### **1. Land Use Policy and Development Capacity**

The Land Use Element of the Temecula General Plan and the City's Development Code designates land within the city for a range of residential densities that support residential development suitable for all income levels. The City of Temecula received a RHNA of 4,193 units for the 2021-2029 RHNA period. After credits for constructed units (27) and approved units (132) are taken into consideration, the City of Temecula has a remaining 2021-2029 RHNA of 4,034 units, including 1,327 extremely/very low-income, 702 low-income, 757 moderate-income and 1,249 above moderate-income units.

The residential sites inventory consists of accessory dwelling units, vacant residential land exclusive of Specific Plan areas, and vacant residential land inside Specific Plan areas. Together, these resources have the capacity to accommodate at least 9,347 new units at all income levels. These sites can accommodate the remaining RHNA for all income levels through year 2029. The City will continue to maintain an inventory of available sites for residential development and will continue to make it available on the City's website; it will also be provided to prospective residential developers upon request.

#### ***Eight-Year Objectives***

- The City will regularly monitor the availability of sites zoned for residential uses to ensure sufficient capacity exists to accommodate Temecula's Regional Housing Need Allocation at all income levels for the duration of the planning period.
- The City will continue to maintain an inventory of sites suitable for residential development and provide that information online and to interested developers.
- The City will encourage the reservation of land that is currently designated for multiple-family development by providing the multi-family sites inventory to multi-family housing developers to solicit development interest. The City will update the multi-family sites inventory at least once a year.

- The City will continue to allow residential mixed use to be permitted at a density of at least 30 units per acre to encourage the construction of multi-family housing by right. In addition, the City will continue to provide appropriate flexible development standards such as increased building height and shared parking opportunities for developments with minimum densities of 20 dwelling units per acre in the Zoning Ordinance.
- The City will continue to promote its Affordable Housing Overlay (AHO) Zoning District, which is applicable to over 100 acres in the City and has resulted in the approval of multiple affordable housing projects during the prior planning period. Information related to the AHO will continue to be provided online and proactively to affordable housing developers working in and around the City of Temecula. As part of preapplication meetings (which are provided at no charge), the City will continue to educate the development community on the AHO and highlight the opportunities to develop affordable housing in the City of Temecula.

#### ***Responsible Agencies***

- Planning Department

#### ***Funding Sources***

- Departmental Budget

#### ***Timeframe***

- Ongoing implementation and annual reporting throughout the planning period

## **2. Maintain Adequate Sites Throughout the Planning Period**

The City will monitor the consumption of residential acreage, including review of proposed General Plan amendments, Zoning map amendments, and development projects, to ensure an adequate inventory is available to meet the City's 2021-2029 RHNA obligations. The City will develop and implement a monitoring procedure pursuant to Government Code Section 65863 and will make the findings required by that code section if a site is proposed for development with fewer units or at a different income level than shown in the Housing Element. Should an approval of development result in a reduction of capacity below the residential capacity needed to accommodate the remaining need for lower income, moderate, or above



moderate income households, the City will identify and, if necessary, rezone sufficient sites within 180 days to accommodate the shortfall and ensure “no net loss” in capacity to accommodate the RHNA, consistent with State law. Any site rezoned will satisfy the adequate site requirements of Section 65583.2 and will be consistent with the City’s obligation to affirmatively further fair housing.

### ***Eight-Year Objectives***

- Review each housing approval on sites listed in the Housing Element and make findings required by Government Code Section 65863 if a site is proposed with fewer units or a different income level than shown in the Housing Element.
- If insufficient suitable sites remain at each income level, identify and, if necessary, rezone sufficient sites within 180 days.
- Identify additional sites that may be required to be upzoned to meet “no net loss” requirements for Housing Element adoption in 2025 (a mid-cycle review). Any site identified to be upzoned will satisfy the adequate site requirements of Section 65583.2 and will be consistent with the City’s obligation to affirmatively further fair housing.
- Report as required through the HCD annual reporting process.

### ***Responsible Agencies***

- Planning Department

### ***Funding Sources***

- Departmental Budget

### ***Timeframe***

- Ongoing implementation, at time of approval of a project on a site listed in the Housing Element, and annual reporting throughout the planning period

## **3. Public Property Conversion to Housing Program**

The City will maintain a list of surplus City-owned lands, including identification of address, APN, General Plan land use designation, zoning, current use, parcel size, and status of and (surplus land or exempt surplus land). The City will work with non-profits and other public agencies to

evaluate the feasibility of transferring surplus City-owned lands identified to be feasible for conversion to affordable housing and not committed to other City purposes for use in the development of affordable housing by the private sector. The inventory will be updated annually in conjunction with the APR (Program 1). Any disposition of surplus lands shall be conducted consistently with the requirements of Government Code Section 54220 et. seq.

#### ***Eight-Year Objectives***

- Maintain an accurate list of surplus City-owned lands for the duration of the planning period
- Collaborate with developers of affordable housing to explore opportunities to develop affordable housing at City-owned lands

#### ***Responsible Agencies***

- Planning Department

#### ***Funding Sources***

- Departmental Budget and federal and State technical assistance grants

#### ***Timeframe***

- Annually

### **4. Replacement of Affordable Units**

Consistent with the requirements of Government Code Section 65583.2(g), development projects on sites in the housing inventory (Appendix A) that have, or have had within the past five years, residential uses restricted to rents affordable to low or very low income households or residential uses occupied by low or very low income households, shall be conditioned to replace all such units at the same or lower income level as a condition of any development on the site and such replacement requirements shall be consistent with Section 65915(c)(3).

#### ***Eight-Year Objectives***

- Identify need for replacement for all project applications and ensure replacement, if required, is carried out

### ***Responsible Agencies***

- Planning Department

### ***Funding Sources***

- Departmental Budget; replacement costs to be borne by development of any such site

### ***Timeframe***

- Ongoing

## **5. Accessory Dwelling Units**

Accessory dwelling units (ADUs) and junior accessory dwelling units (JADUs) help meet the City's housing needs for all income levels and also provide a housing resource for seniors and low- and moderate-income households throughout the entire community, not just in any single geographic area. The City will continue to apply Development Code regulations that allow accessory units (also known as second units or granny flats) by right in all residential zones, in accordance with State law. The City of Temecula will continue to amend the ordinance based on future changes to State law and work with HCD to ensure continued compliance with State law. The City will also continue to monitor the extent of ADU production to ensure that the ordinance modifications are successful and that the Housing Element goals can be met.

### ***Eight-Year Objectives***

- Survey and evaluate potential methods to encourage ADU development throughout the community and adopt appropriate procedures, policies, and regulatory provisions.
- Monitor State law for future updates to ADU regulations and update the City's Development Code to be consistent with future updates as needed.
- Continue educating the community on the opportunity to develop ADUs and promote the development of ADUs affordable to lower-income households.
- Prepare and adopt "permit ready" ADU plans to promote the development of ADUs in all geographic areas of the City.

### ***Responsible Agencies***

- Planning Department

### ***Funding Sources***

- Departmental Budget

### ***Timeframe***

- Adopt “permit ready” ADU plans by December 31, 2022; ongoing education of ADU development options and distribution of material online and at City Hall

## **Assist in the Development of Affordable and Special Needs Housing (Goal 2)**

New construction is a major source of housing for prospective homeowners and renters. However, the cost of new construction is substantially greater than other program options. Incentive programs, such as density bonuses, offer a cost-effective means of providing affordable housing. Other programs, such as the County’s First Time Home Buyer Program, increase the affordability of new and existing housing. Additionally, the programs to work with the development community to promote the production of housing suitable for persons with special needs can help ensure that equal opportunities are available for persons of different economic backgrounds and housing needs.

## **6. Density Bonus Ordinance**

The City will provide for density bonuses consistent with State law, including provisions for density bonuses and incentives for projects that contain 100% very low and low income units. The City will monitor State law updates which impact density bonuses and will update local plans and programs as necessary.

### ***Eight-Year Objectives***

- Continue to encourage density bonus opportunities which increase the total allowable density for senior and affordable housing projects.
- Monitor State law for updates to density bonus regulations and update the City’s Development Code as needed.

### ***Responsible Agencies***

- Planning Department

### ***Funding Sources***

- Departmental Budget

### ***Timeframe***

- Ongoing implementation

## **7. Land Assemblage and Affordable Housing Development**

The City can utilize CDBG funds to purchase land for the development of lower- and moderate-income housing.

### ***Eight-Year Objectives***

- The City will continue to acquire land for use in the provision of affordable housing.
- The City will facilitate the development of housing units affordable to lower-income households by publicizing its density bonus program and its incentives, and by making this information available to developers and nonprofit housing agencies through the development application process.

### ***Responsible Agencies***

- Planning Department

### ***Funding Sources***

- CDBG Funds

### ***Timeframe***

- Ongoing, as projects are processed through the Planning Department. The City will publicize program incentives on the City's website on an on-going basis. The City will acquire land if, and when, the City has available funds to do so. The City will begin a project if and when funds are secured to do so.

## **8. Housing for Extremely Low-Income Households**

Under state law, the City shall identify zoning to encourage and facilitate housing suitable for extremely low-income households, such as supportive housing and efficiency unit housing. The City allows Efficiency Unit Housing in the Medium and High Density Residential zoning districts and conditionally permits them in the Community Commercial and Professional Office zones.

### ***Eight-Year Objectives***

- The City will encourage the development of housing for extremely low-income households through a variety of activities, such as conducting outreach to housing developers on an annual basis, providing financial assistance (when feasible) or in-kind technical assistance or land write-downs, providing expedited processing, identifying grant and funding opportunities, applying for or supporting applications for funding on an ongoing basis, reviewing and prioritizing local funding at least twice in the planning period, and/or offering additional incentives beyond the density bonus.

### ***Responsible Agencies***

- Planning Department

### ***Funding Sources***

- Departmental Budget

### ***Timeframe***

- Ongoing, as projects are processed through Planning Department and annual outreach with local developers

## **9. Special Needs Housing Construction**

Special needs housing developers work to ensure housing opportunities are available that are accessible to and supportive of persons and households with special needs, such as persons with developmental disabilities. The City will continue to encourage qualified housing developers to pursue development of housing that addresses populations with special housing needs in the City. The City will continue to collaborate with housing developers, specifically special needs housing developers, to identify potential sites, write letters of support to help secure governmental and private-sector

funding, and offer technical assistance related to the application of City incentive programs (e.g., density bonus).

#### ***Eight-Year Objectives***

- The City will advise developers regarding the community's special needs populations and work with developers to promote the inclusion of product types and units that meet the needs of the City's special needs groups.

#### ***Responsible Agencies***

- Planning Department

#### ***Funding Sources***

- Departmental Budget

#### ***Timeframe***

- Contact with developers at least annually and on an ongoing basis to implement the above objectives

### **10. Mortgage Credit Certificate Program**

The Mortgage Credit Certificate (MCC) program is administered countywide by the County of Riverside Economic and Development Agency (EDA) and is a way for the City to further leverage homeownership assistance. MCCs are certificates issued to income-qualified first time home buyers authorizing the household to take a credit against federal income taxes of up to 20% of the annual mortgage interest paid. This tax credit allows the buyer to qualify more easily for home loans as it increases the effective income of the buyer.

#### ***Eight-Year Objectives***

- The City will continue to promote the regional Mortgage Credit Certificate program to assist an average of ten households annually by publicizing the program and making the program known to developers and nonprofit housing agencies.

#### ***Responsible Agencies***

- Planning Department

### *Funding Sources*

- Departmental Budget

### *Timeframe*

- Ongoing

## **11. Energy Conservation and Energy Efficiency**

The City will encourage the use of energy conservation features in residential construction and remodeling.

### *Eight-Year Objectives*

- The City will partner with Southern California Edison (SCE) and the Southern California Gas Company (SoCalGas) to promote energy-saving programs such as the Residential Multifamily Energy Efficiency Rebate program, the Heating and Cooling Rebate program, and incentives of up to \$4,000 available to SCE and SoCalGas residential customers.
- The City will annually ensure that local building codes are consistent with state-mandated green building standards.
- The City will be responsible for implementing the state's energy conservation standards (e.g., Title 24 Energy Standards). This includes checking building plans and other written documentation showing compliance and inspecting construction to ensure that the dwelling units are constructed according to those plans. Applicants for building permits must show compliance with the state's energy conservation requirements at the time building plans are submitted.
- The City will review the General Plan to determine if updates are needed to support and encourage energy efficiency in existing and new housing, especially in areas of the City with lower CalEnviroScreen scores which may suffer from elevated levels of environmental burdens.

### *Responsible Agencies*

- Planning Department

### *Funding Sources*

- Departmental Budget



### ***Timeframe***

- Ongoing, as programs are available. Annually review local building codes, as projects are processed through Planning Department and annual outreach with local developers

## **Remove Constraints to Housing Production(Goal 3)**

Under state law, the Temecula Housing Element must address, and where appropriate and legally possible remove, governmental constraints to the maintenance, improvement, and development of housing. The City must also consider the role of nongovernmental constraints to housing development and, to the extent feasible, develop programs to reduce the impacts of nongovernmental constraints. The following programs are designed to lessen constraints to housing development.

## **12. Development Fees**

Developers of affordable/senior housing may qualify to receive from the City of Temecula a deferral of development fees, reduction of development fees, or a reimbursement of development fees paid by the developer. Typically, developers of affordable/senior housing pay the City the required development fees. If the development qualifies for a deferral of development fees or a reimbursement of development fees, the developer enters into a contract with the Agency, which then sets the terms of the deferral or reimburses the developer for the fees paid.

### ***Eight-Year Objectives***

- The City of Temecula will continue to enter into development agreements with qualifying senior/affordable housing projects on a case-by-case basis to provide deferral, reduction, and/or reimbursement of development fees.

### ***Responsible Agencies***

- Planning Department

### ***Funding Sources***

- CDBG

### ***Timeframe***

- Ongoing, as projects are processed through the Planning Department

### **13. Expedite Processing of Affordable Housing Projects**

Under state housing law, residential projects with an affordable component have priority processing when it comes to the provision of water service from water purveyors. Similarly, the City of Temecula will continue to expedite processing of affordable housing projects.

#### ***Eight-Year Objectives***

- The City will continue to implement expedited review to all projects with an affordable housing component.
- The City will need to develop objective criteria to evaluate affordable housing projects to qualify them for expedited processing.
- The City will continue to prioritize projects based on the level of affordability being proposed in order to meet its regional housing need.

#### ***Responsible Agencies***

- Planning Department

#### ***Funding Sources***

- Departmental Budget

#### ***Timeframe***

- Ongoing, as projects are processed through the Planning Department. The City already prioritizes affordable housing project processing. The City will advertise via the City's website.

### **14. Emergency Shelters and Transitional/Supportive Housing**

The Temecula Development Code provides for the provision of emergency shelters and transitional/supportive housing within the City consistent with State law.

#### ***Eight-Year Objectives***

- The City will continue to permit emergency shelters and transitional/supportive housing as identified in the Development Code consistent with Government Code requirements.

- The City will continue to work with public agencies and private entities to provide adequate resources for the community's homeless population. The City will also, to the extent feasible, participate in efforts to unite organizations and entities that provide services to the homeless.

#### ***Responsible Agencies***

- Planning Department

#### ***Funding Sources***

- Departmental Budget

#### ***Timeframe***

- Ongoing implementation and annual reporting throughout the planning period

### **15. Periodic Consistency Review of General Plan, Municipal Code, and State Law**

To minimize governmental constraints due to inconsistencies between the City's General Plan, Municipal Code, California codes, state law, or regulatory requirements, the City will conduct a biannual review of the Municipal Code and General Plan to ensure internal consistency and to ensure consistency with legislative and regulatory amendments, adoption of new state laws, and policy changes resulting from case law.

#### ***Eight-Year Objectives***

- City staff will track and stay abreast of changes in state housing law and work with the City Attorney to incorporate changes into the General Plan and Municipal Code in order to reduce or remove housing constraints.
- The City Attorney will advise staff on significant case law interpretations that may cause the need to amend the General Plan or Municipal Code.

#### ***Responsible Agencies***

- Planning Department

### *Funding Sources*

- Departmental Budget

### *Timeframe*

- Biannually review for consistency

## **16. Zoning Code Amendments – Housing Constraints**

The City shall update the Zoning Code to remove constraints to a variety of housing types and ensure the City's standards and permitting requirements are consistent with State law. The update shall address the following:

- A. **Low barrier navigation centers:** The Zoning Code shall be updated to define and permit low barrier navigation centers consistent with the requirements of Government Code Sections 65660 through 65668, including treating low barrier navigation centers as a use by right in areas zoned for mixed use and nonresidential zones permitting multifamily uses.
- B. **Agricultural worker housing:** The Zoning Code will be updated to define agricultural worker housing and to identify that any agricultural worker housing consisting of no more than 36 beds in a group quarters or 12 units or spaces shall be deemed an agricultural land use and permitted in the same manner as agricultural uses consistent with Health and Safety Code Section 17021.6. The Zoning Code will also be updated to provide for streamlined, ministerial approval of agricultural worker housing that meets the requirements of Health and Safety Code Section 17021.8.
- C. **Employee housing:** The Zoning Code will be updated to define employee housing separately from agricultural worker housing and to clarify that employee housing serving six or fewer employees shall be deemed a single family structure and shall be subject to the same standards for a single family residence in the same zone.
- D. **Streamlined and ministerial review for eligible affordable housing projects:** The Zoning Code will be updated to ensure that eligible multifamily projects with an affordable component are provided streamlined review and are only subject to objective design standards consistent with relevant provisions of SB 35 and SB 330 as provided by applicable sections of the Government Code, including but not limited to Sections 65905.5, 65913.4, 65940, 65941.1, 65950, and 66300. State law defines objective design standards as those that

“involve no personal or subjective judgement by a public official and are uniformly verifiable by reference to an external and uniform benchmark or criterion available and knowable by both the development applicant and public official prior to submittal.”

- E. **Emergency shelter parking:** The Zoning Code will be updated to require sufficient parking to accommodate all staff working in the emergency shelter, provided that the standards do not require more parking for emergency shelters than other residential or commercial uses within the same zone, in compliance with AB 139.
- F. **Accessory Dwelling Units in PDO Zones:** The City will amend Planning Development Ordinance Zones 2 and 7 to specifically allow for Accessory Dwelling Units consistent with State law.

#### *Eight-Year Objectives*

- Ensure that the City’s Zoning Code is consistent with State law and update the Zoning Code as needed to comply with future changes.

#### *Responsible Agencies*

- Planning Department

#### *Funding Sources*

- Departmental Budget

#### *Timeframe*

- Zoning Code Amendments adopted by February 2023

### **Conserve and Improve Existing Housing Stock (Goal 4)**

A community’s existing affordable housing stock is a valuable resource that should be conserved and, if necessary, improved to meet habitability requirements.

### **17. Preserve At-Risk Housing Units**

The City of Temecula will implement the following programs on an ongoing basis to conserve the community’s affordable housing stock.

- a. **Monitor Units At Risk:** Monitor projects at risk of converting to market rate within the planning period.

- b. Work with Potential Purchasers:* Establish contact with public and nonprofit agencies interested in purchasing and/or managing units at risk.
- c. Tenant Education:* The California Legislature passed AB 1701 in 1998, requiring that property owners give a nine-month notice of their intent to opt out of low-income restrictions. The City will work with tenants of at-risk units and provide them with information regarding tenant rights and conversion procedures. The City will also provide tenants with information regarding Section 8 rent subsidies through the Riverside County Housing Authority and other affordable housing opportunities.
- d. Assist Tenants of Existing Rent-Restricted Units to Obtain Priority Status on Section 8 Waiting List:* Work with the Riverside Housing Authority to place tenants displaced from at-risk units on a priority list for Section 8 rental assistance.

#### *Eight-Year Objectives*

- The City will monitor the status of affordable projects at risk of converting to market rate.
- The City will identify nonprofit organizations as potential purchasers/managers of at-risk housing units.
- The City will explore funding sources available to preserve the affordability of projects at risk of converting to market rate or to provide replacement units.
- The City will assist qualified tenants to apply for priority status on the Section 8 voucher/certificate program immediately should the owners of the at-risk project choose not to enter into additional restrictions.

#### *Responsible Agencies*

- Planning Department and Riverside Housing Authority

#### *Funding Sources*

- CDBG Funds, and Section 8 Vouchers/ Certificates

#### *Timeframe*

- Annually monitor

## **18. Code Enforcement**

While the majority of the existing housing stock in Temecula is less than 30 years old, there is a need to enforce housing maintenance for some of the older housing units. The City implements a code enforcement program to correct housing and building code violations. The City has adopted and enforces the Uniform Building Code (UBC).

### ***Eight-Year Objectives***

- The City will continue to seek voluntary compliance for code-related issues and violations to enforce the UBC and offer information regarding the City's housing rehabilitation programs to low- and moderate-income households cited for code violations.

### ***Responsible Agencies***

- Planning Department

### ***Funding Sources***

- Departmental Budget

### ***Timeframe***

- Ongoing

## **19. Residential Improvement Program**

The City adopted a Five-Year Consolidated Plan and became a CDBG Entitlement City as of July 2012. The Five-Year Consolidated Plan includes funding a new Residential Improvement Program with CDBG funds.

### ***Eight-Year Objectives***

- The City will utilize CDBG funds or other funds, as available, to provide financial assistance for minor repairs of homes owned and occupied by lower-income homeowners. Eligible repairs include plumbing, electrical, painting, carpentry, roof repairs, and masonry work.

### ***Responsible Agencies***

- Planning Department

### ***Funding Sources***

- CDBG Funds

### ***Timeframe***

- Ongoing, as funding is available

## **20. Section 8 Rental Assistance Program**

The Section 8 rental assistance program extends rental subsidies to very low-income families and the elderly that spend more than 30% of their income on rent. The Section 8 certificate subsidy represents the difference between the excess of 30% of the monthly income and the actual rent (up to the federally determined Fair Market Rent (FMR)). Most Section 8 assistance is issued to recipients as vouchers, which permit tenants to locate their own housing and rent units beyond the FMR, provided the tenants pay the extra rent increment.

The City contracts with the Riverside County Housing Authority to administer the Section 8 Certificate/Voucher Program.

### ***Eight-Year Objectives***

- The City will continue to contract with the County of Riverside to administer the Section 8 Rental Assistance Program and provide rental assistance to at least 105 very low-income Temecula households.
- The City will support the County of Riverside's applications for additional Section 8 allocation.
- The City will promote the Section 8 program to second unit owners by publicizing this program and making the information known to City and County agencies and to housing nonprofits.

### ***Responsible Agencies***

- Planning Department

### ***Funding Sources***

- HCD Section 8 allocations

### ***Timeframe***

- Ongoing



## **21. Mobile Home Assistance Program (MPAP)**

To preserve affordable housing opportunities found within mobile home parks, the California Department of Housing and Community Development (HCD) provides financial and technical assistance to low-income mobile home park residents through the Mobile Home Assistance Program (MPAP). The MPAP provides loans of up to 50% of the purchase price plus the conversion costs of the mobile home park so that low-income residents or organizations formed by low-income residents can own and/or operate the mobile home park.

Heritage Mobile Home Park is the only mobile home park in Temecula. The owners have indicated that they intend to operate the park indefinitely. In the event that the owners decide to close the park, the City will work with the tenants to acquire funding through the MPAP program.

### ***Eight-Year Objectives***

- The City will provide technical assistance to Heritage Mobile Home Park residents in pursuing MPAP funds in the event that the owners propose to close the mobile home park.

### ***Responsible Agencies***

- Planning Department

### ***Funding Sources***

- Departmental Budget

### ***Timeframe***

- Ongoing, as funding is available

## **Affirmatively Further Fair Housing (Goal 5)**

The City of Temecula is committed to implementing programs that affirmatively further fair housing.

## **22. Equal Housing Opportunity**

In order to make adequate provision for the housing needs of all economic segments of the community, the housing program must include actions that affirmatively further fair housing and promote housing opportunities for all persons regardless of race, religion, sex, family size, marital status, ancestry, national origin, color, age, disability, or other protected characteristics.

The Riverside County Consortium, of which the City is a member, has adopted an Analysis of Impediments (AI) to Fair Housing Choice and has conducted fair housing planning to implement the recommendations identified in the AI.

The Fair Housing Program of Riverside County maintains a comprehensive approach to affirmatively further and ensure equal access to housing for all persons. The three major components of this approach are education, training/technical/consultant assistance, and fair housing rights assistance.

The Fair Housing Program of Riverside County is also an advocate for affordable housing, legislative reform, local compliance, and research projects relative to fair housing and human rights issues. The agency works with the California Department of Fair Employment and Housing and HUD in the referral, enforcement, and resolution of housing discrimination cases.

In 2017, the City prepared an Assessment of Fair Housing which included a thorough analysis of fair housing issues and goals and programs related to affirmatively furthering fair housing. This Assessment is included as Appendix D to the Housing Element and provides a detailed roadmap for addressing fair housing issues. The Housing Plan includes the City's 2017 Assessment of Fair Housing by reference and directs the City to implement the programs identified therein in accordance with the Assessment's direction.

### ***Eight-Year Objectives***

- Temecula will continue to participate in the Riverside County Consortium in implementing the fair housing plan.
- The City will place fair housing brochures at City counters, public libraries, the Temecula Community Center, and the Temecula Community Recreation Center. Material will be provided in English and Spanish. Copies will also be made available for other venues as requested or identified at later dates.
- The City will continue to post information regarding fair housing services on the City website. Information will be provided in English and Spanish. Future fair housing workshops can also be advertised on the City website.
- The City will continue to provide referral services to the Fair Housing Program of Riverside County for residents inquiring about fair housing issues.

- The City will continue to update its fair housing brochures to conform to state law.
- The City will undertake ongoing efforts to educate the public about affordable housing.
- The City will work with the Fair Housing Program of Riverside County to identify any specific geographic areas in the City which have higher levels of discrimination claims and will target outreach and education to these areas.
- The City will continue to utilize CDBG funds to affirmatively further fair housing choice through the provision of fair housing education, counseling, anti-discrimination and landlord-tenant mediation services and to provide equal housing opportunities for protected classes.
- Implement the programs identified in the City of Temecula 2017 Assessment of Fair Housing

#### ***Responsible Agencies***

- Planning Department

#### ***Funding Sources***

- Departmental Budget

#### ***Timeframe***

- Ongoing

### **23. Housing Referral Directory**

The City provides housing referral services through its Housing Referral Directory. People contacting the City are provided information on housing projects offering housing specific to a person's needs.

#### ***Eight-Year Objectives***

- The City will continue to offer housing referral services through its Housing Referral Directory.

#### ***Responsible Agencies***

- Planning Department

### ***Funding Sources***

- Departmental Budget

### ***Timeframe***

- Ongoing, as funding is available

## **24. Economic Displacement Risk Analysis**

The City of Temecula can reduce the impact of displacement when it occurs by preventing practices that increase or enable displacement. To determine if market force economic displacement is occurring due to development of new housing, increased housing costs, or other factors, the City will conduct a study to determine if individuals and families are being displaced and to evaluate local conditions that may contribute to displacement. The study will analyze gentrification locally and will assess how new development and community investments may potentially influence displacement. If this study shows that displacement is occurring, the City will develop an action program based on the identified causes of displacement, including specific actions to monitor and mitigate displacement. Annual review of the action program may result in modifications to further reduce displacement risk. This program addresses the fair housing issue of disproportionate housing needs, including displacement risk.

### ***Eight-Year Objectives***

- Conduct a Displacement Risk Analysis Study to identify the local conditions that lead to displacement and develop and implement an action program based on the results. Identify potential partners to participate in the study that specialize in eviction-related topics related to displacement. Annually monitor program effectiveness.

### ***Responsible Agencies***

- Planning Department

### ***Funding Sources***

- Departmental Budget

### *Timeframe*

- Conduct study by December 31, 2023 and begin to establish resulting programs by June 1, 2024. Ongoing implementation and annual reporting throughout the planning period.

### **Promote Public Participation (Goal 6)**

The City of Temecula values the role the public plays in planning for fair and equitable housing options for current and future residents.

### **25. Housing Element Monitoring and Reporting**

To ensure that the housing programs identified in this Housing Element are implemented and achieve their goals, an accurate monitoring and reporting system is required.

Service agencies receiving CDBG funding from the City are required to report on their program accomplishments at least annually. Records from service agencies help the City assess the extent of housing and supportive service needs, particularly regarding special needs populations.

The City is also required to submit annual reports to the state addressing its success in implementing the General Plan and Housing Element. These reports provide decision-makers with useful information regarding how successful the housing programs are in meeting the needs of the community.

### *Eight-Year Objectives*

- The City will continue to require that service agencies report their accomplishments annually. This information will be used by the City to assess the community's housing needs and how well these needs are being met by the existing programs.
- The City will continue to submit annual reports to the state assessing the implementation of the General Plan and Housing Element.

### *Responsible Agencies*

- Planning Department

### *Funding Sources*

- Departmental Budget and CDBG Funds

### *Timeframe*

- Annually

## II. QUANTIFIED OBJECTIVES

State law requires the Housing Element to include quantified objectives for the maximum number of units that can be constructed, rehabilitated or conserved. Policies and programs establish the strategies to achieve these objectives. The City's quantified objectives are described under each program, and represent the City's best effort in implementing each of the programs. Assumptions are based on past program performance and funding availability, construction trends, land availability, and future programs that will enhance program effectiveness and achieve full implementation of the City's housing goals.

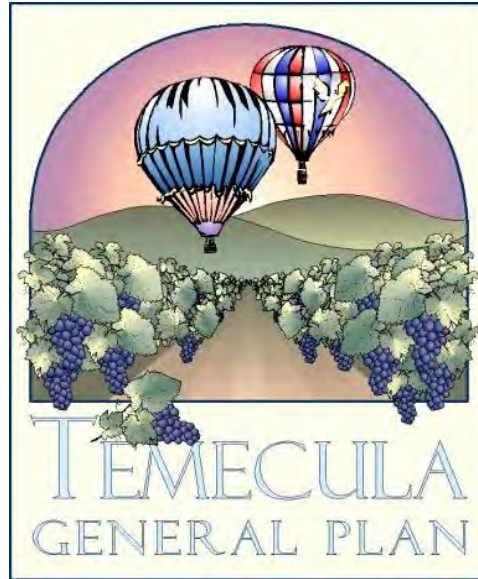
The new construction objectives shown in the table are based on the City's RHNA for the 2021-2029 planning period for very low-, low and moderate-income housing, historic trends, and expectations for new second units. Rehabilitation and conservation objectives are based on specific program targets, including such programs as use of Section 8 rental housing vouchers.

The table below summarizes the City's quantified objectives for housing during the 2021-2029 planning period.

*Table 1: Quantified Objectives 2021-2029*

Income Category	New Construction	Rehabilitation	Conservation/ Preservation
Extremely Low	136	0	180
Very Low	136	35	
Low	240	0	
Moderate	622	0	0
Above Moderate	1,004	0	0
<b>Totals</b>	<b>2,138</b>	<b>35</b>	<b>180</b>

# CITY OF TEMECULA GENERAL PLAN HOUSING ELEMENT PART 2: BACKGROUND REPORT



CYCLE 6 HOUSING ELEMENT UPDATE

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PUBLIC DRAFT



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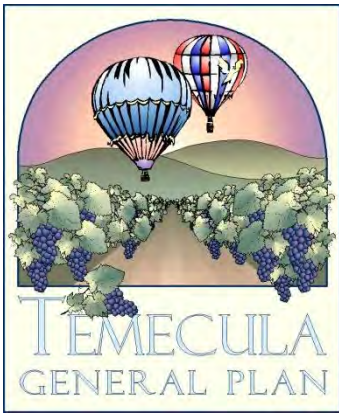
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- Appendix C – Public Engagement Summary
- Appendix D – 2017 Assessment of Fair Housing, Temecula





# HOUSING ELEMENT

## I. INTRODUCTION

### A. Community Context

Nestled in Temecula Valley in southwestern Riverside County, just north of the San Diego County line, sits the City of Temecula, which was incorporated in 1989. Having grown from a modest initial incorporated population of 27,099, the City of Temecula is currently home to approximately 112,000 residents in an area of roughly 30 square miles. The City is bounded by the City of Murrieta to the north, unincorporated areas within the County of Riverside to the east, west, and south, and unincorporated areas within the County of San Diego to the south. Regional access to the City is provided by Interstate 15, a north/south freeway that connects the Inland Empire region of Riverside and San Bernardino counties to San Diego County, and State Route 79, a primarily east/west highway (although it runs concurrent with I-15 through the City of Temecula) that links Interstate 10 with Interstate 15, and links Temecula to communities further east in unincorporated Riverside and San Diego counties.

Since its early beginning, the Temecula Valley has always been a place where the combination of mild climate and beautiful rolling hills have attracted human settlement. The hillsides were the home of the Temecula Indians, the first residents of the area. Ancestors of the Temecula Indians were in this area as early as 900 A.D. The native people from here to the coast who shared the same language and culture became commonly known as the Luiseños, because many of their villages were once under the influence of Mission San Luis Rey.

Temecula's modern European history began in the 1800s, when Old Town Temecula played an important role as a stop along the Butterfield Overland stagecoach line, which was to run between St. Louis and San Francisco. Old Town Temecula is the historic core of the City and is located in its western portion. Change from a small agricultural community to an urbanized City began in earnest in 1964 when Kaiser Aluminum and Chemical purchased the 87,500-acre Vail Ranch. Development of the ranch occurred under the design of a master plan that continues to influence the land use pattern and circulation system of Temecula today. While much of the City's development pattern has been guided by master plans over the past 50 years, as the City looks to

accommodate a new generation of residents, future development will occur in line with new master plans (including “Specific Plans”) which set the framework for more diverse communities which offer a broader range of housing and lifestyle choices. Moreover, while there continues to be vacant land left to develop in Temecula, the majority of it is currently entitled, under construction, or undevelopable; looking forward, the City is excited to plan for and implement strategic programs which reflect this new development pattern.

## **B. State Policy and Authorization**

State Housing Law (Government Code Section 65583) requires that a “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, and mobile homes, and shall make adequate provision for the existing and projected needs of all economic segments of the community.” This report is an update of the Housing Element adopted by the City in 2013.

The assessment and inventory must include all of the following:

- Analysis of population and employment trends, documentation of projections, and a quantification of the locality's existing and projected housing needs for all income levels. Such existing and projected needs shall include the locality's share of the regional housing need in accordance with Section 65584 of the Government Code.
- Analysis and documentation of household characteristics, including level of payment compared to ability to pay, housing characteristics, including overcrowding, and housing stock condition.
- An inventory of land suitable for residential development, including vacant sites and sites having potential for redevelopment, and an analysis of the relationship between zoning, public facilities, and city services to these sites.
- Analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels and for persons with disabilities, 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.

- Analysis of potential and actual non-governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the availability of financing, the price of land, the cost of construction, requests to develop housing at densities below the minimum densities in the inventory of sites, and the length of time between receiving approval for a housing development and submittal of an application for building permits that hinder the construction of a locality's share of the regional housing need.
- Analysis of any special housing needs, such as those of the elderly, disabled, including developmentally disabled, large families, farmworkers, families with female heads of households, and families and persons in need of emergency shelter.
- Analysis of opportunities for energy conservation with respect to residential development.
- Analysis of existing assisted multifamily rental housing developments that are eligible to change from low-income housing to market-rate during the next 10 years.

### **C. Organization of the Housing Element Background Report and Policy Document**

The City faces important housing issues such as preserving the historic traditions of the community, ensuring that new development is compatible with the existing character, providing a range of housing that meets the needs of all residents, ensuring that affordable housing is available to all segments of the community, and balancing employment with housing opportunities.

The Background Report of this housing element identifies the nature and extent of Temecula's housing needs, including those of special populations, potential housing resources (land and funds), potential constraints to housing production, and energy conservation opportunities. By examining the City's housings, resources, and constraints, the City can then determine a plan of action for providing adequate housing. This plan is presented in the Housing Plan, which is the policy component of the Housing Element. In addition to identifying housing needs, the Background Report also presents information regarding the setting in which these needs occur. This information is instrumental in providing a better understanding of the community, which in turn is essential for the planning of future housing needs.

Since the update of the City's last Housing Element in 2013, statutory changes have occurred that must be included in the 2021-2029

Temecula Housing Element. These laws have been incorporated in the appropriate sections throughout this Background Report (Part 2 of the Housing Element) as well as in its accompanying Housing Plan (Part 1).

## **D. Relationship to Other General Plan Elements**

The Temecula General Plan comprises the following 10 elements: (1) Land Use; (2) Circulation; (3) Housing; (4) Open Space/Conservation; (5) Growth Management/Public Facilities; (6) Public Safety; (7) Noise; (8) Air Quality; (9) Community Design; and (10) Economic Development. Background information and policy direction presented in one element is also reflected in other General Plan elements. For example, residential development capacities established in the Land Use Element are incorporated within the Housing Element. The General Plan goals and policies were reviewed for consistency with proposals recommended in this Housing Element update. This Housing Element builds upon other General Plan elements and is consistent with the goals and policies set forth by the General Plan. City staff maintains a conscious effort to ensure that revisions to any element of the General Plan achieve internal consistency among all General Plan elements.

The City also recognizes that recent changes to State laws require the updating of various elements of the General Plan, upon update of the Housing Element, to address the following issues:

- Required amendment to address flood hazards and flood management, fire hazards, sea level rises, and other climate change-related issues.

## **E. Data Sources and Glossary**

The data used for the completion of this Housing Element comes from a variety of sources, including the United States Census, the American Community Survey, Comprehensive Housing Affordability Strategy (CHAS) data, various studies produced by the City of Temecula, the Southern California Association of Governments (SCAG) approved data set, the California Department of Finance, the California Department of Employment Development, local newspapers, and local real estate agents. These data sources represent the best data available at the time this Housing Element was prepared.

This Housing Element Background Report, along with the state-mandated requirements, includes a glossary of terms used in the element. This glossary has been included to allow readers to better



understand the terminology used in the Housing Element discussion; it can be found in Appendix B of this element.

## **F. Public Participation**

State law requires that “the local government shall make a diligent effort to achieve public participation of all economic segments of the community in the development of the housing element . . .” (Government Code Section 65583).

Residents of Temecula and other key community stakeholders have had, and will continue to have, several opportunities to provide input during the development of the Housing Element. In February 2020, the City launched its Housing Element Update website (TemeculaCA.gov/housing) to provide the community with an overview of the project, answer key questions, explain the Regional Housing Needs Allocation, and host links for community surveys and workshops.

### **Housing Survey**

- On March 26, 2020, the City released a robust Housing Survey to assess current conditions and better understand community priorities regarding housing in Temecula. By the time the survey was closed at the end of August 2020, the City had received over 850 responses. From March through August 2020, the City undertook the following activities to promote the Housing Element Update, educate the community regarding housing opportunities and challenges, and encourage participation in the Survey: Newsletter sent to every resident (approximately 33,000 addresses) which included an article about the Housing Element
- Numerous social media posts using the hashtag #HouseThis? resulting in 52,000 social media impressions/views and 729 social media impressions generated
- Emails sent to over 10,000 stakeholders
- Targeted advertisements shared with the Temecula Chamber and Southwest Riverside County Association of Realtors
- Advertisements and educational material shared on Channel 3 (local broadcast) and the City’s YouTube channel
- Paper copies of the Housing Survey were made available at City Hall, the Senior Center, area laundromats, and through the City’s Homeless Liaisons

The results of the Housing Survey were summarized in a Community Survey Report which was finalized in October 2020 and posted to the City's website for public review and consideration; the Community Survey Report is included as Appendix C.

### **Virtual Community Workshop**

In an effort to further educate the community regarding the Housing Element Update, the City hosted a live bilingual (English and Spanish) Virtual Community Workshop on September 23, 2020 using Zoom due to social distancing requirements related to the COVID-19 pandemic. The Virtual Community Workshop consisted of a recorded presentation providing an overview of the project, local housing conditions and socioeconomic information, and key issues and opportunities which will be addressed in the City's updated Housing Element. Videos of the English- and Spanish-language presentations (which included translated PowerPoint presentations) were made available on the City's website following the live presentation. As of June 1, 2021, the presentation has been viewed 131 times. This process, the City received the following general types of feedback:

- More affordable housing options should be available to meet the needs of all household incomes
- The historic character of Temecula should be preserved
- New residential growth should be balanced with new infrastructure improvements
- People who grow up in Temecula should be able to afford to continue to live here

### **Draft Housing Element Public Review**

The Draft Housing Element was circulated for a 30-day Public Review on August 17, 2021 (set to conclude on September 15, 2021). As part of this review period, the City hosted a community open house on August 17, 2021 to introduce the Draft Housing Element and solicit public feedback on the Housing Plan. The community open house was advertised on social media in English and Spanish and flyers were posted throughout the community in both languages. Through this process, the City received the following feedback, which is also detailed in Appendix C:

- To be summarized upon conclusion of Public Review

## Stakeholder Engagement

The City mailed or emailed meeting notification letters to numerous stakeholders and interested parties, including:

- Affirmed Housing
- Amcal Housing
- Assistance League of Temecula Valley
- Atria Senior Living
- Autism Society Inland Empire
- Birth Choice
- Boys and Girls Club of Southwest County
- Bridge Housing
- Building Industry Association
- California Apartment Association Inland Empire
- California State University San Marcos, Temecula
- Canine Support Teams
- Catholic Charities
- Chemo Buddies 4 Life
- Circle of Care Ministries
- City of Murrieta
- City of Temecula
- CityNet
- Coachella Valley Housing Coalition
- Community Access Center
- Community Mission of Hope
- Comprehensive Autism Center
- County of Riverside Department of Social Services
- County of Riverside Economic Development Agency
- County of Riverside Health Department
- Court Appointed Special Advocate of Riverside County
- Desert AIDS
- Economic Development of Southwest California
- Fair Housing Counsel of Riverside County, Inc.
- Foothill AIDS
- Go Banana
- GRID Alternatives
- Habitat for Humanity Inland Valley
- Health to Hope
- Hitzke Consulting
- Homeowners Associations
- Hospice of the Valleys
- Housing Authority of the County of Riverside
- Inland Regional Center
- John Stewart Company
- Ken Follis
- League of Women Voters

- Love of Christ Fellowship Church
- Michelle's Place
- Mission Village Apartments
- OC YMCA
- Our Nicholas Foundation
- Path of Life Ministries
- Pechanga Casino
- Project Touch
- Rancho Community Church
- Rancho Damacitas
- Rancho en Espanol
- Riverbank Village Apartments
- Riverside City and County CoC
- Riverside County Office on Aging
- Riverside County Sheriff
- Riverside Transit Agency
- Riverside County Veterans Services
- Rose Again Foundation
- SAFE Alternatives for Everyone
- Safety Research Associates, Inc
- Smart Moms
- Solari Enterprises
- Southern California Council of Governments
- Southwest Riverside County Association of Realtors
- Southwest Workforce Development Center
- St. Catherine's Catholic Church
- State Council on Developmental Disabilities
- State of California Department of Housing and Community Development
- Temecula Homeless Coalition
- Temecula Murrieta Rescue Mission
- Temecula Valley Chamber of Commerce
- Temecula Valley Historical Society
- Temecula Valley Unified School District
- Temecula Valley Union School District Adult Transition Program
- Temecula Valley Winegrowers Association
- The Center for Life Change
- U.S. Vets Initiative
- VA Loma Linda Healthcare
- Various religious institutions
- Voice of Children
- Wells Fargo
- Western Riverside Council of Governments

## **Final Housing Element**

Also prior to adoption the Draft Housing Element a Notice of Public Hearing will be published in the local newspaper and a direct mailing sent to organizations representing the interests of low and moderate income households and persons with special needs

## **Other Comments Received**

The City has not yet received any other public comments on the Housing Element Update separate from those collected through the above mentioned engagement efforts.

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PUBLIC DRAFT

## II. ACCOMPLISHMENTS UNDER THE 5TH CYCLE HOUSING ELEMENT

The following sections reviews and evaluates the City's progress in implementing the 5th Cycle (2014-2021) Housing Element. This section also analyzes the difference between projected housing need and actual housing production.

### A. Review of 5<sup>th</sup> Cycle Housing Element

The 5th Cycle Housing Element program strategy focused on the accomplishment of policies and implementation of programs to provide adequate housing sites; assist in development of affordable housing; remove governmental constraints; conserve and improve existing affordable housing; and promote equal housing opportunity. The 5th Cycle Housing Element identified the following goals:

#### GOAL 1: Provide Adequate Housing Sites

Provide a diversity of housing opportunities that satisfy the physical, social, and economic needs of existing and future residents.

#### GOAL 2: Assist in Development of Affordable Housing

Provide affordable housing for all economic segments of Temecula.

#### GOAL 3: Remove Governmental Constraints

Remove governmental constraints in the maintenance, improvement, and development of housing, where appropriate and legally possible.

#### GOAL 4: Conserve and Improve Existing Affordable Housing

Conserve the existing affordable housing stock.

#### GOAL 5: Promote Equal Housing Opportunities

Provide equal housing opportunities for all residents in Temecula.

### B. Housing Production During 5th Cycle RHNA Period

The City's 5th Cycle Housing Element specifically addressed housing needs for the City from 2014 through 2021 and will continue to be implemented through October 2021, when the City's 6th Cycle Housing Element will be adopted.

**Table 1** below shows the total number of housing units built in the City during the 5th RHNA cycle to date and compares these units with the units required to be accommodated under the Regional Housing Needs Allocation (RHNA) provided by the Southern California Association of Governments (SCAG). During the 2014-2021 RHNA period, 1,604 units were constructed in the City and another 291 are under construction and will be delivered on or before June 30, 2021, as shown in **Table 1**. Between units built and under construction, the City will have delivered 1,895 housing units, 127% of its 5<sup>th</sup> Cycle RHNA.

**Table 1: Regional Housing Needs Allocation – 5th Cycle Progress**

Status	Extremely Low	Very Low	Low	Moderate	Above Moderate	Total
RHNA Allocation	187	188	251	271	596	1,493
Built	7	8	0	15	1,574	1,604
Under Construction/ Permitted	0	0	0	85	206	291
Remaining Allocation	180	180	251	171	0 (Surplus of 1,184 units)	0

Source: City of Temecula, 2021

### C. Appropriateness and Effectiveness of 5th Cycle Housing Element

The overarching goals and policies of the 5th Cycle Housing Element continue to be appropriate to encourage the City's housing goals. While most goals, policies, and programs included in the 5th Cycle Housing Element continue to be appropriate to address the City's housing needs, the Housing Plan will be updated to provide clearer guidance, to remove redundancies, and to provide more specific direction to encourage affordable and special needs housing at viable sites and affirmatively further fair housing. The Housing Plan will also be updated to streamline programs so that they are easier for staff to implement and to include a matrix of programs that includes mid-cycle timing priorities to make it easier to identify the applicability and timing of programs during the planning period. To improve the ease of use of the Housing Plan, the housing programs will be presented as a user-friendly table.



As discussed in **Table 2**, most housing programs have been effective or are necessary. The intent of these programs will be kept in the Housing Plan, with revisions to address identified specific housing needs, constraints, affirmatively furthering fair housing, or other concerns identified as part of this update. The City implemented many of the housing programs in the last several years and anticipates that these changes will further encourage workforce, affordable, and special needs housing.

The City of Temecula has a variety of affordable housing opportunities for all economic segments of the community. By partnering with government agencies, non-profit organizations, and private property owners, it works to create safe and affordable housing for all residents of our community. All the affordable housing units located within the City of Temecula are owned and managed by private property managers. The City maintains a robust “Affordable Housing Brochure” which is available online and at City Hall which catalogs all the City’s affordable multi-family rental units and provides the address, unit count, and contact information for each property.

The Housing Plan, included as Part 1 to the City’s updated Housing Element, included in this 2021-2029 Housing Element includes modifications to make programs more effective, clarify objectives, and ensure that the programs are implementable. See the Housing Plan provided for the goals, policies, and programs of this Housing Element.

While the City took a number of significant steps to promote housing during the prior planning period, including adopting General Plan Amendments that added over 3,000 additional residential units to the City’s housing stock, the experience of Temecula and other small communities throughout the State demonstrates that it is very difficult for local governments to meet their fair share housing goals for lower and moderate income housing when working alone. All cities, including Temecula, have limited financial and staffing resources and require substantial state and/or federal assistance, which is not always available at the levels necessary to support the City’s housing needs, as well as the technical assistance of area non-profit housing developers and agencies. Additionally, Temecula is also facing infrastructure constraints outside of its control, including an immediate need for I-15 improvements and other transportation improvements. As discussed below, the City has modified some of its existing programs to better reflect community priorities and meet state housing objectives, and has introduced a number of new programs to further address short- and long-term housing needs.

In order to develop an effective housing plan for the 2021–2029 period, the City must assess the effectiveness of its existing housing programs and determine the continued appropriateness of such programs in

addressing housing adequacy, affordability, and availability issues. This section evaluates the accomplishments of each program against the objectives established in the 5th Cycle Housing Element, explains any discrepancy in program achievements, and recommends programmatic changes to the 2021–2029 Housing Element.

**Table 2: 5th Cycle Program Evaluation**

Program	Eight-Year Objective	Progress/Effectiveness	Continue/Modify/Delete
<b>Provide Adequate Housing Sites</b>			
1. Land Use Element and Development Code	<ul style="list-style-type: none"> <li>The City will monitor the availability of sites zoned for residential uses to ensure sufficient capacity exists to accommodate Temecula's Regional Housing Need Allocation.</li> <li>The City will maintain an inventory of sites suitable for residential development (including underutilized commercial sites) and provide that information to interested developers.</li> <li>The City will encourage the reservation of land that is currently designated for multiple-family development by providing the multi-family sites inventory to multi-family housing developers to solicit development interest. The City will update the multi-family sites inventory at least once a year.</li> <li>The City will continue to allow residential mixed use to be permitted at a density of 30 units per acre to encourage the construction of multi-family housing by right. In addition, the City will continue to provide appropriate flexible development standards such as increased building height and shared parking opportunities for developments with minimum densities of 20 dwelling units per acre in the Zoning Ordinance.</li> <li>The City will address Zoning and General Plan Land Use Designation inconsistencies.</li> <li>To accommodate Temecula's regional housing need for units affordable to lower-</li> </ul>	<p>The City continues to monitor the availability of sites suitable for residential development and has maintained adequate capacity for the duration of the current planning period.</p> <p>The City maintains an inventory of suitable housing sites, including whether the site is developed or vacant, and provides this inventory to the development community via the City's online GIS dataset, which includes identification of vacant land.</p> <p>The City continues to allow residential mixed use projects to be developed at densities of at least 30 units per acre.</p> <p>In 2018 the City adopted its Affordable Housing Overlay (AHO) Zoning District (Chapter 17.21 of the Temecula Municipal Code). The purpose of the AHO is to facilitate the development of affordable multifamily housing, enable the city to meet its housing goals, and ensure that affordable housing developments will be compatible with surrounding land uses by establishing an affordable housing overlay zoning district. A property designated within the affordable housing overlay may be developed either in the manner provided by the AHO or in the manner provided in the underlying zoning district. Projects that comply with the requirements of the AHO are permitted by right. Two projects have been entitled in the AHO Zoning District and are moving forward with construction.</p>	Continue

	<p>income households totaling 2,007 (1381 4th cycle unaccommodated plus 626 for the 5th planning period), the City will establish an Affordable Housing Overlay (AHO) on the sites identified in Appendix B, applicable to at least 100 acres. After establishment of the AHO, sites identified in Appendix B will require the following:</p> <ul style="list-style-type: none"> <li>○ Minimum densities of 20 units per acre with a maximum allowable density of 30 units per acre under the AHO</li> <li>○ 50 percent of the remaining need (1,003 units) will be accommodated on sites allowing exclusively residential uses where no commercial or mixed used development is allowed.</li> <li>○ Multifamily uses at the densities established under the AHO will be allowed by right, without a CUP, planned development permit or other discretionary action pursuant to GC Section 65583.2 (h) and (i)</li> <li>○ If needed, the City will amend existing development standards to accommodate the increased allowable densities within the overlay areas.</li> </ul>		
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2. Sites for Emergency Shelters	<ul style="list-style-type: none"> <li>The City will continue to permit emergency shelters as identified in the Development Code.</li> <li>The City will continue to work with public agencies and private entities to provide adequate resources for the community's homeless population. The City will also, to the extent feasible, participate in efforts to unite organizations and entities that provide services to the homeless.</li> <li>The City will develop standards for emergency shelters consistent with Government Code Section 65583.</li> </ul>	<p>The City continued to work with the Riverside County Continuum of Care and other nonprofit organizations to provide resources for homeless persons seeking shelter. Several nonprofit agencies continue to provide referrals to housing facilities for the homeless in the Temecula Valley area.</p> <p>The City has utilized CDBG funds to Support a continuum of services in Riverside County to prevent and eliminate homelessness including, but not limited to, homelessness prevention programs, emergency shelter programs and transitional housing. Since July 1, 2017, the City has funded \$71,647 of CDBG funds towards the program administered through the Temecula Help Center and collaborative efforts to local Community Based Organization (CMOH – Community Mission of Hope). During the City's Consolidated Plan Cycle, which the City is in its 4th year of its 5-year plan the Program has assisted 453 persons on a projected goal of 350 persons for the 5-year cycle. The City has continued to focus on this need and continues to place the high importance on addressing the City's residents facing homelessness and those at risk of being homeless.</p> <p>Additionally, the City provides funding to help support Project TOUCH, a winter shelter operated out of the Roadway Inn in Temecula. For the 2020-2021 season, the City of Temecula provided financial assistance in the amount of \$10,000 and the facility provided shelter for 10-12 individuals per night.</p>	Continue
3. Sites for Transitional/Supportive Housing	<ul style="list-style-type: none"> <li>The City will amend the Temecula Municipal Code to ensure that supportive and transitional housing are treated as residential uses subject only to the same restrictions that apply to other residential dwellings of the same type in the same zone.</li> </ul>	<p>In April 2013 City amended the Municipal Code to require transitional/supportive housing to be subject to the same permit processing procedures as other housing in the same zone and to require SROs to be permitted by right within residential zones. In April 2013, the City Council adopted an Ordinance permitting transitional and supportive housing, as well as efficiency unit housing in residential zones.</p>	<p>Modify: The City has amended its Municipal Code as specified. The City will identify new objectives to ensure that sites continue to be available for transitional/supportive housing.</p>
Assist in Development of Affordable Housing			
4. Density Bonus Ordinance	<ul style="list-style-type: none"> <li>The City will establish a density bonus program consistent with State Density</li> </ul>	<p>In 2018 and 2020, the City adopted a density bonus program consistent with State Density Bonus Law</p>	Continue

	<p>Bonus Law (Government Code Section 65915).</p> <ul style="list-style-type: none"> <li>The City will inform residential development applicants through the pre-application process and/or through the Development Review Committee meeting of opportunities for density increases.</li> </ul>	<p>(Ordinance 18-10 and Ordinance No. 2020-05).</p> <p>The City continued to encourage density bonus opportunities which increase the total allowable density for senior and affordable housing projects.</p>	
5. Land Assemblage and Affordable Housing Development	<ul style="list-style-type: none"> <li>The City will continue to acquire land for use in the provision of affordable housing.</li> <li>The City will facilitate the development of housing units affordable to lower-income households by publicizing its density bonus program and its incentives, and by making this information available to developers and nonprofit housing agencies through the development application process.</li> </ul>	<p>The City approved one deed-restricted affordable housing developments during the 2017 calendar year. The project resulted in the construction of 15 new very low-income units. The City approved two deed-restricted affordable housing developments during the 2020 calendar year. Together, they will result in the construction of 131 affordable units.</p> <p>The City issued a Request for Proposals to develop various city-owned sites. One land purchase is underway (Uptown Sports District) for affordable housing development.</p> <p>The City actively participates in events and seminars with the development community in order to advertise and communicate our incentives. The City also promotes its Pre-application development process in which incentive information is provided in the initial planning of a future project.</p>	Continue
6. ADUs	<ul style="list-style-type: none"> <li>The City will continue to allow and promote the construction of affordable second units to result in the construction of ten new second units. The City will also promote the program by publicizing the program and notifying owners of underutilized residential property.</li> </ul>	<p>The City continued to allow and promote the construction of affordable second units. The City has developed a comprehensive website dedicated to sharing information about the opportunity to develop second units and is currently working on preparing permit-ready ADU plans (not yet complete).</p>	Continue
7. Mortgage Credit Certificate Program	<ul style="list-style-type: none"> <li>The City will continue to promote the regional Mortgage Credit Certificate program to assist an average of ten households annually by publicizing the program and making the program known to developers and nonprofit housing agencies.</li> </ul>	<p>The City continued to promote the MCC Program administered by the Riverside County Economic Development Agency (EDA). Two households were assisted under this program between 2014 and 2020.</p> <p>The City actively provides information about the MCC Program to the general public when inquiries about homebuyer assistance programs are received. Participation in the County's MCC</p>	Continue

		Program is approved by the City Council on an annual basis. Last year, an article about the program was published in a local newspaper.	
8. First Time Home Buyer (FTHB) Program	<ul style="list-style-type: none"> <li>The City will work with Riverside County to establish a consortium to participate in the County's FTHB program. The City will also review state Notices of Funding Availability (NOFAs) as they are released in an effort to participate in the state FTHB program.</li> </ul>	The City studied the opportunity to participate in the County's FTHB program but ultimately participation was not feasible.	Delete
9. Housing for Extremely Low-Income Households	<ul style="list-style-type: none"> <li>The City will encourage the development of housing for extremely low-income households through a variety of activities, such as conducting outreach to housing developers on an annual basis, providing financial assistance (when feasible) or in-kind technical assistance or land write-downs, providing expedited processing, identifying grant and funding opportunities, applying for or supporting applications for funding on an ongoing basis, reviewing and prioritizing local funding at least twice in the planning period, and/or offering additional incentives beyond the density bonus.</li> </ul>	<p>The City conducts regular inspections of affordable housing units, and provides them with any resources they may request. The City has also syndicated Mission Village Apartments with a 55-year covenant, rehabilitation, and project wide solar to reduce climate impacts. Additionally, Rancho California Apartments re-upped their covenant for 55 years, rehabbed the project, and made energy improvements.</p> <p>The City hosts an annual Temecula Trekkers program to educate real estate agents on the City's zoning process, permitting process, and available support and services.</p> <p>The City offers a free pre-application to all developers to assist with due diligence.</p> <p>The City conducted an affordable housing RFP. Two projects are in the pipeline (Rancho Highlands and Las Haciendas). Both projects used streamlining, (AHOZ and Uptown Temecula Specific Plan). One additional affordable project, Vine Creek has also been entitled.</p>	Continue
10. Energy Conservation	<ul style="list-style-type: none"> <li>The City will partner with Southern California Edison (SCE) and the Southern California Gas Company (SoCalGas) to promote energy-saving programs such as the Residential Multifamily Energy Efficiency Rebate program, the Heating and Cooling Rebate program, and incentives of up to \$4,000 available to SCE and SoCalGas residential customers.</li> <li>The City will annually ensure that local building codes are consistent with state-</li> </ul>	<p>The City has promoted energy conservation in a variety of ways, including:</p> <ul style="list-style-type: none"> <li>2014 newsletter mailer that included energy efficiency tips, have a request with our social media team to identify examples.</li> <li>Nov. 7 2012 Energy Upgrade California Workshop held at library</li> <li>Flex Alerts on August 18, 2020</li> <li>Oct. 24, 2019 Wildfire Safety Energy Alert</li> <li>July 8, 2018 Wildfire Safety Alert</li> <li>November 9, 2020 Recycling Day</li> </ul>	Continue

	<p>mandated green building standards.</p> <ul style="list-style-type: none"> <li>The City will be responsible for implementing the state's energy conservation standards (e.g., Title 24 Energy Standards). This includes checking building plans and other written documentation showing compliance and inspecting construction to ensure that the dwelling units are constructed according to those plans. Applicants for building permits must show compliance with the state's energy conservation requirements at the time building plans are submitted.</li> </ul>	<p>The City continues to review local building codes to ensure they are consistent with state-mandated green building standards. The City also continues to implement the state's energy conservation standards and requires applicants for building permits to demonstrate compliance at the time building plans are submitted.</p>	
Remove Governmental Constraints			
11. Development Fees Reimbursement	<ul style="list-style-type: none"> <li>The City of Temecula will continue to enter into development agreements with qualifying senior/affordable housing projects on a case-by-case basis to provide development fee reimbursement.</li> </ul>	<p>The City continues to approve Owner Participation Agreements to assist with the development of affordable housing and reimbursement of City fees as appropriate.</p>	Continue
12. Expedite Processing of Affordable Housing Projects	<ul style="list-style-type: none"> <li>The City will continue to implement expedited review to all projects with an affordable housing component.</li> <li>The City will need to develop objective criteria to evaluate affordable housing projects to qualify them for expedited processing.</li> <li>The City will continue to prioritize projects based on the level of affordability being proposed in order to meet its regional housing need.</li> </ul>	<p>The City continued to implement shorter processing times for affordable housing projects. Three affordable housing projects received expedited review and processing during the 2014-2021 planning period.</p> <p>The City continues to implement expedited review to all projects with an affordable housing component. The City also establishes priority based on the level of affordability being proposed in order to further meet the RNHA.</p> <p>As part of the City's new Affordable Housing Overlay (AHO) Zoning District (adopted in 2018), the City established Regulations and Development Standards applicable to projects developed pursuant to the AHO. The City is currently undertaking an update to its Zoning Code to identify potential issues related to objective/subjective design standards and will update the Code to create consistent objective design standards in accordance with State law.</p>	Continue
13. Periodic Consistency Review of	<ul style="list-style-type: none"> <li>City staff will track and stay abreast of changes in state housing law and work with</li> </ul>	<p>The City continued to track and stay abreast of changes in state housing law which would require</p>	Continue

General Plan, Municipal Code and State Law	<p>the City Attorney to incorporate changes into the General Plan and Municipal Code.</p> <ul style="list-style-type: none"> <li>The City Attorney will advise staff on significant case law interpretations that may cause the need to amend the General Plan or Municipal Code.</li> </ul>	<p>amendments to the General Plan and Municipal Code. There were several housing-related amendments made to the code during the 2014-2021 planning period, including amendments related to accessory dwelling units, short-term rentals, and density bonus. The City also facilitates weekly meetings with the City Attorney. Staff receives training from the City Attorney, and the City Attorney prepares opinion letters.</p>	
Conserve and Improve Existing Affordable Housing			
14. Preserve At-Risk Housing Units	<ul style="list-style-type: none"> <li>The City will monitor the status of affordable projects at risk of converting to market rate.</li> <li>The City will identify nonprofit organizations as potential purchasers/managers of at-risk housing units.</li> <li>The City will explore funding sources available to preserve the affordability of projects at risk of converting to market rate or to provide replacement units.</li> <li>The City will assist qualified tenants to apply for priority status on the Section 8 voucher/certificate program immediately should the owners of the at-risk project choose not to enter into additional restrictions.</li> </ul>	<p>The City continued to work with interested parties to renew the covenants on any expiring affordable restrictions. Specifically, the Rancho California Apartments have been rehabilitated and upgraded and the property's Section 8 contract, which was set to expire in 2013, has been renewed for 55 years (through 2068). The City has also worked closely with Mission Village as well.</p> <p>City staff continues to assist the general public and tenants with Section 8 rental information. The City continues to work with the Riverside County Housing Authority regarding displaced tenants.</p>	Continue
15. Code Enforcement	<ul style="list-style-type: none"> <li>The City will continue to seek voluntary compliance for code-related issues and violations to enforce the UBC and offer information regarding the City's housing rehabilitation programs to low- and moderate-income households cited for code violations.</li> </ul>	<p>The City continued implementation of Weed Abatement and Abandoned Vehicle Abatement programs. Annually during the 2014-2021 planning period, the City generally conducted 20,444 complaint-driven code case inspections, 22,015 proactive code case inspections, [6,488 weed abatement cases, and 328 abandoned vehicle cases.</p>	Continue
16. Residential Improvement Program	<ul style="list-style-type: none"> <li>The City will utilize CDBG funds or other funds, as available, to provide financial assistance for minor repairs of homes owned and occupied by lower-income homeowners. Eligible repairs include plumbing, electrical, painting, carpentry, roof repairs, and masonry work.</li> </ul>	<p>Thirty-four households received CDBG funds through the Habitat for Humanity Critical Home maintenance repair program and an additional five households were supported through the CRID Alternatives Solar Improvements.</p> <p>During the 2014-2021 planning period, the City has worked with Habitat for Humanity on</p>	Continue



		<p>rehabilitation programs. Additionally, CDBG-CV2 funds will be used for mortgage assistance. Since July 1, 2017, the City has funded \$151,127.00 of CDBG funds towards the program administered through Habitat for Humanity Inland Valley. During the City's Consolidated Plan Cycle, which the City is in its 4th year of its 5-year plan the Program has assisted 18 households on a projected goal of 15 for the 5-year cycle. The City has continued to focus on this need and continues to place the high importance on assisting low-income residents with maintaining an affordable housing stock and ensuring that owners are able to address critical repairs needed to their homes through these grants. Eligible residents are eligible for \$10,000 grants in address the critical needs necessary to their household.</p>	
17. Section 8 Rental Assistance Program	<ul style="list-style-type: none"> <li>The City will continue to contract with the County of Riverside to administer the Section 8 Rental Assistance Program and provide rental assistance to at least 105 very low-income Temecula households.</li> <li>The City will support the County of Riverside's applications for additional Section 8 allocation.</li> <li>The City will promote the Section 8 program to second unit owners by publicizing this program and making the information known to City and County agencies and to housing nonprofits.</li> </ul>	<p>The Section 8 Rental Assistance Program is administered by the Riverside County Housing Authority. The City assists qualified tenants to apply for the Section 8 voucher/certificate program and provides information about the Section 8 rental assistance voucher/certificate program. Since 2014, 758 units have been assisted.</p> <p>City staff provides information on handouts and on the City website regarding affordable housing and contact information for the Riverside County Housing Authority regarding Section 8.</p>	Continue
18. Mobile Home Assistance Program (MPAP)	<ul style="list-style-type: none"> <li>The City will provide technical assistance to Heritage Mobile Home Park residents in pursuing MPAP funds in the event that the owners propose to close the mobile home park.</li> </ul>	<p>The City will provide technical assistance to Heritage Mobile Home Park residents in pursuing MPAP funds in the event that the owners propose to close the mobile home park. There are been no requests for this assistance during the 2014-2021 planning period.</p>	Continue
Promote Equal Housing Opportunities			
19. Equal Housing Opportunity	<ul style="list-style-type: none"> <li>Temecula will continue to participate in the Riverside County Consortium in implementing the fair housing plan.</li> <li>The City will place fair housing brochures at City</li> </ul>	<p>The City continued to participate in the Riverside County Consortium in implementing the fair housing plan, post information regarding fair housing services on the City website, and provide referral</p>	Continue

	<p>counters, public libraries, the Temecula Community Center, and the Temecula Community Recreation Center.</p> <ul style="list-style-type: none"> <li>• The City will continue to post information regarding fair housing services on the City website. Future fair housing workshops can also be advertised on the City website.</li> <li>• The City will continue to provide referral services to the Fair Housing Program of Riverside County for residents inquiring about fair housing issues.</li> <li>• The City will continue to update its fair housing brochures to conform to state law.</li> <li>• The City will undertake ongoing efforts to educate the public about affordable housing.</li> </ul>	<p>services to the Fair Housing Program of Riverside County.</p> <p>City staff placed posters at all affordable housing locations, City Hall, public libraries, the Community Center, and the Community Recreation Center. All brochures updated and provided to the City by the Fair Housing Council are placed at these locations for the public to access.</p> <p>The City actively maintains a website identifying affordable housing complexes in Temecula.</p> <p>To support and ensure equal access to housing opportunities, the City has utilizes CDBG funds to affirmatively further fair housing choice through the provision of fair housing education, counseling, anti-discrimination and landlord-tenant mediation services, and to provide equal housing opportunities for protected classes. Since July 1, 2017, the City has funded \$76,838 of CDBG funds towards the program administered through Fair Housing Council of Riverside County. During the City's Consolidated Plan Cycle, which the City is in its 4th year of its 5-year plan the Program has assisted 1,205 households on a projected goal of 1,750 households for the 5-year cycle. The City has continued to focus on this need and continues to place the high importance on assisting low-income residents with fair housing services for both residents and landlords.</p>	
20. Housing Referral Directory	<ul style="list-style-type: none"> <li>• The City will continue to offer housing referral services through its Housing Referral Directory.</li> </ul>	The City continued to offer housing referral services through its Housing Referral Directory.	Continue
21. Housing for Persons with Disabilities	<ul style="list-style-type: none"> <li>• The City will continue to treat licensed residential care facilities and State-licensed group homes serving six or fewer persons no differently than other by right single-family housing uses. In addition, the City will continue to allow residential care facilities with seven or more persons, by right in the High Residential zone district and conditionally in all other residential zones.</li> <li>• The City will continue to provide a formalized reasonable accommodation</li> </ul>	<p>The City continues to implement the Temecula Municipal Code which treats licensed residential care facilities and State-licensed group homes serving six or fewer persons no differently than other by right single-family housing uses. Implementation of the Municipal Code also allows residential care facilities with seven or more persons by right in the High Residential zone district and conditionally in all other residential zones.</p> <p>The City continues to support and provide resources for individual homeowners requesting exemptions to zoning and development</p>	Continue

	<p>process for individual homeowners requesting exceptions to zoning and development standards to accommodate a disability.</p>	<p>standards in order to accommodate a disability.</p> <p>The City has updated Pala Park to be more accessible. Separately the City has invested in Eagle Soar Splash Pad, an accessible splash pad. The City also makes significant investments in specific programming for people with special needs and hybrid programming (helping people with disabilities interface with those people without disabilities).</p>	
22. Employee Housing	<ul style="list-style-type: none"> <li>The City will amend the Temecula Municipal Code to define and permit employee housing providing accommodations for six or fewer employees. Employee housing shall be deemed a single-family structure with a residential land use designation.</li> <li>The City will review, and if necessary amend the Temecula Municipal Code to comply with the other requirements of the Employee Housing Act detailed above.</li> </ul>	<p>The City has undertaken a number of updates to its Municipal Code during the past planning period to address State law. The City will continue to implement amendments to its Municipal Code to meet all State law requirements.</p>	Continue
23. Housing Element Monitoring and Reporting	<ul style="list-style-type: none"> <li>The City will continue to require that service agencies report their accomplishments annually. This information will be used by the City to assess the community's housing needs and how well these needs are being met by the existing programs.</li> <li>The City will continue to submit annual reports to the state assessing the implementation of the General Plan and Housing Element.</li> </ul>	<p>The City continues to submit annual reports to the state assessing the implementation of the General Plan and Housing Element.</p>	Continue

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PUBLIC DRAFT

# III. HOUSING NEEDS ASSESSMENT

## 1. Introduction and Background

The purpose of the Housing Needs Assessment is to describe housing, economic, and demographic conditions in Temecula, assess the demand for housing for households at all income levels, and document the demand for housing to serve various special needs populations. The Housing Needs Assessment also addresses whether assisted housing projects are at risk of converting to market rate projects. The Housing Needs Assessment is intended to assist Temecula in developing housing goals and formulating policies and programs that address local housing needs.

Several sources of data were used to describe existing demographic and housing conditions, including the following:

- Pre-Certified Local Housing Data package for the City of Temecula developed by the Southern California Association of Governments (SCAG) and pre-certified by the California Department of Housing and Community Development (HCD) for use in 6th cycle housing elements.
- Data from the 2010 U.S. Census, 2014-2018 U.S. Census American Community Survey (ACS), California Department of Finance (DOF), California Employee Development Department (EDD), and U.S. Department of Housing and Urban Development (HUD) is included to provide information on population, household, housing, income, employment, and other demographic characteristics.
- Regional information from the Fair Housing Council of Riverside County.
- Other sources of economic data such as information from the websites Zillow.com and Apartments.com, and other published data are used where current Census, ACS, DOF, HUD, and other standard data sources do not provide relevant data.
- Interviews with key agencies and organizations were conducted to obtain information on housing needs and, in particular, needs of populations with special housing needs.
- Research and data related to fair housing, including Census Scope, Social Science Data Analysis Network, the UC Davis Center for Regional Change and Rabobank, N.A., and the California Fair Housing Task Force.

Due to the use of multiple data sources (with some varying dates), there are slight variations in some of the information, such as total population and total household numbers, presented in this document. However, these variations do not significantly affect the discussion of overall housing trends and changes.

## 2. Population Trends and Characteristics

### Population Growth

**Table 3** shows population growth for Temecula and other jurisdictions in the region from 2000 through 2020. According to data prepared by the California DOF, the population of Temecula in 2020 was 111,970 persons, an increase of approximately 11.9% since 2010. During the previous decade (2000 to 2010), the City's population increased by 73.4%. Temecula's growth rate has been higher than the countywide growth rate, with Riverside County experiencing significantly lower population growth rates than Temecula during the 2000 to 2010 period, and slightly lower population growth rates than Temecula during the 2010 to 2020 period, as shown in **Table 3**. Factors for growth include its affordable housing (compared to Los Angeles, Orange County and San Diego County) desirable climate, high quality education system, and geographical features. The rapid growth in Temecula during the 2000 to 2010 period can be partially attributed to the annexation of Vail Ranch in 2001, and Redhawk in 2005. Other Of neighboring jurisdictions, the City of Murrieta had both the greatest numeric change in population (71,279 persons) and the largest percentage change in population (161%).

**Table 3: Population Trends – Neighboring Jurisdictions**

Jurisdiction	2000	2010	2020	Change 2000-20	% Change 2000-20
Temecula	57,716	100,097	111,970	54,254	94.0%
Lake Elsinore	28,928	51,821	63,453	34,525	119.4%
Hemet	58,812	78,657	85,175	26,363	44.8%
Perris	36,189	68,386	80,201	44,012	121.6%
Murrieta	44,282	103,466	115,561	71,279	161.0%
Riverside County	1,545,387	2,189,641	2,442,304	896,917	58.0%

Sources: US Census, 2000; DOF, 2020

### Age

Changes in the age groups can indicate future housing needs. **Table 4** compares age cohort sizes in 2018 for Temecula and Riverside County. In Temecula, children under 15 comprise 22.9% of the City's population, teens and young adults (15 – 24) represent 14.3%, and

adults in family-forming age groups (25 – 44) comprise 26.5%. Adults aged 45 to 64 represent 26.1% of the population and seniors (65 and over) comprise 10.3%. In 2018, the median age in Temecula (34.8 years) was half a year lower than that of Riverside County (35.3 years) and a year and a half lower than the statewide median age (36.3 years). The median age of City residents increased, up from 32.8 years in 2010.

**Table 4: Population by Age (2018)**

Age	Temecula		Riverside County	
	Number	Percent	Number	Percent
Under 5 Years	7,165	6.4%	158,008	6.6%
5 to 9	8,474	7.6%	169,403	7.1%
10 to 14	10,027	8.9%	177,796	7.5%
15 to 19	8,768	7.8%	177,697	7.5%
20 to 24	7,232	6.4%	170,153	7.1%
25 to 34	14,834	13.3%	328,917	13.8%
35 to 44	14,957	13.3%	303,627	12.7%
45 to 54	17,390	15.5%	303,884	12.8%
55 to 64	11,849	10.6%	265,192	11.1%
65 to 74	7,363	6.6%	186,772	7.8%
75 to 84	3,039	2.7%	101,900	4.3%
85 and Over	1,132	1.0%	39,937	1.7%
TOTAL	112,230	100%	2,383,286	100%

Source: US Census, 2014-2018 ACS

## Race and Ethnicity

**Table 5** shows the ethnic composition of Temecula’s population. More than two-thirds (69.2%) of the City’s population identify as White. The next largest racial group is “other race” (9.3%), followed by Asian (8.6%), “two or more races” (6.7%), Black or African American (5.1%), American Indian or Alaska Native (0.6%), and Native Hawaiian and Pacific Islander (0.6%). More than one quarter of the population (29.6%) is of Hispanic or Latino origin. Temecula is a less culturally diverse community than the County as a whole, which can influence buying preferences and the demand for special needs housing (e.g., multigenerational housing).

**Table 5: Race and Ethnicity (2018)**

Race/Ethnicity	Temecula		Riverside County	
	Number	Percent	Number	Percent
White	77,689	69.2%	1,450,134	60.8%
Black or African American	5,675	5.1%	153,545	6.4%

American Indian or Alaska Native	639	0.6%	19,281	0.8%
Asian	9,656	8.6%	152,130	6.4%
Native Hawaiian and Pacific Islander	624	0.6%	6,843	0.3%
Some Other Race	10,440	9.3%	495,241	20.8%
Two or More Races	7,507	6.7%	106,112	4.5%
TOTAL	112,230	100%	2,383,286	100%
Hispanic or Latino (of any race)	33,194	29.6%	1,154,517	48.40%

Source: US Census, 2014-2018 ACS

## Employment

One of the factors that can contribute to an increase in demand for housing is expansion of the employment base. **Table 6** shows the employment and unemployment rates for persons 16 years and older that were in the labor force in 2010 and 2018. In 2018, ACS data indicated that there were 56,371 employed persons in the Temecula labor force and that the unemployment rate was approximately 6.7%, a decrease from 8.6% in 2010 as the City (and country) emerged from the Great Recession. According to the labor report data compiled by the California EDD, the Riverside-San Bernardino-Ontario Metropolitan Area's average annual unemployment rate in 2018 was estimated at 4.3%, Riverside County's rate was 4.5%, while California's was 4.1%.

**Table 6: Job Growth and Employment Status**

	2010		2018	
	Number	Percent	Number	Percent
Total Persons in Labor Force	49,321	100%	56,371	100%
Employed	45,094	91.4%	52,619	93.3%
Unemployed	4,227	8.6%	3,752	6.7%

Sources: US Census, 2006-2010 ACS and 2014-2018 ACS

## Industry and Occupations

Of Temecula's employed residents, the "Educational services, health care and social assistance" industry employed the most people at 20.7%. The second largest employment sector was the "Arts, entertainment, recreation, accommodation, food services" industry, which had 16.1% of the total employed persons in Temecula. The top two employment categories in Riverside County were the "Educational services, health care and social assistance" industry at 20.7% and the "Retail trade" industry at 12.9%.



**Table 7: Jobs by Industry**

Industry	Number	Percent
Agriculture, forestry, fishing and hunting, mining	228	0.4%
Construction	3,348	6.5%
Manufacturing	4,564	8.8%
Wholesale trade	1,326	2.6%
Retail trade	6,067	11.8%
Transportation, warehousing, utilities	2,872	5.6%
Information	1,131	2.2%
Finance and insurance, real estate and rental and leasing	3,013	5.8%
Professional, scientific, management, administrative, waste mgmt.	5,356	10.4%
Educational services, health care and social assistance	10,691	20.7%
Arts, entertainment, recreation, accommodation, food services	7,300	14.2%
Other services	2,470	4.8%
Public administration	3,210	6.2%
<b>TOTAL (Civilian Labor Force)</b>	<b>51,576</b>	<b>100%</b>
Armed Forces	1,043	100%

Source: US Census, 2014-2018 ACS

The City's workforce holds a variety of types of jobs as shown in **Table 8**, with the largest sector (38.8%) working in management, business, science, and arts occupations, followed by 24.1% in sales and office occupations. Employment and occupation trends play an important role in defining housing needs. This relationship extends beyond the impact of employment growth on housing demand in the City and includes how wage levels and median earnings affect the type of housing affordable to workers and households in Temecula. There is a significant gap, for example, between the median earnings of a resident employed in management and a resident employed in a service occupation, and this translates into the type of housing that is needed in the City.

**Table 8: Jobs by Occupation**

Occupation	Number	Percent	Median Earnings*
Management, business, science, and arts occupations	20,013	38.8%	\$72,450
Service occupations	10,783	20.9%	\$22,418
Sales and office occupations	12,429	24.1%	\$32,454
Natural resources, construction, and maintenance occupations	3,622	7.0%	\$47,230
Production, transportation, and material moving	4,729	9.2%	\$35,390

\*Median earnings in previous 12 months prior to survey

Sources: SCAG 6th Cycle Data Package; US Census, 2014-2018 ACS

## Travel to Work

Approximately 53% of Temecula workers 16 years and over travelled less than 30 minutes to work. Comparatively, more than a quarter (25.5%) of workers drive more than 60 minutes to work, which reflects the fact that many individuals working in Los Angeles, Orange, and San Diego counties live in Temecula due to its relatively more affordable home prices. Most Temecula workers, 78.0%, drive alone to work and 11.4% carpool. **Table 9** identifies travel time to work and **Table 10** identifies commute methods for Temecula workers in 2018.

**Table 9: Travel Time to Work (2018)**

	Number	Percent
Less than 10 minutes	5,726	12.1%
10-19 minutes	13,544	28.6%
20-29 minutes	5,702	12.0%
30-44 minutes	5,710	12.0%
45-59 minutes	4,625	9.8%
60 + minutes	12,092	25.5%

Source: US Census, 2014-2018 ACS

**Table 10: Commute Method (2018)**

	Number	Percent
Drive Alone	39,867	78.0%
Carpooled	5,827	11.4%
Public Transportation	50	0.1%
Walk	611	1.2%
Other	1,044	2.0%
Work at Home	3,716	7.3%

Source: US Census, 2014-2018 ACS

## C. Household Characteristics

According to the Census, a **household** is defined as all persons living in a housing unit. This definition includes families (related individuals living together), unrelated individuals living together, and individuals living alone.

A **housing unit** is defined by the Census as a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied (or if vacant, is intended for occupancy) as separate living quarters. Separate living quarters are those in which the occupants live and eat separately from any other persons in the building and which have direct access from the outside of the building or through a common hall. The occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements.

People living in retirement homes or other group living situations are not considered “households” for the purpose of the U.S. Census count. The household characteristics in a community, including household size, income, and the presence of special needs households, are important factors in determining the size and type of housing needed in the City.

**Table 11** below identifies the ages of householders in Temecula and Riverside County in 2018 based on ACS data from 2014-2018. Homeowner households are generally headed by residents early middle-aged to middle-aged, with 56.4% of homeowner households headed by a resident 35-59 years of age; however, 13.5% of homeowner households are headed by someone 65-74 years. Households who rent their homes trend slightly younger; about 74% of renter households are headed by a person aged 25-54.

**Table 11: Households by Tenure and Age (2018)**

	Temecula		Riverside County	
	Number	%	Number	%
Total:	33,889	-	718,349	-
<b>Owner Occupied:</b>	22,127	65.3%	472,401	65.8%
Householder 15 to 24 years	172	0.5%	2,850	0.4%
Householder 25 to 34 years	2,425	7.2%	43,381	6.0%
Householder 35 to 44 years	3,843	11.3%	77,261	10.8%
Householder 45 to 54 years	5,896	17.4%	101,801	14.2%
Householder 55 to 59 years	2,742	8.1%	54,048	7.5%
Householder 60 to 64 years	2,214	6.5%	49,348	6.9%
Householder 65 to 74 years	2,977	8.8%	80,773	11.2%
Householder 75 to 84 years	1,384	4.1%	46,189	6.4%
Householder 85 years and older	474	1.4%	16,750	2.3%
<b>Renter Occupied:</b>	11,762	34.7%	245,948	34.2%
Householder 15 to 24 years	565	1.7%	12,648	1.8%
Householder 25 to 34 years	2,604	7.7%	56,200	7.8%
Householder 35 to 44 years	3,037	9.0%	60,241	8.4%
Householder 45 to 54 years	3,039	9.0%	47,171	6.6%
Householder 55 to 59 years	966	2.9%	18,293	2.5%
Householder 60 to 64 years	403	1.2%	14,055	2.0%
Householder 65 to 74 years	809	2.4%	21,041	2.9%
Householder 75 to 84 years	239	0.7%	10,839	1.5%
Householder 85 years and older	100	0.3%	5,460	0.8%

Source: US Census, 2014-2018 ACS 5-Year Data Profile (Table B25007)

**Table 12** identifies the household sizes by housing tenure. In 2018, the majority of households consisted of 2 to 4 persons, which is consistent with the County's profile although Temecula's percentage was higher (70.5% vs. 60.3%). Large households of 5 or more persons made up 15.6% of the total households in Temecula. The average household size was 3.31 persons in Temecula, compared to 3.27 persons for the County. Additionally, the average household size in 2018 for an owner-occupied unit was 3.34 persons per household and 3.25 persons per household for a renter-occupied unit.

**Table 12: Household Size by Tenure (2018)**

	Temecula		Riverside County	
	Number	%	Number	%
<b>Owner Households</b>	22,127	100.0%	472,401	100.0%
Householder living alone	2,659	12.0%	94,214	19.9%
Households 2–4 persons	16,040	72.5%	297,075	62.9%
Large households 5+ persons	3,428	15.5%	81,112	17.2%
Average Household Size	3.34 persons		3.25 persons	
<b>Renter Households</b>	11,762	100.0%	245,948	100.0%
Householder living alone	2,065	17.6%	61,899	25.2%
Households 2–4 persons	7,852	66.8%	135,765	55.2%
Large households 5+ persons	1,845	15.7%	48,284	19.6%
Average Household Size	3.25 persons		3.3 persons	
<b>Total Households</b>	33,889	100.0%	718,349	100.0%
Householder living alone	4,724	13.9%	156,113	21.7%
Households 2–4 persons	23,892	70.5%	432,840	60.3%
Large households 5+ persons	5,273	15.6%	129,396	18.0%
Average Household Size	3.31 persons		3.27 persons	

Sources: SCAG 6th Cycle Data Package; U.S. Census Bureau, 2014-2018 ACS; 2014-2018 ACS 5-Year Data Profile (Table B25009)

## D. Income

### Household Income

From 2000 to 2018, the median household income increased by 52.8% to \$90,964 and the per capita income increased by 58.3% to \$34,135. From 2010 to 2018, there was an increase in both per capita and median household incomes. **Table 13** identifies the per capita and median household incomes.

**Table 13: Median Household and Per Capita Income**

	2000	2010	2018
Median Household Income	\$59,516	\$77,850	\$90,964
Per Capita Income	\$21,557	\$29,089	\$34,135

Sources: US Census, 2000; US Census, 2014-2018 ACS

In 2018, the majority (76.9%) of Temecula's households earned in excess of \$50,000 per year. The incidence of households earning less than \$35,000 per year was significantly higher among renter households (25.5%) than owner households (9.7%). **Table 14** identifies household income by tenure. As shown in **Table 14**, the median income of owner households is approximately \$43,000 more than renter households. Compared to the County, median household incomes are higher for both owner and renter households – by 37.6% and 50.9%, respectively.

**Table 14: Household Income for All Households and by Tenure (2018)**

Income	All Households		Owner Households		Renter Households	
	Number	Percent	Number	Percent	Number	Percent
Less than \$5,000	485	1.4%	195	0.9%	290	2.5%
\$5,000 to \$9,999	328	1.0%	65	0.3%	263	2.2%
\$10,000 to \$14,999	706	2.1%	327	1.5%	379	3.2%
\$15,000 to \$19,999	707	2.1%	256	1.2%	451	3.8%
\$20,000 to \$24,999	901	2.7%	268	1.2%	633	5.4%
\$25,000 to \$34,999	2,008	5.9%	1,026	4.6%	982	8.3%
\$35,000 to \$49,999	2,706	8.0%	1,391	6.3%	1,315	11.2%
\$50,000 to \$74,999	5,585	16.5%	3,250	14.7%	2,335	19.9%
\$75,000 to \$99,999	5,173	15.3%	3,331	15.1%	1,842	15.7%
\$100,000 to \$149,999	7,904	23.3%	5,770	26.1%	2,134	18.1%
\$150,000 or more	7,386	21.8%	6,248	28.2%	1,138	9.7%
Median Household Income – Temecula	\$90,964		\$107,349		\$64,060	
Median Household Income – Riverside County	\$63,948		\$77,991		\$42,445	

Source: US Census, 2014-2018 ACS

## Households by Income Group

A special aggregation of 2013-2017 ACS data performed by HUD – titled the Comprehensive Housing Affordability Strategy (CHAS) data – provides a breakdown of households by income group by tenure. The number of households in extremely low, very low, low, and moderate/above moderate-income groups is shown in **Table 15**. Nearly 80% of all households are at or above moderate income. The HUD CHAS data indicates the extremely low-income group represents 5.6% of households, and a higher proportion are renters (1,315) than owners (565). The very low-income group represents 6.6% of households and the low-income group represents 10.4% of households. The City’s RHNA (see **Table 32**) identifies the City’s share of regional housing needs for extremely low, very low, and low-income households, as well as for moderate and above moderate-income households. As shown in **Table 15**, there is a larger proportion of renters in the extremely low, very low, and low-income groups, while there is a larger proportion of moderate and above moderate-income groups in owner households.

**Table 15: Households by Income Group (2017)**

Income Group	Total		Owner		Renter	
	Households	Percent	Households	Percent	Households	Percent
Extremely Low (<30% AMI)	1,880	5.6%	565	2.6%	1,315	10.9%
Very Low (31–50% AMI)	2,210	6.6%	705	3.3%	1,505	12.5%
Low (51–80% AMI)	3,510	10.4%	1,900	8.8%	1,610	13.4%
Moderate and Above Moderate (>80% AMI)	26,050	77.4%	18,430	85.3%	7,620	63.3%
TOTAL	33,645	100%	21,600	100%	12,045	100%

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

Available: <https://www.huduser.gov/portal/datasets/cp.html>

## Poverty Levels

The 2014-2018 ACS data indicates that 1,632 (5.9%) of all Temecula families and 7,678 individuals (6.9%) had incomes at or below the poverty level. According to the ACS data, poverty rates are disparate between races and economic indicators are greatest for those identified as Black or African American. In 2018, those identified as Black or African American had a poverty rate of 11.8% compared to 9.2% for American Indian and Alaska Natives, 8.7% for “some other race alone,” 7.8% for Hispanics/Latinos, 7.0% for Asians, and 6.4% for Whites.

The level of poverty in a jurisdiction often influences the need for housing to accommodate those persons and families in the very low and low-income categories. The U.S. Census Bureau measures poverty by using a set of money income thresholds that vary by family size and composition of who is in poverty. If a family’s total income is less than the family’s threshold, then that family and every individual in it is considered in poverty. For example, the poverty threshold for a family of two with no children would be \$17,120, a household of two with a householder aged 65 or older and no children has a poverty threshold of \$15,453, and the poverty threshold of a family of four with two children under the age of 18 would be \$25,926. (*U.S. Census Bureau, 2019*).

## Extremely Low-Income Households

Extremely low-income (ELI) households are defined as those earning up to 30% of the area median household income. For Riverside County, the median household income in 2020 was \$75,300. For ELI households in Temecula (and the rest of Riverside County), this results in an income of \$26,200 or less for a four-person household or \$15,850 for a one-person household. ELI households have a variety of housing situations and needs. For example, most families and individuals

receiving only public assistance, such as social security disability insurance or disability insurance, qualify as ELI households.

**Table 16** provides representative occupations with hourly wages that are close to, but not within, the ELI income range as reported by the Employment Development Department. Note that all occupations indicated median annual wages above the ELI income threshold for a one-person household, perhaps suggesting that any employment in Temecula could lift a household out of the extremely low-income group. As shown in **Table 15**, ELI households make up 5.6% of all households in Temecula. Based on **Table 29**, 86.4% of ELI households in Temecula pay more than 30% of their incomes for housing.

**Table 16: Occupations with Wages for Extremely Low to very Low-Income Households (2020)**

Occupation Title	Median Hourly Wage
Cleaners of Vehicles and Equipment	\$12.67
Bartenders	\$12.64
Gaming Change Persons and Booth Cashiers	\$12.63
Hosts and Hostesses, Restaurant, Lounge, and Coffee Shop	\$12.59
Cooks, Fast Food	\$12.58
Pressers, Textile, Garment, and Related Materials	\$12.57
Amusement and Recreation Attendants	\$12.56
Waiters and Waitresses	\$12.56
Dishwashers	\$12.40
Farming, Fishing, and Forestry Occupations	\$12.36
Graders and Sorters, Agricultural Products	\$12.33
Ushers, Lobby Attendants, and Ticket Takers	\$12.32
Gaming Dealers	\$12.23
Door-to-Door Sales Workers, News and Street Vendors, and Related Workers	\$12.20
Farmworkers and Laborers, Crop, Nursery, and Greenhouse	\$12.20
Dining Room and Cafeteria Attendants and Bartender Helpers	\$12.15

Source: Employment Development Department, Long-Term Occupational Projections 2018-2028 (accessed May 2021)

Pursuant to Government Code Section 65583(a)(1), 50% of Temecula's very low-income regional housing needs assigned by HCD are projected to be extremely low-income households. As a result, from the very low-income need of 1,359 units (see **Table 32**), the City has a projected need of 679 units for extremely low-income households (i.e., households earning 30% or less of the area median income). Based on current figures, extremely low-income households will most likely be



facing an overpayment, overcrowding, or substandard housing conditions. Some extremely low-income households could include individuals with mental or other disabilities and special needs. To address the range of needs of ELI households, the City will implement several programs including the following programs (refer to the Housing Element Policy Document for more detailed descriptions of these programs):

- Program 4: Replacement of Affordable Units
- Program 7: Land Assemblage and Affordable Housing Development
- Program 8: Housing for Extremely Low-Income Households
- Program 8: Special Needs Housing Construction
- Program 14: Emergency Shelters and Transitional/Supportive Housing
- Program 17: Preserve At-Risk Housing Units
- Program 20: Section 8 Rental Assistance Program
- Program 22: Equal Housing Opportunity
- Program 23: Housing Referral Directory
- Program 24: Economic Displacement Risk Analysis

## E. Housing Characteristics

### Housing Type

**Table 17** identifies the types of housing units in Temecula in 2020. The table summarizes total housing stock according to the type of structure. As shown in the table, the majority of housing in Temecula is single-family detached housing, which accounted for 78.5% of units in 2020. Mobile homes represent 0.4% of the housing stock. Multifamily units represent 17.5% of the housing stock, with duplex through fourplex units accounting for 2.3% and multifamily developments with five or more units accounting for 15.2%. Single-family attached homes represent 7.2% of housing units.

**Table 17: Housing Stock by Type and Vacancy (2020)**

	Total	Single Family		Multifamily		Mobile Homes	Occupied	Vacant
		Detached	Attached	2 – 4	5 + Units			
Units	36,550	28,701	1,300	847	5,540	162	34,511	2,039
Percent	100%	78.5%	7.2%	2.3%	15.2%	0.4%	94.4%	5.6%

Sources: SCAG 6th Cycle Data Package; DOF E-5 Report 2020

### Vacancy Rate

**Table 18** also shows the number and percentage of occupied units and the percentage of vacant units. It is important to note that these counts

include all vacant units, including those units that are newly constructed but not yet occupied. In order for the housing market to function properly in a city there should always be some level of housing vacancy, otherwise rents or housing prices could skyrocket. The 5.6% vacancy in Temecula is in line with the historical equilibrium in California (5.5% for rental vacancy and 1.2% for homeownership vacancy).<sup>1</sup>

The 2014-2018 ACS data indicates that there were 2,047 vacant units in 2018. As shown in **Table 18**, of the total vacant units in 2018, 717 were for rent, 169 were for sale, 180 were rented or sold but not yet occupied, and 503 were for seasonal, recreational, or occasional use. The overall vacancy rate in Temecula in 2018 was 6.0%, a rate which has fluctuated since 2010.

**Table 18: Vacancy by Type (2018)**

Vacancy Type	Number	Percent
For rent	717	35.0%
Rented, not occupied	117	5.7%
For sale only	169	8.3%
Sold, not occupied	63	3.1%
For seasonal, recreational, or occasional use	503	24.6%
For migrant workers	0	0.0%
Other vacant	478	23.4%
<b>TOTAL</b>	<b>2,047</b>	<b>100%</b>

Source: US Census, 2014-2018 ACS

## Housing Conditions

The U.S. Census provides only limited data that can be used to infer the condition of Temecula's housing stock. In most cases, the age of a community's housing stock is a good indicator of the condition of the housing stock. Moreover, many federal and state programs also use the age of housing as one factor in determining housing rehabilitation needs. Typically, housing over 30 years of age is more likely to have rehabilitation needs that may include plumbing, roof repairs, electrical repairs, foundation rehabilitation, or other significant improvements.

The 2014-2018 ACS data indicates that only a small percentage (1.9%) of the housing in the City is greater than 50 years old (i.e., built before 1970). Another 5.3% of units were built between 1970 and 1979. The majority of housing in the city (92.8%) was built after 1980. The age of the housing stock indicates that while the need for maintenance and rehabilitation assistance may grow during the planning period, it will likely be attributable to only a small proportion of total housing. Units built prior to 1970 may require aesthetic and maintenance repairs

<sup>1</sup> "California's low residential vacancy rates signal more construction," *First Tuesday Journal* (February 15, 2021).

including roof, window, and paint improvements and some units in this age range may also require significant upgrades to structural, foundation, electrical, plumbing, and other systems.

When examining a housing stock to determine what condition it is in, there are certain factors that the Census considers. For example, older units may not have plumbing that is fully functional or the plumbing might be substandard. **Table 19** indicates that a small percentage of occupied dwelling units (0.2%) lacked complete plumbing facilities in 2018.

**Table 19: Housing Stock Conditions (2018)**

Year Structure Built	Owner-Occupied		Renter-Occupied		Total	
	Number	Percent	Number	Percent	Number	Percent
2014 or later	539	2.4%	108	0.9%	647	1.9%
2010 to 2013	879	4.0%	390	3.3%	1,269	3.7%
2000 to 2009	7,136	32.3%	4,406	37.5%	11,542	34.1%
1990 to 1999	7,643	34.5%	3,470	29.5%	11,113	32.8%
1980 to 1989	4,516	20.4%	2,356	20.0%	6,872	20.3%
1970 to 1979	1,004	4.5%	808	6.9%	1,812	5.3%
1960 to 1969	226	1.0%	71	0.6%	297	0.9%
1950 to 1959	93	0.4%	50	0.4%	143	0.4%
1940 to 1949	27	0.1%	44	0.4%	71	0.2%
1939 or earlier	64	0.3%	59	0.5%	123	0.4%
<b>TOTAL</b>	<b>22,127</b>	<b>100%</b>	<b>11,762</b>	<b>100%</b>	<b>33,889</b>	<b>100%</b>
<b>Plumbing Facilities (Occupied Units)</b>						
Units with Complete Plumbing Facilities	22,095	99.9%	11,727	99.7%	33,822	99.8%
Units Lacking Complete Plumbing Facilities	32	0.1%	35	0.3%	67	0.2%

Source: US Census, 2014-2018 ACS (Table B25036)

As noted, the City's housing stock is relatively new with only 7.2% of dwelling units in Temecula having been constructed prior to 1980. As such, while structural deterioration and maintenance problems may exist, only a small portion is likely to require rehabilitation.

To supplement the Census information regarding housing conditions, the City of Temecula included specific questions pertaining to the quality of the City's housing stock in its Housing Element Update community survey, which was available on the City's website from March 26 through September 30, 2020 (this is further detailed in Appendix B). When asked to rate the physical condition of the residence they lived in, the majority (46.4%) responded that their home shows signs of minor deferred maintenance such as peeling paint or chipped stucco, while 33.2% indicated that their home was in excellent condition. Another 12.6% of respondents indicated that their home

was in need of a modest repair (like a new roof or new siding) and only 5.0% reported that their home needed a major repair (such as new foundation, complete new plumbing, or complete new electrical). Homeowners were more likely than renters to respond that their residence was in excellent condition (40% to 16%).

Community members were also asked to report the type of home improvements they have considered making to their homes. The most popular answers that applied were improvements for painting, “does not apply” (meaning they are not considering any improvements at this time), solar, and new heating and air conditioning (HVAC).

Additionally, the City’s Planning Division has identified homes built prior to 1990 as potentially in need of rehabilitation and multifamily homes built prior to 2000 may be in need of energy efficiency retrofits and other rehabilitation. The City will continue to implement its Residential Improvement Program using CDBG funds to help lower-income homeowners to rehabilitate substandard housing.

## Overcrowding

Typically, a housing unit is considered overcrowded if there is more than one person per room and severely overcrowded if there are more than 1.5 persons per room. **Table 20** summarizes overcrowding data for Temecula. It should be noted that kitchenettes, strip or Pullman kitchens, bathrooms, porches, balconies, foyers, halls, half-rooms, utility rooms, unfinished attics, basements, or other space for storage are not defined as rooms for Census purposes.

Overcrowded households are usually a reflection of the lack of affordable housing available. Households that cannot afford housing units suitably sized for their families are often forced to live in housing that is too small for their needs, which may result in poor physical condition of the dwelling unit. In 2018, 994 housing units (2.9% of the total occupied units) were overcrowded, which represented 2% of owner units and 4.7% of renter units.

**Table 20: Overcrowding by Tenure (2018)**

Persons per Room	Owner		Renter		Total	
	Number	Percent	Number	Percent	Number	Percent
1.00 or less	21,682	98.0%	11,213	95.3%	32,895	97.1%
1.01 to 1.50	378	1.7%	396	3.4%	774	2.3%
1.51 or more	67	0.3%	153	1.3%	220	0.6%
<b>TOTAL</b>	<b>22,127</b>	<b>100%</b>	<b>11,762</b>	<b>100%</b>	<b>33,889</b>	<b>100%</b>
Overcrowded	445	2.0%	549	4.7%	994	2.9%

Source: US Census, 2014-2018 ACS

As shown in **Table 21**, the average household size in Temecula was 3.31 persons in 2018, which was slightly higher than the City's average household size in 2010 (3.15). **Table 21** shows Temecula's household sizes for owner, renter, and all households. The average household size was higher for owners (3.34 persons). Renter households had an average size of 3.25 persons. The majority (72.5%) of owner households had two to four persons, compared to 66.8% of renter households that were two to four persons in size. **Table 22** identifies bedrooms by tenure. Although large owner households and large renter households are proportionally equivalent (15.5% vs. 15.7%), the proportion of larger homes (4 or more bedrooms) is significantly higher for owner households.

**Table 21: Household Size by Tenure (2018)**

Household Size	Owner		Renter		Total	
	Number	Percent	Number	Percent	Number	Percent
1-person	2,659	12.0%	2,065	17.6%	4,724	13.9%
2-person	6,974	31.5%	3,182	27.1%	10,156	30.0%
3-person	4,326	19.6%	2,137	18.2%	6,463	19.1%
4-person	4,740	21.4%	2,533	21.5%	7,273	21.5%
5-person	2,300	10.4%	1,334	11.3%	3,634	10.7%
6-person	749	3.4%	325	2.8%	1,074	3.2%
7-or-more-person	379	1.7%	186	1.6%	565	1.7%
<b>TOTAL</b>	<b>22,127</b>	<b>100% (65.3% of total)</b>	<b>11,762</b>	<b>100% (34.7% of total)</b>	<b>33,889</b>	<b>100%</b>
Average Household Size	3.34		3.25		3.31	

Source: SCAG 6th Cycle Data Package

**Table 22: Number of Bedrooms by Tenure (2018)**

Bedroom Type	Owner		Renter		Total	
	Number	Percent	Number	Percent	Number	Percent
No bedroom	65	0.3%	172	1.5%	237	0.7%
1-bedroom	6	0.0%	1,396	11.9%	1,402	4.1%
2-bedroom	1,375	6.2%	3,941	33.5%	5,316	15.7%
3-bedroom	8,416	38.0%	3,177	27.0%	11,593	34.2%
4-bedroom	9,090	41.1%	2,348	20.0%	11,438	33.8%
5 or more bedroom	3,175	14.3%	728	6.2%	3,903	11.5%
<b>TOTAL</b>	<b>22,127</b>	<b>100%</b>	<b>11,762</b>	<b>100%</b>	<b>33,889</b>	<b>100%</b>

Source: US Census, 2014-2018 ACS

## F. Housing Costs

As shown in Figure 1, between 2000 and 2018, median home sales prices in Temecula increased 134% while prices in the SCAG region increased 151%. The 2018 median home sales price in Temecula was \$460,000, down from a high of \$491,500 experienced in 2006. Prices in the City have ranged from a low of 76.5% of the SCAG region median in 2008 to a high of 97.4% in 2004.

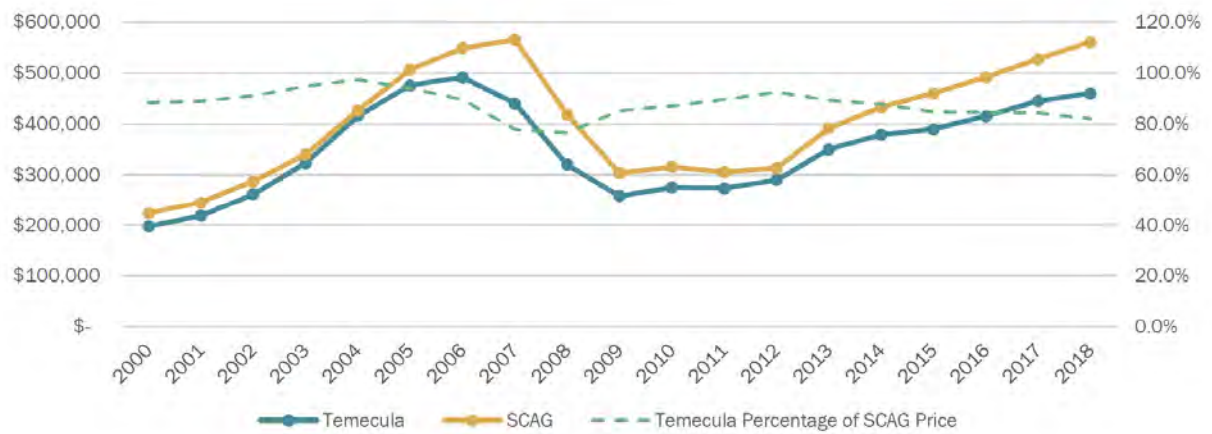
In May 2021, there were 172 homes listed for sale on Zillow.com with prices ranging from \$79,000 (manufactured home) to \$6,900,000 for a 9 bed/10 bath home. Of these homes, there were 149 detached single-family homes with sales prices beginning at \$429,999. As shown in **Table 23**, most homes for sale are in the \$700,000+ price range (55.2%), with 32.6% of homes in the \$500,000 to \$699,999 range and 12.2% of homes priced under \$500,000. Zillow identified the April 2021 median sales price as \$586,159. While the median sales price is not affordable to lower and moderate-income households (see **Table 28**), the City's home sales prices, which are more than \$100,000 higher compared to Riverside County (Zillow reported a median home sales price of \$475,454 for the County in April 2021), could result in demand from the above-moderate income group who seek higher priced units that may offer more space or amenities than other homes in the southern California region, including Los Angeles, Orange, and San Diego counties. Additionally, the long-term home cost impacts related to the COVID-19 pandemic remain to be seen. While it is possible that some price impacts are temporary (i.e., higher than average rental rates), it is possible that the pandemic will leave a permanent impact on the housing market; the City will continue to monitor these changes and work proactively to address issues related to home availability and cost as defined in the Housing Plan.

**Table 23: Homes for Sale (May 2021)**

Price	Homes	Percent
\$700,000 and more	95	55.2%
\$600,000 - \$699,999	27	15.7%
\$500,000 - \$599,999	29	16.9%
\$400,000 - \$499,999	20	11.6%
\$300,000 - \$399,999	0	0%
\$200,000 - \$299,999	0	0%
\$100,000 - \$199,999	0	0%
\$0 - \$99,999	1	0.6%

Source: Zillow.com, 2021

**Figure 1: Median Home Sales Price for Existing Homes**



Source: SCAG 6th Cycle Data Package

Housing costs are affected by supply and demand and can affect the affordability of the housing in the City of Temecula. **Table 24** shows the median home value in Temecula was \$426,400 in 2018. Home values in Temecula are some of the highest in the region, highlighting the importance of Temecula's commitment to continue to provide additional opportunities for more affordable and attainable housing options.

**Table 24: Median Home Value by Community**

Jurisdiction	Median Home Value
Perris	\$261,000
Menifee	\$329,800
Murrieta	\$400,300
Temecula	\$426,400
Lake Elsinore	\$333,600
Riverside County	\$347,600

Source: American Community Survey, 5-Year Estimates, 2018.

## Rental Housing

**Table 25** summarizes rents paid in Temecula in 2018 by rental range. The range with the highest percentage of units rented was between \$1,500 and \$1,999 at 33.4% (3,809 units). Only 8.7% of rentals were under \$1,000 per month. Almost one-third (35.7%) of all rentals were over \$2,000 per month.

Based on a review of rental ads on Zillow.com, Hotpads.com, and Apartments.com, the median rent in Temecula is \$2,435 per month. There were 120 rentals available in May 2021. Rents ranged from \$1,460 to \$3,000 for 2 bed/2 bath homes to \$2,400 and more for a four-bedroom home. It should be noted that this data was collected during the COVID-19 pandemic, when rental rates are at an all-time high due to limited supply, public health concerns, and renters' inability to secure other safe and affordable housing options. **Table 25** below reflects rental costs as of 2018, which may be more indicative of long-term rental rates than the units specifically listed for rent during the COVID-19 pandemic.

**Table 25: Rental Costs (2018)**

Rent Range	Number	Percent
Less than \$500	215	1.9%
\$500 to \$999	774	6.8%
\$1,000 to \$1,499	2,520	22.1%
\$1,500 to \$1,999	3,809	33.4%
\$2,000 to \$2,499	2,575	22.6%
\$2,500 to \$2,999	1,137	10.0%
\$3,000 or more	358	3.1%
Median (dollars)	\$ 1,787	

Source: US Census, 2014-2018 ACS



**Table 26: Rental Rates by Number of Bedrooms**

Bedroom Type	Rental Survey		
	Units Available	Range	Average Rent
Studio	0	N/A	N/A
1 bed	7	\$1,345 - \$2,850	\$1,632
2 bed	80	\$1,460 - \$3,000	\$1,816
3 bed	20	\$2,000 - \$3,600	\$2,290
4 bed or more	13	\$2,400+	N/A

Sources: Zillow.com and Apartments.com, May 2021

## Income Groups

The California Department of Housing and Community Development (HCD) publishes household income data annually for areas in California. **Table 27** shows the maximum annual income level for each income group adjusted for household size for Riverside County. The maximum annual income data is then utilized to calculate the maximum affordable housing payments for different households (varying by income level) and their eligibility for housing assistance programs.

- Extremely Low-Income Households have a combined income at or lower than 30% of area median income (AMI), as established by the Department of Housing and Community Development (HCD).
- Very Low-Income Households have a combined income between 30 and 50% of AMI, as established by HCD.
- Low-Income Households have a combined income between 50 and 80% of AMI, as established by HCD.
- Moderate-Income Households have a combined income between 80 and 120% of AMI, as established by HCD.
- Above Moderate-Income Households have a combined income greater than 120% of AMI, as established by HCD.

**Table 27: State Income Limits – Riverside County (2021)**

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

Source: HCD 2021 Riverside County Income Limits

## Housing Affordability

**Table 28** shows the estimated maximum rents and sales prices, respectively, that are affordable to very low, low, moderate, and above moderate-income households. Affordability is based on a household spending 30% or less of their total household income for shelter. Affordability is based on the maximum household income levels established by HCD (**Table 27**). The annual income limits established by HCD are similar to those used by the U.S. Department of Housing and Urban Development (HUD) for administering various affordable housing programs. Maximum affordable sales price is based generally on the following assumptions: 4% interest rate, 30-year fixed loan, and down payments that vary with income level, as described in Table 3-25.

Comparing the maximum affordable housing costs in **Table 28** to the rental rates in **Table 25** and **Table 26**, rental rates in Temecula as of mid-2021, during the COVID-19 pandemic which has increased housing costs across the board, are generally affordable to moderate-income and above moderate-income households. While there may be some units affordable to lower-income households, units are generally scarce. However, due to the COVID-19 pandemic, Temecula, like cities all over the country, has seen limited supply and increased demand for safe and affordable housing. It can be expected that as the City recovers from the impacts related to COVID-19, housing options will increase to pre-pandemic levels and home costs may become more affordable. In May 2021, there were no rental units available under \$1,345 a month – meaning available units are not affordable for extremely low or very low-income groups. Moderate and above moderate-income households can afford a broad range of available housing.

Although there are homes for sale in Temecula available to very low, low, moderate, and above moderate income groups based on a comparison of **Table 24** and **Table 28**, the majority of homes (i.e. in

the \$700,000+ range) are affordable to only above moderate-income households.

**Table 28: Housing Affordability by Income Group**

Income Group	One Person		Two Person		Four Person		Six Person	
	Home Sale Price*	Monthly Rent or Housing Cost	Home Sale Price*	Monthly Rent or Housing Cost	Home Sale Price*	Monthly Rent or Housing Cost	Home Sale Price*	Monthly Rent or Housing Cost
Extremely Low	\$55,163	\$396	\$63,941	\$453	\$92,887	\$655	\$126,874	\$879
Very Low	\$100,051	\$660	\$114,682	\$754	\$143,945	\$941	\$167,550	\$1,093
Low	\$165,423	\$1,055	\$188,833	\$1,205	\$235,848	\$1,506	\$270,347	\$1,748
Moderate	\$255,004	\$1,581	\$290,315	\$1,808	\$360,740	\$2,259	\$417,119	\$2,620
Above Moderate	\$255,004+	\$1,581+	\$290,315+	\$1,808+	\$360,740+	\$2,259+	\$417,119+	\$2,620+

\*Maximum affordable sales price is based on the following assumptions: 4.0% interest rate, 30-year fixed loan; down payment: \$5,000 – extremely low, \$10,000 – very low; \$15,000 – low, \$25,000 – moderate; property tax, utilities, and homeowners insurance as 30% of monthly housing cost (extremely low/very low), 28% of monthly housing cost (low), and 25% of monthly housing cost (moderate/above moderate). Homes sales prices are rounded to nearest \$100.

Source: De Novo Planning Group, 2021

### ***Extremely Low-income Households***

As previously described, extremely low-income households earn less than 30% of the County Area Median Income (AMI). Depending on the household size, these households can afford rents between \$396 and \$879 per month and homes priced at \$55,163 to \$126,874. As of May 2021, there were no rental homes listed on Zillow or Apartments.com that would be affordable to extremely low-income households. However, based on US Census data, approximately 8% of renters pay monthly rents affordable to extremely low-income households. Extremely low-income households may be able to afford to purchase a mobile home in Temecula; however, real estate listings for these homes indicate that homes affordable at this price point may have age restrictions and are in very limited supply.

### ***Very Low-income Households***

Very low-income households earn between 31% and 50% of the County Area Median Income (AMI). Depending on the household size, these households can afford rents between \$660 to \$1,093 per month and homes priced at \$100,051 and \$167,550. As of May 2021, there were no rental homes listed on Zillow or Apartments.com that could be affordable to very low-income households. However, based on US Census data, approximately 9% of renters pay monthly rents affordable to very low-income households (inclusive of units also affordable to extremely low-income). Very low-income households may be able afford to purchase a mobile home in Temecula; however, even those affordable to very low-income households may have age restrictions and there continues to be a very limited supply.

### ***Low-income Households***

Low-income households earn between 51% and 80% of the County Area Median Income (AMI). Depending on the household size, these households can afford rents between \$1,055 to \$1,748 per month and homes priced at \$165,423 to \$270,347. As of May 2021, some rentals listed on Zillow or Apartments.com would be affordable to low-income households; these units include one- and two-bedroom options. Based on US Census data, about one-third (30.8%) of renters pay monthly rents affordable to larger low-income households, meaning the rent is less than \$1,748 per month. However, it should be noted that most renters are not six-person households, so the actual affordability by household size may be significantly more limited. Low-income households may be able to afford to purchase a mobile home in Temecula; however, even those affordable to low-income households may have age restrictions and there continues to be a very limited supply.

### ***Moderate-income Households***

Moderate-income households earn between 80% and 120% of the County Area Median Income (AMI). Depending on the household size, these households can afford rents between \$1,581 to \$2,620 per month and homes priced at \$255,004 to \$417,119. As of May 2021, most rental units available were affordable to moderate-income households; these units included multifamily homes as well as single-family homes listed for rent by the homeowner. As of mid-2021, moderate-income households still cannot afford the vast majority of homes listed for sale as of May 2021 (which are primarily single-family detached homes), but may be able to afford other housing choices such as mobile homes and multifamily homes. This is further confirmed by US Census data.

## Overpayment

As with most communities, the location of the home is one of the biggest factors with regard to price. Relative to Riverside County, housing in Temecula is more expensive. Furthermore, housing is generally not affordable to extremely low, very low, and low-income households of smaller sizes.

As shown in **Table 29**, 49.9% of renters in Temecula and 29.7% of homeowners overpay for housing. The majority of renters that overpay are in the lower income groups, with 79.8% in the extremely low-income group and 73.1% in the very low-income group severely overpaying for housing (over 50% of their monthly income). Comparatively, 77.9% of extremely low-income owners and 66% of very low-income owners are severely overpaying. Therefore, while overpayment is more predominate among lower income renter households, overpayment is an issue for both renter and owner households. More than one-third (37%) of all households in Temecula overpay for housing.

**Table 29: Households by Income Level and Overpayment (2017)**

Household Overpayment	Renters	Owners	Total	% of Income Category
<b>Extremely Low-Income Households</b>	<b>1,315</b>	<b>565</b>	<b>1,880</b>	<b>100%</b>
With Cost Burden >30%	1,115 / 84.8%	505 / 89.4%	1,625	86.4%
With Cost Burden >50%	1,050 / 79.8%	440 / 77.9%	1,495	79.5%
<b>Very Low-Income Households</b>	<b>1,505</b>	<b>705</b>	<b>2,210</b>	<b>100%</b>
With Cost Burden >30%	1,300 / 86.4%	560 / 79.4%	1,855	83.9%
With Cost Burden >50%	1,100 / 73.1%	465 / 66%	1,565	70.8%
<b>Low-Income Households</b>	<b>1,610</b>	<b>1,900</b>	<b>3,510</b>	<b>100%</b>
With Cost Burden >30%	1,375 / 85.4%	1,200 / 63.2%	2,580	73.5%
With Cost Burden >50%	810 / 50.3%	770 / 40.5%	1,585	45.2%
<b>Total Extremely Low, Very Low, and Low-Income Households Paying &gt;30%</b>	<b>3,790 / 85.6%</b>	<b>2,265 / 71.5%</b>	<b>6,060</b>	<b>80% of lower income households</b>
<b>Moderate and Above Moderate-Income Households</b>	<b>7,620</b>	<b>18,430</b>	<b>26,050</b>	<b>100%</b>
With Cost Burden >30%	2,225 / 29.2%	4,160 / 22.6%	6,385	24.5%
With Cost Burden >50%	210 / 2.8%	520 / 2.8%	735	2.8%
<b>Total Households</b>	<b>12,045</b>	<b>21,600</b>	<b>33,645</b>	<b>100%</b>
With Cost Burden >30%	6,015 / 49.9%	6,425 / 29.7%	12,445	37.0%
With Cost Burden >50%	3,170 / 26.3%	2,195 / 10.2%	5,365	15.9%

Note: Data is rounded to the nearest 5.

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

## Affordable Housing Inventory

The City uses various funding sources to preserve and increase the supply of affordable housing through new construction and the acquisition and/or rehabilitation of renter-occupied units. Affordability covenants in Temecula include developments that hold federal subsidy contracts, received tax credits or mortgage revenue bonds, and/or were financed by redevelopment funds or non-profit developers.

**Table 30** shows assisted units with covenants that require rents to be maintained at affordable levels for various agreed upon periods of time. In 2020, Temecula had 759 total deed-restricted affordable units. A recorded deed restriction serves as an affordability covenant that restricts the income level of a person who occupies the property, and ensures the property will remain available for low to moderate-income persons through the foreseeable future.

**Table 30: Deed Restricted Affordable Housing Units**

Project Name	Address	Type	No. of Restricted Units	No. of Total Units
Cameron Historical Building	41925 5th St., Temecula CA 92590	Equal Opportunity Housing	24	24
Cottages of Old Town	Varies		17	17
Creeside Apts.	28955 Pujol St., Temecula CA 92590		49	49
Front Street Plaza	28693 Old Town Front St., Temecula CA 92590	Family/Seniors	23	23
Habitat I	Varies		2	2
Habitat II	Varies		7	7
Madera Vista Apts.	44155 Margarita Rd., Temecula CA 92592	Family/Seniors	110	110
Mission Village Apts.	28497 Pujol St., Temecula CA 92590	Family	75	76
Oaktree Apts.	42176 Lyndie Ln., Temecula CA 92591	Family	44	45
Palomar Heritage Apartments	41955 5th St., Temecula CA 92590	Family	22	22
Portola Terrace Apts.	28701 Pujol St., Temecula CA 92590	Family/Seniors	44	45
Rancho California Apts.	29210 Stonewood Rd., Temecula CA 92591	Family	54	55
Rancho Creek Apts.	28464 Felix Valdez Rd., Temecula CA 92590	Family	30	30
Rancho West Apts.	42200 Main St., Temecula CA 92590	Family	150	150
Riverbank Apts.	28500 Pujol St., Temecula CA 92590	Senior	65	66

Temecula Reflections Townhomes	31111 Black Maple Dr., Temecula CA 92592	Family	11	11
Warehouse at Creekside Apts.	42081 Third St., Temecula CA 92590	Family	32	32
Total			759	764

Sources: California Housing Partnership, 2021; National Housing Preservation Database, 2021; US Department of Housing and Urban Development, 2021

## Mobile Homes

Mobile homes offer a more affordable option for those interested in homeownership. The median value of a mobile home in Riverside County in 2018 was \$60,200 (2018 ACS 5-Year Estimates Data Profile). Overall, 161 mobile homes are located in Temecula (DOF, Table 2: E-5, 1/1/2019). As shown by **Table 31**, there is one mobile home park in the City with a total of 196 permitted spaces.

In addition to the cost of a mobile home, owners must either purchase a residential site or rent a mobile home space. And although they present a more affordable alternative, mobile home rents have risen steadily throughout southern California since 2009.<sup>2</sup>

**Table 31: Mobile Home Parks in Temecula**

Park Name/Address	Operator	MH Spaces
HERITAGE MH COMMUNITY (33-0386-MP) 31130 S. GENERAL KEARNY RD, TEMECULA, CA 92591	CAREFREE COMMUNITIES CA, LLC	196
Total Mobile Home Spaces		196

Source: HCD 2019 Mobile Home Park Listings

## G. Future Housing Needs

A Regional Housing Needs Plan (RHNP) is mandated by the State of California (Government Code Section 65584) for regions to address housing issues and needs based on future growth projections for the area. The RHNP for Temecula is developed by the Southern California Association of Governments (SCAG), and allocates a “fair share” of regional housing needs to individual cities. The intent of the RHNP is to ensure that local jurisdictions address not only the needs of their immediate areas but also that needs for the entire region are fairly distributed to all communities. A major goal of the RHNP is to ensure that every community provides an opportunity for a mix of affordable housing to all economic segments of its population.

<sup>2</sup> Jeff Collins, “Soaring rents jolt senior tenants at mobile home park,” *OC Registrar* (July 20, 2018).

As the regional planning agency, SCAG determines the City's fair share of housing through the Regional Housing Needs Allocation (RHNA) process. This Housing Element addresses SCAG's RHNA schedule for the 6th Cycle, from 2021 through 2029. The City will need to plan to accommodate 4,193 new units, which includes 679 extremely low-income units, 680 very low, 801 low, 778 moderate, and 1,255 above moderate-income units. Pursuant to Government Code Section 65583(a)(1), 50% of Temecula's very low-income regional housing needs assigned by HCD are extremely low-income households, and hence the 679 ELI units. **Table 32** summarizes Temecula's fair share, progress to date, and remaining units.

**Table 32: Regional Housing Needs Allocation – 6th Cycle**

Status	Extremely Low	Very Low	Low	Moderate	Above Moderate	TOTAL
RHNA Allocation	679	680	801	778	1,255	4,193
Constructed/ Under Construction/ Permits Issued (Since 6/30/2021)	0	0	0	21	6	27
Approved/Entitled/ In Process	24	8	99	0	0	132
Remaining Allocation	656	671	702	757	1,249	4,034

Source: Southern California Association of Governments, 2020; City of Temecula, 2021

## H. Special Needs Groups

Government Code Section 65583(a)(7) requires a housing element to address special housing needs, such as those of the elderly; persons with disabilities, including a developmental disability, as defined in Section 4512 of the Welfare and Institutions Code; large families; farmworkers; families with female heads of households; and families and persons in need of emergency shelter. The needs of these groups often call for targeted program responses, such as temporary housing, preservation of residential hotels, housing with features to make it more accessible, and the development of four-bedroom apartments. Special needs groups have been identified and, to the degree possible, responsive programs are provided. A principal emphasis in addressing the needs of these groups is to continue to seek state technical assistance grants to identify the extent and location of those with special needs and identify ways and means to assist them. Local government budget limitations may act to limit effectiveness in implementing programs for these groups. Please refer to Section 6E of this Element for a discussion of agencies and programs that serve special needs populations in Temecula.



## Seniors

Seniors are considered persons age 65 or older in this Housing Element. However, it must be noted that some funding programs have lower age limits for persons to be eligible for their senior housing projects. Seniors have special housing needs primarily resulting from physical disabilities and limitations, fixed or limited income, and health care costs. Additionally, senior households also have other needs to preserve their independence including supportive services to maintain their health and safety, in-home support services to perform activities of daily living, conservators to assist with personal care and financial affairs, public administration assistance to manage and resolve estate issues, and networks of care to provide a wide variety of services and daily assistance.

Various portions of the Housing Element describe characteristics of the senior population, the extent of their needs for affordable housing, housing designated for seniors, and City provisions to accommodate their need. Senior household growth in Temecula from 2010 to 2018 is shown in **Table 33**.

**Table 33: Senior Population and Households (2010 and 2018)**

Population	2010	2018
Number	7,009	11,534
Percent Change	-	64.6%
Annual Percent Change	-	8.1%
Households	2010	2018
Number	3,694	5,983
Percent Change	-	62.0%
Annual Percent Change	-	7.7%

Source: HCD 2019 Mobile Home Park Listings

The large increase in elderly persons is likely due to the residential growth experienced in Temecula as well as aging in place of Temecula's residents. Senior households increased by 62% from 2010 to 2018. While seniors represent approximately 10% of the City's population, senior households represent approximately 18% of total households, which is primarily due to the smaller senior household size.

**Table 34** summarizes senior households by age and tenure. The majority of senior households are owners, 4,835 or approximately 81%, whereas approximately 19% of senior households, 1,148, are renters. Temecula has a lower percentage of both owner-occupied elderly households than in Riverside County (14.3% vs. 20%) and renter-occupied elderly households (3.4% vs. 5.2%). Elderly renters tend to prefer affordable units in smaller single-story structures or multi-story

structures with an elevator, close to health facilities, services, transportation, and entertainment.

During the planning period, senior households are anticipated to increase at a rate commensurate with overall population and household growth. Senior housing types can include market rate homes, senior single-family housing communities, senior apartments, and mobile homes.

**Table 34: Householder Age by Tenure (2018)**

Age Group	Owners		Renters	
	Number	Percent	Number	Percent
65-74 years	2,977	61.6%	809	70.5%
75-84 years	1,384	28.6%	239	20.8%
85 plus years	474	9.8%	100	8.7%
TOTAL	4,835	80.8% (of total)	1,148	19.2% (of total)

Source: US Census, 2014-2018 ACS (Table B25007)

The median income of households with a head of household that is 65 years and over is \$64,955, significantly less (36.4%) than the median household income of \$90,964.

### ***Senior Housing***

There is increasing variety in the types of housing available to the senior population. This section focuses on three basic types.

**Independent Living** – Housing for healthy seniors who are self-sufficient and want the freedom and privacy of their own separate apartment or house. Many seniors remain in their original homes, and others move to special residential communities which provide a greater level of security and social activities of a senior community.

**Group Living** – Shared living arrangements in which seniors live in close proximity to their peers and have access to activities and special services.

**Assisted Living** – Provides the greatest level of support, including meal preparation and assistance with other activities of daily living.

Temecula permits residential care facilities serving six or fewer persons by right in all residential zones, and those serving more than six persons by conditional use permit in residential and commercial zones. The California Department of Social Services Community Care Licensing Division reports that as of May 2021, 18 residential care facilities serve the elderly in Temecula. Seniors and their caregivers also utilize larger

scale residential care facilities for the elderly. There are four commercially operating assisted living residential care facilities for the elderly in the City:

- Highgate Senior Living-Temecula, 42301 Moraga Rd. – assisted living facility offering memory care and couples care
- Temecula Memory Care, 44280 Campanula Way – memory care facility
- Vineyard Ranch at Temecula, 27350 Nicolas Rd. – assisted living community offering memory care services
- The Chateau at Harveston, 40024 Harveston Dr. – senior independent living with additional third party services

Several programs address the non-housing needs of seniors in Temecula. Additional support for senior residents is provided by the city-operated Mary Phillips Senior Center (MPSC), which serves as the primary site for senior services programs offered by the City and non-profits. Some of the programs and services provided at the MPSC include nutrition/meal programs, health screening and general medical exams, transportation programs, library and computers with internet access, and recreational activities. The City also partners with RTA to provide senior transportation services, including Dial-A-Ride, throughout Temecula.

## **Disabled Persons**

A “disability” includes, but is not limited to, any physical or mental disability as defined in California Government Code Section 12926. A “mental disability” involves having any mental or psychological disorder or condition that limits a major life activity. A “physical disability” involves having any physiological disease, disorder, condition, cosmetic disfigurement, or anatomical loss that affects body systems. In addition, a mental or physical disability limits a major life activity by making the achievement of major life activities difficult including physical, mental, and social activities and working.

Physical, mental, and/or developmental disabilities could prevent a person from working, restrict a person’s mobility, or make caring for oneself difficult. Therefore, disabled persons often require special housing needs related to potential limited earning capacity, the lack of accessible and affordable housing, and higher health costs associated with disabilities. Additionally, people with disabilities require a wide range of different housing, depending on the type and severity of their disability. Housing needs can range from institutional care facilities to facilities that support partial or full independence (i.e., group care

homes). Supportive services such as daily living skills and employment assistance need to be integrated in the housing situation.

- Individuals with a mobility, visual, or hearing limitation may require housing that is physically accessible. Examples of accessibility in housing include widened doorways and hallways, ramps, bathroom modifications (e.g., lowered countertops, grab bars, adjustable shower heads, etc.) and special sensory devices including smoke alarms and flashing lights.
- Individuals with self-care limitations (which can include persons with mobility difficulties) may require residential environments that include in-home or on-site support services ranging from congregate to convalescent care. Support services can include medical therapy, daily living assistance, congregate dining, and related services.
- Individuals with developmental disabilities and other physical and mental conditions that prevent them from functioning independently may require assisted care or group home environments.
- Individuals with disabilities may require financial assistance to meet their housing needs because a higher percentage than the population at large are low-income and their special housing needs are often costlier than conventional housing.

According to the 2014-2018 ACS, there were 9,442 persons with one or more disabilities in Temecula. Of the disabled population, 62.8% were aged 5 to 64, 36.1% were aged 65 and over, and 1.2% were aged 5 and under. **Table 35** identifies disabilities by type of disability.

**Table 35: Disabilities by Disability Type (2018)**

Type of Disability	Persons Ages 5-64		Persons Ages 65+		Total	
	Number	Percent	Number	Percent	Number	Percent
Hearing Difficulty	1,393	23.5%	1,552	45.59%	2,991	31.7%
Vision Difficulty	821	13.9%	591	17.36%	1,479	15.7%
Cognitive Difficulty	2,796	47.2%	648	19.04%	3,444	36.5%
Ambulatory Difficulty	1,835	31.0%	1,937	56.90%	3,772	39.9%
Self-Care Difficulty	953	16.1%	741	21.77%	1,694	17.9%
Independent Living Difficulty	1,628	27.5%	1,645	48.33%	3,273	34.7%
Total Persons with One or More Disabilities <sup>1</sup>	5,925	100% / 62.8% of disabled	3,404	100% / 36.1% of disabled	9,442	100%

<sup>1</sup>A person may have more than one disability, so the total disabilities may exceed the total persons with a disability

Source: US Census, 2014-2018 ACS

As shown in **Table 36**, the 2014-2018 ACS indicates that for individuals between the ages of 16 and 64, approximately 2,562 persons had some form or type of disability and were not in the labor force. This indicates that their disability may impede their ability to earn an adequate income, which in turn could affect their ability to afford suitable housing accommodations to meet their special needs. Therefore, many in this group may be in need of housing assistance.

**Table 36: Disabled Persons by Employment Status (2018)**

	Ages 16 to 64	Percent
Employed with Disability	2,190	42.8%
Unemployed with Disability	369	7.2%
Not in Labor Force with Disability	2,562	50%
Total	5,121	100%

Source: US Census, 2014-2018 ACS

While recent Census data does not provide income levels or overpayment data for persons with a disability, the 2014-2018 ACS survey does report on indicators that relate to a disabled person's or household's income. The 2014-2018 ACS data indicates that 733 persons with a disability are below the poverty level. It is likely that a portion of these disabled persons are in households that overpay for housing due to their limited income. The 2014-2018 ACS data indicates that 24.8% of households receiving food stamps or similar assistance have a disabled member. Of the 6,932 households with a disabled member, 447 households receive food stamps or similar assistance. The 2014-2018 ACS data indicates that the median earnings for males 16 years and over with a disability were \$49,500 compared with \$52,107 for males with no disability. Median earnings for females 16 years and over with a disability were \$31,993 compared to \$29,632 for females with no disability (which may be the result of disabled females receiving disability and SSI benefits).

The persons in the "with a disability" category in **Table 35** and **Table 36** include persons with developmental disabilities. "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." This term includes an intellectual disability, cerebral palsy, epilepsy, autism, and disabling conditions found to be closely related to intellectual disabilities or to require treatment similar to that required for individuals with an intellectual disability, but does not include other handicapping conditions that are solely physical in nature.

While the U.S. Census reports on a broad range of disabilities, the Census does not identify the subpopulation that has a developmental disability. The California Department of Developmental Services

(DDS) maintains data regarding people with developmental disabilities, defined as those with severe, life-long disabilities attributable to mental and/or physical impairments. The DDS data is reported by zip code, so the data reflects a larger area than the City of Temecula; however, the data was joined at the jurisdiction level by SCAG to approximate the counts for Temecula. The DDS/SCAG data indicates that 272 developmentally disabled persons reside in zip codes 92592, 92591, and 92590. **Table 37** breaks down the developmentally disabled population by residence type. Of these persons, the majority (262) live at home with a parent or guardian and only 5 live independently.

**Table 37: Developmentally Disabled Persons by Residence Type (2018)**

	Home of Parent/ Guardian	Independent/ Supported Living	Community Care Facility	Intermediate Care Facility	Foster/ Family Home	Other	TOTAL
Temecula*	262	5	0	0	5	0	272

\*Data is for the Temecula portion of zip codes 92592, 92591, and 92590  
Sources: CA DDS, 2019; SCAG 6th Cycle Data Package

### ***Housing for Disabled Persons***

Households with a disabled member will require a mixture of housing units with accessibility features, in-home care, or group care housing facilities. Some of these households will have a member with a developmental disability and are expected to have special housing needs. Developmentally disabled persons may live with a family in a typical single-family or multifamily home, but some developmentally disabled persons with more severe disabilities may have special housing needs that may include extended family homes, group homes, small and large residential care facilities, intermediate care, and skilled nursing facilities and affordable housing such as extremely low/very low/low-income housing (both rental and ownership), Section 8/Housing Choice Vouchers, and single room occupancy-type units.

Although there are no assisted living residential care facilities for adults with special needs, including physical, mental, and developmental disabilities in Temecula, there are a number of resources available throughout the County to serve the disabled residents of Temecula. **Table 38** identifies some of the organizations in or near Temecula that specialize in providing services for the disabled and developmentally disabled population.

**Table 38: Facilities and Services for Disabled Persons**

Organization Name	Type of Service Provided	Homeless Population Served
Towards Maximum Independence (TMI)	Employment and family support services	Disabled adults
California Department of Rehabilitation	Vocational rehabilitation, independent living	Developmentally disabled adults
Coyne & Assoc.	Early start, behavioral services for children	12 months to 12 years
Goodwill Industries of the Inland Counties	Vocational evaluation, training, and employment opportunities	Adults with physical, psychiatric, and developmental disabilities
Inland Respite, Inc.	Caregivers and companion care	Developmentally disabled adults
Maxim Homecare Services	Home healthcare, autism services	Mentally disabled persons
Project T.O.U.C.H. (Together Our Unity Conquers Homelessness)	Shelter and homeless services	Disabled adults
CARE Learning Center and Counseling Services	Educational and counseling services	Disabled children and adults
A.C.C.E.S.S.	Therapeutic services	Developmentally disabled children and adolescents
Community Access Center (CAC)	Advocacy, assistive technology	Disabled adults

The 2014-2018 ACS data indicates that for individuals between the ages of 5 and 64, approximately 1.6% of the total population of Temecula have an ambulatory difficulty, 0.7% have a vision difficulty, 1.2% have a hearing difficulty, and 1.5% have an independent living difficulty. These types of disabilities may impede their ability to find suitable housing accommodations to meet their special needs. Therefore, many in these groups may be in need of housing assistance. Households containing physically handicapped persons may also need housing with universal design measures or special features to allow better physical mobility for occupants.

The 2014-18 ACS data also indicates that 6,932 households (20.5%) in Temecula had one or more disabled persons, including developmentally disabled persons. It is anticipated that this rate will remain the same during the planning period. Housing needed for persons with a disability during the planning period is anticipated to include community care facilities or at-home supportive services for persons with an independent living difficulty or self-care difficulty (approximately 4.9% of the population), as well as housing that is equipped to serve persons with ambulatory and sensory disabilities. Approximately 20.5% of the RHNA, 860 units, may be needed to have universal design measures or be accessible to persons with a disability.

The City of Temecula is committed to improving the housing options for persons with special needs by proactively working with the development community. In 2015, a developer requesting a General



Plan change was required to offer construction options on the development in order to provide better for-sale options for those who may need unique construction requirements (in the special needs community), but cannot afford expensive retrofits of existing units. These options included:

- Sound absorbent ceilings and walls
- Tempered glass windows and mirrors
- Natural light with sky lights or sun tubes
- Clerestory lighting
- Bathrooms with 4' tiled walls and flooring with floor drains
- Bathroom plumbing with scaled prevention
- Fiberglass and Dutch doors
- Automatic swinging door operations
- Pre-wiring for security systems
- Wider doors

## Large Family Households

Large family households are defined as households of five or more persons. Large family households are considered a special needs group because there is often a limited supply of adequately sized housing to accommodate their needs. The more persons in a household, the more rooms are needed to accommodate that household. Specifically, a five-person household would require three or four bedrooms, a six-person household would require four bedrooms, and a seven-person household would require four to six bedrooms.

In Temecula, 5,273 households, 15.6% of all households, have five or more persons as described in **Table 21**. Of the large households, 65% own their home and 35% rent. Typically, there are more owner-occupied large households that are cost burdened when compared to renter households and the population as a whole. However, the 2014-2018 ACS survey does not provide data regarding overpayment for large households. **Table 39** compares the median income for households with five or more persons to the citywide median income for 2018. For each large family category, the median household income was higher versus the citywide median of \$90,964.

**Table 39: Median Income By Household Size (2018)**

Size	Median Income
5-Person Households	\$109,958
6-Person Households	\$115,667
7 or More Person Households	\$113,556
<i>Median Household Income (All Households)</i>	<i>\$90,964</i>

Source: US Census, 2014-2018 ACS



Large families can have a difficult time finding housing units large enough to meet their needs. In Temecula, there appears to be a significant amount of both ownership housing and rental housing available to provide units with enough bedrooms for larger households. **Table 40** identifies the number of large households by household size versus the number of large owner and rental units. While there are adequate units in Temecula to accommodate large owner and renter households, it does not mean that there is a match between housing units that exist and large families. As described in **Table 20**, 2% of owner-occupied homes and 4.7% of renter-occupied homes are overcrowded.

**Table 40: Household Size versus Bedroom Size by Tenure (2018)**

Tenure	3 BR Units	5 Person Households		4+ BR Units	6 Person and Larger Households	
		Households	Shortfall/ Excess		Households	Shortfall/ Excess
Owner	8,416	2,300	6,116	12,265	1,128	11,137
Renter	3,177	1,334	1,843	3,076	511	2,565

Source: US Census, 2014-2018 ACS

Large households require housing units with more bedrooms than housing units needed by smaller households. In general, housing for these households should provide safe outdoor play areas for children and should be located to provide convenient access to schools and child care facilities. These types of needs can pose problems particularly for large families that cannot afford to buy or rent single-family houses. Based on the proportion of the City's households that are at least five persons, it is anticipated that approximately 16% of the regional housing needs allocation units will be needed to accommodate large households and an emphasis should be placed on ensuring rental units are available to large households.

### Single Parent and Female Headed Households

Single parent households are households with children under the age of 18 at home and include both male- and female-headed households. These households generally have a higher ratio between their income and their living expenses (that is, living expenses take up a larger share of income than is generally the case in two-parent households). Therefore, finding affordable, decent, and safe housing is often more difficult for single parent and female-headed households. Additionally, single parent and female-headed households have special needs involving access to daycare or childcare, health care, and other supportive services.

While the majority of households in Temecula are either two-spouse couples or single person households, 20.5% of family households are

headed by a single male or single female. There are 1,393 male heads of household with no wife present and 581 of these households have children under 18. There is a larger number of female householders with no husband present – 4,296 households or 15.5% of family households – and 2,488 of these female-headed households have children under 18. **Table 41** identifies single parent households by gender of the householder and presence of children.

The median income of female-headed households (no husband present) is \$53,651, 23.8% less than the median income of a male-headed, no wife present family (\$70,432) and 41% less than the median income of all households in the City (\$90,964). Approximately 4.8% of all households are under the poverty level; 26.4% of female-headed households with related children under 18 are under the poverty level.

**Table 41: Families and Female Householder with Children Under 18 (2018)**

Category	Number	Percent
Total Families	27,657	100%
Male householder, no wife present	1,393	5%
With children under 18	581	2%
Female householder, no husband present	4,296	15.5%
With children under 18	2,488	9%

Source: US Census, 2014-2018 ACS

As Temecula's population and households grow, there will be a continued need for supportive services for single parent households with children present. To address both the housing and supportive services needs of single parent households, additional multifamily housing should be developed that includes childcare facilities (allowing single parents to actively seek employment).

In addition, the creation of innovative housing for female-headed households could include co-housing developments where childcare and meal preparation responsibilities can be shared. The economies of scale available in this type of housing would be advantageous to this special needs group as well as all other low-income household groups. Limited equity cooperatives sponsored by non-profit housing developers are another financing structure that could be considered for the benefit of all special needs groups.

## Farmworkers

Farmworkers are traditionally defined as persons whose primary incomes are earned through permanent or seasonal agricultural labor. Agricultural lands have historically been one of Riverside County's most important land uses and agriculture continues to play a large role in the local economy. While Riverside County has recently experienced

an unprecedented level of population growth leading to a more diverse economic base that includes manufacturing, technology, and service-oriented sectors, it remains strongly tied to an agricultural base. Nonetheless, there are only two very minor agricultural operations in the City and no agricultural zoning district exists although agricultural uses are permitted in the residential districts.

Despite this fact, the 2014-2018 ACS data estimates that only 228 (0.4% of the working population) of Temecula's residents were employed in agriculture (or related industries – forestry, fishing and hunting, mining) in 2018. It is possible (although statistics are not available) that the number of residents employed in agriculture as opposed to those employed in forestry, fishing and hunting, or mining is smaller than 228. In addition, it is possible (although statistics are not available) that a number of active farmworkers are not full-time residents of Temecula, and migrate into the area depending on seasonal crop harvest. Such farmworkers may find temporary housing by living with relatives, or short-term rental of a single unit for several families, resulting in overcrowded conditions.

## **Homeless Persons**

Government Code Section 65583(a)(7) requires that the Housing Element include an analysis of the needs of homeless persons and families. Homeless persons are defined as those who lack a fixed and adequate residence. People who are homeless may be chronically homeless (perhaps due to substance abuse or mental health issues) or situationally homeless (perhaps resulting from job loss or family strife). Homeless people face critical housing challenges due to their very low incomes and lack of appropriate housing. Thus, State law requires jurisdictions to plan to help meet the needs of their homeless populations.

The law also requires that each jurisdiction address community needs and available resources for special housing opportunities known as transitional and supportive housing. These housing types provide the opportunity for families and individuals to “transition” from a homeless condition to permanent housing, often with the assistance of supportive services to assist individuals in gaining necessary life skills in support of independent living.

## ***Homeless Estimates***

Counting the homeless population is problematic due to their transient nature; however, through the efforts of the Riverside County Continuum of Care (CoC) estimates have been developed. The Riverside County CoC is a consortium of individuals and organizations with the common purpose of developing and implementing a strategy

to address homelessness in Riverside County. The Riverside County CoC is responsible for managing U.S. Department of Housing and Urban Development (HUD) funds for homelessness, and is uniquely positioned to identify system needs and take steps to address them with the collaboration and partnership of community stakeholders.

As the primary coordinating body for homeless issues and assistance for the entire County, the Riverside County CoC accomplishes a host of activities and programs vital to the County, including an annual point-in-time “snapshot” survey to identify and assess the needs of both the sheltered and unsheltered homeless. Riverside County’s 2020 Point-in-Time (PIT) Count was conducted on January 29, 2020 and was planned, coordinated, and carried out by County agencies, city municipalities, non-profit service providers, and volunteers, including those experiencing homelessness.

The 2020 PIT Count identified 59 people in the City of Temecula experiencing homelessness, representing 2.0% of Riverside County’s total homeless count (2,884 individuals). For Riverside County, an estimated 729 (25.3%) of the 2,884 homeless individuals were sheltered and an estimated 2,155 (75%) were unsheltered. The 59 people identified in Temecula were unsheltered.

### ***Housing Accommodations***

The Temecula Zoning Code allows emergency shelters by right in the Medium Density Residential and High Density Residential zones, subject to compliance with objective standards consistent with the requirements identified in Government Code Section 65583(a)(4). Emergency shelters are also permitted by way of conditional use permit in all other residential zones and in all commercial, office, and industrial districts. Likewise, transitional and supportive housing are allowed by right in the Medium Density Residential and High Density Residential zones and subject only to the same requirements for residential uses of the same type (e.g., single-family or multifamily) in the same zone. Transitional and supportive housing are also permitted by way of conditional use permit in all other residential zones and in all commercial, office, and industrial districts. Housing Program 16 will amend the Zoning Code to ensure that the Code complies with SB 745 and allows transitional and supportive housing by right in all zones allowing residential uses and are not subject to any restrictions (e.g., occupancy limit) not imposed on similar dwellings in the same zone. The Housing Plan includes policies and programs directed to encourage the provision of housing and services for the homeless population as well as persons and households at risk of homelessness.

There are two emergency shelters operating in the City – Project T.O.U.C.H. (130 beds) and Temecula Murrieta Rescue Mission.

Furthermore, Temecula supports a regional effort to provide emergency shelters and transitional and supportive housing among the various local agencies making up the Riverside County CoC.

The most recent inventory of resources available within Riverside County for emergency shelters, transitional housing, and permanent supportive housing units comes from the 2020 Housing Inventory reported to HUD by the Riverside County CoC. **Table 42** shows the total beds offered by homeless facilities in the Riverside County CoC area.

**Table 42: Homeless Facilities (2020)\***

Facility Type	Riverside City & County CoC			
	Family Units	Family Beds	Adult-Only Beds	Total Year-Round Beds
Emergency Shelter	80	310	505	839
Transitional Housing	11	42	50	92
Permanent Supportive Housing	112	414	1,330	1,744
Rapid Re-Housing	69	238	80	318
<b>TOTAL UNITS/BEDS</b>	<b>272</b>	<b>1,004</b>	<b>1,965</b>	<b>2,993</b>

*\*Numbers are for the total Riverside County Continuum of Care region for which Temecula is a participating member*

*Source: HUD 2020 Continuum of Care Homeless Assistance Programs, Housing Inventory Count Report*

- **Emergency Shelters** – An emergency shelter is defined as housing with minimal supportive services for homeless persons that is limited to occupancy of six months or less. Furthermore, no individual or household may be denied emergency shelter because of an inability to pay.
- **Transitional Housing** – Sometimes referred to as “bridge” housing, provides housing accommodations and support services for persons and families, but restricts occupancy to no more than 24 months. In the Riverside County CoC region, a total of 92 transitional housing beds are provided.
- **Permanent Supportive Housing** – Supportive housing has no limit on length of stay and is linked to onsite or offsite services that assist residents in retaining the housing, improving their health status, and maximizing their ability to live and, when possible, work in the community. A total of 1,744 permanent housing beds are provided in the Riverside County CoC region.
- **Rapid Re-Housing** – Rapid re-housing provides short-term rental assistance and services. The goals are to help people obtain housing quickly, increase self-sufficiency, and stay housed.

A network of local and regional service providers operates a number of programs to serve the needs of varied homeless subpopulations. **Table 43** provides a list of emergency and transitional shelters and available services for the homeless population in and around Temecula.

**Table 43: Facilities and Services for the Homeless**

Organization Name	Type of Service Provided	Homeless Population Served	Number of Beds
Project TOUCH - Temecula	Transitional housing, emergency shelter	All	215
Temecula Murrieta Rescue Mission - Temecula	Emergency shelter	All	N.A.
Set Free Ranch - Lake Elsinore	Transitional housing, substance abuse counseling	People with substance abuse problems, people with mental illness, domestic-violence survivors	80 men; 30 women
Salvation Army Emergency Shelter - Hemet	Transitional housing, emergency shelter	All	N.A.
Valley Restart Shelter - Hemet	Emergency shelter,	All	35
Interfaith Community Services Coastal Service Center - Oceanside	Transitional and permanent housing, emergency shelter, employment development	All, Veterans	49+
Operation HOPE - Vista	Emergency shelter	Women and families	N.A.
Jericho House	Transitional housing	Men with substance abuse problems	N.A.
Social Work Action Group (SWAG)	90-day stabilization program	Substance Problems	20

### ***Assessment of Need***

Based on the available information, there is a countywide homeless population of 2,884 persons and 2,993 beds, indicating sufficient supply for homeless persons. It is noted that the 2020 point-in-time survey identified 729 sheltered homeless persons and 2,155 unsheltered homeless persons. The discrepancy between sheltered homeless persons and the county's total capacity to house homeless persons indicates a need for additional community services resources to assist and match the homeless population with the countywide shelter and housing resources.

## **I. Units at Risk of Conversion**

### **Assisted Housing at Risk of Conversion**

California housing element law requires jurisdictions to provide an analysis of low-income, assisted multifamily housing units that are eligible to change from low-income housing uses during the next 10 years (2021-2031) due to termination of subsidy contracts, mortgage prepayment, or expiration of restrictions on use (Government Code

65583). These units risk the termination of various subsidy groups which could convert certain multifamily housing from affordable to market rate. State law requires housing elements to assess at-risk housing in order to project any potential loss of affordable housing.

The California Housing Partnership (CHP) provides data on assisted housing units, including those in Temecula. **Table 44** indicates the extent of subsidized multifamily rental housing in the City, the subsidy programs that are in place for each project, and the likelihood of current housing assisted projects to convert to market rate projects that would not provide assistance to lower income residents.

**Table 44: Summary of at-Risk Subsidized Housing Units**

Project/Address	No. & Type of Units	Type of Subsidy	Current Owner	Earliest Date of Conversion	Risk
Cameron Historical Building 41925 5th St. Temecula CA 92590	24 Family	RDA Loan	WINCHESTER 12 PARTNERS LP	2062	Low
Cottages of Old Town Address Varies	17	RDA Loan	Individual Property Owners	2047	Low
Creekside Apts. 28955 Pujol St. Temecula CA 92590	48	LIHTC Section 515, Section 538, Section 521	RC Investment Group A – California LP	2040	Low
Front Street Plaza 28693 Old Town Front St. Temecula CA 92590	23 Family & Seniors	RDA Loan	FRONT STREET PLAZA PARTNERS	2069	Low
FT-02-029 32504 Strigel Court Temecula CA 92592	1	LIHTC	Individual Property Owner	2027	Moderate
Habitat I & II	9	Land/Cash Contribution	Individual Property Owners	2047	Low
Madera Vista Apts. 44155 Margarita Rd. Temecula CA 92592	110 Family & Seniors	LIHTC	Summerhouse Housing Associates LP	2068	Low
Mission Village Apts. 28497 Pujol St. Temecula CA 92590	75 Family	LIHTC	Affirmed Housing Group	2029	Moderate
Oaktree Apts. 42176 Lyndie Ln. Temecula CA 92591	39 Family	LIHTC Section 515, Section 538, Section 521	Highland Property Development	2040	Low
Palomar Building 41955 5th St. Temecula CA 92590	22 Family	RDA Loan	CROSSROADS AT WINCHESTER	2062	Low
Portola Terrace Apts. 28701 Pujol St. Temecula CA 92590	44 Family & Seniors	LIHTC	AMCAL Pujol Fund LP	2067	Low

Rancho California Apts. 29210 Stonewood Rd. Temecula CA 92591	54 Family	LIHTC	Rancho California LP	2067	Low
Rancho West Apts. 42200 Main St. Temecula CA 92590	150 Family	RDA Loan	WESTMINSTER 2708 HOLDING	2026	High
Rancho Creek Apts. 28464 Felix Valdez Rd. Temecula CA 92590	30 Family	RDA Loan	1717 SUNSET PLAZA DR	2026	High
Riverbank Apts./Pujol Street Senior Apartments 28500 Pujol St. Temecula CA 92590	65 Senior	LIHTC	Corp for Better Housing	2058	Low
Temecula Reflections (Temecula Lane) 31111 Black Maple Dr. Temecula CA 92592	11 Family	Builder Financed/Develo pment Rights	Individual Property Owners	2065	Low
Warehouse at Creekside Apts. 42081 3rd St. Temecula CA 92590	32 Family	RDA Loan	WAREHOUSE AT CREEKSIDE	2065	Low

Sources: California Housing Partnership, May 2021; National Housing Partnership Database, 2021

## Preservation Options

Depending on the circumstances of the at-risk projects, different options may be used to preserve or replace the units. The following discussion highlights ways that the City's at-risk units could be preserved as affordable housing. All of the presented alternatives are costly and beyond the ability of the City of Temecula to manage without large amounts of subsidy from federal and/or state resources.

### *Replacement Through New Construction*

The construction of new lower income housing units is a means of replacing the at-risk units should they be converted to market rate. The cost of developing new housing depends on a variety of factors such as density, size of units, location and related land costs, and type of construction. Assuming an average development cost of \$143,000 per unit for multifamily rental housing (1,200 square foot unit), replacement of the 180 high at-risk units would require approximately \$25.7 million dollars, excluding land costs, which vary depending upon location.

### *Purchase of Replacement Units*

One preservation option is for a non-profit organization to purchase similar units. By purchasing similar units, a non-profit organization can secure lower-income restrictions and potentially enable the project to become eligible for a greater range of governmental assistance. The



cost of purchasing similar units depends on a number of factors, including the market conditions at the time, occupancy rate, and physical conditions of the units to be acquired.

Current market value for the at-risk units is estimated on the basis of the units' potential annual income, and operating and maintenance expenses. The actual market value at time of sale would depend on market and property conditions, lease-out/turnover rates, among other factors.

### ***Purchase of Affordability Covenants***

Another option to preserve the affordability of at-risk projects is to provide an incentive package to the owners to maintain the projects as affordable housing. Incentives could include writing down the interest rate on the remaining loan balance, and/or supplementing the subsidy amount received to market levels.

To purchase the affordability covenant on these projects, an incentive package should include interest subsidies at or below what the property owners can obtain in the open market. To enhance the attractiveness of the incentive package, the interest subsidies may need to be combined with rent subsidies that supplement the HUD fair market rent levels.

### ***Rental Assistance***

Tenant-based rent subsidies could be used to preserve the affordability of housing. Similar to Housing Choice Vouchers, the City, through a variety of potential funding sources, could provide rent subsidies to very low-income households. The level of the subsidy required to preserve the at-risk units is estimated to equal the Fair Market Rent (FMR) for a unit minus the housing cost affordable by a very low-income household.

## **J. Estimates of Housing Need**

Several factors influence the degree of demand, or “need,” for housing in Temecula. The major needs categories considered in this Element include:

- Housing needs resulting from the overcrowding of units
- Housing needs that result when households pay more than they can afford for housing

- Housing needs of “special needs groups” such as elderly, large families, female-headed households, households with a disabled person, farmworkers, and the homeless

State law requires that cities quantify existing housing need in their Housing Element. **Table 45** summarizes the findings.

**Table 45: Summary of Needs**

Summary of Households/Persons with Identified Housing Need	Percent of Total Population/Households
Households Overpaying for Housing:	
Renter Households Overpaying	11.3% of households
Owner Households Overpaying	6.7% of households
Extremely Low-income Households (0-30% AMI) Overpaying	4.8% of households
Very Low-income Households (0-30% AMI) Overpaying	5.5% of households
Low-income Households (0-30% AMI) Overpaying	7.7% of households
Overcrowded Households:	
Overcrowded Renter Households	1.6% of households
Overcrowded Owner Households	1.3% of households
All Overcrowded Households	2.9% of households
Special Needs Groups:	
Elderly Households	17.7% of households
Disabled Persons	8.5% of pop.
Developmentally Disabled Persons	0.2% of pop.
Large Households	15.6% of households
Female Headed Households	12.7% of households
Female Headed Households with Children	7.3% of households
Farmworkers	0.2% of pop.
Homeless	0.05% of pop.
Affordable Housing Units At Risk of Conversion to Market Rate Costs	180 units

Sources: US Census, 2014-2018 ACS; Riverside County Regional Analysis of Impediments to Fair Housing Choice

## IV. CONSTRAINTS ON HOUSING PRODUCTION

Constraints to housing development are defined as government measures or non-government conditions that limit the amount or timing of residential development.

Government regulations can potentially constrain the supply of housing available in a community if the regulations limit the opportunities to develop housing, impose requirements that unnecessarily increase the cost to develop housing, or make the development process so arduous as to discourage housing developers. State law requires housing elements to contain an analysis of the governmental constraints on housing maintenance, improvement, and development (Government Code, Section 65583(a) (4)).

Non-governmental constraints (required to be analyzed under Government Code, Section 65583(a) (5)) cover land prices, construction costs, and financing. While local governments cannot control prices or costs, identification of these constraints can be helpful to Temecula in formulating housing programs.

### A. Potential Non-Governmental Constraints

The City of Temecula takes a number of proactive steps to address non-governmental constraints. This includes implementing the City's Affordable Housing Overlay, providing a fee deferral/reimbursement program, and streamlining processes. Temecula provides a free pre-application process where a developer can receive no cost feedback from all City departments during conceptual, due diligence, and pre-submittal timeframes. Many cities charge thousands of dollars for this process, which adds to development costs and potentially discourages developers from evaluating projects. The City's digital review is another developer friendly process that is minimizing time and reducing costs for the development community. Prior to COVID-19, the City undertook extensive information system upgrades to enable digital reviews. The cost savings add up quickly, with printing cost and permit running costs reaching well over \$10,000 just for printing. Temecula hosts Temecula Trekkers (annually), a multi-day educational session, that educates real estate agents on the Planning Department and provides a direct liaison for future projects.

## 1. Land and Construction Costs

A major cost associated with developing new housing is the cost of land. Most vacant residential parcels in Temecula have been subdivided, while others are contained within planned communities. The cost of to develop housing is influenced by the cost of the raw land, the cost of holding the land during the development process, and the cost of providing services to meet City standards for development. The cost of raw land is influenced by variables such as scarcity, location, availability of public utilities, zoning, general plan designation, and unique features like trees, water frontage, views, and adjoining uses. A review of lots for sale and recently sold indicates that land prices range from approximately \$20,000 to \$80,000 per acre for land approved for residential development based on a review of Zillow and Loopnet listings.

Construction cost is determined primarily by the cost of labor and materials. The relative importance of each is a function of the complexity of the construction job and the desired quality of the finished product. As a result, builders are under constant pressure to complete a job for as low a price as possible while still providing a quality product. This pressure has led (and is still leading) to an emphasis on labor-saving materials and construction techniques.

The International Code Council (ICC) provides estimates for the average cost of labor and materials for typical Type VA protected wood-frame housing. Estimates are based on “good-quality” construction, providing for materials and fixtures well above the minimum required by state and local building codes. In the 2020 edition of the Building Safety Journal, the ICC estimated that the average per square-foot cost for good-quality housing in the region was approximately \$118 for multi-family housing, \$131 for single-family homes, and \$148 for residential care/assisted living facilities. Although construction costs are a substantial portion of the overall development cost, they are consistent throughout the region and therefore are not considered a major constraint to housing production. The 2020 COVID-19 pandemic social distancing guidelines may increase constructions costs for an unknown period.

Construction cost increases, like land cost increases, affect the ability of consumers to pay for housing. Construction cost increases occur due to the cost of materials, labor, and higher government imposed standards (e.g., energy conservation requirements). The development community is currently producing market rate for-sale housing that is affordable to moderate and above moderate income households.

## 2. Availability of Financing

Financing is critical to the housing market. Developers require construction financing, and buyers require permanent financing. The two principal ways in which financing can serve as a constraint to new residential development are the availability and cost of construction financing and the availability and cost of permanent financing.

- If financing is not easily available, then more equity may be required for developing new projects and fewer homebuyers can purchase homes, since higher down payments are required.
- Higher construction period interest rates for developers result in higher development costs. For homebuyers, higher interest rates translate into higher mortgage payments (for the same loan amount), and therefore reduces the purchasing power of homebuyers.

On February 25, 2021, the reported average rate for a 30-year mortgage was 2.97% with 0.6 points (FreddieMac, 2019). From 2005 through 2021, average monthly mortgage rates have ranged from a high of 6.76% in July 2006 to today's record lows. For homebuyers, it is necessary to pay a higher down payment than in the immediate past, and demonstrate credit worthiness and adequate incomes, so that loan applications meet standard underwriting criteria. While adherence to strict underwriting criteria was not required during the early and mid-2000s, the return to stricter standards is consistent with loan standards prior to 2001.

## 3. Affordable Housing Development Constraints

In addition to the constraints to market rate housing development discussed above, affordable housing projects face additional constraints. While there is a range of sites available for potential affordable housing projects, as well as projects that focus on special needs populations, financial assistance for the development of affordable housing is limited and highly competitive.

Multiple funding sources are needed to construct an affordable housing project, since substantial subsidies are required to make the units affordable to extremely low, very low, and low income households. It is not unusual to see five or more financing sources required to make a project financially feasible. Each of these sources may have different requirements and application deadlines, and some sources may require that the project has already successfully secured financing commitments. Since financing is so critical and is also generally competitive, organizations and agencies that provide funding often can effectively dictate the type and sizes of projects. Thus, in some years senior housing may be favored by financing programs, while in other

years family housing may be preferred. Target income levels can also vary from year to year.

This situation has worsened in recent years. Federal and state funding has decreased and limited amounts of housing funds are available and the process to obtain funds is extremely competitive. Tax credits, often a fundamental source of funds for affordable housing, are no longer selling on a one for one basis. In other words, once a project has received authorization to sell a specified amount of tax credits to equity investors, the investors are no longer purchasing the credits at face value, but are purchasing them at a discount. (Tax credits are not worth as much to investors if their incomes have dropped.)

#### **4. Building Permit Timing**

Typically, single family home developers apply for the first building permits for a subdivision upon receipt of a grading permit. For simple projects or projects that must remain static in their design, building permits may be processed concurrently with grading plan reviews. Building permits typically take 60-90 days, assuming two to three plan checks. Building permits can be issued in as few as 30 days if there are no corrections, but this is rarely the case for residential subdivisions or multifamily projects. Typically, it takes approximately 6-18 months between approval of a project and request for/issuance of building permits. This varies widely depending on the complexity of the project and required permits or environmental review.

### **B. Governmental Constraints**

Housing affordability is affected by factors in both the private and public sectors. Actions by the City can have an impact on the price and availability of housing in Temecula. Land use controls, site improvement requirements, building codes, fees, and other local programs intended to improve the overall quality of housing may serve as a constraint to housing development. These governmental constraints can limit the operations of the public, private, and nonprofit sectors, making it difficult to meet the demand for affordable housing and limiting supply in a region. All City zoning, development standards, specific plans, and fees are posted online and available to the public, consistent with the requirements of AB 1483.

#### **1. Land Use Controls**

The Land Use Element of the Temecula General Plan and corresponding Development Code provide for a range of residential types and densities dispersed throughout the City. Maximum residential densities, in terms of dwelling units per acre (DU/Ac), in Temecula cover a wide spectrum, including the following categories:

- Hillside Residential (HR) (0.1 DU/Ac)
- Rural (RR) (0.2 DU/Ac)
- Very Low Density Residential (VL) (0.4 DU/Ac)
- Low Density Residential-1 (L-1) (2 DU/Ac)
- Low Medium Density Residential (LM) (6 DU/Ac)
- Medium Density Residential (M) (12 DU/Ac)
- High Density Residential (H) (20 DU/Ac)

These residential categories provide for a range of housing types to be developed in Temecula. The City has also set target density levels for the following residential uses:

- Very Low Density Residential (VL) (0.3 DU/Ac)
- Low Density Residential-1 (L-1) (1.5 DU/Ac)
- Low Medium Density Residential (LM) (4.5 DU/Ac)

Target density levels are used in projecting future development. The target density establishes a ceiling within the range which cannot be exceeded without Planning Commission/City Council approval. Targets of 10 DU/Ac for Medium Density Residential and 16.5 DU/Ac for High Density Residential are shown in Table LU-1 of the Land Use Element. These numbers are for analysis and are used when calculating maximum allowable density bonuses. However, projects that provide amenities or public benefits will be allowed to exceed the target level. For example, affordable housing is considered a public benefit and is therefore not subject to the established target density level of 10 DU/Ac for Medium Density Residential and 16.5 DU/Ac for High Density Residential. Other types of amenities or public benefits may include providing road connections, parks, or a fire station. These amenities typically apply to large-scale planned development projects.

In addition, the Land Use Element includes a Mixed-Use Overlay that adds residential uses to permitted uses and increases the maximum density and target floor-to-area ratio (FAR). As stated in the General Plan Land Use Element, for each area, a daily trip cap is defined, based on the maximum number of daily trips permitted. Within the daily trip cap for each area, flexible, high-quality design and creative mixes of adjacent uses are encouraged. Development project proposals that exceed the specified trip caps will not be approved. Residential densities would *average* approximately 28 units per net acre. According

to the Land Use Element, the total number of units possible in Mixed-Use Overlay areas ranges from approximately 1,173 to 2,348 units. The trip caps for each Mixed Use Overlay area are as follows: Area 1 – 15,000 trips; Area 2 – 30,000 trips; Area 3 – 6,000 trips. The total number of trips, 51,000, is equivalent to 8,500 residential dwelling units (at 6 trips per unit for high-density residential development), or 102 acres of commercial development (at 500 trips per acre), or a combination of the two.

### **Approved and Built Densities**

While the City's regulations identify minimum and maximum densities that may be developed in the City (exclusive of most Specific Plans, including Old Town, Altair, and Harveston), individual developers may opt to build at the lower, mid-range, or higher end of allowed densities. Recent projects in Temecula that are built or are under construction are consistent with the densities anticipated by the City's General Plan, Specific Plans, and Zoning Code and typically built within 5% of the maximum allowable density. The City has received feedback from the development community that the maximum density levels are realistic and achievable, and the City expects to continue to see projects built at or around the maximum allowable density.

## **2. Residential Development Standards**

Temecula's residential development and parking standards are summarized in **Tables 46 and 47**. Residential standards have been adopted by the City to protect the safety and welfare of Temecula residents.

The Development Code and General Plan allow for modification and flexibility in the development standards through the provision of a Mixed-Use Overlay, Village Center Overlay, Affordable Housing Overlay, and Planned Development Overlay. Flexibility in planning for overlay areas is allowed to promote a greater range of housing opportunities within the City, promote development of affordable housing options, and affirmatively further fair housing. Diversity of housing, including affordable housing, is one of the performance standards for the Village Center Overlay and is a central component of the City's Affordable Housing Overlay. The Planned Development Overlay zoning district also encourages the provision of additional housing opportunities for the community.



**Table 46: Residential Development Standards**

	HR	RR	VL	L-1	L-2	LM	M	NC	CC	HT	PO	SP	PDO	H <sup>4</sup>	HR-SM
Minimum Net Lot Area (square feet)	—	—	—	—	—	7,200	7,200	30,000	30,000	20,000	40,000	For SP-5, see Table H-26A. For all others, refer to individual specific plans.	See Table H-26B	—	—
Minimum Average Net Lot Area per Dwelling Unit	10 acres	5 acres	2.5 acres	1.0 acre	0.5 acres	—	—	-	-	-	-			—	10 acres
Density Range (Dwelling Units per Net Acre) <sup>1</sup>	<0.1	0.1-0.2	0.2-0.4	0.5-2.9	0.5-2.9	3.0-6.9	7.0-12.9	20.0 <sup>5</sup>	30.0 <sup>5</sup>	30.0 <sup>5</sup>	30.0 <sup>5</sup>			13.0-20.0	<0.1
Lot Dimensions															
Minimum Lot Frontage at Front Property Line	50 ft.	50 ft.	40 ft.	40 ft.	30 ft.	30 ft.	30 ft.	-	-	-	-	For SP-5, see Table H-26A. For all others, refer to individual specific plans.	See Table H-26B	30 ft.	50 ft.
Minimum Lot Frontage for a Flag Lot at Front Property Line	40 ft.	40 ft.	30 ft.	30 ft.	25 ft.	20 ft.	20 ft.	-	-	-	-			20 ft.	40 ft.
Minimum Width at Required Front Setback Area	100 ft.	100 ft.	100 ft.	70 ft.	50 ft.	50 ft.	40 ft.	50 ft.	50 ft.	80 ft.	80 ft.			30 ft.	100 ft.
Minimum Average Width	100 ft.	100 ft.	80 ft.	70 ft.	60 ft.	50 ft.	50 ft.	-	-	-	-			50 ft.	100 ft.
Minimum Lot Depth	150 ft.	150 ft.	120 ft.	100 ft.	90 ft.	80 ft.	80 ft.	100 ft.	100 ft.	100 ft.	120 ft.			100 ft.	150 ft.
Setbacks															
Minimum Front Yard <sup>2</sup>	40 ft.	40 ft.	25 ft.	25 ft.	15 ft. <sup>2</sup>	10 ft. <sup>2</sup>	10 ft. <sup>2</sup>	-	-	-	-	For SP-5, see Table H-26A. For all others, refer to individual specific plans.	See Table H-26B	20 ft. <sup>2</sup>	40 ft.
Minimum Corner Side Yard	40 ft.	40 ft.	15 ft.	15 ft.	15 ft.	15 ft.	15 ft.	-	-	-	-			15 ft.	40 ft.
Minimum Interior Side Yard <sup>3</sup>	25 ft.	25 ft.	10 ft.	10 ft.	10 ft.	Variable <sup>3</sup>	Variable <sup>3</sup>	0	0	0	0			Variable <sup>3</sup>	25 ft.
Minimum Rear Yard	25 ft.	25 ft.	20 ft.	20 ft.	20 ft.	20 ft.	20 ft.	15 ft.	10 ft.	10 ft.	10 ft.			20 ft.	25 ft.
Other Requirements															

	HR	RR	VL	L-1	L-2	LM	M	NC	CC	HT	PO	SP	PDO	H <sup>4</sup>	HR-SM
Maximum Height	35 ft.	35 ft.	35 ft.	35 ft.	35 ft.	35 ft.	40 ft.	35 ft.	50 ft.	75 ft.	75 ft.	For SP-5, see Table H-26A. For all others, refer to individual specific plans.	See Table H-26B	50 ft.	2 floors, 30–40 ft. from foundation
Maximum % of Lot Coverage	10%	15%	20%	25%	25%	35%	35%	25%	30%	30%	50%			30%	2 floors, 30–40 ft. from foundation
Open Space Required	90 %	75%	70 %	60%	40%	25%	25%	25%	20%	20%	25%	For SP-5, see Table H-26A. For all others, refer to individual specific plans.		30%	2 floors, 30–40 ft. from foundation
Private Open Space Per Unit	NA	NA	NA	NA	NA	NA	200	NA	NA	NA	NA	For all others, refer to individual specific plans.		150	2 floors, 30–40 ft. from foundation

SOURCE: The City of Temecula Municipal Code, Sections 17.06.040 and 17.06.080. Accessed June 2021.

Notes:

1. Affordable housing and congregate care facilities may exceed the stated densities pursuant to the provisions of Section 17.10.020M.
2. In the H residential zoning district, dwelling units with entrances that have direct access to the street, such that the predominant features of the home fronting the street are the windows and the front door, may have a minimum setback of 15 feet.
3. In order to allow for more flexible site planning, variable interior yard setback for both sides must equal at least LM zoning district: The combined interior side yard setback for both sides must equal at least 15 feet. One side shall have at least 5 feet and the other side shall have at least 10 feet and shall be located on the same side as the driveway to provide for potential vehicular access to the rear of the property. M and H zoning districts: The combined interior side yard setbacks shall not be less than 10 feet. This is intended to permit a zero lot line arrangement with a zero setback on one side yard and 10 feet on the opposite side yard.
4. Except as otherwise stated in the Temecula Municipal Code, the objective standards and regulations applicable to multifamily projects in the high density residential zoning district, as outlined in Chapter 17.06, shall apply to all projects developed pursuant to the Affordable Housing Overlay.
5. As allowed by the Affordable Housing Overlay.

**Table 47: Residential Development Standards – Old Town Specific Plan**

District	DTC	R/LMU	NR
Minimum Net Lot Area (square feet)	3,500	3,125	3,750
Minimum Average Net Lot Area per Dwelling Unit	-	-	-
Maximum Dwelling Units Per Acre <sup>1</sup>	70	70	35
<b>Lot Dimensions</b>			
Minimum Lot Frontage at Front Property Line	25	25	50
Minimum Lot Frontage for a Flag Lot at Front Property Line	-	-	-
Minimum Width at Required Front Setback Area	10	10	-
Minimum Average Width	-	-	-
Minimum Lot Depth	140	125	75
<b>Setbacks</b>			
Minimum Front Yard	20	20	20
Minimum Corner Side Yard	-	-	5
Minimum Interior Side Yard	-	-	5
Minimum Rear Yard	5	5	10
<b>Other Requirements</b>			
Maximum Height	50	50	50
Maximum % of Lot Coverage	-	-	-
Open Space Required	-	-	-
Private Open Space Per Unit	75-100	50-75	100
SOURCE: City Of Temecula, Old Town Specific Plan			
Notes:			
Rear yard setback is 0 feet where an alley occurs, or 5 feet in NR District.			

**Table 48: Residential Development Standards – Planning Development Overlays**

	PDO-2	PDO-5	PDO-6	PDO-7	PDO-10	PDO-11	PDO-12
Minimum Net Lot Area (square feet)	2,700	–	40,000	7,200	7,000	2,400	4,500
Minimum Average Net Lot Area per Dwelling Unit	2,400	–	–	–	-	-	-
Maximum Dwelling Units Per Acre	20	–	–	12	-	10	2
<b>Lot Dimensions</b>							
Minimum Lot Frontage at Front Property Line	30 ft.	–	60 ft.	30 ft.	-	-	-
Minimum Lot Frontage for a Flag Lot at Front Property Line	12 ft.	–	–	20 ft.	-	-	-
Minimum Width at Required Front Setback Area	40 ft.	–	80 ft.	40 ft.	-	-	-
Minimum Average Width	40 ft.	–	–	50 ft.	50 ft.	40 ft.	45 ft.
Minimum Lot Depth	55 ft.	–	120 ft.	80 ft.	100 ft.	60 ft.	100 ft.
<b>Setbacks</b>							
Minimum Front Yard	8 ft.	45 ft. <sup>1</sup>	20 ft. <sup>5</sup>	10 ft.	-	5 ft.	15 ft.
Minimum Corner Side Yard	0 ft.	45 ft. <sup>1</sup>	-	15 ft.	-	10 ft.	10 ft.
Minimum Interior Side Yard	0 ft.	45 ft. <sup>1</sup>	10 ft.	-	-	5 ft.	5 ft.
Minimum Rear Yard	5 ft.	45 ft. <sup>1</sup>	10 ft.	20 ft.	-	10 ft.	20 ft.
Landscape Setback <sup>2</sup>	-	25 ft.	–	-	-	-	-
<b>Other Requirements</b>							
Maximum Height	35 ft.	28 ft./40 ft. <sup>3</sup>	40 ft.	40 ft.	50 ft.	25 ft.	35 ft.
Maximum % of Lot Coverage	50%	–	50%	35%	50%	-	-
Floor Area Ratio	–	1.00 <sup>4</sup>	–	–	–	–	–
Open Space Required	30%	–	25%	25%	-	20%	-
Private Open Space Per Unit	120 sf	–	–	200 sf	-	200 sf	-

SOURCE: City of Temecula Municipal Code, Sections 17.22. Accessed June 2021.

Notes: For Sub Area C along the eastern and southerly property line.

A minimum 25-foot landscape buffer setback from the property line shall be provided in Sub Areas A and B along Rancho California Road and between Sub Area A and existing residential development to the east.

28 feet and 1 story in Sub Area A; 40 feet and 3 stories in Sub Area C.

Maximum floor area ratio (with bonuses). Target floor area ratio is .50

10 feet on service and access roads and 25 feet adjacent to residentially zoned property.

**Table 49: Parking Space Requirements**

Land Use	Required Parking Spaces
Single-Family Unit	2 enclosed spaces
Duplex, Triplex	2 covered spaces/units, plus 1 guest space/4 units
Multi-Family Units (12 units or less) – 3 or fewer bedrooms	2-5 units: 2 covered spaces/units, plus 2 guest spaces per project 6-12 units: 2 covered spaces/unit, plus 3 guest spaces
Multi-Family Units (13 or more units)	1 covered parking space plus 0.5 uncovered parking space for 1 bedroom units. In addition, 1 guest space for every 6 units 1 covered parking space plus 1 uncovered parking space for 2 bedroom units. In addition, 1 guest space for every 6 units 2 covered parking spaces and 0.5 uncovered parking space for three bedroom (or more) units. In addition, 1 guest space for every 6 units A minimum of 4 guest spaces is required for all multifamily residential with 13 or more units
Mobile Home Park	1 covered space/trailer site, plus 1 guest space/2 trailer sites
Accessory Dwelling Units	1 parking space per newly constructed detached ADU except as otherwise provided in Chapter 17.23. The parking space may be provided as tandem parking on the driveway
Senior Citizens Housing Complex/Congregate Care	½ covered space/unit, plus 1 uncovered guest space per 5 units
Congregate Care Housing	½ covered space/unit, plus 1 uncovered guest space per 5 units

SOURCE: City of Temecula Development Code, 2021.

Additional flexibility in development standards is also provided in the Development Code through the use of variable setbacks. This flexibility allows for creative site planning, especially for irregular sites. For example, the City adopted a Planned Development Overlay district for the Temecula Creek Village project to provide for mixed-use commercial/residential development. Residential uses for the Planned Development Overlay district include medium- and high-density multi-family uses.

### ***Affordable Housing Opportunities***

To provide additional opportunities for affordable housing, the Development Code and General Plan also allow senior housing, congregate care facilities, and affordable housing in some nonresidential zoning districts. Senior housing is also permitted in the

Neighborhood Commercial (NC), Community Commercial (CC), Service Commercial (SC), Highway/Tourist Commercial (HT), and Professional Office (PO) zoning districts. Congregate care facilities are allowed in the Neighborhood Commercial, Community Commercial, Highway/Tourist Commercial, Service Commercial, and Professional Office zoning districts. Residential, multiple-family housing shall be allowed in the PO zone only if the affordable housing overlay (AHO) applies to the property and the proposed development complies with all requirements of Chapter 17.21.

Affordable housing and affordable senior housing projects are entitled to receive various incentives, provided the project meets the requirements of Section 65915 of the California Government Code. Affordable housing projects are entitled to receive qualifying density incentives through Section 17.10.020(M)(3)(a) of the Temecula Municipal Code and may also receive qualifying concessions through Section 17.10.020(M)(3)(b) of the Temecula Municipal Code. The types of concessions that may be offered for specific housing projects are discussed in detail in the Density Bonus and Incentive Law section of this Housing Element.

### ***Specific Plans***

A specific plan is a comprehensive planning document that guides the development of a defined geographic area in a mix of uses including residential, commercial, industrial, schools, and parks and open space. Specific plans typically include more detailed information than the General Plan about land use, traffic circulation, affordable housing programs, resource management strategies, development standards, and a comprehensive infrastructure plan. Specific plans are also used as a means of achieving superior design by providing flexibility in development standards beyond those contained in the Zoning Ordinance.

The City Council has adopted more than a dozen specific plans. Each one contains detailed regulations, conditions, programs, and design criteria unique to a defined geographic area within Temecula and is intended to implement the General Plan. The adopted specific plans are consistent with the General Plan. Future specific plans, specific plan amendments, and development projects must be consistent with policies contained in the General Plan, including the General Plan Land Use and Community Design Elements. The following discussion summarizes three specific plans that will accommodate a significant portion of the Regional Housing Needs Assessment (RHNA) through the planning period.

### **Old Town Specific Plan**

The Old Town Specific Plan was originally adopted in 1994 and subsequently comprehensively amended in 2010 to plan comprehensively for the revitalization of Old Town Temecula. The intent of the Old Town Specific Plan is to create a dynamic, walkable and pedestrian friendly mixed-use core in Old Town that consistent of attractive, high quality development, respectful of its existing historic buildings, while maintaining a unified design theme and unique architectural character. The Old Town Specific Plan is a form-based code and does not include minimum or maximum development standards. Although the Old Town Specific Plan allows for mixed-use development in horizontal and vertical formats, projects are allowed to be 100% residential. As included in the Regulating Plan for the Specific Plan, the Downtown Core area is expected to see development at densities between 40-70 du/ac, the Residential/Limited Mixed Use area is expected to see densities of 20-70 du/ac, and the Neighborhood Residential area is expected to see densities between 20-35 du/ac. Residential development in the Old Town Specific Plan area can occur at densities of at least 30 du/ac.

During the past planning period, the City has seen significant development interest in the Old Town area. In particular, the Old Town area has been particularly attractive for affordable housing development, and the City recently approved two affordable housing projects in Old Town under the City's Affordable Housing Overlay, which applies to several properties within the Old Town Specific Plan.

### **Harveston Specific Plan**

The Harveston Specific Plan is an approximately 550-acre planned community that was initially approved by the City of Temecula City Council in 2001. The Specific Plan was divided into 12 planning areas in an effort to create a distinct cluster of future uses/activities and to identify potential time frames for individual project development to occur in a timely manner within the overall Specific Plan concept. The Specific Plan proposed a maximum 1,921 dwelling units (1,621 single-family residences and 300 multi-family residences); a 110.4-acre service commercial area; a 17.3-acre lake/lake park facility; a 19.5-acre community park; a 13.9-acre arroyo park; a 2-acre paseo park; three mini parks totaling 1.5 acres; a 1.8-acre village green, trails, paseos, and bike lanes; a 12-acre elementary school on a 550-acre site; and 63.9 acres of major streets. The Specific Plan also allowed for an approximately 13-acre mixed-use district overlay intended to function as the Village Center. This area allowed up to 20,000 square feet of retail, restaurant and office uses; a daycare facility; a congregate care facility; a worship site; an approximately 15,000 square-foot private club house with fitness center; and residential, educational, recreation, and park uses.

The Harveston Specific Plan area has been mostly developed. However, in 2020, the City Council approved a General Plan Amendment and Specific Plan Amendment to change the General Plan land use designation from Service Commercial to Specific Plan Implementation and add a residential overlay to approximately 87.54-acres of Planning Area 12, allowing for the future development of a maximum of 1,000 additional residential units. At this time, the unit mix of single-family residences and multi-family residences is unknown as there are no specific detailed project plans or proposed project designs.

For the purposes of this analysis, the residential overlay assumes 1,000 small lot detached single family homes that would be developed, the majority of which would be market-rate. However, the 1,000 units allowed for under the Residential Overlay may be distributed over any of the Residential Overlay parcels so that the net density of one parcel could be significantly greater than another parcel. The expected density range for parcels in the Residential Overlay varies from 7-20 du/ac, but the Specific Plan expressly states that densities may exceed this range, with no maximum density identified, so long as the total number of units allowed under the Residential Overlay does not exceed 1,000 units.

This area, which has been identified as a key location to accommodate a portion of the City's RHNA, includes the lot south of the Audi Temecula car dealership, and the lot east of the Mercedes Benz of Temecula, which are currently vacant. The remaining planning areas of the Harveston Specific Plan are developed with single family and multi-family residences; the Ysabel Barnett Elementary School; the ABC Child Care Village; the Harveston Lake and Harveston Lake Park; the Harveston Community Park; and open space areas.

Implementation of the additional residential development would require the construction of public facilities and services to serve the future development of a maximum of 1,000 residential units. Services include: water, wastewater, storm drainage, electricity, natural gas, telecommunications, and solid waste disposal. The adequacy of these services were evaluated in the environmental document prepared to support the General Plan and Specific Plan Amendment and specific programs and improvements have been identified in order to support development of these new housing units.

### **Altair Specific Plan**

The Altair Specific Plan applies to development of a 270-acre land parcel west of the Old Town planning area. Previously, the General Plan and Zoning Map had designated the majority of the project area as Specific Plan-8, Westside Specific Plan. However, this was a previously adopted document that never developed as a built project.



In 2017, the City Council approved Specific Plan-15, Altair, to reimagine the site and plan for a new vibrant development area just outside of Old Town Temecula.

Altair is envisioned as the complementary residential component to the Old Town Specific Plan area of the City of Temecula. The two plan areas are integral to a successful urban mixed-use environment. Altair is located directly adjacent to Old Town Temecula and its added residential population base will support the commercial uses of Old Town. There are few housing opportunities in Old Town currently, limiting the clientele of Old Town's shops and restaurants to visitors who arrive primarily by car. Old Town businesses are therefore very dependent on tourism, which can fluctuate dramatically. The downtown area must also satisfy the intense parking demand of all of those visitors. Altair will provide up to 1,750 new homes for a range of household sizes, income and demographics. The homes of Altair will be a pedestrian-oriented community within walking or cycling distance of Old Town. The dense design will attract residents looking for an urban lifestyle, a demographic that tends to patronize the type of restaurants and shops already in Old Town. These residents will broaden and stabilize the consumer base for Old Town businesses.

Altair also provides public amenities close to Old Town. A central park, plazas, play field and an elementary school are proposed. A new Western Bypass links Temecula Parkway with Rancho California Road, an important public benefit to alleviate traffic congestion in Old Town. Altair's attractive trails, vistas and parks will add to and diversify the tourism market of the vicinity.

The Altair project area is comprised of two portions: the majority 215 acres (which will be developed) and a non-contiguous 55-acre site to the south that is designated for a use benefitting the public, predominantly through conservation. The site slopes dramatically, offering striking views from vantage points on the site as well as providing a visual backdrop to Old Town. A substantial portion of the site will be added to the wildlife corridor established under the Multiple Species Habitat Conservation Plan (MSHCP) and will, therefore, be maintained in a natural state.

The Altair Specific Plan lays out a vision to provide a range of housing types at different densities and intensities. In particular, the Specific Plan identifies the following allowable building types, at densities and intensities allowing for at least 30 du/ac:

- Detached housing
- Multiplex
- Rowhouses
- Live/Work

- Micro Units
- Multifamily Walk-up
- Multifamily Podium

The Altair Specific Plan does not set minimum or maximum density requirements. The Specific Plan identifies a range of appropriate densities for residential development by sub-planning area, which anticipates development to occur at densities ranging from 4 du/ac (in very limited areas adjacent to natural open space) to 33 du/ac (closer to Old Town). The density ranges identified for each sub-planning area may be increased by the transfer of unused development intensity from one village to another administratively, so long as the total number of dwelling units in the Altair Specific Plan is not exceeded. This approach allows for significant flexibility to respond to market trends and demands, accommodate affordable housing, provide a variety of housing types, and create connections to Old Town Temecula. Additionally, the City has seen significant development interest in building affordable housing in the Old Town area, and anticipating development of additional affordable housing in the Altair community reflects the City's vision to accommodate more affordable development near Old Town and adjacent to goods and services in a walkable, mixed-use environment.

### **Uptown Specific Plan**

The Uptown Specific Plan, adopted in 2014, is intended to bring new life to the Jefferson Avenue corridor by encouraging residential, commercial and retail uses, and reducing development obstacles, such as environmental review, parking, and permit processing. The Uptown Specific Plan is a form based code, expecting residential densities of at least 30 du/ac. The recommended minimum density for all zoning districts within the Uptown Specific Plan area is 25 du/ac, and building heights range from 4- to 8-stories, for areas designated for residential development (as included in Appendix A). The Uptown Specific Plan does not include a maximum density or intensity for new development. The City has seen significant development interest in the Uptown Specific Plan area, with a special focus on affordable housing. These projects are attracted to the form based environment in Uptown and find that the proximity to goods and services coupled with the flexible development plan allow for more affordable housing options to be developed in Temecula. As the City continues to promote Uptown as a desirable location for new affordable residential development, the City expects to continue to see development at densities of at least 30 du/ac (or higher), and finds that Uptown is a logical location to accommodate a portion of the City's lower income RHNA.

### 3. Provisions for a Variety of Housing

Housing element law specifies that jurisdictions must identify adequate sites to be made available through appropriate zoning and development standards to encourage the development of a variety of types of housing for all income levels, including multi-family rental housing, agricultural employee housing, manufactured homes, senior and affordable housing, congregate care facilities, emergency shelters, transitional housing, supportive housing, efficiency unit housing, second dwelling units, and housing for persons with disabilities. **Table H-50** summarizes Temecula's permitted residential housing by zoning district and the following paragraphs describe the City's provision for these types of housing.

**Table 50: Permitted Housing By Zoning District**

HOUSING TYPE	ZONE														H	HR-SM <sup>1</sup>
	HR	RR	VL	L-1	L-2	LM	M	CC	HT	NC	SC	PO	PDO	SP		
Single-family detached	P	P	P	P	P	P	P	C	C	C	C	C			–	P
Duplex (two-family dwellings)	–	–	–	– <sup>2</sup>	– <sup>2</sup>	– <sup>2</sup>	P	–	–	–	–	–			P	–
Single-family attached (greater than two units)	–	–	–	–	–	P	P	–	–	–	–	–	See Table H-28B	Refer to individual specific plans.	P	–
Multiple-family	–	–	–	–	–	–	P	C	–	–	–	–			P	–
Manufactured homes	P	P	P	P	P	P	P	–	–	–	–	–			P	P
Mobile home park	–	–	C <sup>3</sup>	C	C	C	C	–	–	–	–	–			C	–
Facilities for the mentally disordered, disabled, or dependent or neglected children (six or fewer)	P	P	P	P	P	P	P	–	–	–	–	–			P	P
Facilities for the mentally disordered, disabled, or dependent or neglected children (seven to twelve)	C	C	C	C	C	C	P	–	–	–	–	–	See Table H-28B	Refer to individual specific plans.	P	C
Alcoholism or drug abuse recovery or treatment facility (six or fewer)	P	P	P	P	P	P	P	–	–	–	–	–			P	P
Alcoholism or drug abuse recovery or treatment facility (seven or more)	C	C	C <sup>3</sup>	C	C	C	P	–	–	–	–	–			P	C
Residential care facilities for the elderly (six or fewer)	P	P	P	P	P	P	P	P	P	P	P	P			P	P
Residential care facilities for the elderly (seven or more)	C	C	C	C	C	C	P	P	P	P	P	P			P	C
Residential care facilities (six or fewer)	P	P	P	P	P	P	P	–	–	–	–	–	See Table H-28B	Refer to individual specific plans.	P	P
Residential care facilities (seven or more)	C	C	C	C	C	C	C	–	–	–	–	–			P	C
Congregate care residential facilities for the elderly <sup>4</sup>	–	–	–	–	P	P	P	–	–	–	–	–			P	–

HOUSING TYPE	ZONE															
	HR	RR	VL	L-1	L-2	LM	M	CC	HT	NC	SC	PO	PDO	SP	H	HR-SM <sup>1</sup>
Boarding, rooming and lodging facilities	-	-	-	-	-	-	C	-	-	-	-	-			C	-
Accessory dwelling units	P	P	P	P	P	P	P	-	-	-	-	-	See Table H-28B	Refer to individual specific plans.	P	P
Guest house	P	P	P	P	P	P	P <sup>6</sup>	-	-	-	-	-			P <sup>4</sup>	P
Family day care homes—small	P	P	P	P	P	P	P	-	-	-	-	-			P	P
Family day care homes—large <sup>7</sup>	P	P	P	P	P	P	P	-	-	-	-	-			P	P
Day care centers	C	C	C	C	C	C	C	-	-	-	-	-			C	C
Bed and breakfast establishments <sup>6</sup>	C	C	C	C	C	C	C	-	-	-	-	-			C	C
Emergency shelters	C	C	C <sup>3</sup>	C	C	C	P	-	-	-	-	-	See Table H-28B	Refer to individual specific plans.	P	C
Transitional housing	C	C	C <sup>3</sup>	C	C	C	P	-	-	-	-	-			P	C
Supportive housing	C	C	C <sup>3</sup>	C	C	C	P	-	-	-	-	-			P	C
Efficiency Unit housing	-	-	-	-	-	-	P	-	-	-	-	-			P	-

Source: City of Temecula 2021.

Notes:

General Note - A Conditional Use Permit for new construction requires Director's Review and Hearing which includes consideration at a noticed public hearing, for matters that are considered to have special significance or impact, the Director of Planning may refer such items to the Planning Commission for consideration.

Conditional Use Permits without Development Plans are approvable by the Director of Planning. Conditional Use Permits with Development Plans are approvable by hearing body required for the Development Plan. Major Modifications of projects requiring Development Plans which were approved by the Planning Commission or City Council shall be considered by the original approval body. Increases in building square footage that result in a building larger than 10,000 square feet shall be considered by the Planning Commission.

1. Development within the HR-SM zoning district is subject to Section 17.06.080, Hillside development standards.
2. A duplex or two-family dwelling may be permitted on corner lots with a Planned Development Overlay pursuant to the provisions of Chapter 17.22 of this title.
3. These uses are not permitted within the Nicolas Valley rural preservation area, as identified in Figure LU-5 of the land use element of the general plan.
4. Subject to the supplemental development standards contained in Chapter 17.10 of this title.
5. Reserved
6. Allowed only with a single-family residence.
7. Subject to the provisions of Section 17.06.050(l).

**Table 51: Permitted Housing By Zoning District**

HOUSING TYPE	ZONE				
	PDO-1	PDO-2	PDO-7 Area 1A, 1B	PDO-7 Area 2	PDO-7 Area 3
Single-family detached		P <sup>1</sup>	P	P	P
Duplex (two-family dwellings)		P <sup>1</sup>	-	P	-
Single-family attached (greater than two units)		P	-	P	-
Multiple-family		P	-	P	-
Manufactured homes		P	-	-	-
Mobile home park		-	-	-	-
Facilities for the mentally disordered, disabled, or dependent or neglected children (six or fewer)		P	-	-	-
Facilities for the mentally disordered, disabled, or dependent or neglected children (seven to twelve)		P	-	-	-
Alcoholism or drug abuse recovery or treatment facility (six or fewer)		P	-	-	-
Alcoholism or drug abuse recovery or treatment facility (seven or more)		P	-	-	-
Residential care facilities for the elderly (six or fewer)		P	-	C	C
Residential care facilities for the elderly (seven or more)		P	-	C	C
Residential care facilities (six or fewer)		P	-	-	-
Residential care facilities (seven or more)		P	-	-	-
Congregate care residential facilities for the elderly		P	-	-	-
Boarding, rooming and lodging facilities		C	-	-	-
Accessory dwelling unit		-	-	-	-
Guest house		P <sup>2</sup>	-	-	-
Family day care homes—small		P	-	-	-
Family day care homes—large <sup>1</sup>		P	-	-	-
Day care centers		C	-	-	-
Bed and breakfast establishments		-	-	-	-
Emergency shelters		P	-	-	-
Transitional housing		P	-	-	-
Supportive Housing		-	-	-	-
Efficiency Unit Housing		-	-	-	-

SOURCE: City of Temecula 2021.

Notes:

1. Detached residential or zero lot-line units, duplexes and two-family dwellings are permitted only with the approval of the Planning Commission.
2. Allowed only with a single-family residence.

**Permanent and Seasonal Housing for Agricultural Employees:**

Agriculture is a predominant industry in Riverside County, but there is very little farmland that is considered prime, unique, or of local importance within the City limits (General Plan, Figure OS-3). While there are no agricultural operations in the City of Temecula, nearby wineries represent an employee base for agricultural workers. Agricultural workers face various housing issues due to their typically lower incomes and the seasonal nature of their work. However, since there is an insignificant amount of existing agricultural land, the City does not provide agricultural employee housing and does not anticipate a need for permanent and seasonal agricultural employee housing. Other opportunities for agricultural worker housing are discussed earlier in this Housing Element. Additionally, Program 16 is proposed to address compliance with the Employee Housing Act which includes employee housing requirements for agricultural employees.

**Factory-Built Housing/Modular and Mobile Homes:** Temecula allows for the provision of manufactured housing in all of its residential zoning districts, but requires a permanent foundation. Mobile home parks are allowed with a conditional use permit in all of the residential zoning districts, except Hillside Residential (HR) and Rural Residential (RR), where they are not permitted. Manufactured housing must be certified according to the National Mobile Home Construction and Safety Standards Act of 1974 and must conform to all other development and use requirements applicable to the primary units in the zoning district. The units must stand on a permanent foundation, and the materials used for the siding must be approved by the Planning Director. Additionally, the City recognizes the potential for additional affordable factory-built housing as second dwelling units.

**Senior Housing/Affordable Housing:** There are a total of 17 affordable housing developments throughout the City of Temecula. Affordable housing is permitted in High, Medium, and Low Density Residential zoning districts and in the City's Affordable Housing Overlay areas. In addition to development on vacant land within the permitted zones and overlay areas, the City recognizes the potential for additional affordable housing in future mixed-use areas and Specific Plan areas, including Old Town, Harveston and Altair. Affordable housing can also be achieved in the form of accessory dwelling units (ADUs). The Municipal Code allows for ADUs in all residential and mixed-use zoning districts where single-family residences are permitted, in accordance with State law. For additional information on affordable housing within the City, please reference the Housing Element sections on housing stock and housing resources.

Senior and affordable housing are permitted by-right in the High, Medium, and Low Medium Density Residential zoning districts, with approval of a development plan.

Senior housing is also allowed in the Neighborhood Commercial, Community Commercial, Service Commercial, Highway/Tourist Commercial, and Professional Office zoning districts. Senior housing constructed in the Neighborhood Commercial zone will be developed to be consistent with the development and performance standards allowed in the Medium Density Residential zoning district. For the Community Commercial, Service Commercial, Highway/Tourist Commercial, and Professional Office zoning districts, senior housing will be developed consistent with the development and performance standards allowed for the High Density Residential zoning district.

### **Affordable Housing**

Affordable housing is permitted by-right where the parcel is identified with the Affordable Housing Overlay. There are various types of income levels when defining affordable housing:

***Moderate-Income Household:*** Persons or families whose income does not exceed 120% of area median income (AMI), adjusted annually for family size.

***Low-Income Household:*** Persons or families whose income does not exceed 80% of AMI, adjusted annually for family size.

***Very Low-Income Household:*** Persons or families whose income does not exceed 50% of AMI, adjusted annually for family size.

***Extremely Low-Income Household:*** Persons or families whose income does not exceed 30% of AMI, adjusted annually for family size.

### **Affordable Housing Project Incentives**

Currently, there are two basic sources of law governing affordable housing project incentives within the City: (1) density bonus law; and (2) Temecula Municipal Code Section 17.21, which defines the City's Affordable Housing Overlay Zoning District.

#### **► *Density Bonus and Incentive Law***

The state density bonus statutes require the City to grant a density bonus and incentives or concessions to a developer who agrees to construct or donate land for affordable housing. Density bonuses are allowed as per regulations in Temecula Municipal Code Section 17.06.050. **Table 52** below lists the thresholds in which the State decides if a project can be deemed all or partly affordable housing.



**Table 52: Housing Qualifying for Density Bonus**

Type of Qualifying Housing	Required Percentage of Unit
Lower Income	10% of proposed units
Very Low Income	5% of proposed units
Senior Citizen Housing Development	Any senior housing development
Moderate-Income Condominium or Planned Development	10% of proposed units

Once the Project has been deemed a partly or fully affordable housing project, the applicant may be allowed to develop additional density. The City must calculate the extra density to which an applicant is entitled. The density bonus law not only uses a base percentage of the project (listed below), but a sliding scale allows for greater density bonuses when an applicant includes more than the minimum qualifying percentage of affordable units. To qualify for a density bonus through donation of land, the applicant must propose a tentative tract map, parcel map, or other residential development project. The donor of land meeting the specified criteria is entitled to a base 15% density bonus, with a sliding scale increase of 1% and an additional increase of 1% for each unit in the total number of affordable units entitled on the donated land in excess of the 10% qualifying percentage. Listed below are the base and sliding scale bonuses (see **Table 53**).]

**Table 53: Density Bonuses Allowed**

Type of Qualifying Housing	Base Density Bonus	Sliding Scale Density Bonus
Lower Income	20% increase in the number of units, unless a lesser percentage is requested by the applicant	1.5% increase in density bonus for each 1% increase in lower-income affordable units to a maximum density bonus of 35% of proposed units
Very Low Income	20% increase in the number of units, unless a lesser percentage is requested by the applicant	2.5% increase in density bonus for each 1% increase in very low-income affordable units up to a maximum density bonus of 35% of proposed units
Senior Citizen Housing Development	20% increase in the number of units, unless a lesser percentage is requested by the applicant	No sliding scale increase
Moderate-Income Condominium or Planned Development	5% increase in the number of units, unless a lesser percentage is requested by the applicant	1% increase in density bonus for each 1% increase in moderate income affordable units up to a maximum density bonus of 35% of proposed units.

	Percentage of Affordable Units	Number of Incentives or Concessions
10% Lower Income or 5% Very Low Income or 10% Moderate Income (condo/planned development)	1	
20% Lower Income or 10% Very Low Income or 20% Moderate Income (condo/planned development)	2	
30% Lower Income or 15% Very Low Income or 30% Moderate Income (condo/planned development)	3	

In addition to the density bonuses described above, the applicant may request specific incentives or concessions. Provided that the agency cannot make findings sufficient to deny requested incentives or concessions, as provided by Government Code Section 65915(d), incentives or concessions must be granted if requested by the applicant. The potential concessions include:

- An increase in the amount of required lot coverage;
- A modification to the setback or required yard provisions;
- An increase in the maximum allowable building height;
- A reduction in the amount of required on-site parking;
- A reduction in the amount of on-site landscaping, except that no reduction in on-site recreational amenities may be approved unless the affordable housing is in close proximity with easy access to a public park with recreational amenities; or
- A reduction in the minimum lot area.

An applicant who receives a density bonus and/or other concessions or incentives must agree to ensure the continued affordability of all low- and very low-income density bonus units for at least 30 years, unless a longer period of time is required. The minimum length of the affordability covenant will depend upon whether the City grants any additional concessions or incentives on top of the density bonus as well as whether any City Housing Fund moneys were also used for the project.

**Efficiency Unit Housing:** Efficiency unit housing offers one opportunity for low-cost housing that is specifically designed to meet some of the varying needs of several special needs groups.

Efficiency unit housing provides viable housing alternatives for individuals in these special needs groups. The Temecula Municipal

Code allows efficiency unit housing in the Medium (M) and High (H) density residential zoning districts and conditionally permits them in the Community Commercial and Professional Office zones.

**Congregate Care:** Congregate care facilities are not limited specifically to density requirements as long as all of the development standards for the zoning district are met. Congregate care facilities are allowed in the Low-Density Residential, Low Medium Density Residential, Medium Density Residential, High Density Residential, Neighborhood Commercial, Community Commercial, Highway/ Tourist Commercial, Service Commercial, and Professional Office zoning districts.

In Temecula, congregate care facilities include facilities for seniors and the disabled in accordance with Health and Safety Code Section 50062.5, which requires facilities that are “planned, designed, and managed to include facilities and common space that allow for direct services and support services that maximize the residents’ potential for independent living and which is occupied by elderly or handicapped persons or households, as defined in Sections 50067 and 50072. Direct services and support services which are provided or made available shall relate to the nutritional, social, recreational, housekeeping, and personal needs of the residents and shall be provided or made available at a level necessary to assist the residents to function independently.”

**Accessory Dwelling Units:** The City of Temecula allows accessory dwelling units (ADUs) in all residential and mixed-use districts where a detached single-family unit is permitted. In 2020, the City updated its Zoning Code to implement the requirements of Government Code Sections 65852.2 and 65852.22 to allow accessory dwelling units and junior accessory dwelling units in a manner that encourages their development but simultaneously minimizes impacts on traffic, parking, density, and other areas where the city is still permitted to exercise local control. ADUs cannot be sold but may be rented for a period of at least 31 days. See the Housing Element section on housing resources for additional information on second dwelling units.

As specified in Program 16, the City will amend its Zoning Code as it relates to Planned Development Overlays 2 and 7 to allow for accessory dwelling units in accordance with State law.

**Transitional and Supportive Housing:** Transitional and supportive housing is provided to socially support individuals and provide basic life skills and is coupled with social services such as job training, alcohol and drug abuse programs, and case management.

The Temecula Municipal Code allows transitional and supportive housing in all residential areas within the City. Transitional and supportive housing are permitted by right in Medium and High Density

Residential and require a conditional use permit in all other residential zones. Transitional and supportive housing are also allowed in the Community Commercial and Professional Office zoning districts with a conditional use permit.

**Emergency Shelters/Homeless Housing:** The City facilitates the development of emergency shelters by permitting the development of such facilities in the Medium and High Density Residential districts by right without a conditional use permit or other discretionary action. These uses are also permitted in other residential districts with a conditional use permit. Emergency shelters are also permitted with a conditional use permit in the Neighborhood Commercial, Community Commercial, Highway/Tourist Commercial, Service Commercial, Professional office, Business Park, and Light Industrial zoning districts.

**Housing for Persons with Disabilities:** The City provides housing opportunities for disabled persons through the provision of affordable, barrier-free housing. The requirements for accessibility in the California Building Code and the Temecula Municipal Code ensure reasonable accommodation and compliance with accessibility requirements and are provided in all projects within Temecula. Residential care facilities (group homes) for six or fewer residents are permitted in all residential zoning districts. The development of residential care facilities for seven or more residents is permitted in the High Density Residential zoning district by right, without a conditional permit, or other discretionary action. Facilities for seven or more residents are also permitted in all other residential zoning districts with a conditional use permit

The maximum densities for residential care facilities are not limited specifically to density requirements so long as the project complies with all development standards of Title 24 of the California Code of Regulations and the Temecula Municipal Code. The City does not restrict occupancy of unrelated individuals in group homes, and Section 17.34.010 of the Zoning Code defines “family” as one or more persons living together as a single housekeeping unit in a single dwelling unit. Family also means the persons living together in a licensed residential facility, as that term is defined in California Health and Safety Code Section 1502(a)(1) serving six or fewer persons, excluding the licensee, the members of the licensee’s family, and persons employed as facility staff who reside at the facility.

The City permits housing for special needs groups, including for individuals with disabilities, without regard to distances between such uses or the number of uses in any part of the City. The City allows some variation from the application of its parking standards. Section 17.24.040 of the Zoning Ordinance would allow, for example, the

reduction of parking spaces for a unique use such as a senior housing project or other special needs.

Currently, Temecula has two group homes for teenagers with a total capacity of 18 persons. In addition, two residential facilities in the City offer housing for up to approximately 14 developmentally disabled persons. Although, cities retain land use jurisdiction regarding these homes, the State Fire Marshal ensures the safety of group homes with seven or more residents. The City of Temecula contracts with the State Fire Marshal through the California Department of Forestry and Fire Protection (Cal Fire) in conjunction with the Riverside County Fire Department. The Building and Safety Division has developed a positive working relationship with the County Fire Department that ensures that any improvements and/or maintenance for group homes are handled through the City's normal concurrent review process.

It has been a departmental philosophy to provide complete direction for applicants, as well as looking for solutions when problems or barriers present themselves on a project. Because of this, in the past the City has had success finding reasonable solutions to noncompliant code issues with successful end results.

The City's site planning requirements and assistance programs reduce housing constraints for persons with disabilities by providing necessary regulations for a variety of disabilities and housing conditions. The City does not impose special permit procedures or requirements that could impede the retrofitting of homes for accessibility.

Compliance with these development standards ensures reasonable accommodation is provided for all new projects. The City will continue to implement the existing requirements as well as continue to implement its formalized reasonable accommodation processes for individual homeowners requesting exceptions to development standards to accommodate a specific disability. In addition, retrofit assistance for persons with disabilities may be available through a future Residential Rehabilitation Program for lower income families as listed in the City's Five-Year Consolidated Plan.

#### **4. Development and Planning Fees**

The cost of development is a constraint to the implementation of affordable housing projects. Typically, the cost of developing raw land is significantly increased by the various regulations and fees local governments impose on developers.

The City of Temecula charges various fees and assessments to cover the cost of processing permits and providing certain services and utilities. **Table 54** summarizes that City's planning fee requirements for residential development, while **Table 55** depicts the City's

development impact fees for residential development. The Western Riverside County Multiple Species Habitat Conservation Plan (MSHCP) mitigation fee was established in order to implement the goals and objectives of the MSHCP and to mitigate the impacts caused by new developments in western Riverside County. The fee is part of the mitigation fees for species protection required under the MSHCP. The collection of the fees supplements the financing for the acquisition of lands supporting species covered by the MSHCP and to cover new development's share of this cost. Developments where the MSHCP fee applies have the same fee structure throughout the MSHCP plan area.

Nearly all of the vacant developable parcels located west of I-15 in western Temecula are within the MSHCP criteria cell and core linkage areas, as are all parcels located in the southwestern corner of the City. Additional vacant developable parcels in the northeast corner of the City are also located in the MSHCP criteria cell and core linkage areas. Few underutilized residential properties are located in the MSHCP criteria cell and core linkage areas. If a site is located in a criteria cell, a HANS application must be completed and submitted to the City along with a \$1,500 check made payable to Western Riverside Conservation Authority (RCA). The check and one copy of the application are mailed to the County for review and determination of any site inclusion for the MSHCP conservation area.

It is estimated that the total development fees are \$13,375 for a single-family unit and \$10,920 for a multi-family unit. These fees are similar to other fees in the region. Comparing the cost of one jurisdiction's development and planning fees to another is difficult since each jurisdiction calculates and applies its fee schedule in its own unique way. While no recent studies available to the general public have been completed in Riverside County to compare the fees charged by various jurisdictions, a recent trend used by other jurisdictions is to assess a deposit that varies per application type, and then charge an hourly "fully burdened" rate to recover costs. The City of Temecula assesses a fixed rate for each application type, based on the average hours of staff time required to process each application. This fee schedule is adjusted annually based on the consumer price index for the greater Los Angeles Metropolitan area. **Table H-31** reflects the fee schedule for the 2012–2013 fiscal year.

**Table 54: Planning Fee Schedule\***

Project Type	City of Temecula Fee	Department of Environmental Health Fee
<b>Planning and Zoning</b>		
Conditional Use Permit – No Site Changes <sup>1,2,3,4</sup>	\$4,089	\$234
Conditional Use Permit – with a Development Plan <sup>1,2,3,4</sup>	\$1,303	N/A
Development Agreement	\$65,820	N/A
Development Agreement – Major Modification <sup>1,2,3,4</sup>	\$15,078	N/A
Development Agreement – Minor Modification <sup>1,2,3,4</sup>	\$4,309	N/A
DIF Credit or Reduction	\$1,100	N/A
Development Plan – Less than 10,000 sf <sup>1,2,3,4</sup>	\$9,839	\$136
Development Plan – 10,000 sf to 100,000 sf <sup>1,2,3,4</sup>	\$13,366	\$136
Development Plan – Over 100,000 sf <sup>1,2,3,4</sup>	\$16,078	\$136
General Plan Amendment/Zoning Map Amendment – Text or Exhibit <sup>1,2,3,4</sup>	\$9,287	\$59
General Plan Amendment/Zoning Map Amendment – Official Zoning Map and Land Map <sup>1,2,3,4</sup>	\$7,278	\$59
General Plan Amendment/Zoning Map Amendment – Official Zoning Map or Land Map <sup>1,2,3,4</sup>	\$5,009	\$59
Accessory Dwelling Unit Permit	\$934	N/A
Variance <sup>1,2,3,4</sup>	\$4,721	\$120
Minor Exception <sup>1,2,3,4</sup>	\$634	N/A
Minor Exception (individual homeowner)	\$158	N/A
Municipal Code Amendment <sup>1</sup>	\$7,279	
Specific Plan – New <sup>1,2,3,4</sup>	\$104,279	\$197
Specific Plan Amendment – Major	\$41,388	\$61
Specific Plan Amendment – Minor	\$14,441	\$61
Planned Development Overlay <sup>1,2,3,4</sup>	\$38,367	N/A
<b>Subdivisions</b>		
Certificate of Land Division Compliance (fee per parcel) <sup>1,2,3,4</sup>	\$1,594	\$138
Common Interest Development Conversion <sup>1,2,3,4</sup>	\$5,524	N/A
Lot Line Adjustment	\$1,612	N/A
Merger of Contiguous Parcels	\$2,419	N/A
Minor Change (to approved Tentative Map)	\$2,442	N/A
Parcel Map – Tentative (Residential) w/Waiver of Final Map <sup>1,2,3</sup>	\$3,927	\$389
Parcel Map – Tentative (Residential) Standard <sup>1,2,3</sup>	\$4,904	\$675
Parcel Map – Tentative (Vesting) <sup>1,2,3</sup>	\$4,298	\$424
Parcel Map – Tentative (Revised) <sup>1,2,3</sup>	\$4,273	\$203
Condominium Map <sup>1,2,3</sup>	\$14,326	\$538
Tract Map – Standard 5-34 lots/units <sup>1,2,3</sup>	\$12,874	\$203
Tract Map – Standard 35-75 lots/units <sup>1,2,3</sup>	\$14,563	\$203
Tract Map – Standard 76-165 lots/units <sup>1,2,3</sup>	\$16,688	\$203
Tract Map – Standard 166+ lots/units <sup>1,2,3</sup>	\$18,661	\$203
Tract Map – Standard - Revised Map <sup>1,2,3</sup>	\$7,292	\$203
Tract Map – Vesting 5-34 lots/units <sup>1,2,3</sup>	\$16,520	\$424
Tract Map – Vesting 35-75 lots/units <sup>1,2,3</sup>	\$18,347	\$424
Tract Map – Vesting 76-165 lots/units <sup>1,2,3</sup>	\$20,570	\$424
Tract Map – Vesting 166 lots/units <sup>1,2,3</sup>	\$22,319	\$424

Project Type	City of Temecula Fee	Department of Environmental Health Fee
Tract Map – Vesting – Revised Map <sup>1,2,3</sup>	\$10,262	\$424
Phasing Plan for Tentative Map – Sewered	\$4,366	\$57
Phasing Plan for Tentative Map – Subsurface Disposal	\$4,366	\$138
Residential Tract Product Review <sup>1,4</sup>	\$12,631	N/A
Reversion to Acreage	\$930	\$72
<b>Miscellaneous Charges</b>		
Certificate of Historic Appropriateness <sup>1,2,3,4</sup>	\$562	N/A
Substantial Conformance	\$7,706	\$61
Extension of Time with Public Hearing <sup>1,2,3,4</sup>	\$3,429	\$63
Extension of Time without Public Hearing <sup>1,2,3,4</sup>	\$1,739	\$63
Extension of Time – Subdivision Ordinance <sup>1,2,3,4</sup>	\$4,301	\$63

\*SOURCE: Temecula User Fee Schedule (2021-2022); updated annually each July 1.

1. Add CEQA Fee of \$325 for environmental determination. If environmental determination is not exempt from CEQA, add \$5,552 for Negative Declaration without Mitigation, or \$7,590 for Negative Declaration with Mitigation. If EIR is required, add \$59,811 for City-managed EIR or \$88,192 for applicant-managed EIR.
2. Add UC Regents Fee of \$60 (if required) – not applicable to duplicate applications
3. Add Traffic Study Fee (if required) of \$3,008 (major) or \$752 (minor)
4. Add DRC Landscape Fee of \$250 (if new/modified landscaping is proposed) and DRC Architectural Review Fee of \$.05 per building square foot (if new/modified architecture is proposed)
5. \$528 to Environmental Health if Sewered; \$424 to Environmental Health if Subsurface Disposal



**Table 55: Development Impact Fees For The City of Temecula**

Development Fee	Land Use (Fee/Unit)	
	Residential Attached	Residential Detached
Street System Improvements	\$1,717.58	\$2,453.64
Traffic Signals and Traffic Control Systems	\$243.11	\$347.33
Corporate Facilities	\$356.92	\$665.69
Police Facilities	\$627.33	\$354.58
Fire Protection Facilities	\$390.77	\$842.15
Parks and Recreational Improvements	\$2,901.20	\$4,049.59
Open Space & Trails Development	\$845.65	\$1,180.35
Libraries	\$772.74	\$1,078.60
<b>Total</b>	<b>\$7,866.30</b>	<b>\$10,971.93</b>
Transportation Uniform Mitigation Fee		
Single Family	\$9,810	
Multi-Family	\$6,389	
Stephen' Kangaroo Rat Plan Fee (K-RAT)		
Lot greater than ½ gross acre – per dwelling unit	\$250-\$500	
All other Residential – per gross acre		
Multispecies Habitat Conservation Plan Fee (MSHCP)		
Residential Less than 8.0 DU	\$2,935	
Residential Between 8.1 and 14.0 DU	\$1,473	
Residential Greater than 14.1 DU	\$670	
Art in Public Places		
Residential – Single/Multi – Family	1/10 of 1% of project cost in excess of \$100,000	
Quimby – In-Lieu Fee \$310,000 per acre		
Single Family residential (Detached Garage)	3.12 Avg. Density/DU	
Single family Attached (Attached Garage)	2.85 Avg. Density/DU	
Multi-Family Attached (2-4 Units)	2.48 Avg. Density/DU	
Multi-Family Attached (5 or More Units)	2.43 Avg. Density/DU	
Mobile Homes	2.00 Avg. Density/DU	
School Developer Fees		
Single Family and Multifamily Residential	\$3.20/Sq. Ft	
Restricted Senior Communities	\$0.66/Sq. Ft.	
SOURCE: City of Temecula 2021.		

**Table 56** provides the ratio of typical development cost to fees per unit for single and multi-family developments in Temecula that do not require preparation of a Negative Declaration or Environmental Impact Report. The exact fees associated with an individual project will vary greatly based on the exact project parameters. However, the City reviews its fees annually to confirm that its fees are in line with those charged by other agencies in the region and that they do not present a constraint to development.

**Table 56: Total Processing and Fees for Typical Single- and Multi-Family Units**

Housing Type	Total Fees	Estimated Development Cost per Unit	Estimated Proportion of Fees to Development Costs per Unit
Single Family Unit	\$13,375	\$350,000	3.8 %
Multi-Family Unit	\$10,920	\$200,000	5.5 %

SOURCE: City of Temecula, 2021.

## 5. Building Codes and Enforcement

### Staffing and Process

As Building and Safety and Code Enforcement are under the same department supervision, the exchange of information between Building and Code Enforcement staff members is excellent. Enforcement items are a regularly occurring weekly meeting topic during Building and Safety weekly staff meetings.

The Code Enforcement Division consists of three permanent officers. Each officer has an assigned geographic area of the City and is very familiar with problematic properties. Each officer regularly patrols their area to ensure that any prior complaints have been resolved and that they have responded to any new complaints.

The department is complaint-driven, which means that officers respond to complaints as they come in to the City. In addition, the officers make every effort to be proactive in their assigned geographic areas. Several of the code enforcement officers have received training in dealing with housing issues and are able to respond with building inspectors to calls on substandard housing.

### Building Codes

The City of Temecula has adopted the California Building Code, 2019 Edition, Volumes 1 and 2 (Part 2 of Title 24 of the California Code of Regulations), including Appendix C-Agricultural Buildings, and Appendix F-Rodent Proofing. This includes the Historical Building Code, Existing Building code, Electrical Code, Mechanical Code, Plumbing Code, Administrative Code, Energy Code, Green Building

Standards Code, Reference Standards Code, and Residential Code. A copy of each code is maintained in the office of the City Clerk and is made available for public inspection.

This collection of codes is considered to be the minimum necessary to protect the public health, safety, and welfare. The City is responsible for enforcement of all the model codes. Further, the requirements for accessibility in the California Building Code will ensure that reasonable accommodation and compliance with accessibility requirements are provided in all projects within Temecula.

Overall, the housing stock is in excellent condition. The City's Code Enforcement program is complaint-based and will not constrain the development or preservation of housing. When housing code violations are cited for units occupied by low- and moderate-income households, the Code Enforcement staff may offer information regarding rehabilitation programs.

### **Reasonable Accommodations**

The City's process for providing reasonable accommodations allows individuals, or their representatives, to make requests for reasonable accommodations for persons with disabilities as part of the permit process. No additional permits are required or additional fees charged by the City. Requests for reasonable accommodations to meet the needs of persons with disabilities are generally approved administratively, and a use permit is not required. An exception would be a use (in contrast to an accessory structure or appurtenance) that requires a discretionary (use) permit, such as a residential care facility of seven or more persons. City staff is available to provide assistance regarding the processing of requests for the construction of accessory structures. Information regarding the approval of these structures is included within all public notices and agendas, as applicable.

## **6. Local Processing and Permit Procedures**

The time and cost of permit processing and review can be a constraint to housing development if significant development review is required. Project review and permit processing are necessary steps to ensure that residential construction proceeds in an orderly manner. The time required for project approval is often not so much a factor of the approval body (Director versus Planning Commission), but the complexity of the project and associated environmental issues. However, small infill projects that can be approved administratively are generally less complex and take a shorter time to obtain appropriate approvals. Large, residential subdivision maps, subject to the California Environmental Quality Act (CEQA compliance) require a public hearing before the Planning Commission.

The evaluation and review process required by City procedures contributes to the cost of housing in that the holding costs incurred by developers during the review period are ultimately manifested in the unit's selling price. All discretionary development projects that involve new construction but are less than 10,000 square feet are subject to a Planning Director's hearing. The hearing is a publicly noticed hearing that permits the Planning Director to be the decision-maker on relatively minor applications. The Temecula Municipal Code contains findings that must be made for project approval. If the project meets the required findings, the project cannot be denied by the Planning Director.

Development applications for projects greater than 10,000 square feet are subject to a Planning Commission hearing. The Planning Commission hearing is a publicly noticed hearing and the Commission may be the decision-maker for such applications provided there is no legislative action associated with the development application, such as a zone change or a General Plan amendment. The Planning Commission may also serve as an appeal board for the Director's hearing decisions. The Temecula Municipal Code contains findings that must be made for project approval. If the project meets the required findings, the project cannot be denied by the Planning Commission.

Required findings for approval of a **conditional use permit** are as follows:

1. The proposed conditional use is consistent with the General Plan and the development code.
2. The proposed conditional use is compatible with the nature, condition, and development of adjacent uses, buildings, and structures and the proposed conditional use will not adversely affect the adjacent uses, buildings, or structures.
3. The site for a proposed conditional use is adequate in size and shape to accommodate the yards, walls, fences, parking and loading facilities, buffer areas, landscaping, and other development features prescribed in this development code and required by the Planning Commission or Council in order to integrate the use with other uses in the neighborhood.
4. The nature of the proposed conditional use is not detrimental to the health, safety, and general welfare of the community.
5. That the decision to approve, conditionally approve, or deny the application for a conditional use permit be based on substantial

evidence in view of the record as a whole before the Planning Commission or City Council on appeal.

Required findings for approval of a **development plan** are as follows:

1. The proposed use is in conformance with the General Plan for Temecula and with all applicable requirements of state law and other ordinances of the City.
2. The overall development of the land is designed for the protection of the public health, safety, and general welfare.

The City Council hearing is a noticed public hearing for development applications that require a legislative action. The City Council may also serve as an appeal board for decisions made by the Planning Commission. The Temecula Municipal Code contains findings that must be made for project approval. If the project meets the required findings, the project cannot be denied. The City Council is the final decision-maker on all appeal actions.

Mixed-use projects may be subject to any of the above types of public hearings, but are unlikely to be heard at the Planning Director's hearing because of the size of the project. The processing and permit procedures for mixed-use projects are no different than the processing of any other development application. The General Plan Land Use Element and Housing Element discuss concessions that can be made to accommodate the scale, density, or intensity of such projects. As a result, findings can be made to support consistency with the General Plan.

Some minor development applications, such as a Minor Modification of an approved Development Plan, may be approved at the staff level. The average time for such administrative approvals is two to three weeks (see **Table 57**). The average time for projects to get to a Planning Director's hearing is eight to 14 weeks. Once approval is given, the property owner must submit a grading plan to the Public Works Department and a building plan to the Building and Safety Department. Once approval is given, the property owner must submit the approved plans to the Community Development and Public Works departments to obtain the required permits.

The average period for a project to get to the Planning Commission is four to six months. If the project needs to be heard by the City Council, the average time to get to this hearing is 12 to 18 months.

**Table 57: Typical Processing Times for Single- and Multi-Family Units**

	Single Family Unit	Multi-Family Unit
Typical Approval Requirements	Grading plan	Development plan 6-9 months
	Building plans	Submit for grading/ plan prior to PC approval
	Building permit	Receive approval 3-6 months
	Home Product Review	Building plans review 4-6 weeks
	Development Plan	Condo Map
Est. Total Processing Time	Ministerial 4-6 weeks	Building Permit 1 to 1.5 years*

SOURCE: City of Temecula, 2013

\*Please note: total processing time has increased from the previous planning period due to volume of development.

The City has not adopted any special design or environmental review processes that would add additional time to the processing period. However, the City must comply with the California Environmental Quality Act (CEQA) and Riverside County regulations. In 2009, the City produced an environmental review procedures handbook for private development projects. The goal of this handbook is to help guide developers, City staff, and consultants through the environmental and City review process. This handbook is publicly available on the City's website.

CEQA applies to all projects that require discretionary approval unless the project is determined to be exempt. A discretionary project is one that requires the exercise of judgment or deliberation by a public agency in determining whether the project will be approved or if a permit will be issued. For example, if a property owner wants to construct a new building or subdivide a property, it would be considered a discretionary project because the City must review the proposal before issuing an approval or permit. CEQA also applies to decisions that could lead to indirect impacts, such as making changes to local codes, policies, and general and specific plans.

Usually CEQA does not apply to projects that are only subject to ministerial approval. A ministerial project is one that requires a public official to determine only that the project conforms to applicable zoning and building code requirements and that applicable fees have been paid. Some examples of projects that are generally ministerial include sign permits, roof replacements, interior alterations to residences, and landscaping changes.

In addition to the CEQA process, Riverside County has completed a comprehensive planning effort called the Riverside County Integrated

Project (RCIP). RCIP integrates three regional planning efforts: the County General Plan, a Community and Environmental Transportation Acceptability Process to determine present and future roadway infrastructure, and the MSHCP to conserve listed and sensitive species and their habitats. The final MSHCP was approved by the County Board of Supervisors on June 17, 2003, and went into effect in March 2004.

The MSHCP is a comprehensive, multi-jurisdictional effort that includes the County and 16 cities. Rather than deal with endangered species on a one-by-one basis, this plan focuses on the conservation of 146 species. The MSHCP supports a reserve system of approximately 500,000 acres, of which approximately 347,000 acres are currently in public ownership and 153,000 acres are currently in private ownership. The approved MSHCP contributes to the economic viability of the region by providing landowners, developers, and those who build public infrastructure with more certainty, a streamlined regulatory process, and identified project mitigation. The MSHCP is administered by the Regional Conservation Authority which represents the County and 16 cities which are participants in the plan.

## **7. Streamlining Approvals**

### **Lower Income Sites Included in Previous Elements**

While the site plan review process is not considered a constraint to housing, Program 16 has been provided to comply with Government Code 65583.2. This program will provide for ministerial approval (e.g., Planning Division Director's approval of site plan review and entitlements other than a subdivision map) of housing projects with a minimum of 20 percent of units affordable to lower income households and will increase certainty for affordable and multifamily developers related to residential sites throughout the community, as identified in Appendix A.

### **SB 35**

SB 35 provides provisions for streamlining projects based on a jurisdiction's progress towards its RHNA and timely submittal of the Housing Element Annual Progress Report. When jurisdictions have insufficient progress toward their above moderate income RHNA and/or have not submitted the latest Housing Element Annual Progress Report, these jurisdictions are subject to the streamlined ministerial approval process (SB 35 (Chapter 366, Statutes of 2017) streamlining) for proposed developments with at least 10% affordability.

HCD reviews the annual progress report deadlines and RHNA progress on an annual basis. Temecula is currently subject to SB 35

streamlining provisions when proposed developments include 50% affordability. Program 16 has been provided to incorporate the mandatory streamlining provisions into the City's Zoning Code. These streamlining provisions will reduce approval requirements for projects that include a minimum of 50 percent of units affordable to lower income households and that meet the criteria specified by State law.

## **8. On- and Off-Site Improvements**

The Circulation Element of the Temecula General Plan identifies eight different roadway classifications (Table C-2) and cross-sections (Figure C-1) that include minimum dimensions for right-of-way accounting for lane width, center median, bike lane and/or multipurpose trails, curb, gutter, landscaping, and sidewalks. Figure C-2 of the Circulation Element identifies the locations and alignments of each road in Temecula by classification. Applicants for new development applications should consult the Circulation Element to determine the roadway classification fronting the project site and to determine the type of improvements that may be required for the proposed project.

The City makes available standard drawings for on- and off-site improvements that establish infrastructure or site requirements that support new residential development. Typical site improvements for high density development include half-width street improvements for all frontage streets, built to General Plan standards. A typical local street width is 60 feet with 40 feet of pavement (two lanes). In addition, the appropriate level of R-O-W landscaping, 6-inch curb and gutter, and sidewalk improvements (either curb or parkway adjacent) are required for property frontage. Water, sewer, and drainage facilities are traditionally not under the direct control of the City.

The City of Temecula coordinates with several water and sewer districts that directly administer the construction of water and sewer improvements. These improvements, for a high density/affordable housing project, typically require both potable and reclaimed water systems. With respect to flood control and drainage facilities, these on-site improvements are under the direct control of the Riverside County Flood Control. While these improvements are necessary to ensure that new housing meets the City's development goals, the cost of these requirements can represent a significant share of the cost of producing new housing. Site improvement costs include the cost of providing access to the site, clearing the site, and grading the pad area. In the case of a subdivision, such costs may also include major improvements such as building roads and installing sewer, water, and other utilities. As with land costs, several variables affect costs, including site topography and proximity to established roads, sewers, and water lines. Engineering and other technical assistance costs are usually included with site improvements as these services are required to ensure that



development is constructed according to established codes and standards. Title 16 (Subdivisions) of the Municipal Code outlines site improvement requirements (Chapter 16.30) for a variety of parcel map division and subdivision scenarios and includes specific requirements for streets, domestic water, fire protection, sewage disposal. These and other site improvement costs are typical of all cities in California and do not impose a significant constraint on the development of housing in Temecula. The City does not impose any unusual requirements as conditions of approval for new development.

The City of Temecula requires full-frontage improvements for all approved development projects. The City typically does not make exceptions for frontage improvements because of the need to make connections for existing bike lanes and trails, and to correctly align roadways to avoid bottlenecks at narrower sections. The City may permit the possibility of deferring some improvements on a project-by-project basis. The deferral of improvements may be permitted when the costs of the improvements greatly outweighs the contractor's ability to enter into a reimbursement agreement or when timing of the needed improvements is beyond the control of the applicant, such as improvements to be made by the California Department of Transportation (Caltrans).

The City of Temecula recognizes that such requirements can potentially be considered regulatory barriers to affordable housing if the jurisdiction-determined requirements are greater (and hence, more costly) than those necessary to achieve health and safety requirements in the community. However, the cost to design such improvements is dramatically decreased when utilizing the City's standard drawings.

## **C. State Tax Policies and Regulations**

### **1. Article 34 of the California Constitution**

Article 34 was enacted in 1950. It requires that low rent housing projects developed, constructed, or acquired in any manner by any state or public agency, including cities, receive voter approval through the referendum process. The residents of Temecula have not passed a referendum to allow the City to develop, construct, or acquire affordable housing.

While California Health and Safety Code further clarifies the scope and applicability of Article 34 to exclude housing projects that have deed-restrictions on less than 49% of the units or rehabilitation/reconstruction of housing projects that are currently deed-restricted or occupied by lower-income persons, Article 34 still constitutes an obstacle for local governments to be directly involved in the production of long-term affordable housing.

## **2. Environmental Protection**

State regulations require environmental review of proposed discretionary projects (e.g., subdivision maps, use permits). Costs resulting from fees charged by local government and private consultants needed to complete the environmental analysis, and from delays caused by the mandated public review periods, are also added to the cost of housing and passed on to the consumer. However, the presence of these regulations helps preserve the environment and ensure environmental safety to Temecula's residents. In addition, much of the remaining vacant residential land is located within approved specific plan areas for which the required environmental review has already been completed.

### **D. Infrastructure Constraints**

Another factor adding to the cost of new construction is the cost of providing adequate infrastructure (major and local streets; curbs, gutters, and sidewalks; water and sewer lines; and street lighting), which is required to be built or installed in new development. In most cases, these improvements are dedicated to the City, which is then responsible for their maintenance. The cost of these facilities is covered by developers and is added to the cost of new housing units, which is eventually passed on to the homebuyer or property owner.

In addition, two areas of the City, which are designated for residential uses, are partially developed and do not have sewer service. Development of this land is limited to Very Low Density Residential uses. The majority of the remainder of future residential development within the City will occur in master planned communities or on sites adjacent to existing infrastructure. As a result, future residential development will not be constrained by the lack of sufficient infrastructure in the remainder of the City.

The Rancho California Water District (RCWD) is the retail supplier of potable water to Temecula. According to the Growth Management/Public Facilities Element of the General Plan, the RCWD has adequate water supply to meet current demand and is investigating a number of sources to meet long-range demands. Upgrading existing wells, adding new wells, implementing a water recharge program, and increasing the use of reclaimed water are among the major strategies devised by the RCWD.

Wastewater facilities in Temecula are provided by the Eastern Municipal Water District (EMWD), which has adequate capacity to meet current treatment demand. By closely working with the RCWD and the EMWD in developing supply options, conservation techniques, including the use of reclaimed water; and development

monitoring systems, the City can ensure that development does not outpace the long-term availability of water and the adequacy of wastewater treatment capacity.

With the City of Temecula and its infrastructure providers coordinating planning and construction consistent with General Plan land use policy, future needs, including the 2021-2029 RHNA, can be met.

To comply with Senate Bill 1087, upon adoption the City will immediately forward its adopted Housing Element to its water and wastewater providers so they can grant priority for service allocations to proposed developments that include units affordable to lower-income households.

## **E. Environmental Constraints**

Temecula is impacted by various environmental hazards that include active fault traces, liquefaction and subsidence, steep slopes, and flooding. These natural hazards constrain residential development by threatening public safety and infrastructure. To protect the health, safety, and welfare of residents in Temecula, the City has adopted regulations that limit development within areas of high risk and/or require design standards that can withstand natural hazards. Other environmental constraints include infrastructure constraints. In preparing the City's inventory of vacant sites designated for residential development, the City considered the extent to which sites were constrained by hazards, and potential hazards are accounted for as part of the capacity study. Parties interested in obtaining more information for specific parcel listings in Appendix A may do so by contacting the City of Temecula Planning Department or by visiting the City's website at [TemeculaCA.gov](http://TemeculaCA.gov). The City's Information Systems department maintains an online GIS parcel search that can be used to identify any parcel within Temecula, including known environmental and other on-site constraints.

**Flood Plain (FP) Overlay District:** The City has applied a Flood Plain Overlay District to portions of the City that are threatened by flooding hazards. The overlay district includes design requirements that must be met for new construction and substantial improvement of structures within the district. These design standards have been adopted to reduce the flood hazards threatening people and structures within the overlay district. Development on this property must comply with specific structural design standards that raise the cost of construction. However, this property represents only a fraction of the City's vacant land with Medium Density Residential zoning.

The environmental constraints and the associated cost factor impacting this property will not compromise the City's ability to provide adequate

sites to accommodate its RHNA at all income levels for the duration of the planning period. Pursuant to the default density assigned to the City of Temecula through Section 65583.2, affordable housing is expected to be accommodated within areas where density is 30 units per acre by right or more through density bonus provisions. The City's Medium Density Residential zone allows a density of up to 12 units per acre by right and up to 18 units per acre with a density bonus. Medium Density Residential zoned property therefore is not considered suitable for affordable housing.

**Dam Inundation:** Portions of Temecula face inundation if any of the three dams located in areas surrounding Temecula should fail. Lake Skinner Dam is an earthen dam at Skinner Reservoir (also known as Lake Skinner and located approximately 4.5 miles northeast of Temecula). Failure of the Lake Skinner Dam would result in flooding along Tualota Creek and Benton Road, which is located near the south side of the reservoir, as well as flooding along parts of Santa Gertrudis Creek and Warm Springs Creek. Vail Lake is located over 6.0 miles southeast of Temecula; dam failure would inundate portions of the Pauba and Temecula valleys, including I-15 and an adjacent 3-mile area. Diamond Valley Lake is the largest reservoir in Southern California and is located north of Skinner Reservoir, nearly 6.0 miles northeast of Temecula. Its water is detained by two earthen dams. Failure of the western dam would result in flooding in the northern parts of the City.

Several vacant developable parcels located near the western and southern perimeters of the City are at risk of inundation if dams north of the project site were breached. Far fewer vacant underutilized residential properties would be at risk of inundation.

**100-Year and 500-Year Floodplains:** A 100-year flood has an annual 1% probability of occurring, and a 500-year flood has an annual 0.2% probability of occurring. The 100-year floodplain in the City of Temecula forms a "U" along the alignment of the northern, western (west of and adjacent to I-15), and southern perimeters of the City. The 500-year floodplain is noncontiguous and is generally located in the western and southern areas of the City, adjacent to 100-year floodplains. The 100-year floodplain includes several vacant developable parcels near the northern and western perimeters of the City, and the 500-year floodplain is generally outside of or adjacent to vacant developable parcels in the same area. In general, no underutilized residential parcels are located in the 100-year floodplain or the 500-year floodplain.

**Alquist-Priolo:** Temecula is located within a highly active seismic region. Three Alquist-Priolo Special Studies Zones are located in Temecula: Wildomar, Willard, and Wolf Valley. These zones have been delineated by the State Geologist and encompass the area on either side

of potentially or recently active fault traces where the potential for surface rupture exists. The Wildomar fault is the predominant fault in the City. This fault trends in a northwest direction and transects the length of the City. The Willard fault is located southwest of the Wildomar fault zone. South of the Willard fault is the Wolf Valley fault zone.

Within an Alquist-Priolo earthquake fault zone, habitable structures must maintain a minimum 50-foot setback distance from the fault trace per state law. The existence of Alquist-Priolo zones in Temecula effectively limits the amount of land and the intensity of development of residential uses adjacent to these zones. However, only a few vacant residential sites designated for Very Low Density Residential use are impacted by these Alquist-Priolo zones.

**Faults and Fault Zones:** The Elsinore and Wildomar faults and their associated fault zones extend through the western side of the City on a northwest-southeast alignment across I-15. Although the Elsinore fault zone is one of the largest in Southern California, it has been one of the quietest. The southeastern extension of the Elsinore fault zone, the Laguna Salada fault, ruptured in 1892 in a magnitude 7.0 earthquake, but, as noted in the City's General Plan Public Safety Element, the main trace of the Elsinore fault zone has only seen one historical event greater than magnitude 5.2. In 1920, a magnitude 6.0 earthquake near Temescal Valley produced no known surface rupture. Other faults that surround Temecula include the San Andreas, San Jacinto, San Gabriel, Newport-Inglewood, and San Clemente Island faults.

The Elsinore fault and fault zones extend through several vacant developable land parcels, as well as through a large underutilized residential parcel.

**Liquefaction:** Liquefaction can occur as a secondary effect of seismic shaking during an earthquake or another event significant enough to cause equivalent pressure on the susceptible soils, like a dam failure and inundation. Liquefaction is unlikely to occur unless the earthquake is large with multiple shaking cycles. Liquefaction occurs in areas of saturated, loose, fine- to medium-grained soils where the water table is 50 feet or less below the ground surface. Seismic shaking temporarily eliminates the grain-to-grain support normally provided by the sediment grains. The waters between the grains assume the weight of the overlying material and the sudden increase in pore water pressure results in the soil losing its friction properties. The saturated material (with the frictionless properties of a liquid) will fail to support overlying structures. Liquefaction-related effects include loss of bearing strength, ground oscillations, lateral spreading, and slumping.

In Temecula, liquefaction zones generally align with areas in the City subject to 100-year and 500-year floods and the areas subject to inundation if a nearby dam is breached. The liquefaction zones are, however, more far-reaching. Although only a few underutilized residential properties are located in areas subject to liquefaction, many vacant and developed properties are located within or immediately adjacent to areas subject to liquefaction.

Liquefaction and other seismic-related issues are addressed by the state Universal Building Code (UBC). The UBC requirements for construction in liquefaction zones are not significantly more costly than standard California construction standards and will not compromise the City's ability to provide adequate sites to accommodate its RHNA. In addition, the City analyzes and mitigates for liquefaction constraints when applicable.

**Very High Fire Hazard Severity Zone (VHFHSZ) in Local Responsibility Area (LRA):** Very High Fire Hazard Severity Zones in Local Responsibility Areas encroach at the City's western and southern boundaries, encompassing or partially encompassing several large vacant developable parcels, including the Altair Specific Plan. As included in the Altair Specific Plan, the project's Western Bypass will serve as a fire break between wildland areas and new development. In addition, a Fuel Modification Plan was prepared as part of the project and incorporated into the Altair Specific Plan to identify appropriate structure setbacks and landscape requirements for the interior of the project to address this hazard. Also, the project is required to adhere to all fire suppression requirements in accordance with the most recent Uniform Fire Code, which provides minimum fire safety measures that would be incorporated into all building designs. With these mitigation measures, residential development is permitted to occur throughout the Altair project area and is not considered a constraint to development.

**Hazardous Waste Sites:** Small hazardous waste sites are located along and near the west side of I-15. These sites encompass small portions of vacant developable land and are near several vacant developable parcels. None of underutilized residential properties are located on or near hazardous waste sites.

**Western Riverside County Multiple Species Habitat Conservation Plan (MSHCP):** Encompassing the western one-third of Riverside County and approximately 1.26 million acres, the Western Riverside County MSHCP is a comprehensive, multi-jurisdictional habitat conservation plan (HCP) designed to conserve species and their habitats. The goal is to maintain biological and ecological diversity within an increasingly urbanized area. The MSHCP includes areas in northern, western, and southern Temecula. Nearly all of the vacant

developable parcels located west of I-15 in western Temecula are within the MSHCP criteria cell and core linkage areas, as are all parcels located in the southwestern corner of the City. Additional vacant developable parcels in the northeast corner of the City are also located in the MSHCP criteria cell and core linkage areas. Few underutilized residential properties are located in the MSHCP criteria cell and core linkage areas.

**Riparian Areas:** Riparian areas are locales that relate to the bank of a stream, river, or lake. In Temecula, riparian areas encompass southern cottonwood-willow riparian and riparian scrub communities. These communities are limited to an area west of I-15 and an area in the southeast corner of the City. No vacant developable land or underutilized parcels are located in riparian areas. Although a few vacant developable parcels are located immediately adjacent to a riparian area, no underutilized parcels are located in or near a riparian area.

**Archaeological, Historic, and Native American Cultural Resources:** Temecula has a rich history with many Native American Traditional Cultural Properties, villages and resources, places where significant events occurred, both historically and pre-historically, and historic buildings and locales identified within and surrounding its boundaries. While a large majority of these historic and pre-historic and resources have been formally recorded, there are still properties that contain buried cultural and archaeological resources and unrecorded structures. Because of the confidentiality of these resources, especially archaeological and Native American sites, the city will follow State law requirements with regards to analysis of these resources and consultation with local tribes.

# V. HOUSING RESOURCES

## A. Regional Housing Need

### 1. Temecula's Regional Housing Need

The City of Temecula falls under the jurisdiction of the Southern California Association of Governments (SCAG). SCAG is responsible for developing a Regional Housing Needs Plan (RHNP) allocating the region's share of the statewide housing needs to lower-level councils of governments, which then allocate the needs to cities and counties in the region. The Regional Housing Need Allocation (RHNA) is a minimum projection of additional housing units needed to accommodate projected household growth of all income levels by the end of the Housing Element's statutory planning period.

This RHNA covers an 8-year planning period (2021 through 2029) and is divided into four income categories: very low, low, moderate, and above moderate. Pursuant to AB 2634, local jurisdictions are also required to project the housing needs of extremely low income households (0-30% AMI). In estimating the number of extremely low income households, a jurisdiction can use 50% of the very low income allocation; therefore, the City's very low income RHNA of 1,359 units can be split into 680 extremely low income and 678 very low income units.

**Table 58** shows the breakdown of the 4,193 units in Temecula's RHNA into the required income categories.

**Table 58: Regional Housing Need Allocation, 2021-2029**

Income Category	Allocation	Percentage
Extremely Low	680	16%
Very Low	679	16%
Low	801	19%
Moderate	778	19%
Above Moderate	1,255	30%
<b>Total</b>	<b>4,193</b>	<b>100%</b>

SOURCE: SCAG RHNP, 2020



## B. Progress Towards the RHNA

Since the RHNA uses June 30, 2021 as the baseline for growth projections for the 2021-2029 planning period, jurisdictions may count toward the RHNA housing units that have been developed, are under construction, and/or have received their building permits after June 30, 2021. Since this time, 27 housing units have been developed, are under construction, or have received their building permits in Temecula.

Jurisdictions may also count projects that are approved/entitled but not yet built or under construction. While the City of Temecula is actively reviewing a number of project proposals, for the purposes of identifying progress towards meeting the City's RHNA, the City has included two approved affordable projects (Las Haciendas and Rancho Highlands) that are expected to begin construction by the end of 2021. These two projects represent 132 affordable housing units, including 24 units affordable to extremely low income households, 8 units affordable to very low income households, and 99 units affordable to low income households. All affordable units are deed restricted. These credits towards meeting the City's RHNA are specified in **Table 59**, and the relative affordability of each unit type/project is described below.

**Table 59: Progress Towards Meeting the 2021-2029 RHNA**

	Extremely Low income (0-30% AMI)	Very Low income (30-50% AMI)	Low income (51-80% AMI)	Moderate income (81-120% AMI)	Above Moderate income (121%+ AMI)	Total
Units Constructed/Under Construction/Building Permits Issued since June 30, 2021						
Various Single-Family Units	0	0	0	0	6	6
Various Condos/Duplex/Townhomes	0	0	0	21*	0	21
Subtotal	0	0	0	21*	6	27
Approved/Entitled Units Not Yet Under Construction						
Las Haciendas	24	8	44	0	1	77
Rancho Highlands	0	0	55	0	0	55
Subtotal	24	8	99	0	0	132
Total	24**	8**	99**	21	7	159

Source: City of Temecula, 2021.

\*Note: These units do not have affordability restrictions. Market rate rents and sale prices for apartments and condominiums fall within levels affordable to the households earning moderate incomes (81-120% AMI) and are allocated as such.

\*\*Note: Units identified as affordable to extremely and very low and low income households are all deed restricted.

## **1. Affordability of Units Credited Towards the RHNA**

Units credited towards the RHNA are distributed among the four affordability groups (extremely/very low, low, moderate, and above moderate) based on affordability restrictions (as is the case with affordable housing projects) or housing cost for those specific types of units based on real home rental/sale rates and established affordability levels. For example, the market rate rents and sale prices for apartments and condominiums in Temecula fall within levels affordable to households earning moderate incomes (81-120% AMI) and are allocated as such, as discussed in the above Housing Affordability by Income Level discussion.

Based on rental data information from Zillow.com and Apartments.com, the average rents reported for Temecula \$1,632 for 1-bedroom apartments, \$1,816 for 2-bedroom apartments, and \$2,290 for apartments with three or more bedrooms. Based on this data and the housing affordability thresholds shown in the Needs Assessment, these apartment unit sizes are affordable to 4-person moderate income (81-120% AMI) households (where the affordable monthly rent is \$2,259), and the smaller apartment units (1-bedroom and 2-bedroom units) are affordable to 2-person moderate income (51-80% AMI) households (where the affordable monthly rent is \$1,808). Actual unit affordability will vary greatly based on unit size and household size. However, because the City cannot predict the profile of household size and unit size, all multifamily rental units are credits towards meeting the City's moderate income RHNA, even though some units may ultimately be affordable to lower-income households depending on the household size and unit size.

Condominium units are considered entry-level homes and based on pricing are allocated as affordable to moderate income households. According to Zillow.com, in February 2020 the median price for condominiums sold in the City was \$360,000. While home prices have risen since April 2020 as a direct result of impacts of COVID-19 on the housing market, the average cost identified in April 2020 generally represents the "business-as-usual" model and provides a more realistic understanding of the long-term pricing trends associated with housing in Temecula, outside of the COVID-19 pandemic.

This price is approximately equal to the affordability level for a 4-person, moderate income family and is allocated as such. As the maximum affordable price for a 4-person, moderate income family to purchase a home (as shown in the Needs Assessment) is \$360,740, if condominiums continue to be priced higher than pre-pandemic values, the City may need to update its site inventory to reflect a high proportion of multifamily for-sale units being affordable to above moderate income households, versus moderate income households.

However, as demonstrated later in this chapter, the City has identified a surplus of approximately 3,300 moderate income units and could easily accommodate a change in affordability level from moderate to above moderate income levels. The market rate cost of single-family units is considered affordable to above moderate income households.

## 2. Units Constructed or Under Construction

According to City building permit records, since June 30, 2021, 27 new units have been constructed, are under construction, or have building permits pulled in Temecula, of which 21 are affordable to moderate income households based on market rate rents, and the remaining 6 units are affordable to above-moderate income households.

## 3. Units Approved/Entitled

Based on City records, 159 units have recently been approved in Temecula; these units are not currently under construction but are expected to come online during the planning period. Of these 159 units, 32 will be deed-restricted affordable to extremely low/ very low income households and 99 will be deed-restricted to low income households.

## 4. Remaining RHNA

Even in the short timeframe between the beginning of the planning period (July 1, 2021) and preparation of this Housing Element (August 2021), the City has already demonstrated progress towards meeting its overall RHNA with housing units constructed, under construction, or approved/entitled or under review (159 units).

**Table 60: Remaining RHNA**

	Extremely Low income (0-30% AMI)	Very Low income (30-50% AMI)	Low income (51-80% AMI)	Moderate income (81-120% AMI)	Above Moderate income (121%+ AMI)	Total
RHNA Allocation	680	679	801	778	1,255	4,193
Constructed, Under Construction/Permits Issued (Since 6/30/2021)	0	0	0	21	6	27
Units Approved/Entitled	24	8	99	0	0	132
Remaining Allocation	656	671	702	757	1,249	4,034

Source: City of Temecula, 2021, SCAG, 2020

## C. Sites for Housing Development

Housing element law requires an inventory of land suitable for residential development (Government Code Section 65583(a)(3)). An important purpose of this inventory is to determine whether a jurisdiction has allocated sufficient land for the development of housing to meet the jurisdiction's share of the regional housing need, including housing to accommodate the needs of all household income levels.

This section provides an analysis of the land available within the City for residential development. In addition to assessing the quantity of land available to accommodate the City's total housing needs, this section also considers the availability of sites to accommodate a variety of housing types suitable for households with a range of income levels and housing needs.

This Housing Element identifies vacant sites that would accommodate residential uses within Temecula. It is noted that Temecula also has underutilized sites (sites where a significant portion of the property is vacant and there is a potential for additional residential units) which may be suitable to accommodate future residential development; however, these sites are not necessary to accommodate the City's RHNA and are not included in this inventory.

A citywide parcel database, aerial photos, and General Plan GIS data were used to located parcels for this update. This update also considered the viability of sites identified in the prior planning period, many of which continue to be suitable sites for future development due to their proximity to transportation facilities, public services, goods, amenities, and activity centers. Parcel acreages by land use designation are based on assessor and GIS data.

### 1. Housing Affordable to Lower-Income Households

The California Government Code states that if a local government has adopted density standards consistent with the population based criteria set by State law (at least 30 units per acre for Temecula), HCD is obligated to accept sites with those density standards (30 units per acre or higher) as appropriate for accommodating the jurisdictions share of regional housing need for lower-income households. Per Government Code Section 65583.2(c)(3)(B), sites designated with the City's Affordable Housing Overlay (AHO) or Senior Housing Overlay (SHO) are consistent with the default density standard (30 units per acre) for metropolitan jurisdictions such as Temecula and therefore considered appropriate to accommodate housing for lower-income households; further, application of the AHO in and of itself requires that at least 20% of the units be deed-restricted/reserved for

households earning no greater than 80% of the area median home (i.e., low, very low, and extremely low income households) and that affordable units must be developed concurrent with market rate units, thereby promoting economic integrating and affirmatively further fair housing. Therefore, the capacity of sites that allow development densities of at least 30 units per acre are credited toward the lower-income RHNA based on State law.

As previously described, the City has also adopted 15 Specific Plans to guide growth and development across the community. Four of these Specific Plans—Old Town, Uptown, Harveston and Altair—include vacant land and together lay the foundation for the development of thousands of new residential units in a variety of formats and densities and provide for densities at levels high enough (more than 30 du/ac) to accommodate a portion of the City’s lower income RHNA. While these Specific Plans use a combination of typical development standards and form-based standards to regulate development, each Specific Plan was adopted to encourage new residential development in creative formats to promote development of a variety of residential types and various income levels. Moreover, since these Specific Plans were adopted, projects have been proposed and approved in Specific Plan areas (i.e., Uptown and Old Town) with product types and densities consistent with providing housing affordable to lower-income households. Additionally, based on the City’s history of producing and supporting the production of affordable housing, Temecula is confident that vacant parcels within Specific Plan areas can be developed at densities of at least 30 du/ac to help satisfy the City’s remaining extremely, very low, and low income RHNA. These Specific Plans and their potential development capacities are described in more detail later in this chapter.

## **2. Sites to Accommodate Remaining RHNA**

The City of Temecula’s 6th Cycle residential sites fall into three categories:

1. Accessory dwelling units
2. Residentially zoned vacant land exclusive of Specific Plan areas, and
3. Residentially zoned sites inside Specific Plans

As described throughout this section, the City has sufficient land appropriately zoned for residential uses throughout community to accommodate its RHNA for the 2021-2029 planning period. Moreover, Temecula has a proven track record of supporting the development of affordable projects, working with affordable housing

developers, promoting home types that are affordable to lower-income households including multifamily projects and mixed-use developments, and addressing needs of the community's vulnerable populations including seniors. These sites are illustrated on **Figure H-1, Housing Sites Inventory**, and detailed in Appendix A.

### **Accessory Dwelling Units**

As of January 2020, newly adopted State of California legislation pertaining to Accessory Dwelling Units (ADUs) went into effect. The legislation changes specifically amended Government Code Sections 65852.2 and 65852.22. In response to these legislative changes, the City of Temecula updated its zoning ordinance to be consistent with State law. The details of the City's Zoning Ordinance relevant to ADUs are included in the Constraints section of this Background Report.

The City of Temecula approved 3 ADUs in 2018 and no ADUs in 2019. However, once the City updated its ADU ordinance in 2020 and began advertising the opportunity to develop ADUs in Temecula, at least 18 ADUs were approved. Now that the City has promoted the production of ADUs as a viable option to add housing stock to the City's existing neighborhoods, prepared public education material to inform the public about the opportunity to develop ADUs, is moving forward with preparing streamlined guidance to support efficient review and approval of ADU applications, and confirmed that ADUs are explicitly allowed within a SPA (Temecula has 15 Specific Plans), it can be reasonably expected that the development of ADUs in Temecula will continue to be produced at the pace of production in 2020 and will likely accelerate. Moreover, the City has taken significant proactive steps to advertise the opportunity for residents to construct ADUs, including preparing a topic area fact sheet (available in English and Spanish), hosting presentations to the Planning Commission and City Council, and answering the public's questions in-person at City Hall and over the phone. The City has assumed production of ADUs at a rate of 18 units per year for the duration of the planning period (based on the number of ADUs approved in 2020), resulting in the assumed production of 144 ADUs. This is a modest assumption and production will likely outpace this target during the planning period. Additionally, the income level of these ADUs has been assumed to be consistent with the findings of SCAG's ADU affordability study, and the income of these units are allocated consistent with SCAG's findings for Riverside/San Bernardino Counties.

## **2. Vacant Residential Sites (Outside of Specific Plans)**

As part of this Housing Element update, the City conducted a parcel-by-parcel analysis of vacant residential sites for land outside of approved specific plans, based on data obtained from the City's

geographic information system (GIS). The vacant land inventory for the City of Temecula, including an estimated development capacity for the vacant parcels, can be found in Appendix A of the Housing Element. **Table 61** summarizes the available housing unit capacity based on vacant residential sites located outside of approved specific plan areas. Residential capacity for each vacant parcel is based on the current zoning for each parcel. Each parcel is assumed to develop at 75% of its maximum capacity, which allows for setbacks, landscaping, right-of-way dedications, and other nonresidential uses. See **Figure H-1** for a map of these sites.

Since the last planning period, the City adopted its Affordable Housing Overlay (AHO), which allows for an increase in density in the High, Medium, and Low Medium Residential zoning designations if the development is affordable housing, and also applies to specific parcels within the Planned Development Overlay areas (PDO-5 and PDO-10), Professional Office zone, and Uptown Specific Plan. The affordable overlay provides for a minimum density of at least 20 dwelling units per acre and up to 30 dwelling units per acre, excluding any potential density bonus for qualified projects. Development capacity at parcels designated with the Affordable Housing Overlay will allow for densities consistent with default densities of state housing element law and will therefore be appropriate to accommodate a portion of the City's lower income RHNA. Consistent with sites outside of the Affordable Housing Overlay, these parcels are also assumed to develop at 75% of their maximum capacity.

Several commercial zoning districts throughout the City of Temecula also permit residential uses. The City's vacant land use survey identified all such vacant parcels and the realistic residential development capacity for each parcel if developed with residential uses. **Table H-X** also summarizes the residential development potential within currently vacant commercial parcels. Each parcel is assumed to develop at 75% of its maximum capacity.

The inventory of vacant residential land greater than 0.50 acres in size (exclusive of those in specific plan areas) in Temecula totals 634 acres. It should be noted that the City's inventory does include vacant sites that are larger than 10 acres. The City has a long history of successfully subdividing large parcels into smaller developments resulting in the production of housing units at all income levels. This is discussed later in this chapter. These vacant properties, identified in Table H-X, have the potential to yield 3,430 units, 1,467 of which can accommodate lower-income housing, 1,600 can accommodate moderate-income housing, and 363 can accommodate above moderate-income housing.

**Table 61: Vacant Residential Sites (Exclusive of Specific Plans)**

General Plan	Zoning	Max Density	Acres	Realistic Capacity (units)*	Affordability
Community Commercial	Community Commercial**	20 du/ac	20	301	Moderate
High Residential	High Residential/AHO	20 du/ac	4	79	Ex Low/Very Low/Low
Highway Tourist Commercial	Highway Tourist Commercial**	20 du/ac	7	110	Moderate
Low Medium Residential	Low Medium Residential	6 du/ac	41	184	Above Mod
Low Residential	Low Residential	2 du/ac	55	82	Above Mod
Medium Density Residential	Medium Density Residential/AHO	30 du/ac	11	256	Ex Low/Very Low/Low
Medium Density Residential	Medium Density Residential	12 du/ac	99	708	Moderate
Neighborhood Commercial	Neighborhood Commercial**	12 du/ac	6	57	Moderate
Professional Office	Planned Development Overlay-5/AHO	30 du/ac	7	157	Ex Low/Very Low/Low
Professional Office	Professional Office/AHO	30 du/ac	13	300	Ex Low/Very Low/Low
Public Institutional	Planned Development Overlay-5/AHO	30 du/ac	30	675	Ex Low/Very Low/Low
Service Commercial	Service Commercial**	20 du/ac	28	423	Moderate
Very Low Residential	Very Low Residential	0.40 du/ac	321	96	Above Mod
<b>Total</b>			<b>643</b>	<b>3,430</b>	

Source: City of Temecula, 2021

\* Dwelling unit calculation is based on 75% of potential maximum capacity.

\*\* Senior housing is also allowed in the Neighborhood Commercial, Community Commercial, Service Commercial, and Highway/Tourist Commercial zoning districts. Senior housing constructed in the Neighborhood Commercial zone will be developed to be consistent with the development and performance standards allowed in the Medium Density Residential zoning district. For the Community Commercial, Service Commercial, and Highway/Tourist Commercial zoning districts, senior housing will be developed consistent with the development and performance standards allowed for the High Density Residential zoning district.

## 2. Vacant Residential Sites within Specific Plans

The City conducted a records search and visual survey using aerial photos and site visits to estimate the remaining residential development capacity by number and type of housing within the approved specific plans.

The City has 15 approved Specific Plan; nine have vacant land with residential development capacity remaining. Five of the nine Specific Plans with remaining residential capacity (Old Town, Wolf Creek, Harveston, Uptown, and Altair) allow for development at densities of at least 30 du/ac, which is appropriate to accommodate a portion of the City's lower income RHNA. While the exact affordability levels for



future development within these Specific Plan areas will be based on available funding for affordable development and other market conditions as the sites develop during the planning period, for those Specific Plans which allow for development of at least 30 du/ac, the City has assumed that some percentage of units will be affordable to lower income households, some percentage to moderate income households, and some percentage to above moderate income households. For those Specific Plans the allow for lower densities not suitable to accommodate the City's lower income RHNA, affordability levels are based on the market rate rents/sale prices of products with similar densities built and rented/sold elsewhere in the City.

The inventory of vacant residential land greater than 0.50 acres in size within approved Specific Plans in Temecula totals 784 acres. It should be noted that some of these sites are larger than 10 acres. The City has a long history of successfully subdividing large parcels into smaller developments resulting in the production of housing units at all income levels. This is discussed later in this chapter. These vacant properties, identified in **Table 62**, have the potential to yield 5,773 units, 1,247 of which can accommodate lower-income housing, 2,787 can accommodate moderate-income housing, and 1,724 can accommodate above moderate-income housing.

In Temecula, Specific Plan areas have historically developed to at least 95% of their total entitlement. However, for purposes of identifying adequate sites to accommodate its RHNA, the City has assumed that Specific Plan areas will develop at 85% of their capacity. Given that Specific Plans inherently include programs to develop sites effectively and efficiently at the densities and intensities identified within the Plan, and given the City's history of successful Specific Plan development at levels consistent with nearly the maximum allowable development levels, this is a reasonable expectation for the City's remaining vacant land in Specific Plan areas.

**Table 62: Vacant Residential Land within Specific Plan Areas**

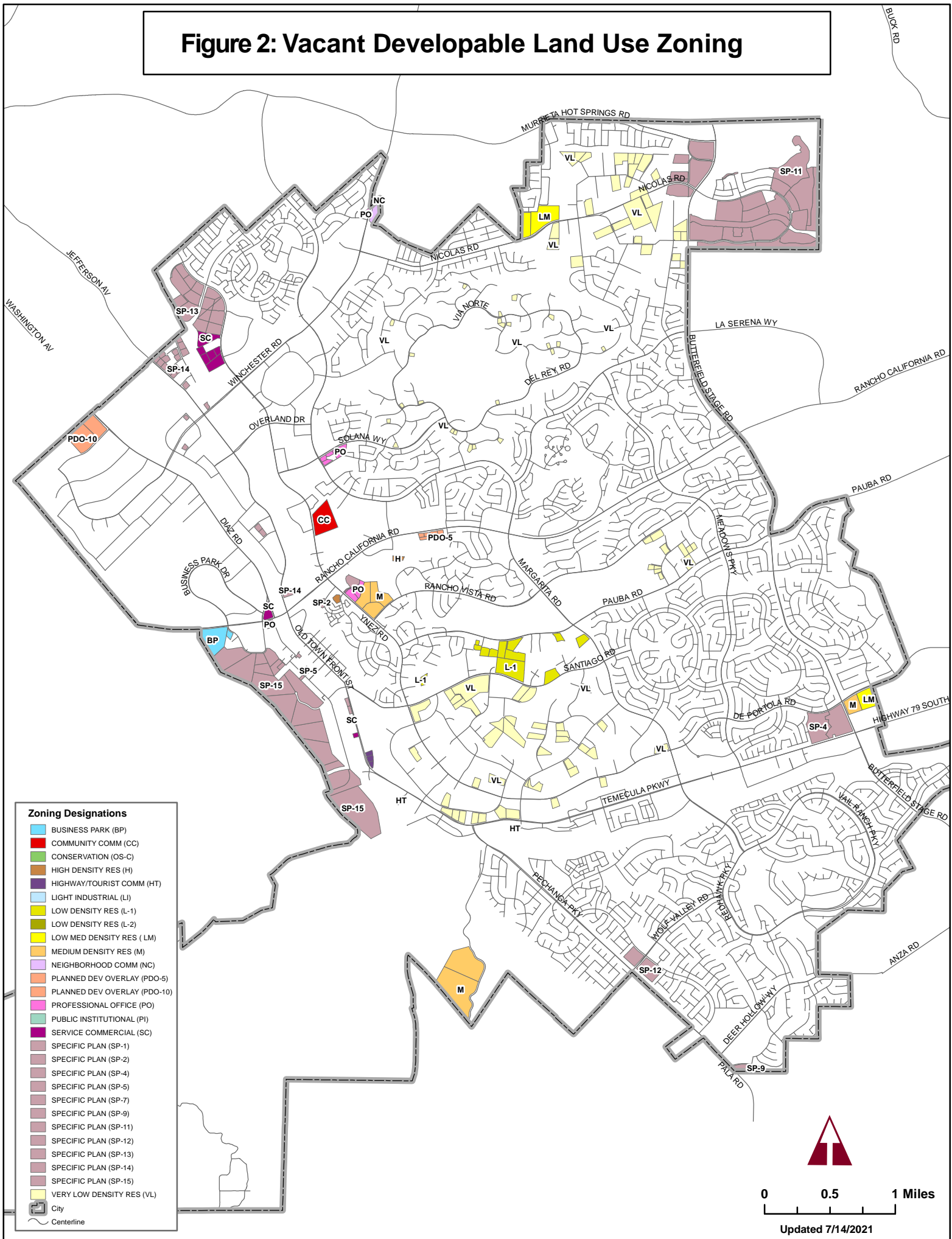
Specific Plan	General Plan Land Use	Allowable Density	Acres	Realistic Capacity (units)*	Affordability
SP-2 - Rancho Highlands	Highway Tourist Commercial	20 du/ac	1	5	Above Mod
SP-4 - Paloma Del Sol	Low Medium Residential	6 du/ac	42	216	Above Mod
SP-5 - Old Town	Specific Plan	30 du/ac	4	109	Ex Low/Very Low/Low/Mod/ Above Mod
SP-9 - Red Hawk	Medium Residential	12 du/ac	7	68	Moderate
SP-11 - Roripaugh	Low Residential,	2-12 du/ac	333	1,928	Moderate/ Above Mod

	Low Medium, Medium Residential, Neighborhood Commercial				
SP-12 - Wolf Creek	Community Commercial, Neighborhood Commercial	20-30 du/ac	20	439	Moderate
SP-13 - Harveston	Service Commercial	30 du/ac	80	846	Ex Low/Very Low/Low/Mod/ Above Mod
SP-14 - Uptown	Highway Tourist Commercial, Industrial Park, Service Commercial	30 du/ac	25	648	Ex Low/Very Low/Low/Mod/ Above Mod
SP-15 – Altair	Medium Residential, High Residential, Specific Plan	30 du/ac	272	1,151	Ex Low/Very Low/Low/Mod/ Above Mod
<b>Total</b>			<b>784</b>	<b>5,773</b>	

Source: City of Temecula, 2021

\* Dwelling unit calculation is based on 85% of potential maximum capacity

# Figure 2: Vacant Developable Land Use Zoning



### 3. Large Sites Analysis

The City's site inventory (Appendix A) includes ten parcels that are over 10 acres in size that allow for a density of at least 30 du/ac and are found to be suitable sites to accommodate a portion of the City's lower income RHNA. Of these ten sites, four are between 10 and 11 acres (10.20, 10.23, 10.26, and 10.84 acres). The remaining six parcels range in size from 11.39 acres to 54.8 acres.

Seven of the ten sites are located within approved Specific Plans which include processes for subdividing parcels into developable lots. The City has a proven track record of developing Specific Plans, including the subdivision of large lots, as evidenced by the development of approved Specific Plans including Uptown (where one affordable housing project was recently approved), Harveston (which is largely developed but was recently amended to allow for additional residential development), Old Town Specific Plan (where one affordable housing project was approved), Rancho Highlands Specific Plan (the location of the Arrive affordable housing project), and various other residential Specific Plans. The remaining three sites that are not located within a Specific Plan are all designated with the City's Affordable Housing Overlay, which specifies that residential development at these sites must include the applicable affordable housing component to develop as a residential project, and that the assumed density for these sites is 30 du/ac. Two of these sites are owned by the City of Temecula, and as the parcel owner, the City is in a unique position to ensure that the property will be developed as affordable housing, despite its size. The City also has the ability to subdivide the property into smaller lots, if that process is more likely to result in the production of affordable units.

The largest lots are included in SP-15 (Altair), which is the City's newest Specific Plan. As development moves forward within the Altair project area, it is expected that the existing parcels will be subdivided in compliance with the Specific Plan and its land use pattern, and that this process will replicate similar successful efforts in other Specific Plan areas which have been fully or partially developed throughout Temecula. Additionally, the developer of Altair has expressed interest in promoting and building accessory dwelling units in concert with new construction, further demonstrating the City's ability to accommodate a portion of its RHNA through development of ADUs.

Moreover, only sites identified with the City's Affordable Housing Overlay are anticipated to develop as 100% affordable projects (at 75% of maximum capacity). Larger sites located in Specific Plan areas are expected to provide a range of housing options and a variety of income

levels; it is not assumed that large sites in Specific Plan areas will develop as exclusively affordable to lower income households. Rather, approximately 40% of the capacity is projected to be suitable to accommodate lower income households with the remainder serving the needs of moderate to above moderate income households.

**Table 63: Large Lot Inventory**

Parcel	Owner	Size	General Plan	Zoning	Affordable Housing Overlay	Lower Income RHNA	Total Capacity
909370050	CITY OF TEMECULA	10.84	Public Institutional Facilities	PDO-10	Yes	244	244
909370049	CITY OF TEMECULA	19.14	Public Institutional Facilities	PDO-10	Yes	431	431
916400042	HARVESTON SAB	10.21	Service Commercial	SP-13	No	43	108
916400060	HARVESTON SAB	10.26	Service Commercial	SP-13	No	44	109
922210011	HUB 3	10.23	Medium Residential (7-12 Du/Ac Max)	SP-15	No	50	126
940320002	CITY OF TEMECULA	20.34	Specific Plan Implementation	SP-15	No	100	250
940320007	HUB 3	12.72	Medium Residential (7-12 Du/Ac Max)	SP-15	No	62	156
944290015	KAISERMAN DONALD	11.40	Medium Residential (7-12 Du/Ac Max)	M	Yes	256	256
940320005	TEMECULA WEST VILLAGE	19.61	Specific Plan Implementation	SP-15	No	96	241
922210049	TEMECULA WEST VILLAGE	54.81	Specific Plan Implementation	SP-15	No	270	675

Source: City of Temecula, 2021

## 7. Adequacy of Sites for RHNA

The City's site inventory demonstrates the availability of adequate sites to address the projected housing growth needs (see Appendix A).

Overall, the vacant site inventory yields an estimated development capacity of 9,203 units. Based on these numbers, along with development of ADUs and the credits identified earlier in this chapter, and as shown in **Table 64**, the City is able to meet its 2021-2029 regional housing need of 4,193 and provide a surplus of sites at all income levels. Additionally, given that the capacities identified for vacant residential parcels outside of Specific Plan is based on a 75% yield from the maximum density and for vacant residential parcels inside of Specific Plans is based on 85% yield from the maximum

density, it could be expected that products will actually develop with unit counts higher than those assumed in this inventory.

As is shown in **Table 64**, the City has adequate sites to accommodate the RHNA for all income levels. For lower income units (extremely low income, very low income, and low income), the City has a remaining allocation of 2,029 units and can accommodate 2,798 units via ADUs and on sites that allow densities of at least 30 units per acre, consistent with the assumptions for lower income sites established by Government Code Section 65583.2(c)(3)(B)(iii) and that are further supported by the City's history of successful affordable projects. The City also has a surplus of sites for moderate and above moderate income units.

**Table 64: Comparison of RHNA Candidate Sites Realistic Capacity and RHNA**

Candidate Sites	Extremely Low income (0-30% AMI)	Very Low income (30-50% AMI)	Low income (51-80% AMI)	Moderate income (81-120% AMI)	Above Moderate income (121%+ AMI)	Total
Remaining 6th Cycle RHNA	656	671	702	757	1,249	4,034
ADUs	22	11	50	50	11	144
Vacant Residential Land Inventory (exclusive of SPAs)	367	440	660	1,600	363	3,430
Vacant Residential Land in Specific Plans	312	312	624	2,787	1,724	5,773
Total	+45 (surplus)	+92 (surplus)	+632 (surplus)	+3,680(surplus)	+849 (surplus)	+5,313 (surplus)

## C. Housing, Financial, and Services Resources

Affordable Housing and Sustainable Communities Program (AHSC) funds land use, housing, transportation, and land preservation projects that support infill and compact development and reduce greenhouse gas (GHG) emissions. Funds are available in the form of loans and/or grants in two kinds of project areas: Transit Oriented Development (TOD) Project Areas and Integrated Connectivity (ICP) Project Areas. There is an annual competitive funding cycle.

Community Development Block Grants (CDBG) funds are awarded to the City of Temecula, an entitlement community, on a formula basis for housing, community development, and economic development

activities. Activities eligible for CDBG funding include acquisition, rehabilitation, economic development and public services.

HOME Investment Partnership funds are granted by a formula basis from HUD to increase the supply of decent, safe, sanitary, and affordable housing to lower income households. Eligible activities include new construction, acquisition, rental assistance and rehabilitation. The City participates in the San Diego County-administered HOME Program, which administers HOME funds to projects in participating jurisdictions. County-administered HOME funds for first time homebuyer assistance are made available to residents or employees of the local jurisdictions participating in the HOME program. New development projects are typically allocated funding on a competitive basis.

Housing Choice Voucher Program (formerly Section 8) provides monthly rental assistance payments to private landlords on behalf of low income families who have been determined eligible by the San Diego Housing Authority. The program's objective is to assist low income families by providing rental assistance so that families may lease safe, decent, and sanitary housing units in the private rental market. The program is designed to allow families to move without the loss of housing assistance. Moves are permissible if the family notifies the Housing Authority ahead of time, terminates its existing lease within the lease provisions, and finds acceptable alternate housing.

Project Based Housing Voucher program is a component of the former Section 8 Housing Choice Voucher program funded through HUD. The program's objective is to induce property owners to make standard housing available to low income families at rents within the program limits. In return, the Housing Authority or HUD enters a contract with the owner that guarantees a certain level of rents.

Section 811/202 Program (Supportive Housing for Persons with Disabilities/Elderly) – Non-profit and consumer cooperatives can receive no interest capital advances from HUD under the Section 202 program for the construction of Very-Low income rental housing for seniors and persons with disabilities. These funds can be used in conjunction with Section 811, which can be used to develop group homes, independent living facilities and immediate care facilities. Eligible activities include acquisition, rehabilitation, new construction and rental assistance.

California Housing Finance Agency (CalHFA) Multifamily Programs provide permanent financing for the acquisition, rehabilitation, and preservation or new construction of rental housing that includes affordable rents for Low and Moderate income families and individuals. One of the programs is the Preservation Acquisition Finance Program that is designed to facilitate the acquisition of at-risk

affordable housing developments and provide lowcost funding to preserve affordability.

CalHOME Program provides grants to local public agencies and non-profit developers to assist households in becoming homeowners. CalHome funds may be used for predevelopment, development, acquisition, and rehabilitation costs as well as downpayment assistance. While CalHOME funding has been limited to disaster assistance in recent years, this would be an appropriate program for the City to pursue to begin to develop a local portfolio of housing assistance programs and funds.

California Housing Finance Agency (CHFA) offers permanent financing for acquisition and rehabilitation to for-profit, non-profit, and public agency developers seeking to preserve "at-risk" housing units. In addition, CHFA offers low interest predevelopment loans to nonprofit sponsors through its acquisition/rehabilitation program.

Emergency Housing and Assistance Program (EHAP) provides funds to local government agencies and non-profit corporations for capital development activities and facility operation for emergency shelters, transitional housing and safe havens that provide shelter and supportive services for homeless individuals and families. No current funding is offered for this program.

Emergency Shelter Grant (ESG) Program provides emergency shelter and related services to the County's homeless populations. Eligible activities include: the rehabilitation and conversion of buildings for use as emergency shelters; the provision of essential services to the homeless; operating support for emergency shelters; and homeless prevention/rapid rehousing activities.

Federal Home Loan Bank System facilitates Affordable Housing Programs (AHP), which subsidize the interest rates for affordable housing. The San Francisco Federal Home Loan Bank District provides local service within California. Interest rate subsidies under the AHP can be used to finance the purchase, construction, and/or rehabilitation of rental housing. very low income households must occupy at least 20% of the units for the useful life of the housing or the mortgage term.

Housing for a Healthy California (HHC) provides funding on a competitive basis to deliver supportive housing opportunities to developers using the federal National Housing Trust Funds (NHTF) allocations for operating reserve grants and capital loans. The Department will also utilize from a portion of moneys collected in calendar year 2018 and deposited into the Building Homes and Jobs Trust Fund to provide funding through grants to counties for capital and operating assistance. Funds will be announced through a Notice of Funding Availability.



Infill Infrastructure Grant Program (IIG) funds infrastructure improvements to facilitate new housing development with an affordable component in residential or mixed use infill projects and infill areas. If an affordable or special needs housing developer is interested in developing in the City's urban core, this program could be useful to fund infrastructure improvements.

Joe Serna Jr. Farmworker Housing Grant Program finances the new construction, rehabilitation and acquisition of owner- and renter-occupied housing units for agricultural workers, with a priority for lower income households. No current funding is offered for this program.

Low income Housing Tax Credits. The California Tax Credit Allocation Committee (CTCAC) administers the federal and state Low income Housing Tax Credit Programs. Both programs were created to encourage private investment in affordable rental housing for households meeting certain income requirements. Under these programs, housing tax credits are awarded to developers of qualified projects. 20% of federal credits are reserved for rural areas, and 10% for non-profit sponsors. To compete for the credit, rental housing developments must reserve units at affordable rents to households at or below 46% of area median income. The assisted units must be reserved for the target population for 55 years. The federal tax credit provides a subsidy over ten years towards the cost of producing a unit. Developers sell these tax benefits to investors for their present market value to provide up-front capital to build the units. Credits can be used to fund the hard and soft costs (excluding land costs) of the acquisition, rehabilitation, or new construction of rental housing. Projects not receiving other federal subsidy receive a federal credit of 9% per year for ten years and a state credit of 30% over four years (high cost areas and qualified census tracts get increased federal credits). Projects with a federal subsidy receive a 4% federal credit each year for ten years and a 13% state credit over four years. The CTCAC also administers a Farmworker Housing Assistance Program and a Commercial Revitalization Deduction Program.

Low income Housing Preservation and Residential Home Ownership Act (LIHPRHA) requires that all eligible HUD Section 236 and Section 221(d) projects "at-risk" of conversion to market-rate rental housing through the mortgage prepayment option be subject to LIHPRHA Incentives. The incentives to owners include HUD subsidies which guarantee owners an 8% annual return on equity. Owners must file a Plan of Action to obtain incentives or offer the project for sale to a) non-profit organizations, b) tenants, or c) public bodies for a 12 month period followed by an additional three-month sale to other purchasers. Only then are owners eligible to prepay the subsidized mortgages.

Mobilehome Park Rehabilitation and Resident Ownership Program (MPRRP) makes short- and long-term low interest rate loans for the

preservation of affordable mobilehome parks for ownership or control by resident organizations, nonprofit housing sponsors, or local public agencies. MPRROP also makes long-term loans to individuals to ensure continued affordability. Funds are made available through a periodic, competitive process. MPRROP is currently accepting applications on an over-the-counter basis.

Multifamily Housing Program (MHP) provides low interest loans to developers of affordable rental and transitional housing projects. Funds may be used for new construction, rehabilitation, acquisition and rehabilitation, or conversion of non-residential structures.

National Housing Trust Fund is a permanent federal program with dedicated sources of funding not subject to the annual appropriations. The funds can be used to increase and preserve the supply of affordable housing, with an emphasis on rental housing for extremely low income households. California is receiving approximately \$10.1 Million for the program in 2019. Funds will be made available through a competitive process and will be announced through a Notice of Funding Availability.

Preservation Interim Repositioning Program (PIRP) is a short-term loan program designed to preserve housing at risk of conversion to market rates. Only non-profits, dedicated to the provision of affordable housing, may apply. Local matching funds, together with PIRP funds, may not exceed 20% of total costs. No current funding is offered for this program.

SB 2 Planning Grants Program provides one-time funding and technical assistance to all eligible local governments in California to adopt, and implement plans and process improvements that streamline housing approvals and accelerate housing production. Eligible activities include updating a variety of planning documents and processes such as general plans and zoning ordinances, conducting environmental analyses, and process improvements that expedite local planning and permitting. The planning grants program is funded through the Building Homes and Jobs Act Trust Fund (SB 2, Chapter 364, Statutes of 2017). The City is eligible to receive funds through this program and this program should be considered to develop an affordable housing program for the City.

California Community Reinvestment Corporation (CCRC) is a multifamily affordable housing lender whose mission is to increase the availability of affordable housing for Low income families, seniors and residents with special needs by facilitating private capital flow from its investors for debt and equity to developers of affordable housing. Eligible activities include new construction, rehabilitation and acquisition of properties.

Supplement Security Income (SSI) is a federal welfare program for persons 65 and over and for blind or disabled persons of any age.

"Disabled" means that you have a physical or mental disability that is expected to keep you from working for 12 months or longer, or will result in death. Medicare is a federal health insurance program for people who are 65 and over, for some younger people with permanent disabilities, and for people with end-stage kidney disease. SSI may provide total monthly income or it may supplement a low income. In addition to cash payments, SSI recipients are automatically covered by Medi-Cal, the state health insurance plan.

## **D. Administrative Resources**

Agencies with administrative capacity to implement programs contained in the Housing Element include the City of Temecula and local and regional nonprofit private developers. The City of Temecula Planning Department takes the lead in implementing Housing Element programs and policies. The City also works closely with non-profit developers to expand affordable housing opportunities in Temecula.

### **Development Services Department**

The Community Development Department manages the City's affordable housing programs, Building and Safety Division, code enforcement, land development, and planning (among other responsibilities). The department coordinates development activity within the City to ensure the planned orderly growth. The Planning Department administers the General Plan and zoning and environmental regulations, and provides primary staff assistance to the Planning Commission.

### **Non-Profit Developments**

The City collaborates with a number of affordable housing developers and service providers to accommodate the housing needs of Temecula residents. The following are housing developers and service providers active in the City; several are included in the State's list of entities with the legal and managerial capacity to acquire and manage at-risk projects.

The following are housing providers interested in developing and/or preserving affordable housing in the City:

- Coachella Valley Housing Coalition  
45-701 Monroe Street, Suite G  
Indio, CA 92201  
Telephone: (760) 347-3157
- Habitat for Humanity  
41964 Main Street  
Temecula, CA 92591  
Telephone: (909) 693-0460

- Jamboree Housing Corporation  
2081 Business Center Drive, Suite 216  
Irvine, CA 92612  
Telephone: (949) 263-8676
- Affirmed Housing  
13520 Evening Creek Drive North, Suite 360  
San Diego, CA 92128  
Telephone: (858)679-2828
- The Olson Company  
30200 Old Ranch Pkwy, #250  
Seal Beach, CA 90740  
Telephone: (562) 596-4770
- San Diego Community Housing Corporation  
8799 Balboa Avenue, Suite 220  
San Diego, CA 92123  
Telephone: (858) 571-0444
- D'Alto Partners  
41911 5th Street  
Temecula, CA 92590  
Telephone: (951)304-0633
- DR Horton  
2280 Warlow Circle, Suite 100  
Corona, CA 92880  
Telephone: (951)272-9000
- Bridge Housing Corporation  
9191 Towne Center Drive, Suite L101  
San Diego, CA 92122  
Telephone: (858) 535-0552
- Highland Partnerships  
285 Bay Blvd.  
Chula Vista, CA 91910  
Telephone: (619) 498-2900
- National Community Renaissance (National CORE)  
9421 Haven Avenue  
Rancho Cucamonga, CA 91730  
Telephone: (909) 483-2444

## **E. Environmental Constraints**

The majority of the land available for residential development is located adjacent to existing infrastructure facilities or within a specific plan area where infrastructure will be provided as part of the development process. As a result, infrastructure facilities will be able to serve all of the future residential development.

The sites inventory analysis reflects land use designations and densities established in the General Plan and Specific Plans. Thus, any environmental constraints that would lower the potential yield (e.g., steep slopes) have already been accounted for. Any additional constraints that would occur on a more detailed site review basis would be addressed as part of the individual project review process.

The City's capacity to meet its regional share and individual income categories are not constrained by any environmental conditions.

## **F. Energy Conservation and Climate Change**

Energy-related housing costs can directly impact the affordability of housing. While State building code standards contain mandatory energy efficiency requirements for new development, the City and utility providers are also important resources to encourage and facilitate energy conservation and to help residents minimize energy -related expenses. Efficient energy use can be encouraged by changing customer behavior, rewarding use of energy-saving appliances, and employing building design and construction approaches that reduce electric power and natural gas usage. The primary sources of energy in Temecula are electricity from Southern California Edison (SCE) and natural gas from SoCalGas. SCE provides technical assistance and incentives for residents and businesses to increase energy efficiency through energy audits, appliance rebate programs, and smart energy metering. As part of the City's Sustainability Plan, Temecula's mission is to reduce energy use while encouraging clean energy generation.

### **New Development**

The City encourages energy conservation in residential projects. New subdivision and parcel reviews are considered in terms of street layout and lot design. Residential structures must meet the requirements of Title 24 (CalGreen) relating to energy conservation features of the California Building Standards Code.

For example, production home builder, Woodside Homes has constructed hundreds of homes in Roripaugh Ranch (Sommers Bend) which include solar as well as passive and active energy savings techniques.

## **Retrofit**

There are a number of methods available to improve conditions of existing structures and to decrease their energy demand, all of which fall under the general label of “retrofit.” Among the most common techniques for increasing building efficiency are: insulation of ceilings, heating-ventilating air conditioning ducts and hot water heaters; weather stripping and caulking; night setback thermostats; spark ignited pilot lights; low flow shower heads; window treatment to provide shade; and furnace efficiency modifications. The City of Temecula monitors such modifications on substantial rehabilitation projects pursuant to the California Building Standards Code.

Weatherization in existing dwellings can greatly cut down heating and cooling costs. Weatherization is generally done by performing or improving attic insulation, caulking, weather stripping and storm windows, furnace efficiency modifications, and certain mechanical measures to heating and cooling systems. The U.S. Department of Energy allocates money to states for disbursement to community-based organizations.

Other means of energy conservation in residential structures includes proper design and location of windows, window shades, orientation of the dwelling in relation to sun and wind direction, and roof overhang to let the winter sun in and block the summer sun out.

The City encourages maintenance and rehabilitation of housing to maximize energy efficiency. The City’s residential rehabilitation programs provides funding assistance for lower income households to rehabilitate their home and provide weatherization and energy retrofit improvements.

## **G. Consistency with the General Plan**

Government Code Section 65300.5 states: “In construing the provisions of this article, the Legislature intends that the general plan and elements and parts thereof comprise an integrated, internally consistent and compatible statement of policies for the adopting agency.” Additionally, Government Code Section 65583 (c)(7) requires the identification of “means by which consistency will be achieved with other general plan elements and community goals.”

The Housing Element of a general plan sets out a city's overall long-range planning strategy for providing housing for all segments of the community. The California Government Code requires general plans to contain an integrated, consistent set of goals and policies. The Housing Element is, therefore, affected by policies contained in other elements of a general plan. The housing element is most intricately

related to the land use element. The Land Use Element establishes the framework for development of housing by laying out the land use designations for residential development and indicating the type and density permitted by a city.

Working within this framework, the City of Temecula's Housing Element identifies priority goals, objectives, and program actions for the 2021-2029 planning period that directly address the housing needs of Temecula's existing and future residents. The policies contained in other elements of the City's General Plan affect many aspects of life that residents enjoy such as the amount and variety of open space; the preservation of natural, historic and cultural resources; permitted noise levels in residential areas; and the safety of the residents in the event of a natural or man-made disaster. The Housing Element has been reviewed for consistency with the City's other General Plan Elements and the policies and programs in this Element do not conflict with the policy direction contained in other parts of the General Plan.

As the City moves forward with a General Plan Update and as portions of the General Plan are amended in the future, the Housing Element will be reviewed to ensure that internal consistency is maintained. The General Plan Update will address all requirements of State law related to the scope and content of a General Plan, including updated goals, policies, and programs to address complete streets, environmental justice, climate adaptation and resiliency, and air quality.

## **H. Relationship to Other City Plans and Policies**

The Housing Element identifies priority goals, objectives, policies, and action programs for the next eight years that directly address the housing needs of Temecula. The City's other plans and policies including its Municipal Code, Zoning Code, Master Plan, and Specific Plans must all remain consistent with the Housing Element. As revisions are considered to the City's Code and various plans, each revision will be reviewed to ensure that no conflicts with the Housing Element occur.

## **I. Priority for Water and Sewer**

Per Chapter 727, Statutes of 2004 (SB 1087), upon completion of an amended or adopted housing element, a local government is responsible for immediately distributing a copy of the Element to area water and sewer providers. Water and sewer providers must grant priority for service allocations to proposed developments that include housing units affordable to lower-income households. As the responsible agency, the City of Temecula will supply a copy of the

adopted housing element to the Temecula Public Works Department, as well as to all water and sewer providers serving the City.

PUBLIC DRAFT



## VI. AFFIRMATIVELY FURTHERING FAIR HOUSING (AFFH) ANALYSIS

All Housing Elements due on or after January 1, 2021 must contain an Assessment of Fair Housing (AFH) consistent with the core elements of the analysis required by the federal Affirmatively Further Fair Housing Final Rule of July 16, 2015. Under State law, affirmatively further fair housing means “taking meaningful actions, in addition to combatting discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics”. These characteristics can include, but are not limited to, race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability.

In 2017, the City of Temecula prepared a comprehensive and robust assessment of fair housing. This Report is included as Appendix D to the Housing Element and was approved in March 2017. Unless otherwise noted, the Figures and Tables references in this Section (Section VI) refer to those Figures and Tables included as part of the 2017 Assessment, included as Appendix D. As part of this effort, the City undertook a detailed community participation program, assessed past goals and actions, conducted a fair housing analysis including a demographic summary, identification of general issues related to segregation/integration, racially or ethnically concentrated areas of poverty (R/ECAPs), disparities in access to opportunity, and disproportionate housing needs. Additionally, the Report included an analysis of publicly supported housing, disability and access, and fair housing enforcement, outreach capacity, and resource analysis. Finally, it included a series of fair housing goals and priorities, which have been integrated and updated within the Housing Plan, as appropriate. This analysis is a summary of the 2017 Report, the findings of which remain valid, as well as new information related to the City’s 2021-2029 Housing Element, and in particular its sites inventory, and a description of how the City’s housing programs affirmatively further fair housing.

As a recipient of federal funds to administer housing and community development programs, the City of Temecula must affirmatively further fair housing. To accomplish this goal, the City of Temecula has contracted with the Fair Housing Council of Riverside County to provide fair housing services for Temecula residents at no cost. Citizens can get legal support for Fair Housing issues regarding rent payments, termination notices, lease renewal increases, habitability claims, illegal evictions, and any discrimination claim.

## A. Fair Housing Needs Assessment

The City of Temecula is located in the extreme southwest corner of the Riverside-San Bernardino Metropolitan Statistical Area (MSA), which is the largest MSA in area in the continental United States. Because of its location in the corner of the region, one must be cautious to draw too many conclusions in comparing Temecula to the regional data supplied by HUD. The city's 2017 Assessment and the analysis included in this Housing Element compares and contrasts the City with the regional data, but as one would expect, there are some substantial differences in the data profiles and the needs between the City and the region. The City is located in a cluster of cities in Temecula Valley in southwest Riverside County. The other cities include Murrieta, Menifee, Wildomar and Lake Elsinore. All have experienced tremendous growth in the past twenty years, yet they remain separate and some distance from the metropolitan areas to the north and south.

Through its growth, Temecula has remained an integrated and diverse City with racial and ethnic groups spread evenly throughout the City. There are no HUD-identified racially or ethnically concentrated areas of poverty (R/ECAPs) in the City. During the housing crisis of 2007-2008, the City was hit with many foreclosures and, as such, that issue was the greatest concern in the previous Analysis of Impediments, completed in 2010. Now with the housing industry in recovery, the greatest need in the City is affordable housing, as many new homebuyers find themselves priced out of the market.

Like all cities in the State of California, Temecula is challenged by a lack of financial resources to address its affordable housing needs due to the dissolution of all the State's redevelopment agencies. This was the main source of hundreds of affordable housing units constructed in the City since the 1990s. Fair housing issues in Temecula appear to be individualized and not systemic, but preventing systematic issues requires continuous training and education of those persons employed in the housing industry, as well as educating the residents of their fair housing rights.

As included in its 2017 Assessment, the City had developed four fair housing goals to overcome the contributing factors identified in the Assessment of Fair Housing. These goals were prioritized based on feedback from community meetings, surveys, stakeholder interviews, staff, and data analysis. Highest priority was given to those contributing factors that limit or deny fair housing choice of access to opportunity. The goals are listed below, from highest to lowest priority.

*Goal 1: Amend Zoning Code to promote the development of affordable housing*

Fair Housing Issue(s): Disproportionate Housing Needs; Disparities in Access to Opportunity

Contributing Factor 1A: Land use and zoning laws

*Goal 2: Increase and preserve affordable units for renters and homeowners*

Fair Housing Issue(s): Disproportionate Housing Needs; Disparities in Access to Opportunity

Contributing Factor 2A: The availability of affordable units in a range of sizes

Contributing Factor 2B: Location and type of affordable housing

*Goal 3: Provide greater access to public facilities and improvements for persons with disabilities*

Fair Housing Issue(s): Disparities in Access to Opportunity

Contributing Factor 3A: Inaccessible sidewalks, pedestrian crossings, or other infrastructure

Contributing Factor 3B: Inaccessible government facilities or services

*Goal 4: Provide equal housing opportunities for protected classes*

Fair Housing Issue(s): Disparities in Access to Opportunity

Contributing Factor 4A: Lack of resources for fair housing agencies and organizations

Contributing Factor 4B: Private discrimination

Based on the above goals and contributing factors, a number of actions were identified that can be taken over the next five years that will promote fair housing for its residents. These actions, outlined in the 2017 Assessment, have either already been completed (i.e., the adoption of an Affordable Housing Overlay) and assessed as part of the 5<sup>th</sup> Cycle Progress, or included as a Program in this Housing Plan.

## **B. Analysis of Available Federal, State, and Local Data and Local Knowledge**

This section presents an overview of available federal, state, and local data to analyze fair housing issues in Temecula as included in the City's

2017 Assessment; these findings are supplemented with present day resources and local knowledge of existing conditions in the community to present a more realistic picture of fair housing concerns in Temecula and a more informed perspective from which to base goals, policies and programs to affirmatively further fair housing.

## **Integration and Segregation Patterns and Trends**

According to the HUD provided Map 1-Race and Ethnicity, Temecula had no areas of concentrations of racial or ethnic groups. All ethnic groups are spread evenly throughout the City. The City also had no HUD-defined racially or ethnically concentrated areas of poverty (R/ECAP areas). Local knowledge confirmed this observation. Map 2 shows no appreciable difference from 1990.

This is also confirmed with Table 3-Racial and Ethnicity Dissimilarity Trends. According to HUD, if a jurisdiction has an Index value of less than 40, there is high diversity (low segregation) in the City. The City has a score between 18.93 and 26.05 for the various racial and ethnic groups.

Likewise, Map 3-National Origin shows no segregation pattern based on national origin. The top five population groups are spread evenly throughout the City, showing the City's diversity and high integration.

In comparing the City with the region from Table 2-Demographic Trends, the percentage of Blacks and Hispanics is about half that in the region. There are more Whites and Asians in Temecula than the regional average. Twenty-two percent of the City's Hispanics were born in Mexico compared to 27% for the region based on calculation of figures in Table 1. Eighty-nine percent of the Hispanic immigrants are Limited English Proficiency (LEP). This is roughly the same as for the region.

There was a significant increase in the percentage of foreign born over the past twenty years, but the percentage of Limited English Proficiency (LEP) persons remained about the same, even though their population increased. Although only 3% of the population, 40% of Filipinos are LEPs, compared to 27% region-wide. According to Map 4-Persons with LEP, their populations are spread evenly across the City.

According to Table 1, the largest disabled population are those who are ambulatory (3.83%), followed by those with cognitive difficulty (3.54%), independent living difficulty (2.90%) and those with hearing loss (2.67%). There is probably considerable overlap in these populations.

According to Table 1, eight percent of the City's population is seniors compared to 10.4% region-wide. Fifty-six percent of the households are families with children compared to 51% region-wide. While all age groups increased in population, there was a slight decrease in the percentage of children and an increase in those of middle age. That could further be seen in a decrease in the proportion of families with children, even though it remains higher than the regional percentages.

According to Table 2-Demographic Trends, racial and ethnic diversity has increased dramatically in the City over the past twenty years. Except Native Americans, the population of all racial and ethnic groups has grown; however, the Hispanic and Asian populations have increased at a much faster rate than the other population groups. Hispanics have increased from 14.5% to 25% of the population and Asians / Pacific Islanders from 2.40% to 9.71%. Despite an increase in population of over 28,000 in twenty years, the proportion of Whites has decreased from 80.23% in 1990 to 57% in 2010. Blacks have increased at a less dramatic rate from 1.3% to 4% from 1990 to 2010, but showed a slight decline percentagewise from 4.16% in 2000 to 3.88% in 2010, even though their population increased. While Native Americans constitute only .6% of the population, they were the only ethnic group to show a decrease in population between 2000 and 2010. Through the tremendous growth in populations, Table 3 demonstrates that the Racial/Ethnic Dissimilarity Index range was still between 18.93 and 26.05, well below the HUD threshold of 40, meaning there is minimal segregation and high integration within the City. This compares to a range between 41.29 and 47.66 for the region.

According to Maps 1 through 4 pertaining to racial and ethnic data and dissimilarity indexes, there are no patterns of segregation by race and ethnicity, national origin or LEP groups in the City. The majority of multi-family residential is located in areas with easy access to transit systems and employment centers throughout the City and not unduly constrained by perceived patterns of segregation. Based upon data in Table 2, the trend is that the City is becoming increasingly diverse as it has grown over the last twenty years. This is in line with trends throughout the region. Maps 1 and 2 do not reveal trends of segregation patterns forming within the City as a result of the growth.

Information gathered from community meetings and surveys along with data sources provided stakeholders did not provide any information that segregation exists in the City affecting other protected characteristics was provided through stakeholder consultations. Workshop participants also concluded that the City is highly diverse.

The region does have higher scores than the City, indicating a very diverse and integrated population, but as mentioned in the introduction, the region represents the largest MSA in the nation.

## **Racially or Ethnically Concentrated Areas of Poverty (R/ECAP)**

To assist communities in identifying racially/ethnically concentrated areas of poverty (RECAPs), HUD has developed a census tract-based definition of RECAPs. The definition involves a racial/ethnic concentration threshold and a poverty test. The racial/ethnic concentration threshold is straightforward: RECAPs must have a non-white population of 50 percent or more. Regarding the poverty threshold, Wilson (1980) defines neighborhoods of extreme poverty as census tracts with 40 percent or more of individuals living at or below the poverty line. Because overall poverty levels are substantially lower in many parts of the country, HUD supplements this with an alternate criterion. Thus, a neighborhood can be a RECAP if it has a poverty rate that exceeds 40% or is three or more times the average tract poverty rate for the metropolitan/micropolitan area, whichever threshold is lower.

HUD data and mapping does not identify any R/ECAPs within the City.

## **Disparities in Access to Opportunity**

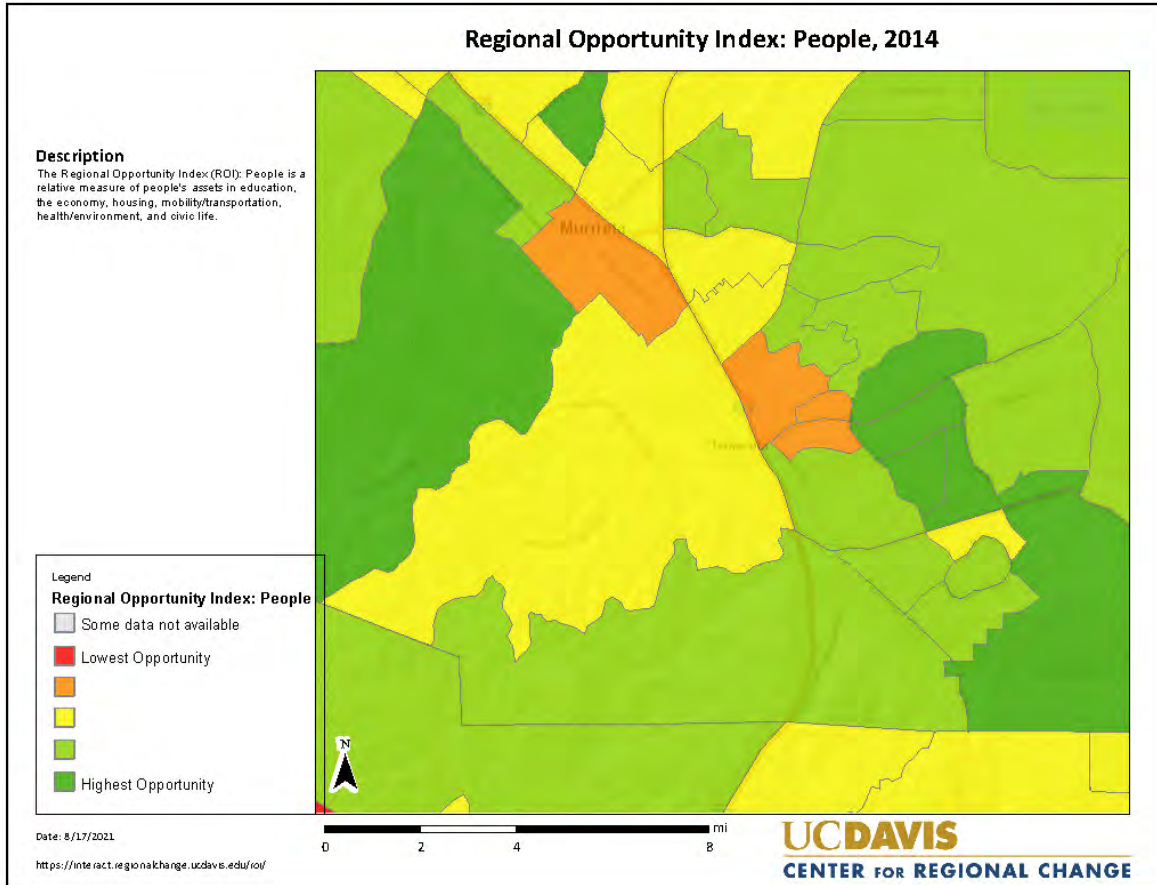
The UC Davis Center for Regional Change and Rabobank, N.A. partnered to develop the Regional Opportunity Index (ROI) intended to help understand social and economic opportunity in California's communities. The goal of the ROI is to help target resources and policies toward people and places with the greatest need to foster thriving communities. The ROI integrates a variety of data topics, including education, economic development, housing, mobility, health/environment, and civic life, and "maps" areas of potential investment by identifying specific areas of urgent need and opportunity. The ROI relies on many of the same data sources analyzed in the Housing Element, including the American Community Survey (ACS), the Longitudinal Employer-Household Dynamics (LEHD) Origin-Destination Employment Statistics (LODES) data, the California Department of Education, the California Department of Public Health, among others (data points are from 2014).

There are two ROI "maps"; the "people" ROI illustrates the relative measure of the people's assets in education, the economy, housing, mobility/transportation, health/environment, and civic life) while the "place" ROI illustrates the relative measure of a place's assets in those same categories. The tool analyzes different specific indicators for each of the six data topics, as summarized in **Table 65** on the following page.

**Table 65: Overview of ROI Data Point Indicators**

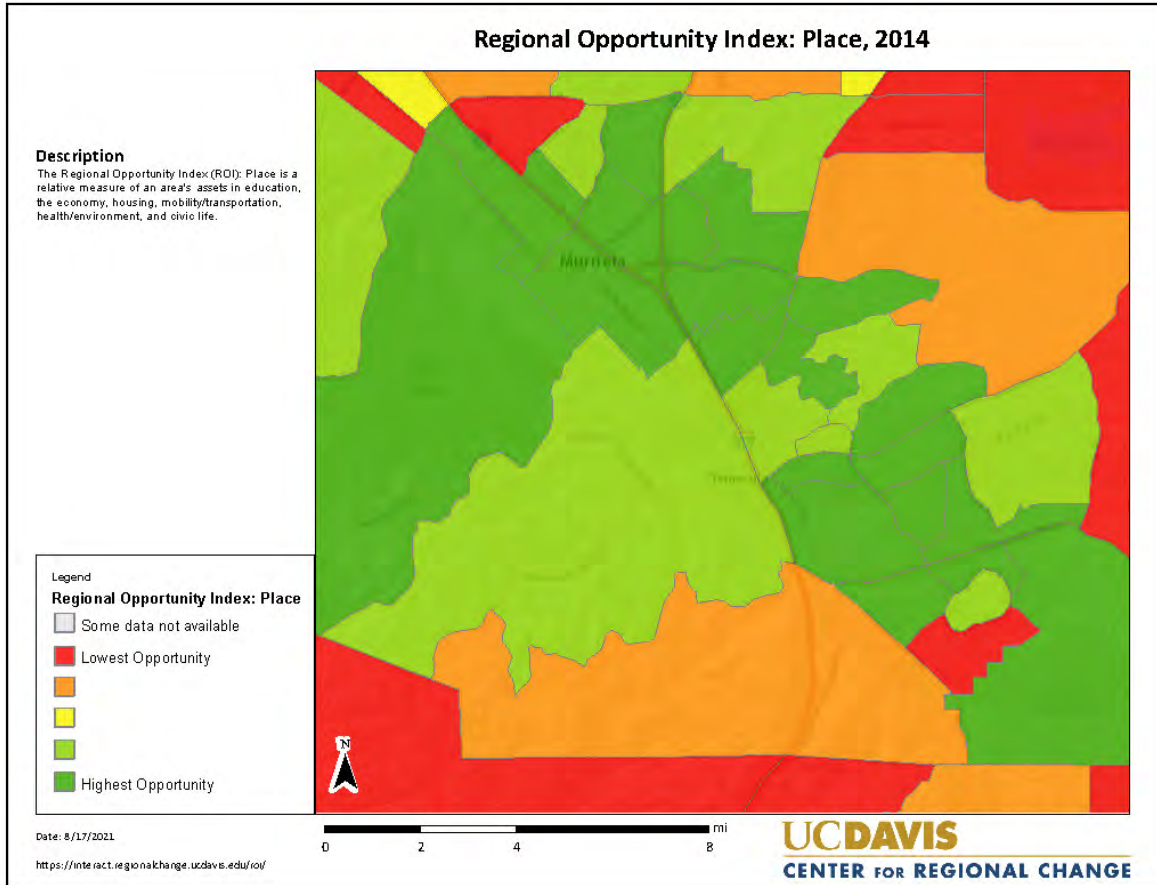
	People-Based Data Points	Place-Based Data Points
Education	<ul style="list-style-type: none"><li>• Elementary School Truancy</li><li>• English Proficiency</li><li>• Math Proficiency</li><li>• College Educated Adults</li></ul>	<ul style="list-style-type: none"><li>• High School Discipline rate</li><li>• Teacher Experience</li><li>• UC/CSU Eligible</li><li>• High School Graduation Rate</li></ul>
Economic Development	<ul style="list-style-type: none"><li>• Minimum Basic Income</li><li>• Employment Rate</li></ul>	<ul style="list-style-type: none"><li>• Bank Accessibility</li><li>• Job Quality</li><li>• Job Growth</li><li>• Job Availability</li></ul>
Housing	<ul style="list-style-type: none"><li>• Housing Cost Burden</li><li>• Homeownership</li></ul>	<ul style="list-style-type: none"><li>• Housing Affordability</li><li>• Housing Adequacy</li></ul>
Mobility	<ul style="list-style-type: none"><li>• Internet Access</li><li>• Commute Time</li><li>• Vehicle Availability</li></ul>	<ul style="list-style-type: none"><li>• N/A</li></ul>
Health/Environment	<ul style="list-style-type: none"><li>• Years of Life Lost</li><li>• Births to Teens</li><li>• Infant Health</li></ul>	<ul style="list-style-type: none"><li>• Air Quality</li><li>• Health Care Availability</li><li>• Access to Supermarket</li><li>• Prenatal Care</li></ul>
Civic Life	<ul style="list-style-type: none"><li>• English Speakers</li><li>• Voting Rates</li></ul>	<ul style="list-style-type: none"><li>• Neighborhood Stability</li><li>• US Citizenship</li></ul>

As shown in **Figures 3 and 4 on the following pages**, Temecula has a range of opportunity levels throughout the community with slight differences between the relative measure of people-based assets versus place-based assets, with place-based opportunities scoring slightly better than people-based opportunities. In general, most census tracts are shown to have average (yellow) to high (green) levels of opportunity, which indicates positive access to opportunities across the six data topics. However, in terms of people's assets, there are three census tracts which indicate lower levels of opportunity (shown in orange), and in terms of the place's assets, there is one census tract (which also includes areas outside of the City boundary) which indicates a lower level of opportunity (shown in orange). The higher and lower levels of opportunity for these three census tracts, by indicator, are summarized in **Table 66 following the maps**.



**Figure 3: Regional Opportunity Index, People, 2014, Temecula**





**Figure 4: Regional Opportunity Index, Place, 2014, Temecula**

**Table 66: People-Based Regional Opportunity Index (ROI) Low and Lowest Opportunity Census Tracts, Temecula**

Census Tract	Opportunity Level	Average or Higher Opportunities	Lower Opportunities
06065043216	Low Opportunity	<ul style="list-style-type: none"> <li>• Health/Environment</li> <li>• Mobility/Transportation</li> </ul>	<ul style="list-style-type: none"> <li>• Civic Life</li> <li>• Housing</li> <li>• Economy</li> <li>• Education</li> </ul>
06065043266	Low Opportunity	<ul style="list-style-type: none"> <li>• Health/Environment</li> <li>• Mobility/Transportation</li> </ul>	<ul style="list-style-type: none"> <li>• Civic Life</li> <li>• Housing</li> <li>• Economy</li> <li>• Education</li> </ul>
06065043220	Low Opportunity	<ul style="list-style-type: none"> <li>• Health/Environment</li> <li>• Mobility/Transportation</li> </ul>	<ul style="list-style-type: none"> <li>• Civic Life</li> <li>• Housing</li> <li>• Economy</li> <li>• Education</li> </ul>

Source: UC Davis Center for Regional Change, 2021 (using 2014 data points)

**Table 67: Place-Based Regional Opportunity Index (ROI) Low Opportunity Census Tract, Temecula**

Census Tract (Place)	Opportunity Level	Average or Higher Opportunities	Lower Opportunities
06065043254	Low Opportunity	<ul style="list-style-type: none"> <li>• Civic Life</li> <li>• Housing</li> <li>• Economy</li> <li>• Education</li> </ul>	<ul style="list-style-type: none"> <li>• Health/Environment</li> </ul>
06065043252	Lowest Opportunity	<ul style="list-style-type: none"> <li>• Civic Life</li> <li>• Housing</li> <li>• Education</li> </ul>	<ul style="list-style-type: none"> <li>• Health/Environment</li> <li>• Economy</li> </ul>

Source: UC Davis Center for Regional Change, 2020 (using 2014 data points)

The results of this analysis indicate that for those census tracts with lower-levels of people-based opportunities, the most significant issues revolve around civic life (lower levels of English speakers and voting rates), housing (lower levels of homeownership and higher cost burdens), the economy (households making the minimum basic income and low employment rates), and education (math proficiency).

When considering place-based opportunities, which the City arguably has more control over, the City of Temecula fares very well, and only one census tract has a low level of place-based opportunity as described above. For both census tracts with lower levels of opportunity (which are both located along the City's boundary) there appears to be limited access to supermarkets, and, to a lesser extent, health care.

### 2021 TCAC/HCD Opportunity Area Map

Additionally, the Department of Housing and Community Development together with the California Tax Credit Allocation Committee established the California Fair Housing Task Force to

provide research, evidence-based policy recommendations, and other strategic recommendations to HCD and other related state agencies/departments to further the fair housing goals (as defined by HCD). The Task force developed the 2021 TCAC/HCD Opportunity Area Maps to understand how public and private resources are spatially distributed. The Task force defines opportunities as pathways to better lives, including health, education, and employment. Overall, opportunity maps are intended to display which areas, according to research, offer low income children and adults the best chance at economic advancement, high educational attainment, and good physical and mental health.

According to the Task Force's methodology, the tool allocates the 20 percent of the tracts in each region with the highest relative index scores to the "Highest Resource" designation and the next 20 percent to the "High Resource" designation. Each region then ends up with 40 percent of its total tracts as "Highest" or "High" resource. These two categories are intended to help State decision-makers identify tracts within each region that the research suggests low income families are most likely to thrive, and where they typically do not have the option to live—but might, if given the choice. The remaining tracts are then evenly divided into "Low Resources" and "Moderate Resource". As shown in **Figure 5**, the majority of Temecula is classified as the "high" or "highest" resource designation, one census tract (east of I-15 and Old Town) is identified as "moderate".

### **Other Access to Opportunity Indicators**

As part of its 2017 Assessment, the City also evaluated any disparities in access to proficient schools based on race/ethnicity, national origin, and family status.

The City does not have jurisdiction over the local schools. They are administered by independent public school districts, such as the Temecula Valley Unified School District. Table 12 - Opportunity Indicators by Race/Ethnicity provides an index regarding how well fourth graders of the various racial and ethnic groups are doing on their State exams in comparison with national indices. Higher scores indicate higher proficiencies in the schools. According to Table 12, the school proficiency index is essentially the same for all races and ethnic groups in the City. On a scale of 1 to 100, with 100 being the highest, Hispanics scored 79.00, Blacks at 80.36, Native Americans at 80.86, Asians at 81.58 and Whites at 82.20. In comparison, the region scored between 40.97 for Hispanics on the low end and 58.09 for Whites on the high end.

The City has one Title 1 school (Temecula Elementary School) in the northern end of the City. A school is a Title 1 School if at least 40% of

the children participate in a free or reduced lunch program. The school is located in one of the City's CDBG eligible areas. There are no Title 1 Middle Schools or High Schools in the City.

The school district has a policy that parents can transfer their children from school to school subject to availability. Parents would responsible for providing transportation to the new school. Public transportation is available, although it may be limited based on the location of the school from their place of residence.

The City also previously evaluated any disparities in access to jobs and labor markets by protected class groups. The Jobs Proximity Index in Table 12-Opportunity Indicators provides an index for the physical distances between place of residence and jobs by race/ethnicity. The Labor Market Index also in Table 12 provides a measure of unemployment rate, labor-force participation rate, and percent of the population ages 25 and above with at least a bachelor's degree, by neighborhood. The higher scores represent greater the access to employment opportunities, and are better prepared to enter the labor market with higher incomes.

According to the Map 10 series for Job Proximities, persons in the lower-income areas live substantially closer to employment opportunities than their counterparts in the higher-income areas, often located farther away from the Interstate. Again, there was little difference between racial and ethnic groups or national origin according to Map 10 and Table 12 for Job Proximity.

The Labor Market Index for the various races and ethnicities range from 46.38 for Native Americans to 49.79 for Whites. These scores, which are based on a scale from 1 to 100, would be in the average range based on HUD's perspective nationwide. There was no difference between the City as a whole and those below the poverty line. In fact, all races except Asians who were below the poverty line had slightly higher scores than those above the poverty level. They ranged between 44.15 for Asians and 51.31 for Blacks with Whites at 48.79.

When compared with the region, the City residents scored much higher. The region ranged from 24.20 for Hispanics to 43.02 for Asians and unlike the City, there was a substantial difference for those below the poverty line. They ranged from 16.42 for Hispanics to 30.51 for Asians. Whites were at 25.55. Although some classes are available locally, the lack of a community college in Temecula in 2010 is probably part of the reason for this deficiency.

However, since 2010, several campuses have opened in Temecula, including Cal State San Marcos at Temecula, University of Redlands, Concordia University, and Mount San Jacinto. More recent data would

likely show an improvement in job readiness of the labor market. Other areas in the region have notably higher ratings such as in the vicinity of UC Riverside, Cal State San Bernardino and Redlands College in the north and in Orange County to the west.

The Low Poverty Index rates family poverty by household (based on the federal poverty line) provides an index regarding the access to poverty by census tract. The higher the scores, the less likely a neighborhood is exposed to poverty. There was little difference between the various ethnic and racial groups. Indices ranged from 65.42 for Hispanics to 71.23 for Whites, which indicates that all racial and ethnic groups have low exposure to poverty in Temecula. Except for Asians, there was little difference between those below the poverty line. They ranged for 54.98 for Blacks to 67.95 for Native Americans. The only anomaly was for Asians at 46.21 who were more exposed to poverty than their counterparts. This could be reflective of recent Filipino immigrants which now constitute over 3% of the City's population and 40% are limited English speaking according to Table 1. Though a small minority group, there are a number living in a low income area. Again, there was a substantial difference between the City residents and those within the region. In the region, the range was between 37.51 for Hispanics to 60.42 for Asians. For those below the poverty line, there was even a larger difference. They ranged from 23.78 for Hispanics to 42.30 for Asians. City residents have less exposure to poverty than the region as a whole.

According to Map 14-Demographics and Poverty, there were three adjoining census tracts in north Temecula that had low scores indicating a higher exposure to poverty. Three of the census tracts are CDBG eligible lower-income areas, but one of the adjoining areas is not, yet affected by its exposure to poverty. Another adjoining area is an eligible CDBG area but did not indicate a high exposure to poverty. The area has a number of market-rate and subsidized apartment complexes in the vicinity of the Temecula Elementary School, which may be affecting this index score. The corridor also contains many of the City's commercial shopping centers.

### **Summary of Access to Opportunity**

The vast majority of Temecula residents enjoy a consistent level of access to opportunities.

Analysis of the HUD-provided maps and data did not reveal any overarching patterns of poor access to opportunity and did not reveal adverse community factors. However, Census Tract 432.16 along the Margarita Corridor, is identified on Map 14 as having high exposure to poverty. Two of the three block groups are in CDBG-eligible areas and the third is not. Yet the HUD data indicates that the third block group

also has a high exposure to poverty. The only Title 1 School in the district is located in this neighborhood. The area is characterized by commercial retail and uses and the presences of a mix of multifamily and single family housing. Two of the multi-family complexes in one of the block groups are subsidized, the 40-unit Oak Tree Apartments on Lyndie Lane and the 55 unit Rancho California Apartments off of Margarita Road. There are a number of subsidized units west of Interstate 15, which is a CDBG eligible area, but that area does not have a high exposure factor. This could be partly because the City has focused its CDBG and local funds in addressing this area.

The City does not show any patterns of segregation, nor does it have any R/ECAPS.

Consultations with residents and stakeholders confirmed the HUD-provided information regarding the lack of disparities in access to opportunity in Temecula affecting groups with other protected characteristics.

The City is involved in a number of efforts aimed at improving air quality of the entire region including the Western Riverside Council of Governments (WRCOG) Clean Cities Coalition, which aims to reduce the consumption of petroleum fuels. The City also participates in WRCOG's Transportation Uniform Mitigation Fee (TUMF) program. The TUMF program makes improvements to the regional transportation system and provides transportation demand management through funds from new development.

## **C. Disproportionate Housing Need**

The analysis of disproportionate housing needs within Temecula evaluated existing housing need, need of the future housing population, and units within the community at-risk of converting to market-rate (which are limited).

### **Future Growth Need**

The City's future growth need is based on the RHNA production of 1,356 very-low and 801 low income units within the 2021-2029 planning period. As discussed throughout this Background Report, both existing and proposed affordable units are well dispersed throughout the community and do not present a geographic barrier to obtaining affordable housing. Appendix A of this Housing Element shows the City's ability to meet its 2021-2029 RHNA need at all income levels. This demonstrates the City's ability to accommodate the anticipated future affordable housing needs of the community.

## Existing Need

As described earlier in this Background Report, the City has a strong history of providing housing for lower-income households in Temecula. Temecula has 759 deed-restricted units, representing approximately 2% of the City's housing stock. The City is proud of meeting the needs of its existing residents but continues to identify and implement meaningful housing programs to expand opportunities for lower-income households throughout Temecula, including by continuing to implement its recently adopted Affordable Housing Overlay and Specific Plans, many of which allow for development of housing projects at densities of at least 30 du/ac.

HUD requires all grantees to compare and assess the burdens for housing for different groups in the community. A disproportionately greater burden exists when the members of a particular group experience a housing problem at a greater rate (90 percent or more) than the group as a whole. Table 10-Demographics of Household with Severe Housing Cost Burden demonstrates the number and percentage of persons by race/ethnicity and family size experiencing severe housing cost burden. There is no substantial difference between racial and ethnic groups. Non-family households demonstrated the highest cost burdens. The City scores are reflective of the region.

According to Table 9, half of the City's households are experiencing one of the four housing problems identified above. There is a disparity in this category with 47.37% of the White households experiencing a housing problem, Asians at 54.31% and Blacks at 55.04%. Hispanics are higher at 62.24% and Native Americans at 80.90%. For severe housing problems, they range from 20.76% for White households to 35.56% for Hispanic households. Native Americans were at 33.71%.

Map 5 - Publicly Supported Housing and Map 6 - Housing Choice Vouchers (HCV) provides the location of the limited number of publicly supported and HCV housing units in the City. Given the housing costs in the City and the region, there is a high demand for affordable rental housing.

While comparable with the region, all households, except Black households, were slightly more burdened in the City than in the region. For those below the poverty level, all groups, except for Native Americans, were less burdened in the City than in the region. Based on our examination of the data in Table 9 and demonstrated in Map 7-Housing Cost Burden and Race/Ethnicity, there were no disproportionate housing problems based on race, ethnicity, national origin, household type and size.

These results are not unexpected with the high costs of housing in Southern California as a whole.

Based on the data in the Table 11, there are a limited number of Project Based Section 8 units for families in the City. There are 54 two- and three-bedroom units and only 36 units are households with children. There are also a limited number of Housing Choice Voucher Program (HCV) units where there are 30 two- and three-bedroom units and only thirteen units are households with children. Additional affordable housing units for families continue to be a high demand in the City.

Through its 2017 Assessment, the City identified the availability of affordable units in a range of sizes as a contributing factor of disproportionate housing needs.

## **D. Displacement Risk**

As previously discussed, there are two deed-restricted affordable projects representing 180 units which can be considered as high risk as converting to market-rate units within the planning period. The City is actively engaged with the property owners of these projects (Rancho Creek Apartments and Rancho West Apartments) to evaluate preservation options. The City also has a number of units which are affordable to lower-income families but are not deed-restricted. As described in Section V of this Background Report, the City plans to accommodate the vast majority of its 2021-2029 RHNA on vacant parcels already zoned for residential development, with a focus on new development in the City's Specific Plan areas (Harveston, Altair, Uptown, and Old Town), which have good access to transit, amenities, and programmed infrastructure improvements. Given that new development is expected to occur on vacant parcels, there is not a significant displacement risk associated with the City's current affordable housing stock. The City has included Program 17 in the Housing Plan to assist in the preservation of at-risk housing units.

The City recognizes that even though it has identified sufficient vacant land to accommodate its RHNA at all income levels, there is still the potential for economic displacement because of new development and investment. This "knock-on" effect can occur at any time, and it can be challenging for the City to predict market changes and development patterns which have the potential to impact rental rates and sales prices for housing units available in the marketplace. To date, the City has no evidence that new development (affordable or market-rate) has resulted in economic displacement. However, the City appreciates the possibility that economic displacement might occur in the future and has developed Program 24 to study and address potential issues related to displacement.



The City has also considered the risk of displacement specifically for protected classes, including persons with disabilities, female-headed households, seniors, and nonwhite residents (as discussed previously throughout Section 3 of this Background Report). The highest levels of persons with disabilities, seniors, and female-headed households are not located in areas where no residential development is planned, and the risk of displacement to these groups (like to the City's lower-income residents) is low. However, some future housing sites are located in areas with high levels of Hispanic and nonwhite residents, and these groups appear to be more vulnerable to potential future displacement. As discussed above, Program 24 has been included in the City's Housing Plan to study and address issues related to future displacement, and the City remains committed to maintaining its existing affordable housing stock, which includes deed-restricted affordable units throughout the City, including in the census tracts with high levels of Hispanic and nonwhite residents.

To the extent that future development occurs in areas where there is existing housing, all housing must be replaced according to SB 330's replacement housing provisions (Government Code Section 66300). SB 330 also provides relocation payments to existing low income tenants. The State has also adopted just cause eviction provisions and statewide rent control to protect tenants from displacement.

The City is committed to making diligent efforts to engage underrepresented and disadvantaged communities in studying displacement. Programs 22 and 24, among others, detail efforts the City will take to engage these communities during the planning period.

## **E. Assessment of Contributing Factors to Fair Housing Issues in Temecula**

In its 2017 Assessment of Fair Housing, the City identified the following contributing factors to fair housing issues in Temecula:

- Increased demand of affordable housing with supportive services to serve special needs populations (Disproportionate Housing Needs)
- High demand for affordable housing, due to the high housing costs in the community and the region (Publicly Supported Housing Location and Occupancy)
- Lack of resources for fair housing agencies and organizations (Fair Housing Enforcement, Outreach Capacity, and Resources)

The analysis above regarding other fair housing issues within Temecula yielded the following results:

- The City does not have any racial or ethnic groups that score higher than 60 on the dissimilarity index, indicating that while there are racial and ethnic groups with higher levels of segregation than others within Temecula, none meet the standard set to identify segregated groups.
- The City does not have any racially or ethnically concentrated census tracts (RECAPs) as identified by HUD. This indicates that there are no census tracts within Temecula with a non-white population of 50 percent or more or any census tracts that have a poverty rate that exceeds 40% or is three or more times the average tract poverty rate for the metropolitan/micropolitan area.
- The UC Davis Regional Opportunity Index shows that the majority of residents within Temecula have average- to high-levels of access to opportunity throughout the majority of the City, with three census tracts showing lower people-based access to opportunity and two census tracts showing lower place-based access to opportunity. Based on the data used to identify opportunity access, the City has varying degrees of ability to influence the trajectory of the indicator (for example, low rates of US citizenship result in a lower opportunity assessment for place-based civic life). The City accommodates a significant portion of its RHNA in areas planned for a mix of uses located in proximity to each other, where new residential development can be supported by easy access to goods and services (like supermarkets and financial institutions), and the introduction of new residential development into areas where these challenges exist can expand opportunities for existing residents.
- Analysis of the TCAC/HCD opportunity Area Maps show that most census tracts in Temecula are classified with either the “High Resource”, or “Highest Resource” designation, and the remaining one tract is classified as “Moderate Resource”. This indicates that the most census tracts designated as “High Resource” or “Highest Resource” are within the top forty percent in the region in terms of areas that lower-income residents may thrive if given the opportunity to live there.
- The City has demonstrated the ability to meet the anticipated future affordable housing needs of the community through the designation of sites to meet the very-low and low income

RHNA need (Section 5 of the Background Report) and Programs 1 and 2 address the City's ability to meet the 6th Cycle RHNA allocation and outline the mechanism to ensure continued compliance for the duration of the planning period. Existing deed-restricted affordable units are located throughout the community and new accessory dwelling unit production throughout the City will result in new development affordable to a variety of income levels. The City plans to accommodate its very low and low income RHNA need in key planned growth areas located near transit facilities and adjacent to major infrastructure projects, to ensure adequate access to goods, facilities and jobs, while jobs and housing to be located closer together, thereby reducing vehicle miles travels, improve air quality, and create a more equitable jobs-housing balance. The relationship between existing affordable units and comprehensively planned growth on vacant parcels in and outside of Specific Plan areas allows the City to minimize displacement and improve access to opportunities for existing and future residents.

- There are 180 existing affordable units at-risk of converting to market-rate within the planning period. Program 17 addresses monitoring and working with partners, as feasible, to preserve at-risk units within the City over the planning period.

## **F. Analysis of Sites Pursuant to AB 686**

AB 686 requires that jurisdictions identify sites throughout the community in a manner that is consistent with its duty to affirmatively further fair housing. The site identification requirement involves not only an analysis of site capacity to accommodate the RHNA (provided in Section 5), but also whether the identified sites serve the purpose of replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity.

### **Segregation/Integration**

Both existing affordable units and proposed very-low and low income RHNA candidate sites are well dispersed throughout the city and do not disproportionately impact areas with larger concentrations of the Hispanic population, although as described previously, the City has no historic patterns of segregation or isolation and there are no trends to indicate that a pattern may emerge in the future.

The City of Temecula is proud to have adopted an Affordable Housing Overlay to promote the development of affordable housing options throughout the community. In addition, the City is proactively taking

steps to plan for, promote, and streamline development of accessory dwelling units as part of the solution to the City's housing needs. Together, the City's plan to accommodate its lower income RHNA at AHO sites and through ADUs will further strengthen the City's reputation as being a well-integrated community without patterns of isolation or segregation.

## **R/ECAPs**

The City does not have any racially or ethnically concentrated areas of poverty and the identification of sites to accommodate the City's RHNA is not expected to alter this finding.

## **Access to Opportunity**

No sites identified to accommodate the City's lower income RHNA are located in areas with low levels of place-based opportunity and only a limited number of sites, all within the City's Affordable Housing Overlay, are located in areas with lower levels of people-based opportunity. The concerns in these limited areas include high housing cost burdens, low levels of homeownership, and low voting rates. The introduction of new affordable housing options in this area, facilitated through the City's new Affordable Housing Overlay, will help to create more housing affordable to households at lower-income levels, introduce new residents to an area which can contribute to higher levels of civic engagement, and expand opportunities for people to live and work in the same area. Additionally, the Specific Plan areas identified to accommodate a portion of the City's lower income RHNA (specifically Harveston, Altair, Uptown, and Old Town) are located in areas with relatively high opportunity and resources. By located new affordable housing in these areas, the City continues to promote an integration of economic backgrounds and household incomes and ensure that all Temecula residents have access to high levels of opportunity, regardless of income or other characteristics.

## **Displacement Risk**

The City plans to accommodate its RHNA for all income levels at vacant sites throughout the City. Past residential development projects have not caused displacement to existing Temecula residents, and there is no expectation that the City's program to accommodate its RHNA at vacant sites throughout the City would create displacement risk for current or future lower income residents. However, in an abundance of caution, the City has included Program 24 to study the risk if displacement to residents as a result of new residential development at vacant sites in and outside of Specific Plan areas.

## Site Analysis Findings

The City of Temecula has a history of developing affordable housing projects throughout the community, at vacant and infill sites. To accommodate the City's RHNA, the City has undertaken a robust inventory of available vacant residential sites inside and outside of Specific Plan areas, many of which are identified as part of the City's Affordable Housing Overlay. While the City's very-low and low RHNA needs are largely accommodated in its Specific Plan areas, which do not represent extremely concentrated racial or ethnic populations, the City has included programs to encourage additional development of lower-income units throughout the community through its accessory dwelling unit program and through its Affordable Housing Overlay. For these reasons, the City finds that the sites proposed to accommodate its RHNA need do not unduly burden existing areas of concentrated racial or ethnic homogeneity, poverty, or other characteristics. Moreover, the sites contribute to affirmatively further fair housing by helping to stimulate investing in areas where additional people- and place-based opportunity is desired, and where new residential and/or mixed-use development can help to improve some of the opportunity level characteristics discussed earlier in this section.

## G. Analysis of Contributing Factors and Fair Housing Priorities and Goals

The December 2015 Affirmatively Furthering Fair Housing Rule Guidebook identifies examples of contributing factors by each fair housing issue area: outreach, fair housing enforcement and outreach capacity, segregation and integration, racially and ethnically concentrated areas of poverty, disparities in access to opportunity, disparities in access to opportunities for persons with disabilities, disproportionate housing needs, including displacement risks, and sites inventory. Based on the analysis included in this Background Report, the City has identified the following potential contributing factors to fair housing issues in Temecula and, as described later in this section, has developed a series of specific programs to address these contributing factors.

1. **Increased demand of affordable housing with supportive services to serve special needs populations.** The City of Temecula is home to residents with special needs who need additional opportunities for safe and affordable housing. This includes persons with developmental disabilities. Program 9, Special Needs Housing Construction, has been included in the City's Housing Plan to address this contributing factor.

2. **High demand for affordable housing, due to the high housing costs in the community and the region.** Temecula is located in an area easily accessible to San Diego, Riverside, San Bernardino, Orange, and Los Angeles counties. Due to its proximity to a variety of jobs centers, Temecula is a desirable and relatively affordable place to reside, and this pressure has increased demand for affordable housing options within the City. The City has included numerous programs in its Housing Plan to increase the supply of affordable housing, including Programs 1 and 2 to ensure that the City provides sufficient capacity to accommodate its RHNA at all income levels for the duration of the planning period, Program 4 which addresses the replacement of affordable units, and Program 5 which promotes ADUs as an option to expand the City's affordable housing stock.
3. **Lack of resources for fair housing agencies and organizations.** Like agencies throughout the region, Temecula has limited resources available to implement a variety of fair housing plans and programs. Other agencies with which the City regularly partners, including the Riverside County Consortium and Fair Housing Program of Riverside County, also face limited resources. The City has included Program 22, Equal Housing Opportunity, to do its part in promoting fair housing agencies and organizations and working with partner agencies to affirmatively further fair housing in Temecula.

To affirmatively further fair housing in Temecula, the City is committed to implementing its Affordable Housing Overlay, promoting affordable accessory dwelling units, and providing sites suitable for affordable housing in areas near transit, which are not unduly racially or ethnically concentrated, and where new residential development affordable to very-low and low income households can help to expand people- and place-based opportunities. The City of Temecula has a long history of supporting affordable housing development and as described previously in this Background Report. Moving forward, the City remains committed to providing a diversity of housing options for all income levels, and is committed to encouraging their development throughout the community to help overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. The vast majority of the City's Housing Programs designed to address fair housing are required to be implemented on an ongoing basis, with annual progress reports and programs evaluations to ensure they are achieving the City's objectives. The following list summarizes those programs identified in this Housing Element which affirmatively further fair housing and implement the City's 2017 Fair Housing Assessment:

- Program 5, to promote ADUs including ADUs affordable to lower-income households
- Program 6, to ensure that the City's density bonus ordinance continues to be in compliance with state law
- Program 7, to promote land assemblage and affordable housing development
- Program 8, to address the special needs of the City's extremely low income households
- Program 13, to expedite processing of affordable housing projects
- Program 16, to accommodate specialized housing types and update the City's policies and procedures regarding low barrier navigation centers, supportive housing, employee housing, and farmworker housing
- Program 17, to monitor and preserve at-risk housing
- Program 22, to promote equal housing opportunities
- Program 23, to continue offering housing referral services
- Program 24, to study and address economic displacement risks

To the extent that these programs represent ongoing work efforts, these programs are evaluated for effectiveness within Section 2 of this Background Report. The City has already undertaken a series of proactive amendments to its Zoning Ordinance to address new requirements related to density bonus law and accessory dwelling units, and the City will continue to partner with local and regional stakeholders to affirmatively further fair housing in Temecula.