

HCD Findings in 01/22/21 Letter	Response/Actions
<p>A.1 Disparities in Access to Opportunities While the element included some additional analysis (p. 3.47) for access to opportunity, it must still provide local analysis of trends and patterns transportation and environment and a regional analysis for education. The analysis should also address persons with disabilities and disparities in access to transit. Please refer to page 35 of the AFFH guidebook (link:https://www.hcd.ca.gov/community-development/affh/index.shtml#guidance) for specific factors that should be considered when analyzing access to opportunities.</p>	<p>A regional analysis for education is added.</p> <p>Additional information on transportation (transit access and job proximity) is added.</p> <p>Edits address areas of high pollution burdens and how they intersect with lower resources and higher need areas (includes persons with disabilities and race/ethnicity) The City’s draft Environmental Justice Element and associated goal and policies is also addressed in the edits. A summary of the EJ Element policies that impact access to environmentally healthy neighborhoods.</p> <p>Edits address persons with disabilities and disparities in access to transit – Transit in Lake Elsinore is concentrated in lower resources and higher need areas of the City west of I-15 – This includes persons with disabilities.</p>
<p>A.1 Site Inventory The map of the approved projects inventory shows a concentration of very low- and extremely low-income (ELI) sites in low resource areas. While Program 9 was added to mitigate the impact of lower income concentration and the narrative describes how the allocation of sites improves conditions, it does not address how sites exacerbate conditions. Additionally, the analysis evaluates the sites relative to access to opportunity but should also evaluate the income categories of identified sites with respect to location, the number of sites and units by all income groups and how that affects the existing patterns for all components of the assessment of fair housing (e.g., racially and ethnically concentrated areas of poverty (RE/CAPs), integration and</p>	<p>The section in Chapter 3 titled: Sites Inventory Consistency with Affirmatively Furthering Fair Housing (AFFH) has been updated to:</p> <ul style="list-style-type: none"> • Address how the site inventory exacerbates existing fair housing conditions. • The site evaluation has been expanded to address existing patterns for access to opportunity, racially and ethnically concentrated areas of poverty (RE/CAPs), integration and segregation, and disproportionate housing needs and displacement risk.

HCD Findings in 01/22/21 Letter	Response/Actions
<p>segregation, and disproportionate housing needs and displacement risk).</p>	
<p>A.1 Contributing Factors While the element includes additional issue areas as well as associated contributing factors, it does not explain how these factors are prioritized in the analysis. The element must prioritize contributing factors to fair housing issues. Contributing factors create, contribute to, perpetuate, or increase the severity of fair housing issues, are fundamental to adequate goals and actions, and must be related to the overall analysis. Examples include community opposition to affordable housing, housing discrimination, land use and zoning laws, lack of regional cooperation, location and type or lack of affordable housing and lack of public or private investment in areas of opportunity or affordable housing choices. The analysis must result in strategic approaches to inform and connect goals and actions to mitigate contributing factors to affordable housing.</p>	<p>Program 25 was included in the submitted Element and included prioritization fair housing issues and contributing factors similar to the example on Page 71 of the HCD AFFH handbook. The fair housing and contributing factors discussion in Chapter 3 is updated to more clearly explain and identify the priority assigned to these. The table under Program 25 is updated to address other related comments in the Department’s finding letter.</p>
<p>A.1 Goals, Priorities, Metrics, and Milestones Goals and actions must significantly seek to overcome contributing factors to fair housing issues. While the revised draft includes an overview of two issues in Lake Elsinore along with contributing factors, it does not identify associated goals, metrics, and milestones. The element must include metrics and milestones for evaluating progress on programs, actions, and fair housing results. Programs also need to be based on identified contributing factors, be significant and meaningful. The element must add, and revise programs based on a complete analysis and listing and prioritization of contributing factors to fair housing issues. For sites that are in lower-resourced areas, the element must include specific actions that seek to transform and address disparities in low resourced areas. Furthermore, the element</p>	<p>The fair housing and contributing factors discussion in Chapter 3 is updated to more clearly explain and identify the priority assigned to these. The table under Program 25 is updated to address other related comments in the Department’s finding letter.</p> <p>Program 25 is updated. The two main fair housing issues (prioritized as High) are closely related as such the action items are grouped together. The concentration of minority, low- and moderate-income population, and households experiencing disproportionate need and displacement risk also affects access to opportunity. Many of the same strategies (housing mobility strategies, new housing choices in</p>

HCD Findings in 01/22/21 Letter	Response/Actions
<p>must include metrics and milestones for evaluating progress on programs, actions, and fair housing results. For more information, please see HCD’s guidance at https://www.hcd.ca.gov/community-development/affh/index.shtm.</p>	<p>areas of opportunity and place-based strategies to encourage community revitalization) address both issues (disproportionate housing need and disparities in access to opportunity). The program is updated to group actions under three strategy themes. Program actions have been updated to include specific metrics and milestones for evaluating progress.</p>
<p>A.2 Specific Plan Areas The revised sites inventory identifies potential capacity in a number of specific plans for 18,403 units (Appendix B) and relies on capacity to accommodate at least 1,725 of its lower-income RHNA on multifamily sites within those specific plans (Table 4.8). While the housing element indicates the Specific Plans’ residential capacity and estimates the number of units by income group, it does not provide any analysis demonstrating their suitability and availability for development in the planning period or potential affordability. For specific plans that are anticipating a variety of housing types including multifamily, it remains unclear how multifamily is to be accommodated in these specific plans, land capacity that will be available for multifamily, and allowable densities. To utilize residential capacity in Specific Plans, the element must:</p> <ol style="list-style-type: none"> 1. Identify the date of approval of the plans and expiration date. 2. Identify approved or pending projects within these plans that are anticipated in the planning period, including anticipated affordability based on the actual or projected sale prices, rent levels, or other mechanisms establishing affordability in the planning period of the units within the project. 3. Provide descriptions of allowable densities, development 	<p>The site inventory section addressing specific plan capacity has been edited to:</p> <p>Expand Table 4.6 by adding</p> <ol style="list-style-type: none"> 1. Date of approval of the plans and expiration date 2. Approved or pending projects within these plans has not been added as there are currently none - nevertheless various specific plans have submitted applications for new or revised tract maps. Specific plan development in the City is ongoing. In 2020, permits were issued for 146 units in the Villages at Lakeshore Specific Plan. 3. Descriptions of allowable densities for multifamily uses. 4. Necessary approvals or steps for entitlements for new development 5. Phasing information from the Plans. Most indicate a phasing plan but acknowledge that the timing of residential and commercial development is a function of market conditions/demand. <p>Based on the additional information, the unit distribution of</p>

HCD Findings in 01/22/21 Letter	Response/Actions
<p>standards and other requirements for multifamily development anticipated to accommodate the lower-income RHNA;</p> <p>4. Describe necessary approvals or steps for entitlements for new development (e.g., design review, site plan review, etc.)</p> <p>5. Describe any development agreements, and conditions or requirements such as phasing or timing requirements, that impact development in the planning period.</p>	<p>specific plan capacity has been changed:</p> <ul style="list-style-type: none"> • For multi-family units in Specific Plan areas, density is used to make the affordability assumptions (consistent with state law). As previously discussed, 24 units per acre is used in place of the 30 units per acre default densities for a variety of reasons discussed under the “Densities Appropriate for Accommodating Lower Income Housing” heading. • Multifamily and mixed-use units with an allowable density of 24 units per acre are credited toward the very low/low income RHNA. Multifamily and mixed-use units with a lower allowable density (most commonly 18 and 20 units per acre) are credited toward the moderate income RHNA. • Single-family units in Specific Plan areas can be credited against the moderate-income RHNA based on the cost of single-family homes in Lake Elsinore. But to account for a range of potential home prices, single-family unit capacity in Specific Plan areas is split evenly between the moderate- and above moderate-income categories.
<p>A.2 Zoning for Lower-Income Households</p> <p>The site inventory is relying on zoning that allows up to 24 units per acre to accommodate the lower-income housing need. The element includes additional analysis to substantiate the City’s use of lower income based on “lower real estate costs” and programs to remove constraints. However, the element does not include a complete analysis to demonstrate the feasibility of 24 units per acre density. Specifically, the element must describe market demand and financial</p>	<p>The use of 24 du/ac as density suitable for development of affordable housing is realistic given the lower development costs and that a significant number of affordable housing developments in the City have been constructed at densities lower than the 30 units per acre default density. Specifically, affordable housing units (affordable to very low- and low-income households) have most commonly been built in zones with a maximum allowed density of 18 units per acre. The</p>

HCD Findings in 01/22/21 Letter	Response/Actions
<p>feasibility. To address this analysis, the City could consult with local developers.</p> <p>In addition, the element states that over 4,448 units affordable to lower-income households are expected to be accommodated in potential multifamily and mixed-use development in a variety of specific plans. However, the element does not include information allowable densities for multifamily development and therefore HCD cannot make a determination related to the appropriateness of sites within the specific plans to accommodate the RHNA for lower income.</p>	<p>Broadstone Rivers Edge Apartments (2007), Pottery Court (2011), Mission Trails Apartments (2020), and the Cottages at Mission Trails (2020) developments (all affordable housing projects) were developed on properties allowing a maximum of 18 units per acre.</p> <p>The element has been updated to include information from two developers that expands of the market demand and financial feasibility aspect of development and confirms the approach used in the Element.</p> <p>For specific plan, an expanded table is included that includes densities for multifamily units – as a result the capacity distribution has been changed for multi-family units. Multifamily and mixed-use units with an allowable density of 24 units per acre are credited toward the very low/low income RHNA. The Element indicates that this is an appropriate density for affordable housing development. Multifamily and mixed-use units with a lower allowable density (most commonly 18 and 20 units per acre) are credited toward the moderate income RHNA.</p>
<p>A.2 Realistic Capacity</p> <p>As stated in the previous element, the City uses maximum density allowed in the Residential Mixed-Use zone (RMU) multiplied by the size of the parcel. While the element was revised to indicate there is residential capacity in the Commercial Mixed-Use zone that was not included in the inventory, this information is not sufficient to address this requirement as it does provide support for the capacity assumptions in the RMU. The element should include typical densities of existing or approved residential developments at similar affordability</p>	<p>Because RMU allows for combined residential/non-commercial uses in a manner that protects the maximum density and facilitates development of affordable units at higher densities, a 24-unit per acre realistic capacity is feasible. Nonetheless, the element is edited to use the median allowable density (22 units per acre), to account for land use controls and site improvements and to mirror expected development in the HDR zone. A survey of all developed RMU properties show only two non-residential uses (a commercial</p>

HCD Findings in 01/22/21 Letter	Response/Actions
<p>levels within the zone and development trends supporting residential development. Please see HCD’s prior review.</p>	<p>strip center built in 1978 and a church built in the 1960s) and both pre-date the creation of the RMU zone (in 2011). No properties have been developed since 2011 (when the RMU zone was adopted) although a five-unit multifamily rehabilitation project was completed in 2017.</p> <p>Nonresidential uses will not affect capacity. To assess the potential for nonresidential demand in the RMU zone and to assess the appropriateness of densities in the RMU and HDR zones, two developers with experience working in Lake Elsinore were interviewed. Both interviewees confirmed that in the areas of Lake Elsinore where the RMU zone is located, the market demand is overwhelmingly for residential standalone development and that the potential for non-residential development would not affect the densities achievable on identified sites.</p>
<p>A.2 Water Sewer Priority Water and sewer service providers must establish specific procedures to grant priority water and sewer service to developments with units affordable to lower-income households. (Gov. Code, § 65589.7.) Program 16 (Adequate Sites) commits to delivering the housing element to water and sewer service providers but does not indicate a procedure to grant priority water and sewer service to developments with units affordable to lower-income households. Please See HCD’s prior review.</p>	<p>The City does not provide water and sewer services. as of March 2022, the Elsinore Valley Municipal Water District (EVMWD), which provides water and sewer services to the City, indicated that it was unclear if procedures are in place to grant priority for the provision of water and sewer services to proposed developments that include units affordable to lower-income households as required by Government Code 65589.7. The City of Lake Elsinore does not have jurisdiction over the District as such, EVMWD was alerted of the requirements under Government Code §65589.7 and staff at EVMWD indicated that they would confirm by May or June 2022 if procedures are place.</p>
<p>B.1 Program 14 (Special Needs Housing) This Program commits to giving priority to special needs projects,</p>	<p>Program 14 is edited to: 1. expand on funding priority</p>

HCD Findings in 01/22/21 Letter	Response/Actions
<p>encouraging nonprofits to pursue funding for special needs housing, and assisting developers seeking state and federal funding. While the City clarified actions and included additional objectives, it did not describe how the City will encourage nonprofit organizations or how it will grant priority for special needs projects.</p>	<p>2. adding additional actions</p>
<p>B.1 Program 15 (Resources to Address Homeless Need) This Program commits to addressing needs of at-risk and homeless through assistance to nonprofits, continuing to work with nonprofit organizations to aid residents in need and offering technical assistance, and using the Lake Elsinore Homeless Task Force to further the City’s efforts. As stated in the previous letter,</p> <p>it is unclear of what specific actions the City will take to assist nonprofit efforts or what the City’s technical assistance will look like.</p> <p>The Program should be revised to specify actions and objectives for each category and answer when the City intends on applying for the stated funds and what kind of assistance will or can be granted to the nonprofits.</p>	<p>Program 15 is updated to add specific actions including:</p> <p>The City will annually contact service providers and share identified levels of CDBG or other available funds (including City funds) for homeless resources programs.</p> <p>The technical assistance action is expanded to provide more detail on available assistance including preapplication consultation, identification of available City funding or incentives such as expedited permit processing, flexibility in development standards and reduced, waived, or subsidized development and impact fees.</p> <p>Actions have been added to the timeframe for the program: “List of City-owned properties appropriate for affordable or special needs housing by December 2022; Annual contact with special needs stakeholders to advertise available City funds if funding is available (including sharing a list of City-owned properties that can be used for affordable or special needs housing and available funding sources).”</p>
<p>B.2 As noted in Finding A2, the element does not include a complete site analysis, therefore, the adequacy of sites and zoning were not established. Based on the results of a complete sites inventory and</p>	<p>Chapter 4: Housing Resources And Sites Inventory has been updated to clarify and edit specific plan capacity affordability assumptions, expand the discussion on zoning to accommodate the lower-income housing need, and realistic</p>

HCD Findings in 01/22/21 Letter	Response/Actions
<p>analysis, the City may need to add or revise programs to address a shortfall of sites or zoning available to encourage a variety of housing types.</p>	<p>capacity for the RMU sites have been changed. The site inventory capacity has been updated to reflect these changes.</p>
<p>B.3 Program to AFFH While the element includes Program 25 which describes how the City’s fair housing initiatives, it must also include stronger actions that promote AFFH opportunities. The element must be revised to include programs that go beyond status quo actions and include quantifiable objectives and concrete actions that are transformative and overcome patterns and trends identified in the element. For example, Disparities in Access to Opportunity section identifies lack of public investment in specific neighborhoods, the location of proficient schools and school assignment policies as contributing factors, but none of the associated goals address any of these. Additionally, Bullet 2 in the same section should go beyond identifying issues and commit to addressing them once they are discovered. Bullet 4 does not proactively address identified issues such as a concentration of lower- and moderate-income minorities. Bullet 7 should be revised to include a specific implementation date.</p> <p>AFFH means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming RE/CAPs into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws. The duty to AFFH extends to all public agency’s activities and programs relating to housing and community development.</p>	<p>Program 25 is updated. The two main fair housing issues (prioritized as High) are closely related as such the action items are grouped together. The concentration of minority, low- and moderate-income population, and households experiencing disproportionate need and displacement risk also affects access to opportunity. Many of the same strategies (housing mobility strategies, new housing choices in areas of opportunity and place-based strategies to encourage community revitalization) address both issues (disproportionate housing need and disparities in access to opportunity). The program is updated to group actions under three strategy themes. Program actions have been updated to include specific metrics and milestones for evaluating progress.</p> <p>In addition to expanding on details and timeframes for existing actions, several new actions address</p> <ul style="list-style-type: none"> • School assignment policies • Affirmatively marketing available development sites • Adopt an Environmental Justice Element <p>Concentration of lower- and moderate-income minorities is addressed through program actions under the New Housing Choice in higher opportunity areas heading in Program 25.</p> <p>The program action for outreach to lower income and minority residents is updated to include a specific</p>

HCD Findings in 01/22/21 Letter	Response/Actions
	implementation details and date.
<p>C.1 While the element includes a general summary of the public participation process (pp. 1.4 to 1.7) and describes public comments and how they were incorporated into the element, it must also demonstrate diligent efforts were made to involve all economic segments of the community in the development of the housing element.</p>	<p>Chapter 1: Introduction is edited to add an AFFH section at the end of the chapter and describes the City’s diligent efforts to involve all economic segments of the community in the development of the housing element.</p>