



**CITY OF WILDOMAR
PC - REGULAR MEETING
CONSENT CALENDAR
Agenda Staff Report # 1.2
Meeting Date: March 1, 2023**

SUBJECT: 2022 HCD Annual Housing Element/General Plan Progress Report

SUBMITTED BY: Matthew Bassi

PREPARED BY: Matthew Bassi

ACTION:

The Planning Department recommends the Planning Commission Receive and File this Report.

PROJECT DESCRIPTION:

The 2021/2029 Housing Element is intended to identify and establish City policies with respect to meeting the housing needs of existing and future residents in the city. It establishes policies that will guide City decision-making and sets forth an action plan to implement its housing goals. The commitments are in furtherance of the statewide housing goal of early attainment of decent housing and a suitable living environment for every California family, as well as a reflection of the concerns unique to the City of Wildomar.

The primary purpose is to identify housing solutions that solve our local housing problems and to meet or exceed the regional housing needs allocation. The City recognizes that housing is a need that is met through many resources and interest groups. The Housing Element establishes the local goals, policies, and actions (programs) the City will implement and/or facilitate to solve our identified housing issues.

To this end, the City Council on October 13, 2021 adopted the 2021/2029 Housing Element (6th Cycle document). The element was subsequently certified by state department of Housing and Community Development (HCD) on December January 10, 2022. A copy of the certified 2021/2029 Housing Element is on the City's website, and a copy is provided for reference in Attachment B.

In accordance with Government Code Section 65584, the City is required to submit on April 1 of each year an annual progress of the City's efforts in addressing our RHNA allocation as

delineated in the Housing Element. This year will be the 2nd year reporting period under the 2021/2029 Housing Element known as the 6th Cycle Housing Element period.

The reporting spreadsheets are much different than in years past due to the passage of SB 35 and AB 879 by the state legislature as part of the 2017 California Housing Law Package. As a point of clarification, the RHNA allocation numbers are applicable to all income categories, and not just the extremely low & very low categories. The City is required to plan for housing across all income categories, and every residential unit built in the City counts towards our RHNA allocation. However, the City is not mandated to ensure that all of its RHNA units are actually built. The City is only required to demonstrate to HCD that adequate sites are properly zoned to accommodate affordable housing.

2022 Reporting Analysis:

Since adoption of the 2021/2029 Housing Element (6th Cycle) by the City Council, the Planning Department has prepared and submitted to HCD the required annual reports. The 2022 progress report represents the 2nd of 8 submittals for this 6th Cycle housing period. Please refer to Attachment A for details.

In regard to the City's RHNA allocation, Table HNA-20 of the 2021/2029 Housing Element (Page HNA-71) outlines what the fair share RHNA allocation is for the 2021/2029 housing planning period. The total RHNA allocation established for Wildomar is 2,715 units which are divided among the four (4) HCD required income categories (i.e., very low (includes very low), low, moderate and above moderate) as summarized in the table below:

RHNA Allocation Table (from 2021/2029 Housing Element)

<u>Income Level</u>	<u>RHNA Allocation by Income Level</u>	<u>Total Units to Date</u>	<u>Total Remaining RHNA Allocation</u>
Extremely Low & Very Low	798		798
Low	450		450
Moderate	434		434
Above Moderate	1,033	94	939
Total RHNA	2,715 units	94	2,621

Table B of the 2022 Annual Progress Report (Attachment A, page 4 of 21) reflects the total breakdown of units built since the start of the 6th Cycle reporting period in 2022. As illustrated in Table B, a total of 94 new units were built and received a certificate of occupancy in 2022 in the above moderate categories. Staff anticipates that this number will significantly increase in 2023 given the number of units that will be completed with the current construction activity.

Since adoption of the 2021/2029 Housing Element, a total of 120 units have now been built and occupied between all income categories. This leaves a "balance" of 2,621 units

remaining to be built. As this is the 2nd year of the current 6th Cycle reporting period, the City's remaining RHNA allocation in each income category is noted in the above table.

Of importance to note is that the City in 2021 approved a 222-unit, SB 35 affordable housing project known as Tres Lagos Housing project. The Applicant is finalizing funding and is due to begin construction of Phase 1 and 2 during the 2023 calendar year. In addition, the City recently received a new SB 35 affordable housing project known as the "Wildomar Cottages" consisting of approximately 128 affordable units (located in Sedco Hills). At some point in the near future, the Tres Lagos and Wildomar Cottages affordable housing projects will add 350 affordable units towards our RHNA allocation within the very low to moderate income categories. As the state continues to push its housing agenda onto local government agencies, it is likely that the city will see other SB 35 affordable housing projects during the 2021-2029 reporting period.

Conclusion:

The City is required to submit the 2022 annual housing progress report to HCD by April 1, 2023. Included with the annual report is a summary of the actions taken by the City on its progress in meeting the adopted 2021/2029 housing element action items (refer to Table D (Attachment A, Pdf page 5 - 21). As noted in this table, the City continues to make good progress on its 29 action items outlined in the 2021/2029 Housing Element. The report is tentatively scheduled for City Council review at its meeting on March 8, 2023.

ATTACHMENTS:

[Attach A - 2022 Final APR Table 3-1-23.pdf](#)

[Attach B - 2021-2029 Adopted Housing Element.pdf](#)