

# INDIAN WELLS CITY COUNCIL

## April 4, 2024



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**To:** City Council  
**From:** Community Development Department  
**Prepared by:** Jon Berg, Community Development Director  
**Subject:** **General Plan Housing Element Annual Progress Report for 2023**

### RECOMMENDED ACTIONS:

Council **RECEIVES** and **FILES** the General Plan Housing Element Annual Progress Report and Low Moderate Income Housing Asset Fund Addendum for 2023; and

**DIRECTS** Staff to submit the Annual Progress Report and Low Moderate Income Housing Asset Fund Addendum to the Governor's Office of Planning and Research and the California Department of Housing and Community Development.

### BACKGROUND:

Per California Government Code Section 65400(a)(2)(B), each City Planning agency is required to prepare a Housing Element Annual Progress Report ("APR") regarding the status of the Housing Element of their General Plan. The APR identifies progress made on implementation of policies in the Housing Element, using the forms and definitions adopted by the California Department of Housing and Community Development ("HCD").

The Housing Element is used to identify projected housing needs of the community and establish policies to support further development of all housing types, including affordable housing within the City. All California municipalities are required to adopt a Housing Element as part of their General Plan, which is subject to detailed statutory requirements and mandatory review and certification by HCD.

Attachment 1 provides the Housing Element APR for calendar year 2023 and addresses the City's progress in meeting the City's Regional Housing Needs Assessment ("RHNA") allocation for the 2021-2029 planning period (6<sup>th</sup> Housing Cycle) identified in the Adopted Housing Element of the City's General Plan. It also describes the actions taken towards completion of the programs, and status of compliance with the timeframes outlined in the Housing Element.

In accordance with California Health and Safety Code § 34176.1, Attachment 2 provides an annual summary of use and expenditures of the City’s Low Moderate Income Housing Asset Fund (“LMIHAF”) and disposition of Housing Authority lands.

## **DISCUSSION:**

### RHNA Progress

HCD is responsible for determining the regional housing need for each region’s council of governments (“COG”). The COG then distributes these needs among its jurisdictions through a RHNA plan. RHNA ensures that each city and county receive its “fair share” of the projected housing development needs across different income groups. Managed by the Southern California Association of Governments (“SCAG”), the City’s regional COG, the RHNA allocated to the Indian Wells is 382 affordable housing units across various income levels for the 6<sup>th</sup> Housing Cycle, covering the projected housing needs from October 15, 2021, to October 15, 2029.

The following table, identified in the City’s Draft Housing Element, represents the RHNA allocation broken down by unit income levels:

<i>Income Level</i>	<i>Unit No.</i>	<i>Distribution</i>
Extremely Low	58	15.2%
Very Low	59	15.4%
Low	81	21.2%
Moderate	91	23.8%
Above Moderate	93	24.3%
Total	382	100.0%

As provided in the APR (Attachment 1), the individual tables provide the City’s data regarding application, permitting and construction activities that support the goals of the 6<sup>th</sup> Housing Cycle, and specifically for the 2023 reporting period as follows:

- The summary page of the APR summarizes the City’s overall performance for the 2023 APR reporting year. The City reported a total of 58 Applications, 47 Building Permits, and 91 certificates of occupancy issued for single family dwellings (“SFD”) and accessory dwelling units (“ADU”) during the 2023 reporting year. None of these units were permitted or constructed under SB 35 streamlining provisions.
- Table A provides a summary of data on housing units and developments for which an application was deemed complete between January 1st and December 31st of the reporting year. In table A, an “application” is a formal submittal of a housing development or permit for approval. This includes, but is not limited to, single-family attached units; single-family detached units; two-to four-unit structures;

five or more unit structures; accessory dwelling units; and mobile home/manufactured homes. The City had no new housing developments applied for during the year but did receive 58 Applications for new residential buildings permits.

- Table A2 provides a summary of all entitlements, building permits, and certificates of occupancy for residential development, by income category, that were issued in the reporting year. The City issued 44 building permits and 90 certificates of occupancies for SFD units during the reporting year. The City also issued 3 building permits and 1 certificate of occupancy for ADUs. All SFD units were above moderate-income level. ADUs were listed as affordable units as determined by SCAG's ADU affordability analysis conducted to provide local governments with assumptions on ADU affordability.
- Table B provides a summary of the City's RHNA progress as units are constructed during the reporting year. The City reported 177 above moderate income SFD housing units constructed; 2 very low income ADU; 3 low income ADU units; and 3 moderate income ADU units permitted through the 6<sup>th</sup> Housing Cycle. No other income level units have been constructed during this period. Once approved by HCD, the City's RHNA numbers for the 6<sup>th</sup> Housing Cycle will decrease accordingly.
- Table C provides a summary of sites identified or rezoned to accommodate any RHNA shortfall. The City has identified 8 to 10 acres of a 34-acre site (APN: 633-360-002) at the northeast corner of Miles Avenue and Warner Trail to be rezoned as a new Public Benefit Zone ("PB") as part of the 6<sup>th</sup> Cycle Housing Element Update. To accommodate the City's RHNA shortfall of 110 units during the 6<sup>th</sup> Housing Cycle, the City has included Program 3 in its Housing Element. The program commits the City to rezoning the site by October 2024 to provide the opportunity for 100% affordable projects and allow up to 128 affordable housing units, consisting of 64 very low income units, 46 low income units, 17 moderate income units, and 1 above-moderate income unit.
- Table D of the APR reports the City's annual progress in the implementation of various programs and statutory requirements of the 2021-2029 Housing Element.
- Table E provides summary of commercial developments given development bonuses as allowed under Government Code Section 65915.7. The City did not process any applications or entitlements for any commercial projects with density bonuses.
- Table F summarizes units rehabilitated, preserved, or acquired, pursuant to Government Code Section 65583.1(c). The City did not report any substantially rehabilitated, preserved, or acquired units during the reporting period.

- Table F2 summarizes above moderate income units converted to moderate income units pursuant to Government Code Section 65400.2. The City did not report any converted units during the reporting period.
- Table G provides a summary of locally owned lands included in the Housing Element sites inventory that have been sold, leased, or otherwise disposed of during the reporting year. The city did not report the sale of any lands listed in the sites inventory of the Housing Element.
- Table H provides an inventory of locally owned or controlled lands declared surplus lands defined in subdivision (b) of Section 54221, and all lands in excess of foreseeable needs, if any, identified pursuant to Section 50569, located in all urbanized areas and urban clusters of the city or any of its departments, agencies, or authorities it owns or controls. The City did not dispose of any surplus lands during the reporting year through the Surplus Lands Act in compliance with AB 1255.
- Table I provides a list of lot splits applied for pursuant to Government Code Section 66411.7 or units constructed pursuant to Section 65852.21. (SB 9). Chapter 162, Statutes of 2021 (SB 9) Requires a city or county to ministerially approve either or both of the following, as specified:
  - A housing development of no more than two units (duplex) in a single-family zone.
  - The subdivision of a parcel zoned for residential use, into two approximately equal parcels (lot split), as specified.

The City did not record or process either a lot split or duplex per SB 9 during the reporting year.
- Table J provides a summary of student housing development with a density bonus approved pursuant to Government Code section 65915(b)(1)(F), where such housing is considered group quarters and does not count as progress toward the RHNA. The City did not approve any student housing developments during the reporting year.
- Local Early Action Planning (LEAP) Status Review. Pursuant to Health and Safety Code section 50515.04, recipients of LEAP grants from the State Department of Housing and Community Development (HCD) are required to report on the progress and use of those funds. The City was awarded a \$65,000 LEAP Grant from HCD to help subsidize the production of the City's Housing Element Update for the 6<sup>th</sup> Housing Cycle. Once the Housing Element Update has been formally adopted by City Council and Certified by HCD, the City will be reimbursed its grant monies for the awarded tasks.

## **ATTACHMENTS:**

1. 2023 Housing Element Annual Progress Report
2. 2023 LMIHAF Addendum