



CITY OF DESERT HOT SPRINGS

DRAFT 2021-2029 HOUSING ELEMENT

JUNE 28, 2022

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SECTION I INTRODUCTION**A. BACKGROUND**

The City's origins were founded by the unique hot water resources that fostered the development of spas and resorts. The spa and resorts have contributed to the growth of the City over the years and are still prevalent in the northeast area of the City.

The predominantly residential land use pattern represents the City's historical role as a "bedroom" community, providing housing options to many in the Coachella Valley. The City's established commercial centers include several along Palm Drive and in Downtown along Pierson Boulevard. Scattered industrial and cannabis cultivation uses are located along Indian Canyon Drive. Much of land within the western portion of the City and its Sphere of Influence is generally undeveloped. While certain vacant areas are located within sensitive habitat conservation areas or within floodways, the majority of vacant lands are suitable for development.

Desert Hot Springs is well served by a regional freeway and highway network that provides easy access to destinations throughout the Coachella Valley, into Joshua Tree National Park, and east toward the Inland Empire and greater Los Angeles region.

The I-10 provides regional east-west access from its westerly origin in Santa Monica, through the Coachella Valley, and eastward through the southern United States. I-10 is an eight-lane divided freeway through the region. Interchanges providing access to Desert Hot Springs are at Indian Canyon Drive and Palm Drive. □

State Route 62 (SR-62) generally trends in a north-south direction along the western side of the City before transitioning into an east west orientation in Yucca Valley. SR-62 is a four lane divided highway providing regional access from the junction at I-10 to its eastern terminus at US 95S at the Arizona state line. Primary access points for City access are provided at Indian Canyon Drive, Pierson Boulevard, and Dillon Road.

B. GOVERNMENT CODE REQUIREMENTS

A housing element is one of the seven mandated elements of the General Plan and it must be updated every eight years unless otherwise extended by State legislation. The City of Desert Hot Springs's Housing Element covers the planning period from October 15, 2021 to October 15, 2029. The mandated contents of a housing element are described in great detail in Title 7, Chapter 3, Article 10.6, Government Code Sections 65580 through Government Code 65589.8. The law governing the contents of a housing element is the most detailed of all elements of the General Plan.

According to Government Code Section 65583:

The 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, mobile homes, and emergency shelters, and shall make adequate provision for the existing and projected needs of all economic segments of the community.

C. ORGANIZATION OF THE HOUSING ELEMENT

In addition to the Introduction, the *2021-2029 Housing Element* includes Section II (Housing Program) and seven Appendices:

Section II Housing Program: This section presents a summary of housing needs and constraints; a statement of goals, policies, and objectives; and a description of planned actions to address the program requirements of Government Code Section 65583(c).

Appendix A: Assessment of Housing Needs: The Appendix includes data and analysis of existing and projected housing needs.

Appendix B Assessment of Fair Housing: The Appendix contains information on fair housing protected groups; describes fair housing issues; and recommends goals, priorities; and strategies.

Appendix C: Sites Inventory and Analysis: The Appendix identifies the sites that will accommodate the City's share of the regional housing need for above moderate, moderate and lower income housing units.

Appendix D: Governmental Constraints: The Appendix describes actual and potential governmental constraints that hinder the City's ability to address housing needs.

Appendix E: Nongovernmental Constraints: This Appendix describes market conditions that impede the development of housing for all economic segments, including the availability of financing, land costs, and construction costs.

Appendix F: Housing Resources: This Appendix describes financial and administrative resources that can contribute to addressing the City's housing needs.

Appendix G: Progress Report: The Appendix describes the progress the City has made toward implementing the actions adopted in the *2013-2021 Housing Element*.

D. HOUSING ELEMENT CONSISTENCY WITH OTHER GENERAL PLAN ELEMENTS

Seven elements comprise the Desert Hot Springs General Plan:

- Land Use and Community Design Element
- Mobility and Infrastructure Element
- Economic Development Element
- Housing Element
- Open Space, Natural and Cultural Resources Element
- Health and Wellness Element
- Safety and Noise Element

During the planning period, consistency between the *2021-2029 Housing Element* and the other General Plan Elements will be maintained through the General Plan Annual Progress Report. This Report, which is completed in April of each year, reports on the status and implementation progress of the General Plan Elements. The Progress Report contains information on the status of General Plan amendments, if any, and how internal consistency will be maintained between the Housing Element and the other six elements.

E. WATER AND SEWER PRIORITY

Government Code Section 65589.7(a) requires:

- Each public agency or private entity providing water or sewer services shall grant a priority for the provision of these services to proposed developments that include housing units affordable to lower income households.
- A public agency or private entity providing water or sewer services shall adopt written policies and procedures, not later than July 1, 2006, and at least once every five years thereafter, with specific objective standards for provision of services in conformance with this section
- The housing element adopted by the legislative body and any amendments made to that element shall be immediately delivered to all public agencies or private entities that provide water or sewer services

The *2021-2029 Housing Element* was adopted by the City Council on November 2, 2021. The adopted element was delivered to the Mission Springs Water District (MSWD) and Coachella Valley Water District (CVWD) on November 19, 2021.

The Mission Springs Water District is the primary water service provider in Desert Hot Springs. The District's service area encompasses 135 square miles including the City, 10 smaller communities in Riverside County, and communities in the City of Palm Springs.

The MSWD and Coachella Valley Water District also provide sewer service in the City of Desert Hot Springs.

The two Districts are currently updating their Master Plans. While the City staff was preparing the Draft Housing Element, the RHNA, draft Sites Inventory, and the locations of the lower income housing sites were transmitted to the two Districts.

F. PUBLIC PARTICIPATION AND CONSULTATION**1. 5th Cycle Housing Element**

The 5th Cycle (2013-2021) Four-Year Housing Element Update was adopted by the City Council on July 7, 2020. During the development of the Housing Element Update, three Community Workshops were conducted in 2018 and 2019. Comments from the workshop included:

- More opportunities for mixed-use development
- The need for continued code enforcement activities to maintain neighborhoods
- Adequate housing supply for new household formation
- Assistance with home improvement issues
- Expanded affordable housing opportunities for all economic segments
- Allowing for mixed-use along major thoroughfares
- Limiting residential in some commercial areas but allowing higher densities in some residential neighborhoods (specifically urban nodes)
- Consider repurposing older/abandoned motels for affordable housing
- Consider how the tiny house concept could work in Desert Hot Springs

- Encourage development of affordable housing projects through housing grants, permit streamlining and density bonuses

The Housing Element Update responded to as many of the comments as possible, especially by providing for additional mixed use development and allowing for mixed uses along major thoroughfares.

During the development of the 5th Cycle Update, additional public participation efforts included a City Council Study Session and public hearings conducted by the Planning Commission and City Council.

The foregoing public participation efforts established the foundation for not only the 5th Cycle but also the 6th Cycle Housing Element Update. For example, mixed use zoning has been applied to several parcels along Palm Drive. Several Zoning Ordinance Amendments were adopted on September 1, 2020, two months after adoption of the 5th Cycle Mid-Term Housing Element. Additionally, the resources with regard to programs providing rental assistance, first time homebuyer assistance, and housing rehabilitation assistance remain limited and unchanged.

During the preparation of the *Draft 2021-2029 Housing Element* the public participation and consultation efforts described below were undertaken:

2. Planning Commission Workshop – June 8, 2020

The Planning Commission held a noticed Housing Element Community Workshop on June 8, 2021. City staff and consultant presented an overview of the *2021-2029 Preliminary Draft Housing Element*. Among the topics presented were:

- Assessment of housing needs
- Regional housing needs allocation
- Sites inventory
- Draft housing programs
- Schedule

There were no in person questions from the public.

Principal Planner Juan Carrillo commented that the Public Noticing Procedure was addressed by a notice in the Desert Star Weekly on May 28, 2021.

Juan Carrillo further expanded on the specifics that staff referred to in the presentation for noticing. He stated that the following groups were notified in compliance with the Garcia Settlement Agreement along with two members Elena Castillo and Melissa Morris of the settlement.

- Catholic Charities of San Bernardino and Riverside Counties
- Desert AIDS Project
- Coachella Valley Housing Coalition
- Path of Life Ministries
- Martha's Village and Kitchen
- Desert Ability Center
- Coachella Valley Rescue Mission
- Inland Regional Center – Diversity Outreach Coordinator

- Riverside County Housing and Homeless Coalition
- Riverside County Department of Public Social Services

All notices were sent in both Spanish and English.

Mr. Carrillo stated that copies of the Draft 6th Cycle Housing Element were sent to the Desert Hot Springs Senior Center and Riverside County Housing and Homeless Coalition.

The City Clerk of Desert Hot Springs received a comment letter from Inland Counties Legal Services, Inc. at 4:00 p.m. on the evening of the Planning Commission Community Workshop, which did not allow for time to respond.

A Planning Commission phone call comment, during the meeting, from Maria Delgado, representing the Inland Counties Legal Services, Inc., included comments regarding the inventory of sites not specifying which of the sites would be for extremely low, very low and low Income and that the sites are only in the Residential High Zone and Mixed Use Zones.

The Housing Element definition of lower Income RHNA combines the three categories of extremely Low, very Low and low into one category – lower Income. The lower Income RHNA sites are zoned RH (Residential High) and MU-C (Mixed Use-Corridor).

Maria Delgado also commented that the Planning Commission Community Workshop is the only live public participation event.

Planning Commission Chairman Griffith addressed this comment stating that we have just gone to the Orange Tier from the Red Tier during this Pandemic. The City of Desert Hot Springs still cannot do large in-person group meetings yet and it is unrealistic to do so. We were unable to have in-person group meetings during the last year, because of the pandemic. This is, just today, the second in person meeting this year for the Planning Commission. The pandemic has inhibited our ability to have in-person meetings. The deadline that we must meet is October 15, 2021, to have the 6th Cycle Housing Element adopted. There is a 60-day comment period starting after the draft is submitted to the California Department of Housing and Community Development (HCD) which provides time for the public to comment on the 6th Cycle Draft Housing Element.

Commissioner Grant commented that there was not a definition for the word “throughout “ in the draft document. She also asked about pricing low-income persons out of the market in order to be able to afford housing. Juan Carrillo, Principal Planner, provided guidance on how an adopted Housing Element provides developers the opportunity to apply for grants. One of the criteria for a developer to receive a grant is to have an adopted Housing Element for the city in which the project would be located. It is also a question on the applications for grants if a city has an adopted Housing Element. Also, he stated how extremely important it is to meet the deadline for the Housing Element adoption. He also commented that the Coachella Valley Housing Coalition has a housing program to assist low, very low and extremely low-income persons.

Commissioner Grant also asked if in this 6th Cycle Housing Element draft document is to look at the high-quality transit areas? Mr. Carrillo addressed this question by responding that Desert Hot Springs is not located in a high-quality transit area. The methodology of the HCD subcommittee at the Southern California Association of Governments (SCAG) level allocated the RHNA numbers based on high quality transit areas, where it applies, to other counties and cities in the Region. An example would be Los Angeles County, Orange County, Santa Monica, Century City, Buena Park which all have high quality transit areas, these cities received higher allocations

based on the methodology. The Coachella Valley is not there yet with high quality transit areas.

Planning Commission Chair Griffith commented that the City of Desert Hot Springs missed the deadline for the 5th Cycle and had to go for a 4-year Cycle and not an 8-year Cycle schedule. In just nine months the task of getting the Housing Element updated for the 5th Cycle was completed. The 5th Cycle was sent for approval May 20, 2020, then on July 7, 2020 resent with minor changes to have an adopted HCD approval which occurred on August 10th, 2020. All of this occurred during a pandemic while the city's employees were working from home, which makes collaboration more difficult. To clarify, the City of Desert Hot Springs could not apply for grants during the time period when the Housing Element was not adopted. After the adoption, the City was able to apply for grants and received some.

There were no further questions from the Planning Commissioners or the public. The Planning Commission unanimously approved transmittal of the Preliminary Draft Housing Element to HCD for purposes of commencing the 60-day review period.

3. Community Workshop – July 24, 2021

On Saturday July 24, 2021, the City conducted a second community meeting as a direct result of the first community meeting held on June 8, 2021, where it was recommended that a second meeting take place on a weekend to allow working residents to attend the meeting and gather input from them.

City staff and the consultant engaged in the preparation of the second community meeting by selecting a Saturday, preparing flyers, both in English and Spanish. The meeting was conducted in person and it was also available via Zoom for those residents, and the public in general, that preferred attending virtually.

The City utilized several avenues to advertise the meeting. The notice was posted in the City Website, it was advertised in the City's Facebook account, the 10 groups mentioned in the Garcia Settlement were notified via certified mail, and emails were sent to the two organizations mentioned in the Garcia Settlement as well. An "A Frame" sign was placed outside of City Hall letting pedestrians know of the meeting and letting the public know where the meeting was being held. The duration of the meeting was over an hour and it was interactive, both by those who attended in person and via Zoom as well.

Knowing that there are other local groups that advocate for affordable and fair housing, the City invited Ms. Monica Lopez, Fair Housing Council of Riverside County, Inc. and Ms. Taylor Libolt Varner, Regional Affordable Housing Partner with Lift to Rise. Ms. Cheryl Hunter, Senior Center Director of the City was also invited but, unfortunately, she was unable to attend.

At the beginning of the meeting City staff mentioned that translating into Spanish was available for those in attendance that needed translation. Three bilingual staff members were present at the meeting. Attendance was better than the first community meeting; there were nine members of the public in attendance, four City staff, the consultant, and two Planning Commissioners, one in person and one via zoom.

Attendees asked both participants questions on the services they provide and there was discussion on how lengthy and expensive building multi-family units can be. City staff provided a brief explanation of the process in adopting a housing element and the RHNA process. The City's

consultant expanded on the process and the number of housing units allocated to the City of Desert Hot Springs and the breakdown of the 3,873 housing units by income levels.

Ms. Taylor Libolt Varner and Ms. Monica Lopez each made a five-minute presentation on the resources that they provide. Ms. Monica Lopez attended in person and brought material such as fair housing brochures and flyers, also in English and Spanish. She also described the First Time Homebuyer Workshops that the FHCRC periodically conducts throughout Riverside County.

The public attending the Community Workshop expressed interest in additional housing-focused meetings. They suggested to City staff ways to increase attendance at future Workshops. Specifically, the attendees recommended that City staff should work with local churches to make more residents aware of housing workshops that may be scheduled at future dates.

Community members in attendance also discussed having a potential outreach venue with a pop-up booth at the local weekly farmers market. This booth would be for the public to be informed about the available housing assistance programs, their comments and needs to be expressed.

4. Planning Commission Public Hearing including a virtual meeting component – October 20, 2021

Planning Commissioner Chairman Robert Griffith asked for public comments; there were no public comments either in person or on video streaming

Juan Carrillo, Principal Planner, presented a Staff Report at the Planning Commission's Public Hearing by describing the scope of the 6th Cycle Draft Housing Element 2021:

- Described the acronyms often used for the Housing Element:
 - HCD – Department of Housing and Community Development
 - SCAG – Southern California Association of Governments – 6 counties (Desert Hot Springs is within this region)
 - RHNA - Regional Housing Needs Assessment
 - 1,341,827 units given to the SCAG Region
 - 3,873 units were assigned to Desert Hot Springs in the RHNA and broken down in different income categories; this number assigned to Desert Hot Springs is number of units is required to be able to provide zoning for in the 6th Cycle Housing Element.
- Describe the Components of the 6th Cycle Draft Housing Element – Sections and Appendices
- Stated that the Progress Report is to be completed annually
- Described the Sites to Accommodate the City's Share of the RHNA
- Provided the different income levels and numbers of units allocated to the City by the RHNA for
- Described in detail the California Environmental Quality Act (CEQA) sections for the record that allowed the 6th Cycle Housing Element to be Exempt from CEQA.

City Attorney Jennifer Mizrahi also stated that the proposed Resolution has more details of the CEQA findings for the record.

Mr. Carrillo provided the recommendation of staff to the Planning Commission:

- That the Planning Commission makes a recommendation to the City Council that the City Council adopt the Housing Element for the 6th Cycle (2021-2029) and the transmittal of the Housing Element to the State Department of Housing and Community Development (HCD) to start the 90-day review period.

There was a question from the Chairman Robert Griffith; he asked for clarification regarding certain zoning. His inquiry was regarding the passage of the state law, one can now do multifamily in single family zoning, and this would provide more housing sites, correct? Juan Carrillo, Principal Planner responded that Accessory Dwelling Units (ADUs) do count as a housing unit for meeting the RHNA numbers. With the passage of SB9, this would allow for multiple units. An owner could subdivide their lot into two, have two units on a parcel and the housing production could be available.

Planning Commissioner Ted Mayrhofen had a question about SB9 and asked for a clarification - does this mean that an owner can subdivide the lot in two or could they take a residential unit into a duplex?

City Attorney Jennifer Mizrahi explained further that SB9 is a new law that has specific clauses in it, which takes effect January 2022. A person can actually subdivide their lot into two and create two units per lot.

Chairman Robert Griffith opened the public hearing; there was no public testimony.

The consultant Christney Barilla (Castañeda and Associates) was present, and Chairman Griffith asked if there is any question for the consultant. There were not any questions for the consultant.

Jennifer Mizrahi, City Attorney, had an addition to the recommendation that there is also a Resolution attached to the packet; the Planning Commission would technically also be approving the Resolution to recommend to the City Council

Additionally, Commissioner Mayrhofen is hoping the City website will include the information about the programs and updates in the future of the progress.

- Commissioner Richard Duffel made a motion to approve the Resolution and recommend that the City Council adopt the 6th Cycle Housing Element 2021-2029 and the transmittal of the Housing Element to the State Department of Housing Community Development to start the 90-day review period.
- The motion was seconded by Commissioner Requita Grant
- The motion passed unanimously

5. City Council Public Hearing including a virtual meeting component– November 2, 2021

Juan Carrillo, Principal Planner, introduced the Public Hearing by describing the scope of the hearing:

- Resolution of the City Council of the City of Desert Hot Springs, California, Amending the 6th Cycle Draft Housing Element of the General Plan, and
- Adoption of the CEQA Environmental Exemption.

Mr. Carrillo thanked the consultant Christney Barilla with Castaneda and Associates for her help in putting the Housing Element document together. He presented to the City Council and the public an overview of each item under consideration. He described that the Southern California Association of Governments (SCAG) region area was assigned 1,341,827 units of the Regional Housing Needs Assessment (RHNA) for the 6th Cycle by the State Housing Community Development Department. There is a committee within SCAG to disperse into the 6 counties this allocation. The City of Desert Hot Springs was allocated 3,873 units of the RHNA. He described the components of the Housing Element -- the Sections and Appendices and share of the RHNA. Juan Carrillo described the zoning and projects that will facilitate the allocation, including the approved project of Marbella Villas with 402 units which will be used to meet a portion of the RHNA.

City of Desert Hot Springs Regional Housing Needs Allocation includes:

Extremely Low Income -	284 units - 7.3%
Very Low Income -	285 units - 7.3%
Low Income -	535 units – 13.8%
Moderate Income -	688 units - 17.8%
Above Moderate Income -	2081 units - 53.8%

The CEQA document for the 6th Cycle Housing Element was found to be Exempt for two categories. Pursuant to 14 Cal. Code Regs Section 15162(a) and 15283(a). A Notice of Exemption will be filed if the City Council so directs.

Staff recommendation comes from the Planning Commission Public Hearing that was held on October 20, 2021. The Planning Commission recommended to the City Council to adopt the 6th Cycle Draft Housing Element for 2021-2029 period; file a Notice of Exemption and the transmit the Housing Element to the State Department of Housing and Community Development (HCD) to start the 90-day review period.

Juan Carrillo, Principal Planner, wanted to note for the record that the City of Desert Hot Springs received a letter from Inland Counties Legal Services (ICLS). The City has responded to a similar letter in the past and responded to their concerns. In addition, and the consultant had a long list of items to respond to from HCD's preliminary review and has responded to those items.

Mayor Scott Matas stated that the City Council had also received the letter from ICLS just the day of the meeting at 12:50 p.m. He stated that there was little time to review the letter and he would encourage anyone who has a comment to send it in a timely fashion.

Mayor Matas opened the public hearing, there was not anyone in the audience that had a comment.

The virtual component of the City Council Meeting (Zoom) comments for the public hearing were:

Maria Delgado, Inland County Legal Services (ICLS), was in favor of the items adoption and would want the items in the letter addressed. ICLS provided comments and resubmitted a letter. There are some deficiencies still left to be corrected that ICLS feel are not being addressed.

Requita Grant had a question about the Housing Element; she asked if the issues addressed by ICLS are in the statues and would this make the 6th Cycle Housing Element out of compliance. Then she stated that this question is probably not answerable.

Sharilyn Nakata, ICLS, stated that she was attending with Ms. Delgado and that Ms. Delgado provided their comments already.

Mayor Matas closed the public hearing and started City Council discussion.

Council Member Gary Gardner thanked the staff and the consultant for their hard work. He commended his colleague Council Member Betts for his hard work on the SCAG committee. The realistic RHNA numbers are great, although he is sad that the DHS residents which are renters spend approximately 30% of their income on rent and are cost burdened. He is concerned that there are overcrowded households with more than 2 people per bedroom, and he is hoping this Housing Element will address these critical needs. He supports the Housing Element and encourages his colleagues to also support the item.

Council Member Russell Betts discussed the SCAG Committee process and discussed the issues raised. He stated that the process is very complicated. He sat on the Appeals Board which was a very long assignment and involved approximately 54 cities appealing. He gave thanks to the staff, with a special thanks to Juan Carrillo for his excellent work, and stated that the City of Desert Hot Springs is doing its part to provide affordable housing in the City. He encouraged his colleagues to support the motion.

Council Member Roger Nuñez echoed the other City Council members support of the item. He had a question of Mr. Carrillo; it was a question regarding meeting the inventory stock. He thanked Planner Carrillo for his excellent work.

His question was regarding if the City of Desert Hot Springs would have time to meet the inventory stock numbers in the eight-year period. Principal Planner Carrillo replied to the question that the goal is to be able to provide the availability to have 3,873 housing units within the 8-year cycle. The adopted and certified Housing Element facilitates developers to be attracted to build in a city that has a certified Housing Element and is being required for grants. Council Member Nuñez stated that he wanted to have the explanation on the public record.

Council Member Jan Pye mirrored the other council members statements. It was a lot to read she stated. She thanked council member Betts for doing an excellent job being on the SCAG committee. She stated the Housing Element has a great deal of information on getting people into homes and how to get people to stay in their homes; it is contained within the 6th Cycle Draft Housing Element.

Mayor Matas thanked the staff for their work. He stated that when first elected 5 years ago and during the recession lots of cities were behind on their Housing Elements. DHS was in a meeting with Governor Newsom and explained they had at that time, financial issues when the city was behind on the elements. He provided a history of the past Housing Elements. He praised Mr. Carrillo for finishing this Element. He also thanked former Council Member McKee with his assistance as a partner with Council Member Betts on the SCAG Committee. At that time 40 cities were out of compliance. In the past there were RHNA numbers in the 9,000 units range for DHS and based on elements that were not realistic. He supports passing this item and now have attainable numbers if the economy continues to keep going like it is now.

Mayor Matas asked for a motion.

Council Member Betts made a motion:

- 1). Finding that the 6th Cycle Draft Housing Element is Exempt under the California Environmental Quality Act, and
- 2) Adopting the 6th Cycle Draft Housing Element for 2021 -2029, and
- 3) Directing the staff to mail the 6th Cycle Draft Housing Element to HCD to start the 90 day review.

Jennifer Mizrahi, City Attorney, commented that the motion should include the technical approval of the Resolution.

Council Member Betts, amended the motion to include the technical approval of the Resolution.

Council member Nunez seconded the motion. The motion passed unanimously.

6. Housing Survey – Survey Monkey survey posted on City’s website (English and Spanish)

As of early June 2021, the response to the survey was high as 109 households answered one or more questions. The tenure of the households responding to the survey was:

- Owners 63%
- Renters 31%
- Other 6%

An overwhelming majority (86.5%) of renters prefer to own a home. This very high percentage probably means that information on first time home buyer resources would be helpful to the to the City’s renter households.

One question asked: *Thinking of your own needs and those of Desert Hot Springs as a whole, what housing programs should the City promote?* The five most popular programs include:

- Single family home repair and rehabilitation 52%
- Increase housing code enforcement 40%
- New family housing 34%
- Emergency shelter for homeless persons 34%
- New senior housing 32%

Another question asked: *Would you have an interest in having the City sponsor workshops on one or more of the following topics?* The most popular topics included:

- First time home buyer resources 47%
- Fair housing rights 33%
- Housing rights for families 31%
- Reasonable modifications 25%
- Reasonable accommodations 23%

Another question asked: *Would you have an interest in the City scheduling “walk-in” clinics? Walk-in clinics provide the opportunity for both tenants and landlords to meet with a housing counselor one-on-one to discuss any issues, tenant/landlord disputes, or questions about fair housing laws.*

- 48% responded yes and 24% responded maybe

7. Review and Comment

- Review and comment on the elderly and disabled sections of the *Preliminary Draft Housing Element* were provided by the Director of the Senior Center
- Review and comments on the fair housing enforcement, resources and outreach section (Appendix B) of the *Preliminary Draft Housing Element* by the staff of the Fair Housing Council of Riverside County, Inc.

8. Public Consultation

Critical information regarding community surveys, community needs assessment, services provided, number and types of persons assisted, and policy recommendations were obtained from the following organizations:

- California Department of Developmental Disabilities
Data on the number of Desert Hot Springs clients and their living arrangements
- Danielle Mazzella
California Housing Partnership
Data on the risk assessment of affordable housing projects converting to market rate housing
- Sertan Usanmaz
California Tax Credit Allocation Committee
Information on the demographics (race, disability) of tenants occupying low income housing tax credit projects located in Desert Hot Springs
- Coachella Valley Association of Governments (CVAG)
- Amanda Swartz
Community Access Center
Information on home modifications and transition to independent living
- Carrie Harmon
Community Action Partnership
Information on poverty reduction programs
- Disability Rights California

Information on reasonable accommodations, reasonable modifications, service and companion animals
- County of Riverside Area Agency on Aging
Information on needs assessments, survey of seniors, housing priorities
- Housing Authority of the County of Riverside – Cindy Hui (Section 8 statistics and Housing Opportunity Area Maps)
- Public Counsel Pro Bono Law Firm
Information on best practices regarding planning for emergency shelters

- Inland Regional Center
Information on services provided and licensed and unlicensed living options
- Southern California Association of Governments (SCAG) – Kevin Kane (RHNA methodology and housing data)
- Turner Center for Housing Innovation
Information on housing development costs, impact of local development impact fees, density bonuses
- Vicki Gums
U.S. Department of housing and Urban Development (HUD)
San Francisco Regional Office
Information on housing discrimination complaints filed by Desert Hot Springs residents by basis and alleged act

9. Stakeholder Consultation

The *2021-2029 Draft Housing Element* was sent via email to the following organizations. The e-mail message indicated that the City welcomed comments on the Draft Housing Element. However, no comments were received by City staff.

Catholic Charities San Bernardino & Riverside Counties
Belinda Marquez
Director-Family & Community Services
Riverside County
Catholic Charities San Bernardino & Riverside Counties
3020 Madison Street
Riverside, CA 92504
Telephone (951) 689-1803
Fax (951) 689-6953
bmarquez@ccsbriv.org

Coachella Valley Housing Coalition
Alma Perez
Multi-Family Project Coordinator
Coachella Valley Housing Coalition
45-701 Monroe Street, Ste G.
Indio, Ca 92201
760-347-3157 ext. 506

Coachella Valley Rescue Mission
P.O. Box 10660, Indio, CA 92202
Media Contact:
Scott Wolf, Development Director
swolf@cvmr.org
760-347-3512 ext. 239

Desert Ability Center
79185 Latigo Circle

C/O Judy May, La Quinta, CA 92253
Email: info@daccv.org

Desert AIDS Project,
1895 N. Sunrise Way, Palm Springs, CA 92262
David Brinkman, CEO
dbrinkman@desertaidproject.org

Inland Regional Center
Lavinia Johnson, Executive Director
1365 South Waterman Avenue - San Bernardino, CA 92408
Phone: (909) 890-3000 • Fax: (909) 890-3001
E-mail: ljohnson@inlandrc.org www.inlandrc.org

Jewish Family Services of the Desert
Becky Ruiz
Director of Supportive Housing Programs
Jewish Family Service of San Diego
Direct Office: (760) 656-2220 | Cell: (760) 774-5374 | Fax: (760) 327-4516
beckyr@jfssd.org | www.jfssd.org
400 S. Farrell Drive, Suite B205, Palm Springs, CA 92262

Martha's Village and Kitchen
83791 Date Avenue, Indio, CA 92201
Linda Barrack
President and CEO
lbarrack@marthasvillage.org

Riverside County Housing and Homeless Coalition
1111 Spruce Street, Riverside, CA 92507
Tanya Torno
Deputy Director at Housing, Homelessness Prevention, and Workforce Solutions
torno@rivco.org

In addition, the *Draft 2021-2029 Housing Element* was posted on the City's website for review by the interested public.

Additional public participation opportunities were available during the 60-day HCD review period and the public hearings held by the Planning Commission and by the City Council.

10. Input to the Development of the 2021-2029 Housing Element

The public participation and consultation effort provided valuable input to the development of the *2021-2029 Housing Element*. The following summarizes how input was incorporated into the element's actions, policies and programs:

- As a result of the Housing Survey, City staff will work with the Fair Housing Council of Riverside County, Inc. to provide resident households fair housing information (e.g., reasonable accommodations and modifications); schedule first time homebuyer workshops; and schedule walk-in clinics.

- Input from the Fair Housing Council of Riverside County, Inc. resulted in revisions to the *Assessment of Fair Housing* (Appendix B).
- Input from the several organizations and stakeholders contributed to the assessment of housing needs (i.e., Inland Regional Center, Community Access Center, Area Agency on Aging).
- Input from Public Counsel Pro Bono Law Firm provided valuable insights on best practices regarding planning for emergency shelters
- Input from the Director of the Senior Center resulted in revisions to the elderly and disabled sections of the *Assessment of Housing Needs* (Appendix A).
- Input from HUD included multi-year housing discrimination complaint data.

11. Fair Housing Outreach

Fair housing outreach included:

- A discussion of fair housing topics at the July 24, 2021 Community Workshop
- Review and comment on the *Assessment of Fair Housing* by the Fair Housing Council of Riverside County, Inc.
- Housing Survey which included questions on fair housing topics such as reasonable accommodations and reasonable modifications
- Distribution of the Draft Housing Element to organizations representing the interests of low income households and special needs populations (i.e., Catholic Charities, Coachella Valley Rescue Mission, and Coachella Valley Housing Coalition).

SECTION II HOUSING PROGRAM

Government Code Section 65583(c) requires that a housing element include:

A program which sets forth a five-year schedule of actions the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the housing element....

The Housing Program must:

- Identify Actions to Make Sites Available to Accommodate the City's Share of the Regional Housing Need That Could Not Be Accommodated on the Sites Identified in the Land Inventory [Government Code Section 65583(c)(1)]
- Assist in the Development of Adequate Housing to Meet the Needs of Extremely Low, Very Low-, Low- and Moderate Income Households [Government Code Section 65583(c)(2)]
- Address and, Where Appropriate and Legally Possible, Remove Governmental and Nongovernmental Constraints to the Maintenance, Improvement and Development of Housing Including Housing for All Income Levels and Housing for Persons with Disabilities [Government Code Section 65583(c)(3)]
- Conserve and Improve the Condition of the Existing Affordable Housing Stock [Government Code Section 65583(c)(4)]
- Promote and Affirmatively Further Fair Housing Opportunities throughout the Community or Communities for All Persons Regardless of Race, Religion, Sex, Marital Status, Ancestry, National Origin, Color, Familial Status, or Disability [Government Code Section 65583(c)(5)]
- Preserve for Lower Income Households the Assisted Housing Developments at Risk of Conversion to Market Rate Housing [Government Code Section 65583(c)(6)]

The City does not have an affordable housing development at risk of conversion to market rate housing during the next 10-years (through 2031).

**Table II-1
City of Desert Hot Springs
2021-2029 Housing Program**

Program Category	List of Programs
Category 1 – Identify Sites to Accommodate the City’s Share of the Regional Housing Need	1.1 Sites Development Program
	1.2 Sites Used in Previous Housing Elements
	1.3 No Net Loss Program
Category 2 - Assist the Development of Lower Income and Moderate Income Housing	2.1 Section 8 Housing Choice Voucher Program
	2.2 First Time Homebuyer Program
	2.3 Affordable Housing Incentives Program
	2.4 Regional Plan for the Development of 2,000 Affordable Housing Units
	2.5 Area Agency on Aging Outreach Program
	2.6 Extremely Low Income (ELI) Program
Category 3 - Remove Governmental and Nongovernmental Constraints to Housing	3.1 Zoning Ordinance Update (LEAP Grant)
	3.2 Reasonable Accommodation Application/Brochure
	3.3 ADU Incentives Program
	3.4 SB 35 Streamlining Information
	3.5 Government Code Section 65940.1
Category 4 – Conserve and Improve the Existing Stock of Affordable Housing	4.1 Housing Code Enforcement
	4.2 Homeowner Housing Rehabilitation Program
	4.3 Abandoned Residential Property Registration
Category 5 - Promote Housing Opportunities For All/Affirmatively Furthering Fair Housing	5.1 Fair Housing Services Program
	5.2 Affirmative Fair Housing Marketing Plan
	5.3 Poverty Reduction Program
	5.4 Placed-Based Neighborhood Poverty Reduction Program
	5.5 Mobility Strategies Program
	5.6 Displacement Risk Program
	5.7 Bilingual Assistance on Development and Housing Processes
	5.8 Accessibility of Development and Housing Processes

**PROGRAM CATEGORY #1:
ACTIONS TO MAKE SITES AVAILABLE TO ACCOMMODATE THE RHNA**

Section 65583(c)(1) states that the housing program must:

*Identify actions that will be taken to make sites available during the planning period with appropriate zoning and development standards and with services and facilities to accommodate that portion of the city's ... share of the regional housing need for each income level that **could not** be accommodated on sites identified in the inventory ... without rezoning...*

Housing Need Summary

The City's share of the regional housing need is 3,873 housing units:

- 1,104 lower income housing units
- 688 moderate income housing units
- 2,081 above moderate income housing units

The sites inventory demonstrates there is vacant R-H (Residential High) and MU-C (Mixed Use - Corridor) zoned sites that can accommodate a minimum of 1,120 housing units. The sites can accommodate additional housing units when built at densities higher than the minimum density of 20 housing units per acre. In addition, there are additional vacant R-H zoned sites.

The sites inventory demonstrates that the vacant sites accommodating the moderate income housing need have a housing unit capacity of 1,512 housing units.

The sites inventory demonstrates that the vacant sites accommodating the above moderate income housing need have a housing unit capacity of 2,126 housing units.

Goal and Policies

GOAL 1: PROVIDE ADEQUATE SITES FOR HOUSING DEVELOPMENT TO ACCOMMODATE A RANGE OF HOUSING BY TYPE, SIZE, LOCATION, PRICE, AND TENURE.

Policy 1.1 *Range of Residential Types.* Implement land use policies and standards that allow for a range of residential densities and products that will enable households of all types and income levels the opportunity to find suitable ownership or rental housing.

Policy 1.2 *Special Housing Needs.* Encourage the provision for housing which meets the needs of residents with special housing needs, including the elderly, disabled, developmentally disabled, large families, the homeless, and students.

Policy 1.3 *Residential Mixed Use.* Encourage development of residential and mixed uses in strategic proximity to employment, recreational facilities, schools, neighborhood commercial areas, and transportation routes.

Policy 1.4 *Moderate Resource Neighborhood Sites*: Encourage and facilitate the development of the vacant lower income housing sites located in moderate resource neighborhoods in the initial years of the 8-year planning period.

Program 1.1 Sites Development Program

The City will expeditiously process applications (e.g., final tract map, site development permit, building permits) for the development of the Specific Plan sites accommodating the moderate and above moderate income housing need and the high density and mixed use sites accommodating the lower income housing need.

Objective: Facilitate the development of the sites identified in the sites inventory that will accommodate the City's share of the regional housing need.

Responsible Agency: Community Development Department Planning Division

Timeline: Implement the sites development program continuously through the 2021-2029 planning period.

Funding Source(s): General Fund

Program 1.2 Sites Used in Previous Housing Elements

AB 879 (2017) and AB 1397 (2017) require additional analysis and justification of the sites included in the sites inventory of the Housing Element. The Housing *Element may only count* non-vacant sites included in one previous housing element inventory and vacant sites included in two previous housing elements *if* the sites are subject to a program that allows affordable housing by right. While no underutilized/non-vacant sites were included in the sites inventory, the City did include *vacant* sites that were counted in the previous two housing element cycles (all the sites identified in Appendix C, Tables C-4 and C-5). This program was included to address the by-right requirement for vacant sites included in two previous housing elements.

The City shall rezone, within three years of the beginning of the planning period, (October 15, 2021) to allow residential use by right under the R-H and MU-C designations, as appropriate for the site, and require that at least 20% of the units are affordable to lower-income households. This program can be an overlay on these specific sites.

Housing developments that do not contain the requisite 20% lower income housing would still be allowed to be developed according to the underlying (base) zoning but would not be eligible for "by right" processing. If this 20% is not met, the City would make findings on the approval of that project pursuant to No Net Loss Law (Government Code section 65863) and proceed to identify an alternative site or sites pursuant to that law.

This program is designed to meet the requirements of State law and further the provision of housing for lower-income households.

Objective: Implement State law (by-right zoning, no net loss)

Responsible Agency: Community Development Department Planning Division

Timeline: Adopt re-zoning within three years of adoption of the 2021-2029 Housing Element

Funding Source: General Fund

Program 1.3 No Net Loss Program

To ensure sufficient residential capacity is maintained to accommodate the RHNA for each income category, within six months of adoption of the *2021-2029 Housing Element*, develop and implement a formal, ongoing (project-by-project) evaluation procedure pursuant to Government Code section 65863. The evaluation procedure will track the number of extremely low-, very low-, low-, moderate-, and above moderate-income units constructed to calculate the remaining unmet RHNA. The evaluation procedure will also track the number of units built on the identified sites to determine the remaining site capacity by income category and will be updated continuously as developments are approved.

No action will be taken to reduce the density or capacity of a site (e.g., downzone, moratorium), unless other additional adequate sites are identified prior to reducing site density or capacity. If a development is being approved on an identified site at a lower density than what was assumed for that site identified in the *2021-2029 Housing Element*, additional adequate sites must be made available within 180 days of approving the development. A program to identify the replacement sites, and take the necessary actions to make the site(s) available and ensure they are adequate sites, will be adopted prior to, or at the time of, the approval of the development.

Subsequent to adopting an evaluation procedure, the City will monitor rezones and development of residential units, and update the sites inventory. The sites inventory will be posted on the Community Development Department's website and will be updated at least once a year.

At least annually, the City will update, if necessary, the sites inventory in conjunction with the Housing Element Annual Progress Reports pursuant to Government Code section 65400.

In June 2021, the City prepared a No Net Loss Monitoring Procedure modeled after HCD's No Net Loss Capacity Calculation Tool.

Objective: Develop and maintain a no net loss evaluation procedure.

Responsible Agency: Community Development Department Planning Division

Timeline: Within six months of adoption of the *2021-2029 Housing Element*, develop and implement a formal ongoing evaluation procedure pursuant to Government Code section 65863.

Funding Source: General Fund

**PROGRAM CATEGORY #2:
ASSIST IN THE DEVELOPMENT OF ADEQUATE HOUSING TO MEET THE NEEDS OF
ALL ECONOMIC SEGMENTS**

Government Code Section 65583(c)(2) states that a housing program shall:

Assist in the development of adequate housing to meet the needs of extremely low-, very low-, low- and moderate- income households.

Housing Need Summary

Appendix A describes the City's housing needs. Table II-2 presents a summary of the assessment of housing needs.

Goal and Policies

GOAL 2: ASSIST IN THE MEETING THE HOUSING NEEDS OF EXTREMELY LOW-, VERY LOW-, LOW-, AND MODERATE-INCOME HOUSEHOLDS THROUGH THE PRESERVATION OF AFFORDABLE HOUSING, RENTAL HOUSING ASSISTANCE, FIRST-TIME HOMEBUYER ASSISTANCE, AND THE DEVELOPMENT OF NEW AFFORDABLE HOUSING

Policy 2.1 *Facilitate Affordable Housing.* Facilitate housing developments that are affordable to extremely low-, very low-, low-, and moderate-income households by providing technical assistance, regulatory incentives and concessions, and financial resources as funding permits.

Policy 2.2 *Housing Production.* Encourage both the private and public sectors to produce or assist in the production of housing, with particular emphasis on housing affordable to persons with disabilities, elderly, large families, female-headed households with children, and people experiencing homelessness.

Policy 2.3 *Subsidies and Programs.* Continue to utilize federal and State subsidies and County programs to the fullest extent to meet the needs of lower-income residents, including extremely low-income residents.

Policy 2.4: *Section 8 Rental Assistance:* To relieve housing cost burdens and displacement risks, continue to promote the Section 8 Housing Choice Voucher Program.

Policy 2.5: *ADU Incentives:* To expand housing choices at potentially reduced costs, implement incentives for ADU development.

Policy 2.6: *Senior Housing:* Prepare and adopt a Senior Housing Overlay Zone.

Policy 2.7: *Reasonable Accommodation Procedure:* Promote and make the community aware of the Reasonable Accommodation Procedure.

Policy 2.8: *Inland Regional Center Services:* Post on the City's website information on the services and resources available from the Inland Regional Center

- Policy 2.9: *Home Modifications*: Provide financial assistance, if funding resources become available, to make home modifications.

- Policy 2.10: *Home Modifications*: Explore with the Inland Regional Center the need for home modifications in homes occupied by persons with developmental disabilities.

- Policy 2.11 *Independent Living Services*: Coordinate with the Community Access Center to promote independent living services.

- Policy 2.12 *Transitional Services*: Explore with the Community Access Center the opportunities that may be available to transition developmentally disabled persons from an institutional setting to a home environment.

- Policy 2.13 *Homelessness*. Continue to participate in the CVAG Homeless Committee meetings and policy planning.

- Policy 2.14: *Homelessness*: Continue to contribute funds to the CVAG Housing First program, or a similar program

**Table II-2
City of Desert Hot Springs - Assessment of Housing Need Summary**

	# of Renter Households	# of Owner Households
Cost Burden	3,125	1,355
Severe Cost Burden	1,980	625
Overcrowded Households (1.01+ persons per room)	864	203
Overcrowded Households (1.51+ persons per room)	241	99
At-Risk Housing	No existing affordable housing is at risk of conversion to market rate housing in the next 10 year (2031)	
Special Housing Needs		
Elderly	Almost 3,000 elderly households (62+) live in Desert Hot Springs 45% of elderly householders 65+ live alone 28% of elderly householders 65+ are married couples 60% of elderly householders have lower income and a high number and percentage probably experience cost burdens and severe cost burdens	
Frail Elderly	Approximately 450 elderly persons 65+ are estimated to be frail Almost 500 elderly persons 65+ have a propensity to fall multiple times during a year	
Persons with Disabilities	3,720 persons are estimated to be disabled (13% of the total population) 2,760 households have one or more disabled member 21% of the households with a disabled member live alone	
Persons with Developmental Disabilities	376 persons are served by the Inland Regional Center 296 live in a home environment 70 live in a care facility	
Large Families	Approximately 400 owner large families live in the City Approximately 700 renter large families live in the City	
Farmworkers	37 persons are employed in the farming, fishing and forestry occupations	
Female Householders	Approximately 5,300 female householders live in the City	
Homeless	The homeless population is estimated to be 68 persons	

Source: Appendix A Assessment of Housing Needs

Program 2.1 Section 8 Housing Choice Voucher Program

The Section 8 Housing Choice Voucher is administered by the Housing Authority of the County of Riverside. The program provides rental assistance to extremely low- and very low-income and special needs households (e.g., elderly and disabled).

As of September 2021, the Housing Authority provided Housing Choice Voucher rental assistance to 370 households living in Desert Hot Springs.

To assist lower income and special needs households, especially those of extremely low income, the City will continue to support the Housing Authority's applications to the U.S. Department of Housing and Urban Development (HUD) for additional funding and assist the Housing Authority in marketing the program to rental property owners.

Objective: Provide assistance to at least 400 extremely low- and very low-income households, an increase of 30 households from the September 2021 figure.

Responsible Agency: Housing Authority of the County of Riverside

Timeframe: Implementation throughout the 2021-2029 planning period

Funding Source: HUD Housing Choice Vouchers

Program 2.2 First Time Homebuyer Program

Desert Hot Springs is a CDBG/HOME cooperating city with the County of Riverside. Through this cooperative effort, City residents and projects located in Desert Hot Springs are eligible for a variety of County funded programs including the First-Time Homebuyer Program.

The First Time Homebuyer Program provides 20% of the purchase price for the down payment not to exceed \$75,000.

The County's 2019-2024 Consolidated Plan allocates \$4,353,170 to the First Time Homebuyer Program. The funding amount is projected to assist 100 households over a five-year period. The funding amount may assist households living in the County territory and the 13 cooperating cities. Therefore, the number of households that can be assisted in any one city is limited.

The City will continue to inform eligible homebuyers of the program. First Time Homebuyer Workshops will be conducted by the Fair Housing Council of Riverside County, Inc. The Workshops will describe the "nuts and bolts" of the home buying process and teach participants how to apply for assistance.

Objective: First Time Homebuyer Assistance to eight (one per year) buyers purchasing homes in Desert Hot Springs.

Responsible Agencies: Community Development Department Planning Division, County of Riverside Economic Development Agency and FHCRC

Timeframe: Ongoing throughout the 2021-2029 8-year planning period,

Funding Source: County of Riverside HUD CDBG/HOME Funds

Program 2.3 Affordable Housing Incentives Program

For-profit and non-profit developers play a significant role in providing affordable housing in the City. The City will encourage and support the development of rental projects that meet the needs

of lower-income renters, extremely low-income households, seniors, and persons with disabilities, including developmental disabilities. Actions will include:

- Meeting with potential affordable housing developers, providing site information, assisting in the entitlement processes, and considering on a case-by-case possible development incentives.
- Reviewing published notices for funding availability and causing applications to be prepared for various City housing programs, projects, and activities.
- Posting the sites inventory on the City's website with a special focus on the sites located in the moderate resource neighborhoods.
- Assisting developers in identifying available sites for residential and mixed-use developments.
- Offering local non-profit developers and agencies technical assistance and information on City funding sources.
- Encouraging use of the density bonus provisions through technical assistance and information dissemination.
- Alerting housing developers with known interest in developing within the City when opportunities are available (e.g. sites, partnerships, City-owned land, availability of funding).
- Deferring, reducing and/or waiving development fees in order to facilitate and encourage the development of housing that meets the City's housing needs.
- Providing incentives and regulatory concessions to affordable and moderate income housing developments. Regulatory concessions will be considered on a case-by-case basis and can include appropriate deviations in development regulations or other incentives that results in identifiable, actual cost reductions.

Objective: Use of affordable housing incentives by private developers which will be reported in the Annual Progress Report, and coordination with the Lift to Rise Regional Plan.

Responsible Agency: Community Development Department Planning Division

Timeframe:

- Implementation throughout the planning period
- Meet with developers at least once a year with technical assistance and information dissemination
- Conduct pre-application conferences and on a case-by-case basis.

Funding Source: General Fund

Program 2.4 Regional Plan for Development of 2,000 Affordable Housing Units

Lift to Rise is a local collective impact organization based in Palm Desert working toward a future where all Coachella Valley families are healthy, stable, and thriving. Their work brings together community and institutional leaders to collaboratively solve the underlying causes of poverty and inequality in the region. Years of deep data analysis, in partnership with the USC Price Center for Social Innovation, and community listening have revealed that housing instability and a lack of economic mobility are primary drivers of struggle for Coachella Valley families. They organized two cross-sector collaborative action networks (CANs) with over 50 public, private, and institutional partners to address these root-cause issues and radically change the landscape of opportunity for everyone who calls the Coachella Valley home.

On March 16, 2021 the City Council approved the Lift to Rise Pledge and joined the regional effort to produce 2,000 affordable housing units. Table II-3 shows that Desert Hot Springs comprises 10% of the total RHNA allocation to the CVAG Region.

The We Will Lift: Regional Pledge for Housing and Opportunity signals support for the regional approach and plan to increasing housing stability and economic mobility.

Lift to Rise and a cross-sector network of partners have developed a plan to achieve housing stability and economic mobility by:

- Advancing a community-valued pipeline of investable projects that will result in 2,000 units of affordable housing in the next two years
- Implementing affordable housing friendly policies that will facilitate the planning, approval, and construction of affordable housing units in the shared pipeline
- Driving a regional investment vehicle to invest in and catalyze the development of affordable housing across the region
- Building pathways to economic mobility and security for residents

The first three projects to receive capital from the fund with support from Lift to Rise and Low Income Investment Fund are being developed by Coachella Valley Housing Coalition:

- **Las Casas Apartments (Coachella, CA):** A farmworker housing development that will rehabilitate two existing developments encompassing 128 units of affordable housing for households earning 30% to 60% area median income. Amenities include: Community Room, tot lots, and a childcare center.
- **Vista Sunrise II (Palm Springs, CA):** A new construction permanent supportive housing development for people with special needs, including those with chronic illness and those who are currently or at-risk of becoming homeless. The development includes 61 units of affordable housing for households earning 30% to 60% area median income. Amenities include: Community Room, courtyard and dog park.
- **Oasis Villas Community (Thermal, CA):** A 25-acre, new construction mixed-use project for farmworkers and their families. This will include 160 units of affordable housing for households earning between 30% and 50% of the area median income, a health clinic, and community-serving retail spaces. Amenities include: Community Room, pool, tot lots, a soccer field and a basketball court.

As a part of implementing Program 2.4, the Community Development Department has transmitted to the Coachella Valley Housing Coalition, maps and assessor parcel numbers of the lower income housing sites, including those to accommodate the 284 extremely low income (ELI) RHNA units. The City is committed to facilitating the development of 200 affordable housing units, which is 10% of the Lift to Rise's regional goal, with a focus on units affordable to ELI households.

Objective: 200 affordable housing units (10% of the 2,000 sub-regional total)

Responsible Agency: Community Development Department Planning Division

Timeframe:

- Transmit sites information to the Coachella Valley Housing Coalition (CVHC)
- Work with the CVHC to identify one or more affordable housing proposals
- Implementation within the 2021-2029 planning period

Funding Source: Lift to Rise resources which include a SCAG Regional Early Action Planning (REAP) award to fund planning activities to advance the production of affordable housing in the Coachella Valley

**Table II-3
Coachella Valley Association of Governments
CVAG REAP Subregion Lower Income RHNA: 2021-2029**

Jurisdiction	Very Low Income and Low Income RHNA	Percent Distribution
Cathedral City	893	8.2%
Coachella	2,032	18.7%
<i>Desert Hot Springs</i>	<i>1,104</i>	<i>10.2%</i>
Indian Wells	198	1.8%
Indio	2,963	27.3%
La Quinta	689	6.3%
Palm Desert	1,135	10.4%
Palm Springs	953	8.8%
Rancho Mirage	748	6.9%
Unincorporated	153	1.4%
Total	10,868	100.0%

Source: Southern California Association of Governments, Final RHNA 2021-2029, approved by Regional Council, 03/04/2021

Program 2.5 Area Agency on Aging Outreach Program

The City will reach out to the Area Agency on Aging to assist toward achievement of the following *Area Plan on Aging* goal, objective and policy:

- **Goal:** Participate in discussions, coalitions, collaborations, and initiatives that focus on developing *age-friendly, disability friendly communities* that support older adults and persons with disabilities, allowing them to remain in the homes and communities of their choice.
- **Objective:** Assist with providing safe and affordable housing solutions to keep older adults and persons with disabilities in the homes and communities of their choice.
- **Policy:** Provide emergency assistance in the form of housing, rental, utility, transportation, home repairs and modifications, falls prevention, and mobility management assistance.

Objective: Complete outreach and City support

Responsible Agency: Community Development Department Planning Division and Desert Hot Springs Senior Center staff

Timeframe: One-year from adoption of the *2021-2029 Housing Element*

Funding Source: General Fund

Program 2.6 Extremely Low Income (ELI) Program

The needs of extremely low income (ELI) households are addressed within the framework of the programs administered by the City, County, and Housing Authority. Each of these entities addresses the needs of lower income households, including ELI income households. The quantified objectives for ELI households are based on individual programs that address the existing and future needs of ELI households, as follows:

- Program 2.1 – Section 8 Housing Choice Vouchers - 200 ELI households. City to assist the Housing Authority in marketing and funding applications for the Section 8 program.
- Program 2.4 – Regional Plan for the Development of 2,000 Affordable Housing Units – 40 ELI households (20% of the City’s target 200 housing units). City to transmit RHNA site information to CVHC and facilitate affordable housing development.
- Program 4.2 – Homeowner Housing Rehabilitation Program – 2 ELI households (2 of the total 8 households). City to mail information to identified households annually and assist in the preparation of applications, including translation and writing assistance for homeowners with special needs or low income (including ELI) to apply.

**PROGRAM CATEGORY #3:
ADDRESS AND REMOVE GOVERNMENTAL AND NONGOVERNMENTAL HOUSING
CONSTRAINTS**

Government Code Section 65583(c)(3) states that a housing program must:

Address and, where appropriate and legally possible, remove governmental and nongovernmental constraints to the maintenance, improvement, and development of housing, including housing for all income levels and housing for persons with disabilities.

The program shall remove constraints to, and provide reasonable accommodations for housing designed for, intended for occupancy by, or with supportive services for, persons with disabilities.

Constraints Summary

Amendments to the Zoning Ordinance are necessary in order to comply with Government Code and Health and Safety Code requirements. For example:

- The Zoning Ordinance will be amended to provide for “employee housing” as required by Sections 17021.5 and 17021.6 of the Health and Safety.
- The City will also evaluate, and modify if necessary, parking standards to ensure that they do not constrain the development of housing, specifically senior housing and multi-family housing.
- The City also plans to update the Development Permit process to simplify, improve efficiency, and eliminate unnecessary steps. Any future changes will be compliant with all pertinent housing-related laws.

The analysis of nongovernmental constraints shows that –

- The availability of home loan financing availability is strong as nine of 10 loan applications are approved. Black loan applicants experience the highest loan denial rate at 23%. Overall, no individual census tract appears to be underserved.
- The cost of land does not appear to be a significant impediment to the development of new single-family or multifamily housing.
- Hard construction costs in California, on average, have increased \$68/SF between 2008 and 2018. The cost of affordable housing that is financially supported by Low Income Housing Tax Credits also has increased in recent years. Data specific to Desert Hot Springs is unavailable.
- The sales prices of existing single family homes are affordable. Monthly rents are generally affordable as 55% of occupied rental housing has monthly rents of less than \$999 a month.

GOAL 3: ADDRESS, AND WHERE POSSIBLE, REMOVE ANY POTENTIAL GOVERNMENTAL AND NONGOVERNMENTAL CONSTRAINTS TO HOUSING PRODUCTION AND AFFORDABILITY.

Policy 3.1 *Residential Development Standards.* Review and adjust as appropriate residential development standards, regulations, ordinances, departmental processing procedures, and residential fees related to rehabilitation and construction that are determined to be a constraint on the development of housing.

Policy 3.2 *Development Approval Process.* Educate applicants on how to navigate the development approval process and otherwise facilitate building permit and development plan processing for residential construction.

Policy 3.3 *Timely Permit Process.* Facilitate timely development plan and building permit processing for residential construction.

Policy 3.4 *Infrastructure Needs.* Prioritize infrastructure improvements, code enforcement, and public services provision in high-need areas.

Program 3.1 Zoning Ordinance Update (LEAP Grant)

The Zoning Ordinance Update will address the governmental constraints described in Appendix D – Analysis of Governmental Constraints:

The City will update its Zoning Ordinance to revise zoning and development standards in order to accelerate housing production. This will include reviewing the Zoning Ordinance to update development standards to ensure that the maximum density can be achieved, adopt new permitted uses so that all zones allow for residential uses, amend the findings for Development Permits to eliminate findings 3 and 9, and revise development standards to be consistent with state law.

Objective: Completion of the Zoning Ordinance Update per the LEAP Grant Schedule

Responsible Agency: Community Development Department Planning Division

Timeframe: Completion by June 2023

Funding Source: Local Early Action Planning (LEAP) Grant and General Fund

Program 3.2 Increase Community Awareness of the Reasonable Accommodation Procedure

The City will make available the application for reasonable accommodation in English and Spanish and post it alongside the brochure describing the Reasonable Accommodation Procedure on the City's website.

Objective: Complete preparation of the application

Responsible Agency: Community Development Department Planning Division

Timeframe: December 2022

Funding Source: General Fund

Program 3.3 ADU Incentives

The City will implement Incentives which are intended to produce lower cost ADUs, primarily as a function of housing unit size:

- Inform owners of fee exemptions for ADUs of less than 750 SF
- Inform owners of the Section 8 Housing Choice Voucher Program and County of Riverside Housing Authority contacts
- Provide residents with pre-designed ADU expedited permit plans free of charge
- Include additional incentives which are determined feasible by the Zoning Ordinance Update (Program 3.1)

Objective: Implementation of ADU incentives Program

Responsible Agency: Community Development Department Planning Division

Timeframe:

- On October 14, 2021, the City issued an RFP for the design and preparation of building plan sets for an Accessory Dwelling Unit Program. The goal of creating the pre-approved ADU plans is to expedite the plan check process and help reduce the cost of building new ADUs in Desert Hot Springs.
- Host community workshops on pre-approved ADU building plans and construction classes in English and Spanish in mid-2022 as soon as the ADU plans are developed, and repeat the workshops annually thereafter throughout the planning period.
- Prepare an information package to hand out to owners within six months of adoption of the *2021-2029 Housing Element*.
- Post the information package on the webpages of the Planning Division and Building Division.
- Implement the ADU incentives throughout the 8-year planning period

Funding Source: General Fund

Program 3.4 SB 35 Streamlining Information

SB 35 requires cities and counties to streamline review and approval of eligible affordable housing projects by providing a ministerial approval process, exempting such projects from environmental review under the California Environmental Quality Act (CEQA). The City has not received any SB 35 development applications or inquiries. To accommodate any future SB 35 applications or inquiries, the City will create and make available to interested parties an informational packet that explains the SB 35 streamlining provisions in Desert Hot Springs and provides SB 35 eligibility information.

Objective: Implementation of SB 35 streamlining ministerial approval process

Responsible Agency: Community Development Department Planning Division

Timeframe: Information packet availability by December 2021

Funding Source: General Fund

Program 3.5 Government Code Section 65940.1

Government Code Section 65940.1 requires cities with an internet website to make available on their website a variety of housing development information such as, but not limited, to: fees and exactions; zoning, design, and development standards; annual fee reports; and impact fee nexus studies.

The Community Development Department will complete a full assessment of how the City complies with the requirements of Government Code 65940.1. As needed, additional information will be posted on each Department's web pages.

Objective: Complete the assessment and add information as necessary

Responsible Agency: Community Development Department Planning Division

Timeframe: Complete assessment within six months of adoption of the *2021-2029 Housing Element*

Funding Source: General Fund

**PROGRAM CATEGORY #4:
CONSERVE AND IMPROVE THE CONDITION OF THE EXISTING STOCK**

Government Code Section 65583(c)(4) states that a housing program shall describe actions to:

Conserve and improve the condition of the existing affordable housing stock, which may include addressing ways to mitigate the loss of dwelling units demolished by public or private action.

Housing Need Summary

The City's housing stock has 320 housing units in need of rehabilitation. An estimated 10 housing units are so dilapidated they should be demolished and replaced.

GOAL 4: CONSERVE AND IMPROVE THE CONDITION OF DESERT HOT SPRINGS' EXISTING HOUSING STOCK.

Policy 4.1 *Code Enforcement.* Enforce adopted code requirements that set forth acceptable health and safety standards for the occupancy of existing housing.

Policy 4.2 *Substandard Rehabilitation.* Advocate and facilitate the conservation and rehabilitation of substandard residential properties by homeowners and landlords.

Policy 4.3 *Substandard Unit Compliance.* Utilize code enforcement resources to bring substandard units into compliance with City codes and to improve overall housing conditions in Desert Hot Springs.

Policy 4.4 *Property Education.* Educate the public regarding the need for property maintenance and rehabilitation, code enforcement, crime watch, neighborhood conservation and beautification, and other related issues.

Policy 4.5 *Rehabilitation Programs.* Continue to facilitate access to rehabilitation programs that provide financial and technical assistance to low- and moderate-income households for the repair and rehabilitation of existing housing.

Program 4.1 Housing Code Enforcement

Code enforcement is an important tool for maintaining the quality of residential neighborhoods. The City's Code Enforcement Program involves the enforcement of all Municipal Codes and Ordinances, various State and local laws and health and safety regulations as they relate to housing conditions. The primary method that the City uses to obtain code compliance is voluntary compliance. If this method does not attain compliance, then other actions are taken such as a Notice of Violation and Administrative Citation. The City will continue work to identify available resources at no cost to the property owners. In cases that require a larger financial investment for abatement, the City will work with property owners to identify potential financing mechanisms.

Objective: The City will continue providing ongoing inspection services to review code violations with an objective of 250 housing cases per year.

Responsible Agency: Code Compliance Department

Timeframe: Implementation throughout the 8-year planning period

Funding Source: General Fund

Program 4.2 Homeowner Housing Rehabilitation Program

The City is a cooperating city in the County of Riverside Urban County CDBG Program. The County's *2019-2024 Consolidated Plan* allocates \$4,235,710 to the Homeowner Housing Rehabilitation Program. The 5-year goal is the rehabilitation of 125 owner-occupied housing units. Desert Hot Springs homeowners may apply for the financial assistance provided by this program. The program will provide home improvements and/or energy efficiency improvements for seniors, individuals with disabilities, and low-income (including extremely low income) households.

County staff has indicated that there have been very few applications from Desert Hot Springs residents in the past five years. The City will continue to cooperate with the County of Riverside in the implementation of home repair and rehabilitation programs.

The City will post information on its website describing the County program and encouraging eligible homeowners, including those with special needs and/or low-income, to submit an application.

Objective: Eight homes rehabilitated through the County's program during the 2021-2029 planning period.

Responsible Agencies: Community Development Department Planning Division and County of Riverside CDBG program

Timeframe: 1 home annually through the 2021-2029 planning period

Funding: County CDBG funds

Program 4.3: Abandoned Residential Property Registration

In 2008, the City Council adopted an ordinance establishing an Abandoned Residential Property Registration to address the negative impact of foreclosures on the community.

The program requires lenders to maintain homes they seize, register the abandoned properties with the City, and to hire local property management firms to prevent vacant homes from becoming neglected. The program is funded by a \$60 fee charged to title holders when they register an abandoned property with the City. The program is initiated with the first notice of default on a property and requires the local property management company to conduct weekly inspections. If the property is found to be in noncompliance, or if notification of noncompliance is reported, the local property management company is required bring the property back into compliance within 72 hours. The City will continue overseeing the Abandoned Residential Property Registration program as it prevents the City's Code Enforcement Department from spending limited resources to act as the property manager.

Objective: Abandoned properties as they occur

Responsible Agencies: Code Compliance Department

Timeframe: Implementation throughout the 8-year planning period

Funding Source: Abandoned Residential Property Registration program fees

PROGRAM CATEGORY #5**PROMOTE AND AFFIRMATIVELY FURTHER HOUSING OPPORTUNITIES FOR ALL PERSONS**

Section 65583(c)(5) requires that the housing program:

Promote and affirmatively further fair housing opportunities and promote housing throughout the community or communities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability, and other characteristics protected by the California Fair Employment and Housing Act and any other state and federal fair housing and planning law.

Assessment of Fair Housing Summary

Appendix B presents the *Assessment of Fair Housing*. The assessment includes a demographic summary of fair housing protected classes; analysis of fair housing issues; description of factors contributing to fair housing issues; and a fair housing action plan encompassing priorities, goals, strategies and actions.

GOAL 5: CONTINUE TO PROMOTE EQUAL HOUSING OPPORTUNITY IN THE CITY'S HOUSING MARKET REGARDLESS OF AGE, DISABILITY/MEDICAL CONDITION, RACE, SEX, MARITAL STATUS, ETHNIC BACKGROUND, SOURCE OF INCOME, AND OTHER PROTECTED CHARACTERISTICS

Policy 5.1 *Housing Discrimination.* Prohibit discrimination in the sale, rental, or financing of housing based on race, color, ancestry, religion, national origin, sex, sexual orientation, gender identity, age, disability/medical condition, familial status, marital status, source of income, or any other arbitrary factor.

Policy 5.2 *Fair Housing Laws.* Assist in the enforcement of fair housing laws by providing support to organizations that can receive and investigate fair housing allegations, monitor compliance with fair housing laws, and refer possible violations to enforcing agencies. Update City processes to foster and maintain compliance with civil rights and fair housing laws.

Policy 5.3 *Affirmatively Further Fair Housing.* Promote and affirmatively further fair housing opportunities and promote housing throughout the community or communities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability, and other characteristics protected by the California Fair Employment and Housing Act and any other state and federal fair housing and planning law. Update City processes to address significant disparities in housing needs and in access to opportunity, replace segregated living patterns with truly integrated and balanced living patterns, and transform racially and ethnically concentrated areas of poverty into areas of opportunity.

Program 5.1 Fair Housing Services Program

The City of Desert Hot Springs takes affirmative steps to promote fair housing practices. The City works with the Fair Housing Council of Riverside County, Inc. (FHCRC) to provide fair housing services for residents.

The City will:

- Continue to refer cases and questions to the FHCRC for enforcement of prohibitions on discrimination in lending practices and in the sale or rental of housing.
- Work to increase awareness of fair housing protections.
- Make fair housing information available at City Hall, Chamber of Commerce, Senior Center, and the Public Library. The information will include brochures and other written information that will be obtained from the FHCRC. In addition, the City will make information available on its Website and provide links to additional resources.
- The City will work to obtain training and education on fair housing issues for the benefit of City staff and commissions.
- Work with the Fair Housing Council of Riverside County, Inc. to ensure that female householders are free from housing discrimination on the basis of sex and familial status.
- Post on the City's website information on availability and location of child care services.
- The City will work with the FHCRC to schedule Fair Housing Workshops, information on first time homebuyer workshops, and walk-in clinics
- Provide information to apartment owners, property management companies and on-site property managers regarding reasonable accommodations, reasonable modifications; and service and companion animals.

Objective: Website: public counter posting of fair housing resources within six months of adoption of the *2021-2019 Housing Element*. Other actions to be accomplished and implemented on an ongoing basis as needed.

Responsible Agencies: Community Development Department Planning Division

Timeframe: Implementation throughout the 8-year planning period.

Funding Source: General Fund and/or County CDBG funds

Program 5.2 Affirmative Fair Housing Marketing Plan

The City will have affordable housing developments implement an Affirmative Fair Housing Marketing Plan, a plan that describes specific steps that will be taken by developers to ensure that renters and buyers who are unlikely to apply for housing without special outreach have equal access to housing opportunities available in new housing developments.

Two components of the Marketing Plan include:

- Identify the segments of the eligible population which are least likely to seek housing without special outreach efforts.
- Outline an outreach program which includes special measures designed to attract those groups identified as least likely to seek housing and other efforts designed to attract persons from the total population.

The City will obtain the assistance of the Fair Housing Council of Riverside County, Inc. to develop the Marketing Plan and population targeting efforts.

Objective: Develop the Affirmative Fair Housing Marketing Plan within six months of adoption of the 2021-2029 Housing Element

Responsible Agencies: Community Development Department Planning Division and Fair Housing Council of Riverside County, Inc.

Timeframe: Work with affordable housing developers to implement the Marketing Plan throughout the 8-year planning period.

Funding Source: General Fund

Program 5.3 Poverty Reduction Program

To address displacement risks, the City will work with the Community Action Partnership to ensure that families living in the lowest resource neighborhoods are aware and make use of the programs available through the American Rescue Plan. Information also will be disseminated on existing programs that benefit poverty income families such as the Earned Income Tax Credit (EITC), and Supplemental Nutrition Assistance Program (SNAP).

Objective: Post information on the Community Action Partnership, American Rescue Plan, and safety net programs within six months of adoption of the 2021-2029 Housing Element.

Responsible Agencies: Community Development Department Planning Division and Community Action Partnership

Timeframe: Implementation throughout the 8-year planning period.

Funding Source: General Fund and/or County CDBG funds

Program 5.4 Place-Based Neighborhood Poverty Reduction Program

The County of Riverside Community Action Partnership (War on Poverty agency) uses census data to identify poverty pockets in its services territory. Outreach is done in these areas, and partnerships and community projects are then developed to target and engage these high-needs communities.

The City will undertake the following strategies and actions to improve the well-being of the most income-poor pockets and alleviate displacement risks in those areas:

The City staff will work cooperatively with the Community Action Partnership staff to determine:

- The criteria and census/American Community Survey (ACS) data used to identify pockets of poverty
- The City staff will then complete research to identify the pockets of poverty that exist in Desert Hot Springs (using block or block group data).
- The City staff will prepare a profile of information on housing, demographics, and well-being (health insurance, use of SNAP, use of public assistance).
- The City staff will then work with the CAP staff to deliver in-house services and community projects that will provide beneficial impacts to the residents of the pockets of poverty.

Objective: To start delivery of services in neighborhood pockets of poverty within one year of adoption of the *2021-2029 Housing Element*.

Responsible Agencies: Community Development Department Planning Division and Community Action Partnership

Timeframe:

- Complete research within 6 months of adoption of the 2021-2029 Housing Element
- Complete project development within one year of adoption of the 2021-2029 Housing Element
- Implementation throughout the 8-year planning period

Funding Source: General Fund and Community Services Block Grant funds

Program 5.5 Mobility Strategies Program

The City will coordinate with the Housing Authority of the County of Riverside to implement mobility strategies. At a minimum, the City will post on its website the Housing Opportunity Area Maps and describe the workshops to be conducted during the 8-year planning period by the Fair Housing Council of Riverside County, Inc.

The Housing Authority's Housing Choice Voucher Administrative Plan explains that guidance and materials are offered to assist a family in selecting a housing unit. The staff indicates to families that they should consider proximity to employment, public transportation, schools, shopping and the accessibility of services.

During briefings sessions the Housing Authority encourages families to move to high opportunity areas by explaining the advantages of moving to an area that may offer better quality housing, education and employment opportunities. The Housing Authority provides families with Housing Opportunity Area Maps that cover the Coachella Valley and western Riverside County.

In addition, the City will provide residents with information explaining that California law prohibits source of income discrimination. The California Fair Employment and Housing Act (FEHA) prohibits housing providers, such as landlords, to refuse to rent to someone, or otherwise discriminate against them, because they have a housing subsidy, such as a Section 8 Housing Choice Voucher, that helps them to afford their rent.

Awareness of that State law prohibiting source of income discrimination will expand the neighborhoods in which Section 8 Housing Choice Voucher holders may seek rental housing.

Objective: Post maps and information within six months of adoption of the *2021-2029 Housing Element*. Establish a working relation with Housing Authority staff within six months of adoption of the *2021-2029 Housing Element*.

Responsible Agencies: Community Development Department Planning Division

Timeframe: Implementation throughout the 8-year planning period.

Funding Source: General Fund

Program 5.6 Displacement Risk Program

Some households, particularly ELI households that are severely cost burdened, are at risk of displacement. Additionally, evictions are among the causes of displacement. To reduce displacement risk, the City will work to implement a program in coordination with the FHCR; County of Riverside Housing Authority; and Lift to Rise.

Information will be posted on the City's website:

- How ELI households can apply to the Housing Authority to obtain rental assistance
- Tenant/landlord counseling services available from the FHCRC
- How tenants can obtain eviction information from the FHCRC.
- Rental assistance available from Lift to Rise (located in Palm Desert)

Objective: Post information within six months of adoption of the *2021-2029 Housing Element*. Establish a working relation with Housing Authority, FHCRC, and Lift to Rise within six months of adoption of the *2021-2029 Housing Element*.

Responsible Agencies: Community Development Department Planning Division

Timeframe: Implementation throughout the 8-year planning period.

Funding Source: General Fund

Program 5.7 Bilingual Assistance on Development and Housing Processes

The City has a large Hispanic population (54.5% of total population in 2019), which also make up 90% of all limited English speaking households in the City. The City will continue to provide and expand bilingual assistance during housing and development processes to better assist these households and residents and address potential issues associated with moderate segregation of Hispanic population in the community under the AFFH principle.

Specifically, the City will translate relevant materials for the following processes/programs:

- Permit Application: Translate into Spanish.
- Plan Review: Create flow charts in English and Spanish that reflect the scope of work required.
- Code Book Interpretation: Provide access to electronic code books in Spanish. If codes are not available in Spanish, then the individual code sections will be translated.
- Plan Review Corrections: Offer translations if requested.
- Development Process: Create flow charts in English and Spanish that reflect the scope of work required.
- Inspection Process: Translate inspections and inspection checklists into Spanish and include more pictures for explanation.
- ADU Construction Process: Translate into Spanish for both design and development.
- Entitlement Process: Translate into Spanish and create easy to read charts.

Objective: Provide translation for housing and development processes, post translated materials within a year of adoption of the *2021-2029 Housing Element*, and provide ongoing bilingual assistance as requested.

Responsible Agencies: Community Development Department Planning Division

Timeframe: Establish programs and processes by December 2022. Implementation throughout the 8-year planning period.

Funding Source: General Fund

Program 5.8 Accessibility of Development and Housing Processes

To make the development and housing processes more accessible to the community, the City plans to host workshops on various processes and programs described in Program 5.7 above. The following stakeholders will be invited to the workshops:

- Public housing authorities (PHAs)
- Community-based organizations (CBOs)
- Housing and community development providers
- Lower income community members & households that include persons in protected classes
- Fair housing agencies
- Regional & independent living centers
- Homelessness services agencies
- Churches and community service organizations that serve ethnic/linguistic minorities

Objective: Host workshops on housing and development processes within a year of adoption of the *2021-2029 Housing Element*, and evaluate participation and progress for continued implementation.

Responsible Agencies: Community Development Department Planning Division

Timeframe: Establish workshop schedule and materials by December of 2022. Implementation annually throughout the 8-year planning period.

Funding Source: General Fund

Quantified Objectives

Table II-4 shows the City's quantified objectives for the 2021-2029 planning period by income group.

- **Construction Objective:**
Lower Income Objective: The objective is based on the City's proportionate share of the housing production target of the Lift to Rise Program (200 units).
Moderate Income Objective: The objective is at least the RHNA total for this income group.
Above Moderate Income Objective: The objective is at least the RHNA total for this income group.
- **Rehabilitation Objective (a)** represents objectives for participation in the County's Homeowner Housing Rehabilitation Programs and **(b)** the number of home improvement loans projected to be approved between 2021 and 2029. During the past three years the average annual number of approved home improvement loans is 30.
- **Conservation objective** refers to maintenance of existing affordable housing through rental subsidies (Housing Choice Voucher) and participation in the County's Homebuyer Assistance Program.

**Table II-4
City of Desert Hot Springs
Quantified Objectives 2021=2029**

Objectives	Income Levels				Total
	Extremely and Very Low-Income	Low	Moderate	Above Moderate	
Construction Objective	40	160	688	2,081	2,969
Rehabilitation Objectives	2	6	120	120	248
Conservation/Preservation Objectives	400		5	---	405

APPENDIX A ASSESSMENT OF HOUSING NEEDS

A note about the American Community Survey (ACS) Data: Single-year and multiyear estimates from the ACS are all “period” estimates derived from a sample collected over a period of time, as opposed to “point-in-time” estimates such as those from past decennial censuses.

In the case of ACS multiyear estimates, the period is 5 calendar years (e.g., the 2015–2019 ACS estimates cover the period from January 2015 through December 2019).

Multiyear estimates are labeled to indicate clearly the full period of time (e.g., “The child poverty rate in 2015–2019 was X percent.”). They do not describe any specific day, month, or year within that time period.

For data users interested in obtaining detailed ACS data for small geographic areas (areas with fewer than 65,000 residents), ACS 5-year estimates are the only option.

Data for individual census tracts is available only from the ACS 5-year estimates.

Source: U.S. Census Bureau, *Understanding and Using American Community Survey Data*, pages 13-16

A note about COVID-19: The ACS 2015-2019 estimates are the source for many of the tables and data presented and discussed in Appendix A. The ACS data does not reflect the impacts of COVID 19 and, therefore, may not portray accurately the 2021 conditions in Desert Hot Springs. Indeed, the tables and data describe the conditions that existed over a 5-year period, a period that ended in December 2019 which was three months before the March 2020 lockdown caused by the spread of COVID-19.

The COVID-19 pandemic caused job losses and associated income losses as well an increase in homelessness. Persons employed in the food industry would experience disproportionately adverse economic impacts compared to those working in software development or who are able to work remotely at home.

A recent economic report explained that -

The majority of pandemic-related job losses were low-skill, low-wage positions that impacted the region’s at-risk communities the most.

Lower-income Southern California residents already faced significant challenges before the pandemic, resulting in continued housing affordability concerns, domestic outmigration, and an overall reduction in quality-of-life. The pandemic has clearly exacerbated these issues. While federal stimulus may have supported these communities during the initial months of the pandemic, it has since diminished, further complicating the financial picture for many families throughout the region. While lower-wage positions are often overlooked, they are crucial to “essential” businesses and to the explosive growth in gross domestic product (GDP) experienced in Q3 2020.

Lower-wage segments at the national, state, and SCAG regional level have all felt significantly more employment losses than middle- or high-wage segments.

Source: Southern California Association of Governments, *Regional Briefing Book*, December 2020, pages 6 and 9

Many of the characteristics discussed in the assessment of housing needs have not changed because of the pandemic. The existing housing stock and its physical condition remain unchanged. The number of vacant housing units, however, may have increased above the levels reported as of January 1, 2020. Certain household characteristics such as the elderly, persons with disabilities, and large families have not changed due to the pandemic. The population and employment projections remain the same.

However, because of the lockdown and stay-at-home orders, many businesses had to close temporarily and some even permanently. This has created job losses and associated income losses. Therefore, the number of lower income households probably has increased above the number reported in this housing needs assessment.

The number of cost burdened households – those spending 30% or more of their income on housing costs - also may have increased because of a loss of income, or no income at all. But some owners and renters may have skipped making their housing payments which would have dampened any increase in housing cost burdens.

Overcrowding may have increased as some families pooled their resources by moving into the same home. On the other hand, some doubled-up households may have moved from more urban dense communities to less populated suburban and rural towns

Finally, homelessness probably will increase in the next few years. The Pandemic Recession is projected to cause roughly twice as much homelessness as the 2008 Great Recession.

Source: Economic Roundtable, *Locked Out: Unemployment and Homelessness in the Covid Economy*, January 2021, page 3

A. INTRODUCTION

Chart A-1 lists the components of the assessment of housing needs.

**Chart A-1
City of Desert Hot Springs
Components of the Housing Needs Assessment**

<ul style="list-style-type: none"> ▪ Housing Stock Characteristics
<ul style="list-style-type: none"> ✓ Number and Types of Housing ✓ Vacant Housing Units ✓ Condition of the Existing Housing Stock
<ul style="list-style-type: none"> ▪ Household Characteristics
<ul style="list-style-type: none"> ✓ Tenure ✓ Household Income Groups ✓ Level of Payment Compared with Ability to Pay ✓ Overcrowding ✓ Race and Ethnicity
<ul style="list-style-type: none"> ▪ Affordable Housing At-Risk of Conversion to Market Rate Housing
<ul style="list-style-type: none"> ▪ Special Housing Needs
<ul style="list-style-type: none"> ✓ Elderly ✓ Persons with Disabilities ✓ Persons with Developmental Disabilities ✓ Large Families ✓ Farmworkers ✓ Families with Female Heads of Household ✓ Families and Persons in Need of Emergency Shelter
<ul style="list-style-type: none"> ▪ Projected Housing Needs
<ul style="list-style-type: none"> ✓ Population Trends and Projections ✓ Employment Trends and Projections ✓ Share of the Regional Housing Need

B. HOUSING CHARACTERISTICS

Part B includes information on –

- Number and types of housing units
- Vacant housing units
- Condition of the existing housing stock

1. Existing Housing Stock

As of January 1, 2021, the existing housing stock is comprised of almost 12,000 housing units. Table A-1 shows that approximately two of every three housing units are single-family detached homes. Multifamily buildings of 5 or more units comprise one of every six of housing units. The existing housing stock also contains almost 900 mobile homes.

Table A-1
City of Desert Hot Springs
Housing Stock by Type of Unit
January 1, 2021

Type of Unit	Number of Units	Percent
1 unit, detached	7,433	63.5%
1 unit, attached	189	1.6%
2 to 4 units	1,673	14.3%
5+ units	1,535	13.1%
Mobile homes	872	7.5%
Total Housing Units	11,702	100.0%

Source: California Department of Finance, Demographic Research Unit, *City/County Population and Housing Estimates*, January 1, 2021

2. Vacant Housing Units

The California Department of Finance (DOF) estimates that 2,072 of the 11,677 housing units are vacant. The vacant housing units represent a 17.7% vacancy rate. Based on American Community Survey (ACS) data, it can be estimated that of the 2,072 vacant units –

- 140 are rental units
- 142 are for sale/sold units
- 1,200 are for seasonal, recreational, or occasional use
- 590 are “other vacant”

There is no local knowledge which provides insights as to why “other vacant units” comprise 28% of all vacant units.

The “effective” rental vacancy is lower than 17.7% because so many housing units are unavailable to buy or rent.

3. Condition of the Existing Housing Stock

This part estimates the number of housing units in need of rehabilitation and those in need of demolition and replacement.

The housing rehabilitation need is based on 1) housing units without complete kitchen and plumbing facilities (low end); the number and percentage of units built before 1980 (high end);

and 3) data from the American Housing Survey on the the percentage of the housing stock built before 1980 that needs rehabilitation

Housing lacking complete kitchen or plumbing facilities provide one indicator of the number of housing units in need of rehabilitation. According to the 2015-2019 American Community Survey, the City had 49 housing units lacking complete kitchen facilities and 82 dwellings lacking complete plumbing facilities.

A unit has complete kitchen facilities, according to the ACS, when it has all three of the following facilities: a sink with a faucet, a stove or range, and a refrigerator. A housing unit having only a microwave or portable heating equipment such as a hot plate or camping stove should not be considered as having complete kitchen facilities. An icebox is not considered to be a refrigerator.

Complete plumbing facilities include: hot and cold running water and a bathtub or shower. Both facilities must be located inside the house, apartment, or mobile home, but not necessarily in the same room. Housing units are classified as lacking complete plumbing facilities when either of the two facilities is not present.

According to the American Community Survey, approximately 5,100 housing units are 40 years of age or older – that is, built before 1980. Data from the American Housing Survey was used to estimate the percentage of the housing stock built before 1980 that needs rehabilitation.

HUD and the American Housing Survey measure housing quality in terms of “housing adequacy”. Of the housing stock surveyed, 6.3% are “severely” or “moderately” inadequate. Based on the 6.3% figure, it is estimated that at least *320 housing* units built before 1980 *are in need of rehabilitation*. (.063 X 5,100)

An explanation of housing adequacy is given below.

Housing adequacy. HUD measures housing quality by creating a measure called housing adequacy. The housing adequacy measure was classified into three degrees of severity – “severely inadequate,” “moderately inadequate,” and “adequate.”

Each sample unit included in the survey had to meet the conditions defined below to be classified in one of the three categories.

Severely inadequate. Units are classified as “severely inadequate” if at least one of the following conditions is met.

- Plumbing. Lacking hot or cold piped water, lacking a full bathroom, or sharing a bathroom with non-household members.
- Heating. Having been uncomfortably cold last winter for 24 hours or more because the heating equipment broke down, and it broke down at least three times last winter for at least 6 hours each time.
- Electricity. Having no electricity.
- Wiring. Having all of the following electric problems: exposed wiring, a room with no working wall outlet, and three blown fuses or tripped circuit breakers in the last 3 months.
- Upkeep. Having at least five of the following six maintenance problems: (1) water leaks from the outside in the last 12 months, such as from the roof, basement, windows, or doors; (2) leaks from inside structure in the last 12 months, such as pipes or plumbing fixtures; (3) holes in the floors; (4) holes or open cracks (wider than a dime) in the walls or

ceilings; (5) more than 8 by 11 inches of peeling paint or broken plaster; or (6) signs of rats in the last 12 months.

Moderately inadequate. Units are classified as “moderately inadequate” if at least one of the following conditions is met.

- Upkeep. Having only three or four of the six problems listed under “severely inadequate - upkeep.”
- Other. Having any one of the following conditions: (1) on at least three occasions during the last 3 months, all the flush toilets were broken down at the same time for 6 hours or more; (2) having unvented gas, oil, or kerosene heaters as the main heating equipment; (3) lacking a kitchen sink, lacking a working refrigerator, lacking cooking equipment (stove, burners, or microwave oven), or sharing the kitchen with non-household members.

Adequate.

A unit is deemed “adequate” if it does not meet the definitions of “severely inadequate” or “moderately inadequate.”

Source: American Housing Survey for the United States: 2019, U.S. Department of Housing and Urban Development and U.S. Census Bureau, Appendix A-16

City Code Enforcement staff indicates that approximately *10 single-family homes* in Desert Hot Springs are dilapidated and *should be considered for demolition and replacement.*

C. HOUSEHOLD CHARACTERISTICS

Part C examines the following household characteristics:

- Tenure
- Household income groups
- Level of payment compared to ability to pay
- Overcrowding
- Race and ethnicity

1. Tenure – Owners and Renters

Tenure refers to owner and renter occupancy of housing units. A household consists of the persons occupying a housing unit. The number of occupied housing units and households is the same.

In Desert Hot Springs, owner and renter households occupy 44.4% and 55.6% respectively of all housing units. Almost 87% all owners occupy single family detached homes (4,025/4,652). Approximately 10% of all home owners live in mobile homes.

Renters predominantly occupy single-family detached homes, duplexes, tri-plexes/4-plexes, and multi-family buildings comprised of 10 or more units. Almost 40% of all single-family detached homes are renter-occupied (2,626/6,651).

Refer to Table A-2 for a detailed breakdown of the tenure data.

Table A-2
City of Desert Hot Springs
Tenure by Units in Structure: 2015-2019

Units in Structure	Owner Occupied	Percent of Occupied	Renter Occupied	Percent of Occupied	Total Occupied
1, detached	4,025	60.5%	2,626	39.5%	6,651
1, attached	59	43.4%	77	56.6%	136
2	77	11.4%	600	88.6%	677
3 or 4	14	1.9%	719	98.1%	733
5 to 9	0	0.0%	620	100.0%	620
10 or more	0	0.0%	914	100.0%	914
Mobile home	477	64.0%	208	36.0%	745
Total	4,652	44.4%	5,824	55.6%	10,476

Source: 2015-2019 American Community Survey 5-Year Estimates, Table S2504, Physical Housing Characteristics for Occupied Housing Units

2. Household Income Groups

a. Definitions of Household Income Groups

Household income groups are defined in terms of the percentages of Riverside County's median income:

- Extremely low 0-30%
- Very low 30-50%
- Low 50-80%
- Moderate 80-120%
- Above Moderate 120%+

Table A-3 shows that the 2021 income limits are adjusted by household size; for example, a 6-person low income household (\$69,900) has a higher income than a 4-person low income household (\$60,250).

b. Number of Households by Income Group

Table A-4 estimates the number of owners and renters in five income groups. Lower income households comprise about two-thirds of all households. "Lower" income includes the three groups with incomes less than 80% of the area median income. The number of lower income renter households is twice that of lower income owners.

It should be noted that Table A-2 and Table A-4 report different numbers of owners and renters. It is not known why different numbers are reported, although Table 2 covers a period from 2015 to 2019 while Table 4 covers the 2013-2017 period.

Table A-3
Riverside County
2021 Annual Household Income Limits Adjusted by Household Size

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

Source: California Department of Housing and Community Development, State Income Limits for 2020, April 26, 2021

Table A-4
City of Desert Hot Springs
Annual Household Income Distribution by Tenure: 2013-2017

Income Group (% of area median income)	Owner Households	Renter Households	Total Households	Percent Distribution
Extremely Low 0-30%	455	2,000	2,455	26.2%
Very Low 30-50%	605	1,000	1,605	17.1%
Low 50-80%	995	1,110	2,105	22.5%
Moderate 80-100%	485	455	940	10.0%
Above Moderate >100%	1,550	705	2,255	24.2%
Total	4,090	5,270	9,360	100.0%

Source: Comprehensive Housing Affordability Strategy (CHAS) Data, 2013-2017 American Community Survey

3. Level of Payment Compared to Ability to Pay

Level of payment compared to ability is measured by housing costs as a percentage of income. For renters, housing cost is gross rent (contract rent plus utilities). For owners, housing cost is “selected monthly owner costs”, which includes mortgage payment, utilities, association fees, insurance, and real estate taxes

For lower income households, housing costs exceed ability to pay when 30% or more of their income is expended on housing costs. These households are referred to as “overpaying” or “cost

burdened.” “Severe” cost burden occurs when lower income households spend 50% or more of their income on housing costs.

a. Cost Burdened Renter Households

Table A-5 shows that 3,125 (1,145 + 1,980) renter households are cost burdened. In fact, 59% of all renter households are cost burdened (3,125/5,270).

**Table A-5
City of Desert Hot Springs
Number and Percentage of Renters Cost Burdened by Income Group: 2013-2017**

Household Income Group	Cost Burden 30-50%	% of All Cost Burden	Severe Cost Burden 50%+	% of All Severe Cost Burden
Extremely Low <30%	140	12.2%	1,515	76.5%
Very Low 30-50%	385	33.6%	455	23.0%
Low 50-80%	505	44.1%	10	0.5%
Moderate 80-100%	50	4.4%	0	0.0%
Above Moderate >100%	65	5.7%	0	0.0%
Total	1,145	100.0%	1,980	100.0%

Source: Comprehensive Housing Affordability Strategy (CHAS) Data, 2013-2017 American Community Survey

Of the 3,125 cost burdened renters, 37% are cost burdened and 63% are severely cost burdened, respectively. These severely cost burdened renter households are spending more than one-half of their paychecks on housing costs. The extremely low income renters who are severely cost burdened face serious economic hardships.

The County of Riverside Housing Authority administers a rental assistance program called the Section 8 Housing Choice Voucher Program. The program assists extremely low and very low income cost burdened renters to make their rental payments. The program assists 370 City resident households. Additionally, 1,680 households are on the Section 8 Waiting List.

b. Cost Burdened Owner Households

Table A-6 shows that the number of cost burdened owners is fewer than the number of cost burdened renters – 1,355 owners compared to 3,125 renters. The vast majority of cost burdened owners have extremely low, very low or low incomes.

No programs are available to ease the hardships that cost burdened owners experience. It may be possible for some owners to take advantage of historically low interest rates and refinance their loans in order to reduce their monthly payments.

Table A-6
City of Desert Hot Springs
Number and Percentage of Owners Cost Burdened by Income Group: 2013-2017

Household Income Group	Cost Burden 30-50%	% of All Cost Burden	Severe Cost Burden 50%+	% of All Severe Cost Burden
Extremely Low <30%	70	9.6%	240	38.4%
Very Low 30-50%	190	26.0%	220	35.2%
Low 50-80%	185	25.3%	60	9.6%
Moderate 80-100%	185	25.3%	90	14.4%
Above Moderate >100%	100	13.8%	15	2.4%
Total	730	100.0%	625	100.0%

Source: Comprehensive Housing Affordability Strategy (CHAS) Data, 2013-2017 American Community Survey

In summary, housing cost burden is the most significant problem confronting lower income renter households. A few housing cost burdened renters can be assisted by the County's Section 8 rental assistance program. For those who are not receiving rental assistance, housing cost burdens create economic hardships because after making their monthly housing payments so little income remains to meet other needs such as food, utilities, transportation, health insurance and child care.

The incomes of cost burdened renters would need to dramatically increase in order for them to have a housing payment that would not consume more than 30% of their household budgets.

4. Overcrowding

The ACS does not define an overcrowded housing unit or household. The ACS does publish data on the ratio of the number of persons occupying a housing unit to the number of rooms in the dwelling. These data are often used as an *indicator* of overcrowded households. There are, however, several other indicators of overcrowded households such as persons per bedroom, square footage per person, and Uniform Building Code occupancy standards.

Government Code Section 65584.01(b)(1) defines overcrowding as one person per room in a dwelling. Demographers have offered the following evaluation of the 1.01 persons per room ratio:

Persons per room has been used as the primary indicator for measuring overcrowding. In this calculation, all persons (adults and children of both sexes) are counted equally, as are all rooms. The room count does not include bathrooms, hallways, closets, and porches.

To measure overcrowding, we combine two variables to form the ratio of the number of persons in the household to the number of rooms reported in the housing unit. This ratio is trichotomized to reflect key policy thresholds: one person or fewer per room, 1.01 to 1.50 persons per room, and more than 1.50 persons per room. ...*the highest of the three*

categories measures severe overcrowding and is proposed as a less culturally restrictive assessment of behavior that constitutes a ‘problem’. [Emphasis added]

Dowell Myers and Seong Woo Lee, *Immigration Cohorts and Residential Overcrowding in Southern California*, Demography, Volume 33-Number 1, February 1996, pages 52 and 55

According to the 1.01 ratio, there are 203 and 864 overcrowded owners and renters, respectively. The 1.51 ratio reduces the number of overcrowded households to 99 owners and 241 renters. Refer to Table A-7.

**Table A-7
City of Desert Hot Springs
Persons per Room by Tenure – 2015-2019**

Persons Per Room	Owner Occupied	Percent	Renter Occupied	Percent	Total Households	Percent
Less than 1.00	4,449	95.7%	4,960	85.2%	9,409	89.9%
1.01 to 1.50	104	2.2%	623	10.7%	727	6.9%
1.51 to 2.00	72	1.5%	183	3.1%	255	2.4%
2.01 or more	27	0.6%	58	1.0%	85	0.8%
Total	4,652	100.0%	5,824	100.0%	10,476	100.0%

Source: 2015-2019 American Community Survey 5-Year Estimates, Table B25014 Tenure by Occupants Per Room

Very few owners are crowded. To eliminate crowded conditions, they could add a bedroom or construct an ADU.

Renters, on the other hand, are constrained in adapting their housing unit to meet space needs. Fewer people would need to live in the rental unit, or they could move to a housing unit with more space. Some of the overcrowded households may be large families that need an additional bedroom. The severity of renter overcrowding could be overstated because almost 40% of all renters occupy a single-family detached housing unit.

5. Race and Ethnicity

In order to avoid duplication of data and analysis, Appendix B – Assessment of Fair Housing – discusses race and ethnicity.

D. AT RISK HOUSING

According to HCD:

For the purpose of housing-element law, assisted housing developments (or at-risk units) are defined as multifamily, rental housing complexes that receive government assistance under any of the federal, state, and/or local programs or any combination of rental assistance, mortgage insurance, interest reductions, and/or direct loan programs and are eligible to convert to market-rate units due to termination (opt-out) of a rent subsidy contract, mortgage prepayment, or other expiring use restrictions within 10 years of the beginning of the housing-element planning period.

Nine affordable rental housing developments with a total of 621 housing units are located in the City. The developments range in size from 20 to 154 affordable units. In the next 10 years, no assisted housing developments in Desert Hot Springs are at risk of losing their affordability status. The at-risk analysis is based on City records and information from the California Housing Partnership Corporation, which tracks affordable housing assisted or financed by HUD; United States Department of Agriculture (USDA); or by Tax Credit Allocation Committee (TCAC) through the Low Income Housing Tax Credit (LIHTC) Program.

E. SPECIAL HOUSING NEEDS

The analysis of special housing needs includes the following groups:

- Elderly persons
- Persons with disabilities
- Persons with developmentally disabilities as defined in Section 4512 of the Welfare and Institutions Code
- Large families
- Farmworkers
- Families with female heads of households
- Families and persons in need of emergency shelter

1. Elderly

a. Population and Household Characteristics

The ACS estimates that 4,758 elderly persons make Desert Hot Springs their home, a number that represents 16% of the City's total population. Elderly men outnumber elderly women by a ratio of 1.14:1 (2,534/2,224). Almost 20% of the elderly are in the "older" age cohort of 80 years of age or older. Refer to Table A-8.

**Table A-8
City of Desert Hot Springs
Elderly Population by Age Group and Sex: 2015-2019**

Age Group	Male	Female	Total	Percent
62-64	522	359	881	18.5%
65-66	325	301	626	13.2%
67-69	398	305	703	14.8%
70-74	484	415	899	18.8%
75-79	429	279	708	14.9%
80-84	212	273	485	10.2%
85+	164	292	456	9.6%
Total	2,534	2,224	4,758	100.0%
Percent	53.3%	46.7%		100.0%

Source: 2015-2019 American Community Survey, Table B01001, Sex by Age

The ACS estimates that 2,939 elderly households live in Desert Hot Springs. The average household size is 1.62 persons per household (4,758/2,939). Almost 45% of the elderly households are in the 65-74 age group.

In terms of tenure, approximately two-thirds of the elderly householders are home owners. The elderly home ownership rate is significantly higher than the non-elderly's. In fact, the elderly comprise 43% of all the City's homeowners. Refer to Table A-9 below for the household data.

**Table A-9
City of Desert Hot Springs
Elderly Households by Tenure: 2015-2019**

Age	Owner	Renter	Total	Percent
62-64	305	251	556	18.9%
65-74	886	420	1,306	44.4%
75-84	599	239	838	28.5%
85+	209	30	239	8.2%
Total	1,999	940	2,939	100.0%
Percent	68.0%	32.0%		

Source: 2015-2019 American Community Survey, Table B25007, Tenure by Age of Householder

b. Living Arrangements of the Elderly

Elderly persons –

- Live alone
- In a housing unit with one or more persons
- Group quarters

1: Elderly Living Alone and In Households

Table A-10 shows that almost 45% of all elderly persons 65 years of age or older live alone. Married couples comprise approximately 28% of the elderly households 65 years of age or older. Almost 27% of the elderly are male householders, female householders, or live with unrelated individuals. Data are unavailable for the elderly householders aged 62-64 years.

**Table A-10
City of Desert Hot Springs
Elderly Households 65 Years+ by Tenure
And Household Type: 2015-2019**

Household Type	Owner	Renter	Total	Percent
Living Alone	719	352	1,071	44.9%
Married Couples	554	122	676	28.4%
Male Householder	164	106	270	11.3%
Female Householder	162	80	242	10.2%
Not Living Alone	95	29	124	5.2%
Total	1,694	689	2,383	100.0%
Percent	76.0%	24.0%	100.0%	

Sources: 2015-2019 American Community Survey, Table B25011, Tenure by Household Type (including living alone) and Age of Householder

Almost all seniors live in a housing unit. And, as noted above, almost 45% of those living in a housing unit live alone. Living alone can take a toll on some elderly. Some of the responses to the Riverside County Office on Aging survey of the elderly include:

- “Have to adjust to single life”
- “Can’t stand living alone”
- “I feel isolated”

Many seniors living in Desert Hot Springs probably share the same feelings as the elderly who responded to the County survey.

Another key finding is that 71% of all elderly householders are owners. This, in turn, means that housing cost burdens are not as extensive as they would be in a community where senior renters would comprise the majority of the population.

2. Elderly Living In Group Housing Environments

A Group Quarters (GQs) is a place where people live or stay in a group living arrangement that is owned or managed by an entity or organization providing housing and/or services for the residents. People living in GQs usually are not related to each other. GQs include places such

skilled nursing facilities and group homes. An estimated 118 persons live in group quarters, according to the State Department of Finance.

According to the California Community Care Licensing Division, 11 residential care facilities for the elderly with a capacity of 113 beds are located in Desert Hot Springs. Ten have a combined capacity of 57 beds and one has a capacity of 56 beds.

Residential Care Facilities for the Elderly (RCFEs) — sometimes called “Assisted Living” (e.g., 16+ beds) or “Board and Care” (e.g., 4 to 6 beds) — are non-medical facilities that provide room, meals, housekeeping, supervision, storage and distribution of medication, and personal care assistance with basic activities like hygiene, dressing, eating, bathing and transferring. RCFEs serve persons 60 years of age and older.

The level of care and supervision is for people who are unable to live by themselves but who do not need 24 hour nursing care. RCFEs are considered non-medical facilities and are not required to have nurses, certified nursing assistants or doctors on staff.

It appears that the elderly comprise the vast majority of the population living in group quarters.

c. Housing Needs of the Elderly

1. Examples of Housing Needs Experienced by the Elderly

Research on the housing needs of elderly persons has resulted in the following observations:

Older persons experience another very different category of housing-related problems when they have physical or cognitive limitations that make it difficult for them to conduct their usual life styles, take care of themselves, or maintain their dwellings without the help of others. Depending on the types and seriousness of their impairments, they may have to adopt one or more of the following options: secure help from family members or move into a family member’s home; obtain homemaker assistance, help with personal care, or nursing services from professional paid providers, home-based services, or community care providers, or relocate to a supportive seniors housing option. Older persons that are more at risk of having these limitations and having the fewest options will have one or more the following risk factors: they will be chronologically very old, will be poor, alone, unable to secure any type of assistance from family, less educated, or belong to a racial or ethnic minority.

Older persons may find that they have significantly less disposable income if they incur out of pocket costs for home- and community-based care and health care expenses, in particular prescription medicine costs. Those on fixed incomes may particularly find that paying for these expenses results in their once tolerable housing costs becoming a new burden, and in the case of older homeowners, make it difficult for them to afford their dwelling’s maintenance, upkeep, and upgrading costs.

The physical environment of the dwelling has the potential for worsening the effects of these physical and cognitive limitations. The design features and overall physical condition of a dwelling and its location relative to everyday needs may offer new obstacles or even an unsafe environment for impaired older persons to conduct their accustomed life-styles. Among the possible consequences: a car or a bus route may become unusable and accessing everyday community needs may become very difficult, an upstairs of a dwelling

may suddenly become inaccessible, throw rugs may become a walking hazard, using a stove may become unsafe, or a bathroom's shower or toilet may be difficult or impossible to use.

Older persons with unavailable family supports and with the lowest incomes represent the greatest potential demand on their State and locality's government-subsidized long-term care resources. Thus, these limitations are not just a personal affair, they become the "problems" of stakeholders in the public sector.

Source: Stephen M. Golant, Ph.D., *The Housing Problems of the Future Elderly Population*, A Report Prepared for the Commission on Affordable Housing and Health Facility Needs for Seniors in the 21st Century, January 2002, page 85

2. Housing Costs Exceeding Ability to Pay

Housing costs burdens are or will become a serious problem to the elderly with the lowest incomes.

According to SCAG's pre-certified housing data, an 'elderly family' consists of two persons with either or both age 62 or over. Of the City's 2,079 elderly family households, 60% have lower incomes – that is, 80% or less of the Riverside County median household income. A 2-person household with an annual income of less than \$50,600 is considered low income. Many, if not the majority, of these low income households are probably experiencing housing cost burdens.

The Riverside County *Area Plan on Aging* conducted a Needs Assessment that included almost 1,200 Community Assessment Surveys. Three responses concerning housing, food insecurity, and general economic hardships are noted below:

- 14% agreed that "I had a utility shut off due to my inability to pay the bill."
- 18% agreed that "I did not have enough money to pay my rent or mortgage."
- 23% agreed that "I had to choose between by basic needs (housing, food, medication) because I did not have enough money to pay for it all."

Many seniors living in Desert Hot Springs probably share the same concerns as the elderly who responded to the County survey.

3. Propensity to Fall Among the Elderly

As people get older, particularly after age 75, they become susceptible to falls which often lead to hospitalizations and increased medical costs. A UCLA health study revealed the age-specific propensities to fall:

The proportion of older Californians falling multiple times during the year increases with age. Among those ages 65-74, 10.6 percent reported multiple falls in the past year, compared to 13.8 percent of those 75- 84 and 19.3 percent of those ages 85 and over. Multiple falls also occurred more often than average among those with chronic conditions and disabilities, and they were most common among older adults who were legally blind, with almost one third (30.8 percent) reporting multiple falls.

Source: Steven P. Wallace, Ph.D., UCLA Center for Health Policy Research, *More than Half a Million Older Californians Fell Repeatedly in the Past Year*, November 2014, page 1

Table A-11 estimates that almost 500 elderly persons experience multiple falls during the course of a year.

**Table A-11
City of Desert Hot Springs
Elderly Population Experiencing Multiple Falls: 2015-2019**

Elderly Age Group	Total Population	Percent With Multiple Falls	Estimated Number With Multiple Falls
65-74	2,228	10.6%	236
75-84	1,193	13.8%	165
85+	456	19.3%	88
Total	3,877	12.6%	489

Source: Age data from Table A-9

4. Frail Elderly Population and Associated Supportive Housing Needs

Based on the Cardiovascular Health Study (CHS), frail elderly indicators include low grip strength, low energy, slowed walking speed, low physical activity, and/or unintentional weight loss. Still other indicators are based on a Frailty Index which accounts for disability, diseases, physical and cognitive impairments, and geriatric syndromes (e.g., falls, deliriums).

The frail elderly need assistance to perform daily living activities. The frail elderly may experience difficulty eating, bathing, toileting, etc. by oneself and/or difficulty using the telephone, getting outside, shopping, and doing light house work, etc. by oneself. The frail elderly may be assisted by in-home care, or by residing in supportive housing arrangements.

There are an estimated 453 frail elderly based on the population 65 years of age and older and frailty prevalence rates. Table A-12 shows that the frailty prevalence rate increases dramatically for the elderly population 85 years of age or older.

**Table A-12
City of Desert Hot Springs
Estimate of Frail Elderly Population
by Age Group: 2015-2019**

Age Group	Total	Frailty Prevalence	Frailty Prevalence
65-74	2,228	3.9%	87
75-84	1,193	11.6%	138
85+	456	25.0%	114
Total	3,877	7.7%	453

Source: Table A-X and Qian- Li Xue, PhD, *The Frailty Syndrome: Definitions and Natural History*, Clinics in Geriatric Medicine, February 1, 2011. Based on Cardiovascular Health Study (CHS)

Some of the responses to Riverside County's Office on Aging survey of the elderly include:

- “Aging is taking its toll”
- “I am going downhill”
- “It hurts to get old”
- “Will be unable to care for my husband in 5 years”

Many seniors living in Desert Hot Springs probably share the same concerns as the elderly who responded to the County survey.

d. Housing Programs and Services Addressing the Needs of the Elderly

1. Residential Care Facilities for the Elderly and Adult Residential Facilities

The elderly live in housing units either alone or with a person or persons. They also live in group home environments that are designed to accommodate their needs.

Eleven residential care facilities for the elderly are located in the City. Ten have a combined capacity of 57 beds and one assisted living facility has a capacity of 56 beds.

2. Area Agency on Aging Services

Area Agencies on Aging (AAAs) are local aging programs that provide information and services on a range of assistance for older adults and those who care for them. The federal Older Americans Act (OAA) and the Older Californians Act (OCA) provide the legislative context for California’s 33 AAAs to fund specific services, identify unmet needs, and engage in systems development activities.

AAAs are primarily responsible for a geographic area, also known as a planning and service area (PSA), that is a city, a single county, or a multi-county district. The Riverside County Office on Aging services the entire county unincorporated area and all incorporated cities.

AAAs coordinate and offer services that help older adults remain in their homes, if that is their preference, aided by services such as home-delivered meals, homemaker assistance, and whatever else it may take to make independent living a viable option. By making a range of supports available, AAAs make it possible for older individuals to choose the services and living arrangements that suit them best.

3. Senior Center of Desert Hot Springs

The Senior Center of Desert Hot Springs provides classes, activities and nutrition services for individuals 55 years and older who live in the Desert Hot Springs community. The classes and activities include health and safety related information such as improving balance, reducing the risk of falls, computer and cell phone operation assistance, fitness, health insurance and many other types of services.

The Center works with Find Food to distribute healthy food items including fresh vegetables, fruit, canned goods, dry goods, dairy and protein. Seniors receive the items at the Senior Center twice per month assisted by volunteers and staff. The Senior Center also provides daily lunches to those registered with the Meals on Wheels program.

Events and resource fairs for seniors are scheduled regularly to provide social interaction and informative opportunities.

The Director indicated that ageing in place is a good concept, so long as we provide the assistance needed to ensure healthy living. Funding for independent living services is of vital importance. Interestingly, the expansion of such services will also provide employment opportunities for those interested in health and human services fields.

4. Senior Advocates of the Desert

The organization is a 501(c)(3) nonprofit social services agency dedicated to serving low-income seniors age 60 and over living in the Coachella Valley. The agency assists seniors with several programs including social security benefits, Medicare, Medical, In Home Supportive Services, and veterans' benefits.

5. Legal Services

Inland Counties Legal Services provides free civil legal assistance to seniors who are 60 years or older who reside in Riverside or San Bernardino Counties.

Seniors who are low income, 75 years of age or older, non- or limited-English speaking, homebound, live alone or who are disabled, chronically ill, or functionally impaired receive priority in service.

Appointments are held at the Senior or Community Center.

Legal assistance includes housing issues such as mobile home park tenancies, evictions, and removing property liens.

e. Housing Element Policies and Programs

The Area Agency on Aging is responsible for the development of plans and policies to address the needs of the elderly population. The City will reach out to the Area Agency on Aging to assist toward achievement of the following *Area Plan on Aging* goal, objective and policy:

- Goal: Participate in discussions, coalitions, collaborations, and initiatives that focus on developing *age-friendly, disability friendly communities* that support older adults and persons with disabilities, allowing them to remain in the homes and communities of their choice.
- Objective: Assist with providing safe and affordable housing solutions to keep older adults and persons with disabilities in the homes and communities of their choice.
- Policy: Provide emergency assistance in the form of housing, rental, utility, transportation, home repairs and modifications, falls prevention, and mobility management assistance.

In addition, the *2021-2029 Housing Element* will include the following types of policies and programs:

- To relieve housing cost burdens, continue to promote Section 8 rental assistance
- To expand housing choices at potentially reduced costs, implement incentives for ADU development
- Prepare and adopt a Senior Housing Overlay Zone

- Provide financial assistance, if possible, to make home modifications

The purpose of a Senior Housing Overlay (SO) district is to provide optional standards and incentives for the development of a wide variety of specialized housing designed for and restricted to residents over the age of 55. Whenever the SO has been added to a base zone, the applicant may choose whether to use the optional SO standards or the standards of the base zone.

Section II describes the programs and policies in greater detail.

2. Persons with Disabilities

a. Population and Household Characteristics

Disabled persons can have one or more of the following conditions:

- Hearing difficulty includes respondents who stated they were “deaf or ... [had] serious difficulty hearing.”
- Vision difficulty includes respondents who stated they were “blind or ... [had] serious difficulty seeing even when wearing glasses.”
- Cognitive difficulty includes respondents who due to physical, mental, or emotional condition, had “serious difficulty concentrating, remembering, or making decisions.”
- Ambulatory difficulty includes respondents who had “serious difficulty walking or climbing stairs.”
- Self-care difficulty includes respondents who had “difficulty dressing or bathing.” Difficulty with these activities are two of six specific Activities of Daily Living (ADLs) often used by health care providers to assess patients’ self-care needs.
- Independent living difficulty includes respondents who due to a physical, mental, or emotional condition, had difficulty “doing errands alone such as visiting a doctor’s office or shopping.” Difficulty with this activity is one of several Instrumental Activities of Daily Living (IADL) used by health care providers in making care decisions.

Approximately 3,700 residents have one or more disability, a number that represents 13% of the City’s total population. The disability prevalence rate, or percent disabled, steadily increases with age. Almost 50% of the senior population 75 years old or older has a disability. Table A-13 presents the number and percent of disabled persons by age group.

Table A-14 shows that an estimated 2,760 households have one or more member with a disability, a number that is just over 26% of all households. The member with a disability could be the head of household, a spouse, a child or other related or unrelated person living in the housing unit.

Table A-13
City of Desert Hot Springs
Disability Prevalence Rates by Age Group: 2015-2019

Age Group	With a Disability	No Disability	Total Population	Prevalence Rate
Under 5 years	0	1,804	1,804	0.0%
5 to 17 years	208	5,132	5,340	3.9%
18 to 34 years	318	5,927	6,245	5.1%
35 to 64 years	1,771	9,548	11,319	15.6%
65 to 74 years	615	1,613	2,228	27.6%
75 years +	808	841	1,649	49.0%
Total	3,720	24,865	28,585	13.0%

Source: 2015-2019 American Community Survey 5-Year Estimates, Table B18101, Sex by Age by Disability Status

Table A-14
City of Desert Hot Springs
Disabled Householders: 2015-2019

Household Disability Status	Number	Percent
Households with one or more persons with a disability	2,760	26.3%
Households with no persons with a disability	7,716	73.7%
Total	10,476	100.0%

Source: 2018 American Community Survey 1-Year Estimates, Table B22010, Receipt of Food Stamps/SNAP in the Past 12 Months by Disability Status for Households

b. Living Arrangements of People with Disabilities

1. Group Living Arrangements

Very few disabled people are living in group living arrangements such as adult residential facilities, residential care facilities for the elderly, assisted living, board and care facilities or skilled nursing facilities. The State Department of Finance estimates that 118 persons live in group quarters, which means that almost all disabled persons live in a household.

According to the California Community Care Licensing Division, six adult residential care facilities are located in the City. They have a combined capacity of 34 beds.

An ARF is a residential home for adults 18 to 59 with mental health care needs or who have physical or developmental disabilities and require or prefer assistance with care and supervision.

2. Separate Living Quarters

Table A-14 shows that approximately one in four households have a member with a disability. The disabled member, as previously noted, could be the head of household, a spouse, child, relative or other person living in the occupied housing unit.

Almost all of the disabled population lives in a housing unit. They do not reside, as reported above, in an institutional setting such as a nursing home or rehabilitation facility.

c. Housing Needs of Disabled Persons

The housing needs of disabled persons may include independent living units with affordable housing costs; supportive housing with affordable housing costs; and housing with design features that facilitate mobility and independence. The shortage of available, accessible, and/or affordable housing is an acute problem for most people with disabilities (PWD).

According to the Riverside County Office on Aging:

Affordable housing is a serious problem for seniors and adults with disabilities at this time in Riverside County and will increase in importance as efforts are made to reduce institutionalization and provide support to individuals living in community settings.

More specifically, the special needs of disabled persons may include:

- Accessibility and suitability of key 'functional rooms' such as bathrooms, kitchens, toilets (including extra downstairs toilets) which enable disabled people to conduct their own activities of living
- Structural needs such as wheelchair accessibility, no internal stairs, bathroom with grab bars
- Flat, level ground between garage and entryway
- Non-porch stairs
- Modifications to housing unit
- Assistance with maintenance and repairs
- Close proximity to doctors, caregivers
- Housing costs with the means of ability to pay

To meet some of their special needs, renters may request that their landlords approve requests for reasonable accommodations and/or reasonable modifications. Renters may also need to move to find housing that meets their special needs. On the other hand, disabled homeowners may remain in their homes and make physical adaptations.

d. Housing Programs and Services Addressing the Needs of Persons with Disabilities

1. Services that Assist Elderly and Non-Elderly Disabled Persons

The persons living in housing units make their home within a neighborhood. Some have become disabled while they lived in the same neighborhood and home. Some, too, are cared for by family members who live in the same home or relatives who have a home nearby. Still others receive care from the In Home Supportive Services Program.

The In-Home Supportive Services Program helps pay for services provided to eligible persons who are 65 years of age or over, or legally blind, or disabled adults and children, so they can remain safely in their own homes. IHSS is considered an alternative to out-of-home care, such as nursing homes or board and care facilities.

The County of Riverside DPSS does not publish statistical data on persons receiving IHSS by city, age, or race/ethnicity.

2. Community Based Transition Services

Under the landmark 1999 U.S. Supreme Court Olmstead decision, the state of California is required to accommodate those with physical, mental or developmental disabilities who live in institutions, or are at risk of doing so, in the least restrictive settings possible. Living in “institutions” is considered living in a segregated setting - that is, all other persons living in the institution are disabled.

The “institutional” setting in the Olmstead decision was a psychiatric hospital. Additional institutional settings include “institutions for mental disease,” mental health rehabilitation centers, hospitals and rehabilitation centers, and nursing facilities. Some disabled persons living in a nursing facility may qualify for living in a community setting with attendant care.

The Community Access Center (CAC) is an Independent Living Center with an office in Desert Hot Springs. The CAC is able to assist individuals with physical disabilities who reside in institutional settings to regain their independence within their community. Institutional settings include:

- Nursing home
- Rehabilitation facility
- Transitional or supported Housing (minimal assistance available for step-down transition options)

Various levels of assistance are available from the CAC based on need and individual resources:

- General assistance in finding affordable and accessible housing
- Financial assistance to pay deposits and assist with necessary household items
- Case management to develop a transition plan
- Attendant services to assist with activities of daily living
- Adaptive equipment loan services
- Peer support and advocacy
- Information and referral
- Independent living skills training and guidance

e. Housing Element Policies and Programs

Based on the foregoing analysis, the *2021-2029 Housing Element* will include the following types of policies and programs:

- To relieve housing cost burdens, continue to promote Section 8 rental assistance
- Promote and make the community aware of the Reasonable Accommodation Procedure

- Provide information to apartment owners, property management companies and on-site property managers regarding reasonable accommodations, reasonable modifications; and service and companion animals
- Coordinate with the Community Access Center to promote independent living services
- Provide financial assistance, if funding resources become available, to make home modifications

Some of the policies and programs also have the objective of affirmatively furthering fair housing.

Section II describes the programs and policies in greater detail.

3. Persons with Developmental Disabilities

a. Inland Regional Center Customers

According to Section 4512 of the Welfare and Institutions Code a:

"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 which includes *mental retardation, cerebral palsy, epilepsy, and autism*. This term shall also include disabling conditions found to be closely related to mental retardation or to require treatment similar to that required for individuals with mental retardation, but shall not include other handicapping conditions that are solely physical in nature." [Emphasis added]

Desert Hot Springs is located within the service area of the Inland Regional Center (IRC), which is one California's 21 regional centers. The Inland Regional Center serves approximately 25,000 developmentally disabled persons residing in the Counties of Riverside and San Bernardino.

The California Department of Development Services (DDS) publishes counts of consumers by zip code. The Department serves 376 consumers in Desert Hot Springs' 92240 zip code:

- 155 customers are 17 years of age or younger
- 221 customers are 18 years of age or older.

b. Living Arrangements

Many developmentally disabled persons can live and work independently within a conventional housing environment. More severely disabled individuals require a group living environment where supervision is provided. The most severely affected individuals may require an institutional environment where medical attention and physical therapy are provided. Because developmental disabilities exist before adulthood, the first issue in supportive housing for the developmentally disabled is the transition from the person's living situation as a child to an appropriate level of independence as an adult.

Table A-15 shows that 261 of the 376 developmentally disabled persons live in the home of a parent, family member, or guardian. Seventy persons are living in a group environment such as such as Community Care Facility (CCF) and Intermediate Care Facility (ICF).

Table A-15
City of Desert Hot Springs
Living Quarters of Persons With
Developmental Disabilities: End of June 2019

Home of Parent/Family/Guardian	261
Independent/Supported Living	32
Community Care Facility	11
Intermediate Care Facility	59
Foster/Family Home	<11
Other	<11
Age 0-17 years	155
Age 18+ years	221

Source: California Department of Development Services, *Consumer Count by California ZIP Code and Residence Type*, end of June 2019

c. Housing Needs of Developmentally Disabled Persons

According to the State Department of Developmental Services:

Affordable housing is a cornerstone to individuals with developmental disabilities residing in their local communities. Due to the high cost of housing in California, many individuals served by the regional centers require deep subsidies in order to make housing affordable. DDS is actively pursuing projects that will increase capacity and precipitate the construction of new affordable housing.

Rental assistance is a need experienced by many developmentally disabled adults.

d. Housing Programs and Services Addressing the Needs of Persons with Developmental Disabilities

1. State Department of Developmental Services

The DDS currently provides community based services to approximately 243,000 persons with developmental disabilities and their families through a statewide system of 21 regional centers, four developmental centers, and two community-based facilities.

DDS has followed the Lanterman Act's direction to promote "opportunities for individuals with developmental disabilities to be integrated into the mainstream of life in their home communities, including supported living and other appropriate community living arrangements."

2. Inland Regional Center

The Inland Regional Center, which serves both Riverside and San Bernardino counties, provides point of entry to services for people with developmental disabilities. The center is a private, non-profit community agency that contracts with local businesses to offer a wide range of services to individuals with developmental disabilities and their families. There is a field office located in the City of San Bernardino at 1365 South Waterman Avenue.

To better serve the needs of its consumers, Inland Regional Center designed programs according to age, specialization, and geographic location. Categories include Early Start/Prevention, 0-3; School age, 3-15; Transition, 16-22; Adult, 23-57; and Senior, 57+.

The Inland Regional Center utilizes person-centered planning to develop an Individual's Program Plan (IPP). The IPP outlines the goals developed by the developmentally disabled individual and their support team, as well as the services and supports they will receive to help achieve those goals. Many of the services/supports listed in the IPP are funded by Inland Regional Center. However, services and supports may be provided by other agencies such as the Social Security Administration, school districts, and county agencies.

The Inland Regional Center's housing related services include:

- Independent living skills
- Housing support services (for example, accessibility services, payee services, parenting support services)
- Supportive living services (for persons living on their own who may need 24 hour support)

e. Housing Element Policies and Programs

Based on the foregoing analysis, the *2021-2029 Housing Element* will include the following types of policies and programs:

- Explore with the Inland Regional Center the need for home modifications in homes occupied by persons with developmental disabilities
- Post on the City's website information on the services and resources available from the Inland Regional Center
- Explore with the Community Access Center the opportunities that may be available to transition developmentally disabled persons from an institutional setting to a home environment

Section II describes the programs and policies in greater detail.

4. Large Families

a. Population and Household Characteristics

Large families are households consisting of five or more persons. Table A-16 shows that there just over 1,100 large families comprising almost 11% of all the City's households. Renters constitute 64% of all large families.

Table A-16
City of Desert Hot Springs
Tenure by Household Size: 2015-2019

Households Size (Number of Persons)	Owner Occupied	Renter Occupied	Total Households	Percent Distribution
5	247	432	679	6.5%
6	81	164	245	2.3%
7+	78	127	205	2.0%
Total	406	723	1,129	100.0%

Source: 2015-2019 American Community Survey 5-Year Estimates, Table B25009, Tenure by Household Size

b. Housing Needs of Large Families

The City has more than 700 large family renter households. Renters are constrained by the inability to add space to their housing unit, especially if it is an apartment unit. Large family renters who need more space will probably need to move to a larger rental unit, perhaps a single family home.

Larger families may also need an additional bedroom. Owners, if they have enough income, can pay for a bedroom addition or the construction of an accessory dwelling unit.

Lower income renters and owners face a significant financial barrier to accommodate their space needs with more spacious housing.

c. Housing Programs and Services Addressing the Needs of Large Families

1. Affordable 3 and 4 Bedroom Apartment Units

The following tax credit rental affordable housing developments contain apartment units meeting the space needs of large families:

- Arroyo de Paz I: 20 3-bedroom units and 12 4-bedroom units
- Arroyo de Paz II: 12 3-bedroom units and 8 4-bedroom units
- Brisas de Paz: 25 3-bedroom units
- Verbena Crossing: 48 3-bedroom units
- Desert Horizons: 11 3-bedroom units

Altogether these five developments contain 116 3-bedroom units and 20 4-bedroom units.

2. County Down Payment Assistance Program

Lower income renter householders are eligible to participate in the County of Riverside Down Payment Assistance Program. Renter householders with incomes at the moderate income level or below are eligible to participate in the Mortgage Credit Certificate (MCC) Program. Large renter families can obtain more living by purchasing a single family home.

3. Funding for the Development of Accessory Dwelling Units (ADUs)

Through the County of Riverside, the City is eligible to receive a share of the County's Permanent Local Housing Allocation (PLHA) funds. One of the eligible funding activities is the development of accessory dwelling units.

4. County of Riverside Community Action Partnership (CAP)

CAP is a public community action agency that receives funding from the federal Community Services Block Grant (CSBG) Program.

CAP's housing assistance program provides a savings match to help families develop an Individual Development Account (IDA). CAP works with the Housing Authority of the County of Riverside and its first time home buyers' down payment assistance program. Homes in contrast to apartments have more bedrooms and space and can more readily accommodate the needs of large families.

CAP also administers programs and services offering education and wealth building that strengthens families such as:

- Earned Income Tax Credit (EITC)
- Parent/Children Poverty Reduction Program
- On the Job Training

Large families that are cost burden can benefit from the poverty reduction program. This program can lead to increased income and potentially reduce the proportion of family income spent on housing costs.

5. County of Riverside Department of Public Services (DPSS)

DPSS provides adult services, children services and self-sufficiency services. It provides cash assistance to families (e.g., CalWORKs) and food and nutrition assistance (e.g., CalFRESH).

DPSS has offices located throughout the County including Indio, Cathedral City, and Rancho Mirage.

Financial assistance available from DPSS can help to mitigate the adverse impacts of housing cost burden, which often leaves families without enough income to pay for food and other basic needs.

d. Housing Element Policies and Programs

Based on the foregoing analysis, the *2021-2029 Housing Element* will include the following types of policies and programs:

- Preserve the affordable rental housing with 3- and 4-bedrooms
- Promote the down payment assistance program to enable large renter families to buy a home with enough bedrooms
- Implement incentives including funding resources for the development of ADUs
- Promote a large family housing development at an R-H zoned affordable housing site

Section II describes the programs and policies in greater detail.

5. Farmworkers

a. Housing Needs

Thirty-seven persons are employed in the farming, fishing and forestry occupations, according to SCAG's pre-certified housing data,

Maps from the State of California Department of Conservation Farmland Mapping and Monitoring Program show no farmland in Desert Hot Springs. Due to the low number of agricultural workers in the City, the housing needs of migrant and/or farm worker housing need can be met through existing and future affordable housing programs.

b. Farmworker Housing

Farmworker housing is predominantly located in the Coachella Valley sub-region of Riverside County. For example, in the City of Indio the following farmworker housing developments are located: Desert Gardens Apartments, Fred Young Farm Labor Camp, and Horizons at Indio. In Coachella, the following farmworker housing developments are located: Las Casas Apartments, Casa Grande, Fuente de Paz Apartments, and Las Flores Family Apartments.

6. Female Householders

a. Population and Household Characteristics

A *household* includes all the people who occupy a housing unit. People who are not living in households are classified as living in group quarters or are homeless. One person in each household is designated as the *householder*. In most cases, this is the person or one of the people in whose name the home is owned, being bought, or rented.

There are two household types: family and non-family.

A *family* consists of a householder and one or more other people living in the same household who are related to the householder by birth, marriage, or adoption. All people in a household who are related to the householder are regarded as members of his or her family.

A family may consist of a married couple, cohabiting couple, male householder, or *female householder*.

A nonfamily household is a householder living alone or with nonrelatives only.

Therefore, a female householder can be:

- A family with a female householder and no spouse present
- A nonfamily householder who lives alone or with nonrelatives only

Furthermore, a family female householder may have children or no children.

The ACS estimates that 5,304 female householders live in Desert Hot Springs, a number that represents 51% of all households. An estimated 1,777 female householders live alone and 3,527 live with other people.

b. Housing Needs of Female Householders

Housing needs often experienced by female householders may include:

- Housing with costs within their ability to pay
- Housing in close proximity to work place
- Access to housing which accommodates children
- Access to housing near parks and open space to serve the needs of female householders with children.
- Access to housing which is designed for security and convenience
- Assistance with maintenance and repairs for elderly women living alone

c. Housing Programs and Services Addressing the Needs of Female Householders**1. County of Riverside Commission for Women**

The Commission is located in downtown Riverside. Among the Commission's purposes are: 1) to identify issues, concerns and needs affecting women and 2) refer individuals to appropriate services, organizations, and resources. It also recommends policies and procedures to the County Board of Supervisors.

2. Child Care Centers

The City has the following child care centers:

- Two school age day care centers with a combined capacity of 187 children
- Seven Child Care Centers Preschool with a combined capacity of 263 children
- Eleven large family child care homes with a capacity of 14 children each

Data are unavailable regarding small family child care homes.

3. Riverside County Department of Public Social Services (DPSS)

The DPSS Child Care programs provide child care payments to a variety of eligible families. From working CalWORKs recipients to parents of children receiving protective services, the Child Care programs offer the customer prompt and accurate access to help with child care expenses.

All child care funds are paid on behalf of the customer directly to the provider of their choice. The State of California sets the maximum rate paid for child care. The amount is based on the age of the child, the type of care used, whether the provider is licensed or un-licensed, and the amount of time the child care is needed. In some cases, the child care provider may charge more than the maximum amount DPSS can pay. In this case, the customer pays the difference. In addition, some families may have to pay a part of the cost of child care because their gross income is over a certain amount for their family size.

4. Child Care Resource & Referral

This state and federally funded program assists parents in Riverside County with finding licensed child care near their home, work, or child's school. The computerized, geographically based

program lists over 2,800 licensed centers and family child care homes. The Online Referral System requests the following family and children information:

- Location: near home, near work/school, near child/children's school
- Preferred provider type: family child care home, child care center, or other

The Riverside County DPSS also has an online Service Provider Directory. Female householders can complete searches by service type and services available in close proximity to a specific address.

5. Housing Element Policies and Programs

Based on the foregoing analysis, the *2021-2029 Housing Element* will include the following types of policies and programs:

- Work with the Fair Housing Council of Riverside County, Inc. to ensure that female householders are free from housing discrimination on the basis of sex and familial status.
- Post on the City's website information on availability and location of child care services.

Section II describes the programs and policies in greater detail.

7. **Families and Persons in Need of Emergency Shelter**

a. Unsheltered Homeless

Unsheltered homeless are defined as those who reside in places not meant for human habitation, such as cars, parks, sidewalks, abandoned buildings, or on the street.

The January 2020 Riverside County Homeless Point in Time (PIT) Count identified 68 unsheltered homeless adults and children living in Desert Hot Springs. Twenty-two percent of the homeless were chronically homeless.

The City of Riverside had 587 homeless persons, the largest number in the County.

b. Emergency Shelter Zoning and Shelter Space Needs

Emergency shelters are permitted in the R-H Zone and conditionally permitted in the R-M Zone.

Low barrier navigation centers are permitted in the MU-N and MU-C Zones. The zoning provisions are consistent with AB 101 which requires that Low-Barrier Navigation Centers are a use by right in areas zoned for mixed use and nonresidential zones permitting multifamily uses.

The living space standards of efficiency dwelling units was relied on to calculate an order of magnitude estimate of the square footage needed to accommodate 68 homeless persons. The efficiency dwelling unit standard is 220 square feet for the first occupant and 100 square feet for all additional persons. Thus, somewhat less than 7,000 square feet would be needed to provide enough sleeping space for 68 homeless persons. Additional space would be needed for staff, bathrooms, etc. It is assumed that 10,000 to 12,000 square feet would be sufficient to meet the space needs generated by an emergency shelter housing 68 persons.

The R-H Zone has an abundance of vacant land that can accommodate the space needs of an emergency shelter addressing the City's homeless population.

c. Riverside County Emergency Shelters

There are 14 emergency shelters with a total of 879 beds located in Riverside County. Of the 879 beds available –

- 305 beds are for families with children
- 380 beds are for households without children
- 37 beds are only for children
- 120 beds in two shelters are for domestic violence victims
- 37 beds are in shelters for youth

Homeless service providers continually work toward linking homeless individuals and families to existing mainstream benefits such as Temporary Assistance to Needy Families (TANF), MediCal, and Food Stamps (CalFRESH).

The Coachella Valley Association of Governments (CVAG) operates the CV Housing First integrated program model – outreach, intake, case management, and data entry. The CV Housing First Program is funded by grants and contributions from member jurisdictions, which includes the City of Desert Hot Springs.

d. Housing Element Policies and Programs

Based on the foregoing analysis, the *2021-2029 Housing Element* will include the following types of policies and programs:

- Continue to participate in the CVAG Homeless Committee meetings and policy planning
- Continue to contribute funds to the CVAG Housing First program, or a similar program.

F. PROJECTED HOUSING NEEDS

1. Population Trends and Projections

The January 1, 2020 Department of Finance (DOF) population estimate is 29,660 persons. Of the total population, 29,542 live in households (housing units) and 118 persons live in group quarters.

During the nearly 10 year period between the April 1, 2010 Census and January 1, 2020, the City's population grew by 3,722 persons or 14.3%. The annual average population gain was approximately 370 persons.

An estimated 10,500 persons would be added to the total population if the City's RHNA was constructed by 2029. This estimate is based on an average household size of 2.7 persons applied to the RHNA need of 3,873 housing units.

2. Employment Trends and Projections

In 2016, 3,700 jobs were located in the City, according to SCAG's *Connect SoCal Demographics and Growth Forecast*. By 2045, the growth forecast expects 8,700 jobs to be located in Desert

Hot Springs, a net increase of 5,000 jobs over a 29-year period. The average annual jobs increase of 172 jobs means that 1,379 jobs could be added during the 2021-2029 planning period.

Job growth alone would not generate the need for new housing in the number calculated as the City’s share of the regional housing need (3,873).

3. Share of Regional Housing Needs/Regional Housing Needs Assessment

The SCAG Region’s housing need was determined by HCD. The SCAG “region” encompasses the counties of Ventura, Los Angeles, Orange, Riverside, San Bernardino and Imperial.

On August 22, 2019, HCD provided SCAG with a numerical determination of the region’s existing and projected housing need (1,344,740) for the 8.3 year period from June 30, 2021 to October 15, 2029.

On September 18, 2019 SCAG transmitted to HCD a letter objecting to HCD’s regional housing need determination. The objection letter offered alternative regional housing need determinations ranging between 823,808 and 920,772 housing units.

On October 15, 2019, HCD notified SCAG that it disagreed with SCAG’s objection letter and issued the *Final Regional Housing Needs Assessment*, as shown in Table A-17.

Table A-17
SCAG Region:
Final Regional Housing Needs Assessment
June 30, 2021 to October 15, 2029

Income Group	Number of Housing Units
Very Low	351,796
Low	223,807
Moderate	223,967
Above Moderate	559,267
Total	1,341,827

Source: California Department of Housing and Community Development, SCAG Region, Final Regional Housing Needs Assessment

Given the final determination of the regional housing need, SCAG’s responsibility then became establishing a methodology to distribute, meaning allocate, a share of the total regional housing need of 1,341,827 housing units to each county (6) and city (191) in the region.

The total regional housing need is comprised of two components: projected need and existing need.

Three components comprise the regional *projected* need of 504,970 housing units: household growth (466,958); future vacancy need (14,467); and replacement need (23,545).

The regional *existing* need is 836,857 housing units (total need of 1,341,827 minus projected need of 504,970).

SCAG’s Regional Council voted to approve a Draft RHNA Methodology on November 7, 2019 and transmitted it to HCD for their statutorily required review. On January 13, 2020, HCD completed its review of the draft methodology and found that it furthers the objectives of Regional Housing Need Assessment (RHNA).

On March 4, 2020, SCAG’s Regional Council voted to approve the Final RHNA Methodology.

To determine a jurisdiction’s projected need, the allocation methodology uses a three-step process:

- Determine the jurisdiction’s regional projected household growth *based on local input*
- Determine future vacancy need based on a jurisdiction’s existing composition of owner and renter households and apply a vacancy rate on projected household growth based on the following:
 - ✓ Apply a 1.5% vacancy need for owner households
 - ✓ Apply a 5.0% vacancy need for renter households
- Determine a jurisdiction’s net replacement need based on the replacement need survey results

For Desert Hot Springs the *Draft* RHNA methodology calculated the City’s projected housing need as follows:

- | | |
|--|---------------------|
| • Projected Need Based on Local Input: | 3,539 housing units |
| • Vacancy Adjustment: | 123 housing units |
| • Replacement Need: | 31 housing units |
| • Total Projected Need: | 3,693 housing units |

HCD explains “existing need” as referring to legislative changes which are intended to explicitly address housing production “backlog.” The backlog refers to persons living in existing housing units who would live independent of others (a household) if there was sufficient housing production. Government Code Section 65584.01(b)(1) cites two indicators that capture the “backlog” and form the basis for computing “existing need.”:

- Overcrowded households: “more than one resident per room in each room in a dwelling.”
- Cost burdened: the share of very low-, low-, moderate-, and above moderate-income households that are paying more than 30 percent of household income on housing costs.

The total existing need of 836,857 housing units was split into two parts:

- 50% was allocated on the basis of population near transit; that is, designated High Quality Transit Areas (HQTAs).

Desert Hot Springs’ share of the regional population within HQTAs is zero housing units.

- 50% allocated on the basis of jobs accessibility.

Desert Hot Springs’ share of the regional jobs accessibility is 172 housing units.

The Final RHNA Methodology allocates 3,873 housing units to Desert Hot Springs:

After determining a jurisdiction’s total RHNA allocation, the next step is to assign the total allocation into four RHNA income categories. The four RHNA income categories are:

- Very low (50% or less of the county median income)
- Low (50-80%)
- Moderate (80 to 120%)
- Above moderate (120%and above)

One RHNA objective specifically requires that the RHNA methodology allocate a lower proportion of housing need to jurisdictions that already have a disproportionately high concentration of those households in comparison to the county distribution. Additionally, another objective, affirmatively furthering fair housing (AFFH), requires that the RHNA methodology further the objectives of addressing significant disparities in housing needs and access to opportunity in order to overcome patterns of segregation.

With the Regional Council’s adoption of Connect SoCal in its entirety on September 3, 2020, SCAG distributed the *draft* RHNA Allocation to local jurisdictions on September 4, 2020.

Cities and counties were able to appeal their Draft RHNA allocation. SCAG approved only two (County of Riverside and Pico Rivera) of the almost 50 appeals that were submitted. The SCAG Regional Council approved the Final RHNA allocation on March 4, 2021.

Table A-18 shows the City’s final RHNA allocation by income group.

Table A-18
City of Desert Hot Springs
Share of Regional Housing Needs
June 30, 2021 – October 15, 2029

Income Group	Number	Percent
Extremely Low	284	7.3%
Very Low	285	7.3%
Low	535	13.8%
Moderate	688	17.8%
Above Moderate	2,081	53.8%
Total:	3,873	100.0%

Source: Southern California Association of Governments, 6th Cycle RHNA Allocation Approved by Regional Council, 3/4/21

APPENDIX B. ASSESSMENT OF FAIR HOUSING**A. GOVERNMENT CODE REQUIREMENTS****1. Background****a. HUD's Assessment of Fair Housing**

On July 16, 2015, the U.S. Department of Housing and Urban Development (HUD) published a final rule on Affirmatively Furthering Fair Housing (AFFH rule).¹ The AFFH rule established a process that certain recipients of HUD funding (referred to in the rule as “program participants”) were to use to help them meet their long-standing obligations to affirmatively further fair housing. The AFFH rule created a standardized process for fair housing planning – referred to in the AFFH rule as an Assessment of Fair Housing (AFH).

On January 5, 2018 HUD published a notice in the Federal Register suspending the obligation to prepare and submit an AFH.

In the *Federal Register* notice, HUD claimed that, based on reviews of the 49 initial AFHs submissions, local governments needed additional time and technical assistance to adjust to the AFFH process and complete AFH submissions that HUD could accept. Thirty-five percent of the 49 submissions (17 submissions) were not accepted when first submitted. HUD did not discuss why they were not accepted or how meaningful the deficiencies were.

b. AB 686 (Santiago)

AB 686 was introduced on April 3, 2017. The June 4, 2018 version added the Assessment of Fair Housing to the program requirements of a local housing element, beginning on January 1, 2021. Government Code Section 65583(c)(5) states the housing program shall -

Promote and affirmatively further fair housing opportunities and promote housing throughout the community or communities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability, and other characteristics protected by the California Fair Employment and Housing Act (Part 2.8 (commencing with Section 12900) of Division 3 of Title 2), Section 65008, and any other state and federal fair housing and planning law.

AB 686 does not ascribe a quantified meaning to the phrase “throughout” a community.

¹ The AFFH rule is published at 80 Fed. Reg. 42,272 and codified at 24 CFR Part 5, along with conforming amendments to Parts 91, 570, and 903. The effective date of the AFFH rule is August 17, 2015.

2. Assessment of Fair Housing Requirements

Appendix B presents an *Assessment of Fair Housing* for purposes of providing direction to the City on the goals, priorities and strategies it can adopt to affirmatively further fair housing (AFFH).

The Government Code requirements relating to affirmatively furthering fair housing and the assessment of fair housing are described on the next page.

Affirmatively Furthering Fair Housing/Assessment of Fair Housing**Government Code Section 8899.50**

(a) For purposes of this section, the following terms have the following meanings:

(1) “Affirmatively furthering fair housing” means taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing 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 racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws. The duty to affirmatively further fair housing extends to all of a public agency’s activities and programs relating to housing and community development.

Government Code Section 65583(c)(9)(A) states:

Affirmatively further fair housing in accordance with Chapter 15 (commencing with Section 8899.50) of Division 1 of Title 2. The program shall include an assessment of fair housing in the jurisdiction that shall include all of the following components:

(i) A summary of fair housing issues in the jurisdiction and an assessment of the jurisdiction’s fair housing enforcement and fair housing outreach capacity.

(ii) An analysis of available federal, state, and local data and knowledge to identify integration and segregation patterns and trends, racially or ethnically concentrated areas of poverty, disparities in access to opportunity, and disproportionate housing needs within the jurisdiction, including displacement risk.

(iii) An assessment of the contributing factors for the fair housing issues identified under clause (ii).

(iv) An identification of the jurisdiction’s fair housing priorities and goals, giving highest priority to those factors identified in clause (iii) that limit or deny fair housing choice or access to opportunity, or negatively impact fair housing or civil rights compliance, and identifying the metrics and milestones for determining what fair housing results will be achieved.

(v) Strategies and actions to implement those priorities and goals, which may include, but are not limited to, enhancing mobility strategies and encouraging development of new affordable housing in areas of opportunity, as well as place-based strategies to encourage community revitalization, including preservation of existing affordable housing, and protecting existing residents from displacement

The *Assessment of Fair Housing* presents an analysis of five potential issues:

- Integration and segregation patterns and trends
- Racially or ethnically concentrated areas of poverty
- Disparities in access to opportunity
- Disproportionate housing needs within the City
- Displacement risk

Government Code Section (c)(9)(A) requires the analysis of fair housing issues to focus on those existing within a jurisdiction. This focus is appropriate because it is the City's goals, priorities and strategies that will guide the actions to be taken to AFFH. The obstacles of comparing the city to a "region" are explained later in this *Assessment of Fair Housing*.

The fair housing analysis is hindered because the American Community Survey (ACS) does not produce data for each of the protected classes. For example, data are unavailable from the ACS regarding religious affiliation and the cost burdens experienced by sex of householder or by familial status.

The purpose of the analysis is to provide a basis to identify a "fair housing issue." For example, does segregation exist in the jurisdiction? Are there racially and ethnically concentrated areas of poverty in the jurisdiction?

If there are fair housing issues in the jurisdiction, then the assessment must identify and describe the factors that contribute to: 1) limiting or denying fair housing choice or access to opportunity and 2) negatively impacting fair housing or civil rights compliance.

The jurisdiction then must identify for each contributing factor, the fair housing priorities and goals and the strategies to implement those priorities and goals. Government Code Section 65583(c)(9)(A)(v) provides examples of possible strategies and actions:

- Enhancing mobility strategies
- Encouraging development of new affordable housing in areas of opportunity
- Place-based strategies to encourage community revitalization
- Preservation of existing affordable housing
- Protecting existing residents from displacement

The strategies and actions become necessary when a fair housing issue is identified and the factors that contribute to that issue are known to some degree of certainty.

Government Code Section 8899.50(b) states:

In selecting meaningful actions to fulfill the obligation to affirmatively further fair housing, this section does not require a public agency to take, or prohibit a public agency from taking, any one particular action.

According to Government Code Section 8899.50(c):

This section shall be interpreted consistent with the Affirmatively Furthering Fair Housing Final Rule and accompanying commentary published by the United States Department of Housing and Urban Development contained in Volume 80 of the Federal Register, Number 136, pages 42272 to 42371, inclusive, dated July 16, 2015. Subsequent amendment, suspension, or revocation of this Final Rule or its accompanying commentary by the federal government shall not impact the interpretation of this section.

In preparing the AFH, the program participants – primarily Community Development Block Grant (CDBG) entitlement communities – were advised by HUD to use several available resources, including the *AFFH Rule Guidebook*, which was made available to grantees on December 15, 2015.

3. Local Data and Knowledge

Desert Hot Springs is not a HUD Community Development Block Grant (CDBG) entitlement jurisdiction. Entitlement jurisdictions are required to conduct fair housing planning as a condition of receiving CDBG funds. Since the City does not receive CDBG funds, it has no prior knowledge or data base that could have contributed to the preparation of the *Assessment of Fair Housing*.

Local data and knowledge was obtained from local organizations such as, but not limited, to the Fair Housing Council of Riverside County, Inc., Housing Authority of the County of Riverside, Community Action Partnership, Community Access Center, Area Agency on Aging, County of Riverside Department of Public Social Services, and Inland Regional Center.

B. FAIR HOUSING PROTECTED CHARACTERISTICS AND PROTECTED CLASSES

A “protected class” is a group of people with a common characteristic who are legally protected from housing discrimination.

According to U.S. Department of Housing and Urban Development (HUD):

- *Protected Characteristics* are race, color, religion, sex, familial status, national origin, having a disability, and having a type of disability. (24 C.F.R. § 5.152)
- *Protected Class* means a group of persons who have the same protected characteristic; e.g., a group of persons who are of the same race are a protected class. Similarly, a person who has a mobility disability is a member of the protected class of persons with disabilities and a member of the protected class of persons with mobility disabilities. (24 C.F.R. § 5.152)

Federal Protected Classes

- Race
- Color
- National Origin

- Disability: Mental and Physical
- Religion
- Sex
- Familial Status

California Protected Classes

- Marital Status
- Ancestry
- Source of Income
- Sexual Orientation
- Age*
- Gender Identity, Gender Expression
- Genetic Information
- Military or Veterans Status
- Primary Language*
- Citizenship/Immigration Status*

*Covered under the Unruh Civil Rights Act, which applies to most housing accommodations in California

Income, per se, is not a protected class. According to HUD:

...the Fair Housing Act does not prohibit discrimination on the basis of income or other characteristics not specified in the Act, and it is not HUD's intent to use the AFFH rule to expand the characteristics protected by the Act.

Source: Federal Register July 16, 2015, page 42283

The federal Fair Housing Act prohibits both intentional discrimination and policies and practices that discriminate against the seven protected classes/groups. According to HUD's Office of General Counsel (OGC), people with limited English proficiency (LEP) are not a protected class under the Fair Housing Act. However, the OGC explains that there is a close link between LEP and certain racial and national origin groups.

C. DEFINITIONS OF FAIR HOUSING PROTECTED CLASSES AND DISCRIMINATION EXAMPLES

1. Race

The federal Fair Housing Act does not define "race". Data on race is required for many federal programs and the Census Bureau collects race data in accordance with guidelines provided by the U.S. Office of Management and Budget (OMB) and these data are based on self-identification. The racial categories included in the census form generally reflect a *social definition* of race recognized in this country, and are not an attempt to define race biologically, anthropologically or genetically. In addition, the Census Bureau recognizes that the categories of the race item include both racial and national origin or socio-cultural groups. Census 2010 and the American Community Survey provide for six race categories: White; Black, African American or Negro; American Indian or Alaska Native; Asian; Native Hawaiian or Other Pacific Islander; and Some Other Race.

Example: Discrimination against African-Americans by a Caucasian apartment manager.

2. Color

The Fair Housing Act does not define “color”. However, it probably refers to the complexion of a person's skin color or pigmentation. The 2010 racial categories can be traced to Statistical Policy Directive No.15, promulgated by the OMB on May 12, 1977. “The four racial categories stipulated in the 1977 directive parallel the classic nineteenth-century color designations of black, white, red (American Indian or Alaska native), and yellow (Asian or Pacific Islander); there is no brown race in the American ethn racial taxonomy.” [Victoria Hattam, “Ethnicity & the Boundaries of Race: Re-reading Directive 15,” *Daedalus*, Winter 2005, page 63]

Example: Discrimination against a dark-skinned African-American by a light-skinned African-American.

3. National Origin

“National origin” means the geographic area in which a person was born or from which his or her ancestors came. The geographic area need not be a country for it to be considered someone’s “national origin,” but rather can be a region within a country, or a region that spans multiple countries. In general, national origin discrimination can occur even if a defendant does not know, or is mistaken about, precisely from where the plaintiff originates.

Example: Discrimination against a Puerto Rican individual by a Mexican property owner.

4. Disabled/Disability

The term “disability” means, with respect to an individual:

- A physical or mental impairment that substantially limits one or more major life activities of such individual;
- A record of such an impairment; or
- Being regarded as having such impairment.

Disability does not include current, illegal use of or addiction to a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)).

Example: Not allowing a disabled individual to have a service animal in a renter’s apartment.

5. Religion

“Religion” refers to all aspects of religious belief, observance, and practice. According to the United States Department of Justice (DOJ), this prohibition covers instances of overt discrimination against members of a particular religion as well as less direct actions, such as zoning ordinances designed to limit the use of private homes as places of worship.

Example: Discriminating against non-Catholics (Muslim, Buddhist, etc.) because of their religion.

6. Sex

The protected group includes gender (male or female), gender identity, and gender expression. California's Fair Employment and Housing Act defines "sex" as including, but not limited to, pregnancy, childbirth, medical conditions related to pregnancy or childbirth and a person's gender, as defined in Section 422.56 of the Penal Code. Government Code Section 12926(p)

Example: A property manager refusing to rent an apartment to a female householder.

7. Familial Status

"Familial Status: means one or more individuals (who have not attained the age of 18 years) being domiciled with--

- A parent or another person having legal custody of such individual or individuals; or
- The designee of such parent or other person having such custody, with the written permission of such parent or other person.

The protections afforded against discrimination on the basis of familial status shall apply to any person who is pregnant or is in the process of securing legal custody of any individual who has not attained the age of 18 years. (42 U.S.C. 3602(k))

Example: Forcing families with children to live on the first floor, or not renting to individuals with young children.

D. DEMOGRAPHIC SUMMARY

The Demographic Summary contains data on the numbers of people and households who are members of six protected classes under the provisions of both federal and California law. The demographic summary establishes benchmarks that will enable the City to track trends as the American Community Survey is released each year.

1. Race/Color Protected Class

a. Race and Ethnic Categories

Census 2010 and the 2015-2019 American Community Survey provide for six race categories:

- White Alone
- Black, African American or Negro Alone
- American Indian or Alaska Native Alone
- Asian Alone
- Native Hawaiian or Other Pacific Islander Alone
- Some Other Race Alone

Individuals who chose more than one of the six race categories are referred to as the *two or more races* population. All respondents who indicated more than one race can be collapsed into the *two or more races* category, which combined with the six *alone* categories, yields seven mutually exclusive categories. Thus, the six race *alone* categories and the *two or more races* category sum to the total population.

b. Definitions of Non-Minority and Minority Populations

The *non-minority* population includes White persons who are not of Hispanic or Latino origin (e.g., Mexican, Cuban, and Puerto Rican). All other population groups comprise the minority population. The minority population is defined in the same way by the Office of Management and Budget (OMB), Federal Department of Transportation (DOT), Federal Financial Institutions Examination Council (FFIEC), and Council on Environmental Quality (CEQ - environmental justice guidelines).

The race and ethnic categories follow the OMB Policy Directive No. 15 (May 12, 1977) and the 1997 revisions. The OMB's efforts are to standardize the racial and ethnic categories so that federal government agencies can monitor discrimination, as required by the Civil Rights Act of 1964, the Voting Rights Act of 1965, the Fair Housing Act of 1968, the Equal Credit Opportunity Act of 1974, and the Home Mortgage Disclosure Act of 1975.

Source: Victoria Hattam, "Ethnicity & the American Boundaries of Race: Rereading Directive 15," *Daedalus* – Journal of the American Academy of the Arts & Sciences, Winter 2005, pgs. 61-62

Ethnicity means being of Hispanic or Latino Origin or not being of such origin.

Refer to the next page for definitions of race and Hispanic or Latino origin.

c. Desert Hot Springs's Population by Race and Ethnicity

Table B-1 shows the population growth by race and ethnicity between 2010 and 2015-2019. During this period, the Hispanic and Black or African American populations experienced the largest numerical population gains.

Table B-1
City of Desert Hot Springs
Population Growth by Race and Ethnicity: 2010 to 2015-2019

Race/Ethnicity	2010	2015-2019	Increase/ Decrease
Hispanic or Latino	13,646	15,579	1,933
Not Hispanic or Latino			
White Alone	8,930	8,677	-253
Black or African American Alone	1,948	2,639	691
American Indian and Alaska Native Alone	161	187	26
Asian Alone	604	853	249
Native Hawaiian and Other Pacific Islander Alone	71	22	-49
Some Other Race Alone	27	157	130
Two or More Races	551	471	-80
Total	25,938	28,585	2,647

Sources: U.S. Census Bureau; 2010 Census, 2010 DP05 Summary File 1, Table P9 Hispanic or Latino, and Not Hispanic or Latino Origin by Race

U.S. Census Bureau; American Community Survey, 2015-2019 5-Year Estimates, Table B03002 Hispanic or Latino by Race

**U.S. Census Bureau
Race and Ethnicity Definitions**

The U.S. Census Bureau must adhere to the 1997 Office of Management and Budget (OMB) standards on race and ethnicity which guide the Census Bureau in classifying written responses to the race question:

White – A person having origins in any of the original peoples of Europe, the Middle East, or North Africa.

Black or African American – A person having origins in any of the Black racial groups of Africa.

American Indian or Alaska Native – A person having origins in any of the original peoples of North and South America (including Central America) and who maintains tribal affiliation or community attachment.

Asian – A person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam.

Native Hawaiian or Other Pacific Islander – A person having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands.

An individual's response to the race question is based upon *self-identification*. The Census Bureau does not tell individuals which boxes to mark or what heritage to write in. For the first time in Census 2000, individuals were presented with the option to self-identify with more than one race and this continued with the 2010 Census. People who identify with more than one race may choose to provide multiple races in response to the race question. For example, if a respondent identifies as "Asian" and "White," they may respond to the question on race by checking the appropriate boxes that describe their racial identities and/or writing in these identities on the spaces provided.

Hispanic -Hispanic origin can be viewed as the heritage, nationality, lineage, or country of birth of the person or the person's parents or ancestors before arriving in the United States. People who identify as Hispanic, Latino, or Spanish may be any race. In most southern California communities, 80% or more of the Hispanic population is Mexican-American.

d. Race of Hispanic or Latino and Not Hispanic or Latino Populations

Table B-2 shows that in the 2015-2019 period, almost 15,600 persons identified themselves as being of Hispanic or Latino Origin. With respect to race –

- Almost 73% (11,304/15,579) of the Hispanic population said that their race was White Alone
- Approximately 22% said they belonged to Some Other Race
- 4% identified themselves as having Two or More Races

Seventy percent of Desert Hot Springs’ population is White (refer to the 6th column in Table B-2.

Table B-2
City of Desert Hot Springs
Race of Hispanic or Latino and Not Hispanic or Latino Populations: 2015-2019

Race	Hispanic or Latino	Percent	Not Hispanic or Latino	Percent	Total	Percent
White Alone	11,304	72.6%	8,677	66.7%	19,981	69.9%
Black or African American Alone	206	1.3%	2,639	20.3%	2,845	10.0%
Asian Alone	0	0.0%	853	6.6%	853	3.0%
American Indian or Alaska Native Alone	56	0.4%	187	1.4%	243	0.9%
Native Hawaiian/Other Pacific Islander Alone	0	0.0%	22	0.2%	22	0.1%
Some Other Race Alone	3,454	22.2%	157	1.2%	3,611	12.6%
Two or More Races	559	3.6%	471	3.6%	1,030	3.6%
Total	15,579	100.0%	13,006	100.0%	28,585	100.0%

Source: U.S. Census Bureau; American Community Survey. 2015-2019 5-Year Estimates, Table B03002: Hispanic or Latino Origin by Race

2. Sex of Householder Protected Class

Federal and State fair housing laws prohibit discrimination based on a person’s sex. The United States Department of Justice (DOJ) has stated:

The Fair Housing Act makes it unlawful to discriminate in housing on the basis of sex. In recent years, the Department’s focus in this area has been to challenge *sexual harassment* in housing. Women, particularly those who are *poor*, and with limited housing options, often have little recourse but to tolerate the humiliation and degradation of sexual harassment or risk having their families and themselves removed from their homes.

In addition, *pricing discrimination* in mortgage lending may also adversely affect women, particularly minority women. This type of discrimination is unlawful under both the Fair Housing Act and the Equal Credit Opportunity Act. [Emphasis added]

Source: United States Department of Justice, Civil Rights Division, Housing and Civil Enforcement Section, *The Fair Housing Act*, July 25, 2008, pages 2 and 3

Table B-3 presents data on the number of householders by type. Female householders comprise approximately 1,800 of the City’s approximately 10,500 householders. The largest numbers of householders are married couples (3,545) and householders living alone (3,598).

Table B-3
City of Desert Hot Springs
Number of Households by Type: 2015-2019

Household Type	Number	Percent
Married Couples	3,545	33.8%
Female Householders	1,829	17.5%
Male Householders	723	6.9%
Householder Living Alone	3,598	34.3%
Householder Living w/Others	781	7.5%
Total	10,476	100.0%

Source: U.S. Census Bureau; American Community Survey. 2015-2019 5-Year Estimates, Table S2501 Occupancy Characteristics

3. National Origin/Ancestry Protected Class

The federal Fair Housing Act and California Fair Employment and Housing Act prohibit discrimination based upon national origin. According to the United States Department of Justice, such discrimination can be based either upon the country of an individual’s birth or where his or her ancestors originated.

a. Foreign Born Population by Region of Birth

The foreign-born population includes anyone who is not a U.S. citizen or a U.S. national at birth, including respondents who indicated they were a U.S. citizen by naturalization or not a U.S. citizen. Table B-4 indicates that Desert Hot Springs’ foreign born population consists of approximately 7,000 persons. Of this total number about 11% were born in Asia and 82% were born in Latin America.

b. Origins of the Hispanic or Latino Population

Almost 15,600 Hispanic or Latino persons reside in Desert Hot Springs. Table B-5 shows that Mexico is the origin of 88% of all Hispanic persons.

c. Origins of Asian Persons

Table B-6 shows the origins of the Asian population. More than a third of the Asian population is of Filipino origin. Origin information is unknown for almost 17% of the population.

Table B-4
City of Desert Hot Springs
Foreign Born Population by Region of Birth: 2015-2019

Region	Number	Percent
Europe	293	4.2%
Asia	769	11.0%
Africa	37	0.5%
Oceania	0	0.0%
Latin America	5,734	81.7%
North America	189	2.7%
Total	7,022	100.0%

Source: U.S. Census Bureau; American Community Survey, 2015-2019 5-Year Estimates, Table DP02 Selected Social Characteristics in Desert Hot Springs

Table B-5
City of Desert Hot Springs
Persons of Hispanic Origin: 2010 and 2015-2019

Hispanic Origin	2015-2019	
	Number	Percent
Mexican	13,715	88.0%
Puerto Rican	257	1.6%
Cuban	20	0.1%
Other Spanish/Hispanic	1,587	10.2%
Total	15,579	100.0%

Source: U.S. Census Bureau; 2010 Census, Summary File 1, QT-P3 Race and Hispanic or Latino Origin

U.S. Census Bureau; American Community Survey, 2015-2019 5-Year Estimates, Table DP05: ACS Demographic and Housing Characteristics

Table B-6
City of Desert Hot Springs
Origins of Asian Population: 2015-2019

Origin	Number	Percent
Asian Indian	0	0.0%
Chinese	93	10.9%
Filipino	288	33.8%
Japanese	114	13.4%
Korean	10	1.2%
Vietnamese	205	24.0%
Other Asian	143	16.8%
Total	853	100.0%

Source: U.S. Census Bureau; American Community Survey. 2015-2019 5-Year Estimates, Table DP02 Selected Social Characteristics in Desert Hot Springs

4. Familial Status Protected Class

a. Background

The Fair Housing Amendments Act of 1988 prohibits discriminatory housing practices based on familial status. In most instances, according to the United States Department of Justice, the Act prohibits a housing provider from refusing to rent or sell to families with children. However, housing may be designated as housing for older persons (55 years + of age). This type of housing, which meets the standards set forth in the Housing for Older Persons Act of 1995, may operate as “senior housing” and exclude families with children.

The Act protects families with children less than 18 years of age, pregnant women, or families in the process of securing custody of a child under 18 years of age. The federal Department of Justice has stated:

In addition to prohibiting the outright denial of housing to families with children, the Act also prevents housing providers from imposing any special requirements or conditions on tenants with children. For example, landlords may not locate families with children in any single portion of a complex, place an unreasonable restriction on the number of persons who may reside in a dwelling, or limit their access to recreational services provided to other tenants.

Source: United States Department of Justice, Civil Rights Division, Housing and Civil Enforcement Section, *The Fair Housing Act*, July 25, 2008, page 3

b. Population Characteristics

More than one fourth of all households have children (2,799/10,476). The majority of families with children are married couples (1,475) and female householders (889). Refer to Table B-7.

Table B-7
City of Desert Hot Springs
Households with Children: 2015-2019

Household Type	With Children	Percent Distribution
Married Couples	1,475	52.7%
Cohabiting Couples	316	11.3%
Female Householders, No Husband Present	889	31.8%
Male Householders, No Wife Present	119	4.2%
Total	2,799	100.0%

Source: U.S. Census Bureau; American Community Survey, 2015-2019 5-Year Estimates, Table 02 Selected Social Characteristics

Non-family households do not have children. A non-family household is a householder *living alone* or with *nonrelatives* only. Unmarried couple households, whether opposite-sex or same-sex, with no relatives of the householder present are tabulated as nonfamily households.

5. Handicap/Disability Protected Class

a. Background

The federal Fair Housing Act prohibits discriminatory housing practices based on handicap/disability. Among other prohibitions, the Act is intended to prohibit the application of special restrictive covenants and conditional or special use permits that have the effect of limiting the ability of such individuals to live in the residence of their choice. Fair housing laws, therefore, make it illegal to deny a housing opportunity on the basis of disabilities.

In addition, the law prohibits applying one standard to one class of individuals while applying a different standard to another class of individuals. For example, it would be illegal to ask a disabled individual applying for an apartment to provide a credit report if non-disabled applicants do not have to provide one.

Housing opportunities for disabled persons are impeded by practices in both the private and public sectors. For instance, “denied reasonable modification/accommodation” is often cited as an alleged act in housing discrimination complaints. Additionally, apartment rental ads often state “no pets allowed,” even though disabled persons may have service or companion animals. In the public sector, housing opportunities can be impeded because a community has not adopted a reasonable accommodation procedure, or if adopted has not made the procedure widely known in the community.

The United States Department of Justice has indicated a major focus of its efforts is on public sector impediments that may restrict housing opportunities for disabled persons. The Department has stated:

The Division’s enforcement of the Fair Housing Act’s protections for persons with disabilities has concentrated on two major areas. One is insuring that zoning and other regulations concerning land use are not employed to hinder the residential choices of these individuals, including unnecessarily restricting communal, or congregate, residential arrangements, such as group homes. The second area is insuring that newly constructed multifamily housing is built in accordance with the Fair Housing Act’s accessibility requirements so that it is accessible to and usable by people with disabilities, and, in particular, those who use wheelchairs.

Source: United States Department of Justice, Civil Rights Division, Housing and Civil Enforcement Section, *The Fair Housing Act*, July 25, 2008, page 4

b. Population and Household Characteristics

About 3,700 residents have one or more disability, a number that represents 13% of Desert Hot Springs’ total population. The disability prevalence rate, or percent disabled, steadily increases with age. Nearly half of the senior population 75 years old or older has a disability. Table B-8 presents the number and percent of disabled persons by age group.

**Table B-8
City of Desert Hot Springs
Disability Prevalence Rates by Age Group: 2015-2019**

Age Group	With a Disability	No Disability	Total Population	Prevalence Rate
Under 5 years	0	1,804	1,804	0.0%
5 to 17 years	208	5,132	5,340	3.9%
18 to 34 years	318	5,927	6,245	5.1%
35 to 64 years	1,771	9,548	11,319	15.6%
65 to 74 years	615	1,613	2,228	27.6%
75 years +	808	841	1,649	49.0%
Total	3,720	24,865	28,585	13.0%

Source: 2015-2019 American Community Survey 5-Year Estimates, Table B18101, Sex by Age by Disability Status

Table B-9 shows that almost 2,800 households have one or more member with a disability, a number that equals 26.3% of all households. The member with a disability could be the head of household, a spouse, a child or other related or unrelated person living in the housing unit.

**Table B-9
City of Desert Hot Springs
Disabled Householders: 2015-2019**

Household Disability Status	Number	Percent
Households with one or more persons with a disability	2,760	26.3%
Households with no persons with a disability	7,716	73.7%
Total	10,476	100.0%

Source: 2015-2019 American Community Survey 5-Year Estimates, Table B22010, Receipt of Food Stamps/SNAP in the Past 12 Months by Disability Status for Household

6. Limited English Proficiency (LEP) Protected Class

a. Background

LEP refers to a person’s limited ability to read, write, speak, or understand English. Individuals who are LEP are not a protected class under the federal Fair Housing Act. Nonetheless, the Act prohibits housing providers from using LEP selectively based on a protected class or as a pretext for discrimination because of a protected class. The Act also prohibits housing providers from using LEP in a way that causes an unjustified discriminatory effect.

b. LEP Households

A “Limited English speaking household” is one in which no member 14 years old and over (1) speaks only English at home or (2) speaks a language other than English at home and speaks English “Very well.”

Respondents were asked to indicate their English-speaking ability based on one of the following categories: “Very well,” “Well,” “Not well,” or “Not at all.” Those who answered “Well,” “Not well,” or “Not at all” are sometimes referred to as “Less than ‘very well.’”

After data are collected for each person in the household, the limited English-speaking household variable is calculated by checking if all people 14 years old and older speak a language other than English. If so, the calculation checks the English-speaking ability responses to see if all people 14 years old and older speak English “Less than ‘very well.’” *If all household members 14 and over speak a language other than English and speak English “Less than ‘very well,’” the household is considered part of this group that may be in need of English language assistance.*

There are an estimated 751 limited English speaking households residing in Desert Hot Springs. The vast majority –90% - of limited English speaking households speak Spanish.

Refer to Table B-10 for data on the number and percentage of limited English speaking households.

**Table B-10
City of Desert Hot Springs
Limited English Speaking Households: 2015-2019**

Households Speaking	Limited English-Speaking Households	Percent of all Limited English-Speaking Households
Spanish	676	90.0%
Other Indo-European Languages	94	1.2%
Asian and Pacific Island Languages	52	6.9%
Other Languages	14	1.9%
Total	751	100.0%

Source: U.S. Census Bureau; American Community Survey, 2015-2019 5-Year Estimates, Table B16002, Household Language by Household Limited English Speaking Status

c. Primary Language

In California, “primary language” is a protected class. Primary language means that people whose first language is not English are protected from housing discrimination. Tenants have the right to use their preferred language and private housing providers do not have to provide a translator, but they must speak with a translator if the tenant has one. Tenants whose first language is not English should not be treated differently, harassed, or refused housing/services.

7. Source of Income Discrimination

The California Fair Employment and Housing Act (FEHA) protects people from housing discrimination. The latest amendment to the law regarding source of income protections adds people using a federal, state, or local housing subsidy to this list of protected groups. This means, beginning on January 1, 2020, housing providers, such as landlords, cannot refuse to rent to someone, or otherwise discriminate against them, because they have a housing subsidy, such as a Section 8 Housing Choice Voucher, that helps them to afford their rent.

The new law prohibits discrimination against any applicant because the applicant is using a federal, state, or local housing subsidy to assist with paying rent. Section 8 Housing Choice Vouchers, the HUD- VASH program, Homelessness Prevention and Rapid Re-Housing Programs, Housing Opportunities for Persons with AIDS and security deposit assistance programs, among others, all fall within the scope of the new law’s protection. This list of protected subsidies also includes locally funded subsidy programs created by cities, counties and public agencies to address growing homelessness.

E. DEFINING THE REGION FOR CITY TO REGION COMPARISONS

1. HUD's CBSA "Region"

The HUD Index of Dissimilarity data and access to opportunity indicators define a Region based on the United States Office of Management and Budget (OMB) Core Based Statistical Areas (CBSAs) definition. The OMB defines a Core Based Statistical Area as one or more adjacent counties or county equivalents that have at least one urban area of at least 10,000 people plus adjacent territory that has a high degree of social and economic integration with the core as measured by commuting ties.

The "Region," for purposes of HUD's tables, indices, and dot density maps, encompasses all the cities and unincorporated communities located in Riverside and San Bernardino Counties, a vast geographic area of some 27,408 square miles. The distance from the city halls of Blythe (Riverside County) and Ontario (San Bernardino County) is 188 miles, a 3 hour drive. The distance from the city halls of Needles (San Bernardino County) and Rancho Cucamonga (San Bernardino County) is 215 miles, a 3 and 1/2 hour drive.

2. Council of Governments Regions

Three "regional" governments operate in this vast Region used by HUD in its assessment of fair housing tables.

The San Bernardino Associated Governments (SANBAG) is an association of local San Bernardino governments and includes 25 member jurisdictions. The "region" includes four distinct sub regions: desert, mountain, east valley and west valley.

The Western Riverside Council of Governments (WRCOG) includes representatives from 17 cities, the Riverside County Board of Supervisors, the Eastern and Western Municipal Water Districts, and the Morongo Band of Mission Indians.

The Coachella Valley Association of Governments (CVAG) is a California joint powers authority made up of the cities of Blythe, Cathedral City, Coachella, Desert Hot Springs, Indian Wells, Indio, La Quinta, Palm Desert, Palm Springs, and Rancho Mirage; the County of Riverside; and two Indian Tribes: Agua Caliente Band of Cahuilla Indians and Cabazon Band of Mission Indians.

3. TCAC/HCD's Inland Empire Region

This Region includes the counties of Riverside and San Bernardino and the *non-rural* areas of Imperial County.

The former chief demographer for the County of Riverside explained to the City's consultant that a question exists regarding the meaningfulness and applicability of the TCAC/HCD Opportunity Mapping Tool to the City of Desert Hot Springs as currently calculated. The primary issue is the size of the metropolitan area which includes the Counties of Riverside and San Bernardino plus portions of Imperial County. As has been noted this is an area of over 27,000 square miles. This is an area that is larger than many states or, to put it into perspective, it is 3,000 square miles larger than West Virginia the state with the closest land mass to this three-county area.

Also, Desert Hot Springs is located in the Coachella Valley an area that does not associate itself with the Inland Empire, which is more an identity of the western region of this two County area, which is more directly linked to the Los Angeles and Orange County metropolitan area. Even within the Coachella Valley, there is a cluster of cities from Palm Springs to Coachella, while Desert Hot Springs sits alone nearly 11 miles away from its closest neighbor Palm Springs.

4. Riverside County

Riverside County is roughly divided into eastern and western halves by the San Jacinto and Santa Rosa Mountains. A deep valley known as the San Gorgonio Pass, framed by the San Jacinto and San Gorgonio Mountains, creates an accessible corridor linking these two halves. The San Bernardino and Little San Bernardino Mountains form a portion of the northern boundary while numerous mountain ranges, including those in the Santa Rosa Wilderness and Cleveland National Forest, among others, serve as boundaries along the southern and western edges of the county. These eastern and western halves of the county are distinguished by their physical characteristics as well as their historic growth patterns.

Exhibit B-1
San Bernardino Associated Governments

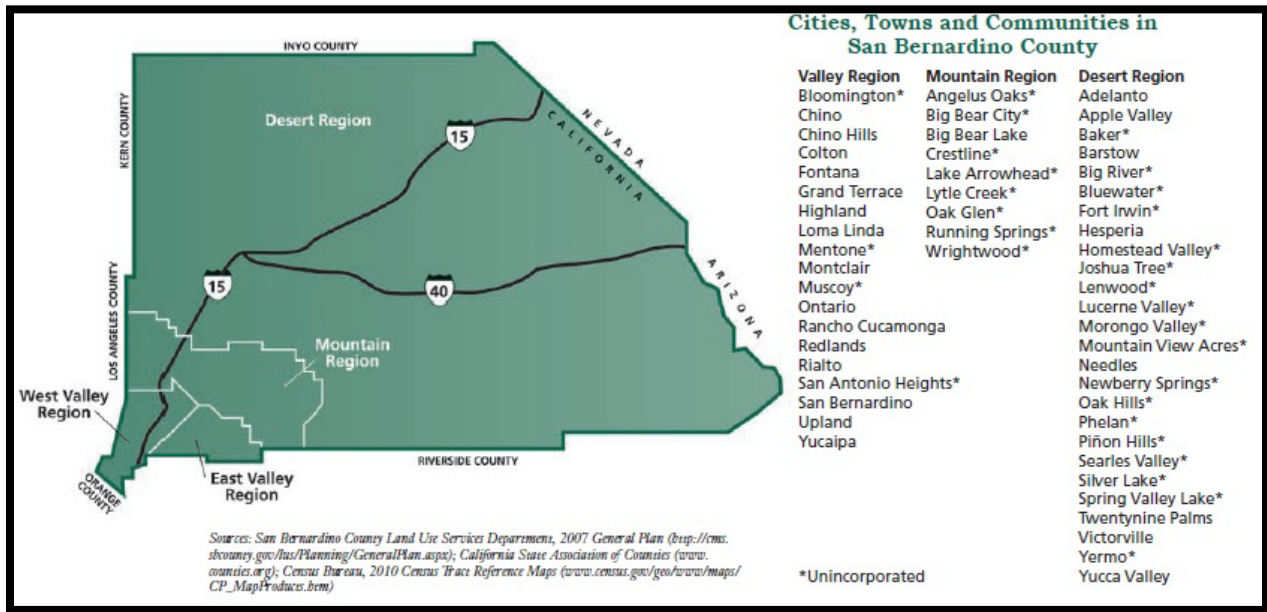


Exhibit B-2
Western Riverside Council of Governments

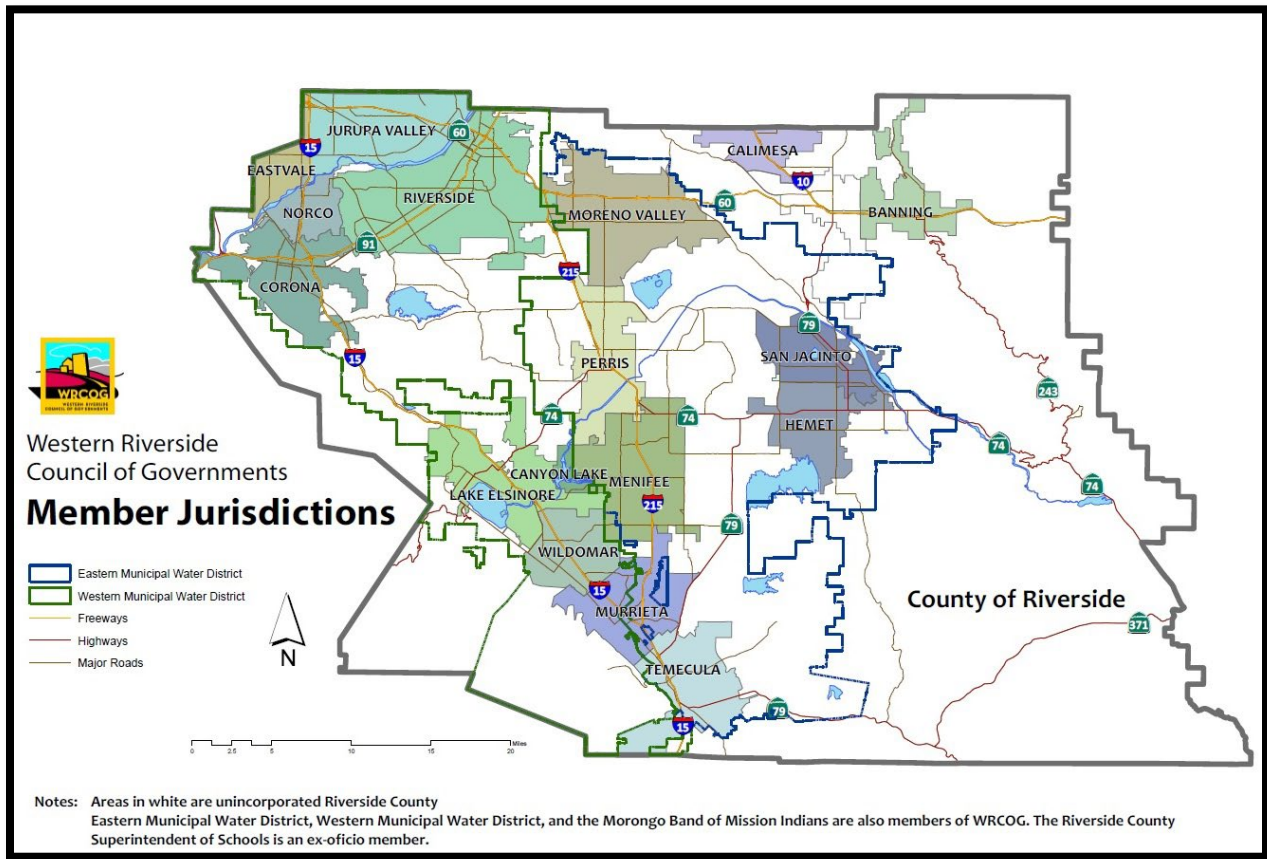


Exhibit B-3 Coachella Valley Cities and Spheres of Influence

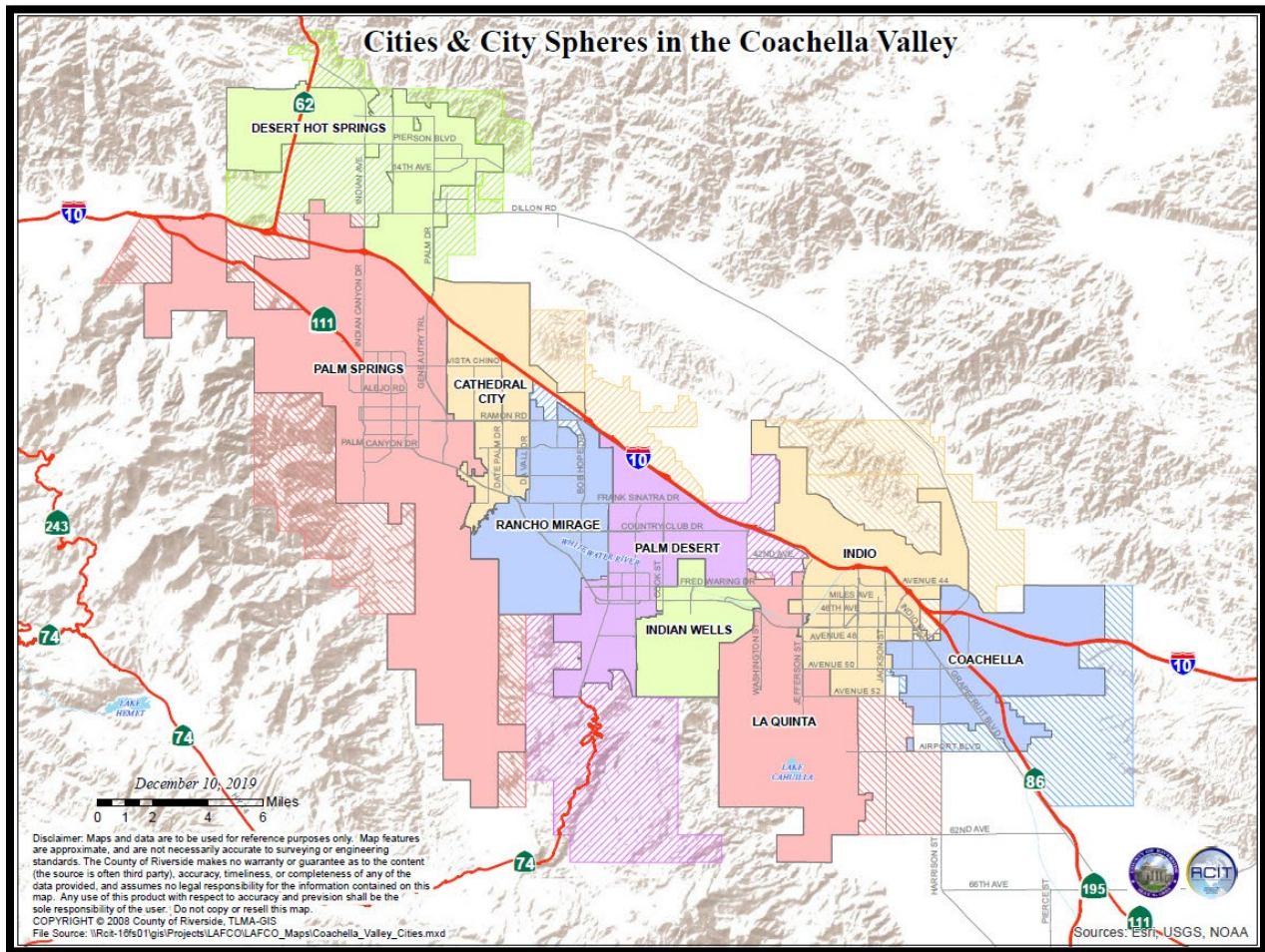
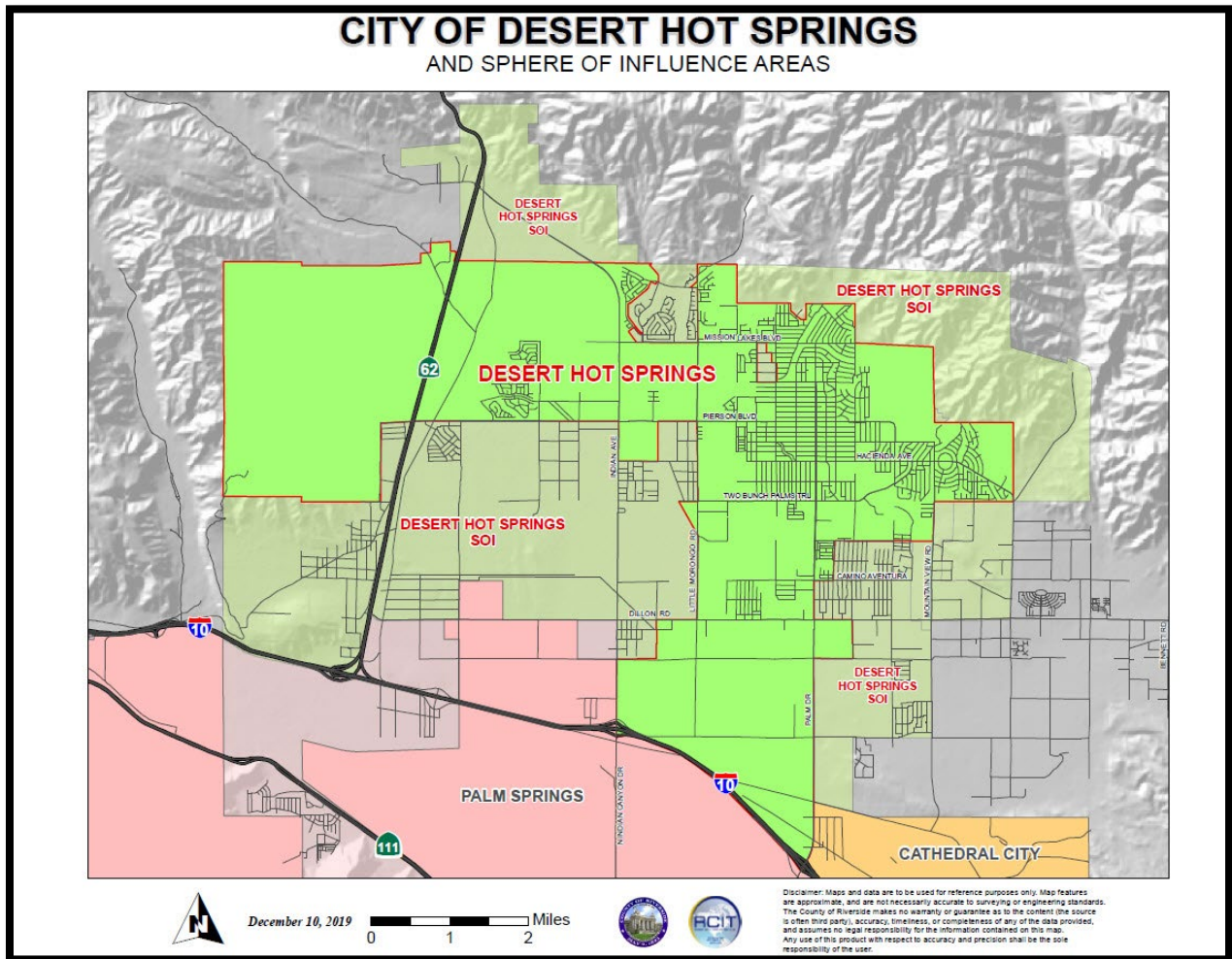


Exhibit B-4
City of Desert Hot Springs and Sphere of Influence



The western portion of the county is roughly half the size of the eastern half and is bounded by the Santa Ana Mountains and Cleveland National Forest on the west and the San Jacinto Mountains and the San Bernardino National Forest on the east. Compared to eastern Riverside County, the western portion of the county contains the greatest concentration of population and has experienced the greatest growth pressures. The majority of this population is concentrated in the incorporated cities of Corona, Riverside, Beaumont, Banning, Norco, Lake Elsinore, Perris, Hemet, San Jacinto, Moreno Valley, Calimesa, Canyon Lake, Murrieta, and Temecula.

The eastern portion of Riverside County is bounded by the Colorado River on the east and the Santa Rosa and San Jacinto Mountains on the west. This portion of the county is distinguished from the western portion of the county by its desert terrain and relatively less populated and congested communities. The vast majority of eastern Riverside County's population is concentrated in the Coachella Valley.

The Joshua Tree National Park, known for its rich desert habitat, forms a permanent natural boundary at the northern end of the Coachella Valley. The Whitewater River, a seasonal river which forms in the San Bernardino Mountains, flows through the Coachella Valley and eventually into the Salton Sea at the Valley's southern end. The City of Blythe is located in the Palo Verde Valley along the Colorado River, which provides the source for one of the most productive agricultural regions in the county.

5. The Ideal Region

Because of the vast geography encompassed by "Regions" described above and the differences in the characteristics between Riverside County and San Bernardino County and between western Riverside County and the Coachella Valley, no ideal "region" exists for purposes of comparing Desert Hot Springs to the "region."

The ideal region would be the Coachella Valley if all the appropriate data were produced for this geographic area as an entity. However, data pertaining to fair housing issues are limited for this ideal region.

Consequently, by default the City has selected different regions based on the data available: CBSA, Riverside County, and Coachella Valley.

F. SEGREGATION/INTEGRATION ANALYSIS

For the purposes of the AFFH rule, "segregation" "means a condition in which there is *a high concentration* of persons of a particular race, color, religion, sex, familial status, national origin, or having a disability or a type of disability in a particular geographic area when compared to a broader geographic area. 24 C.F.R. § 5.152 [emphasis added]

For the purposes of the AFFH rule, "integration" "means a condition in which there is *not a high concentration* of persons of a particular race, color, religion, sex, familial status, national origin,

or having a disability or a type of disability in a particular geographic area when compared to a broader geographic area. 24 C.F.R. § 5.1522 [emphasis added]

The AFFH rule does not define the meanings of “high concentration” and “not high concentration”.

1. Diversity Index

HCD’s AFFH Data Viewer provides diversity index maps for 2010 and 2018 populations by block group. According to Esri Demographics, the diversity index summarizes racial and ethnic diversity. The index shows the likelihood that two people, chosen at random from the same area, belong to different racial or ethnic groups. The index ranges from 0 (no diversity) to 100 (complete diversity). For example, a diversity index of 59 means there is a 59 percent probability that two people randomly chosen would belong to different race or ethnic groups.

As shown in Exhibit B-5, in 2010, most of the City had relatively high diversity (diversity index 70-85). Census tract 445.17, on the northern City boundary, scored lower on the diversity index (48.6), which overlaps with the Mission Lakes Country Club. The highest diversity index scores were seen in two block groups (445.072, 445.102) in the central City along Palm Drive.

In 2018, most of the City remained in the same range for diversity index (70-85) as 2010, and CT 445.17 still had a lower score of 55.3. However, more areas in the central City saw higher diversity index scores (above 85) along Palm Drive and to the west. The City has become more diverse from 2010 to 2018. Compared to other cities in the western Coachella Valley, Desert Hot Springs has overall higher diversity index ratings throughout the City.

Exhibit B-5
City of Desert Hot Springs Diversity Index (2010) – Block Group

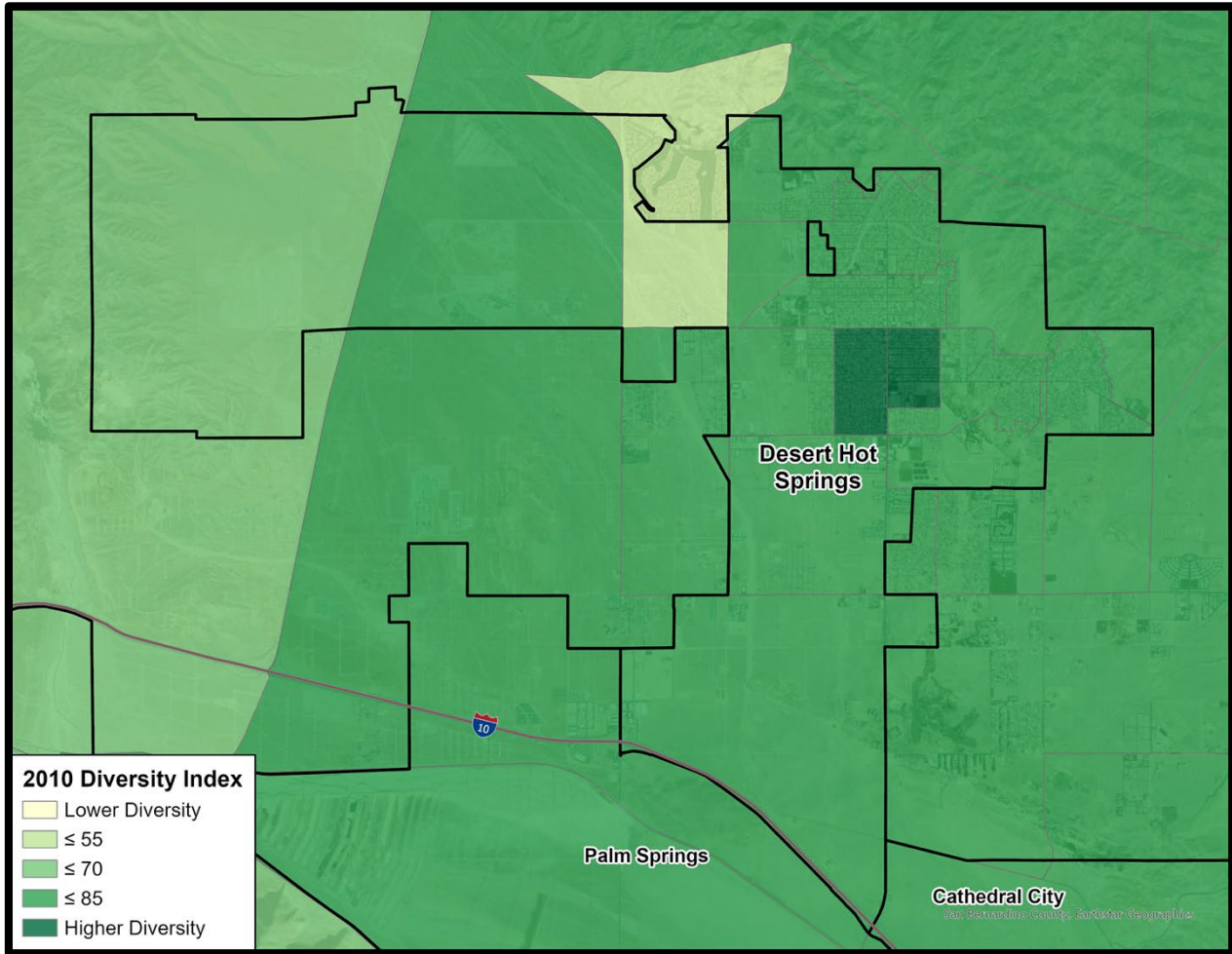
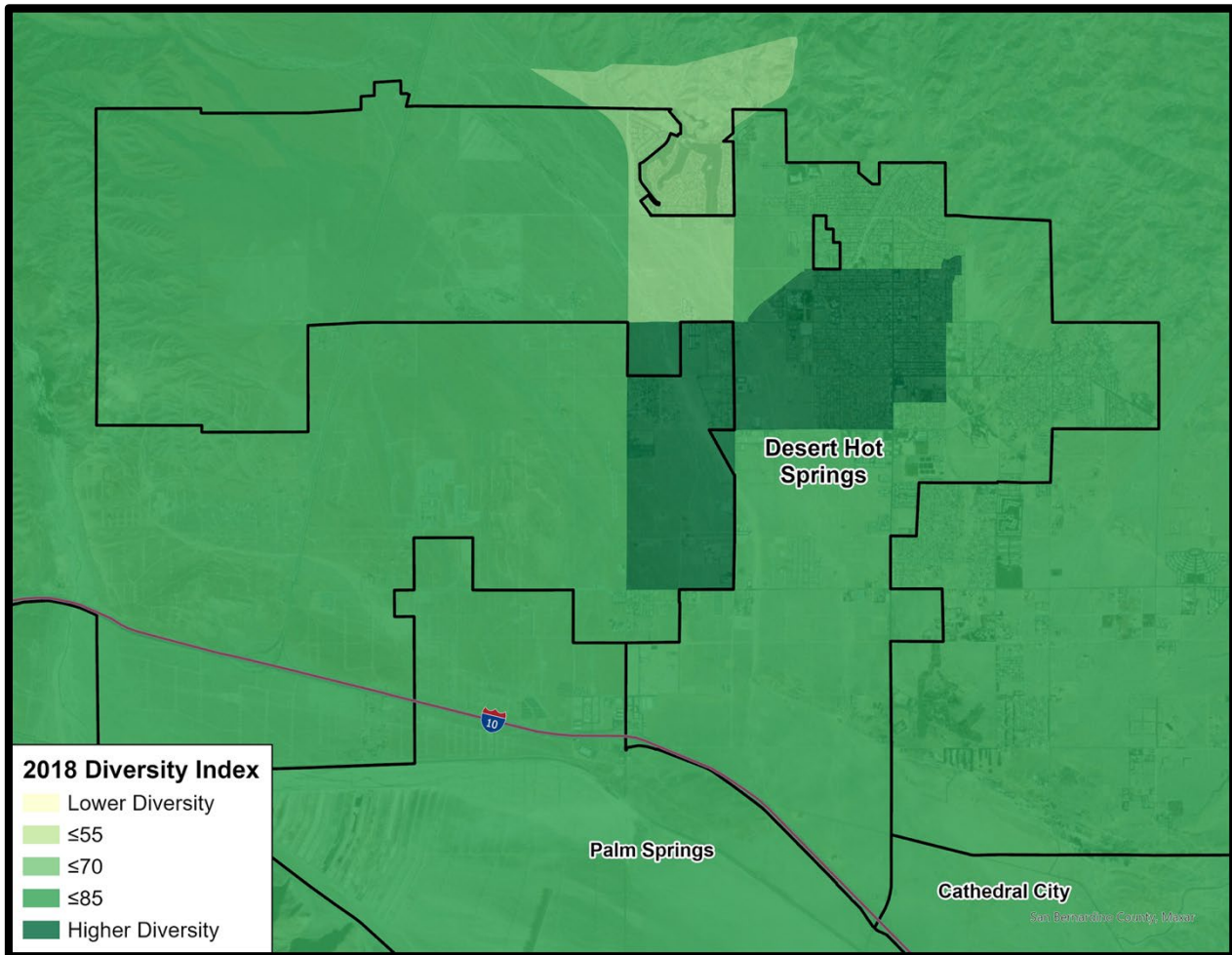


Exhibit B-6
 City of Desert Hot Springs Diversity Index (2018) – Block Group



2. Dissimilarity Index Measures Segregation/Integration

a. Explanation of Dissimilarity Index

The Dissimilarity Index, according to HUD’s *Assessment of Fair Housing Tool for Local Governments*, measures the degree to which two groups are evenly distributed across a geographic area and is a commonly used measure for assessing residential segregation between two groups. The analysis is typically conducted for a city or county based on the racial and ethnic distribution of the population within the census tracts that comprise the jurisdiction. A census tract is a standardized geographic unit with a population of approximately 4,000. Census tracts provide a standardized geographic unit to report census data and compare change over time. The boundaries of census tracts remain the same from one census to the next and only change if there is a major increase or decrease in the population.

The values of the Dissimilarity Index range from 0 to 100. An index value of 0 indicates that a city is completely integrated when measuring for example the distributions of Whites and Blacks, while an index value of 100 indicates the city is completely segregated. *The value of the Dissimilarity*

Index is based on the proportion of the two groups within each census tract relative to the distribution of the two groups in the city. It is not based on the proportion of the two groups within the city. Table B-11 provides an example that helps to explain the DI.

In each of these hypothetical cities, there are 15,600 Whites (97.5%) and 400 Blacks (2.5%). Because of the small proportion (2.5%) of Blacks, these cities could be labelled as “segregated.” However, the Dissimilarity Index for these cities ranges from 0 to 100.

**Table B-11
Dissimilarity Index Example**

	City A		City B		City C	
Census Tract	White	Black	White	Black	White	Black
100	3,900	100	0	200	0	200
101	3,900	100	0	200	3,900	100
102	3,900	100	7,800	0	3,900	100
103	3,900	100	7,800	0	7,800	0
Total	15,600	400	15,600	400	15,600	400
Dissimilarity Index	0		100		50	

The difference in the values of the Dissimilarity Index is based on the distribution of the White and Black populations within each of the census tracts. In City A with a Dissimilarity Index of 0, the proportion of Whites and Blacks in each census track is the same. In City B with a Dissimilarity Index of 100, all the Whites are in two census tracts and all the Blacks are in two census tracts. In City C with a Dissimilarity Index of 50, there is one census tract that is exclusively Black, one census tract that is exclusively White, and two tracts where the proportion of Blacks to White is the same and is relative to the city’s proportion of the two groups.

HUD suggests that a Dissimilarity Index value of less than 40 generally indicates low segregation, while values between 40 and 54 generally indicates moderate segregation, and values between 55 and 100 generally indicates a high level of segregation, as shown in Table B-12.

**Table B-12
Levels of Segregation**

Dissimilarity Index Value	Level of Segregation
< 40	Low Segregation
40 - 54	Moderate Segregation
> 54	High Segregation

b. Regional Dissimilarity Index

As previously explained, HUD’s “regional” dissimilarity index encompasses all the cities and unincorporated communities located in Riverside and San Bernardino Counties.

HUD data shows that the Region currently experiences a Moderate Level of Segregation among all four groups: Non-White/White, Black/White, Hispanic/White and Asian or Pacific Islander/White. The trends analysis shows that three groups moved from a low to moderate segregation level between 1990 and 2010: Non-White/White; Hispanic/White; and Asian or Pacific Islander/White. Refer to Table B-13.

The Brown University database does not have a DI for Riverside County.

**Table B-13
Riverside/San Bernardino Counties Region
Dissimilarity Indices: 1990, 2000, and 2010**

Racial/Ethnic Dissimilarity Index	1990	2000	2010
Non-White/White	32.92	38.90	41.29
Black/White	43.74	45.48	47.66
Hispanic/White	35.57	42.40	43.96
Asian or Pacific Islander/White	33.17	36.31	43.07

Source: HUD Table 3, Racial/Ethnic Dissimilarity Trends
HUD note below on Table 3:

In Table 3, the current dissimilarity indices for 2010 exclude multiracial individuals, while the 1990, 2000, and 2010 trend racial data from the Brown Longitudinal Tract Database includes multiracial individuals in the racial categories.
Data Source: Decennial Census, 2010; Brown Longitudinal Tract Database (LTDB) based on decennial census data, 2010, 2000 & 1990. Decennial Census data are Block-group level and LTDB data are census tract level.

c. City of Desert Hot Springs Dissimilarity Index

Brown University has constructed Dissimilarity Indices for the nation’s cities for the same time period and using the same data sources as HUD. The Dissimilarity Indices for the City of Desert Hot Springs cover years 2000 and 2010. Data are unavailable for 1990.

**Table B-14
City of Desert Hot Springs
Index of Dissimilarity**

Groups	2000	2010
White-Black/Black-White	13.6	21.1
White-Hispanic/Hispanic-White	22.3	26.3
White-Asian/Asian-White	12.1	11.4
Black-Hispanic/Hispanic-Black	14.8	11.6
Black-Asian/Asian-Black	9.4	10.4
Hispanic-Asian/Asian-Hispanic	14.9	17.0

Source: Brown University

All of the indices are at a low level of segregation. Consequently, the Dissimilarity Index reveals no significant segregation patterns between any two racial/ethnic groups in the City from 2000 to 2010.

Table B-15 shows the percentage distributions of the population by race and ethnicity in 2010 and 2015-2019. Because the racial/ethnic composition of the City in the 2015-2019 period is similar to that of 2010, the Dissimilarity Index should continue to show a low level of segregation during the 5-year period.

**Table B-15
City of Desert Hot Springs
Population by Race and Ethnicity: 2010-2019**

Race/Ethnicity	2010	2015-2019
Non-Hispanic White	34.4%	30.4%
Non-Hispanic Black	7.5%	9.2%
Hispanic	52.7%	54.5%
Asian	2.3%	3.0%
Other	3.1%	2.9%
Total	100.0%	100.0%

Source: U.S. Census 2010 and American Community 5-Year Estimates 2015-2019

For Riverside County, the Hispanic population represents 48.9% of the total population while the non-Hispanic, White population comprises 35.3% of the total population. The comparable figures for the Asian and Black/African American populations are 6.3% and 6.1%. The City’s ethnic/racial composition does not deviate significantly from the County, and may have lower segregation levels compared to the County based on the Dissimilarity Index.

3. Isolation Index for Race and Ethnicity

a. Explanation of Isolation Index

The Isolation Index is the percentage of same-group population in the census tract where the average member of a racial/ethnic group lives. It has a lower bound of zero (for a very small group that is quite dispersed) to 100 (meaning that group members are entirely isolated from other groups). It should be kept in mind that this index is affected by the size of the group -- it is almost inevitably smaller for smaller population groups, and it is likely to rise over time if the group becomes larger.

By way of elaboration, the Isolation Index is a frequently used measure of residential segregation. Conceptually, it is an “exposure measure” of segregation, meaning that it measures the degree of potential contact or *possibility of interaction* between the members of a racial or ethnic group with members of their and other racial and ethnic groups, or inversely the degree to which they are likely to interact only with members of their group.

Scores are produced for combinations of racial and ethnic groups, such as White/Black and Hispanic/Asian. Scores can also be generated measuring the degree members of a racial or ethnic group live with members of their own racial and ethnic group. This combination of members of their own racial and ethnic group measures the degree to which people reside in a segregated neighborhood. These can be interpreted as saying, for example, the average Asian lives in a neighborhood that is X percent Asian.

The values of the Isolation Index range from 0 to 100. A value greater than 60 is often taken to mean “highly segregated;” a value between 40 and 60 is interpreted as being “moderately segregated;” while a value lower than 40 is interpreted as “not segregated.” However, there is no specific statistical standard for these category labels.

It should be kept in mind, as previously explained, that the index is affected by the size of the population group. Groups that represent a large portion of the total population will have higher scores, while those making up very small portions of the population will have lower scores.

b. Desert Hot Springs Isolation Index

The figures below indicate that Hispanics live in areas that are population heavily by Hispanics.

- Asian/Asian 3.4 Not segregated
- Black/Black 9.1 Not segregated
- White/White 39.6 Not segregated
- Hispanic/Hispanic 56.0 Moderately segregated

Thus, the average Hispanic lives in an area where over 56% of the residents are fellow Hispanics. It needs to be kept in mind that Hispanics represent 55% of Desert Hot Spring’s total population. According to the Neighborhood Segregation map (UC Berkeley, 2019) on the AFFH Data Viewer, most of the City consists of Latinx-White neighborhoods, while two census tracts (CT 445.09 and CT 445.10) are identified as 3 Group Mixed (Black-Latinx-White). Hispanic majority tracts were found in most developed areas of the City, with a sizeable gap of 10% to 50% in dominance value. White majority tracts were found only in the northern City, with a relatively low dominance value of 16.04% though as high as 59.02% in CT 445.17 overlapping with the Mission Lakes Country Club. This could be a reflection of an overall increase in Hispanic population over the last decade in the City, as shown in Table B-1 above.

On the other hand, Asians and Blacks make up a very small portion (<10%) of the population, resulting in very low values. Whites who make up slightly over 30% of the population live in areas that have a proportion of Whites slightly greater than their share of the total population. Specifically, the average White lives in an area where nearly 40% of the population is White. Because the Isolation Index values are similar to the percentages of each group, none of the population groups are considered to live in a heavily segregated neighborhood. This is consistent with the overall increase in non-White population throughout the City from 2010 to 2018, even including the northern portion, which saw an increase in diversity during this time period. The

highest percentages of non-White populations are seen in tracts south of Pierson Boulevard and along Palm Drive.

4. Divergence Index for Race and Ethnicity

According to a UC Berkeley study:

The Divergence Index compares the relative proportions of racial groups (or any other groups) at smaller and larger geographies, looking for the degree of “divergence” between the two geographies, such as between a census tract and a county. For example, consider a census tract with the following racial distribution:

76% Black,
11.9% Latino,
9.3% White, and
2.8% Asian

Now what if that census tract is situated within a CBSA [Core Based Statistical Area] with the following racial distribution:

11.9% Black,
10.8% Latino,
66.7% White, and
10.6% Asian

Such a census tract will have a very high observed level of segregation as measured by the Divergence Index because it “diverges” so greatly from the surrounding region, especially in terms of the differences in proportion of Black residents. Indeed, the formula results show that this tract’s Divergence Index value is 1.21.

To calculate the metropolitan CBSA (county, or city) score, the scores for each tract in the region are added, but weighed by the tract’s population. In this case of the tract and region described above, the region’s CBSA Divergence Index score is 0.2642 as of 2010 (this happens to be the San Francisco-Oakland-Fremont CBSA).

The lowest possible value of the Divergence Index is “0” when the demographics of a geography does not differ, or diverge, from that of the larger geography, suggesting no segregation, whereas higher values suggest higher divergence, and hence higher segregation. As the Divergence Index is a relatively novel measure of segregation, as of yet, there is no established set of ranges to demarcate the level of segregation in the relevant academic literature.

Stephen Menendian, Arthur Gailles, Samir Gamhirt, *The Roots of Structural Racism: Twenty-First Racial Segregation in the United States*, June 21, 2021, page 30

The Divergence Index calculates three levels of segregation:

- High segregation
- Low-medium segregation
- Racially Integrated

The UC Berkeley interactive mapping tool shows that Divergence Index Scores for Desert Hot Springs range from 0.0277 to 0.1594, with higher scores indicating higher segregation. The mapping tool reveals that the City has a low to medium segregation level in 2020. The mapping tool also indicated that the segregation mainly occurs between the two largest racial groups in the City in 2020: Hispanic (61%) and White (28%).

5. Households with a Disabled Member

Table B-16 compares for each census tract –

- The census tract percentage of all households residing in the City
- The census tract number of households with a disabled member as a percentage of all the City’s households with a disabled member

The percentages are very similar, a fact that demonstrates there is not a high concentration of disabled householders residing in any given census tract. A high concentration would exist if, for example, the census tract number of households represented 20% of all the City’s households but the census tract had 40% all households with a disabled member.

Table B-16
City of Desert Hot Springs
Segregation/Integration Analysis of Households with a Disabled Member

Census Tract	Households w/ Disabled Member	All Households	Census Tract Percentage¹	Citywide Percentage²
445.07	736	2,341	25.9%	28.5%
445.09	396	1,537	17.0%	15.3%
455.10	547	2,261	25.1%	21.2%
445.15	385	1,035	11.5%	14.9%
445.18	520	1,849	20.5%	20.1%
Total	2,584	9,023	100.0%	

¹Census tract total households as a percentage of all households within City (2,341/9,023)

²Households with disabled member as % of all households with disabled member (736/2,584)

Source: 2015-2019 American Community Survey 5-Year Estimates, Table B22010, Receipt of Food Stamps/SNAP in the Past 12 Months by Disability Status for Households

Note: ACS data is only available for entire Census Tracts regardless of the city boundary. Therefore, the data in the above table only includes data for Census Tracts entirely within the City of Desert Hot Spring or where a majority of the Census Tract is within the City boundaries. As a result, the total household count of 9,023 is less than the city-wide total of 10,476.

6. Households with Children (Familial Status)

Table B-17 shows the number and percentage of households with children living in each census tract. The table also shows the total number and percentage of all households living in each census tract.

The comparison of the percentages shows that they are very similar, a fact that demonstrates there is not a high concentration of households with children. As noted in preceding #6, a high concentration would exist if, for example, the census tract number of households represented 20% of all the City’s households but the census tract had 40% all households with children.

**Table B-17
City of Desert Hot Springs
Segregation/Integration Analysis of Households with Children**

Census Tract	Households w/ Children	All Households	Census Tract Percentage¹	Citywide Percentage²
445.07	721	2,341	25.9%	26.9%
445.09	375	1,537	17.0%	14.0%
455.10	709	2,261	25.1%	26.4%
445.15	407	1,035	11.5%	15.2%
445.18	469	1,849	20.5%	17.5%
Total	2,681	9,023	100.0%	

¹Census tract total households as a percentage of all households within City (2,341/9,023)

²Households with children as % of all households with children (721/2,681)

Source: U.S. Census Bureau; American Community Survey, 2015-2019 5-Year Estimates, Table DP02 Selected Social Characteristics

G. INTEGRATION/SEGREGATION BY INCOME (PATTERNS AND TRENDS)

Income levels at the regional and local level are analyzed with respect to:

- Median household incomes
- Low and moderate income population
- Income inequality

1. Median Household Incomes

Table B-18 shows that the median household income of Riverside and San Bernardino Counties increased by almost \$10,000 and \$8,000, respectively, between 2010-2014 and 2015-2019. By comparison, the City’s median household income actually dropped by \$3,000 during the same

period. In fact, the Desert Hot Springs median household income is 50% of Riverside County's.

Table B-18
Median Household Income by Area: 2010-2014 and 2015-2019

Area	2010-2014	2015-2019
Riverside County	\$57,768	\$67,005
San Bernardino County	\$55,845	\$63,362
Desert Hot Springs	\$36,326	\$33,046

Source: American Community Survey 5-Year Estimates, Table B19013 Median Household Income Past 12 Months (in inflation adjusted dollars)

During the decade it appears that lower income households represented a large, if unknown, share of all households that moved to Desert Hot Springs. Poverty-level income households also contributed to the City's low median household income. The *Assessment of Fair Housing* programs emphasize the need to implement poverty-reducing strategies.

2. Low/Moderate Income Population

Table B-19 presents HUD's low /moderate income data for Riverside County and San Bernardino County for two periods: 2006-2010 and 2011-2015. HUD has not updated the data.

Table B-19
Low Mod Income Population by County

County	2006-2010			2011-2015		
	#Low/Mod	Low/Mod Universe	Percent Low/Mod	#Low/Mod	Low/Mod Universe	Percent Low/Mod
Riverside	864,234	2,080,075	41.5%	914,600	2,264,300	40.4%
San Bernardino	852,270	1,963,880	43.4%	894,835	2,043,435	43.8%

Source: U.S. Department of Housing and Urban Development, *2006-2010 and 2011-2015 Low and Moderate Income Summary Data*

During the two periods, the percentage of the population with low/moderate incomes barely changed. In 2011-2015, approximately 40% and 44% of Riverside County's and San Bernardino County's population had low/moderate incomes.

Low and moderate incomes refer to households with annual incomes that are less than 80% of the County median household income. In 2015, a 4-person low/moderate income household living in Riverside County had an income of \$53,600.

In contrast, approximately two-thirds of the City's population had low/moderate incomes in both time periods. In 2011-2015, eight of the 13 block groups had a low/moderate income percentage higher than the city-wide average. Refer to Table B-20.

Future housing production consistent with the RHNA will gradually reduce the City's low/moderate income percentage. The RHNA allocation by income group is as follows:

- Above Moderate 54%
- Moderate 18%
- Lower 28%

Table B-20
City of Desert Hot Springs
Low/Mod Income Comparison 2006-2010 and 2011-2015

Census Tract	Block Group	2006-2010			2011-2015		
		Number Low/Mod	Low/Mod Universe	Percent Low/Mod	Number Low/Mod	Low/Mod Universe	Percent Low/Mod
445.07	1	1,125	2,125	52.9%	2,575	3,795	67.9%
445.07	2	2,120	3,490	60.7%	2,595	3,570	72.7%
445.09	1	2,850	4,070	70.0%	3,440	4,025	85.5%
445.10	1	1,250	2,275	54.9%	2,505	3,555	70.5%
445.10	2	1,790	2,765	64.7%	1,800	2,165	83.1%
445.15	1	2,420	3,170	76.3%	2,610	4,020	64.9%
445.16	1	1,525	2,480	61.5%	1,615	2,575	62.7%
445.16	2	2,770	3,760	73.7%	2,825	4,150	68.1%
445.17	1	780	1,745	44.7%	835	2,400	34.8%
445.18	1	1,180	2,145	55.0%	750	1,545	48.5%
445.18	2	2,060	3,315	62.1%	2,695	3,920	68.8%
445.21	1	515	1,015	50.7%	685	905	75.7%
445.22	1	2,785	4,575	60.9%	2,715	5,060	53.7%
Total		23,170	36,930	62.7%	27,645	41,685	66.3%

Source: U.S. Department of Housing and Urban Development, *2006-2010 and 2011-2015 Low and Moderate Income Summary Data*

3. Income Inequality

The income gap between the rich and the poor has been rising in regions, cities and the country. According to the Pew Research Center:

Income inequality may be measured in a number of ways, but no matter the measure, economic inequality in the U.S. is seen to be on the rise. One widely used measure – the 90/10 ratio – takes the ratio of the income needed to rank among the top 10% of earners in the U.S. (the 90th percentile) to the income at the threshold of the bottom 10% of earners (the 10th percentile). In 1980, the 90/10 ratio in the U.S. stood at 9.1, meaning that households at the top had incomes about nine times the incomes of households at the bottom. The ratio increased in every decade since 1980, reaching 12.6 in 2018, an increase of 39%.

Source: Pew Research Center, *Trends in Income and wealth Inequality*, January 9, 2020, page 11

In 2010-2014, the 90/10 ratios in Riverside County and Desert Hot Springs were 9.6 and 9.2, respectively. By 2015-2019, the Riverside County ratio increased to 11.5 while that of the City

remained the same at 9.2. Thus, income inequality grew in Riverside County but not in Desert Hot Springs.

Table B-21 shows that the statewide ratio exceeds that of all southern California counties. The reason is that the Bay Area has a high 90/10 ratio, meaning that region has a greater income inequality than SoCal.

**Table B-21
Income Inequality Measures by Region and Area: 2015-2019**

Region/Area	90 th Percentile	10 th Percentile	90-10 Ratio
Statewide	\$262,000	\$21,000	12.3
Inland Empire	\$190,000	\$20,000	9.7
Riverside County	\$182,000	\$16,000	11.5
Orange County	\$289,000	\$25,000	11.8
Los Angeles County	\$234,000	\$20,000	11.8
<i>Desert Hot Springs</i>	<i>\$88,000</i>	<i>\$9,600</i>	<i>9.2</i>

Table Household Income in the Past 12 Months (in 2019 Inflation Adjusted Dollars)

Calculations by William F. Gayk, Ph.D.

Note: Inland Empire includes Imperial, Riverside and San Bernardino Counties

Source: Public Policy Institute of California, *Income Inequality in California*, January 2020, 2 pages

Desert Hot Springs’ 90/10 ratio is low at 9.2 which means that the gap between the income groups living in the City is narrow compared to the Region and individual counties. Income inequality is not an issue in Desert Hot Springs as the 90/10 ratio is low and stable.

H. RACIALLY/ETHNICALLY CONCENTRATED AREAS OF POVERTY

1. Background

To assist communities in identifying racially or ethnically-concentrated areas of poverty (R/ECAPs), HUD developed a census tract-based definition of R/ECAPs. The definition involves thresholds for racial/ethnic concentration and poverty:

- A non-White population of 50% or more
- A poverty rate that exceeds 40% or is three or more times the regional poverty rate, whichever rate is lower

For the CBSA Region, the three times poverty rate is 44.4%. For Riverside County alone it is 41.1%.

Census tracts with this extreme poverty that satisfy the racial/ethnic concentration threshold are deemed by HUD to be R/ECAPs.

2. Problems Associated with Segregation and Concentrated Poverty

HUD explains the importance of the R/ECAP analysis in the following terms:

A large body of research has consistently found that the problems associated with segregation are greatly exacerbated *when combined* with concentrated poverty. Neighborhoods of concentrated poverty may isolate residents from the resources and networks needed. Concentrated poverty has also been found to have a long-term effect on outcomes for children growing up in these neighborhoods related to a variety of indicators, including crime, health and education and future employment and lifetime earnings. An R/ECAP analysis is consistent with addressing concerns raised in the legislative history of the Fair Housing Act. The 1968 Kerner Commission on Civil Disorders acknowledged that “segregation and poverty” create “a destructive environment.” [Emphasis added]

Source: U.S. Department of Housing and Urban Development, *AFFH Rule Guidebook*, December 13, 2015, page 68

3. Regional Analysis of R/CAPs – 1990 to 2010

In 1990, there were a total of eight R/ECAP areas in the Region. Six of the R/ECAPs were adjacent to each other and located within the City of San Bernardino. Mecca, in unincorporated Riverside County, was the other R/ECAP and consisted of two contiguous census tracts.

In 2000, the Region added six R/ECAPs (three in the City of San Bernardino, two in the City of Riverside and one in the City of Barstow) for a total of 12 R/ECAPs as two census tracts were removed between 1990 and 2000 because they no longer met the threshold criteria.

In 2010, there were 21 R/ECAPs as two census tracts were removed and 11 added. Of the 21 R/ECAPs 14 were located in San Bernardino County and seven in Riverside County. The City of San Bernardino had 12 R/ECAPs and 11 of the 12 were adjacent to one another near the downtown. The cities of Barstow and Victorville each had one R/ECAP. In Riverside County, the cities of Riverside, Beaumont and Indio each had one R/ECAP while the City of Moreno Valley and the unincorporated community of Mecca each had two R/ECAPs.

Within the Region, the highest concentration of racial/ethnic minority populations and poverty was within the 11 contiguous census tracts located in the City of San Bernardino.

4. Riverside County R/ECAPs – 2015-2019

Since 2010, the number of R/ECAPs located in Riverside County has decreased from seven to three. Table B-22 provides estimates of the population with poverty level incomes and the minority population. The R/ECAPs are located in Blythe, Indio, and Riverside.

The R/ECAP located in the City of Riverside is located near UC Riverside. College towns frequently appear to have high poverty rates, often inflated by the presence of students in the population. The City of Riverside in its *2019 Analysis of Impediments to Fair Housing Choice* adjusted the poverty rate because of the influence of students and determined it was below 40%.

**Table B-22
Riverside County R/ECAPs: 2015-2019**

Poverty Status/Race and Ethnicity	Census Tract		
Poverty Status	453.03	461.02	465
Total Population for whom poverty status is determined	2,639	1,746	2,749
Below poverty level population for whom poverty status is determined	1,116	808	1,241
Percent Below Poverty Level	42.3%	46.3%	45.1%
Percent Minority			
Race/Ethnicity			
Not Hispanic or Latino			
White alone	109	332	1,807
Black or African American alone	0	161	673
American Indian and Alaska Native alone	0	0	25
Asian alone	80	5	2,902
Native Hawaiian and Other Pacific Islander alone	0	0	88
Some other race alone	0	36	41
Two or more races	0	26	560
Hispanic or Latino	2,450	1,321	3,316
Total	2,639	1,881	9,412
Minority Population	2,530	1,549	7,605
Percent Minority	95.9%	82.3%	80.8%

Source: 2015-2019 American Community Survey 5-Year Estimates, Table B01003, Total Population; Table B17020 Poverty Status in the Past 12 Months by Age and Table B03002 Hispanic or Latino by Race

5. City of Desert Hot Springs

As discussed above, there were no R/ECAPs located in Desert Hot Springs in 1990, 2000, and 2010 according to the R/ECAPs map by HUD (updated February 9, 2018). Both the HUD map and HCD’s AFFH Data Viewer show that two census tracts in Desert Hot Springs are designated as R/ECAPs (CT 445.07 and CT 445.09). However, the latest data source for both maps are 2009-2013. Table B-23 shows that according to the 2015-2019 ACS data, eight of the nine census tracts have minority populations exceeding 50%. However, none of the census tracts have a poverty rate equal to or more than the R/ECAP threshold of 40%. Thus, CT 445.07 and CT 445.09 are not considered R/ECAPs after 2015 based on the HUD methodology. However, all areas in these two tracts are designated as TCAC Areas of High Segregation and Poverty in 2020 and 2021, as discussed below under Section J. CVAG Region and City Access to Opportunity Analysis.

6. Areas of Affluence

HCD defines “areas of affluence” as census tracts/neighborhoods in which 80% of the population is White, not Hispanic and the median household income is \$125,000 or more. Desert Hot Springs does not have an area of affluence. In 2015-2019, there are 18 census tracts/neighborhoods located in the Region (Riverside County) in which 80% or more of the population is White, not Hispanic. However, only one census tract in the Region had a median household income of \$125,000 or more: #456.08 which is located in the City of La Quinta. Two additional census tracts had an 80% White, not Hispanic population and median household incomes just below \$125,000 – CT 451.25 (\$123,792) located in Indian Wells and CT 449.21 (\$116,875) located in Rancho Mirage.

**Table B-23
City of Desert Hot Springs
Racially/Ethnically Concentrated
Areas of Poverty: 2015-2019**

Census Tract	Total Population	Poverty Rate	Percent Minority
445.07	6,817	36.20%	78%
445.09	3,693	36.00%	70%
445.10	6,649	34.80%	72%
445.15	3,971	31.00%	76%
445.16	6,109	21.00%	78%
445.17	2,435	6.70%	24%
445.18	5,302	22.50%	58%
445.21	1,332	30.50%	58%
445.22	3,812	26.80%	54%

Source: 2015-2019 American Community Survey 5-Year Estimates, Table B01003, Total Population; Table B17020 Poverty Status in the Past 12 Months by Age and Table B03002 Hispanic or Latino by Race

I. DISPARITIES IN Regional Access to Opportunity

1. HUD Access to Opportunity Data

HUD used a two-stage process for developing the data needed to analyze disparities in access to opportunity. The first stage involves quantifying the degree to which a neighborhood offers features commonly viewed as important opportunity indicators. In the second stage, HUD compares these rankings across people in particular racial and economic subgroups to characterize disparities in access to opportunities. To focus the analysis, HUD developed methods to quantify a selected number of the important opportunity indicators in every neighborhood. These dimensions were selected because existing research suggests they have a bearing on a range of individual outcomes.

Invariably, these opportunity indicators do not capture all that is encompassed in an individual's or a family's access to opportunity. In quantifying opportunity indicators, HUD is quantifying features of neighborhoods for the purpose of assessing whether significant disparities exist in the access or exposure of particular groups to these quality of life factors. While these important dimensions are identified by research as important to quality of life, the measures are not without limitations. HUD constrained the scope of HUD-provided data to those that are closely linked to neighborhood geographies and could be measured consistently at small area levels across the country. For example, HUD's measure of school performance only reflects elementary school proficiency. It does not capture academic achievement for higher grades of schooling, which is important to a community's well-being, but may not be as geographically tied to individual neighborhoods as elementary schools.

2. Description of Opportunity Indicators

a. Low Poverty Index

The low poverty index captures poverty in a given neighborhood. The index is based on the poverty rate and the census tract level. Values are inverted and percentile ranked nationally. The resulting values range from 0 to 100. The higher the score, the less exposure to poverty in a neighborhood.

b. School Proficiency Index

The school proficiency index uses school-level data on the performance of 4th grade students on state exams as a means to identify the neighborhoods having high-or low performing elementary schools.. The school proficiency index measures the percent of 4th grade students proficient in reading and math on state test scores for up to three schools within 1.5 miles of a census tract's block-group's centroid. The source of the HUD school data is the Great Schools Rating. Values are percentile ranked and range from 0 to 100. The higher the score, the higher the school system quality is in a neighborhood.

c. Jobs Proximity Index

The Jobs Proximity Index quantifies the accessibility of a given neighborhood as a function of its distance to all job locations in a CBSA, with the larger employment centers weighted more heavily. In effect, the index measures the physical distances between place of residence and location of jobs. The job locations are positively weighted by the size of the employment and inversely weighted by the labor supply residing in that location. Values are percentile ranked at the CBSA level with values ranging from 0 to 100. The higher the index value, the better the access to employment opportunities for the residents in a neighborhood.

d. Labor Market Engagement Index

The Labor Market Engagement Index is based on three factors: unemployment rate, labor force participation rate and educational attainment (the percent of the population with a bachelor's degree or higher). Values are percentile ranked nationally and range from 0 to 100 with the higher the score the higher the labor force participation and human capital in a neighborhood.

e. Low Transportation Cost Index

This index is based on estimates of transportation costs for a family that meets the following description: a 3-person single-parent family with income at 50% of the median income for renters for the region (i.e. CBSA). Transportation costs are expressed as a percent of income for renters. Values range from 0 to 100. Higher values mean lower transportation costs in that neighborhood. Transportation costs may be low for a variety of reasons, including greater access to public transportation and the density of homes, services, and jobs in the neighborhood and surrounding community.

f. Transit Trips Index

This index is based on estimates of transit trips taken by a family that meets the following description: a 3-person single-parent family with income at 50% of the median income for renters for the Region. Annual transit trips are modeled for renters. Index values range from 0 to 100. Higher scores indicate that residents in the neighborhood/census tract are more likely to utilize public transit. The index controls for income such that a higher index value will often reflect better access to public transit.

g. Environmental Health Index

The environmental health index summarizes potential exposure to harmful toxins at the neighborhood level (census tracts). This index combines standardized EPA estimates of air quality carcinogenic, respiratory and neurological hazards. Values range from 0 to 100. The higher the value, the better is the environmental quality of a neighborhood.

3. Analysis of CBSA Regional Access to Opportunity

Table B-24 provides the score for each of the seven indicators for the regional population and the population with incomes below the poverty line by race and ethnicity. It is important to remember that the higher the score the more access to opportunity – a score of 65 compared to 50 demonstrates, for example, better access to public transit,

The values of the indices are best understood as an “interval” level of measurement, similar to a thermometer. It can be said that 90 degrees is hotter than 45 degrees but not twice as hot. A “ratio” level of measurement which has a true zero such as pounds is needed so it can be said that 90 pounds is twice the weight of 45 pounds.

a. Low Poverty

As expected all racial/ethnic populations with incomes below the poverty line are more exposed to poverty than the regional population. This probably also is true for Desert Hot Springs because the City's poverty rate exceeds that of Riverside County and San Bernardino County. In addition, five census tracts have poverty exceeding 30%.

b. School Proficiency

Also as expected all racial and ethnic populations below the federal poverty line live in neighborhoods with poor performing schools compared to the regional population. In fact, the neighborhoods where income-poor Black Non-Hispanic and Hispanic households live have particularly low scores.

The five elementary schools in Desert Hot Springs also are low performing. Great Schools rates the schools a 4 on a scale of 1 to 10.

c. Labor Market Engagement

Again, the population below the federal poverty line has lower scores than the regional population. None of the scores are 50 or higher. The regional Asian or Pacific Islander population has the highest score at 43.02.

d. Transit/Low Transportation Cost

For both indices, the scores of the population below the federal poverty line are higher than the regional population. The scores demonstrate closer proximity and use of public transit.

e. Jobs Proximity

Jobs proximity scores are generally the same for the regional population and the population below the federal poverty line. Only three of the 10 possible scores exceed a score of 50, however.

f. Environmental Health

Environmental health scores are generally the same for the regional population and the population below the federal poverty line. Nine of the 10 possible scores exceed a score of 50.

**Table B-24
Regional (CBSA) Access to Opportunity Index Scores**

(Riverside-San Bernardino-Ontario, CA) Region	Low Poverty Index	School Proficiency Index	Labor Market Index	Transit Index	Low Transportation Cost Index	Jobs Proximity Index	Environmental Health Index
Total Population							
White, Non-Hispanic	52.61	53.16	34.50	37.96	25.75	49.50	61.98
Black, Non-Hispanic	42.80	43.79	27.18	42.55	31.82	49.72	52.97
Hispanic	37.51	41.01	24.20	43.12	32.68	47.81	52.59
Asian or Pacific Islander, Non-Hispanic	60.42	59.23	43.02	41.92	29.18	48.25	52.51
Native American, Non-Hispanic	41.19	45.54	25.06	36.84	26.34	50.16	61.60
Population below federal poverty line							
White, Non-Hispanic	38.39	44.64	25.55	38.74	29.20	49.95	62.31
Black, Non-Hispanic	27.15	35.04	17.39	43.48	34.78	48.95	51.90
Hispanic	23.78	34.76	16.42	44.76	36.54	49.34	52.37
Asian or Pacific Islander, Non-Hispanic	42.30	44.82	30.51	45.00	37.05	51.32	49.15
Native American, Non-Hispanic	30.24	39.41	20.61	39.17	32.05	52.23	58.72

Note 1: Data Sources: Decennial Census; ACS; Great Schools; Common Core of Data; SABINS; LAI; LEHD; NATA

Note 2: Refer to the Data Documentation for details (www.hudexchange.info).

J. CVAG REGION AND CITY ACCESS TO OPPORTUNITY ANALYSIS

1. CVAG Regional Analysis

The TCAC/HCD Opportunity Mapping Tool designates neighborhoods – meaning census tracts – into one of the following six resource categories:

- Highest
- High
- Moderate
- Low
- High Segregation & Poverty

Tract-level indices were summed to the jurisdictional-level by SCAG using area-weighted interpolation. Using 2013-2017 American Community Survey population data, SCAG determined the share of each jurisdiction's population in each of these five categories.

Table B-25 shows the number of people living in each of the five neighborhood resource categories while Table B-26 shows the percentage.

By far, Palm Desert has the largest number of people living in the highest resource neighborhoods – 41,336 out of CVAG regional total of 72,434. La Quinta at 18,215 people has the second largest number of persons living in the highest resource neighborhoods. Palm Springs, La Quinta, and Rancho Mirage have the largest populations living in the high resource neighborhoods.

On the other hand, the largest number of people living in high segregation and poverty and low resource neighborhoods call Coachella home. Desert Hot Springs (13,264) and Cathedral City (12,607) have the second and third highest numbers of people living in high segregation and poverty neighborhoods.

On a percentage basis, Indian Wells, Palm Desert and La Quinta have the highest percentages of people living in high resource and highest resource neighborhoods. The numbers and percentages reveal that the neighborhoods with the best access to opportunity are geographically concentrated within the CVAG Region.

The highest percentages of people living in high segregation and poverty and low resource neighborhoods call Coachella and Desert Hot Springs home. Because of the large geographic areas encompassed within these neighborhoods, the obvious question emerges whether each of these cities should have been allocated more than a modest lower income RHNA. The “social equity adjustment” was the tool employed by SCAG to account for disparities in access to opportunity across the region:

Assigning a higher social equity adjustment based on Opportunity Indices will result in a higher percentage of affordable housing units to areas that have higher resources. Concurrently, it will assign a lower percentage of affordable housing in areas where they

is already an overconcentration. Because Opportunity Indices consider factors such as access to lower wage jobs, poverty rates, and school proficiency, the social equity adjustment in the RHNA methodology will result in factors beyond simply household income distribution. This additional adjustment will help to adjust the disparity in access to fair housing across the region, furthering the AFFH objective required in State housing law.

Southern California Association of Governments, *Final RHNA Allocation Methodology*, March 5, 2020, page 5

Whether this adjustment really accounts for the realities on the ground in cities like Desert Hot Springs and Coachella is debatable. As noted above, the adjustments are made in terms of *percentages*. In terms of numbers, Coachella was allocated approximately 2,000 and Desert Hot Springs 1,100 lower income housing units, respectively.

**Table B-25
CVAG Neighborhood Resource Categories by City (Number)**

Jurisdiction	High Segregation & Poverty	Low Resource	Moderate Resource	High Resource	Highest Resource	Total Population
Cathedral City	12,607	0	30,841	5,002	0	48,450
Coachella	24,853	11,252	7,435	0	0	43,540
Desert Hot Springs	13,264	164	8,966	978	0	23,372
Indian Wells	0	0	0	0	8,585	8,585
Indio	1,249	10,218	48,207	11,390	3,023	74,087
La Quinta	439	0	1,329	16,784	18,215	36,767
Palm Desert	0	0	0	4,601	41,336	45,937
Palm Springs	62	50	17,122	33,190	433	50,857
Rancho Mirage	0	0	2,083	14,692	842	17,737
Total	52,474	21,684	116,703	86,037	72,434	349,332
Percent	15.0%	6.2%	33.4%	24.6%	20.8%	100.0%

Source: Southern California Association of Governments, *Final RHNA Methodology Data Appendix*, Population within TCAC Resource Areas, page 44, March 5, 2020

**Table B-26
CVAG Neighborhood Resource Categories by City (Percent)**

Jurisdiction	High Segregation & Poverty	Low Resource	Lowest Resource (Seg/Pov+Low Resource)	Moderate Resource	High Resource	Highest Resource
Cathedral City	26.0%	0.0%	26.0%	63.7%	10.3%	0.0%
Coachella	57.1%	25.8%	82.9%	17.1%	0.0%	0.0%
Desert Hot Springs	56.8%	0.7%	57.5%	38.4%	4.5%	0.0%
Indian Wells	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Indio	14.3%	12.0%	26.3%	56.7%	13.4%	3.6%
La Quinta	1.2%	0.0%	1.2%	3.6%	45.6%	49.5%
Palm Desert	0.0%	0.0%	0.0%	0.0%	10.0%	90.0%
Palm Springs	0.1%	0.1%	0.2%	33.7%	65.3%	0.9%
Rancho Mirage	0.0%	0.0%	0.0%	15.8%	79.5%	4.7%
Total Percent	15.0%	6.2%	33.4%	24.6%	20.8%	100.0%

Source: Southern California Association of Governments, Final RHNA Methodology Data Appendix, Population within TCAC Resource Areas, page 44, March 5, 2020

2. Desert Hot Springs Census Tract/Neighborhood Analysis

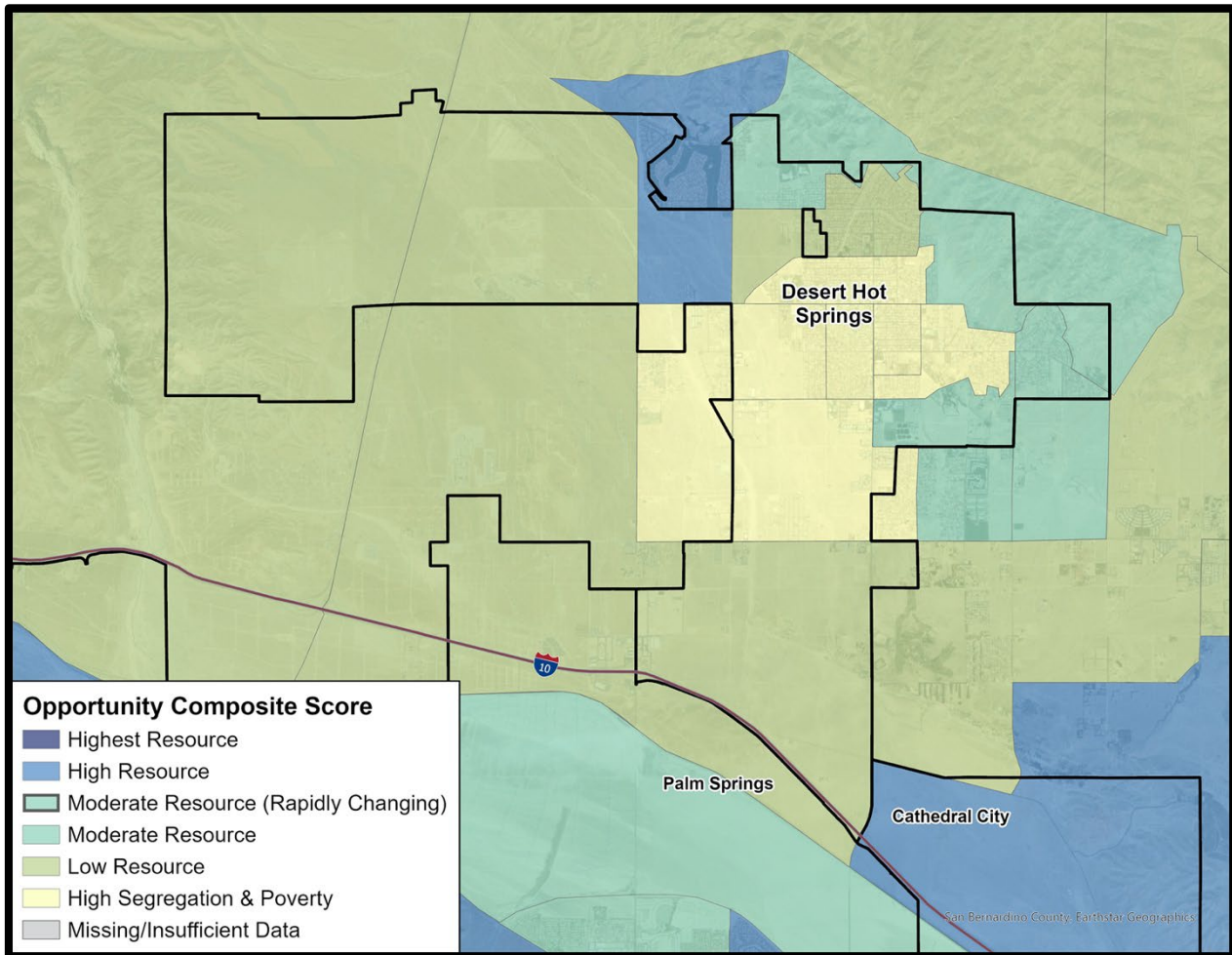
Nine census tracts cover all or a portion of land that is located within the City limits. As shown in Exhibit B-7, one census tract (CT 445.17) is classified as High Resource, which overlaps with the Mission Lakes Country Club. However, as described in Appendix C, the majority of the developed land within the census tract is located in unincorporated territory. Most of the land in CT 445.17 within the City limits is zoned Open Space – Conservation, due to significant hillsides, Coachella Valley Multiple Species Conservation Plan designations and similar factors.

Two census tracts – 445.16 and 445.18 are designated as Moderate Resource.

Two census tracts – 445.21 and 445.22 are designated as Low Resource. Note that a portion of CT 445.18 is designated as Low Resource in the northern City.

Four census tracts are designated as High Segregation & Poverty: 445.07; 445.09; 445.10; and 445.15. These areas are in the central City and coincide with the Hispanic Majority Tracts. Based on 2009-2013 HUD data, CT 445.07 and CT 445.09 were designated R/ECAPs. However, based on analysis in Section H.5 above, the two census tracts do not meet the thresholds of racially/ethnically concentrated areas of poverty, based on 2015-2019 ACS data. In all four census tracts, the minority population represents 50% or more of the total population. The poverty rates, however, do not reach the R/ECAP threshold of 40%, ranging between 31% and 36.2%.

**Exhibit B-7
City of Desert Hot Springs TCAC Opportunity Areas (2021)**



3. Regional Minority Population Trends

Desert Hot Springs is not unusual for having almost all of its census tracts with 50% or more of the population belonging to a minority population group. In fact, it is highly probable that the majority of Riverside County’s census tracts have a minority population percentage exceeding 50% or more. Table B-27 shows in that in 2020 (62.5%) and 2030 (63.8%) the minority population comprises almost two-thirds of Riverside County’s population.

Table B-27
Riverside County Population Growth: 2020-2030

Race/Ethnicity	2020	2030	Net Gain 2020-2030	Percent Change
Hispanic or Latino	1,160,908	1,318,755	157,847	13.6%
Not Hispanic or Latino				
White Alone	918,867	986,706	67,839	7.4%
Black or African American Alone	146,861	168,404	21,543	14.7%
American Indian and Alaska Native Alone	12,095	13,435	1,340	11.1%
Asian Alone	148,270	166,613	18,343	12.4%
Native Hawaiian and Pacific Islander Alone	6,720	7,334	614	9.1%
Two or More Races	55,578	66,821	11,243	20.2%
Total	2,449,299	2,728,068	278,769	11.4%

Source: Demographic Research Unit, California Department of Finance, March 2021.

In several census tracts/neighborhoods, it will be important to implement poverty-reducing strategies; including placed-based strategies. Poverty, according to the Community Action Partnership (War on Poverty agency) is considered a contributing factor to housing and socio-economic problems.

K. DISPROPORTIONATE HOUSING NEEDS

1. Background

For purposes of the *Assessment of Fair Housing* -

Disproportionate housing needs refers to a condition in which there are *significant disparities* in the proportion of members of a *protected class* experiencing a *category of housing need* when compared to the proportion of members of any other *relevant groups* or *the total population* experiencing that category of housing need in the applicable geographic area. For purposes of this definition, categories of housing need are based on such factors as cost burden, severe cost burden, overcrowding, and substandard housing conditions.... 24 CFR 5.154 [Emphasis added]

Source: U.S. Department of Housing and Urban Development, *AFFH Rule Guidebook*, December 13, 2015, page 79

No threshold measures are given by HUD to enable jurisdictions to determine what a “significant disparity” is.

The categories of housing need, therefore, include:

- Cost Burden
- Severe Cost Burden

- Overcrowding
- Substandard Housing Conditions

2. Indicators of Disproportionate Housing Needs

ACS data are unavailable on the cost burdens and substandard housing conditions experienced by the different protected classes (e.g., race, national origin, disability, familial status). Data are available on overcrowding by race and ethnicity.

a. Extremely Low Income by Race and Ethnicity

Table B-28 shows that the percentages of extremely low income Black and Hispanic households are considerably higher than the White and Asian households. This may very well mean that Black and Hispanic households experience disproportionate cost burdens and severe cost burdens when compared to White and Asian households.

b. Extremely Low Income Households by Tenure

Nearly 37% of all renters have extremely low incomes compared to less than 10% of owners. Thus, fair housing protected groups that live in renter-occupied housing are more likely than owners to experience disproportionate housing needs.

Table B-28
City of Desert Hot Springs
Extremely Low Income Households by Race/Ethnicity: 2012-2016

Race and Ethnicity	Total Households	Extremely Low Households	Percent Extremely Low Income Households
White, Non-Hispanic	4,060	720	17.7%
Black, Non-Hispanic	769	304	39.5%
Asian and Other, Non-Hispanic	463	95	20.5%
Hispanic	3,980	1,125	28.3%
Total	9,272	2,244	24.2%
Renter-occupied	5,050	1,865	36.9%
Owner-occupied	4,225	385	9.1%
Total	9,275	2,250	24.3%

Source: Southern California Association of Governments, *Pre-Certified Local Housing Data, August 2020*, based on CHAS Data 2012-2016

c. Very Low Income Cost Burdens by Income

Table B-29 describes the number of very low income renter and owner households that experience cost burden and severe cost burden. For renters, housing cost is gross rent (contract rent plus utilities). For owners, housing cost is "select monthly owner costs", which includes mortgage payment, utilities, association fees, insurance, and real estate taxes.

Among very low *renters*, 83.2% are cost burdened and 65.7% are severely cost burdened. The data also demonstrate that about 68% of all very low income *owners* are cost burdened and 43% are severely cost burdened.

This means that the renter households within each protected group are more likely to be cost burdened and severely cost burdened than there owner counterparts.

Table B-30 shows that for Riverside County extremely low income renters and owners experience essentially the same percentages of cost burdens as the City’s householders. There is one exception, however. Almost 54% of the County’s extremely low income owners are severely cost burdened compared to 43% of the City’s householders.

**Table B-29
City of Desert Hot Springs
Very Low Income (<50% AMI)
Cost Burden and Severe Cost Burden
By Tenure: 2013-2017**

Tenure	Total Low Income (<50% AMI)	Number Cost Burdened	Percent Cost Burdened	Number Severely Cost Burdened	Percent Severely Cost Burdened
Renters	3,000	2,495	83.2%	1,970	65.7%
Owners	1,060	720	67.9%	460	43.4%
Total	4,060	3,215	79.2%	2,430	59.9%

Note: Low/moderate income means less than 80% of the area median income
 Cost burden = 30% or more of income spent on housing costs
 Severe cost burden = 50% or more spent on housing costs

Source: Comprehensive Housing Affordability Strategy (“CHAS”) Data, based on 2013-2017 American Community Survey and 2010 Census

Table B-30
Riverside County
Very Low Income (<50% AMI)
Cost Burden and Severe Cost Burden
By Tenure: 2013-2017

Tenure	Total Low Income (<50% AMI)	Number Cost Burdened	Percent Cost Burdened	Number Severely Cost Burdened	Percent Severely Cost Burdened
Renters	89,950	75,110	83.5%	57,615	64.1%
Owners	69,480	49,050	70.6%	37,385	53.8%
Total	159,430	124,160	77.9%	95,000	59.6%

Note: Low/moderate income means less than 80% of the area median income
 Cost burden = 30% or more of income spent on housing costs
 Severe cost burden = 50% or more spent on housing costs

Source: Comprehensive Housing Affordability Strategy ("CHAS") Data, based on 2013-2017 American Community Survey and 2010 Census

d. Overcrowding by Race and Ethnicity

While American Indian and Alaska Native households experience the highest level of overcrowding, there are relatively few of these households. Hispanics experience disproportionate housing need with respect to overcrowding. There are a higher percentage of overcrowded Hispanic households than experienced by White, Asian and Black households. Refer to Table B-31.

Table B-31
City of Desert Hot Springs
Disproportionate Housing Needs Analysis
Overcrowding by Race and Ethnicity

Race/Ethnicity	Number of Households	Number Overcrowded	Percent Overcrowded
Hispanic	4,556	729	16.0%
Some Other Race Alone	875	101	11.5%
Black/African American	1,202	108	9.0%
Asian	306	32	10.5%
White Alone, Not Hispanic or Latino	4,194	165	3.9%
Two or More Races	247	20	8.1%
American Indian/Alaska Native	75	13	17.3%
Native Hawaiian/Pacific Islander	14	0	0.0%
Total	11,469	1,168	10.2%

Source: U.S. Census Bureau; American Community Survey, 2015-2019 5-Year Estimates, Table B25014 B-I, Occupants Per Room

For Riverside County, 13.9% of the Hispanic households are overcrowded, a percentage that is lower than the City. However, the County’s overcrowding rate (15.9%) experienced by Some Other Race Alone householders is higher than that of Desert Hot Springs (11.5%). Refer to Table B-32.

Table B-32
Riverside County
Disproportionate Housing Needs Analysis
Overcrowding by Race and Ethnicity

Race/Ethnicity	Number of Households	Number Overcrowded	Percent Overcrowded
Hispanic	273,613	37,958	13.9%
Some Other Race Alone	124,289	19,811	15.9%
Black/African American	48,046	2,577	5.4%
Asian	42,378	2,201	5.2%
White Alone, Not Hispanic or Latino	344,446	6,616	1.9%
Two or More Races	18,694	1,321	7.1%
American Indian/Alaska Native	5,856	361	6.2%
Native Hawaiian/Pacific Islander	1,898	217	11.4%
Total	859,220	71,062	8.3%

Source: U.S. Census Bureau; American Community Survey, 2015-2019 5-Year Estimates, Table B25014, Occupants Per Room

e. Homeless

The 2019 Point in Time (PIT) Homeless Count for the Region comprised of Riverside County and San Bernardino County was 5,411 sheltered and unsheltered persons: 2,811 in Riverside County and 2,607 in San Bernardino County.

Disproportionate needs are experienced by the Black population and individuals with disabilities.

In Riverside County, the Black population represents 16% of all homeless persons. Individuals with disabilities (substance abuse and mental health conditions) comprise 38% of all homeless persons.

In San Bernardino County, Blacks comprise 19% of the homeless population. Persons with disabilities also have disproportionate needs as they represent 40% of the County’s homeless population

In Desert Hot Springs, the homeless population was 68 persons in 2019. Disproportionate needs were experienced by people who identify with “multiple races,” as they represented 42% of all the City’s homeless persons. Disabled persons also had disproportionate needs.

L. DISPLACEMENT RISK

Displacement risk factors include, but are limited, to:

- Constructive evictions
- Expiration of national and state eviction moratoriums
- Foreclosures
- ELI/severely cost burdened households

A constructive eviction occurs when a landlord takes actions that interfere with the tenant's use and enjoyment of the premises such as cutting off the tenant’s utilities or other essential services; harassing the tenant, whether verbally, physically, or emotionally; or blocking the tenant’s access to the unit, such as changing the locks.

The County of Riverside removed constructive eviction as an impediment to fair housing because there was insufficient publicly available data to support inclusion of this landlord-tenant issue as an impediment to fair housing choice.

Source: County of Riverside Economic Development Agency, *Analysis of Impediments to Fair Housing Choice 2019-2021*, June 2019. pages 11-12

In the past six years (FY 2014/2015 to 2019/2020), Desert Hot Springs residents made 5,759 tenant/landlord related calls. Eviction related calls ranked fourth among the issues prompting the calls to the FHCRC:

- | | | |
|-----------|-------|-----|
| ▪ Repairs | 1,410 | 24% |
| ▪ Notices | 898 | 16% |

▪ Lease/rental terms	674	12%
▪ Eviction	414	7%

Although ranked fourth, evictions could pose a displacement risk to many households as an average of 70 eviction related calls are made per year. The City will work with the FHCRC to identify the eviction related issues associated with the calls and the resources available to address the issues (Program 5.6).

Although eviction moratoriums are in place, CalMatters estimated that 10,000 evictions happened in the State during a 9-month period. There were 112 confirmed evictions in Riverside County and 898 in San Bernardino County.

Foreclosures have greatly diminished since 2010. There were 686 foreclosures in 2010 compared to 47 in 2018. As a consequence, the displacement risk associated with foreclosures is not as severe as it was a decade ago.

Severely cost burdened extremely low income households are at a high risk of displacement because they face serious difficulties each month to pay the rent. When they can't make the rent payment, they may be forced to move to a motel or temporarily live with friends or relatives. If their financial circumstances don't improve, homelessness could be the only option available to them.

According to the 2013-2017 CHAS data, 14% of Riverside County's renters had extremely low incomes and were spending 50% or more of their income on rent (N=35,000). In San Bernardino County, the comparable figures were 16% and 40,380 ELI households.

The displacement risk in Desert Hot Springs is more acute when compared to the two counties: 29% of all the City's ELI households were severely cost burdened (N=1,515).

The Urban Displacement Project (UDP) is a research and action initiative of the University of California Berkeley and the University of Toronto. UDP conducts community-centered, data-driven, applied research toward more equitable and inclusive futures for cities, and contributed the Sensitive Communities map to HCD's AFFH Data Viewer. Communities are designated sensitive if "they currently have populations vulnerable to displacement in the event of increased redevelopment and drastic shifts in housing cost." The following characteristics define vulnerability:

- Share of very low-income residents is above 20%; and
- The tract meets two of the following criteria:
 - Share of renters is above 40%,
 - Share of people of color is above 50%,
 - Share of very low-income households (50% AMI or below) that are severely rent burdened households is above the county median,
 - They or areas in close proximity have been experiencing displacement pressures (percent change in rent above County median for rent increases), or
 - Difference between tract median rent and median rent for surrounding tracts above median for all tracts in county (rent gap).

According to the UDP map on the AFFH Data Viewer, almost the entire City, except census tract

445.17 that overlaps with the Mission Lakes Country Club, is designated as vulnerable to displacement. This is consistent with and likely due to the City's characteristics of generally lower household income and higher percentages of people of color. Note that the areas identified as vulnerable to displacement not only covers Hispanic Majority Tracts, but also some White Majority Tracts.

The City will work with the Housing Authority, FHCR, and Lift to Rise to develop ways to mitigate displacement risk.

The United Lift Rental Assistance Program was a coordinated effort between County of Riverside Housing Authority, Inland SoCal United Way, and Lift To Rise to keep Riverside County families and residents housed by providing one-time direct rental assistance to households that are behind on rent payments due to the ongoing COVID-19 pandemic. The program lasted from June until November, 2020 and assisted 10,000 households.

Riverside County allocated \$33 million of federal funds for the program – \$30 million from the Coronavirus Aid, Relief, and Economic Security (CARES) Act and \$3 million from the Community Development Block Grant (CDBG) program – making it one of the most generous emergency rental assistance programs in the state in terms of funding per capita.

Among pre-eligible applicants for rental assistance, nearly 37% reported being at least three months behind on rent payments. The more months behind in rent, the more difficult it is to pay off the balance, and the more likely it is that the household will eventually face eviction. At the time of application 79% of pre-eligible applicants stated that they would not be able to pay rent in July. According to the data, 12% of pre-eligible applicants have already received an eviction notice in the past three months. While some cities had issued emergency eviction moratoriums, these did not offer protections from the financial obligations of renters, leaving those who are behind on rent vulnerable to eviction.

On May 8, 2021, the City hosted at City Hall a Rental Assistance Event. United Way, Lift to Rise and Riverside County described the rental assistance program, which includes payment of up to 12 months of back rent and three months of future rent.

M. FAIR HOUSING ENFORCEMENT, OUTREACH AND RESOURCES ANALYSIS

1. Fair Housing Enforcement

a. Background

HUD's *AFFH Rule Guidebook* states the following regarding the lack of private fair housing outreach and enforcement:

The term "local private fair housing outreach and enforcement" refers to outreach and enforcement actions by private individuals and organizations, including such actions as fair housing education, conducting testing, bring lawsuits, arranging and implementing settlement agreements. A lack of private enforcement is often the result of a lack of resources or a lack of awareness about rights under fair housing and civil rights laws, which can lead to underreporting of discrimination, failure to take advantage of remedies under the law, and the continuation of discriminatory practices. Activities to raise awareness may include technical training for housing industry representatives and organizations, education and outreach activities geared to the general public, advocacy

campaigns, fair housing testing and enforcement.

Source: U.S. Department of Housing and Urban Development, *AFFH Rule Guidebook*, December 13, 2015, page 212

The City is required to identify local and regional fair housing or civil rights agencies and organizations that provide fair housing information, outreach, and enforcement, and to describe their capacity to assist in fair housing analysis and investigation.

b. Analysis

The enforcement of fair housing laws is accomplished by HUD, the California Department of Fair Employment and Housing (DFEH) and the Fair Housing Council of Riverside County, Inc. (FHCRC).

The DFEH is responsible for enforcing state fair housing laws that make it illegal to discriminate. The DFEH may file signed complaints with HUD if the matter falls within the jurisdiction of that agency. As a substantially equivalent agency, DFEH's findings are usually accepted by HUD.

(A state or local agency may be certified as substantially equivalent after it applies for certification and HUD determines that the agency administers a law that provides substantive rights, procedures, remedies and judicial review provisions that are substantially equivalent to the Fair Housing Act. Typically, once certified, HUD will refer complaints of housing discrimination that it receives to the state or local agency for investigation.)

Locally, the FHCRC takes part in a variety of activities to fight housing discrimination, such as free educational workshops, outreach to the community, and the investigation of housing discrimination complaints. The capacity of the FHCRC enables it to provide fair housing information, outreach, and enforcement to 24 cities and communities located in Riverside County plus the unincorporated area of the County.

FHCRC includes a total of 14 staff: two Housing Counselors, five Fair Housing Counselors, one Program Manager, one Fair Housing Testing Coordinator, one Fair Housing Outreach Specialist, one Accountant, an Executive Director and two administrative staff members. FHCRC also has two interns.

The funding that supports the efforts of the FHCRC includes CDBG funds received from participating jurisdictions within its service area and grant funds such as HUD's Fair Housing Initiatives Program (FHIP). The City is a cooperating city in the Urban County CDBG Program. The County of Riverside annually allocates CDBG funds to the FHCRC.

FHIP provides funds to eligible organizations through competitive grants under three initiatives that are designed to prevent or eliminate discriminatory housing practices and inform individuals of their rights and responsibilities under the Fair Housing Act. In FY 2020, the FHIP program awarded \$40 million in grants to 110 organizations to meet the objectives under one or more of the core program initiatives: enforcing the Fair Housing Act under the Private Enforcement

Initiative, educating the public and industry stakeholders on fair housing under the Education and Outreach Initiative, and building organizational capacity under the Fair Housing Organizations Initiative.

HUD provides FHAP funding annually on a noncompetitive basis to state and local agencies that enforce fair housing laws that are substantially equivalent to the Fair Housing Act. FHAP agencies support a variety of fair housing administrative and enforcement activities, including complaint investigation, conciliation, administrative and/or judicial enforcement; training; implementation of data and information systems; and education and outreach.

The FHCRC was awarded a FHIP Private Enforcement Initiative (PEI) grant of \$360,000 and a FHIP Education and Outreach Initiative (EOI) grant of \$125,000 to undertake various enforcement, education and outreach activities that promote Fair Housing. The activities are designed to minimize and eliminate impediments to fair housing choice. Specifically, FHCRC conducts systemic investigations, provides technical assistance to municipalities regarding compliance with fair housing laws, and provide fair housing education to the population of Riverside County.

FHCRC's proposed activities include conducting fair housing tests on rentals, sales and design and construction; hosting the Annual Housing Conference during National Fair Housing Month; creating partnerships with local agencies and three partnerships with universities and colleges, conducting town hall meetings to connect the public with housing professionals and industry leaders, conduct trainings, create new educational materials in various languages and systemic investigations which will help remove barriers to fair housing.

The FHCRC provides a full range of services including:

- Anti-discrimination
- Landlord/tenant counseling
- First time homebuyer seminars
- Foreclosure prevention
- Loan modification
- Back-to-Work FHA
- Training

Additionally, the FHCRC completed a Cultural Diversity Grant through the National Association of REALTORS (NAR) for the Inland Valleys Association of REALTORS (IVAR) members to attend the 2020 and 2021 Housing Conferences.

FHCRC is also a certified continuing education credit training organization through the California Department of Real Estate.

2. Housing Discrimination Complaints

Between FY 2014-2015 and FY 2019-20, FHCRC received 198 fair housing related inquiries from Desert Hot Springs residents. Of the cases opened, 90 cases (45%) involved allegations of

discrimination based on physical disability; 35 cases (18%) based on national origin; and 21 cases (11%) based on mental disability.

In 2018, a fair housing complaint involving national origin and familial status was settled. There were over 80 complainants involved in this case, which initially began in 2014. The City continued partnering with the FHCRC to investigate complaints placed through phone or walk-in complaints at the local office in Palm Springs.

FHCRC conducted a fair housing presentation in Desert Hot Springs in October of 2016 in which seven persons attended and 25 pieces of fair housing literature were distributed. FHCRC staff also attended and hosted a booth at the Desert Hot Springs Resource Fair, in October of 2015.

Most recently, FHCRC staff attended the DHS Housing Element Workshop in September of 2019 and the Housing Webinar in May of 2020. Also, FHCRC conducted outreach at various locations throughout Desert Hot Springs and distributed over 300 pieces of fair housing educational literature from 2015 to present.

HUD's San Francisco Regional Office reported 12 housing discrimination complaints filed by Desert Hot Springs residents in the seven year period from January 1, 2014 to December 31, 2020. The basis for seven of the 12 complaints was disability. Disability and retaliation were the bases for one complaint. And sex and disability were the bases for one complaint.

3. Civil Rights Institute of Inland Southern California (CRI)

The Civil Rights Institute of Inland Southern California (CRI) is a non-profit 501(c)(3) currently under construction in Downtown Riverside and will serve as a repository that will include exhibit and archival space for historical civil rights documents, artifacts, videos and audio recordings of all of the communities and regions surrounding Riverside County. The CRI will be located in a five-story building which also includes a large conference room, an office for the Fair Housing Council of Riverside County Inc. and 72 units of affordable housing.

Although the CRI will have a significant focus on African American contributions to the civil rights movement, its purpose is to include and embrace all ethnic communities and perspectives. The proposed activities that the CRI will provide include:

- Providing public programming and children's programs focusing on civil rights and the region's civil rights history
- Program exhibits and performances that support civil rights activities
- Housing an archive and library of regional civil right materials
- Conducting oral history projects and support the production of civil rights audio and video productions through the media center
- Recognizing the region's civil rights leaders and their impacts

4. Other Fair Housing Enforcement Agencies Located in the Region

In Los Angeles County, there are two fair housing enforcement agencies: Housing Rights Center and the Fair Housing Foundation. They serve cities located in Ventura County, Los Angeles County, and Orange County.

In Orange County, there is one fair housing enforcement agency: Fair Housing Council of Orange County. It serves cities located in Orange County.

The Inland Fair Housing and Mediation Board serve cities located in San Bernardino County and Imperial County.

5. Conclusion

No fair housing issue exists because of the lack of an organization to enforce fair housing laws. The FHCRC provides a full range of fair housing services and is the City's fair housing provider.

N. FAIR HOUSING ISSUES AND CONTRIBUTING FACTORS

The research and analysis demonstrates that the following are not fair housing issues:

- Integration and segregation patterns and trends
- Racially or ethnically concentrated areas of poverty

Fair housing issues exist because of –

- Disproportionate housing needs
- Disparities in access to opportunity

Disproportionate housing needs are experienced by Hispanic (cost burdens, overcrowding) and Black householders (cost burdens).

It is unclear if there is sufficient evidence to declare displacement risk a fair housing issue. Nonetheless, the City has included a Displacement Risk Program (Program 5.6) in Section II of the *2021-2029 Housing Element*.

1. Contributing Factors to Disproportionate Housing Needs

a. Cost Burdens

The specific factors that contribute to the disproportionate housing needs are unclear.

Cost burdens are a function of two components: household income and housing costs. The household income of some Hispanic and Black households is not enough for them to afford market rate rents. For example, a monthly income of \$5,000 is needed to afford a monthly rent of \$1,500 ($\$5,000 \times .30 = \$1,500$).

It also is possible, but cannot be proven with the available data, that a contributing factor could be that lower cost rental opportunities become unavailable to Hispanic and Black households because of housing discrimination. Thus, the contributing factor could force these households to live in housing that is more costly and thereby create a housing cost burden.

The analysis of disproportionate housing needs must also consider the racial and ethnic composition of the households who are receiving housing assistance. Data on this characteristic is unavailable for the City. However, an indicator of the City's racial/ethnic makeup of the families receiving housing is data from the Housing Authority of the County of Riverside.

There are 8,364 households receiving tenant-based rental assistance in the County. Of this number, 34.3% are Black/African American and 26.5% are Hispanic. The Black/African American population comprises 6% of Riverside County's population whereas the Hispanic population represents 47% of the County's population.

There are 456 households living in public housing. Of this number, 27.6% are Black/African American and 54.8% are Hispanic.

b. Overcrowding

Hispanics are disproportionately impacted by overcrowding. In comparison to other populations, Hispanic householders have large families and live in multigenerational households.

A recent analysis of overcrowded housing among Latino households included the following recommendations:

Municipalities should address explicitly Latino housing needs in their housing action plan, especially the availability of affordable housing

Latino housing needs should be identified and represented in municipal housing strategic action plans. *Primary among these needs is affordable housing.* The availability of affordable housing is a critical concern for many suburban communities and ought to be addressed collaboratively as a regional issue. The cost of housing has implications for all residents—not just Latinos—yet research in this area specific to Latinos is necessary to identify how their needs may be distinct. One example of Latino housing needs is the demand for large housing units. Census data suggests that Latinos are more likely than non-Latinos to live in multi-generational households, so the availability of large, affordable housing units is critical.

A potentially important opportunity for local governments to take Latino housing concerns into account is when planning documents are drawn up for new developments.

Source: Latinos United, by Benjamin J. Roth, *Bajo el Mismo Techo: The Latino Community in Suburban Chicago: An Analysis of Overcrowded Housing*, page 21

Riverside County's Hispanic overcrowding rate is 13.9%. In contrast, the City's Hispanic overcrowding rate is 16%.

Although Hispanics experience disproportionate needs regarding overcrowding, the City's affordable housing stock serves large families well. The following tax credit rental affordable housing developments contain apartment units meeting the space needs of large families:

- Arroyo de Paz I: 20 3-bedroom units and 12 4-bedroom units
- Arroyo de Paz II: 12 3-bedroom units and 8 4-bedroom units
- Brisas de Paz: 25 3-bedroom units
- Verbená Crossing: 48 3-bedroom units
- Desert Horizons: 11 3-bedroom units

Altogether these five developments contain 116 3-bedroom units and 20 4-bedroom units.

2. Contributing Factors to Disparities in Access to Opportunity

According to the AFFH Rule:

Preparation of an AFH could be an important step in reducing poverty among groups of persons who share characteristics protected by the Fair Housing Act. The focus and purpose of the AFH is to identify, and to begin the process of planning to overcome, the causes and contributing factors that deny or impede housing choice and access to opportunity based on race, color, religion, sex, national origin, familial status, and disability.

Federal Register July 16, 2015, page 42283

Increasing the number of families with incomes above the poverty level will help to alleviate housing problems such as severe cost burdens (and, perhaps, cost burdens) and overcrowding. Poverty reduction strategies focused at the neighborhood level also will help to enhance access to opportunity.

The Community Action Partnership (CAP) has concluded that poverty contributes to several problems. According to the CAP:

The primary contributing factors to poverty (labeled as such instead of *causes*, since there is not comprehensive evidence for, or agreement on, what the various causes are) in Riverside County appear to be (in no specific order):

Employment (availability of jobs, or wages paid in the available jobs)

Lack of higher educational/vocational skill attainment, race (especially in connection with Hispanic or Latino, Black/African American, and Native American individuals/families); and

The high cost of living (demonstrated by needs identified in such areas as housing, utility bills, health care, transportation, food, etc.).

From community members and key informant interviews, the policy issues expressed as contributing factors included:

Income eligibility thresholds that are far too low, which therefore disqualify residents in need from receiving services, and

Restrictive regulations and costs for developing affordable housing.

Conditions ensuing from these contributing factors are evidenced in the priority needs which have been identified. Among the priority needs are utility assistance and housing assistance.

Source: County of Riverside Community Action Partnership, *2020-2021 Community Action Plan*, submitted to California Department of Community Services and Development/Community Services Block Grant, pages 11 and 12

O. FAIR HOUSING PRIORITIES, GOALS AND STRATEGIES

The fair housing priorities, goals and strategies are set forth in the context of the following:

- Findings and conclusions drawn from the research and analysis conducted to prepare the *Assessment of Fair Housing*.
- Findings and conclusions drawn from completion of the *Assessment of Housing Needs* (Appendix A), especially in regard to cost burdens, severe cost burdens, overcrowding and the special needs of the elderly, families with children, female householders, and large families.
- City's share of the regional lower income housing need (N=1,104 housing units)
- Findings and conclusions drawn from the analysis conducted on the sites inventory to affirmatively further fair housing in Part F, Appendix C Sites Inventory and Analysis.
- Fair housing services, resources and experience of the staff at the Fair Housing Council of Riverside County, Inc.

1. Priorities

- Addressing the disproportionate housing needs experienced by Hispanic and Black households.
- Producing affordable housing that accommodates the housing needs of fair housing protected groups such as the elderly, frail elderly, disabled, families, and veterans.
- Increasing the community's awareness of fair housing (e.g., renters, on-site property managers, City staff (Planning, Housing, and Code Enforcement), and City commissions.

2. Goals

- Enhance the City's ability to affirmatively further fair housing through the implementation of effective strategies, outreach to County Departments and agencies including the Community Outreach Branch of the Department of Public Social Services, and Coachella Valley Association of Governments (CVAG)
- Reduce poverty by increasing incomes so that cost burdens and overcrowding are reduced, particularly for the population living in neighborhoods with the lowest resources.

3. Strategies

- Adopt a policy that new affordable housing developments must implement an Affirmative Fair Housing Marketing Plan, a plan that describes specific steps that will be taken by developers to ensure that renters and buyers who are unlikely to apply for housing without special outreach have equal access to housing opportunities available in new housing developments.

Refer to Attachment A for an example.

- Develop and implement a poverty reduction strategy focused on the neighborhoods with the lowest access to opportunity as identified by the TCAC/HCD Opportunity Mapping Tool.

Attachment B describes the City's poverty reduction strategy and placed-based strategies to improve access to opportunity.

- Develop and implement mobility strategies which fall within the capabilities of the City.

Attachment C describes the mobility strategies.

The action programs to implement the priorities, goals, and strategies to affirmatively further fair housing are described in Section II.

Attachment A
City of Desert Hot Springs
Affirmative Fair Housing Marketing Plan

- A. Targeting.** Identify the segments of the eligible population which are least likely to seek housing without special outreach efforts.
- a. Consider the current racial and ethnic composition of Desert Hot Springs.
 - b. Also consider language barriers (especially Hispanic population in the City) and income eligibility requirements.
 - c. Obtain the assistance of the Fair Housing Council of Riverside County, Inc. to develop targeting efforts.
- B. Outreach.** Outline an outreach program which includes special measures designed to attract those groups identified as least likely to seek housing and other efforts designed to attract persons from the total population.
- a. *Community Contacts.* The affordable housing developer should list at least one community organization that serves each group determined to be least likely to seek housing and who has agreed to help the developer in their marketing efforts. In the plan include the name of the contact person, contact information, experience working with the target population as well as the number and language of materials to be provided to such agencies.
 - b. *Media.* The housing developer should specify the particular means of advertising to reach a target group and the reasoning behind the particular type of advertising. Advertisements should include the fair housing logo.
 - c. If the immediate housing market area is not demographically diverse enough to draw applicants considered “least likely to apply” then an expanded housing market area should be used.
- C. Indicators.** Describe the indicators to be used to measure the success of the marketing program.
- a. Recording information on how an individual heard about the housing and why they decided to seek that housing will provide useful data for the evaluation process.
 - b. In addition, comparing the number of units now occupied by persons previously determined to be “least likely to apply” and the number of people least likely to apply on the waiting list prior to and after the marketing process is a starting place for the evaluation.
- D. Staff Training.** Demonstrate the capacity to provide training and information on fair housing laws and objectives to sales or rental staff.

Attachment B
City of Desert Hot Springs
Poverty Reduction Strategy
And
Place-Based Strategies to Improve Access to Opportunity

1. American Rescue Plan Policies

State, County and City efforts to reduce poverty cannot match the impact of those of the federal government. The American Rescue Plan poverty reduction efforts will more than likely lower the poverty rate in 2021 and 2022 to below 30% for all census tracts/neighborhoods located in Desert Hot Springs, including those with the lowest resources. Housing concerns such as severe cost burdens and overcrowding can be mitigated when households experience income gains. It is unlikely that severe cost burdens and overcrowding can be reduced by housing production, including affordable housing production, alone. Household incomes need to increase in conjunction with the production of housing in order to reduce the number of severely cost burdened lower income households.

The City will work with the County and sub-regional agencies to ensure that neighborhood residents are aware of the American Rescue Plan programs and existing programs such as the Earned Income Tax Credit (EITC).

The Urban Institute projects that for 2021 the American Rescue Plan Act will reduce the national poverty rate by one-third. Furthermore, the Urban Institute projects that poverty would fall 42% for Black, non-Hispanic people and 39% for Hispanic people compared with 34% for white, non-Hispanic people, thus reducing the disparities in poverty rates for Black, non-Hispanic people and Hispanic people relative to white, non-Hispanic people.

The Urban Institute explains that four key pieces of the legislation will each have direct impacts on families' economic resources.

Unemployment insurance (UI) benefits: The UI elements of the American Rescue Plan build on and extend the legislation passed in December 2020. Before the passage of the December bill, many unemployed people were set to exhaust their benefits at the end of the year. The December legislation provided 11 additional weeks of benefits and added \$300 a week to regular state benefit amounts through the middle of March 2021. This new legislation adds another 25 weeks of benefits (almost six months), including the additional \$300 a week, from mid-March through September 6, 2021. The new legislation would also extend the special pandemic UI program for people who do not usually qualify for UI (self-employed and gig workers) from its previous expiration date in March to September.

Supplemental Nutrition Assistance Program (SNAP or "food stamps") benefits: The SNAP aspects of the American Rescue Plan also build on the legislation passed in December 2020, which increased the maximum monthly SNAP benefit 15% through June 30, 2021. The American Rescue Plan extends the period for increased SNAP benefits by three months, to September 30, 2021.

Recovery Rebate Payments: The legislation provides a one-time payment of \$1,400 (\$2,800 for married couples), with an additional \$1,400 for each dependent. Unlike previous legislation, this legislation allows dependents of any age to be eligible for the rebate, not only children under age

17. The payments begin to phase out at income levels of \$75,000 for single filers, \$112,500 for head-of-household filers (such as single parents with children), and \$150,000 for married couples. The lower income and poverty income families living in the City's lowest resource neighborhoods will be eligible for the full recovery payments.

Child Tax Credit: The legislation makes several changes to the child tax credit for tax year 2021. It makes the credit fully refundable, increases the amount to \$3,600 per child under age 6 and \$3,000 per child age 6 and older, allows the credit to be taken on behalf of a 17-year-old (the prior maximum age was 16), and provides for monthly advance payments of the credit beginning in July.

The increased amount of the credit (the additional \$1,000 or \$1,600 per child above the current-law amount of \$2,000) begins to phase out at income levels of \$75,000 for single filers, \$112,500 for head-of-household filers, and \$150,000 for married couples. Half of the credit would be issued in advance payments beginning in July 2021; the remaining credit would be delivered in 2022.

The lower income and poverty income families living in the City's lowest resource neighborhoods will be eligible for the full child tax credits.

Additional antipoverty effects, the Urban Institute has explained, would likely arise from other provisions aimed at addressing economic hardship, including increasing funding for rental assistance; the Low-Income Home Energy Assistance Program; and the Special Supplemental Nutrition Program for Women, Infants, and Children, as well as exempting a portion of UI income received in 2020 from federal income taxation.

Estimates have been made that the child tax credit will reduce poverty by half. When combined with the State's new stimulus aid, the payments could lift millions of Californians out of poverty. California's Golden State Stimulus package includes \$600 one-time payments to households receiving the state's earned income tax credit.

Sources:

Cal Matters, *'Revolutionary' Federal Stimulus Bill Could Cut California Poverty by Half*, March 11, 2021, Author: Jackie Botts, 8 pages

Parolin, Zachary, Sophie Collyer, Megan A. Curran, and Christopher Wimer. 2021. *"The Potential Poverty Reduction Effect of the American Rescue Plan."* Center on Poverty and Social Policy, Columbia University. www.povertycenter.columbia.edu/news-internal/2021/presidential-policy/bideneconomic-relief-proposal-poverty-impact

The Century Foundation, *The American Rescue Plan Could Cut Child Poverty in Half*, March 9, 2021, 3 pages

Urban Institute, *2021 Poverty Projections: Assessing Four American Rescue Plan Policies*, March 2021, 15 pages; Authors: Laura Wheaton, Sarah Minton, Linda Giannarelli and Kelly Dwyer

The TCAC/HCD Opportunity Tool includes three measures which are associated with poverty:

- Poverty: % of the population with income above 200% of the federal poverty line
- Student Poverty: % of students not receiving free or reduce-price lunch
- Poverty Tracts: census tracts with at least 30% of the population falling under the federal poverty line

Within the City's lowest resource census tracts/neighborhoods, the American Rescue Plan will likely –

- Increase the population with income above the 200% of the federal poverty line
- Reduce the student poverty
- Lower the poverty rate below 30% in all of the lowest resource neighborhoods

With reduced food insecurity and more income, the secondary benefits of the American Rescue Plan could be better academic performance (math proficiency, reading proficiency) and an increase in high school graduation rates.

In the aggregate, the American Rescue Plan policies will lead to improvements in several of the opportunity mapping measures and could lift some of the City's lower resource neighborhoods to a moderate resource category and thereby improve access to opportunity.

The City will work with the Community Action Partnership to ensure that families living in the lowest resource neighborhoods are aware and make use of the programs available through the American Rescue Plan. Information also will be disseminated on existing programs that benefit poverty income families such as the Earned Income Tax Credit (EITC).

2. Earned Income Tax Credit (EITC)

The earned income tax credit (EITC) provides substantial support to low- and moderate-income working parents, but very little support to workers without qualifying children (often called childless workers). Workers receive a credit equal to a percentage of their earnings up to a maximum credit. Both the credit rate and the maximum credit vary by family size, with larger credits available to families with more children. After the credit reaches its maximum, it remains flat until earnings reach the phase out point. Thereafter, it declines with each additional dollar of income until no credit is available (figure 1).

By design, the EITC only benefits working families. Families with children receive a much larger credit than workers without qualifying children. (A qualifying child must meet requirements based on relationship, age, residency, and tax filing status.) In 2020, the maximum credit for families with one child is \$3,584, while the maximum credit for families with three or more children is \$6,660.

In contrast to the substantial credit for workers with children, childless workers can receive a maximum credit of only \$538. Moreover, the credit for childless workers phases out at much lower

incomes. Also, childless workers must be at least 25 and not older than 64 to qualify for a subsidy—restrictions that do not apply to workers with children. As a result of these tighter rules, 97 percent of benefits from the credit go to families with children.

Source: The Tax Policy Center, *Briefing Book: Key Elements of the U.S. Tax System, What is the Earned Income Tax Credit*, page 2

EITC is one of the most efficient anti-poverty programs

Unclaimed EITC dollars are never spent on local business, fewer jobs are created or supported, fewer wages are paid, and eventually less tax revenue goes to state and local governments. Based on conservative estimates of an EITC non-filer rate of 20% and 75% of the tax credit received by filers, the Riverside County negative consequences include:

- EITC Returns Unclaimed: 71,643
- Average EITC: \$1,892
- Unclaimed EITC Payments: \$135,547,000
- 80% Spent Locally: \$108,437,600
- Foregone Output: \$161,135,715 (multiplier effect)
- Foregone Jobs: 1,033
- Foregone Labor Income: \$56,722,365

Antonio Avalos, Ph.D., University Business Center, California University, Fresno, *The Costs of Unclaimed Earned Income Tax Credits to California's Economy: Update of the "Left on the Table" Report*, March 2015, 28 pages

Consequently, it is important that poverty income householders living in low resource neighborhoods become aware of the benefits of filing for the EITC.

Table B-33 shows the 2021 EITC parameters.

Chart B-1 is a graph showing how the EITC works.

**Table B-33
EITC 2021 Parameters**

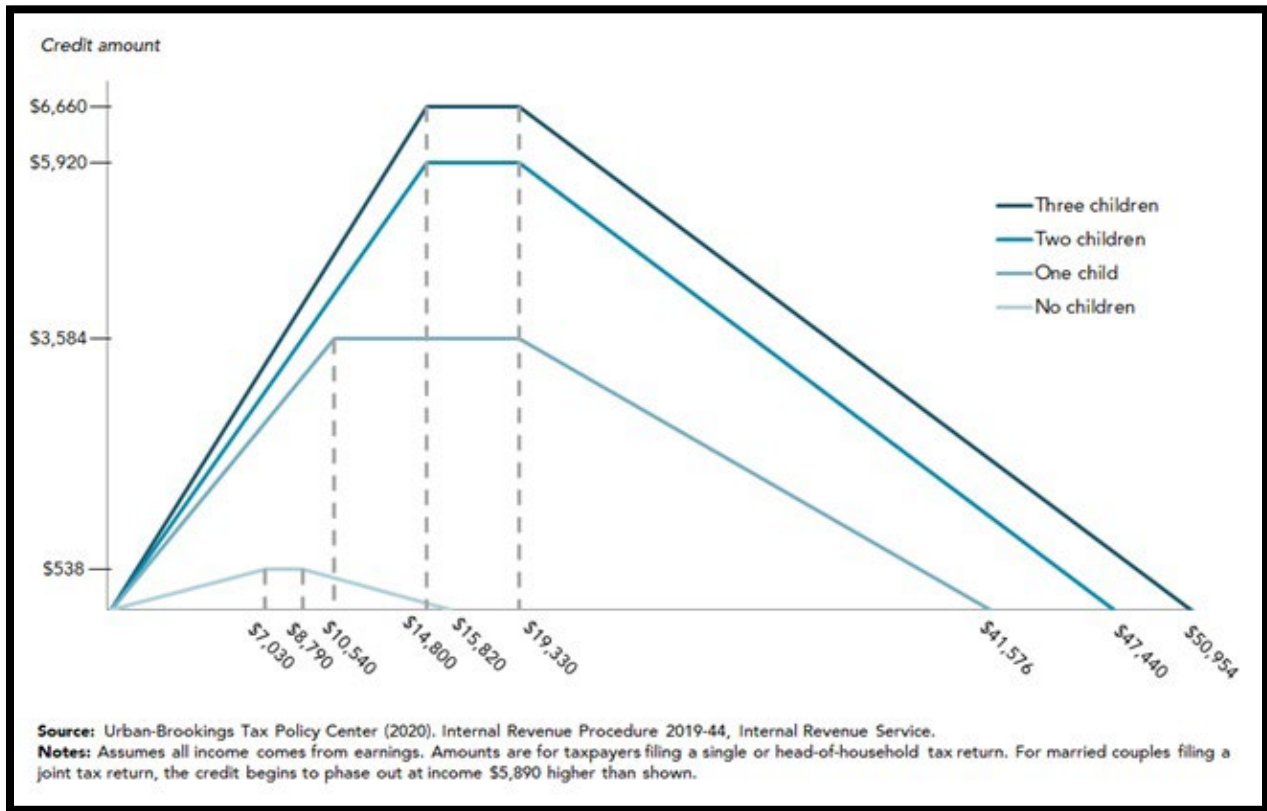
	Credit Rate (Percent)	Minimum Income for Maximum Credit	Maximum Credit	Phase-out Rate (Percent)	Phase-out Range[1]	
					Beginning Income	Ending Income
No children [2]	15.3	9,820	1,502	15.3	11,610	21,427
One child	34	10,640	3,618	15.98	19,520	42,158
Two children	40	14,950	5,980	21.06	19,520	47,915
Three children	45	14,950	6,728	21.06	19,520	51,464

[1] Beginning in 2002, the values of the beginning and ending points of the phase-out range were increased for married taxpayers filing jointly. The values for these taxpayers were \$1,000 higher than the listed values from 2002-2004, \$2,000 higher from 2005-2007; \$3,000 higher in 2008; \$5,000 higher in 2009; \$5,010 higher in 2010; \$5,080 higher in 2011; \$5,210 higher in 2012; \$5,340 higher in 2013; \$5,430 higher in 2014; \$5,520 higher in 2015; \$5,550 higher in 2016; \$5,590 higher in 2017; \$5,690 higher for families with children and \$5,680 for families without children in 2018; \$5,790 for families with children and \$5,800 for families without children in 2019; \$5,890 higher in 2020; \$5,950 higher for families with children and \$5,940 higher for families without children in 2021.

[2] Parameters for filers with no custodial children at home ("childless" filers) were updated on March 19, 2021 to reflect the temporary expansion of the Earned Income Tax Credit enacted as part of the American Rescue Plan Act of 2021. Table does not reflect all elements of the 2021 expansion, such as those relating to eligibility age and eligibility for post-secondary students, former foster children, and homeless youth. For additional information, see Congressional Research Service, "The American Rescue Plan Act of 2021 (ARPA; H.R. 1319) Title IX Subtitle G—Tax Provisions Related to Promoting Economic Security," updated March 1, 2021.

Sources: 1975-2003: Joint Committee on Taxation; Ways and Means Committee, 2004

Chart B-1
 Earned Income Tax Credit (EITC) Parameters
 Earned Income Tax Credit 2020



3. Place-Based Poverty Reduction Strategies

a. Poverty Measures and Poverty Thresholds

Measuring poverty is a two-step process:

- Establishing a poverty threshold which is the amount of money needed to achieve a minimum level of material well-being.
- Estimating families’ cash and non-cash resources and comparing them to the poverty threshold to determine whether a family is below it and, therefore, defined as “poor”.

Examples of official federal 2020 poverty thresholds are:

▪ 1 person less than 65 years of age	\$13,465
▪ 2 people, householder less than 65 years of age	\$17,331
▪ 3 people, 1 child less than 18 years of age	\$20,832
▪ 4 people, 2 children less than 18 years of age	\$26,246

b. Community Action Partnership

The County of Riverside Community Action Partnership uses census data to identify poverty pockets in its services territory. Outreach is done in these areas, and partnerships and community projects are then developed to target and engage these high-needs communities. Additional distressed communities are brought to light through the countywide community needs assessments or demand for services. The County of Riverside Community Action Partnership utilizes its CAP Mobile to provide services and information to remote, rural communities.

The City will undertake the following strategies and actions to improve the well-being of the most income-poor pockets:

The City staff will work cooperatively with the Community Action Partnership staff to determine:

- The criteria and census/ACS data used to identify pockets of poverty
- The City staff will then complete research to identify the pockets of poverty that exist in Desert Hot Springs (using block or block group data).
- The City staff will prepare a profile of information on housing, demographics, and well-being (health insurance, use of SNAP, use of public assistance).
- The City staff will then work with the CAP staff to deliver in-house services and community projects that will provide beneficial impacts to the residents of the pockets of poverty.

The County of Riverside Community Action Partnership service delivery system follows three parallel avenues: 1) programs directly administered by CAP Riverside (in-house); 2) programs funded by the County of Riverside Community Action Partnership through a Request for Proposal (RFP) process (subcontracted); and 3) programs established as “demonstration” programs. Participants are encouraged to cross-enroll in programs to maximize resources for achieving self-sufficiency.

In-house programs include:

- Energy Services (utility bill payment assistance, energy conservation education, and home weatherization services);
- Alternative Dispute Resolution (mediation, arbitration, peer mediation training, and community education workshops);
- Pre- Apprenticeship Programs (youth workplace mentor / job training program);
- On-the-job training for veterans (Veterans Education and Employment Program);
- Earned Income Tax Credit (EITC),
- Free Tax Preparation Program (Volunteer Income Tax Assistance - VITA), and year-round free tax-preparation;
- Saving for Success (an asset-building savings match program for buying a home, continuing education or starting/expanding a business); and
- Disaster preparedness and relief (Cool /Warm Centers, etc.).

c. County of Riverside Anti-Poverty Strategy

The County of Riverside adopts an anti-poverty strategy as a key component of the *2019-2024 Consolidated Plan*. Poverty reducing activities adopted as part of the strategy include, but are not limited, to:

- Encourage economic development and economic opportunity in the low and moderate income areas
- Provide Job Training and Life Skills Development
- Provide programs and services offering education and wealth building opportunities

d. Targeted Mortgage Credit Certificate (MCC) Program

The program provides incentives for higher income homebuyers to purchase homes in high poverty neighborhoods. The County MCC Program targets the following Desert Hot Springs census tracts: 445.07, 445.09, 445.10, 445.15, 445.21, and 472.01.

An MCC is a federal income tax credit designed to assist low income households to afford home ownership. With an MCC, the qualified homebuyer is eligible to write off a portion of the annual interest paid on the mortgage as a special tax credit, not to exceed \$2,000, during each year that they occupy the home as their principal residence. The portion or amount of the tax credit is equal to the mortgage credit rate on the MCC (for example 35%) multiplied by the annual interest paid. This credit reduces the federal income taxes of the buyer, resulting in an increase in the buyer's net earnings. Increased buyer income results in increased buyer capacity to qualify for the mortgage loan. The MCC has the potential of saving the MCC holder thousands of dollars over the life of the loan.

An incentive to attract buyers to the MCC target areas in Desert Hot Springs is that the maximum purchase price is \$480,527. Outside of target areas the maximum purchase price is \$393,158.

Inside the target area, the maximum income is \$105,420. Outside the target area it is \$86,595.

Both the maximum purchase price and maximum income limits may attract moderate income households to neighborhoods with the lowest resources. Overtime neighborhoods could improve their Opportunity Mapping indicators and measures such as median home values and, perhaps, educational attainment.

e. At-Risk Housing Monitoring

Housing Element law requires jurisdictions to provide an analysis and program for preserving affordability of assisted housing developments for the next 10 years. Based on City records and information from the California Housing Partnership Corporation, in the next 10 years (up to 2031) no assisted housing developments in Desert Hot Springs are at risk of losing their affordability status.

Although the City has not identified any housing units at risk of converting to market rate housing during the planning period, City staff will monitor the status of existing and future affordable housing developments. Should any of the properties become at risk of converting to market rate, the City will work with property owners, interest groups, and the State and federal governments to conserve the affordable housing stock.

Table B-34 lists the City’s affordable rental stock and shows the census tract and block group location. All affordable housing projects are at a low risk of conversion to market rate housing.

**Table B-34
City of Desert Hot Springs
Affordable Housing Projects**

Property	Address	Low Income Units	Total Units	Funding Source	Census Tract	Block Group
Casa del Sol & Casa West Apartments (Site A)	66555 Fourth St.	154	156	LIHTC/USDA	445.09	1
Desert Horizon Apartments	66789 Two Bunch Palms Trail	43	44	LIHTC/USDA	445.16	2
Arroyo de Paz I Apartments	66765 Two Bunch Palms Trail	59	60	LIHTC	445.16	2
Arroyo de Paz II Apartments	66765 Two Bunch Palms Trail	34	34	LIHTC	445.16	2
Brisas de Paz	65921 Flora Avenue	61	62	LIHTC	445.07	1
Desert Hot Springs Portfolio - (Linda Vista Site A)	67200 Hacienda Avenue,	97	99	LIHTC	445.10	1
Hacienda Hills	67150 Hacienda Avenue	59	60	LIHTC	445.10	1
Verbenia Crossing Apartments	66950 Ironwood Drive	94	96	LIHTC	445.10	2
Desert Hot Springs	11190 Mesquite Avenue	20	79	HUD	445.09	1

Attachment C
Description of Mobility Strategies

1. County of Riverside Housing Authority Housing Opportunity Area Maps

The City will coordinate with the Housing Authority to implement mobility strategies. At a minimum, the City will post on its website the Housing Opportunity Area Maps and describe the workshops to be conducted during the 8-year planning period by the Fair Housing Council of Riverside County, Inc.

The Housing Authority's Housing Choice Voucher Administrative Plan explains that guidance and materials are offered to assist a family in selecting a housing unit. The staff indicates to families that they should consider proximity to employment, public transportation, schools, shopping and the accessibility of services.

During briefings sessions the Housing Authority encourages families to move to high opportunity areas by explaining the advantages of moving to an area that may offer better quality housing, education and employment opportunities. The Housing Authority provides families with Housing Opportunity Area Maps that cover the Coachella Valley and western Riverside County.

2. Information on Source of Income Discrimination

In addition, the City will provide residents with information explaining that California law prohibits source of income discrimination. The California Fair Employment and Housing Act (FEHA) prohibits housing providers, such as landlords, to refuse to rent to someone, or otherwise discriminate against them, because they have a housing subsidy, such as a Section 8 Housing Choice Voucher, that helps them to afford their rent.

Awareness of that State law prohibiting source of income discrimination will expand the neighborhoods in which Section 8 Housing Choice Voucher holders may seek rental housing.

APPENDIX C SITES INVENTORY AND ANALYSIS**A. GOVERNMENT CODE REQUIREMENTS**

In Government Code Section 65580(f) the California legislature finds and declares that -

Designating and maintaining a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality's housing need for all income levels is essential to achieving the state's housing goals

Guidance on how to complete the sites inventory and analysis is provided by HCD in the following Guidebook:

California Department of Housing and Community Development, *Housing Element Site Inventory Guidebook*, June 10, 2020, 44 pages

According to HCD's *Guidebook*:

The purpose of the housing element's site inventory is to identify and analyze specific land (sites) that is available and suitable for residential development in order to determine the jurisdiction's capacity to accommodate residential development and reconcile that capacity with the jurisdiction's Regional Housing Need Allocation (RHNA). The site inventory enables the jurisdiction to determine whether there are sufficient adequate sites to accommodate the RHNA by income category. A site inventory and analysis will determine whether program actions must be adopted to "make sites available" with appropriate zoning, development standards, and infrastructure capacity to accommodate the new development need.

Sites are suitable for residential development if zoned appropriately and available for residential use during the planning period. If the inventory demonstrates that there are insufficient sites to accommodate the RHNA for each income category, the inventory must identify sites for rezoning to be included in a housing element program to identify and make available additional sites to accommodate those housing needs early within the planning period.

The land inventory must identify sites that –

- Can be developed for housing within the 8-year planning period of 2021 to 2029
- Sufficient to provide for a jurisdiction's share of the regional housing need for each income level – lower, moderate and above moderate

B. CRITERIA THAT DETERMINE "ADEQUATE" HOUSING SITES

Several criteria must be satisfied by a site to be deemed "adequate" to accommodate Desert Hot Springs share of the RHNA (regional housing needs allocation). For example, sites should be neither too small nor too large and they should be zoned at densities that are appropriate to accommodate the RHNA by income group.

1. Types of Sites

A “site” is a parcel or group of parcels that can accommodate a portion of the City’s RHNA. There are many types of sites including:

- Vacant sites zoned for residential use
- Vacant sites zoned for nonresidential use that allow residential development
- Residentially zoned sites that are capable of being developed at a higher density (non-vacant sites, including underutilized sites)
- Sites owned or leased by a city, county, or city and county
- Sites zoned for nonresidential use that can be redeveloped for residential use including a program to rezone the site to permit residential use
- Pending, approved, or permitted development

All of the sites listed in the City’s inventory are vacant. None of the sites are owned or leased by a public agency. The moderate and above moderate income sites are located within areas having approved Specific Plans.

2. Residential Densities Appropriate to Accommodate the Lower Income RHNA

According to HCD, the housing element statute allows jurisdictions to use higher density as a proxy for lower income affordability, as long as certain statutory requirements are met. Parcels must be zoned to allow sufficient density to accommodate the economies of scale needed to produce affordable housing. To make this determination, the statute allows the jurisdiction to either demonstrate that the zoning allows a specific density set forth in the statute (known as a default density) or to provide an analysis demonstrating the appropriateness of the zoned densities of the sites identified to accommodate the lower income RHNA.

The City’s default density is “at least” 30 dwelling units per acre. “At least”, according to HCD, means *the density range* allowed on the parcel by the zone has to include the default density. For example, if a jurisdiction has a default density of 30 units per acre and the zone allows for range of 20 – 30 dwelling units per acre, the zoning is considered appropriate to accommodate the RHNA for lower income households.

The City has two zones that permit a density of “at least” 30 dwelling units per acre: R-H and MU-C:

- **Residential High**

The Residential High (R-H) designation allows for multiple unit developments between 20 and 30 units per acre. This designation is primarily located near transit lines and commercial centers that offer convenient services and amenities to residents. The Zoning Ordinance permits a building height of two to four stories.

- **Mixed Use Corridor**

Mixed-use development refers to an integration of residential and commercial uses as part of a cohesive development plan, with the residential component either in the same building as the commercial (vertical mixed use) or on an adjacent lot with a clear relationship to

the commercial use (horizontal mixed use). Mixed-use projects must include a viable neighborhood-serving retail and service component.

The MU-C Zone permits housing with densities between 20 and 30 dwelling units per acre. The Zoning Ordinance permits a building height of two to four stories.

3. Size of Sites

To be deemed adequate to accommodate housing for lower income households, the size of sites should be neither too small nor too large.

a. “Small” Sites Are Inadequate

A parcel smaller than one half acre is considered inadequate to accommodate housing affordable to lower income households, unless the housing element demonstrates development of housing affordable to lower income households on these sites is realistic or feasible.

None of the sites included in the City’s sites inventory are smaller than one half acre.

b. “Large” Sites Are Inadequate

Parcels larger than 10 acres, according to HCD, are considered inadequate to accommodate housing affordable to lower income households, unless the housing element demonstrates development of housing affordable to lower income households on such sites was successful during the prior planning period, or there is other evidence that the site is realistic and feasible for lower income housing.

None of the sites included in the City’s sites inventory are larger than 10 acres.

4. No Net Loss Law

The “no net loss” law encourages cities to identify in the land inventory sites with a total housing unit capacity that exceeds the RHNA allocation for each income group. HCD provides the following guidance:

To comply with the No Net Loss Law, as jurisdictions make decisions regarding zoning and land use, or development occurs, jurisdictions must assess their ability to accommodate new housing in each income category on the remaining sites in their housing element site inventories. A jurisdiction must add additional sites to its inventory if land use decisions or development results in a shortfall of sufficient sites to accommodate its remaining housing need for each income category.

To ensure that sufficient capacity exists in the housing element to accommodate the RHNA throughout the planning period, it is recommended the jurisdiction create a buffer in the housing element inventory of at least 15 to 30 percent more capacity than required, especially for capacity to accommodate the lower income RHNA. Jurisdictions can also create a buffer by projecting site capacity at less than the maximum density to allow for some reductions in density at a project level.

Source: California Department of Housing and Community Development, *Housing Element Site Inventory Guidebook*, June 10, 2020, page 22

5. Sites to Affirmatively Further Fair Housing

AB 686 requires a jurisdiction's site inventory "...shall be used to identify sites throughout the community, consistent with..." its duty to affirmatively further fair housing. The identified sites must be evaluated relative to segregation and integration, racially and ethnically concentrated areas of poverty, areas of affluence, access to opportunity, and disproportionate housing needs.

HCD has stated that the California Tax Credit Allocation Committee/California Department of Housing and Community Development Opportunity Maps are one possible resource that jurisdictions may use to identify "low" resource areas and "areas of segregation and concentration".

Another resource for identifying "acceptable" compared to "non-acceptable" neighborhoods as a location for affordable housing is HUD's definition of "racially/ethnically concentrated areas of poverty." The data presented in Appendix B – Assessment of Fair Housing – demonstrates that Desert Hot Springs has no R/ECAPs. TCAC/HCD uses a 30% poverty threshold compared to HUD's poverty threshold of 40%.

C. SITES TO ACCOMMODATE THE ABOVE MODERATE INCOME RHNA OF 2,081 HOUSING UNITS

The Skyborne and Tuscan Hills Specific Plans are the primary sites that accommodate the RHNA above moderate income housing need of 2,081 housing units. There is additional low density residential vacant land and vacant land in other approved Specific Plans such as Highland Falls and Two Bunch Palms. However, Skyborne is identified as a site because it is currently under development and Tuscan Hills is likely to commence development sooner than the other Specific Plans. In addition, as described below, a number of smaller-scale tracts and infill lots are available to meet the RHNA allocation for above moderate income households. Together these sites have sufficient housing to accommodate the above moderate income RHNA.

1. Sales Prices

New single family housing in the master planned communities will probably have similar housing prices. As of March 2021, the pricing of yet to be built single family homes is approximately \$350,000+, a price likely to increase in the years ahead as new phases of development are constructed.

Housing priced at \$350,000 or more will necessitate above moderate incomes for most purchases.

The average household size of home owners living in the City is 2.7. The 3-person above moderate income limit in Riverside County is \$81,300 or more. The annual income translates to a monthly income of \$6,775. Using the ability to pay standard of 30% means that an affordable housing payment should not exceed \$2,032.50 (.30 X \$6,775).

A monthly income of approximately \$7,440 will be needed to “afford” a new home with a purchase price of \$350,000:

- \$350,000
- 10% down payment
- \$315,000 loan
- 2.75% interest rate
- Monthly Payment
 - ✓ \$1,286.00 Principal and Interest
 - ✓ \$386.00 Property Taxes
 - ✓ \$116.00 Hazard Insurance
 - ✓ \$95.00 Private Mortgage Insurance
 - ✓ \$350.00 HOA - Homeowner’s Association Fee
 - ✓ \$2,233.00 [$\$7,440 \times .30 = \$2,232$]

The monthly payment stated above may underestimate total cost because the interest rate is based on a borrower FICO score of 740 or higher. Borrowers with a lower FICO score will have a loan payment with a higher interest rate. It also is possible that in the years ahead interest rates may be generally higher due to inflation, strength of the economy leading to more purchasing power, more demand to buy homes and Federal Reserve monetary policy.

Skyborne sales price in the summer of 2021 have ranged between \$350,000 and \$375,000.

2. Skyborne Specific Plan

a. Project Background and History

The original project proposed for this site was the Olympus Golf Course Specific Plan No. 287 approved by the County of Riverside. This project was never constructed and the property was subsequently annexed into the City of Desert Hot Springs on January 2, 1993.

In 2004, following the annexation, the City approved the StoneRidge Specific Plan (original Specific Plan) for 2,140 residential units including the following entitlements: the StoneRidge Specific Plan, General Plan Amendment 02-04 (GPA), Change of Zone 02-04 (CZ), Development Agreement 01-04 (DA) and Tract Maps 32029 and 32030. An Environmental Impact Report was also prepared and adopted (SCH No. 2004061026) for the project and permits issued by the California Department of Fish and Wildlife and U.S. Army Corps of Engineers.

In 2006, the project name was changed from “StoneRidge” to “Skyborne” and construction began. However, in 2008, the local and national housing markets experienced a sudden and rapid collapse. During the ensuing recession, construction stalled, home sales stopped and the property was eventually sold to the current owner.

As of today Villages I, II and III have recorded tract maps. The balance of the residential Villages (IV-IX) remain vacant but have active Tentative Tract Map approvals due to vesting derived from a Development Agreement between the owner and the City and a series of State-mandated time extensions. In order to develop, the Tentative Tract Maps must be recorded, and Development Review must be conducted for the home models. Following approval of the Development Review permit, building permits will be necessary for the individual homes within each Village. As

described in Appendix D, Section G.1., the Development Review process addresses compliance with Zoning (and Specific Plan) standards, and can be approved by the Planning Director.

The approved Development Agreement for the project vests the master map for the entire site, thereby facilitating future sub-sections of the project, which are implementing the Villages in phases. The Development Agreement does not include any limitations for development, and in fact contains an aggressive schedule of performance for the housing units.

Other project components have also progressed since the original approval. Several are clustered along Karen Avenue and include an 11.7 acre parcel acquired by the Palm Springs Unified School District (PSUSD) for a future elementary school, creation of an adjacent 6-acre parcel containing land for a future public park development as well as the construction of a new fire station. In addition, perimeter road improvements have occurred, such as the dedication and full construction of Pierson Boulevard along the south boundary and partial width construction and dedication of Karen Avenue and Worsley Road along the east and west boundaries.

b. Housing Capacity

Skyborne is a community of traditional single family neighborhoods with proposed and optional active adult residential villages. Standard single family residential lots of varying sizes range from 5,500 to 19,000 square feet. Active adult (55+) neighborhoods include smaller lots ranging in size from 3,400 to 4,500 square feet.

As of June 30, 2021, the 154 housing units in Village I had been constructed, All these housing units are credited toward meeting the 5th Cycle RHNA.

As of June 30, 2021, 53 housing units in Village II had been constructed. All these housing units are credited toward meeting the 5th Cycle Housing Element. The remaining 188 yet to be built dwellings in Village II are credited toward accommodating the 6th Cycle RHNA.

Table C-1 identifies the three project phases, the number of housing units in each of the 10 Villages, and the final and tentative tract maps associated with each Village. The 188 units in Village II are currently (2022) under construction and will be occupied in 2022 and 2023. Given the recent high level of activity, which generated 207 new homes through June 30 of 2021 and an additional 188 in 2022, and the current market in the western Coachella Valley, it is expected that 200 units per year will be developed during the planning period. This would result in 1,400 to 1,600 units of above moderate income residential development, and would meet 67 to 79 percent of the City's above moderate income RHNA.

The Skyborne Villages II through X accommodate 1,786 above moderate income housing units. Exhibit C-1 shows the locations and number of housing units in each Village.

**Table C-1
City of Desert Hot Springs
Skyborne Specific Plan**

Phase	Villages	Number of Housing Units	Residential Density (du/ac)	Development Status*
I	I	0	4.7	Final
	II	188	4.8	Final
	III	286	5.0	Final
	Subtotal	474		
II	IV	102	4.6	Tentative
	V	411	5.0	Tentative
	VI	154	4.6	Tentative
	VII	85	4.6	Tentative
	Subtotal	752		
III	VIII	137	4.0	Tentative
	IX	241	3.4	Tentative
	X	182	3.2	Tentative
	Subtotal	560		
Total		1,786		

Exhibit C-1
Skyborne Specific Plan



Land Use Designations:

- Residential Low 0-5 d.u.
- Open Space
- Public Use

Village Character:

- IV, V, VI, VII - Traditional Neighborhood or Active Adult Community
- I, II, III, VIII, IX, X - Traditional Neighborhood

Note: Villages I, II, III, VIII & X are recorded per Tract Map No. 32030

3. Tuscan Hills Specific Plan

a. Project Background and History

Tuscan Hills is located along the north side of Pierson Boulevard, east of Foxdale Drive. (APN's 638-340-003, 005, 006, 007, & 638-330-001, 002, 003, & 632-270-006).

In 2019, the Tuscan Hills Specific Plan (02-16) was approved with approved TTM No. 36774 for future development. The approved TTM includes 564 single family residential lots. Other TTM will follow for entitlements for residential development. These TTMs will be accompanied by Development Review permits for the model homes, which is an analysis of conformance with the Zoning (and Specific Plan) standards for the project, as described in Appendix D. The housing production within the Tuscan Hills Specific Plan will be at market rate and it is expected that this housing type will meet the moderate and above moderate housing need.

The Specific Plan also has commercial components that include retail and hospitality uses. The commercial component will benefit the future residents of Tuscan Hills in that retail uses will be nearby, and this can minimize vehicle miles traveled (VMT) and help create an urban environment. The design standards encourage pedestrian activity and design features that will enhance the quality of living of future residents.

The Development Agreement is scheduled to go to City Council in June or July of 2022, and this process has generated interest from developers. The amendment is required to add the potential for 300± hotel rooms within the project, and contains no restrictions on development of housing.

Phasing for the Tuscan Hills Specific Plan project will be clearly established with the review of each tentative tract map for the project. The applicant has indicated that “establishing phasing at the Project’s Specific Plan stage for such a large project is virtually impossible considering the ever-changing market demands.”

Single-family and multifamily uses will require a Development Permit subject to approval by either Director (administrative) or by the Planning Commission, with the decision on the final authority to be determined by the Community Development Director.

b. Housing Capacity

Table C-2 describes the housing types by Planning Area, planning area size, and housing capacity.

Housing capacity is calculated at 80% of the maximum density. For example, the Low Residential designation is calculated at 4.8 du/ac instead of the up to 6 du/ac.

The housing capacity of the very low and low residential designations is 340 housing units. The 340 housing units accommodate a portion of the 6th Cycle RHNA above moderate income housing need. Given the production and sales history at the Skyborne site, it is expected that all of these units will be developed during the planning period, representing 16% of the City’s above moderate income RHNA.

**Table C-2
Tuscan Hills Specific Plan
Description of Land Use by Planning Area and Housing Capacity**

Land Use Designation	Housing Type	Planning Area	Planning Area Size	Housing Capacity
Very Low Residential1 DU/5 ac (VLR)	This land use provides an intermediate density between more typical residential densities and open space lands. It provides lots sufficient in size for rural and estate development.	Lot-10	47.95 ac	10
Low Residential Up to 6 du/ac (LR)	The intent of this designation is to encourage development of single-family detached residential, product in a planned environment.	lot-3	36.85 ac	176
		lot-4	23.02 ac	110
		lot-5	9.17 ac	44

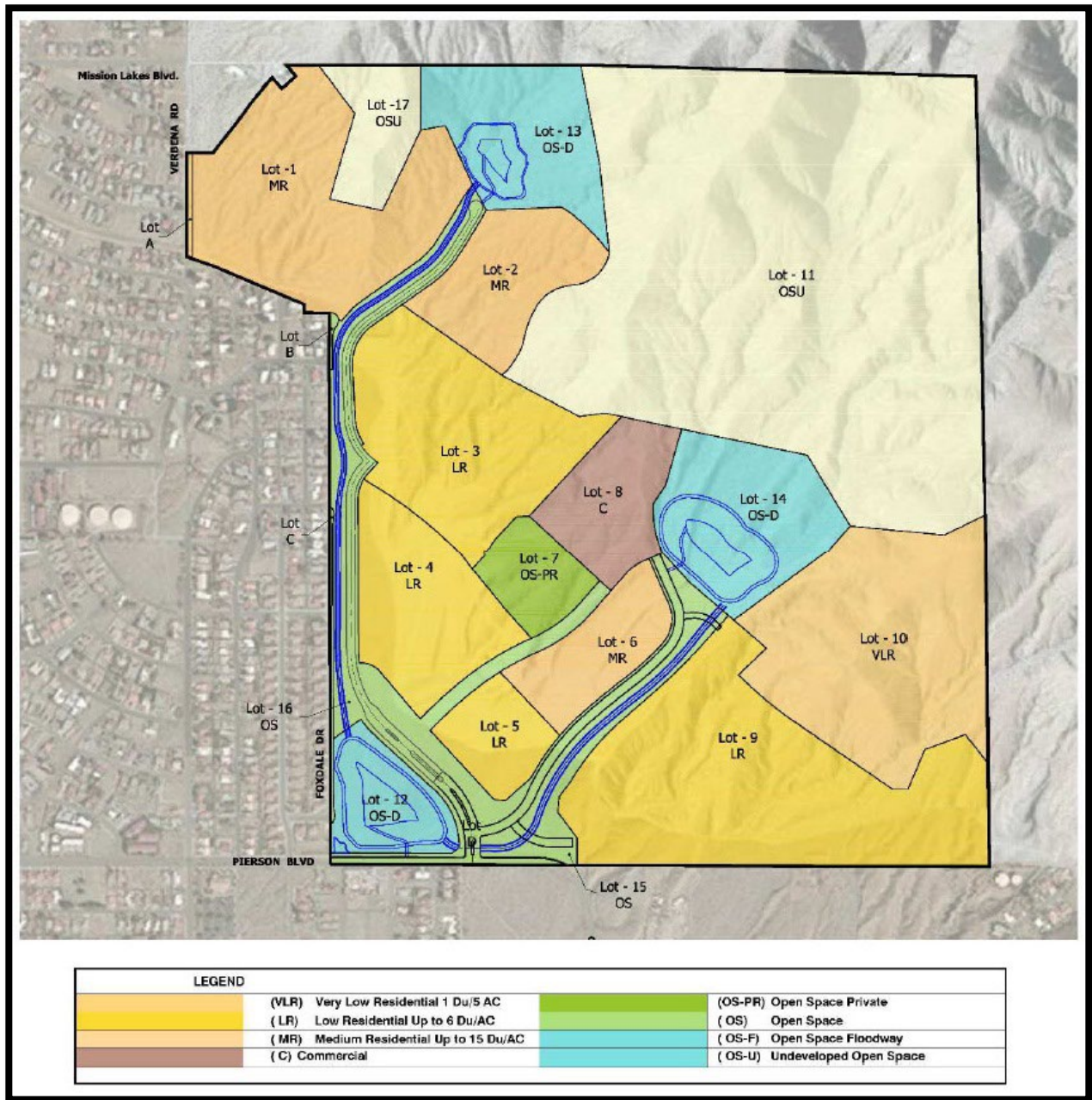
Together the Skyborne and Tuscan Hills Specific Plans accommodate 1,740 to 1,940 above moderate income housing units, which represents 84 to 93 percent of the RHNA allocation of 2,081 above moderate income housing units.

In addition, several other projects and infill lot construction are currently under way:

- Agua Dulce is a 126 lot subdivision located south of Two Bunch Palms Trail and west of Palm Drive. 53 units were built in the previous cycle. 73 units are currently under construction, which will complete the tract.
- Tract Map 32360 and 33643 consist of 41 lots located south of Pierson Boulevards, between Avenida Loreto and Cholla Drive, 10 of which have been completed, and 31 of which will be completed in the current planning period.
- Watermarke/Tract 31235 consists of 11 units under construction on Avenida Dorado.
- The City has seen a significant increase in infill lot single family home building permits throughout the City. In 2019, only 4 permits were issued. In 2021, more than 50 permits were issued. Given that the City has hundreds of undeveloped Low Density single family lots, and the market for housing is strong, it can be expected that the City will see between 25 and 50 infill single family homes annually throughout the planning period, resulting in between 200 and 400 new homes for above moderate income households.

With the inclusion of existing projects described above, the City has realistic capacity for between 2,035 and 2,340 new above moderate income units during the planning period, which will be sufficient to meet the City’s RHNA allocation.

Exhibit C-2
Tuscan Hills Specific Plan



D. SITES TO ACCOMMODATE THE MODERATE INCOME RHNA OF 688 HOUSING UNITS

1. Aventura Palms

Aventura Palms is an entitled 76-unit single-family residential development under the Rancho Descanso Specific Plan (October 14, 2021). The 76 housing units are identified as accommodating the moderate income housing need.

2. Marbella Villas

Marbella Villas is an entitled condominium development consisting of 402 housing units on a vacant 25 acre site (16 dus/ac). The property is identified as Assessor Parcel Nos. 656-030-005, -006, -007, and -008 and is located on the west side of Palm Drive north of 15th Avenue.

The applicant plans to construct the project in eight phases, beginning in late 2022, with an estimated completion in late Fall of 2025.

3. Tuscan Hills Specific Plan

Table C-3 describes the housing types by Planning Area, planning area size, and housing capacity. Exhibit C-3 shows the locations of each Planning Area.

The Tuscan Hills medium residential permits up to 15 du/ac. Housing capacity is calculated at 80% of the maximum density – that is, at 12 du/ac instead of 15 du/ac.

The total housing capacity of the medium density designation is 995 housing units.

**Table C-3
Tuscan Hills Specific Plan
Description of Land Use by Planning Area and Housing Capacity**

Land Use Designation	Housing Type	Planning Area	Planning Area Size	Housing Capacity
Medium Residential Up to 15 du/ac (MR)	Allows a range of residential products including single-family attached or detached condominiums, townhomes, zero-lot-line configurations, and cluster developments. In addition, this category allows senior housing age-restricted multi-family communities designed to accommodate the special needs of seniors.	lot-1, A	52.56 ac	626
		lot-2	17.82 ac	213
		Lot-6	13.05 ac	156

Aventura Palms, Marbella Villas, and Tuscan Hills combine to accommodate 1,473 moderate income housing units, which exceeds the RHNA allocation of 688 housing units. It is also possible that these sites will accommodate both moderate and above moderate income households, which will provide the City flexibility in accommodating its RHNA for both income categories.

E. SITES TO ACCOMMODATE THE LOWER INCOME RHNA OF 1,104 HOUSING UNITS

Tables C-4 and C-5 list the sites that accommodate the lower income RHNA of 1,104 housing units. All the sites listed in Tables C-4 and C-5 have been identified in the previous two housing element cycles.

Table C-4 lists nine R-H zoned sites, a residential zone that permits new housing at densities in the range of 20 to 30 dwelling units per acre. Therefore, the housing capacity of the sites ranges from a low of 708 to a high of 1,061 housing units. In order to analyze the realistic capacity of these sites, the City considered similar affordable housing projects in the Coachella Valley, since no recent projects in the City provide information on likely housing density for affordable housing units for lower income households. The following projects are entitled and either completed, under construction, or pending construction.

Palm Springs

- Monarch Apartments, will provide 60 units affordable to very low and low income households on 3.6 acres, at a density of 17 units per acre. The project is fully funded and broke ground in October of 2021.
- Vista Sunrise II will provide 60 units of special needs housing for extremely low, very low and low income households on 1.5 acres, at a density of 40 units per acre. The project is fully funded and currently under construction.

Palm Desert

- Carlos Ortega Villas, consists of 72 units on 3.48 acres affordable to very low and low income households, at a density of 21 units per acre. The project was fully funded, built, and is currently operating.
- Vitalia, 270 units affordable to very low and low income households on 12 acres approved in 2021, at a density of 23 units per acre. The project is currently finalizing funding, and is expected to be under construction in 2023.
- Millennium SARDA site, 240 units affordable to very low and low income households on 10 acres, under contract in 2021, at a density of 24 units per acre. The project is fi

La Quinta

- Coral Mountain Apartments, constructed in 2018, provides 176 units on 11 acres for very low- and low-income households, at a density of 16 units per acre.

Indio

- Arroyo Crossing 1 is currently under construction, and provides 184 units on 6.4 acres affordable to very low and low income households, at a density of 29 units per acre. The project is currently under construction, and occupancy is expected in late 2022 or early 2023.
- Arroyo Crossing 2, will provide 216 units affordable to very low and low income households on 7.3 acres, at a density of 30 units per acre. The project was approved in 2021 and is currently finalizing funding. Construction is expected to follow completion of Arroyo Crossing 1, in 2024.

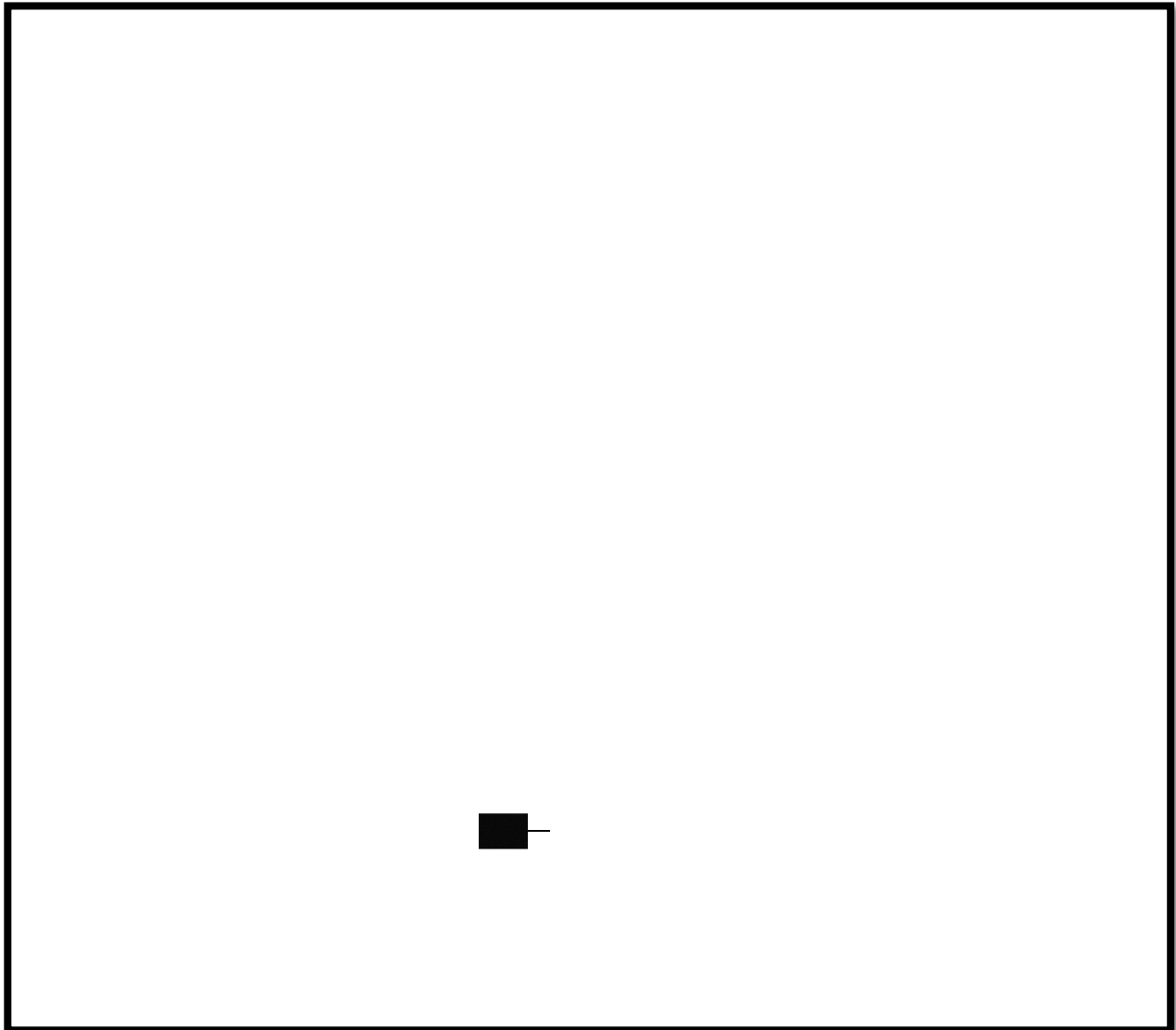
These projects represent an average of 25 units per acre, and based on the regional nature of housing in the Coachella Valley, are reflective of the density that the City can expect for future housing projects. On this basis, Table C-4 has been calculated at a density of 25 units per acre. For purposes of the No Net Loss Law and Program 1.3, the housing capacity of the nine sites is 1,105 housing units. This will accommodate all of the City's total lower income RHNA on sites zoned solely for residential development. As described below, however, the City also expects to

see development of affordable housing on lands designated M-UC, which would add to the potential inventory of lower income sites in the City.

**Table C-4
City of Desert Hot Springs
Vacant Sites Accommodating the Lower Income Housing Need: 2021-2029
General Plan and Zoning Designation of R-H
Minimum Density 20 Dwelling Units Per Acre
Maximum Density 30 Dwelling Units Per Acre**

Site Number	APN	Size (Acres)	Housing Capacity (@20 du/ac)
1	656050006	5.00	125
2	657230028	3.65	91
3	657220013	4.98	125
4	657220016	4.97	124
5	657290004	4.70	118
6	657290005	4.78	120
7	657290006	4.85	121
8	657290008	2.44	61
9		9 of 26	220
Total		35.37	1,105

**Exhibit C-3
Locations of Lower Income R-H Zoned Sites**



In addition to the capacity provided in the R-H Zone, Table C-5 lists five M-UC zoned sites, a mixed-use zone that allows 100% residential at densities in the range of 20 to 30 dwelling units per acre. The M-UC Zone states that the City should encourage 100% residential projects to be built at the maximum density of 30 dus/ac. Assuming 100% residential development, the five sites can accommodate from 412 to 616 housing units.

It is possible that during the eight-year planning period that: 1) one or more sites could be developed as mixed-use, meaning less than 100% residential and 2) the sites could be developed at 100% residential and at a density greater than 20 dwelling units per acre.

The M-UC designation is new to the City, having been established in the recently approved General Plan. There is no development history available yet to demonstrate the likelihood that these sites will develop for affordable housing. However, Site #9, shown in Exhibit C-3, is a larger holding of 26 acres, which contains 9 acres of High Density land, and 17 acres of M-UC land. The

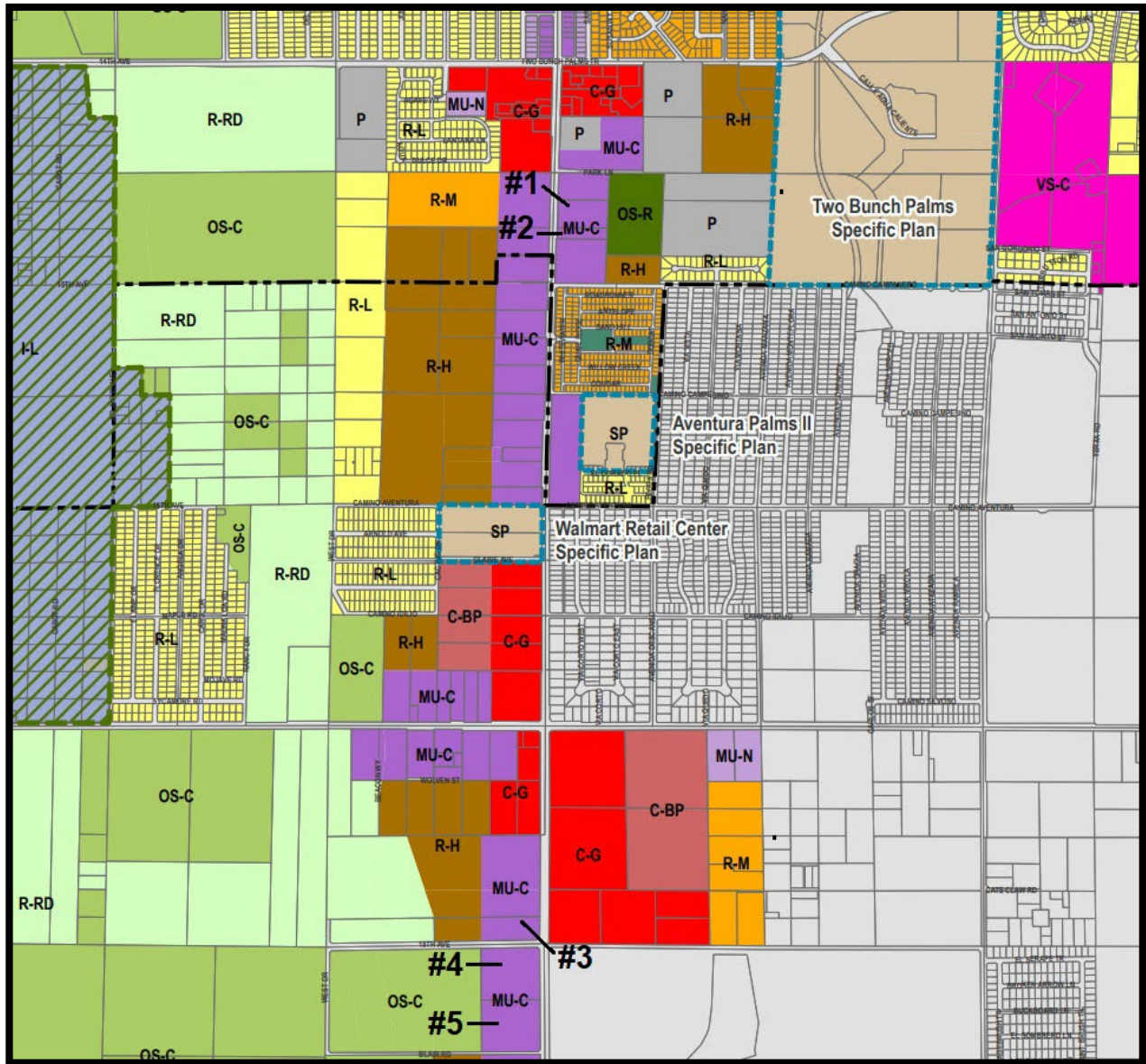
City has been approached by the landowner, who wishes to develop at least 220 units of lower income housing on the RH portion, and may also provide additional lower income units on the M-UC portion of the parcel. The applications have not been submitted, but the City is confident in the landowner’s ability to perform. Therefore, M-UC sites shown in Table C-5 may develop as additional lower income housing, but are not required to assure that the City meets its RHNA allocation. To track how individual projects impact housing capacity, in June 2021, the City prepared a No Net Loss Monitoring Procedure modeled after HCD’s No Net Loss Capacity Calculation Tool.

In the event a project were to be approved at a capacity less than shown in Table C-5, the City will implement Program 1.3 No Net Loss Program.

**Table C-5
City of Desert Hot Springs
Vacant Sites Accommodating the Lower Income Housing Need: 2021-2029
General Plan and Zoning Designation of MU-C
Minimum Density 20 Dwelling Units Per Acre
Maximum Density 30 Dwelling Units Per Acre**

Site Number	APN	Size (Acres)	Housing Capacity (@20 du/ac)
1	656050012	4.69	94
2	656050013	1.85	37
3	657230028	4.53	91
4	657280015	4.48	90
5	657280016	4.99	100
Total		20.54	412

Exhibit C-4
Locations of Lower Income M-UC Zoned Sites



F. SITES TO AFFIRMATIVELY FURTHER FAIR HOUSING

Government Code Section 65583.2(a) states that the inventory of land “shall be used to identify sites *throughout the community*” consistent with Section 65583(c)(9). The latter Section describes the duty to affirmatively further fair housing which includes an assessment of fair housing involving integration/segregation, racially/ethnically concentrated areas of poverty; access to opportunity; and disproportionate housing needs.

Section F evaluates how the identified sites affirmatively further fair housing. In addition, this section describes how the sites are located geographically in support of the City’s land use framework.

1. Land Use Framework and Geographical Distribution of Housing Sites

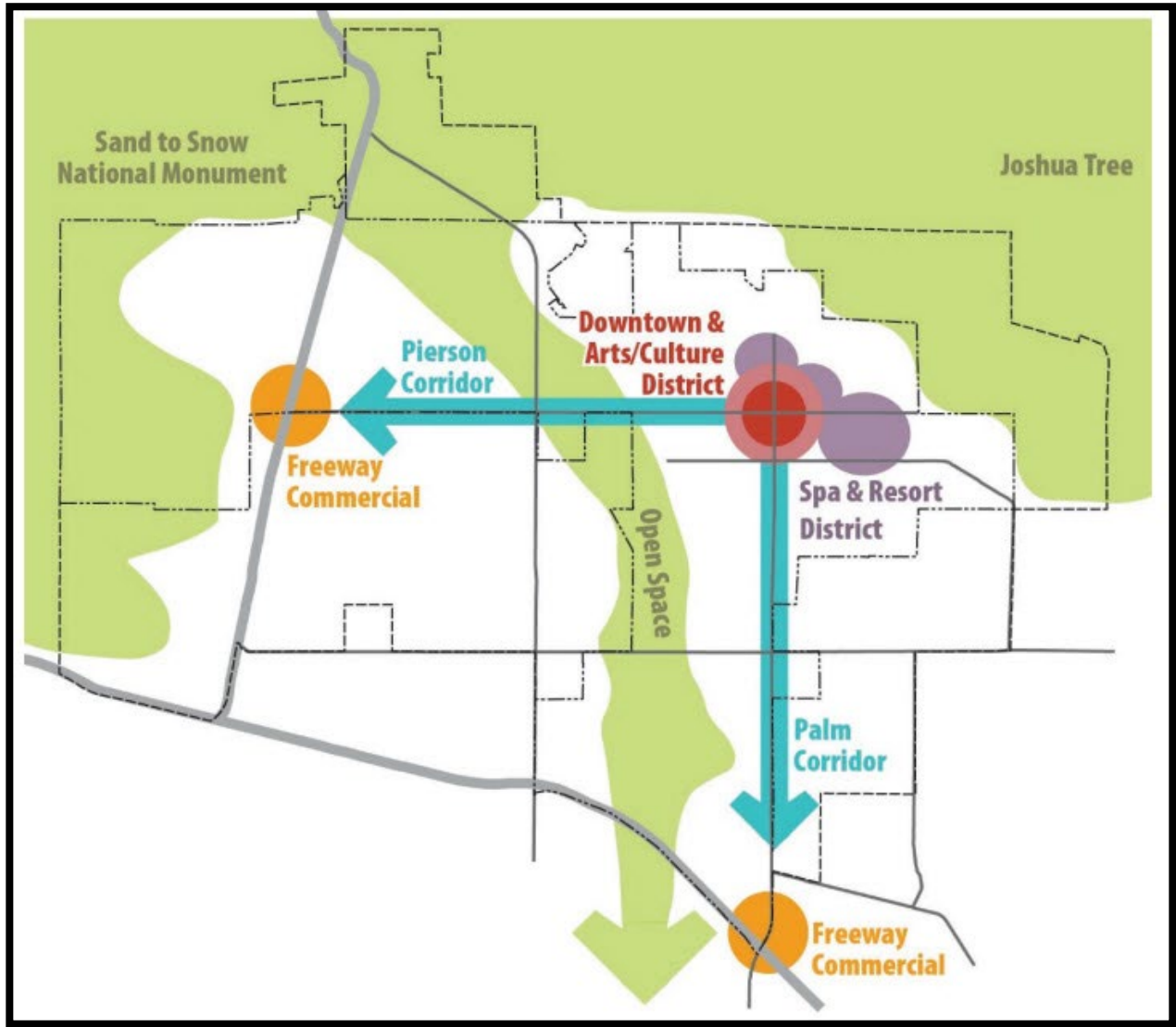
The identified housing sites are located within the context of the adopted General Plan Land Use Framework. Exhibit C-5 shows the Land Use Framework which includes the Pierson Boulevard Corridor and the Palm Drive Corridor. The Skyborne and Tuscan Hills Specific Plans are located at the western and eastern ends, respectively, of the Pierson Boulevard Corridor.

The lower income housing sites are located along the Palm Drive Corridor. The General Plan Land Use Policy 2.7 states that the “Higher Residential Density Corridor” allows higher density residential and mixed uses along Palm Drive in closer proximity to infrastructure and transit services.

The Palm Drive Corridor Master Plan is the City’s conceptual plan of beautification and circulation improvements to the Palm Drive Corridor between Mission Lake Boulevard on the north and I-10 on the south. The Palm Drive Corridor is the primary gateway entrance to the City’s retail and spa centers. Under the Master Plan, the City intends to provide an array of beautification and circulation improvements to Palm Drive.

The lower income housing sites along Palm Drive are located in close proximity to the job opportunities that will be generated by the Desert Land Ventures Specific Plan. The Specific Plan Area serves as a gateway into Desert Hot Springs due to its high visibility and convenient access from I-10, and also due to its proximity to the Palm Drive Corridor and I-10 on-/off-ramp at Palm Drive. The Specific Plan ultimately could support just over 1.5 million square feet of industrial uses, just under 360,000 square feet of commercial uses, and 150 hotel rooms. The sites inventory will help improve job-housing balance in the City and increase diverse housing opportunities near jobs, services and amenities to meet the various needs of different income level households.

Exhibit C-5
Land Use Framework



2. Integration/Segregation

a. Dissimilarity Index

The Dissimilarity Indices for the entire City of Desert Hot Springs shows that all racial/ethnic pairings are at a low level of segregation. A low segregation level is associated with a score of less than 40. Refer to Table C-6 below.

**Table C-6
City of Desert Hot Springs
Index of Dissimilarity: 2010**

Population Groups	Score
White-Black/Black-White	21.1
White-Hispanic/Hispanic-White	26.3
White-Asian/Asian-White	11.4
Black-Hispanic/Hispanic-Black	11.6
Black-Asian/Asian-Black	10.4
Hispanic-Asian/Asian-Hispanic	17.0

Source: Brown University, Diversity and Disparities, Residential Segregation, Index of Dissimilarity, City of Desert Hot Springs

Because the racial/ethnic composition of the City in the 2015-2019 period is similar to that of 2010, the Dissimilarity Index should continue to show a low segregation level during the 5-year period. Refer to Table C-7. As discussed in Appendix B Section F.2, the City’s ethnic/racial composition does not deviate significantly from the County, and may have lower segregation levels compared to the County based on the Dissimilarity Index. The City’s sites inventory is not expected to negatively impact its Dissimilarity Index because sites are located throughout the community.

**Table C-7
City of Desert Hot Springs
Population by Race and Ethnicity: 2010-2019**

Race/Ethnicity	2010	2015-2019
Non-Hispanic White	34.4%	30.4%
Non-Hispanic Black	7.5%	9.2%
Hispanic	52.7%	54.5%
Asian	2.3%	3.0%
Other	3.1%	2.9%
Total	100.0%	100.0%

Source: U.S. Census 2010 and American Community 5-Year Estimates

b. Divergence Index

Another way to measure integration/segregation is UC Berkeley's Divergence Index. The lowest possible value of the Divergence Index is "0" when the demographics of a geography does not differ, or diverge, from that of the larger geography, suggesting no segregation, whereas higher values suggest higher divergence, and hence higher segregation.

The UC Berkeley interactive mapping tool at the census tract level shows that Desert Hot Springs has a low to medium segregation level in 2020, which primarily occurs between the two largest racial groups in the City in 2020: Hispanic (61%) and White (28%). According to the AFFH Data Viewer, the majority of the above moderate and lower income level RHNA units occur in Hispanic Majority Tracts with a sizeable dominance value (3.20). Three lower income and two moderate income RHNA sites occur in Hispanic Majority Tracts with a predominant dominance value (30.65). The remaining above moderate and all moderate RHNA units occur in White Majority Tracts with a sizeable dominance value (16.04). The sites inventory will provide diverse housing opportunities in tracts with Hispanic majority populations and help foster integrated living patterns and an incorporated and diverse community.

c. Diversity Index

As discussed in detail in Section F.1 in Appendix B, the City's diversity index pattern was similar between 2010 and 2018. Census tract 445.17, which overlaps with the Mission Lakes Country Club, has had the lowest score in the City. The highest diversity index scores are found in the central City along Palm Drive. Generally, the City has become more diverse from 2010 to 2018 as diversity index scores increased in many areas and areas with higher scores expanded.

The developed portion of CT 445.17 is mostly situated in unincorporated territory. The development is known as the Mountain View Country Estates Specific Plan or the Mission Lakes Country Club. Most of the land area in this Tract within the City is zoned Open Space – Conservation, with the remaining portion zoned as residential uses that allow up to 20 units per acre or Mixed-Use Neighborhood that allows 15 units per acre. Therefore, CT 445.17 has minimal potential for affordable housing development.

All sites designated for RHNA units in the inventory are located in areas with diversity index scores between 70-85, the most common score range in the City. The distribution of sites for lower income households provides up to 1,105 units along the Palm Drive corridor, which is the City's commercial core for jobs and services, and which has the most access to transit. The different income level RHNA sites are neither located in the lowest diversity nor the highest diversity areas, and are not expected to exacerbate any segregation patterns because they will continue to expand housing opportunity for all income levels in already diverse areas.

d. Isolation Index

As discussed in Section F.3 in Appendix B, the City's isolation indices show that the average Hispanic lives in an area where over 56% of the residents are fellow Hispanic and that they are moderately segregated. However, Hispanics represented 55% of Desert Hot Spring's total population in 2019. Because the isolation index value is similar to the Hispanic percentage in the total population, Hispanic residents are not considered to live in a heavily segregated neighborhood. The highest percentages (>81%) of non-White populations are seen in tracts south of Pierson Boulevard and along Palm Drive. There are three lower and two moderate income

RHNA sites in these tracts. The majority of the above moderate and lower income level RHNA units occur in areas with 61.12% of total non-White population. The remaining above moderate and all moderate RHNA units occur in areas with 52.31% of total non-White population. Therefore, the sites inventory will not exacerbate any segregation patterns but rather will provide diverse housing opportunities in areas with higher proportions of non-White populations and promote integrated and incorporated living patterns in the community.

e. TCAC/HCD Opportunity Mapping

Of the three integration/segregation methodologies that were used to prepare the *Assessment of Fair Housing* (Appendix B), only the TCAC/HCD methodology has identified census tracts that it deems highly segregated.

TCAC/HCD have designated four census tracts, according to its methodology, as High Segregation & Poverty:

- CT 445.07
- CT 445.09
- CT 445.10
- CT 445.15

None of the above moderate and lower income housing sites is located in these census tracts/block groups The Aventura Palms and Marbella Villas designated for moderate income units are located in CT 445.15, BG 1.

With regard to socio-economic patterns, the household incomes in CT 445.15, BG 1 increase as the moderate income housing of Aventura Palms and Marbella Villas are constructed and occupied. The census tract block group has 1,539 housing units of which 1,305 are occupied. Mobile homes comprise 657 of the 1,539 housing units. Aventura Palms and Marbella Villas will add 517 moderate income housing units to CT 445.15 BG 1. The addition of moderate income units in this High Segregation & Poverty area will help foster an economically diverse community and integrated living patterns.

3. Racially/Ethically Concentrated Areas of Poverty

There are no R/ECAPs located in Desert Hot Springs. Both the HUD map and HCD's AFFH Data Viewer show that two census tracts in Desert Hot Springs are designated as R/ECAPs (CT 445.07 and CT 445.09). However, the latest data source for both maps are 2009-2013. As analyzed in Section J.2 of Appendix B, according to the 2015-2019 ACS data, eight of the nine census tracts in the City have minority populations exceeding 50%. However, none of the census tracts have a poverty rate equal to or more than the R/ECAP threshold of 40%. Therefore, CT 445.07 and CT 445.09 may not be considered R/ECAPs anymore after 2015 based on the HUD methodology. None of the inventory sites are located in CT 445.07 and CT 445.09, but Marbella Villas (moderate income RHNA site) and sites in the Tuscan Hills Specific Plan (moderate and above moderate income RHNA sites) are located near these tracts. The location of lower income RHNA units well outside of potential R/ECAPs and moderate and above moderate income units near potential R/ECAPs will not exacerbate any existing concentration or segregation, but rather draw opportunities and improvements near potential R/ECAPs and encourage an economically diverse and integrated community.

4. Areas of Affluence

HCD defines “areas of affluence” as census tracts/neighborhoods in which 80% of the population is White, not Hispanic and the median household income is \$125,000 or more. Desert Hot Springs does not have an area of affluence. In 2015-2019, there are 18 census tracts/neighborhoods located in the Region (Riverside County) in which 80% or more of the population is White, not Hispanic. However, only one census tract in the Region had a median household income of \$125,000 or more: CT 456.08 which is located in the City of La Quinta.

Therefore, none of the sites included in the land inventory are located in an area of affluence.

5. Access to Opportunity

a. Opportunity Mapping Tool

The TCAC/HCD Opportunity Mapping Tool is based on 12 indicators of access to opportunity. Neighborhoods – meaning census tracts – located within the Inland Empire Region are designated into one of the following six categories of access to opportunity.

- Highest
- High
- Moderate
- Moderate (Rapidly Changing)
- Low
- High Segregation & Poverty

b. Opportunity Categories of Housing Sites

The “above moderate income” housing sites are located in Low and Moderate Resource census tracts:

- Skyborne CT 445.22 Low Resource
- Tuscan Hills CT 445.18 Moderate Resource

The “moderate income” housing sites are located Moderate and High Segregation and Poverty census tracts:

- Tuscan Hills CT 445.18 Moderate Resource
- Aventura Palms CT 445.15 High Segregation & Poverty
- Marbella Villas CT 445.15 High Segregation & Poverty

Census tracts and rural block groups that have both a poverty rate of over 30% and that are designated as being racially segregated are filtered into the “High Segregation & Poverty” category. By definition, they have fewer resources and opportunities.

The “lower income” housing sites are located in Low and Moderate Resource census tracts as listed below:

- R-H Site 1 CT 445.16 Moderate Resource
- R-H Site 2 CT 445.22 Low Resource
- R-H Site 3 CT 445.22 Low Resource

- R-H Site 4 CT 445.22 Low Resource
- R-H Site 5 CT 445.22 Low Resource
- R-H Site 6 CT 445.22 Low Resource
- R-H Site 7 CT 445.22 Low Resource
- R-H Site 8 CT 445.22 Low Resource
- MU-C Site 1 CT 445.16 Moderate Resource
- MU-C Site 2 CT 445.16 Moderate Resource
- MU-C Site 3 CT 445.22 Low Resource
- MU-C Site 4 CT 445.22 Low Resource
- MU-C Site 5 CT 445.22 Low Resource

The first R-H zoned site listed above is located in census tract 445.16. The other seven sites are located in census tract 445.22.

The first two MU-C zoned sites listed above are located in census tract 445.16. The other three sites are located in census tract 445.22.

In 2020 census tract 445.16 was classified as “high” opportunity. In 2021 the same census tract is designated as “moderate” opportunity.
 In 2020 census tract 445.22 was classified as “moderate” opportunity. In 2021 the same census tract is designated as “low” opportunity.

According to the 2021 draft opportunity mapping methodology:

Tracts and rural block groups may shift opportunity categories during annual map updates for multiple reasons, including changes in their underlying data, changes in other parts of the region or rural county against which they are compared (i.e., even if conditions in a particular tract have not changed, if other tracts have experienced significant changes that may shift a given tract’s relative scoring), and changes in the mapping methodology.

The specifics of why the two census tract had shifts in their opportunity categories are unknown to the City. Internal changes within each tract are unlikely because there has not been much housing development in Desert Hot Springs during the 2014-2018 period. The ACS 2014-2018 data was used to calculate many of the numbers in the opportunity tool, which was released as a draft in December 2020. The 2015-2019 ACS data was released in the first week of December 2020.

The TCAC regulations allow a project applicant to use the resource category in effect at the time of the application for the next seven years. Therefore, if an affordable housing developer had submitted an LIHTC application in 2019 for a project located in census tract 445.16, the “high” resource would continue to be in effect until 2026.

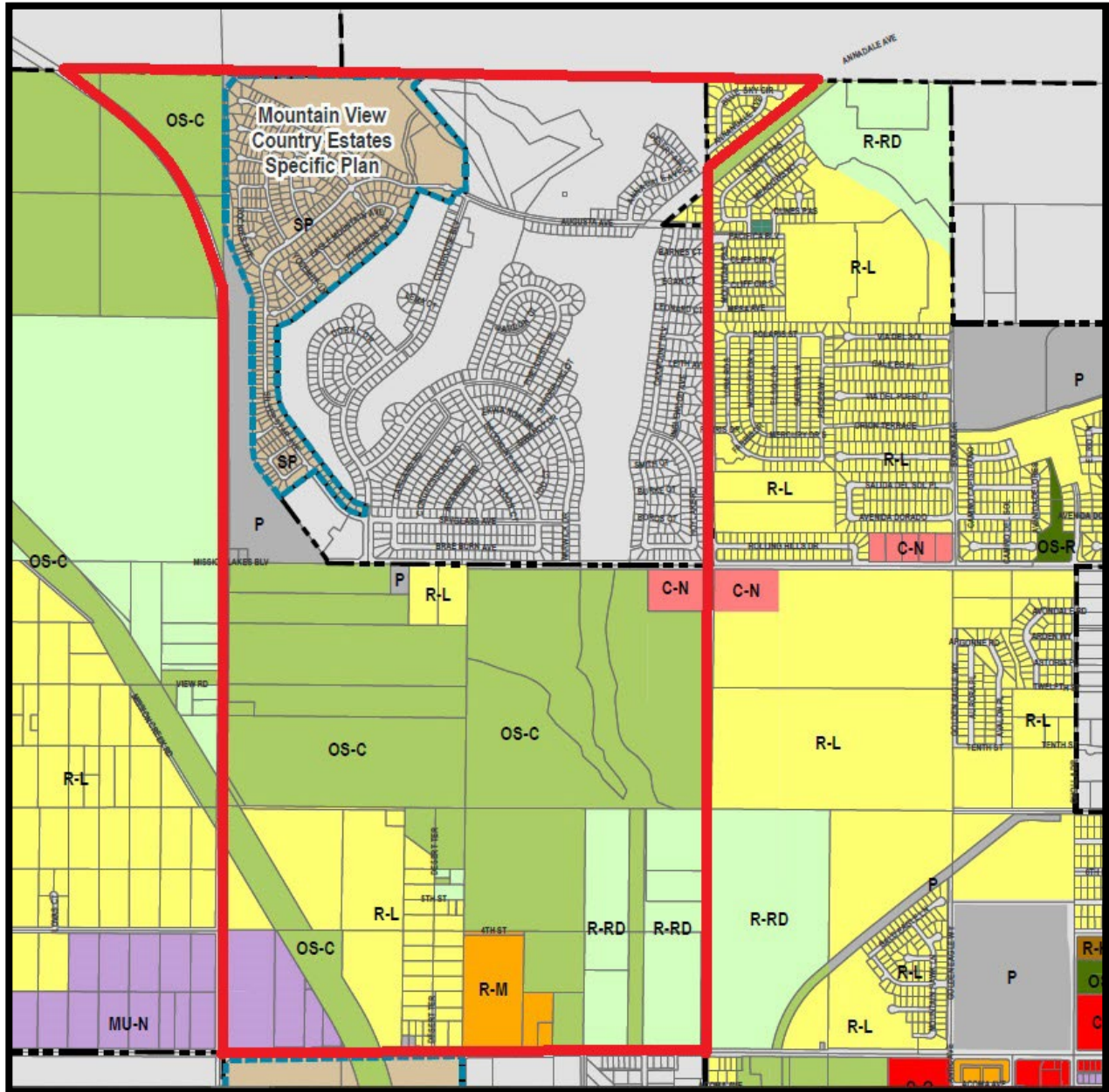
The TCAC/HCD opportunity mapping designates census tract 445.17 as the one “high” opportunity census tract located in Desert Hot Springs. However, the developed portion of the census tract is primarily situated in unincorporated territory. The development is known as the Mountain View Country Estates Specific Plan or the Mission Lakes Country Club. Most of the land area within the City is zoned Open Space – Conservation. Refer to Exhibit C-6.

The Upper Mission Creek/Big Morongo Canyon Conservation area is located primarily north of the City. A “special provision area” spans the middle of the City and is considered part of the

Mission Creek area. This is generally the Morongo Wash that flows from the Little San Bernardino Mountains located to the north.

The RHNA sites for all income levels are dispersed in Low and Moderate Resources areas, and there is no concentration of affordable housing sites in Low Resource or High Segregation & Poverty areas. Overall, the sites inventory will encourage integrated living patterns for different income level households and have positive impacts on any segregation patterns or potential in the community.

Exhibit C-6
Census Tract 445.17



c. TCAC Reliance on Census Tract Opportunity Categories

In making decisions on awarding low income housing tax credits to specific projects, TCAC does not use the opportunity mapping as an absolute criterion. The majority of developed and approved LIHTC projects are not located in the “high” and “highest” resource neighborhoods. The Termer Center found that 21% of the new construction 9% LIHTC projects built between 2008 and 2019 was located in the “highest” and “high” resource census tracts. However, 27.9% of the projects were located in high segregation and poverty census tracts.

▪ Highest Resource	10.1%
▪ High Resource	11.1%
▪ Moderate Resource	19.4%
▪ Low Resource	31.2%
▪ High Segregation and Poverty	27.9%

More recently, 63 applications were submitted to TCAC in the 2020 Round 1. Five of the 63 applications were located in either a Highest or High resource census tract. Three of the five projects were awarded funding and they are located in Reedley, Santa Monica, and Alpine.

Consequently, based on past history and practice, it is possible that a tax credit application for a project located in census tract 445.15 could be awarded low income housing tax credits by TCAC.

6. Disproportionate Housing Needs

The impact on disproportionate housing needs of affordable housing developments at the lower income housing sites cannot be foreseen because of two reasons: 1) the types of affordable housing that will be developed are unknown; and 2) the race and ethnicity of future occupants is unknown.

The types of projects awarded Low Income Housing Tax Credits provide insights on the housing types that could be built on the lower income housing sites. In the past five years, tax credits have helped to finance the following housing types:

▪ Large Family	47.8%
▪ Special Needs	27.4%
▪ Seniors	15.5%
▪ At-Risk	8.5%
▪ SRO	0.8%

It can be assumed that the affordable housing developments will reduce the cost burdens of all fair housing classes that occupy the housing.

G. AVAILABILITY OF INFRASTRUCTURE

1. Water and Sewer

Realistic site development potential indicated in the sites inventory for the three income groups is consistent with the development capacity reported in the General Plan Mobility and Infrastructure Element. Full urban-level services are available within urbanized areas of the City. Specifically, water and sewer service are available or are programmed to be made available for all the sites

included in the inventory, indicating the capacity to accommodate the City's total share of the RHNA.

The Mission Springs Water District (MSWD) is the primary water service provider in Desert Hot Springs. The District's service area encompasses 135 square miles including the City of Desert Hot Springs, 10 smaller communities in Riverside County, and communities in the City of Palm Springs.

The MSWD 2015 Urban Water Management Plan (UWMP) projects a population growth of 13,000 persons between 2020 and 2030, of which 94% would occur in the City of Desert Hot Springs.

The MSWD Water Master Plan identifies a variety of improvements to be implemented over the next 15 years. This includes improvements to over 169,000 linear feet of distribution pipelines, seven booster stations, storage tanks capacity of 34.5 million gallons, and 29,000 gallons per minute of supply.

The MSWD 2015 UWMP concludes that adequate water supply will be available to meet demand through 2030 under normal, single dry, and multiple dry rainfall conditions. Demand generated by housing built to accommodate the lower income RHNA is included in the estimated demand increase between 2020 and 2030.

The MSWD and Coachella Valley Water District (CVWD) also provide sewer service in the City. Desert Hot Springs properties historically have been served by individual septic systems. Recent figures estimated 55% of households are currently served by septic systems.

Two assessment districts (AD11 and AD12) fund the construction of wastewater collection and treatment facilities to abate the threat septic systems pose to the area's groundwater and to support suburban type development.

MSWD has an ongoing program to connect existing residences currently on septic systems to sewer collectors that have been constructed or are in the process of being constructed. Since 2005, 3,520 parcels in the service area have been converted from septic to sewer service for a total of 7,700 parcels.

The Horton Wastewater Treatment Plant (Horton WWTP), located on Verbena Drive about one-half mile south of Two Bunch Palms Trail, has a capacity of 2.3 million gallons per day. The Desert Crest Wastewater Treatment Plant, located about one-half mile southeast of the intersection of Dillon Road and Long Canyon Road, has a capacity of 0.18 million gallons/day and serves a country club development and mobile home park.

The Horton Wastewater Treatment Plant, located on Verbena Drive south of Two Bunch Palms Trail, is the primary wastewater treatment facility for MSWD. To accommodate the type and scale of development planned in the City, substantial expansion of wastewater treatment facilities will be required. Continued efforts to expand sewer facilities will reduce and eliminate the adverse impact of septic systems.

Over the long-term, sewer and treatment expansion is guided by the Wastewater System Comprehensive Master Plan. To provide for the type and scale of development planned in the City, substantial expansion of wastewater facilities will be necessary.

General Plan infrastructure goals and policies emphasize consultation and coordination with service providers to ensure that regional collection and treatment facilities have sufficient capacity to meet future wastewater treatment needs. The infrastructure goals and policies also emphasize a continuation of capital improvements planning to fund and prioritize infrastructure projects.

2. Access to Distribution Facilities

a. Skyborne Specific Plan

1. Water

The Skyborne project is within the service area of the Mission Springs Water District (MSWD). The owner has entered into a Second Amendment to the "Public Water System Improvement and Water Service Connection Fee Credit/Reimbursement Agreement" with MSWD. The site is currently served with the recent construction of two well sites (34 and 35), a reservoir site, and several miles of transmission and distribution lines. Future construction of additional wells and reservoirs will be built to the satisfaction of MSWD to assure adequate water supply. The owner is fully in compliance with its agreement with MSWD.

2. Sewer Plan

Sanitary sewer facilities are provided by Mission Springs Water District (MSWD) Several miles of off-site and on-site sewer main construction has assured adequate infrastructure exists for the completion of the project. The development will continue to extend this backbone system to serve individual development phases. Wastewater is treated at the Horton Wastewater Treatment Plant located in Desert Hot Springs.

3. Electrical

Southern California Edison (SCE) provides electric facilities to the City. The Garnett Substation located north of Interstate 10 and east of Indian Canyon Drive is the facility through which the project will receive its electrical power. This substation distributes 115KV, 33KV and 12KV lines throughout the general area. A 12 KV O/H(Overhead) distribution line is located on the south side of Pierson Boulevard. There is an 115KV transmission line along the east side of Diablo Road which goes through the westerly portion of the project within a 40' easement. There is also a 33KV O/H line at Karen Avenue that runs diagonal across the site to Mission Lakes Boulevard and follows the Mollies Road alignment.

SCE has developed plans for service to Skyborne and construction has occurred for the existing developed portions of the Specific Plan area. The development of the remaining Villages will continue with the system in place to the satisfaction of SCE.

4. Other Utilities

The Southern California Gas Company provides natural gas services to the site. An 8" medium pressure main is located approximately ½ mile east of the site at Mission Lakes Boulevard and Western Avenue. A 6" high pressure gas main is also located ½ mile east of the site on Scenic Drive and Western Avenue. There is also a 16" high pressure Questar natural gas line that runs west of and parallel to Worsley Road approximately 55' west of the existing western edge of the

pavement. The Gas Company currently serves the site and plans are prepared for the continuation of construction.

Verizon provides telephone service to the area and has developed plans for the existing homes sites within Skyborne. There is a direct buried underground main located on the south side of Pierson Boulevard. An underground main is also located on the southwest side of Mollies Road and on the west side of Worsley Road. Their infrastructure will continue to be developed with new construction.

Time Warner Cable provides cable television and internet service to the City and Specific Plan area. There are cable lines on the south side of Pierson Boulevard.

Desert Valley Disposal provides waste disposal service to the project site. Plans for incorporating construction waste and recycling facilities will be considered with the development.

b. Tuscan Hills Specific Plan

1. Water

Development will be served by the Mission Springs Water District (MSWD). Precise alignments and sizing of water facilities shall be determined prior to final engineering and construction in accordance with the Mission Springs Water District and City standards.

The pressure will be adequate to provide service to the development and will be required to have minimum flow rates to meet Riverside County Fire Department requirements. The removal of the golf course from the original plan will greatly reduce the water demand for the Specific Plan area and the installation of drought-tolerant landscaping will further produce a more desert friendly development.

2. Sewer

The site will be serviced by the MSWD, Horton Treatment Plant located of Verbena Road, south of Two Bunch Palms Trail. The conceptual plans show 8-inch sewer throughout the development which flow southwest and will tie into the existing (MSWD) 8-inch line running under Pierson Boulevard. A Condition of Approval of the Specific Plan is that prior to recordation of the Final Tract Map the developer will work the MSWD and the City Engineer on final plans for the future sewer system.

3. Other Utilities

Public utilities including electricity, gas, telephone, Cable TV, and solid waste are available and need to be extended onto the property. Within the Tuscan Hills development, specific utilities can be underground or as designated by the providing utility company.

Desert Valley Disposal Inc. will provide solid waste disposal for the Tuscan Hills Specific Plan area. As identified in the General Plan, the City shall continue its efforts to comply with State mandates to reduce the amount of solid waste disposal in landfills.

c. Palm Drive Corridor

Water and sewer connection locations are available to Marbella Villas, an entitled 402-unit development located at Palm Drive and 15th Street.

According to the MSWD, while the 16" water main along Palm Drive has adequate capacity, the 12" sanitary and subsequent downstream sewers may require upgrades depending on the size of the housing development

Sites south of Dillon Road will have distribution facilities midway through the 8-year planning period as MSWD does not have facilities along Palm Drive south of Dillon Road.

The MSWD is in the process of updating the Water and Sewer Master Plans.

H. DRY UTILITIES

Electricity services are provided by Southern California Edison (SCE). The company has two transmission substations within Desert Hot Springs and its Sphere-of-Influence. Electric power is primarily generated outside the Coachella Valley; however, SCE purchases wind-generated power from local producers. The City is served by the Devers Substation, north of Dillon Road in the southwestern portion of the City's Sphere, and the Coffee Substation, located on Camino Aventura west of Palm Drive, just south of city limits.

Additional dry utilities include:

- Natural gas (Southern California Gas Company)
- Telecommunications facilities (Frontier Communications)
- Cable service (Charter Communications)
- Solid waste (Desert Valley Disposal)

All sites in the land use inventory have access to full dry utilities. The majority of sites are located adjacent to developed areas and/or major roadways.

For capacity in specific plan areas, adopted specific plans address infrastructure provision.

General Plan policies emphasize the provision of adequate funding, service levels, equitable planning, and maintenance of utility services and physical infrastructures.

I. ENVIRONMENTAL CONSTRAINTS

The sites inventory analysis responds to land use designations and densities established in the General Plan Land Use Element. Thus, any large-scale environmental constraints that would lower the potential yield (e.g., habitat conservation, flooding or steep slopes) have already been accounted for in the General Plan Land Use Map and policies and the Program Environmental Impact Report.

Parts of the City lie within the Coachella Valley Multi-Species Habitat Conservation Plan (CVMSHCP), which identifies the most valuable resource protection areas in and around the City and establishes a permanent habitat reserve and perpetual land management program while accommodating adjacent urban development and recreational uses.

To account for any type of conservation activity, any parcel in the sites inventory that is within the CVMSHCP area has a reduced capacity. 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 the 2021-2029 RHNA is not constrained by any environmental conditions.

APPENDIX D GOVERNMENTAL CONSTRAINTS ANALYSIS**A. SCOPE OF THE GOVERNMENTAL CONSTRAINTS ANALYSIS****1. Introduction**

Government Code 65583(a)(5) requires -

An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the *types of housing* identified in paragraph (1) of subdivision (c), and *for persons with disabilities* as identified in the analysis pursuant to paragraph (7), 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*. The analysis shall also demonstrate *local efforts to remove governmental constraints that hinder the locality from meeting its share of the regional housing need* in accordance with Section 65584 and from meeting *the need for housing for persons with disabilities, supportive housing, transitional housing, and emergency shelters* identified pursuant to paragraph (7). [Emphasis added]

Government Code Section 65583(c)(1) identifies the “types of housing” that must be permitted by the City’s Zoning Ordinance:

- Multifamily rental housing
- Factory-built housing
- Mobilehomes
- Housing for agricultural employees
- Supportive housing
- Single-room occupancy units
- Emergency shelters
- Transitional housing

Government Code Section 65583(a)(7) requires –

An analysis of any special housing needs, such as those of ...persons with disabilities, including a developmental disability

In addition to the previously mentioned types of housing, Government Code Sections 65852.2 and 65852.22 provide for the creation of accessory dwelling units (ADUs) and junior accessory dwelling units (JADUs).

Finally, Government Code Section 65660 et. seq. requires that local jurisdictions allow “low barrier navigation centers” by right in areas zoned for mixed use and in non-residential zones permitting multifamily residential uses, if they meet the requirements specified in Government Code Section 65662.

The Government Code requirements provide an outline for the governmental constraints analysis as follows:

- Zone Districts Permitting a Variety of Housing Types (Part B)

- Land Use Controls - Residential Zones and Specific Plans (Part C)
- Building Codes and Their Enforcement (Part D)
- On- and Off-Site Improvements (Part E)
- Fees and Other Exactions (Part F)
- City Processing and Permit Procedures (Part G)
- Analysis of Adopted Ordinances that Directly Impact the Cost and Supply of Housing (Part H)
- Description of Efforts to Remove Governmental Constraints that Hinder the City from Meeting its Share of the Regional Housing Need (Part I)
- Description of Efforts to Remove Governmental Constraints that Hinder the City from Meeting Special Housing Needs (Part J)

2. Local Early Action Planning (LEAP) Grant Funding to Remove Governmental Constraints

With Local Early Action Planning (LEAP) grant funding, the City will update its municipal code to revise zoning and development standards to accelerate housing production. On October 14, 2021 the City issued an RFP for an update of the Zoning Ordinance. The selection of a consultant is scheduled for December 16, 2021. The selected consultant will ensure that scope of work at a minimum will include the following:

- Review and identify Goals, Objectives, and Implementation strategies to ensure the two documents, new Zoning Ordinance and General Plan Update, will be consistent and complementary of each other;
- A thorough review of the existing Zoning Ordinance and eliminate contradictions and provide a reader friendly Zoning Ordinance;
- In cooperation with City staff, assess the advantages, shortcomings, and gaps to the existing Zoning Ordinance to assist in clarifying needed areas of updating.

A key objective of the update is to contain specific criteria for as many commonly identified land uses as possible to eliminate or minimize the need for discretionary review, thereby reducing the time associated with processing development applications where discretionary approval is needed.

B. ZONE DISTRICTS PERMITTING A VARIETY OF HOUSING TYPES

Table D-1 shows that the Zoning Ordinance allows for development of a variety of housing types. The Zoning Ordinance provides for the following residential and mixed use zones:

- R-RD, Residential Rural
- R-L, Residential Low
- R-M, Residential-Medium
- R-H, Residential-High
- MU-N, Mixed-Use Neighborhood
- MU-C, Mixed-Use Corridor

1. Zone Districts Permitting Residential Uses

The Zoning Ordinance describes the purpose and intent of each zone district as follows:

R-RD (Residential Rural Desert): The district is intended to allow for low-density, rural residential uses at a maximum density of one dwelling unit per five acres in a manner that will eliminate or minimize impacts on the natural landscape and will encourage conservation.

R-L (Residential Low): The district is intended to promote the development of low-density, single-family residential uses at a maximum density of six dwelling units per acre. Clustered development can occur and is encouraged where needed to respect on-site natural resource areas.

R-M (Residential Medium): The district is intended to promote the development of detached and attached residential uses at a maximum density of 20 dwelling units per acre. Small-lot subdivisions are permitted.

R-H (Residential High): The district is intended to provide multiple unit residential developments at a minimum density of 20 dwelling units per acre up to a maximum of 30 dwelling units per acre, with a variety of on-site amenities.

MU-N (Mixed-Use Neighborhood): The district is intended to provide local- and neighborhood-supporting mixed-use activity centers with maximum residential densities of 15 dwelling units per acre and/or nonresidential intensity with a maximum floor area ratio (FAR) of 1.0. Commercial retail uses are the primary uses allowed on the ground floor. Professional office and residential uses are also allowed, either integrated with a commercial use or as separate, free-standing use. Easy walkable access from residential neighborhoods and pedestrian orientation are key considerations in the location and site design of mixed-use developments in this zone.

MU-C (Mixed-Use Corridor): The district is intended to provide higher-intensity, commercially oriented activity with maximum residential densities of 30 dwelling units per acre and/or maximum nonresidential intensities of 1.50 FAR. This district provides for integrated commercial retail, professional office, residential, and civic uses. Commercial retail uses are the preferred uses allowed on the ground floor. Residential development is allowed, either as part of a mixed-use project or as a freestanding use and are encouraged to be developed at the highest allowable density. Convenient public transportation access, innovative housing options, and pedestrian-oriented design are key considerations in the location and site design of mixed-use developments in this zone.

**Table D-1
City of Desert Hot Springs
Permitted Uses in Residential Zones**

Standard	R-RD	R-L	R-M	R-H
Accessory Dwelling Unit	P	P	P	P
Residential Care Facilities	P	P	P	P
Emergency Shelter	X	X	C	P
Manufactured Housing	P	P	P	P
Mobile Home Parks	X	X	C	C
Multi-Family Dwellings	X	X	P	P
Low Barrier Navigation Center*	X	X	X	X
Planned Residential Development	X	C	C	X
Single Family Dwellings	P	P	P	P
Supportive/ Transitional Housing**	P	P	P	P
Single Room Occupancy (SRO)	X	X	X	C

Source: City of Desert Hot Springs, Zoning Ordinance 17.08.020, 2020 Notes:

P = Permitted by Right; A = Accessory Use; C = Conditional Use Permit; X = Not Permitted.

*Consistent with AB 101 which requires that Low-Barrier Navigation Centers are a use by right in areas zoned for mixed use and nonresidential zones permitting multifamily uses.

**Supportive and transitional housing constitute a residential use and are subject only to those restrictions that apply to other residential uses of the same type in the same district.

2. Accessory Dwelling Units/Junior Accessory Dwelling Units

The City Council approved an ADU ordinance on September 15, 2020 (Section 17.08.170 of the Zoning Ordinance). The ordinance provides for the ministerial approval of ADU applications within 60 days from the date the City receives a completed application.

On the same day, the City Council also approved a JADU ordinance (Section 17.08.175 of the Zoning Ordinance).

HCD reviewed the ordinances and recommended revisions. The City Council approved the second reading of the Ordinance revisions on October 19, 2021.

3. Residential Care Facilities

California requires that many types of licensed facilities serving six persons or fewer be treated for zoning purposes like single-family homes. Except in extraordinary cases in which even a single-family home requires a conditional use permit, these laws bar conditional use permits for facilities that serve six or fewer persons.

Residential care facilities located in a home are permitted by right in all residential zones: R- RD, Residential Rural Desert; R-L, Residential Low; R-M, Residential Medium; and R-H, Residential High. These facilities are not subject to a CUP if they serve seven or more persons.

4. Emergency Shelters

“Emergency shelter” means housing with minimal supportive services for homeless persons that is limited to occupancy for six months or less by a homeless person. No individual or household

may be denied emergency shelter because of an inability to pay, or as may be amended via Health and Safety Code section 50801. Emergency shelters are permitted by right in the R-H Residential-High zone and permitted with a conditional use permit in the R-M-ResidentialMedium zone.

There are at least 95 acres of vacant R-H zoned land. The land is located in the eastern part of the City, in and near the most developed areas of Desert Hot Springs. The vacant parcels are located on or within 1/3 mile of the City's main streets and highways (Pierson Boulevard and Palm Drive) ensuring access to transit and available services. The availability of land can easily accommodate shelters for the City's 68 unsheltered homeless persons identified by the City during the 2020 Point-In-Time Homeless Count.

5. Low Barrier Navigation Centers

Government Code Section 65660 states:

- (a) "Low Barrier Navigation Center" means a Housing First, low-barrier, service-enriched shelter focused on moving people into permanent housing that provides temporary living facilities while case managers connect individuals experiencing homelessness to income, public benefits, health services, shelter, and housing. "Low Barrier" means best practices to reduce barriers to entry, and may include, but is not limited to, the following:
- (1) The presence of partners if it is not a population-specific site, such as for survivors of domestic violence or sexual assault, women, or youth.
 - (2) Pets.
 - (3) The storage of possessions.
 - (4) Privacy, such as partitions around beds in a dormitory setting or in larger rooms containing more than two beds, or private rooms.

Government Code Section 65662 states:

A Low Barrier Navigation Center development is a use by right in areas zoned for mixed use and nonresidential zones permitting multifamily uses, if it meets the requirements of this article. A local jurisdiction shall permit a Low Barrier Navigation Center development provided that it meets the following requirements:

- (a) It offers services to connect people to permanent housing through a services plan that identifies services staffing.
- (b) It is linked to a coordinated entry system, so that staff in the interim facility or staffs who colocate in the facility may conduct assessments and provide services to connect people to permanent housing. "Coordinated entry system" means a centralized or coordinated assessment system developed pursuant to Section 576.400(d) or Section 578.7(a)(8), as applicable, of Title 24 of the Code of Federal Regulations, as those sections read on January 1, 2020, and any related requirements, designed to coordinate program participant intake, assessment, and referrals.
- (c) It complies with Chapter 6.5 (commencing with Section 8255) of Division 8 of the Welfare and Institutions Code.
- (d) It has a system for entering information regarding client stays, client demographics, client income, and exit destination through the local Homeless Management Information System as defined by Section 578.3 of Title 24 of the Code of Federal Regulations.

Government Code Section 65664 states:

Within 30 days of receipt of an application for a Low Barrier Navigation Center development, the local jurisdiction shall notify a developer whether the developer's application is complete pursuant to Section 65943. Within 60 days of receipt of a completed application for a Low Barrier Navigation Center development, the local jurisdiction shall act upon its review of the application.

The Zoning Ordinance contains a definition of low barrier navigation center that is consistent with the Government Code requirements.

Low barrier navigation centers are permitted by right in the following zones:

- MU-N, Mixed-Use Neighborhood
- MU-C, Mixed-Use Corridor
- VS-M, Visitor Serving Mixed
- VS-C, Visitor Serving Commercial

6. Supportive Housing and Transitional Housing

According to HCD:

Supportive housing and transitional housing are considered a residential use of property and are subject only to those restrictions that apply to other residential dwellings of the same type in the same zone. (Gov. Code, § 65583, subd. (a)(5).)

The Government Code defines these housing types as follows:

Supportive housing is defined as "housing with no limit on length of stay, that is occupied by the target population, and that is linked to onsite or offsite services that assists the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community." (Gov. Code, § 65582, subd. (g).)

Transitional housing is defined as "buildings configured as rental housing developments, but operated under program requirements that require the termination of assistance and recirculating of the assisted unit to another eligible program recipient at a predetermined future point in time that shall be no less than six months from the beginning of the assistance." (Gov. Code, § 65582, subd. (j).)

The Zoning Code specifies that transitional and supportive housing constitute a residential use and are subject only to those restrictions that apply to other residential uses of the same type in the same district. (Zoning Code Section 17.04.050). Transitional and supportive housing are permitted in all residential zones and are subject only to those restrictions that apply to other residential uses of the same type in the same district.

Effective January 1, 2019, AB 2162 (Supportive Housing Streamlining Act) requires supportive housing to be considered a use by-right in zones where multifamily and mixed uses are permitted, including nonresidential zones permitting multifamily uses, if the proposed housing development meets specified criteria. The law prohibits the local government from imposing any minimum parking requirement for units occupied by supportive housing residents if the development is

located within a half-mile of a public transit stop. AB 2162 also require local entities to streamline the approval of housing projects containing a minimum amount of supportive housing by providing a ministerial approval process, removing the requirement for CEQA analysis and removing the requirement for Conditional Use Authorization or other similar discretionary entitlements.

The City permits supportive housing by right in the non-residential zones that allow multi-family housing (MU- C, MU-N and VS-M) consistent with AB 2162.

7. Single Room Occupancy Housing (SROs)

SROs are permitted in the R-H Residential-High and MU-C Mixed Use Corridor zones and are treated as a multi-family use.

8. Agricultural Employee Housing

HCD has stated that California Health and Safety Code Sections 17021.5 and 17021.6 generally require agricultural employee housing to be permitted by-right, without a conditional use permit (CUP), in single-family zones for six or fewer persons and in agricultural zones with no more than 12 units or 36 beds.

The City's Zoning Ordinance does not have an Agricultural Zone but does conditionally allow "agricultural uses" in the R-RD (Residential Rural Desert), R-L (Residential Low) and R-M (Residential-Medium) zones.

The Zoning Code will be amended to provide for "employee housing" as required by Sections 17021.5 and 17021.6 of the Health and Safety Code. The amendments will include adding a definition of employee housing. In addition, the Zoning Ordinance will provide for employee housing occupied by six or fewer employees in a single-family structure to be treated the same as any other single-family dwelling in the same zone.

9. Manufactured Housing

State law requires local governments to permit manufactured or mobile homes meeting federal safety and construction standards on a permanent foundation in all single-family residential zones (Government Code Section 65852.3). Consistent with state law, manufactured/factory- built housing is considered to be a single-family detached dwelling unit and is treated as such.

10. Mixed-Use

The City has adopted two new mixed-use designations to encourage infill development at the City's core that is compact and walkable, offers a mix of uses, and creates a sense of place. The two mixed use zones are described on page D-3.

C. LAND USE CONTROLS

1. General Plan/Zoning Designations

a. Residential Zones

The City adopted a new General Plan on May 26, 2020. The General Plan sets forth policies that

guide new development, including new residential development and includes strategies for increasing residential development. The Plan includes increased residential densities within key developed districts, including areas adjacent to commercial centers, transit, downtown, and major corridors.

Table D-2 summarizes the General Plan land use designations within the City that allow residential uses, as well as their permitted densities (without density bonus). The table also identifies the consistent zones that were adopted concurrently.

**Table D-2
City of Desert Hot Springs
General Plan Land Use Designations and Zones**

Residential Land Use Designation	Maximum Densities (dwelling units per acre)	Zones
Residential Designations		
Residential Rural Desert (R-RD)	1 du/5 ac	Residential Rural Desert
Residential Low (R-L)	6 du/ac	Residential Low
Residential Medium (R-M)	20 du/ac	Residential Medium
Residential High (R-H)	30 du/ac	Residential High
Residential Specific Plan (R-SP)	varies	Residential Specific Plan
Mixed-Use Designations		
Mixed-Use Neighborhood (MU-N)	15 du/ac	Mixed-Use Neighborhood
Mixed-Use Corridor (MU-C)	30 du/ac	Mixed-Use Corridor

Source: City of Desert Hot Springs General Plan Land Use Element and Zoning Ordinance, 2020.

b. Specific Plans

1. Highland Falls

Highland Falls is a sub-area of the Rancho Royale Specific Plan. The Specific Plan provides for the development of 2,145 single family housing units.

2. Skyborne Specific Plan

Skyborne is a community of traditional single family neighborhoods with proposed and optional active adult residential villages. Standard single family residential lots of varying sizes range from 5,500 to 19,000 square feet. Active adult (55+) neighborhoods include smaller lots ranging in size from 3,400 to 4,500 square feet.

The Specific Plan provides for the development of 1,786 single-family homes.

3. Sunset Ridge Specific Plan

The Specific Plan provides for the development of 499 single family housing units.

4. Two Bunch Palms Specific Plan

The approved Specific Plan includes five residential neighborhoods ranging in size from 33 housing units to 260 housing units. Four neighborhoods provide for single family homes to be developed at densities of 4.0 to 4.6 dwelling units per acre. The Specific Plan provides for the

development of 588 single family homes.

5. Tuscan Hills Specific Plan

The Specific Plan provides for the development of 340 single family housing units at very low and low densities.

2. **Development Standards**

a. Residential Zones and Mixed-Use Zones

Desert Hot Springs regulates the type, location, density, and scale of residential development to protect and promote the health, safety, and general welfare of residents, as well as implement General Plan policies. The Zoning Ordinance establishes restrictions on setbacks, lot coverage, building height, parking, and minimum unit size. Corresponding zones for the General Plan designations were adopted concurrent with Housing Element.

**Table D-3
City of Desert Hot Springs Development Standards**

Standard	R-RD	R-L	R-M	R-H	MU-N	MU-C
Max. Density: Unit/Gross Acre	1/5 ac	6	20	30	15	30
Lot Width (Min. feet) Flag Lot	600	70 (5)	45	45	100	100
Cul-de-sacs	30	25	25	25	---	---
	---	30	25	25	---	---
Min. Lot Depth (Min. feet)	1,200	75	90	90	---	---
Front Setback (Min. feet)	100	20	20	5	10	5
Rear Setback (Min. feet)	100	25	20	15	10-15	10-15
Side Yard Setback (Min. feet)	100	5	10	0	5-10	0-10
Street Side Setback	100	10	10	15	10	5
Bldg. Lot Coverage (Max. %)	5%	60%	65%	70%	60%	70%
Min. Private Open Space (s.f.)	---	---	200 s.f.	100 s.f.	---	300 s.f.
Min. Common Open Space (s.f.)	---	---	25%	20%	30%	30%
Maximum Height in Stories/Feet	2/30	2/30	2-4/30-55	2-4/30-55	3/45	4/60

Source: City of Desert Hot Springs Zoning Ordinance, 2020

¹Maximum Lot Coverage for mixed Use zones apply only to stand-alone residential

The development of 30 dwelling units per acre in the R-H Zone is realistic given the minimal setback requirements, the maximum lot coverage of 70%, and the maximum building height limit of four stories.

b. Parking Standards for Residential, Mixed Use Development and Special Needs Housing

City parking standards for residential developments are tailored to vehicle ownership patterns associated with different residential uses. While these standards may affect development costs, they are considered necessary to assure certain quality standards for multifamily housing. The Zoning Ordinance allows for reduced parking standards for senior citizen apartments/congregate care housing; see Table D-4. The parking requirements for this housing type may be adjusted on an individual project basis, subject to a parking study based on project location and proximity to services for senior citizens including, but not limited to, medical offices, shopping areas, and

bus stops.

As part of a comprehensive development code update, the City will evaluate, and modify if necessary, parking standards to ensure that they do not constrain the development of housing, specifically senior housing and multi-family housing.

**Table D-4
City of Desert Hot Springs
Parking Requirements in Residential Zones**

Residential Type	Off-Street Parking Standards
Planned residential developments, including single-family dwellings and condominiums	2 covered spaces within an enclosed garage and 1 uncovered off-street guest parking space for every 5 units
Multi-Family Units:	
Studio and 1-bedroom	1.5 covered spaces and 1 uncovered guest space for every 5 units
2-bedrooms	2 covered spaces and 1 uncovered guest space for every 5 units
3-bedrooms	2.5 covered spaces and 1 uncovered guest space for every 5 units
Mixed-Use Developments	
The total number of parking spaces shall comply with the requirements of Chapter 17.48. A mixed-use project may be required to submit a parking study for review and approval by the City to allow a different requirement through a conditional use permit.	
Special Needs Housing	
Senior Housing	1 covered space for each unit, plus 1 uncovered space for 5 units for guest parking
Senior Congregate Care	0.75 covered space for each unit
Residential Day Care	2 spaces in addition to those required for primary residence

c. Parking for Emergency Shelters

Government Code 65583(a)(4)(A)(ii) requires that emergency shelters provide “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.”

The City Attorney has prepared an ordinance amending Land Use Table 17.08.01 to require that emergency shelters shall have sufficient parking to accommodate staff. The second reading of the Ordinance was approved by the City Council on October 19, 2021.

D. BUILDING CODES AND THEIR ENFORCEMENT

The City adopted the 2019 Building Code on November 5, 2019 with only minor amendments that do not adversely impact the cost of housing. The administrative amendments to the Code address time limit of applications, code compliance time limits, fees for work commencing without permits, and re-inspection fees. The Building Code amendments are limited to adoption of several appendices covering agricultural buildings, rodent proofing, patio covers, and grading.

The City's codes are considered to be the minimum necessary to protect the public health, safety and welfare. The codes, which are based on the State housing law and uniform codes, are adopted by many cities throughout Southern California and do not pose a constraint to residential development.

The City's code compliance program seeks enforcement of all Municipal Code requirements, various State and local laws, and Health and Safety regulations as they relate to conditions or activity within the City. The City's program is complaint based. The City has implemented a reporting application to make it easier to report code violations. Violation and/or complaints can be reported by phone, the City's website, or a special app “myDesertHotSprings” available for smart phones. Complaints can be submitted anonymously.

From 2014 to 2017, the City opened an average of 540 new code enforcement cases, the majority of which were for single-family residential structures. During this time frame, only one case was related to a mobile home park (exterior issue).

Code compliance officers are trained to be as helpful as possible in correcting or complying with the standards. Whenever possible, the City makes every reasonable effort to obtain voluntary compliance. In situations where a property owner does not have the resources to address violations, the City will provide assistance. For minor violations; for example related to debris removal, the City will offer available services at no charge. For major violations, code compliance officers will work with property owners to either defer billing for work completed by the City or have the property owners grant consent to be charged for the abatement costs associated with the cleanup of the property or add the cost to the property's tax roll. The City will also reach out to property owners for community clean up days or for available resources outside of the City, such as paint and weatherproofing supplies available through service providers such as Habitat for Humanity.

E. ON- AND OFF-SITE IMPROVEMENTS

Site improvements and property dedications are important components of new development and contribute to the creation of decent housing. In Desert Hot Springs, site improvements vary depending on the existing condition of each project. Typically, site improvements are requested

during the plan check process or as conditions of approval. New subdivisions typically require a certain level of public improvements and circulation improvements for the orderly and efficient development of the community.

As stated in the Municipal Code (Section 16.04), site improvements for residential subdivisions include:

- Grading, drainage, and drainage structures necessary to proper use
- Storm drains, conduits, and channels
- Domestic water supply in compliance with the requirements of the applicable water district
- Adequate sanitary sewer facilities, either within and/or outside the subdivision, in compliance with the policies and procedures of the Department of Public Works/City Engineer and the public service purveyor
- Undergrounding of all existing and proposed utility distribution or transmission facilities
- Dedication for streets and alleys, including access rights and abutters rights, drainage, public open space, trails, scenic easements, public utility easements, and other public easements
- Street trees
- Land for local transit facilities (e.g., shelters or bus turn outs)
- Wind erosion mitigation in areas subject to wind erosion

For subdivisions of four or fewer parcels, frontage improvements may be deferred when deemed appropriate by the City Engineer. Deferral may be allowed when the City Engineer finds that construction is impractical due to physical constraints, or the surrounding neighborhood is absent similar improvements. When improvements are deferred, the subdivident enters into an agreement with the City for the installation of all frontage improvements at a future date.

There are no unusual site improvement requirements that increase the cost of housing within the City. The City maintains consistency with legal requirements that require a nexus between the impacts created by a development project and the conditions of approval that are placed on that development. Thus, although development is required to pay its way, new development is not required to subsidize improvements required by past development. In cases where oversizing of facilities is necessary to facilitate future development, reimbursement agreements or similar mechanisms are entered into to ensure that developers pay their fair shares of required improvements.

F. FEES AND OTHER EXACTIONS

Housing construction imposes certain short- and long- term costs upon local government, such as the cost of providing planning services and inspections. As a result, the City relies upon various planning and development fees to recoup costs and ensure that essential services and infrastructure are available when needed. Development impact fees are required to provide essential services and infrastructure to serve new residents. Impact fees are governed by State law and must demonstrate a nexus between development and potential impacts. State law also requires the proportionality test to ensure the pro rata share of costs to provide services and infrastructure by individual developments is reasonable.

Table D-5 lists the fees for single- and multi-family housing. A fee summary is presented below:

	<u>Single-Family</u>	<u>Multi-Family</u>
City Fees	\$13,203	\$10,010
Non-City Fees – Other	\$10,554	\$6,344
Developer (School) Fees	\$8,160	\$4,080

Developer (school) fees are the highest individual fees at \$8,160 and \$4,080. On a percentage basis, the fee breakdown is as follows:

	<u>Single-Family</u>	<u>Multi-Family</u>
City Fees	41.4%	49.0%
Non-City Fees – Other	33.1%	31.0 %
Developer (School) Fees	25.5%	20.0%

City fees represent approximately 41% and 49% of the total fees for single- and multi-family housing, respectively. The City fees as a percentage of housing development costs is estimated below:

Single-Family

\$300,000	4.4%
\$350,000	3.8%
\$375,000	3.5%

Multi-Family

\$200,000	5.0%
\$225,000	4.4%
\$250,000	4.0%

City fees comprise a small share of the development costs of single-family and multi-family housing. They do not represent a constraint to new residential development.

**Table D-5
City of Desert Hot Springs Fee Schedule**

Fee Type	Single Family	Multi-Family
Fire Protection Impact Fee	\$362.00	\$207.00
Law Enforcement Facilities Impact Fee	\$362.00	\$1,652.00
General Facilities Impact Fee	\$749.00	\$749.00
Circulation System Impact Fee	\$2,165.00	\$2,891.00
Storm Drain Impact Fee	\$789.00	\$460.59
Community Center Impact Fee	\$1,660.00	\$1,438.00
Parkland Impact Fee	\$2,795.00	\$2,421.00
Aquatic Center Impact Fee	\$221.00	\$192.00
Building Plan Check Fee	\$2,500.00	See note
Building Permit Fee	\$1,600.00	See note
Total City Fees	\$13,203.00	\$10,010.00
Water Connection Fee ¹	\$4,353.00	\$2,423.00
Sewer Connection Fee	\$2,520.00	\$2,020.00
Multiple Species Habitat Conservation (MSHCP) or LDMF ³	\$1,371.00	\$571.00
Transportation Uniform Mitigation fee (TUMF) ⁴	\$2,310.00	\$1,330.00
Developer Fee	\$8,160.00	\$4,080.00
Total Non-City Fees	\$18,714.00	\$10,424.00
Total Fees	\$31,917.00	\$20,434.00

Note; The Building Department was unable to provide a standard fee because the multi-family fees are valuation based; the valuation is based on occupancy types and square footages of the development. Therefore, the total multi-family fees are under estimated.

¹Mission Springs Water District water connection fee – 3/4 inch meter size for single-family and 1 inch for multi-family tri-plex.

Water Connection Charges apply to the construction of the water transmission lines, well sites for production, reservoirs for storage, and/or the water distribution line running adjacent to a properties frontage²Mission Springs Water District sewer connection fee

³Fee Subject to change per CVCC

⁴Fees Subject to change per CVAG

⁵Palm Springs Unified School District developer fee of \$4.08/Sf. Single family fee based on 2,000 SF dwelling size.

Multifamily developer fee based on 1,000 SF dwelling size.

G. CITY PROCESSING AND PERMIT PROCEDURES

1. Development Review Process and Timelines

Development of single family residential subdivisions can take up to three months for processing. A Tentative Tract Map requires Planning Commission approval for entitlements. Planning Staff as part of its function in reviewing applications, analyzes each project's compliance with the City's Zoning Ordinance. Multifamily family projects require a Development Review permit, which is approved by the Planning Commission. The City does not have an Architectural Review Board, because City staff is responsible for the review of applications for consistency with Zoning standards. The Planning Commission is the final reviewing authority for Development Permits for multifamily projects. Once entitlements are obtained processing time for building permits can be as short as 30 days for plan check review.

Multi-family development is processed through a Development Permit which requires Planning Commission approval, and usually takes about 4 months to process.

The processing time for a Development Permit can be administrative if CEQA clearance is not required. For larger multi-family development where CEQA is required it can be as short as three months as well. By having Planning Staff serve as the Architectural Review Board proposed housing developments, single family or multi-family, there is no additional approval required prior to taking proposed housing developments to the Planning Commission for review and approval.

The City complies with the Permit Streamlining Act (1977), which imposes time limits within which state and local government agencies must either approve or disapprove permits. While the City attempts to process development applications in a timely and efficient manner, some delays are outside the control of the City. Delays in processing can occur if environmental review, pursuant to California Environmental Quality Act (CEQA), requires an EIR or MND to be prepared. At times, approval from State or other agencies may also be required for certain types of projects.

2. Development Permit and Findings

A Development Permit (DP) functions like a site development permit in other cities and applies to all new construction, including the models for single family tract development and multifamily projects, and would be the only permit, other than building permits, required by the City. A DP is required to ensure that new development is carried out in accordance with the Zoning Ordinance, the goals and objectives of the General Plan, and any other adopted plans and guidelines. Unlike a Conditional Use Permit (which is not required for multifamily projects in the City), the DP is a review for consistency with Zoning standards and requirements. The following findings are required for approval of a Development Permit:

1. That the proposed use is permitted within the subject land use district and complies with all of the applicable provisions of this Zoning Ordinance, including prescribed development standards and design guidelines;
2. That the subject site is physically suitable for the type and intensity of the land use being proposed;
3. That the proposed development would be compatible with existing and future developments within the land use district and general area;
4. That there are adequate provisions for water, sanitation, and public utilities and services to ensure that the proposed use is not detrimental to public health and safety;
5. That there is adequate public access and roadway capacity to serve the subject proposal;
6. That there are no significant harmful effects upon environmental quality and natural resources;
7. That any negative impacts of the proposed use can and shall be mitigated;
8. That the proposed use is consistent with the General Plan; and
9. That the proposed location, size, design, and operational characteristics of the planned use are not detrimental to the public interest, health, safety, convenience, or welfare of the City.

The findings are generally limited to objective standards and consistency with the General Plan, Zoning and the requirements of the California Environmental Quality Act (CEQA). However, findings 3 and 9 can be considered subjective, and could pose a constraint to the development of housing during the planning period. In order to remove this constraint, Program 3.1 requires that findings 3 and 9 be removed from the Zoning Ordinance as part of the comprehensive update currently being undertaken by the City.

H. ANALYSIS OF ADOPTED ORDINANCES THAT DIRECTLY IMPACT THE COST

AND SUPPLY OF HOUSING

The City has no growth control measures or urban growth limit line. The City has no local ordinances that directly impact the cost and supply of residential development such as inclusionary ordinances, short-term rental ordinances, or moratoriums on specific development type.

The City has adopted an ADU ordinance. ADUs provide the opportunity to lower housing production costs because no land costs are involved and housing unit sizes can be smaller than the average one- and two-bedroom units.

JADUs provide the opportunity to add to the existing housing supply with the living space of an existing unit.

The City's Density Bonus Ordinance offers the opportunity to reduce per housing unit land costs and parking improvement costs.

I. DESCRIPTION OF EFFORTS TO REMOVE GOVERNMENTAL CONSTRAINTS THAT HINDER THE CITY FROM MEETING ITS SHARE OF THE REGIONAL HOUSING NEED

The City has designated sufficient land to accommodate the 2021-2029 RHNA. Concurrent with an improving economy and increased demand for housing, the City staff will expedite and streamline housing development applications. As previously noted, the comprehensive Zoning Ordinance update will seek to streamline the development permit process.

J. DESCRIPTION OF EFFORTS TO REMOVE GOVERNMENTAL CONSTRAINTS THAT HINDER THE CITY FROM MEETING SPECIAL HOUSING NEEDS

1. Reasonable Accommodation Procedure

Building and development standards may constrain the ability of persons with disabilities to live in housing units that are suited to their needs. Reasonable accommodation refers to flexibility in standards and policies to accommodate the needs of persons with disabilities. The Zoning Ordinance allows for special provisions that meet the needs of persons with disabilities without the need for variances. The Reasonable Accommodation Ordinance is codified in Chapter 17.220 of the Zoning Code, and copies of the City's reasonable accommodation brochure and application form are provided on the City's website in both English and Spanish (Program 3.2). Section 17.220 reads, in part, as follows:

2. Reasonable Accommodation Procedure Application/Brochure

The application requirements for reasonable accommodation are detailed in Section 17.220.030 of the Zoning Code as follows.

"A. A request for reasonable accommodation shall be filed on the application form provided by the Planning Department. If necessary to ensure accessibility, the applicant may request an alternative format. The applicant may be the person with the disability or his or her representative. No fee shall be required for a request for reasonable accommodation, but if the project requires another discretionary permit, then the prescribed fee shall be paid for all other discretionary permits. The application shall be signed by the owner of the property and shall provide the

following information:

1. Applicant's name and contact information;
2. Property address;
3. Current use of the property;
4. Basis for the claim that the individual is considered disabled under Fair Housing Laws;
5. The zoning code provision, regulation or policy from which reasonable accommodation is being requested;
6. Explanation why the reasonable accommodation is necessary to make the specific property accessible to the individual; and
7. Plans showing the details of the proposal."

Approval authority rests with the Planning Director, who can grant or deny the reasonable accommodation based on the findings described below. The Director is also required to engage in an interactive process with the applicant to consider alternatives if the accommodation would impose an undue financial burden on the City, or require a fundamental alteration to the proposal, if the Director intends to deny the proposed accommodation. The Ordinance also provides specific factors required for analysis of an accommodation:

Factor 1: Is the housing, which is the subject of the request for reasonable accommodation, to be used by an individual protected under the Act?

An individual is protected under the Act if he or she meets the definition of disability. Additionally, if the specific housing is for people with disabilities, this prerequisite is met.

Factor 2: Is the request for accommodation necessary to make specific housing available to an individual protected under the Act?

Under the Act, cities and counties have an affirmative duty to provide individuals with disabilities reasonable accommodations to "rules, policies, practices, or services, when such accommodation may be necessary to afford such persons equal opportunity to use and enjoy a dwelling." Whether an accommodation is necessary requires a "fact-specific inquiry regarding each such request." Failure to make reasonable accommodation is a violation of the Act.

Factor 3: Whether the requested accommodation would impose an undue financial or administrative burden on the jurisdiction?

Once an individual establishes that an accommodation is necessary for equal access to housing, then the jurisdiction must provide the requested accommodation unless they present evidence that granting the accommodation would impose an undue financial or administrative burden on the jurisdiction. The analysis is a fact-specific inquiry. If the jurisdiction establishes an undue burden, then the accommodation is not reasonable and should not be granted by local government. In the land use and zoning context, many requests for accommodation will be a request to modify or waive a regulation or procedure. It costs a jurisdiction nothing to waive a rule, meaning that "... the accommodation request amounts to nothing more than a request for non-enforcement of a rule." In those instances, a jurisdiction would not be likely to demonstrate undue burden.

Factor 4: Whether the requested accommodation would require a fundamental alteration in the nature of a program?

The findings for approval are consistent with State law, and do not result in a constraint to disabled persons seeking the accommodation.

- A.** The housing, which is the subject of the request, will be used by an individual disabled under the Federal Fair Housing Act and the California Fair Employment and Housing Act.
- B.** The requested reasonable accommodation is necessary to make specific housing available to an individual with a disability under the Federal Fair Housing Act and the California Fair Employment and Housing Act.
- C.** The requested reasonable accommodation would not impose an undue financial or administrative burden on the City.
- D.** The requested reasonable accommodation would not require a fundamental alteration in the nature of a City program or law, including, but not limited to, land use and zoning. (Ord. 679 2-19-19)

Section 17.220.040 addresses appeals to Director decisions: “Any decision of the Director or designee may be appealed by the applicant to the Planning Commission. The appeal shall be made in writing and filed with the Director within 15 days following the final decision. The appeal shall clearly state the reasons for the appeal. Where the request for accommodation is in conjunction with an application for another approval, permit or entitlement, the appeal procedures for such other approval, permit or entitlement shall control. (Ord. 679 2-19-19)”

As described above, the City’s procedures are in place to provide for reasonable accommodations for its residents, and the requirements and procedures do not pose a constraint to disabled residents.

3. Housing for Persons with Disabilities

Residential care facilities in a home are permitted by rights in all residential zones: R-RD, Residential Rural Desert; R-L, Residential Low; R-M, Residential Medium; and R-H, Residential High. These facilities are not subject to a CUP if they serve seven or more persons.

These facilities are subject to the same development standards and permit processing standards as other residential uses in those zones, pursuant to the California Lanterman Developmental Disabilities Services Act. The City has no distancing requirements for group homes for persons with disabilities.

K. GOVERNMENT CODE SECTION 65940.1

Government Code Section 65940.1 requires cities with an internet website to make available on their websites a variety of housing development information such as, but not limited, to: fees and exactions; zoning, design, and development standards; annual fee reports; and impact fee nexus studies.

This information is found on the webpages of City departments. For example:

- Building Division: forms, building permit application, fee schedule
- Planning Division: forms, applications, General Plan, Zoning Map, fee schedule

- Finance Department: User Fee Study April 2020, Development Impact Fee Study – City limits, Development Impact Fee Study – Sphere of Influence, fee schedule
- City Clerk: Municipal Code – Zoning Ordinance

The Community Development Department will complete a full assessment of what, if any actions are necessary to meet the requirements of Government Code Section 65940.

APPENDIX E. ANALYSIS OF NONGOVERNMENTAL CONSTRAINTS

A. INTRODUCTION

Government Code Section 65583(a)(6) requires -

An analysis of potential and actual nongovernmental constraints upon the maintenance, improvement, or development of housing for all income levels...

The analysis must examine the following:

- Availability of financing
- Price of Land
- Cost of construction
- Requests to develop housing at densities below those stated in the sites inventory and analysis (Government Code 65583.2)(c)
- Length of time between receiving approval for a housing development and submittal of an application for building permits
- Efforts to remove nongovernmental constraints creating a gap between the planning for and construction of housing

In addition, information is presented on housing prices and rents.

B. AVAILABILITY OF FINANCING

The analysis of the availability of financing is based on the Home Mortgage Disclosure Act (HMDA) data on FHA and conventional loan applications made by borrowers to buy a home in Desert Hot Springs. The data provide the basis to calculate loan denial rates by loan type, borrower income, race/ethnicity, and census tract. The HMDA data analysis covers calendar years 2018 and 2019. The 2020 data will not available until September 2021.

1. Analysis of Home Purchase Loan Applications

During the two-year period 655 loan applications were made of which 12.8% were denied and 87.2% were approved. The loan denial rates for conventional loan applications were slightly higher than for FHA loan applications: 13.4% to 12.6%. Refer to Table E-1.

Overall, the vast majority – almost nine of every 10 loan applications - are approved.

FHA loan applications dominate the market as they comprise 68% of all loan applications.

Table E-2 reports on loan denial rates by loan type and income. Generally speaking, lower and higher income borrowers have the highest loan denial rates. Borrowers in the middle income groups seem to have the lowest denial rates.

The major reasons for loan denial are poor credit history and high debt to income ratios. These could be reasons for the higher than average denial rates of both the lower and higher income groups.

Table E-3 shows the loan denial rates by race and ethnicity. Black borrowers experience the highest loan denial rates at 23%. Black borrowers submitted only 21 applications, indicating that a small increase in approvals would significantly alter the denial percentage.

The “other” borrowers also had a higher than average loan denial rate of almost 16%.

The Hispanic and White borrowers experience similar denial rates of about 12%.None of the six Asian loan applications were denied.

Table E-3 also shows that Hispanic borrowers comprise 54% of all borrowers. The White, non-Hispanic borrowers comprise 28% of all borrowers. Consequently, three of every four loan applicants are either Hispanic or White, non-Hispanic.

Table E-1
City of Desert Hot Springs
FHA/VA/FSA and Conventional
Loan Applications and Denial Rates: 2018 and 2019

Type of Application	2018 Number/Percent	2019 Number/Percent	Total Number/Percent
FHA/VA/FSA			
Total Applications	221	225	446
Number Denied	23	33	56
Percent Denied	10.4%	14.7%	12.6%
Conventional Loans			
Total Applications	111	98	209
Number Denied	14	14	28
Percent Denied	12.6%	14.3%	13.4%
All Loans			
Total Applications	332	323	655
Number Denied	37	47	84
Percent Denied	11.1%	14.6%	12.8%

Source: Federal Financial Institutions Examination Council (FFIEC), Home Mortgage Disclosure Act (HMDA) Website HMDA Data Browser

Table E-2
City of Desert Hot Springs
FHA/VA/FSA and Conventional Loan Denial Rates
by Household Income: 2018 and 2019

Loan Type and Income	Total Applications	Total Denied	Percent Denied
FHA/VA/FSA Loans			
<\$30,000	23	4	0.0%
\$30,000-\$39,999	48	12	25.0%
\$40,000-\$49,999	95	6	6.3%
\$50,000-\$59,999	97	10	10.3%
\$60,000-\$69,999	67	7	10.4%
\$70,000-\$79,999	48	6	12.5%
\$80,000-\$89,999	31	3	9.7%
\$90,000-\$99,999	16	2	12.5%
\$100,000+	21	6	28.6%
Total	446	56	12.6%
Conventional Loans			
<\$30,000	22	7	31.8%
\$30,000-\$39,999	17	1	5.9%
\$40,000-\$49,999	39	4	10.3%
\$50,000-\$59,999	37	4	10.8%
\$60,000-\$69,999	31	1	3.2%
\$70,000-\$79,999	18	3	16.7%
\$80,000-\$89,999	11	1	9.1%
\$90,000-\$99,999	10	3	30.0%
\$100,000+	23	4	17.4%
Income Not Available	1	0	0.0%
Total	209	28	13.4%
All Loans			
<\$30,000	45	11	24.4%
\$30,000-\$39,999	65	13	20.0%
\$40,000-\$49,999	134	10	7.5%
\$50,000-\$59,999	134	14	10.4%
\$60,000-\$69,999	98	8	8.2%
\$70,000-\$79,999	66	9	13.6%
\$80,000-\$89,999	42	4	9.5%
\$90,000-\$99,999	26	5	19.2%
\$100,000+	44	10	22.7%
Income Not Available	0	0	0.0%
Total	655	84	12.8%

Source: Federal Financial Institutions Examination Council (FFIEC), Home Mortgage Disclosure Act (HMDA) Website HMDA Data Browser

Table E-3
City of Desert Hot Springs
FHA/VA and Conventional Loan Denial Rates
By Race and Ethnicity: 2018 and 2019

Race/Ethnicity	Total Applications	Total Denied	Percent Denied
FHA/VA/FSA Loans			
Hispanic	264	32	12.1%
White, Non-Hispanic	99	12	12.1%
Black	19	4	21.1%
Asian	4	0	0.0%
All Other ¹	60	8	13.3%
Total	446	56	12.6%
Conventional Loans			
Hispanic	92	11	12.0%
White, Non-Hispanic	85	10	11.8%
Black	2	1	50.0%
Asian	2	0	0.0%
All Other ¹	28	6	21.4%
Total	209	28	13.4%
All Loans			
Hispanic	356	43	12.1%
White, Non-Hispanic	184	22	12.0%
Black	21	5	23.8%
Asian	6	0	0.0%
All Other ¹	88	14	15.9%
Total	655	84	12.8%

¹Includes all other races and applications where race and/or ethnicity were not available

Source: Federal Financial Institutions Examination Council (FFIEC), Home Mortgage Disclosure Act (HMDA) Website HMDA Data Browser

2. Redlining/Financing Availability by Census Tract

Redlining describes a situation where mortgage services are denied or limited for two specific reasons:

- The racial and/or ethnic composition of an area's residents
- The age of an area's properties

Redlining is when lenders used discriminatory and unfair lending practices that result in reduced lending accessibility for borrowers in the areas that show high populations of racial minorities, regardless of the credit worthiness of each individual borrower. The word redlining comes from the practice of outlining in red those geographical areas that were perceived to pose a higher mortgage risk. Redlining can affect a particular street, block, census tract, or an entire city.

According to the U.S. Department of Housing and Urban Development (HUD), the analysis of loan denial rates by census tract will help to identify if there are underserved neighborhoods.

HMDA data was assembled for five census tracts that are located entirely or predominantly within the City. Table E-4 shows that four of the five census tracts had denial rates between 12.0% and 14.1%. One census tract – 445.15 – had a denial rate of 9%. This latter census tract had the fewest loan applications at 67.

Overall, the loan denial/loan approval rates are similar and no individual census tract appears to be underserved.

**Table E-4
City of Desert Hot Springs
FHA/VA and Conventional Loan Denial Rates by Census Tract: 2018 and 2019**

Census Tract	FHA/VA/FSA Loans			Conventional Loans			All Loans		
	Total Apps.	Total Denied	Percent Denied	Total Apps.	Total Denied	Percent Denied	Total Apps.	Total Denied	Percent Denied
445.07	109	12	11.0%	41	6	14.6%	150	18	12.0%
445.09	49	8	16.3%	22	1	4.5%	71	9	12.7%
445.10	113	18	15.9%	29	2	6.9%	142	20	14.1%
445.15	50	4	8.0%	17	2	11.8%	67	6	9.0%
448.18	125	14	11.2%	100	17	17.0%	225	31	13.8%
Total	446	56	12.6%	209	28	13.4%	655	84	12.8%

Source: Federal Financial Institutions Examination Council (FFIEC), Home Mortgage Disclosure Act (HMDA) Website HMDA Data Browser

C. PRICE OF LAND

1. Single Family Lots

Land costs have a demonstrable influence on the cost and availability of affordable housing. Due to location and an ample supply of vacant land, housing costs in Desert Hot Springs have generally remained lower than in other suburban and urban areas of the State.

The vast majority of single family residential development will occur in neighborhoods with approved Specific Plans. An example of the cost of land is provided by one listing on the active market. The parcel size is 17.1 acres and consists of 77 semi-finished single family lots. The list price is \$1,540,000 or \$20,000 per lot. The parcel is located in a neighborhood of 153 total lots, of which 76 have been sold.

There are numerous scattered lots for sale that vary greatly in terms of size and asking prices.

2. Multifamily Land

On the active market there is a 7.51 acre lot for sale with an asking price of \$1,950,000. The zoning permits housing at a density ranging from 20 to 30 dwelling units per acre.

At a density of 30 dwellings per acre, the average per unit land cost is \$8,666.

At a density of 20 dwelling units per acre, the average per unit land cost is \$13,000.

At a density of 15 dwelling units per acre, the average per unit land cost is \$17,310.

At either density, land costs would comprise a small share of the total development costs.

D. COST OF CONSTRUCTION

Construction costs for housing can vary significantly depending on the type of housing, such as single-family, townhomes, and apartments. However, even within a particular building type, construction costs vary by unit size and amenities. The difficulty of developing awkward infill sites can also add to costs. Another factor related to construction costs is the number of units built at one time. As the number increase, overall costs generally decrease as builders can benefit from the economies of scale.

For standard housing construction, costs may average \$124 to \$157 per square foot for single-family residences depending on the level of amenities provided, and \$114 to \$169 per square foot for multifamily residential structure, depending on construction type and excluding parking (International Code Council Building Valuation Data, August 2020).

It should be noted that, when using BVD data, these are “average” costs based on typical construction methods for each occupancy group and type of construction. The average costs include foundation work, structural and nonstructural building components, electrical, plumbing, mechanical and interior finish material. The data is a national average and does not take into account any regional cost differences. As such, the use of Regional Cost Modifiers is subject to the authority having jurisdiction over the issuing of building permits. The City does not apply a Regional Cost Modifier.

E. COMPONENTS OF TOTAL DEVELOPMENT COSTS

According to the Turner Center:

Total development costs are made up of a lot of different line items, including land or property acquisition costs, construction costs, architectural/engineering costs, local development fees, as well as fees associated with the “soft” costs of development (e.g., legal fees, appraisals, and insurance).

Source: Turner Center for Housing Innovation, *The Costs of Affordable Housing Production: Insights from California’s 9% Low-Income Housing Tax Credit Program*, March 2020, page 8 (Author: Carolina Reid)

Research completed by the Turner Center found that between 2008 and 2018, the hard costs of building apartment housing in California increased by \$68 per square foot. The research shows that hard construction costs (material and labor) are the primary driver of rising development costs. The shortage in the construction labor market and higher prices for general contractors (as well as the subcontractors they hire) is affecting affordable housing development — just as this shortage impacts market-rate development.

Source: Turner Center for Housing Innovation, *The Hard Costs of Construction: Recent Trends in Labor and Material Costs for Apartment Buildings in California*, March 2020, 25 pages (Authors: Hayley Raetz, Teddy Forscher, Elizabeth Kneebone, and Carolina Reid)

F. COST OF AFFORDABLE HOUSING

The development costs associated with affordable housing are high and often exceed those of market rate projects. In many cities the cost of single family homes are less than those of individual apartments in an affordable housing development. The cost of new affordable housing is neither low cost nor cheap.

The United States Government Accounting Office (GAO) determined that in California the 2015 average per apartment unit development cost financed by Low Income Housing Tax Credits (LIHTC) was \$335,727. The 2015 average cost was 10% higher than in 2011.

Source: United States Government Accountability Office, *Low-Income Housing Tax Credit: Improved Data and Oversight Would Strengthen Cost Assessment and Fraud Risk Management*, September 2018, page 116

Affordable housing developments provide housing primarily for lower income households – that is, households whose annual income is 80% or less the County median income.

However, because 1) the development costs of tax credit projects have increased since 2015 and 2) they provide housing for extremely low and very low income households, the affordable rents usually supports 10% or less of the total development costs. HCD has reported that the average percentage shares of funding sources for an affordable housing development are as follows:

▪ State housing tax credits	11%
▪ Federal housing tax credits	43%
▪ Private bank loans	9%
▪ Federal HOME funds	5%

- Federal Home Loan Bank Affordable Housing Program 3%
- State housing funds e.g. Veterans Housing and Homeless Prevention Program 19%
- State Mental Health Services Act Housing funds 6%

G. HOUSING PRICES AND RENTS

1. Housing Prices

The American Community Survey (ACS) collects data on the owner’s estimate of a home’s value if it were for sale. According to the ACS:

Value is the respondent's estimate of how much the property (house and lot, mobile home and lot (if lot owned), or condominium unit) would sell for if it were for sale. If the house was owned or being bought, but the land on which it sits was not, the respondent was asked to estimate the combined value of the house and the land. For vacant units, value was the price asked for the property. Value was tabulated separately for all owner-occupied and vacant-for-sale and sold, not occupied housing units, as well as owner-occupied mobile homes.

Table E-5 reports the median home values of cities located in the Coachella Valley. The median home values range from a low of \$194,500 (Desert Hot Springs) to a high of \$772,500 (Indian Wells).

**Table E-5
Coachella Valley
Median Home Values by City (in Rank Order): 2015-2019**

City	Median Home Value
Desert Hot Springs	\$194,500
Coachella	\$219,400
Cathedral City	\$279,500
Indio	\$281,400
Palm Desert	\$350,400
Palm Springs	\$389,800
La Quinta	\$398,200
Rancho Mirage	\$498,700
Indian Wells	\$772,500

Source: American Community Survey, 2015-2019
5-Year Estimates, Table B25077 Median Home Value (Dollars)

Based on the owner estimates, more than one-half (52.5%) of the homes in Desert Hot Springs had a value of less than \$200,000. An estimated 33.5% had values in the range of \$200,000 to \$299,000. The balance of homes – 14% - had estimated values of \$300,000 or more. The home value data demonstrate the affordability of existing homes in Desert Hot Springs. Refer to Table E-6.

Table E-6
City of Desert Hot Springs
Value of Housing Units: 2015-2019

Value	Number	Percent
Less than \$100,000	470	10.1%
\$100,000 to \$124,999	462	9.9%
\$125,000 to \$149,999	365	7.8%
\$150,000 to \$174,999	592	12.7%
\$175,000 to \$199,999	559	12.0%
\$200,000 to \$249,999	1,015	21.8%
\$250,000 to \$299,999	544	11.7%
\$300,000 to \$399,999	408	8.8%
\$400,000 to \$499,999	137	2.9%
\$500,000 to \$749,999	17	0.4%
\$750,000 to \$999,999	51	1.1%
\$1,000,000 to \$1,499,999	14	0.3%
\$1,500,000 to \$1,999,999	0	0.0%
\$2,000,000 or more	18	0.4%
Total	4,652	100.0%

Source: 2015-2019 American Community Survey 5-Year Estimates, Table B25075 Value Occupancy

Table E-7 shows the prices of home sold in the City in the first eight months of 2021. During this period, 418 homes were sold. Sales prices in 2021 exceed the owner's estimate of value in 2019. The median sales price was \$319,900. In fact, 12% of the homes sold for between \$400,000 and \$499,999. Another 3.1% sold for more than \$500,000.

The California Association of Realtors' (C.A.R.) Housing Affordability Index (HAI) measures the percentage of households that can afford to purchase a median-priced, single-family home in California. C.A.R. also reports affordability indices for regions and select counties within the state as well as by race and ethnicity. The index is considered the most fundamental measure of housing well-being for home buyers in the state.

The C.A.R. report for Riverside County indicates that \$85,600 is the minimum household income need to buy a median-priced (\$460,000) existing single-family home. The percentage of households who could afford to buy the home is listed below:

- White, Non-Hispanic 50%
- Asian 56%
- Hispanic 40%
- Black 43%

Existing homes in Desert Hot Springs are among the most affordable in Riverside County.

Table E-7
City of Desert Hot Springs
Home Sales by Number of Bedrooms January 1, 2021 through August 13, 2021

Price	Number of Bedrooms						Percent	Cumulative Percent
	1	2	3	4	5	Total		
Less than \$200,000	3	14	3	0	0	20	4.8%	4.8%
\$200,000-\$249,999	0	18	26	3	0	47	11.2%	16.0%
\$250,000-\$299,999	1	11	64	17	0	93	22.2%	38.3%
\$300,000-\$349,999	0	5	84	34	0	123	29.4%	67.7%
\$350,000-\$399,999	0	1	42	25	4	72	17.2%	84.9%
\$400,000-\$449,999	1	2	25	8	4	40	9.6%	94.5%
\$450,000-\$499,999	0	1	4	5	0	10	2.4%	96.9%
\$500,000+	0	2	3	4	4	13	3.1%	100.0%
Total	5	54	251	96	12	418	100.0%	

Source: Pacific Association of Realtors, Combined Regional Multiple Listing Services (CRMLS) August 13, 2021.

2. Housing Rents

The ACS collects data on the gross rents of renter-occupied housing units. Gross rents include the contract rent plus utilities. According to the ACS:

Contract rent is the monthly rent agreed to or contracted for, regardless of any furnishings, utilities, fees, meals, or services that may be included. For vacant units, it is the monthly rent asked for the rental unit at the time of interview.

Gross rent is the contract rent **plus** the estimated average monthly cost of utilities (electricity, gas, and water and sewer) and fuels (oil, coal, kerosene, wood, etc.) if these are paid by the renter (or paid for the renter by someone else). Gross rent is intended to eliminate differentials that result from varying practices with respect to the inclusion of utilities and fuels as part of the rental payment. Renter units occupied without payment of rent are shown separately as "No rent paid" in the tabulations.

Table E-8 reports on the median gross rents of cities located in Coachella Valley. The median gross rents range from a low of \$788 (Indian Wells) to a high of \$1,449 (La Quinta). Almost all of Indian Wells' rental housing is located in an affordable housing development.

Table E-8
Coachella Valley
Median Gross Rent by City
(In Rank Order): 2015-2019

City	Median Rent
Indian Wells	\$788
Coachella	\$879
Desert Hot Springs	\$963
Indio	\$1,084
Palm Springs	\$1,114
Rancho Mirage	\$1,191
Cathedral City	\$1,193
Palm Desert	\$1,319
La Quinta	\$1,449

Source: American Community Survey,
 2015-2019 5-Year Estimates, Table
 B25064 Median Gross Rent (Dollars)

According to Table E-9, rental units with three or more bedrooms comprise almost 41% of the stock. The reason is that just over 2,600 renters live in single-family detached dwellings.

Approximately one-third of the renter occupied housing units have monthly rents in the range of \$1,000 to \$1,499. Many of these units are probably renter-occupied single-family detached homes.

Approximately one in every eight rental units has monthly rents of \$1,500 or more.

The majority (55%+) of renter-occupied units have monthly rents of \$999 or less.

The monthly rents are relatively affordable. However, to afford a \$900 monthly rent with 30% of income still requires an annual household income of \$36,000.

Table E-10 shows the median gross rents by number of bedrooms. The median gross rent of a 2-bedroom unit is \$917. The median gross rent of 4-bedroom unit is almost \$500 more than a 2-bedroom unit. As noted before, a large percentage of renters occupy single-family dwellings.

**Table E-9
City of Desert Hot Springs
Bedrooms by Monthly Gross Rent: 2015-2019**

Monthly Gross Rent	No Bedroom	1 Bedroom	2 Bedrooms	3+ Bedrooms	Total	Percent
Less than \$300	0	0	0	0	0	0.0%
\$300-\$499	10	84	0	11	105	1.9%
\$500-\$749	286	431	207	109	1,033	18.3%
\$750-\$999	0	359	1252	373	1,984	35.1%
\$1,000-\$1,499	17	46	569	1210	1,842	32.6%
\$1,500 or more	0	0	79	609	688	12.2%
Total	313	920	2,107	2,312	5,652	100.0%
Percent	5.5%	16.3%	37.3%	40.9%	100.0%	

Note: 172 renter households have no cash rent

Source: 2015-2019 American Community Survey 5-Year Estimates, Table B25068: Bedrooms by Gross Rent

**Table E-10
City of Desert Hot Springs
Median Gross Rent by Bedrooms: 2015-2019**

Number of Bedrooms	Median Gross Rent
No bedroom	\$578
1 bedroom	\$710
2 bedrooms	\$917
3 bedrooms	\$1,231
4 bedrooms	\$1,404

Source: American Community Survey, 2015-2019 5-Year Estimates, Table B25031 Median Gross Rent by Bedrooms

H. REQUESTS TO DEVELOP HOUSING AT DENSITIES BELOW THOSE STATED IN THE SITES INVENTORY AND ANALYSIS (GOVERNMENT CODE 65583.2(C))

The City has received no request to reduce the density of a site included in the land inventory of the *2013-2021 Housing Element*. Development approval of projects with densities lower than what is anticipated in the *2021-2019 Housing Element* is not expected during the 6th Cycle planning period. In general, and based on recent development in the City, most development applications aim for densities close to what is allowed by zoning.

I. LENGTH OF TIME BETWEEN RECEIVING APPROVAL FOR A HOUSING DEVELOPMENT AND SUBMITTAL OF AN APPLICATION FOR BUILDING PERMITS

The cost of development can be affected by delays in the land development process. Market factors outside of the City approval process can drive up the costs and risks of private development. In Desert Hot Springs, City staff estimates that most residential development projects have received project approval concurrent with building permit applications except in the case of developments with tract maps. Most commonly, incompleteness of applications can affect this time frame.

J. EFFORTS TO REMOVE NONGOVERNMENTAL CONSTRAINTS CREATING A GAP BETWEEN THE PLANNING FOR AND CONSTRUCTION OF HOUSING

The City approved several Specific Plans prior to the Great Recession. The downturn in the economy and the COVID-19 Pandemic has combined to stall the development of new housing in the approved Specific Plan areas. Recently, building permits have begun to be pulled for development in the Specific Plan areas.

In addition, the City adopted an Economic Development Element in 2020. The Element provides guidance on efforts to spur the demand for new housing: for example, the development of employment-generating industry clusters; workforce development; and marketing, promotion and economic development.

APPENDIX F HOUSING RESOURCES

Appendix F describes housing financial and administrative resources. Some of the resources provide assistance that could help address the City’s housing needs. The availability of land resources to accommodate the City’s share of the regional housing need was described in *Appendix C - Sites Inventory and Analysis*.

A. FINANCIAL RESOURCES

1. Financial Resources Available to the City

a. Community Development Block Grant Funds (CDBG)

The City is a cooperating city in the County of Riverside Urban County CDBG Program. The County’s *2019-2024 Consolidated Plan* allocates \$4,235,710 to the Homeowner Housing Rehabilitation Program. The 5-year goal is the rehabilitation of 125 owner-occupied housing units. Desert Hot Springs home owners may apply for the financial assistance provided by this program.

Desert Hot Springs is not eligible to receive CDBG funds directly from HUD. The County’s CDBG allocation formula annually allocates funds to Desert Hot Springs. These funds are allocated by the City to CDBG-eligible activities.

b. Permanent Local Housing Allocation (PLHA) Program

SB 2 created a dedicated revenue source for affordable housing and directed the HCD to make available 70% of the moneys in the Building Homes and Jobs Trust Fund, collected on and after January 1, 2019, to local governments. Ninety percent of the moneys available will be allocated based on the formula used under Federal law to allocate CDBG funds to CDBG entitlement jurisdictions within California. Ten percent of the funds will be distributed to non-entitlement jurisdictions through a competitive grant program.

The PLHA funds are received directly by the County of Riverside. HCD estimates that the County of Riverside will receive \$24 million over a 5-year period.

Desert Hot Springs is eligible to receive a share of the PLHA funds received by the County.

2. Home Investment Partnership Program (HOME)

Desert Hot Springs is not eligible to receive HOME funds directly from HUD. Annually, HUD allocates HOME funds to the County of Riverside. The County’s *2019-2024 Consolidated Plan* allocates funds to the following projects:

- First Time Homebuyer Assistance \$4,353,170 100 households assisted
- Rental Units Constructed \$2,353,170 200 housing units
- Rental Units Rehabilitated \$1,000,000 50 housing units

Income eligible households may apply for FTHB assistance to buy a home located in Desert Hot Springs.

3. Section 8 Rental Assistance

The Housing Authority of the County of Riverside administers this program. Rental assistance covers the difference between the market rent and the rent that income-eligible renters can afford based on 30% of their monthly income.

As of September 2021, the program assists 370 Desert Hot Springs residents of which 104 are elderly and 165 are disabled.

Additionally, 1,680 residents are on the Section 8 Waiting List of which 223 are elderly and 443 are disabled.

An explanation of how the Section 8 program works is provided on the next page.

Table F-1 lists the maximum income limits, adjusted by household size, to be eligible for Section 8 rental assistance.

4. Low Income Housing Tax Credits

This program provides equity for the development of affordable housing. The City does not have direct access to this funding, which is awarded by the California Tax Credit Allocation Committee (TCAC) to experienced non-profit and for-profit developers on a competitive basis.

Six affordable housing developments located in Desert Hot Springs have obtained Low Income Housing Tax Credits:

- Desert Horizons Apartments
- Arroyo de Paz I Apartments
- Arroyo de Paz II Apartments
- Brisas de Paz
- Hacienda Crossing Apartments
- Verbena Crossing Apartments

An introduction to the Low Income Housing Tax Credit Program is available at:

<https://fas.org/sqp/crs/misc/RS22389.pdf>

5. Affordable Housing and Sustainable Communities Program (AHSC)

The AHSC Program reduces greenhouse gas (GHG) emissions through projects implementing land-use, housing, transportation, and agricultural land preservation practices that support infill and compact development. Funding for the AHSC Program is provided from the Greenhouse Gas Reduction Fund (GGRF), an account established to receive Cap-and-Trade auction proceeds.

How the Section 8 Voucher Program Works

The Housing Authority provides two basic types of rental assistance. The largest program is the Section 8 Housing Choice Voucher Program. The applicant receives a Housing Choice Voucher once they have met all eligibility requirements.

The program participant can select an appropriate rental unit (house or apartment) and live where they wish.

The unit that is selected must:

- Meet housing quality standards
- Must have an appropriate number of bedrooms
- The rent must be reasonable with regard to current market rents
- Must also be affordable to the participant

The participant pays part of the rent and the Housing Authority pays part of the rent. The participant pays between 30% and 40% of their monthly income for rent. Depending on the income of the family, the Housing Authority may pay all or a very small portion of the rent.

The two examples listed below are for the same family size with only income differences. There are adjustment factors to the income that will not be discussed in these examples. All of the information below provides examples only and are not to be considered as actual amounts.

Example One:

- Mother and two minor children
- Mother's income is \$6.25/hour 20 hrs per week
- The rent on a two-bedroom apartment is \$625 with the tenant paying gas and electricity. The tenant would pay \$94 per month to the landlord
- The Housing Authority would pay \$531 per month to the landlord.

Example Two:

- Mother and two minor children
- Mother's income is \$10.00/hr 40 hours per week.
- The rent on a two-bedroom apartment is \$625 with the tenant paying gas and electricity. The tenant would pay \$451 per month to the landlord.
- The Housing Authority would pay \$174 per month to the landlord.

The amount of rent is limited because the participant may not pay over 40% of their adjusted income toward rent and utilities. If the tenant's share exceeds 40% on a specific unit, the Housing Authority would not approve the lease.

Table F-1
Riverside County Maximum Gross Income Limits
Effective 04/01/2020

# of Family Members in household	Housing Choice Voucher Program Extremely Low Income Limits (30% of median)		Housing Choice Voucher Program Very Low Income limits (50% of median)	
	Annual	Monthly	Annual	Monthly
1	\$15,800	\$1,320	\$26,400	\$2,200
2	\$18,100	\$1,508	\$30,150	\$2,512
3	\$21,720	\$1,810	\$33,900	\$2,825
4	\$26,200	\$2,183	\$37,650	\$3,137
5	\$30,680	\$2,556	\$40,700	\$3,391
6	\$35,160	\$2,930	\$43,700	\$3,641
7	\$39,640	\$3,303	\$46,700	\$3,891
8	\$44,120	\$3,676	\$49,700	\$4,141
9	\$48,600	\$4,050	\$52,750	\$4,395
10	\$53,080	\$4,423	\$55,750	\$4,645
11	\$57,560	\$4,796	\$58,750	\$4,895
12	\$61,750	\$5,145	\$61,750	\$5,145
13	\$64,800	\$5,400	\$64,800	\$5,400
14	\$67,800	\$5,650	\$67,800	\$5,650

Source: County of Riverside Housing Authority

6. CalHFA Multifamily Mixed Income Program

The CalHFA Mixed-Income Program (MIP) provides long-term subordinate financing for new construction of multifamily housing projects which restrict units at a mix between 30% and 120% of the Area Median Income. The program was created after Senate Bill 2 (SB2), the Building Homes and Jobs Act which was signed into law in 2017, established an annual appropriation to the Agency for the purpose of creating mixed income multifamily residential housing for lower to moderate income households. CalHFA receives 15% of the Building Homes and Jobs Act Fund for this purpose.

CalHFA expects to have a total of \$60 million available for MIP subordinate financing in 2021.

For 2021, the Agency has also made available funds provided through Assembly Bill 101. The bill directs the funding to CalHFA to be used to finance low- and moderate-income housing.

7. CalHFA Homebuyer Programs

The agency offers a variety of loan programs to purchasers of a home: conventional loans, government insured loans (FHA, VA), down payment assistance programs, and Mortgage Credit Certificates (MCCs).

8. CalHFA Multifamily Programs

CalHFA's Taxable, Tax-Exempt, or CalHFA funded Permanent Loan programs provide competitive long-term financing for affordable multifamily rental housing projects. Eligible projects

include newly constructed or acquisition/rehabilitation developments that provide affordable housing opportunities for individuals, families, seniors, veterans, and special needs tenants.

CalHFA's *Conduit Issuer Program* is designed to facilitate access to tax-exempt and taxable bonds by developers that seek financing for eligible projects that provide affordable multifamily rental housing for individuals, families, seniors, veterans or special needs tenants. The conduit bonds may be used to finance the acquisition, rehabilitation, and/or development of an existing project, or they can be used for the construction of a new project.

9. HCD No Place Like Home Program (NPLH) Program

This program provides funding and tools that enables HCD to address affordability issues associated with creating housing units that are specifically set aside for persons with serious mental illness who are chronically homeless, homeless, or at-risk of becoming chronically homeless. Under the program, the Department may make loans to reduce the initial cost of acquisition and/or construction or rehabilitation of housing, and may set funds aside to subsidize extremely low rent levels over time.

10. HCD Multifamily Housing Program

Funds for the program were authorized by the Veterans and Affordable Housing Act of 2018. The program funds new construction, rehabilitation of housing, development or conversion of a nonresidential structure to a rental housing development. Eligible uses include land acquisition and construction. The maximum rent limit is 30% of 60% of Area Median Income (AMI), adjusted by unit size.

11. HCD Supportive Housing Multifamily Housing Program

Funds available are for multifamily rental housing projects involving new construction, rehabilitation, acquisition and rehabilitation, or conversion of nonresidential structures for the purpose of development of rental housing containing permanent supportive housing units for the target population.

12. HCD Veterans Housing and Homelessness Prevention Program

This program involves collaboration between HCD, California Department of Veteran Affairs, and California Housing Finance Agency to provide \$600 million in Proposition 41 general obligation bonds to fund affordable multifamily rental, supportive and transitional housing. The goal is to fund 4,800 new veteran housing units including 2,880 to 3,300 permanent supportive housing units for homeless veterans. Of the permanent supportive housing units, 1,200 to 1,400 will be for chronically homeless veterans. Priority is placed on housing to be developed in areas with especially high concentrations of California's most vulnerable veterans while preserving funding for other areas.

"Veteran" means any person who served in the active military, naval, or air service of the United States or as a member of the National Guard who was called to and released from active duty or active services for a period of not fewer than 90 consecutive days or was discharged from service due to a service-related disability. This includes veterans with other-than-honorable discharges.

At least 50% of the funds awarded shall serve veteran households with extremely low incomes. Of those units targeted to extremely low-income veteran housing, 60% shall be supportive housing units.

13. Housing for Healthy California (HHC) Program

In September of 2017, as part of a landmark housing package, Governor Jerry Brown signed AB 74 into law. The HCD is authorized to develop the Housing for a Healthy California (HHC) Program. The HHC program creates supportive housing for individuals who are recipients of or eligible for health care provided through the California Department of Health Care Services, Medi-Cal program. The goal of the HHC program is to reduce the financial burden on local and state resources due to the overutilization of emergency departments, inpatient care, nursing home stays and use of corrections systems and law enforcement resources as the point of health care provision for people who are chronically homeless or homeless and a high-cost health user.

14. AB 101

a. New State Low Income Housing Tax Credits Program

Provides for the allocation of \$500 million in new state low-income housing tax credits for new construction projects that receive the federal 4% tax credit. For these new credits, the bill would increase the eligible basis for these projects from 13% to 30%. It would require at least \$300 million of this to be available to new construction projects receiving the federal 4% tax credit, and would allow up to \$200 million to be available to projects receiving assistance from the California Housing Finance Agency (CalHFA) Mixed Income Program.

Eligible basis refers to depreciable basis; it does not include land, syndication, organization, or permanent financing costs. A more complete explanation of eligible basis is available at: <https://www.ncsha.org/wp-content/uploads/2018/11/Eligible-Basis-and-Credit-Calculations.pdf>

b. CalHome Program

AB 101 (2019) allows the CalHome program to include accessory dwelling units (ADUs) and junior accessory dwelling units (JADU), and to authorize the program to make grants for housing purposes in declared disaster areas.

B. ADMINISTRATIVE RESOURCES

Administrative resources include organizations that are able to assist the City in implementing housing activities, including some of those described in Section II - Housing Program.

1. California Department of Housing and Community Development (HCD)

HCD is able to provide technical assistance on a myriad of housing topics, including model housing programs and ordinances.

2. Housing Authority of the County of Riverside

This agency administers the Section 8 Housing Voucher Program and Public Housing Program. The HA's area of operation is all of the unincorporated areas of the County and all incorporated cities.

3. Riverside County Continuum of Care (CoC)

The **Continuum of Care** for Riverside County – CoC Program provides homeless assistance by leveraging funding needed through the HUD Consolidated Application; this provides collaboration between providers of housing and homeless assistance programs and other federal programs. The CoC is a network of private and public sector homeless service providers, designed to promote community-wide planning and the strategic use of resources addressing homelessness.

The CoC seeks to improve coordination and integration with mainstream resources and other community programs for people who are experiencing or are at-risk of becoming homeless. The CoC seeks to improve and expand the collection of data countywide, develop performance measurements, and allows for each community to tailor its' program to the particular strengths and challenges within that community. The goal is to assist people to achieve stability through self-sufficiency.

Some of the CoC's activities include the annual HUD Continuum of Care Programs Notice of Funds Availability (NOFA), for homeless services and housing programs, the Emergency Food and Shelter Program (EFSP) NOFA and the biennial Point in Time Count and Survey of homeless individuals in the County.

APPENDIX G PROGRESS REPORT**A. GOVERNMENT CODE REQUIREMENTS**

HCD suggests that the Progress Report (officially known as review and revision) discuss:

"Appropriateness of goals, objectives and policies" (Section 65588(a)(1)): A description of how the goals, objectives, policies and programs of the updated element incorporate what has been learned from the results of the prior element.

"Effectiveness of the element" (Section 65588(a)(2)): A comparison of the actual results of the earlier element with its goals, objectives, policies and programs. The results should be quantified where possible (e.g., rehabilitation), but may be qualitative where necessary (e.g., mitigation of constraints).

"Progress in implementation" (Section 65583(a)(3)): An analysis of the significant differences between what was projected or planned in the earlier element and what was achieved.

B. APPROPRIATENESS OF GOALS, OBJECTIVES AND POLICIES**1. Goals and Policies**

On July 7, 2021, the City Council adopted the 5th Cycle Housing Element. Because the goals and policies remain appropriate, the 6th Cycle Housing Element has incorporated the goals and policies of the *2013-2021 Housing Element*. The goals and policies, however, have been organized according to the housing element mandated *program* categories:

- Identify Actions to Make Sites Available to Accommodate the City's Share of the Regional Housing Need That Could Not Be Accommodated on the Sites Identified in the Land Inventory [Government Code Section 65583(c)(1)]
- Assist in the Development of Adequate Housing to Meet the Needs of Extremely Low, Very Low-, Low- and Moderate Income Households [Government Code Section 65583(c)(2)]
- Address and, Where Appropriate and Legally Possible, Remove Governmental and Nongovernmental Constraints to the Maintenance, Improvement and Development of Housing Including Housing for All Income Levels and Housing for Persons with Disabilities [Government Code Section 65583(c)(3)]
- Conserve and Improve the Condition of the Existing Affordable Housing Stock [Government Code Section 65583(c)(4)]
- Promote and Affirmatively Further Fair Housing Opportunities throughout the Community or Communities for All Persons Regardless of Race, Religion, Sex, Marital Status, Ancestry, National Origin, Color, Familial Status, or Disability [Government Code Section 65583(c)(5)]

In addition, goals and policies were added to address the housing needs of special populations. The goals and policies provide a link between the findings of the assessment of

housing needs and actions to address the needs of the elderly, disabled, and other special needs populations.

2. Objectives

The “construction” quantified objectives for the 2014-2021 period are:

- Lower Income 4,653 housing units
- Moderate Income 650 housing units
- Above moderate Income 1,817 housing units

Between 2014 and 2020, building permits have been issued for the following:

- Very Low Income 53
- Low Income 2
- Moderate Income 83
- Above Moderate Income 0

The “rehabilitation” objective for the 2014-2021 period is 80 rehabilitated homes. For reasons explained elsewhere in the Progress Report, the objective was not met.

The “conservation/preservation” is 355 lower income households and represents the number of households assisted by the Section 8 Housing Choice Voucher Program. The objective was exceeded as 370 households are being assisted as of September 1, 2021. The City has successfully assisted lower income households in conservation and preservation of affordable housing units during the previous planning period. Note that lower income households in the City are often also special needs populations such as the elderly, persons with disabilities, female headed households, large households, persons experiencing homelessness, and farmworkers.

C. EFFECTIVENESS OF THE ELEMENT

Each program and its effectiveness are described starting on page G-4. There are a total of 16 programs: 14 were continuously implemented since 2014 and two were added on July 7, 2020.

As described under the individual discussions of programs below, the City has successfully helped special needs populations, including the elderly, persons with disabilities, female headed households and persons experiencing homeless through its support of Section 8 and other County programs, establishment of Mixed Use zones that provide housing opportunities in proximity to services, transportation and jobs, and rehabilitation and conservation of housing throughout the community.

D. PROGRESS IN IMPLEMENTATION

Progress in implementation is reported below for two time periods.

Programs Implemented During 2013-2021

- 2 No Net Loss – implemented and included in 6th Cycle Housing Element

3. Housing Choice Voucher Program - implemented and included in 6th Cycle Housing Element
4. Density Bonus – not successfully implemented
5. Homebuyer Assistance Program – not successfully implemented; included in 6th Cycle Housing Element
6. Affordable Housing Incentives – not implemented but will contribute to Lift to Rise Program
7. Zoning Ordinance Update – will be implemented with LEAP funding
8. Mixed Use Development - implemented
9. Water and Sewer Providers – implemented
11. Code Enforcement - implemented
12. Housing Repair and Rehabilitation Programs – not successfully implemented; included in 6th Cycle Housing Element
13. Abandoned Residential Property Registration - implemented
14. At-Risk Housing Monitoring - implemented
15. Fair Housing Services - implemented

Programs Added July 7, 2020

1. Adequate Sites - implemented
16. Affirmatively Furthering Fair Housing – implemented

**CITY OF DESERT HOT SPRINGS
EFFECTIVENESS OF THE 5TH CYCLE HOUSING ELEMENT**

PROGRAM 1: ADEQUATE SITES

To accommodate the lower-income RHNA shortfall of 4,026 units (for the 2008-2014 and 2014-2021 RHNA planning periods), the City will rezone just under 219 acres of sites within, R-H: Residential High, and MU-C: Mixed-Use Corridor designations.

The rezone was completed in June 2020. The sites were rezoned to have capacity for at least 16 units per site at a minimum density of 20 units per acre, and at least half of the very low- and low-income housing need will be accommodated on sites designated for residential use and for which nonresidential uses or mixed-uses are not permitted. The rezone provides adequate sites and zoning to facilitate affordable housing development, which will benefit special needs populations by meeting their housing needs in the City.

Program 1 was effectively implemented.

PROGRAM 2: NO NET LOSS

Pursuant to Government Code Section 65863, the City will ensure that its Housing Element sites inventory can accommodate its share of the RHNA by income level throughout the 8-year planning period. The City implemented the No Net Loss Program throughout the 2013-2021 planning period. Since 2013, the City has not approved a project at a reduced density.

In accordance with the No Net Loss law, if a proposed reduction of residential density will result in the residential sites inventory failing to accommodate the RHNA by income level, the City will identify and make available additional adequate sites to accommodate its share of housing need by income level within 180 days of approving the reduced density project.

HCD has suggested that:

A jurisdiction should implement an ongoing, project-by-project evaluation of each approved residential development to ensure that sufficient adequate site capacity is available to accommodate the remaining RHNA by income category throughout the planning period. This evaluation could also be used to complete the Annual Progress Report (APR) required to be sent to the Department by April 1 of each year.

Source: California Department of Housing and Community Development, *No Net Loss Law (Government Code Section 65863) Memorandum*, page 11

In June 2021, the City prepared a No Net Loss Monitoring Procedure modeled after HCD's No Net Loss Capacity Calculation Tool. The City having not approved a project at a reduced density since 2013, together with the No Net Loss Monitoring Procedure, ensure affordable housing supply and the ability to meet the housing needs of special needs populations in the City.

Program 2 was effectively implemented.

PROGRAM 3: HOUSING CHOICE VOUCHER PROGRAM

This Program was included in both the 4th and 5th Cycle Housing Elements.

The Section 8 rental voucher program provides rental assistance to help very low income and special needs households afford decent, safe, and sanitary rental housing. The Program is administered by the Housing Authority of the County of Riverside.

The family receiving assistance typically pays no more than 30% of their income on rent and the Housing Authority pays the owner the remaining portion of the rent (a housing assistance payment (HAP)) on behalf of the renter.

The Housing Authority receives program funding from HUD.

Since 2013, the City has continued to support the County Housing Authority's applications for additional Section 8 funding from HUD and assist the Housing Authority in marketing the program to renters and landlords.

As of September 1, 2021, 370 renter households living in Desert Hot Springs were receiving Section 8 rental assistance. This represents an increase of 15 households since July 2018. The City's support in marketing and implementing the Section 8 program directly helps renter households with special needs by relieving their housing cost burden.

Program 3 was effectively implemented.

PROGRAM 4: DENSITY BONUS

The City currently has two density bonus provisions. The first provision is based upon State Government Code Section 65915. The second provision provides density bonus incentives for the incorporation of on-site amenities. The two provisions provide flexibility for projects that provide affordable housing and on-site amenities.

The City will encourage use of the State Affordable Housing Density Bonus Law and the Incentive-Based Density Bonus provisions through technical assistance and information dissemination.

Between October 2013 and September 2021, the City has not received a density bonus application.

Program 4 was not effective due in large part to lack of multi-family housing production since 2014.

PROGRAM 5: HOMEBUYER ASSISTANCE PROGRAM

This Program was supported throughout the 2013-2021 period.

Desert Hot Springs is a CDBG/HOME cooperating city with the County of Riverside. Through this cooperative effort, City residents and projects are eligible for the –

- First-Time Homebuyer Program (up to 20% of the purchase price)
- Mortgage Credit Certificate Program (reduced federal income tax liability)

The 5th Cycle Housing Element established an objective of assistance to four households annually or 32 during an 8-year period.

The program has been unsuccessful in reaching the quantified objective because it exceeds what the City should realistically expect in terms of program participation and the County funding that would be expended in Desert Hot Springs.

The County's FTHB Program assists lower income renters living in the unincorporated area and 13 cooperating cities. The 5-year Consolidated Plan set an objective of assistance to 125 FTHB or 25 annually. The objective for the 2021/2022 Program Year is 20 assisted households. Since the FTHB Program is available to renters living in the County and 13 cities it is not likely that funding would be allocated to four households living in the City when the grand total of households that could be assisted is 20 per year.

The *2021-2029 Housing Element* reduces the objective to eight households, or one per year. The objective represents 5% of the County objective for the unincorporated area and 13 cooperating cities.

The City was to have conducted targeted marketing to eligible homebuyers as part of the program. However, this action was not accomplished. The 6th Cycle Housing Element replaces this action with First Time Homebuyer Workshops to be conducted by the Fair Housing Council of Riverside County.

For the reasons stated above, Program 5 was not effective. The 6th Cycle Housing Element creates a new approach to informing the public of the homebuyer assistance program.

The Housing Survey revealed a high interest from the respondents in first time homebuyer information. Instead of the fifth cycle Housing Element's target marketing program, the *2021-2029 Housing Element* recommends that the Fair Housing Council of Riverside County, Inc. conduct First Time Homebuyer Workshops. The Fair Housing Council periodically holds these Workshops in various locations in Riverside County. At the Workshops the Council will not only describe the "nuts and bolts" of buying a home, but also how to apply for assistance from the County's program.

PROGRAM 6: AFFORDABLE HOUSING INCENTIVES

Through this program, the City will encourage and support the development of *rental* projects that meet the needs of lower-income renters, extremely low-income households, seniors, and persons with disabilities, including developmental disabilities.

The incentives include, but are not limited to:

- Providing site information for residential and mixed use developments
- Offering technical assistance and information on City funding sources
- Encouraging the use of density bonuses
- Deferring, reducing and/or waiving development fees in order to facilitate the production of affordable housing.
- Providing incentives and regulatory concessions

The quantified objective was one affordable housing development per year.

The objective is overly ambitious given the limited funding allocated to the Inland Empire by the Low Income Housing Tax Credit Program and the fact that no developers have submitted to the City projects funded by Affordable Housing Sustainable Communities Program. (The Inland Empire includes the three counties of Riverside, San Bernardino and Imperial.)

Many of the incentives, however, will contribute to the implementation of the Lift to Rise Program, which is a key program included in the *2021-2029 Housing Element*.

For the reasons stated above, Program 6 was not effective. However, the incentives will contribute to implementation of the Lift to Rise program.

PROGRAM 7: ZONING ORDINANCE UPDATE

This Program is included in the 5th Cycle and 6th Cycle Housing Elements.

The City will undertake an update of the Zoning Ordinance to achieve consistency with the General Plan, encourage affordable and special needs housing, and conform to state law. The City received Local Early Action Planning (LEAP) funds to complete the Zoning Ordinance Update.

Program 7 will be completed through the LEAP grant.

PROGRAM 8: MIXED-USE DEVELOPMENT

As part of a comprehensive General Plan update in 2019, the City will adopt two new mixed-use designations to encourage infill development at the City's core that is compact and walkable, offers a mix of uses, and creates a sense of place. The City will also amend the Zoning Ordinance to include development standards and permitted uses for the mixed-use designations.

The City established three mixed-use zones on June 2, 2020, which are described below.

- 1. MU-N (Mixed-Use Neighborhood).** The district is intended to provide local- and neighborhood-supporting mixed-use activity centers with maximum residential densities of 15 dwelling units per acre and/or nonresidential intensity with a maximum floor area ratio (FAR) of 1.0. Commercial retail uses are the primary uses allowed on the ground floor. Professional office and residential uses are also allowed, either integrated with a commercial use or as separate, free-standing use.
- 2. MU-C (Mixed-Use Corridor).** The district is intended to provide higher-intensity, commercially oriented activity with maximum residential densities of 30 dwelling units per acre and/or maximum nonresidential intensities of 1.50 FAR. Residential development is allowed, either as part of a mixed-use project or as a freestanding use and are encouraged to be developed at the highest allowable density.
- 3. VS-M (Visitor-Serving Mixed).** This district is intended to provide for areas appropriate for accommodations, goods, and services intended to serve primarily visitors to the City. Also allowed are detached and attached residential uses at a maximum density of 20 dwelling units per acre. Either commercial or residential development is allowed, but not concurrently on the same property.

Multifamily, supportive and transitional housing are uses permitted by right in the three mixed use zones. These new zones can accommodate housing for special needs populations such as large households and persons experiencing homelessness. Mixed use development in these zones will bring jobs and services closer to homes and potentially benefit people with limited mobility such as the elderly and persons with disabilities. The MU-N zone with neighborhood-supporting mixed-use activity centers can especially benefit female headed households by providing amenities closer to homes and reducing transportation costs.

Program 8 was effective.

PROGRAM 9: WATER AND SEWER SERVICE PROVIDERS

This program was implanted following adoption by the City Council of the *2013-2021 Housing Element* on July 7, 2021.

In accordance with Government Code Section 65589.7 as revised in 2005, the City delivered the adopted Housing Element to the Mission Springs Water District and the Coachella Valley Water District.

The Mission Springs Water District (MSWD) is the primary water service provider in Desert Hot Springs. The District's service area encompasses 135 square miles including the City of Desert Hot Springs, 10 smaller communities in Riverside County, and communities in the City of Palm Springs.

Government Code Section 65589.7(a) requires:

- Each public agency or private entity providing water or sewer services shall grant a priority for the provision of these services to proposed developments that include housing units affordable to lower income households.
- A public agency or private entity providing water or sewer services shall adopt written policies and procedures, not later than July 1, 2006, and at least once every five years thereafter, with specific objective standards for provision of services in conformance with this section

The two Districts are currently updating their Master Plans. The City staff has transmitted to the Districts the RHNA, draft Sites Inventory, and the locations of the lower income housing sites.

The City staff has informed the Districts that they are available to assist in the preparation of policies and procedures.

Program 9 was effective.

PROGRAM 10: SB 35 STREAMLINING INFORMATION

SB 35 requires cities and counties to streamline review and approval of eligible affordable housing projects by providing a ministerial approval process, exempting such projects from environmental review under the California Environmental Quality Act (CEQA). The City has not received any SB 35 development applications or inquiries. To accommodate any future

SB 35 applications or inquiries, the City will create and make available to interested parties an informational packet that explains the SB 35 streamlining provisions in Desert Hot Springs and provides SB 35 eligibility information.

Although the information packet was to be available by December 2020, it has not been prepared. The staff is planning to complete the information packet by December 2021.

The Community Development Department has been understaffed for 12 months. During this time the Director position has been filled for a period of only eight weeks. The less than full staffing has hindered the implementation of this and other programs.

For the reasons stated above, Program 10 was not effective.

PROGRAM 11: CODE ENFORCEMENT

Code enforcement is an important tool for maintaining the quality of residential neighborhoods. The City's Code Enforcement Program involves the enforcement of all Municipal Codes and Ordinances, various State and local laws and health and Safety regulations as they relate to conditions or activity within the City. The primary method that the City uses to obtain code compliance is Voluntary Compliance. If this method does not attain compliance, then other actions are taken such as a Notice of Violation and Administrative Citation.

This program was implemented as the City continued to provide inspection services throughout the 5th Cycle planning period.

Program 11 was effective.

PROGRAM 12: HOUSING REPAIR AND REHABILITATION PROGRAMS

City residents and projects are eligible for two County funded programs:

- Home Repair Loan Program (HRLP)
- Senior Home Repair Grant (Program SHRG)

During the past eight years, the City continued to cooperate with the County in program implementation efforts. However, the targeted marketing program has not been completed. City staff plans to complete the targeted marketing program by December 2021.

Contingent on funding availability, the program objective was to assist 10 households annually or 80 over an eight-year period. The objective is overly ambitious given the CDBG funding the County allocates to the program. The County's annual goal ranges between 22 and 25 rehabilitated homes or less than 200 over an eight-year period. As noted earlier, the County's service area includes the unincorporated area and 13 cities.

Program 12 was not effective.

The *2021-2029 Housing Element* revised the objective to eight homes during the 2021-2029 planning period.

PROGRAM 13: ABANDONED RESIDENTIAL PROPERTY REGISTRATION

In 2008, the City Council adopted an ordinance establishing an Abandoned Residential Property Registration to address the negative impact of foreclosures on the community. The program requires lenders to maintain homes they seize, register the abandoned properties with the City, and hire local property management firms to prevent vacant homes from becoming neglected. While foreclosures in the City have dropped substantially from a high of 452 homes in 2010, to 28 homes in 2018. The City will continue overseeing the Abandoned Residential Property Registration Program as it prevents the City's Code Enforcement department from spending limited resources to act as the property manager.

The program has been continuously implemented since 2008. By holding property owners and managers accountable for maintaining vacant homes in compliance with City standards, the program prevents negative impacts on the community such as squatting, maintains adequate housing and community conditions, and prevents loss of housing stock due to dilapidation. This program indirectly benefits special needs populations by maintaining the City's housing stock and opportunities.

PROGRAM 14: AT-RISK HOUSING MONITORING

Housing Element law requires jurisdictions to provide an analysis and program for preserving the affordability of assisted housing developments at risk of converting to market rate housing. Based on City records and information from the California Housing Partnership Corporation, in the next 10 years no assisted housing developments in Desert Hot Springs are at risk of losing their affordability status.

Although the City has not identified any housing units at risk of converting to market rate during the planning period, City staff will monitor the status of existing and future affordable housing. Should any of the properties become at risk of converting to market rate, the City will work with property owners, interest groups, and the State and federal governments to conserve the affordable housing stock.

During the 2013-2021 period, the City monitored the nine affordable rental developments. None of the developments are at risk of converting to market rate housing on or before 2031. The program helps special needs populations by maintaining affordable housing supply and preventing loss of affordable rental units in the City.

Program 14 has been effective.

PROGRAM 15: FAIR HOUSING SERVICES

The City takes affirmative steps to promote fair housing practices by contracting the services of a non-profit organization to provide fair housing services in the City. The City works with the Fair Housing Council of Riverside County, Inc.(FHCR) to provide fair housing services for residents and housing professionals.

The City will:

- Continue to refer cases and questions to the FHCR for enforcement of prohibitions on discrimination in lending practices and in the sale or rental of housing.
- Work to increase awareness of fair housing protections.

- Make fair housing information available at City Hall, Chamber of Commerce, Senior Center, and the Public Library. The information will include brochures and other written information that will be obtained from the FHCR. In addition, the City will make information available on its Website and provide links to additional resources.

The City has implemented the above three actions.

However, it should be noted that the “contract” is actually executed between the County and FHCR. The City’s support for fair housing services and dissemination of relevant information and resources assists special needs populations in getting fair housing protections and avoiding or rectifying discrimination in housing processes.

PROGRAM 16: AFFIRMATIVELY FURTHER FAIR HOUSING

The City will promote and affirmatively further fair housing opportunities and promote housing for all persons including those protected by the California Fair Employment and Housing Act and any other state and federal fair housing and planning law. The City will:

- Provide equal access to housing for special needs residents such as people experiencing homelessness, elderly individuals, and persons with disabilities.
- Promote the provisions of disabled-accessible units and housing for persons with mental and physical disabilities.
- Ensure that all development applications are considered, reviewed, and approved without prejudice to the proposed residents, contingent on the development application’s compliance with all entitlement requirements.
- 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.
- Work with the County of Riverside to implement the *Regional Analysis of Impediments to Fair Housing Choice* and HUD consolidated plans.
- Facilitate public education and outreach by creating informational flyers on fair housing that will be made available at public counters, libraries, and on the City’s/County’s website.
- Conduct public meetings at suitable times, accessible to persons with disabilities, and near public transit. Resources will be invested to provide interpretation and translation services when requested at public meetings.
- Ensure environmental hazards are analyzed and abated before developing affordable housing.
- Prioritize community and stakeholder engagement during controversial development decisions in and around low-income neighborhoods.

As a matter of policy, the City implements all the actions listed above. However, the City has not yet created the fair housing informational flyers. The City’s policy implementation to affirmatively further fair housing opportunities directly benefits special needs populations by preventing and eliminating discrimination and providing equal access and additional assistance to persons with disabilities and language barriers.

Program 16 has been partially effective. To assist the large Hispanic population and residents with their housing needs, the City has hired a Development Director that is bilingual in English

and Spanish to help remove any language or cultural barriers during housing processes. Moving forward, the City will expand bilingual assistance on housing and development processes, including translating relevant regulatory and other materials such as comments and reviews into Spanish and hosting bilingual workshops on pre-approved ADU building plans and construction classes. These measures are intended to address housing needs and burdens experienced by Hispanic residents, a majority group in the City.