



# AGENDA REPORT

**Department:** Community Development  
**Prepared by:** David McEachern, Community Development Specialist III  
**Meeting Date:** Tuesday, March 17, 2026  
**Approved by:** Alejandro Hernandez, Acting City Manager

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**SUBJECT:**

2025 Housing Element Annual Progress Report

**RECOMMENDATION:**

Accept and file the 2025 Housing Element Annual Progress Report Pursuant to California Code Section 65400 to the California Department of Housing and Community Development ("HCD") and Office of Planning and Research ("OPR").

**BOARD/COMMISSION/COMMITTEE PRIOR ACTION:**

Not Applicable.

**EXPLANATION:**

The State of California requires jurisdictions to submit an Annual Progress Report ("APR") of their adopted Housing Elements. The purpose of the APR is to provide local legislative bodies and the public with information regarding the implementation of the Housing Element, including progress towards meeting the community's housing goals. APRs must be presented to the local legislative body for its review and acceptance prior to submission.

The Housing Element APR fulfills statutory requirements to report certain housing information, including the local agency's progress in meeting its share of regional housing needs (i.e., applications, entitlements, permits, and certificates of occupancy), certain rezoning activities, actions taken towards completion of housing element programs, and local efforts to remove governmental constraints to the development of housing (Government Codes Sections 65584.3(c) and 65584.5(b)(5)). California's housing element law acknowledges that in order for the private market to adequately address the state's housing needs, local governments must adopt plans and regulatory systems that provide opportunities for, and do not unduly constrain, housing development. As a result, housing policy rests largely on the effective implementation of local general plans and housing elements.

Providing the report to HCD and OPR fulfills state housing law requirements to report certain information, including the progress in meeting the City's share of the Regional Housing Needs Assessment (RHNA). Furthermore, submitting the APR to the state ensures that the City is eligible for grants and other funding sources that require filing the report. The report is also submitted to the San Diego Association of Governments to qualify for certain discretionary funds administered by SANDAG.

## THE APR CONSISTS OF THE FOLLOWING TABLES:

- TABLE A – Housing Development Applications Submitted
  - Table A includes only housing units and developments for which an application was deemed complete between January 1 and December 31 of the reporting year identified in the table.
- TABLE A2 – Annual Building Activity Report Summary - New Construction, Entitled, Permits, and Completed Units.
  - Table A2 contains entitlements, permits, and completion of units during the reporting period.
- TABLE B – Regional Housing Needs Allocation Progress – Permitted Units Issued By Affordability.
  - Table B shows the City’s progress in achieving its RHNA allocation during the housing element planning period (2021-2029). The number that RHNA tracks among this spreadsheet is the number of building permits issued in each calendar year. The total initial RHNA allocation is 5,437 units.
- TABLE C – Sites Identified or Rezoned to Accommodate Shortfall Housing Need.
  - This requirement does not apply to the City since adequate sites were identified in the adopted Housing Element.
- TABLE D – Program Implementation Status pursuant to Government Code section 65583.
  - Table D provides the implementation status of programs in the adopted Housing Element.
- TABLE E – Commercial Development Bonus Approved pursuant to Government Code section 65915.7.
  - No units were produced in the City using this provision of the Government Code.
- TABLE F – Units Rehabilitated, Preserved, and Acquired for Alternative Adequate Sites pursuant to Government Code section 65583.1, subdivision (c)(2).
  - No units were produced in the City using this provision of the Government Code.
- TABLE F2 – Above Moderate Income Units Converted to Moderate Income Pursuant to Government Code section 65400.2.
  - No units were converted using this provision of the Government Code.
- TABLE G – Locally Owned Lands Included in the Housing Element Sites Inventory that have been Sold, Leased, or Otherwise Disposed of.
  - No locally owned land has been sold, leased, or otherwise disposed of in 2025.
- TABLE H – Locally Owned or Surplus Sites.
  - The City has declared 15 parcels over 7 sites as Exempt Surplus Land. 5 parcels over 1 site have been declared Surplus Land.
- TABLE J – Student Housing Development for Lower Income Students for which was Granted a Density Bonus pursuant to Section 65915(b)(1)(F).
  - No units were developed using this provision of the government code.
- TABLE K – Tenant Preference Policy.
  - National City has adopted a local preference policy.

- TABLE L – Historical Resources.
  - No sites were registered as a historic place within the calendar year.

**2025 APR DATA**

The APR (Exhibit A) covers calendar year 2025, during which:

- 51 units were issued building permits
- 234 units were completed

Progress towards the Regional Housing Needs Allocation (“RHNA”) is recorded through the APR by the number of units that were issued building permits, reported in Table A2.

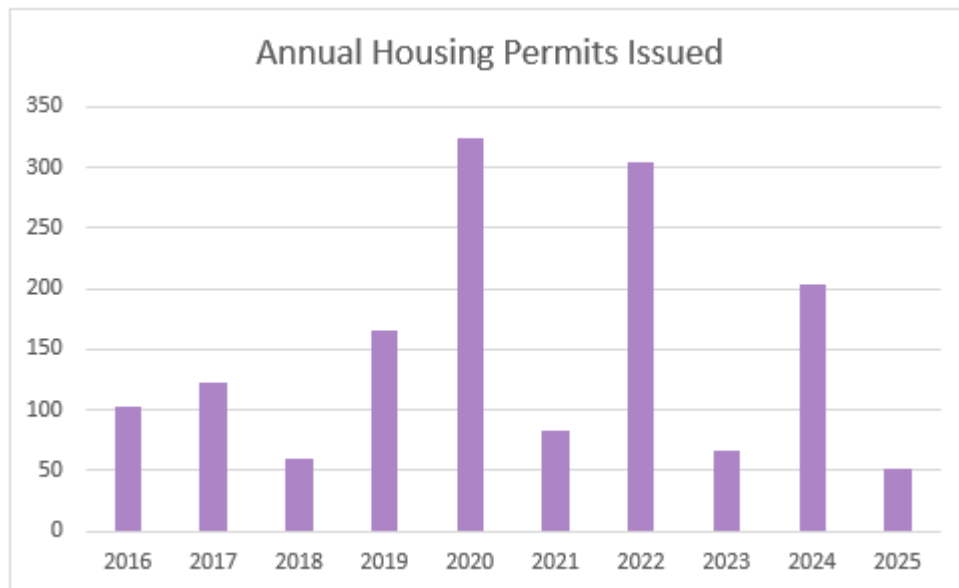
Of the 51 building permits issued in 2025:

- 2 were for owner-occupancy (single-family homes and duplexes)
- 49 were ADUs

**COMPARISON TO PRIOR YEARS**

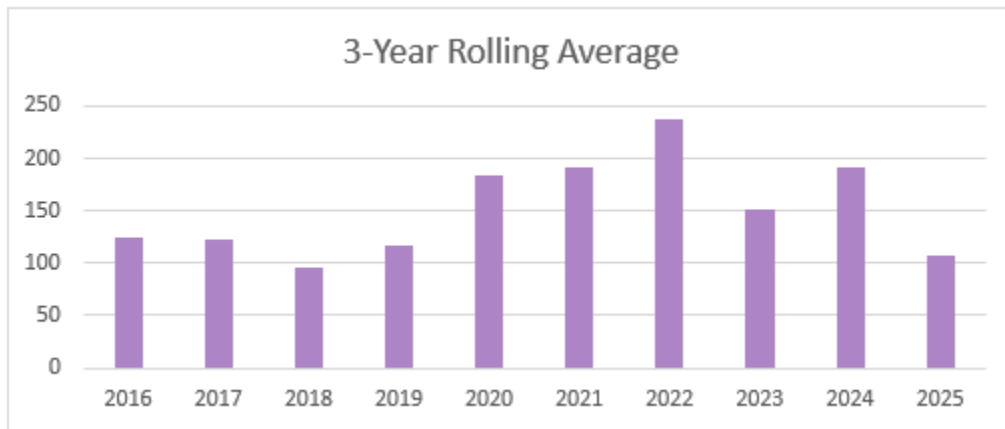
In 2024, National City issued 204 building permits for new housing. In 2023, National City issued 66 building permits.

Housing Production by Year (Building Permits Issued)										
Income Level	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Very Low	45				65	1	33		57	
Low					73	10	141	49	68	49
Moderate	46	116								
Above Moderate	12	7	60	166	186	72	131	17	79	2
<b>Total</b>	<b>103</b>	<b>123</b>	<b>60</b>	<b>166</b>	<b>324</b>	<b>83</b>	<b>305</b>	<b>66</b>	<b>204</b>	<b>51</b>



The most prominent difference between these years is multifamily development. Large multifamily developments in a smaller city like National City will tend to make up a significant portion of RHNA units in a given time period. This can appear as a year-to-year inconsistency in permitting data. For this reason, it may be useful to view permit data trends using a rolling average over several years. No large multifamily developments received building permits in 2025.

Housing Production by 3-Year Rolling Average (Building Permits Issued)										
3-Year Period Ending Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Average Permits Issued	124	123	95	116	183	191	237	151	192	107



## AFFORDABILITY

Units are identified by affordability by household income as established by HCD's income limit charts. The household income categories are based on the area median income (AMI) for San Diego County, \$130,800 for a family of four in 2025.

- Extremely low income households (30% AMI)
- Very low income households (50% AMI)
- Low income households (80% AMI)

2025 Income Limits (Effective 04/1/2025)			
Number of Persons	Extremely Low-Income 30% of Median	Very Low-Income 50% of Median	Low-Income 80% of Median
1	\$34,750	\$57,900	\$92,700
2	\$39,700	\$66,150	\$105,950
3	\$44,650	\$74,450	\$119,200
4	\$49,600	\$82,700	\$132,400
5	\$53,600	\$89,350	\$143,000
6	\$57,550	\$95,950	\$153,600
7	\$61,550	\$102,550	\$164,200
8	\$65,500	\$109,200	\$174,800

<b>2025 Monthly Rent Limits</b>			
<b>Number of Bedrooms</b>	<b>Extremely Low-Income 30% of Median</b>	<b>Very Low-Income 50% of Median</b>	<b>Low-Income 80% of Median</b>
<b>Studio</b>	\$687-\$868	\$1,145-\$1,447	\$1,832-\$2,317
<b>1</b>	\$784-\$930	\$1,308-\$1,550	\$2,093-\$2,493
<b>2</b>	\$883-\$1,116	\$1,471-\$1,861	\$2,355-\$2,980
<b>3</b>	\$981-\$1,290	\$1,635-\$2,150	\$2,616-\$3,442
<b>4</b>	\$1,059-\$1,438	\$1,766-\$2,398	\$2,826-\$3,840

**FINANCIAL STATEMENT:**

No fiscal impact. This report is informational only.

**RELATED CITY COUNCIL 2020-2025 STRATEGIC PLAN GOAL:**

Housing and Community Development

**ENVIRONMENTAL REVIEW:**

This is not a project under CEQA, and is therefore, not subject to environmental review. CCR15378; PRC 21065.

**PUBLIC NOTIFICATION:**

The Agenda Report was posted at least 72 hours before the Regular Meeting date and time, and 24 hours before a Special Meeting in accordance with the Ralph M. Brown Act.

**ORDINANCE:**

Not Applicable

**EXHIBIT:**

Exhibit A – 2025 Housing Element APR