



AGENDA REPORT

Department: Housing Authority
Prepared by: David McEachern, Housing Programs Specialist II
Meeting Date: Tuesday, March 19, 2024
Approved by: Benjamin A. Martinez, City Manager

SUBJECT:

Housing Element 2023 Annual Progress Report.

RECOMMENDATION:

Accept and File the Housing Element 2023 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 APR (Exhibit B) covers calendar year 2023, during which:

- 121 units received a completed entitlement
- 66 units were issued building permits
- 196 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 (Exhibit "B").

Of the 66 building permits issued in 2023:

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

Additional background information on the APR can be found in Exhibit "A."

COMPARISON TO PRIOR YEARS: In 2022, National City issued 305 building permits for new housing. In 2021, National City issued 83 building permits.

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. For example, nearly half (145) of 2022's permitted housing units came from a single project, Kimball Highlands. This can appear as a year-to-year inconsistency in permitting data due to the quasi-arbitrary cutoff dates of the reporting periods.

To continue with this example, Kimball Highlands received its building permits in October 2022. If by chance that permit issuance had been delayed by three months for whatever reason, then those 145 units would have instead appeared on the 2023 report, reducing 2022's total to 160 units and increasing 2023's total to 211 units. For this reason, it may be best to view permit data trends using a rolling average over several years (Exhibit "C").

Of particular note for 2023 were the 49 permits for ADUs. This is a substantial increase in the amount from 2022 (28 permits) and 2021 (9 permits) and indicates growing demand for these types of units.

Exhibit "C" contains the past 10 years of housing permits broken down by year as well as a 3-year rolling average.

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 within 72 hours of the meeting date and time in accordance with the Ralph M. Brown Act.

ORDINANCE:

Not Applicable

EXHIBITS:

Exhibit A - 2023 APR Background

Exhibit B - 2023 Housing Element APR

Exhibit C - Housing Production 10-Year History