



STAFF REPORT

DATE: 04/09/2024

PL24-0082 – 2023 Housing Element Annual Progress Report

PROJECT NUMBER / NAME: PL24-0082 / 2023 HOUSING ELEMENT ANNUAL PROGRESS REPORT

REQUEST: Receive and file the 2023 calendar year annual progress report for the Housing Element of the General Plan ("Housing Element APR").

PROPERTY SIZE AND LOCATION: CityWide

APPLICANT: City of Escondido, Development Services Department

GENERAL PLAN / ZONING: N/A

PRIMARY REPRESENTATIVE: Pricila Roldan, Associate Planner

DISCRETIONARY ACTIONS REQUESTED: N/A

PREVIOUS ACTIONS: The Planning Commission received and filed the 2022 calendar year Housing Element Annual Progress Report on April 11, 2023.

CEQA RECOMMENDATION: This effort is not considered a "project" under CEQA, as defined in section 15378(b)(5) of the State CEQA Guidelines.

STAFF RECOMMENDATION: Receive and File

REQUESTED ACTION: None

CITY COUNCIL HEARING REQUIRED: YES NOREPORT APPROVALS: Chris McKinney, Interim Director of Development Services Veronica Morones, City Planner



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BACKGROUND

The City of Escondido's General Plan provides a vision for the future development of its communities by setting citywide goals and policies. The General Plan consists of seven different elements that focus on, and address, various matters including but not limited to land use, housing, transportation and safety. For example, the General Plan's Land Use Element determines the distribution of land uses throughout the City; the Circulation Element deals with transportation improvements; and the Safety Element identifies and addresses natural hazards like flood areas, wildfire zones, and seismic threats. Every year, City staff provide an update on the General Plan's implementation through a series of three reports: 1) the General Plan progress report, which covers the entire General Plan's implementation progress; 2) the Climate Action Plan progress report, which covers progress on the City's efforts to reduce greenhouse gas emissions; and 3) the Housing Element's progress report, which provides an update on City's trajectory in meeting its state mandated housing needs. Yearly updates grant an opportunity for Escondido leadership and the public to reflect and evaluate the progress and implementation approaches of the General Plan. In the interest of meeting state mandated deadlines for the Housing Element APR, the information provided within this report and associated attachment only covers the 2023 Housing Element APR. Staff will report on the General Plan and Climate Action Plan progress reports at a later time this calendar year.

Since 1969, California has worked with regional, city, and county governments to determine how much housing is needed throughout the state. The California Department of Housing and Community Development (HCD) and regional councils of governments (COGs) like SANDAG are responsible for determining and allocating the number of housing units (i.e., Regional Housing Needs Assessment/Allocation – "RHNA") that will meet future population growth and demand. Cities are then charged with incorporating their assigned RHNA into their housing element and facilitating policy, projects, and programs that further support achieving their RHNA. Every eight-years, the state and regional partners reassess state housing needs, adjust the statewide RHNA, and begin a new cycle of programming that seeks to meet the new RHNA. The state is currently in the sixth cycle of RHNA allocations, beginning April 2021 and ending April 2029 ("planning period"). State Government Code section 65400 requires cities and counties to present and submit their APR to their legislative body, HCD, and the Governor's Office of Planning and Research (OPR) by April 1st of each year. The APR is also submitted to SANDAG to support regional planning efforts.

The Housing Element APR is provided to Planning Commission for informational purposes. The same report will be provided to City Council for review pursuant to Government Code. HCD advises jurisdictions to submit their Housing Element APR before the April 1st deadline even if staff have not presented it to their legislative body. Jurisdictions may present the Housing Element APR to local leadership after the deadline and follow up with HCD and OPR confirming such. In alignment with HCD guidance, City staff submitted the Housing Element APR on March 21, 2024.

SUMMARY OF REQUEST

Receive and file the Housing Element APR, documenting the City's progress on implementing a component of the General Plan.



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SUPPLEMENTAL DETAILS OF REQUEST

The Escondido Housing Element defines the goals, policies, and programs that aim to support the housing needs of Escondido residents over the Housing Element’s eight-year planning period (2021-2029). The Housing Element APR provides an annual summary of the Housing Element’s programming progress, as well as all residential planning and building activities for the 12-month calendar year. The Housing Element APR is a snapshot that helps inform where the City is in meeting its Regional Housing Needs Allocation (RHNA). A summary of the City’s current Sixth Cycle RHNA (by income level) is shown in Table 1 below.

Table 1: City of Escondido’s Sixth Cycle RHNA Numbers

RHNA Allocation	Income level				Total
	Above Moderate	Moderate	Low	Very Low	
	4,967 units	1,527 units	1,249 units	1,864 units	9,607 units

Note: The term “unit” refers to a dwelling unit. A dwelling unit can be a home, an apartment, condominium, and/or an accessory dwelling unit.

PROJECT ANALYSIS

Every year staff present on the City’s progress in implementing the Housing Element. The table below (Table 2) builds from Table 1 and provides previous, as well as this calendar year’s, progress in meeting the Sixth Cycle RHNA. It is important to note that only issued building permits count toward the City’s progress in meeting its RHNA. While Table 2 depicts building permit issuance, the City has also received other types of credits toward the City’s sixth cycle RHNA that are not shown below but are denoted within Attachment 1, Table B (see *Projection Period 06/30/2020-04/29/2021*).

Table 2: Summary of the City of Escondido’s Progress to meet the Sixth Cycle RHNA Numbers

	Income level				Total
	Above Moderate	Moderate	Low	Very Low	
RHNA Allocation (2021-2029)	4,967 units	1,527 units	1,249 units	1,864 units	9,607 units
Year 1 (2021)	168 units	16 units	38 units	27 units	249 units
Year 2 (2022)	154 units	13 units	39 units	25 units	231 units
Year 3 (2023)	521 units	11 units	34 units	42 units	608 units
SubTotal (%)*	843 units (17%)	40 units (3%)	111 units (9%)	94 units (5%)	1,088 units (11%)

Note: Units on the table are reflective of building permits issued for the respective calendar year.

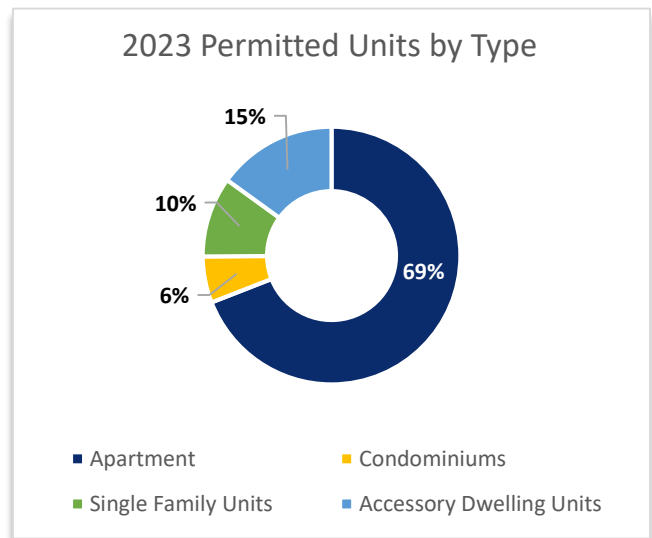
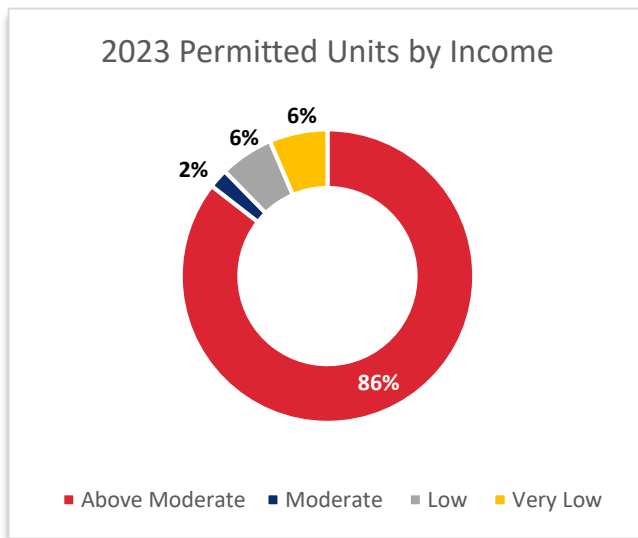
*Percentages are rounded to the nearest whole number



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The following charts summarize housing data that pertains to 2023 activity. The term “unit” refers to a housing unit or home that can come in various shapes and sizes including a single-family home, Accessory Dwelling Unit (ADUs), apartment units. “Permitted units” are those entitled by the Planning Division. A unit is considered “permitted” when a decision-making body approves a project through the planning review process. The total units permitted within a calendar year provide a glimpse of future construction. The graphs below show that in 2023, a majority of the units permitted were market-rate units (84%), suitable for above moderate-income individuals. Only 14% of all permitted units were affordable units, units in which a household making below \$116,800 could afford.¹ The graphs also show that a majority of the permitted unit types in 2023 were apartment units (69%) while only 10% of total permitted units were traditional detached single-family homes. The asymmetry between both can be attributed to the fact that apartment units are approved in large quantities while single-family homes are typically individual units.



A “constructed unit” refers to a housing unit that is ready for home occupancy or, in other words, receives a certificate of occupancy from the building division. The Building Division conducts final inspections and declares final occupancy for residential products in the final stages of the construction process. The graphs below show that in 2023, a majority of constructed units (57%) were affordable, suitable for low and very low-income households. The second most common unit constructed by income was above moderate (35%) and less than 10% of units constructed were moderate income. Apartment and accessory dwelling units were constructed at almost the same rate in 2023, 38% and 36% respectively. Single family units had the lowest construction rate with less than 10%.

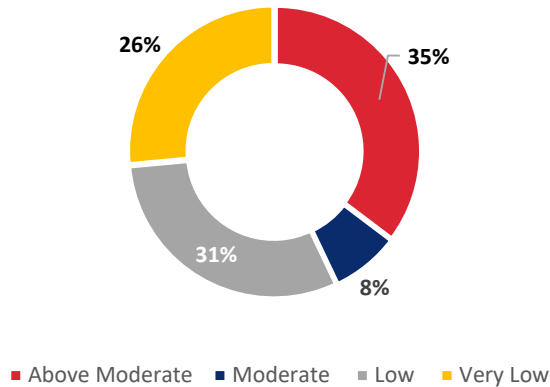
¹ Affordable units are units in which low and very low-income households can afford. Level of affordability is determined by the County of San Diego. More information can be found at: <https://www.sandiegocounty.gov/sdhcd/rental-assistance/income-limits-ami/>



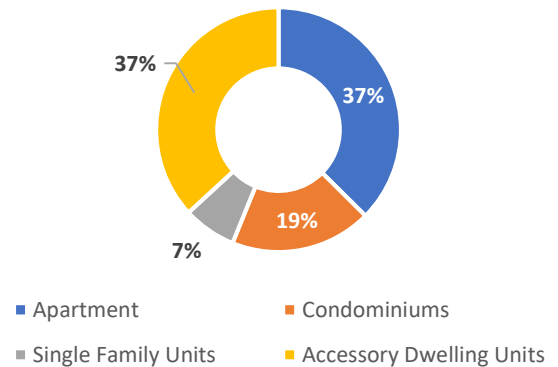
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2023 Constructed by Income



2023 Constructed Units by Type



After concluding the Housing Element presentation to Planning Commission, staff will present to City Council. Thereafter, staff will follow up with reporting agencies: OPR, HCD, and SANDAG. The APR will provide regional and state partners the opportunity to identify trends in land use and housing which will in turn give them a better understanding on local development activities.

FISCAL ANALYSIS

There are no direct fiscal impacts associated with this progress report.

ENVIRONMENTAL ANALYSIS

The Housing Element Annual Progress Report is a reporting document, and does not create or alter policy. The content is provided for informational purposes only, and is exempt from the requirements of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(b)(5), which exempts from the definition of a "project" organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment. This informational item provides a means to monitor the success of implementing the Housing Element and review what was implemented during the 12-month reporting period. All counties and cities in the state are required to submit the annual report pursuant to Government Code section 65400.

PUBLIC INPUT

As of the writing of this report, City staff received no public comment on this item.

CONCLUSION AND RECOMMENDATION

Receive and file.

ATTACHMENTS



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1. 2023 Housing Element Annual Progress Report