

STAFF REPORT

City Council Consent Item

DATE: April 17, 2023

TO: Honorable Mayor and Council Members

FROM: Liz Shorey, Deputy Community Development Director

THROUGH: Merritt Perry, City Manager

SUBJECT: **Approval of the 2022 Annual Housing Progress Report for Submittal to the California Department of Housing and Community Development and the California Office of Planning and Research**

STAFF RECOMMENDATION:

Staff recommends that the City Council approve the 2022 Annual Housing Progress Report, and direct staff to file the report with California Department of Housing and Community Development (HCD) and the California Office of Planning and Research (OPR).

EXECUTIVE SUMMARY:

California Government Code Section 65400 requires that every city and county prepare an Annual Housing Progress Report (APR) reporting on the status and progress of implementing the jurisdiction's housing element for the previous calendar year. The APR includes information on the number of housing permits submitted, approved, and constructed within the City, the city's progress in addressing the Regional Housing Needs Allocation (RHNA) as reflected in the number and type of building permits issued, and the status of housing policies/programs listed in the jurisdiction's housing element. The content of the APR is directed by the State housing law, and reporting forms are provided by HCD. Pursuant to Government Code Section 65400(a)(2), local planning agencies shall provide an Annual Housing Element Progress Report to HCD by April 1st or within 60 days thereafter. The State uses the Annual Progress Report (APR) to monitor progress toward meeting statewide housing needs and goals and progress toward the City's Regional Housing Needs Assessment.

The 2019-2027 Housing Element was adopted by the City Council on August 19, 2019. The State Department of Housing and Community Development certified the Housing Element on September 16, 2019, and found it to be in compliance with State housing element law. The City's Housing Element identifies community-housing needs and describes ways in which safe, affordable housing can be provided and maintained for City residents. In addition, the Housing Element provides housing programs that facilitate and remove barriers to housing production.

In addition, the Housing Element provides housing programs that promote an environment where housing construction is encouraged to provide housing for a range of incomes and residents, including those with special needs. While the City is not responsible for constructing these units, all jurisdictions are responsible to provide a regulatory environment that promotes housing

development. The actual construction of units is subject largely to economic/market forces that drive housing development levels.

DISCUSSION:

In order to comply with Government Code Section 65400, staff has prepared a draft Annual Housing Progress Report for calendar year 2022 for approval and filing with OPR and HCD (see attached 2022 Annual Housing Progress Report). Staff prepared the report using forms and tables prepared and required by HCD. The following is a summary of the City's completed Progress Report form for 2022:

- Tables A and A2 list the City's development applications submitted and deemed complete but not yet approved, by income category, within the calendar year 2022. Thirty-six applications were submitted representing a total of 108 residential dwelling units (Table A), and building permits were issued for a total of 75 units (Table A2). Of these, 16 were above-moderate income units, and 2 were moderate income units. There were no applications submitted for low or very low-income categories in 2022.
- Table B reports the City's progress towards meeting the City's 2019-2027 Regional Housing Needs Allocation (RHNA). This table shows the RHNA allocation for Fortuna, and the number of units credited towards the RHNA through the current planning period. The City's total RHNA allocation is 290 units, and 18 units were completed in 2022. Combined with the units constructed in the years 2019 through 2021, the remaining allocation is 171.
- Table C are the sites rezoned to meet a jurisdiction's shortfall; the City has no shortfall, so the table is left blank.
- Table D is the City's narrative of the City's Program Implementation Status of the adopted Housing Element. The table describes each program and its implementation status. A majority of the programs are "ongoing" such as providing housing and development information to builders and homeowners. Significant work has been accomplished on facilitating affordable housing, for example the adoption of an Accessory Dwelling Unit ordinance. In addition, the City's SB2 grant will streamline development and result in multifamily standards, GIS housing-related information available to staff and the public, and updated public improvement standards.
- Table E is the State's Commercial Development Bonus (partnered commercial/affordable housing), which is not applicable to the City, and has been left blank.
- Table F would show the units rehabilitated, preserved, or acquired as "alternative adequate sites", if listed in the Housing Element; this page has been left blank, as the City does not list these in the Housing Element.
- Table G and H are the sites owned by the locality that were included in the housing element sites inventory and were sold, leased, or otherwise disposed of during the reporting year. The City does not own any land that would have been included in the housing elements sites inventory.

The Progress Report was presented to the Planning Commission on March 28th. Following City Council review and approval of the Progress Report, the report will be filed with OPR and HCD pursuant to State law. Submission of the Progress Report maintains the City's eligibility for receiving CDBG and other grants administered by HCD.

ENVIRONMENTAL/CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) REVIEW

Pursuant to CEQA Guidelines Section 153378(b)(5), the Fortuna 2030 General Plan Annual Housing Progress Report is an administrative activity not considered a "project", and no further environmental review is required.

FISCAL IMPACT:

There is no direct financial cost associated with staff's preparation of the Housing Report or with the Council's review and approval, or with submission to OPR and HCD.

RECOMMENDED COUNCIL ACTION:

Staff recommends that the Council approve the Annual Housing Progress Report and direct staff to submit it to HCD and OPR. Consent agenda vote.

ATTACHMENT:

- 2022 Annual Housing Progress Report