



Agenda Report

Fullerton City Council

MEETING DATE: MARCH 17, 2026

TO: CITY COUNCIL / SUCCESSOR AGENCY

SUBMITTED BY: SUNAYANA THOMAS, DIRECTOR OF COMMUNITY AND ECONOMIC DEVELOPMENT

PREPARED BY: CHRIS SCHAEFER, AICP, PLANNING MANAGER

SUBJECT: HOUSING ELEMENT ANNUAL PROGRESS REPORT FOR CALENDAR YEAR 2025

SUMMARY

California Government Code Section 65400 requires each jurisdiction prepare and file an Annual Progress Report (APR) regarding Housing Element implementation and forward to the Governor's Office of Planning and Research (OPR) and the Department of Housing and Community Development (HCD).

PROPOSED MOTION

Authorize City Manager, or designee, to submit the Housing Element Annual Progress Report for 2025 Calendar Year to the Governor's Office of Planning and Research and the Department of Housing and Community Development.

ALTERNATIVE OPTIONS

- Approve the Proposed Motion
- Other options brought by City Council.

STAFF RECOMMENDATION

Staff recommends the Proposed Motion.

CITY MANAGER REMARKS

None.

PRIORITY POLICY STATEMENT

This item matches the following Priority Policy Statements:

- Fiscal and Organizational Stability

- Public Safety
- Infrastructure and City Assets.

FISCAL IMPACT

The State may withhold grants and other funding for failure to submit the report to OPR and HCD by the April 1, 2026 deadline.

BACKGROUND AND DISCUSSION

California has mandated local governments (cities) plan to meet community housing needs since 1969. Cities adopt Housing Plans, known as Housing Elements, as part of the General Plan (also required by the State) to meet this requirement. General Plans provide the local government "blueprint" for city growth and development and include seven mandatory elements: land use, transportation, conservation, noise, open space, safety and housing.

City Council adopted the Fullerton Plan (the City General Plan) on May 1, 2012. HCD certified the City Housing Element for the 6th Cycle on February 27, 2025. Government Code Section 65400 requires all California cities and counties submit a General Plan annual progress report to their legislative bodies (i.e. City Council) and the Governor's Office of Planning and Research (OPR) and the Department of Housing and Community Development (HCD). The annual report must describe progress made toward implementing General Plan goals and policies.

The APR (Attachment 1) covers the 2025 calendar year and demonstrates City progress toward General Plan implementation, more specifically, the Housing Element. In addition, City Council and Planning Commission policy decisions must have consistency with General Plan goals and policies, including all zoning, subdivision and land use approvals as well as Public Works projects contained in the City Capital Improvement Program. The APR provides a tool for City Council to gauge how the City implements established goals, policies and programs.

Several federal, state and regional funding programs consider housing element compliance as an eligibility or ranking criteria. For example, the CalTrans Senate Bill (SB) 1 Sustainable Communities grant, the Strategic Growth Council and HCD Affordable Housing and Sustainable Communities program and HCD Permanent Local Housing Allocation consider housing element compliance and/or annual reporting requirements pursuant to Government Code Section 65400.

Progress Towards the Regional Housing Needs Assessment

The Housing Element includes policies for all types of housing preservation and production. State law requires the City update the Housing Element every eight years and report annually on several housing metrics related to the Housing Element stated policies, including new unit construction, and submit the information to HCD.

The 6th Cycle of the Housing Element runs October 2021 to October 2029. The City must plan for potential development of its 13,209 Regional Housing Needs Assessment (RHNA) allocation during this eight-year planning period. The following breaks down of

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the number of units the City must plan for, based on affordability level, as well as the credits (i.e., residential units) the City requested for Years 1 (2021) through 5 (2025) of the 6th RHNA cycle:

Income Level	RHNA Allocation by Income Level	Projection Period - 06/30/2021-10/14/2021	2									Total Units to Date (all years)	Total Remaining RHNA by Income Level	
			2021	2022	2023	2024	2025	2026	2027	2028	2029			
Acutely Low	Deed Restricted													
	Non-Deed Restricted													
Extremely Low	Deed Restricted													
	Non-Deed Restricted							34					34	
Very Low	Deed Restricted	3,198					34	19					277	2,921
	Non-Deed Restricted		13	8	10	34	44	81						
Low	Deed Restricted	1,989						7					210	1,779
	Non-Deed Restricted		8	32	46	28	36	53						
Moderate	Deed Restricted	2,271						28					78	2,193
	Non-Deed Restricted				11	13	26							
Above Moderate		5,751	3	1	6	383	1	425					819	4,932
Total RHNA		13,209												
Total Units			24	41	73	458	176	612					1,384	11,825

The City received credits for housing units when issuing building permits. Staff divided reporting for the units into affordability levels (very low, low, moderate and above moderate) and added new categories for this reporting period for Acutely Low and Extremely Low. Current RHNA has no requirement to provide these units.

The APR spreadsheet, the mechanism to report requests for annual unit credits from the State, depicts the various unit types including Accessory Dwelling Units (ADUs), single family residences and multi-family residences.

The following breaks down residential units issued building permits by year.

Units Permitted by Type	2021	2022	2023	2024	2025
Accessory Dwelling Unit	60	64	69	111	168
Single Family	1	7	6	1	55
Multi-Family	-	2	383	65	389
Total	62	73	458	117	612

Accessory Dwelling Units (ADUs) comprised most of the housing units permitted for Years 1, 2 and 4. This included all types of ADUs such as new construction (detached and attached), existing structure conversion (such as garages or pool houses) and interior house space conversion to create junior ADUs.

Large apartment complexes owners have taken advantage of the state law allowing them to convert accessory structures (storage buildings, garages, carports, etc.) into ADUs

without requiring additional on-site replacement parking. Current regulations permit multi-family residential property owners to convert 25% of accessory or parking structure spaces into ADUs. In one example, a property owner converted 20 carport parking spaces into eight ADUs. Current state regulations allow this conversion although it removes on-site parking spaces already in short supply.

Two sizeable projects came on-line and pulled building permits during the 2025 reporting year: Pineridge and Atlas Fullerton. Additionally, several multiple family projects approved by the Planning Commission or City Council have not yet pulled building permits.

Large Residential Projects in the Pipeline											
Project Name	Location	Number of Proposed Units				Proposed Affordability Level					Status
		For Sale	Rentals	TBD	Total	Very Low	Low	Moderate	Above Moderate	N/A (Manager Units)	
Atlas Fullerton (formerly Streetlights)	215-229 East Orangethorpe Avenue		329		329	19		310			Under construction
Pineridge (formerly The Pines at Sunrise Village)	1144 West Rosecrans Avenue	113			113				113		Under construction
Pointe Common	1600 West Commonwealth Avenue		65		65	30	7	27		1	Under construction
Casa Bella	Highland Avenue / Valencia Avenue	20			20	1			19		Permit Ready
West Coyote Hills	2701 West Rosecrans Avenue	760			760				760		Final Vesting Map Extended
TBD	245 North State College Blvd			25	25			25			In Plan Check
Parkwest	Santa Fe Avenue / Lemon Street		140		140		17		123		In Plan Check
TBD	737 North Highland Ave			13	13				13		Pending Planning Commission
TBD	111 West Arroyo Drive	32			32			5	27		Pending Planning Commission
The Hideaway at Harbor	1555 North Harbor Blvd	57			57			10	47		Staff review
TBD	1730 West Orangethorpe Ave			52	52			6	46		Environmental review
Total		982	534	90	1606	50	24	383	1148	1	

Many project developers have not yet pulled building permits due to unfavorable financing conditions. Some developers decided to wait until better interest rates become available or the cost of construction materials improves. Other developers are analyzing other project adjustments, such as redesigning projects, changing projects from rental units to condominium (for sale) units or redesigning projects to utilize different construction methods to improve the financial feasibility of their proposed projects.

Interest in using the Housing Incentive Overlay Zone (HIOZ) has triggered some inquiries but resulted in only one initial application submitted to Community and Economic Development to date. The City received an application for a multi-family residential project via the Housing Incentive Overlay Zone (HIOZ) on a 0.8-acre vacant lot at 1555 North Harbor Boulevard. The proposed 87,840 square-foot building would provide 57 units and 90 parking spaces with twenty percent of the units affordable at the moderate rate. The project qualifies for state density bonus which allows additional concessions. Staff is reviewing the application and will send notices to the neighboring property owners per HIOZ regulations once staff determines project documents complete.

Staff recommends City Council receive and file this report and direct the City Manager, or designee, to submit the report to HCD and OPR.

Attachments:

- Attachment 1 – Annual Progress Report for Calendar Year 2025

cc: City Manager Eddie Manfro