



Agenda Report

Fullerton City Council

MEETING DATE: APRIL 1, 2025

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 2024

SUMMARY

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

PROPOSED MOTION

Receive and file.

ALTERNATIVE OPTIONS

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

STAFF RECOMMENDATION

Staff recommends the Proposed Motion.

CITY MANAGER REMARKS

No recommendation.

PRIORITY POLICY STATEMENT

This item matches the following Priority Policy Statements:

- Fiscal and Organizational Stability
- Public Safety

- Infrastructure and City Assets.

FISCAL IMPACT

Staff annually budgets for APR preparation and submittal. Failure to submit the report to OPR and HCD by the April 1, 2025 deadline may cause the State to withhold grants and other funding until the City submits the report.

BACKGROUND AND DISCUSSION

California has required California cities and counties to adequately plan to meet community housing needs since 1969. California local governments meet this requirement by adopting Housing Plans (also known as Housing Elements) as part of the state-required General Plan. General Plans provide a local government "blueprint" for agency growth and development over seven mandatory elements: land use, transportation, conservation, noise, open space, safety and housing.

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

The Annual Progress Report (Attachment 1) covers the 2024 calendar year and demonstrates progress toward implementing the General Plan, more specifically, the Housing Element. City Council and Planning Commission policy decision must have consistency with General Plan goals and policies. This includes all zoning, subdivision and land use approvals as well as public works projects contained in the City Capital Improvement Program. The Annual Progress Report provides a tool for City Council to gauge how well the City implements established goals, policies and programs.

Progress Towards the Regional Housing Needs Assessment

The Housing Element includes policies regarding preservation and production of all housing types. State law requires updating the Housing Element every eight years. The State certified the Fullerton Housing Element on February 27, 2025. State law requires the City report on housing metrics related to the stated policies in the document, including new unit construction and submit the information to HCD electronically.

The City entered the Housing Element sixth cycle, which runs from October 2021 to October 2029, the three years ago. The City must plan for the potential 13,209 units Regional Housing Needs Assessment (RHNA) allocation development for this eight-year planning period. The following provides a breakdown of the unit amounts the City must plan for, based on affordability level as well as the credits (i.e., residential units) the City requested for Years 1 through 4 of the 6th RHNA cycle:

RHNA (6 th Cycle) for City of Fullerton						
Income Level	RHNA Allocation	Year 1 - 2021	Year 2 - 2022	Year 3 - 2023	Year 4 - 2024	Unmet RHNA

Very Low	3,198	-	10	34	78	3,076
Low	1,989	-	46	28	43	1,872
Moderate	2,271	-	11	13	51	2,196
Above Moderate	5,751	41	6	383	5	5,296
TOTALS	13,209	41	73	458	177	12,440

The City receives housing unit credits when issuing building permits. The previous table divides unit reporting into affordability levels (very low, low, moderate and above moderate).

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

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

Units by Type Permitted				
Units Permitted by Type	Year 1 - 2021	Year 2 - 2022	Year 3 - 2023	Year 4 – 2024
Accessory Dwelling Unit	60	64	69	111
Single Family	1	7	6	1
Multi-Family	-	2	383	65

ADUs comprised most credits requested for Years 1, 2 and 4 including 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.

Two larger multi-family residential projects came online in Years 3 and 4. The Hub project developer (2601 East Chapman Avenue) pulled building permits adding 377 credits to Year 3 RHNA totals. The Pointe Common project developer (1600 West Commonwealth Avenue) pulled permits in 2024 which gave the City 65 credits. The Planning Commission and City Council have approved several multiple family projects which have not yet pulled building permits as indicated in the following table:

Large Residential Projects			
Location	Number of units	Affordability	Status
215-229 East Orangethorpe Avenue (Atlas Fullerton)	329 units	19 Very Low 310 Above Moderate	Permit Ready / off-site improvements underway
1144 West Rosecrans Avenue (The Pines at Sunrise Village)	113 units	113 Above Moderate	Under construction

1600 West Commonwealth Avenue (Pointe Common)	65 rental units	30 Very Low 7 Low 27 Moderate 1 Manager	Under construction
Highland Avenue / Valencia Avenue (Casa Bella)	20 units	1 Very Low 19 Above Moderate	Permit Ready
2701 West Rosecrans Avenue (West Coyote Hills)	760 for-sale units	760 Above Moderate	Final Vesting Map Extended
245 North State College Boulevard (Name TBD)	25 units	25 Moderate	In Plan Check
Santa Fe Avenue / Lemon Street (Parkwest)	140 rental units	17 Low 123 Above Moderate	In Plan Check
737 North Highland Avenue (Name TBD)	13 units	13 Above Moderate	Pending Planning Commission
111 West Arroyo Drive (Name TBD)	30 for-sale units	3 Moderate 27 Above Moderate	Environmental review underway
2948 Yorba Linda Boulevard (Name TBD)	131 for-sale units	131 Above Moderate	Environmental review underway
1730 West Orangethorpe Avenue (Name TBD)	52 units	6 Moderate 46 Above Moderate	Pending Environmental review

Many project developers have not yet pulled building permits due to unfavorable financing conditions and high construction costs. Some developers plan to redesign projects, such as changing projects from rental units to condominium (for sale) units, to meet project financial conditions. The City has received some interest in using the Housing Incentive Overlay Zone (HIOZ) but Community Development has not received any applications at this point.

Staff recommends City Council receive and file the report and direct the Director to submit it to HCD and OPR.

Attachments:

- Attachment 1 – Annual Progress Report for Calendar Year 2024

cc: City Manager Eric J. Levitt