



PLANNING COMMISSION STAFF REPORT

DATE: March 18, 2026

APPLICATION NO: General Plan Housing Element Annual Progress Report for Calendar Year 2025

LOCATION: Citywide

REQUEST: Adopt a Resolution to Recommend the City Council Authorize Staff to Submit the Housing Element Annual Progress Report for Calendar Year 2025 to the Governor’s Office of Land Use and Climate Innovation (LCI) and State Department of Housing and Community Development (HCD).

CEQA STATUS: The Housing Element Annual Progress Report for Calendar Year 2025 is not considered a project as prescribed by the California Environmental Quality Act (CEQA).

SUMMARY:

Each year, California cities are required to prepare an Annual Progress Report (APR) on the status of implementing the General Plan Housing Element and to submit the report to the State Department of Housing and Community Development (HCD) and the Governor’s Office of Land Use and Climate Innovation (LCI), formerly known as the Governor’s Office of Planning and Research (OPR). Using a form provided by HCD, staff provides data to create a snapshot of housing unit production across affordability levels, a listing of development application received, and provides an update on housing program implementation. The annual report must be provided to the City Council prior to sending to the State.

BACKGROUND:

Pursuant to California Government Code Section 65400, the City is required to prepare a General Plan Housing Element Annual Progress Report for submittal to the City Council, OPR and HCD by April 1st of each year. The purpose of the annual report is to provide the City Council and the above referenced State Departments progress on the General Plan Housing Element’s implementation status toward meeting the City’s fair share of the Regional Housing Needs Allocation (RHNA) (as discussed below).

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The City Council adopted the City’s 2023-2031 Housing Element on February 10, 2025, with minor revisions made on April 14, 2025, per City Council Resolution 25-5731. The City received certification from HCD on April 22, 2025.

The Housing Element is one (1) of seven (7) mandated elements of the City’s General Plan and includes information related to the City’s existing housing needs, an analysis of the City’s population and employment trends, household characteristics, an inventory of land suitable for residential development and goals, policies and programs intended to meet the identified housing needs and state mandated requirements.

As part of the update to the City’s Housing Element, the City is required to identify sites to accommodate its fair-share of the RHNA, as established by HCD and managed by the San Joaquin Council of Governments (SJCOG). In summary, the RHNA process allocates the State’s projection of housing needs for each County. HCD identifies housing needs to each region in response to projected population and household growth, and mandates that each Council of Governments (COG) distribute the RHNA to each jurisdiction (Cities and Counties) within the COG’s region, and in our case, SJCOG. The City’s 2023-2031 Housing Element identified a number of sites that could accommodate the City’s fair share of the RHNA, in all income categories. The following table represents the City’s RHNA (excerpt from the 2023-2031 Housing Element):

Table 2-47. Regional Housing Needs Allocation – Lathrop (2023–2031 Planning Period)			
Income Group	Income Range¹ (Family of Three)	Affordable Monthly Housing Costs²	Lathrop Regional Share (units)
Extremely Low: <30% AMI ³	< \$27,750	< \$694	1,193
Very Low: 30-50% AMI	\$27,750 - \$41,400	\$694 - \$1,035	1,193
Low: 50-80% AMI	\$41,400 - \$66,200	\$1,035 - \$1,655	1,498
Moderate: 80-120% AMI	\$66,200 - \$102,000	\$1,655 - \$2,550	1,342
Above Moderate: 120 + AMI	\$102,000 +	\$2,550 +	3,176
Total	n/a	n/a	8,402

Note:

1. HCD has established these income limits for San Joaquin County for 2021.
2. In determining how much families at each of these income levels should pay for housing, HCD considers housing “affordable” if the amount of rent or total ownership cost (principal, interest, taxes, and insurance) paid does not exceed 30% of gross household income.
3. 50% of the City’s very low income housing needs (100 units) are for extremely low income households, which are defined as those families earning less than 30% of median income.

Source: Joaquin County Regional Housing Needs Plan - 6th Cycle Regional Housing Needs Allocation 2023-2031; HCD 2021 State Income Levels.

Each income category is defined as a percentage of the Area Median Income (AMI), as established by HCD. The income categories are then used to calculate housing affordability for rental and owner occupied housing. Each income category is defined as follows:

- **Extremely Low Income Households** have a combined income at or lower than 30 percent of AMI.
- **Very Low Income Households** have a combined income between 30 and 50 percent of AMI.

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- **Low Income Households** have a combined income between 50 and 80 percent of AMI.
- **Moderate Income Households** have a combined income between 80 and 120 percent of AMI.
- **Above Moderate Income Households** have a combined income greater than 120 percent of AMI

The forms provided by HCD were originally adopted in 2010 and have recently been updated pursuant to new State law, which now include information related to the number of development applications received and approved and list of sites rezoned to address RHNA shortfall. In summary, the forms require the following information:

- Status of the program and progress in its implementation.
- Progress in meeting its share of the regional housing needs.
- The number of housing development applications received in the prior year.
- The number of units included in all development applications in the prior year.
- The number of units approved and disapproved in the prior year.
- The degree to which its approved general plan complies with the adopted General Plan guidelines.
- Sites rezoned to accommodate that portion of the City's share of the regional housing need for each income level.
- Number of net new units of housing, including both rental and for-sale, that have been issued an entitlement, a building permit, or a certification of occupancy.
- Number of commercial development bonuses approved during the prior year pursuant to Government Code Section 65915.7.
- Number of building permits issued and development applications received using the streamline review process (SB35).
- Locally owned lands included in the Housing Element Sites Inventory that have been sold, leased, or otherwise disposed of.
- Locally owned or controlled lands declared surplus pursuant to Government Code Section 54221, or identified as excess pursuant to Government Code Section 50569.
- Student housing development with a density approved pursuant to Government Code Section 65915(b)(1)(F).
- Tenant Preference Policy adopted pursuant to Government Code Section 7061.
- Historic designations listed on the National Register of Historic Places, the California Register of Historic Resources, or a local register of historic places by the city or county in the prior year, and the status of any housing development projects proposed for the new historic designations.
- Progress on the LEAP Grant including the amount of reimbursement requests that have been made by the City.

ANALYSIS:

Staff has prepared the 2025 Housing Element Annual Progress Report, included as Attachment 2. Some highlights of the year include:

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New Applications Received and Either Deemed Complete or Processed

The City processed four (4) residential entitlement applications for new residential development that may result in 689 new units. The City received and processed the following entitlement applications in 2025.

Architectural Design Review – River Islands

Kiper Homes Serena	93 single-family dwelling units
Kiper Homes Capri	104 single-family dwelling units
Taylor Morrison Overland	248 single-family dwelling units
Van Daele Village 4	244 single-family dwelling units

New Home Construction

The City issued a total number of 821 residential building permits in 2025, which represents an increase of 89 more than 2024 (a total of 732 residential building permits issued in 2024). Of the 821 residential building permits, 656 are single-family residential units, 152 are multifamily residential units (5+ units per structure), and 13 are accessory dwelling units. All 821 units are considered “Above Moderate” affordability.

Progress Towards Meeting RHNA

As illustrated in Table B of the HCD Forms shown below, the City has issued 2,128 building permits for residential development for the 2023 – 2031 Housing Element Planning Period.

Income Level		RHNA Allocation by Income Level	2023	2024	2025	2026	2027	2028	2029	2030	2031	Total Units to Date (all years)	Total Remaining RHNA by Income Level
Extremely Low	Deed Restricted	1,193											1,193
	Non-Deed Restricted												
Very Low	Deed Restricted	1,193											1,193
	Non-Deed Restricted												
Low	Deed Restricted	1,498											1,498
	Non-Deed Restricted												
Moderate	Deed Restricted	1,342										9	1,333
	Non-Deed Restricted		9										
Above Moderate		3,176	566	732	821							2,119	1,057
Total RHNA		8,402											
Total Units			575	732	821							2,128	6,274

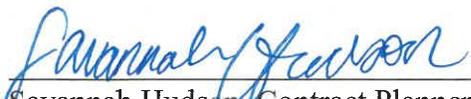
CEQA REVIEW:

The proposed Housing Element Annual Progress Report for Calendar Year 2025 is not considered a project as prescribed by the California Environmental Quality Act (CEQA).

RECOMMENDATION:

Staff recommends the Planning Commission approve Resolution No. 26-5, to recommend the City Council authorize staff to submit the Housing Element Annual Progress Report for Calendar Year 2025 to the Governor's Office of Land Use and Climate Innovation (LCI) and State Department of Housing and Community Development (HCD).

Approvals:


Savannah Hudson, Contract Planner

3-4-26
Date


James Michaels, Senior Planner

3/10/2026
Date


Rick Caguiat, Community Development Director

3/11/26
Date


Salvador Navarrete, City Attorney

3-12-2026
Date

Attachments:

1. Planning Commission Resolution No. 26-5
2. Housing Element Annual Progress Report for Calendar Year 2025