



Trinity Place, located in the Navajo, includes 73 affordable homes.

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CITY OF SAN DIEGO

2023

Annual Report on Homes

 **City Planning**

Prepared for:
CITY OF SAN DIEGO
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DUDEK

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Introduction

Cities across the nation are struggling to combat the rising cost of homes. A severe shortage of homes, particularly those that are affordable, remains a primary reason why housing costs continue to rise. The lack of both available and affordable housing is a complicated challenge that impacts all of us. The City of San Diego is committed to taking all necessary actions to address this challenge by working together with community members, developers, funders, and all interested and solutions-oriented stakeholders to develop new programs and update its development regulations to allow for the construction of new homes affordable to people of all incomes.

The solution to homelessness is housing, and housing is also a solution to address climate change and a path to economic opportunity for all San Diegans. The City's efforts are aimed at increasing housing opportunities to create homes for those currently experiencing homelessness while also providing homes for our neighbors, friends, parents, children, and for the workers that we interact with in our everyday lives.

The City of San Diego is proud to be awarded with a "Prohousing Designation" from the California Department of Housing and Community Development (HCD) in 2022. As one of seven honorees statewide at the time, this designation acknowledges the City for its forward-thinking housing strategies and grants the City increased access to state funding programs for housing.

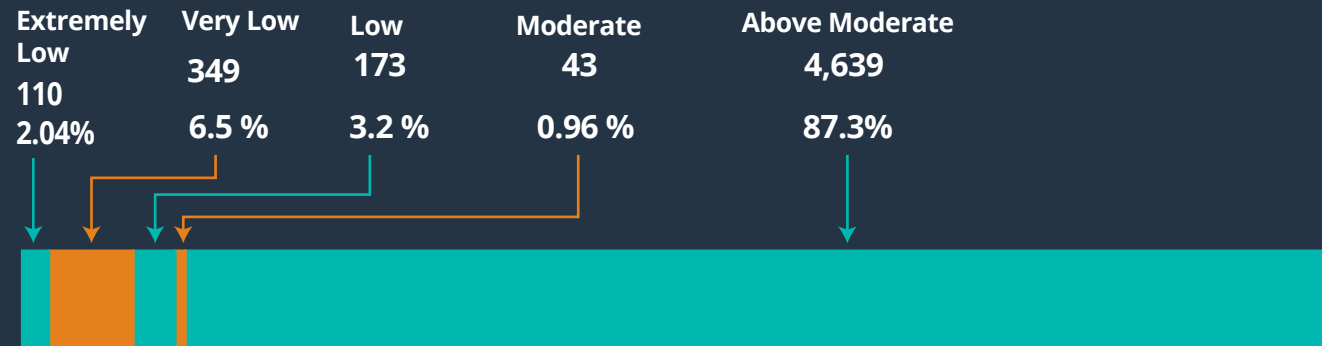
Tracking progress on new home construction each year ensures that City efforts can regularly be evaluated and refined to maximize housing production that best meet the needs of our community members. The 2023 Annual Report on Homes builds upon past reports to show the City's progress toward its 8-year housing goals as part of the City's updated 6th Cycle Housing Element. This report tracks the City's progress throughout 2022 in approving the construction of new homes, existing programs in place to incentivize new home development, and how the City can continue to expand housing opportunities in the future.



2 Homes in all Communities

Access to housing is essential for sustainable, healthy, and livable communities. The City supports housing as a human right by implementing policies that keep people housed in affordable, accessible, and comfortable homes.

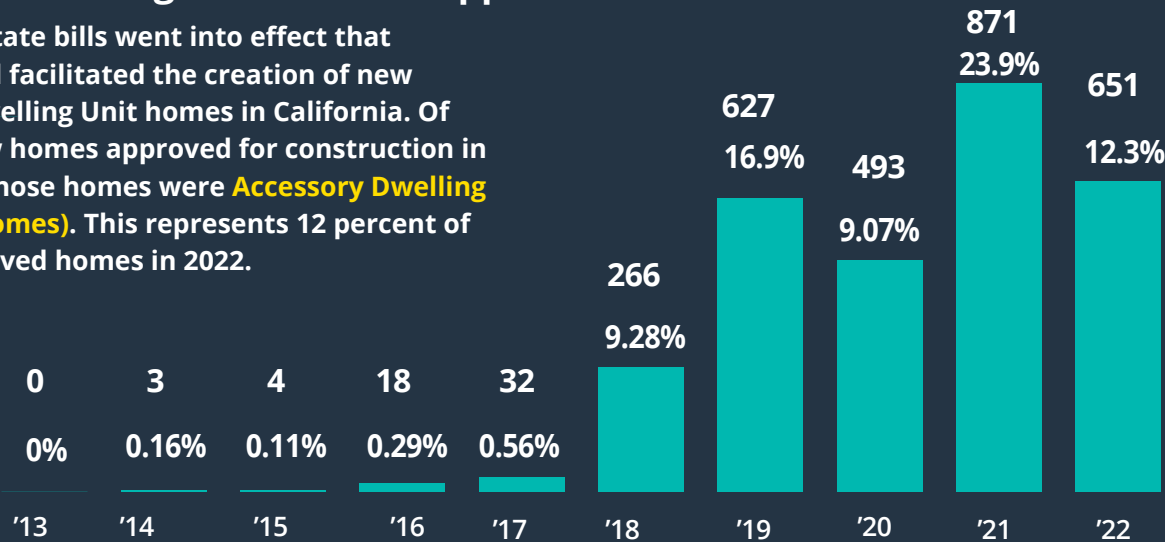
Homes Approved in Calendar Year 2022 by Household Income Level



Extremely Low, Very Low, Low, and Moderate homes are deed-restricted affordable for households earning specific incomes less than 120% of the Areas Median Income (AMI). Above Moderate homes are not deed-restricted affordable.

Accessory Dwelling Units Homes Approved for Construction

In 2017 two state bills went into effect that reformed and facilitated the creation of new Accessory Dwelling Unit homes in California. Of the 5,314 new homes approved for construction in 2022, 651 of those homes were **Accessory Dwelling Units (ADU homes)**. This represents 12 percent of all new approved homes in 2022.



In 2022, the City approved

5,314

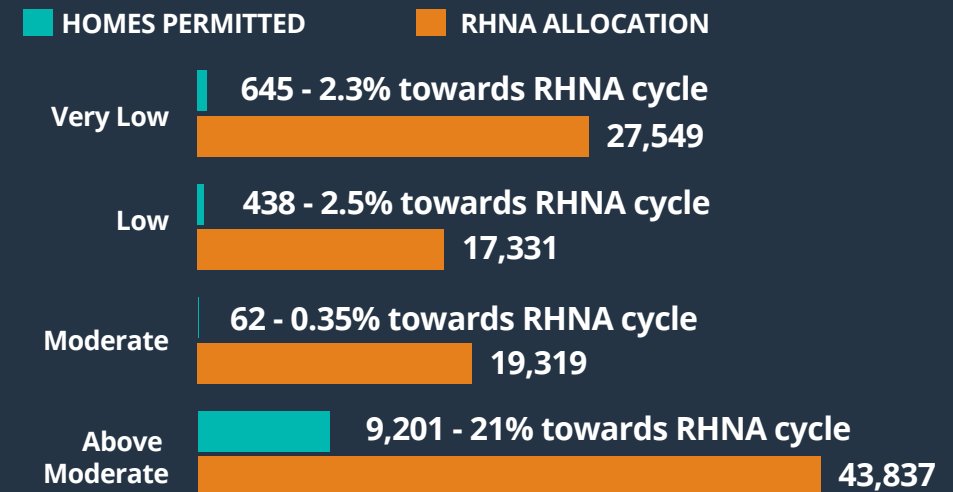
new homes for construction as measured through the number of building permits issued.

The City needs 108,036 new homes to meet its assigned Regional Housing Needs Assessment (RHNA) targets for the 2021-2029 RHNA Cycle.

In 2021 and 2022, the City approved 10,346 new homes for construction. This is approximately 10% of the 8-Year housing target.



2021 - 2022 Progress Toward 8-Year Housing Target by Income Level



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Homes by Community Planning Area

North Park and Downtown saw significant housing permit activity.



Milejo Village, located in San Ysidro, includes 64 affordable homes.

Top 10 Community Planning Areas

2022 Affordable New Homes Permitted

2022 Total Homes Permitted

Linda Vista, Rancho Bernardo, and Navajo had the largest share of new affordable homes in 2022.



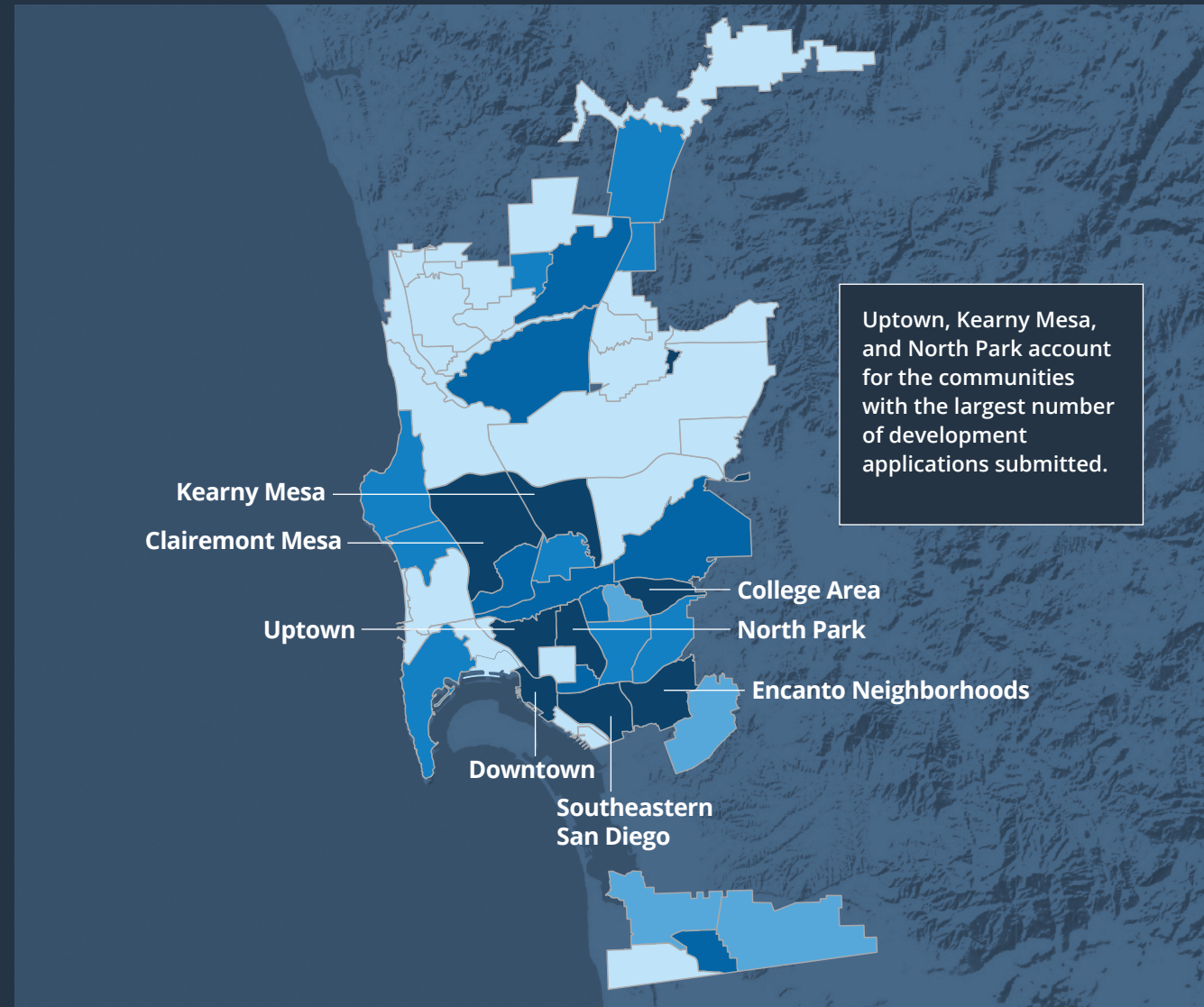
- Linda Vista ● 192
- Rancho Bernardo ● 175
- Navajo ● 123
- Encanto Neighborhoods ● 46
- Downtown ● 35
- North Park ● 34
- Pacific Highlands Ranch ● 20
- Uptown ● 15
- College Area ● 13
- Southeastern San Diego ● 8

- Downtown ● 1,426
- North Park ● 735
- Mira Mesa ● 555
- Linda Vista ● 305
- Midway-Pacific Highway ● 253
- Uptown ● 235
- Torrey Highlands ● 218
- Clairemont Mesa ● 214
- Rancho Bernardo ● 178
- Pacific Highlands Ranch ● 146

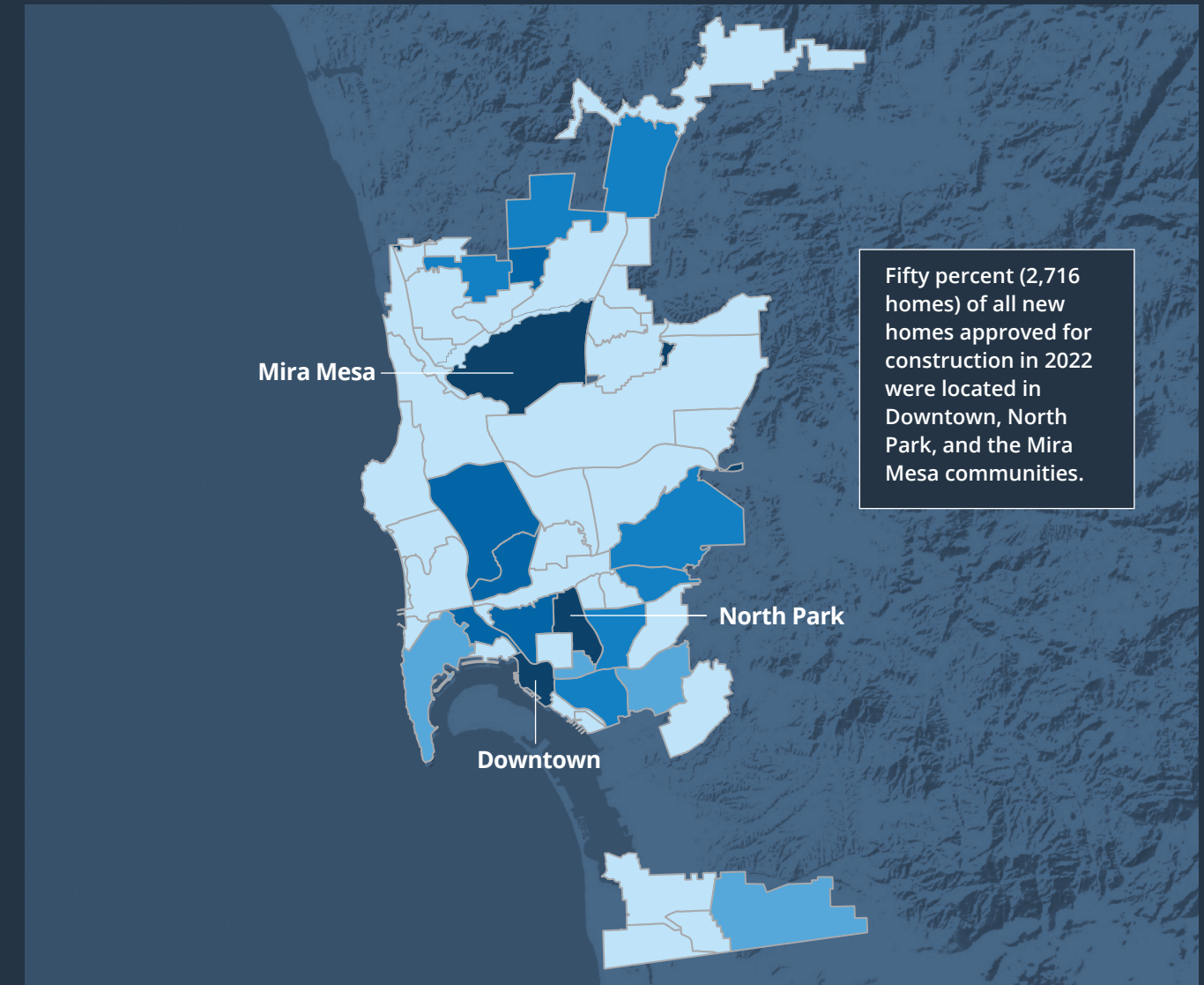


The Helm, Located in Downtown, includes 77 affordable homes.

2022 New Home Applications



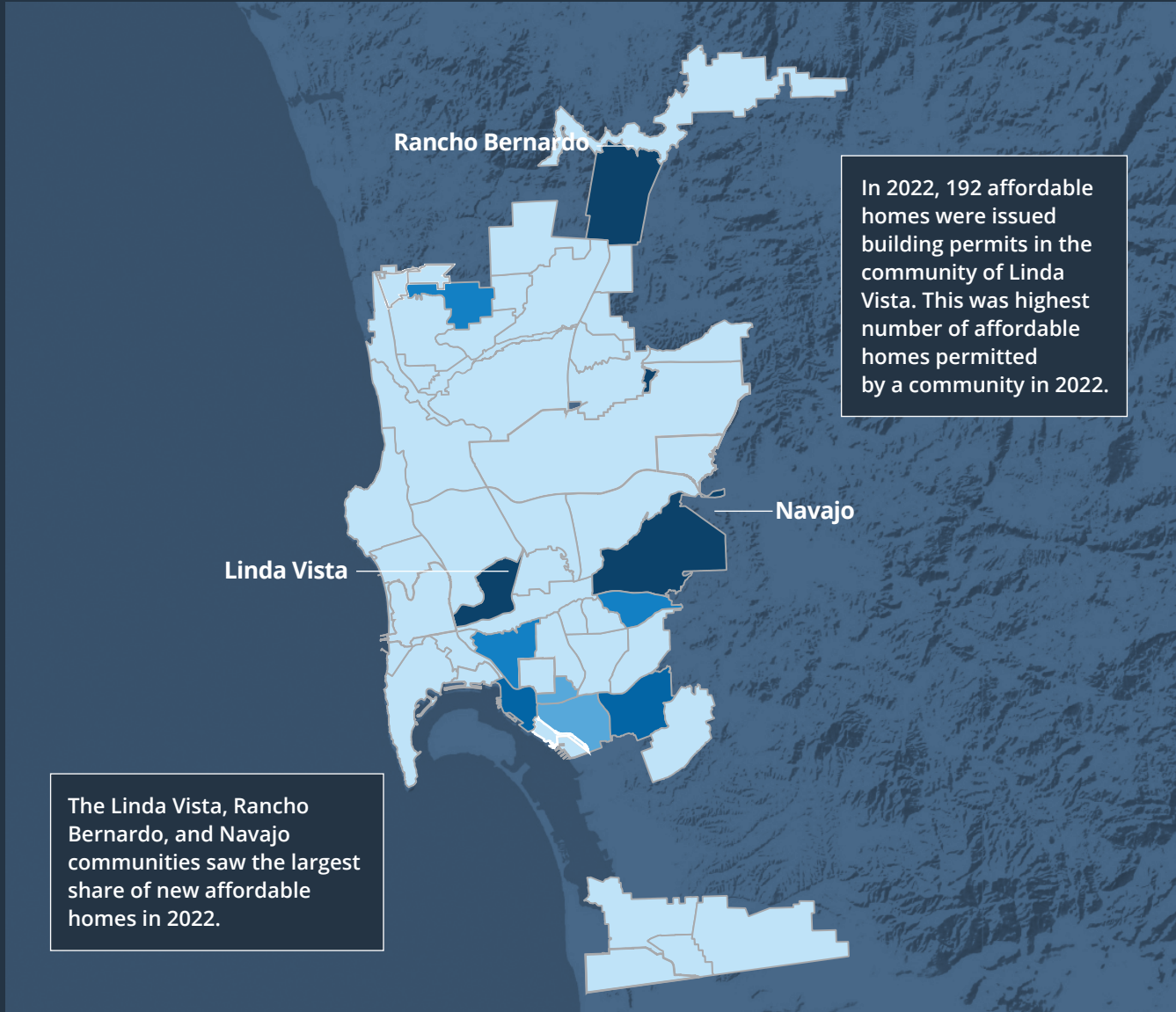
2022 New Homes Permitted for Construction



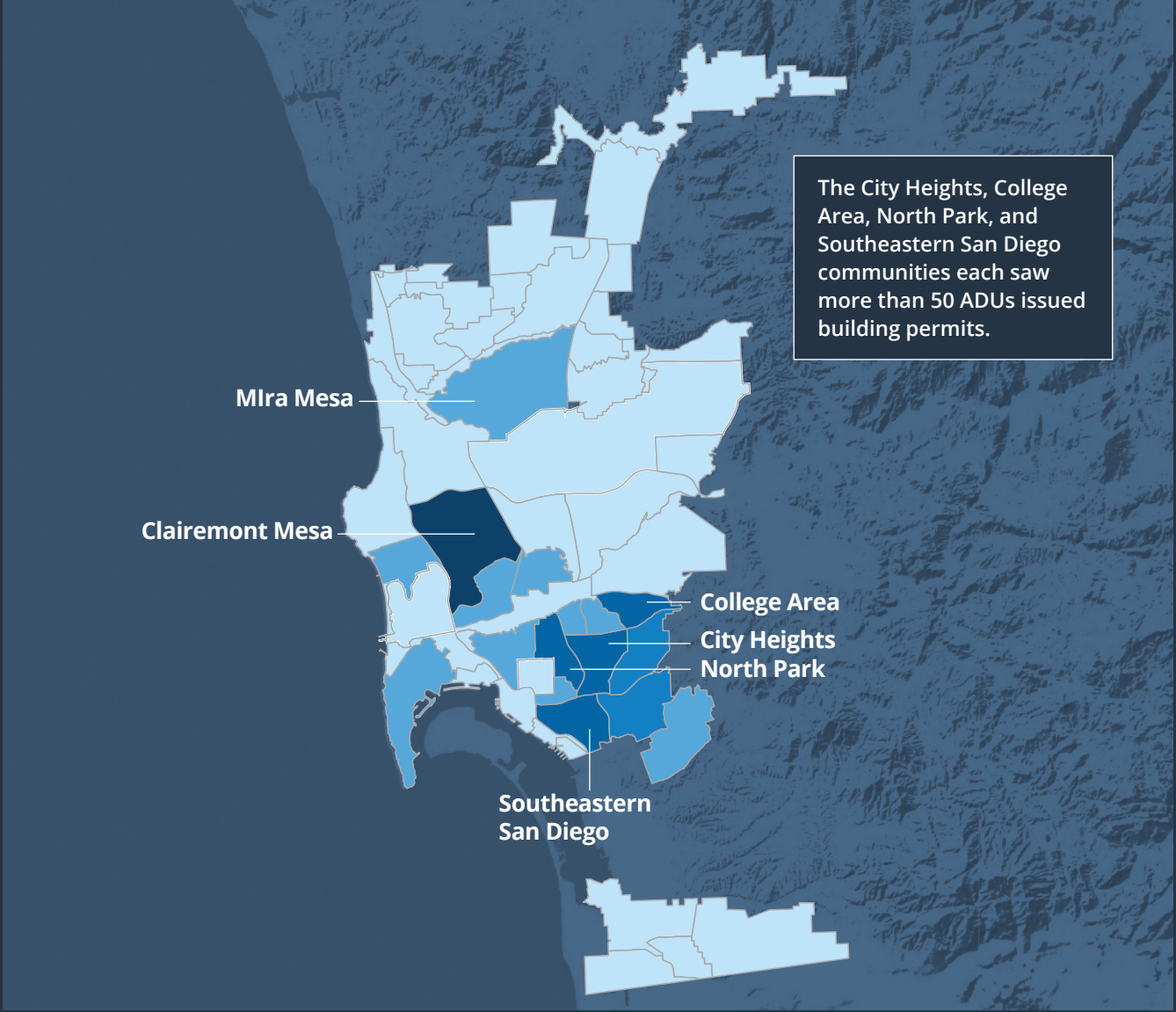
In 2022, the City received housing development applications for **11,891** additional homes throughout the city. The development applications received reflect the amount of homes proposed for construction within the City of San Diego while the homes permitted reflect the amount of homes that were issued permits for construction by the City of San Diego.

In 2022, the City approved 5,396 building permits for new homes. Multifamily homes represent **80%** of new homes approved for construction, while **12%** of newly permitted homes are ADUs.

2022 Affordable Homes Permitted for Construction



2022 Accessory Dwelling Unit Homes Permitted for Construction



Affordable Homes and Accessory Dwelling Unit Homes make up a percentage of the total homes permitted within the City of San Diego. The affordable homes permitted are deed-restricted homes.

4 Furthering Fair Housing

2022 New Home Applications by Community Plan Area and CTCAC

California Tax Credit Allocation Committee (CTCAC) resource areas measure access to opportunity as it relates to economic, educational, and environmental opportunities for low-income families, particularly long-term outcomes for children. Increasing new home opportunities - particularly affordable housing in high and highest resource areas is critical to furthering fair housing in our city. CTCAC Opportunity maps can be found at the following website: <https://www.treasurer.ca.gov/ctcac/opportunity.asp>



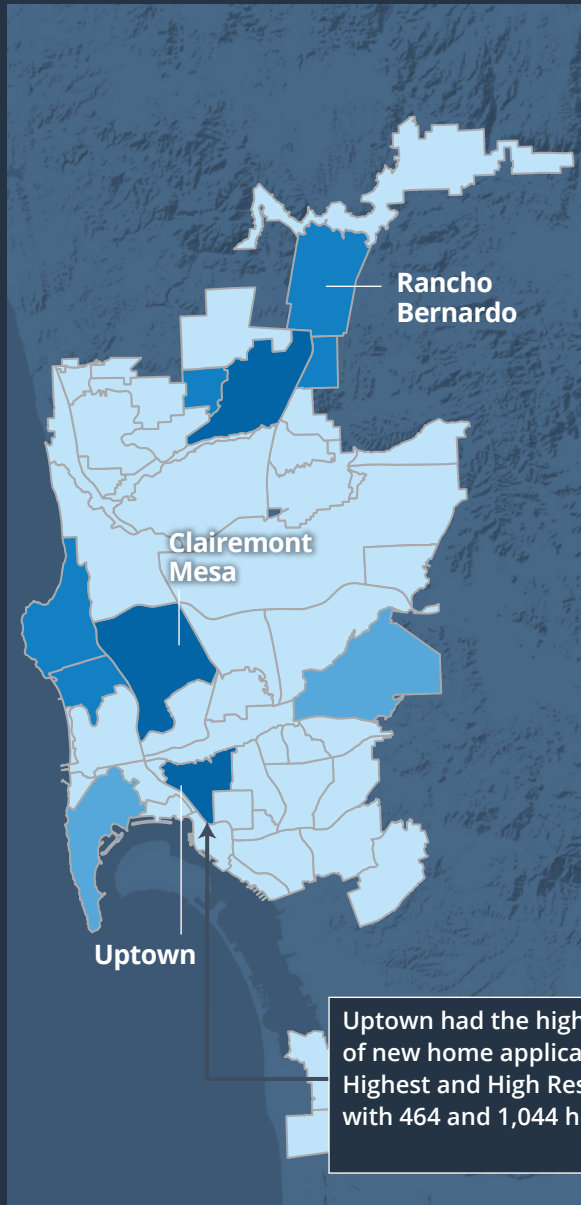
Highest Resource

High Resource

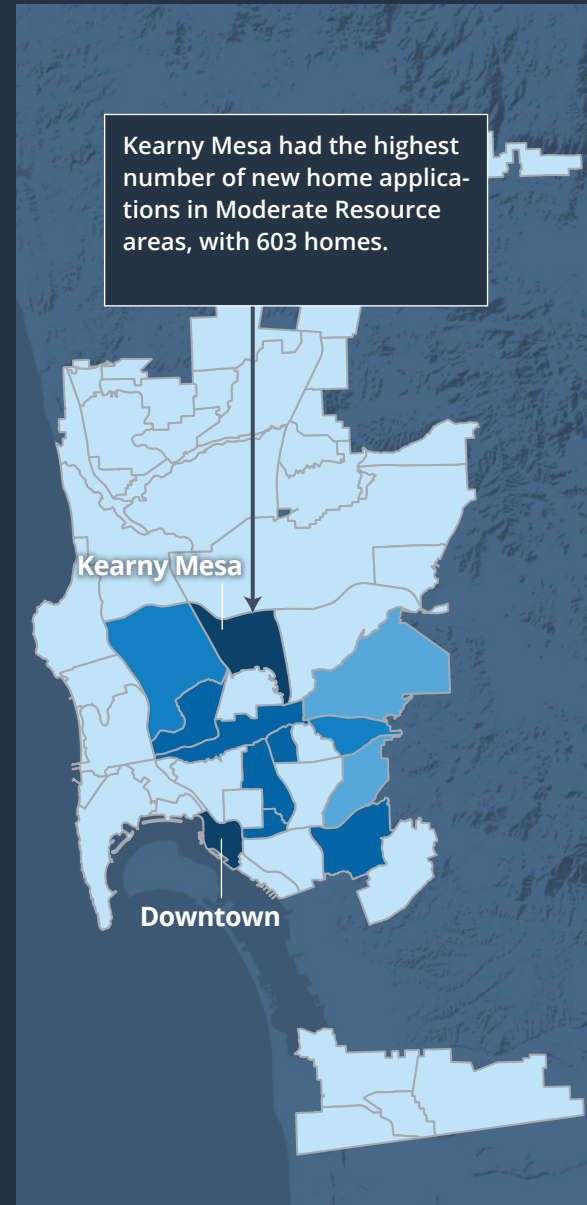
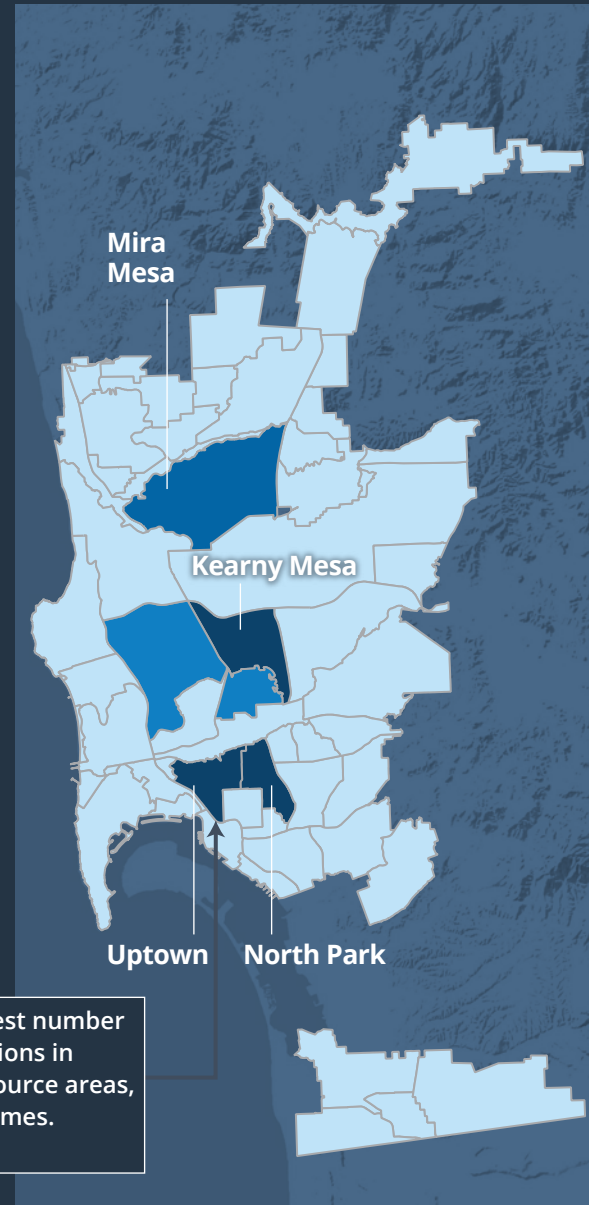
Moderate Resource

Low Resource

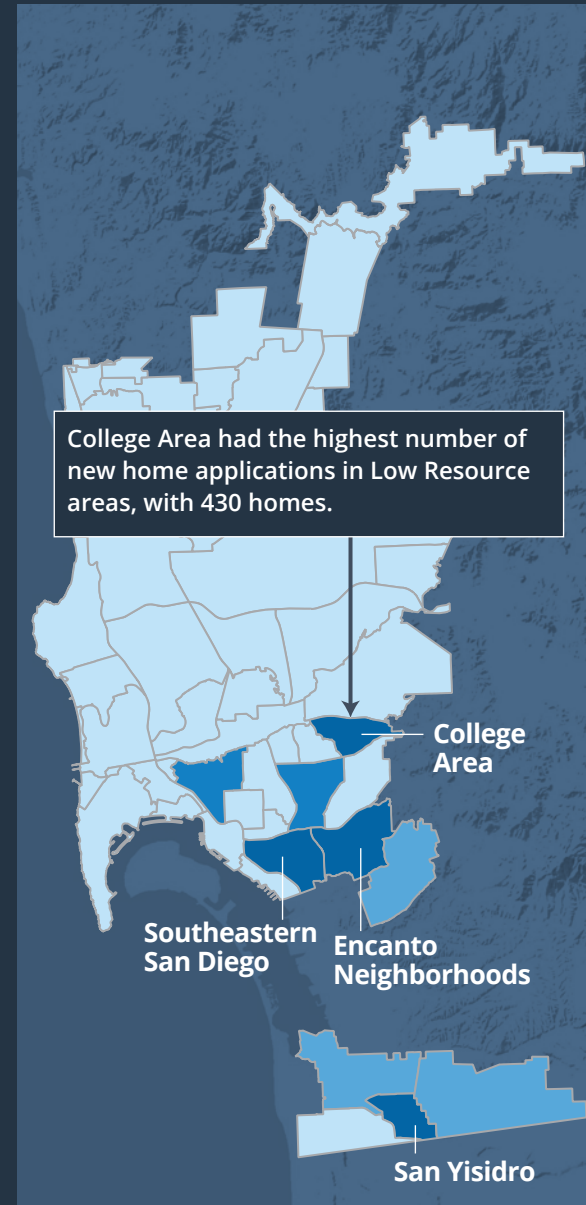
High Segregation and Poverty



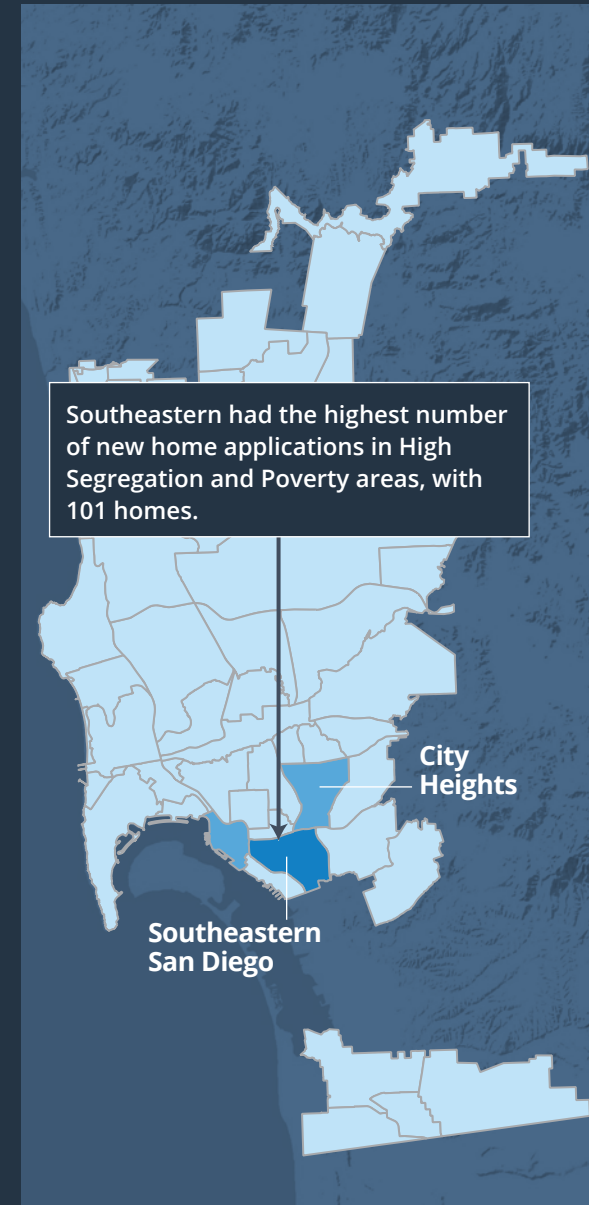
Uptown had the highest number of new home applications in Highest and High Resource areas, with 464 and 1,044 homes.



Kearny Mesa had the highest number of new home applications in Moderate Resource areas, with 603 homes.



College Area had the highest number of new home applications in Low Resource areas, with 430 homes.



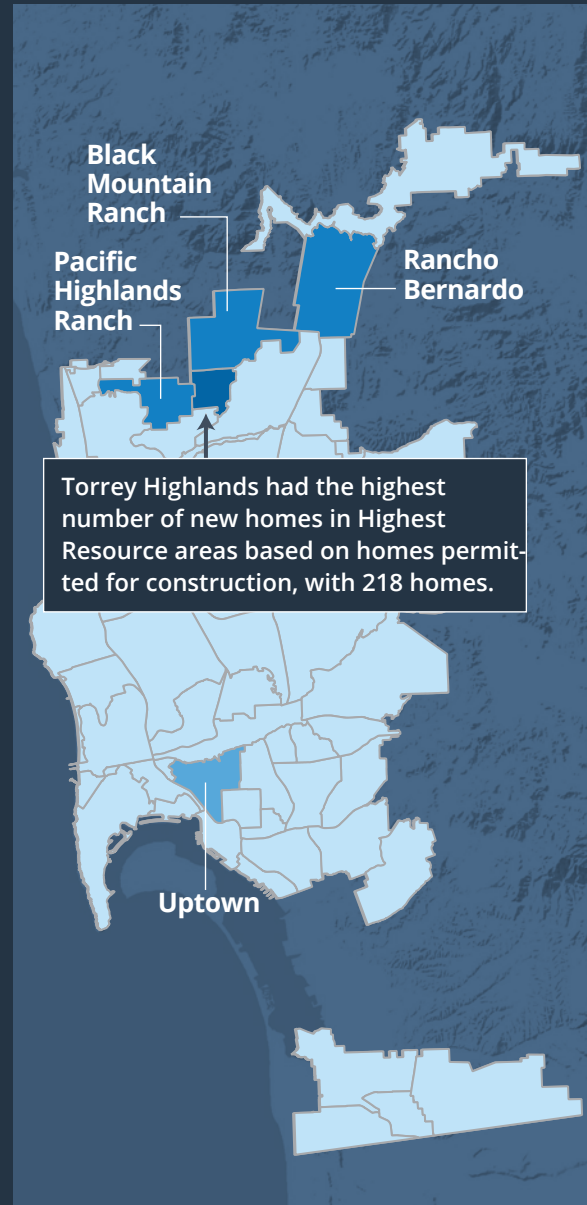
Southeastern had the highest number of new home applications in High Segregation and Poverty areas, with 101 homes.

2022 New Homes Permitted for Construction by Community Plan Area and Resource Area

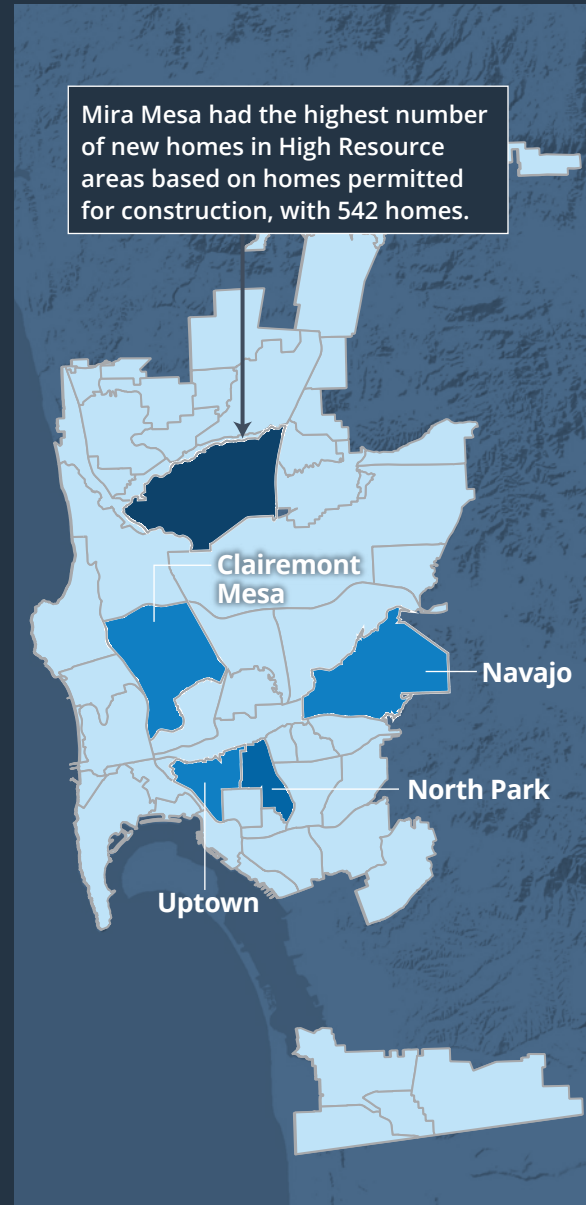
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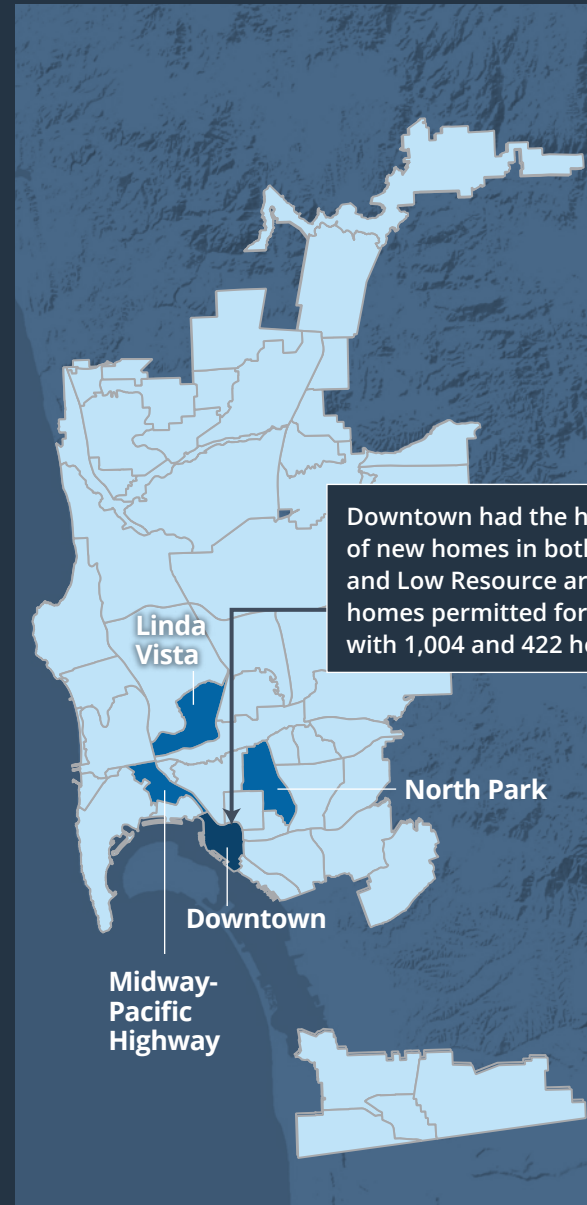
Highest Resource



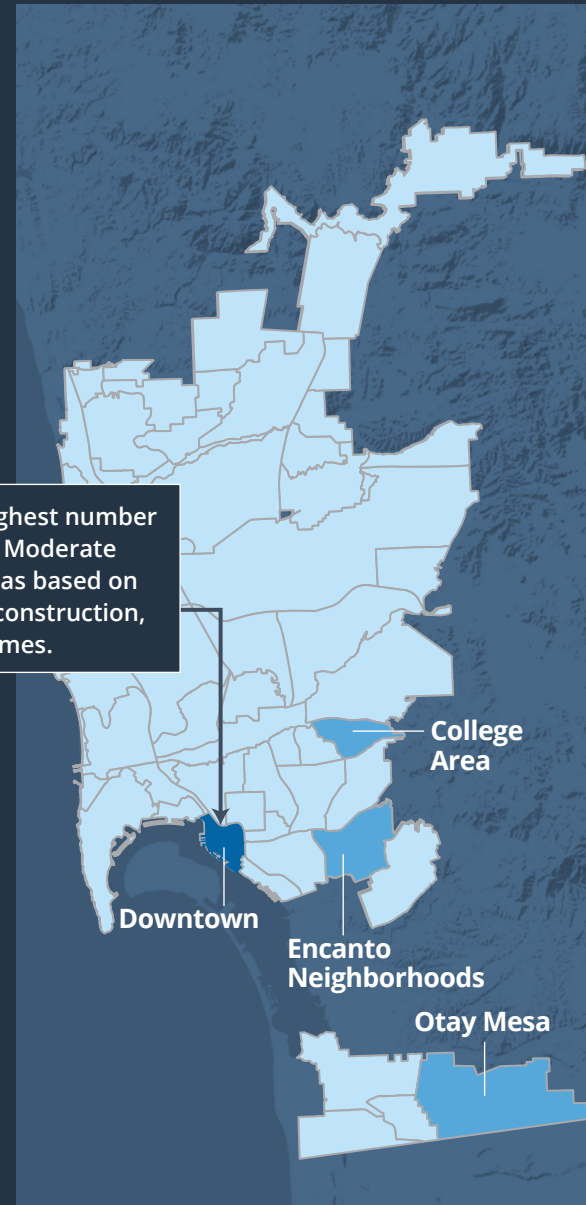
High Resource



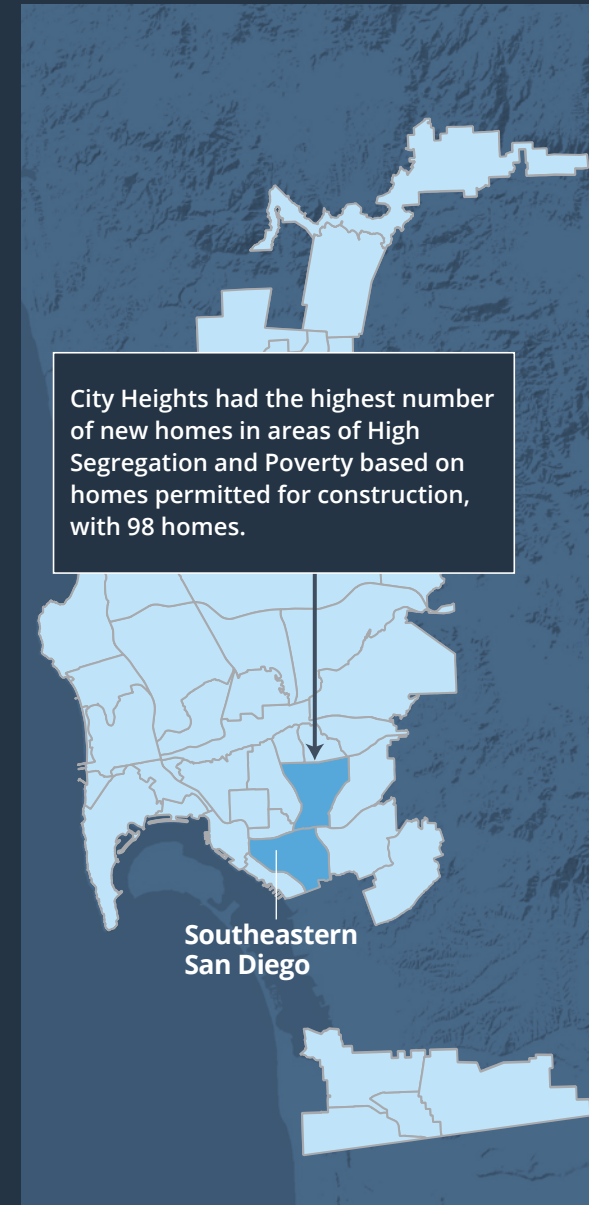
Moderate Resource



Low Resource



High Segregation and Poverty



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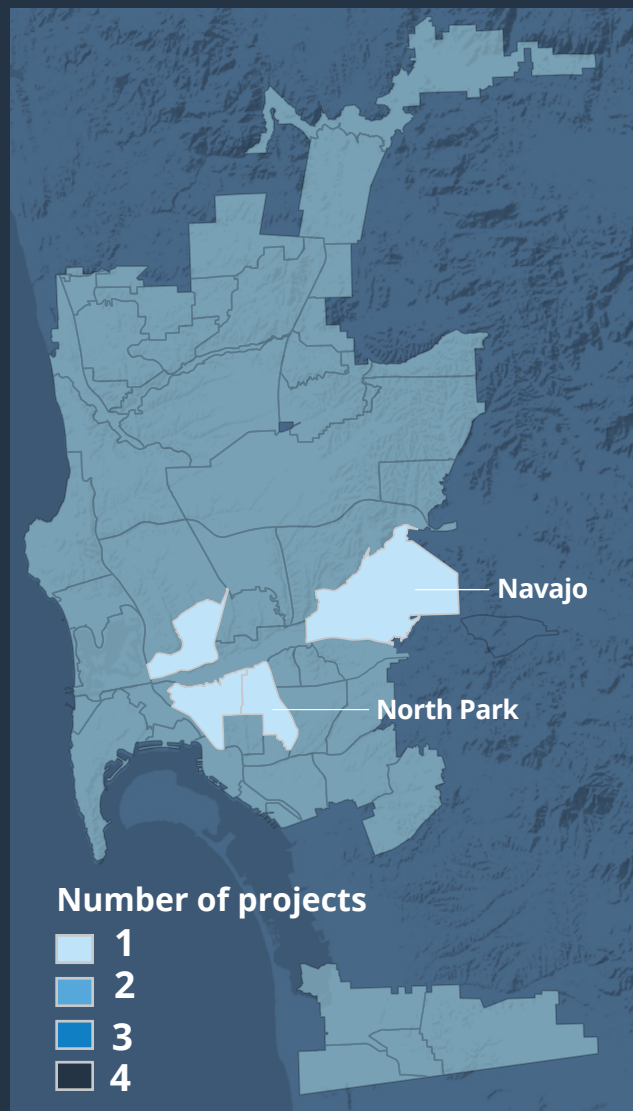
Housing Programs

Recognizing that there is a critical need for additional homes that San Diegans can afford as a result of decades of underbuilding, the City is committed to reducing the cost of building homes and increasing the production of new homes across all communities. The City also strives to make the home permit approval process more efficient and predictable. Through a series of innovative housing programs, such as the Affordable Home Density Bonus Program, Complete Communities Housing Solutions, ADU Home Density Bonus Program, and homes permitted through inclusionary housing programs, the City continues to commit to increasing new home opportunities across San Diego for people of all income levels.

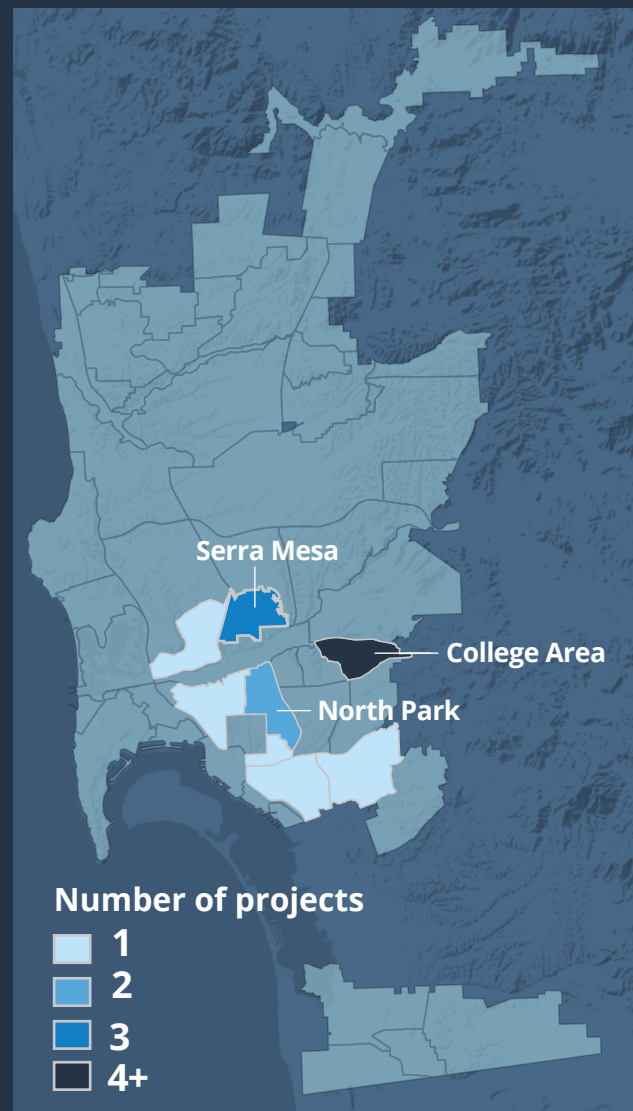
Affordable Housing Density Bonus



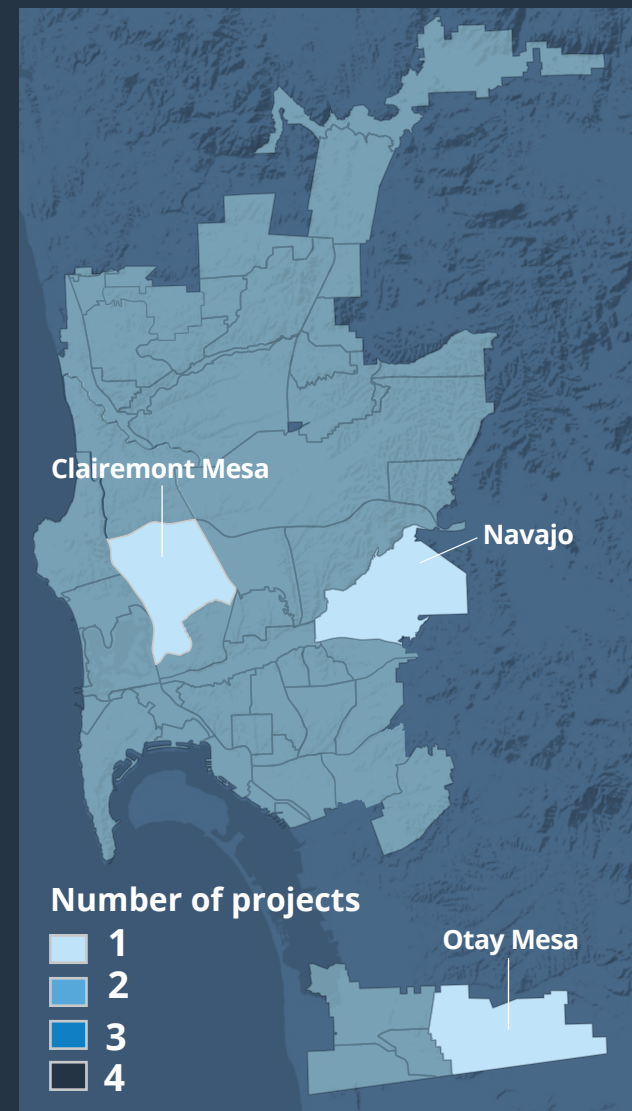
Complete Communities



ADU Home Density Bonus

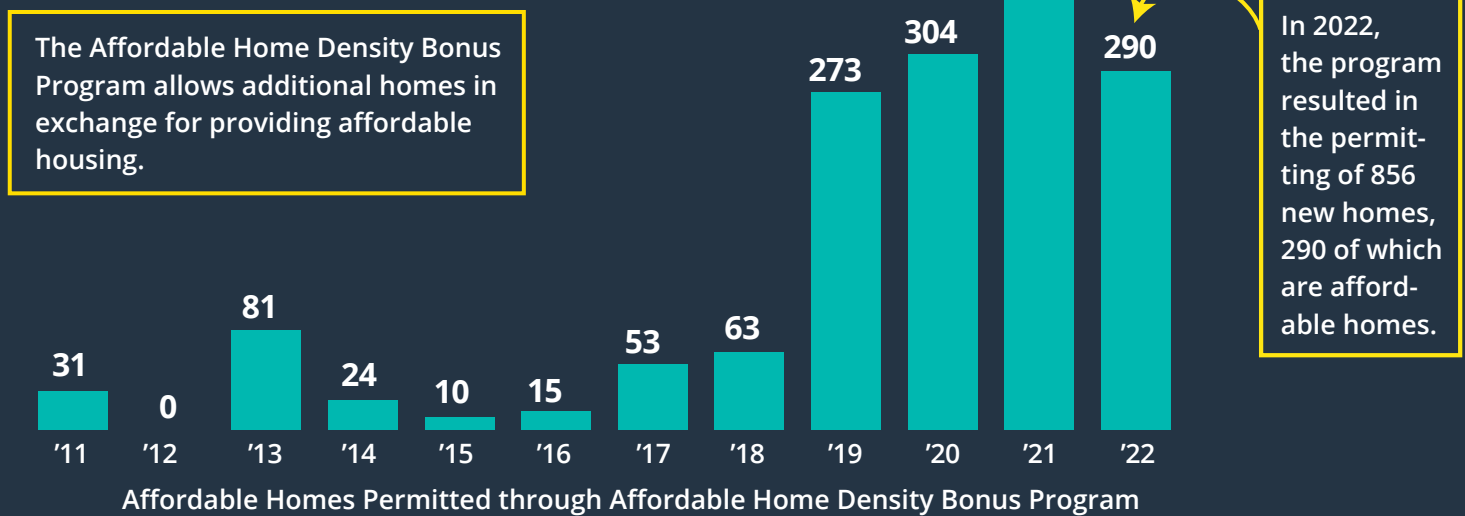


Inclusionary Housing



In 2022, the Affordable Home Density Bonus Program yielded the highest number of new affordable homes construction permits and the ADU Home Density Bonus Program was the most highly used home incentive program.

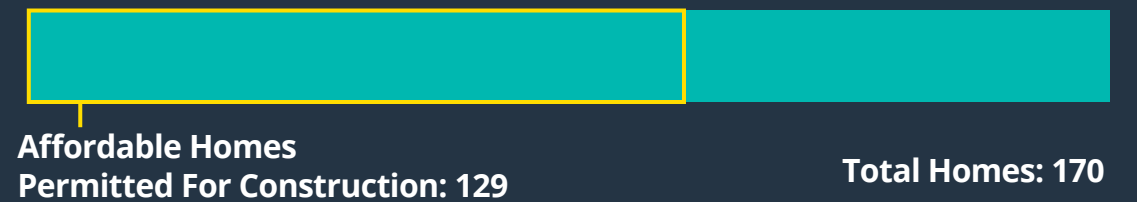
Affordable Home Density Bonus Program 2011-2022



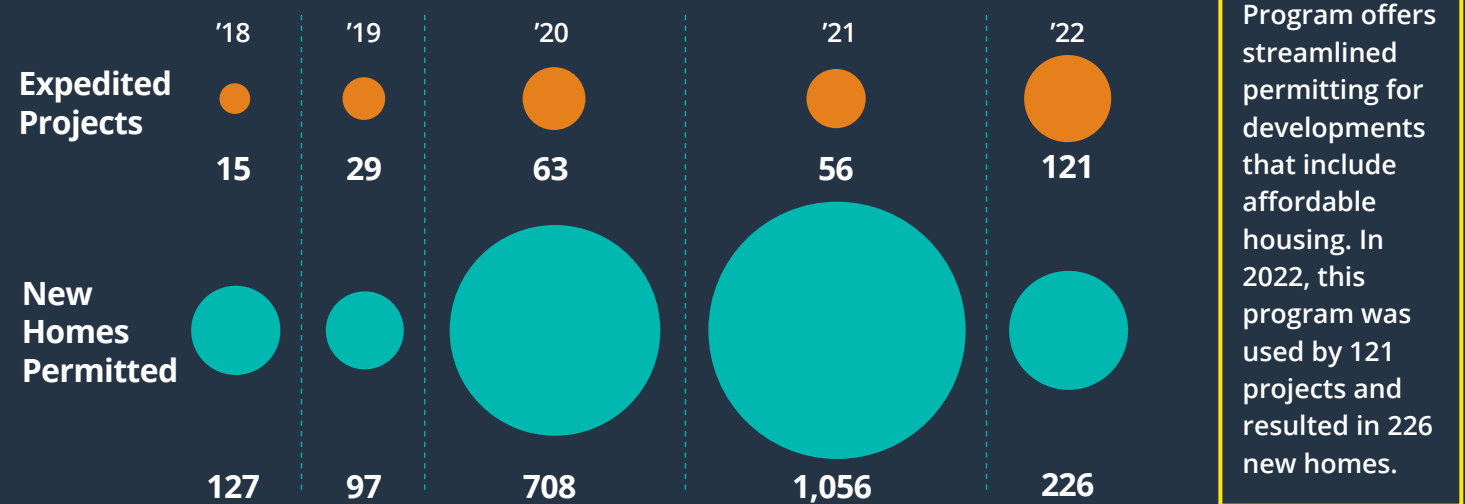
In 2022 the Complete Communities program permitted the construction of 170 new homes, of which **129** were affordable homes.

Complete Communities Housing Solutions

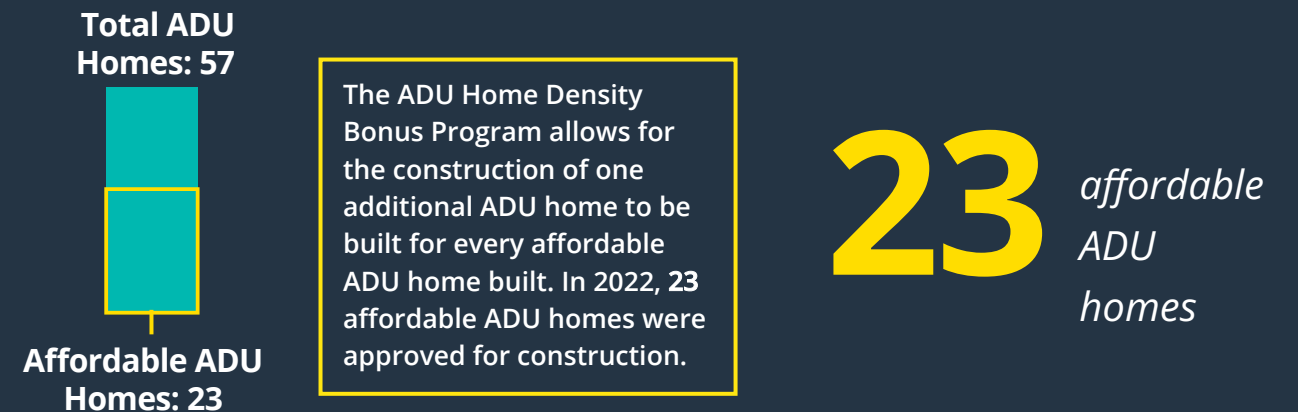
Complete Communities Housing Solutions is an affordable homes incentive program aimed at encouraging new home construction near transit.



Affordable Home Expedite Program



ADU Home Density Bonus Program Homes Permitted for Construction



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Looking Forward

The 2023 Annual Report on Homes emphasizes the achievements of the City's existing housing programs. Although still in the early stages of the 8-year RHNA planning cycle for housing, this progress lays the foundation for the additional work required to ensure that everyone can live where they choose. In 2022, the City expanded upon the accomplishments of 2021, while establishing new programs and opportunities, such as the Affordable Housing Permit Now Program, to build more affordable, accessible, and livable homes. This Annual Report on Homes shows how many homes were built, where they were built, and monitors the progress of the City's development programs. Tracking this information allows the City to identify what housing needs persist and how best to meet those needs through policies, programs, and other development incentives. In the next annual report, the City will have more refined data showing not just the number of new homes, but also the number of people accommodated in those homes so that the City can best inform the City's policies to best meet the housing needs. The City will continue to build upon this progress and prioritize the creation of more homes that meet the needs of all San Diegans. By doing so, we will ensure that our housing policies remain focused on what matters most – the homes where people live, raise their families, and make lifetime memories. The City will continue to promote housing policies that accomplish this for everyone regardless of age, income, family size, or neighborhood.



Harvey Apartments, located in Hilcrest.



Milejo Village, located in San Ysidro, completed construction in 2022 and includes on-site amenities such as playgrounds.