Dear City Council,

I want to commend the Planning Staff for producing a timely RHNA Annual Progress Report (APR), with correct data for this year.

However, there remain errors from previous years. Since we will use past years' data for planning as we go forward with the Housing Element, it is vital that we understand exactly what our progress has been.

In Table B, Regional Housing Needs Allocation Progress, Permitted Units Issued by Affordability, we are supposed to list the net new units that have received permits in each year in each income category. In previous years, the Planning Department was under the misimpression that we could count teardown/rebuilds as net new units. In fact, replacing an old house with a new house does not create any net new housing; such newly constructed homes should not be counted. HCD did not catch the error.

Therefore, the reported number of net new units is incorrect for the years 2019 and before; it includes 205 teardowns that should not be included. Moreover, the total for 2015 appears to include 17 affordable and 150 market-rate units in the Colonnade at 4750 El Camino. The Colonnade received its permit in 2013, in the 4th RHNA Cycle, and should not be counted in the 5th RHNA Cycle .

These errors need to be corrected before the APR is submitted. Not only should we submit correct data to the state, but we also need correct data for our own planning. The report as submitted to the City Council says we have permitted 558 above-market rate units so far, which would mean we'd be producing at a rate that would just about satisfy our 6th RHNA Above Market allotment. In fact, removing the 355 units that were included in error, we have only permitted 205 above market units so far, and we'll need 843 next cycle. We're way off the pace we'll need to achieve for the 6th RHNA Cycle.

I urge you to instruct staff to correct the APR before submitting it to the state. Thank you for your attention.

-- Anne Paulson