

**Department of Housing and Community Development
Housing Element Annual Progress Report Frequently Asked Questions (FAQs)**

Direct Further Questions to APR@HCD.CA.GOV

When will Annual Progress Report Forms be updated to accommodate changes from the housing package legislation?

There will be no changes to the Annual Progress Report forms for the 2017 reporting period, due April 2018. The new data requirements will impact the 2018 Annual Progress reporting due April 2019, and the forms will be changed leading up to that

What counts as a permitted housing unit?

“Permitted units” means units for which building permits for new housing construction have been issued by the local government during the reporting calendar year. For this purpose, “new housing unit” means housing units as defined by the Department of Finance for inclusion in the Department of Finance’s annual “E-5 City/County Population and Housing Estimates” report, which is the same as the census definition of a housing unit.

A house, an apartment, a mobile home, a group of rooms, or a single room occupied as separate living quarters, or if vacant, intended for occupancy as separate living quarters. Separate living quarters are those in which the occupants live separately from any other individuals in the building and which have direct access from outside the building or through a common hall. For vacant units, the criteria of separateness and direct access are applied to the intended occupants whenever possible.

Can I count shelter beds toward RHNA progress?

Shelter beds do not count as separate living quarters and cannot be counted on the Annual Progress Report.

Do Single-Resident Occupancy (SRO) units count toward RHNA progress?

They can be counted if the units are operated as separate living quarters, and occupied or will be occupied by persons who consider the unit their usual place of residence, rather than temporary motels.

Can I count dorms in a college town?

Dormitories, bunkhouses, and barracks cannot be counted as housing units, but student housing that is set up as separate living quarters per the census definition can be counted.

Can I count senior housing?

Beds or quarters in an institution or hospital do not count, but separate living quarters per the census definition. For example, senior housing with individual units that would allow for eating and living separately for the broader community could count.

**Department of Housing and Community Development
Housing Element Annual Progress Report Frequently Asked Questions (FAQs)**

Direct Further Questions to APR@HCD.CA.GOV

Do I count units approved, permitted, or built on the Annual Progress Report?

You should report permitted units; this should represent the final permitting needed before the units can begin construction. As a result of recent legislation there will be broader reporting requirements in the future, but those requirements will not come into effect until the 2018 Annual Progress Reports due April 2019.

What qualifies as a justification for Very-Low or Low Income housing without a deed-restriction or financial assistance?

To claim units as affordable to very-low or low income households without a deed restrictions or financial assistance, affordability must be demonstrated by proposed sales price or rents.

In the case of Accessory Dwelling Units (ADU), a survey of comparable units that shows ADU rents are affordable to very-low or low income households in the area can suffice as documentation that the units can be counted as very-low or low income.

How should I distinguish between moderate and above-moderate income units without a deed restriction?

Rents or sales prices or market conditions can be used to determine whether the units are affordable to moderate or above-moderate income households.

Can we use density as a proxy for affordability in reporting? For example, 50 units to the acre can equate to very-low income affordability?

While density can be a proxy for affordability in zoning, it cannot be used as a justification to count permits on Annual Progress Reports toward RHNA progress; only deed-restrictions, financial assistance affordability covenants, or sales prices/rents can be used as a justification for determining affordability.

**Department of Housing and Community Development
Housing Element Annual Progress Report Frequently Asked Questions (FAQs)**

Direct Further Questions to APR@HCD.CA.GOV

What qualifies a preservation, rehabilitation, or acquisition project toward RHNA progress?

In order for units to be eligible the following must apply pursuant to Government Code 65883.1(c)(7):

- This site must be included in the housing element, specifically as part of the local government's strategy to meet its RHNA obligation. This can be accomplished by including the site in the sites inventory or listing it in the analysis to determine adequate sites.
- Either with the housing element or within the first two years of the planning period, a representative of the jurisdiction must have submitted a completed ["Adequate Sites Program Alternative Checklist"](#) related to this specific site, or provided an HCD-approved alternative submission that contains all the information contained within the checklist.

If either of these is not true, this site and its units CANNOT be counted toward your RHNA goals, and we request that you correct your Annual Progress Reports if you counted these units in error.

Note: Even when the units meet the eligibility criteria, a maximum of 25 percent of a jurisdiction's RHNA goal for each income category can be met through units counted through Table A2.

Can I count units that were permitted during the projection period before the permitting period starts?

You can count these units. Any local government wanting to register units that were permitted during the 5th Cycle Projection Period before the start of the 5th Cycle Planning Period should contact APR@hcd.ca.gov to request this or follow these steps in the APR system for the first year of the Planning Period:

- 1) In Table A of the APR: Create a new project (you will do multiple times, once for each unit category)
- 2) Under "Project Identifier" enter the label as "Units permitted in the Projection Period"
- 3) Under "Unit Category" select single-family (SF), two to four unit structures (2-4), five or more unit structure, multifamily (5+), Second Unit (SU), mobile homes (MH) as appropriate
- 4) Include the total number of units by income category
- 5) Press "Submit"