



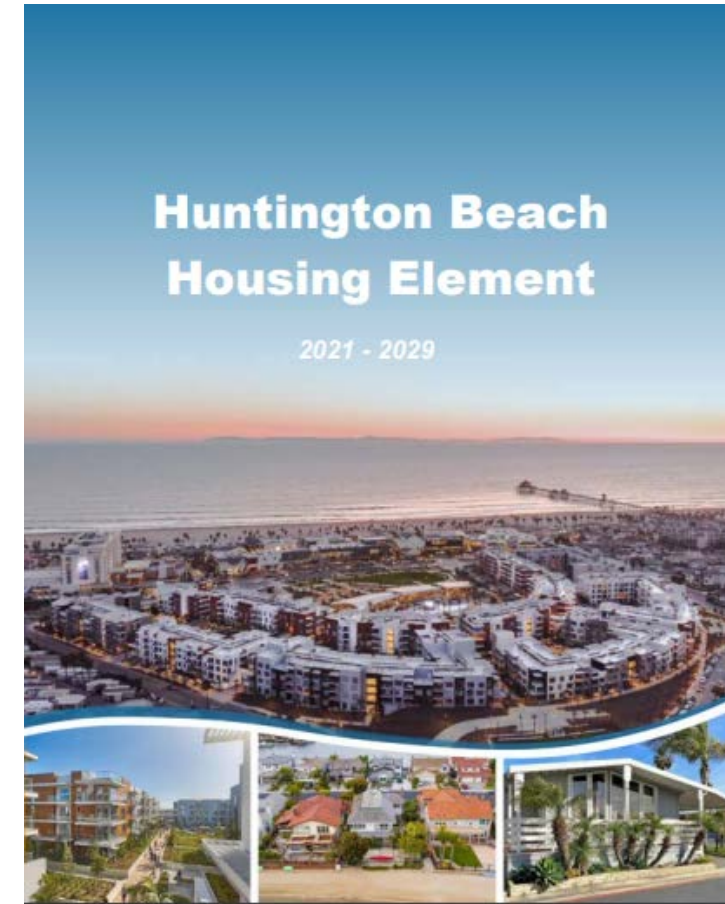
2021-2029 Housing Element Update

City Council Public Hearing:
March 21, 2023

Housing Element Update

- Two main components:
 - Housing Element
 - Policy and planning document
 - Mandated element of the General Plan
 - Implementation Actions
 - Accommodates the City's plan for housing through zoning (i.e. – RHNA)
 - Affordable Housing Overlay

**BOTH MUST BE COMPLETED IN ORDER
TO OBTAIN HCD CERTIFICATION**



HCD Enforcement

- City has not obtained a certified Housing Element and is currently out of compliance with Housing Element law
- HCD has commenced enforcement pursuant to AB 72
- HCD must offer the City two technical assistance meetings
 - 1st meeting occurred virtually on March 8, 2023
 - 2nd meeting is currently being scheduled
- Next step: HCD may refer the City to the State Attorney General (AG) for further action



Consequences of Failing to Obtain HCD Certification



LEGAL SUITS AND ATTORNEY FEES

Cities with noncompliant housing elements are vulnerable to litigation from housing rights' organization, developers, individuals, and HCD. Potential consequences of lawsuits include: mandatory compliance within 120 days, suspension of local ability to issue building permits, and court approval of housing developments.



LOSS OF PERMITTING AUTHORITY

Courts have authority to take over cities' ability to issue residential and nonresidential permits until the City's General Plan and housing element is in compliance with State Law. Orange County examples of this enforcement power include *Emergency Shelter Coalition v City of San Clemente* (2007) and *Mejia v City of Mission Viejo* (2006).



FINANCIAL PENALTIES

A court can fine jurisdictions up to \$100,000 per month, and if they are not paid, multiply that by a factor of six. Under this scenario the court imposed fine could total \$600,000 per month for each month of non-compliance.



COURT RECEIVERSHIP

Courts may appoint an agent with all powers necessary to remedy identified housing element deficiencies and bring the cities housing element into substantial compliance with housing element law.

Housing Element Status

- 11/16/22 – Planning Commission recommended approval to the City Council
 - Housing Element Update
 - Affordable Housing Overlay
 - Environmental Impact Report
- 11/29/22 – City Council continued to special meeting on 12/8/22 with public hearing open
- 12/6/22 – City Council cancelled 12/8/22 special meeting
- 1/17/23 – City Council Study Session with feedback to staff regarding a preference to initially zone for RHNA requirements only rather than zoning for the RHNA plus a buffer



Regional Housing Needs

- RHNA = Regional Housing Needs Allocation
- Initiates the Housing Element Update process
- Quantifies housing needs, by income category, within each County and City in the SCAG region
 - City went through lengthy appeal process with SCAG and was ultimately denied

HE Goal 2 Provide adequate sites to accommodate projected housing unit needs at all income levels identified by the RHNA.



2021 – 2029 Huntington Beach RHNA

Income Category	% of Median Family Income	2022 Annual Income Range		RHNA Allocation (Housing Units)
		Min.	Max.	
Very Low Income	0 - 50% MFI	--	\$67,750	3,661 units
Low Income	51 – 80% MFI	\$67,751	\$108,400	2,184 units
Moderate Income	81 – 120% MFI	\$108,401	\$142,900	2,308 units
Above Moderate Income	>120% MFI	\$142,901	>\$142,901	5,215 units
Total:				13,368 units

**Above Mod
39%**

**Mod
17%**

**Lower
Income
(VL + Low)
44%**

Total RHNA Strategy Including Buffer Sites

	Very Low Income Units	Low Income Units	Moderate Income Units	Above Moderate Income Units	Total Units
RHNA Target	3,661	2,184	2,308	5,215	13,368
Approved/Pending Projects	17	285	82	1,371	1,755
ADU	307		170	10	487
Hotel/Motel Conversion	415		0	0	415
Housing Element Sites Inventory - Affordable Housing Overlays	5,420		2,581	9,541	17,542
Total	6,444		2,833	10,922	20,199
RHNA Met?	YES		YES	YES	YES

RHNA Sites (Zoning Overlays Applied Concurrently w/HE Adoption)

	Very Low Income Units	Low Income Units	Moderate Income Units	Above Moderate Income Units	Total Units
RHNA Target	3,661	2,184	2,308	5,215	13,368
Approved/Pending Projects	17	285	82	1,371	1,755
ADU	307		170	10	487
Hotel/Motel Conversion	415		0	0	415
City Owned sites (LBNC Sites)	126		0	0	126
Affordable Housing Overlays	4,720		2,062	3,848	10,630
Total	5,870		2,314	5,229	13,413

Adequate Sites Summary

Identified sites to accommodate the RHNA primarily:

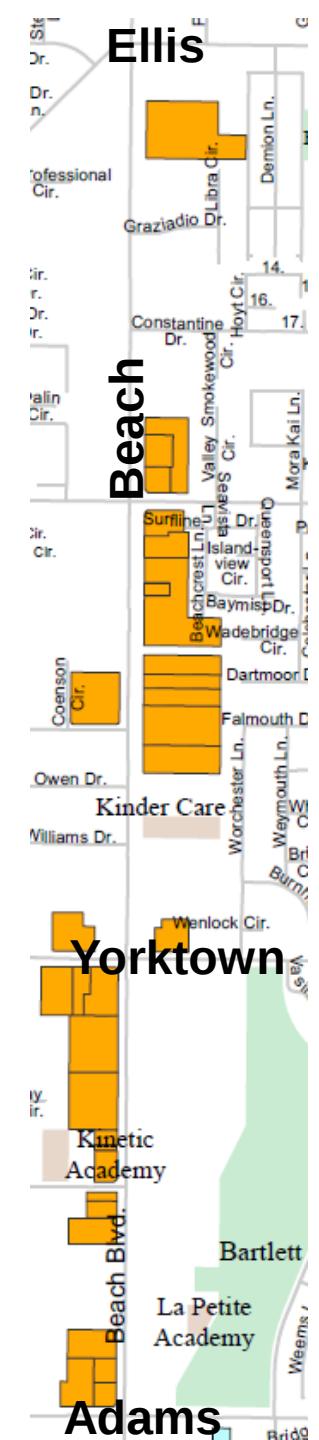
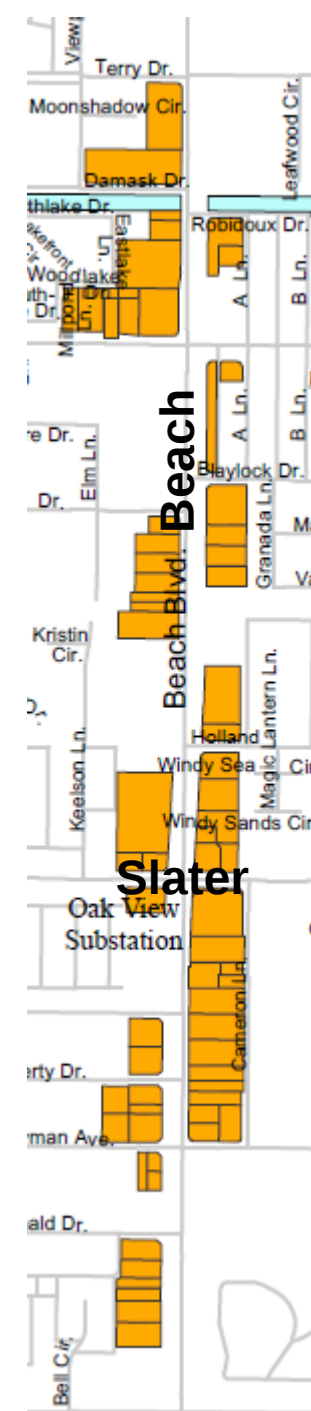
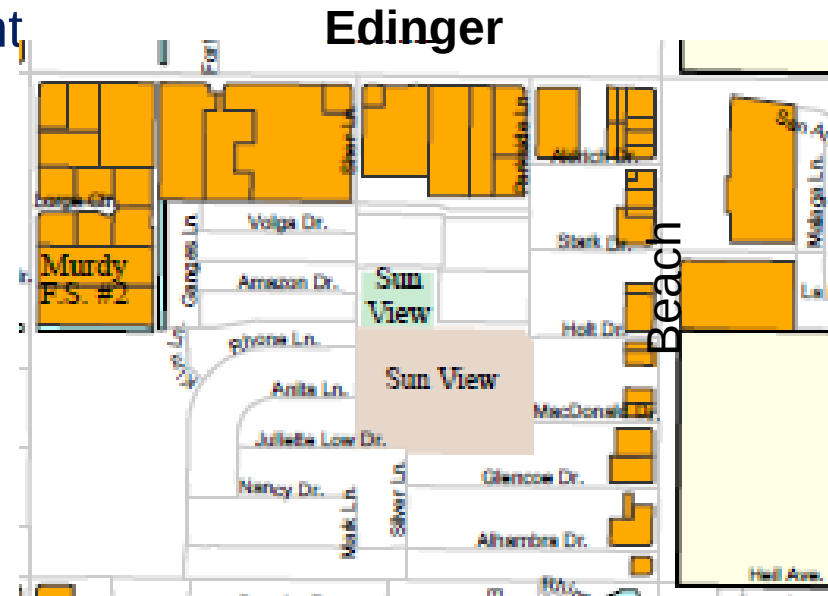
1. Proposed expansion of existing Affordable Housing Overlay within Beach and Edinger Corridor Specific Plan (SP 14)
2. Proposed Mixed Density Affordable Housing Overlay primarily located:
 - Industrial and oil-related properties at Goldenwest St. & Garfield Ave (SP9), south side of Garfield (AHO – 70 du/ac)
 - Industrial and oil-related properties at Goldenwest St. & Garfield Ave (SP9), north side of Garfield (RH – 30 du/ac)
3. Six non-specific plan sites
 - Four CG zoned sites abutting BECSP and residential zoning
 - Two sites with expressed developer interest
 - CG site at NWC Warner/Magnolia (existing office uses)
 - RMH site at SWC Warner/Goldenwest (existing apartment complex)



BECSP Affordable Housing Overlay (ZTA No. 22-009)

Housing Element identifies sites due to potential for development during the planning period

- Residential zoning and capacity already in place
- Underutilized commercial
- Potential lot consolidation
- Access to services, jobs, freeway
- Expands existing Affordable Housing Overlay in BECSP
- No changes to existing BECSP standards



Affordable Housing Overlay (ZTA No. 22-008 & ZMA No. 22-001)

- **Properties retain base land use & zoning**
- Establishes new Overlay zoning district in HBZSO (Chapter 229)
- Max. 70 du/ac
 - Capacity assumptions based on 56 du/ac
- Standards allow for development at proposed density per state law
- 4 story building height
- Must provide 20% low income on site
- Sunsets at end of 6th cycle

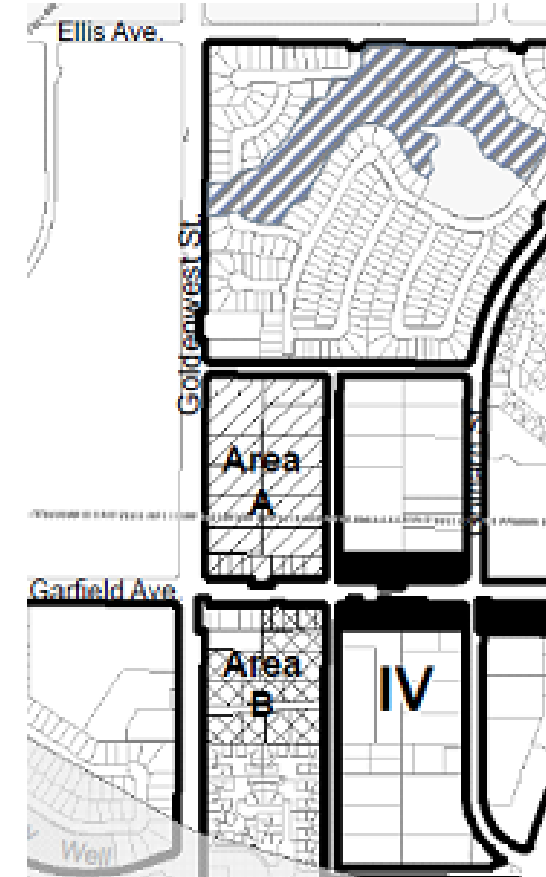
Mixed Density Affordable Housing Overlay Holly Seacliff Specific Plan (ZTA No. 22-007)

Existing Zoning: SP9 – I

Proposed Zoning: SP9 – I with Affordable Housing Overlay & SP – I with RH Overlay

Divide the Overlay into two areas:

- Area A = north of Garfield Ave.; RH Overlay (max 35 du/ac)
- Area B = south of Garfield Ave.; Affordable Housing Overlay (max 70 du/ac)
- **Sites 393 & 394 removed by the Planning Commission**
- Least potential for interruption of existing businesses
- Portions of overlay area under single ownership
- Access to services, jobs, retail, schools, parks, arterial
- Underutilized properties/ Potential for lot consolidation
- HBZSO RH standards – Area A; Ch. 229 Affordable Housing Overlay standards – Area B



Draft Subsequent Program EIR & Significant and Unavoidable Impacts

- Impacts – EIR analyzes 15 topical impact areas
- In CEQA terms, impacts categorized as:
 - No impact
 - Less than significant
 - Less than significant with incorporation of mitigation measures
 - Potentially significant
 - Significant and Unavoidable
- Significant and Unavoidable Impacts
 - Air Quality
 - Greenhouse Gas Emissions
 - Hydrology and Water Quality
 - Noise
 - Utilities and Service Systems



Final Subsequent Program EIR & Statement of Overriding Considerations

- Final Subsequent Program EIR includes:
 - Draft EIR
 - Comments on the Draft SEIR
 - Responses to comments on the Draft SEIR
 - Text changes to the Draft SEIR
 - Mitigation Monitoring and Reporting Program
- Statement of Overriding Considerations
 - If the lead agency determines that it is infeasible to mitigate a significant environmental impact, the agency must adopt a Statement of Overriding Considerations
 - Lead agency finds that specific overriding economic, legal, social, technological, or other benefits of the project outweigh the significant effects on the environment



ADUs and SB9

- City Council directed the City Manager to cease processing new accessory dwelling unit (ADU) applications and SB 9 and SB 10 applications at their February 21, 2023 meeting.
- On February 22, 2023, HCD sent a Notice of Violation to the City for taking actions that are contrary to state laws regarding ADUs and SB9
 - Housing Element update and RHNA strategy relies upon construction of 487 ADUs during the planning period, including to accommodate a portion of the lower income RHNA
 - Additional sites must be identified to accommodate the lower income RHNA if ADUs are not allowed
 - Amending the Housing Element to identify additional sites would further delay adoption and certification of the Housing Element and may require additional environmental analysis
 - Re SB 9: The City adopted a local ordinance in 2022 to regulate SB 9 development projects; the City has not received any SB 9 applications
- It is recommended that the City Council direct the City Manager to accept and process applications for ADUs and SB9 development projects



Recommendation

Approve the following requests:

- Direct the City Manager to accept applications and process permits for accessory dwelling units (ADUs) and SB 9 development projects
- Subsequent EIR No. 22-002 with findings of fact and statement of overriding considerations (analyze the potential environmental impacts associated with the Housing Element Update)
- General Plan Amendment No. 21-003 (Housing Element Update)

Implementation Actions

- General Plan Amendment No. 22-001 (General Plan Land Use Element Affordable Housing Overlay)
- Zoning Map Amendment No. 22-002 (Zoning Map Affordable Housing Overlay)
- Zoning Text Amendment No. 22-008 (HBZSO Chapter 229 Affordable Housing Overlay)
- Zoning Text Amendment No. 22-009 (Beach and Edinger Corridor Specific Plan Affordable Housing Overlay)
- Zoning Text Amendment No. 22-007 (Holly Seacliff Specific Plan Affordable Housing Overlay)



Next Steps: If adopted, the Housing Element will be transmitted to HCD for review and certification