

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

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March 6, 2026

Jennifer Villaseñor, Director
Community Development Department
City of Huntington Beach
2000 Main Street
Huntington Beach, CA 92648

Dear Jennifer Villaseñor:

RE: City of Huntington Beach 6th Cycle (2021-2029) Revised Housing Element

Thank you for submitting the City of Huntington Beach's (City) revised draft housing element update received for review on January 21, 2026. Pursuant to Government Code section 65585, the California Department of Housing and Community Development (HCD) is reporting the results of its review. HCD's review was facilitated by a conversation on February 17, 2026 with Nicole Aube, Consultant, and you. In addition, HCD considered comments from The Kennedy Commission pursuant to Government Code section 65585, subdivision (c).

As you know, HCD's September 30, 2022, review found that the City's revised draft housing element met statutory requirements of State Housing Element Law (Gov. Code, § 65580 et seq.) at that time. This finding was based on, among other things, a commitment to rezone adequate sites to accommodate a shortfall of housing needs for lower-income households and to make prior identified sites available by complying with all requirements pursuant to Government Code sections 65583, subdivision (c)(1) and 65583.2, subdivisions (c), (h) and (i). Furthermore, HCD considered informal revisions in March 2023 that provided an amended inventory of sites and additional analysis related to emergency shelter capacity. However, given the change in circumstances and substantial length of time since the September 30, 2022 draft, HCD finds that the draft housing element no longer meets statutory requirements of State Housing Element Law.

Because the January 21, 2026 draft is substantively identical to the informal draft HCD received in March 2023, the City appears to assume that existing conditions and circumstances have remained unchanged over that three-year period. This is not the case. Since the March 2023 informal revision, voters have passed Measure U, a voter control measure; circumstances affecting the adequacy of identified sites may have changed; and several program commitment timeframes have expired. In addition, recent public comments

provide new information and highlight ongoing deficiencies, demonstrating that the element fails to satisfy several statutory requirements. While the element continues to address most statutory requirements, revisions will be necessary to meet the statutory requirements of State Housing Element Law, as follows:

1. *An inventory of land suitable and available for residential development, including vacant sites and sites having realistic and demonstrated potential for redevelopment during the planning period to meet the locality's housing need for a designated income level, and an analysis of the relationship of zoning and public facilities and services to these sites. (Gov. Code, § 65583, subd. (a)(3).)*

Identify actions that will be taken to make sites available during the planning period with appropriate zoning and development standards and with services and facilities to accommodate that portion of the city's or county's share of the regional housing need for each income level that could not be accommodated on sites identified in the inventory completed pursuant to paragraph (3) of subdivision (a) without rezoning, and to comply with the requirements of Government Code section 65584.09. Sites shall be identified as needed to facilitate and encourage the development of a variety of types of housing for all income levels, including multifamily rental housing, factory-built housing, mobilehomes, housing for agricultural employees, supportive housing, single-room occupancy units, emergency shelters, and transitional housing. (Gov. Code, § 65583, subd. (c)(1).)

Inventory of Sites: The sites and analysis within the draft housing element received on January 21, 2026, are the same as those received in March 2023. The sites inventory must be updated to reflect any changes in circumstances since 2023, such as the status of pipeline projects, site availability for development within the planning period, and suitability of nonvacant sites.

Progress in Meeting the Regional Housing Needs Allocation (RHNA): The element continues to rely on projects that were in the pipeline for construction as of 2023 (Table B-3) to accommodate 302 units affordable to lower-income, 82 units affordable to moderate-income, and 1,371 units affordable to above moderate-income households. However, to demonstrate that these units continue to be anticipated to be constructed in the planning period, the element must be updated to reflect the current status of these projects, including any known conditions that preclude development in the planning period.

Nonvacant Sites: The revised draft housing element relies heavily on past expressions of interest from developers and property owners to demonstrate the potential for redevelopment on nonvacant sites proposed for rezoning to accommodate the RHNA. The draft amendment appears to assume that these parties remain interested in developing the identified nonvacant sites. However, conditions and circumstances may have changed. For example, analysis on whether existing uses may constitute an impediment to future residential

development reflects trends from 2022 and may no longer be current. For these reasons, the element must evaluate whether developers and property owners continue to be interested in redevelopment on all nonvacant sites proposed for rezoning to accommodate the RHNA. If current interest is confirmed, no additional analysis is necessary.

If interest has changed, the element must demonstrate the potential for redevelopment on each site to accommodate the RHNA. The analysis must address the extent to which existing uses may constitute an impediment to additional residential development, past experience with converting existing uses to higher density residential development, the current market demand for the existing use, an analysis of any existing leases, other contracts or other conditions that would perpetuate the existing use or prevent redevelopment of the site for additional residential development, development trends, market conditions, and regulatory or other incentives or standards to encourage additional residential development on these sites. If the analysis concludes that certain sites no longer have realistic redevelopment potential in the planning period, the element identify additional sites. Based on the outcomes of a complete analysis, the element must also add or modify programs to ensure that adequate sites and zoning are available to encourage a variety of housing types and fully accommodate the RHNA.

Electronic Sites Inventory: For your information, pursuant to Government Code section 65583.3, the City must submit an electronic sites inventory with its adopted housing element. The City must utilize standards, forms, and definitions adopted by HCD. While the City submitted the sites inventory in the appropriate form, any changes to the inventory must be reflected in the form and the form should be re-submitted as part of adoption. The City can reach out to HCD at sitesinventory@hcd.ca.gov for technical assistance.

Zoning for a Variety of Housing Types (Emergency Shelters): The element now mentions emergency shelters are permitted by-right in all industrial zoning districts pursuant to the HBZSO section 212.04 (pg.3-113). However, the element must still address Chapter 654, Statutes of 2022 (AB 2339), which added provisions related to emergency shelters. Specifically, the element must clarify emergency shelters are permitted without discretionary action in a zone that allows residential, evaluate the potential for redevelopment, including whether the existing uses impede additional development, demonstrate sufficient capacity based on specified criteria, including proximity to transportation and services, and add or modify programs, as appropriate, including amending the definition of emergency shelters in compliance with new requirements (AB 2339).

Programs: As noted above, the element does not include a complete site analysis; therefore, the adequacy of sites and zoning were not established. Based on the results of a complete sites inventory and analysis, the City may

need to add or revise programs to address a shortfall of sites or zoning available to encourage a variety of housing types.

For your information, If the housing element relies upon nonvacant sites to accommodate more than 50 percent of the RHNA for lower-income households, it must demonstrate that the existing use is not an impediment to additional residential development in the planning period (Gov. Code, § 65583.2, subd. (g)(2)). This can be demonstrated by providing substantial evidence that the existing use is likely to be discontinued during the planning period (Gov. Code, § 65583.2, subd. (g)(2)). Absent findings (e.g., adoption resolution) based on substantial evidence, the existing uses will be presumed to impede additional residential development and may not be utilized toward demonstrating adequate sites to accommodate the RHNA.

In addition, please be aware, the California appellate decision in *Martinez v. City of Clovis* held that-when a local government employs overlay zoning to accommodate its lower-income RHNA, both the base zone and the overlay zone must comply with the minimum density requirements of Government Code section 65583.2, subdivision (h). Furthermore, *New Commune DTLA LLC v. City of Redondo Beach* held that residential overlay zones cannot satisfy mandatory minimum density and residential use requirements of subdivision (h) when the underlying zoning allows for 100 percent nonresidential development on sites rezoned to accommodate the shortfall of lower-income RHNA. The City should address impacts of these decisions on the current rezone strategy and adjust its recent rezoning accordingly to comply with section 65583.2, subdivision (h). (See *Martinez v. City of Clovis* 90 Cal.App.5th 193, 307 Cal.Rptr.3d 64 (2023); *New Commune DTLA LLC v. City of Redondo Beach* 115 Cal.App.5th 111, 337 Cal. Rptr. 3d 782 (2025).)

Finally, pursuant to Government Code section 65588, subdivision (e)(4)(C)(iv), a jurisdiction that failed to adopt a compliant housing element within one year from the statutory deadline cannot be found in compliance until rezones to make prior identified sites available or accommodate a shortfall of sites pursuant to Government Code section 65583, subdivision (c)(1)(A), and Government Code section 65583.2, subdivision (c), are completed. At this time, the City has not completed programs to rezone Program 2A (Adequate Sites) and Program 2B (Establish Affordable Housing Overlay Zone). As a result, the element cannot be found in substantial compliance until the rezonings are complete and meet all statutory requirements.

2. *An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the types of housing identified in paragraph (1) of subdivision (c), and for persons with disabilities as identified in the analysis pursuant to paragraph (7), including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures... (Gov. Code, § 65583, subd. (a)(5).)*

Address and, where appropriate and legally possible, remove governmental and nongovernmental constraints to the maintenance, improvement, and development of housing, including housing for all income levels and housing for persons with disabilities. The program shall remove constraints to, and provide reasonable accommodations for housing designed for, intended for occupancy by, or with supportive services for, persons with disabilities. (Gov. Code, § 65583, subd. (c)(3).)

Measure U: In November 2024, the City of Huntington Beach passed Measure U, which seems to prohibit the City Council from adopting a housing element update, regardless of the update's economic, environmental, or legal benefits, if an environmental impact report discloses significant and unavoidable negative impacts to the environment, and if the City's electorate refuses to approve the update. As such, the housing element must include an analysis of Measure U. Local voter initiatives which generally subject legislative actions (e.g., specific and overlay plans) involving residential development to voter approval generally act as a constraint on housing development and must be analyzed for potential impacts on housing cost, supply, affordability, timing, and approval certainty. Based on this analysis, the element may need to include additional programs to remove or mitigate the effects of Measure U.

Please be aware, Measure U does not provide the City with a valid justification for continuing to violate the Housing Element Law. The Court has ordered the City Council to adopt a compliant housing element within 120 days of December 19, 2025. (See Gov. Code, § 65754.) The Housing Element Law, moreover, instructs the City Council to adopt a compliant housing element as part of its general plan. (See Gov. Code, §§ 65583, 65585, 65587.) To the extent Measure U conflicts with the Legislature's instruction to the City Council, it is preempted by state law. (See *Chevron U.S.A., Inc. v. County of Monterey* (2021) 70 Cal.App.5th 153, 162.)

Programs: As noted above, the element does not include a complete analysis of potential governmental constraints. Based on the results of a complete analysis of potential governmental and non-governmental constraints, the City may need to revise or add programs and address and remove or mitigate any identified constraints.

3. *Include a program which sets forth a schedule of actions during the planning period, each with a timeline for implementation, which may recognize that certain programs are ongoing, such that there will be beneficial impacts of the programs within the planning period, that the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the Housing Element through the administration of land use and development controls, the provision of regulatory concessions and incentives, and the utilization of appropriate federal and state financing and subsidy programs when*

available. The program shall include an identification of the agencies and officials responsible for the implementation of the various actions. (Gov. Code, § 65583, subd. (c).)

As stated above, a number of programs in the current draft housing element are out of date, may have already been resolved, or will require modifications based upon an updated analysis. Programs that currently have a date that will need to be updated include: Program 1D (Preservation of Assisted Rental Housing), Program 2A (Adequate Sites), Program 2B (Establish Affordable Housing Overlay Zone), Program 2D (Actively Promote, Encourage, and Facilitate the Development of Accessory Dwelling Units), Program 2E (ADU Monitoring Program), Program 2I (Golden West College), Program 3B (Affordable Housing Development Assistance), Program 3C (Residential Development on City Owned Property), Program 4A (Actively Promote the City's Development Assistance Team), Program 4B (Actively Promote the Electronic Permitting Process (Online Permit Center)), Program 7G (Proactively Seek Funding for Hotel/Motel Conversions to Transitional and Supportive Housing), and Program 8C (Childcare Facilities).

Program 4D (Small Lot Ordinance Amendment), Program 4E (Zoning Code Maintenance), Program 5B (Low Barrier Navigation Center Program), Program 5C (Farmworker Housing Program), and Program 5D (Group Homes): These programs commit the City to revising its zoning, permitting procedures, and development standards within 6 to 18 months after housing element adoption. However, given the critical nature of these programs for meeting state law requirements, and the fact that, had the housing element been adopted in 2023, these deadlines would already have passed, the program timelines should be revised. Specifically, implementation should occur either at the time of adoption of this housing element or no later than three months following adoption.

4. *Promote and affirmatively further fair housing opportunities and promote housing throughout the community or communities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability, and other characteristics.... (Gov. Code, § 65583, subd. (c)(5).)*

Given the community need demonstrated through the assessment of fair housing, the element must include significant and meaningful place-based strategies, including environmental justice policies, toward community revitalization and increasing housing choices and affordability throughout the city. For example, the City must review and provide updates on the implementation status of Program 8A (Implement Funded Projects that Improve Quality of Life, Placemaking, and Access to Opportunity in Low Resource Areas), Program 8B (Proactively Seek all Funding Sources to Improve Quality of Life, Placemaking, and Access to Opportunity in Low Resource Areas), and programs under Goal 9 (Affirmatively Furthering Fair Housing). The City should also consider additional housing mobility strategies such as identifying additional multifamily opportunities

to promote more housing choices and affordability throughout the city, particularly in higher resource census tracts. This is important given HCD's prior review and public comments regarding program implementation.

Public participation in the development, adoption and implementation of the housing element is essential to effective housing planning. Throughout the housing element process, the City must continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly available while considering and incorporating comments where appropriate, including actively considering comments related to affirmatively furthering fair housing (AFFH). Public participation remains critical as, to HCD's knowledge, no public participation was conducted prior to the January submittal of this draft to HCD. Please be aware, the local government must post any revisions to the element must on the local government's website and email a link to all individuals and organizations that have previously requested notices relating to the local government's housing element at least seven days before submitting to HCD.

Several federal, state, and regional funding programs consider housing element compliance as an eligibility or ranking criteria. For example, the CalTrans Senate Bill (SB) 1 Sustainable Communities grant, the Affordable Housing and Sustainable Communities programs, and HCD's Permanent Local Housing Allocation consider housing element compliance and/or annual reporting requirements pursuant to Government Code section 65400. With a compliant housing element, the City will meet housing element requirements for these and other funding sources.

For your information, some general plan element updates are triggered by housing element adoption. HCD reminds the City to consider timing provisions and welcomes the opportunity to provide assistance. For information, please see the Technical Advisories issued by the Governor's Office of Land Use and Climate Innovation at: <https://www.lci.ca.gov/planning/general-plan/guidelines.html>.

We are committed to assisting the City in addressing all statutory requirements of State Housing Element Law. If you have any questions or need additional technical assistance, please contact Jose Armando Jauregui, at Jose.jauregui@hcd.ca.gov.

Sincerely,

A handwritten signature in black ink, appearing to read 'Melinda Coy', with a long, sweeping horizontal line extending to the right.

Melinda Coy
Housing Accountability Unit Chief