

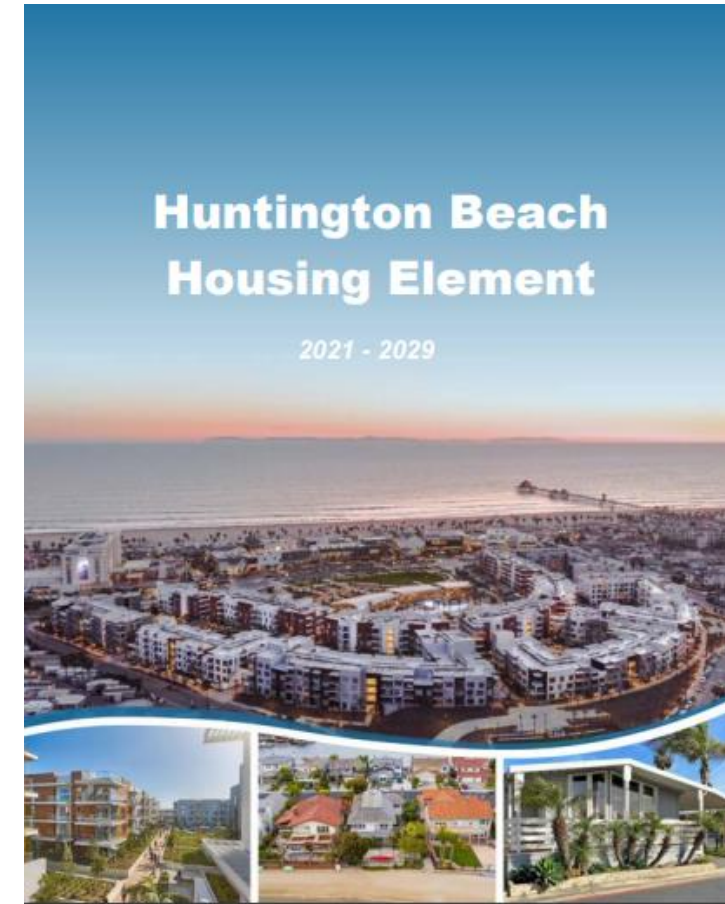


2021-2029 Housing Element Update

City Council Study Session
January 17, 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



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



Regional Housing Needs (RHNA)

- 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

Draft RHNA Strategy

	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
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

Affordability Assumptions & No Net Loss

- Affordability Assumptions
 - City owned sites: 100% lower income
 - ≥30 du/ac: **Affordable Housing Overlay sites**
 - 30% lower income
 - 15% moderate income
 - 55% above moderate
- Affordability assumptions consider that some sites will be developed as 100% affordable (lower income) projects & some sites will increase affordability to utilize density bonus
- **No Net Loss (SB 166)** means that the City must maintain sites to accommodate the RHNA by income level throughout the planning period
 - The reason we plan for more units than the RHNA
 - HCD recommends a 15% to 30% buffer

Why do we plan for more units than the RHNA?

RHNA Targets

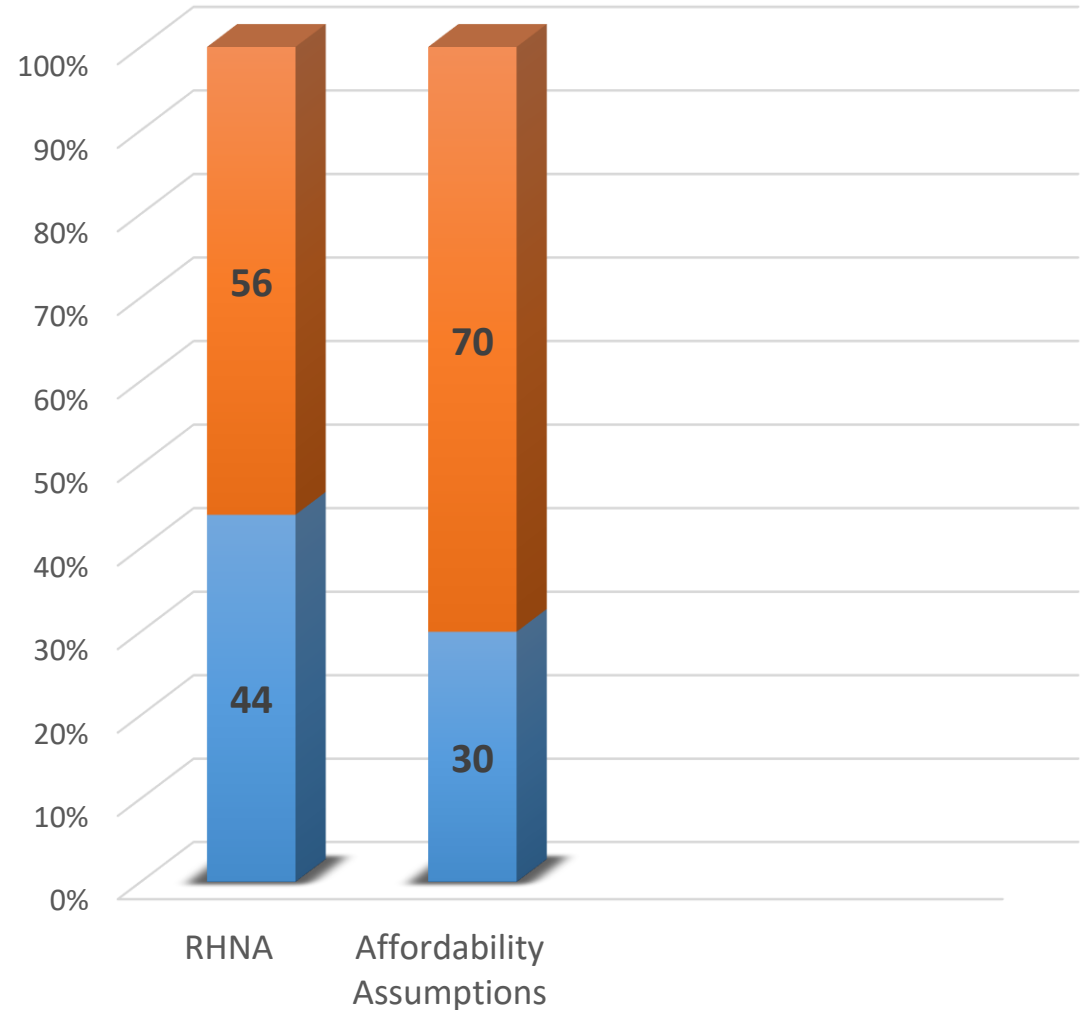
44% lower income

56% moderate & above moderate

Example: 100 unit project

30% lower income = 30 units

70% moderate & above moderate
income = 70 units



Draft Affordable Housing Overlay

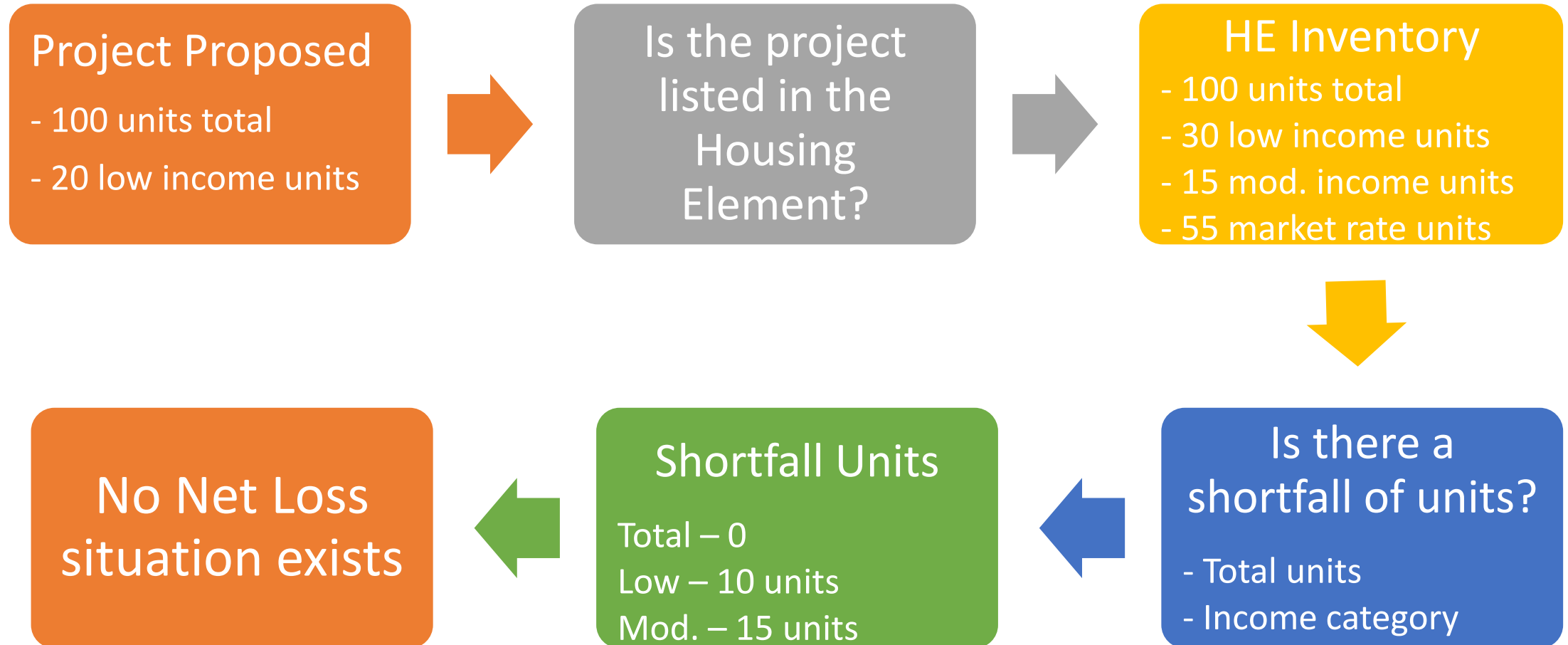
- **Applied to entire Housing Element site inventory**
 - Includes “No Net Loss” buffer
- **Must provide 20% low income on site**
- **Sunsets at end of 6th cycle**
 - Unless City Council extends
- **Properties retain base land use & zoning**
 - No Net Loss situation avoided due to buffer



“No Net Loss” Example

Two things must occur

1. A project has to be proposed
2. The project site must be in the Housing Element



Options to Accommodate the RHNA

A. Current Draft Housing Element

- RHNA + buffer will be identified in the Housing Element sites inventory and accommodated through the Affordable Housing Overlay

B. Separate the Buffer Sites

- RHNA will be identified in the Housing Element sites inventory and accommodated through the Affordable Housing Overlay
- Buffer will be identified in the Housing Element but not accommodated through zoning
- Future City Council approval of Zoning Text Amendments will be necessary to add buffer sites to the Affordable Housing Overlay if /when necessary to accommodate RHNA shortfall due to No Net Loss situation





Conclusion

Questions?