



# **2021-2029 Housing Element Update**

City Council Public Hearing:  
November 29, 2022

# Housing Element Update Process & Public Participation

- March 1, 2021: Joint PC and CC Study Session
- April 22, 2021: Community Workshop Meeting #1
- April 28 – May 31, 2021: Online Survey open – 2,141 surveys received
- June 2021: Small Group Meetings
  - School Districts
  - BIA
  - Housing Advocates and Community Organizations
  - Housing Developers
  - Faith-Based Organizations
- June 5, 2021: Spanish Language Outreach Event at Oak View Neighborhood Cleanup
- June 24, 2021: Community Townhall Meeting
- August 19, 2021: Public Scoping Meeting for SEIR
- November 10, 2021: Community Workshop Meeting #2

## Ongoing

Updates to Housing Element page on City website

Email/mail notifications to Housing Element Update interest list (454 individuals, groups, interested parties)



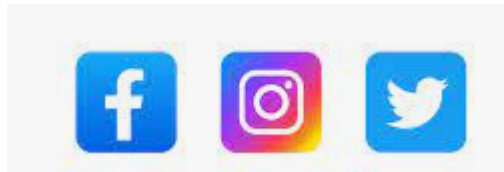
# Housing Element Update Process & Public Participation

- October 28 – November 29, 2021: First Draft 6<sup>th</sup> Cycle Housing Element (H.E.) public review and comment period
- April 1, 2022: Second Draft H.E. released for public review
- May 27, 2022: Third Draft H.E. released for public review
- June 29 – August 15, 2022: Draft Subsequent EIR public review and comment period
- July 22, 2022: Fourth Draft H.E. released for public review
- September 23, 2022: Fifth Draft H.E. released for public review
- Methods of advertising: website, email and direct mail interest list, digital advertisements, social media – Facebook, Twitter, Instagram, fliers distributed with meal program at Senior Center, HBTV, Golden West College marquees, City calendar event, doorhangers

## Ongoing

Updates to Housing Element page on City website

Email/mail notifications to Housing Element Update interest list (454 individuals, groups, interested parties)



# HCD Review & Certification

- Housing Element on an 8-year update cycle
- HCD is tasked with reviewing and certifying Housing Elements compliance with Housing Element law
- The City must complete RHNA implementation programs to obtain HCD certification
- **Huntington Beach received substantial compliance letter from HCD on September 30, 2022**



California Department of  
**Housing and Community  
Development**



# Benefits of HCD Certification

- Presumption of a legally adequate Housing Element
- Eligibility for State funding programs for housing, transportation and infrastructure that require a compliant Housing Element:

Community Development Block Grant

Infill Infrastructure Grant

Local Housing Trust Fund

Affordable Housing and Sustainable Communities

Permanent Local Housing Allocation

Caltrans Sustainable Communities Grant



# Housing Element Contents



Population and housing profile of Huntington Beach

Evaluation of housing constraints and resources

Evaluation of existing programs and policies

Identification of sites appropriate to accommodate the City's RHNA Allocation

Policies, programs and quantified objectives to achieve the City's housing goals

# Households - Overview

Table 2-10: Changes in Household by Type

Household Types	2010	2015	2019
Married-couple Family Households	48.7%	50.4%	49.3%
Female headed Household, No Spouse Present	10.0%	10.6%	10.6%
Non-Family Household	36.4%	33.9%	34.9%
Householders 65 years or above	13.4%	14.6%	16.1%
Total Households	75,220	74,460	76,911

Source: American Community Survey, 5-Year Estimates, 2010, 2015, 2019.

Note: Percentages do not add to 100 percent, there are additional categories and household types that are reported by the Census.



# Households – Special Needs Groups

Table 2-18: Special Needs Groups in Huntington Beach

Special Needs Groups	# of Persons or Households	Percent of Total Population	Percent of Total Households
Households with Seniors (60 years and over)	32,456 Households	--	42.2%
Seniors Living Alone	8,383 Households	--	10.9%
Persons with Disabilities	19,003 Persons	9.5%	--
Large Households (5 or more persons per household)	5,872 Households	--	7.6%
Single-Parent Households	3,712 Households	--	4.8%
Single-Parent, Female Headed Households with Children (under 18 years)	2,666 Households	--	3.5%
People Living in Poverty	16,065 Persons	8%	--
Farmworkers <sup>1</sup>	754 Persons	0.4%	--
Homeless*	349 Persons	0.2%	--

Source: American Community Survey, 5-Year Estimates, 2019, and Orange County Point in Time Count, Everyone Counts Report

\*The Everyone Counts Report is updated annually. The most recent available data is from 2019.

1. Farmworkers include persons employed in agriculture forestry, fishing, and hunting





# 2022 HCD Income Thresholds Orange County

Household Size	Extremely Low Income (≤30% AMI)	Very Low Income (31–50% AMI)	Low Income (51–80% AMI)	Moderate Income (81– 120% AMI)	Above Moderate Income (>120% AMI)
<b>4-person</b> Area Median Income: <b>\$119,100</b>	Less than \$40,650	Up to \$67,750	Up to \$108,400	Up to \$142,900	Over \$142,900

Single food service worker with three children.  
\$32,613 annual income.

Married construction worker with stay at home spouse and two children.  
\$62,616 annual income.

Married sales worker and admin support worker with two children.  
\$98,593 annual income.

Married school teacher and sales worker with two children.  
\$123,649 annual income.



# Employment Base

## Top employment sectors 2019

1. Education services, health care, and social assistance (20%)
2. Professional, scientific, management, and administrative services (13%)
3. Retail (11%) and Manufacturing (11%)
4. Arts, entertainment, recreation, accommodation, and food services (10%)
5. Finance and insurance, and real estate and rental leasing (8%)

2022 HUD Orange County AMI \$119,100

Table 2-8: Mean Salary by Occupation in Orange County, 2020

Occupation	Salary
Management	\$139,225
Legal	\$147,030
Healthcare Practitioners and Technical	\$101,125
Architecture and Engineering	\$99,403
Computer and Mathematical	\$96,051
Life, Physical and Social Sciences	\$84,611
Business and Financial Operations	\$80,107
Education, Training and Library	\$72,247
Arts, Design, Entertainment, Sports and Media	\$65,620
Construction and Extraction	\$62,616
Community and Social Service	\$58,617
Protective Services	\$57,788
Installation, Maintenance and Repair	\$56,597
Sales	\$51,402
Office and Administration Support	\$47,191
Production	\$42,181
Transportation and Material Moving	\$38,010
Building, Grounds Cleaning, and Maintenance	\$35,880
Farming, Fishing and Forestry	\$34,876
Healthcare Support	\$34,790
Personal Care and Service	\$34,724
Food Preparation and Serving Related	\$32,613

Source: California Employment Development Division, Occupational Wage data, 2020.

# Housing Costs

## Huntington Beach Rental Market

- Average cost of a rental unit increased by 31% from 2014 (\$1,829) to 2020 (\$2,401)
- Extremely low, very low, and low-income households cannot afford market rate rentals without substantial cost burden
- Moderate income households at the upper levels of the income limit (\$115k+) can generally afford market rates

## Huntington Beach For-Sale Market

- Median home value \$771,100 (2019)
- All income groups cannot afford market rate ownership without substantial cost burden



# Who in Huntington Beach Needs Affordable Housing?

- People who work in City and cannot afford to live here  
Teachers, nurses, retail, hospitality, childcare providers
  - Approx. 82% of primary jobs in Huntington Beach held by people living outside of Huntington Beach

Source: US Census LEHD Dataset, 2019

- Special needs households  
Seniors, disabled persons, single-parent households

- Children of long-time Huntington Beach residents





# What is Affordable Housing in HB?





# What is Affordable Housing in HB?



Bowen Court (*left*) and  
Oceana (*below*) Low and Very  
Low Income developments



# Affirmatively Furthering Fair Housing (AFFH)

- New requirement for 6<sup>th</sup> Cycle
- AB 686 (2019) requires jurisdictions identify sites in a manner that is consistent with its duty to AFFH
- AFFH requirements difficult to understand/apply due to new status
- Meaningful actions that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity for all people regardless of race, religion, familial status, disability, etc.



# Affirmatively Furthering Fair Housing (AFFH)

- Summary of AFFH in Huntington Beach
  - Data & mapping analysis of access to opportunity (jobs, transit, environment, schools, daily needs) that contribute to upward mobility
  - Majority of census tracts have a moderate to high level of access to opportunity
  - 0 census tracts are classified as “High Segregation and Poverty”
  - 2 census tracts are classified as “Low Resource”
  - Contributing factors to fair housing:
    - Availability of affordable housing/high housing costs
    - Regional composition & location
    - Access to opportunity

Conclusion: Identification of sites intentionally improves conditions for lower income households within Huntington Beach.





# Housing Goals & Programs

Section 4: Housing Plan includes 40 programs proposed to support the 9 goals.

1. Maintain and enhance the quality and affordability of existing housing
2. Provide adequate sites to accommodate projected housing unit needs at all income levels identified by the RHNA.
3. Provide for safe and decent housing for all economic segments of the community.
4. Reduce governmental constraints to housing production, with an emphasis on improving processes for developments that provide on-site affordable units.
5. Promote equal housing opportunities for all residents, including the City's special needs populations.
6. Promote a healthy and sustainable City through support of housing at all income levels that minimizes reliance on natural resources and automobile use.
7. Maximize solutions for those experiencing or at risk of homelessness.
8. Improve quality of life and promote place-making.
9. Affirmatively further fair housing.



# 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

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



# Potential consequences if the City Council does not adopt the Housing Element and associated implementation actions

If City Council does not adopt the Housing Element and associated implementation actions and forward to HCD for certification, City will not be in compliance with State Housing Element laws.

HCD has significant enforcement capabilities due to AB72 (2017)

- Enables HCD to refer non-compliant jurisdictions to State Attorney General's Office

If the court finds a city's Housing Element invalid, the city can potentially face penalties such as:

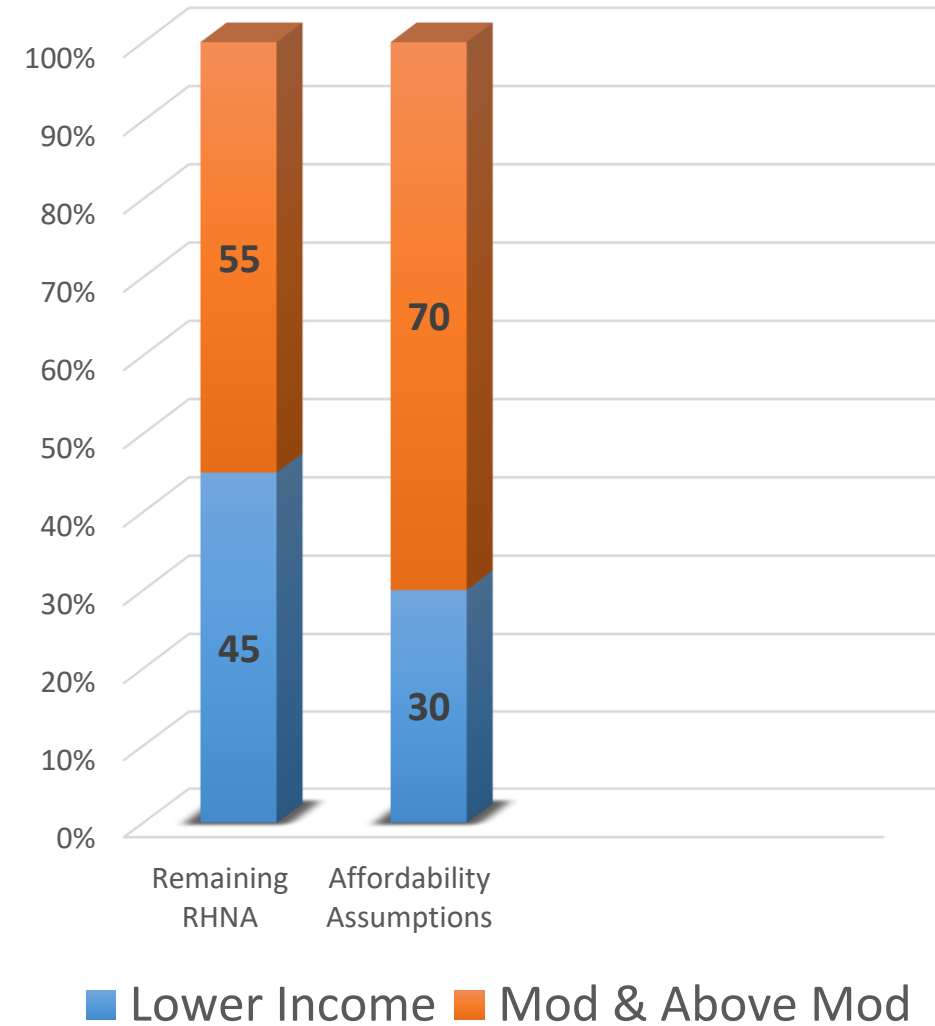
- Moratorium on all development/building permit issuance
- Loss of local land use authority
- Fines of up to \$100,000 per month.
- Loss of eligibility for State funding programs for housing, transportation and infrastructure
- Court appointed receiver with powers necessary to bring the City's Housing Element into compliance with State laws
- Vesting of "Builders Remedy" affordable housing projects that are not required to comply with the City's General Plan or Zoning regulations
- Lawsuits and associated expenses from individuals, HCD, groups, and/or developers



# ***Why do we plan for more units than the RHNA?***

	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
Remaining RHNA	4,821	2,056	3,834	10,711	

Example: 100 unit project  
30% lower income = 30 units  
70% moderate & above moderate income = 70 units



# Public Comments Received FAQ

- Can the City challenge the State so HB doesn't have to comply with State Law?
  - City can sue the State...winning against the State is uncertain...and will likely get sued by others
  - HCD expanded enforcement authority via AB72 (2017) can refer non-compliant jurisdictions to State Attorney General's Office
  - HB was sued by State of California for noncompliant HE in 2019

## California Sues Huntington Beach Over Lack of Affordable Housing

By Gail Kalinoski

January 30, 2019



[Affordable Housing](#) [Featured](#) [News](#) [Orange County](#) [More](#)

4 min read

*Daily Pilot*

NEWS



Huntington Beach loses housing case with state of California



## LEGAL SUITS AND ATTORNEY FEES

Cities with noncompliant housing elements are vulnerable to litigation from housing rights' organization, developers, individuals, and HCD. If a jurisdiction faces a court action stemming from its lack of compliance and either loses or settles the case, it often must pay substantial attorney fees to the plaintiff's attorneys in addition to the fees paid to its own attorneys. Potential consequences of lawsuits include: mandatory compliance within 120 days, suspension of local ability to issue building permits, and court approval of housing developments.



# Public Comments Received FAQ

- What happens if HB doesn't have a compliant Housing Element?



## 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.



## FINANCIAL PENALTIES

Local governments are subject to court-issued judgements and can fine jurisdictions up to \$100,000 per month, and if they are not paid, multiply that by a factor of six.



## 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.



# Public Comments Received FAQ

What is “Builder’s Remedy”?

- Under state law, developers in cities whose housing plans fall out of state compliance can turn to filing so-called “builder’s remedy” projects that do not require the usual consent of municipal councils or planning commissions.

*This is not theoretical. This is very real and it’s happening. These are projects that, as long as they include 20 percent on-site affordable or a 100 percent moderate [-income housing], we must approve those projects ... The consequences are already in effect.*

- Jing Yeo, Santa Monica Planning Manager



## STREAMLINED MINISTERIAL APPROVAL PROCESS

Proposed developments in localities that have not yet made sufficient progress towards their required allocation of regional housing need are now subject to less rigorous “ministerial” approvals (ie. no public hearings) in order to hasten the production of housing and bring a jurisdiction into compliance with its state-determined housing need allocation.







**THE ORIGINAL\_** **FIGHTING FOR LOW-INCOME HOUSING IN REDONDO BEACH, CALIFORNIA** **NBC NEWS NOW**

#NBCNews #California #Beach

**California Beach Community Fights Over Low-Income Housing**

218,640 views Oct 13, 2022 California's Redondo Beach community has been struggling to meet state low-income housing requirements. NBC News' Jake Ward reports on how the owner of ...more

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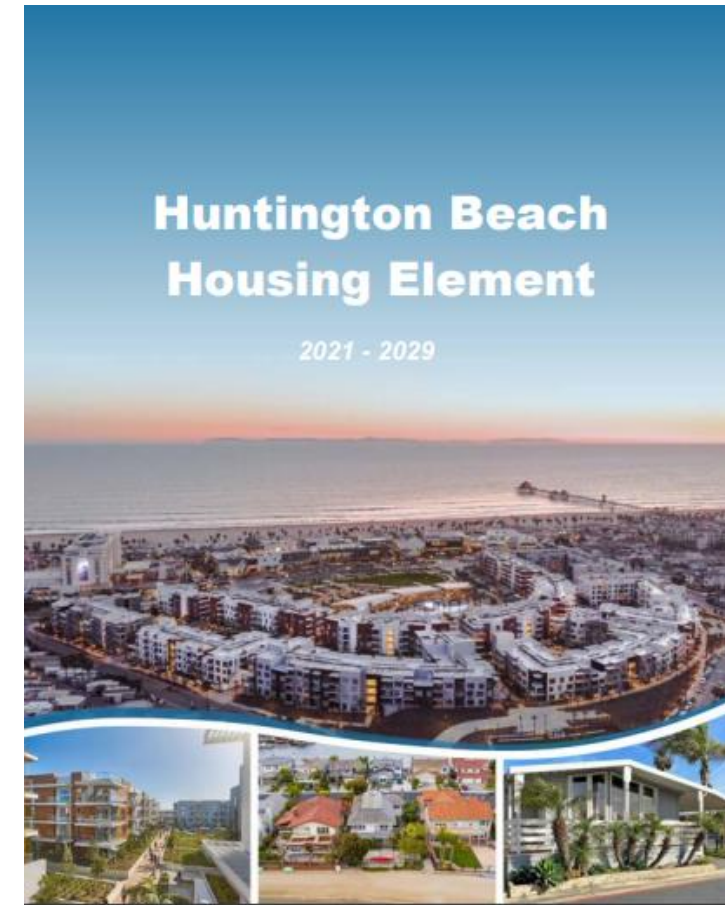
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# Housing Element Update

- 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
    - Rezoning & Overlays



# 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

# 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
Total	1,024		252	1,381	2,657
RHNA Met?	NO		NO	NO	NO
Remaining RHNA	4,821		2,056	3,834	10,711

# HCD Approved Housing Element

10/11/22 PC Public Hearing

Housing Element	RMH Rezoning	Affordable Housing Overlay
GPA No. 21-003	ZMA No. 22-001	GPA No. 22-001 (Land Use Element & Land Use Map)
SEIR No. 22-002		ZMA No. 22-002 (Affordable Housing Overlay)
		ZTA No. 22-008 (HBZSO)
		ZTA No. 22-009 (BECSP)
		ZTA No. 22-007 (Holly Seacliff SP)
		ZTA No. 22-006 (Ellis Goldenwest SP)

# Adequate Sites Program

Required to meet lower income RHNA

Housing Element law requirements

- 20% lower income = residential permitted by right
- Allow min. “default density” of 30 du/acre = zoning for lower income RHNA
- Must allow exclusively residential uses
- Site capacity for 16 units (common ownership, lot consolidation program)
- May include non-residential zoned sites that can be rezoned for residential uses





# Sites to Accommodate the RHNA

## 1. Site Inventory

- AB 1397 (2017) Non-vacant sites
  - More than 50% of lower income RHNA accommodated on non-vacant sites requires detailed site analysis
    - Substantial evidence (e.g. – property owner letter, development trends, FAR, existing building condition, economic analysis)
    - Size analysis (between ½ acre & 10 acres)
    - Must demonstrate existing uses not an impediment to development during planning period
- AB 686 (2018) AFFH
  - Proximity to transit, access to health care facilities, grocery stores, community services, jobs and schools access, availability of infrastructure

## 2. Site Capacity

- Environmental constraints, density, past performance
- SB166 (2017) No Net Loss
  - Assume less than max. density



# Adequate Sites Overview

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 Affordable Housing Overlay
  - Gothard Avenue corridor
  - Golden West College
  - Frontier Yard: 7354 Slater (Slater & Gothard)
  - Industrial and oil-related properties at Goldenwest St. & Garfield Ave (SP9), south side of Garfield
3. Proposed RH-Overlay: Industrial and oil-related properties at Goldenwest St. & Garfield Ave (SP9), north side of Garfield

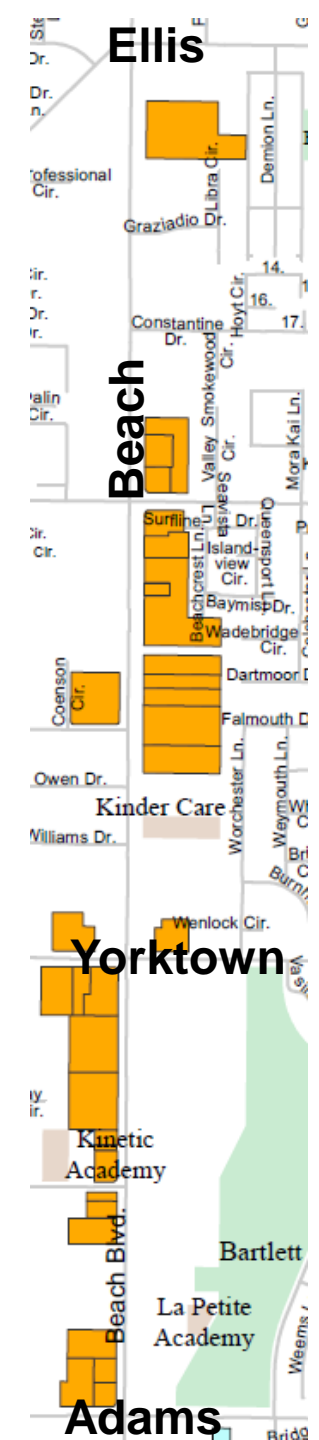
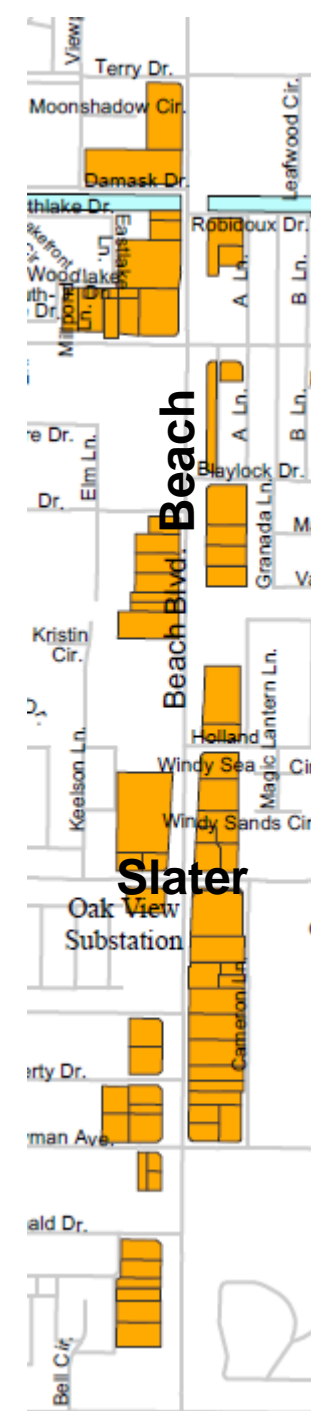
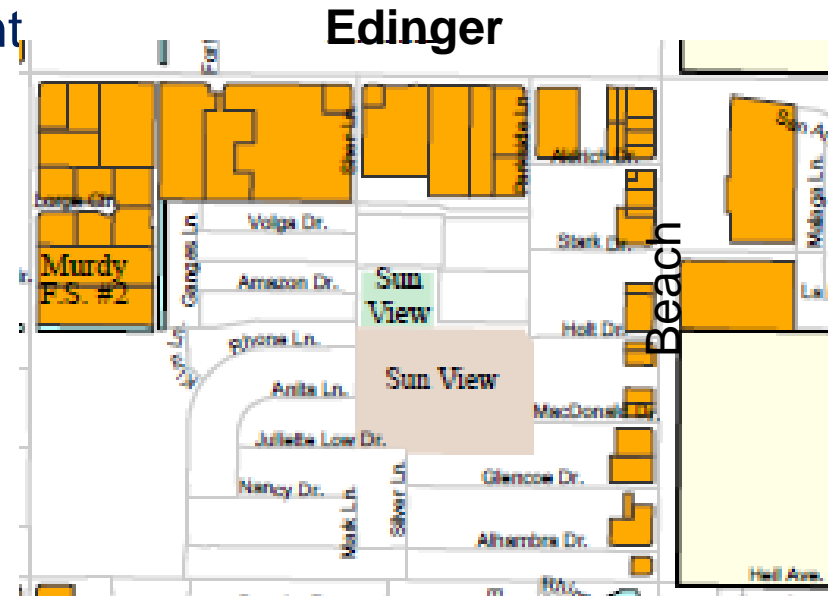




# BECSP Affordable Housing Overlay (ZTA No. 22-009)

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

- Underutilized commercial
- Potential lot consolidation
- Access to services, jobs, freeway
- Expands existing Affordable Housing Overlay in BECSP
- Applies to all BECSP properties that allow residential uses
- No changes to existing BECSP standards







# Affordable Housing Overlay

- **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 6<sup>th</sup> cycle

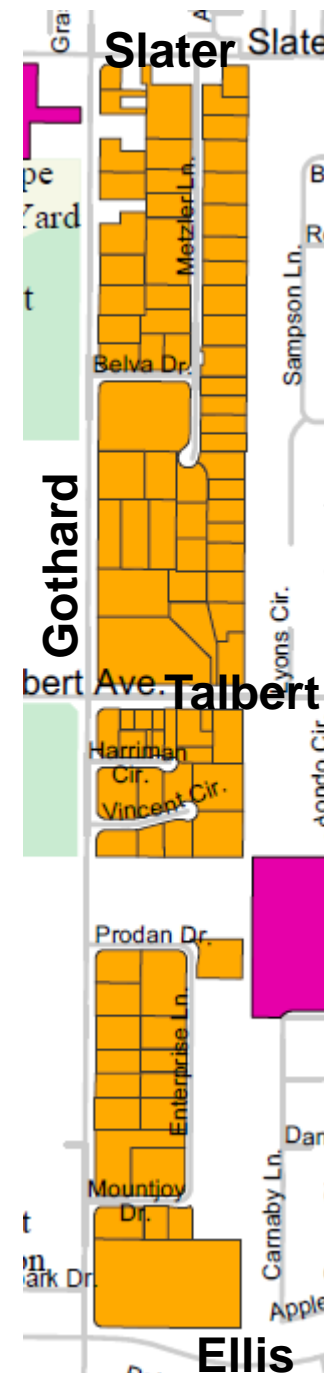
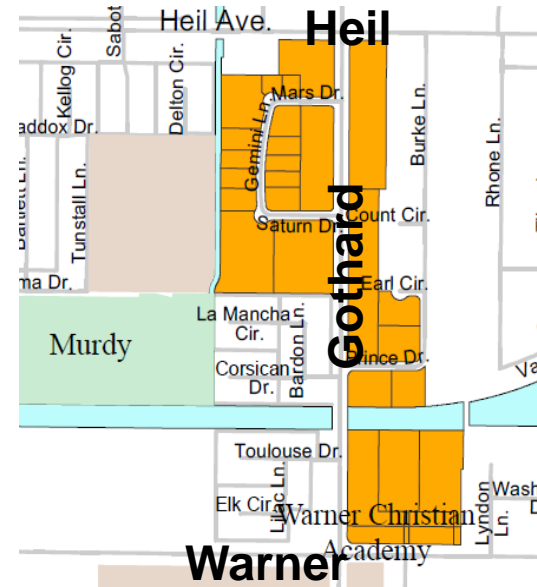


# Affordable Housing Overlay (ZMA No. 22-002) – Gothard Corridor

- Existing Zoning: RT
- Proposed Zoning: RT with Affordable Housing Overlay

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

- Underutilized properties
- Potential lot consolidation
- Access to services, jobs, retail, schools, parks



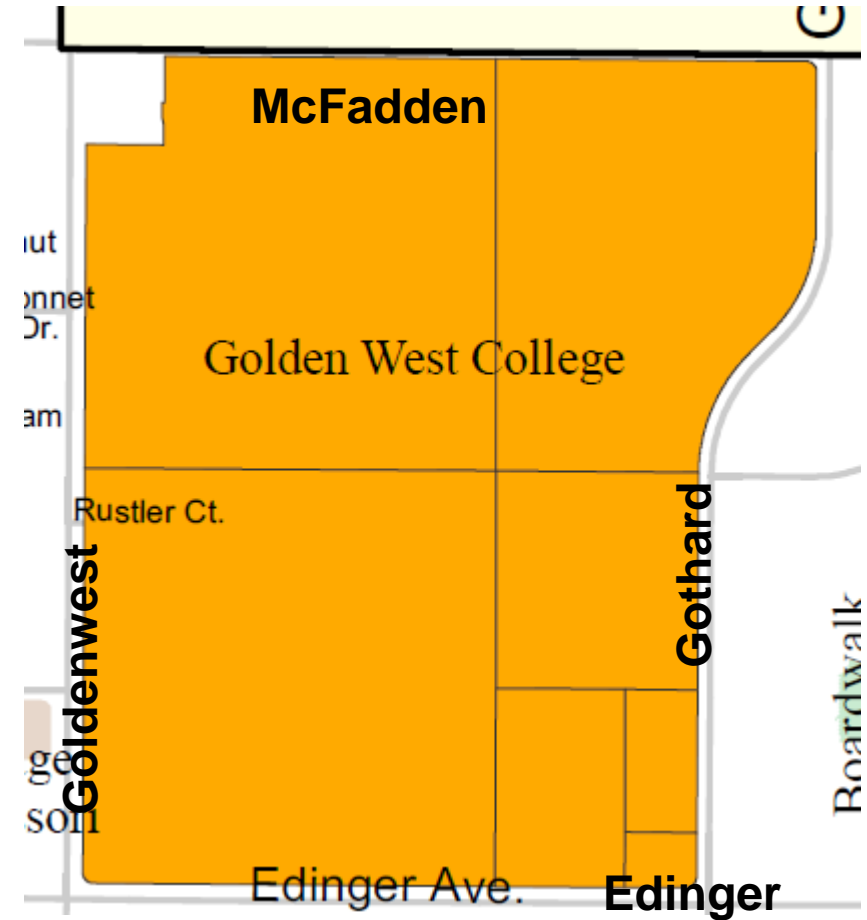
# Affordable Housing Overlay (ZMA No. 22-002) - Golden West College

Existing Zoning: PS

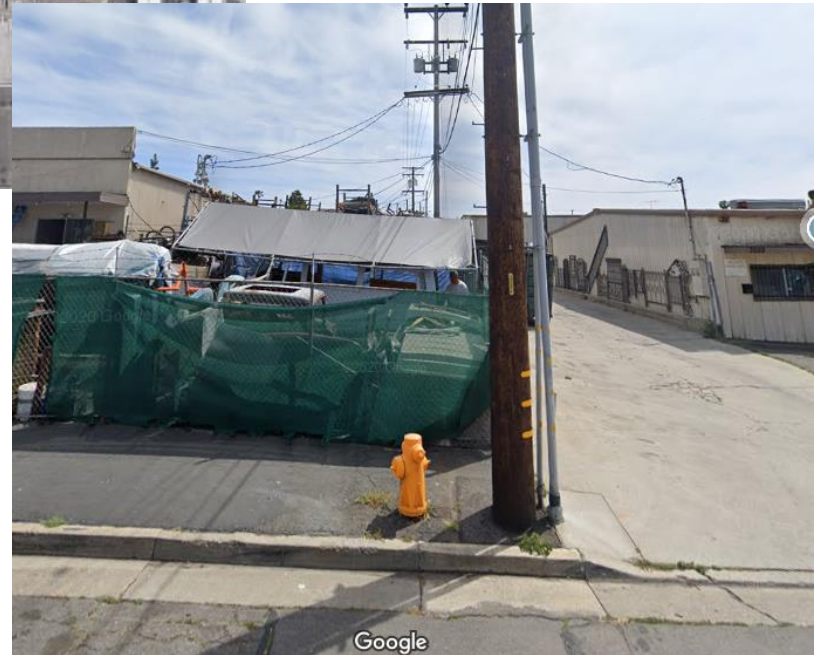
Proposed Zoning: PS with  
Affordable Housing Overlay

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

- GWC intent to construct housing in 2030 Master Plan
- Large area under single ownership
- Access to services, jobs, retail, schools, parks









# 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)
- Housing Element identifies sites due to potential for development during the planning period
- Portions of overlay area under single ownership
- Access to services, jobs, retail, schools, parks
- Underutilized properties
- Potential for lot consolidation
- Arterial access
- Proposed Ch. 229 Affordable Housing Overlay standards would apply







# RHNA Strategy

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

# Affordability Assumptions & No Net Loss

- Affordability Assumptions
  - City owned sites: 100% lower income
  - 30 du/ac: 30% lower income, 15% moderate income, 55% above moderate – [Affordable Housing Overlay sites](#)
  - <30 du/ac: 30% moderate income, 70% above moderate – [Rezoning sites](#)
- 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** means that the City must maintain sites to accommodate the RHNA by income level throughout the planning period
- HCD recommends a 15% to 30% buffer

# Housing Element Implementation Actions

- The Housing Element is **not** a construction mandate
- No development or construction is proposed on any site
- Affordable Housing Overlays **do not change** the base zoning of any property – everything that is currently allowed will still be allowed
  - Adds allowance for multi-family residential development if 20 percent of the units are affordable



# November 16, 2022 Planning Commission Public Hearing Recommendations

- Remove identified sites 393 and 394 from the RH Overlay in SP 9 and Housing Element identified sites inventory
- Remove Reliable Lumber and Chuck E. Cheese sites from proposed rezoning and Housing Element identified sites inventory

# Subsequent Program EIR

- Proposed changes to HEU resulting from the City Council's feedback redistribute density within project area and are consistent with the total density proposed as part of HEU and total density analyzed in SEIR
- Revised site capacity does not exceed the overall capacity analyzed in the SEIR
- Proposed changes are consistent with existing analysis and conclusions in the SEIR
- SEIR is not subject to recirculation prior to certification pursuant to Section 15088.5 of the State CEQA Guidelines.
- Statement of Overriding Considerations (Attachment #1)

# Recommendation

Approve the following requests with findings:

- 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)

If approved: Housing Element will be transmitted to HCD for review and certification.





# Conclusion