



May 20, 2019

Mayor Erik Peterson
City of Huntington Beach
2000 Main Street
Huntington Beach, CA 92648

RE: Agenda Item 29: Expanding Use of Government Fees

On behalf of the Building Industry Association of Orange County, I write to **strongly oppose** the Resolution 2019-34 amending Resolution 2007-71, Affordable Housing Trust Fund, **as these changes undermine the stated purpose of the fund and further remove the ability of Huntington Beach to certify a Housing Element.**

The Building Industry Association of Southern California, Orange County Chapter (BIA/OC) is a non-profit trade association of over 1,100 member companies employing over 100,000 people affiliated with the home building industry. Our mission is to champion housing as the foundation of vibrant and sustainable communities.

Resolution 2007-71 is codified in the Huntington Beach Zoning Code as section 230.26(A) which states that the purpose and intent of “this chapter is to **implement** the goals, objectives and policies of **the city’s Housing Element.**” Specifically, it is intended to encourage “low- and moderate-income housing ... to meet its regional fair-share requirements for construction of affordable housing.” To achieve this, any home builder creating three or more new homes is subject to an extraction requiring that a “minimum of 10% of all new residential construction shall be affordable housing units.”

With this understanding, **homebuilders in Huntington Beach have participated in a program with the stated purpose of furthering Housing Element requirements** and increasing the production of homes within the city. While studies have shown that Inclusionary Zoning often results in an outcome contrary to its purpose, **the intent of the written legislation is clear.**

The proposal before the Council will abandon the premise of the existing Ordinance and instead raid an established fund for purposes outside the scope of housing creation and outside Housing Element compliance. While the desired amendments are laudable, **an attempt to gut the fund dedicated to meeting State mandated housing production at a time of increased scrutiny from the Department of Housing and Community Development puts the city at undue risk.**

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Using 230.26 (Affordable Housing) to create “shelter facilities” for homeless clearly sends a message that Huntington Beach is not working towards meeting Regional Housing Needs Assessment goals and is in fact moving away from attempts at compliance. Efforts must be undertaken to address issues of homelessness in Huntington Beach but **the first place to look for funding is not in an account dedicated to housing production**, no matter how misguided the underlying policy creating that fund may be.

To address the growing homelessness concerns in Orange County, BIA/OC was proud to join the City of Huntington Beach in support of Assembly Bill 448. This important legislation has created a housing trust for the County of Orange that will increase our ability to capture funding, from the State, for the deeply important purpose of addressing homelessness. This voluntary legislative approach creates a funding mechanism that will not unduly target one industry for funding and can be a significant tool moving forward.

With this in mind, the Building Industry Association of Orange County **strongly opposes** the proposal before you that attempts to redefine the City’s Affordable Housing policy. These changes will create undue harm and stand in stark contrast to any acknowledgment of the pressing housing crisis the region faces.

Alternative funding opportunities exist. It is of the utmost importance that Huntington Beach not send a message that the City has no intention of meeting the requirements of a certified Housing Element by raiding a fund dedicated towards increasing housing opportunity and compliance.

We appreciate the many challenges facing the City and, as always, we offer our assistance in finding solutions that will benefit the entire community.

Thank you for your thoughtful consideration

Respectfully,

A handwritten signature in dark ink, appearing to be 'S. LaMotte', with a stylized, cursive flourish extending to the right.

Steven C. LaMotte
Chapter Executive Officer