

LOCATION:

Housing Element - citywide; Beach and Edinger Corridors Specific Plan - various sites on Beach Boulevard (refer to Attachment No. 6)

APPLICANT:

City of Huntington Beach

STATEMENT OF ISSUE:

1. Is the General Plan Amendment necessary for the changing needs and orderly development of the community and consistent with other elements of the General Plan?
2. Does the project satisfy all the findings required for approval of a Zoning Text Amendment?
3. Has the appropriate level of environmental analysis been determined?
4. Are the proposed amendments consistent with City Council direction?

RECOMMENDATION:

That the Planning Commission take the following actions:

A) Find that General Plan Amendment No. 19-003 is covered under Negative Declaration No. 12-007, which was adopted by the City on August 27, 2013; and find that Zoning Text Amendment No. 19-006 is within the scope of the BECSP Program Environmental Impact Report (EIR No. 08-008) certified by the Planning Commission on December 8, 2009. In accordance with CEQA Guidelines Sections 15162 and 15163, no subsequent EIR or supplement to the EIR need be prepared for this zoning text amendment and no further environmental review or documentation is required.

B) Recommend approval of General Plan Amendment No. 19-003 by approving the draft City Council Resolution (Attachment No. 1) and recommend approval of Zoning Text Amendment No. 19-006 with findings (Attachment No. 2) by approving the draft City Council Resolution (Attachment No. 3) and forward to the City Council for consideration.

ALTERNATIVE ACTION(S):

- A) Recommend denial of General Plan Amendment No. 19-003 and Zoning Text Amendment No. 19-006.
- B) Continue General Plan Amendment No. 19-003 and Zoning Text Amendment No. 19-006.

PROJECT PROPOSAL:

General Plan Amendment (GPA No. 19-003) is a request to amend the City Council adopted 2013-2021 General Plan Housing Element and pursue certification from the California Department of Housing and Community Development (HCD) in order to be eligible to receive state funding for homelessness response programs. The Housing Element is one of the seven State-mandated elements of the City's General Plan and was last updated in 2013 for the 2013-2021 planning period pursuant to California Government Code Section 65588. The housing element must identify how the City will meet its share of the regional housing need for all economic segments of the community, commonly referred to as RHNA. The Housing Element Amendment includes an Adequate Sites

Program and identifies program actions to ensure that the City will continue to meet its lower income RHNA targets for the remainder of the planning period.

Zoning Text Amendment (ZTA No. 19-006) is a request to amend the Beach and Edinger Corridors Specific Plan (BECSP) to establish an Affordable Housing Overlay in accordance with the program actions proposed in the Housing Element amendment. No development or construction is proposed in conjunction with the BECSP amendment.

ZTA No. 19-006 is proposed for consideration concurrently with the Housing Element amendment as a requirement of certification from HCD. Essentially, HCD is requiring program implementation (i.e. - the BECSP amendment) concurrently with the Housing Element amendment due to the compressed timeline of the remainder of the planning period.

Background:

The City Council has expressed interest in obtaining state SB2 funds for the purpose of using the money toward the City’s homelessness response programs. One of the eligibility criteria for SB2 funds is to have a state Department of Housing and Community Development (HCD) certified Housing Element. The application period for the next round of SB2 funding is anticipated to begin in April 2020. On November 4, 2019, the City Council directed staff to prepare amendments to the Housing Element and BECSP and pursue HCD certification to become eligible for SB2 funding.

As a result of the City Council direction, staff prepared an amendment to the Housing Element based on early informal consultation with HCD and formally submitted a draft Housing Element to HCD for a 60-day review on November 14, 2019. A 30-day public review and comment period on the draft Housing Element amendment was also held from November 14, 2019 through December 13, 2019 in addition to a stakeholder meeting on December 5, 2019 and a Planning Commission study session on December 10, 2019.

Study Session:

The Planning Commission held a study session on the subject amendments on December 10, 2019. Four members of the public spoke in support of the request during the public comment period. In addition, the Planning Commission asked questions related to the proposed amendments to the BECSP and state housing element law. As a follow-up item, the Planning Commission requested a comparison of the proposed BECSP parking standards to the current standards (adopted in 2015). A comparison of the 2010, 2015/current, and proposed BECSP parking requirements is provided in the table below. It should be noted that the proposed BECSP parking requirements would only be applicable in the Affordable Housing Overlay.

TABLE 1: Parking Requirement Comparison

# Bedrooms	2010 BECSP req.	2015/Current BECSP Req.	Proposed BECSP/Current HBZSO Citywide Req.
Studio/1 BR	1 min.	2 min.	1 min.
2 BR	1.5. min.	2 min.	2 min.
3 or more BR	1.5 min.	2.5 min.	2.5 min.

Guest	0.2/unit (2 spaces per 10 units)	0.5/unit (5 spaces per 10 units)	0.5/unit (5 spaces per 10 units)
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ISSUES AND ANALYSIS:

General Plan Conformance:

The Housing Element is one of the state-mandated elements of the City’s General Plan. State housing element law, enacted in 1969, mandates that local governments adequately plan to meet the existing and projected housing needs of all economic segments of the community. The law acknowledges that, in order for the private market to adequately address housing needs and demand, local governments must adopt land use plans and regulatory systems which provide opportunities for, and do not unduly constrain, housing development. As a result, housing policy in the state has historically rested largely upon the implementation of local general plan housing elements.

Housing element law also requires the Department of Housing and Community Development (HCD) to review local housing elements for compliance with state law and to report its written findings to the local government. If HCD finds that a local housing element complies with state law, the jurisdiction’s housing element is considered HCD certified. In September 2013, the 2013-2021 Housing Element was adopted by the City Council and subsequently certified by HCD in October 2013. However, as discussed in the Zoning Compliance section of this report, HCD rescinded the City’s Housing Element certification in June 2015.

Regional Housing Needs Assessment (RHNA)

State housing element law requires that each city and county develop local housing programs to meet its fair share of existing and future housing needs for all income groups, as determined by the jurisdiction’s Council of Governments (COG). In the southern California region, the COG/agency responsible for assigning the regional housing needs to each jurisdiction is the Southern California Association of Governments (SCAG). In 2012, SCAG allocated 1,353 units of the total regional housing need to Huntington Beach for the 2013-2021 planning period, which is the 5th housing element cycle. The table below provides a breakdown of the RHNA allocation by various household income categories.

TABLE 2: City of Huntington Beach 5th Cycle RHNA

Income Level	Percent of AMI* (Area Median Income)	Number of Units	Percentage of Units
Very Low (includes Extremely Low)	0-50%	313	24%
Low	51-80%	220	16%
Moderate	81-120%	248	18%
Above Moderate	>120%	572	42%
Total		1,353	100%
*2019 Orange County AMI = \$97,900			

As a planning document, state law requires local governments to demonstrate, through zoning, how the RHNA can be accommodated for every income level. For the 5th cycle, RHNA is not a

construction mandate and a community is not obligated to actually build housing to meet the need.

Table 3 below shows the City’s current 5th cycle RHNA status.

TABLE 3: RHNA Status

Income Group	RHNA Targets	Building Permits (post 12/31/13 occupancy)	Approved Units (post 12/31/13 occupancy)	Vacant/ Under-Utilized Sites	Total Site Capacity (credit towards RHNA)	RHNA Shortfall under Current Zoning
Very Low	313	50	0	22	120	413
Low	220	47	1			
Moderate	248	274	9	215	498	-
Above Moderate	572	2,574	266	147	2,987	-
Total	1,353	2,945	276	384	3,605	413

Accommodating the RHNA Shortfall

According to state housing element law, when a local government’s site capacity does not demonstrate that the supply of suitable, available, and appropriately zoned sites are sufficient to accommodate the RHNA by income level, the Housing Element must include a program that provides sufficient sites within the planning period. More specifically, an “adequate sites” program must commit a jurisdiction to the following:

- Rezoning sites to accommodate 100 percent of the lower income RHNA shortfall during the planning period;
- The zoning ordinance must allow owner-occupied and rental residential uses “by right” on the rezoned sites (a Conditional Use Permit (CUP) cannot be required);
- Sites must be large enough to accommodate a minimum of 16 units;
- The density must allow a minimum of 30 units per acre; and
- At least 50 percent of the rezoned sites must allow for exclusively residential uses.

Adequate Sites Program - BECSP Amendment

In order to address the lower income unit RHNA shortfall, an adequate sites program is proposed within the parameters of state law consisting of the following:

- Establish an "Affordable Housing Overlay" within the BECSP to be applied to the sites identified in Table 4 to accommodate the RHNA shortfall.
- Allow for residential development within the Overlay to accommodate the remaining lower income RHNA shortfall throughout the entire planning period.
- Replace the Conditional Use Permit (CUP) requirement with a “by-right” administrative Site Plan Review process on sites designated with the Overlay that propose at least 20% lower income units (encompassing extremely low, very low, and low income units) on site (no in lieu fees allowed).
- Replace the amended BECSP parking requirement with requirements in line with the citywide multi-family parking standard for sites within the Overlay.
- Provide for exclusively residential uses on sites in the Overlay (no commercial component required).

Other Program Changes

The Housing Element amendment includes other program changes to address the City's lower income housing need.

The Inclusionary Housing Program is a City ordinance that requires 10 percent of all units in residential projects (of three or more units) to be affordable to lower and moderate income households. There is no mandate for the percentage of affordability levels that are provided and often project applicants will provide moderate income units to satisfy the entire inclusionary requirement. As the City has already addressed its moderate income RHNA for this planning period, the Inclusionary Housing Program has been strengthened to include a citywide policy to require at least half of on-site inclusionary units to be provided at levels affordable to lower income households.

The Residential/Mixed-Use Sites Inventory Program includes a monitoring component to ensure adequate sites are maintained to accommodate the RHNA throughout the planning period.

Finally, changes to the Homeless Assistance, Rental Assistance, Accessory Dwelling Units, Fair Housing and Multi-Family Acquisition and Rehabilitation Programs were made to reflect recent updates and actions taken by the City.

General Plan Consistency

As a component of the General Plan, the Housing Element must be internally consistent with the other General Plan Elements. When the Housing Element was adopted in 2013, it was found to be consistent with the existing goals and policies of the City's General Plan. The proposed amendment to the Housing Element would be consistent with the goals identified in the Housing Element and would ensure that the Housing Element continues to be internally consistent with the other elements of the General Plan as identified below. With respect to the BECSP amendment (ZTA No. 19-006), the General Plan Land Use Map designation for the BECSP is Mixed Use-specific plan overlay (M-sp). ZTA No. 19-006 is consistent with this designation and the goals and objectives of the City's General Plan as follows:

Housing Element

Goal HE 2: Provide adequate sites through appropriate land use, zoning and specific plan designations to accommodate Huntington Beach's share of regional housing needs.

Goal HE 4: Reduce potential governmental constraints to housing production and affordability.

Policy HE 4.1: Support the use of density bonuses and other incentives, such as fee deferrals/waivers and parking reductions, to offset or reduce the costs of developing affordable housing while ensuring that potential impacts are addressed.

Policy HE 4.3: Explore continued improvements to the entitlement process to streamline and coordinate the processing of permits, design review and environmental clearance.

The Housing Element amendment (GPA No. 19-003) identifies sites to accommodate the City's remaining share of the lower income regional housing need (RHNA). The BECSP amendment (ZTA No. 19-006) proposes to establish an Affordable Housing Overlay to facilitate the provision of affordable housing for lower income households by removing regulatory

constraints, such as the conditional use permit process, and includes incentives, such as reduced parking requirements, to offset the costs of developing affordable housing. Additional program changes require monitoring of sites to ensure that adequate sites remain available during the planning period.

Land Use Element

Policy LU-1.A: Ensure that development is consistent with the land use designations presented in the Land Use Map, including density, intensity, and use standards applicable to each land use designation.

The proposed amendments to the Housing Element and BECSP would ensure that the remaining lower income RHNA can be accommodated in areas already designated and zoned for residential uses at the minimum “default” density consistent with the existing General Plan Land Use Map. As such, no changes to the existing land use designations of property within the City are necessary to accommodate the remaining lower income RHNA and obtain HCD certification.

Goal LU-4: A range of housing types is available to meet diverse economic, physical, and social needs of future and existing residents, while neighborhood character and residences are well maintained and protected.

Policy LU-4.A: Encourage a mix of residential types to accommodate people with diverse housing needs.

Policy LU-4.B: Improve options for people to live near work and public transit.

The focus of the six goals of the Housing Element, in addition to the policies and programs identified to achieve these goals, is to provide housing for all economic segments of the community. Several policies and programs are focused toward the provision of equal housing opportunity and social support services for special needs groups and providing healthy and sustainable housing and neighborhoods throughout the City. Furthermore, the Housing Element includes an analysis of governmental constraints and programs to remove these constraints to encourage and facilitate the provision of a diverse range of housing units such as homeless shelters, group housing and housing for disabled persons.

The Housing Element includes programs to encourage multi-family residential development with the inclusion of on-site affordable units through availability of a sites inventory and implementation of the Adequate Site Program and Affordable Housing Overlay through the proposed BECSP amendment. Additionally, the Housing Element discusses the special housing needs of groups such as seniors, female-headed households, large families, disabled persons, homeless persons and low income households. The programs and policies in the Housing Element encourage and facilitate the provision of housing for these special needs groups through financial and regulatory assistance.

The proposed Affordable Housing Overlay within the BECSP concentrates potential development along Beach Boulevard, which is an Orange County Transportation Authority (OCTA) operated bus route.

Environmental Resources and Conservation Element

Policy ERC-11.A: Publicize rebates and other financial incentives available to community members to improve energy efficiency in their homes and businesses, and market these rebates and incentives to all community members through a variety of outreach strategies.

Policy ERC-11.B: Promote low-cost or free weatherization programs for disadvantaged residents, including low-income families and elderly individuals.

Policy ERC-11.C: Identify ways to increase energy efficiency retrofits in multifamily buildings, renter-occupied homes, low-income homes, and leased nonresidential space through retrofits and educational programs.

Policy ERC-13.C: Create incentives that promote renewable energy systems as a component of new development or reuse projects.

The Housing Element incorporates a Green Building and Sustainability program to enhance resource efficiency. The program promotes energy conservation and design in new and existing development. The program discusses the City's adoption of the CALGREEN building code and requirements for incorporation of sustainable design features in all new development within the Beach and Edinger Corridors Specific Plan areas. The objective of the program is to educate developers, architects and residents on these new codes and provide opportunities and incentives for inclusion of sustainable design in existing and new residential and mixed use projects.

Zoning Compliance:

ZTA No. 19-006 would amend Book II - Development Code of the BECSP to establish an Affordable Housing Overlay and provide for the development of the City's remaining lower income RHNA target. No development project is proposed in conjunction with the BECSP amendment.

In May 2015, the City Council adopted an amendment to the BECSP, which, among other items, lowered the residential development cap from 4,500 units to 2,100 units and placed a conditional use permit (CUP) requirement on all residential development within the specific plan area. Prior to the BECSP amendment, sites within the BECSP provided for the majority of the City's 533 unit lower income RHNA target. When the BECSP amendment became effective, the City no longer had enough sites to meet its lower income RHNA target. Consequently, HCD rescinded the City's Housing Element certification.

ZTA No. 19-006 would keep most of the 2015 amendments to the BECSP in effect. The 2015 amendments to provide more flexibility for auto dealers and commercial uses would remain, as well as amendments that increased setbacks along the street and established upper-story setbacks for residential development projects. Within the proposed Affordable Housing Overlay, which represents approximately 11 of the 459 BECSP acres, residential development would not be subject to the existing 2,100 unit development cap until all of the remaining lower income RHNA units have been developed. In addition, for projects proposing a minimum of 20% low income units on site, no CUP shall be required and the development would be subject to the Huntington Beach Zoning and Subdivision Ordinance (HBZSO) multi-family residential parking requirements rather than the coastal zone parking requirements that are currently in place. Additionally, no commercial square footage would be required in conjunction with residential units within the proposed Affordable Housing Overlay. A legislative draft of the proposed Affordable Housing Overlay provisions is provided in

Attachment No. 5.

BECSP Affordable Housing Overlay Sites

Seven sites within the BECSP have been identified for designation within the “Affordable Housing Overlay.” Five of the sites are sites that are currently identified in the existing adopted Housing Element. Two additional underutilized sites within the BECSP have also been identified for designation within the Overlay. These two sites were selected because one is contiguous with one of the existing Housing Element sites and the other site is an underutilized state owned property. As indicated in Table 4, in aggregate, these seven sites encompass a total 10.85 acres, providing potential development of 607 multi-family units at densities in excess of the minimum default density threshold of 30 units/acre for lower income site suitability. All of the sites currently allow residential uses and do not require a change in zoning designation or an increase in density to accommodate the remaining lower income RHNA units.

TABLE 4: Affordable Housing Overlay Sites

Map #	Location	Current Zoning	Proposed Zoning	Existing H.E. Site	Assumed Density	Site Acreage	Realistic Unit Potential
1	17631 Cameron/17642 Beach	SP14	SP14 - Affordable Housing Overlay	Underutilized Site D / Vacant Site 70	50 du/ac	1.58 (two 0.79-acre parcels held in common ownership)	79
2	18431 Beach	SP 14	SP14 - Affordable Housing Overlay	Vacant Site 66	55 du/ac	0.78	43
3 / 4	18700 Delaware/18811 Florida	SP14	SP14 - Affordable Housing Overlay	Underutilized Sites A & B/Vacant Sites 67 a/b	67 du/ac	4.0 (four parcels in common ownership)	271
5	19432 Beach	SP14	SP14- Affordable Housing Overlay	Vacant Site 65	40 du/ac	1.0	40
6	19471 Beach/19431 Beach	SP14	SP14- Affordable Housing Overlay	Underutilized Site E (combined with non HE site)	50 du/ac	1.39 (two parcels)	69
7	19601 Beach	SP14	SP14- Affordable Housing Overlay	N/A - State owned property	50 du/ac	2.1	105
Total Site Capacity						10.85	607

Urban Design Guidelines Conformance:

Not applicable.

Environmental Status:

General Plan Amendment No. 19-003 (Housing Element amendment) is covered under Negative Declaration No. 12-007, which was adopted by the City on August 27, 2013, and is on file at the Community Development Department. Zoning Text Amendment No. 19-006 (BECSP Amendment) is within the scope of the BECSP Program Environmental Impact Report (EIR No. 08-008) certified by the Planning Commission on December 8, 2009. In accordance with CEQA Guidelines Sections 15162 and 15163, no subsequent EIR or supplement to the EIR need be prepared for this zoning text amendment and no further environmental review or documentation is required.

Coastal Status:

Not applicable.

Design Review Board:

Not applicable.

Subdivision Committee:

Not applicable.

Other Departments Concerns and Requirements:

Not applicable.

Public Notification:

Legal notice was published in the Huntington Beach Wave on January 2, 2020. In lieu of sending notices to all property owners of record in the city, notices were sent to interested parties and a minimum 1/8 page advertisement was published pursuant to Section 65353 of State Planning Law. In addition, notices were sent to interested parties, property owners within the Affordable Housing Overlay, and individuals/organizations requesting notification. All written communications received regarding the request as of January 7, 2020, are included in attachment No. 7.

Application Processing Dates:

DATE OF COMPLETE APPLICATION:	MANDATORY PROCESSING DATE(S):
Not Applicable	Legislative amendments - Not applicable

SUMMARY:

The proposed Housing Element amendment has been prepared with guidance from HCD. On November 14, 2019, the City submitted a draft of the Housing Element to HCD for a 60-day review. It is anticipated that the City will receive a response in writing from HCD by January 13, 2019. If the City does not adopt the proposed Housing Element and BECSP amendments, the City would remain out of compliance with HCD.

Staff is recommending approval of GPA No. 19-003 (Housing Element amendment) and ZTA No. 19-006 (BECSP amendment) for the following reasons:

- GPA No. 19-003 is consistent with State Housing Element law;
- GPA No. 19-003 and ZTA No. 19-006 are consistent with City Council direction to pursue HCD certification and obtain eligibility for state SB 2 funding to support the City's homelessness response efforts;
- GPA No. 19-003 and ZTA No. 19-006 would ensure that the City will continue to meet its RHNA targets for the remainder of the planning period;

- GPA No. 19-003 would ensure that the Housing Element will continue to be internally consistent with other elements of the General Plan; and
- ZTA No. 19-006 will implement the Housing Element Adequate Sites Program and is consistent with the goals and policies of the Housing Element.

ATTACHMENTS:

1. Draft City Council Resolution - GPA No. 19-003 (Housing Element Amendment)
2. Suggested findings for approval - ZTA No. 19-006 (BECSP Amendment)
3. Draft City Council Resolution - ZTA No. 19-006 (BECSP Amendment)
4. Draft Housing Element Amendment - Legislative Draft
5. Draft Beach and Edinger Corridors Specific Plan Amendment - Legislative Draft
6. Affordable Housing Overlay Site Map
7. Public Comments received on the draft Housing Element Amendment
8. November 4, 2019 City Council meeting minutes excerpt