



## Legislation Details (With Text)

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<b>File created:</b>	3/2/2023	<b>In control:</b>	City Council/Public Financing Authority
<b>On agenda:</b>	3/21/2023	<b>Final action:</b>	
<b>Title:</b>	Adopt Resolution No. 2023-14 approving General Plan Amendment No. 2021-003 (Housing Element Update), adopt Resolution No. 2023-16 approving General Plan Amendment No. 2022-001 (General Plan Land Use Element Affordable Housing Overlay), approve for introduction Ordinance No. 4289 approving Zoning Map Amendment No. 2022-002 (Zoning Map Affordable Housing Overlay), approve for introduction Ordinance No. 4291 approving Zoning Text Amendment No. 2022-008 (HBZSO Chapter 229 Affordable Housing Overlay), adopt Resolution No. 2023-13 approving Zoning Text Amendment No. 2022-009 (Beach and Edinger Corridor Specific Plan Affordable Housing Overlay), approve for introduction Ordinance No. 4290 approving Zoning Text Amendment No. 2022-007 (Holly Seacliff Specific Plan Affordable Housing Overlay), adopt Resolution No. 2023-15 approving Subsequent Environmental Impact Report No. 2022-002 with findings of fact and statement of overriding considerations (Housing Element Update and Associated Program Implementation Actions), and direct the City Manager to accept applications for permits related to accessory dwelling units (ADUs) and SB 9 development projects.		
<b>Attachments:</b>	1. Att #1 CC Reso 2023-15 SEIR, 2. Att #2 CC Reso 2023-14 GPA 21-003_HEU, 3. Att #3 CC Reso 2023-16 GPA 22-001_LUE, 4. Att #4 Ex "A" to CC Reso 2023-16 GPA 22-001_LUElement, 5. Att #5 Ex "B" to CC Reso 2023-16 GPA 22-001_Map, 6. Att #6 ZTA No. 22-008_ZMA No. 22-002 (HBZSO)_Findings, 7. Att #7 Ordinance No. 4289 ZMA 22-002_AHO, 8. Att #8 Ordinance No. 4291 ZTA 22-008_AHO_HBZSO, 9. Att #9 ZTA 22-009 BECSP Findings, 10. Att #10 CC Reso 2023-13 ZTA 22-009 BECSP_AHO, 11. Att #11 ZTA 22-007 SP9 Findings, 12. Att #12 Ordinance No. 4290 ZTA 22-007 SP9_AHO, 13. Att #13 Appendix B - Adequate Sites, 14. Att #14 Comments received for March 21, 2023 CC Meeting, 15. Att #15 Housing Element Weblink, 16. Att #16 Final SEIR_MMRP, 17. Att #17 HCD letters, 18. Att #18 - PP, 19. 3/17 Sup Com - PPT, 20. 3/21 Sup Com - Seagate HOA Ltr, 21. 3/21 Sup Com		

Date	Ver.	Action By	Action	Result
3/21/2023	1	City Council/Public Financing Authority	approved	Fail

## REQUEST FOR CITY COUNCIL ACTION

**SUBMITTED TO:** Honorable Mayor and City Council Members

**SUBMITTED BY:** Al Zelinka, City Manager

**VIA:** Ursula Luna-Reynosa, Director of Community Development

**PREPARED BY:** Nicolle Aube, AICP, Senior Management Analyst

### Subject:

**Adopt Resolution No. 2023-14 approving General Plan Amendment No. 2021-003 (Housing Element Update), adopt Resolution No. 2023-16 approving General Plan Amendment No. 2022-001 (General Plan Land Use Element Affordable Housing Overlay), approve for introduction Ordinance No. 4289 approving Zoning Map Amendment No. 2022-002 (Zoning Map Affordable Housing Overlay), approve for introduction Ordinance No. 4291 approving Zoning Text**

**Amendment No. 2022-008 (HBZSO Chapter 229 Affordable Housing Overlay), adopt Resolution No. 2023-13 approving Zoning Text Amendment No. 2022-009 (Beach and Edinger Corridor Specific Plan Affordable Housing Overlay), approve for introduction Ordinance No. 4290 approving Zoning Text Amendment No. 2022-007 (Holly Seacliff Specific Plan Affordable Housing Overlay), adopt Resolution No. 2023-15 approving Subsequent Environmental Impact Report No. 2022-002 with findings of fact and statement of overriding considerations (Housing Element Update and Associated Program Implementation Actions), and direct the City Manager to accept applications for permits related to accessory dwelling units (ADUs) and SB 9 development projects.**

**Statement of Issue:**

The proposed General Plan Amendment No. 2021-003 would update the City's Housing Element for the sixth planning period covering 2021-2029 regarding the regional housing need allocation (RHNA) of 13,368 units. The associated requests implement the program actions identified in Section 4: Housing Plan of the Housing Element to accommodate a majority of the City's RHNA by applying residential overlays on the sites identified in the Housing Element. On November 16, 2022, the Planning Commission held a public hearing to consider the Housing Element Update, the Subsequent EIR (SEIR), and the associated program implementation actions. Since the Planning Commission meeting, the implementation actions have been revised to address City Council feedback. The City Council provided additional feedback to staff at their January 17, 2023 Study Session to provide additional City Council oversight on the buffer zoning capacity to accommodate the RHNA throughout the planning period. The proposed project reflects this feedback by accommodating the entire RHNA through the implementation actions while ensuring an adequate buffer exists in the Housing Element sites inventory to accommodate the RHNA throughout the planning period. If the City Council approves the recommended actions, the Housing Element will be transmitted to the California Department of Housing and Community Development (HCD) for review and certification.

**Financial Impact:**

If the City is unable to receive certification of the Housing Element, potential financial impacts could include fines and the loss of eligibility for certain State funding.

**Recommended Action:**

**Action Recommended to Achieve an HCD Certified Housing Element**

A) Direct the City Manager to accept applications and process permits for accessory dwelling units (ADUs) and SB 9 development projects.

**CEQA Action**

B) Approve Subsequent EIR No. 22-002 with findings of fact and statement of overriding considerations by adopting City Council Resolution No. 2023-15, "A Resolution of the City Council of the City of Huntington Beach certifying Final Subsequent Environmental Impact Report No. 22-002 for the City of Huntington Beach 6<sup>th</sup> Cycle Housing Element Update (2021-2029), adopting findings pursuant to the California Environmental Quality Act, adopting a statement of overriding considerations, and adopting a mitigation monitoring and reporting program" (Attachment No. 1);

**Housing Element Update Action**

C) Approve General Plan Amendment No. 21-003 (Housing Element Update) and adopt City Council Resolution No. 2023-14, "A Resolution of the City Council of the City of Huntington Beach approving

General Plan Amendment No. 21-003 (2021-2029 Housing Element Update” (Attachment No. 2);

Implementation Actions (Legislative Amendments)

D) Approve General Plan Amendment No. 22-001 (General Plan Land Use Element Affordable Housing Overlay) and adopt City Council Resolution No. 2023-16, “A Resolution of the City Council of the City of Huntington Beach approving General Plan Amendment No. 22-001 (Land Use Element and Land Use Map Updates” (Attachment Nos. 3, 4 and 5);

E) Approve Zoning Map Amendment No. 22-002 (Zoning Map Affordable Housing Overlay) with findings (Attachment No. 6) by approving for introduction Ordinance No. 4289, “An Ordinance of the City of Huntington Beach amending District Maps 2 (Sectional Map 2-6-11), 27 (Sectional Map 24-5-11), 31 (Sectional Map 26-5-11), and 32 (Sectional Map 27-5-11) of the Huntington Beach Zoning and Subdivision Ordinance to add the Affordable Housing Overlay to real property within the City of Huntington Beach” (Attachment No. 7);

F) Approve Zoning Text Amendment No. 22-008 (HBZSO Chapter 229 Affordable Housing Overlay) with findings (Attachment No. 6) by approving for introduction Ordinance No. 4291, “An Ordinance of the City Council of the City of Huntington Beach amending the Zoning and Subdivision Code of the City of Huntington Beach to add a new Chapter 229 (Affordable Housing Overlay)” (Attachment No. 8);

G) Approve Zoning Text Amendment No. 22-009 (Beach and Edinger Corridor Specific Plan Affordable Housing Overlay) with findings (Attachment No. 9) by adopting City Council Resolution No. 2023-13, “A Resolution of the City Council of the City of Huntington Beach approving an amendment to the Beach and Edinger Corridors Specific Plan (SP 14)” (Attachment No. 10); and

H) Approve Zoning Text Amendment No. 22-007 (Holly Seacliff Specific Plan Affordable Housing Overlay) with findings (Attachment No. 11) by approving for introduction Ordinance No. 4290, “An Ordinance of the City Council of the City of Huntington Beach amending the Holly-Seacliff Specific Plan (SP 9) to establish an Affordable Housing Overlay” (Attachment No. 12).

**Alternative Action(s):**

The City Council may make the following alternative motion(s):

1. Continue Subsequent EIR No. 22-002, General Plan Amendment No. 21 -003, General Plan Amendment No. 22-001, Zoning Map Amendment No. 22-002, Zoning Text Amendment No. 22-009, Zoning Text Amendment No. 22-007, and Zoning Text Amendment No. 22-008 and direct staff accordingly.

*The City Council can utilize this alternative if direction is provided to make changes to the Housing Element.*

2. Deny Subsequent EIR No. 22-002, General Plan Amendment No. 21 -003, General Plan Amendment No. 22-001, Zoning Map Amendment No. 22-001, Zoning Map Amendment No. 22-002, Zoning Text Amendment No. 22-009, Zoning Text Amendment No. 22-007, and Zoning Text Amendment No. 22-008 and direct staff accordingly.

The Housing Element is required to be submitted to HCD for certification that it substantially

complies with state Housing Element law. Without a certified housing element the City could be subject to legal challenges.

### **Analysis:**

#### **A. PROJECT PROPOSAL:**

The Housing Element is a citywide plan for housing, including the provision of affordable housing, in the City of Huntington Beach. It is one of the seven State mandated elements of the General Plan and is on an eight-year update cycle. Pursuant to California Government Code Section 65588, the Housing Element must be updated for the 6<sup>th</sup> Cycle that covers the 2021-2029 planning period. The City's RHNA is 13,368 units for the 6<sup>th</sup> Cycle.

In addition to the Housing Element update, the proposed project consists of several actions to implement Housing Element Programs 2A and 2B, which commit the City to rezoning certain properties and applying an Affordable Housing Overlay to housing sites identified in the Housing Element to meet the City's RHNA targets. As such, the following legislative amendments are necessary to adopt the Housing Element Update and implement the RHNA programs:

General Plan Amendment No. 21-003 represents the Housing Element Update for the 2021-2029 planning period. (Attachment No. 2)

General Plan Amendment No. 22-001 is a request to amend the Land Use Element of the General Plan to establish an Affordable Housing Overlay. The request also includes an amendment of Figure LU-2 - General Plan Land Use Map to designate certain sites with the Affordable Housing Overlay. (Attachment Nos. 3, 4, and 5)

Zoning Text Amendment No. 22-008 is a request to amend the Huntington Beach Zoning and Subdivision Ordinance (HBZSO) to add Chapter 229 - Affordable Housing Overlay, which establishes land use controls and development standards for projects proposed in the Affordable Housing Overlay areas. (Attachment No. 6 and 8)

Zoning Map Amendment No. 22-002 is a request to add the Affordable Housing Overlay to the Zoning Map and designate various properties identified in the Housing Element with the Affordable Housing Overlay. (Attachment Nos. 6 and 7)

Zoning Text Amendment No. 22-007 is a request to amend the Holly Seacliff Specific Plan (SP9) to establish an Affordable Housing Overlay on existing Industrial properties located on the east side of Goldenwest Street north and south of Garfield Avenue as identified in the Housing Element. (Attachment Nos. 11 and 12)

Zoning Text Amendment No. 22-009 is a request to amend the Beach and Edinger Corridors Specific Plan (SP14) to expand the existing Affordable Housing Overlay to sites within the specific plan area that allow residential uses as identified in the Housing Element. (Attachment Nos. 9 and 10)

In addition, a Subsequent Environmental Impact Report (SEIR No. 22-002) was prepared to evaluate the potential environmental impacts associated with the Housing Element update and the implementing legislative amendments described above pursuant to the California Environmental Quality Act (CEQA). (Attachment Nos. 1 and 16).

## B. BACKGROUND:

State Housing Element Law (Article 10.6 of Chapter 3 of the Government Code) describes the content of housing elements. The City has retained a consultant, Kimley Horn and Associates, to assist staff in the preparation of the Housing Element Update.

### **Public Participation**

State Housing Element law requires that a local government make a diligent effort to engage with all economic segments of the community in the preparation of the Housing Element. The Housing Element Update kicked off in the Spring of 2021 with a series of public workshops and meetings. The City's Housing Element team conducted extensive public outreach regarding the Housing Element update. Outreach was held in various formats, including multiple virtual public meetings and workshops, small group meetings with local stakeholders, a Spanish Language outreach event, and an online survey. The City also maintained a dedicated webpage as a hub for all items related to the Housing Element Update and provided information regarding the RHNA process. The initial Draft Housing Element was published on the website and included a 60-day public review and comment period. In compliance with AB 215, each subsequent Draft Housing Element was published on the City's website for seven calendar days and email notifications were sent to interested parties. In addition to the public participation events, the City held one joint Study Session of the Planning Commission and City Council (March 1, 2021), three Planning Commission Study Sessions (September 13, 2022, September 27, 2022, and October 11, 2022), two Planning Commission public hearings on the Housing Element (October 11, 2022 and November 16, 2022), and two City Council Study Sessions (November 1, 2022 and January 17, 2023). The CEQA review process for the Housing Element update entailed preparation of a Subsequent EIR, which also included public outreach and a public review/comment period.

### **HCD Review and Certification**

The California Department of Housing and Community Development (HCD) is tasked with reviewing and certifying Housing Elements pursuant to State Housing Element law. The City submitted the first draft Housing Element to HCD in December 2021. HCD then had 60 days to review the draft Housing Element and provide comments regarding the City's compliance with State Housing Element law. Five iterations of the draft Housing Element were submitted to HCD for review. The version of the draft Housing Element submitted by the City to HCD on August 1, 2022 was determined to comply with Housing Element law as detailed in a letter from HCD on September 30, 2022. Since the City has made multiple changes to the Housing Element reviewed by HCD, it appears HCD will re-review the modified Housing Element. City staff anticipate HCD may take up to 60 days to review the City's submission and request further modification based on their latest review.

The City Council directed the City Manager to cease processing new accessory dwelling unit (ADU) applications and SB 9 and SB 10 applications at their February 21, 2023 meeting. The City Council

introduced Ordinance No. 4285 “Builders Remedy Prohibition” at their March 7, 2023 meeting. The City has received two letters from HCD dated February 22, 2023 and March 6, 2023 (Attachment No. 17).

The February 22, 2023 letter is a Notice of Violation for taking actions that are contrary to state laws permitting ADUs. The Housing Element update and RHNA strategy relies upon the construction of 487 ADUs during the planning period including to accommodate a portion of the lower income RHNA. Without ADUs to meet the City’s RHNA, the identification of additional sites would be required to accommodate the lower income RHNA and the City would need to amend the Housing Element to accommodate the RHNA shortfall because of not allowing ADUs. Amending the Housing Element to identify additional sites would further delay adoption and certification of the Housing Element and may require additional environmental analysis.

While staff has been working diligently with HCD toward compliance, the fact remains that the City is out of timely compliance to have obtained a certified Housing Element. HCD started the enforcement effort related to not having a certified Housing Element by offering the two required technical assistance meetings. The first meeting occurred virtually on March 8, 2023. A second meeting has not yet been scheduled. Steps under the enforcement process are as follows:

1. The State Attorney General (AG) may file a lawsuit for specified violations of State housing law (the AG filed a petition for writ on March 9, 2023).
2. The AG may request, upon a finding of the court that the City’s Housing Element does not comply with the requirements of State housing law, an order or judgement from the court directing the City to bring its Housing Element into compliance with State housing law.
3. Jurisdictions that fail to comply with a court order within twelve months face a minimum \$10,000 fine for each month of non-compliance, up to a maximum of \$100,000 per month. These fines are escalated after the initial twelve-month period up to a maximum by a factor of 6 (i.e. up to \$600,000 per month) if the compliance is not achieved within eighteen months.
4. An agent of the court could be ordered to take all governmental actions necessary to bring the City’s Housing Element into substantial compliance with State housing law.
5. Courts could take away local government residential and nonresidential permit authority to bring the jurisdiction’s General Plan and Housing Element into substantial compliance with State law. The court may suspend the locality’s authority to issue building permits or grant zoning changes, variances, or subdivision map approvals - giving local governments a strong incentive to bring its Housing Element into compliance.
6. Courts could appoint an agent with all powers necessary to remedy identified Housing Element deficiencies and bring the jurisdiction’s housing element into substantial compliance with Housing Element law.

### **Benefits of HCD Certification**

The main benefit of HCD certification is the presumption of a legally adequate Housing Element. Another benefit of certification is eligibility for State funding programs for housing, transportation and infrastructure. Various State grant and loan programs require an HCD-certified housing element. In some cases, funding from programs can only be accessed if the jurisdiction has a compliant housing element. In other cases, a compliant housing element helps a jurisdiction receive extra points on a competitive funding application. Examples of active State funding sources that require housing

element compliance for eligibility include the following:

**Permanent Local Housing Allocation (PLHA)**: This funding helps cities and counties increase the supply of housing for households at or below 60% of area median income, increase assistance to affordable owner-occupied workforce housing, assist persons experiencing or at risk of homelessness, facilitate housing affordability, meet RHNA requirements, and ensure geographic equity in fund distribution.

Of note, the City has utilized PLHA funds to partially pay for the operations of the Navigation Center. See the below chart for the actual amount received to date and the anticipated amount the City would be foreclosed from receiving if a certified Housing Element is not realized.

<b>PLHA Drawdown Year</b>	<b>Allocation Amount</b>	<b>Status</b>
Year 1 (2020)	\$548,495	Funds successfully received by the City. <b>Funds spent on Be Well: \$493,722 in FY21/22 \$54,737 in FY22/23</b>
Year 2 (2021)	\$852,531	Staff submitted a request to drawdown these funds and is awaiting a status update from the State. We are not 100% certain the State will approve, due to the Housing Element issue. <b>100% is currently budgeted for Nav Center operations in FY22/23.</b>
Year 3 (2022)	\$938,184	City is ineligible to receive Year 3 funds b/c its Housing Element was not certified by 2/28/23. <i>(Please note - these funds are not permanently lost. They're aside the City and can be reclaimed after the City has a certified HE.)</i> <b>100% is currently budgeted for Nav Center operations in FY23/24.</b>
Year 4 (2023)	TBD	Deadline to apply for Year 3 funds is ~Oct. 2023.
Year 5 (2024)	TBD	Deadline to apply for Year 4 funds is ~Oct. 2024.
<b>Total 5-Year Estimate</b>	<b>\$3,290,970</b>	<b>This estimate was provided by HCD.</b>

**Affordable Housing and Sustainable Communities (AHSC)**: The AHSC Program funds land use, housing, transportation, and land preservation projects to support infill and compact development that reduce greenhouse gas ("GHG") emissions. Funding for the AHSC Program is provided from the Greenhouse Gas Reduction Fund (GGRF), an account established to receive Cap-and-Trade auction proceeds.

**SB 1 Planning Grants**: State-funded Sustainable Communities grants help cities pay for local transportation improvements.

**CalHOME Program**: The purpose of the CalHOME Program is to enable low- and very low income households to become or remain homeowners through grants to local public agencies and nonprofit developers to assist individual first-time homebuyers through deferred-payment loans for down payment assistance, home rehabilitation, including manufactured homes not on permanent foundations, acquisition and rehabilitation, homebuyer counseling, self-help mortgage assistance, or

technical assistance for self-help homeownership.

**Infill Infrastructure Grants (IIG):** IIG provides grant assistance, available as gap funding for infrastructure improvements necessary for specific residential or mixed-use infill development projects or areas.

**Prohousing Designation Program:** Prohousing designated jurisdictions will be awarded preference points on competitive funding applications (e.g. IIG, AHSC, Transformative Climate Communities (TCC), etc.). Local Early Action Planning (LEAP) and Regional Early Action Planning (REAP) grants can be utilized to establish prohousing policies for the purposes of eventually earning a Prohousing Designation.

The City utilized \$500,000 of LEAP Grant funding from HCD to complete the Housing Element Update and SEIR for consideration on March 21, 2023 by the City Council. The LEAP Grant is a reimbursement agreement, which means that the City pays the consultant directly and then submits receipts to HCD for reimbursement approval. To date, the City has requested \$151,129 in reimbursement funds and has received approximately \$31,289 in reimbursed funds. HCD has indicated that they will withhold approving LEAP Grant reimbursements if the City Council does not adopt the Housing Element.

**Local Housing Trust Fund Program (LHTF):** The LHTF Program provides matching funds to local and regional housing trust funds dedicated to the creation, rehabilitation, or preservation of affordable housing, transitional housing and emergency shelters.

**Housing-Related Parks (HRP) Program:** In 2015, the City desired to apply for a Housing-Related Parks (HRP) Program Grant and was only able to receive \$284,200. This grant was awarded during the 5<sup>th</sup> Housing Cycle when the City's Housing Element had been decertified as a result of certain amendments to the Beach and Edinger Corridors Specific Plan (BECSP). A certified Housing Element at the time would have made the City eligible to receive \$554,000 to improve Bartlett Park.

**Financial Penalties:** Court-issued judgement directing the jurisdictions to bring Housing Elements in substantial compliance with State Housing Element law. If a jurisdiction's Housing Element continues to be found out of compliance, courts can multiply financial penalties by a factor of six. Under this scenario the court imposed fine could total \$600,000 per month for each month of non-compliance.

**Court Receivership:** Courts may appoint an agent with all powers necessary to remedy identified Housing Element deficiencies and bring the jurisdiction's housing element into substantial compliance with Housing Element law. If a Receiver is appointed, recent changes made to the City's Housing Element based on public input that occurred in the third quarter of 2022 could be completely disregarded. The version of the draft Housing Element that was submitted to HCD on August 1, 2022 was deemed to be in substantial compliance of State law could be the version that would be a starting point for a Receiver.

Lastly, if a City fails to provide adequate sites to meet its RHNA pursuant to Housing Element law, the City would face RHNA carry over to the next planning period. The RHNA carry over would be in addition to any new RHNA units that must be accommodated during the 7<sup>th</sup> cycle.

### **Statutory Timelines**

Sixth cycle Housing Elements for the SCAG region were required to be certified by October 15, 2021.



Prior to the 6th cycle, jurisdictions had three years to complete rezonings required to accommodate the RHNA. AB 1398 (2021) shortened the rezoning timeframe to one year from the required certification date (October 15, 2022) for any jurisdiction that did not have a certified Housing Element within 120 days of the statutory deadline. Jurisdictions that did not complete the rezonings would be found out of compliance. SCAG jurisdictions opposed the legislation because SCAG adopted the RHNA late, leaving most jurisdictions in a position to face potential legal challenges and penalties until rezonings were completed. SB 197 (2022) extended the rezoning timeframe back to three years, but only for jurisdictions that obtained HCD certification within one year from the statutory deadline (October 15, 2022). The law also states that for any jurisdiction that does not have a certified Housing Element by October 15, 2022, HCD cannot certify their Housing Element until required rezonings are completed. As such, the City prepared the RHNA implementation actions (proposed legislative amendments) for adoption with the Housing Element.

#### C. NOVEMBER 16, 2022 PLANNING COMMISSION MEETING AND RECOMMENDATION

On November 16, 2022, the Planning Commission held a public hearing on the proposed Housing Element Update and implementation actions. There were 21 speakers at the public hearing and 72 written comments were received. Those in favor cited the need for additional housing and housing affordable to lower income households, the benefits of a compliant Housing Element, potential consequences of not adopting a compliant Housing Element, and general support for Option 3 (as discussed at the November 1, 2022 City Council study session). Those in opposition expressed concerns about increased traffic, parking issues, neighborhood compatibility, and proximity to existing single-family residential. The Planning Commission asked questions of staff and deliberated the recommended actions. On November 16, 2022, the Planning Commission unanimously recommended approval of the revised Housing Element Update and implementation actions with modifications to remove Sites 393 and 394 from the SP 9 Overlay. Commissioner Mandic was absent.

#### D. NOVEMBER 29, 2022 SPECIAL CITY COUNCIL MEETING

A public hearing on the revised Housing Element Update and implementation actions was held on November 29, 2022. There were 23 speakers at the public hearing (4 in favor and 19 opposed). Those in favor cited the project's potential benefits to the economy, housing stock, city revenue, job creation, neighborhood beautification, and provision of additional recreation and open space opportunities. Those in opposition indicated concerns regarding redevelopment of existing mobile home communities, increased traffic, parking issues, neighborhood compatibility, and proximity to existing single-family residences. Those in favor cited the need for additional housing and housing affordable to lower income households, the benefits of a compliant Housing Element, and the potential consequences of not adopting a compliant Housing Element.

Prior to the public hearing, a motion was made by Councilmember Kalmick and seconded by Councilmember Moser to hear a condensed staff report, open the public hearing for public comments, and continue the item to a special meeting on December 8, 2022. Councilmember Posey made a substitute motion to open the public hearing for public comments and take a vote at the November 29, 2022 meeting. The substitute motion failed to receive a second.

City Council Action on November 29, 2022:

A motion was made by Kalmick, seconded by Moser, to hear a condensed staff report, open the public hearing for public comments, and continue the item to a special City Council meeting on December 8, 2022 carried by the following vote:

AYES: Delgleize, Kalmick, Moser, Peterson,  
Bolton

NOES: Posey

ABSTAIN: Carr

ABSENT: None

**MOTION PASSED**

The December 8, 2022 City Council meeting was cancelled and a public hearing was not held on the item.

E. JANUARY 17, 2023 CITY COUNCIL STUDY SESSION

On January 17, 2023, the City Council held a study session on the Housing Element Update and implementation actions. Staff presented an overview of the Housing Element Update status as well as options to address concerns regarding proposed implementation actions to accommodate excess housing unit capacity above the RHNA targets. The City Council provided feedback to staff regarding a preference to initially zone for the RHNA targets rather than zoning for the RHNA targets plus a buffer. The City Council also noted a preference for staff to bring additional sites forward if and when additional capacity is needed to comply with No Net Loss requirements and ensure the RHNA is accommodated throughout the planning period.

At any time during the planning period, if a RHNA site is developed with a project that does not meet the Housing Element's projections for residential development in any income category, then a buffer site (or combination of multiple sites) that most closely meets the lost capacity will be presented to the City Council for a Zoning Map Amendment to apply the Affordable Housing Overlay on the site(s) within the time period allotted by statute.

F. STAFF ANALYSIS AND SUMMARY

The purpose of the Housing Element is to establish a comprehensive housing strategy for all economic segments of the City. The Housing Element consists of four sections.

- Section 1 of the Housing Element Update provides an overview of the Housing Element and introduces key housing issues in the City of Huntington Beach.

Section 2 discusses characteristics of the City's population and housing stock as a means of better understanding the nature and extent of unmet housing needs. This section discusses the major components of housing needs in Huntington Beach, including population, household, economic and housing stock characteristics. Each of these components is presented in a regional context, and, where relevant, in the context of other nearby jurisdictions. This assessment serves as the basis for identifying the appropriate goals, policies, and programs for the City to implement during the 2021-2029 Housing Element cycle.

Section 3 of the Housing Element Update identifies constraints to providing housing and an assessment of fair housing in the City. Housing constraints consist of both governmental constraints and nongovernmental constraints. Governmental constraints include requirements such as development standards, land use controls, and permitting processes. Nongovernmental or market constraints describe other factors such as land costs, construction costs, and availability of finances. Further, AB 686 (2019) established new requirements for all California jurisdictions to ensure that local laws, programs, and activities affirmatively further fair housing. All Housing Elements due on or after January 1, 2021 must contain an Assessment of Fair Housing (AFH) consistent with the core elements of the analysis required by the federal Affirmatively

Further Fair Housing Final Rule of July 16, 2015.

Section 4 sets forth a Housing Plan for the 2021-2029 planning period. The Housing Plan describes the specific goals, policies, and programs to assist City decision makers in achieving the long-term housing objectives set forth in the Housing Element. The goals, policies, and programs are aimed at providing additional housing opportunities, removing governmental constraints to affordable housing, improving the condition of existing housing, and providing equal housing opportunities for all residents across all income categories. Each program in the Housing Element is required to have a timing and monitoring component. In some cases, a quantified objective is established. The City is required to report on the progress of the Housing Element programs annually and submit the report to HCD.

Appendix A provides an evaluation of the program accomplishments from the prior planning period (2013-2021).

Appendix B discusses housing opportunities within the City of Huntington Beach to accommodate the City's Regional Housing Needs Allocation (RHNA) at all income levels. This section includes an analysis of available sites for housing, including factors such as realistic capacity, potential for redevelopment, access to essential resources, proximity to transit or access to highway and road connectivity, and overall future residential opportunity.

Appendix C provides a summary of community engagement regarding the Housing Element update. This includes a prior joint study session with the Planning Commission and City Council, three virtual community meetings, a Spanish language outreach event, online community survey, the Housing Element update website, and meetings with stakeholder groups such as school districts and housing developers.

Appendix D is an economic memo commissioned by the City to satisfy HCD requirements regarding the feasibility of redevelopment on non-vacant sites identified in Appendix B.

#### Regional Housing Needs Assessment (RHNA)

State Housing Element Law requires that each city and county develop local housing programs to meet its share of existing and future housing needs for all income groups, as determined by the jurisdiction's Council of Governments. In the southern California region, the agency responsible for assigning the regional housing needs to each jurisdiction is the Southern California Association of Governments (SCAG). Each SCAG jurisdiction's RHNA is determined based on projected need (household growth, future vacancy need, and housing replacement need), existing need (transit and job accessibility), and a social equity adjustment including additional adjustments for areas that are designated as high resource. SCAG has determined that Huntington Beach has a RHNA of 13,368 units for the 2021-2029 planning period, which is the sixth housing element cycle. The table below provides a breakdown of the RHNA allocation by various household income categories.

Table 1: City of Huntington Beach RHNA Allocation

Income Level	Percent of AMI* (Area Median Income)	Number of Units	Percentage of Units
Very Low (includes Extremely Low)	0-50%	3,661	27%
Low	51-80%	2,184	16%
Moderate	81-120%	2,308	17%
Above Moderate	>120%	5,215	39%
Total		13,368	100%
*2022 Orange County AMI = \$119,100			

State law requires local governments to demonstrate through zoning that the RHNA can be accommodated for every income level. RHNA is not a construction mandate. The proposed Housing Element and implementation actions demonstrate the City is able to accommodate the full RHNA requirement with a substantial buffer.

Accommodating the RHNA

After accounting for units within pending projects, the City proposes to accommodate the RHNA through the following strategies:

1. Accessory dwelling units
2. Hotel/motel conversions
3. Establishing an affordable housing overlay to be applied to sites identified in Appendix B of the draft Housing Element.

Table 2 reflects the total RHNA capacity identified in the Housing Element sites inventory, which identifies sufficient capacity to accommodate the RHNA throughout the planning period, including buffer sites that can be rezoned with the Affordable Housing Overlay in the event of a No Net Loss situation. Table 3 reflects the available zoning capacity of the identified RHNA sites in which the Affordable Housing Overlays will be applied concurrently with adoption of the Housing Element update.

Table 2: Total RHNA Strategy Including Buffer Sites

	Very Low	Low	Moderate	Above Moderate	Total
<b>RHNA Target</b>	<b>3,661</b>	<b>2,184</b>	<b>2,308</b>	<b>5,215</b>	<b>13,368</b>
Approved/Pending Projects	17	285	82	1,371	1,755
ADU	307		170	10	487
Hotel/Motel Conversion	415		0	0	415
Housing Element Sites Inventory - Affordable Housing Overlay	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>

Table 3: RHNA Sites (Zoning Overlays Applied Concurrently with Housing Element Adoption)

	Very Low	Low	Moderate	Above Moderate	Total
<b>RHNA Target</b>	<b>3,661</b>	<b>2,184</b>	<b>2,308</b>	<b>5,215</b>	<b>13,368</b>
Approved/Pending Projects	17	285	82	1,371	1,755
ADU	307		170	10	487
Hotel/Motel Conversion	415		0	0	415
City-Owned sites (LBNC Sites)	126		0	0	126
Affordable Housing Overlays	4,720		2,062	3,848	10,630
<b>Total</b>	<b>5,870</b>		<b>2,314</b>	<b>5,229</b>	<b>13,413</b>

AHO = SP9, SP14, CG and RMH sites Buffer = GWC, IG, RT sites

### No Net Loss requirements and buffer sites

The draft Housing Element Update reflects the City Council's feedback to pursue implementation programs that provide the most City Council oversight on buffer zoning capacity to meet No Net Loss requirements. Appendix B of the Housing Element document states that the sites inventory in Table B-14 provides excess capacity to accommodate the 2021-2029 RHNA. It also states that the additional identified sites are provided in the table in order to maintain an inventory of adequate sites to accommodate the RHNA throughout the planning period. Therefore, changes to Table B-14 were not necessary as it continues to list the complete inventory of both RHNA sites and No Net Loss sites.

### Adequate Sites

Appendix B: Adequate Sites Analysis of the Housing Element Update identifies sites to accommodate the City's RHNA targets. Pursuant to Housing Element law, the identified sites were analyzed for realistic capacity and potential for redevelopment within the planning period. The City is primarily a built-out community with limited quantities of raw land for new development. Future residential projects will be infill developments on existing developed properties. Therefore, the City has focused the adequate sites strategy on areas with potential for redevelopment, access to essential resources, proximity to transit or access to highway and road connectivity, and overall future residential opportunity.

#### 1. Accessory Dwelling Units (ADUs)

The draft Housing Element Update utilizes past performance to determine the appropriate number of accessory dwelling units to count toward the 6<sup>th</sup> cycle RHNA. Since 2017, construction of accessory dwelling units has consistently and substantially increased every year coinciding with changes to state ADU law. As such, the City has estimated construction of 50 ADUs per year for the remainder of the planning period. The City is required to monitor ADU production and report permit numbers to HCD. In addition, Program 2D of the draft Housing Element Update commits the City to approving permit-ready standard plans for new ADU construction to encourage and facilitate ADU production. Affordability assumptions for ADUs are based on a HCD approved analysis prepared by SCAG for Orange County jurisdictions.

#### 2. Hotel/Motel Conversions

The draft Housing Element identifies three motel/hotel conversion sites:

- Hotel Huntington Beach - 7667 Center Ave.
- Springhill Suites - 7872 Edinger Ave.
- Quality Inn & Suites - 17251 Beach Blvd.

Housing on these sites would be facilitated through a state program called Project HomeKey, which provides funding for the conversion of hotels and motels to a variety of housing types for lower income households. The first HomeKey project at the Quality Inn & Suites site is already operating.

#### 3. Affordable Housing Overlay (General Plan Amendment No. 2022-001)

This strategy requests to amend the General Plan Land Use Element and Land Use Map to establish and designate areas for an Affordable Housing Overlay. This strategy intends to create housing opportunities along arterial corridors and within specific plan areas that can accommodate additional housing capacity. The Affordable Housing Overlay will not replace the existing zoning of any property but will allow development of

multi-family residential uses in lieu of the underlying zoning district if affordable housing for lower income households is provided on site. The sites identified for inclusion within an Affordable Housing Overlay primarily include the following:

- Industrial properties on the east side of Goldenwest St, north and south of Garfield Ave. within the Holly-Seacliff Specific Plan (SP9) area;
- Residential sites within the Beach and Edinger Corridors Specific Plan (SP14);
- Various commercial properties abutting SP14 and two properties (one commercial and one residential) with expressed property owner interest.

Sites selected for the Affordable Housing Overlay are identified in the Housing Element sites inventory. These sites were selected over other sites within the Housing Element sites inventory because they either already permit residential uses (e.g. - the SP14 area), abut residential uses and/or SP14 properties, or are zoned for nonresidential uses but would impact the least amount of existing businesses of all nonresidential sites in the inventory (e.g. - the SP9 area). The Affordable Housing Overlay necessitates amendments to the Huntington Beach Zoning and Subdivision Ordinance (HBZSO), the Beach and Edinger Corridors Specific Plan (SP14), and the Holly Seacliff Specific Plan (SP9), which are described below.

#### Beach-Edinger Corridors Specific Plan (SP14/ BECSP) Affordable Housing Overlay (Zoning Text Amendment No. 22-009)

This strategy intends to increase affordable housing options in the existing Beach and Edinger Corridors Specific Plan (SP14). There is an existing Affordable Housing Overlay within SP14, which was adopted in 2020, and permits residential projects that propose at least 20 percent lower income units on site by right. The SP14 Affordable Housing Overlay will expand the provisions of the existing affordable housing overlay on sites identified in the specific plan area on sites that already allow residential uses. The existing development standards will remain applicable to any project that is submitted pursuant to the SP14 Affordable Housing Overlay. As specified in the existing overlay, residential projects proposed pursuant to the overlay are not subject to the residential Maximum Amount of New Development (MAND).

ZTA No. 22-009 would ensure that the lower income RHNA is accommodated in areas already designated and zoned for residential uses at the minimum “default” density (i.e. - 30 du./ac.) consistent with the existing General Plan Land Use Map. The Affordable Housing Overlay in SP14 will facilitate the development of affordable housing in an area that already allows high density multi-family residential uses on almost all properties. Future development under the Affordable Housing Overlay will be consistent with the existing and allowed development pattern along the Beach Boulevard corridor and subject to the development and design standards that are applicable throughout the rest of the BECSP area.

#### Holly Seacliff Specific Plan (SP9) Affordable Housing Overlay (Zoning Text Amendment No. 22-007)

Existing industrial designated properties along Goldenwest Street are proposed for inclusion within the SP9 Affordable Housing Overlay. Recognizing that this area of the specific plan was previously identified for housing opportunities, the City met with a group of industrial property owners from the SP9 industrial area to develop the boundaries of the proposed Affordable Housing Overlay area. The provisions of the SP9 Affordable Housing Overlay refer to the development standards proposed to be established in the HBZSO through ZTA No. 22-008. Multi-family residential uses at maximum densities ranging from 35 - 70 dwelling units per acre would be permitted by right provided that at least 20 percent of the units are affordable to lower income

households. Affordable Housing Overlay sites within SP9 are located in highest resource areas and provide access from Goldenwest Street, a major/primary arterial in the City.

Sites designated with an Affordable Housing Overlay in SP9 will retain their base land use and zoning designation. Property owners would still be able to develop their properties pursuant to the underlying zoning district standards and requirements, which would not change with implementation of the Affordable Housing Overlay. As an alternative, the Affordable Housing Overlay would enable property owners to develop multi-family residential uses in appropriate areas with access to services, jobs and community facilities while avoiding encroachment upon established residential neighborhoods. The development standards consider the context of the surrounding area and, in conjunction with applicable performance standards and mitigation measures, would ensure impacts between different adjacent land uses are minimized.

**Huntington Beach Zoning and Subdivision Ordinance (HBZSO) Affordable Housing Overlay (Zoning Map Amendment No. 22-002/Zoning Text Amendment No. 22-008)**

Outside of specific plan areas, six sites are proposed to be designated with an Affordable Housing Overlay. Similar to the BECSP Affordable Housing Overlay, multi-family residential uses would be permitted by right if at least 20 percent of the units are deed restricted for lower income households. The proposed zoning standards are based off the Affordable Housing Overlay and Neighborhood Parkway standards of the BECSP with additional side and rear setback requirements proposed to create additional space between new residential uses and existing non-residential uses. The Affordable Housing Overlay is proposed to allow for residential development until the City meets its lower and moderate-income RHNA targets or the 6<sup>th</sup> cycle planning period ends, whichever occurs first.

The proposed zoning text and map amendments would ensure the lower income RHNA is accommodated while retaining the base land use and zoning designation. Property owners would still be able to develop their properties pursuant to the underlying zoning district standards and requirements, which would not change with implementation of the Affordable Housing Overlay. As an alternative, the Affordable Housing Overlay would enable property owners to develop multi-family residential uses in appropriate areas with access to services, jobs and community facilities while avoiding encroachment upon established residential neighborhoods. The proposed development standards consider the context of the surrounding area and, in conjunction with applicable performance standards and mitigation measures, would ensure impacts between different adjacent land uses are minimized.

**Housing Plan (Programs)**

The Housing Element update includes programs to address the City's housing goals, including the provision of affordable housing. Section 4: Housing Plan describes the specific goals, policies, and programs to assist City decision makers in achieving the housing objectives set forth in the Housing Element. The Housing Element goals, policies, and programs are aimed at providing additional housing opportunities, removing governmental constraints to affordable housing, improving the condition of existing housing, and providing equal housing opportunities for all residents across all income categories.

Several programs were carried over from the 5<sup>th</sup> Cycle Housing Element because they are still

applicable and relevant for the 2021-2029 planning period. Some 5<sup>th</sup> Cycle programs were updated or expanded to reflect the housing needs for the 6<sup>th</sup> Cycle. Many of these programs focus on preserving the quality of existing neighborhoods and improving the quality of lower resource areas. Some of the actions also involve applying for funding to implement neighborhood improvements. Many of the programs in the Housing Element are collaborative with other agencies. New goals, policies, and programs for the 6<sup>th</sup> Cycle address homelessness and improving quality of life and place making within low-resource areas. In total, the Housing Element identifies 40 programs to support the nine goals. The City is required to report on the progress of the Housing Element programs as part of the required Housing Element Annual Progress Report, which is required to be submitted to HCD by April 1 of each year during the planning period

### Housing Element Goals

As a component of the General Plan, the Housing Element must be internally consistent with the other General Plan Elements. This section first identifies the proposed goals of the updated Housing Element and then reviews other components of the General Plan for consistency.

There are nine overall goals identified in the Housing Element Update.

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; and
9. Affirmatively further fair housing.

The proposed goals of the updated Housing Element and the associated program implementation actions to accommodate the RHNA are consistent with the existing goals, objectives and policies of the City's General Plan.

#### A. Land Use Element

Policy LU-1B: Ensure new development supports the protection and maintenance of environmental and open spaces resources.

The Housing Element incorporates a green building and sustainability program to enhance resource efficiency and sustainability. The program promotes energy conservation and design in new and existing development. The program would provide outreach and education to developers, architects and residents on the CALGREEN code and ways to incorporate sustainability in project design and in existing structures.

Policy LU-1C: Support infill development, consolidation of parcels, and adaptive reuse of existing buildings.



The Housing Element contains policies and programs that support development of housing on non-vacant underutilized infill sites. Programs to accommodate the RHNA provide for multi-family residential uses on non-residentially zoned infill and encourage consolidation of parcels for the development of housing, including affordable housing.

*Policy LU-2D:* Maintain and protect residential neighborhoods by avoiding encroachment of incompatible land uses.

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

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

The focus of the nine goals of the Housing Element, in addition to the policies and programs proposed to achieve these goals, is to provide housing for all economic segments of the community. Several policies and programs provide for equal housing opportunity and social support services for special needs groups as well as healthy and sustainable housing and neighborhoods throughout the City. Programs to improve neighborhoods in low resources areas, facilitate solutions to address homelessness, and preserve mobile home parks as a form of affordable housing are contained in the Housing Element. The RHNA is accommodated through the proposed legislative amendments, which would allow multi-family residential uses with a minimum of 20 percent of the units affordable to lower income households. The Affordable Housing Overlay areas are primarily located along or have access to arterial streets and avoid encroachment of incompatible uses within existing established residential neighborhoods. Furthermore, the Housing Element includes an analysis of governmental constraints and proposes programs to remove constraints to the provision of a diverse range of housing units such as housing for disabled persons.

*Policy LU-4C:* Encourage and provide incentives for residential property owners to maintain their homes and buildings.

The Housing Element proposes several programs for the preservation of existing housing including: financial assistance for single-family home and multi-family rental repairs; multi-family acquisition and rehabilitation projects; neighborhood preservation and code enforcement efforts; and preservation of assisted rental housing.

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

*Policy LU-4E:* Encourage housing options located in proximity to employment to reduce vehicle miles traveled.

*Goal LU-14C:* Improve the availability of affordable housing and accessible transportation options for service workers.

Appendix B: Adequate Sites demonstrates that many of the identified sites are located near SCAG-designated high quality transit. Additionally, public transit stops are available along the Gothard Ave. corridor and Goldenwest St. and Garfield Ave. area. Providing housing units in these well-connected areas of the City will enable residents to utilize existing public transit and reduce vehicle miles traveled. The Housing Element contains a variety of policies and programs

to facilitate affordable housing through production of new units and preservation of existing affordable housing to support workers employed in the City's service industry.

Each of the Zoning Map and Text Amendments proposed in conjunction with the Housing Element are consistent with the General Plan. The findings for approval list the applicable consistent General Plan goals and policies and are provided in the attachments to this staff rep

### Summary

The 2021-2029 Housing Element Update in conjunction with the proposed program implementation actions to accommodate the City's RHNA adequately addresses housing needs in the City of Huntington Beach and complies with State requirements. It identifies appropriate programs to assist the City in meeting its housing goals, objectives and policies. Staff and the Planning Commission recommend approval of the updated Housing Element and proposed legislative amendments for the following reasons:

- The updated Housing Element and proposed legislative amendments are consistent with the General Plan and State law requirements.
- The Housing Element identifies specific programs to address the community's housing needs, including provision of adequate sites, removal of governmental constraints, the preservation and development of affordable housing, equal housing opportunity, healthy and sustainable housing, solutions for people experiencing or at risk of homelessness, promoting place making, and affirmatively furthering fair housing.
- The Housing Element and legislative amendments will enable the City to obtain certification from HCD and maintain eligibility for funding programs for housing, transportation and infrastructure.
- SEIR No. 22-002 has been prepared in accordance with the California Environmental Quality Act (CEQA), adequately addresses the environmental impacts of the Housing Element Update and associated General Plan, Zoning Text and Zoning Map amendments, and identifies project alternatives and mitigation measures to lessen the project's impacts.

### Environmental Status:

A Subsequent EIR (SEIR) was prepared for the project (Attachment No. 16). The SEIR is a tiered analysis document utilizing the City's General Plan Update Program EIR (August 2017) as a baseline. Pursuant to State CEQA Guidelines §15162(3)(A) and (B), the SEIR evaluates potential environmental impacts associated with adoption and implementation of the Housing Element Update. The SEIR concludes that the Project would result in significant and unavoidable impacts concerning air quality, greenhouse gases, hydrology and water quality, noise, and utilities and services systems. The SEIR was available for a 45-day public review period from June 29 to August 19, 2022. The final EIR includes responses to comments received.

Changes to the Housing Element Update and the implementation actions resulting from the various public hearings, such as the removal of candidate housing sites from SP7, reduction of the overall permitted density in SP9, the increase in density on the Frontier site, and the Planning Commission's recommendation to remove Sites No. 393 and 394, would redistribute density within the project area while remaining consistent with the total density proposed as part of the HEU and the total density analyzed in the SEIR. In addition, the revised site capacity does not exceed the overall capacity

analyzed in the SEIR. The changes are consistent with the existing analysis and conclusions in the SEIR. As such, the changes would not result in a new significant environmental impact, a “significant increase” in the severity of an environmental impact for which mitigation is not proposed, or a new feasible alternative or mitigation measure that would lessen the significant environmental impacts of the project, nor do the changes reflect a “fundamentally flawed” or “conclusory” SEIR. As such, the SEIR is not subject to recirculation prior to certification pursuant to Section 15088.5 of the State CEQA Guidelines.

#### Statement of Overriding Considerations

Section 15093 of the CEQA guidelines requires the decision-making agency to balance, as applicable, the economic, legal, social, technological, or other benefits of a proposed project against its unavoidable environmental risks when determining whether to approve the project. If the specific economic, legal, social, technological, or other benefits of a proposed project outweigh the unavoidable adverse environmental effects, the adverse environmental effects may be considered “acceptable.” When the lead agency approves a project that will result in the occurrence of significant effects, which are identified in the Final EIR but are not avoided or substantially lessened, the agency shall state in writing the specific reason to support its actions based on the Final EIR and/or other information in the record. The statement of overriding considerations shall be supported by substantial evidence in the record.

The City of Huntington Beach proposes to adopt a Statement of Overriding Considerations regarding the significant air quality, greenhouse gas, hydrology and water quality, noise, and utilities/water supply impacts of the Project. The City has evaluated all feasible mitigation measures and potential changes to the Project with respect to reducing the impacts that have been identified as significant and unavoidable. Specific economic, social, or other considerations outweigh the significant and unavoidable impacts stated above. The reasons for proceeding with the proposed project, notwithstanding the identified significant and unavoidable impacts, are described below.

#### Proposed Project Benefits

- 1) The HEU would facilitate the development of a wide range of housing types in sufficient supply to meet the needs of current and future residents, particularly for persons with specific needs, including but not limited to extremely low, very low, and lower income households; seniors; persons with disabilities; large households; single-parent households; people experiencing homelessness or at risk of homelessness; and farmworkers.
- 2) The HEU would increase the supply of affordable housing in high opportunity/resource areas, including areas with access to employment opportunities, community facilities and services, and amenities.
- 3) The HEU would provide a comprehensive system of support and would expand housing options aimed to prevent and end homelessness.
- 4) The HEU would reduce constraints to the development of housing, including affordable housing, through programs that allow ministerial approval processes, permit ready plans for Accessory Dwelling Units, a review and update of the City’s small lot ordinance, and housing overlays in nonresidential areas.
- 5) The HEU would address planning and monitoring goals for long-term affordability of adequate housing.
- 6) The HEU would facilitate the development of an accessible housing supply for all persons

without discrimination in accordance with State and federal fair housing laws. The HEU would enhance existing lower resource neighborhoods by promoting livable, healthy, and safe housing for all residents.

- 7) The HEU provides a plan for meeting the City's RHNA goals and to affirmatively further fair housing, which substantially complies with State law, thereby enabling the City to achieve certification of the HEU through the California Department of Housing and Community Development. Certification of the HEU would also enable the City to maintain eligibility for funding programs tied to a compliant HEU.
- 8) The HEU would allow the City of to revitalize commercial corridors and older industrial areas by allowing for additional housing opportunities in the City while maintaining the character of existing, long-established single-family residential neighborhoods in the City. Consistent with General Plan Implementation Program LU-P.14, the Affordable Housing Overlay allows for housing within the Research and Technology zoned areas, which establishes housing opportunities for employees of business in these areas. The provisions of the Affordable Housing Overlay ensure that potential conflicts between residential and non-residential uses in these areas would be minimized. The City would continue to ensure that all standards for building design, streetscape design, and landscaping would be adhered to and would review development proposals to ensure consistency with the character and visual appearance of the surrounding neighborhood.
- 9) The HEU would encourage future housing developments to better integrate with alternative modes of traditional transport because over half of the candidate housing sites identified in the HEU are located along High Quality Transit Areas. New development would also be encouraged to promote and support public transit and alternative modes of transportation by incorporating bus turnouts and shaded bus stops (where appropriate) and providing enhanced pedestrian and bicycle facilities.
- 10) With more organized development and guided use of existing resources, such potential impacts to water supply can be monitored and improved for the health and benefit of residents. Further, parklands and open spaces can be protected and retained in place throughout the planning horizon to provide recreational benefits to residents, visitors and school aged students. A shift toward sustainable resources and self-sufficiency, as outlined in the HEU, will allow for the continuation of the valued way of life within the City of Huntington Beach throughout the planning horizon. For example, future projects would be required to comply with General Plan Goal ERC-15 and Policies ERC-15.A and ERC-15.B, which aim to maintain an adequate supply of water and distribution facilities capable of meeting existing and future water supply needs and require monitoring to reduce impacts to the water system in an effort to maintain and expand water supply and distribution facilities.

**Strategic Plan Goal:**

Economic Development & Housing

**Attachment(s):**

1. City Council Resolution No. 2023-15 for Subsequent EIR No. 22-002 with Findings of Fact and Statement of Overriding Considerations
2. City Council Resolution No. 2023-14 for General Plan Amendment No. 21-003 (Housing Element Update)
3. City Council Resolution No. 2023-16 for General Plan Amendment No. 22-001 (General Plan

Land Use Element)

4. Legislative Draft Land Use Element changes - General Plan Amendment No. 22-001 (Affordable Housing Overlay)
5. Proposed General Plan Land Use Map - Figure LU-2 - General Plan Amendment No. 22-001 (Affordable Housing Overlay)
6. Suggested Findings of Approval for Zoning Text Amendment No. 22-008/ Zoning Map Amendment No. 22-002 (Chapter 229 Affordable Housing Overlay HBZSO)
7. City Council Ordinance No. 4289 for Zoning Map Amendment No. 22-002 (Affordable Housing Overlay)
8. City Council Ordinance No. 4291 and Legislative Draft for Zoning Text Amendment No. 22-008 (Chapter 229 Affordable Housing Overlay HBZSO)
9. Suggested Findings of Approval for Zoning Text Amendment No. 22-009 (BECSP Affordable Housing Overlay)
10. City Council Resolution No. 2023-13 and Legislative Draft for Zoning Text Amendment No. 22-009 (BECSP Affordable Housing Overlay)
11. Suggested Findings of Approval for Zoning Text Amendment No. 22-007 (Holly Seacliff Specific Plan Affordable Housing Overlay)
12. City Council Ordinance No. 4290 and Legislative Draft for Zoning Text Amendment No. 22-007 (Holly Seacliff Specific Plan Affordable Housing Overlay)
13. Housing Element Appendix B - Adequate Sites Analysis
14. Public Comments
15. Draft 6th Cycle Housing Element Update available at  
<<https://www.huntingtonbeachca.gov/housing-element-update/public-review-draft-housing-element/>>
16. Final Subsequent EIR
17. February 22, 2023, March 6, 2023 HCD Letters
18. PowerPoint Presentation