



# City of Huntington Beach

**File #:** 19-584

**MEETING DATE:** 5/20/2019

## REQUEST FOR CITY COUNCIL ACTION

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

**SUBMITTED BY:** Lori Ann Farrell Harrison, Interim City Manager

**PREPARED BY:** Ursula Luna-Reynosa, Director of Community Development

**Subject:**

**Adopt Resolution 2019-34 amending Resolution No. 2007-71 to expand the permitted uses of the Affordable Housing Trust Fund**

**Statement of Issue:**

On November 1, 2004, the City Council adopted Ordinance No. 3687 adding Zoning & Subdivision Ordinance Section 230.26 "Affordable Housing", related to the goals and objectives of the City's Housing Element, intended to encourage lower and median income housing. On October 15, 2007 the City Council adopted Resolution No. 2007-71 establishing the annual fee and determining the permitted uses of the Affordable Housing Trust Funds pursuant to Section 230.26(E)(6). Staff is recommending that the City Council consider amending Resolution No. 2007-71 to expand the permitted uses of the Affordable Housing Trust Fund to include homeless shelters.

**Financial Impact:**

No fiscal impact.

**Recommended Action:**

Adopt Resolution 2019-34, "A Resolution of the City Council of the City of Huntington Beach Amending Resolution No. 2007-71 to Expand the Permitted Uses of the Affordable Housing Trust Fund."

**Alternative Action(s):**

Do not adopt Resolution No. 2019-34 and direct staff accordingly.

**Analysis:**

Zoning & Subdivision Ordinance Section 230.26 "Affordable Housing" provides the City Council with the ability to establish an Affordable Housing In-Lieu Fee and establish the permitted uses of these fees. These fees are placed in a restricted account called the Affordable Housing Trust Fund. Section 230.26(E)(6) specifies the process to establish the fee and permitted uses of the funds collected via a resolution. On October 15, 2007 the City Council adopted Resolution No. 2007-71 which established the fee, the process to update it annually, and the permitted uses of the Affordable

Housing Trust Fund.

The established uses currently include:

- Pre-development costs
- Land or air rights acquisition
- Rehabilitation land write-downs
- Administrative costs
- Gap financing
- Lowering the interest rate of construction loans or permanent financing

The purpose of Section 230.26 of the City's Zoning & Subdivision Ordinance is to encourage affordable housing. Part of the affordable housing need includes extremely low-income persons that are homeless. By amending Resolution No. 2007-71 to expand the eligible uses of the Affordable Housing Trust Fund to include funding of homeless shelters allows another funding source to address a critical need in the City.

Attachment 1 shows the proposed amendments to Resolution 2007-71.

**Environmental Status:**

This Request for Council Action involves revisions to Resolution No. 2007-71 that would broaden the eligible uses of the Affordable Housing Trust Fund fees. This action constitutes an administrative governmental fiscal activity, which does not involve the commitment to any specific project with the potential to result in significant physical environmental impacts or reasonably foreseeable indirect physical changes to the environment, and as such, is not a project as defined in Section 15378 (b)(4) and (5) of the CEQA Guidelines.

**Strategic Plan Goal:**

Non-Applicable - Administrative Item

**Attachment(s):**

1. Resolution 2007-71, "A Resolution of the City Council of the City of Huntington Beach setting forth an Affordable Housing In-Lieu Fee as authorized by Zoning & Subdivision Ordinance 3687 Section 230.26"
2. Resolution 2019-34, "A Resolution of the City Council of the City of Huntington Beach Amending Resolution No. 2007-71 to Expand the Permitted Uses of the Affordable Housing Trust Fund."