



City of Huntington Beach

File #: 19-1198

MEETING DATE: 12/10/2019

PLANNING COMMISSION STUDY SESSION

TO: Planning Commission
FROM: Ursula Luna-Reynosa, Director of Community Development
BY: Jennifer Villasenor, Deputy Director

SUBJECT:
GENERAL PLAN AMENDMENT NO. 19-003 and ZONING TEXT AMENDMENT NO. 19-006
(HOUSING ELEMENT & BEACH AND EDINGER CORRIDORS SPECIFIC PLAN AMENDMENTS)

REQUEST:

General Plan Amendment No. 19-003: 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; Zoning Text Amendment No. 19-006): to amend the Beach and Edinger Corridors Specific Plan (BECSP) to establish an Affordable Housing Overlay in accordance with program actions proposed in the Housing Element amendment.

LOCATION:

Housing Element - citywide; Beach and Edinger Corridors Specific Plan - various sites on Beach Boulevard (refer to Attachment No. 2)

APPLICANT:

City of Huntington Beach

LOCATION:

Housing Element - citywide; Beach and Edinger Corridors Specific Plan - various sites on Beach Boulevard (refer to Attachment No. 2)

PROJECT PROPOSAL:

The purpose of this study session is to introduce General Plan Amendment (GPA No. 19-003), a request to amend the City Council adopted 2013-2021 General Plan Housing Element in order to be eligible to receive state funding for homelessness response programs; and Zoning Text Amendment (ZTA No. 19-006) to amend the Beach and Edinger Corridors Specific Plan (BECSP) to establish an Affordable Housing Overlay in accordance with program actions proposed in the Housing Element amendment.

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.

What is the Housing Element?

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.

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 1: 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.

2015 Beach and Edinger Corridors Specific Plan (BECSP) Amendment

Prior to May 2015, the City met the majority of its 533 unit lower income RHNA target through vacant and underutilized sites in the BECSP, which was adopted in 2010. When a BECSP amendment was adopted in May 2015, the residential development cap was reduced and standards were changed that affected the City's ability to continue to count the vacant and underutilized BECSP sites that were identified in the adopted Housing Element toward the City's lower income RHNA. Consequently, HCD sent a letter to the City finding that the Housing Element was out of compliance with state housing element law and rescinded the City's Housing Element certification. The City is interested in pursuing an HCD certified housing element for the purpose of being eligible for SB 2 Funds.

Current RHNA Status

At the time the BECSP amendment was approved, the City had already met its moderate and above moderate RHNA target through: 1) projects built or approved; and 2) vacant, appropriately zoned sites in other areas of the City. There was also some progress made toward the lower income RHNA through projects built, but not enough vacant or qualifying underutilized sites to accommodate the remaining lower income RHNA once the BECSP sites were no longer eligible to be counted toward the RHNA target. Table 2 below shows the City's current 5th cycle RHNA status.

TABLE 2: 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	197	498	-
Above Moderate	572	2,574	266	147	2,987	-
Total	1,353	2,945	276	362	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 3 below to accommodate the RHNA shortfall.
- Allow for residential development within the Overlay to continually 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).

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 3, 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.

TABLE 3: 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

CEQA:

The Housing Element amendment is covered under Negative Declaration No. 12-007.

The Beach and Edinger Corridors Specific Plan (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.

PUBLIC PARTICIPATION:

The City conducted a noticed 30-day public review period on the draft Housing Element amendment and has submitted the draft Housing Element amendment to HCD for a required 60-day review. Comments received from the public on the draft Housing Element amendment will be forward to the Planning Commission after the conclusion of the comment period.

PUBLIC HEARING DATE:

A Planning Commission public hearing on the Housing Element amendment (GPA No. 19-003) and BECSP amendment (ZTA No. 19-006) is tentatively scheduled for January 14, 2020. Action by the Planning Commission will be forwarded to the City Council as a recommendation. The City Council public hearing is tentatively scheduled for February 3, 2020.

ATTACHMENTS:

1. Draft Housing Element Amendment - not attached; refer to the City's website:
<<https://www.huntingtonbeachca.gov/government/departments/planning/major/files/Draft-Housing-Element-Amendment.pdf>>
2. Affordable Housing Overlay Sites Map
3. November 4, 2019 City Council meeting minutes excerpt