



City of Huntington Beach

File #: 22-369

MEETING DATE: 5/3/2022

REQUEST FOR CITY COUNCIL / HOUSING AUTHORITY ACTION

SUBMITTED TO: Honorable Mayor / Board Members

SUBMITTED BY: Sean Joyce, Interim City Manager / Interim Executive Director

VIA: Ursula Luna-Reynosa, Director of Community Development

PREPARED BY: Charles G. Kovac, Housing Manager

Subject:

Approve and authorize execution of a Density Bonus and Affordable Housing Agreement with S.G.V. Property Fund LLC for the 18-unit townhome project located at 17532 Cameron Lane

Statement of Issue:

It is recommended that the City Council approve a Density Bonus and Affordable Housing Agreement ("Agreement") between the City of Huntington Beach ("City") and S.G.V. Property Fund ("Developer") to facilitate the development of a 0.91 acre site located at 17532 Cameron Lane ("Project"). The Project consists of 18 townhomes, of which, this Agreement will restrict 2 units for moderate income households for 45 years.

Financial Impact:

Not applicable.

City Council and Housing Authority Recommended Action:

- A) Approve the "Density Bonus and Affordable Housing Agreement for 17532 Cameron Lane, Huntington Beach, by and between the City of Huntington Beach, a California Municipal Corporation and S.G.V. Property Fund LLC, a Limited Liability Corporation," for the development an 18-unit townhome project; and,
- B) Authorize the City Manager or their designee to implement and execute the Density Bonus and Affordable Housing Agreement for the Project, including all necessary related documents; and
- C) Authorize the Executive Director or their designee to execute all necessary implementing agreements and related documents.

Alternative Action(s):

Do not approve and direct staff accordingly.

Analysis:

On October 12, 2021, the Developer received approval from the Planning Commission for Tentative Tract Map No. 19154 and CUP No. 21-006 to develop an 18-unit townhome project at 17532 Cameron Lane. The 0.91 acre Project site is vacant and is located on the east side of Cameron Lane, south of Slater Avenue. The Project layout consists of four detached buildings with 18 residential dwelling units including: 1) one building with six units; 2) one building with five units; 3) one building with 4 units; and 4) one building with three units. Of these, eight are two-bedroom units with attached two-car garages and 10 are three-bedroom units with attached two-car garages. Access to the site includes one ingress/egress driveway on Cameron Lane. The property is required to provide a 10-ft. right-of-way dedication for pedestrian access and public utilities along the Cameron Lane frontage. New curbs, gutters, and sidewalks will be installed along the Project's Cameron Lane frontage.

Pursuant to California Government Code Section 65915 (the "State Density Bonus Law"), as implemented under Huntington Beach Zoning and Subdivision Ordinance, Chapter 230.14 ("Ordinance"), developers of housing projects that include specified levels of affordable housing are entitled to apply for and receive certain density bonuses and additional incentives or concessions in order to facilitate the economic feasibility of those projects. The Developer is not proposing an increase in the number of units allowed per the State Density Bonus Law and will meet the affordability requirements as outlined in the Ordinance. In exchange for making at least 10 percent of the 18 total units affordable to moderate income households per the Ordinance, the State Density Bonus Law provides that the developer may receive up to one incentive or concession.

Pursuant to Government Code Section 65915(e), the Developer is requesting waiver of the City's parking standards and instead implement the parking ratio allowed under State Density Bonus Law. To receive this waiver, the Developer must ensure that no less than 10 percent or 2 of the 18 units remain affordable to moderate income households for 45 years. The proposed Agreement memorializes this requirement; covenants implementing the Agreement will be recorded on the property title ensuring that two units will be owned and occupied by moderate income households, as defined in Health and Safety Code Section 50093, for 45 years. The Owner will build the Project in a single phase and sell individual units to eligible homebuyers. The maximum moderate income sales prices for both units will be set in accordance with the Agreement.

The proposed Agreement is consistent with the Ordinance, was prepared by the City Attorney's Office, and is included as Attachment 1.

Environmental Status:

Not applicable. As part of the entitlement process and approval by the Planning Commission, the Project has complied with California Environmental Quality Act (CEQA) provisions and is exempt pursuant to CEQA Section 15195, Residential Infill Exemption.

Strategic Plan Goal:

Economic Development & Housing

Attachment(s):

1. Density Bonus and Affordable Housing Agreement between the City of Huntington Beach and S.G.V. Property Fund

