



City of Huntington Beach

File #: 22-701

MEETING DATE: 10/11/2022

PLANNING COMMISSION STAFF REPORT

TO: Planning Commission
FROM: Ursula Luna-Reynosa, Director of Community Development
BY: Nicolle Aube, AICP, Senior Analyst

SUBJECT:
GENERAL PLAN AMENDMENT NO. 2021-003 (2021-2029 HOUSING ELEMENT UPDATE)/GENERAL PLAN AMENDMENT NO. 2022-001 (AFFORDABLE HOUSING OVERLAY)/ENVIRONMENTAL IMPACT REPORT NO. 2022-002 (HOUSING ELEMENT UPDATE AND ASSOCIATED PROGRAM IMPLEMENTATION ACTIONS)/ ZONING MAP AMENDMENT NO. 2022-001 (RMH REZONING)/ ZONING MAP AMENDMENT NO. 2022-002 (AFFORDABLE HOUSING OVERLAY)/ ZONING TEXT AMENDMENT NO. 2022-008 (CHAPTER 229 - AFFORDABLE HOUSING OVERLAY)/ ZONING TEXT AMENDMENT NO. 2022-009 (BEACH AND EDINGER CORRIDORS SPECIFIC PLAN AFFORDABLE HOUSING OVERLAY EXPANSION)/ ZONING TEXT AMENDMENT NO. 2022-006 (ELLIS GOLDENWEST SPECIFIC PLAN RH OVERLAY)/ ZONING TEXT AMENDMENT NO. 2022-007 (HOLLY SEACLIFF SPECIFIC PLAN AFFORDABLE HOUSING OVERLAY)

REQUEST:
To update the General Plan Housing Element for the 2021-2029 planning period and implement the associated program actions to accommodate the City's RHNA.

LOCATION:
Citywide

APPLICANT:
City of Huntington Beach

PROPERTY OWNER:
Various

BUSINESS OWNER:
Not applicable

STATEMENT OF ISSUE:

1. Are the Housing Element update and proposed legislative amendments necessary for the changing needs and orderly development of the community and consistent with other elements of the General Plan?
2. Are the proposed GPA and ZMA designations compatible with the surrounding area?
3. Does the Housing Element substantially comply with state Housing Element law?
4. Does the proposed project satisfy all the findings required for approval of a ZMA, ZTA, and SEIR?
5. Is the SEIR adequate and complete in that it has identified all significant effects of the project and any applicable mitigation measures?

RECOMMENDATION:

That the Planning Commission take the following actions:

CEQA Action

A) Recommend approval of Subsequent EIR No. 22-002 with findings of fact and statement of overriding considerations by approving draft City Council Resolution No. 2022-63 (Attachment No. 1) and forward to the City Council for consideration.

Housing Element Update Action

B) Recommend approval of General Plan Amendment No. 21-003 (Housing Element Update) by approving draft City Council Resolution No. 2022-62 (Attachment No. 2) and forward to the City Council for consideration.

Implementation Actions (Legislative Amendments)

C) Recommend approval of General Plan Amendment No. 22-001 (General Plan Land Use Element Affordable Housing Overlay) by approving the draft City Council Resolution (Attachment Nos. 3, 4 and 5);

D) Recommend approval of Zoning Map Amendment No. 22-002 (Zoning Map Affordable Housing Overlay) with findings (Attachment No. 6) by approving draft Ordinance No. 4269 (Attachment No. 7);

E) Recommend approval of Zoning Text Amendment No. 22-008 (HBZSO Chapter 229 Affordable Housing Overlay) with findings (Attachment No. 6) by approving draft Ordinance No. 4272 (Attachment No. 8);

F) Recommend approval of Zoning Map Amendment No. 22-001 (RMH Rezoning) with findings (Attachment No. 9) by approving draft Ordinance Nos. 4262, 4263, and 4264 (Attachment No. 10);

G) Recommend approval of Zoning Text Amendment No. 22-009 (Beach and Edinger Corridor Specific Plan Affordable Housing Overlay) with findings (Attachment No. 11) by approving draft City Council Resolution No. 2022-59 (Attachment No. 12);

H) Recommend approval of Zoning Text Amendment No. 22-007 (Holly Seacliff Specific Plan Affordable Housing Overlay) with findings (Attachment No. 13) by approving draft Ordinance No. 4271 (Attachment No. 14); and

I) Recommend approval of Zoning Text Amendment No. 22-006 (Ellis Goldenwest Specific Plan RH Overlay) with findings (Attachment No. 15) by approving draft Ordinance No. 4265 (Attachment

No. 16), and forward to the City Council for consideration.

ALTERNATIVE ACTION(S):

A) Do not recommend approval of 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. 22-006, Zoning Text Amendment No. 22-007, and Zoning Text Amendment No. 22-008 and forward to the City Council for consideration.

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 2021-2029 planning period.

State Housing Element Law (Article 10.6 of Chapter 3 of the Government Code) establishes requirements for the content of local agencies' housing elements in order to ensure that housing issues are adequately and thoroughly addressed. The City has retained a consultant, Kimley Horn and Associates, to assist staff in the preparation of the Housing Element Update in meeting the State's requirements and ultimately obtaining certification from the California State Department of Housing and Community Development (HCD). On Friday September 30, 2022, HCD found the City's draft Housing Element to be in substantial compliance with state Housing Element law (Attachment No. 22).

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 Regional Housing Needs Allocation (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. The amended Land Use Map also designates the three rezoning sites with the RMH land use designation consistent with the requested Zoning Map Amendment (ZMA No. 22-001). **(Attachment Nos. 3, 4 and 5)**

Zoning Map Amendment No. 22-001 is a request to amend the zoning designation for three properties to Residential Medium High Density (RMH) **(Attachment Nos. 9 and 10):**

- 15511 Edwards St. (Chuck E. Cheese); existing Zoning: Commercial General
- 7600 Redondo Cir. (Reliable Lumber); existing Zoning: Limited Industrial
- 7242 Slater Ave. (Frontier); existing Zoning: General Industrial

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 Nos. 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 with the Affordable Housing Overlay. The primary locations of the Affordable Housing Overlay sites are the Golden West College campus and the Gothard corridor. **(Attachment Nos. 6 and 7)**

Zoning Text Amendment No. 22-006 is a request to amend the Ellis Goldenwest Specific Plan (SP7) to add an Affordable Housing/Residential High Density (RH) Overlay on certain properties located on the west side of Goldenwest Street, north of Garfield Avenue. **(Attachment Nos. 15 and 16)**

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 and Low Density Residential properties located on the east side of Goldenwest Street north and south of Garfield Avenue. **(Attachment Nos. 13 and 14)**

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. **(Attachment Nos. 11 and 12)**

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 20)**

Public Participation

Housing Element law (Government Code 65583(c)(7)) 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 and three Planning Commission Study Sessions on the Housing Element. All study sessions are public meetings. 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 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 Housing Element law. The City submitted its most recent draft on August 1, 2022 and received a letter from HCD determining that the Housing Element complies with Housing Element law on September 30, 2022.

Benefits of HCD Certification

The main benefit of HCD certification is the presumption of a legally adequate Housing Element, particularly in light of expanded enforcement authority granted to HCD through AB72 (2017), which enables HCD to refer non-compliant jurisdictions to the State Attorney General's Office. If the court finds a city's Housing Element invalid, the city can potentially face penalties such as a moratorium on all development/building permit issuance, loss of local land use authority, and fines of up to \$100,000 per month. One other benefit of certification is eligibility for State funding programs for housing, transportation and infrastructure. 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. State funding programs that require a local jurisdiction's housing element compliance include:

- Community Development Block Grant Program
- Infill Infrastructure Grant Program
- Local Housing Trust Fund Program
- Affordable Housing and Sustainable Communities Program
- Permanent Local Housing Allocation Program
- Caltrans Sustainable Communities Grant Program

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.

ISSUES AND ANALYSIS:

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 regional housing need (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. However, State law requires every jurisdiction to show that it has capacity to accommodate its RHNA through zoning capacity.

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. Rezoning three properties
4. Establishing an affordable housing overlay to be applied to the sites identified in Appendix B of the draft Housing Element.

Table 2 below provides a breakdown of the dwelling unit capacity that can be accommodated through these strategies.

TABLE 2: RHNA Strategy

	Very Low	Low	Moderate	Above Moderate	Total
RHNA Target	3,661	2,184	2,308	5,215	13,368
Approved/Pending Projects	17	285	82	1,371	1,755
ADU	307		170	10	487

Rezoning Sites	0	128	300	428
Hotel/Motel Conversion	415	0	0	415
Affordable Housing Overlays	5,477	2,620	9,785	17,882
Total	6,501	3,000	11,466	20,967
RHNA Met?	YES	YES	YES	YES

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 6th 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 City has already issued permits for the first HomeKey project at the Quality Inn & Suites site.

3. RMH Rezoning (Zoning Map Amendment No. 2022-001) - ATTACHMENT NOS. 9 & 10

This strategy utilizes the City’s existing Residential Medium High Density (RMH) zone to create residential capacity at a maximum of 25 units per acre. The City has identified three sites to rezone from non-residential designations to RMH due to expressed interest in residential development at these sites. The capacity on the rezone sites accounts for 428 RHNA units in the moderate and above moderate/market rate income category. The three properties are:

- 15511 Edwards St. (Chuck E. Cheese); existing Zoning: Commercial General
- 7600 Redondo Cir. (Reliable Lumber); existing Zoning: Limited Industrial
- 7242 Slater Ave. (Frontier); existing Zoning: General Industrial

New developments proposed on the rezoned sites would be subject to the existing established standards for the RMH zoning district, which are not proposed to change with ZMA No. 22-001. In addition, projects would be subject to the City's Affordable Housing requirements to provide 10 percent of the units affordable to low (rental units) or moderate-income (ownership units) households or, if eligible, pay an in-lieu fee which would be restricted for the provision of affordable housing.

Each property proposed for rezoning is surrounded by properties that are zoned for residential and non-residential uses. The proposed RMH zoning is a compatible land use for transitioning between non-residential (commercial and industrial) designated properties and established low density/single-family neighborhoods. The zoning map amendment would provide for a compatible multi-family residential land use on properties that are currently underutilized. The three sites to be rezoned can be accessed from arterial streets and would not result in encroachment upon existing established neighborhoods. It should be noted that these sites would also have corresponding General Plan Land Use Map changes to reflect the proposed RMH designation, which are shown on the proposed Land Use Map in Attachment No. 5.

4. Affordable Housing Overlay (General Plan Amendment No. 2022-001) - ATTACHMENT NOS. 3, 4, & 5

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. A draft of Figure LU-2, which is the General Plan Land Use Map, is provided in Attachment No. 5 to show all of the proposed Affordable Housing Overlay areas, including those proposed within specific plan areas. The sites identified for inclusion within an Affordable Housing Overlay primarily include the following:

- Existing industrial properties along Gothard Ave. primarily within the Research and Technology (RT) zoned areas;
- Properties on the west side of Goldenwest St., north of Garfield Ave. within the Ellis Goldenwest Specific Plan (SP7) area;
- Industrial properties on the east side of Goldenwest St, north and south of Garfield Ave. within the Holly-Seacliff Specific Plan (SP9) area;
- Golden West College
- Residential sites within the Beach and Edinger Corridors Specific Plan (SP14)

The Affordable Housing Overlay necessitates amendments to the Huntington Beach Zoning and Subdivision Ordinance (HBZSO) as well as the Beach and Edinger Corridors Specific Plan (SP14), the Holly Seacliff Specific Plan (SP9), and the Ellis Goldenwest Specific Plan (SP7), which are described below.

Beach-Edinger Corridors Specific Plan (SP14/ BECSP) Affordable Housing Overlay (Zoning Text

Amendment No. 22-009) - ATTACHMENT NOS. 11 & 12

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 throughout 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 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.

Huntington Beach Zoning and Subdivision Ordinance (HBZSO) Affordable Housing Overlay (Zoning Map Amendment No. 22-002/Zoning Text Amendment No. 22-008) - ATTACHMENT NOS. 6, 7, & 8

Outside of specific plan areas, select sites primarily located along the RT zoned Gothard corridor are proposed to be designated with an Affordable Housing Overlay. Additionally, in consultation with Golden West College administration, the City has identified the Golden West College (GWC) campus to be part of the Affordable Housing Overlay. Appendix B identifies the construction of up to 600 residential units on the GWC campus, which furthers its 2030 Comprehensive Master Plan goal to develop housing on the campus.

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 industrial 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 6th 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.

Holly Seacliff Specific Plan (SP9) Affordable Housing Overlay (Zoning Text Amendment No. 22-007) - ATTACHMENT NOS. 13 & 14 *(majority of AH Overlay text is on pages III-29 & III-30 of the specific plan)*

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 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.

Ellis Goldenwest Specific Plan (SP7) RH Overlay (Zoning Text Amendment No. 22-006) - ATTACHMENT NOS. 15 & 16 *(majority of RH Overlay text is on pages 22 - 24 of the specific plan)*

The area designated for an Affordable Housing Overlay within SP7 is located on the west side of Goldenwest St., north of Garfield Ave. The majority of the area was occupied by an outdoor landscape supply business (South Coast Supply) and is designated for estate residential in SP7. Similar to the other proposed Affordable Housing Overlays, multi-family residential uses would be permitted by right provided that at least 20 percent of the units are affordable to lower income households. The proposed SP7 Affordable Housing Overlay would allow residential development pursuant to the maximum density and zoning standards of the existing Residential High Density (RH) zoning standards specified in the HBZSO.

Sites designated with an Affordable Housing Overlay in SP7 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 Overlay. As an alternative, the Affordable Housing Overlay would enable property owners to develop multi-family residential uses in an existing residentially zoned area with access to a services, jobs and community facilities while avoiding encroachment upon the established residential neighborhoods of the Specific Plan area. Affordable Housing Overlay sites within SP7 are located in highest resource areas and provide access from Goldenwest Street, a major/primary arterial in the City.

Section 4: 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 5th Cycle Housing Element because they are still applicable and relevant for the 2021-2029 planning period. Some 5th Cycle programs were updated or expanded to reflect the housing needs for the 6th 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 6th 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.

General Plan Conformance:

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 report.

Environmental Status:

A Subsequent EIR (SEIR) was prepared for the project (Attachment No. 20). 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.

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 non-residential 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.

Coastal Status:

None of the sites proposed to be rezoned or designated with an Affordable Housing Overlay are within the Coastal Zone Overlay. However, the proposed Affordable Housing Overlay (Chapter 229 of the HBZSO) is a citywide ordinance that could be applicable in the Coastal Zone. The proposed amendment will be combined with other amendments that will be forwarded to the California Coastal Commission as a Local Coastal Program Amendment for certification.

Public Notification:

Legal notice was published in the Huntington Beach Wave on September 29, 2022 and notices were sent to individuals/organizations on the City's Housing Element notification list and those interested parties that have requested notification (Planning Division's Notification Matrix). In addition, property owners of the identified sites within the RMH rezone, Affordable Housing Overlay sites (including those within SP7 and SP 9) and the Beach and Edinger Corridor Specific Plan, were mailed a notice. As of October 4, 2022, the City has received one public comment letter regarding the request have been received. (Attachment No. 21)

Application Processing Dates:

DATE OF COMPLETE APPLICATION:	MANDATORY PROCESSING DATE(S):
Not applicable.	October 15, 2022 due to HCD

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. Although HCD has determined that the City's draft Housing Element substantially complies with Housing Element law, it will not certify the City's Housing Element until the legislative amendments to accommodate the RHNA are completed.

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 recommends the Planning Commission approve 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.

ATTACHMENTS:

1. Subsequent EIR No. 22-002 Findings of Fact and Statement of Overriding Considerations
2. Draft Resolution - General Plan Amendment No. 21-003 (Housing Element Update)
3. Draft Resolution - 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 - Zoning Text Amendment No. 22-008/ Zoning Map Amendment No. 22-002 (Chapter 229 Affordable Housing Overlay HBZSO)
7. Draft Ordinance - Zoning Map Amendment No. 22-002 (Affordable Housing Overlay)
8. Legislative Draft - Zoning Text Amendment No. 22-008 (Chapter 229 Affordable Housing Overlay HBZSO)
9. Suggested Findings of Approval - ZMA No. 22-001 (RMH rezoning)
10. Draft Ordinance - Zoning Map Amendment No. 22-001 (RMH rezoning)
11. Suggested Findings of Approval - Zoning Text Amendment No. 22-009 (BECSP Affordable Housing Overlay)
12. Draft Resolution & Legislative Draft - Zoning Text Amendment No. 22-009 (BECSP Affordable Housing Overlay)

13. Suggested Findings of Approval - Zoning Text Amendment No. 22-007 (Holly Seacliff Specific Plan Affordable Housing Overlay)
14. Draft Ordinance & Legislative Draft - Zoning Text Amendment No. 22-007 (Holly Seacliff Specific Plan Affordable Housing Overlay)
15. Suggested Findings of Approval - Zoning Text Amendment No. 22-006 (Ellis Goldenwest Specific Plan RH/Affordable Housing Overlay)
16. Draft Ordinance & Legislative Draft - Zoning Text Amendment No. 22-006 (Ellis Goldenwest Specific Plan RH/Affordable Housing Overlay)
17. Draft Housing Element Appendix B
18. Housing Element Sites Map
19. Draft 6th Cycle Housing Element Update available at
<
<https://www.huntingtonbeachca.gov/housing-element-update/public-review-draft-housing-element/>>
20. Final Subsequent EIR
21. Public Comments
22. HCD Substantial Compliance Letter, dated September 30, 2022