



# City of Huntington Beach

File #: 22-716

MEETING DATE: 9/27/2022

## PLANNING COMMISSION STUDY SESSION

**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. 22-001 (LAND USE ELEMENT); ZONING MAP  
AMENDMENT NO. 22-001 (RMH REZONING); ZONING MAP AMENDMENT NO. 22-002  
(AFFORDABLE HOUSING OVERLAY); ZONING TEXT AMENDMENT NO. 22-008 (CHAPTER 229  
- AFFORDABLE HOUSING OVERLAY); ZONING TEXT AMENDMENT NO. 22-009 (SP 14 -  
BEACH AND EDINGER CORRIDORS SPECIFIC PLAN - AFFORDABLE HOUSING OVERLAY);  
ZONING TEXT AMENDMENT NO. 22-007 (SP 9 - HOLLY SEACLIFF SPECIFIC PLAN -  
AFFORDABLE HOUSING OVERLAY); ZONING TEXT AMENDMENT NO. 22-006 ( SP 7 - ELLIS  
GOLDENWEST SPECIFIC PLAN - RH OVERLAY)

**APPLICANT:**  
City of Huntington Beach

**PROPERTY  
OWNER:**  
Various

**BUSINESS  
OWNER:**  
Not applicable.

**LOCATION:**  
Citywide

### **PROJECT PROPOSAL:**

General Plan Amendment No. 21-003 represents a request to update the Housing Element of the General Plan for the 6<sup>th</sup> Cycle 2021-2029 planning period. 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 was last comprehensively updated and subsequently certified by the California State Department of Housing and Community Development (HCD) in 2013. The Housing Element was decertified by HCD in 2015 as a result of amendments made to the Beach and Edinger Corridors Specific Plan (SP14) to decrease residential capacity and increase setback and parking standards. The Housing Element was amended in 2020 to obtain

recertification from HCD. 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).

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. These goals, policies, and programs further the City's overall housing policy goal to inspire a more diverse, sustainable, and balanced housing stock. Implementation of these strategies and programs that may help inform decisions which result in economically and socially diversified housing choices that preserve and enhance the special character of

Huntington Beach.

- 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.

The Southern California Association of Governments (SCAG) has determined that Huntington Beach has a regional housing need allocation (RHNA) of 13,368 units for the 2021-2029 planning period. The RHNA is broken down further into the number of housing units needed for various household income categories. The City's RHNA by income category is:

- 3,661 very low income units;
- 2,184 low income units;
- 2,308 moderate income units; and
- 5,215 above moderate income units.

The City demonstrates that its RHNA allocation can be met by providing for new residential units on the sites identified in Appendix B and entitled/pending projects with occupancy anticipated after January 1, 2021 (Attachment No. 1, Pages B-3 & B-4, Table B-2).

For the prior 2013-2021 planning period, the City's RHNA was 1,353 units. The City has fully addressed zoning capacity for its prior RHNA through construction of new units, entitled projects, identified sites, and adoption of the Beach and Edinger Corridors Specific Plan.

#### 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. 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 jurisdiction's RHNA is determined based on projected household growth, vacancy need, and housing replacement need. 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
<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
Rezoning Sites	0	128	300	428
Hotel/Motel Conversion	415	0	0	415
Affordable Housing Overlays	5,477	2,620	9,785	17,882
<b>Total</b>	<b>6,501</b>	<b>3,000</b>	<b>11,466</b>	<b>20,967</b>
<b>RHNA Met?</b>	<b>YES</b>	<b>YES</b>	<b>YES</b>	<b>YES</b>

### 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 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 NO. 3

This rezone 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 for rezone from non-residential designations to RMH due to expressed interest in residential development at these sites. 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

4. Affordable Housing Overlay (**General Plan Amendment No. 2022-001**) - ATTACHMENT NOS. 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 provided that 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 Goldwenwest Specific Plan (SP7), which are described below.

Beach-Edinger Corridors Specific Plan (SP14/ BECSP) Affordable Housing Overlay (**Zoning Text Amendment No. 22-009**) - ATTACHMENT NO. 8

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).

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

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 provided that 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 6<sup>th</sup> cycle planning period ends, whichever occurs first.

**Holly Seacliff Specific Plan (SP9) Affordable Housing Overlay (Zoning Text Amendment No. 22-007) - ATTACHMENT NO. 9** *(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.

**Ellis Goldenwest Specific Plan (SP7) RH Overlay (Zoning Text Amendment No. 22-006) - ATTACHMENT NO. 10** *(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.

**CEQA:**

A Subsequent EIR (SEIR) was prepared for the project (Attachment No. 2). 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, including responses to comments received, will be prepared and forwarded to the Planning Commission prior to action on the project.

**PLANNING ISSUES:**

This study session will focus on the adequate sites analysis (Appendix B) and implementation actions to accommodate the RHNA.

**PUBLIC HEARING SCHEDULE:**

The following upcoming meetings are tentatively scheduled on the Housing Element leading to final review by the City Council:

Meeting	Date	Time
Planning Commission Study Session (Actions to Accommodate the RHNA - rezoning and affordable housing overlay)	September 27, 2022	5:00 P.M.
Planning Commission Study Session (SEIR) Planning Commission Public Hearing (SEIR, Housing Element Update, RHNA Program Implementation - Rezoning and Affordable Housing Overlay)	October 11, 2022	Study Session: 5:00 P.M. Public Hearing: 6:00 P.M.
City Council Public Hearing	November 15, 2022	6:00 P.M.

*All meetings to be held in the City Council Chambers*

**ATTACHMENTS:**

1. Draft Housing Element Appendix B
2. Housing Element Sites Map
3. Draft Ordinances - Zoning Map Amendment No. 22-001 (RMH rezoning)
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. Draft Ordinance - Zoning Map Amendment No. 22-002 (Affordable Housing Overlay)
7. Legislative Draft - Zoning Text Amendment No. 22-008 (Chapter 229 Affordable Housing Overlay HBZSO)
8. Draft Resolution & Legislative Draft - Zoning Text Amendment No. 22-009 (BECSP Affordable Housing Overlay)
9. Draft Ordinance & Legislative Draft - Zoning Text Amendment No. 22-007 (Holly Seacliff Specific Plan Affordable Housing Overlay)
10. Draft Ordinance & Legislative Draft - Zoning Text Amendment No. 22-006 (Ellis Goldenwest Specific Plan RH/Affordable Housing Overlay)