



# City of Huntington Beach

File #: 22-968

MEETING DATE: 11/16/2022

## PLANNING COMMISSION STAFF REPORT

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

**SUBJECT:**

**Recommend Approval of the Housing Element Update (General Plan Amendment No. 21-003) and Implementation Programs to accommodate the City's Regional Housing Needs Allocation (RHNA) (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. 22-007 (Holly Seacliff Specific Plan Affordable Housing Overlay); Zoning Text Amendment No. 22-009 (Beach and Edinger Corridors Specific Plan Affordable Housing Overlay); Subsequent Environmental Impact Report (SEIR) No. 22-002 (Housing Element Update and Associated RHNA Implementation Actions)**

**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

**STATEMENT OF ISSUE:**

On October 11, 2022, the Planning Commission held a public hearing on the Housing Element Update and implementation programs and recommended approval to the City Council. The City Council held a study session on the Housing Element on November 1, 2022. The study session included a presentation on the Housing Element Update and implementation actions as reviewed by the Planning Commission in addition to options to revise the Housing Element to address concerns raised by residents primarily from the Edwards Hill and Seagate neighborhoods, which are located in proximity to identified Housing Element RHNA sites. Based on feedback from the City Council, staff prepared revisions to the Housing Element Update and implementation actions. Consequently, it is

necessary for the Planning Commission to consider the revisions and make a recommendation to the City Council.

This report focuses only on the revised Housing Element and implementation actions. The recommended actions provided below incorporate the proposed revisions into the “full” Housing Element approval package previously considered and recommended for approval by the Planning Commission. If the Planning Commission approves the recommended actions below, they will be forwarded to the City Council for consideration and adoption. The October 11, 2022, Planning Commission actions, would be an alternative action the City Council may adopt.

In reviewing the revised Housing Element and implementation actions, the Planning Commission should consider the following:

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 No. 4262 (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 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. 22-007, and Zoning Text Amendment No. 22-008.

### **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 October 11, 2022 Planning Commission Staff Report includes a detailed overview of the Housing Element Update including the sections of the Housing Element, summary of the public participation process, and descriptions of the implementation actions and overall RHNA strategy, which are not proposed to change (Attachment No. 20). This report is focused on the revisions to the Housing Element and whether they comply with state Housing Element law, the City's CEQA process and findings for amending the zoning code and map. The request before the Planning Commission is to consider the revisions in this context and make a recommendation on the revisions to the City Council. The Planning Commission is not being asked to re-consider prior actions or evaluate the revisions in comparison to the previously considered Housing Element Update and implementation actions.

### **Revised Housing Element and Implementation Actions**

Most of the Housing Element Update previously reviewed and considered by the Planning Commission remains the same. The proposed revisions are primarily focused on the Adequate Sites Program to accommodate the lower income RHNA. The revisions are summarized below:

#### **Adequate Sites/RHNA Related Revisions**

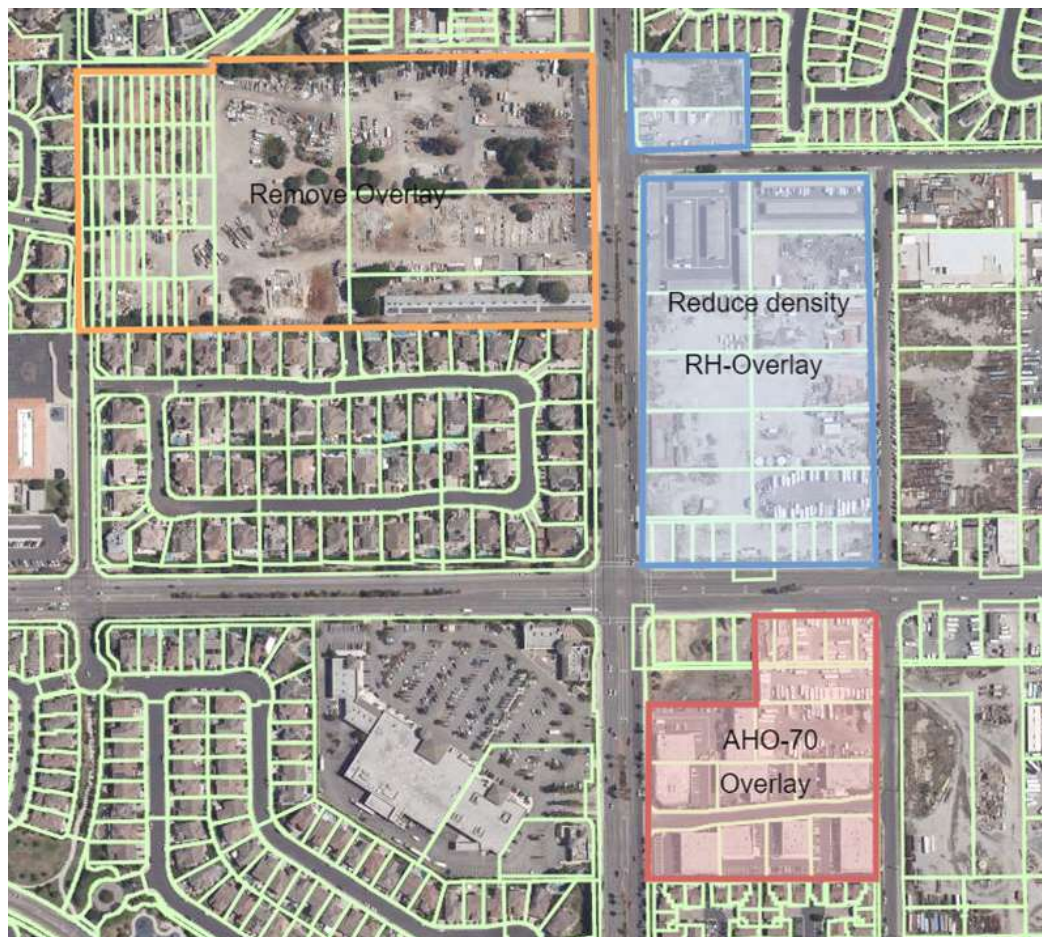
- 1. Add the Frontier site to the Affordable Housing Overlay** - The Frontier site was included as a Residential Medium High Density (RMH) rezoning site in the HCD approved Housing Element. As a RMH designated property, the site could accommodate 202 dwelling units, although due to the density being less than 30 dwelling units per acre, the site did not accommodate any lower income RHNA units. Shifting this site from RMH to the Affordable

Housing Overlay increases the allowable density at the site and provides capacity for 567 units, including 170 lower income units. This revision would result in the removal of the Frontier site from Zoning Map Amendment No. 22-001 and adding it to Zoning Map Amendment No. 22-002. These revisions are reflected in the recommended actions.



2. **Delete the RH-Overlay from the Ellis Goldenwest Specific Plan (SP 7)** - The RH-Overlay in SP 7 consists of an approximately 18-acre unoccupied area on the west side of Goldenwest Street north of Garfield Avenue. Portions of the area are vacant and much of the area was once occupied by a landscape business. The area accommodated 493 units, including 113 lower income units. Deletion of the RH-Overlay in SP 7 would remove Zoning Text Amendment No. 22-006 from the implementation program. As such, Zoning Text Amendment No. 22-006 is not reflected in the recommended actions.
3. **Provide for mixed density in Holly Seacliff Specific Plan (SP 9) Affordable Housing Overlay** - The HCD approved Housing Element would apply the proposed Affordable Housing Overlay (with a maximum density of 70 dwelling units per acre) within a portion of the Industrial designated area of SP9. The revision would maintain the SP 9 Affordable Housing Overlay area as currently proposed, but would permit residential developments at maximum density of 35 units per acre in the portion north of Garfield Avenue and 70 units per acre south of Garfield Avenue.





#### Additional Non-RHNA Revisions

- 4. City-owned sites program** - Based on feedback from the City Council during the November 1<sup>st</sup> study session, a new program has been added to evaluate city-owned sites for future residential development. More specifically, the City would commit to evaluating the feasibility of redeveloping the civic center site including development of residential uses. The information would be presented to the City Council in 2023. This revision does not affect the City's RHNA strategy.
- 5. Removal of Reliable Lumber site from RMH rezoning** - The Reliable Lumber site was included in Zoning Map Amendment No. 22-001 for rezoning to RMH due to a project that would be submitted by the property owners soon after the rezoning became effective. The property owners recently informed the City they no longer plan to propose the residential development. As such, the City has removed the site from Zoning Map Amendment No. 22-001.

#### HCD Review and Certification

The Housing Element Update reviewed by the Planning Commission on October 11, 2022, was found to be in substantial compliance with state Housing Element Law by the California Housing and Community Development (HCD) Department. The City is currently working with HCD to see if the proposed revisions can be found in substantial compliance with Housing Element law. As discussed in this report, the proposed revisions can accommodate the City's RHNA, including a substantial

buffer, on sites that substantially comply with Housing Element law. While the City does not have a substantial compliance letter from HCD on the revised Housing Element, staff intends to obtain HCD feedback on the revised Housing Element's compliance with Housing Element law by the Planning Commission and City Council public hearing dates.

### **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:

- 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.

The Housing Element Update includes the following applications including legislative amendments 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 at 15511 Edwards Street (Chuck E. Cheese site) from Commercial General (CG) to Residential Medium High Density (RMH) **(Attachment Nos. 9 and 10)**.

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. 22-007 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 18)**

## **ISSUES AND ANALYSIS:**

### **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.

With the proposed revisions to the Housing Element and implementation actions, the City is able to accommodate the full RHNA requirement with a substantial buffer. Table 2 reflects the RHNA strategy with the Housing Element revisions.

**Table 2: Revised 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		11	25	36
Hotel/Motel Conversion	415		0	0	415
Affordable Housing Overlays**	5,433		2,599	9,591	17,623
<b>Total</b>	<b>6,457</b>		<b>2,862</b>	<b>10,997</b>	<b>20,316</b>
<b>RHNA Met?</b>	<b>YES</b>		<b>YES</b>	<b>YES</b>	<b>YES</b>
*removes Reliable and Frontier sites **removes SP7 Overlay, reduces density of proposed SP9 Overlay north Overlay					

#### Frontier Site (Zoning Map Amendment No. 22-002)

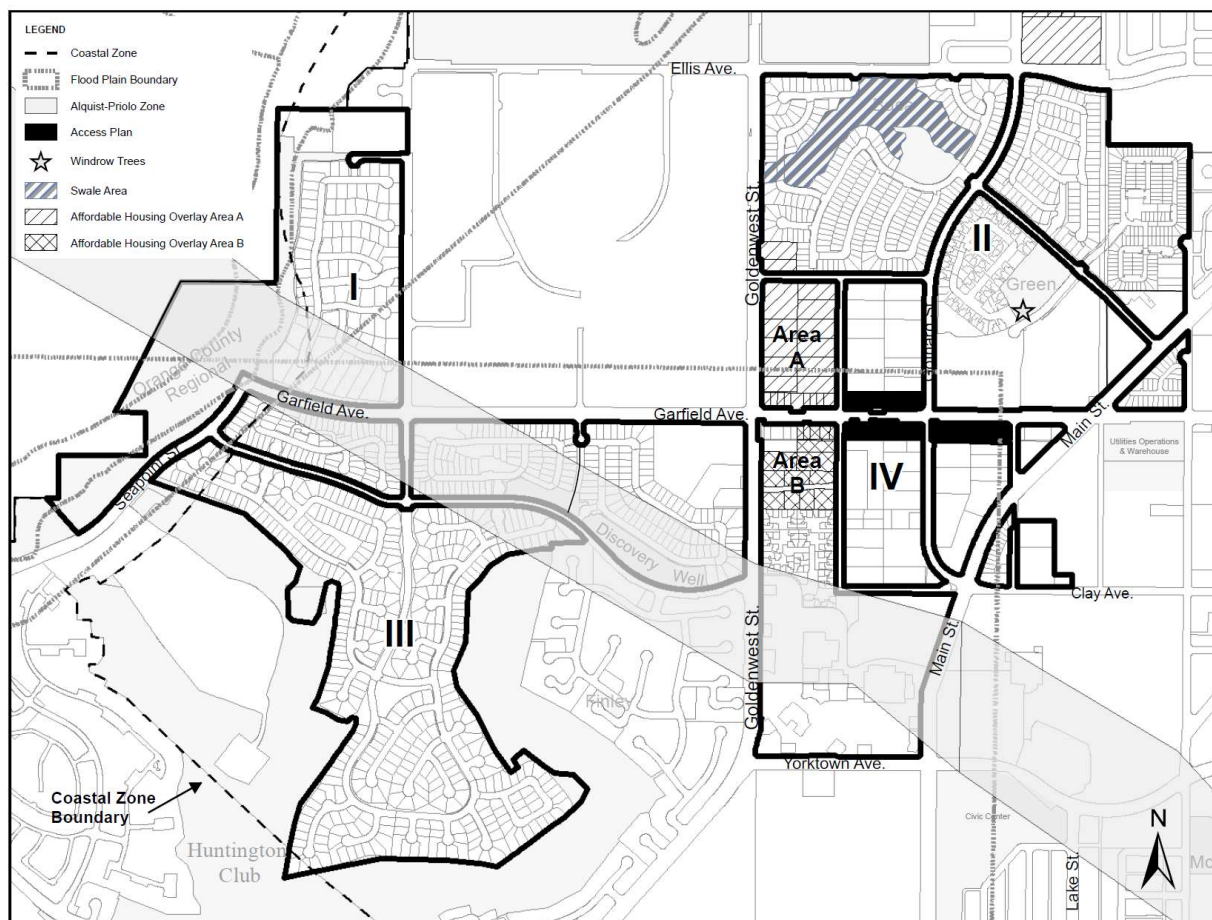
The addition of the Frontier site to the Affordable Housing Overlay (in conjunction with the removal of the SP 7 Overlay) would accommodate dwelling units in all income categories and make up for the removal of the SP 7 RH-Overlay. The site is currently designated Industrial and is occupied by Frontier for primarily storage, vehicle maintenance and offices. A large portion of the site is undeveloped without permanent structures. The site is underutilized with a low existing floor area ratio (FAR). The site is in close proximity to high-performing schools, jobs, services, and daily needs along the adjacent Gothard St. corridor and nearby Beach Blvd. Access to these types of resources will contribute to upward economic mobility. The Frontier site is also adjacent to Huntington Central Park, Central Library, and Senior Center. Proximity to these community resources and facilities would improve access for lower income households, and promote healthy lifestyles and the City's affirmatively furthering fair housing goals. In addition, the site has vehicular access to two primary arterial streets, Slater Ave. and Gothard St. The property has over 1,000 feet of street frontage along Slater Ave. The wide frontage makes the property uniquely ideal for a lot split or multiple lot splits to potentially tailor a site for competitive funding to develop a 100 percent affordable project. It also allows for construction of a variety of multi-family residential product types, which would be permitted pursuant to the Affordable Housing Overlay. The site directly abuts Central Park on two sides, the south and the west. East of the site, across Gothard Avenue, is developed with Industrial land uses. The site is only bordered by single-family residential on one side, across Slater Avenue. Although it is currently developed and occupied as a yard for Frontier, there has been a lot of development interest



in the site, particularly over the past five years.

*Holly Seacliff Specific Plan Mixed Density Affordable Housing Overlay (Zoning Text Amendment No. 22-007)*

The revisions to the proposed Affordable Housing Overlay in the Holly Seacliff Specific Plan (SP 7) divide the Overlay into two areas. Area A would allow a maximum density of 35 dwelling units per acre and apply the City's existing RH development standards. Area B would allow a maximum density of 70 dwelling units per acre similar to the other areas of the proposed Affordable Housing Overlay (except the Beach and Edinger Corridors Specific Plan). The proposed development standards in Zoning Text Amendment No. 22-008 (Chapter 229 of the HBZSO) would apply in Area B. While the revisions to allow for a mixed density in SP 9 would result in a decrease in overall capacity, both areas would still accommodate lower income units and help to accommodate the RHNA in all income categories. The reduction in density in Area A and overall decrease in capacity address residents' concerns related to the number of units that would be allowed in the area as well as concerns related to the higher densities allowable across Ernest Drive.



**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 sites 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.

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 along the Beach Boulevard corridor. 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.

The proposed changes to the HEU resulting from the City Council's direction to remove candidate housing sites from SP7, reduce the overall permitted density in SP9, and increase density on the Frontier site would redistribute density within the project area while remaining consistent with the total density proposed as part of the HEU and the total density analyzed in the SEIR. In addition, the revised site capacity does not exceed the overall capacity analyzed in the SEIR. The proposed changes are consistent with the existing analysis and conclusions in the SEIR. As such, the proposed changes would not result in a new significant environmental impact, a "significant increase" in the severity of an environmental impact for which mitigation is not proposed, or a new feasible alternative or mitigation measure that would lessen the significant environmental impacts of the project, nor do the changes reflect a "fundamentally flawed" or "conclusory" SEIR. As such, the SEIR is not subject to recirculation prior to certification pursuant to Section 15088.5 of the State CEQA Guidelines.

### ***Statement of Overriding Considerations***

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 Orange County Register on November 6, 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 and within a 300-foot radius within the RMH rezone and Affordable Housing Overlay sites were mailed a notice. Written communication received as of November 9, 2022, is attached to this staff report (Attachment No. 19).

**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 6<sup>th</sup> 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 proposed revisions to the HCD approved 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 revised 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 revised 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. Draft Resolution No. 22-63 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. Draft Ordinance - 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. Draft Housing Element Appendix B
16. Housing Element Sites Map
17. Draft 6<sup>th</sup> Cycle Housing Element Update available at <https://www.huntingtonbeachca.gov/housing-element-update/public-review-draft-housing->
18. Final Subsequent EIR
19. Written Communications
20. October 11, 2022 Planning Commission Staff Report