

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
Division of Housing Policy Development

1800 Third Street, Suite 430
P. O. Box 952053
Sacramento, CA 94252-2053
(916) 323-3177 / FAX (916) 327-2643
www.hcd.ca.gov



February 11, 2008

Mr. Scott Hess, Director of Planning
City of Huntington Beach
2000 Main Street
Huntington Beach, CA 92648

Dear Mr. Hess:

RE: Review of the City of Huntington Beach's Draft Housing Element

Thank you for submitting the City of Huntington Beach's draft housing element received for the Department's review on December 13, 2007, along with additional revisions on January 28, 2008. The Department is required to review draft housing elements and report the findings to the locality pursuant to Government Code Section 65585(b). Telephone conversations with Ms. Mary Beth Broeren and Ms. Jennifer Villaseñor of your staff, and your consultant, Ms. Karen Warner, facilitated the review.

The draft element addresses many statutory requirements; however, revisions will be necessary to comply with State housing element law (Article 10.6 of the Government Code). In particular, the element should include more detailed analyses of governmental constraints and strengthen programmatic commitments specifically regarding the City's rezoning program. The enclosed Appendix describes these and other revisions needed to comply with State housing element law.

The Department appreciates the cooperation of Ms. Broeren, Ms. Villaseñor and Ms. Warner throughout the course of the review and is available to assist Huntington Beach in addressing statutory requirements. If you have any questions, or wish to schedule a site visit, please contact Melinda Coy, of our staff, at (916) 445-5307.

Sincerely,


Cathy E. Creswell
Deputy Director

Enclosure

APPENDIX CITY OF HUNTINGTON BEACH

The following changes would bring the City of Huntington Beach's housing element into compliance with Article 10.6 of the Government Code. The supporting section of the Government Code is cited to accompany each recommended change.

Housing element technical assistance information is available on the Department's website at www.hcd.ca.gov/hpd. Refer to the Division of Housing Policy Development and the section pertaining to State Housing Planning. Among other resources, the Housing Element section contains the Department's latest technical assistance tool *Building Blocks for Effective Housing Elements*, the Department's publication, *Housing Element Questions and Answers (Qs & As)*, Government Code addressing State housing element law and other resources.

A. Housing Needs, Resources, and Constraints

1. *Include an inventory of land suitable for residential development, including vacant sites and sites having the potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites (Section 65583(a)(3)). The inventory of land suitable for residential development shall be used to identify sites that can be developed for housing within the planning period (Section 65583.2).*

Huntington Beach has a regional housing need of 2,092 housing units for the current planning period of which, 823 units are for lower-income households. Recent construction and approval resulted in a remaining regional housing need of 1,918 housing units, of which, 820 are for lower-income households. To address this need, the element relies on a variety of strategies, including utilization of vacant and underutilized properties, preservation of the Wycliffe Gardens, and a rezone program to accommodate the shortfall of sites. However, to demonstrate the adequacy of these strategies and sites to accommodate the City's remaining regional housing need, the element must be revised as follows:

Site Inventory and Analysis

Sites Inventory - The element has identified a shortfall of sites to accommodate the need for 704 units for lower-income households and 284 units for moderate-income households. As stated in the revised draft (page IV-9), the City intends to address the shortfall of sites through the adoption of the Beach/Edinger Corridor Specific Plan and subsequent rezoning of sites within the specific plan. However, it is unclear whether there are sufficient sites within the corridor to accommodate the remaining lower-income need. The element identified four specific sites to be rezoned for residential use under the specific plan. As stated in the element, three of these sites have proposed projects which plan to accommodate 189 units approved for lower-income households. However, the element should include an evaluation of adequacy

and suitability of the Watts site to accommodate the remaining need for all income groups. As a result, the element may need to identify additional sites to ensure sufficient capacity to accommodate the remaining lower-income need. The element should also clarify whether the rezoning of these sites will occur as part of or after the adoption of the specific plan.

In addition, the element must clearly demonstrate sufficient sites will be rezoned to ensure that 50 percent of the remaining need will be accommodated on sites zoned exclusively for residential use. From conversations with City staff, it is the Department's understanding three of the sites described in the revised draft (page IV-11), Ripcurl, Bella Terra and Golden West College will be zoned exclusively for residential use. The Watts' property will include 10,000 feet of retail (page IV-10) and therefore will not be zoned exclusively for residential use. The element does acknowledge that additional sites will be zoned to require a residential component or allow for stand-alone residential use as part of the specific plan. However, the element must provide more information on the sites and proposed zoning to demonstrate compliance with this statutory requirement.

Realistic Capacity – The element must describe the methodology used to determine the anticipated development capacity of identified sites. Specifically, the element should clearly describe the criteria used to determine the dwelling unit capacity listed on Table IV-2, as well as the potential capacity of sites to be rezoned under the Beach/Edinger Corridor Specific Plan. The analysis must adjust the calculation based on imposition of existing or planned land-use controls, and site improvement requirements, as well as recent development trends. The element should also describe the impact of constraints listed in the “Developable Vacant Residential Sites Inventory” (Appendix A) on the capacity and suitability of the sites. For example, the element should evaluate the impact of the location of sites within the coastal zone as well as the impact of contamination issues identified on Site 16.

Suitability of Non-Vacant Sites – The element must demonstrate the suitability and feasibility of non-vacant sites. An adequate analysis includes an evaluation of the extent to which existing use may impede additional residential development and a description, relative to identified sites, of development trends, market conditions and regulatory incentives and standards to facilitate redevelopment or reuse. For example, the element should describe the suitability and feasibility of sites 6 and 16 for development within the planning period. The element should also identify and evaluate the suitability of any sites to be rezoned to accommodate the remaining housing need for lower-income households. This analysis could utilize interest from property owners, applications in the planning stage or recent redevelopment activity. This information could describe recent characteristics and circumstances leading to redevelopment, such as discontinuing uses, and could be compared to identified sites to demonstrate their suitability in the planning period.

Adequate Sites Alternative – Pursuant to Government Code Section 65583.1(c), local governments can rely on existing housing units to address up to 25 percent of their adequate sites requirement by counting existing units preserved through the provision of “committed assistance” to low- and very low-income households at affordable housing costs or affordable rents. While the element contains the *AB 428 Compliance Checklist* in Appendix B, the element must clearly describe how each of the provisions has been addressed. For example, the element must describe the public hearing process which found the units eligible and reasonably expected to convert to market-rate as well as the specific date in which the committed assistance will be in place.

Sites with Zoning for a Variety of Housing Types

The housing element must demonstrate the availability of sites, with appropriate zoning, that will encourage and facilitate a variety of housing types, including multifamily rental housing, factory-built housing, mobilehomes, housing for agricultural employees, supportive housing, single-room occupancy units, emergency shelters, and transitional housing. An adequate analysis should, at a minimum, identify whether and how zoning districts explicitly allow the uses, analyze whether zoning, development standards and permit procedures encourage and facilitate these housing types. If the analysis does not demonstrate adequate zoning for these housing types, the element must include implementation actions to provide appropriate zoning.

Specifically, the element does not indicate how mobilehomes are permitted. In addition, the element indicates (pages III-7 and III-8) the City has specific ordinances for SROs and manufactured housing. The element must describe these ordinances; how they are implemented and analyzed for any constraints on the development of these housing types.

The element acknowledges (page III-9) it must identify zoning to encourage and facilitate transitional housing and emergency shelters. The element indicates transitional housing is permitted per the type of housing development (e.g. multifamily housing, group homes, etc.). However, it is unclear if the zoning code expressly allows this type of housing as a permitted use. If not, the element should include a program to amend the zoning ordinance to allow transitional housing as a permitted use in residential zones.

In addition, as the element indicates emergency shelters are to be subject to the same development and managerial standards as other permitted uses within the industrial zone. The element should describe and analyze these development standards to demonstrate their appropriateness in encouraging and facilitating the development of emergency shelters. For more information regarding transitional housing, please see the Department’s *Building Blocks for Effective Housing Elements*’ section on Zoning for Emergency Shelters and Transitional Housing.

2. *Analyze potential and actual governmental constraints upon the maintenance, improvement, and development of housing for all income levels, including land-use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures (Section 65583(a)(4)).*

Land-Use Controls – While the element describes the City's zoning and development standards on Table III-1, it should also analyze these standards for their impact on the supply and affordability of housing. For example, the element should evaluate the cumulative effect of development standards such as lot coverage, height limit, enclosed garage requirements and minimum floor areas on the ability to achieve maximum permitted densities.

Inclusionary Housing – The housing element includes a description of the City's inclusionary housing ordinance (page III-4); however, the element should provide a more thorough description and analysis of the ordinance framework. For example, the element should include a more specific description and analysis of the types of incentives the City will adopt to encourage and facilitate compliance with inclusionary requirements and what options are available for developers to meet affordability requirements.

Processing and Permit Procedures – While the element identifies how various residential uses are permitted by zone, and processing times for some planning entitlements, it must include a more detailed description and analysis of the total typical review process for both single-family and multifamily units to demonstrate potential impacts on the cost and supply of housing. In addition, because multifamily development over 10 units must be approved by the Planning Commission through a CUP, this process must be further analyzed as a constraint and should identify findings of approval for the CUP and their potential impact on approval certainty, timing, and cost. The City may need to include a program to address this permitting requirement. The element should also describe and analyze any separate Processing and Permit Procedures for developments within the coastal zone.

Design Review – The element states development proposals are reviewed by a Design Review Board (page III-16). The element should include a description of the City's design review standards, the role of design review within the City's development approval process, indicate whether objective standards and guidelines exist to allow an applicant for a residential development permit to determine what is required, and analyze its impact upon housing affordability. Based on the outcomes of this analysis, the element may need to add programs to address the guidelines as a constraint.

Fees and Exactions – While the element describes the total typical fees in a multifamily and single-family subdivision, an analysis should be provided to determine the impact of the fees on the cost and supply of housing. For example, according to Table III-4, planning and processing fees are significantly higher than infrastructure

and public works fees mainly due to the \$35,000 parks/recreation fee. The element could also identify any policies or efforts to address high fee impacts for housing on lower-income households, such as fee waivers, fee deferrals, streamlined fee processing, and consolidated fee schedules.

Constraints on Housing for Persons with Disabilities – The element states the City has conducted a review of zoning and building code requirements and did not identify any impediments. However, the element should include more detailed information and analysis on that review. For example, the analysis should identify and analyze any spacing requirements and include a more detailed discussion of the City’s family definition and potential impacts of requiring a CUP for residential care facilities for 7 or more persons. Please refer to the Department’s *Building Blocks for Effective Housing Elements*’ section on Constraints for Persons with Disabilities or the enclosed copy of the Department’s *SB 520* memo and analysis tool to assist in addressing this statutory requirement.

Code Enforcement – The element should include a more detailed description of the Neighborhood preservation program’s code enforcement activities. For example, the element should describe how code enforcement complaints are managed in the targeted neighborhoods, how education and outreach is implemented and what resources are provided to assist homeowners in correcting code deficiencies.

B. Housing Programs

1. *Include a program which sets forth a five-year schedule of actions the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the housing element through the administration of land-use and development controls, provision of regulatory concessions and incentives, and the utilization of appropriate federal, state financing and local financial resources (Government Code Section 65583(c)).*

The draft element includes a list of five overarching housing goals, along with a number of accompanying programs. However, most of the programs should be revised to: 1) include specific timelines or milestones; 2) expand the description of the City’s role; and, 3) include specific commitments with numerical objectives appropriate. Examples of programs needing strengthening include, but are not limited to:

Program 3 (Neighborhood Preservation Program) – Describe the types of neighborhood improvement activities that will occur under this program, how the education program is implemented, how violators are informed of available rehabilitation assistance to correct code deficiencies, and any specific milestones to assist in the implantation of this program.

Program 4 (Preservation of Assisted Rental Housing) – This program may need to be enhanced depending on the result of the analysis under A1.

Program 6 (Mobile Home Park Preservation) – Given that mobilehome park preservation was identified through the public participation process as an important housing goal, the City should consider strengthening this program. For example, the City could identify resources to facilitate resident purchase of mobilehome parks. For your consideration, information about the Department’s Mobilehome Park Resident Ownership Program (MPROP), which finances the preservation of affordable mobilehome parks by conversion to ownership or control by resident organizations, nonprofit housing sponsors, or local public agencies, has been sent under separate cover.

Program 8 (Residential and Mixed-Use Inventory) – Describe any incentives to facilitate housing affordable to low- and moderate-income households in these areas. The conclusions resulting from the analysis completed by City’s economic consultant may need to be revised given current market conditions.

Program 10 (Residential Development Opportunities on School Sites) – Describe when the coordination will occur (i.e. annual basis, quarterly, etc.), and when the entitlement process on the two identified sites is expected to be completed.

Program 11 (Second Units) – The program could be strengthened to incentivize development and educate residents on the availability of the program.

Program 18 (Development Fees) – Describe how the fee reimbursement program operates, including how affordable housing developments qualify for the program, the types of fees that are reimbursed, and how the program is promoted.

Program 21 (Accessible Housing) – Describe the time frame for adopting accessibility updates to building and housing codes. In addition, describe when the directory of accessible housing for physically disabled individuals will be established, and how it will be promoted.

2. *Identify adequate sites which will be made available through appropriate zoning and development standards and with public services and facilities needed to facilitate and encourage the development of a variety of types of housing for all income levels, including rental housing, factory-built housing, mobilehomes, and emergency shelters and transitional housing. Where the inventory of sites, pursuant to paragraph (3) of subdivision (a), does not identify adequate sites to accommodate the need for groups of all household income levels pursuant to Section 65584, the program shall provide for sufficient sites with zoning that permits owner-occupied and rental multifamily residential use by right, including density and development standards that could accommodate and facilitate the feasibility of housing for very low- and low-income households (Section 65583(c)(1)).*

As noted in the finding A1, the element does not include a complete site analysis and therefore, the adequacy of sites and zoning were not established. Based on the results of a complete sites inventory and analysis, the City may need to add or strengthen programs to address a shortfall of sites or zoning available to encourage a variety of housing types. At a minimum, the element should be revised as follows:

Beach/Edinger Corridor Specific Plan

Program 9 should be strengthened to identify specific, suitable sites to be rezoned to accommodate the total remaining housing need by a specific date. The program should also describe the City's efforts to encourage housing development under the specific plan, especially for housing affordable to lower-income households, and how it will promote this program.

Transitional Housing

As noted in finding A1, the element should include a program to amend the zoning ordinance to expressly allow transitional housing as a permitted use in residential zones.

3. *Assist in the development of adequate housing to meet the needs of extremely low-, very low-, low-, and moderate-income households (Section 65583(c)(2)).*

While the element includes some programs to preserve existing housing opportunities, and assist the development of low- and moderate-income households, programs should be included to specifically assist in the development of a variety of housing types, including rental housing, to meet the needs of extremely low-income and special needs households.

In addition, the element should estimate the amount of funds to be deposited to the Redevelopment Low- and Moderate-Income Housing Fund and identify anticipated use of those funds throughout the current planning period. The element should verify sufficient funds for all identified programs reliant on RDA, including Programs 1, 2, 4, 6, 9, 12, and 18.

4. *The housing element shall contain programs which "address, and where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing" (Section 65583(c)(3)).*

As noted in finding A2, the element requires a more detailed analysis of potential governmental constraints. Depending upon the results of that analysis, the City may need to strengthen or add programs and address and remove or mitigate any identified constraints.

Further, the element should include a program to develop specific procedures for requesting a reasonable accommodation (as stated on page III-11). It is important to keep in mind that the process should not be limited to the installation of accessibility improvements, but should also address procedures for the approval of group homes, ADA retrofit efforts, an evaluation of the zoning code for ADA compliance or other measures providing flexibility in the development of housing for persons with disabilities.

5. *The housing program shall promote equal housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status or disability (Section 65583(c)(5)).*

Program 20 should describe how information is distributed about both fair housing laws and referral resources to address complaints.

C. Low- and Moderate-Income Housing in the Coastal Zone

Coastal localities shall take into account any low- or moderate-income housing required pursuant to Government Code Section 65590 (Government Code Section 65588).

While the element (page V-4) contains some information regarding coastal zoning demolitions between 1998 through 2005, a more thorough analysis is needed to meet statutory requirements. The element should include information pursuant to Government Code Section 65588, generally such as:

1. The number of new housing units approved for construction within the coastal zone since January 1982.
2. The number of housing units for persons and families of low- and moderate-income required to be provided in new housing developments either within the coastal zone or within three miles.
3. The number of existing residential dwelling units occupied by low- and moderate-income households required either within the coastal zone or three miles of the coastal zone that have been authorized to be demolished or converted since January 1982.
4. The number of residential dwelling units for low- and moderate-income households that have been required for replacement.

This data on new construction, demolished/converted, and replacement housing units for low- and moderate-income households assists in determining whether the affordable housing stock in the coastal zone is being protected and provided as required by Section 65590. Because the review of Program 11 (page V-4) identified a significant number of units demolished over the last planning period, it may be appropriate to include a separate monitoring program within the current planning period to ensure that the housing stock within the costal area is being maintained.