

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

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January 10, 2020

Ursula Luna-Reynosa, Director
Department of Community Development
City of Huntington Beach
2000 Main Street
Huntington Beach, CA

Dear Ursula Luna-Reynosa:

RE: Review of the City of Huntington Beach's 5th (2013-2021) Draft Housing Element

Thank you for submitting the City of Huntington Beach's (City) draft Housing Element update received for review on November 14, 2019, along with revisions received on December 16 and 18, 2019 and January 8, 2020. Pursuant to Government Code section 65585, subdivision (b), the California Department of Housing and Community Development (HCD) is reporting the results of its review. Our review was facilitated by a telephone conversation on December 12 and 16, 2019 and January 8, 2020 with Jennifer Villasenor, Deputy Director of the Community Development Department. In addition, HCD considered comments from the Kennedy Commission and Californians for Homeownership pursuant to Gov. Code section 65585, subd. (c).

The draft Housing Element, incorporating the revisions submitted, meets the statutory requirements described in HCD's June 23, 2015 letter. This finding was based in part on the development of the Affordable Housing Overlay (Overlay) which allows for sufficient capacity within the Beach Edinger Corridor Specific Plan (BECSP) to accommodate the Regional Housing Needs Allocation (RHNA) shortfall of 413 lower-income units and removes governmental constraints to the development of housing. HCD did not consider Site 7 when determining the adequacy of the sites inventory to accommodate the City's shortfall of 413 units as the site is currently owned by Caltrans and is not listed as surplus or excess property; therefore, the site is not available for development within the current planning period. Huntington Beach should not consider the site adequate, available or additional pursuant to Gov. Code Section 65863 (No Net Loss Law). The Housing Element will comply with state Housing Element law (Article 10.6 of the Government Code) when it is adopted, submitted to and approved by HCD, in accordance with Gov. Code section 65585, subd. (g).

The determination of compliance is conditioned on the concurrent implementation of Program 8 (Adequate Sites Program) with the adoption of the Housing Element.

Program 8 commits the City to adopt the Overlay on sites identified in Table IV-5 in the sites inventory concurrently with the adoption of the Housing Element by March 2020. This Overlay exempts housing development projects within the Overlay that have at least 20 percent lower-income units from the BECSP maximum amount of net development (MAND) requirement until all the 413 remaining units for lower-income have been

constructed. In addition, development within the Overlay will permit owner-occupied and rental multifamily uses by-right and provide specific development standards. In addition to what is allowed under the Overlay, developments can also qualify for State Density Bonus Law which allows for additional density, lower parking requirements, development concessions and waivers. As stated in the element, pursuant to No Net Loss Law, as development within the overlay occurs, if the requirement capacity of the sites identified on Table IV cannot accommodate the remaining lower-income RHNA, the City will add sites to the Overlay to ensure sufficient capacity remains to accommodate the remaining lower-income RHNA throughout the planning period. For more information on No Net Loss Law requirements https://www.hcd.ca.gov/community-development/housing-element/housing-element-memos/docs/AB_1505_Final.pdf

In addition, please be aware Housing Element law and other housing and land-use related laws have changed since 2017. Huntington Beach's 6th cycle Housing Element will be required to meet all new Housing Element law requirements in effect since the 2013 adoption of the 5th cycle Housing Element. In addition, the City should also be aware of newly enacted land-use laws including Senate Bill (SB) 330 which, among other things, modifies development application processes and prohibits the implementation of housing caps or growth limitations. Assembly Bill 1483 requires additional transparency around fee schedules and development requirements.

Public participation in the development, adoption and implementation of the Housing Element is essential to effective housing planning and building within the element cycle. Throughout the Housing Element process, the City must continue to engage the community, including organizations that represent lower-income and special-needs households, by making information available, considering and incorporating comments while meeting the requirements of state law.

Several federal, state, and regional funding programs consider Housing Element compliance as an eligibility or ranking criteria. For example, the CalTrans (SB) 1 Sustainable Communities grant; the Strategic Growth Council and HCD's Affordable Housing and Sustainable Communities programs; and the SB 2 Planning Grants as well as ongoing SB 2 funding consider Housing Element compliance and/or annual reporting requirements pursuant to Gov. Code section 65400. With a compliant Housing Element, HCD is hopeful that the City will meet Housing Element requirements for these funding sources.

HCD appreciates the hard work and dedication Jennifer Villasenor provided in preparation of the Housing Element and looks forward to receiving Huntington Beach's adopted Housing Element. If you have any questions or need additional technical assistance, please contact Melinda Coy, of our staff, at (916) 263-7425.

Sincerely,



Zachary Olmstead

Deputy Director, Division of Housing Policy Development