

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

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November 14, 2018

Fred Wilson, City Manager
City of Huntington Beach
2000 Main Street
Huntington Beach, CA 92648

RE: Huntington Beach's 5th Cycle (2013-2021) Housing Element Notice of Noncompliance

Dear Fred Wilson:

The Department of Housing and Community Development (HCD) is responsible for administering State Housing Element Law (Article 10.6 of the Government Code), including the review of local housing elements for compliance pursuant to Gov. Code, section 65585, subd. (b). In 2017, the Governor signed the 2017 Legislative Housing Package, which provides a renewed focus on housing, one of the most basic needs for every Californian. Chapter 370 Statutes of 2017, Assembly Bill (AB) 72 expands and clarifies HCD's enforcement authorities. Under Gov. Code, section 65585, subd. (i)(1)(A), HCD must review any action or failure to act that it determines is inconsistent with an adopted housing element or Gov. Code, section 65583, and issue written findings to the locality as to whether the action or failure to act substantially complies with Article 10.6 of the Government Code.

On November 12, 2013, HCD found the housing element adopted by Huntington Beach (City) on September 16, 2013, for the planning period of 2013 through 2021, substantially complied with State Housing Element Law. The finding of compliance was based, in part, on development capacity within the Beach and Edinger Corridor Specific Plan that could accommodate the City's regional housing allocation for lower-income households. On June 23, 2015, HCD notified the City that the housing element adopted by the City on September 16, 2013 no longer complied with Government Code Article 10.6. This finding was based on amendments to the Beach and Edinger Corridor Specific Plan which reduced the total available development capacity within the plan's area to an amount less than what is needed to accommodate the City's remaining regional housing need allocation for lower-income households. In addition, the City modified development standards within the plan which had the effect of further reducing development capacity. HCD advised the City to immediately submit an amended element for review with State Housing Element Law compliance.

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On January 29, 2016, HCD reviewed a draft amendment to the City's adopted housing element and found the element would comply with State Housing Element Law (Government Code, Article 10.6) when the draft amendment was adopted and submitted to HCD, in accordance with Gov. Code, section 65585, subd. (g). As presented, the amendment would revise the previously adopted noncompliant housing element sufficient to demonstrate accommodation of the City's regional housing need allocation. Amendments included revising the site inventory, implementing programs to identify parcels for rezoning to high density residential, and providing an affordable housing overlay that encouraged development opportunities for the City's lower-income households and workforce. However, on March 7, 2016, the City Council voted unanimously to deny the draft amendment, which was presented to the City Council as General Plan Amendment No. 15-001. As a result, the City's housing element remains out of compliance with Gov. Code Article 10.6.

Since March 7, 2016, the City has taken no action to bring the housing element into compliance with applicable statutory requirements. This failure to act constitutes a violation of Gov. Code Article 10.6, including, but not limited to, sections 65589.5, 65863, 65915 and 65008. HCD has determined that the City failed to act in compliance with Section 65583 when it failed to approve an amended housing element. Under Gov. Code, section 65585, subd. (i)(1)(A), HCD provides the City until December 7, 2018 to respond to these written findings. HCD reserves the right to take further action, including those actions authorized by Gov. Code, section 65585, subd. (i) and (j).

Many federal, state, and regional funding programs consider housing element compliance as a condition for receipt of funds. (Senate Bill 1 Sustainable Communities grants; the Strategic Growth Council and HCD's Affordable Housing and Sustainable Communities programs; and Senate Bill 2 Planning Grant). Without a compliant housing element, Huntington Beach may be ineligible for such funding sources.

If you have questions or need additional information, please contact Melinda Coy of our staff at (916) 263-7425.



Sincerely,

Zachary Olmstead
Deputy Director