

**CITY OF HUNTINGTON BEACH
PLANNING COMMISSION STUDY SESSION**

**GENERAL PLAN AMENDMENT (GPA) NO. 12-001
(HOUSING ELEMENT UPDATE)
FEBRUARY 26, 2013**

SUMMARY

- **Location:** Citywide
- **Proposed Project:** 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 updated in 2008. Pursuant to California Government Code Section 65588, the Housing Element must be updated for the 2014-2021 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, Karen Warner 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 five sections.

- Section I of the Housing Element Update provides an overview of the Housing Element and introduces key housing issues in the City of Huntington Beach.
- Section II provides an analysis of the City's existing and projected housing needs. This analysis includes the following components: the City's current population and household characteristics, housing stock characteristics, a description of assisted housing at risk of converting to market rate and the City's share of the regional housing need (RHNA) as determined by the Southern California Association of Governments (SCAG). A copy of the Draft Needs Assessment Chapter is provided as Attachment No. 1
- Section III of the Housing Element Update identifies constraints to providing housing such as environmental, market and governmental constraints.
- Section IV discusses housing opportunities within the City of Huntington Beach. This section includes an analysis of available sites for housing as well as financial and administrative resources.
- Section V sets forth a housing plan for the 2014-2021 planning period. An evaluation of the program accomplishments from the current planning period is incorporated in this section as well. A matrix of the program accomplishments for the current planning period is provided as Attachment No. 2.

The Southern California Association of Governments (SCAG) has determined that Huntington Beach has a regional housing need (RHNA) of 1,353 units for the 2014-2021 planning period. Additionally, the RHNA is broken down further into the number of housing units needed for various household income categories. The City's RHNA per income category is:

- 313 very low income units;
- 220 low income units;
- 248 moderate income units; and
- 572 above moderate income units.

The City plans to demonstrate that its share of the regional housing need could be met through development on vacant residential sites and entitled/pending projects with occupancy anticipated after January 1, 2014 (Attachment No. 3).

For the current 2008-2013 planning period, the City's RHNA is 2,092 units. The City has fully addressed its current RHNA through construction of new units, entitled projects, vacant residential sites and adoption of the Beach and Edinger Corridors Specific Plan.

□ **CEQA:**

The City's consultant will prepare an environmental assessment pursuant to CEQA guidelines for the Housing Element Update.

□ **Public Participation**

Public participation is a necessary and important component of the Housing Element Update process. The first study session was conducted in November 2012. In addition to this study session, a City Council study session will be held on March 4, 2013.

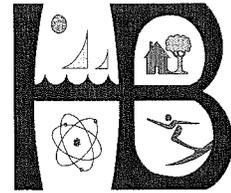
Notice of the study session meetings is advertised in the newspaper and mailed to interested parties including housing developers, affordable housing providers, groups and organizations advocating for special needs populations (i.e. – elderly, disabled persons, etc.), and organizations representing specific segments of the community (i.e. – Council on Aging, Mobile Home Advisory Board, etc.). A draft Housing Element is anticipated to become available for public review and comment in late Spring 2013.

□ **The Planning Commission and City Council public hearings are scheduled for Summer 2013.**

The City is required to have the updated Housing Element approved by HCD by October 2013.

□ **Attachments:**

1. Draft Needs Assessment
2. Program Accomplishments 2008-2013 Housing Element
3. Potential Housing Units During 2014-2021 RHNA



CITY OF HUNTINGTON BEACH 2013-2021 HOUSING ELEMENT

DRAFT NEEDS ASSESSMENT

February 18, 2013

**CITY OF HUNTINGTON BEACH
DEPARTMENT OF PLANNING AND BUILDING
2000 MAIN STREET
HUNTINGTON BEACH, CA 92648**



KAREN WARNER ASSOCIATES

ATTACHMENT NO. 1.1

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II. HOUSING NEEDS ASSESSMENT

This section of the Housing Element discusses the characteristics of the City's population and housing stock as a means of better understanding the nature and extent of unmet housing needs. A variety of housing needs maps are presented based on census tract data; Figure 1 depicts the 2010 census tract boundaries for Huntington Beach.

A. DEMOGRAPHIC AND EMPLOYMENT PROFILE

Demographic changes such as shifts in age structure, as well as change in the community's employment base can have a significant impact on housing needs. This section addresses population, age, race/ethnicity, and employment trends in Huntington Beach.

1. Population Growth and Trends

Table II-1 presents population growth trends in Huntington Beach and the Orange County region from 1980-2010. This table illustrates the high level of population growth in the County between 1980 and 2000, with more modest growth levels in many of the older central and north Orange County communities. In Huntington Beach, the rate of population growth was less than one-third the County-wide average in both the 1980s and 1990s. The 2010 Census documents Huntington Beach's population at 189,992, representing an increase of just 300 residents over the most recent decade. In August 2011, the Sunset Beach community was annexed into Huntington Beach, adding approximately 970 residents to the City's population.

In terms of future trends, the Southern California Association of Governments (SCAG) Regional Transportation Plan/Sustainable Communities Strategy Growth Forecast projects a 5.3 percent increase in Huntington Beach's population over the 2008-2020 period, for an estimated 2020 population of just under 200,000.

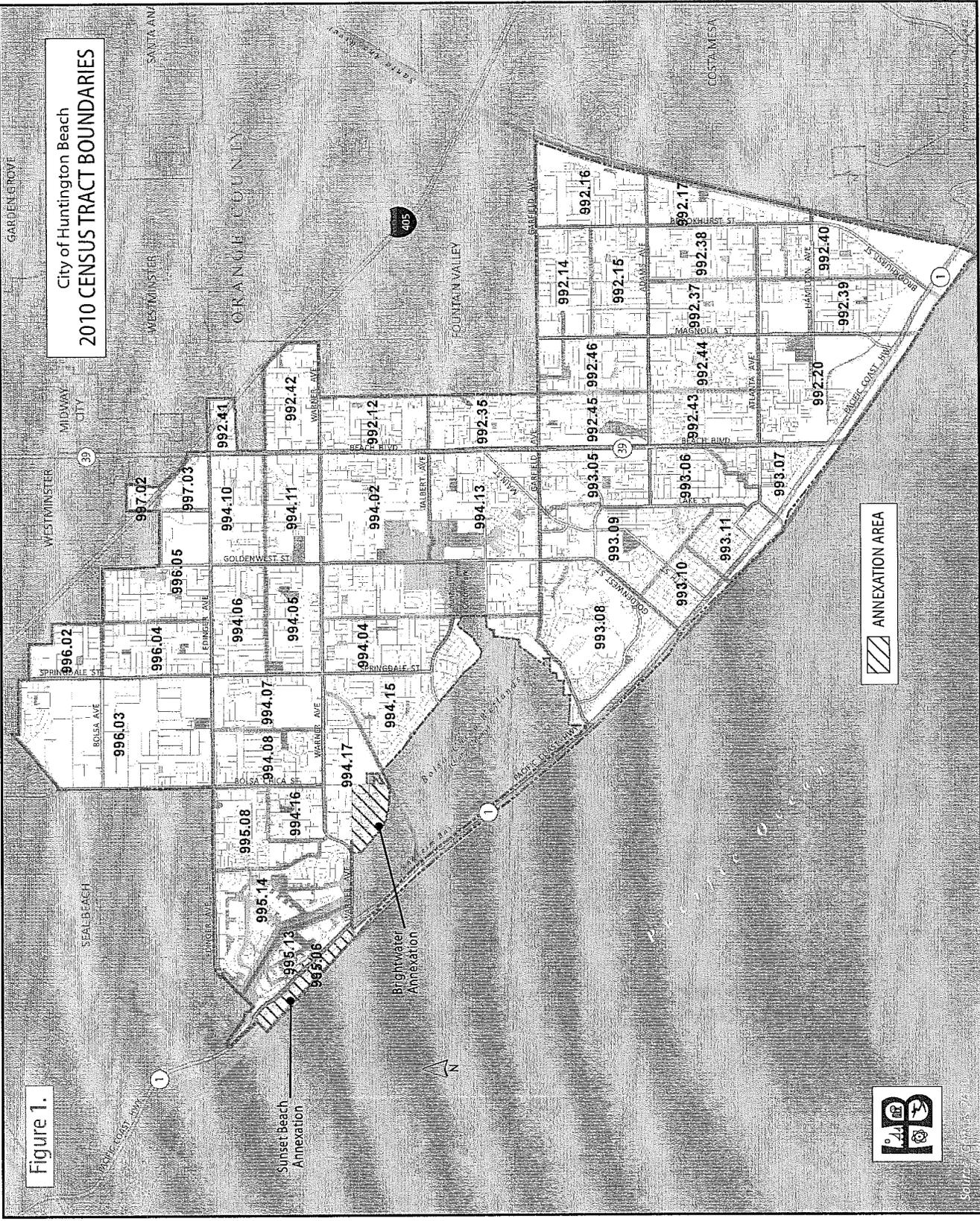
Table II-1: Regional Population Growth Trends 1980-2010

Jurisdiction	1980	1990	2000	2010	Percent Change		
					1980-1990	1990-2000	2000-2010
Anaheim	219,311	266,406	328,014	336,265	22%	23%	3%
Costa Mesa	82,562	96,357	108,724	109,960	17%	13%	1%
Fountain Valley	55,080	53,691	54,978	55,313	-3%	2%	<1%
Huntington Beach	170,505	181,519	189,627	189,992	7%	5%	<1%
Irvine	62,127	110,330	143,072	212,375	44%	23%	48%
Newport Beach	62,556	66,643	70,032	85,186	7%	5%	22%
Santa Ana	203,713	293,742	337,977	324,528	44%	15%	4%
Seal Beach	25,975	25,098	24,157	24,168	-3%	-4%	0%
Westminster	71,133	78,118	88,207	89,701	10%	13%	2%
Total Orange County	1,932,709	2,410,556	2,846,289	3,010,232	25%	18%	6%

Source: U.S. Census 1980, 1990, 2000 and 2010.

Figure 1.

City of Huntington Beach
2010 CENSUS TRACT BOUNDARIES



ANNEXATION AREA



2. Age Characteristics

Housing need is often affected by the age characteristics of residents in the community. Different age groups have different lifestyles, income levels, and family types that influence housing needs.

Table II-2 displays the age distribution of the City's population in 2000 and 2010, and compares this with Orange County. As displayed in the table, 21 percent of Huntington Beach's population is comprised of children under the age of 18, slightly below the 24 percent children Countywide. The Census documents a decrease in approximately 3,400 children in Huntington Beach over the decade, with the City's two elementary/middle school districts (Ocean View and Huntington Beach City) evidencing similar trends. Within the Huntington Beach City School District, while enrollment levels declined throughout the first half of the decade as many families with school age children relocated to lower cost housing markets, enrollment levels in recent years have begun to increase once again to levels comparable to those in 2000. School District staff attribute the increase to inter-district transfers – the transfer of children into the Huntington Beach City School District from outside the district.

The biggest change in Huntington Beach's age profile is a shift from a younger population to a more mature population. This aging trend is borne out by an increase in the median age from 36 years in 2000 to 40.2 years in 2010, now considerably above the County's median age of 36.2 years. (The median age in the newly annexed Sunset Beach community is 46.9 years, exceeding the City's median age by over six years). The City experienced a significant decline in its young adult (25-44 years) population over the past decade, while experiencing growth in the middle adult (45-64 years) and senior (65+ years) populations. The college age (18-24 years) population remained constant over the decade. Factors contributing to this shift in the City's age structure include an aging in place of young adults into the middle age bracket, and the limited number of new young adults and families moving into the community due in part to high housing costs.

Table II-2: Age Distribution 2000-2010

Age Group	2000		2010		Orange Co. %
	Persons	Percent	Persons	Percent	
Preschool (<5 yrs)	11,728	6%	9,665	5%	6%
School Age (5-17 yrs)	30,455	16%	29,197	16%	18%
College Age (18-24 yrs)	15,930	9%	16,172	9%	10%
Young Adults (25-44 yrs)	66,245	35%	54,024	28%	28%
Middle Age (45-64 yrs)	45,580	24%	53,978	28%	26%
Seniors (65+ years)	19,656	10%	26,956	14%	12%
TOTAL	189,594	100%	189,992	100%	100%
MEDIAN AGE	36 years		40.2 years		36.2 years

Source: U.S. Census 2000 and 2010.

3. Race and Ethnicity

Table II-3 displays the racial/ethnic composition of Huntington Beach's population in 2000 and 2010, and compares this with the Countywide distribution. White residents continue to comprise the vast majority of the City's population, though this segment of the population continues to decrease each decade, most recently from 72 percent in 2000 to 67 percent in 2010. This decrease in White residents was offset by the increase in both the Hispanic and Asian/Pacific Islander populations. Hispanic residents grew from 15 to 17 percent, and Asian/Pacific Islander residents grew from 9 to 11 percent of the population; however this is still well below the 34 percent Hispanic and 18 percent Asian/Pacific Islander populations Countywide. African Americans and American Indians each continue to comprise less than one percent of the City's population. The "Other Race" sector remained fairly constant over the decade at three percent of the population. Despite Huntington Beach's increasing diversity, the City remains less ethnically diverse than the County as a whole.

Table II-3: Racial and Ethnic Composition 2000-2010

Racial/Ethnic Group	2000		2010		Orange Co. %
	Persons	Percent	Persons	Percent	
White	136,237	72%	127,640	67%	44%
Hispanic	27,798	15%	32,411	17%	34%
Asian/Pacific Islander	17,976	9%	21,387	11%	18%
African American	1,383	<1%	1,635	<1%	1%
American Indian	777	<1%	532	<1%	<1%
Other Race	5,423	3%	6,387	3%	3%
TOTAL	189,594	100%	189,992	100%	100%

Source: U.S. Census 2000 and 2010.

4. Employment

The recent economic recession had a significant impact on job growth in Orange County, with the loss in over 100,000 jobs between 2006-2010. Similarly, the number of jobs in Huntington Beach fell from approximately 81,600 in 2006 to 73,300 in 2010, representing a ten percent decrease.¹ Since that time, the economy has begun to turn around, with the Orange County Business Council reporting an increase in 35,000 private sector jobs in the County during the first three quarters of 2012, and projected continued job growth in 2013 and 2014.² Within Huntington Beach, employment is projected to grow to 80,100 jobs by 2020, bringing the City's employment base back to near pre-recessionary levels.³

¹ Orange County Projections (OCP) 2006 and 2010. OCP forecasts are consistent with SCAG's Regional Transportation Plan/Sustainable Communities Strategy.

² 2012 Orange County Workforce Housing Scorecard, Orange County Business Council.

³ OCP-2010.

Table II-4 identifies the largest corporate employers in Huntington Beach, and illustrates the strong presence of aerospace, retail, hospitality and healthcare industries.

Table II-4: Major Corporate Employers in Huntington Beach

<ul style="list-style-type: none"> • The Boeing Company • Quiksilver • Cambro Manufacturing • Verizon • Hyatt Regency Resort & Spa • C & D Aerospace • Fisher & Paykel 	<ul style="list-style-type: none"> • Huntington Beach Hospital • Rainbow Environmental Services • Home Depot USA • Huntington Valley Healthcare • Hilton Waterfront Beach Resort • Cleveland Golf • Walmart
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Source: Huntington Beach Chamber of Commerce, Community Overview.

The Census identifies approximately 61,000 primary jobs in Huntington Beach in 2010.⁴ As depicted in Table II-5, manufacturing (21.8%) is the most dominant employment sector, followed by retail trade (21.1%), and accommodation and food services (11.4%).

Table II-5: Primary Jobs by Industry Sector 2010

Industry Sector	# Jobs	% Total Jobs
Manufacturing	13,363	21.8%
Retail Trade	7,416	12.1%
Accommodation and Food Services	6,985	11.4%
Educational Services	5,359	8.7%
Health Care and Social Assistance	4,213	6.9%
Administration & Support, Waste Mgmt and Remediation	3,735	6.1%
Wholesale Trade	3,473	5.7%
Professional, Scientific and Technical Services	3,254	5.3%
Finance, Insurance and Real Estate	2,921	4.8%
Construction	2,699	4.4%
Other Services (excluding Public Administration)	2,600	4.2%
Public Administration	1,475	2.4%
Transportation and Warehousing and Utilities	1,209	1.9%
Information	1,138	1.8%
Management of Companies and Enterprises	644	1.1%
Arts, Entertainment and Recreation	611	1.0%
Oil and Gas Extraction, Agriculture, Forestry, Fishing	231	0.4%
TOTAL	61,326	100%

Source: U.S. Census 2010. OnTheMap Application. <http://onthemap.ces.census.gov/>

⁴ The Census defines a "primary job" as the highest paying job for a worker for the year, but excluding self-employed or "informally employed" workers. While the 61,326 primary jobs in the City is approximately 16 percent below the 73,300 total jobs identified by OCP-10, the primary job data provides a greater level of detail on the City's workforce.

Approximately one-third of Huntington Beach's primary employment is in lower paying retail, hospitality, construction and service-related industries, with wages generally below the level necessary to afford to live in the city. The Census documents that 80 percent of the 61,000 persons employed within Huntington Beach commute in from outside the City limits, indicative of the shortage of local affordable housing opportunities for the community's workforce.

Workforce Housing Scorecard

In December 2012, the Orange County Business Council published the results of its second Workforce Housing Scorecard. This report provides a comprehensive evaluation of the current and future state of Orange County's housing supply and demand, and its effect on business competitiveness. The initial Workforce Scorecard published in 2008 identified the significant shortage of housing for the County's growing workforce, and its impact on the ability of employers to attract and maintain key workforce talent. The challenge for young families to afford housing in Orange County is apparent, with over 50,000 residents aged 20 to 34 leaving the County between 2000-2010 while the more affordable Inland Empire and San Diego regions experienced a 21 percent increase in this same age group. The Scorecard warns that the continued loss of this younger population will weaken Orange County's future workforce pool and negatively impact the long-term regional economy.

Based on the following criteria, the Scorecard rates each jurisdiction's record over the 1991-2010 period in addressing workforce housing needs:

- ✓ Number of jobs, rewarding cities that promote job growth
- ✓ Housing unit density
- ✓ Housing growth, rewarding cities that promote housing growth
- ✓ Jobs/housing balance

Of the 34 cities in Orange County, Huntington Beach ranked 4th in its success over the past two decades in generating both new jobs and the supply of homes necessary to house these new workers. In terms of future projections, the City's expansion of areas for higher density housing, such as in the *Beach and Edinger Corridors Specific Plan* and *Downtown Specific Plan*, contributes to the City's continued high rating under the Workforce Housing Scorecard, ranking 4th for the 2010-2035 period. The City also received the 2011 "Turning Red Tape into Red Carpet" Award of Excellence from the Orange County Business Council for the Huntington Beach Ten Point Plan for Local Business.



Plaza Almeria Mixed Use

B. HOUSEHOLD PROFILE

Household type and size, income levels, and the presence of special needs populations all affect the type of housing needed by residents. This section details the various household characteristics affecting housing needs in Huntington Beach.

1. Household Type

A household is defined as all persons living in a housing unit. Families are a subset of households, and include persons living together related by blood, marriage, or adoption. A single person living alone is also a household. "Other" households are unrelated people residing in the same dwelling unit. Group quarters, such as dormitories or convalescent homes are not considered households.

According to the 2010 Census, 74,285 households reside in Huntington Beach, with an average household size of 2.55 persons and average family size of 3.07 persons. This represents a decrease in household size (2.62) from 1990, and is well below the Countywide average household size of 2.99 persons. The City's smaller household size reflects its lower incidence of family households with children and aging population. Within the Sunset Beach community (annexed to the City after the 2010 Census), 44 percent of the area's approximately 500 households live alone and just 43 percent are families, contributing to an average household size of merely 1.89 persons.

Nonetheless, families continue to comprise the majority of households in Huntington Beach (65%), including families with children (27%), and those without children (38%). Over the past two decades, the proportion of families with children has decreased from 31 to 27 percent of all households. In contrast, the proportion and number of single-person households grew modestly, while other non-family households (unrelated roommates) declined. Of the net increase in 5,400 new households added to the City between 1990-2010, all was due to the growth in single-person households and families without children. These growth trends support the need for smaller, higher density and mixed-use units close to transportation and services, consistent with the types of housing currently being developed and planned for in the *Beach and Edinger Corridors Specific Plan* and *Downtown Specific Plan*.

Table II-6: Household Characteristics 1990-2010

Household Type	1990		2010		Orange Co. %
	Households	Percent	Households	Percent	
Families	45,546	66%	48,218	65%	71%
With children	21,103	(31%)	20,004	(27%)	(34%)
Without children	24,443	(35%)	28,214	(38%)	(37%)
Singles	14,784	22%	18,489	25%	21%
Other non-families	8,549	12%	7,578	10%	8%
Total Households	68,879	100%	74,285	100%	100%
Average Household Size	2.62		2.55		2.99
Average Family Size	3.09		3.07		3.47

Source: U.S. Census 1990 and 2010.

2. Household Income

The State and Federal government classify household income into several groupings based upon the relationship to the County adjusted median income (AMI), adjusted for household size. The State of California utilizes the income groups presented in Table II-7, which are thus used throughout the Housing Element.

Table II-7: State Income Categories 2012

Income Category	% County Area Median Income (AMI)	2012 Orange County Income Limits			
		1 person household	2 person household	3 person household	4 person household
Extremely Low	0-30% AMI	\$20,250	\$23,150	\$26,050	\$28,900
Very Low	0-50% AMI	\$33,750	\$38,550	\$43,350	\$48,150
Low	51-80% AMI	\$53,950	\$61,650	\$69,350	\$77,050
Moderate	81-120% AMI	\$71,650	\$81,900	\$92,100	\$102,350
Above Moderate	120%+ AMI	> \$71,650	>\$81,900	>\$92,100	>\$102,350

Source: California Dept of Housing and Community Development, 2012 Income Limits.

Table II-8 presents the distribution of household income in Huntington Beach by income category measured as a percentage of the County median. While above moderate income households (>120% AMI) are the most dominant at 46 percent, Huntington Beach does have its share of lower income households, with 36 percent of households earning less than 80 percent of the County median. Over the past two decades, the Census documents a continued increase in the proportion of lower income households in Huntington Beach, increasing from 23 percent in 1990, to 30 percent in 2000 and 36 percent in 2010.

Table II-8: Household Income Distribution 2010

Income Level	Households	%
Extremely Low Income	7,422	10%
Very Low Income	7,152	10%
Low Income	12,280	16%
Moderate Income	13,514	18%
Above Moderate Income	34,239	46%
TOTAL	74,627	100%

Source: SCAG Existing Housing Needs Statement, July 2011.

Many of the workers who make up Huntington Beach's workforce earn modest incomes, making it challenging to afford to live in the City. Table II-9 presents a sampling of occupations which fall within very low, low and moderate income thresholds (based on a single worker, two person household). The analysis of housing costs and affordability presented later in this section compares current market rents and sales prices in Huntington Beach with the amount that households of different income levels can afford to pay for housing. This analysis illustrates that very low income and many low income occupations can not afford the average rents in the City. In contrast, moderate income households can afford rental housing and even many of the for-sale condominiums in the City.

Table II-9: Orange County Wages for Select Occupations 2012

Very Low Income (< \$38,550)	Mean Hourly Wage	Mean Annual Income	Max. Affordable Housing Cost
Waiters/Waitresses	\$10.72	\$22,294	\$557
Home Health Aides	\$11.91	\$24,782	\$620
Child Care Workers	\$12.88	\$26,807	\$670
Bank Tellers	\$13.42	\$27,925	\$698
Retail Salespersons	\$13.66	\$28,417	\$710
Nursing Aides, Orderlies, and Attendants	\$14.02	\$29,149	\$729
Security Guards	\$14.24	\$29,621	\$741
Emergency Medical Technicians and Paramedics	\$14.52	\$30,201	\$755
Preschool Teachers, except Special Education	\$16.61	\$34,547	\$864
Low Income (\$38,550-\$61,650)	Mean Hourly Wage	Mean Annual Income	Max. Affordable Housing Cost
Tax Preparers	\$19.37	\$40,295	\$1,007
Bookkeeping, Accounting & Auditing Clerks	\$20.32	\$42,271	\$1,057
Bus Drivers, Transit and Intercity	\$20.48	\$42,597	\$1,065
Child, Family, and School Social Workers	\$20.56	\$42,772	\$1,069
Retail Sales Manager	\$21.47	\$44,650	\$1,116
Real Estate Sales Agent	\$25.94	\$53,952	\$1,349
Food Service Managers	\$26.76	\$55,660	\$1,392
Architectural and Civil Drafters	\$27.88	\$57,997	\$1,450
Carpenters	\$28.18	\$58,624	\$1,466
Moderate Income (\$61,650-\$81,900)	Mean Hourly Wage	Mean Annual Income	Max. Affordable Housing Cost
Occupational Therapist Assistants	\$30.02	\$62,447	\$1,561
Market Research Analysts	\$33.16	\$68,977	\$1,724
Chemists	\$33.25	\$69,152	\$1,729
Firefighters	\$34.01	\$70,743	\$1,769
Librarians	\$34.77	\$72,324	\$1,808
Computer Programmers	\$36.40	\$75,706	\$1,893
Property and Real Estate Managers	\$36.52	\$75,972	\$1,899
Architects (except Landscape and Naval)	\$37.96	\$78,955	\$1,974
Medical Scientists (except Epidemiologists)	\$38.97	\$81,067	\$2,026

Source: 2012 California Occupational Employment Statistics – Orange County; 2012 State HCD Income Limits. Income categories based on two person household with single wage earner. Max affordable housing cost based on 30% of income, including rent/mortgage, utilities, taxes, insurance, HOA fees.

Lower Income Neighborhoods

Based upon 2000 census household income data, Huntington Beach contains eight geographic areas that qualify as “lower income” (< 80% AMI) based upon HUD’s criteria for the City.⁵ The City Council has designated these as “Enhancement Areas” for prioritization of Community Development Block Grant (CDBG) resources for rehabilitation and code enforcement. These enhancement areas are illustrated in Figure 2, and include the following neighborhoods: Bolsa Chica-Heil, Goldenwest, Washington, Oak View, Newland, Garfield, Yorktown and Adams.

City Code Enforcement staff conducted a Citywide housing conditions survey to identify deteriorating areas. Based on the results of this survey, in August 2007 the City Council adopted a resolution designating four areas of concentrated deteriorated housing as special CDBG code enforcement areas, thus refining the boundaries of the prior Enhancement Areas. A map of the designated special code enforcement areas is presented later in the section on housing conditions (refer to Figure 5).

⁵ HUD has established an exception criteria for Huntington Beach of 40.3%, meaning that census block groups must contain a minimum 40.3% lower income (<80% AMI) households to qualify as a “low/mod” target area.

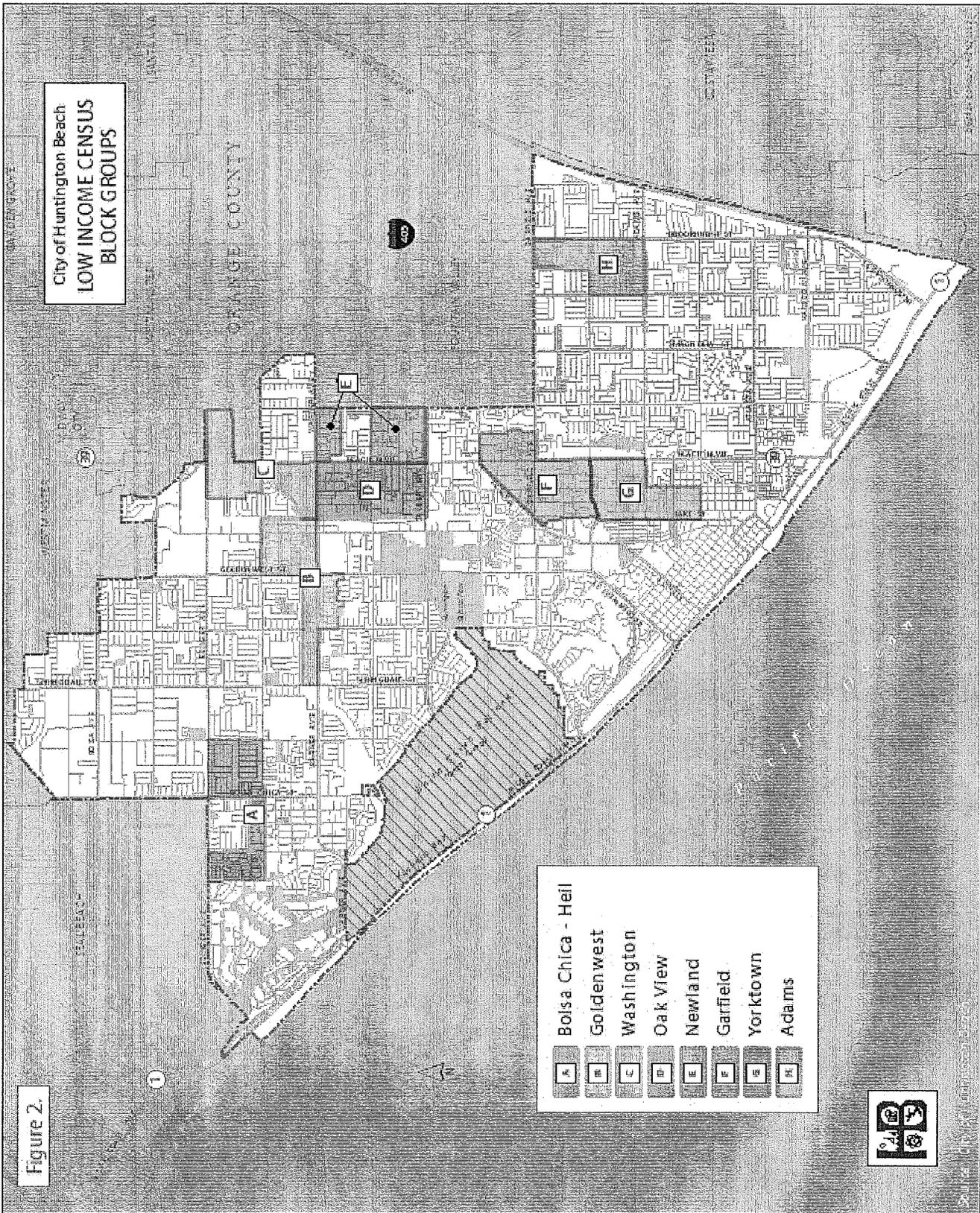


Figure 2.

C. SPECIAL NEEDS POPULATIONS

State law recognizes that certain households have more difficulty in finding decent and affordable housing due to special circumstances, including economic status, age, disability, household size and household type. Special needs populations include the elderly, persons with disabilities, female-headed households, large households, farmworkers and the homeless. Table II-10 summarizes the special needs populations in Huntington Beach. Each of these population groups, as well as their housing needs, is described in the section which follows.

Table II-10: Special Needs Populations 2010

Special Needs Groups	Persons	Households	Percent*
Seniors (65+)	26,956		14%
With a Disability	7,381		(27%)
Senior Households		17,258	23%
Renter		3,145	(18%)
Living Alone		1,887	
Owner		14,113	(82%)
Living Alone		4,640	
Persons Living with Disabilities*	14,357		8%
Large Households		6,962	9%
Renter		3,944	(57%)
Owner		3,018	(43%)
Female-Headed Households		7,685	10%
with Related Children		3,454	(45%)
Farmworkers	84		<1%
TOTAL Persons/Households	189,992	74,285	

Source: U.S. Census 2010; *American Community Survey 2008-2010.

Note: Numbers in () reflect the % of the special needs group, and not the % of the total City population/households. For example, of the City's senior households, 18% are renters and 82% are owners.



1. Senior Households

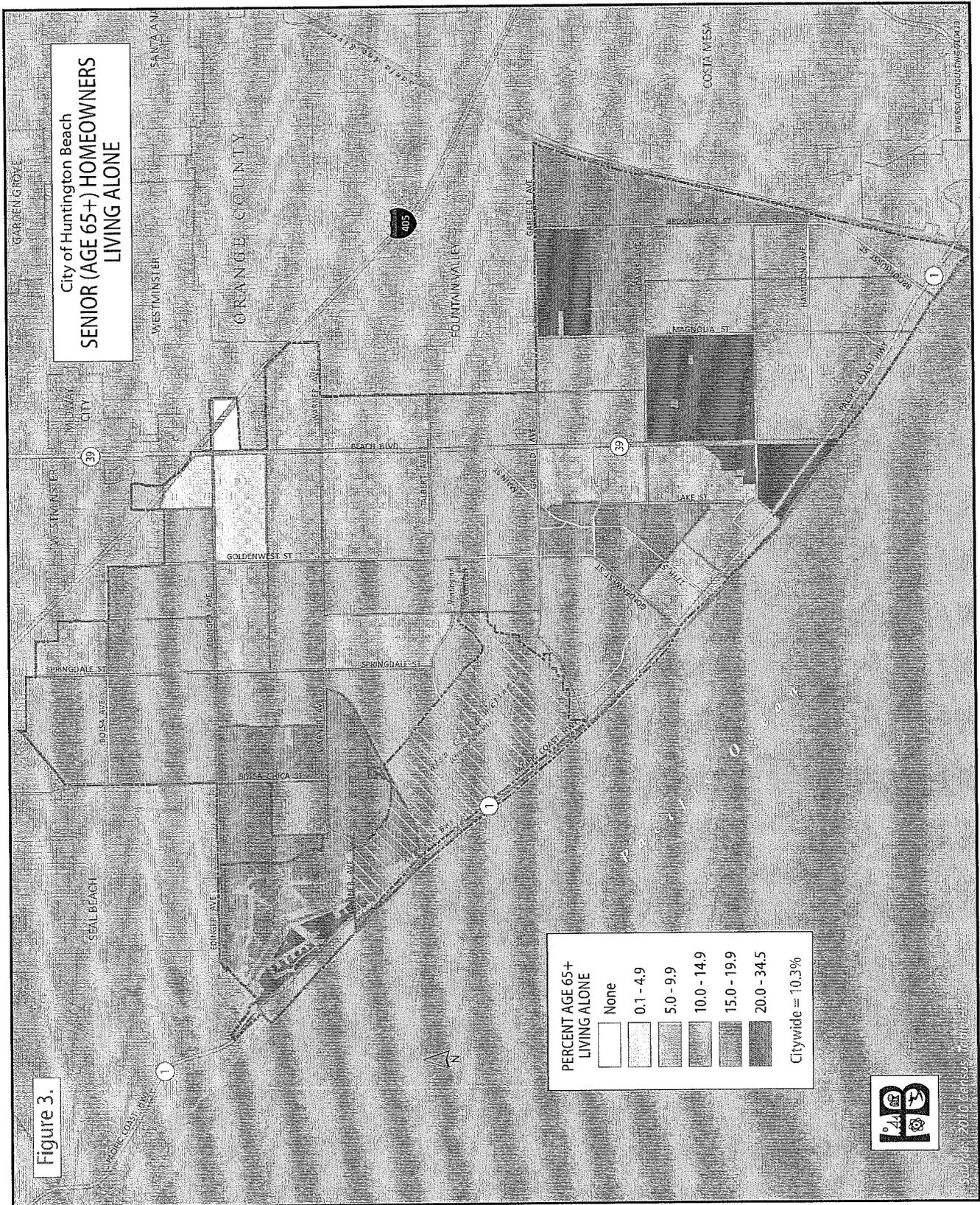
Seniors are a significant special needs group in Huntington Beach, comprising 23 percent of the community's households. Senior citizens are considered to have special housing needs because their fixed incomes, higher health care costs and physical disabilities make it more difficult to find suitable and affordable housing. Consistent with trends occurring throughout the nation, this population is expected to continue increasing as the baby boom generation approaches retirement.

Although often viewed as homogeneous, Huntington Beach's senior population is quite diverse. Among the City's approximately 17,250 senior households, 82 percent own a home and 18 percent rent housing. Over 40 percent of Huntington Beach's seniors are 75 years of age and above, a population which may require more supportive housing options as they age and tend to become more frail.

Some of the more pressing housing needs of Huntington Beach's seniors include:

- **Rental affordability.** Rising rents are a particular concern due to the fact that most seniors are on fixed incomes. Of Huntington Beach's approximately 3,100 senior renter households, three-quarters are lower income (<80% AMI), with over half very low income (<50% AMI). Market rents in Huntington Beach are well beyond the level affordable to lower income households, as confirmed by the Census which documents nearly 50 percent of the City's lower income senior renters spending more than half their incomes on rent.
- **Disabilities.** The Census identifies 27 percent of Huntington Beach's seniors as having one or more disabilities, encompassing physical, sensory and mental disabilities, as well as conditions that limit the senior's ability to leave their home. Combined with the significant number of older seniors (age 75+) indicates a large segment of the senior population that may require various levels of housing support.
- **Housing maintenance.** Of Huntington Beach's approximately 14,000 senior homeowners, over one-third live alone. Figure 3 depicts the location of senior homeowners residing alone, and identifies several census tracts where one-quarter to one-third of owner-occupied housing units consist of a single senior occupant. As these homeowners age, many may be unable to maintain their homes or perform minor repairs. The installation of grab bars and other assistance devices may be necessary to enhance accessibility.

Addressing the diverse housing needs of Huntington Beach's senior population will require strategies which foster independent living (such as home accessibility improvements, second units, rehabilitation assistance), as well as strategies that encourage the provision of a variety of supportive living environments for seniors of all income levels.



As presented later in Table II-23, Huntington Beach has seven senior housing projects providing over 600 rental units affordable to a mix of very low, low and moderate income households. The State Community Care Licensing Division identifies 55 residential care homes for the elderly in Huntington Beach, providing 706 beds for seniors 60 years of age and over. The majority of these residential care facilities are small (6 or fewer beds) "board and care" homes, with three larger assisted living facilities: Huntington Terrace (170 beds); Sunrise of Huntington Beach (142 beds); and Sea Cliff Health Care Center (84 beds). These residential facilities provide care, supervision and assistance with activities of daily living, such as bathing and grooming, and may also provide incidental medical services.

For those seniors who live on their own, many have limited incomes and as a result of their age may not be able to adequately maintain their homes. The City administers a Housing Rehabilitation Program that provides low interest loans and emergency grants to assist lower income homeowners in making needed repairs. Mobilehomes are also eligible for emergency rehabilitation grant assistance, a large number of which are occupied by seniors.

The Huntington Beach Recreation/Human Services Cultural Division operates the Rodgers Senior Center and adjacent Senior Outreach Center. Programs offered include recreational and social activities, a congregate and home delivered meals program, preventative healthcare, transportation services, and supportive services. The Senior Outreach Center specifically focuses on programs and services to support independent living for frail or homebound seniors. A new, 45,000 square foot senior center is planned to better serve the city's growing senior population. The Huntington Beach Council on Aging was formed in 1973 with the mission of enhancing the dignity and quality of life of the City's senior population through comprehensive services, education and advocacy.

2. Persons with Disabilities

A disability is defined as a long lasting condition (more than six months) that impairs an individual's mobility, ability to work, or ability to care for themselves. Persons with disabilities include those with physical, mental, or emotional disabilities. Disabled persons have special housing needs because of their fixed income, shortage of affordable and accessible housing, and higher health costs associated with their disability.

The 2008-2010 American Community Survey (ACS) identifies 14,357 Huntington Beach residents as having one or more disabilities, representing eight percent of the City's population. One-third of these adult residents are unable to live independently. The ACS documents the presence of following types of disabilities among Huntington Beach's disabled residents:

- Ambulatory – 56%
- Cognitive – 35%
- Hearing – 29%
- Vision – 13%

Of the City's senior population, 27 percent suffer from a disability. As Huntington Beach's population continues to age, the number of residents with disabilities will also increase.

The living arrangements for persons with disabilities depends on the severity of the disability. Many persons live at home in an independent environment with the help of other

family members. To maintain independent living, disabled persons may require assistance. This can include special housing design features for the physically disabled, income support for those who are unable to work, and in-home supportive services for persons with medical conditions. Accessible housing can also be provided via senior housing developments.

The State Community Care Licensing Division identifies one group home for disabled youth (12 person capacity) and one adult residential facility (4 person capacity) in Huntington Beach that provide 24-hour non-medical care. A far greater number of licensed care facilities are available for seniors in Huntington Beach, with 55 residential care facilities for the elderly, providing capacity for 706 persons.

Developmental Disabilities⁶

The State Welfare and Institutions Code (Section 4512) defines a “developmental disability” as a disability that originates before an individual attains age 18 years, continues, or can be expected to continue, indefinitely, and constitutes a substantial disability for that individual, which includes mental retardation, cerebral palsy, epilepsy, and autism. This term also includes disabling conditions found to be closely related to mental retardation or to require treatment similar to that required for individuals with mental retardation, but does not include other handicapping conditions that are solely physical in nature.

The Regional Center of Orange County (RCOC) is among 21 regional centers operated by the State Department of Developmental Services to serve the developmentally disabled population. The goal of these centers is to: 1) prevent/minimize institutionalization of developmentally disabled persons and their dislocation from family and community; and 2) enable this population to lead more independent and productive lives. The RCOC serves approximately 17,000 individuals with developmental disabilities and their families. Within Huntington Beach’s zip codes, the Center currently provides services to 866 residents with developmental disabilities, generating an estimated need for 287 housing units:

Table II-11: Developmentally Disabled Residents Served by RCOC

Zip Code	0 - 14 years	15 - 22 years	23 - 54 years	55 - 65 years	65+ years	Total
92646	115	74	69	4	1	263
92647	154	61	115	4	2	336
92648	76	31	50	9	3	169
92649	51	18	23	5	0	97
90742	0	0	1	0	0	1
Citywide Total	396	184	258	22	6	866
Est. Housing Need	99	92	90	5	1	287

Source: Regional Center of Orange County (RCOC), 2012

* The following need factors have been developed by the Golden Gate Regional Center and can be used to generally estimate housing needs for the developmentally disabled population by age group: age 0-14 25% need hsg; age 15-22 50% need hsg; age 23-54 35% need hsg; age 55-65 25% need hsg; age 65+ 20% need hsg.

⁶ SB 812, passed by the California legislature in 2010, now requires the housing element to specifically analyze the housing needs of persons with developmental disabilities, and to identify resources to serve this population.

The regional centers have identified a number of community-based housing types appropriate for persons living with a developmental disability, including: licensed community care facilities and group homes; supervised apartment settings with support services; SB 962 homes (for persons with special health care and intensive support needs); and for persons able to live more independently, rent subsidized homes, inclusionary housing, and Section 8 rental vouchers. The design of housing-accessibility modifications, the proximity to services and transit, and the availability of group living opportunities represent some of the types of considerations that are important in serving this need group.

Huntington Beach supports the provision of housing for persons with disabilities, and has adopted provisions in its Zoning Code to enable community care facilities and supportive housing, and is in the process of adopting provisions for reasonable accommodation. Housing Element programs to facilitate affordable housing – including Inclusionary Zoning, Affordable Housing Development Assistance and Density Bonus Incentives – can also assist residents with developmental disabilities. In addition to the services offered through the Regional Center, Project Independence in Costa Mesa has assisted hundreds of developmentally disabled individuals to gain the necessary skills to live independently.

3. Large Households

Large households consist of five or more persons and are considered a special needs population due to the limited availability of affordable and adequately sized housing. The lack of large units is especially evident among rental units. Large renter households are vulnerable to overcrowding due to the shortage of adequately sized rentals, and insufficient income to afford 3+ bedroom rentals which typically consist of single-family homes.

In Huntington Beach, large households comprise nine percent of total households in the City (2010 Census). Of these large households, 57 percent, or 3,944 households, are renters and over half of these large renter households (55%) earn lower incomes. Based on the CHAS (Comprehensive Housing Affordability Strategy) Databook prepared by HUD, 75 percent of Huntington Beach's large renter households suffer from one or more housing problems, including housing overpayment, overcrowding and/or substandard housing conditions.

The 2010 Census identifies 7,066 rental units in Huntington Beach with three or more bedrooms, in general, the appropriate sized unit to house the City's 3,944 large renter households. While numerically there may be a sufficient number of large rental units, the problem is primarily related to the lack of affordability of these larger units, many of which are single-family homes. Of the approximately 6,000 units encompassed in the City's multi-family rental survey (refer to Table II-17 later in this chapter), just four percent have three bedrooms, and with average rents of \$2,160, are well beyond the level affordable to households earning lower incomes.

4. Female-Headed Households

Single-parent households typically have a special need for such services as childcare and health care, among others. Female-headed households with children in particular tend to have lower incomes, which limits their housing options and access to supportive services.

The 2010 Census reports 7,685 female-headed households in Huntington Beach; 3,454 of these households had children. Of those households with children, 14 percent lived in poverty⁷, compared to a poverty rate of just four percent among all family households. These households need assistance with housing subsidies, as well as accessible and affordable day care.

The Huntington Beach Community Services Department coordinates "Project Self-Sufficiency" (PSS), a program aimed at assisting low-income, single parents (both male and female) in achieving economic independence from governmental assistance through an extensive network of public services. Through public and private agency participation, beneficiaries have access to resources such as housing subsidies, childcare, education, job training, transportation, tuition assistance, and a variety of other benefits. The City assists an average of 100 households annually through the PSS program.

5. Homeless

Every two years, the Orange County Community Services Homeless Prevention Division and its partners conduct a Point-In-Time Homeless Count and Survey (PITS) to collect data on the number and characteristics of the homeless in Orange County. The 2011 PITS⁸ identified 6,939 homeless individuals in the County, including 1,708 persons in families with children (25%). The following summarizes some of the key findings of the survey:

- Nearly two-thirds (62%) of the homeless counted were unsheltered, with 38% in shelter facilities, including emergency shelters, transitional housing programs and motel voucher programs
- Job loss (39%) and alcohol/drug use (17%) were cited by homeless individuals as the top two causes for their current episode of homelessness
- 55% of respondents indicated this was their first episode of homelessness
- Over half (57%) of homeless respondents indicated they had one or more disabling conditions, including 24% with a physical disability, 20% suffering from mental illness, 25% experiencing chronic health problems, and 33% currently using alcohol and/or other drugs

While the Point-in-Time Homeless Count does not enumerate the homeless count by jurisdiction, in the representative survey sample of 794 homeless throughout the County, 28 persons identified Huntington Beach as their last place of residence. By comparison, the 2010 Census identifies 35 homeless individuals in Huntington Beach. As a beach community, Huntington Beach attracts numerous homeless individuals who congregate along the beach, in the Santa Ana Riverbed, in the Bolsa Chica wetlands, and in several of the City's parks. The City's Police Department estimates the local homeless population at

⁷ Following the Office of Management and Budget's Policy Directive, the Census Bureau uses a set of money income thresholds that vary by family size and composition to determine who is in poverty. National poverty thresholds are published annually, and do not vary based on geographic area of the country. At the time of the 2010 census, the poverty threshold for a single parent household with two children was \$17,568.

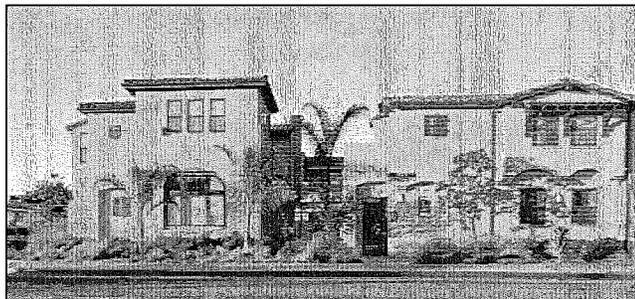
⁸ http://www.pointintimeoc.org/2011_oc_homeless_report_final.pdf

around 50 persons in the warmer months, with the numbers declining during the winter.⁹ A large majority of the City's homeless are chronic substance abusers, with several suffering from mental illness. The Police Department coordinates with the City's Economic Development Department, the County and various non-profit providers to refer homeless to available services, but have found most individuals resistant to services.

"2-1-1 Orange County" was established in 2005 to provide a comprehensive information and referral system to link County residents with community health and human services support. The service is available seven days a week, 24 hours a day. Callers are connected with certified, multi-lingual information and referral specialists who utilize a database to provide information on services including shelter and housing resources, food, and substance abuse assessment and treatment.

The City's departments of Economic Development, Police and Community Services work together to maximize resources and share information to serve the local homeless population, and are active in the Orange County Continuum of Care and its regional approach to homelessness issues. The City's strategy is to continue to support a continuum of programs, including homeless supportive services, emergency shelter, transitional housing, permanent affordable housing, and homeless prevention services. The following highlights some of the City's current activities to support homeless and extremely low income households at-risk of homelessness:

- The City contracts with Community Services Programs, Inc. for operation of the Huntington Beach Youth Shelter, a 12 bed emergency shelter facility open 24 hours a day, seven days a week serving at-risk and homeless youth. The Youth Shelter provides 2 to 4 week stays for youth ages 11-17, providing various counseling and life skills training to help reunite youth with their families, or in some cases, referrals to other long term housing options.
- The City provided funding to support the establishment of two transitional housing facilities - the six unit Interval House and eight unit (48 bed capacity) Colette's Children's Home - both for battered/homeless mothers with children and chronically homeless women. Support services provided include job development and retention training, parenting and life skill training, financial planning and assistance, case management services, counseling, and more.
- The City has also partnered with Collette's Children's Home in the acquisition and rehabilitation of a 10 unit apartment complex, and development of an adjacent vacant parcel with six units, providing long term affordable housing to very low income families.



Collette Children's Home – Pacific Sun Apartments

⁹ Lieutenant John Cottriel, Commander, Special Enforcement Bureau, Huntington Beach Police Department, January 2013.

- Beach Cities Interfaith Services coordinates the provision of a variety of financial and human services for the homeless and persons at-risk of homelessness in Huntington Beach. The organization provides sack lunches to approximately 3,500 homeless persons annually, and grocery allotments to 12,000 families and singles with shelter. Other services offered include: utility assistance, rental assistance, transportation assistance and financial assistance for prescriptions.
- American Family Housing (formerly Shelter for the Homeless), located immediately north of the City, provides a continuum of services to Huntington Beach residents, including emergency shelter in coordination with local churches; transitional housing in scattered site locations; and permanent affordable rental housing. The City has partnered with this agency to rehabilitate 12 units on scattered sites in the Oakview neighborhood and provide units at affordable rents for extremely low to very low income families. The City is also partnering with American Family Housing (AFH) to provide rental assistance to approximately 10 low income households through AFH's Supportive Housing Program.
- The City has partnered with Orange County Community Housing to purchase and rehabilitate eight apartment buildings, providing 64 units of permanent affordable housing for extremely low and very low income households.
- The City's Project Self-Sufficiency program supports extremely low to low income single-parents to gain economic independence and prevent homelessness.

6. Farmworkers

Farmworkers are traditionally defined as persons whose primary incomes are earned through seasonal agricultural work. Farm workers have special housing needs because they earn lower incomes than many other workers and move throughout the season from one harvest to the next. The 2010 Census identifies 84 Huntington Beach residents employed in the farming industry, representing less than one percent of the City's labor force of 102,000. The City has only one, approximately 40 acre parcel remaining in agriculture which has been approved for a mix of housing, open space and wetland preservation. Therefore, given the extremely limited presence of farmworkers in the community, the City has no specialized housing programs targeted to this group beyond overall programs for housing affordability.

D. HOUSING STOCK CHARACTERISTICS

This section evaluates the characteristics of Huntington Beach's housing stock. This includes an analysis of growth trends, housing conditions, housing costs and affordability.

1. Housing Growth

Table II-12 displays housing production in the City over the past two decades, compared to neighboring cities and the entire Orange County region. Between 1990 and 2000, Huntington Beach's housing stock grew by a modest four percent, similar to growth levels in the surrounding communities of Westminster, Fountain Valley and Costa Mesa, though well below the eleven percent growth evidenced Countywide. During the 2000s, housing growth declined throughout the region, with the City's three percent growth comparable to levels experienced in many of central and north Orange County communities.

Table II-12: Regional Housing Growth Trends 1990-2010

Jurisdiction	1990	2000	2010	Percent Change	
				1990-2000	2000-2010
Anaheim	93,177	99,719	104,237	7%	5%
Costa Mesa	39,611	40,406	42,120	2%	4%
Fountain Valley	18,019	18,473	19,164	3%	4%
Huntington Beach	72,736	75,679	78,003	4%	3%
Irvine	42,221	53,711	81,110	21%	51%
Newport Beach	34,861	37,288	44,193	7%	19%
Santa Ana	75,000	74,588	76,896	-1%	3%
Seal Beach	14,407	14,267	14,558	-1%	2%
Westminster	25,892	26,940	27,650	4%	3%
Orange County	875,105	969,484	1,046,118	11%	8%

Source: U.S. Census 1990, 2000, 2010.

The 2010 Census documents Huntington Beach's housing stock at 78,003 units, reflecting the addition of 2,300 net new units over the most recent decade. During this same time period, the City's population count remained virtually unchanged and is indicative of the community's changing demographics and smaller household sizes. While recent housing growth has been relatively balanced between single- and multi-family units, future growth will largely be characterized by higher density multi-family and mixed use product types, such as that planned for in the *Beach and Edinger Corridors Specific Plan* and *Downtown Specific Plan*. More compact development patterns are already being evidenced: of the approximately 2,200 units with development entitlements (Dec 2012), 1,800 are apartments, 300 are single-family homes, and 125 are condominiums.



Pacific Shores Development

2. Housing Type and Tenure

Table II-13 presents the mix of housing types in Huntington Beach, and illustrates the relatively stable mix of single-family (61%) and multi-family (35%) units over the past two decades. Huntington Beach also has 18 mobilehome parks with just under 3,100 mobilehome units, comprising 4 percent of the City's housing. Among the approximately 640 housing units within Sunset Beach, 60% are single-family and 40% are multi-family.

Table II-13: Housing Type 1990-2010

Unit Type	1990		2000		2010	
	Units	Percent	Units	Percent	Units	Percent
Single-Family (SF) Detached	34,537	48%	36,952	49%	38,512	49%
SF Attached	8,904	12%	9,457	12%	9,119	12%
<i>Total SF</i>	<i>43,441</i>	<i>60%</i>	<i>46,409</i>	<i>61%</i>	<i>47,631</i>	<i>61%</i>
2 to 4 Units	9,487	13%	9,666	13%	9,249	12%
5 or more units	16,608	23%	16,463	22%	18,036	23%
<i>Total Multi-Family</i>	<i>26,095</i>	<i>36%</i>	<i>26,129</i>	<i>35%</i>	<i>27,285</i>	<i>35%</i>
<i>Mobile Homes & Other</i>	<i>3,200</i>	<i>4%</i>	<i>3,141</i>	<i>4%</i>	<i>3,087</i>	<i>4%</i>
Total Housing Units	72,736	100%	75,679	100%	78,003	100%
Vacancy Rate	5.3%	--	2.7%	--	4.8%	--

Source: U.S. Census 1990, 2000, 2010. Dept of Finance 2010 Population and Housing Estimates.

Housing tenure refers to whether a housing unit is owned, rented or is vacant. According to the 2010 Census, 60 percent of Huntington Beach's households were homeowners, comparable to the County as a whole, yet representing a slight decrease from the City's 61 percent homeownership rate in 2000. Homeownership rates have declined nationwide over the past decade, reflecting the impact of the economic recession and financial crisis of 2008-2009, and subsequent bursting of the housing bubble. Within Sunset Beach, at 59 percent, renters comprise the majority of households.

Table II-14: Housing Tenure 1990-2010

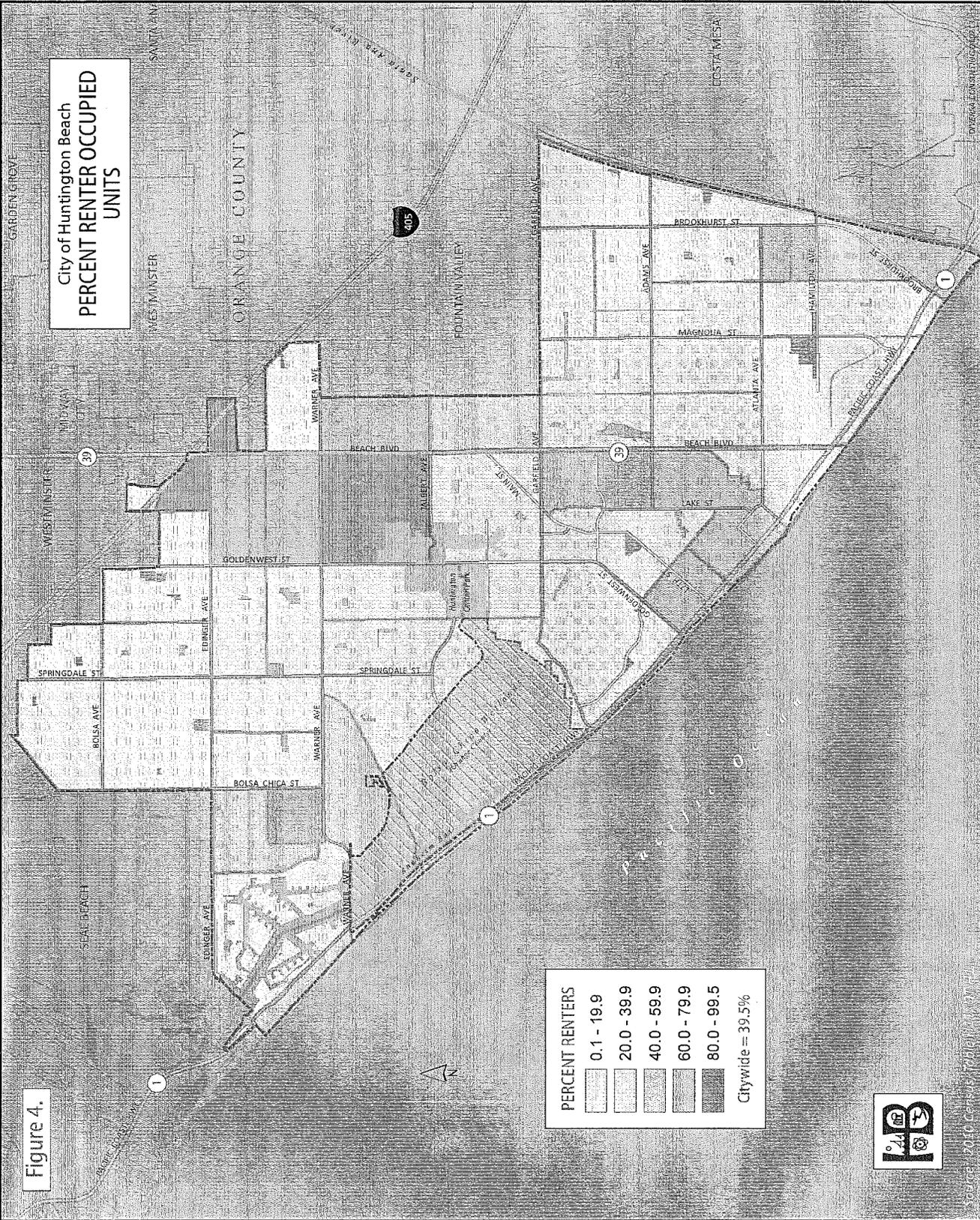
Occupied Housing Units	1990		2000		2010	
	Households	Percent	Households	Percent	Households	Percent
Renter	28,595	42%	28,999	39%	29,371	40%
Owner	40,284	58%	44,658	61%	44,914	60%
Total	68,879	100%	73,657	100%	74,285	100%

Source: U.S. Census, 1990, 2000, 2010.

Figure 4 illustrates the percentage of renter households in Huntington Beach by census tract. As depicted, the highest concentrations of renters (over 60%) are generally located in the following neighborhoods: central Huntington Beach between Talbert and I-405, east of Goldenwest (including the Oak View, Newland and Washington neighborhoods); west of Beach Boulevard and south of Garfield (including the Yorktown-Lake and Garfield neighborhoods); and a small neighborhood located west of Bolsa Chica and north of Warner. Many of these neighborhoods with high concentrations of renters also correspond to the City's lower income census tracts (refer to Figure 2).

Figure 4.

City of Huntington Beach
**PERCENT RENTER OCCUPIED
 UNITS**



PERCENT RENTERS	
[Lightest Gray Box]	0.1 - 19.9
[Light Gray Box]	20.0 - 39.9
[Medium-Light Gray Box]	40.0 - 59.9
[Medium Gray Box]	60.0 - 79.9
[Darkest Gray Box]	80.0 - 99.5
Citywide = 39.5%	



Source: 2010 Census, Table B27003

Vacancy Rate

The vacancy rate measures the overall housing availability in a community and is often a good indicator of how efficiently for-sale and rental housing units are meeting the current demand for housing. A low vacancy rate may indicate that households are having difficulty finding affordable housing, which can lead to overcrowding and/or overpayment. A particularly tight housing market with insufficient vacant units for normal mobility may also lead to high competition for units, placing upward pressure on rents and for-sale housing prices.

A vacancy rate of five percent for rental housing and two percent for ownership housing is generally considered healthy and suggests that there is a balance between the supply and demand of housing. As measured by the 2010 Census, the residential vacancy rate in Huntington Beach was 1.1 percent for ownership units, indicative of the limited supply of housing on the market in March 2010. As housing prices have again begun to increase, so has the supply of for-sale housing on the market. In terms of rental housing, the 2010 Census identifies a healthy 5.4 percent vacancy rate. Similarly, the REALFACTS rent survey of nearly 6,000 apartment units in the City documents a 4.5 percent rental vacancy in 2nd quarter 2012.

3. Housing Age and Condition

The age of a community's housing stock can provide an indicator of overall housing conditions. Typically housing over 30 years in age is likely to have rehabilitation needs that may include new plumbing, roof repairs, foundation work and other repairs. As illustrated in Table II-15, the majority of Huntington Beach's housing stock exceeds this 30 year benchmark. Among owner-occupied housing, 76 percent of units were constructed prior to 1980, reflective of the proliferation of single-family home development in Huntington Beach during the 1960s and 1970s. Similarly, 74 percent of the rental stock was developed more than 30 years ago; this housing is typically of lesser quality construction and suffers more wear-and-tear from tenants than owner-occupied housing. The community's older housing is also typically its most affordable, making preservation dually important.

Table II-15: Age of Housing Stock

Year Structure Built	Renter Occupied Housing	Percent Renter	Owner Occupied Housing	Percent Owner	Total Percent
2005-2009	86	<1%	539	1%	<1%
2000-2004	522	2%	1,938	4%	3%
1990-1999	1,236	4%	3,752	8%	7%
1980-1989	5,775	20%	5,286	11%	15%
1970-1979	10,754	38%	13,320	29%	32%
1960-1969	7,319	26%	18,689	41%	35%
1950-1959	2,002	7%	1,668	4%	5%
1940-1949	421	1%	426	1%	1%
1939 or earlier	493	2%	402	<1%	1%
Total	28,608	100%	46,020	100%	100%

Source: American Community Survey, 2005-2009.

The 2005-2009 American Community Survey estimates the number of housing units without kitchen facilities and/or complete plumbing, another indicator of the condition of the housing stock. Within Huntington Beach, the ACS identifies 404 occupied dwelling units as lacking kitchen facilities (41 owner and 363 renter households), representing 0.5% of the City's households. Just 92 occupied units were identified as lacking complete plumbing (28 owner and 64 renter households). In summary, housing that lacks basic kitchen and plumbing facilities is fairly rare in Huntington Beach.

The advanced age of the majority of Huntington Beach's housing stock supports the need for continued code enforcement, property maintenance and housing rehabilitation programs to stem housing deterioration. In order to maintain adequate housing conditions, the City operates a proactive Code Enforcement Program and Neighborhood Preservation Program, both aimed at eliminating blight and improving the quality of life in Huntington Beach neighborhoods.

Housing Conditions

During February through August 2007, City Code Enforcement staff conducted a Citywide windshield survey to identify neighborhoods with deteriorated or deteriorating housing conditions¹⁰. The survey examined the exterior and publicly visible areas of units, rating each unit as “good”, “fair” or “poor” based on several categories, such as roof, paint, and landscaping. The scores of all features were then combined and an overall rating given to the property. As indicated in Table II-16, of the 55,129 units surveyed, 91 percent were rated as “good”, 8 percent as “fair”, and 1 percent as “poor.” Thus, the City has nearly 5,000 units rated fair to poor in need of some level of rehabilitation.

Table II-16: Summary of Housing Conditions 2007

Overall Condition Rating	# of Units Surveyed	% of Units Surveyed
Good	50,356	91%
Fair	4,455	8%
Poor	318	1%
Total	55,129	100%

Source: City of Huntington Beach City-wide Housing Condition Survey, 2007.

In conjunction with the housing conditions survey, City staff also identified deteriorated areas based on observed violations of the Uniform Housing Code. This effort was undertaken to determine geographical areas meeting the U.S. Department of Housing and Urban Development (HUD) guidelines to utilize Community Development Block Grant (CDBG) funding for special code enforcement and preservation activities in deteriorating areas. From this survey, staff identified four geographical areas that met the criteria for a deteriorating area, as well as meeting the CDBG national objective of serving low and moderate income households (refer to Figure 5):

- Bolsa Chica – Heil
- East – Central
- South - Central
- Southeast

Within these four areas, 78 percent of units were found to have some level of deterioration, including 24 percent with low deterioration, 40 percent with medium deterioration, 6 percent with high deterioration, and 8 percent with very high deterioration. While these four areas comprise approximately 20 percent of Huntington Beach’s total housing stock (13,200 units), they were responsible for 42 percent of all code enforcement activity and 51 percent of all code violations recorded citywide.

These four areas of concentrated deteriorated housing have been designated as Special CDBG Code Enforcement areas, and have become the focus of increased code enforcement and neighborhood preservation efforts to improve the quality of life and

¹⁰ The City has adopted the following definition of deteriorating area: “Any area of the City which contains a substantial number of buildings or properties maintained in such a manner that substandard conditions, as defined by Chapter 10 of the 1997 California Uniform Housing Code, are in existence or are likely to be observed, and/or exhibit other factors and conditions believed to indicate, influence, or contribute to the deterioration of buildings properties.”

condition of housing. In 2012, the East-Central Special CDBG Code Enforcement Area was expanded westward to encompass the area north of Warner between Springdale and Goldenwest. Code enforcement staff have identified one housing complex and two apartment complexes in this area with approximately 658 units in "fair" condition.

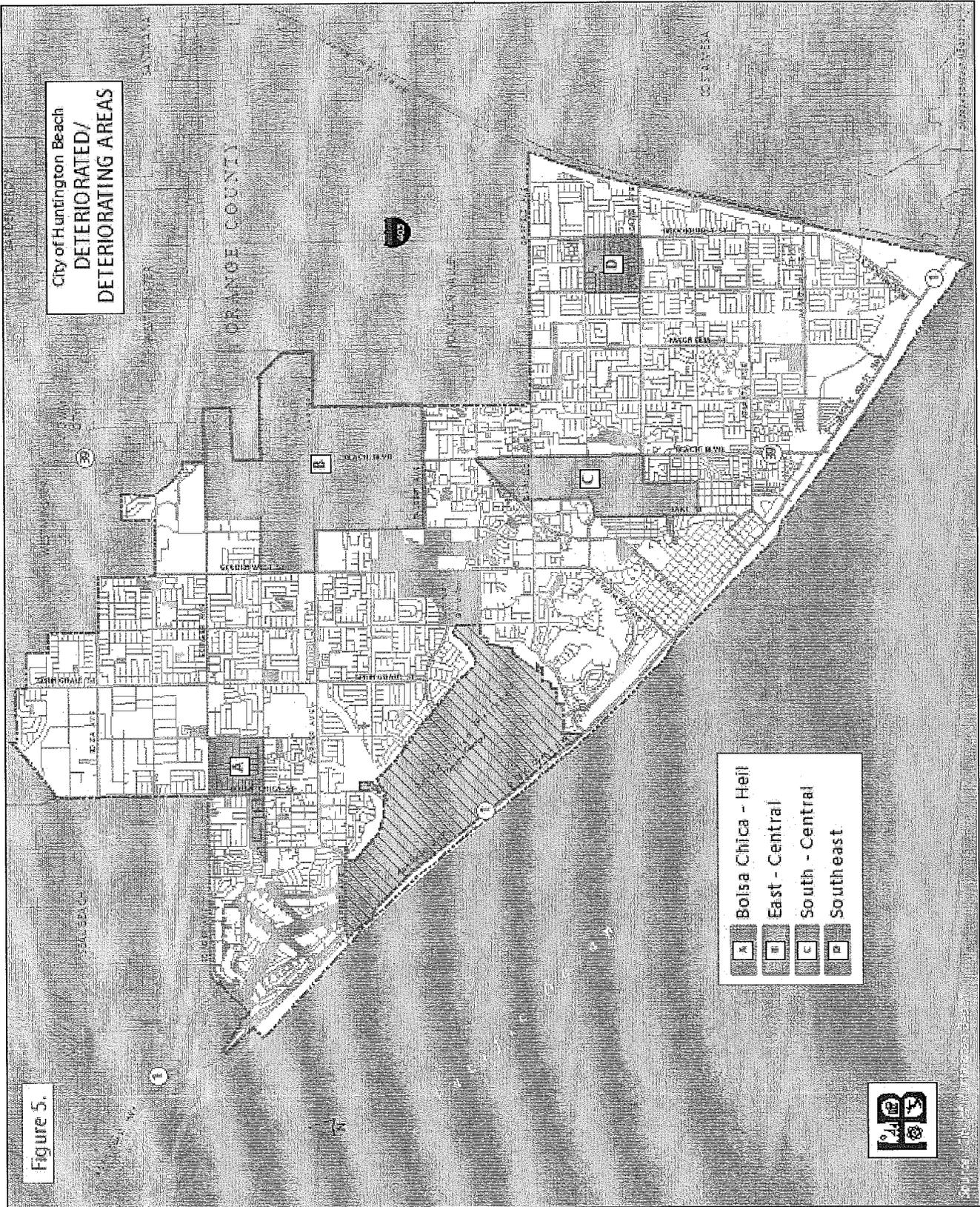
Neighborhood Preservation and Code Enforcement Program

The Neighborhood Preservation and Special CDBG Code Enforcement program utilizes a variety of community oriented enforcement techniques and programs in collaboration with multiple City Departments and several County public agencies (such as Fair Housing, Health Department, Vector Control, etc) to arrest housing stock decline and blighting conditions. The primary goal is to promote a healthy community environment through education and communication, and when necessary, civil and criminal enforcement actions, to actively engage the community in addressing housing deterioration. The City facilitates establishment of residential community groups within Neighborhood Preservation Areas, such as the Oakview Task Force, to define and resolve neighborhood issues and problems. The focus of the City's code enforcement activities has shifted from being reactionary and punitive to more proactive and educational in nature, aiming to empower residents to improve their neighborhoods.

Educational efforts and functions include:

- Working with business owners, neighborhood associations and home owners to identify neighborhood and code enforcement issues, facilitate discussions and forums to assist in achieving resolution
- Empowering the community through resource referrals and self-help programs to resolve and prevent code enforcement issues. Common resource referrals include, but are not limited to, the City's Home Rehabilitation Loan Program, the City's Senior Citizen Services, and various County assistance programs.
- Educating the public regarding City Codes relative to property maintenance, abandoned vehicles, substandard housing, home businesses, and housing code regulations. Outreach efforts include distribution of code enforcement informational brochures, monthly newsletter, periodic articles in local publications; conducting presentations to various neighborhood, home, and property owner associations; and participating on community-specific task forces.

The City monitors code enforcement complaints via an automated complaint tracking software and database. On a monthly basis, staff generates reports, analyzing complaints received, actions taken, and types of violations throughout the City. This information is used to make program adjustments to ensure enforcement actions are effective in addressing the particular needs of the various areas of the City.



4. Housing Costs and Affordability

The cost of housing is directly related to the extent of housing problems in a community. If housing costs are relatively high in comparison to household income, there will be a higher prevalence of overpayment and overcrowding. This section summarizes the cost and affordability of the housing stock to Huntington Beach residents.

Rental Housing Market

Current rental housing costs in Huntington Beach were obtained from REALFACTS, a service that provides existing contract rents in properties containing 100 or more units. Twenty-seven apartment complexes totaling 5,983 units were included in the rent survey. These properties range in size from 96 to 448 units, with the year of construction ranging from 1964 to 1987. All twenty-seven properties were classified as Class C construction, with the lack of Class A properties indicative of their 25+ year age.

As illustrated in Table II-17, during the 2nd quarter of 2012, the average rents in these complexes ranged from \$1,092 for a studio, \$1,362 for a one-bedroom, \$1,623 to \$1,815 for a two-bedroom (1 to 2 bath), and \$2,160 for a three-bedroom unit. The overall average rent for all unit types was \$1,533, a seven percent increase from the prior year.

In order to examine rental trends within a longer time frame, Table II-17 also provides information on the history of rental costs in these complexes from 2006 through 2nd quarter 2012. Between 2006-2008, overall rental prices increased by six percent, followed by a decline of six percent during the 2008-2010 peak of the recession. As the economy has begun to improve, rents are again on the upswing, increasing an average of nine percent during 2010 to 2nd quarter 2012. REALFACTS documents a similar rise in rents since 2010 throughout the greater southern California region.

Table II-17: Apartment Rental Trends 2006-2012

Unit Type (Bd/Bth)	2006	2008	2010	2011	2 nd Quarter 2012	% Change 2006-2008	% Change 2008-2010	% Change 2010-2011	% Change 2011-2 nd Q 2012
Studio	\$1,021	\$1,084	\$983	\$1,047	\$1,092	6%	-9%	7%	4%
1	\$1,267	\$1,339	\$1,270	\$1,286	\$1,362	6%	-5%	1%	6%
2/1	\$1,508	\$1,640	\$1,527	\$1,532	\$1,623	9%	-7%	<1%	6%
2/2	\$1,587	\$1,730	\$1,634	\$1,670	\$1,815	9%	-6%	2%	9%
3/2	\$1,977	\$1,871	\$1,732	\$1,831	\$2,160	-5%	-7%	6%	18%
2 Twnhm	\$1,687	\$1,800	\$1,709	\$1,766	\$1,855	7%	-5%	3%	5%
3 Twnhm	\$1,935	\$2,026	\$1,818	\$1,908	\$2,160	5%	-10%	5%	13%
Total Average	\$1,408	\$1,497	\$1,403	\$1,433	\$1,533	6%	-6%	2%	7%

Source: REALFACTS, August 2012

Table II-18 presents a comparison of rental rates in other Orange County communities based on REALFACTS survey of 100+ unit properties. The average rent level for all properties Countywide was \$1,604, approximately five percent higher than in Huntington Beach and likely a reflection of the relatively newer rental stock in many of the southern Orange County communities. In terms of the change in average rent levels between 2011-2012, the 7.4 percent increase evidenced in the City is well above the Countywide increase of 4.8 percent, and second only to Newport Beach.

Table II-18: Apartment Rental Trends in Comparison Communities

Jurisdiction	Average Rents 2 nd Q 2012	% Change 2011-2012
Newport Beach	\$2,118	8.6%
Irvine	\$1,902	4.2%
Costa Mesa	\$1,669	6.6%
Orange County	\$1,604	4.8%
Orange (City)	\$1,601	2.1%
Huntington Beach	\$1,533	7.4%
Santa Ana	\$1,445	4.3%
Fountain Valley	\$1,443	5.7%
Anaheim	\$1,345	6.0%
Fullerton	\$1,344	3.1%
Westminster	\$1,328	4.3%

Source: REALFACTS, August 2012

Homeownership Market

Table II-19 compares single-family and condominium sales prices in Huntington Beach and nearby communities by zip code during calendar year 2012. A total of 1,506 single-family homes were sold within the City's four zip codes, with an additional two homes sold in Sunset Beach which was annexed to the City in August 2011. The level of single-family sales activity in 2012 represents a significant 23 percent increase from 2011 levels. Median sales prices ranged from \$500,000 in zip code 92647 (northeast), \$575,000 in zip code 92646 (southeast), \$700,000 in 92649 (west, including Huntington Harbour), \$755,000 in 92648 (coastal and Downtown), and \$2,825,000 in 90742 (Sunset Beach). The City's two lower priced zip codes (92647 and 92646) evidenced positive sales price appreciation from the prior year's sales, whereas median sales prices in the two higher priced zip codes (92648 and 92649) still reflect modest depreciation. Countywide, the median single-family sales price was \$500,000, a 4.4 percent increase from the prior year.

Condominiums comprised 28 percent of Huntington Beach's 2012 housing sales, with 599 units sold, and an additional three units sold in Sunset Beach. Median prices ranged from \$220,000 to \$390,000, compared to a Countywide median of \$287,000 and \$950,000 median in Sunset Beach. All but one of the City's zip codes (92649) evidenced price appreciation between 2011 and 2012.

Table II-19: Regional Single-Family Homes and Condominium Sales 2012

Community	Zip Code	# Homes Sold	Median Home Price	Change from 2010	# Condos Sold	Median Condo Price	Change from 2010
Anaheim	92801	263	\$320,000	3.4%	98	\$250,000	2.0%
	92802	175	\$350,000	-0.4%	51	\$250,000	-4.8%
	92804	450	\$345,000	4.5%	112	\$165,000	-14.9%
	92805	324	\$320,000	3.2%	98	\$237,000	23.0%
	92806	226	\$380,000	2.7%	33	\$224,000	4.2%
Costa Mesa	92626	324	\$507,000	2.8%	63	\$305,000	-3.2%
	92627	324	\$529,000	6.8%	126	\$353,000	3.7%
Fountain Valley	92708	464	\$530,000	-0.9%	52	\$195,000	-2.5%
Huntington Beach	92646	474	\$575,000	7.5%	204	\$300,000	0.5%
	92647	326	\$500,000	4.6%	78	\$220,000	6.3%
	92648	449	\$755,000	-3.9%	170	\$390,000	2.6%
	92649	257	\$700,000	-1.4%	147	\$296,000	-2.9%
Sunset Beach	90742	2	\$2,825,000	155.2%	3	\$950,000	29.8%
Newport Beach	92660	486	\$1,250,000	4.2%	123	\$566,000	4.8%
	92661	78	\$1,588,000	-16.4%	6	\$668,000	-18.5%
	92663	213	\$1,385,000	15.4%	137	\$489,000	-2.2%
Santa Ana	92701	139	\$282,000	6.2%	159	\$120,000	4.3%
	92703	227	\$300,000	10.3%	54	\$160,000	14.3%
	92704	347	\$330,000	1.5%	173	\$150,000	5.6%
	92705	381	\$638,000	-1.9%	55	\$193,000	17.1%
	92706	230	\$373,000	-3.1%	25	\$150,000	0%
	92707	247	\$290,000	7.4%	107	\$162,000	15.7%
Seal Beach	90740	139	\$705,000	-2.8%	52	\$224,000	-9.2%
Westminster	92683	630	\$387,000	-3.4%	34	\$315,000	6.1%
Orange County	All	23,032	\$500,000	4.4%	9,875	\$287,000	6.0%

Source: DQNews - 2012 Los Angeles Times Zip Code Chart, <http://www.dqnews.com>

While the prior Table II-19 provides an overview of the subregional housing sales market, the following Table II-20 provides detailed information on all sales of existing and new single-family homes and condominiums within Huntington Beach during calendar year 2012. A total of 1,420 single-family home sales were recorded during this period, with three and four bedroom units comprising 85 percent of all homes sold. Median sales prices ranged from \$415,000 (one-bedroom) to \$703,000 (five-bedroom), with prices varying significantly based on location. Homes in Huntington Harbour and near the coast commanded the highest prices, with less expensive homes located in the central and northern portions of the City. Unit sizes are relatively modest, averaging 1,740 square feet. The overall median sales price for all homes sold during 2012 was \$600,000.

A total of 517 condominiums were sold during 2012, comprising one-quarter of all homeownership sales. Median prices for condominiums ranged from \$246,000 (one-bedroom) to \$315,000 (two bedroom) and \$415,000 (3 bedroom), with an overall median price of \$315,000. Whereas the vast majority of single-family homes were three and four bedroom units, condominiums were predominately two-bedroom units, selling for approximately \$200,000 below similarly sized single-family homes. Condominiums are thus helping to fill a gap for smaller, less expensive ownership housing in the City. The City does have a segment of luxury, high-end condominiums as well, located primarily in the Pacific Coast Highway Coastal Corridor and in Huntington Harbour.

Table II-20: Home and Condominium Sales Prices 2012

# Bdrms	Units Sold	Price Range	Median Price	Avg. Unit Size
Single-Family Homes				
1	4	\$310,000 - \$530,000	\$415,000	670 sf
2	140	\$201,000 - \$1,325,000	\$532,000	1,270 sf
3	677	\$210,000 - \$2,759,000	\$570,000	1,600 sf
4	507	\$200,000 - \$2,900,000	\$649,000	1,955 sf
5+	92	\$220,000 - \$2,865,000	\$703,000	2,415 sf
Total	1,420	\$200,000 - \$2,900,000	\$600,000	1,740 sf
Condominiums				
1	90	\$200,000 - \$670,000	\$246,000	815 sf
2	310	\$299,000 - \$775,000	\$315,000	1,160 sf
3	117	\$215,000 - \$1,602,000	\$415,000	1,430 sf
Total	517	\$200,000 - \$1,602,000	\$315,000	1,145 sf

Source: Dataquick On-Line Real Estate Database. Compiled by Karen Warner Associates.

Home Foreclosures

Nearly 1.5 million of the 8.7 million homes and condominiums in California have been involved in a foreclosure proceeding since 2007. While the number of mortgage default notices in the State has been consistently declining since its peak in 2010, the level of foreclosure activity in California remains among the highest in the country. Approximately 49,000 Notices of Default were recorded in the State during third quarter 2012, comprising 20 percent of all residential resales.

Within Huntington Beach, www.Realtytrac.com identifies 459 single-family home and condominiums units (November 2012) in various states of foreclosure: 169 units in "pre-foreclosure" having received a notice of mortgage default; 170 units undergoing foreclosure with notice of a trustee sale; and 120 units with ownership taken over by the bank. RealtyTrac reports a total of 90 new foreclosure filings in Huntington Beach in November 2012, representing 1 filing for every 868 residential units. In comparison, the ratio of November foreclosure filings to total housing units in the State, Orange County and other northern Orange County jurisdictions was higher than in Huntington Beach, whereas the foreclosure ratio in Newport Beach and Irvine were below that of Huntington Beach.¹¹

California	1 : 430
Orange County	1 : 595
Anaheim	1 : 655
Fountain Valley	1 : 669
Costa Mesa	1 : 745
Westminster	1 : 866
Huntington Beach	1 : 868
Newport Beach	1 : 1,145
Irvine	1 : 1,315

While foreclosures have been on the decline, "short sales" - where the sales price falls short of what is owed on the property - have been rising. In terms of distressed property sales, short sales are preferable to foreclosures for several reasons: 1) units are typically occupied and in better condition; 2) they tend to be higher priced; and 3) short sales are more favorable financially for banks which may translate into improved lending conditions. In third quarter 2012, short sales comprised 26 percent of statewide resale activity.

¹¹ The foreclosure ratio is calculated by dividing the number of dwelling units in the jurisdiction by the total number of properties that received foreclosure notices that month. The lower the second number in the ratio, the higher the foreclosure rate.

Housing Affordability

The affordability of housing in Huntington Beach can be assessed by comparing market rents and sales prices with the amount that households of different income levels can afford to pay for housing. Compared together, this information can reveal who can afford what size and type of housing as well as indicate the type of households that would most likely experience overcrowding or overpayment.

For purposes of evaluating home purchase affordability, Table II-21 presents the maximum affordable purchase price for moderate income households (120% AMI), and compares this with the 2012 median sales prices for single-family homes and condominiums in Huntington Beach as previously documented in Table II-20. As illustrated below, the maximum affordable purchase price ranges from \$382,000 for a two person household, \$433,000 for a three person household, and \$481,000 for a four person household, rendering the median priced single-family homes in Huntington Beach beyond the reach of moderate income households. However, given the wide range in sales prices, approximately 40 two bedroom homes and 200 three-bedroom homes did sell at levels within the affordability threshold for households earning moderate incomes. As the real estate market continues to improve and the number of distressed and below market sales decline, the availability of affordably priced single-family homes in Huntington Beach will likely diminish.

Condominiums provide an affordable homeownership option for many moderate income households in Huntington Beach. For example, a three person moderate income household can afford a purchase price up to \$433,000, and is thus easily able to afford the \$315,000 median priced two-bedroom condominium. Expanding the supply of condominiums, combined with downpayment assistance programs and inclusionary housing requirements, can thus be an effective way to extend affordable homeownership opportunities to moderate income households in Huntington Beach.

Table II-21: 2012 Orange County Maximum Affordable Housing Cost (Moderate Income)

Moderate Income Affordable Housing Cost	1 Bedroom (2 persons)	2 Bedroom (3 persons)	3 Bedroom (4 persons)
Household Income @ 120% Median	\$81,900	\$92,100	\$102,350
Income Towards Housing @ 35% Income	\$28,665	\$32,235	\$35,822
Maximum Monthly Housing Cost	\$2,389	\$2,686	\$2,985
Less Ongoing Monthly Expenses:			
Utilities	\$97	\$109	\$147
Taxes (1.1% affordable hsg price)	\$350	\$398	\$440
Insurance	\$100	\$115	\$130
HOA Fees, Maintenance & Other	\$200	\$200	\$200
Monthly Income Available for Mortgage	\$1,642	\$1,864	\$2,068
Supportable 30 yr Mortgage @ 4.0% interest	\$344,000	\$390,000	\$433,000
Homebuyer Downpayment (10% of affordable hsg price)	\$38,000	\$43,000	\$48,000
Maximum Affordable Purchase Price	\$382,000	\$433,000	\$481,000
Huntington Beach Median Single-Family Sales Price	\$415,000	\$532,000	\$570,000
Huntington Beach Median Condo Sales Price	\$246,000	\$315,000	\$415,000

Source: Karen Warner Associates.

Utility costs based on Orange County utility allowance schedule. Includes gas, electricity, water and trash.

Table II-22 presents the maximum affordable rents for very low, low and moderate income households by household size, and compares with average apartment rents in Huntington Beach (as documented previously in Table II-17). As the table below indicates, Citywide average rents are above the level of affordability for all very low income households and for low income households with three or more persons. However, average rent levels on studio and one bedroom units are within the level affordable to smaller, one and two person households earning low incomes. Households earning moderate incomes, regardless of household size, are easily able to afford market rents in Huntington Beach.

Table II-22: 2012 Maximum Affordable Rents

Income Level	Maximum Affordable Rent After Utilities Allowance*			
	Studio (1 person)	1 Bedroom (2 person)	2 Bedroom (3 person)	3 Bedroom (4 person)
Very Low Income	\$760	\$867	\$975	\$1,057
Low Income	\$1,265	\$1,444	\$1,625	\$1,779
Moderate Income	\$1,708	\$1,950	\$2,194	\$2,412
Huntington Beach Average Apt Rents	\$1,092	\$1,362	\$1,719	\$2,160

*For comparability with advertised rentals, affordable rent calculations subtract the following utility expenses based on the Orange County Housing Authority utility allowance schedule: \$83 for studios, \$97 for 1 bdms, \$109 for 2 bdms, and \$147 for 3 bdms

Source: Karen Warner Associates

4. Assisted Housing At-Risk of Conversion

State Housing Element law requires an analysis of the potential for currently rent-restricted low income housing units to convert to market rate housing, and to propose programs to preserve or replace any units "at-risk" of conversion. This section presents an inventory of all assisted rental housing in Huntington Beach, and evaluates those units at risk of conversion during the ten year, 2013-2023 planning period.

Assisted Housing Inventory

As presented in Table II-23 on the following page, Huntington Beach has a sizable stock of assisted rental housing, totaling 1,438 deed restricted units. This inventory includes all multi-family units assisted under federal, state, and local programs, including HUD, state/local bond programs, density bonus, inclusionary, and former redevelopment programs.

During the prior Housing Element planning period, the City had one project convert to market-rate. Huntington Breakers, a 342 unit bond financed project with 68 units reserved for lower income households, paid off its bond and is no longer bound by any affordability controls.

Transfer of ownership and extension of affordability controls on the 185 unit Huntington Gardens (formerly Wycliffe Gardens) occurred in 2008. The project-based Section 8 contracts associated with this project are however still subject to annual renewal.

In 2011, the City conveyed ownership of Emerald Cove, a 164 unit very low income senior apartment complex, to a local non-profit housing provider (Jamboree Housing). The project had been experiencing deferred maintenance and social service programming was being reduced due to limited City funding. Substantial rehabilitation improvements were completed in conjunction with the transfer in ownership, including remodeling of the clubhouse and creation of a gym for seniors, and on-site social service programming was increased.

At-Risk Projects

This section evaluates those lower income rental projects in Huntington Beach at-risk of converting to market-rate uses prior to 2023. Two affordable housing projects are considered to be at-risk during this period - Huntington Villa Yorba. And Huntington Gardens. Both of these projects maintain Section 8 project-based Housing Assistance Plan (HAP) contracts with HUD subject to annual renewals.

Huntington Villa Yorba is a 198 unit HUD Section 236(j)(1) project, 192 units with affordability controls. In 1994, the project owner filed a revised Plan of Action to Extend the Low Income Affordability Use Restrictions through its application to convert the complex to all Section 8 contracts. According to California Housing Partnership's February 2013 update of HUD assisted properties, the mortgage on Huntington Villa Yorba expires on May 1, 2013, with the Section 8 contract subject to renewal on May 31, 2013. City Economic Development staff are actively working with project property owners to extend affordability.

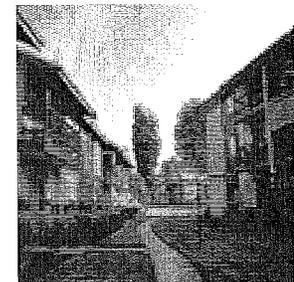


Table II-23: Assisted Rental Housing Inventory

Project Name	Tenant Type	Total Units	Affordable Units	Applicable Programs	Potential Conversion Date
Multi-Family Revenue Bond Projects					
Five Points Apartments	Seniors	164	48 VL/Mod	TEB / LIHTC	2026
Federally Assisted Projects					
Huntington (Wycliffe) Gardens	Seniors	185	185	Sec 231/Section 8	2044/Oct 2013
Huntington Villa Yorba	Family	198	192 VL	Sec(j)(1)/Section 8	2013
Colette's Children's Homes (Cypress, Glencoe, Keelson)	Family	18	18 VL/L	HOME	2064 - 2068
Pacific Sun Apartments (Collette's)	Family	6	6 VL	HOME/NSP	2072
Interval House	Family	6	6 VL	HOME	2029
Orange Community Housing (Keelson, Koledo, Queens)	Family	40	40 VL	HOME	2024 - 2060
Redevelopment Agency (former) Assisted					
Bowen Court	Seniors	20	20 VL	Set-Aside	2062
Bridges Apartments	Family	80	80 VL/L	CDBG	2028
Emerald Cove	Seniors	164	164 VL/L	Set-Aside	2063
Fountains Senior Apartments	Seniors	271	80 VL/L	Set-Aside	2062
Hermosa Vista Apartments	Family	88	88 VL/L	HOME/Set-Aside/ TEB / LIHTC	2065
Huntington Pointe	Seniors	104	104 VL/L	HOME/Set-Aside/ TEB/LIHTC	2061
Oakview - Jamboree I - IV	Family	19	19 VL	HOME/Set-Aside	2066 - 2069
Oakview - OCCHC (Koledo IV - V)	Family	15	15 VL	HOME/Set-Aside	2060
Project Self Sufficiency (11th St)	Family	9	9 VL	Set-Aside	2024
Shelter for Homeless (Keelson, Barton)	Family	12	12 VL	HOME	2024 - 2030
Sher Lane Apartments	Family	66	66 VL/L/Mod	Set-Aside	2028
Sea Air Apartments	Family	36	36 Low	Set-Aside	2026
Pacific Court	Family	48	47 VL/L	HOME/Set-Aside/ TEB/LIHTC	2068
Non-Assisted Projects					
Ocean Aire Gardens	Family	65	62 L/Mod	Density Bonus	2026
1325, 1345, 1350 Delaware	Family	3	3 L	Density Bonus	2031
Beachview Villas	SRO	107	106 VL/L	Non-assisted	Perpetuity
7912 Newman St (Bonnani/Roosevelt)	Senior	2	2 VL/L	Density Bonus	2067
Main Place Apartments	Family	29	26 L	Inclusionary	2033
Newland/Heatherton(16791Roosevelt)	Family	3	1 L	Density Bonus	2033
1301 Delaware	Family	30	3 L/Mod	Density Bonus	2031
TOTALS			1,438		

Source: City of Huntington Beach Economic Development Department, September 2012; California Housing Partnership Corporation, February 2013. TEB = Tax Exempt Bond. LIHTC= Low Income Housing Tax Credit.

With transfer of Huntington Gardens to Living Opportunities Management Company (LOMCO) in 2008, the project's mortgage was extended from 2016 to 2044. However, the Section 8 Housing Assistance Payment (HAP) contracts associated with the project's 185 units are subject to renewal from HUD in October 2013, technically rendering the project at potential risk of conversion.



Preservation and Replacement Options

Preservation or replacement of the two at-risk projects in Huntington Beach can be achieved in several ways: 1) transfer of ownership to non-profit organizations; 2) provision of rental assistance to tenants using other funding sources; and 3) replacement or development of new assisted units. Each of these options are described below, along with a general cost estimate for each.

Option 1: Transfer of Ownership

Transferring ownership of the at-risk projects to non-profit organizations has several benefits: 1) affordability controls can be secured indefinitely; and 2) projects become eligible for a greater range of governmental assistance. The feasibility of this option depends on the willingness of the owner to sell the property, the existence of qualified non-profit purchasers, and the availability of funding.

The current market value for Wycliffe Gardens and Huntington Villa Yorba can generally be estimated based on each projects' potential annual income and standard costs associated with apartment maintenance and management. As shown in Table II-24, the market value of the combined 377 project units is estimated at \$54 million. These estimates are intended to demonstrate the magnitude of costs relative to other preservation and replacement options; actual market values of these projects will depend on the building and market conditions at the time of appraisal.

Table II-24: Market Value of At-Risk Projects

Project Units	Huntington Gardens	Huntington Villa Yorba	Total
1 bdrm	185	21	206
2 bdrm		152	152
3 bdrm		19	19
Total	185	192	377
Annual Operating Cost	\$1,175,000	\$1,568,496	\$2,658,172
Gross Annual Income	\$2,730,000	\$3,538,560	\$6,181,920
Net Annual Income	\$1,554,500	\$1,970,065	\$3,523,248
Est. Market Value	\$24,000,000	\$30,000,000	\$54,000,000

Market value for each project based on the following assumptions:

1. Average market rents: 1-bd \$1,300, 2-bd \$1,600, 3-bd \$2,100 (Table II-17)
2. Average unit size: 1-bd 700 sq.ft., 2-bd 900 sq.ft., 3-bd 1,100 sq.ft.
3. Vacancy Rate = 5%
4. Annual operating expense = 35% gross income + 1.1% property taxes
5. Market value based on 6.5% capitalization rate

Option 2: Rental Assistance

Huntington Gardens and Huntington Villa Yorba both maintain Section 8 contracts for rental assistance. The long-term availability of funding at the federal level for Section 8 contract renewal is uncertain. If terminated, rent subsidies using alternative State or local funding sources could be used to maintain affordability. Subsidies could be structured similar to the Section 8 program, whereby HUD pays the owners the difference between what tenants can afford to pay (30% household income) and what HUD establishes as the Fair Market Rent (FMR) on the unit.

The feasibility of this alternative, in the case of the property owners, depends on their willingness to continue to accept rental vouchers and limit rents to fair market levels. Given the 377 at-risk units in Huntington Gardens and Huntington Villa Yorba and associated bedroom mix, the total cost of subsidizing rents in these projects is estimated at approximately \$180,000 per month, or \$2.1 million annually, translating to \$42 million in subsidies over a 20-year period.

Table II-25: Required Rent Subsidies for At-Risk Projects

# Bdrms	# Units	Fair Market Rents	Household Size	Household Income (50% AMI)	Max. Afford Rent	Per Unit Subsidy	Total Monthly Subsidy	Total Annual Subsidy
1 bdrm	206	\$1,350	2 person	\$38,550	\$963	\$387	\$79,722	\$956,664
2 bdrm	152	\$1,610	3 person	\$43,350	\$1,083	\$527	\$80,104	\$961,248
3 bdrm	19	\$2,290	4 person	\$48,150	\$1,203	\$1,087	\$20,653	\$247,836
Total	377						\$180,479	\$2,165,748

Option 3: Construction or Purchase of Replacement Units

The construction or purchase of a replacement building is another option to replace at-risk units should they convert to market rates. The cost of developing housing depends on a variety of factors, including density, size of the units, location, land costs, and type of construction. Based on review of 130 multi-family sales in Huntington Beach during 2011 and 2012, the median purchase price for apartment buildings in Huntington Beach runs approximately \$245,000/unit. Therefore, the cost to replace the 377 at-risk units in Huntington Beach can generally be estimated at \$92 million.

Cost Comparisons

In terms of cost effectiveness for preservation of the 377 at-risk units, 20 years worth of rent subsidies (\$42 million) are less expensive than transfer of ownership (\$84 million), or purchase of replacement units (\$92 million). However, transfer of ownership to a non-profit may still be a preferred alternative as affordability controls could be secured indefinitely, and projects would become eligible for a greater range of outside funding.

5. Housing Problems

A continuing priority of communities is enhancing or maintaining the quality of life for residents. A key measure of the quality of life in Huntington Beach is the extent of "housing problems." One measure of housing problems used by both the State and Federal governments is the extent of housing overpayment and overcrowding within a community.

Overpayment

Housing overpayment, as defined by the State and Federal government, refers to spending more than 30 percent of income on housing; severe overpayment is spending greater than 50 percent of income. Table II-26 shows the incidence of overpayment in Huntington Beach.

Table II-26: Housing Overpayment 2010

Overpayment	Households	Percent	Orange Co. %
Owners			
Overpayment (>30% income on housing)	17,954	39%	42%
Severe Overpayment (>50% income on housing)	7,683	17%	19%
Lower Income Owners Overpaying	5,528	60%	--
Renters			
Overpayment (>30% income on housing)	13,027	46%	52%
Severe Overpayment (>50% income on housing)	5,881	21%	25%
Lower Income Renters Overpaying	9,012	73%	--
Total Overpayment	30,981	43%	47%

Source: American Community Survey (ACS) 2005-2009. % lower income overpayment derived from HUD CHAS and applied to owner and renter households from 2005-2009 ACS.

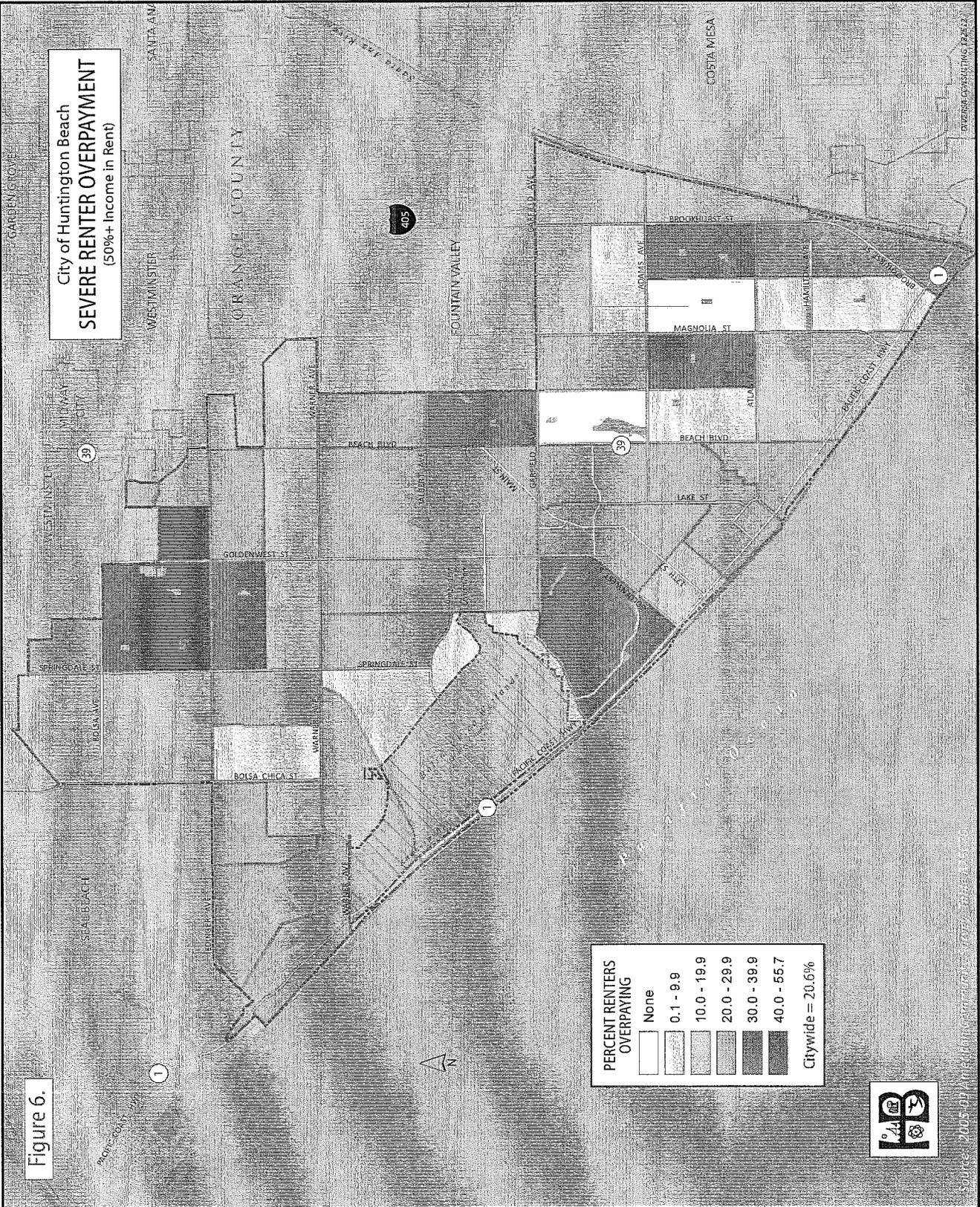
Note: Severe overpayment is a subset of overpayment.

According to the 2005-2009 American Community Survey, 39 percent of owners and 46 percent of renters in Huntington Beach were spending more than 30 percent of their total income on housing. This level of overpayment represents a significant increase from 2000 when 38 percent of renters were overpaying. *Severe* overpayment among renters has also increased, rising from 16 to 21 percent. In terms of overpayment among lower income households (<80% AMI), an estimated 9,012 lower income renter households and 5,528 lower income owners were faced with overpayment in Huntington Beach. The impact of housing overpayment on Huntington Beach's lower income households is significant, with the community's special needs populations – seniors, persons with disabilities, and female-headed households with children - most vulnerable to losing their housing due to an inability to pay.

Figure 6 shows locations in Huntington Beach with concentrations of *severe* overpayment among the renter population. Census tracts with the highest concentrations (40-55%) of renters spending more than half their incomes on rents are located north of Edinger and east of Springdale, as well as a small area south of Adams and west of Magnolia. These areas also evidenced high levels of renter overpayment in the City's 2008 Housing Element as derived from 2000 census data.

Figure 6.

City of Huntington Beach
SEVERE RENTER OVERPAYMENT
 (50%+ Income in Rent)



Source: 2005 DPY MCH&B Consultants - 10/05/05 - 05/06/06

Overcrowding

The State defines an overcrowded housing unit as one occupied by more than 1.01 persons per room (excluding kitchens, porches, and hallways). A unit with more than 1.51 occupants per room is considered severely overcrowded. The incidence of overcrowded housing is a general measure of whether there is an available supply of adequately sized housing units.

Table II-27 shows the incidence of overcrowding in Huntington Beach and Orange County by tenure, as measured by the 2006 -2010 American Community Survey. As indicated, just three percent of all households in Huntington Beach were living in overcrowded conditions, well below the incidence of overcrowding Countywide where overcrowding impacts nine percent of households. While the City's renter households were more likely to experience overcrowded living conditions than owner households, the level of renter overcrowding has declined significantly over the past decade, from 13 percent in 2000 to six percent in 2010.

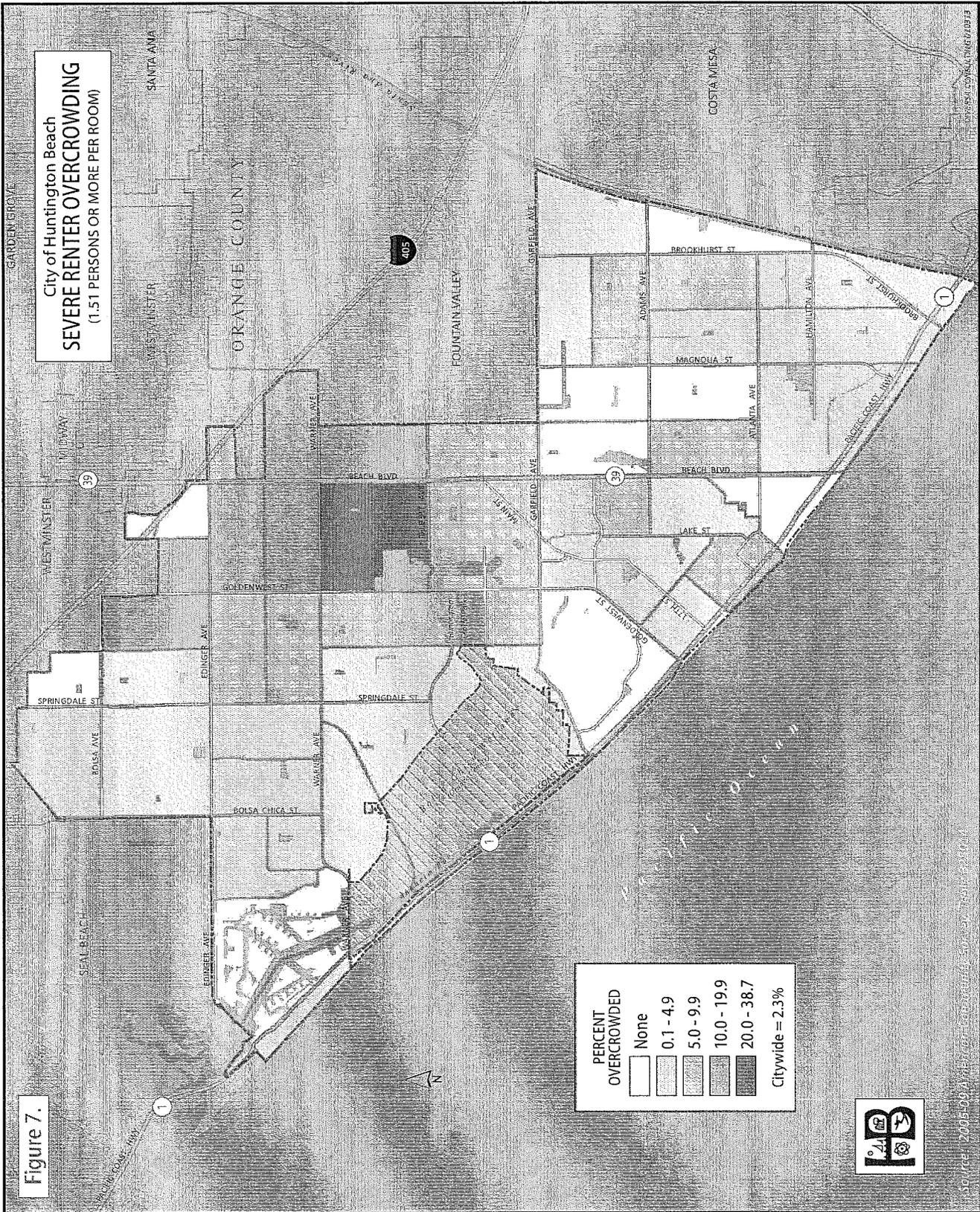
Table II-27: Overcrowded Households 2010

Overcrowding	Households	Percent	Orange Co. %
Owners			
Overcrowding	443	<1%	4%
Severe Overcrowding	59	<1%	1%
Renters			
Overcrowding	1,600	6%	17%
Severe Overcrowding	671	2%	7%
Total Overcrowding	2,043	3%	9%

Source: American Community Survey (ACS) 2005-2009. % overcrowding from ACS applied to 2010 Census count of owner/renter households.

Note: Severe overcrowding is a subset of overcrowding.

While overcrowding levels have decreased significantly in Huntington Beach, the existence of nearly 700 renter households living in severely overcrowded conditions remains an important housing issue. As illustrated in Figure 7, the Oak View neighborhood in central Huntington Beach evidenced the highest levels of overcrowding, with 38 percent, or 619 renter households severely overcrowded; this area was also identified in the City's 2008 Housing Element as having a high level of overcrowding. Oak View is one of the City's CDBG Enhancement Areas and continues to be a major focus for City neighborhood improvement activities.



E. REGIONAL HOUSING NEEDS ALLOCATION

The Regional Housing Allocation (RHNA) is a state-mandated process which determines the amount of future housing growth each city and county must plan for in their housing elements. This “fair share” allocation concept seeks to ensure that each jurisdiction accepts responsibility for the housing needs of not only its resident population, but also for the jurisdiction’s projected share of regional housing growth across all income categories. Regional growth needs are defined as the number of units that would have to be added in each jurisdiction to accommodate the forecasted number of households, as well as the number of units that need to be added to compensate for anticipated demolitions and changes to achieve an “ideal” vacancy rate.

The RHNA process begins with the California Department of Housing and Community Development’s (HCD) projection of future statewide housing growth need, and the apportionment of this need to regional councils of government throughout the state. As southern California’s designated Council of Government, the Southern California Association of Governments (SCAG) is the agency responsible for developing an allocation methodology to allocate the region’s assigned share of statewide need to cities and counties by income level. In allocating the region’s future housing needs to jurisdictions, SCAG is required to take the following factors into consideration:

- ✓ Market demand for housing
- ✓ Employment opportunities
- ✓ Availability of suitable sites and public facilities
- ✓ Commuting patterns
- ✓ Type and tenure of housing
- ✓ Loss of units in assisted housing developments
- ✓ Over-concentration of lower income households
- ✓ Geological and topographical constraints

SCAG has adopted the RHNA for the 2013-2021 Housing Element cycle, and has allocated Huntington Beach the following share of the region’s housing needs:

Table II-28 Regional Housing Needs Assessment 2013-2021*

Income Level	Percent of AMI*	Units	Percent
Extremely Low**	0-30%	156	12%
Very Low	31-50%	157	12%
Low	51-80%	220	16%
Moderate	81-120%	248	18%
Above Moderate	120%+	572	42%
Total		1,353	

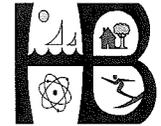
Source: <http://SCAG.ca.gov/Housing/rhna.htm>

* AMI – Area Median Income.

** An estimated half of the City’s very low income housing needs (156 units) are for extremely low income households.

The RHNA represents the minimum number of housing units each community is required to provide “adequate sites” for through zoning and is one of the primary threshold criteria necessary to achieve State approval of the Housing Element. As the RHNA represents a

planning target for new residential growth and not a building quota, so long as a jurisdiction provides sufficient sites and does not impose constraints to development, it is not penalized for falling short of its RHNA target. Huntington Beach will continue to provide sites for a mix of single-family, multi-family and mixed use housing, supported by a variety of programs to enhance affordability, to accommodate its RHNA and contribute towards addressing the growing demand for housing in the southern California region.



V. HOUSING PLAN

Sections II, III and IV of the Housing Element establish the housing needs, opportunities and constraints in Huntington Beach. This final Housing Plan section begins by evaluating accomplishments under the City's adopted 2008 Housing Element and then presents Huntington Beach's Housing Plan for the 2013-2021 period. This Plan sets forth the City's goals, policies and programs to address identified housing needs.

A. EVALUATION OF ACCOMPLISHMENTS UNDER ADOPTED HOUSING ELEMENT

Under State Housing Element law, communities are required to assess the achievements under their adopted housing programs as part of the update to their housing elements. These results should be quantified where possible (e.g. the number of units rehabilitated), but may be qualitative where necessary (e.g. mitigation of governmental constraints). The results should then be compared with what was projected or planned in the earlier element. Where significant shortfalls exist between what was planned and what was achieved, the reasons for such differences must be discussed.

The City of Huntington Beach 2008-2014 Housing Element sets forth a series of housing programs with related objectives for the following areas:

- ✓ New Construction for all income groups
- ✓ Residential Rehabilitation
- ✓ Conservation of Existing Housing

This section reviews the City's progress to date in implementing these housing programs and their continued appropriateness for the 2013-2021 Housing Element. Table V-1 summarizes the City's housing program accomplishments, followed by a review of its quantified objectives. The results of this analysis will provide the basis for developing the comprehensive housing program strategy presented in Part C of this section.

ATTACHMENT NO. 2.1

Table V-1: Review of 2008-2013 Housing Element Programs

Policy/Program	Accomplishments
<p>1. Single-Family Rehabilitation <u>Action:</u> Adopt new Single-Family Rehabilitation Program Guidelines, and assist 15 lower income households on an annual basis, with a projected income mix of half very low and half low income households.</p>	<p><u>Progress:</u> Between 2007/08 through 2011/12, the City has provided for 48 loans and 42 grants, surpassing its goal to provide assistance for 15 households annually, or 75 households during this 5 year period. On April 5, 2010, the City Council adopted new Rehabilitation Program Guidelines, increasing the loan amount from \$35,000 per loan to \$75,000 and the grant amount from \$5,000 to \$10,000.</p> <p><u>Effectiveness:</u> The City exceeded its overall rehabilitation goal.</p> <p><u>Appropriateness for 2013-2021 Housing Element:</u> With the ongoing need to maintain the City's aging housing stock, this program remains appropriate for the Housing Element time period.</p>
<p>2. Multiple-Family Acquisition and Rehabilitation through Non-Profit Developers <u>Action:</u> Assist non-profits in acquisition and rehabilitation of existing multiple-family housing within Enhancement and Redevelopment areas. Achieve 120 units between 2007/08 to 2013/14, including 15 ELI, 10 VL, 45 Low, 50 Mod income.</p>	<p><u>Progress:</u> Between 2008 and 2012, the City worked with three different non-profit developers to complete five multi-family acquisition/rehabilitation projects for a total of 230 lower income units, exceeding the City's goal to achieve 120 units. Nonprofit partners included Jamboree (Jamboree III & IV in Oakview, and Emerald Cove – total 173 very-low income units), Orange Housing (Pacific Court Apts – 48 units) and Colette's Children's Homes (Keelson - 10 very-low income units).</p> <p><u>Effectiveness:</u> The program focus has been within the Oakview neighborhood, maximizing the effectiveness of neighborhood revitalization. The program has proven very successful in working with experienced non-profit entities and in leveraging outside funding sources. With financial assistance from the City/Agency, the nonprofits are able to oversee the acquisition and rehabilitation process and stay in place as long-term owners and operators.</p> <p><u>Appropriateness for 2013-2021 Housing Element:</u> This program remains an integral component to the City's overall affordable housing strategy. However, future funding sources will be limited to HOME funds, Tax Credits and other Grant opportunities.</p>
<p>3. Neighborhood Improvement Program <u>Action:</u> Implement neighborhood improvement program within 4 CDBG target areas. Code enforcement division will facilitate forums for residents of these communities to discuss specific neighborhood issues and provide information on various resources for rehabilitation assistance. Conduct monthly meetings of the Public Nuisance Task Force, with the goal to expedite the abatement of properties that are considered public nuisances.</p>	<p><u>Progress:</u> From 2008-2012, the City has held 16 Ocean View Task Force meetings (w/h participation by 13 agencies/groups); 3 joint inspection meetings with the County Health Department and 2 Green Building informational sessions. The Public Nuisance Task Force meets on a monthly basis, and the equivalent of two code enforcement officers are assigned to the CDBG target areas.</p> <p><u>Effectiveness:</u> The result of these efforts has been an overall reduction in graffiti and trash and debris cases. All of the reactive cases are referred to the Housing Rehabilitation Program. In year 2011/2012, 536 households were served and 1,004 cases abated.</p> <p><u>Appropriateness for 2013-2021 Housing Element:</u> This program remains an important component of the City's efforts to maintain and improve neighborhood and livability conditions.</p>

Table V-1: Review of 2008-2013 Housing Element Programs (cont'd)

Policy/Program	Accomplishments
<p>4. Preservation of Assisted Rental Housing <u>Action:</u> Contact the owners of Huntington Villa Yorba to initiate discussions regarding the City's desire to preserve as long term affordable housing. Based on the outcome of these discussions, the City will: 1) explore outside funding and preservation options; 2) offer preservation incentives to owners; and 3) provide technical assistance and education to affected tenants.</p>	<p><u>Progress:</u> City contacted the Huntington Villa Yorba property owners and discussed the importance of keeping the affordability covenants in place. City has made this the number one project for any non-profit developer who asked for the City's priority project and where they could acquire units.</p> <p><u>Effectiveness:</u> The property owner is considering the City's request while the City is determining the amount of HOME funds to dedicate to furthering the affordability term. In addition, the City has asked HUD to assist.</p> <p><u>Appropriateness for 2013-2021 Housing Element:</u> Given the at-risk status of this property, the City plans to enter into an agreement and dedicate HOME and other HUD available funds to meet the assistance requirements.</p>
<p>4a. Preservation of Huntington Gardens (formerly Wycliffe) – Committed Assistance <u>Action:</u> By April 2008, enter into a legally enforceable agreement with LOMCO for a \$2.16 million bridge loan for preservation of 185 very low income units in Huntington Gardens. Once LOMCO has secured permanent financing, enter into an Owner Participation agreement for up to \$8 million in additional gap financing. Report to HCD on the status of preservation no later than July 1, 2010, and to the extent an agreement is not in place, amend the Housing Element as necessary to identify additional sites.</p>	<p><u>Progress:</u> In 2009, Huntington Gardens was sold to Living Opportunities Management Company (LOMCO) and affordable rent levels have been maintained. The City worked with LOMCO to secure financing through Century Housing for purchase, extending the project's mortgage from 2016 to 2044. The City also coordinated with HUD to assist in securing a five-year Section 8 contract extension on the project. No City funds were utilized in the project's preservation.</p> <p><u>Effectiveness:</u> This program was effective in preserving Huntington Gardens as affordable housing. However, as the Section HAP payments associated with the project are subject to continual renewal from HUD, the project technically remains at-risk of conversion.</p> <p><u>Appropriateness for 2013-2021 Housing Element:</u> Preservation remains an important program in the updated Housing Element. However, given the elimination of redevelopment agency funding, a separate program for committed assistance will not be included.</p>
<p>5. Section 8 Rental Assistance Program and other Assistance <u>Action:</u> Maintain current levels of assistance (815 vouchers). Encourage landlords to register units with the Housing Authority and undergo education on the Section 8 program. Continue to participate in quarterly meetings of the Cities Advisory to OCHA to maintain ongoing communication about the Section 8 program and other affordable housing activities.</p>	<p><u>Progress:</u> The City assisted with the recently opened enrollment period for Section 8 and is involved in Cities Advisory to OCHC and OC Partnership to increase future affordable housing opportunities. The City has 880 Section 8 vouchers – 363 elderly, 206 disabled/non-elderly, and 311 disabled/elderly. In addition, through Homelessness assistance, Shelter Plus Care and Section 8 vouchers from other cities/counties, there are 1,091 assisted units – 426 elderly; 309 disabled/non-elderly; and 356 families.</p> <p><u>Effectiveness:</u> The City was effective in increasing the number of vouchers in use from 815 to 880, and in increasing the number of Huntington Beach residents getting on the County Section 8 waiting list.</p> <p><u>Appropriateness for 2013-2021 Housing Element:</u> The City plans to maintain current levels of assistance and continue working with OC Partnership to identify additional apartment projects for Section 8 tenants.</p>

Table V-1: Review of 2008-2013 Housing Element Programs (cont'd)

Policy/Program	Accomplishments
<p>6. Mobile Home Park Preservation <u>Action:</u> Implement the Mobile Home Park Conversion Ordinance as a means of preserving mobile home parks as long term housing in the community. Should tenants of a park indicate interest in purchasing the park as a means of maintaining control over space rent increases, provide information on State MPROF funding. Assist in resolving issues between mobile home park tenants and park owners through monthly meetings of the Mobile Home Park Advisory Board.</p>	<p><u>Progress:</u> The City's Mobile Home Advisory Board (MHAB) has met quarterly and provides various speakers regarding Mobile Home conversion; how tenants can purchase their parks and other topics of interest.</p> <p><u>Effectiveness:</u> The City has received fewer complaints from Mobile Home Park Residents and continues to provide focused information. In 2012, the Fire Department handed out Emergency Preparedness kits to every Mobile Home resident.</p> <p><u>Appropriateness for 2013-2021 Housing Element:</u> The City plans to continue the MHAB meetings and respond to residents' concerns and provide informative topics.</p>
<p>7. Condominium Conversion Ordinance <u>Action:</u> Implement the City's Condominium Conversion Ordinance. Evaluate strengthening the current Ordinance to establish minimum rental vacancy thresholds and/or extending the City's inclusionary housing requirements to encompass condominium conversions.</p>	<p><u>Progress:</u> The City used the current ordinance once since 2008 in evaluating a possible future conversion and has fielded several inquiries regarding possible other conversions. City staff did some preliminary evaluation of modifying the ordinance.</p> <p><u>Effectiveness:</u> The existing ordinance is robust and appears to have been a deterrent in the conversion of a couple of projects. Staff was able to use the requirements of the existing ordinance in the one conversion that was evaluated.</p> <p><u>Appropriateness for 2013-2021 Housing Element:</u> The condominium conversion ordinance remains in effect, and as no changes are deemed necessary at this time, this program is no longer necessary for the Updated Element.</p>
<p>8. Residential and Mixed Use-Use Sites Inventory <u>Action:</u> Maintain a current inventory of vacant residential sites and potential mixed-use infill sites and provide to interested developers in conjunction with information on available development incentives. Adopt a Citywide mixed use ordinance to expand the potential for mixed use developments in the City. Conduct annual monitoring of residential sites capacity to ensure the continued provision of adequate sites to address the City's regional housing needs by income category throughout the planning period. Should a shortfall be identified, redesignate additional sites as necessary.</p>	<p><u>Progress:</u> The City actively monitors vacant sites that have residential development potential and provides information to the development community. Mixed Use Transit Center District zoning standards were adopted in late 2008, resulting in approval of a 385 unit multi-family rental project with a minimum of 39 affordable units. The City also amended the Bella Terra Specific Plan in late 2008 to allow for mixed use development at this regional mall location; completed an update to the City's Downtown Specific Plan in 2011 that increased residential densities from 25-30 du/ac to 50 du/ac to promote and incentivize mixed use development; and adopted the Beach and Edinger Corridors Specific Plan in 2010 (see Program 9 below).</p> <p><u>Effectiveness:</u> This program has been very successful and has facilitated the approval of a number of residential infill and mixed use projects.</p> <p><u>Appropriateness for 2013-2021 Housing Element:</u> The City plans to continue to maintain an inventory of sites and monitor sites capacity; however, no additional mixed use ordinance is necessary for the planning period.</p>

Table V-1: Review of 2008-2013 Housing Element Programs (cont'd)

Policy/Program	Accomplishments
<p>9. Beach/Edinger Corridor Specific Plan <u>Action:</u> Adopt the Beach/Edinger Corridor Specific Plan, providing expanded capacity for high density residential and mixed use development by right. Establish form-based standards to facilitate development. Require inclusionary units to be provided on-site or within the boundaries of the Specific Plan, and provide additional incentives for increased percentages of affordable units. Monitor development to ensure affordable housing opportunities are being provided within the Plan area.</p>	<p><u>Progress:</u> The Beach and Edinger Corridors Specific Plan was adopted in March 2010 as a form-based code after an extensive outreach program that included 21 workshops and public hearings. The Specific Plan allows residential and mixed use development by right (administrative site plan review), requires affordable housing to be located within the Specific Plan area and provides for development incentives.</p> <p><u>Effectiveness:</u> The Specific Plan was adopted and to-date 1,318 high density multi-family units have been approved for construction.</p> <p><u>Appropriateness for 2013-2021 Housing Element:</u> This program will be integrated within the Residential/Mixed Use sites program.</p>
<p>9a. Residential Rezoning Program <u>Action:</u> Redesignate sites to accommodate at least 704 units at 30+ units/acre, and 311 units at 12+ units/acre. Complete rezoning by June 2009.</p>	<p><u>Progress:</u> As part of the Beach/Edinger Corridors Specific Plan, over 400 acres were re-designated to mixed use development with an allowance for 4,500 units and no maximum density limit. In conjunction with adoption of the Plan in 2010, the City designated 2 of the 5 sites identified in Housing Element Table IV-7 for exclusively residential uses (352 du pot'l). However, the City approved an amendment to the Housing Element in 2012, after approval by HCD, to eliminate one of the re-zoned sites as it is currently in process to allow a recreational facility (Skate Park).</p> <p><u>Effectiveness:</u> While the City did accomplish the rezoning, this program did not result in the production of housing units. Worth noting, of the 1,318 units approved for construction within the Specific Plan, none are proposed for the potential rezoning sites.</p> <p><u>Appropriateness for 2013-2021 Housing Element:</u> Residential rezoning no longer remains necessary as the City has demonstrated that it can satisfy its regional housing needs under existing zoning, and through entitled and pending projects.</p>
<p>10. Residential Development Opportunities on School Sites <u>Action:</u> Continue to attend quarterly meetings with the school districts in Huntington Beach to coordinate activities and provide additional sites for residential development. Complete entitlements on the two Fountain Valley School sites by 2009.</p>	<p><u>Progress:</u> The school districts and City determined that the quarterly meeting were no longer necessary in 2010. Entitlements on two Fountain Valley school sites were approved by the Planning Commission in 2012 and are scheduled for City Council action. The proposed school site developments would result in 130 single-family units on 2 sites.</p> <p><u>Effectiveness:</u> The City has been able to assist the school districts and development community with evaluating the reuse of surplus school sites.</p> <p><u>Appropriateness for 2013-2021 Housing Element:</u> The school districts have numerous closed and surplus school sites. Thus, a program that focuses on coordination remains appropriate, although quarterly meetings are not necessary.</p>

Table V-1: Review of 2008-2013 Housing Element Programs (cont'd)

Policy/Program	Accomplishments
<p>11. Second Units <u>Action:</u> Through implementation of the City's second unit ordinance, provide additional sites for the provision of rental housing. Educate residents on the availability of second units through development of informational materials for distribution at the public Planning Department counter, and through advertisement on the City's website.</p>	<p><u>Progress:</u> A How-To Guide for 2nd/Accessory Dwelling Units has been available at the planning and zoning counter and on the City's website since late-2008. The City has approved six 2nd dwelling units in the planning period and four of these have been constructed/permitted.</p> <p><u>Effectiveness:</u> The City continues to process requests for second units indicating that the public education efforts have been effective.</p> <p><u>Appropriateness for 2013-2021 Housing Element:</u> The City will continue to provide educational information on second units, but a separate program is no longer necessary for the updated Housing Element.</p>
<p>12. Affordable Housing Development Assistance <u>Action:</u> Continue to provide regulatory and financial assistance for the development of affordable housing, with a goal to provide 175 units on Agency-owned parcel, and 40 additional affordable rental units. Pursue issuance of a local housing bond.</p>	<p><u>Progress:</u> Between 2008 and 2012, the City worked with two nonprofit developers to complete two affordable new construction projects, totaling 8 affordable units. Colette's Children's Homes teamed with Chelsea Investment Corporation to develop Pacific Sun, providing 6 very-low income rental units, including five units for large families (3 bedrooms). The City also provided funding support to Habitat for Humanity to develop two new homeownership units.</p> <p><u>Effectiveness:</u> The program focus has been within the Oakview neighborhood, maximizing the effects of neighborhood revitalization. The program has proven very successful in working with experienced nonprofit entities and in leveraging outside funding sources. With financial assistance from the City/Agency, the nonprofits are able to oversee the development process and stay in place as long-term owners and operators.</p> <p><u>Appropriateness for 2013-2021 Housing Element:</u> This program remains an integral component to the City's overall affordable housing strategy. Within the elimination of redevelopment agency funding, funding sources will be limited to HOME/HUD funds, tax credits funding and other grants.</p>
<p>13. Workforce Housing Program <u>Action:</u> Adopt Workforce Housing Program Guidelines in 2008, and assist five households on an annual basis.</p>	<p><u>Progress:</u> The City partnered with Habitat for Humanity to build two units that provided affordable workforce housing. In addition, the City adopted a first-time homebuyer program which assisted 18 moderate income households.</p> <p><u>Effectiveness:</u> This project was effective in providing ownership opportunities to 20 households.</p> <p><u>Appropriateness for 2013-2021 Housing Element:</u> As projects and partnerships are developed, workforce housing will continue to be a worthy goal. However, due to high subsidy costs and limited funds, an ongoing homebuyer assistance is no longer feasible.</p>

Table V-1: Review of 2008-2013 Housing Element Programs (cont'd)

Policy/Program	Accomplishments
<p>14. Inclusionary Housing Ordinance <u>Action:</u> Continue to utilize the Inclusionary Housing Ordinance as a tool to integrate affordable housing within market rate developments, or alternatively, to generate fees in support of affordable housing in off-site locations. Implement the Affordable Housing Ad Hoc Committee's recommendation regarding use of in-lieu fees.</p>	<p><u>Progress:</u> In August 2011, the City's Inclusionary Guidelines were modified and improved for new development and current Inclusionary Housing residents. The City has also modified the program to increase the size threshold of projects eligible to pay an in-lieu fee from 9 to 30 units. The in-lieu fee amount, however, has not yet been established for projects above 9 units.</p> <p><u>Effectiveness:</u> The inclusionary ordinance has resulted in fees paid or affordable units being incorporated within numerous market rate projects that are either under construction or have been approved.</p> <p><u>Appropriateness for 2013-2021 Housing Element:</u> This program remains an integral component to the City's overall affordable housing strategy.</p>
<p>15. Green Building <u>Action:</u> Based on the direction of the Planning Commission and City Council subcommittees, establish a comprehensive green building program, and provide dedicated staff for implementation. Implement requirements for green building design in Agency-assisted new construction.</p>	<p><u>Progress:</u> The City has implemented a multi-faceted approach to sustainability through the HB Goes Green Program covering recycling, water conservation, energy efficiency, open space and transportation programs. All Agency-assisted projects included green building practices during this Housing Element period. Several residential and mixed use projects have been approved requiring LEED or GreenPoint-Rated certification. The City is implementing the Cal Green Building Code and two recently adopted specific plans require green building practices in all new developments. Green building material is also provided at the Planning/Building Counter and on the website. The City has adopted an Energy Efficient Permit Fee Waiver for energy efficient heating, cooling, water and solar systems meeting specified criteria. The Planning and Building Department has a certified LEED Green Associate planner on staff.</p> <p><u>Effectiveness:</u> This has been an effective program based on the accomplishments summarized above.</p> <p><u>Appropriateness for 2013-2021 Housing Element:</u> This program remains an integral component of the City's overall goal of providing more sustainable development and housing options.</p>
<p>16. Child Care Facilities <u>Action:</u> Continue to implement the large family day care ordinance and evaluate other areas of the Zoning Code where incentives for the provision of child care can be established, possibly including the use of expedited entitlements. Continue to offer childcare density bonus incentives in conjunction with affordable housing projects as provided for under State law.</p>	<p><u>Progress:</u> Evaluation of zoning incentives remains to be scheduled. City-assisted and private developer projects are evaluated on an individual basis and encouraged to provide children/family amenities such as community rooms, tot lots in open space, and convenient parking adjacent to amenities.</p> <p><u>Effectiveness:</u> The City has approved several multi-family residential projects with amenities that would benefit children and families including clubhouses and tot lots. However, no child care facilities have been included in projects as a zoning incentive or density bonus.</p> <p><u>Appropriateness for 2013-2021 Housing Element:</u> This program can provide meaningful benefit and remains appropriate for the Housing Element.</p>

Table V-1: Review of 2008-2013 Housing Element Programs (cont'd)

Policy/Program	Accomplishments
<p>17. Affordable Housing Density Bonus <u>Action:</u> Continue to implement the Affordable Housing Density Bonus as a means of enhancing the economic feasibility of affordable housing development.</p>	<p><u>Progress:</u> While the City has received inquiries regarding density bonuses on several sites, no density bonuses have been received during the planning period.</p> <p><u>Effectiveness:</u> The density bonus ordinance is an effective tool for many areas of the City. Because the City amended the Downtown Specific Plan to increase allowable densities in 2011 and adopted the Beach and Edinger Corridors Specific Plan to allow for residential and mixed use projects without a maximum density, the need for density bonuses has been decreased in these areas.</p> <p><u>Appropriateness for 2013-2021 Housing Element:</u> This program remains important to the City's overall affordable housing strategy.</p>
<p>18. Development Fee Assistance <u>Action:</u> Conduct a fee study and adopt an Affordable Fee Reduction Ordinance by the end of 2009 as an incentive for projects to provide increased percentages of affordable units. Incorporate provisions for development fee deferrals consistent with AB 641.</p>	<p><u>Progress:</u> In 2009 and 2010, the City adopted one-year fee deferrals for all residential projects, allowing fees to be paid at final inspection. In June 2012, the City adopted updates to its development impact fees. The City adopted exemptions for lower income affordable housing projects, exempting them from police, fire, parks and library impact fees.</p> <p><u>Effectiveness:</u> Several pending lower income housing projects are expected to benefit from the new fee exemptions.</p> <p><u>Appropriateness for 2013-2021 Housing Element:</u> This program remains relevant as an affordable housing incentive.</p>
<p>19. Residential Processing Procedures <u>Action:</u> Review the typical project size of multi-family development projects already zoned for residential use to determine an appropriate size threshold to permit multi-family uses by right, and undertake amendments to the Zoning Code to eliminate the CUP requirement for projects below this threshold.</p>	<p><u>Progress:</u> The City is currently working on a streamlining update of the zoning ordinance. This streamlining effort includes an increase in the number of dwelling units permitted by right for multi-family projects. The City anticipates adoption of this update in 2013.</p> <p><u>Effectiveness:</u> This program has not yet been implemented, but is expected to benefit future multi-family residential projects.</p> <p><u>Appropriateness for 2013-2021 Housing Element:</u> This program remains relevant.</p>
<p>20. Zoning Ordinance Revision <u>Action:</u> Amend the zoning ordinance by December 2009 to make explicit provisions for transitional and supportive housing, and emergency shelters. Develop objective standards to regulate emergency shelters as provided for under SB 2.</p>	<p><u>Progress:</u> These changes were adopted by City Council in December 2009</p> <p><u>Effectiveness:</u> The City has not received any requests for these facilities but the program was effective in updating the City's regulations to facilitate such development.</p> <p><u>Appropriateness for 2013-2021 Housing Element:</u> This program has been completed and is no longer necessary.</p>

Table V-1: Review of 2008-2013 Housing Element Programs (cont'd)

Policy/Program	Accomplishments
<p>21. Fair Housing <u>Action:</u> Contract with the FHCOC to provide a high level of fair housing services to residents, encompassing education, mediation, discrimination investigation and resolution. Continue to promote fair housing practices through invitation of FHCOC participation at community events, inclusion of fair housing criteria in City housing agreements, and assistance in dissemination of fair housing educational information to the public.</p>	<p><u>Progress:</u> The City continues to contract with the Fair Housing Council of Orange County (FHOCC) to implement the regional Fair Housing Plan (AI) and to offer fair housing services and tenant/landlord counseling to residents.</p> <p><u>Effectiveness:</u> FHCOC assists up to 800 City residents annually with issues regarding tenant/landlord matters, and up to 20 discrimination cases are opened each year. FHCOC provides three public outreach presentations in the City annually.</p> <p><u>Appropriateness for 2013-2021 Housing Element:</u> The Fair Housing program provides an important service to residents and landlords and remains a appropriate for the Housing Element.</p>
<p>22. Reasonable Accommodation <u>Action:</u> Adopt and implement a reasonable accommodation procedure; inform and educate the public on the availability of the reasonable accommodation procedure through the dissemination of information.</p>	<p><u>Progress:</u> A code amendment for a Reasonable Accommodations Procedure is in progress, with an anticipated early 2013 adoption.</p> <p><u>Effectiveness:</u> This program has not yet been implemented.</p> <p><u>Appropriateness for 2013-2021 Housing Element:</u> Informing the public about opportunities for reasonable accommodation remains important to the Housing Element.</p>
<p>23. Continuum of Care Homeless Assistance <u>Action:</u> Continue participation in the County's Regional Committee for the Continuum of Care and annually allocate CDBG monies to fund agencies serving the homeless and at-risk population. In support of the County's efforts to implement the Client Management Information System "CMIS" online database to provide unduplicated tracking of homeless programs, the City will encourage its service providers to become integrated within the CMIS system.</p>	<p><u>Progress:</u> The City supports the Continuum of Care through 1) data compilation; 2) letters of support for the funding applications; 3) participation in meetings on the Regional Homeless Strategy. In 2010-2012 and planning for 2013 the City participated in the Point in Time Homeless Survey. The City received Homelessness Prevention and Rapid Re-Housing Program (\$566,611) funds from HUD and awarded four sub-recipients to carry out programs that benefited 226 persons and 115 households.</p> <p><u>Effectiveness:</u> Interval House, Huntington Beach Senior Outreach, Colette's Children Home and Project Self- Sufficiency received money and provided Homeless Prevention and Homeless Assistance/Rapid Re-housing.</p> <p><u>Appropriateness for 2013-2021 Housing Element:</u> The Continuum of Care and Homeless Assistance Program, and Ten-Year Plan to End Homelessness remain appropriate to the Housing Element</p>
<p>24. Project Self-Sufficiency <u>Action:</u> Continue to provide General Fund and CDBG support to PS-S to support extremely low to low income, single-parents in their transition to self-sufficiency. Seek to assist a minimum of 90 households annually, with Huntington Beach residents comprising a minimum of 70% of those assisted.</p>	<p><u>Progress:</u> Between 2008 and 2012 Project Self Sufficiency has assisted over 525 households, averaging assistance to 102 households per year. This year PSS expanded greater into the Homeless Prevention.</p> <p><u>Effectiveness:</u> Through the Homeless Prevention and Homeless Assistance/Rapid Re-Housing PSS and grown and provided service to single parents (both male and female). The two year program provided case management services to over 400 families.</p> <p><u>Appropriateness for 2013-2021 Housing Element:</u> The PSS program remains an important program in assisting single parents to achieve economic self-sufficiency and remains appropriate for the Housing Element update</p>

Summary of Housing Element Accomplishments

Since adoption of the Housing Element in 2008, the City of Huntington Beach has made significant progress in achieving its housing goals. Major accomplishments include:

- Adoption of Beach and Edinger Corridors Specific Plan, redesignating over 400 acres to mixed use and accommodating up to 4,500 additional housing units
- Updating the Downtown Specific Plan, increasing densities up to 50 units/acre and incentivizing residential and mixed use development
- Providing assistance to non-profits to develop 8 new affordable units:
 - Pacific Sun Apartments (Collette's Children's Homes) – 6 Very Low income rental units
 - Habitat for Humanity – 2 ownership units (1 Very Low, 1 Low)
- Working with non-profits in the acquisition/rehabilitation of 230 units:
 - Emerald Cove (Jamboree Housing) – 164 units
 - Pacific Court Apartments (Orange Housing) – 47 units (23 Very Low, 24 Low)
 - Keelson Lane (Collette Children's Home III) – 10 Very Low income units
 - Jacquelyn Lane (Jamboree III) and Koledo Lane (Jamboree IV) – 9 Very Low income units
- Implementation of inclusionary housing requirements, achieving on-site provision of 80 affordable units (Pacific Shores-8 Mod/1 Low, BellaTerra-43 Mod/28 VLow) and collection of affordable housing in-lieu fees.
- Transfer ownership of Huntington Gardens, and refinancing to extend affordability controls to 2044.
- Funding 18 first-time homebuyer loans for moderate income households
- Providing housing rehabilitation assistance to 90 lower income homeowners
- Implementing a Neighborhood Preservation Program to pro-actively address the problem of deteriorating neighborhoods and improve housing conditions
- Assisting 525 single-parent households through Project Self-Sufficiency
- Adoption of zoning provisions for emergency shelters and transitional housing.
- Adoption of fee exemptions for affordable housing units.

Table V-2 summarizes the quantified objectives contained in the City's 2008 Housing Element, and compares the City's progress in fulfilling these objectives.

Table V-2: Progress Towards 2008-2013 Quantified Objectives

Income Level	New Construction		Rehabilitation		Conservation	
	Goal	Progress	Goal	Progress	Goal	Progress
Extremely Low	227		15		1,000	1,065
Very Low	227	35	63			
Low	369	12	97		-	-
Moderate	414	65	50		-	-
Above Moderate	855	907	-		-	-
Totals	2,092	1,019	225	273	1,000	1,065

New construction goal reflects RHNA; progress includes 941 units built, and 78 units in progress with occupancy projected to occur within this planning period.

Rehabilitation progress includes 90 rehabilitation loans and grants between 2007/08-2011/12, and 183 multi-family acquisition/rehabilitation units in partnership with non-profits.

Conservation progress reflects preservation of Wycliffe Gardens (185 units) and increase in Section 8 vouchers from 815 to 880.

City of Huntington Beach

Potential Housing Units During 2014-2021 Planning Period

	Very Low	Low	Moderate	Above Moderate	TOTALS
2014- 2021 RHNA TARGETS:	313	220	248	572	1,353
Entitled Projects with post 1/1/2014 occupancy	10	1	189	1,973	2,173
Pending Projects with post 1/1/2014 occupancy*	69	29	44	610	752
<u>VACANT RESIDENTIAL SITES</u>					
RL Capacity				82	82
RM Capacity			86	110	196
RMH Capacity			12	3	15
RH Capacity		4	4	12	20
M Capacity	193	194	12	7	406
<u>UNDERUTILIZED RESIDENTIAL SITES</u>					
RMH Capacity			18		18
M Capacity	127	128			255
Second Dwelling Units (projected)		8	8		16
TOTALS	399	364	373	2,797	3,933
Percentage Over/Under RHNA Target:	27%	65%	50%	389%	190%
Unit Capacity Over/Under RHNA Target:	86	144	125	2,225	2,580