

Council/Agency Meeting Held: _____	City Clerk's Signature
Deferred/Continued to: _____	
<input type="checkbox"/> Approved <input type="checkbox"/> Conditionally Approved <input type="checkbox"/> Denied	
Council Meeting Date: November 15, 2004	Department ID Number: PL04-26

**CITY OF HUNTINGTON BEACH
REQUEST FOR CITY COUNCIL ACTION**

SUBMITTED TO: HONORABLE MAYOR AND CITY COUNCIL MEMBERS

SUBMITTED BY: *Penelope Culbreth Graft*
PENELOPE CULBRETH-GRAFT, City Administrator

PREPARED BY: HOWARD ZELEFSKY, Director of Planning *Howard Zelefsky*

SUBJECT: APPROVE AFFORDABLE HOUSING AGREEMENT (MAINSTREET TOWNHOMES LLC)

CITY CLERK
 HUNTINGTON BEACH, CA
 2004 NOV -2 PM 7:44

Statement of Issue, Funding Source, Recommended Action, Alternative Action(s), Analysis, Environmental Status, Attachment(s)

Statement of Issue: Transmitted for your consideration is a request by Mainstreet Townhomes LLC to approve an affordable housing agreement for a 20 unit attached townhome project located at the southwest corner of Main and Holly Streets. The agreement will restrict three townhomes to median income households for a period of 60 years. Staff recommends that the City Council review and approve the affordable housing agreement.

Funding Source: Not applicable.

Recommended Action:

Motion to:

"Approve the Agreement Containing Covenants Affecting Real Property By and Between the City of Huntington Beach and Mainstreet Townhomes LLC, and authorize the Mayor and City Clerk to sign and execute (Attachment No. 1)."

Alternative Action(s):

The City Council may make the following alternative motion(s):

"Continue the Agreement Containing Covenants Affecting Real Property By and Between the City of Huntington Beach and Mainstreet Townhomes LLC, and direct staff accordingly."

E-15

REQUEST FOR CITY COUNCIL ACTION

MEETING DATE: November 15, 2004

DEPARTMENT ID NUMBER: PL04-26

Analysis:

A. PROJECT PROPOSAL:

Applicant: Mainstreet Townhomes LLC, 5622 Research Drive, Huntington Beach, CA 92649

Location: Southwest corner of Main and Holly Streets

The affordable housing agreement will restrict three on-site two-bedroom units to median income households for a period of 60 years.

The Mainstreet Townhome project was approved by the Planning Commission on November 12, 2003. The project consists of 20 attached townhome units on a 1.42 acre site. There are 17 three-bedroom units and three two-bedroom units; each has a two car garage.

B. ANALYSIS:

The project is located within the Holly Seacliff Specific Plan area, which requires that 15 percent of the units must be affordable. The Specific Plan also requires that the units be located within the Specific Plan area. By restricting three units within the project, the applicant's proposal is consistent with the Specific Plan.

The proposed agreement is also consistent with recent City Council action on a city-wide affordable housing ordinance as it relates to income level and term of affordability. The three for-sale units would be restricted to median income households for a period of 60 years. The units will be affordable to households earning no more than 100 percent of the Orange County median income. For a four-person household this is the equivalent of \$74,200 in annual gross income. The maximum sales price of these units is expected to be approximately \$270,000 to \$275,000. Final sales prices will be determined by the City of Huntington Beach.

The proposed agreement is consistent with Holly Seacliff Specific Plan requirements, the proposed city-wide affordable housing ordinance and standard affordable housing agreements prepared by the City Attorney's Office. Therefore, staff recommends the City Council approve the agreement.

Environmental Status:

The subject request is not subject to the California Environmental Quality Act pursuant to Section 15061 (b) (3).

E - 15.2