

### III. HOUSING CONSTRAINTS

The provision of adequate and affordable housing can be constrained by a number of factors. This section assesses the various governmental, market, infrastructure and environmental factors that may serve as a potential constraint to housing development and improvement in Huntington Beach.

#### A. GOVERNMENTAL CONSTRAINTS

##### 1. Land Use Controls

The Huntington Beach General Plan and Zoning and Subdivision Ordinance provide for a range of residential land use designations/zones in the City:

*Residential Low (RL)* - Provides for single-family residential use within neighborhoods. Clustered development and second units are allowed. Maximum density is 7 dwelling units per net acre.

*Residential Medium (RM)* - Provides for duplexes, triplexes, townhomes, apartments, multi-dwelling structures, and cluster housing. Single-family homes may also be appropriate. Maximum density is 15 dwelling units per net acre.

*Residential Medium High (RMH)* – Provides opportunities for a more intensive form of development, including medium density townhomes, garden apartments, and apartment "flats". The *RMH-A* Small Lot subdistrict applies to areas with narrow, 25 foot lot frontages where separate development standards apply. Maximum density is 25 dwelling units per net acre.

*Residential High (RH)* - Provides opportunities for the most intensive form of residential development, including apartments in garden type complexes and high rises. Maximum density is 35 dwelling units per net acre.

*Residential Manufactured Home Park (RMP)* – Provides sites for mobile home or manufactured home parks, including parks with rental spaces and parks where spaces are individually owned. Maximum density is 9 spaces per net acre.

*Mixed Use (M)* - The exact density, location, and mix of uses in the category is intended to be governed by a specific plan to allow greater design flexibility. May include single residential use. As a means of providing greater development certainty and better facilitate mixed use projects, the City is in the process of drafting mixed use zoning regulations.

The City's residential development standards are summarized in Table III-1. [Development standards are intended to protect the safety and general welfare of the community while promoting the goals and policies of the General Plan.](#) The City's

standards are fairly comparable to other Orange County communities, and are not considered excessive or overly restrictive.

**Table III-1  
Residential Development Standards**

	RL	RM	RMH-A Subdistrict	RMH	RH	RMP
Minimum Building Site	6,000	6,000	2,500	6,000	6,000	10 ac.
Width (ft.)	60	60	25	60	60	N/A
Cul de sac frontage	45	45	–	45	45	N/A
Minimum Setbacks						
Front (ft.)	15	15	12	10	10	10
Side (ft.)	3;5	3;5	3;5	3;5	3;5	–
Street Side (ft.)	6;10	6;10	5	6;10	6;10	10
Rear (ft.)	10	10	7.5	10	10	–
Maximum Height (ft.)						
Dwellings	35	35	35	35	35	20
Accessory Structures	15	15	15	15	15	15
Maximum FAR	–	–	1.0	–	–	–
Min. Lot Area/Unit (sq. ft.)	6,000	2,904	*	1,742	1,244	–
Density (du/acre)	7.26	15		25	35	
Max. % Lot Coverage	50	50	50	50	50	75
	<b>Studio</b>	<b>1 bed</b>	<b>2 bed</b>	<b>3 bed</b>	<b>4 bed</b>	<b>5 bed</b>
Minimum Floor Area	500	650	900	1,100	1,300	1,300
Private Open Space						
Ground Floor Units	200	200	250	300	400	400
Above Ground Floor	60	60	120	120	120	120
Parking						
Single Family	2	2	2	2	2	3
Multi-Family	1	1	2 (1 enclosed)	2.5 (1 enclosed)	2.5 (1 enclosed)	2.5 (1 enclosed)
Guests		.5 per unit				
Senior	1 (covered)	1 (covered)	1.5 (covered)			
SRO	1					

\* Lots < 50' in width = 1 du per 25' frontage.  
Lots > 50' in width = 1 du per 1,900 sq. ft.

The table shows that development standards remain fairly constant across all residential zoning districts. One exception to note is that the minimum lot area per unit decreases as allowable development intensity increases from the RL, single-family residential, zone to the RH, high density residential, zone. Likewise, the front yard setback requirement becomes less restrictive as permitted density increases. That is, the RL front yard setback is 15 feet while the RH required front yard setback is reduced to 10 feet.

The maximum building height for all residential zoning districts is 35 feet. This allows for development to exceed two stories in all zones for all residential housing types. The zoning code also contains a provision for exceeding the maximum height limit up to 10 feet for architectural features and projections. In addition, some specific plans, such as the Seabridge and Downtown Specific Plans, allow greater building heights for mixed use and multi-family residential projects.

Residential parking standards in the City of Huntington Beach are based on the number of bedrooms for both single and multi-family developments. All single-family residences are required to provide a minimum of a 2-car garage. New single-family residences with five or more bedrooms are required to provide a 3-car garage, except in the RMH-A district, where 25-foot wide lots are permitted. Open parking spaces are also required, but can be counted in the driveway and on the street. Existing single-family residences are required to have 2-car garages regardless of the number of bedrooms. This allows property owners with older dwelling units to remodel their homes and add bedrooms without having to provide a third car garage.

As indicated in Table III-1, parking requirements for multi-family residential developments increase as the number of bedrooms increases. However, only one enclosed space is required for each unit. The remaining required spaces can be open. The zoning code also has separate parking requirements for senior housing, small lot developments, manufactured/mobile homes, SRO developments, group housing and residential care housing that require fewer parking spaces than the standard multi-family residential parking requirements.

While all of the base residential development standards are listed above, the City's zoning code contains other provisions that provide flexibility for many of the base standards, which allows property owners and developers to maximize development on their lots without requiring discretionary action. For instance, the maximum lot coverage permitted in residential zoning districts is 50 percent, but the code allows up to 55 percent lot coverage for patio covers. The code also stipulates that lattice or trellis patio covers are exempt from lot coverage limitations. Other provisions that provide flexibility include: zero side and rear yard setback standards, reduced setbacks for accessory structures, allowable building projections into required setbacks, exceptions to height limit and reduced setbacks for side entry garages and garages with alley access.

The City's residential development standards have not served as a constraint to the provision of housing as a number of residential housing projects, ranging in size

from smaller 4-unit developments in the RM zone to the 516-unit Pacific City development located in the Downtown Specific Plan area, have achieved the maximum permitted densities. However, it should be noted that not all residential projects are able to achieve maximum densities due to other constraints specific to the site, such as shape and topography of the lot, soil/environmental conditions and location. These constraints are discussed further for vacant sites in the realistic development capacity analysis in Section IV.

Huntington Beach has adopted numerous provisions in its Zoning Ordinance that facilitate a range of residential developments types and encourage affordable housing:

***Affordable Housing Density Bonus:*** In March 2007, the Huntington Beach City Council adopted a new density bonus ordinance (Zoning Code Section 230.14) to conform with the new requirements of Government Code Section 65915. In summary, applicants of residential projects of five or more units may apply for a density bonus and additional incentive(s) if the project provides for construction of one of the following:

- a. Ten percent (10%) of the total units of a housing development for lower income households; or
- b. Five percent (5%) of the total units of a housing development for very low income households; or
- c. A senior citizen housing development or mobilehome park that limits residency based on age requirements for housing for older persons; or
- d. Ten percent (10%) of the total dwelling units in a common interest development (condominium) for persons and families of moderate income.

The amount of density bonus to which the applicant is entitled varies according to the amount by which the percentage of affordable housing units exceeds the minimum percentage established in this section, but generally ranges from 20-35% above the specified General Plan density. In addition to the density bonus, eligible projects may receive 1-3 additional development incentives, depending on the proportion of affordable units and level of income targeting. The incentives are offered:

- a. A reduction in site development standards (e.g., setback and square footage requirements, and/or parking requirements) or architectural design requirements.
- b. Approval of mixed-use zoning in conjunction with the housing project if nonresidential land uses reduce individual unit costs, and the nonresidential land uses are compatible with the housing project and adjoining development.

c. Other regulatory incentives or concessions proposed by the permit applicant or the City that would result in identifiable cost reductions.

In addition to these incentives, at the request of the developer, the City will permit a parking ratio (inclusive of handicapped and guest parking) of 1 space for 0-1 bedroom units, 2 spaces for 2-3 bedroom units, and 2½ spaces for four or more bedrooms. Since adoption of the new ordinance, the City has received one density bonus application.

***Development Standards for Senior Housing:*** Section 210.88 sets forth modified development standards for senior housing that may be permitted by the Planning Commission. Modified standards include reduced unit sizes, reduced parking, and reduced private open space requirements.

***Inclusionary Housing:*** Huntington Beach has had an inclusionary housing requirement since the early 1990s, as set forth by policy. In October 2005, the City Council adopted an ordinance that codified this policy and established the option for payment of in-lieu fee for projects with fewer than ten units.

Zoning Ordinance Section 230.26 requires new residential projects with three or more units to provide at least 10 percent of the total units for low to median income households at an affordable housing cost for a 60 year period; projects within Redevelopment Project Areas have a 15 percent inclusionary requirement. Rental units are required to be made available to very low - low income households, while owner units are to be available to low - median income households. Affordable units are permitted to be provided at an off-site location, and may be new construction or substantial rehabilitation.<sup>1</sup> Preservation of at-risk units or mobile homes may also be used to satisfy the inclusionary requirement. All off-site inclusionary units must be constructed or rehabilitated prior to or concurrently with the primary project.

The City contracted with an economic consultant to conduct a nexus study to calculate an appropriate in-lieu fee amount for projects with 3-9 units. In October 2007, City Council adopted the following inclusionary housing in-lieu fees:

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<sup>1</sup> For purposes of the ordinance, major rehabilitation is defined as equal to more than one-third the value of the existing improvement, excluding land value, of existing non-restricted units.

**Table III-2  
Inclusionary Housing In-Lieu Fee**

<b>Project Size (# of Units)</b>	<b>Per Unit In-Lieu Fee Amount</b>
Three	\$9,430
Four	\$10,600
Five	\$11,780
Six	\$12,960
Seven	\$14,140
Eight	\$15,330
Nine	\$16,500

The Ad Hoc Committee is continuing to evaluate the option of extending the in-lieu fee to all projects. The City will establish an Affordable Housing Trust Fund for deposit of in-lieu fee revenues. Monies from the Fund will be used only to fund projects with a minimum of 50 percent of the units affordable to very low and low income households, with at least 20 percent of units available to very low income households. At the discretion of the City Council, the Fund may be used for pre-development costs, land or air rights acquisition, rehabilitation, land write-downs, or to lower the interest rate of construction loans or permanent financing. The City Council shall annually review and update the in-lieu fee schedule by resolution and set forth the permitted use of the Affordable Housing Trust Funds.

Huntington Beach has had its 10 percent inclusionary requirement in place since the early 1990s, and the requirement has not served as a constraint to development. The City's ordinance provides an effective mechanism to integrate affordable units within market rate developments, with 478 affordable units produced through the City's requirement between 1993-2006. The City's ordinance provides incentives for compliance by offering density bonuses and additional regulatory incentives for provision of 10 percent low or median income units. To provide flexibility, the ordinance now provides the option for payment of an in-lieu fee for projects with fewer than 10 units, as well as providing options for provision of off-site units through new construction or substantial rehabilitation, or preservation of at-risk units or mobile homes.

**Condominium Conversions:** As a means of maintaining the supply of rental units and preserving the affordable housing stock, the City requires a Conditional Use Permit for conversion of existing dwelling units to condominiums. The conversion requirements mandate relocation assistance for eligible tenants and anti-discrimination policies in the sale of converted units. In 2004, the City strengthened the condominium conversion ordinance as follows:

- ✓ Prohibition of conversion of lower or moderate income rental housing developed with federal, state or local assistance
- ✓ Provision of 12 months relocation time for low and moderate income tenants, and tenants with minor children in school.

- ✓ Required findings that the conversion will not displace a significant percentage of low and moderate income, disabled, or senior citizen tenants or eliminate a significant number of low and moderate income rental units from the City's housing stock at a time when equivalent housing is not readily available in Huntington Beach.
- ✓ Compliance with parking requirements (Chapter 231) and landscape improvements (Chapter 232).

Since adoption of the updated ordinance, the City received inquiries about conversion of several apartment complexes to condominiums, although no applications have been filed.

**Small Lot Development:** In 2000, the City amended the Zoning and Subdivision Ordinance to add standards for small lot developments (lots less than 4,000 square feet). The standards act as an alternative to attached housing in multi-family districts. They apply to all small lot subdivisions, whether the tentative map is designed with single or multiple units per lot (condominium). By providing greater development flexibility and allowing smaller lot sizes, the ordinance facilitates development and reduces development costs. Development standards for small lot development can be summarized as follows:

Minimum Lot Size:	3,100 sq. ft. (3,400 sq. ft. average)
Minimum Lot Frontage:	40 ft. (30 ft. for cul de sac)
Maximum Height:	30 ft./2 stories (3 <sup>rd</sup> level permitted < 500 sq.ft.)
Minimum Setbacks:	
Front	15 ft. + offsets in front facade
Side	8 ft aggregate, min. 3 feet. <sup>2</sup>
Rear	15 ft.; 15% of building width may be at 13 ft.
Maximum Lot Coverage:	50%
Parking:	2 spaces, plus one on-street guest parking space

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<sup>2</sup> Zero foot side yard setback permitted with min. 8 ft. on other side.

## 2. Provision for a Variety of Housing Types

Housing Element law specifies that jurisdictions must identify adequate sites to be made available through appropriate zoning and development standards to encourage the development of various types of housing for all economic segments of the population. Table III-3 summarizes the housing types permitted in each of the Huntington Beach zoning districts.

**Table III-3  
Housing Types by Residential Zone Category**

Housing Types Permitted	Zoning District							
	RL	RM	RMH	RH	RMP	CO	CG	CV
Single-Family	P	P	P	P	P			PC
Multiple-Family								
2 – 4 units	ZA	P	P	P				PC
5 – 9 units	ZA	ZA	ZA	ZA				PC
10 or more units	PC	PC	PC	PC				PC
Single Room Occupancy (SRO)							PC	PC
Manufactured Housing	P	P	P	P	P			
<u>Mobile Home Parks</u>	<u>ZA</u>	<u>ZA</u>			<u>ZA</u>			
Second Units	P	P	P	P	P			
Care Facilities (6 or fewer)	P	P	P	P	P			
Care Facilities (7 or more)		<u>PC</u>	PC	PC	<u>PC</u>	ZA	ZA	
Transitional Housing*			PC	PC		PC	PC	PC
Emergency Shelters							ZA/PC	
Farmworker Housing	N/A							

\* Reflects "group residential" category. Transitional housing may also take the form of multi-family residential, and would be permitted according to the size of the project as is indicated in the Table.

**P = Permitted    ZA = CUP by Zoning Administrator    PC = CUP by Planning Commission**

## Second Units

The passage of AB 1866 (effective July 2003) now requires local governments to use a ministerial process for second unit applications for the purpose of facilitating production of affordable housing. AB 1866 does allow cities to impose development standards on second units addressing issues such as building size, parking, height, setbacks, and lot coverage. In order to comply with the new law, in June 2005, the Huntington Beach City Council amended Section 230.10 of the Zoning Code to permit attached second units as an accessory use in all residential zone districts on minimum 6,000 square foot lots. The maximum size of the second unit is 650 square feet and shall not exceed one bedroom. One additional off-street parking space is required for the second unit, except in the Coastal Zone where a minimum of two off-street parking spaces are required to be provided on the project site for the second unit.

The Planning Director approves second unit applications based upon fulfillment of the following conditions:

- ✓ The dwelling conforms to the design and development standards set forth by the ordinance
- ✓ The unit maintains the scale of adjoining residences and is compatible with the design of existing dwellings in the vicinity in terms of building materials, colors, and exterior finishes
- ✓ The main dwelling or second unit will be owner occupied
- ✓ Public and utility services including emergency access are adequate to serve both dwellings

Since adoption of the new second unit provisions, the City has had several inquiries regarding second units, but has received only one application.

## Single Room Occupancy (SRO)

Single Room Occupancy (SRO) residences are small, one room units occupied by a single individual, and may either have shared or private kitchen and bathroom facilities. SROs are rented on a monthly basis typically without rental deposit, and can provide an entry point into the housing market for extremely low income individuals, formerly homeless and disabled persons.

Huntington Beach permits SROs in General Commercial, Commercial Visitor, Industrial General and Industrial Limited zoning districts, subject to approval of a conditional use permit by the Planning Commission. Beachview Villas is a 107 unit SRO recently developed in Huntington Beach, including 47 restricted very low income units, 59 restricted low income units, and 1 on-site manager unit. In 2001, the City amended its SRO ordinance (Section 230.46) to reflect suggestions received during the public hearings on Beachview Villas and based on research of SRO ordinances from cities in the Southern California region. Provisions of the City's updated ordinance are as follows:

- ✓ Requirements for a Management Plan outlining policies and procedures, and annual review of services by City Planning and Economic Development Departments
- ✓ 24-hour on-site management
- ✓ Room limitation to single occupancy, with allowance for overnight guests
- ✓ Requirement for monthly tenancies
- ✓ Restricted occupancy to very low and low income households at affordable rents
- ✓ Units must be 250 - 300 square foot in size, and include a kitchen and bathroom. 25% of rooms may be a minimum 200 square feet in size.
- ✓ Parking ratio of 1 space per unit and bicycle rack storage of one rack per 5 units.

The City's SRO ordinance facilitates the provision of affordable housing to extremely low and very low income households.

### **Community Care Facilities**

The Lanterman Developmental Disabilities Services Act (Lanterman Act) is that part of California law that sets out the rights and responsibilities of persons with developmental disabilities. The Lanterman Act impacts local zoning ordinances by requiring the use of property for the care of six or fewer disabled persons to be classified as a residential use under zoning. More specifically, a State-authorized, certified or licensed family care home, foster home, or a group home serving six or fewer disabled persons or dependent and neglected children on a 24-hour-a-day basis is considered a residential use that is to be permitted in all residential zones. No local agency can impose stricter zoning or building and safety standards on these homes. Due to the unique characteristics of larger (more than six persons) community care facilities, most jurisdictions require a Use Permit to ensure neighborhood compatibility in the siting of these facilities.

The Huntington Beach Zoning Code identifies “residential care limited” (24-hour non-medical care for six or fewer occupants) as a permitted use in all residential zoning districts. “Residential care general” (24-hour non-medical care for seven or more persons) is conditionally permitted in a large number of zoning districts, including RM, RMH, RH, RMP, CO and CG. The City imposes no spacing requirements between residential care facilities. “Family” is defined in the City’s Zoning Code as “a single individual or two or more persons living together as a single housekeeping unit in a dwelling unit”, does not distinguish between related and unrelated individuals, or place limits on the number of unrelated persons living together. Review of the California Community Care Licensing Division inventory of community care facilities identifies three adult residential facilities in Huntington Beach that provide 24-hour non-medical care for adults ages 18-59 who are unable to provide for their own daily needs, providing capacity for 14 adults. The City has 54 residential care homes for the elderly, providing 696 beds for seniors age 60+ requiring 24 hour assisted living. The City’s regulations have served to provide needed housing opportunities for persons with disabilities, and do not treat such

housing for persons differently based on the personal characteristics of the residents.

### **Reasonable Accommodations**

Both the federal Fair Housing Act and the California Fair Employment and Housing Act impose an affirmative duty on local governments to make reasonable accommodations (i.e. modifications or exceptions) in their zoning and other land use regulations when such accommodations may be necessary to afford disabled persons an equal opportunity to use and enjoy a dwelling. For example, it may be a reasonable accommodation to allow covered ramps in the setbacks of properties that have already been developed to accommodate residents with mobility impairments.

The City has conducted a review of zoning and building code requirements, and has not identified any barriers to the provision of accessible housing. Huntington Beach accommodates most accessibility modifications through issuance of a building permit. Handicapped ramps or guardrails (up to 42” in height) are permitted to intrude into the standard setbacks required under zoning to allow first floor access for physically disabled residents. This provision eliminates the need to obtain a zoning variance. The City also provides rehabilitation assistance to income-qualified households for accessibility improvements.

For new construction, the City’s building code requires new housing to comply with the 1998 amendment to the Fair Housing Act, with multi-family development also subject to the Americans with Disabilities Act (ADA) standards. New apartment buildings are subject to requirements for unit “adaptability” on ground floor units. Adaptable units are built for easy conversion to disabled access, such as doorway and hallway widths, and added structural support in the bathroom to allow the addition of handrails. The City coordinates with the Dayle MacIntosh Center to maintain a directory of accessible housing for physically disabled individuals.

While Huntington Beach has not identified any constraints on the development, maintenance and improvement of housing for persons with disabilities, the City has not developed specific procedures for requesting a reasonable accommodation. As a means of facilitating such requests, the City has included a program in the Housing Element to develop procedures for reasonable accommodation requests with respect to zoning, permit processing, and building laws.

### **Manufactured Housing and Mobile Home Parks**

The City permits manufactured housing in any residential district where single-family detached units are permitted and subject to the same property development standards and permitting process. The City has established design and locational criteria for manufactured homes to protect neighborhood integrity and provide compatibility with surrounding uses. Criteria are as follows:

- ✓ Units must be a least 16 feet in width

- ✓ Units must be built on a permanent foundation
- ✓ Exterior skirting must extend to the finished grade
- ✓ Exterior siding must be compatible with adjacent residential uses
- ✓ Roof pitch must be at least 2 inches vertical rise per 12 inches horizontal distance, with eave overhangs a minimum of 12 inches
- ✓ Roof must be of concrete or asphalt tile, shakes or shingles
- ✓ Floor must be no higher than 20 inches above the exterior finished grade
- ✓ Required enclosed parking shall be compatible with the manufactured home design and with other buildings in the area.
- ✓ Manufactured housing is not allowed on substandard lots that do not meet the dimensional requirements of the residential zone, and is not allowed as a second unit or accessory building on an already developed lot

The City's Zoning Ordinance establishes the Residential Manufactured Home Park (RMP) zone district which provides sites for mobile home or manufactured home parks, subject to CUP approval by the Zoning Administrator. Mobile home parks are also conditionally permitted in the RL and RM zone districts. The following development standards apply to mobile home parks:

- ✓ Individual space setbacks shall be landscaped and include the following:
  - Front - min. 5 feet
  - Side - 10 feet total, min. 3 feet on any side
  - Rear - min. 5 feet
- ✓ Minimum common open space of 200 sq. ft. per manufactured home space
- ✓ Maximum site coverage of 75% per space
- ✓ Parking - 2 spaces per unit; one covered and one may be behind the first. 3 guest spaces per mobile home space

Huntington Beach provides appropriate zoning and development standards to facilitate the provision of both manufactured housing and mobile home parks.

## **Transitional Housing, Supportive Housing and Emergency Shelters**

Transitional housing is temporary housing (generally six months to two years) for a homeless individual or family who is transitioning to permanent housing. This housing can take several forms, including group housing or multi-family units, and often includes a supportive services component to allow individuals to gain necessary life skills in support of independent living. The Huntington Beach Zoning Code accommodates transitional housing within several zoning districts depending on the project's physical structure: 1) "group residential," defined as shared living quarters without separate kitchen or bathroom facilities for each room or unit, is conditionally permitted in the RMH, RH, CO, CG, CV, IG and IL zones; 2) "multi-family residential" is permitted/conditionally permitted in all residential and some commercial zone districts as indicated in Table III-3. In 2005 and 2006, the City provided funding to support establishment of two transitional housing facilities - the

six unit Interval House and eight unit Colette's Children's Home - both for battered/homeless mothers with children.

Supportive housing is generally defined as permanent, affordable housing that is linked to on-site or off-site services that help residents transition into stable, more productive lives. Services may include childcare, after-school tutoring, career counseling, etc. Most transitional housing includes a supportive services component. The City of Huntington Beach regulates supportive housing as a residential use, provided supportive services are ancillary to the primary use.

Huntington Beach's zoning provisions have not served as a constraint to the provision of transitional or supportive housing. Nonetheless, as a means of clarifying zoning provisions and thereby facilitating the provision of these housing types, the City has included a program in the Housing Element to modify the Zoning Ordinance to: 1) include transitional housing and supportive housing as a separate use within the definition section of the Code; and 2) to list these as permitted uses within residential zoning districts.

California Health and Safety Code (Section 50801) defines an emergency shelter as "housing with minimal supportive services for homeless persons that is limited to occupancy of six months or less by a homeless person. No individual or household may be denied emergency shelter because of an inability to pay." The Huntington Beach Zoning Code currently allows emergency shelters in the CG zone, subject to a CUP. If the shelter is 5,000 square feet or less, the Zoning Administrator approves the CUP; the Planning Commission approves the CUP for shelters greater than 5,000 square feet. Emergency shelters are also conditionally permitted in the IL and IG zones.

Pursuant to recent changes in State law (SB 2), jurisdictions with an unmet need for emergency shelters are now required to identify a zone(s) where emergency shelters will be allowed as a permitted use without a conditional use permit or other discretionary permit. The identified zone must have sufficient capacity to accommodate the shelter need, and at a minimum provide capacity for at least one year-round shelter. Permit processing, development and management standards for emergency shelters must be objective and facilitate the development of, or conversion to, emergency shelters.

As discussed in the homeless section of the Housing Element Needs Assessment (Chapter II), the Huntington Beach Police Department estimates the City's visible homeless population at around 50 individuals, and American Family Housing in adjacent Midway City reports providing transitional housing for 14 Huntington Beach families and individuals in 2007. However, with 322 homeless children and youth reported in the Huntington Beach Union High School District and another 56 in the Huntington Beach City School District, a much higher population of persons living on the edge of homelessness exist in the City. While there is a twelve-bed youth shelter

and several transitional housing facilities in Huntington Beach, there currently is no emergency shelter to address the needs of homeless adults or families.

Pursuant to SB 2, Huntington Beach has conducted a staff level review of its zoning districts and determined the Industrial Zone (both IG - Industrial General, and IL - Industrial Limited) is most conducive to provision of an emergency homeless shelter by right (the City currently allows shelters in both Industrial zones via a conditional use permit, as well as group residential, SROs and day care facilities). Industrial uses in Huntington Beach are not heavy in nature, and pursuant to the General Plan, consist of the following types of uses: light manufacturing, research and development, warehousing, business parks and offices, supporting retail, financial and restaurants, sales outlets, and similar types of uses.

The City of Huntington Beach has two concentrated Industrial areas. The parcels with Industrial zoning are characterized by proximity to transit (bus service) and are centrally located and/or have good freeway access. Both areas have nearby elementary and high schools. In addition, the main Industrial corridor is proximate to a hospital, Assistance League offices and discount shopping. A review of potential sites with the Industrial zoning classification identifies approximately 13 vacant acres within 11 parcels and other underutilized parcels, providing adequate capacity for provision of an emergency shelter.

The other zoning classification in which the City currently allows emergency shelters via a conditional use permit is Commercial General. However, fewer of these parcels are vacant (only 7.5 acres), and on a per acre/per square foot basis it is more costly to buy or lease than property with Industrial zoning, thereby reducing the viability of an emergency shelter locating on a commercially zoned property. In addition, the Industrial standards are more permissive than commercial zoning with regards to setbacks, providing greater flexibility when siting a new building.

The City has included a program within the Housing Element to modify the Zoning Ordinance to permit shelters in the Industrial zones subject to the same development and management standards as other permitted uses in the zone. The City's industrial development standards are appropriate to facilitate emergency shelters, and can be summarized as follows:

- Front yard setback: 10 ft min, 20 ft average
- Side yard setback: Zero for IG, 15 ft for IL (zero may be permitted where not abutting Residential district)
- Rear Yard Setback: Zero
- Height - 40 ft max. Within 45 ft of residential district, 18 ft max.

In addition to application of IG and IL development standards, pursuant to SB 2, the City can also specify written, objective standards to regulate the following aspects of emergency shelters to enhance compatibility:

- The maximum number of beds or persons permitted to be served nightly by the facility;
- Off-street parking based on demonstrated need, but not to exceed parking requirements for other residential or commercial uses in the same zone;
- The size and location of exterior and interior onsite waiting and client intake areas;
- The provision of onsite management;
- The proximity of other emergency shelters, provided that emergency shelters are not required to be more than 300 feet apart;
- The length of stay;
- Lighting;
- Security during hours that the emergency shelter is in operation.

### **Farm Employee Housing**

The Census identifies 90 Huntington Beach residents employed in farming, fishing and forestry occupations, representing only 0.1 percent of the City's labor force. The City has only one, approximately 40 acre parcel remaining in agriculture which is currently being proposed for a mix of housing, open space and wetland preservation. Therefore, given the extremely limited presence of farmworkers in the community, the City has not identified a need for specialized farmworker housing beyond overall programs for housing affordability.

### **3. Site Improvements**

Developers of single-family residential tracts in the City are required to install arterial and local streets; curbs, gutters, sidewalks; water lines; sewer; street lighting; and trees in the public right-of-way within and adjacent to a tract. These facilities are in most cases dedicated to the City or other agencies that are responsible for maintenance. Without the site improvement requirement there are no other means of providing necessary infrastructure to the City's land parcels. Requirements for site improvements are at a level necessary to meet the City's costs and are necessary to protect health, safety, and welfare.

The cost of these required off-site improvements vary with the sales price of each dwelling unit depending on the nature of development (i.e., hillside or flatland development). The City may also impose development fees on future housing developments in order to recover some of the cost of installing off-site improvements including upgrading the circulation system and other urban service systems to serve increased density. The developed portions of Huntington Beach have the majority of necessary infrastructure, such as streets, electrical and water facilities, already in place.

The Circulation Element of the Huntington Beach General Plan establishes the City's street width standards. Interior residential streets (secondary arterials) are required to have a standard 40 foot curb-to-curb width, with six foot wide sidewalks. The City

does allow reduced 36 foot street widths, although due to the impact on fire truck access, reduced street widths trigger fire sprinkler requirements in single-family homes.

The City has also allowed rolled curbs in situations where there is a reduced parkway/sidewalk width as a means of facilitating handicapped access for persons using the sidewalk. An example is the 313 single-family home Summerlane development constructed in 2001/2002. This project was approved with reduced street widths, four foot wide sidewalks and rolled curbs, and included some small lot development, allowing additional units to be built in the project.

#### **4. Development Fees**

The City collects various fees from development to cover the costs of processing permits, including fees for planning approvals, subdivision map act approvals, environmental review, public works and plan check services, and building permits, among others. In addition to these service fees associated with development processing, the City also charges several impact fees to offset the future impact of development on traffic and circulation, parks, and libraries.

As a means of assessing the cost that fees contribute to development in Huntington Beach, the City has calculated the total Planning, Building, and Public Works fees associated with development of two different residential prototypes. The first prototype is a 30 lot, single-family subdivision consisting of 2,100 square feet, four-bedroom units. The second prototype is a 30 unit apartment development consisting of 1,200 square feet, two-bedroom units. As indicated in Table III-4, development fees for the prototypical single-family project run approximately \$63,000 per unit, whereas per unit fees for the apartment project are around \$19,000.<sup>3</sup> For projects requiring a subdivision map, by far the most significant fee is the parks and recreation fee, which averages \$35,000 per unit, compared to a parks fee of 0.86/square foot for apartments. School fees collected by the Huntington Beach School District, or depending on location, the Fountain Valley School District, are also significant at \$2.63/square foot. The Economic Development Department may offer fee reimbursements as part of its overall package of development assistance for affordable housing projects. For example, the Redevelopment Agency recently paid for over \$20,000 in fees associated with development of the Habitat for Humanity project developed at 2502 Delaware, including: grading permit fees, Public Works connection fees, construction permit fees, traffic impact fees, encroachment fees, and escrow fees. In addition, development fee reductions are an eligible incentive under the City's affordable housing density bonus program.

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<sup>3</sup> The formula and assumptions for calculating the prototypical residential development fees are detailed in Table III-5.

In March 2008, the City Council approved reductions in seven Planning Department fees. The fee reduction most relevant to residential development is the 50 percent reduction in the cost for a Variance when processed in conjunction with a Conditional Use Permit, reducing the cost to \$1,223 for applications to the Zoning Administrator and \$1,727 for applications to the Planning Commission.

AB 641, passed by the California legislature in 2007, helps to address the cash flow problems inherent in many affordable housing projects during the construction phase. For affordable housing developments in which at least 49 percent of the units are affordable to low or very low income households, AB 641 prohibits local governments from requiring the payment of local developer fees prior to receiving a certificate of occupancy.

**Table III-4  
Summary of Development Fees – Prototypical Residential Projects**

Fee Type	Cost Per Single Family Unit	Cost Per <u>Apartment</u> Unit
<b>Planning/Building Fees:</b>		
Tract Map/ <u>Parcel Map</u>	735.00	135.60
Conditional Use Permit	285.07	285.07
Environmental Processing	311.23	311.23
Inspection	1,736.65	1371.35
Building Plan Check	1,319.85	1042.23
Plan Review (Planning)	1,215.66	959.94
Strong Motion	20.49	12.34
Library	1,100.00	704.00
Processing	28.73	28.73
School Fees	5,523.00	3,156.00
Parks/Recreation(fee)	35,000.00	<u>1,376</u>
Electrical Permit	175.00	112.00
Mechanical Permit	163.95	137.32
Plumbing Permit	286.52	268.60
Fence Permit	87.61	87.61
Addressing	29.40	29.40
<b>Sub-Total</b>	<b>\$48,018.16</b>	<b><u>\$8,646.07</u></b>
<b>Public Works Development Fees:</b>		
Sewer-City	1,749.00	1,431.00
Sewer-County	5,377.00	3,160.00
Traffic Impact Fee	900.00	900.00
Water	4,800.00	4,800.00
Drainage	1633.30	233.30
Grading Permit	135.53	135.53
Street Plans	262.83	187.83
Tract Map -Plan Check	40.00	23.30
Landscape - Plan Check	145.63	87.13
Engineering/Inspection	-	--
<b>Sub-Total</b>	<b>\$15,043.29</b>	<b><u>\$10,958.09</u></b>
<b>Total Fees Per Unit</b>	<b>\$63,061.45</b>	<b><u>\$19,604.16</u></b>

Source: City of Huntington Beach, 2007.

Fee Assessments based upon average single-family dwelling development of:

A) 2,100 sq. ft. of living area/400 sq. ft. garage; B) 4 bedroom units; C) 30-lot subdivision at 4.5 du/acre; D) Type V construction; and E) Building Valuation-\$204,940

Fee Assessments based upon average apartment development of:

A) 1,200 sq. ft. of living area/400 sq. ft. garage; B) 2 bedroom units; C) 30 du/acre; D) Type V construction; and E) Building Valuation-\$123,400

**Table III-5  
Residential Development Fees**

<b>Fee</b>	<b>Formula</b>	<b>Assumption</b>
<b>Planning Department</b>		
<b>1. Tract Map Parcel Map</b>	\$21,150 + \$30/lot <b>\$4,068</b>	Total processing fee was divided among each unit
<b>2. Conditional Use Permit</b>	\$8,552 – Planning Commission \$3,568 – Zoning Administrator	Total processing fee was divided among each unit
<b>3. Parks/Recreation</b>	$\frac{5(\# \text{ units} \times 2.68)}{1,000}$ x per acre value of project site	\$35,000/unit for projects requiring a subdivision map; .86/square foot for apartment (including garage)
<b>4. Environmental Process</b>	\$7,255 Environmental Assessment	Assumes preparation of a Mitigated Negative Declaration pursuant to CEQA  Total processing fee was divided among each unit.
<b>5. Addressing</b>	\$882/project	
<b>Building Department</b>		
<b>1. Inspection</b>	Per Project fee of: \$818.52 + \$4.48/\$1,000 over \$100,000 - \$500,000	Scenario: SFR valuation: \$204,940 MFR valuation: \$123,400
<b>2. Building Plan Check</b>	76% of Building Inspection Fee	Scenario
<b>3. Plan Review (Planning)</b>	70% of Building Inspection Fee	Scenario
<b>4. Strong Motion</b>	Valuation x 0.0001	Scenario
<b>5. Library</b>	Enrichment: \$0.15/sq. ft. including garage Development: \$0.44/sq. ft. including garage	Scenario
<b>6. Processing</b>	\$28.73	
<b>7. School Fees</b>	\$2.63/sq. ft. not including garage	Scenario
<b>8. Electrical Permit</b>	\$0.07/sq. ft.	Scenario
<b>9. Mechanical Permit</b>	Per item cost	Standard features included in calculation, based on scenario
<b>10. Plumbing Permit</b>	Per item cost	Standard features included in calculation, based on scenario
<b>11. Fence Permit</b>	\$40/foot for 6 foot tall block wall (Fee based on valuation)	Assumed 75 lineal feet of 6 foot tall block wall per unit.

<b>Fee</b>	<b>Formula</b>	<b>Assumption</b>
<b>Public Works</b>		
<b>1. Sewer Connection - City</b>	\$1,749 - SFR \$1,431 - MFR	<i>Scenario</i>
<b>2. Sewer - County (Capital Facilities Capacity Charge)</b>	\$5,377 - SFR (4 bdrms) \$3,160 - MFR (2 bdrms)	<i>Scenario</i>
<b>3. Traffic Impact Fee</b>	\$151 per trip end	<i>Scenario</i>
<b>4. Water</b>	\$4,800 per unit = \$144,000 total	<i>Total processing fee was divided among each unit</i>
<b>5. Drainage</b>	\$12,600 per acre	<i>Total processing fee was divided among each unit</i>
<b>6. Grading Permit</b>	Varies depending upon project acreage and number of cubic yards of soil involved.	<i>\$4,066 + 2% of on-site improvements</i>  <i>Total processing fee was divided among each unit</i>
<b>7. Street Plans</b>	\$5,635 + \$750/sheet >3 sheets	<i>Total processing fee was divided among each unit</i>
<b>8. Tract Map - Plan Check</b>	\$2,088 or \$100 per lot, which ever is greater	<i>Scenario</i>
<b>9. Landscape - Plan Check</b>	\$859 – w/Tract Map + \$351 per sheet - MFR	<i>Total processing fee was divided among each unit</i>
<b>10. Engineering/Inspection</b>	Fees are highly variable by project characteristics (8% of public improvements estimates)	<i>Per unit fee was too variable and was not addressed in table</i>

City of Huntington Beach, 2007.

## 5. Local Processing and Permit Procedures

The evaluation and review process required by City procedures contributes to the cost of housing in that holding costs incurred by developers are ultimately reflected in the unit's selling price. One way to reduce housing costs is to reduce the time for processing permits.

The review process in Huntington Beach is governed by four levels of decision-making bodies: the Zoning Administrator, the Design Review Board, the Planning Commission and the City Council.

The Zoning Administrator is a senior staff planner appointed by the Planning Director. Residential projects acted on by the Zoning Administrator are small multi-family developments, single-family construction in the Coastal Zone, tentative parcel maps and minor variances. Any required environmental assessment is conducted concurrent with the planning analysis.

The Design Review Board reviews development proposals for their aesthetic value, architectural style, and landscape to ensure a quality physical design. The Board reviews all projects in redevelopment zones, all City specific plans, and other areas designated by the City Council, such as projects adjacent to publicly zoned property. Residential projects are not subject to Design Review unless they are located in a redevelopment area or located in a specific plan. The Design Review Board acts both as an advisory body to the City Council, Planning Commission, Zoning Administrator and staff, as well as a final decision making body. The Design Review Board has the authority to confer with developers/property owners regarding modifications to their projects and can impose conditions or request revisions if deemed reasonable and necessary for approval of the project. Although Design Review is limited in its application to residential projects, it does facilitate ultimate approval at the Zoning Administrator or Planning Commission level in that any potential design concerns are resolved prior to those hearings.

In 2000, the City adopted Urban Design Guidelines to provide clear examples of the quality and type of design that is recommended for all development in the City, including single and multi-family residential projects. The Urban Design Guidelines are accessible to the public at the Planning Department's zoning counter and on the City's website. While the City encourages developers to incorporate the guidelines into the design of a project, strict application of the guidelines is not required for project approval. Design Review applications are processed concurrently with other project entitlements, if any, and do not add time to the review process. Additionally, projects approved with modifications can be checked for compliance by staff and generally do not require subsequent review by the Design Review Board.

Developments within areas of the City that fall within the Coastal Zone, including Huntington Harbour and the downtown area, generally require a Coastal Development Permit (CDP). The intent of the CDP is to ensure that projects comply with the City's Local Coastal Program and adhere to the policies and requirements

of the California Coastal Act. The California Coastal Commission has original permit jurisdiction for developments on tidelands, submerged lands, and navigable waterways. For most developments however, the City of Huntington Beach issues the CDP, which can be processed concurrently with any other entitlements required for a proposed development project. If no other entitlement is required, the Zoning Administrator acts on the CDP application. In addition, certain developments may be exempted or excluded from obtaining a CDP in accordance with the provisions of the Huntington Beach Local Coastal Program.

City Planning staff conducted a survey of four Orange County jurisdictions to assess development processing times in comparison to similar communities. As shown in Table III-6, average processing times in Huntington Beach compared particularly well for administrative approvals, such as plan checking/building permits, site plan review and administrative permits. For discretionary approvals, such as tentative tract maps, general plan amendments and zone changes, the City had a broad range of processing times, with the upper end of that range falling within the top end of the cities surveyed.

**Table III-6  
Development Processing Times in Huntington Beach and Surrounding Communities  
(in months)**

Process	Huntington Beach	Costa Mesa	Irvine	Newport Beach	Orange County
General Plan Amendment	6 - 12	2 - 5	9	6 - 8	12 - 24
Zone Change	6 - 12	2 - 5	9	4 - 6	18 for undeveloped <sup>1</sup> 4 - 8 for infill
Conditional Use Permit/ Variance	2 - 3 months (Zoning Admin) 4 - 6 months (Plng Comm)	2 - 3 (Zoning Admin)	4 - 6	2 - 2½	
Administrative Permit	1 - 1½	2 - 3	1	2 - 3	
EIR	6	4 - 6	12	8 - 12	6 - 9
Tentative Tract	4 - 6	2 - 3	4 - 6	6 - 12	1 - 2 <sup>2</sup>
Site Plan Review (Staff)	1	2 - 3	1	2 - 3	Min 90 days Max 6 months <sup>3</sup>
Site Plan Review (Plng Comm.)	3 - 4	2 - 3	4	3 - 4	1 - 2
Plan Checking/ Building Permits	Initial check - 10 days Recheck - 2 days	2 - 3	3 - 4 weeks	1 - 2	1

Source: City of Huntington Beach Planning Department Survey, August 2007.

Notes: 1 Often processed concurrent with General Plan Amendment

2 Assumes all discretionary approval secured and no new environmental documentation needed.

3 Depending on environmental needs.

The typical review process for a single-family residence usually consists of an “over-the-counter” plan check with the Planning Department in which plans are checked for compliance with applicable codes and development standards. From there, a property owner brings their plans to the Building and Safety Department counter, adjacent to the Planning counter, for submittal of the plans into plan check. For smaller projects, such as residential remodels and additions, a Building and Safety Department plan check engineer may be able to provide an “over-the-counter” plan check and a property owner would be able to obtain their building permits the same day.

For most new single-family dwellings and some multi-family residential projects, a property owner will leave their plans with the Building and Safety Department for plan check. Depending on the quality of plans submitted by the property owner, the entire process could take as little as 10 days but may take longer if subsequent plan

checks are required. As indicated in Table III-6, average processing times for plan check/building permits in the City of Huntington Beach were comparatively shorter than surrounding cities. As most property owners and developers will factor some amount of time for plan check and building permits into a project's budget, typical processing times for most single-family dwellings and some multi-family projects do not impact housing costs and constrain the provision of housing.

When a single-family dwelling proposes to deviate from applicable codes, or is located in the coastal zone, a discretionary entitlement such as a variance or coastal development permit is required. The City's Zoning Administrator acts on these requests and processing times would be an additional two months longer than the plan check times noted above. However, the City does offer a waiver of development standards for variances deviating less than 10 percent from the code. Waivers significantly reduce processing times by one to one and a half months and eliminate the requirement for making variance findings and a public hearing. Additionally, the City's zoning code allows dwelling units in the majority of the coastal zone that meet all applicable development standards to be excluded from the requirements of a coastal development permit. Exceptions to this are areas located adjacent to a waterway, Pacific Coast Highway or a wetlands area.

Multi-family residential projects typically require some type of discretionary action. Projects with five to nine units require a conditional use permit (CUP) from the Zoning Administrator while projects with 10 or more units require a CUP from the Planning Commission. Processing times for a CUP at the Planning Commission level can take up to four months. While this provision can be a constraint for projects already zoned for multi-family housing, the project may be requesting other entitlements such as a variance, coastal development permit or subdivision map that would already increase processing times. Nonetheless, the requirement for a CUP for multi-family projects in multi-family zoning districts may serve as a potential constraint due to the additional time and costs involved. Also, because a CUP requires specific findings to be made, project approval is not guaranteed, which may hinder some potential developers/property owners from applying for a CUP.

Recognizing that the multi-family CUP requirement may constrain the provision of housing, a program has been included in the Housing Element for evaluation of the City's residential land use controls to increase the unit threshold for a CUP in multi-family zoning districts. As Huntington Beach is a mostly built out city with little vacant residential land available, typical multi-family projects are smaller infill developments. By raising the unit number threshold, the CUP requirement for most multi-family projects would be eliminated.

## 6. Building Code

Huntington Beach has adopted the latest, 2001 version of the California Building Code, along with all required updates. The State Building Code establishes construction standards necessary to protect public health, safety and welfare, and the local enforcement of this code does not unduly constrain development of housing.

Huntington Beach has adopted the following local amendments to the California Building Code to protect the public health and safety from hazards indigenous to the City:

- Fire sprinklers are required in all multi-family buildings, and in single-family homes greater than 5,000 square feet in size. Sprinklers are also required in subdivisions with reduced street widths or cul-de-sac lengths greater than 600 feet, and in homes greater than 150 feet from a fire hydrant.
- Portions of the City have been identified by the State as moderate risk Special Fire Hazard Areas. The City is currently evaluating requirements for fire retardant roof materials and non-combustible exterior materials for new development in these areas.
- Proposed development within the City's methane overlay districts is required to be reviewed by the Fire Department for determination whether soil testing for the presence of methane gas is required. The presence of high levels of methane gas near the soil surface may require mitigation before grading occurs. Mitigation may take the form of venting abandoned oil wells, underground gathering and collection systems for gasses, and vent systems. (Refer to Section on Environmental Constraints for further discussion of methane impacts on development).

In 2008, the City will adopt the new International Code of Building Officials (ICBO), as required of all jurisdictions in California. While the new ICBO will bring California building codes into consistency with the rest of the country, changes from the current State Building Code are anticipated to increase the costs of development.

## B. MARKET CONSTRAINTS

### 1. Availability of Financing

The availability of financing in a community depends on a number of factors, including the type of lending institutions active in the community, lending practices, rates and fees charged, laws and regulations governing financial institutions, and equal access to those institutions. Through analysis of Home Mortgage Disclosure Act (HMDA) data on the disposition of residential loan applications, an assessment can be made of the availability of residential financing within a community.

Residential lending activity in Huntington Beach is high, with a total of 6,192 applications for conventional home purchase loans in 2005, reflecting purchase activity on approximately 15 percent of the City's ownership housing stock. Table III-7 provides information on the status of home purchase loan applications in both Huntington Beach and Orange County. As illustrated by this table, at 69 percent, the loan approval rates in Huntington Beach were identical to those Countywide. Review of loan approvals by census tract identify only one census tract with loan approval rates significantly below the 69 percent citywide average: census tract 994.02 (Oak View) with a loan approval rate of only 47 percent and loan denials of 28 percent. The Oak View neighborhood has been the focus of significant City investment in code enforcement, rehabilitation, and provision of affordable housing, including homebuyer assistance, all which help to improve access to credit in this lower income neighborhood.

**Table III-7  
Status of Home Purchase Loans - 2005  
Huntington Beach and Orange County MSA**

	Loans Approved		Loans Denied		Loans Withdrawn/Incomplete	
	Huntington Beach	Orange Co.	Huntington Beach	Orange Co.	Huntington Beach	Orange Co.
<b># Loan Applications</b>	<b>4,239</b>	74,194	<b>986</b>	18,046	<b>917</b>	15,486
<b>% of Total</b>	<b>69%</b>	69%	<b>16%</b>	17%	<b>15%</b>	14%

Source: Home Mortgage Disclosure Act Data, 2005. Compiled by Karen Warner Associates.

Note: Approved loans include: loans originated and applications approved but not accepted.

### 2. Price of Land

The availability and price of land represents a significant market constraint to housing production throughout most of Southern California, and particularly in high cost coastal communities like Huntington Beach. According to market comparables compiled by the City's economic consultant, residential land costs average around \$65/square foot in the inland portions of the City, and up to \$150/square foot for coastal parcels. [The economic analysis conducted in support of the Beach/Edinger Specific Plan documents land values at \\$70/square foot for condominiums,](#)

\$50/square foot for apartments, and \$30/square foot for retail, evidenced of the strong demand for housing. The Huntington Beach Redevelopment Agency plays an important role in both land assembly and write-down in support of affordable housing.

### **3. Cost of Construction**

A major cost associated with the development of housing is the cost of building materials, which have risen dramatically in recent years. According to the U.S. Department of Labor, the overall cost of residential construction materials rose 22 percent between 2004-2006, with steel costs increasing 63 percent and the cost of cement increasing 27 percent. However, with the slow down in the real estate market, the price of construction materials is finally beginning to level off.<sup>10</sup>

Hard construction costs include building shell costs, on and off-site improvements, parking and all contractor costs.<sup>11</sup> Construction costs for high density (25 du/acre) apartment development run around \$150,000 per unit, including \$10,000/unit for structured parking. Hard construction costs for development of medium density (15 du/acre) condominiums over podium parking run approximately \$200,000 per unit, including \$35,000 per unit for the parking structure.

A reduction in amenities and the quality of building materials (above a minimum acceptability for health, safety, and adequate performance) can result in lower development costs. As part of the City's inclusionary housing and density bonus programs, the City could allow for affordable units to be smaller in size (maintaining the same number of bedrooms) and have different features and interior finishes than market rate units, provided all project units were comparable in construction quality and exterior design. Another factor related to construction costs is the number of units built at one time. As that number increases, overall costs generally decrease as builders are able to take advantage of the benefits of economies of scale.

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<sup>10</sup> [www.dcd.com/pdf\\_files/0701trends.pdf](http://www.dcd.com/pdf_files/0701trends.pdf)

<sup>11</sup> Contractor costs encompass the contractor's fee, general conditions, insurance and bonds, and construction contingency.

## **C. ENVIRONMENTAL AND INFRASTRUCTURE CONSTRAINTS**

Portions of Huntington Beach are exposed to a variety of environmental hazards that may constrain the development of lower priced residential units. In addition, inadequate infrastructure may also act as a constraint to residential development.

### **1. Floodplain**

Situated on a low-lying floodplain and bounded by the Santa Ana River, Huntington Beach has faced significant flood hazard in the past. However, as of June 14, 2000, the Federal Emergency Management Agency (FEMA) redesignated a significant portion of the City's floodplain from A99 to X, which means that the area is no longer in the floodplain. This redesignation is based on the completion of the Santa Ana River Mainstem flood control project, which includes critical features - channel and bridge widening and channelization of the Lower Santa Ana River Channel Reaches 1 through 4, and the Seven Oaks Dam. In 2004, FEMA again updated the flood hazard map, and removed all remaining A99 designated areas in Huntington Beach. The City has three remaining flood zones: X, A and AE. Properties designated X are exempt from flood construction requirements and have a substantial reduction in flood insurance rates.

While improvements to flood control channels have removed many properties from the floodplain, a considerable portion of the City is still designated within a floodplain. One mixed-use project, proposed to provide 500 residential units, is located within a floodplain area. The developers are currently working on plans to comply with FEMA requirements for floodproofing. The City's experience has been that developers have economical ways to floodproof residential units, typically by raising a site, and that a floodplain designation has not served to deter development, as demonstrated by the Blue Canvas residential project, a 201-unit multi-family residential development set to begin construction in late 2007. Additionally, there are several vacant infill properties that are located within a flood zone, specifically within the Huntington Harbour area and the southeast portion of the City. However, areas that have to comply with floodproofing requirements are almost entirely built out, with the majority of undeveloped residential properties, including the downtown area, outside the designated floodplains.

### **2. Oil Resources**

Huntington Beach is historically an oil town. The numerous oil facilities currently operating in the City serve to reduce the amount of land currently available for development. While residential projects can sometimes be developed around producing wells, often redevelopment of the sites must be postponed until oil production ceases and facilities are abandoned. The presence of oil facilities thus reduces the amount of land available for development in the near future and/or increases the cost of development.

### 3. Hazardous Waste/Methane

Because of the long history of oil recovery operations in Huntington Beach, some vacant residential properties contain hazardous wastes related to abandoned oil wells, oil pipelines, or the presence of methane gas. These contaminated sites require clean up prior to their development, which adds to the cost of developing these sites.

Areas within Huntington Beach that have been affected by methane gas have been designated as Methane Overlay Districts. The two primary areas of remaining residential development within the Methane Overlay are the Chevron Oil Field and the downtown<sup>12</sup> described further below. Huntington Beach was identified as a high-risk area relative to methane gas migration into and/or from the shallow geology (peat and organic) deposits in the Roberti Report<sup>13</sup>. A later study by GeoScience Analytical<sup>14</sup> indicating biogenic methane caused the City to enact methane seepage district regulations for these areas. All oil fields are considered high risk areas for methane seepage. The main conduit for petrogenic methane is through abandoned oil wells. Therefore, all areas which lie above or in the immediate vicinity of one of the identified major oil field areas or drilling areas in the City are potential areas of concern. Methane may also be trapped beneath impervious surfaces (e.g., parking lots) or in enclosed underground areas (e.g., basements, subterranean garages, tunnels) where concentrations may cause an explosion or hazardous breathing conditions.

There are three principal areas where oil production was historically concentrated in the City: the Chevron oil field (Holly Seacliff area), the Aera Energy property, and numerous individual lots throughout the downtown area. In general the per lot cost to remediate a previous oil site can range anywhere from \$3,000-\$100,000 or more, depending on the size of the lot and extent of the contamination. With sites in the downtown selling for \$150/square foot and up, this remediation cost represents a fraction of the land value, and has not served as a deterrent to development. Only one prior oil lot remains in the downtown for residential development, and has been included in the vacant residential sites inventory contained in Appendix A.

In addition to the clean-up cost, methane barriers are often required in close proximity to abandoned oil wells. This cost is reflected in the construction cost and adds approximately \$5 - \$7 per square foot for a typical 3,000 square foot single-family home. Given that homes this size or smaller start at over \$850,000, the additional \$15,000-\$21,000 for the methane barrier is fairly nominal. Finally, if there is a well on the property that has not been abandoned in the last ten years, the well may have to be reabandoned, which generally costs around \$75,000-\$100,000.

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<sup>12</sup> Angus Petroleum, 1988.

<sup>13</sup> Angus Petroleum, 1988.

<sup>14</sup> Angus Petroleum, 1988.

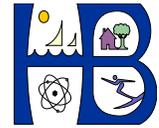
In terms of the three historic oil areas mentioned, the Chevron oil field is now nearly built out with residential uses pursuant to the Holly Seacliff Specific Plan and Development Agreement (DA). This DA required Chevron to remediate its property. From 1997 through 2005, 2,022 homes have been built in this area. Because of the DA, the remediation has not been a significant deterrent. In addition, this area consisted of very large tracts of vacant land which allowed Chevron to remediate the soil in-place in a very cost effective manner. The second oil producing area, the Aera Energy property, is solely designated for visitor serving commercial and open space; it is expected to remain in oil production for the next 15-20 years. Adjacent to this property is a residential development consisting of 256 detached and attached single-family homes built in 2001/2002. This is a former Chevron property, and was remediated by Chevron pursuant to the DA referenced above although it is not part of the Holly Seacliff Specific Plan. Lastly, there are scattered parcels throughout the downtown area that have abandoned oil wells, or wells nearing the end of their productive life. The City has seen many of these wells close, the sites remediated, and developed with residential or commercial uses. The most significant of these is the 31 acre Pacific City site, a former Chevron property that is currently under construction with 516 residential units as well as commercial buildings. As previously mentioned, based on the City's vacant land survey, only one additional oil lot remains in the downtown for residential development.

In addition to former oil production sites, the City has one property that is on the State Superfund List. This is a 38-acre property designated for residential development, and the owner is in the process of pursuing clean-up of the site with DTSC. However, due to the challenges of clean-up, this site has not been included in the sites inventory for this Housing Element cycle.

#### **4. Wetland Environments**

The City contains important coastal and river wetland environments that contain significant habitat. As development continues, it is important to maintain existing and establish new standards that ensure the protection of these resources. Protecting these resources can also add to the cost of new development.

The City currently has one property with degraded wetlands that is proposed for residential development. The owner received approval from the City in 2002 to construct 170 units, however, due to wetland concerns the project, Parkside Estates, did not receive any type of approval from the Coastal Commission until November 2007. The Commission voted to approve a conceptual land use plan with expanded wetland and buffer areas. As a result, it is expected that the project will be reduced by approximately 50 units. The project requires further approvals from the Coastal Commission and the City before the final unit count and project viability can be ascertained.



## 5. Seismic Hazards

Most of the geologic and seismic hazards that have the potential to impact the City are due to the active Newport-Inglewood fault which traverses the City, the shallow water table, and the relatively loose nature of recent sedimentary deposits. Collectively or individually, these factors may generate surface fault rupture, severe ground shaking, subsidence, the release of methane, and other hazards. More stringent building standards that are necessary in areas with a shallow water table and/or loose sediment can add to the cost of residential development.

The City currently has only one vacant residential property located within the Alquist-Priolo fault zone. The State Alquist-Priolo Act allows for single-family homes in the fault zone which are not part of a tract development. Alternatively, residential tracts that locate open space features within the fault zone and habitable structures outside the zone can be accommodated. The single remaining vacant property in Huntington Beach in the fault zone can accommodate a total of 3 units, and has been included in the residential sites inventory for the Element.

In terms of areas that have been developed, the fault zone traverses the Holly Seacliff area where the City has experienced most of its recent residential growth. The fault zone setback area became private and public open space that serves the surrounding homes. In summary, seismic hazards can be addressed through site layout.

## 6. Tsunami Hazards

As a coastal city, the entire 8.5 miles of Huntington Beach's coastline could be impacted in the event of a tsunami. The Environmental Hazards Element of the City's General Plan indicates that the potential for tsunami hazards in the City is very low. Moderate tsunami run-up areas of the City include the southeast area and the Bolsa Chica area up to the central part of the City. The City's adopted Hazard Mitigation Plan includes mitigation strategies to reduce risk and prevent loss in the event of a tsunami occurrence. These strategies include a citywide warning siren system and a public education campaign. Housing projects that are located near the coast or in moderate tsunami run-up areas are required to incorporate tsunami mitigation measures into the project. Both the Pacific City and Blue Canvas projects are required to provide tsunami education for residents and businesses (Pacific City) as well as other mitigation measures. These mitigation measures, while necessary, are a minimal cost to developers.

## 7. Public Services and Facilities

Much of the City's infrastructure is aging and will require improvements or replacement over time. The timing and funding of improvements needs to be closely correlated with development phasing. The City has adopted an Integrated

Infrastructure Master Plan which identifies needed improvement(s) and associated costs.

The City's 1996 General Plan identifies adequate transportation infrastructure, utility infrastructure and public service capacity to serve 18,500 additional residential units beyond what existed in 1990. Even with the 5,000 new units developed in Huntington Beach since 1990, the City has more than adequate infrastructure capacity to accommodate the City's residential growth needs (RHNA) for the 2008-2014 Housing Element cycle, which anticipates only 2,000 units. New development will tie into existing water and sewer mains, and in some instances mains may need to be upgraded to accommodate new demands generated by development. No specific parcels during the 2008-2014 planning horizon are constrained by infrastructure availability.