



## 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. The Housing Needs Assessment is comprised of the following components: A) Demographic Profile; B) Household Profile; C) Housing Stock Characteristics; and D) Regional Housing Needs. A variety of housing needs maps are presented based on census tract data; Figure 1 depicts the 2000 census tract and block group boundaries for Huntington Beach.

### A. DEMOGRAPHIC PROFILE

Demographic changes such as population growth or changes in age can affect the type and amount of housing that is needed in a community. This section addresses population, age, and race and ethnicity of Huntington Beach residents.

#### 1. Population Growth and Trends

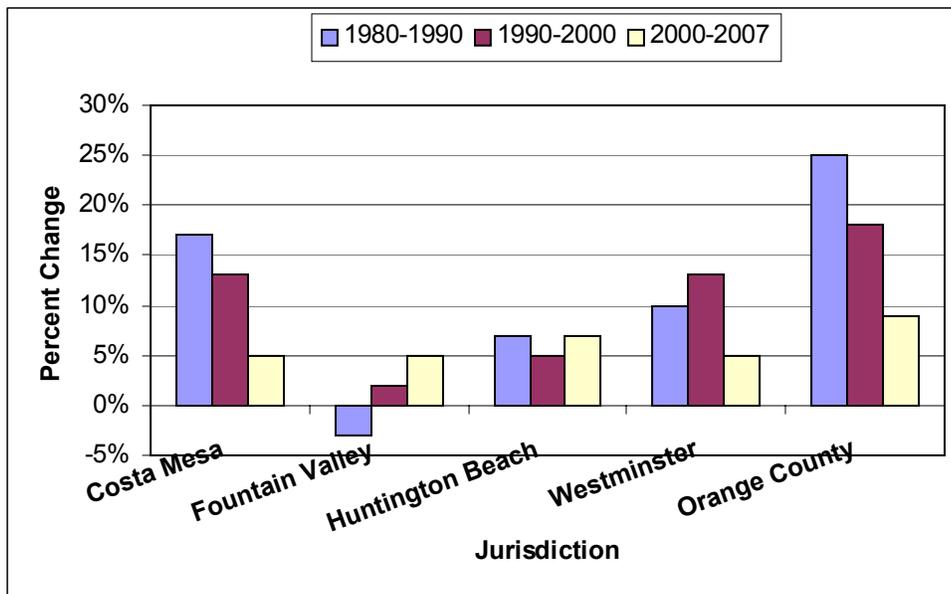
Table II-1 presents population growth trends in Huntington Beach from 1980-2007, and compares this growth to neighboring jurisdictions and the entire County of Orange. This Table illustrates the high level of population growth in Orange County during the 1980s and 1990s, with growth levels in many of the older central and north Orange County communities below the Countywide average. Population growth was particularly limited in Huntington Beach, with the City's growth less than one-third that of the County's in both these decades. In contrast, since 2000 growth levels in Huntington Beach have been closer to that of the County and surrounding communities. According to the State Department of Finance (2007), Huntington Beach has a current population of 202,250, representing an increase of seven percent since 2000. Huntington Beach continues to rank as the third most populated city in Orange County, behind Anaheim and Santa Ana, although Irvine's population has grown to within 200 of the City's and will soon surpass Huntington Beach.

According to Orange County Projections (OCP) 2006, the population of Huntington Beach is expected to grow to 217,822 by 2015, an eight percent increase over the 2005-2015 period. OCP Projections show a slowing in growth after this time, with just a two percent increase in population between 2015-2025, and one percent growth between 2025-2035. These patterns of growth are consistent with Countywide projections which identify nearly 60 percent of the population increase in Orange County through 2035 to occur within the 2005-2015 period.

**Table II-1  
Regional Population Growth Trends 1980 – 2007**

Jurisdiction	1980	1990	2000	2007	Percent Change		
					1980-1990	1990-2000	2000-2007
Anaheim	219,311	266,406	328,014	345,556	22%	23%	5%
Costa Mesa	82,562	96,357	108,724	113,805	17%	13%	5%
Fountain Valley	55,080	53,691	54,978	57,741	-3%	2%	5%
<b>Huntington Beach</b>	<b>170,505</b>	<b>181,519</b>	<b>189,627</b>	<b>202,250</b>	<b>7%</b>	<b>5%</b>	<b>7%</b>
Irvine	62,127	110,330	143,072	202,079	44%	23%	29%
Newport Beach	62,556	66,643	70,032	84,218	7%	5%	20%
Santa Ana	203,713	293,742	337,977	353,428	44%	15%	5%
Seal Beach	25,975	25,098	24,157	25,962	-3%	-4%	8%
Westminster	71,133	78,118	88,207	92,870	10%	13%	5%
<b>Total Orange County</b>	<b>1,932,709</b>	<b>2,410,556</b>	<b>2,846,289</b>	<b>3,098,121</b>	<b>25%</b>	<b>18%</b>	<b>9%</b>

Source: U.S. Census 1980, 1990, and 2000. Dept of Finance 2007 Population and Housing Estimates.



## Figure 1 Census Tract Boundaries

## 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 1990 and 2000, and compares this with Orange County. As displayed in the table, 22 percent of Huntington Beach’s population is comprised of children under the age of 18, well below the 27 percent children Countywide. While the 1990-2000 census shows the proportion of children remaining relatively constant, discussions with the Huntington Beach School District identify trends of declining enrollment. The School District indicates high housing costs have contributed to many families with school age children relocating to lower cost areas, further evidenced by the decline in families with children in the City. With three-quarters of Orange County school districts reporting declining enrollment in 2007 and a 13 percent decline in County residents between the ages of 25 and 34 (2000-2006), similar trends are occurring throughout much of Orange County.<sup>1</sup>

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 31.7 years in 1990 to 36 years in 2000, now considerably above the County’s median age of 33.3 years. The City experienced a significant decline in its college age (18-24 years) and young adult (25-44 years) populations over the decade, while experiencing growth in the middle adult (45-64 years) and senior (65+ years) populations. 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 1990 – 2000**  
**City of Huntington Beach and Orange County**

Age Group	1990		2000		Orange Co. %
	Persons	Percent	Persons	Percent	
Preschool (<5 yrs)	11,187	6%	11,728	6%	8%
School Age (5-17 yrs)	26,883	15%	30,455	16%	19%
College Age (18-24 yrs)	22,379	12%	15,930	9%	9%
Young Adults (25-44 yrs)	68,797	38%	66,245	35%	33%
Middle Age (45-64 yrs)	37,185	21%	45,580	24%	21%
Seniors (65+ years)	15,088	8%	19,656	10%	10%
TOTAL	181,519	100%	189,594	100%	100%
MEDIAN AGE	31.7 years		36 years		33.3 years

Source: U.S. Census 1990 and 2000.

<sup>1</sup> “2007 Workforce Housing Scorecard,” Orange County Business Council.

### 3. Race and Ethnicity

Table II-3 displays the racial/ethnic composition of Huntington Beach’s population in 1990 and 2000, 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 79 percent in 1990 to 72 percent in 2000. This decrease in White residents was offset by the increase in Hispanic residents from 11 to 15 percent of the population, still well below the 31 percent Hispanic population Countywide. The Asian population remained fairly constant over the decade, increasing minimally from 8 to 9 percent. African Americans and American Indians each continue to comprise less than one percent of the population. The “Other Race” sector of the population grew from less than one percent to three percent. 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 1990 – 2000  
City of Huntington Beach and Orange County**

Racial/Ethnic Group	1990		2000		
	Persons	Percent	Persons	Percent	Orange Co. %
White	143,848	79%	136,237	72%	51%
Hispanic	20,397	11%	27,798	15%	31%
Asian/Pacific Islander	14,565	8%	17,976	9%	14%
African American	1,622	<1%	1,383	<1%	1%
American Indian	932	<1%	777	<1%	<1%
Other Race	155	<1%	5,423	3%	2%
TOTAL	181,519	100%	189,594	100%	100%

Source: U.S. Census 1990 and 2000.

### 4. Employment

Evaluation of the types of jobs held by community residents provides insight into potential earning power and the segment of the housing market into which they fall. Information on how a community’s employment base is growing and changing can help identify potential housing demand changes in the future.

The State Employment Development Department estimates that as of June 2007, 125,200 Huntington Beach residents are in the labor force, with 3.2 percent unemployment, compared to a Countywide unemployment rate of 3.9 percent.

Table II-4 presents the occupation of Huntington Beach residents as of the 2000 Census. Residents employed in Management, Professional and related occupations (44%) accounted for the largest share of employed residents, followed by those employed in Sales and Office occupations (30%). Together, these two categories

accounted for three-quarters of resident employment. One-third of the City’s residents commute less than 20 minutes to work, indicating a large number of residents hold jobs within the City.

**Table II-4  
Occupation of Huntington Beach Residents 2000**

<b>Occupation</b>	<b>Persons</b>	<b>Percent</b>
Management, professional, and related occupations	45,285	44%
Sales and office occupations	30,827	30%
Service Occupations	11,407	11%
Production, transportation, and material moving occupations	8,050	8%
Construction, extraction, and maintenance occupations	7,207	7%
Farming, Forestry & Fishing	90	<1%
<b>TOTAL</b>	<b>102,866</b>	<b>100%</b>

Source: U.S. Census 2000

Orange County Projections (OCP) 2006<sup>2</sup> documents Huntington Beach employment at 81,599 jobs, primarily in the retail, service, manufacturing and wholesaling sectors. Major types of businesses include tourism, space systems, automobile sales, public utilities, petroleum, data and computer research, precision instruments, and various types of manufacturing. With annual taxable sales of over \$2.6 billion, Huntington Beach is one of the top retail sales communities in Orange County. Employment is projected to grow to 96,842 by 2015, reflecting a 19 percent increase during 2005-2015, well above the 14 percent increase projected Countywide.

In June 2007, the Orange County Business Council published the results of its first 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 impact on the business community. Based on the following criteria, the scorecard rates each jurisdiction’s record over the 1991-2005 and 2005-2030 periods 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 5<sup>th</sup> in its success in generating both new jobs and the supply of homes necessary to house these new workers.

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<sup>2</sup> OCP-2006 employment forecasts are consistent with SCAG’s Regional Transportation Plan and the State Employment Development Department.

## 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 2000 Census, 73,657 households reside in Huntington Beach, with an average household size of 2.56 persons and average family size of 3.08 persons. This represents a slight decrease in household size (2.62) from 1990, and is below the 3.0 average household size in the County. The City's smaller household size reflects its lower incidence of family households and aging population.

Families comprise the majority of households in Huntington Beach (65%), including families with children (29%), and those without children (36%). During the 1990s, the proportion of families with children declined by two percent, consistent with School District trends of declining enrollment. In contrast, the proportion and number of single-person households grew dramatically, while other non-family households (unrelated roommates) declined over the decade. Almost all the City's household growth between 1990-2000 was due to increases in single-person households and married couples 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 proposed in the City.

**Table II-5  
Household Characteristics 1990 – 2000  
City of Huntington Beach**

Household Type	1990		2000		Percent Change
	Households	Percent	Households	Percent	
Families	45,546	66%	47,716	65%	+5%
With children	21,103	31%	21,328	29%	+1%
Without children	24,443	35%	26,388	36%	+8%
Singles	14,784	22%	17,912	24%	+21%
Other non-families	8,549	12%	8,029	11%	-6%
<b>Total Households</b>	<b>68,879</b>	<b>100%</b>	<b>73,657</b>	<b>100%</b>	<b>+7%</b>
Average Household Size	2.62		2.56		-2%
Average Family Size	3.09		3.08		0%

Source: U.S. Census 1990 and 2000.

## 2. Household Income

Household income is one of the most important factors affecting housing opportunity and determining a household's ability to balance housing costs with other basic necessities of life.

### Income Definitions

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-6. However, federal housing programs utilize slightly different income groupings and definitions, with the highest income category generally ending at >95% AMI. For purposes of the Housing Element, the State income definitions are used throughout, except for the data that have been compiled by the federal Department of Housing and Urban Development (HUD) and is specifically noted.

**Table II-6**  
**State Income Categories**

<b>Income Category</b>	<b>% County Area Median Income (AMI)</b>
Extremely Low	0-30% AMI
Very Low	0-50% AMI
Low	51-80% AMI
Moderate	81-120% AMI
Above Moderate	120%+ AMI

Source: Section 5000093 of the California Health and Safety Code

### Income Characteristics

Between 1990 and 2000, the average median income (AMI) for households in Huntington Beach grew from \$50,633 to \$64,824, an increase of 28 percent. While the median income level in Huntington Beach remains well above that of Orange County (\$58,820), the City has seen an increase in the number and proportion of lower income (<80% AMI) households, and a decrease in households earning moderate incomes and above. As illustrated in Table II-7, during the 1990s the City experienced growth in extremely low (+21%), very low (+9%) and low (+76%) income households, while evidencing a minor decline in its moderate and above (-2%) populations.

**Table II-7  
Household Income Levels 1990 – 2000  
City of Huntington Beach**

Income Level	1990		2000		Percent Change
	Households	%	Households	%	
<b>Extremely Low Income &lt;30% AMI</b>	4,618	7%	5,612	8%	<b>+21%</b>
<b>Very Low Income (31-50% AMI)</b>	5,459	8%	5,948	8%	<b>+9%</b>
<b>Low Income (51-80% AMI)</b>	5,696	8%	10,033	14%	<b>+76%</b>
<b>Moderate Income &amp; Above (&gt;80% AMI)</b>	53,284	77%	52,137	70%	<b>- 2%</b>
<b>TOTAL</b>	69,057	100%	73,730	100%	<b>n/a</b>

Source: <http://socds.huduser.org/chas/reports>

### Income by Household Type and Tenure

Table II-8 shows the income level of Huntington Beach residents by household tenure. A significantly higher percentage of renter households (43%) were lower income (<80% AMI) compared to residents who owned their homes (21%). The high incidence of lower income renter households is of particular significance as market rents in Huntington Beach exceed the level of affordability for lower income households. (This issue is further evaluated in the Housing Profile section of the Needs Assessment.) The median income of Huntington Beach’s renter households in 1999 was \$48,858, compared to \$79,292 for homeowners.

**Table II-8  
Income by Owner/Renter Tenure 2000  
City of Huntington Beach**

Income Level	Renters		Owners		TOTAL %
	Households	%	Households	%	
<b>Extremely Low Income (&lt;30% AMI)</b>	3,521	12%	2,091	5%	<b>8%</b>
<b>Very Low Income (31-50% AMI)</b>	3,443	12%	2,505	6%	<b>8%</b>
<b>Low Income (51-80% AMI)</b>	5,394	19%	4,639	10%	<b>14%</b>
<b>Moderate Income &amp; Above (&gt; 80% AMI)</b>	16,676	57%	35,461	79%	<b>70%</b>
<b>TOTAL</b>	29,034	100%	44,696	100%	<b>100%</b>

Source: SCAG Existing Housing Needs (HUD User WebPage)

While renters were more likely to have lower incomes than owners, there is also significant variation in income levels by household type, as presented in Table II-9. Nearly half (48%) of elderly households in Huntington Beach have lower (<80% AMI) incomes, with 14 percent having extremely low incomes. About 20 percent of small families and 33 percent of large families have lower incomes.

**Table II-9  
Income Level by Household Type 2000  
City of Huntington Beach**

Income Level	Elderly	Small Family	Large Family	Other
<b>Extremely Low Income (&lt;30% AMI)</b>	14%	5%	6%	8%
<b>Very Low Income (31-50% AMI)</b>	15%	5%	10%	7%
<b>Low Income (51-80% AMI)</b>	19%	10%	17%	15%
<b>Moderate Income &amp; Above (&gt;80% AMI)</b>	52%	80%	67%	70%
<b>TOTAL</b>	13,666	33,840	6,795	19,429

Source: SCAG Existing Housing Needs (HUD User WebPage)

### Households in Poverty

The federal government publishes national poverty thresholds that define the minimum income level necessary to obtain the necessities of life. For example, the 2000 U.S. poverty threshold for a family of four was \$17,463. As indicated in Table II-10, seven percent of all Huntington Beach residents lived in poverty in 2000, an increase of 3,075 persons living below the poverty line since 1990. About nine percent of children under the age of 18 in Huntington Beach live in poverty. As a group, female-headed households with children are most impacted by poverty, with 16 percent of this group living in poverty.

**Table II-10  
Poverty Status  
City of Huntington Beach**

Groups in Poverty	1990		2000	
	Persons/ Families	Percent	Persons/ Families	Percent
Individuals	9,367	5%	12,442	7%
Children (under 18)	2,465	7%	3,580	9%
Female- Headed Households	591	10%	775	11%
Female-Headed w/ Children	497	15%	676	16%

Source: U.S. Census 1990 and 2000.

## **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.<sup>3</sup> In December 2003, the City Council 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 have recently completed 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.

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<sup>3</sup> 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 Lower Income Census Block Groups

### 3. Special Needs Populations

State law recognizes that certain households have more difficulty in finding decent and affordable housing due to special circumstances. Special needs populations include the elderly, persons with disabilities, female-headed households, large households and farmworkers. In addition, many often have lower incomes as a result of their situation. Table II-11 summarizes the special needs populations in Huntington Beach. Each of these population groups, as well as their housing needs, is described below.

**Table II-11  
Special Needs Populations 2000  
City of Huntington Beach**

Special Needs Groups	Persons	Households	Percent*
Large Households		6,900	9%
Renter		3,059	(44%)
Owner		3,841	(56%)
Seniors (65+)	19,656		10%
With a Disability	6,772		(35%)
Senior Households		12,375	17%
Renter		2,172	(18%)
Owner		10,203	(82%)
Seniors Living Alone		5,035	(41%)
Persons with Disability	25,127		13%
Female-Headed Households		7,082	10%
with Related Children		4,153	(59%)
Farmworkers**	90		<1%
<b>Total Persons/Households</b>	<b>189,594</b>	<b>73,657</b>	

Source: U.S. Census 2000.

\*Numbers in ( ) reflect the % of the special needs group, and not the % of the total City population/households. For example, of the City's large households, 44% are renters and 56% are owners.

\*\* Persons employed in Farming, Forestry or Fishing Occupations

## **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 households often live in overcrowded conditions, due to both the lack of large enough units, and insufficient income to afford available units of adequate size.

Huntington Beach has a total of 6,900 large households, representing nine percent of total households in the City. Of these large households, 44 percent, or 3,059 households, are renters and over half of these large renter households (54%) 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 CHAS Databook identifies 6,740 rental units in Huntington Beach with three or more bedrooms, in general, the appropriate sized units for a large household with five or more members. In contrast, the City has 3,059 large renter households, indicating that Huntington Beach has an adequate supply of rental units suitable for the City's large families.

## **Senior Households**

The population over 65 years of age has four primary concerns:

- (1) Income: People over 65 are usually retired and living on a fixed income;
- (2) Health Care: Because the elderly have a higher rate of illness and dependency, health care and supportive housing is important;
- (3) Transportation: Many seniors use public transit. However, a significant number of seniors have disabilities and require alternatives to transit.
- (4) Housing: Many live alone and rent.

Approximately 10 percent (19,656) of Huntington Beach's residents are over age 65, a significant increase from the City's 1990 senior population of 15,088 (8%). About 17 percent of all households are headed by a senior, the majority of which are homeowners (82%). Forty percent of the City's senior households live alone. Over a third of elderly residents in Huntington Beach have some type of disability for self-care or mobility, which may limit their ability to live independently.

The elderly have a number of special needs including housing, transportation, health care, and other services. Rising rents are a particular concern due to the fact that most seniors are on fixed incomes. Of Huntington Beach's 2,172 senior renter households,

85 percent are lower income. As shown later in Table II-22, Huntington Beach has six senior housing projects providing over 500 rental units affordable to a mix of very low, low and moderate income households. The State of California Community Care Licensing Division identifies 54 residential care homes for the elderly in Huntington Beach, providing 696 beds for seniors age 60+ requiring 24 hour assisted living. The majority of these residential care facilities are small (6 or fewer beds) “board and care” homes, with three larger assisted living facilities. Sunrise Senior Living was developed in 2002/2003 on Yorktown Avenue across from City Hall, providing 97 units for elderly individuals requiring assisted living, including a specialized Alzheimer’s care facility.

For those seniors who live on their own, many have limited incomes and as a result of their age may not be able to maintain their homes or perform minor repairs. Furthermore, the installation of grab bars and other assistance devices in the home may be needed. 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 rehabilitation assistance, a large number of which are occupied by seniors.

The Huntington Beach Recreation/Human Services Cultural Division operates the Rodgers Senior Center, the Senior Outreach Center and the City’s 164 unit senior housing complex, Emerald Cove. Programs offered at the Senior Center include recreational and social activities, a meals program, preventative healthcare, transportation services, and supportive services including care management, community counseling, support groups and referral services. The City is currently evaluating a new location to construct a 45,000 square foot senior center to better serve its residents needs. 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.

### **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 Census reports 7,082 female-headed households in Huntington Beach; 4,153 of these households had children. Of those households with children, 676 (16%) lived in poverty. 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” (PS-S), a program aimed at assisting low-income, single parents 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 began PSS in

1985 as part of HUDs program, and has since gained national attention as one of the most successful programs in the country.

### **Persons with Disabilities**

A disability is defined as a long lasting condition 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.

According to the 2000 Census, an estimated 13 percent of Huntington Beach residents (25,127 persons) have one or more disabilities. Approximately 2,800 of the City's disabled population have mobility/self-care limitations and require assistance in daily living. Of the City's senior population, approximately one-third have one or more types of disabilities.

The living arrangements for persons with disabilities depend 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 of California Community Care Licensing Division 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. These three facilities provide capacity for 14 adults.

**Accessibility 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 of Huntington Beach allows homeowners to build ramps into single-family dwellings to allow first floor access for physically disabled residents. Such ramps or guardrails are permitted to intrude into the standard setbacks required under zoning, and are subject only to a building permit. This provision eliminates the need to obtain a zoning variance. The City also makes rehabilitation funds available to income qualified households for accessibility improvements. The City coordinates with the Dayle MacIntosh Center to maintain a directory of accessible housing for physically disabled individuals.

The City does not require special building codes or onerous project review to construct, improve, or convert housing for persons with disabilities. Residential care facilities with six or fewer persons are permitted by right in all residential zoning districts and several commercial districts. Care facilities with seven or more persons are also permitted in all residential districts and several commercial districts, subject to a conditional use permit.

## Homeless

The Orange County Housing and Community Services Department (HCS) defines homelessness as not having a permanent address, sleeping in places not meant for habitation, not having ample food and medical attention or a place to change clothes or bathe. Using this broad definition, HCS estimates there are nearly 35,000 homeless in the County. The County's homeless population is comprised of about 30 percent individuals and 70 percent families, including an estimated 16,300 homeless children. For these 35,000 homeless, there are only about 3,400 available beds, including 1,512 emergency shelter beds and 1,888 beds in transitional housing facilities.<sup>4</sup> An additional 1,875 units of supportive services housing are available.

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 around 50 persons in the warmer months, with the numbers declining during the winter.<sup>5</sup> Approximately  $\frac{3}{4}$ 's are single men and  $\frac{1}{4}$  are women, with no "visible" homeless families in street locations. 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, as well as directly with the County to refer homeless to available services, but have found most individuals resistant to services. [American Family Housing \(formerly Shelter for the Homeless\) in adjacent Midway City reports providing transitional housing for 14 Huntington Beach families and individuals during 2007, and indicates approximately one-third of their walk-in clients seeking services are from Huntington Beach.](#)

[The McKinney-Vento Homeless Education Assistance Act ensures access to free public education for homeless children and youth. Under the Act, all school districts are required to designate a local liaison whose responsibilities include ensuring homeless youth and children are identified and enroll in school, receive educational services for which they are eligible, and are provided every opportunity to succeed in school. In Orange County, each district's liaison annually reports the number of homeless youth and children to the County Department of Education.<sup>6</sup> For school year 2006-07, a total](#)

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<sup>4</sup> Orange County Grand Jury 2005-2006, "The Homeless Crisis in Orange County."

<sup>5</sup> Lieutenant Mike Reynolds, H.B. Beach Police Department, Special Enforcement Bureau, August 2007.

<sup>6</sup> [The Act defines homeless as individuals who lack a fixed and adequate nighttime residence, and includes children and youth temporarily sharing the housing of others; living in cars, motels, trailer parks, or camping grounds due to the lack of alternative adequate accommodations; or living in emergency or transitional shelters.](#)

of 322 homeless children and youth were reported within the Huntington Beach Union High School District, and another 56 in the Huntington Beach City School District. These figures would indicate that in addition to the “visible” homeless identified by the City’s Police Department, a much higher population of persons living on the edge of homelessness exist in the City. Of the 13,130 homeless children and youth identified through School Districts County-wide, 89 percent were double or tripled up in housing, 6 percent were staying in motels, 4 percent in shelters, and 1 percent were unsheltered in cars, parks, campgrounds, etc.

In July, 2005, “2-1-1 Orange County” was established 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 of Huntington Beach Economic Development and Community Services staff 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 owns and contracts out operation of the Huntington Beach Youth Shelter, a twelve bed 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 is funding upgrades to the Youth Shelter, and also funds the shelter’s gang prevention program operated out of the Oakview Community Center.
- In 2005 and 2006, the City provided funding to support the 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 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.
- American Family Housing, 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 a total of twelve units in the Oakview neighborhood and provide units at affordable rents for extremely to very low income families, and is currently considering CDBG funding support for its transitional housing program.

- The City has also partnered with Orange County Community Housing to purchase and rehabilitate 8 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.
- The Huntington Beach Jobs Center, located adjacent to the Oakview neighborhood, helps prevent homelessness by assisting the local day laborer population in gaining skills and finding both short and longer term employment. The Economic Development Department contracts with the Orange County Workforce Investment Board/One-Stop Center for administration of the Center, providing a location for job seekers to meet with prospective employers, as well as offering a variety of employment services, including counseling on work habits and employer expectations; access to online job databases; ESL classes; and credit education.

## **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 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 no specialized housing programs targeted to this group beyond overall programs for housing affordability.

## **C. HOUSING STOCK CHARACTERISTICS**

This section identifies the characteristics of Huntington Beach's physical housing stock. This includes an analysis of housing growth trends, housing conditions, lead-based paint hazards, housing prices and rents, and housing affordability.

### **1. Housing Growth**

Table II-12 displays housing production in the City, compared to neighboring cities and the entire Orange County region. Between 1990 and 2000, Huntington Beach's housing stock grew by a modest 4 percent, similar to Costa Mesa, Fountain Valley and Westminster, but less than half the 11 percent housing growth Countywide. During the 2000s, housing growth has been more modest throughout most of the region.

According to the State Department of Finance (2007), Huntington Beach has a current housing stock of 77,962 units, representing an increase of 2,283 units (or 3%) since 2000. As an older community with little remaining vacant residential land for new development, housing growth over the past 3-4 years has primarily been attributable to infill on small residential sites.

Major housing developments under construction include the Pacific City, Blue Canvas, and Brightwater Projects that will, in total, add over 1,000 new units to the City. The Pacific City Project will include 516 condominiums, retail, restaurants, entertainment, hotel, and office uses. The Blue Canvas Project will add 201 multi-family units in conjunction with a 2-acre public park. And Brightwater, currently in unincorporated Orange County, will consist of 349 single-family homes on approximately 105 acres, with almost 40 acres to be used for habitat restoration. The City has also received applications for two higher density mixed-use projects near Interstate 405 that could potentially add up to 1,000 rental and condominium units within four and five-story buildings. Related to these projects, the City is also in the process of developing a Specific Plan for the Beach Boulevard/Edinger Avenue corridor that is anticipated to provide sites for residential and mixed-use development to accommodate an additional 2,000 multi-family units.

**Table II-12  
Regional Housing Growth Trends**

Jurisdiction	1990	2000	2007	Percent Change	
				1990-2000	2000-2007
Anaheim	93,177	99,719	101,510	7%	2%
Costa Mesa	39,611	40,406	40,987	2%	1%
Fountain Valley	18,019	18,473	18,742	3%	2%
<b>Huntington Beach</b>	<b>72,736</b>	<b>75,679</b>	<b>77,962</b>	<b>4%</b>	<b>3%</b>
Irvine	42,221	53,711	74,936	21%	28%
Newport Beach	34,861	37,288	42,580	7%	14%
Santa Ana	75,000	74,588	75,375	-1%	1%
Seal Beach	14,407	14,267	14,538	-1%	2%
Westminster	25,892	26,940	27,398	4%	2%
Orange County	875,105	969,484	1,024,692	11%	6%

Source: U.S. Census 1990, 2000. Dept of Finance 2007 Population and Housing Estimates.

## 2. Housing Type and Tenure

Table II-13 presents the mix of housing types in Huntington Beach. Typical of a built out community, the overall distribution of housing types in Huntington Beach has remained relatively stable. Of the City's nearly 78,000 housing units in 2007, 62 percent were single-family homes and 34 percent were multi-family units. Huntington Beach also has 18 mobilehome parks with over 3,100 mobilehome units, comprising 4 percent of the City's housing.

**Table II-13  
Housing Type 1990 – 2007  
City of Huntington Beach**

Unit Type	1990		2000		2007	
	Units	Percent	Units	Percent	Units	Percent
Single-Family (SF) Detached	34,537	48%	36,952	49%	38,564	50%
SF Attached	8,904	12%	9,457	12%	9,467	12%
<i>Total SF</i>	<i>43,441</i>	<i>60%</i>	<i>46,409</i>	<i>61%</i>	<i>48,031</i>	<i>62%</i>
2 to 4 Units	9,487	13%	9,666	13%	9,866	12%
5 or more units	16,608	23%	16,463	22%	16,924	22%
<i>Total Multi-Family</i>	<i>26,095</i>	<i>36%</i>	<i>26,129</i>	<i>35%</i>	<i>26,790</i>	<i>34%</i>
<i>Mobile Homes &amp; Other</i>	<i>3,200</i>	<i>4%</i>	<i>3,141</i>	<i>4%</i>	<i>3,141</i>	<i>4%</i>
<b>Total Housing Units</b>	<b>72,736</b>	<b>100%</b>	<b>75,679</b>	<b>100%</b>	<b>77,962</b>	<b>100%</b>
<b>Vacancy Rate</b>	<b>5.3%</b>	<b>-</b>	<b>2.7%</b>	<b>--</b>	<b>2.7%</b>	<b>-</b>

Source: U.S. Census 1990, 2000. Dept of Finance 2007 Population and Housing Estimates.

Housing tenure refers to whether a housing unit is owned, rented or is vacant. Tenure is an important indicator of the housing climate of a community, reflecting the relative cost of housing opportunities, and the ability of residents to afford housing. Tenure also influences residential mobility, with owner units generally evidencing lower turnover rates than rental housing. According to the 2000 Census, 61 percent of Huntington Beach’s households were homeowners, comparable to the County as a whole, and representing an increase from the City’s 58 percent homeownership rate in 1990.

**Table II-14  
Housing Tenure  
City of Huntington Beach**

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

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

Figure 3 illustrates the percentage of renter households in Huntington Beach by census tract. As indicated by this figure, the highest concentrations of renter households (55-78 percent) are generally located in the following neighborhoods: Downtown; west of Beach Boulevard and south of Garfield (including the Yorktown-Lake and Garfield neighborhoods); and central Huntington Beach between Talbert and Edinger, east of Goldenwest (including the Oak View, Newland and Washington neighborhoods). Many of the neighborhoods in Huntington Beach with a high population of renters also correspond to the City’s CDBG Enhancement Areas (depicted in Figure 2).

### **Vacancy Rate**

A 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 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 demand and supply of housing. A lower vacancy rate may indicate that households are having difficulty in finding housing that is affordable, leading to overcrowding or households having to pay more than they can afford.

As measured by the 2000 census, the citywide residential vacancy rate in Huntington Beach was 2.7 percent for all housing units, and 0.9 percent for owner-occupied units and 2.0 percent for rental units. The USC Lusk Center for Real Estate documents a continuation of the tight housing market in Huntington Beach, with a 2.2 percent apartment vacancy rate in 2006. The REALFACTS rent survey of nearly 6,000 apartment units in the City documents a 3.1 percent rental vacancy in 2<sup>nd</sup> quarter 2007. These continued low vacancy rates indicate that a high ‘pent-up’ housing demand exists and that finding housing in the community is challenging for many households.

### **Figure 3 Renter-Occupied Units**

### 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. Table II-15 displays the age of Huntington Beach’s occupied housing stock by owner/renter tenure as of 2000. As a mature community, the majority of Huntington Beach’s housing stock consists of units older than 30 years of age. Among owner-occupied housing, 78 percent of units were constructed prior to 1970, and is reflective of the community’s numerous older single-family neighborhoods. A similar proportion of renter housing is greater than 30 years in age (79%); this housing is typically of lesser quality construction and suffers more wear-and-tear from tenants than owner-occupied housing.

**Table II-15  
Age of Housing Stock 2000  
City of Huntington Beach**

<b>Year Structure Built</b>	<b>Renter Occupied Housing</b>	<b>Percent Renter</b>	<b>Owner Occupied Housing</b>	<b>Percent Owner</b>	<b>Total Percent</b>
1990-2000	1,190	4%	4,124	9%	7%
1980-1989	4,885	17%	5,702	13%	14%
1970-1979	11,747	40%	14,420	32%	36%
1960-1969	8,325	29%	18,324	41%	36%
1950-1959	1,748	6%	1,595	3%	5%
1940-1949	537	2%	258	<1%	1%
1939 or earlier	640	2%	313	<1%	1%
<b>Total</b>	<b>29,072</b>	<b>100%</b>	<b>44,736</b>	<b>100%</b>	<b>100%</b>

Source: U.S. Census 2000.

The advanced age of the majority of Huntington Beach’s housing stock indicates the significant 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. Through these programs, residents are encouraged to become educated on the City’s municipal and zoning codes and to establish neighborhood and other community partnerships to find ways to keep their neighborhoods blight-free.

#### Housing Conditions Survey

During February through August 2007, City Code Enforcement staff conducted a Citywide windshield survey to identify neighborhoods with deteriorated or deteriorating

housing conditions<sup>7</sup>. The survey examined the exterior and publicly visible areas of units, rating each unit as “good”, “fair” or “poor” 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  
City of Huntington Beach**

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

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 4):

- 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, they were responsible for 42 percent of all code enforcement activity and 51 percent of all code violations recorded citywide.

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<sup>7</sup> 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 or properties.”

In August 2007, the City Council adopted a resolution designating these four areas of concentrated deteriorated housing as Special CDBG Code Enforcement areas, refining the boundaries of the City's prior eight Enhancement Areas. They will become the focus of increased code enforcement and neighborhood preservation efforts to improve the quality of life and condition of housing within these neighborhoods.

### **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.

**Figure 4 Deteriorated/Deteriorating Areas**

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## 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

According to the USC/Casden Multi-Family Market Report<sup>8</sup>, the supply of apartments in Orange County exceeded demand during 2006. Huntington Beach witnessed a negative net absorption of 30 units, compared to a positive absorption of 330 units in 2005. Rents increased by 6.7 percent in Huntington Beach to an average of \$1,442 per month, comparable to Countywide average rents of \$1,472. Despite the increase in rents, the Huntington Beach rental market remained tight, with an apartment vacancy rate of only 2.2 percent. With several large apartment projects in the planning stages in Huntington Beach, the increase in supply should result in increasing the rental vacancy rate to a more healthy level.

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 nearly 6,000 units were included in the rent survey. These properties range in size from 96 to 448 units, with 221 being the average number of units per property. The year of construction ranges from 1964 to 1987, with 1973 being the average. Twenty-six of the properties were classified as Class C construction, with one complex rated Class B. The lack of Class A properties is indicative of the older age of these properties.

As illustrated in Table II-17, during the 2<sup>nd</sup> quarter of 2007, the average rents in these complexes ranged from \$1,086 for a studio, \$1,332 for a one-bedroom, \$1,599 to \$1,692 for a two-bedroom (1 to 2 bath), and \$1,795 for a three-bedroom unit. The overall average rent for all unit types was \$1,472, a 5.4 percent increase from the prior year. The average rent for all properties surveyed Countywide was \$1,551.

In order to examine rental trends within a longer time frame, Table II-17 also provides information on the history of rental costs for these 5,972 units from 2001 through 2<sup>nd</sup> quarter 2007. As indicated by these data, overall rents increased by six percent during 2001-2003, and nearly 14 percent during 2004-2006, for an average annual rent increase of 3.3 percent over the last six years. In contrast, comparing average rents in 2<sup>nd</sup> quarter 2006 (\$1,397) to 2<sup>nd</sup> quarter 2007 (\$1,472) indicates an increase of 5.4 percent, well above the 3.3 percent annual average during 2001-2006, although still slightly below the Countywide average rent increase of 6.1 percent.

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<sup>8</sup> 2007 Southern California Multi-family Market Report, Casden Forecast, USC Lusk Center for Real Estate.

Occupancy levels in Huntington Beach's 5,972 surveyed units are 96.9 percent, the third lowest among the 23 jurisdictions surveyed. As a matter of reference, rental vacancy levels of around 5% (95% occupancy) are considered ideal by SCAG for sufficient tenant mobility.

**Table II-17  
Apartment Rental Trends 2001-2007  
City of Huntington Beach**

Unit Type (Bd/Bth)	2001	2002	2003	2004	2005	2006	2nd Quarter 2007	% Change 2001-2003	% Change 2004-2006	% Change 2Q 2006-2Q 2007
Studio	\$857	\$865	\$891	\$918	\$956	\$1,021	<b>\$1,086</b>	4.0%	11.2%	7.8%
1	\$1,004	\$1,029	\$1,062	\$1,103	\$1,176	\$1,267	<b>\$1,332</b>	2.5%	14.9%	5.7%
2/1	\$1,221	\$1,242	\$1,286	\$1,336	\$1,424	\$1,508	<b>\$1,599</b>	5.3%	12.9%	7.5%
2/2	\$1,270	\$1,308	\$1,342	\$1,388	\$1,482	\$1,587	<b>\$1,692</b>	5.7%	14.3%	8.4%
3/2	\$1,467	\$1,557	\$1,653	\$1,665	\$1,834	\$1,977	<b>\$1,795</b>	12.7%	18.7%	-8.1%
2 TH	\$1,421	\$1,458	\$1,471	\$1,518	\$1,603	\$1,687	<b>\$1,744</b>	3.5%	11.3%	2.8%
3 TH	\$1,558	\$1,612	\$1,674	\$1,719	\$1,818	\$1,935	<b>\$1,987</b>	7.4%	12.6%	2.7%
<b>Average</b>	\$1,129	\$1,162	\$1,197	\$1,238	\$1,319	\$1,408	<b>\$1,472</b>	6.0%	13.7%	5.4%

Source: REALFACTS, July 2007  
NOTE: TH = Townhomes

## Homeownership Market

### *Regional Trends*

Southern California is experiencing a significant decline in the volume of single-family and condominium sales, placing downward pressure on home prices. Data Quick reports that sales in October 2007 have dropped to their lowest level for any October in DataQuick's statistics, which go back to 1988, and reflect a 45 percent decline from the prior year. While the initial slow down in sales in 2006 was coming off the heightened pace of sales activity in 2004 and 2005 and had little impact on price, beginning in January 2007, Southern California<sup>9</sup> prices had fallen 2 percent below the prior year's levels. As of October, sales prices were 8 percent below the prior year, with approximately three-quarters of the Southland's zip codes evidencing a drop in sales prices. Sales price declines are most pronounced in the lower end of the market, with prices in the upper half of the market flat or modestly increasing as potential sellers wait the market out. Slow sales, flat appreciation, and subprime lending activity have all contributed to significant increases in foreclosures, with the number of mortgage default notices in Southern California the highest in ten years. Within Orange County, the number of single-family and condominium units sold declined 42 percent and dropped 8.2 percent in value during October 2007 compared to the prior year.

<sup>9</sup> Data Quick Southern California sales statistics encompass the following counties: San Diego, Riverside, San Bernardino, Orange, Los Angeles, Ventura, and Santa Barbara.

### ***Huntington Beach Housing Sales***

Table II-18 compares single-family and condominium sales prices in Huntington Beach and nearby communities by zip code during the month of October 2007. A total of 73 single-family homes were sold within the City's four zip codes. Median sales prices ranged from \$553,000 in zip code 92646 (southeast), \$599,000 in zip code 92647 (northeast), \$1,073,000 in 92648 (coastal and Downtown), and \$1,165,000 in 92649 (west, including Huntington Harbour); Figure 5 depicts the median sales price by zip code. The City's two lower priced zip codes (92646 and 92647) evidenced a 12-14 percent drop in sales prices from the prior year, whereas the two higher priced areas of the City (zip codes 92648 and 92649) saw price increases of 12 and 34 percent respectively. Countywide, the median single-family sales price was \$650,000, a two percent decline from the prior year. Of the eight communities evaluated in Table II-18, 18 of the 24 zip codes experienced a drop in single-family home prices. The six zip codes not yet impacted by price declines were all at the upper end of the sales market.

Condominiums comprised one-third of Huntington Beach's October housing sales, with 36 units sold. Median prices ranged from \$380,000 to \$575,000, in contrast to a Countywide median of \$415,000 (refer to Figure 5). Similar to single-family homes, those areas of the City with the highest priced condominiums (zip codes 92648 and 92647) continued to experience price appreciation, ranging from 6 to 11 percent, respectively. In contrast, price declines ranging between 18 and 28 percent were evidenced in zip codes 92649 and 92646. Countywide, condominium sales prices fell an average of 6 percent during October.

**Table II-18  
Single-Family Homes and Condominium Sales October 2007  
Huntington Beach and Nearby Communities**

<b>Community</b>	<b>Zip Code</b>	<b># Homes Sold</b>	<b>Median Home Price</b>	<b>% Change from 10/2006</b>	<b># Condos Sold</b>	<b>Median Condo Price</b>	<b>% Change from 10/2006</b>
<b>Anaheim</b>	92801	11	\$490,000	-15.6%	2	\$321,000	-21.4%
	92802	7	\$473,000	-21.9%	4	\$399,000	-19.7%
	92804	25	\$505,000	-14.0%	1	\$351,000	-20.6%
	92805	12	\$450,000	-22.4%	n/a	n/a	n/a
	92806	5	\$510,000	-22.4%	1	\$310,000	-31.0%
<b>Costa Mesa</b>	92626	16	\$663,000	-3.6%	n/a	n/a	n/a
	92627	20	\$795,000	9.7%	6	\$402,000	-18.8%
<b>Fountain Valley</b>	92708	21	\$610,000	-7.6%	6	\$206,000	-46.1%
<b>Huntington Beach</b>	92646	24	\$553,000	-14.4%	18	\$380,000	-27.6%
	92647	13	\$599,000	-11.9%	6	\$400,000	10.7%
	92648	19	\$1,073,000	12.3%	8	\$575,000	5.5%
	92649	17	\$1,165,000	33.9%	4	\$392,000	-18.3%
<b>Newport Beach</b>	92660	17	\$1,505,000	19.9%	9	\$759,000	-15.5%
	92661	6	\$3,450,000	-23.3%	n/a	n/a	n/a
	92663	7	\$2,600,000	30.0%	8	\$700,000	35.3%
<b>Santa Ana</b>	92701	4	\$510,000	-13.1%	6	\$320,000	7.6%
	92703	4	\$538,000	-6.8%	1	\$235,000	-34.7%
	92704	6	\$503,000	-16.9%	6	\$286,000	-23.7%
	92705	17	\$750,000	-7.4%	2	\$333,000	27.2%
	92706	7	\$614,000	-10.8%	n/a	n/a	n/a
	92707	13	\$455,000	-28.3%	7	\$225,000	-41.2%
<b>Seal Beach</b>	90740	11	\$948,000	1.9%	5	\$345,000	-0.7%
<b>Westminster</b>	92683	23	\$525,000	-11.8%	2	\$428,000	0.1%
<b>Orange County</b>	All	939	\$650,000	-2.3%	408	\$415,000	-5.7%

Source: DQNews - October 2007 Los Angeles Times Zip Code Chart, <http://www.dqnews.com>

## Figure 5 Median Housing Sales Prices

While the prior Table II-18 provides a one month snapshot of the subregional housing sales market, the following Table II-19 provides detailed information on all sales of existing and new single-family homes and condominiums within the Huntington Beach city limits from August 1, 2006 - July 31, 2007. A total of 1,151 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 \$435,000 (one-bedroom) to \$850,000 (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. Most homes were well over thirty years in age, 1968 being the average year built. Unit sizes are relatively modest, averaging only 1,718 square feet. The overall median home price in Huntington Beach was \$769,000 for a 1,700 square foot home built in 1968.

**Table II-19**  
**Home and Condominium Sales Prices August 2006 - July 2007**  
**City of Huntington Beach**

# Bdrms	Units Sold	Price Range	Median Price	Avg. Unit Size	Avg. Lot Size	Avg. Year Built
<b>Single-Family Homes</b>						
1	10	\$405,000-\$1,371,000	\$435,000	740 sq. ft.	2,280 sq. ft.	1952
2	96	\$335,000-\$2,975,000	\$582,500	1,206 sq. ft.	5,034 sq. ft.	1965
3	575	\$326,080-\$852,840	\$735,000	1,563 sq. ft.	8,251 sq. ft.	1968
4	411	\$390,000-\$5,650,000	\$819,000	1,943 sq. ft.	6,610 sq. ft.	1968
5+	59	\$619,500-\$2,720,000	\$850,000	2,539 sq. ft.	8,036 sq. ft.	1970
<b>Total</b>	<b>1,151</b>	<b>\$326,075-\$5,650,000</b>	<b>\$769,000</b>	<b>1,718 sq. ft.</b>	<b>7,328 sq. ft.</b>	<b>1968</b>
<b>Condominiums</b>						
1	109	\$192,000-\$910,000	\$352,500	743 sq. ft.	--	1978
2	306	\$247,500-\$1,550,000	\$480,000	1,134 sq. ft.	--	1980
3	80	\$330,000-\$2,400,000	\$544,000	1,442 sq. ft.	--	1978
4	3	\$720,000-\$1,290,000	\$995,000	2,015 sq. ft.	--	1967
<b>Total</b>	<b>498</b>	<b>\$192,000-\$2,400,000</b>	<b>\$460,000</b>	<b>1,094 sq. ft.</b>	<b>--</b>	<b>1979</b>

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

Approximately one-third of all units sold between August 2006 - July 2007 were condominiums. Median prices for condominiums ranged from \$352,500 to \$995,000, with an overall median price of \$460,000. Whereas the vast majority of single-family homes were three and four bedroom units, condominiums were predominately one and two-bedroom units, selling for approximately \$100,000 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, with approximately a dozen units selling for over \$1,000,000 located primarily in the Pacific Coast Highway Coastal Corridor and in Huntington Harbour.

## 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.

California Health and Safety Code<sup>10</sup> defines affordable owner and rental housing costs as follows:

### Affordable Ownership Housing Cost – moderate income

- Housing costs consist of mortgage debt service, homeowner association dues, insurance, utility allowance and property taxes.
- Affordable costs are up to 35% of the defined household income.
- Affordable costs for moderate income households are based on standard of 110% of Area Median Income (AMI) for a household size equal to one more person than the number of bedrooms in the unit.

### Affordable Renter Housing Cost

- Housing costs include rent plus utilities paid for by the tenant.
- Affordable rent is up to 30% of the defined household income.
- Affordable rents are based on a standard of 50% of AMI for very low income households; 60% of AMI for low income households; and 110% AMI for moderate income households for a household size equal to one more person than the number of bedrooms in the unit.

The HUD published 2007 Area Median Income for a four-person household in Orange County is \$78,700.

Based on these definitions of income and affordable housing cost, Table II-20 presents the maximum affordable purchase price for moderate income households (110% MFI), and compares this with market sales prices for single-family homes and condominiums in Huntington Beach as previously documented in Table II-19. As illustrated below, median single-family home prices in Huntington Beach are well beyond the level of affordability for moderate income households. For example, the maximum affordable purchase price for a moderate income four person household is \$308,320, whereas the median priced three bedroom home in Huntington Beach is \$735,000, an affordability gap of \$426,680.

Escalation in sales prices over the past several years have placed even condominiums out of reach to households earning moderate incomes. As shown in Table II-20, the maximum affordable purchase price for a three person household is \$278,820, whereas the median priced two-bedroom condominium in Huntington Beach sells for \$480,000, an affordability gap of \$201,180.

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<sup>10</sup> Health and Safety Code Section 50052.5 establishes affordable housing cost, and Section 50053 establishes affordable rents.

**Table II-20**  
**2007 Maximum Affordable Housing Cost (Moderate Income)**  
**Orange County**

<b>Moderate Income Affordable Housing Cost</b>	<b>1 Bedroom (2 persons)</b>	<b>2 Bedroom (3 persons)</b>	<b>3 Bedroom (4 persons)</b>	<b>4 Bedroom (5 persons)</b>
Household Income @ 110% Median	\$69,300	\$77,880	\$86,570	\$93,500
Income Towards Housing @ 35% Income	\$24,250	\$27,250	\$30,300	\$32,725
Maximum Monthly Housing Cost	\$2,020	\$2,270	\$2,525	\$2,725
Less Expenses:				
Utilities	(\$93)	(\$105)	(\$142)	(\$158)
Taxes (1.15% affordable hsg price)	(\$220)	(\$250)	(\$280)	(\$300)
Insurance	(\$85)	(\$100)	(\$115)	(\$130)
HOA Fees & Other	(\$180)	(\$180)	(\$180)	(\$180)
Monthly Income Available for Mortgage	\$1,442	\$1,635	\$1,808	\$1,957
Supportable Mortgage @ 6.25% interest	\$234,200	\$265,540	\$293,640	\$317,840
Homebuyer Downpayment (5%)	\$11,710	\$13,280	\$14,680	\$15,890
<b>Maximum Affordable Purchase Price</b>	<b>\$245,910</b>	<b>\$278,820</b>	<b>\$308,320</b>	<b>\$333,730</b>
<b>City Median Single-Family Sales Price</b>	<b>\$435,000</b>	<b>\$582,500</b>	<b>\$735,000</b>	<b>\$819,000</b>
<b>City Median Condo Sales Price</b>	<b>\$352,500</b>	<b>\$480,000</b>	<b>\$544,000</b>	<b>\$995,000</b>

Source: Karen Warner Associates.

Table II-21 presents the maximum affordable rents for very low, low and moderate income households by household size, and compares with median apartment rents in Huntington Beach, as documented in Table II-17. As the table below indicates, Citywide median rents are well above the level of affordability for very low and low income households, with the affordability gap ranging from \$400 to \$950 per month depending on household size. As household size increases, so does the affordability gap. Households earning moderate incomes, however, are easily able to afford market rents in Huntington Beach.

**Table II-21**  
**2007 Maximum Affordable Rents**  
**Orange County**

<b>Income Level</b>	<b>Maximum Affordable Rent After Utilities Allowance*</b>			
	<b>Studio (1 person)</b>	<b>1 Bedroom (2 person)</b>	<b>2 Bedroom (3 person)</b>	<b>3 Bedroom (4 person)</b>
Very Low Income	\$680	\$694	\$780	\$842
Low Income	\$746	\$852	\$957	\$1,038
Moderate Income	\$1,435	\$1,640	\$1,842	\$2,022
<b>Huntington Beach Median Apt Rents</b>	<b>\$1,086</b>	<b>\$1,332</b>	<b>\$1,599</b>	<b>\$1,795</b>

\*For comparability with advertised rentals, affordable rent calculations subtract the following utility expenses based on the Orange County Housing Authority utility allowance schedule: \$80 for studios, \$93 for 1 bdrms, \$105 for 2 bdrms, and \$142 for 3 bdrms

Source: Karen Warner Associates

## 5. 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, 2008-2018 planning period.

### Assisted Housing Inventory

As presented in Table II-22, Huntington Beach has a sizable stock of assisted rental housing, totaling 1,440 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 local redevelopment programs.

**Table II-22  
Assisted Rental Housing Inventory  
City of Huntington Beach**

Project Name	Tenant Type	Total Units	Affordable Units	Applicable Programs	Potential Conversion Date
<b>City Multi-Family Revenue Bond Projects</b>					
Emerald Cove	Senior	164	164 VL/Low	City Bond	Perpetuity
Huntington Breakers	Family, Senior, Disabled	342	68	City Bond	2020
Five Points Villas	Senior	166	32 VL 16 Mod	City Bond, RDA Set-Aside	2029
<b>Federally Assisted Projects</b>					
Huntington Villa Yorba	Family	198	192	Section(J)(1) Section 8	2013 Annual Renewals
Wycliffe Gardens (Huntington Gardens)	Senior	185	185	Section 231 Section 8	2016 Annual Renewals
<b>Redevelopment Agency Assistance</b>					
Bowen Court Apartments	Senior	20	20 VL	Set-Aside, Land Lease	2062
Bridges Apartments	Family	80	80 VL/Low	Set-Aside, Inclusionary	2032
Colette’s Children’s Home	Transitional - Domestic Violence	8	8 VL	Set-Aside	2064-2066
Fountains Senior Apartments	Senior	271	80 VL/Low	Set-Aside, Bond Financing	2063
Hermosa Vista Apartments	Family	88	88 VL/Low	Set-Aside, Bond Financing	2064
Huntington Pointe	Family	104	104 VL/Low	Set-Aside, Bond Financing	2063
Interval House	Transitional - Domestic Violence	6	6 VL/Low	Set-Aside, HOME	2031

**Table II-22**  
**Assisted Rental Housing Inventory (cont'd)**

<b>Project Name</b>	<b>Tenant Type</b>	<b>Total Units</b>	<b>Affordable Units</b>	<b>Applicable Programs</b>	<b>Potential Conversion Date</b>
Jamboree Oakview	Family	10	9 VL 1 L	Set-Aside, HOME	2066
OCCHC – Oakview, Keelson, Koledo 1-5, Queens	Family	64	64 VL	Set-Aside, HOME	2024 - 2060
Project Self-Sufficiency	Family	9	9	Set-Aside	2024
Shelter for the Homeless Keelson, Barton 1 & 2	Family	12	12 VL	Set-Aside, HOME	2024 - 2032
Sher Lane Apartments	Family	66	66 VL, Low, Mod	Set-Aside	2032
Sea Air Apartments 725-733 Utica	Family	36	36	Set-Aside	2024
<b>Density Bonus Projects</b>					
Oceanaire Apts 7811 Talbert	Family	65	62 Low/Mod	Density Bonus	2026
16791 Roosevelt	Family	3	1 Low	Density Bonus	2033
16811 Roosevelt*	Family	13	1 VL/1 Low	Density Bonus	2066
1301 Delaware	Family	30	3 Low/Mod	Density Bonus	2031
<b>Non-Assisted Projects</b>					
Main Place Apts	Family	29	26 Low	Inclusionary, Non-assisted	2031
Beachview Villas (SRO)	Single/Dbf Occupancy	107	106 VL/Low	Non-assisted	Perpetuity

Source: City of Huntington Beach Economic Development Department, August 2007.

\*Required affordable units provided off-site at 7912 Newman Street

### **At-Risk Projects**

This section evaluates those lower income rental projects in Huntington Beach at-risk of converting to market-rate uses prior to June 30, 2018. As shown in Table II-23, two affordable housing projects are considered to be at-risk during this period - Wycliffe Gardens and Huntington Villa Yorba. Both of these projects maintain Section 8 project-based Housing Assistance Plan (HAP) contracts with HUD subject to annual renewals.

Wycliffe (Huntington) Gardens is a 185 unit Section 231 senior project with a mortgage extending through 2016, and project-based Section 8 contracts subject to annual renewals HUD. In November 2006, the owner of Wycliffe Gardens provided a Notice of Intent to Prepay to the City, HUD, the State, and tenants of the project. City Economic Development staff are currently working with an experienced non-profit housing developer (Orange Housing Development Corporation) in an effort to negotiate the acquisition and continued affordability of Wycliffe Gardens, or alternatively, the extension and preservation of the existing affordable terms and Section 8 housing assistance.

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. The project’s mortgage now extends through May 2013, with the Section 8 contract subject to annual renewals.

### 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-23, 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-23  
Market Value of At-Risk Projects**

Project Units	Wycliffe 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	\$1,483,172	\$2,658,172
Gross Annual Income	\$2,730,000	\$3,451,920	\$6,181,920
Net Annual Income	\$1,554,500	\$1,968,748	\$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 \$1,700 (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***

Wycliffe 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 Wycliffe Gardens and Huntington Villa Yorba and associated bedroom mix, the total cost of subsidizing rents in these projects is estimated at approximately \$100,000 per month, or \$1.2 million annually, translating to \$23 million in subsidies over a 20-year period.

**Table II-24  
Required Rent Subsidies for At-Risk Projects**

# Bdrms	# Units	Fair Market Rents	Hhld Size	Hhld Income (50% AMI)	Max. Afford Rent	Per Unit Subsidy	Total Monthly Subsidy	Total Annual Subsidy
1 bdrm	206	\$1,238	2 person	\$31,500	\$984	\$254	\$52,324	\$627,888
2 bdrm	152	\$1,485	3 person	\$35,400	\$1,180	\$305	\$46,360	\$556,320
3 bdrm	19	\$2,125	4 person	\$39,350	\$2,164	\$0	\$0	\$0
<b>Total</b>	<b>377</b>						<b>\$98,684</b>	<b>\$1,184,208</b>

### ***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 discussions with a non-profit housing developer active in Huntington Beach and greater Orange County, current purchase prices for market rate apartment buildings in Huntington Beach range anywhere from \$180,000 - \$230,000/unit. Therefore, the cost to replace the 377 at-risk units in Huntington Beach can generally be estimated to range from \$67 to \$86 million.

### **Cost Comparisons**

In terms of cost effectiveness for preservation of the 377 at-risk units, 20 years worth of rent subsidies (\$23 million) are less expensive than transfer of ownership (\$55 million), or purchase of replacement units (\$67-\$86 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.

## D. REGIONAL HOUSING NEEDS

State law requires all regional councils of governments, including the Southern California Association of Governments (SCAG) to determine the existing and projected housing need for its region and determine the portion allocated to each jurisdiction. This is known as the “Regional Housing Needs Assessment” (RHNA) process.

### 1. Existing Housing Needs

#### Overcrowding

The Census defines overcrowding as an average of more than one person per room in a housing unit (excluding kitchens, porches, and hallways). The incidence of overcrowded housing is a general measure of whether there is an available supply of adequately sized housing units. Table II-25 shows the incidence of overcrowding in Huntington Beach by tenure, as measured by the 2000 Census.

**Table II-25**  
**Overcrowded Households 2000**  
**City of Huntington Beach and Orange County**

<b>Overcrowding</b>	<b>Households</b>	<b>Percent</b>	<b>Orange Co. %</b>
<b>Owners</b>			
Overcrowding	1,000	2%	8%
Severe Overcrowding	271	<1%	4%
<b>Renters</b>			
Overcrowding	3,752	13%	28%
Severe Overcrowding	2,244	8%	19%
<i>Total Overcrowding</i>	4,752	6%	16%

Source: U.S. Census, 2000. Severe overcrowding is a subset of overcrowding.

In 2000, there were 4,752 households living in overcrowded conditions in Huntington Beach, representing 6 percent of all households. Approximately 13 percent of renter households were overcrowded, an increase from 1990 levels when 10 percent of the City’s renters were overcrowded. However, household overcrowding levels for the County are over double the rates of overcrowding in Huntington Beach.

Severe overcrowding, which is defined as more than 1.5 persons per room, was especially high among renters. Over 2,200 renter households (8%) experienced severe overcrowding, again an increase from 1990 levels (5% and 1,500 households). As illustrated in Figure 6, the Oak View neighborhood in central Huntington Beach evidenced the highest levels of overcrowding, with 38 percent, or 619 renter households severely overcrowded. Oak View is one of the City’s CDBG Enhancement Areas as well as a Redevelopment Project Area, and continues to be a major focus for City neighborhood improvement activities.

## Figure 6 Severe Renter Overcrowding

## Overpayment

The 2000 Census indicates that overpayment remains a critical need for low and moderate-income households, who are disproportionately affected by this burden compared to other households. Affordability problems occur when housing costs become so high in relation to income that households have to pay an excessive proportion of their income for housing, or are unable to afford any housing and are homeless. Housing overpayment refers to spending more than 30 percent of income on housing; severe overpayment is spending greater than 50 percent. Table II-26 shows the incidence of overpayment in Huntington Beach.

**Table II-26**  
**Housing Overpayment**  
**City of Huntington Beach and Orange County**

<b>Overpayment</b>	<b>Households</b>	<b>Percent</b>	<b>Orange Co. %</b>
<b>Owners</b>			
Overpayment (>30% income on housing)	11,227	26%	32%
Severe Overpayment (>50% income on housing)	3,851	9%	10%
<b>Renters</b>			
Overpayment (>30% income on housing)	10,751	38%	44%
Severe Overpayment (>50% income on housing)	4,485	16%	19%
<b>Total Overpayment</b>	21,978	30%	37%

Source: U.S. Census, 2000.

Note: Severe overpayment is a subset of overpayment.

According to the 2000 Census, 38 percent of renters and 26 percent of homeowners in Huntington Beach were spending more than 30 percent of their total income on housing, about six percent below the level of overpayment experienced Countywide. Severe overpayment impacts 16 percent of the City's renters, which, while significant, is still below the Countywide average of 19 percent. In terms of lower income (<80 percent AMI) households overpaying, 9,012 lower income renters and 5,530 lower income homeowners were faced with overpayment in Huntington Beach, indicating nearly 85 percent of overpaying renters earned lower incomes.

Figure 7 shows locations in Huntington Beach with concentrations of severe overpayment among the renter population. Census tracts where 20-25 percent of renters were spending more than half their incomes on rents are located in pockets throughout Huntington Beach. In general, these areas include the greater Downtown/Old Town area, the Adams neighborhood, central Huntington Beach around Goldenwest, the northern Huntington Center area, and throughout Huntington Harbour.

## Figure 7 Severe Renter Overpayment

Table II-27 provides a more detailed review of households that experienced severe housing overpayment. Among renters, the elderly were most impacted by severe overpayment, with one-third of the City's total 2,519 elderly renters spending more than half their income on rent. The addition of 100 units of affordable senior rental housing since the 2000 Census in Bowen Court Senior Apartments and The Fountains Senior Apartments will help to address the housing affordability needs of the City's senior renter households. Among homeowners, all household types experienced fairly comparable levels of severe overpayment, ranging from 9-16%. These households are most at risk of foreclosure, particularly in a declining housing market with rising interest rates.

**Table II-27**  
**Severe Housing Cost Burden by Type and Tenure**  
**City of Huntington Beach**

	<b>Elderly</b>	<b>Small Family</b>	<b>Large Family</b>	<b>Other</b>	<b>Total</b>
<b><i>Renter Households</i></b>					
Total # by household type	2,519	11,324	2,983	12,208	29,034
% with severe cost burden	35%	12%	11%	14%	15%
<b><i>Owner Households</i></b>					
Total # by household type	11,147	22,516	3,812	7,221	44,696
% with severe cost burden	12%	8%	9%	16%	10%

Source: <http://socds.huduser.org/chas/reports>

## 2. Five-Year Projected Housing Needs

California's Housing element law requires that each city and county develop local housing programs to meet its "fair share" of existing and future housing needs for all income groups, as determined by the jurisdiction's Council of Governments. 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 would have to be added to compensate for anticipated demolitions and changes to achieve an "ideal" vacancy rate.

In the six-county southern California region, which includes Huntington Beach, the agency responsible for assigning these regional housing needs to each jurisdiction is the Southern California Association of Governments (SCAG). The regional growth allocation process begins with the State Department of Finance's projection of Statewide housing demand for the planning period, which is then apportioned by the State Department of Housing and Community Development (HCD) among each of the State's official regions.

SCAG has determined the projected housing need for its region for the 2008-2014 Housing Element cycle<sup>11</sup>, and has allocated this housing need to each jurisdiction by income category. This is referred to as the Regional Housing Needs Assessment (RHNA) process. 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 HCD approval of the Housing Element.

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

As defined by the RHNA, Huntington Beach's new construction need for the 2008-2014 period been established at 2,092 new units, distributed among the four income

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<sup>11</sup> The 2008-2014 SCAG Housing Element planning period extends beyond the typical five-year planning cycle to provide consistency with projections contained within SCAG's Integrated Growth Forecast

categories as shown in Table II-28. The City 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.

**Table II-28**  
**Regional Housing Needs Assessment 2008-2014\***  
**City of Huntington Beach**

<b>Income Level</b>	<b>Percent of AMI**</b>	<b>Units</b>	<b>Percent</b>
Very Low***	0-50%	454	22%
Low	51-80%	369	17%
Moderate	81-120%	414	20%
Above Moderate	120%+	855	41%
<b>Total</b>		<b>2,092</b>	<b>100%</b>

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

\* Building permits issued since 1/2006 are credited towards the 2008-2014 RHNA.

\*\* AMI - Adjusted Median Income for Orange County

\*\*\* An estimated half of the City's very low income housing needs (227 units) are for extremely low income households.