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9 Attorneys for Plaintiffs
10 CITY OF HUNTINGTON BEACH, a California Charter City, and Municipal Corporation,
11 HUNTINGTON BEACH CITY COUNCIL, and
12 MAYOR OF HUNTINGTON BEACH, TONY STRICKLAND, and
13 MAYOR PRO TEM OF HUNTINGTON BEACH, GRACEY VAN DER MARK

14 UNITED STATES DISTRICT COURT
15 CENTRAL DISTRICT OF CALIFORNIA

16 CITY OF HUNTINGTON BEACH, a
17 California Charter City, and Municipal
18 Corporation, the HUNTINGTON BEACH
19 CITY COUNCIL, MAYOR OF
20 HUNTINGTON BEACH, TONY
21 STRICKLAND, also as an individual, and
22 MAYOR PRO TEM OF HUNTINGTON
23 BEACH, GRACEY VAN DER MARK,
24 also as an individual

25 Plaintiffs,

26 v.

27 GAVIN NEWSOM, in his official
28 capacity as Governor of the State of
California; GUSTAVO VELASQUEZ in
his official capacity as Director of the
State of California Department of Housing
and Community Development; STATE
OF CALIFORNIA DEPARTMENT OF
HOUSING AND COMMUNITY
DEVELOPMENT; SOUTHERN
CALIFORNIA ASSOCIATION OF
GOVERNMENTS; and

CASE NO. 8:23-CV-00421

**FIRST AMENDED COMPLAINT FOR
DECLARATORY RELIEF; INJUNCTIVE
RELIEF**

1. **VIOLATION OF FIRST AMENDMENT OF THE UNITED STATES CONSTITUTION FOR COMPELLED SPEECH**
2. **VIOLATION OF FOURTEENTH AMENDMENT OF THE UNITED STATES CONSTITUTION FOR PROCEDURAL DUE PROCESS**
3. **VIOLATION OF FOURTEENTH AMENDMENT OF THE UNITED STATES CONSTITUTION FOR SUBSTANTIVE DUE PROCESS**
4. **VIOLATION OF THE COMMERCE CLAUSE OF THE UNITED STATES CONSTITUTION (U.S. CONST., ART. I, § 8, CL. 3)**
5. **VIOLATION OF CALIFORNIA CONSTITUTION ARTICLE XI (CHARTER CITY AUTHORITY)**

1 DOES 1-50, inclusive,
2
3 Defendants.
4

- 5 **6. VIOLATION OF CALIFORNIA**
- 6 **GOVERNMENT CODE §§ 65583 *ET.***
- 7 ***SEQ.* (REGIONAL HOUSING NEEDS**
- 8 **ALLOCATION LAWS)**
- 9 **7. VIOLATION OF CALIFORNIA**
- 10 **CONSTITUTION SEPARATION OF**
- 11 **POWERS**
- 12 **8. VIOLATION OF THE CALIFORNIA**
- 13 **CONSTITUTION, ILLEGAL BILL OF**
- 14 **ATTAINDER (U.S. CONST., ART. I, §**
- 15 **10)**
- 16 **9. VIOLATION OF CALIFORNIA**
- 17 **ENVIRONMENTAL QUALITY ACT**
- 18 **(PUBLIC RESOURCES CODE §§ 21000**
- 19 ***ET. SEQ.* (CEQA))**
- 20 **10. VIOLATION OF CALIFORNIA**
- 21 **CONSTITUTION ARTICLE IV,**
- 22 **SECTION 16 (SPECIAL STATUTE)**
- 23 **11. FRAUD**

DEMAND FOR JURY TRIAL

14
15
16 The CITY OF HUNTINGTON BEACH (“City of HB”), the
17 HUNTINGTON BEACH CITY COUNCIL (“City Council” or “Council
18 Members”)¹, the MAYOR OF HUNTINGTON BEACH TONY
19 STRICKLAND, also as an individual (“Mayor”), and the MAYOR PRO TEM
20 OF HUNTINGTON BEACH GRACEY VAN DER MARK, also as an
21 individual (“Mayor Pro Tem”), are all collectively hereinafter referred to
22 together as “City” or together as “Plaintiff(s).” The City bring this lawsuit, now
23 as the First Amended Complaint (“Complaint”), seeking declaratory and
24 injunctive relief for violations committed by various State elected and appointed
25 officials, including GAVIN NEWSOM, in his official capacity as Governor of

26
27 ¹ The HUNTINGTON BEACH CITY COUNCIL is comprised of seven elected
28 Council Members; one Council Member is also the Mayor, and another Council
Member, Mayor Pro Tem. So, when this Complaint refers to “City Council” or
“Council Members,” those terms include the Mayor and Mayor Pro Tem.

1 the State of California (“Governor”); GUSTAVO VELASQUEZ in his official
2 capacity as Director of the State of California Department of Housing and
3 Community Development (“Director”); STATE OF CALIFORNIA
4 DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
5 (“HCD”); SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
6 (“SCAG”); and DOES 1-50, inclusive (all together as “Defendants”), against
7 City (and the rights of all others similarly situated) guaranteed by the First and
8 Fourteenth Amendments of the United States Constitution, Article 1, Section 8,
9 Clause 3 of the U.S. Constitution, Article I Section 7 of California Constitution,
10 Article IV of the California Constitution, Article XI Section 5 of California
11 Constitution, California Government Code Sections 65583, *et. seq.*, California
12 Public Resources Code Sections 21000, *et. seq.*, and Urban Water Management
13 Planning Act (Cal. Wat. Code, §§ 10610, *et. seq.*).

14 By this Complaint the Plaintiff(s), seeks a declaration invalidating, and an
15 order enjoining, the enforcement of California Government Code Sections
16 65583, 65583.1, 65583.2, 65583.3, 65584, 65584.01, 65584.02, 65584.03,
17 65584.04, 65584.045, 65584.05 65584.06, 65584.07, 65584.09, 65584.2, 65585 of
18 Title 7 of the Government Code (which provides State Planning and Land Use
19 Laws), these aforementioned Government Code Sections as a subset is
20 commonly known as the “Regional Housing Needs Allocation Laws”
21 (hereinafter “RHNA Laws”).

22 The Plaintiff(s) bring this Action pursuant to 28 U.S.C. 1331 as
23 Defendants have committed substantial deprivation of Plaintiff(s)’ rights under
24 the U.S. Constitution.

25 The Plaintiff(s) aver the following upon personal knowledge, information,
26 and belief, and based upon the investigation of counsel as to all other facts
27 alleged in the Complaint. Plaintiff(s) requests a trial by jury of all claims so
28 triable.

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GENERAL ALLEGATIONS

I. INTRODUCTION

1. This Complaint arises from violations of the U.S. Constitution and California Constitution and State Statutes, i.e., the Governor, the Director, HCD, SCAG, and other Defendants have commandeered the *rightful and constitutional autonomy and Charter City authority of the City* regarding local land use matters.

2. In 2017 and 2018, California lawmakers passed two packages of housing bills that amended Title 7 of the California Government Code Sections 65000, *et. seq.*, (“Planning and Land Use Laws”) to provide HCD and its Director unbridled and unlimited ability to commandeer Charter Cities’ authority regarding local land use.

3. Among the housing bills, in 2018, the State passed SB 1333, in violation of the California Constitution, requiring Charter Cities to comply with most of Planning Land Use Laws to deprive Charter Cities of their historical local authority to conduct Municipal Affairs, and punish the City of Huntington Beach. The State did this by making the unfounded allegation that housing is a matter of “Statewide Concern.” This lawsuit will prove that the concept of “Statewide Concern” with regard to the State’s Legislative efforts on housing is false.

4. As a practical matter if allowed to proceed, the State, through its Governor, the Director, and the State’s administrative agency, HCD, will continue with an unbridled power play to control all aspects of the City Council’s land use decisions in order to eliminate the suburban character of the City and replace it with a high-density mecca. This will be done through the forced rezoning for high-density housing, including allowing developers to construct high-density projects leaving the City Council with no discretion to deny or condition invasive high-density development.

1 5. In general, the recent housing bills referred to above (as well as new
2 more onerous and capricious ones) combined with existing Planning and Land Use
3 Laws (California Government Code Sections 65000 through 66300 series as
4 “Housing Laws”) deprive the City Council of its authority to zone property, and
5 replace with a State-mandated zoning process. These laws are so flawed,
6 conflicting, vague, arbitrary and capricious, and left to subjective interpretation and
7 application of political actors as to be unconstitutional.

8 6. This rapid, reckless, State-mandated re-development scheme
9 threatens the health, safety, and welfare of the City; it overburdens existing City
10 infrastructure, damages environmentally sensitive areas of the City, and
11 devalues affected private properties.

12 7. The RHNA Laws and actions of Defendants violate free speech in
13 four distinct ways, i.e., individual free speech, elected Council Member free
14 speech, free speech of the City Council body (upon a vote), and the free speech
15 of the City as “government speech.” (See *Shurtleff v. City of Boston*, (2022) 142 S.
16 Ct. 1583, that governments have protected First Amendment “speech”). The seven
17 members of the City Council are each individual free citizens of America and
18 residents of Huntington Beach, elected by the people of Huntington Beach
19 pursuant to the City’s Charter, to serve on the City’s governing body, the City
20 Council. Prior to their election to City Council, each individual has for his or
21 her life enjoyed his or her free speech provided for by the First Amendment of
22 the U.S. Constitution.

23 8. Once elected, these individuals serve the community by making
24 policy and land use decisions as elected City Council Members. Those City
25 Council Members, even in their official capacities as government officials,
26 enjoy his or her free speech provided for by the First Amendment while they
27 each serve in their official capacity as governing leaders of Huntington Beach.

28

1 9. Together as a body of City Council, these Council Members also
2 enjoy free speech provided for by the First Amendment in their vote on a policy
3 or land use decision. The City Council “speaks” as a collective body when a
4 majority of Council Members have voted upon and made a policy or land use
5 decision.

6 10. Finally, the City enjoys free speech provided for by the First
7 Amendment as the City Council votes on a policy or land use decision and that
8 vote, or decision, continues on in the future as a City “statement” or City
9 “ordinance” or City “resolution” or some other form of lasting City speech of
10 the City.

11 11. The Housing Laws, including RHNA Laws as defined above, go far
12 beyond regulating conduct and illegally *force*, in tyrannical fashion, the City to not
13 only conform to the specific political speech of the State, but these laws *force the*
14 *City Council Members, an independent elected body with decision making autonomy*
15 *to make specific statements* of “State speech,” specific findings consistent with
16 “State speech”, and make specific votes pre-approved by the State regarding, and
17 related to, “need for housing” in violation of the City Council Members’ and the
18 City’s, First Amendment rights under the U.S. Constitution. (*Shurtleff v. City of*
19 *Boston, supra*, that governments have protected First Amendment “speech” and;
20 *Expressions Hair Design v. Schneiderman*, (2017) 137 S. Ct. 1144, finding against
21 the State compelling “speech”).

22 12. The State cannot subvert the First Amendment and the California
23 Environmental Quality Act (“CEQA”) by requiring the City Council Members vote
24 in a certain way. The State cannot compel the speech of an independent decision-
25 making body or individual Council Members by virtue of mandating the City
26 Council Members say, adopt, approve, or vote that high-density housing outweighs
27 the negative environmental impacts associated therewith.

28

1 13. The Housing Laws, including RHNA Laws, essentially require the City
2 Council Members to replace their free speech, i.e., the verbal expressions of their
3 freely formed opinions and decision-making thoughts, with the words of the State
4 that advance the State’s political agenda.

5 14. Indeed, these RHNA Laws demand that the City’s Council engage in
6 certain speech while engaged in the local legislative process to say what Governor
7 GAVIN NEWSOM, the Director, HCD, and other State actors want them to say,
8 including but not limited to, there “is a housing crisis,” that Huntington Beach
9 “needs more affordable housing,” that the State “needs more affordable housing,”
10 that “the benefits of high-density development in the City outweigh the negative
11 impacts of high-density development on the environment,” and so on, despite
12 objective evidence to the contrary. The Governor, the Director, HCD, and SCAG
13 use the RHNA Laws regulate, even mandate, *how* the City communicates its stance
14 on housing, what ultimately the Council Members’ “say” in their vote, and what
15 Council Members are compelled to say to the public with regard to “housing need”
16 to justify their vote.

17 15. There is a chilling effect these sweeping RHNA Laws present to the
18 City’s freedom to speak. According to these laws, the City Council must adopt its
19 Housing Element *by necessarily making findings (speech) that RHNA Units imposed*
20 *on the City by the State must be planned for based on some amorphous concept that*
21 *the City (not necessarily the State) needs more housing.* If the City does not adopt
22 this “State speech,” by making these findings, which are demanded by other State
23 environmental laws, the State will punish the City. This is a content-based
24 restriction by the State on how the City Council speaks.

25 16. To illustrate, pursuant to the State’s most prominent environmental
26 laws, CEQA, the City Council is required to adopt a “Statement of Overriding
27 Consideration,” a document containing “statements of findings” by the City
28 Council, in order to justify, as a matter of environmental impact, the massive

1 increase in high-density housing, or not adopt a “Statement of Overriding
2 Consideration” required by CEQA (because the high density zoning is not justified
3 in light of requisite environmental concerns) and not zoned for the massive high-
4 density housing mandated by the RHNA Laws and Defendants, but then face
5 crippling penalties and lawsuits from Defendants.

6 17. The State, through the enforcement of the RHNA Laws, *force* the City
7 Council to “say” through its Statement of Overriding Consideration, which is
8 absolutely required by CEQA, something that the City Council may not otherwise
9 choose to say, may not believe to necessarily be true, e.g., that the benefits of the
10 proposed high-density housing outweigh the negative impacts on the City’s
11 environment. This is not only forcing the City Council to engage in bad
12 government, it is forcing the City Council to “choose” high-density housing over
13 protecting the environment, and it is *forcing* the City Council to “say” both in
14 speeches and in writing that protecting its environment is not a priority – completely
15 contrary to the spirit and strictures of CEQA itself.

16 18. Additionally, the high-density development goals of the RHNA Laws
17 *compel* the City Council to arrive at a “fixed” conclusion in favor of high-density
18 housing even before consideration through public hearings, eventually making a
19 public Statement of Overriding Consideration.

20 19. Using RHNA Laws, Defendants, including HCD, determined in 2021
21 that the City must rezone property to allow the development of 13,368 units of high-
22 density RHNA Units (the 13,368 units mandated on the City is hereinafter “RHNA
23 Units”) with little to no ability for the City to disapprove, condition, or control the
24 development of RHNA Units.

25 20. In order to execute on the State’s asserted mandate of 13,368 RHNA
26 Units at a 20% inclusionary rate (which is HCD’s goal), essentially means that the
27 City must plan for tens of thousands of additional high-density units of housing by
28

1 the end of the current, 6th, Planning Cycle, in 2029.² (hereinafter, “Planning Cycle”)

2 21. Moreover, the State’s recent Housing and RHNA Laws impede on
3 City’s *independent legislative authority* and claim to *prevent judicial review*³ of
4 the HCD *administrative rulings*, which *clearly* violates constitutional principles
5 of Separation of Powers and Procedural and Substantive Due Process afforded
6 by the U.S. Constitution and the California Constitution.

7 22. The RHNA Laws are vague and ambiguous (at best) and create a
8 flawed process that mandates that the City of Huntington Beach zone for of 13,368
9 RHNA Units. The RHNA Laws violate the U.S. Constitution, the California
10 Constitution, and Federal and State law.

11 23. In 2022, the State’s Independent Auditor determined that the
12 State’s/HCD’s 2021 calculations created using flawed RHNA Laws, were
13 erroneous, concluding:

14 “HCD does not satisfactorily review its needs assessments to ensure
15 that staff accurately enter data when they calculate how much
16 housing local governments must plan to build... **HCD could not**
17 **demonstrate that it adequately considered all of the factors that**
18 **state law requires...** This insufficient oversight and lack of support
19 for its considerations risks eroding public confidence that HCD is
20 informing local governments of the appropriate amount of housing
21 they will need.”⁴

22
23
24 ² California cities are on the same Planning Cycle; now in the 6th Planning Cycle,
25 which commenced October of 2021 and concludes October of 2029.

26 ³ The State Legislature amended the RHNA process to *eliminate judicial review*
when it amended Section 65584(c)(4) in 2004.

27 ⁴ Online: California City News, “*Auditor Rips Housing Department Over Flawed*
28 *RHNA Process*,” April 2022, <https://www.californiacitynews.org/2022/04/state-auditor-rips-housing-department-over-flawed-rhna-process.html>

1 24. In addition, the requirement to zone for 13,368 RHNA Units is so
 2 disproportionate to other jurisdictions, the City believes that, if measured by square
 3 mile of City land, the 13,368 is the *highest RHNA number* of any other city
 4 throughout the entire State of California (for the current Planning Cycle).⁵
 5 Moreover, HCD and other Defendants, through the flawed RHNA process, have
 6 allocated highly developed cities like Huntington Beach disproportionately high
 7 RHNA unit mandates, *while reducing the number of RHNA units*, for dozens of
 8 other cities. This skewed, un-uniform, and inconsistent approach to RHNA by the
 9 State undermines the State’s claim that these Housing and RHNA Laws are a matter
 10 of “Statewide Concern.” By their own actions, Defendants prove they are not.

11 25. For decades, the Housing Laws, including RHNA Laws, were adopted
 12 and amended poorly so as to have no productive effect, and only cause a false
 13 narrative and confusion. The poorly enacted RHNA Laws cause cities like
 14 Huntington Beach to be disproportionately burdened while allowing other cities to
 15 zone for very few RHNA Units; and, as will be proven at trial, dozens of other cities
 16 receive no RHNA unit mandates at all, or theirs have been reduced.

17 26. So flawed are the RHNA Laws that the State, in a damning admission
 18 that its own Legislation has been flawed for years, recently passed AB 101, which
 19 states:

20 “this bill, by December 31, 2022, would also require HCD, in collaboration
 21 with the Office of Planning and Research and after engaging in stakeholder
 22 participation, to develop a recommended improved regional housing need
 23 allocation process and methodology that promotes and streamlines housing
 24

25 ⁵ The City of Huntington Beach is approximately 28 square miles, much of it is
 26 environmentally sensitive Wetlands and marshes – so the developable amount of
 27 land in Huntington Beach is far less. At 13,368 units, that is approximately 472
 28 units per square mile. This number would be *much higher* if all of the undevelopable
 Wetlands, marshes, and other sensitive environmental areas were removed from the
 calculation.

1 development and substantially addresses California’s housing shortage, as
2 provided. The bill would require HCD to submit a report on its findings and
3 recommendations to the Legislature upon completion.”⁶

4 27. By virtue of AB 101, the State *admits* that its RHNA Laws (and
5 processes) to determine how many RHNA Units are needed in the State, and
6 individual jurisdictions, must be fixed. As will be demonstrated at trial, a “flawed
7 State mandate” can be no “mandate” on a city at all.

8 28. Moreover, if 13,368 RHNA Units are built in the current Planning
9 Cycle, the size of the Huntington Beach would nearly double overnight, making it
10 impossible for the City to provide for reliable infrastructure (including water, sewer
11 and roads), adequate law enforcement and first response departments, health and
12 safety of the community, a clean and safe environment, to name a few.

13 29. According to the State, if the City does not immediately zone for these
14 13,368 RHNA Units as required by RHNA Laws, Defendants will punish the City.

15 30. On February 15, 2023, the Office of the Governor of California tweeted
16 on social media “Huntington Beach is playing chicken with housing. The state will
17 hold them accountable. California law lets judges appoint a state agent to do their
18 housing planning for them – HB can do it themselves or the court will take
19 control.”⁷ In 2019, at a Press Conference, Governor GAVIN NEWSOM proclaimed
20 that as part of his new housing bills package, he sought to punish cities like
21 Huntington Beach, as he said “the State’s vision [for housing] will be realized at the
22 local level” and “ask the folks down in Huntington Beach.”⁸

23 31. The State’s high density housing proliferation scheme is also flawed in
24 that it targets already-developed areas of the State, does little or nothing to increase
25

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27 ⁶ Online: LegiScan: <https://legiscan.com/CA/text/AB101/id/2047816>

28 ⁷ Online: Twitter: <https://twitter.com/CAGovernor/status/1625898020683538432>

⁸ Online: YouTube: <https://www.youtube.com/watch?v=JSy2VOGkBF8> at 45:30

1 housing development in undeveloped areas of the State, and exempts entirely certain
2 “favored” portions of the State.

3 32. Governor GAVIN NEWSOM, the Director, and other State Defendants
4 advance a false narrative that there is a “housing crisis” yet it has been reported,
5 “according to the 2010 Census, 95 percent of Californians live on just 5.3 percent of
6 the territory in the state.”⁹ In other words, over 95 percent of California is
7 undeveloped and unoccupied. Moreover, it has also been reported that California
8 actually has declining population, that “between April 2020 and July 2022, with the
9 number of residents leaving surpassing those moving in by nearly 700,000.”¹⁰

10 33. While the State of California is facing an electricity crisis due to supply
11 shortages, a drought, and water supply crisis, Defendants continue to peddle this
12 narrative of a need for *more* development, which would put even more strain on all
13 of these resources. In doing so, Defendants *target* already developed suburban cities
14 like Huntington Beach for complete *re-development* to densify and transform
15 suburban single-family communities into high-density suburban cities.

16 34. In addition to a lack of seriousness by the State in creating more
17 housing where it would be productive to do so in undeveloped areas of the State,
18 Defendants have also carved out “favored” portions of the State to be *allowed to*
19 *skirt the very same Housing Laws, including RHNA Laws, which are imposed on*
20 *Huntington Beach*. In a 2019 article, entitled “*Huntington Beach Sued While Marin*
21 *County Exempted from Affordable Housing Requirements*” it was reported that in
22 order to protect Governor GAVIN NEWSOM’s home county, Marin County is
23 “enjoying a moratorium on affordable housing building requirements until 2028.”
24

25 ⁹ Online: Daily News, “*Land Use Regulations are obstacles to the California*
26 *Dream*” April 3, 2019: <https://www.dailynews.com/2019/04/03/land-use-regulations-are-obstacles-to-the-california-dream>

27 ¹⁰ Online: California Globe, “*California Loses Nearly 700,000 Residents Since*
28 *2020*” February 17, 2023: <https://californiaglobe.com/articles/california-loses-nearly-700000-residents-since-2020>

1 To accomplish this, “sneaky language inserted into a 2017 budget trailer bill
2 allowed Marin County to maintain its extra restrictions on how many homes
3 developers can build, giving the finger to the California Anti-NIMBY Statute.”¹¹
4 That Bill was AB 106.

5 35. Defendant Governor GAVIN NEWSOM benefitted his home county of
6 Marin County from having to comply with certain RHNA Laws in the same way the
7 City is required to. Marin County is allowed to flout RHNA Laws; the City of
8 Huntington Beach must plan to build 13,368 RHNA Units while Marin County gets
9 a pass.

10 36. Moreover, it is reported that “It’s at least noteworthy that the affluent
11 suburbs seeking ways around their quotas, mostly in the San Francisco Bay Area,
12 are overwhelmingly Democrat in their political orientation while Huntington Beach
13 is a Republican stronghold. That would be Montecito, home to celebrities galore,
14 including Oprah Winfrey, Rob Lowe, Ellen DeGeneres and, most recently,
15 expatriate British Prince Harry and his wife, actress Meghan Markle.”¹² And,
16 “Some of the sites are vacant while others are occupied, including some shopping
17 centers and churches. None is in Montecito or an adjacent enclave called
18 Summerland, even though the county’s inventory of vacant land includes about a
19 dozen parcels, some of them large, in those two communities. When county officials
20 outlined their plan at a public meeting this month, they were asked why no sites in
21 Montecito were included. County planning director Lisa Plowman said only sites
22
23

24 ¹¹ Online: California Globe, “*Huntington Beach Sued While Marin County*
25 *Exempted From Affordable Housing Requirements*” January 31, 2019:
26 [https://californiaglobe.com/articles/huntington-beach-sued-while-marin-county-](https://californiaglobe.com/articles/huntington-beach-sued-while-marin-county-exempted-from-affordable-housing-requirements)
[exempted-from-affordable-housing-requirements](https://californiaglobe.com/articles/huntington-beach-sued-while-marin-county-exempted-from-affordable-housing-requirements)

27 ¹² Online: CalMatters, “*As City-State Housing War Heats Up, One Rich California*
28 *Enclave Gets A Pass*” February 26, 2023: [https://calmatters.org/commentary/](https://calmatters.org/commentary/2023/02/housing-quota-montecito-enclave)
[2023/02/housing-quota-montecito-enclave](https://calmatters.org/commentary/2023/02/housing-quota-montecito-enclave)

1 whose owners were interested in development were chosen and no one in Montecito
2 or Summerland was amenable to dense multi-family housing.” *Id.*

3 37. If housing and development were of real concern to the State, the
4 Governor would not have vetoed a bill in 2022 which sought to prevent foreign
5 governments from coming into the State and buying up its precious land resources.¹³
6 The fact that Governor GAVIN NEWSOM vetoed such legislation is another act
7 that undermines any claim that housing and its high-density development is a matter
8 of “Statewide Concern.”

9 38. Governor GAVIN NEWSOM, the Director, and other Defendants have
10 claimed repeatedly that housing, homelessness, and urban development is a matter
11 of “Statewide Concern.” Their actions are to the contrary.

12 39. If increasing housing was a matter of “Statewide Concern,” (which it
13 can be proven it is not), there would be a focus on housing development in
14 *undeveloped* areas of the State where development could occur without disrupting
15 existing development and it would be far less expensive. Moreover, if increasing
16 housing was a matter of legitimate Statewide Concern, the State could not carve-out
17 special treatment for certain “favored” portions of the State like Marin County.
18 Instead, the State’s agenda is clearly *not* a matter of “Statewide Concern” and is
19 instead nakedly designed to target already-developed suburban cities, to re-develop
20 them, to make them into new high-density urban areas, thereby reducing the amount
21 of private property lot ownership and increasing the amount of multi-family housing
22 for transient living opportunities.

23 40. The favoritism demonstrated by the State is shocking, but it only
24 underscores the lack of consistent application and equal treatment, i.e., “Equal
25 Protection” under the Housing Laws, including RHNA Laws. Moreover, it

26 ¹³ Online: California Globe, “*Newsom Vetoes Bill To Prohibit Foreign*
27 *Governments From Buying CA Agricultural Land*” September 28, 2022:
28 <https://californiaglobe.com/articles/newsom-vetoes-bill-to-prohibit-foreign-governments-from-buying-ca-agricultural-land>

1 highlights to selective and punitive nature of those same laws against cities like
2 Huntington Beach.

3 41. By this Complaint the Plaintiff(s), seeks a Declaration from this Court
4 that the State’s RHNA Laws are invalid and an Order enjoining the enforcement
5 thereof against Plaintiff(s) and other cities similarly situated.

6 42. Plaintiff(s), and on behalf all others similarly situated, brings this
7 lawsuit seeking a Declaration and Injunction to define the limits of a State’s police
8 power. The U.S. Constitution provides such limits, specifically prohibiting
9 unfettered and unchecked “police power” of the State and administrative agencies,
10 like HCD. The issues raised in this Complaint are novel and complex and are of
11 such importance that they can long longer go without judicial review in Federal
12 Court.

13 **II. PARTIES**

14 43. Plaintiff, CITY OF HUNTINGTON BEACH (“City of HB”), is and at
15 all relevant times was a Municipal Corporation and Charter City¹⁴ organized and
16 existing under a freeholder’s charter and exercising “Home Rule” powers over its
17 Municipal Affairs, including without limitation local zoning and land use matters, as
18 authorized by Article XI, Section 5 of the California Constitution.

19 44. Plaintiff, HUNTINGTON BEACH CITY COUNCIL (“City Council”
20 or “Council Members”), is and at all relevant times the elected body of seven
21 members, elected by the People of the City. This City Council body of seven
22 members also includes the Mayor and Mayor Pro Tem.

23 45. Plaintiff, MAYOR OF HUNTINGTON BEACH TONY
24 STRICKLAND, also as an individual (“Mayor”), is and at all relevant times elected
25 by the City Council as the leader of the City Council pursuant to the City’s Charter.

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27
28 ¹⁴ Online: Charter, City of Huntington Beach: https://library.qcode.us/lib/huntington_beach_ca/pub/municipal_code/item/charter-preamble

1 46. Plaintiff, MAYOR PRO TEM OF HUNTINGTON BEACH GRACEY
2 VAN DER MARK, also as an individual (“Mayor Pro Tem”), is and at all relevant
3 times elected by the City Council as a leader of the City Council pursuant to the
4 City’s Charter.

5 47. Defendant GAVIN NEWSOM (“Governor”) is and at all relevant times
6 was the Governor of the State of California. He is being sued in his official
7 capacity.

8 48. Defendant GUSTAVO VELASQUEZ (“Director”) is and at all relevant
9 times was the Director of the State of California Department of Housing &
10 Community Development. He is being sued in his official capacity.

11 49. Defendant SOUTHERN CALIFORNIA ASSOCIATION OF
12 GOVERNMENTS (“SCAG”) is and at all relevant times was the Southern
13 California Association of Governments, acting as a body to further the
14 implementation of the Housing Laws and RHNA Laws as defined above in concert
15 with, or as an extension of, the STATE OF CALIFORNIA DEPARTMENT OF
16 HOUSING & COMMUNITY DEVELOPMENT.

17 50. Defendant, STATE OF CALIFORNIA DEPARTMENT OF
18 HOUSING & COMMUNITY DEVELOPMENT (“HCD”) is and at all relevant
19 times was a Department of the State of California.

20 **III. POTENTIAL PARTIES**

21 51. The City is ignorant of the true names and capacities of those
22 Defendants sued herein as DOES 1 through 50, inclusive, and therefore sue those
23 Defendants by such fictitious names. City will amend this Complaint to allege the
24 true names and capacities of these fictitiously named Defendants when the same
25 have been ascertained.

26 52. There are several individuals and/or entities whose true names and
27 capacities are currently not known to the City. Evidence may come forth that others
28 are legally responsible and liable to the City to the extent of the liability of the

1 named Defendants. The City will seek leave of the Court to amend this Complaint to
2 reflect the names and capacities should they become known. The City reserves the
3 right to amend this claim pursuant to Fed. R. Civ. P. 15(a) and Fed. R. Civ. P. 21
4 with leave of the Court to add potential additional defendants and additional
5 allegations and claims.

6 **IV. JURISDICTION AND VENUE**

7 53. Plaintiff(s) bring this Action pursuant to 28 U.S.C. 1331 as Defendants
8 have committed substantial deprivation of Plaintiff(s)' rights under the U.S.
9 Constitution.

10 54. Defendants have deprived Plaintiff(s) of First Amendment rights,
11 Constitutional rights of Procedural and Substantive Due Process, and Defendants
12 have violated the Commerce Clause of the U.S. Constitution. Accordingly, this
13 Court has federal question jurisdiction under 28 U.S.C. Sections 1331 and 1343.
14 This Court has authority to award the requested Declaratory Relief under 28 U.S.C.
15 § 2201; and the requested Injunctive Relief and damages under 28 U.S.C. § 1343(a).

16 55. Venue is proper in the Central District of California under U.S.C. §
17 1391(b)(2) because a substantial part of the events or omissions giving rise to the
18 claim occurred, or a substantial part of property that is the subject of the action is
19 situated.

20 56. The City of HB has standing to bring this action as a Municipal
21 Corporation, created and existing and known as the "City of Huntington Beach"
22 pursuant to Huntington Beach Charter Section 100, California Constitution Article
23 IX section 9, which is a "person" within the meaning of Fourteenth
24 Amendment, and is entitled to its protection. (*River Vale v. Orangetown*, 403 F.2d
25 684, 1968 (2d Cir. 1968)). The City of Huntington Beach was not created by the
26 State. In fact, the City, invoking Article XI of the California Constitution (which is
27 a document embodying the voice of the people (not the State)), created itself by
28 adopting a Charter and incorporating as Municipal Corporation.

1 57. For decades, the U.S. Supreme Court has viewed Corporations as
2 “persons” (not otherwise created by the State) entitled to Fourteenth Amendment
3 protections, and then most recently, First Amendment Protections under *Citizens*
4 *United v. Federal Election Commission* 558 U.S. 310 (2010). The Ninth Circuit
5 Court of Appeal, citing *Branson Sch. Dist. RE-82 v. Romer*, (1998) 161 F.3d 619,
6 observed that the Supreme Court has expressed a willingness to extend standing to
7 cities depending on the Constitutional Claim. (*City of San Juan Capistrano v. Cal.*
8 *PUC*, (2019) 937 F.3d 1278, 1283-1284).

9 58. Especially in a conflict with the State where individual property rights
10 and individual Constitutional rights are at issue in addition to the City’s property
11 rights and Constitutional rights, the individuals and their Municipal government
12 properly seek recourse in Federal Court.

13 59. Challenges in Federal Court by a Municipal Corporation and Charter
14 City are proper when the State legislation adversely affects a municipality’s
15 proprietary interest in a specific fund of monies; where the State statute violates
16 “Home Rule” powers of a municipality constitutionally guaranteed under Article XI
17 Section 5 of the California Constitution; California Government Code Sections
18 65583, *et. seq.*, and/or where the municipal challenger asserts that if it is obliged to
19 comply with the State statute it will by that very compliance be forced to violate a
20 constitutional proscription as well as conflicting State environmental laws.

21 60. Sovereign immunity does not prevent a suit by Plaintiff(s) to restrain
22 individual officials of the State, thereby restraining the government from violations
23 of the U.S. Constitution. The violations alleged against the Governor and Director
24 are ongoing and continuous, not simply a one-time violation or recurring past
25 violations.

26 61. Defendants Governor and HCD through its Director are charged with
27 the enforcement of the unconstitutional acts alleged herein such that the suit against
28 the official is not equated with a suit against the State.

1 62. Under 28 U.S.C. Section 1367, a Federal District Court may exercise
2 supplemental jurisdiction over State claims that the Federal District Court would not
3 otherwise have.

4 63. The City has performed all conditions precedent to filing this
5 Complaint including exhausting all available administrative remedies. The City of
6 Huntington Beach, although maintaining its belief that it was not *required* to as a
7 matter of State law, has always maintained its Home Rule, Charter City authority,
8 yet followed the RHNA Laws process (under protest) as required by State law.

9 64. The City further alleges that it is excused from exhausting any available
10 administrative remedies it may have since Defendants have determined on multiple
11 occasions they will not accept, agree to, or approve any City claims regarding the
12 flawed RHNA process including City claims that HCD and SCAG failed to follow
13 the State RHNA Laws process and denied the City Substantive and Procedural Due
14 Process, and that the process itself is flawed and the State requirements of 13,368
15 RHNA Units imposed on the City are illegal. Accordingly, any further exhaustion
16 would be a futile act.

17 65. This action challenges the decision made and the action already taken
18 by Defendants and accordingly, not subject to the exhaustion of administrative
19 remedies doctrine.

20 66. Based upon the recent revelations of the State’s Department of
21 Finance’s Independent Auditor’s 2022 Report of findings, the City of Huntington
22 Beach has timely brought this action to challenge the flawed RHNA Laws that
23 require the City to provide land suitable to build 13,368 RHNA Units for this
24 current Planning Cycle.

25 67. City has no plain, speedy, and adequate remedy in the ordinary course
26 of law other than to bring this Action to this Federal Court.

27 ///

28 ///

1 **V. BACKGROUND**

2 68. Since 1969, the California State Legislature has passed laws requiring
3 that *general law* cities and counties adequately plan to meet the future housing
4 needs of people at all income levels in the community. While these laws did *not*
5 require Charter Cities to comply, most Charter Cities voluntarily followed the
6 process, but did not to relinquish their Charter City Constitutional Home Rule
7 authority.

8 69. California’s general law cities (and counties) must meet housing
9 development goals requirements by adopting housing plans as part of their “General
10 Plan” as required by the State.

11 70. General Plans serve as the local government’s “blueprint” for how the
12 city or county will grow and develop and are required to include seven elements.
13 General Plans lay out process; they do not mandate a particular outcome, or
14 production result. One such element of a General Plan that is required is a Housing
15 Element.

16 71. As part of “Housing Element Law” and a subset, RHNA Laws, the
17 State requires that jurisdictions conduct a *regional housing needs assessment*, which
18 in part attempts to determine the future housing needs of a jurisdiction during a
19 planning cycle. Meeting a certain RHNA housing units goal was always a
20 “mandate” for general law cities, but not for Charter Cities. SB 1333 suddenly
21 imposed that same mandate on Charter Cities in 2018.

22 72. The process begins with HCD determining a total housing need for the
23 entire State (the State is divided into regions) (“Regional Determination”). The
24 Regional Determination considers measures of existing housing needs (such as
25 overcrowding and overpayment or rent) in addition to forecast population growth.
26 Orange County and Huntington Beach are within the region covered by Southern
27 California Association of Governments (hereinafter “SCAG”). In this case, HCD
28

1 provided SCAG a Regional Determination of 1,341,827 RHNA allocation for the
2 current Planning Cycle, 2021-2029.

3 73. SCAG developed a methodology for allocating the Regional
4 Determination to each city and county in the region, and each jurisdiction is
5 assigned a RHNA allocation.

6 74. The Council of Governments (“COG”) develops a Regional Housing
7 Need Allocation Plan (“RHNA-Plan”) allocating the Regional Determination to
8 cities and counties within the region. The typical scenario is that HCD, in
9 consultation with each COG, such as SCAG, determines the existing and projected
10 housing needs for each region. (Government Code § 65584.01 (describing the way
11 the needs determination shall be made)). SCAG is responsible for creating a
12 formula for distributing the Regional Determination to local governments/cities.
13 Each city and county must adopt a Housing Element that demonstrates how the
14 jurisdiction will accommodate its assigned RHNA units through its current zoning
15 or potential rezoning program. HCD reviews each jurisdiction’s proposed Housing
16 Element for compliance with State law, i.e., Housing Laws and RHNA Laws.

17 75. Under a comprehensive administrative appeal procedure listed under
18 Government Code Section 65584.04, a COG may adjust the RHNA numbers of
19 one or more local governments, regardless of whether each government is the
20 subject of any appeal.

21 76. Once each local government’s share of the amount of RHNA units,
22 has been finalized upon the conclusion of the appeal process, Housing Laws
23 provide that government’s planning agency must then submit drafts of proposed
24 Housing Elements containing the finalized RHNA units for that local government
25 to HCD for review. HCD then has ninety-days (for adoptions) or sixty-days (for
26 amendments) to provide written comments to the local government, which the
27 local government must consider before final adoption of the Housing Element.

28 77. If HCD finds that a draft Housing Element does not substantially

1 comply with statutory requirements, the local government must either revise the
2 element in accordance with HCD’s recommendations or adopt findings explaining
3 why the local government believes the Housing Element substantially complies
4 with the statute despite HCD’s comments. (Gov’t Code § 65585(f).)

5 78. Once the local government adopts the new or amended Housing
6 Element, the local government must again submit the same to HCD for review.
7 (Gov’t Code § 65585(g).) HCD will then determine whether the Housing Element
8 is in substantial compliance with State law. (Gov’t Code § 65585(h).)

9 79. If a local government fails to submit a compliant Housing Element
10 within the required timeframe or is found to be noncompliant with its RHNA
11 requirements, it can face significant penalties, including the following:

- 12 a. A local government will be subject to a 4-year housing element review
13 cycle, rather than an 8-year cycle. (Gov’t Code § 65588(b).)
- 14 b. A local government will be prohibited from disapproving housing
15 development projects that meet certain affordability requirements, even
16 though the proposed projects are not in conformance with the
17 government’s zoning or general plan (colloquially known as the
18 “Builder’s Remedy”). (Gov’t Code § 65589.5(d)(5).)
- 19 c. Under certain conditions, if a local government fails to complete a
20 required rezoning within the time frame required upon the housing
21 element update, the local government is prohibited from disapproving
22 a housing development project (that is located on property that is
23 required to be rezoned and objectively consistent with the general plan
24 policies and design standards) or from taking certain other actions.
25 (Gov’t Code § 65583(g)(1).)
- 26 d. A court may suspend a local government’s authority to issue any
27 building or zoning permit or any subdivision map approval. (Gov’t Code
28 § 65755(a)(1)-(3).) Conversely, a court may mandate that a local

1 government approve certain housing projects. (Gov't Code §
2 65755(a)(4)-(6).)

3 e. A local government will become the target of lawsuits by both the
4 Attorney General and interested parties, subject to financial penalties.
5 (Gov't Code § 65583(g)(3).)

6 f. The local government will not be eligible for certain State or Federal
7 grant funds. (*See, e.g.*, Health & Saf. Code § 50829.)

8 80. The Governor, the Director, and HCD have threatened to impose all of
9 these remedies on the City of Huntington Beach.

10 81. The process to determine a city's RHNA allocation or determination
11 under the Housing Laws, including RHNA Laws, has some mathematic and pseudo-
12 scientific components, which constitutes the State's "methodology" for determining
13 RHNA units for each city in each planning cycle. However, much of the process to
14 allocate RHNA has been done more and more recently by virtue of an illicit and
15 illegal *ad hoc political* process, in contravention to aforementioned State laws.

16 82. Political gaming has, in actuality, replaced what State RHNA Laws
17 originally sought, which was some verifiable process (the existing law is so
18 convoluted as to be vague) to determine how much housing a particular jurisdiction
19 may actually need in the future.

20 83. Through the RHNA Laws mandate, the State is removing the century-
21 old idea of Euclidian zoning, and replace it with chaotic re-zoning and
22 redevelopment with the excuse that a lack of adequately zoned high-density housing
23 sites exacerbates the already significant deficit of housing affordable to lower
24 income households.

25 **A. Overview of the Current Flawed RHNA Process as to Charter**
26 **Cities**

27 84. For the current Planning Cycle, recent Housing Laws, including RHNA
28 Laws, impermissibly delegated legislative authority to HCD to provide unbridled

1 control and enforcement over the RHNA process and Charter Cities and counties
2 compliance thereto. This has resulted in *HCD-generated mandates*, not actual State
3 laws of themselves, development quotas (in the City’s case, 13,368 RHNA Units for
4 the current Planning Cycle). An administrative agency’s “mandates” are not State
5 laws and as such, they carry no pre-emptive power over a Charter City’s
6 Constitutional local decision-making authority.

7 85. In March 2020, SCAG adopted its 6th Planning Cycle RHNA
8 Allocation Plan SCAG received 1,341,827 housing units, which was distributed to
9 all 197 SCAG jurisdictions (or cities).

10 86. The 1,341,827 high-density RHNA units represents more than twice the
11 number of projected housing units needed by the end of this Planning Cycle in 2029,
12 if Housing Laws were actually followed, the number would really be 651,000
13 RHNA units. That is to say, Defendants have so flawed the RHNA process, that the
14 statewide RHNA goal of 1,341,827 that was produced was more than twice as much
15 than if the Housing and RHNA Laws were actually followed.

16 87. More than half of HCD’s Regional Determination for the SCAG region
17 is due to a number of flawed factors, including HCD’s use of the wrong population
18 forecast, erroneous comparable region data, and vacancy rates, as well as the last-
19 minute substitution of a new methodology that includes overcrowding and cost
20 burdening factors that HCD did not previously consider. HCD’s use of the wrong
21 population forecast, regions that are not comparable to Southern California, and
22 inaccurate and unattainable vacancy rates, as well as a methodology that grossly
23 overestimates the projected housing needs by including overcrowding resulted in
24 double counting the number of required dwelling units for this Planning Cycle,
25 which was also all done in violation of RHNA Laws. Such factors were not included
26 in prior methodologies and such calculations are in violation of statutory law.

27 88. Over the course of 2019, SCAG encouraged public involvement in the
28 development of its RHNA Methodology for its RHNA allocation, and OCCOG

1 participated in and contributed to the development of SCAG’s RHNA Methodology
2 during this time.

3 89. The Orange County member of SCAG, known as “OCCOG,” sent
4 letters to SCAG regarding its RHNA Methodology and ultimate RHNA allocations,
5 and reiterated its strong support for the inclusion of local factors (including growth
6 forecast) as part of the ultimately selected methodology for the allocation of HCD’s
7 Regional Determine to SCAG’s jurisdictions. OCCOG also noted that HCD ignored
8 the language in Government Code Section 65584.01(a) by using the State’s
9 Department of Finance (“DOF”) total regional population forecast instead of
10 SCAG’s forecast.

11 90. On November 7, 2019, during a meeting of the SCAG Regional
12 Council, SCAG introduced a surprise and unanticipated substitute methodology for
13 the RHNA allocation, which had not previously been disclosed to the public. The
14 substitute methodology was later used by SCAG in its RHNA allocation to each
15 local government in its jurisdiction.

16 91. SCAG subsequently submitted its Draft Planning Cycle RHNA
17 Methodology for HCD’s review. On December 19, 2019, SCAG sent HCD a letter
18 regarding HCD’s final Regional Determination and advised that it had incorporated
19 the determination in the development of SCAG’s RHNA Methodology under review
20 by HCD. SCAG reiterated its earlier objections that HCD did not base its
21 determination on SCAG’s total regional population forecast, as required by
22 Government Code Section 65584.01(a). SCAG also objected to HCD’s failure to
23 meet with SCAG, as also required by Government Code Section 65584.01(a).

24 92. On January 13, 2020, contrary to law and common sense, HCD sent a
25 letter to SCAG in which it advised that it had completed its review of SCAG’s
26 RHNA Methodology and found that it furthered the five statutory objectives of
27 RHNA. It did not.

28 93. Previous State law provided that only limited portions of State Planning

1 and Land Use Laws applied to Charter Cities. Charter Cities were free to control
2 land use matters of local concern, because only local governments would know how
3 to meet the needs of their city while not disrupting already existing development,
4 but also not disrupting local sensitive natural environments. The recent amendments
5 to State Planning and Land Use Laws since 2017, i.e., Housing Laws and RHNA
6 Laws, force Charter Cities to follow the new law in contravention of the California
7 Constitution and environmental laws or face excessive penalties.

8 **B. RHNA Reform**

9 94. The California Independent Auditor (defined above as “DOF”) released
10 a 2022 Report highly critical of the RHNA process, finding the Defendants’ RHNA
11 determinations, like the 13,368 RHNA Units assigned to the City, are not supported
12 by evidence. For example, HCD uses a combined vacancy rate of 5% to non-rural
13 counties, while applying a 4% vacancy rate for rural counties. The DOF questioned
14 this vacancy rate because it was not sufficiently justified or supported. In turn, this
15 flawed vacancy rate created substantially higher number of high-density units in the
16 RHNA allocation while under-calculating the needs of Californians to live in single-
17 family homes.

18 95. The State, recognizing the vague, arbitrary, and unsupported process to
19 calculate and allocate RHNA numbers has just recently called for whole scale
20 reform. It is apparent to the City that the State, through COG/SCAG, has relied on
21 faulty housing data and population projections concerning population growth to
22 create and then require cities to implement components of their Housing Elements.

23 96. As part of Assembly Bill 101, which is the damning admission by the
24 State that the RHNA process has been flawed and produces erroneous, unreliable
25 results, HCD was tasked with preparing a report on RHNA reform and to make
26 recommendations to the State Legislature by December 31, 2022. In October 2021,
27 the California State Joint Legislative Audit Committee approved an emergency audit
28 to examine HCD’s RHNA determination process.

1 97. The State’s own actions in 2021 and 2022 to address the RHNA
2 Methodology is an admission enough that the RHNA Laws are flawed, and that
3 Defendants violated Housing Laws and RHNA Laws when arriving at the RHNA
4 “mandates,” and that such flaws cannot possibly produce “mandates” to be imposed
5 on Charter Cities like Huntington Beach.

6 **C. Flawed RHNA Process as Applied to Huntington Beach**

7 98. In addition to creating laws that are vague and ambiguous, Defendants
8 used flawed data in calculating, and then allocating, disproportionately high RHNA
9 units to Plaintiff(s) for the current Planning Cycle. Moreover, HCD and other
10 Defendants, through the flawed RHNA process, have allocated highly developed
11 cities like Huntington Beach disproportionately high RHNA unit mandates, *while*
12 *reducing the number of RHNA units*, for dozens of other cities. This skewed, un-
13 uniform, and inconsistent approach to RHNA by the State undermines the State’s
14 claim that these Housing and RHNA Laws are a matter of “Statewide Concern.” By
15 their own actions, Defendants prove they are not.

16 99. SCAG’s RHNA Methodology to determine a jurisdiction’s existing
17 housing need “assigns *50 percent of regional existing need* based on a jurisdiction’s
18 share of the region’s population within the high quality transit areas (“HQTAs”)
19 based on *future 2045* HQTAs.” Public Resources Code Section 21155(b) defines a
20 HQTC as “a corridor with fixed route bus service with service intervals no longer
21 than 15 minutes during peak commute hours.”

22 100. Public Resources Code Section 21155(b) *does not include future*
23 *planned facilities within the definition*. SCAG’s RHNA Methodology created its
24 own definition of a HQTA as inclusive of planned HQTC. This move by SCAG
25 created a conflict with the State’s statutory definition. SCAG did this deliberately in
26 order to load up the City with additional RHNA allocations. The more SCAG could
27 dump high density RHNA units into Huntington Beach, the less SCAG had to
28

1 allocate to other cities in the region, thus having to deal with less political fall-out
2 from other cities.

3 101. In the current, 6th Planning Cycle, RHNA Plan, the flawed data and
4 disproportionately high (13,368) RHNA Units have caused Plaintiff(s) the
5 impossible task of meeting these exceedingly high demands while trying to balance
6 other State law(s), other necessary zoning considerations, and community needs.

7 102. California Government Code Sections 65583(a)-(c) set forth an
8 extensive list of the analyses, information, and programs that are required to be
9 included in a city's Housing Element component of its General Plan. Among other
10 things, and most importantly to the issues at hand, the HCD-compliant Housing
11 Elements must contain an analysis of population and employment trends, and
12 documentation of projections and quantification of the locality's existing and
13 projected housing needs, for all income levels. According to HCD, the RHNA-Plan
14 process requires local governments to be accountable for ensuring that projected
15 housing needs can be accommodated and provides a benchmark for evaluating the
16 adequacy of local zoning and regulatory actions to ensure each local government is
17 providing sufficient appropriately designated land and opportunities for housing
18 development to address population growth and job generation.

19 103. The City of Huntington Beach informed SCAG on several occasions
20 that SCAG failed to follow the law in California Government Code Section
21 65584.04(b)-(f) when it voted to follow an illegal, vague, arbitrary, and capricious
22 formula that incorrectly allocated an additional approximately 6,000 high-density
23 RHNA units to Plaintiff(s) for the current Planning Cycle.

24 104. This SCAG vote in 2021 was not based on empirical data, the Housing
25 Laws, or the RHNA Laws; instead, the vote was based on last-minute political
26 wrangling between larger, more influential cities pressuring SCAG to take RHNA
27 units away from their cities and force them into other, less politically influential
28

1 cities, like Huntington Beach. Plaintiff(s) was not provided requisite Due Process in
2 participating in this vote.

3 105. It can be demonstrated that the 13,368 RHNA Units allocated to
4 Plaintiff(s) undermines, and does not promote, the critical objectives of
5 socioeconomic equity, placement of housing that can be reached quickly by transit,
6 and achievement of statewide greenhouse gas emissions reduction goals. Housing
7 Laws require that RHNA Units should be allocated based upon empirical data, not
8 political gaming. The result of this vague, arbitrary, and capricious allocation of
9 RHNA is to exaggerate the actual need for housing in Huntington Beach and
10 corresponding cities. Such politicking in the RHNA process and ultimate
11 assignment of RHNA Units to the City demonstrates that the Housing Laws and
12 RHNA Laws were not followed by Defendants, and the fact that it occurred at all
13 undermines the entire RHNA process and RHNA Laws as legitimate, or a mandate.

14 106. Moreover, the location of Beach Boulevard within the City that was a
15 basis of SCAG analysis was *incorrectly* identified by SCAG as a High Quality
16 Transit Area (“HQTA” or High Quality Transit Corridor “HQTC”). This
17 classification of this area of the corridor is important because with the HQTA
18 designation, SCAG could justify assigning, or allocating, *more* high density RHNA
19 Units to the City than it otherwise would. Yet, any observer can see, Beach
20 Boulevard does *not* meet the definition of a HQTA under State Housing Laws and
21 RHNA Laws. SCAG’s Final 6th Cycle RHNA Allocation Methodology explains
22 that HQTAs “are based on state statutory definitions of High Quality Transit
23 Corridors (“HQTCs”) and major transit stops.” Beach Boulevard does not meet that
24 definition. SCAG did not care. Even after the City pointed out the error, SCAG
25 persisted in its misclassification of Beach Boulevard as a “HQTC.”

26 107. HCD’s 2018 Statewide Housing Assessment stated that from 2015-
27 2025, approximately 1.8 million new housing units are needed to meet projected
28 population and household growth. This is 180,000 new homes annually.

1 108. Governor GAVIN NEWSOM included building 3.5 million homes by
2 2025 as part of his 2018 campaign for Governor. This is almost double the amount
3 of housing need calculated in HCD’s 2018 SHA. In February 2020, he stated that
4 the 3.5 million units was a “stretch goal” and that HCD would release a more
5 “pragmatic” estimate of housing needs by region via the Statewide Housing Plan
6 (“SHP”). HCD’s SHP was released in March 2022 and states that California must
7 plan for 2.5 million homes by 2030, with at least 1 million units for lower income
8 households.

9 109. In this Planning Cycle, SCAG received its Regional Determination
10 (approximately 1.3 million units) from HCD on October 15, 2019. SCAG’s
11 Regional Determination was developed under the rhetoric of the Governor’s
12 campaign promises for 3.5 million more homes.

13 110. The region where Governor GAVIN NEWSOM lives is known as
14 “Association of Bay Area Governments” or hereinafter “ABAG;” ABAG received
15 its Regional Determination of only 441,176 units from HCD on June 9, 2020. This
16 was “coincidentally” a few months after Governor GAVIN NEWSOM admitted that
17 3.5 million new homes by 2025 was a “stretch” goal.

18 111. The nationwide average is too low for many reasons. Applying the low
19 nationwide overcrowding adjustment to, ultimately, the City of Huntington Beach,
20 where overcrowding is already occurring, produces a RHNA Units for the City that
21 is far higher than the City could possibly, or reasonably, under Housing Laws and
22 RHNA Laws, absorb.

23 112. The nationwide average rate for overcrowding was used as a tool for
24 HCD to artificially inflate SCAG’s RHNA to help achieve Governor GAVIN
25 NEWSOM’s 3.5 million housing unit campaign promise.

26 113. SCAG knew of this political math and various violations of State laws,
27 but the Director of SCAG indicated that it would not sue HCD for the violations of
28 State laws even though SCAG had formally objected to the Regional Determination

1 but only because the State has “unlimited lawyers” and resources, not because a
2 challenge would not have merit.

3 114. HCD could have used other comparable regions to SCAG such as
4 Manhattan, Houston, or even ABAG instead of erroneously using the *nationwide*
5 average.

6 115. However, Governor GAVIN NEWSOM downplayed his campaign
7 promise once ABAG began its RHNA process so that ABAG cities and their
8 campaign donor residents could avoid the heavy RHNA load coming down from
9 HCD that SCAG was facing in 2021.

10 116. The City of Huntington Beach has relied upon SCAG's RHNA
11 analysis in good faith has made every effort to cooperate with RHNA goals for each
12 and every planning cycle, even though the City believes that as a Charter City, none
13 of the RHNA Laws are “mandates” for Huntington Beach, or that the Housing Laws
14 and RHNA Laws preempt the City’s Constitutional Home Rule authority as a
15 Charter City.

16 117. In apparent contravention with these principles, it appears that HCD
17 and COG/SCAG, all unelected and politically unaccountable bodies, have been
18 unilaterally requiring Plaintiff(s) to increase its housing, thereby increasing demand
19 for water usage and consumption.

20 118. In recent years, the State has made findings to support imposing
21 drought-related restrictions on residents and municipalities. Those same findings
22 resulted in a 26% water consumption *reduction* for Huntington Beach (2015).

23 119. There is no evidence that the State conducted an adequate constraints
24 analysis such that projects built to accommodate the City’s additional RHNA Units
25 would conflict with the new State law and regulation regarding water conservation.
26 (Government Code Section 65584.04 (d)(2).)

27 120. The City appealed the Draft 6th Planning Cycle (2021-2029) RHNA
28 determination totaling 13,368 units, which consists of 3,652 very-low income units,

1 2,179 low income units, 2,303 moderate income units, and 5,203 above-moderate
2 income units. The Appeal was based upon empirical data provided by the City that
3 is comparable to the data used by SCAG and HCD, and which was supported by
4 evidence, including expert reports. This appeal was, to no one’s surprise, denied by
5 SCAG.

6 **VI. CAUSES OF ACTION**

7
8 **FIRST CLAIM FOR RELIEF**
9 **VIOLATION OF FIRST AMENDMENT OF**
10 **THE UNITED STATES CONSTITUTION FOR**
11 **COMPELLED SPEECH**
12 **(As to ALL DEFENDANTS)**

13 121. Plaintiff(s) incorporates paragraphs 1-120 as if fully set forth herein.

14 122. The Housing Laws, including RHNA Laws as defined above, go far
15 beyond regulating conduct and illegally *force*, in tyrannical fashion, the City to not
16 only conform to the specific political speech of the State, but these laws *force the*
17 *City Council Members to make specific statements* of “State speech,” specific
18 findings consistent with “State speech”, and make specific votes pre-approved by
19 the State regarding, and related to, “need for housing” in violation of the City
20 Council Members’ and the City’s, First Amendment rights under the U.S.
21 Constitution. (*Shurtleff v. City of Boston, supra*, and; *Expressions Hair Design v.*
22 *Schneiderman*, (2017) 137 S. Ct. 1144, finding against the State compelling
23 “speech”) For decades, the U.S. Supreme Court has viewed Corporations as
24 “persons” (not otherwise created by the State) entitled to Fourteenth Amendment
25 protections, and then most recently, First Amendment Protections under *Citizens*
26 *United v. Federal Election Commission* 558 U.S. 310 (2010). The Ninth Circuit
27 Court of Appeal, citing *Branson Sch. Dist. RE-82 v. Romer*, (1998) 161 F.3d 619,
28 observed that the Supreme Court has expressed a willingness to extend standing to
cities depending on the Constitutional Claim. (*City of San Juan Capistrano v. Cal.*
PUC, (2019) 937 F.3d 1278, 1283-1284).

1 123. The RHNA Laws and actions of Defendants violate free speech in
2 four distinct ways, i.e., individual free speech, elected Council Member free
3 speech, free speech of the City Council body (upon a vote), and the free speech
4 of the City as “government speech.” The seven members of the City Council are
5 each individual free citizens of America and residents of Huntington Beach,
6 elected by the people of Huntington Beach pursuant to the City’s Charter, to
7 serve on the City’s governing body, the City Council. Prior to their election to
8 City Council, each individual has for his or her life enjoyed his or her free
9 speech provided for by the First Amendment of the U.S. Constitution.

10 124. Once elected, these individuals serve the community by making
11 policy and land use decisions as elected City Council Members. Those City
12 Council Members, even in their official capacities as government officials,
13 enjoy his or her free speech provided for by the First Amendment while they
14 each serve in their official capacity as governing leaders of Huntington Beach.

15 125. Together as a body of City Council, these Council Members also
16 enjoy free speech provided for by the First Amendment in their vote on a policy
17 or land use decision. The City Council “speaks” as a collective body when a
18 majority of Council Members have voted upon and made a policy or land use
19 decision.

20 126. Finally, the City enjoys free speech provided for by the First
21 Amendment as the City Council votes on a policy or land use decision and that
22 vote, or decision, continues on in the future as a City “statement” or City
23 “ordinance” or City “resolution” or some other form of lasting City speech of
24 the City.

25 127. The State cannot subvert the First Amendment and CEQA by requiring
26 the City Council Members vote in a certain way. The State cannot compel the
27 speech of an independent decision-making body or individual Council Members by
28 virtue of mandating the City Council Members say, adopt, approve, or vote that

1 high-density housing outweighs the negative environmental impacts associated
2 therewith.

3 128. Indeed, these RHNA Laws demand that the City’s Council engage in
4 certain speech while engaged in the local legislative process to say what Governor
5 GAVIN NEWSOM, the Director, HCD, and other State actors want them to say,
6 including but not limited to, there “is a housing crisis,” that Huntington Beach
7 “needs more affordable housing,” that the State “needs more affordable housing,”
8 that “the benefits of high-density development in the City outweigh the negative
9 impacts of high-density development on the environment,” and so on, despite
10 objective evidence to the contrary. The Governor, the Director, HCD, and SCAG
11 use the RHNA Laws regulate, even mandate, *how* the City communicates its stance
12 on housing, what ultimately the Council Members’ “say” in their vote, and what
13 Council Members are compelled to say to the public with regard to “housing need”
14 to justify their vote.

15 129. There is a chilling effect these sweeping RHNA Laws present to the
16 City’s freedom to speak. According to these laws, the City Council must adopt its
17 Housing Element *by necessarily making findings (speech) that RHNA Units imposed*
18 *on the City by the State must be planned for based on some amorphous concept that*
19 *the City (not necessarily the State) needs more housing.* If the City does not adopt
20 this “State speech,” by making these findings, which are demanded by other State
21 environmental laws, the State will punish the City. This is a content-based
22 restriction by the State on how the City Council speaks.

23 130. To illustrate, pursuant to the State’s most prominent environmental
24 laws, CEQA, the City Council is required to adopt a “Statement of Overriding
25 Consideration,” a document containing “statements of findings” by the City
26 Council, in order to justify, as a matter of environmental impact, the massive
27 increase in high-density housing, or not adopt a “Statement of Overriding
28 Consideration” required by CEQA (because the high density zoning is not justified

1 in light of requisite environmental concerns) and not zoned for the massive high-
2 density housing mandated by the RHNA Laws and Defendants, but then face
3 crippling penalties and lawsuits from Defendants.

4 131. The State, through the enforcement of the RHNA Laws, *force* the City
5 Council to “say” through its Statement of Overriding Consideration, which is
6 absolutely required by CEQA, something that the City Council may not otherwise
7 choose to say, may not believe to necessarily be true, e.g., that the benefits of the
8 proposed high-density housing outweigh the negative impacts on the City’s
9 environment. This is not only forcing the City Council to engage in bad
10 government, it is forcing the City Council to “choose” high-density housing over
11 protecting the environment, and it is *forcing* the City Council to “say” both in
12 speeches and in writing that protecting its environment is not a priority – completely
13 contrary to the spirit and strictures of CEQA itself.

14 132. Using RHNA Laws, Defendants, including HCD, determined in 2021
15 that the City must rezone property to allow the development of 13,368 units of high-
16 density RHNA Units (the 13,368 units mandated on the City is hereinafter “RHNA
17 Units”) with little to no ability for the City to disapprove, condition, or control the
18 development of RHNA Units.

19 133. Indeed, these RHNA Laws demand that the City’s Council engage in
20 certain speech while engaged in the local legislative process to say what Governor
21 GAVIN NEWSOM, the Director, HCD, and other State actors want them to say,
22 including but not limited to, there “is a housing crisis,” that Huntington Beach
23 “needs more affordable housing,” that the State “needs more affordable housing,”
24 that “the benefits of high-density development in the City outweigh the negative
25 impacts of high-density development on the environment,” and so on, despite
26 objective evidence to the contrary. The Governor, the Director, HCD, and SCAG
27 use the RHNA Laws regulate, even mandate, *how* the City communicates its stance
28 on housing, what ultimately the Council Members’ “say” in their vote, and what

1 Council Members are compelled to say to the public with regard to “housing need”
2 to justify their vote.

3 134. More importantly, the high-density development goals of the RHNA
4 Laws *compel* the City Council to arrive at a pre-ordained, “fixed,” State-contrived
5 conclusion (of implementing high-density development zoning, i.e., the Defendants’
6 RHNA Units) even before the City Council has an opportunity through its rightful,
7 constitutionally provided, legislative process, to hold public hearings and make its
8 own findings on a proposed zoning issue before adopting a “Statement of
9 Overriding Consideration.”

10 135. If the City Council does not adopt this “State speech,” by making these
11 findings, the City will be punished by the State. This is a content-based restriction
12 by the State *on how the City Council speaks* while performing its constitutional
13 legislative function. This compelled speech is a content-based restriction on how the
14 City Council speaks, violative of the Council Members’ First Amendment rights.

15 **SECOND CLAIM FOR RELIEF**
16 **VIOLATION OF FOURTEENTH AMENDMENT OF**
17 **THE UNITED STATES CONSTITUTION FOR**
18 **PROCEDURAL DUE PROCESS**
19 **(As to ALL DEFENDANTS)**

20 136. Plaintiff(s) incorporates paragraphs 1-135 as if fully set forth herein.

21 137. City of HB, as a Municipal Corporation, is a “person” within the
22 meaning of Fourteenth Amendment, and is entitled to its protection. (*River Vale v.*
23 *Orangetown*, 403 F.2d 684, 1968 (2d Cir. 1968)). Plaintiff(s), the City of
24 Huntington Beach, was not created by the State. In fact, the City, invoking Article
25 XI of the California Constitution, created itself by adopting a Charter and
26 incorporating as Municipal Corporation. For decades, the U.S. Supreme Court has
27 viewed Corporations as “persons” entitled to Fourteenth Amendment protections,
28 and then most recently, First Amendment Protections under *Citizens United v.*
Federal Election Commission, supra.

1 138. The Due Process Clause of the Fourteenth Amendment to the U.S.
2 Constitution provides that no State can “deprive any person of life, liberty, or
3 property, without due process of law.” (U.S. Const. Amend. XIV§ 1, cl. 3.)

4 139. The procedural component of the Due Process Clause prohibits the
5 Defendants (and particularly the State’s administrative agencies HCD and SCAG)
6 from creating processes that deprive municipalities and citizens of rights and
7 property without providing a fair process before or after the deprivations have
8 occurred.

9 140. The Fourteenth Amendment safeguards fundamental rights of persons
10 and of property against arbitrary and oppressive state action. (*Thomas Cusack Co. v.*
11 *Chicago*, 242 U.S. 526, 37 S. Ct. 190, (1917)). Involvement of State officials may
12 provide State action essential to show direct violation of City’s Fourteenth
13 Amendment rights, whether an official’s actions were officially authorized, or
14 lawful. (*Flagg Bros., Inc. v. Brooks*, 436 U.S. 149, 98 S. Ct. 172, (1978)).

15 141. The State Legislature amended the RHNA process to *eliminate judicial*
16 *review* of decisions and determinations by the Director, HCD, and/or SCAG when it
17 amended Section 65584(c)(4). This violates Plaintiff(s)’s Procedural Due Process
18 rights because the process begins and ends with HCD.

19 142. In addition, the State’s Housing Laws and RHNA Laws are violative of
20 the City’s Procedural Due Process rights insofar as the State claims preemptive
21 authority over the City’s Constitutional Charter City Home Rule authority, yet *there*
22 *is no State law whatsoever that specifically provides that the City must plan for*
23 *13,368 units of high density RHNA housing units in this Planning Cycle*. In fact,
24 this number of 13,368 RHNA Units of high-density development for the City was
25 created by a flawed administrative process through the Director, HCD, and SCAG,
26 *and not State law*. Since this number of 13,368 RHNA Units is administratively-
27 created and not passed by the State Legislature and signed by the Governor into law,
28 it does not have the force and effect of State law, and therefore can have no pre-

1 empty power over the City’s Constitutional Charter City Home Rule authority.
2 How can an administrative agency’s administratively created “mandate” preempt a
3 Charter City’s Constitutional authority? It cannot. This “mandate” and the Housing
4 Laws and RHNA Laws that have produced this absurdity violate Plaintiff(s)’s
5 Procedural Due Process rights.

6 143. In addition, Defendants did not provide Plaintiff(s) with requisite
7 Procedural Due process before requiring that the Plaintiff(s) absorb and plan for an
8 additional 13,368 RHNA Units in Huntington Beach. As detailed in a letter sent to
9 SCAG by the City of Huntington Beach, in late 2019, SCAG failed to follow the
10 process provided for by State law, i.e., Government Code Section 65584.04. SCAG
11 had improperly voted to permit an illegal, vague, arbitrary, and capricious RHNA
12 Methodology that *incorrectly* allocated an additional approximately 6,000 high-
13 density RHNA Units to the City of Huntington Beach.

14 144. On November 7, 2019, however, during a meeting of the SCAG
15 Regional Council, SCAG introduced a new, last-minute substitute methodology for
16 the RHNA allocation, which had not previously been disclosed to the public or to
17 the City. The 2019 SCAG vote that ultimately resulted in the City being mandated
18 to plan for 13,368 RHNA Units, was not based upon any empirical data, was in
19 violation of the law, and was nothing more than last minute political wrangling.
20 Government Code Section 65584.3 requires that actions taken by the Director,
21 HCD, and SCAG be done according to a vote based on well-established law and
22 grounded in general principles of Due Process.

23 145. On January 13, 2020, the Director and HCD formally admonished
24 SCAG in writing that it’s new, last-minute RHNA Methodology was wrongful and
25 erroneous, claiming that it was failing to further the five statutory objectives of the
26 RHNA Laws. SCAG disregarded, moved forward, and the flawed 13,368 RHNA
27 Units was imposed on the City of Huntington Beach.

28 146. The Director acted under color of State law in an official capacity and

1 within the scope of his official duties when failing to correct the process to
2 implement the RHNA Units. As a direct and proximate cause of the failure to
3 provide any pre or post deprivation process, Plaintiff(s) suffered prejudice under
4 threat of severe civil sanctions.

5 147. Because the State’s RHNA process, by way of its RHNA Laws,
6 violates law, is vague, arbitrary, and capricious regarding the creation of the
7 mandates of 13,368 RHNA Units violates the City’s Due Process and its citizens
8 have, and will, sustain damages.

9
10 **THIRD CLAIM FOR RELIEF**
11 **VIOLATION OF FOURTEENTH AMENDMENT OF**
12 **THE UNITED STATES CONSTITUTION FOR**
13 **SUBSTANTIVE DUE PROCESS**
(As to ALL DEFENDANTS)

14 148. Plaintiff(s) incorporates paragraphs 1-147 as if fully set forth herein.

15 149. The protection afforded by the guarantee of substantive due process
16 interposes a bar to legislation that “manifests a **patently arbitrary classification,**
17 **utterly lacking in rational justification.”** (*Flemming v. Nestor*, 363 U.S. 603, 611
18 (1960)).

19 150. To satisfy Substantive Due Process, a statute must be **sufficiently clear**
20 **to provide adequate notice of the prohibited or required conduct** referred to
21 therein.

22 151. Thus, a statute will be deemed void for vagueness if it either forbids or
23 requires the doing of an act in terms so vague that persons of common intelligence
24 must necessarily guess to its meaning and differ as to what is required. Although
25 these principles apply to both civil and criminal statutes, it is recognized that greater
26 leeway is permitted regarding civil enactments, such as statutory regulation of
27 economic or business matters, because the consequences of imprecision are
28

1 qualitatively less severe. In this case, the penalties amount to near criminal
2 sanctions.

3 152. In addition, the State’s Housing Laws and RHNA Laws are violative of
4 the City’s Substantive Due Process rights insofar as the State claims preemptive
5 authority over the City’s Constitutional Charter City Home Rule authority, yet *there*
6 *is no State law whatsoever that specifically provides that the City must plan for*
7 *13,368 units of high density RHNA housing units in this Planning Cycle*. In fact,
8 this number of 13,368 RHNA Units of high-density development for the City was
9 created by a flawed *administrative* process through the Director, HCD, and SCAG,
10 *and not State law*. Since this number of 13,368 RHNA Units is administratively-
11 created and not passed by the State Legislature and signed by the Governor into law,
12 it does not have the force and effect of State law, and therefore can have no pre-
13 emptive power over the City’s Constitutional Charter City Home Rule authority.
14 How can an administrative agency’s administratively created “mandate” preempt a
15 Charter City’s Constitutional authority? It cannot. This “mandate” and the Housing
16 Laws and RHNA Laws that have produced this absurdity violate Plaintiff(s)’
17 Substantive Due Process rights.

18 153. Yet, the State Legislature amended the RHNA process to *eliminate*
19 *judicial review* of decisions and determinations by the Director, HCD, and/or SCAG
20 when it amended Section 65584(c)(4). Having zero judicial recourse available to
21 resolve disputes of law violates Plaintiff(s)’ Substantive Due Process rights.

22 154. In addition, the RHNA Laws create patently arbitrary classifications of
23 cities (like the City of Huntington Beach) that must disproportionately (based on
24 population and area of the city), shoulder the production of affordable high-density
25 housing for the entire state. Moreover, HCD and other Defendants, through the
26 flawed RHNA process, have allocated highly developed cities like Huntington
27 Beach disproportionately high RHNA unit mandates, *while reducing the number of*
28 *RHNA units*, for dozens of other cities. This skewed, un-uniform, and inconsistent

1 approach to RHNA by the State undermines the State’s claim that these Housing
2 and RHNA Laws are a matter of “Statewide Concern.” By their own actions,
3 Defendants prove they are not.

4 155. For instance, the City of Irvine spanning 66 square miles has a RHNA
5 number per mile that is far less than Huntington Beach; the City of Santa Ana,
6 which spans almost 28 square miles has a RHNA number per mile that is far, far
7 less than Huntington Beach; the City of Anaheim, which spans over 50 square miles
8 has a RHNA number per mile that is far less than Huntington Beach, and the list
9 goes on.

10 156. The RHNA process attempts to add some mathematic and pseudo-
11 scientific components; however most of the process to allocate RHNA is completely
12 unknown or unascertainable by reading the plain language of the RHNA Laws, and,
13 executed by an *ad hoc* political process. The RHNA Laws simply do not provide a
14 real verifiable method used to determine how much housing a particular jurisdiction
15 should have in the future, then how that number translates into housing units that
16 each city or county must plan to build within the Planning Cycle.

17 157. As part of AB 101, explained above, is a recent damning admission by
18 the State Legislature that the Housing Laws and RHNA Laws are fatally flawed.
19 According to AB 101, HCD is now tasked with preparing a report on potential
20 RHNA reform and compelled to make recommendations to the State Legislature by
21 December 31, 2022. In October 2021, the California State Joint Legislative Audit
22 Committee approved an emergency audit to examine HCD’s Regional
23 Determination process.

24 158. The request for an audit was based on an assertion that the public had
25 limited information on the formula that HCD uses to calculate the regional RHNA
26 numbers, and cited confusion and mistrust among regional planning bodies and
27 jurisdictions, and the need for an independent and objective review of the process.

28 159. Because the State’s RHNA process, by way of its RHNA Laws,

1 violates law, is vague, arbitrary, and capricious regarding the creation of the
2 mandates of 13,368 RHNA Units violates the City’s Due Process and its citizens
3 have, and will, sustain damages.

4
5 **FOURTH CLAIM FOR RELIEF**
6 **VIOLATION OF THE COMMERCE CLAUSE OF**
7 **THE UNITED STATES CONSTITUTION**
8 **(As to ALL DEFENDANTS)**

9 160. Plaintiff(s) incorporates paragraphs 1-159 as if fully set forth herein.

10 161. The limitation on the power of the states to act, referred to as the
11 “dormant” commerce clause doctrine, subjects State legislation to a two-pronged
12 inquiry. Where the activity is exclusively in interstate commerce without intrastate
13 aspects, the commerce and supremacy clauses of the U.S. Constitution
14 prohibit state regulation or interference with that activity. It is equally axiomatic that
15 where the activity and its effect is wholly intrastate, the states retain full authority
16 under their police powers to regulate the activity.

17 162. The power that reposes in Congress under the commerce clause
18 extends to three categories of commercial activities: first, the use of the channels of
19 interstate commerce; second, protection of the instrumentalities of interstate
20 commerce or persons or things in commerce; third, those activities affecting
21 interstate commerce. (*Perez v. United States*, 402 U.S. 146 (1971))

22 163. An activity does not need to have a direct effect on interstate commerce
23 to fall within the commerce power, as long as the effect is substantial and economic.
24 (*Wickard v. Filburn*, 317 U.S. 111 (1942)). If the cultivation of wheat on a private
25 farm for private consumption can be drawn into scrutiny under the Commerce
26 Clause, so too should the State’s mandates to plan for approximately 1,300,000 units
27 of high-density housing throughout the State.

28 164. Laws that have an interstate effect by impacting supply and demand for
housing, raw material, and accessibility to housing, is a violation of the Commerce

1 Clause.

2 165. The State has improperly engaged in attempting to discriminate and
3 manipulate housing supply and housing prices by attempting to offering cheaper,
4 more abundant housing than other states. In addition, the requirement imposed upon
5 cities to build housing will have an effect on the supply chain throughout the United
6 States.

7 166. If a state law or local regulation discriminates against interstate
8 commerce in favor of the locality, it is *per se* invalid, save a narrow class of cases in
9 which the municipality can demonstrate, under rigorous scrutiny, that it has no other
10 means to advance a legitimate local interest. “If a restriction on commerce is
11 discriminatory, it is virtually *per se* invalid.” This is what the Defendants are doing.

12 167. Defendants are forcing Plaintiff(s), like other cities in California, to use
13 and divert building supplies and materials from other States to plan for and build
14 additional housing units in the State based on arbitrary and flawed RHNA
15 Methodology. This has a discriminatory effect in the market of supplies and housing
16 and therefore on interstate commerce. Defendants have demonstrated their intent by
17 this scheme to favor developers in California over developers in other states, to
18 ensure that developers in California are favored in the marketplace and receive
19 favorable monetary benefits. These efforts by the Defendants violate the Commerce
20 Clause.

21
22 **FIFTH CLAIM FOR RELIEF**
23 **VIOLATION OF CALIFORNIA CONSTITUTION, ARTICLE XI**
24 **CHARTER CITY AUTHORITY**
(As to ALL DEFENDANTS)

25 168. Plaintiff(s) incorporates paragraphs 1-167 as if fully set forth herein.

26 169. California Government Code Sections 65583 through 65588 (defined
27 above as “RHNA Laws”) unconstitutionally overreaches into Charter City Home
28 Rule Authority.

1 170. Section 5(a) of Article XI of the California Constitution provides that a
2 Charter City shall not be governed by State law in respect to “Municipal Affairs.”
3 Rather, “so far as ‘Municipal Affairs’ are concerned,” Charter Cities’ laws are
4 “supreme and beyond the reach of [State] legislative enactment.” (*California Fed.*
5 *Savings & Loan Assn. v. City of Los Angeles* (1991) 35 Cal.3d 1, 12.)

6 171. Regulation of local land use and local zoning are vital and core
7 functions of local government, and are therefore “Municipal Affairs” of a Charter
8 City. (*City of Irvine v. Irvine Citizens Against Overdevelopment* (1994) 25
9 Cal.App.4th 868, 874).

10 172. “Municipal Affairs” or the “Municipal Affairs Doctrine”¹⁵ is a
11 California Constitutional recognition of Charter Cities’ exclusive authority over its
12 municipal affairs to the exclusion of general State laws. (California Constitution,
13 Art. XI, §5(a).) As a Charter City, the City of Huntington Beach has supreme
14 authority over its Municipal Affairs. Most importantly, the City’s regulation of
15 local land use and zoning within its borders. The California Supreme Court has
16 clearly recognized this general rule: Cities and counties may make and enforce
17 within their limits all local, police, sanitary and other ordinances and regulations not
18 in conflict with general laws. This is the genesis of zoning laws. The zoning
19 schemes were created as part of police power to protect against nuisances.

20 173. State management of zoning taking away local control will take away
21 the core functions of municipality to protect health safety and welfare. Allowing
22 development without ability of discretionary approvals and conditional zoning,
23 create health safety and welfare concerns as well as public and private nuisance.
24 (Cal. Const., Art. XI, § 7).

25 _____
26 ¹⁵ Generations of legislative enactments and judicial interpretations provide that
27 under Article XI, Section 5(a) of the California Constitution, a Charter City is
28 authorized to make and enforce all local laws and regulations, and to be free from
State legislation, over local land use/zoning, city property, funds, tax levies and
other municipal functions.

1 174. The State Legislature has clearly recognized the primacy of local
2 control over land use. The State Legislature has specified certain minimum
3 standards for local zoning regulations, but has carefully expressed its intent to retain
4 the maximum degree of local control. (*IT Corp. v. Solano County Bd. of*
5 *Supervisors* (1991) 1 Cal.4th 81, 89.)

6 175. The principal of local autonomy over local zoning and land use is
7 **guaranteed** to Charter Cities by Article XI, Section 5(a) of the California
8 Constitution. That provision grants Huntington Beach, as Charter City, exclusive
9 authority devoid of any State control, to “make and enforce all ordinances and
10 regulations in respect to **Municipal Affairs**,” such that with respect to “Municipal
11 Affairs,” City authority “shall supersede all [State] laws inconsistent therewith.”
12 (Emphasis added.)

13 176. Plaintiff(s) has exercised this authority to its maximum extent through
14 Charter Section 103, which grants Plaintiff(s) “the power to make and enforce all
15 laws and regulations in respect to Municipal Affairs, subject only to such
16 restrictions and limitations as may be provided in this Charter or in the Constitution
17 of the State of California.” The State must meet a three-part test for any imposed
18 limitations, which is not the case here.

19 177. For the current Planning Cycle, recent legislation in the form of
20 Housing Laws and RHNA Laws as defined above, have not only suddenly stripped
21 the City of its former Charter City authority to making local zoning decisions and
22 plan for itself, the Housing Laws and RHNA Laws also impermissibly delegate
23 (legislative) authority to HCD to make its own rules, methods, and formulas, and to
24 provide unbridled oversight and draconian-level enforcement over the City through
25 the RHNA process. In other words, the Defendants through legislative action have
26 illegally commandeered the City’s rightful, independent Constitutional authority to
27 zone for itself as a Charter City under Article XI, Section 5(a).

28

1 178. Cities are now required to plan for State-mandated sites for housing, or
2 face severe penalties from the State.

3 179. Prior to 2017, this RHNA process did not apply to Charter Cities.
4 However, a flurry of recent housing bills beginning in 2017 originating in both
5 houses of the State Legislature have changed the process from one of City Council’s
6 exercising their free speech, rightful legislative authority, and decision-making
7 power, to illegal State-controlled zoning of cities; from local democracy and public
8 input and participation to an illegal State-level centralized system of mandates and
9 punitive action against cities for non-compliance; from a constitutionally
10 harmonious process of zoning and planning, to an unconstitutional stripping of a
11 Charter City’s constitutional rights.

12 180. In 2017, approximately 150 housing bills were proposed during the
13 legislative session. A package of 15 bills were signed by the Governor related to
14 funding for housing, streamlining development approvals and increasing
15 accountability for meeting the requirements of Housing Element Law.

16 181. These included bills are new requirements adding additional outreach
17 and reporting, modifying the way the RHNA is calculated, increasing the number of
18 topics to be considered in the allocation methodology such as adding a nebulous
19 concept of “furthering fair housing” as a required objective for RHNA and local
20 Housing Elements and giving HCD (on behalf of the State of California) unfettered
21 discretion and the ability to sue individual cities for not meeting requirements in
22 addition to severe fines that may be imposed.

23 182. In March 2020, SCAG adopted its 6th Planning Cycle RHNA
24 Allocation Plan, which covers the planning period October 2021 through October
25 2029. For the 6th Planning Cycle, SCAG received a need of 1,341,827 housing
26 units, which was distributed to all 197 SCAG jurisdictions.

27 183. These Housing Laws and RHNA Laws impede upon Charter City
28 authority to create land use policy that is clearly a local matter. These laws

1 unconstitutionally interfere with the City’s Charter authority to enforce local zoning
2 laws and regulations, including the ability to protect the health, safety and welfare of
3 Huntington Beach residents by creating local zoning schemes that correspond to
4 local needs for land use and management as well as elected officials’ duties to carry
5 out their respective oaths of office in creating local land use legislation.

6 184. Because the RHNA process has now been weaponized by Defendants
7 in land use planning, cities are no longer allowed to prioritize local resource
8 allocation, or decide how to address identified existing and future housing needs.
9 Instead, cities are forced to accept State-level flawed data and assumptions about
10 population, employment and household growth and rezone property and re-develop
11 the City in favor of high-density housing.

12 185. Housing and RHNA Laws require this City, against or irrespective of
13 the City Council’s will, to rezone property to the detriment of private property
14 owners, without providing Due Process to affected owners is unconstitutional.

15 186. Previous State law provided that only limited portions of State Planning
16 and Land Use laws applied to Charter Cities. Charter Cities were free to control
17 land use matters of local concern. The recent amendments to the Housing and
18 RHNA Laws, the way those laws are not followed by Defendants, and the way that
19 those laws allow an administrative agency (HCD) to make zoning decisions in
20 Huntington Beach instead of the City Council, strip Charter Cities of their Article XI
21 rights under the California Constitution.

22
23 **SIXTH CLAIM FOR RELIEF**
24 **VIOLATION OF RHNA LAWS**
25 **(As to ALL DEFENDANTS)**

26 187. Plaintiff(s) incorporates paragraphs 1-186 as if fully set forth herein.

27 188. In arriving at RHNA units allocations for, and imposing them upon,
28 cities, like the 13,368 RHNA Units imposed on Plaintiff(s), Defendants violated
various provisions of State law in the California Government Code Sections 65583

1 through 65588 (defined above as “RHNA Laws”). Such violations are, including but
2 not limited to, those set forth herein.

3 189. For the current Planning Cycle, the State’s HCD assigned the entire
4 SCAG region a total of 1,341,827 RHNA units, based on the region’s existing, and
5 projected, housing needs, to be allocated by SCAG among the local governments
6 located within the SCAG region. The City is one of those local governments.
7 However, HCD, through SCAG, violated RHNA Laws in executing and
8 implementing their own RHNA determinations, which resulted in Defendants
9 illegally and erroneously imposing 13,368 RHNA Units on Plaintiff(s) for the
10 current Planning Cycle.

11 190. To illustrate, the Orange County member of SCAG, known as
12 “OCCOG,” sent a letter to SCAG in 2019 regarding proposed RHNA
13 Methodology options available to distribute the Regional Determination among
14 SCAG’s local governments. Among other points, OCCOG advised that local input
15 was the most important factor in selecting a RHNA Methodology and requested
16 the adoption of such a methodology only *after* HCD provides its Regional
17 Determination to SCAG. OCCOG also advised that it opposed the reallocation of
18 the “above moderate” housing category to other income categories, and raised
19 other issues to be addressed in SCAG’s Regional Determinations. SCAG ignored
20 OCCOG’s requests and proceeded down an illegal path.

21 191. Among other things, HCD did not base its Regional Determination on
22 SCAG’s regional population forecast as stated in its Regional Transportation
23 Plan/Sustainable Community Strategy (“RTP”/”SCS”), which is inconsistent with
24 Government Code section 65584.01(a). This was a violation of the RHNA Laws.

25 192. In addition, HCD did not utilize SCAG’s regional population forecast
26 in its determination, as required under Government Code section 65584.01(a).
27 Instead, HCD utilized the DOF’s population projection, in violation of the State’s
28 Housing Laws and RHNA Laws. This was in violation of the RHNA Laws.

1 193. In addition, HCD did not use comparable regions when evaluating
2 household overcrowding and cost-burden rates, instead utilizing national averages,
3 which is inconsistent with the statutory language of SB 828, Government Code
4 Sections 65584.01 and 65584.05; another instance of the Defendants violating their
5 own State laws.

6 194. In addition, the California Independent Auditor released a 2022
7 Report highly critical of the RHNA process, finding the Defendants' RHNA
8 determinations, like the 13,368 RHNA Units of high-density housing assigned to
9 the City, are not supported by evidence. For example, HCD uses a combined
10 vacancy rate of 5% to non-rural counties, while applying a 4% vacancy rate for
11 rural counties. The DOF questioned and investigated this vacancy rate because it
12 was not sufficiently justified or supported. In turn, this flawed vacancy rate used by
13 HCD in making its Regional Determinations created substantially higher number
14 of high-density units, while under-calculating the needs of Californians to live in
15 single family homes.

16 195. State law that had been proposed as and is known, as "SB 828"
17 requires HCD through COGs to provide data on the overcrowding rate for a
18 comparable housing market, as well as data on the percentage of households that
19 are cost-burdened. HCD utilized unreasonable comparison points to evaluate
20 healthy housing market vacancy rates, using an overall 5% total vacancy rate for
21 both for-sale and rental housing markets, rather than a 5% rate for the rental housing
22 market. SB 828 also requires COGs to provide the vacancy rates in existing stock, as
23 well as the vacancy rates for healthy housing market functioning and regional
24 mobility.

25 196. HCD's evaluation of replacement housing needs was based on an
26 arbitrary internal standard, rather than housing demolition data provided by DOF.

27 197. HCD did not exclude anticipated household growth on tribal land,
28 despite the fact that tribal lands are sovereign nations and not subject to state land

1 use law. HCD utilized an unreasonable adjustment for cost-burden statistics.
2 HCD’s data and use of data were not current.

3 198. Defendants, in particular, HCD, even after repeated warnings from
4 local jurisdictions, refused to follow State Housing Laws and RHNA Laws and
5 instead arrived at, and imposed SCAG, which then imposed on OCCOG, and
6 ultimately to the City of Huntington Beach, arbitrary and unlawful RHNA Units
7 numbers of 13,368.

8
9 **SEVENTH CLAIM FOR RELIEF**
10 **VIOLATION OF CALIFORNIA CONSTITUTION**
11 **SEPARATION OF POWERS**
12 **(As to ALL DEFENDANTS)**

13 199. Plaintiff(s) incorporates paragraphs 1-198 as if fully set forth herein.

14 200. The State has *impermissibly delegated its authority* to administrative
15 agencies the Director, HCD, and SCAG, which have created administrative
16 regulations that, according to the State, have the effect of law regarding the process
17 to certify Housing Elements. Failure to follow these administrative regulations
18 means the City’s Housing Element may not be certified. Failure to certify the
19 Housing Element subjects a City to excessive fines and penalties under the Housing
20 Laws and RHNA Laws. Under this impermissible delegation, the unelected
21 officials of HCD, including the Director, and SCAG, essentially act as and
22 unaccountable shadow legislature, arbiter of disputes, and the enforcement agency –
all without any accountability to the public.

23 201. In addition, because the Defendants, through the deployment of its
24 Housing Laws and RHNA Laws, has *commandeered* the City’s local zoning
25 authority to re-develop Huntington Beach to accommodate the 13,368 RHNA Units.
26 The State is thereby *forcing* the City to act contrary to the health, safety, and well-
27 being of its citizens, to devalue their private property, and to harm the City’s
28 environment. The Defendants are essentially *mandating* by law that the City act to

1 deprive its citizens of their Due Process in the devaluation of their adjacent
2 properties associated with new high-density zoning, where the 13,368 RHNA Units
3 is a foregone conclusion as determined by the Director, HCD and SCAG, leaving
4 the citizens of the community most impacted without a voice at all and without legal
5 recourse.

6 202. These onerous State laws, in particular the Housing Laws and RHNA
7 Laws, send re-development mandates down from on high in violation of the City
8 Council's First Amendment rights and the City's residents' rights under Due
9 Process of law. Neither the City Council nor the City should not be compelled, or
10 mandated, to act as an agent of the State, to do the State's bidding, and to act against
11 the best interests of its citizens and their private property. The City should not be
12 caught in the middle and compelled to disrupt the quiet enjoyment of living of the
13 City's citizens, and the City should not, like a helpless agent of the State, be
14 compelled to redevelop the City at the command of the State without any input from
15 the citizens. In sum, the City should not be compelled to carry out the State's
16 violations of the City's citizens' Due Process.

17 203. Moreover, RHNA Laws, by their own terms, *attempt to preclude*
18 judicial relief. The RHNA process eliminated judicial review when it amended
19 Section 65584(c)(4) in 2004, and impermissibly delegated executive authority to
20 HCD to create administrative "laws" that are enforced by HCD with no review by
21 the courts. Not allowing judicial review to challenge a State Law is a violation of
22 Separation of Powers.

23 204. By the RHNA Laws, the State has improperly intruded upon a core
24 zone of executive authority, impermissibly impeding the exercise of executive
25 functions, and the State retains undue legislative control over a legislative
26 appointee's executive actions, compromising the ability of the legislative appointees
27 to perform their executive functions independently, without legislative coercion or
28

1 interference. *Marine Forests Society v. California Coastal Com.*, 36 Cal. 4th 1
2 (2005).

3 205. **The State has impermissibly delegated legislature authority** to
4 HCD, which then created administrative regulations that claim to have the effect of
5 law regarding the process to certify Housing Elements. Failure to follow these
6 administrative regulations means a City’s Housing Element will not be certified. If
7 not certified, the City can face excessive putative fines and penalties including the
8 requirement to plan for and rezone property (in the case of the City of Huntington
9 Beach, completely re-develop) to accommodate the State’s RHNA mandates.

10 **EIGHTH CLAIM FOR RELIEF**
11 **VIOLATION OF THE CALIFORNIA CONSTITUTION**
12 **ILLEGAL BILL OF ATTAINDER**
13 **(As to ALL DEFENDANTS)**

14 206. Plaintiff(s) incorporates paragraphs 1-205 as if fully set forth
15 herein.

16 207. In the current Planning Cycle, in addition to being subjected to a flawed
17 RHNA mandate of 13,368 units, the City was also subjected to the Defendants
18 singling out Huntington Beach for punishment. The State Legislature passed SB
19 1333, which was a 2018 law designed by the State high density housing advocates
20 to deprive Charter Cities of historic local authority to zone.

21 208. SB 1333 was in direct response to, and the State cites, the City’s
22 *Kennedy Commission v. City of Huntington Beach*¹⁶ a case in which the City
23 prevailed on the merits against the Kennedy Commission on Charter City authority,
24 i.e., that not all of the State’s housing laws applied to Charter Cities.¹⁷ SB 1333 was
25

26 ¹⁶ *Kennedy Commission v. City of Huntington Beach*, 16 Cal App. 5th 841 (2017)

27 ¹⁷ Online: SB 1333 Legislative Text:
28 <https://alcl.assembly.ca.gov/sites/alcl.assembly.ca.gov/files/SB%201333%20analysis.pdf>

1 the State’s response to Huntington Beach’s independent, constitutionally protected,
2 right to locally zone.

3 209. After the City prevailed on a State housing law challenged based on its
4 rightful Charter City authority, in addition to the State Legislature taking action on
5 SB 1333 to deprive Charter Cities of their constitutional rights, various State actors,
6 including Governor GAVIN NEWSOM began to call out Huntington Beach in press
7 releases and other public communications as a target for State punishment.

8 210. In 2019, at a Press Conference, Governor GAVIN NEWSOM
9 proclaimed that as part of his new housing laws package, he sought to punish cities
10 like Huntington Beach, as he said “the State’s vision [for housing] will be realized at
11 the local level” and “ask the folks down in Huntington Beach.”¹⁸ On February 15,
12 2023, the Office of the Governor of California tweeted on social media “Huntington
13 Beach is playing chicken with housing. The state will hold them accountable.
14 California law lets judges appoint a state agent to do their housing planning for them
15 – HB can do it themselves or the court will take control.”¹⁹

16 211. While Defendants hide behind the veil of attempting to increase
17 statewide housing supply, **Defendants target already highly developed areas** like
18 Huntington Beach for complete re-development. Defendants have *not* narrowly
19 tailored its RHNA Laws to; for instance, create positive housing development
20 *incentive programs that focus on the undeveloped areas* throughout California. It
21 has been reported, “according to the 2010 Census, 95 percent of Californians live on
22 just 5.3 percent of the land in the state.”²⁰ In other words, over 90 percent of
23 California is undeveloped and unoccupied.

24
25 ¹⁸ Online: YouTube: <https://www.youtube.com/watch?v=JSy2VOGkBF8> at
26 **45:30**

27 ¹⁹ Online: Twitter: <https://twitter.com/CAGovernor/status/1625898020683538432>

28 ²⁰ Online: Daily News, “*Land Use Regulations are obstacles to the California Dream*” April, 3, 2019: <https://www.dailynews.com/2019/04/03/land-use-regulations-are-obstacles-to-the-california-dream>

1 212. In addition to a lack of seriousness by the State in actually creating
 2 more housing where it would be productive to do so in undeveloped areas of the
 3 State, Defendants have also carved out “favored” portions of the State to *skirt the*
 4 *very same Housing Laws, including RHNA, that are imposed on Huntington Beach.*
 5 In a 2019 article, entitled “*Huntington Beach Sued While Marin County Exempted*
 6 *from Affordable Housing Requirements*” it was reported that in order to protect
 7 Governor GAVIN NEWSOM’s home county of Marin from RHNA development.
 8 Marin County is “enjoying a moratorium on affordable housing building
 9 requirements until 2028.” To accomplish this, “sneaky language inserted into a
 10 2017 budget trailer bill allowed Marin County to maintain its extra restrictions on
 11 how many homes developers can build, giving the finger to the California Anti-
 12 NIMBY Statute.”²¹

13 213. As detailed in a letter sent to SCAG by the City of Huntington Beach,
 14 SCAG failed to follow the process outlined in California Government Code Section
 15 65584.04(b)-(f) when it voted to follow an arbitrary and capricious formula that
 16 incorrectly allocated an additional 6,000 RHNA Units than it otherwise would have
 17 under the RHNA Methodology to Plaintiff(s).

18 214. This SCAG vote was not based on empirical data or the RHNA Laws,
 19 but was instead based on last minute political wrangling. Government Code
 20 65584.3(a) requires that actions taken by SCAG be done according to a vote
 21 provided for in established rules following general principles of Due Process.

22 215. These RHNA Laws that add additional outreach and reporting,
 23 modifying the way the RHNA is calculated, increasing the number of topics to be
 24 considered in the allocation methodology such as adding a nebulous concept of

25 _____
 26 ²¹ Online: California Globe, “*Huntington Beach Sued While Marin County*
 27 *Exempted From Affordable Housing Requirements*” January 31, 2019:
 28 [https://californiaglobe.com/articles/
 huntington-beach-sued-while-marin-county-exempted-from-affordable-housing-
 requirements](https://californiaglobe.com/articles/huntington-beach-sued-while-marin-county-exempted-from-affordable-housing-requirements)

1 “furthering fair housing” as a required objective for RHNA and local housing
 2 elements and giving Defendants unfettered discretion and the ability to sue
 3 individual cities for not meeting requirements in addition to severe fines that may be
 4 imposed.

5 216. The requirement for the City to zone for 13,368 RHNA Units is so
 6 disproportionately high to other jurisdictions, the City believes that per square mile
 7 of City land, the 13,368 is the *highest RHNA number* of any other city throughout
 8 the entire State of California for the current Planning Cycle.²² An issue such as
 9 housing that the State purports is a matter of “Statewide Concern,” should be dealt
 10 with evenly and consistently throughout the State. The fact that some regions, like
 11 Marin County, essentially get a pass on producing housing, while cities like
 12 Huntington Beach disproportionately shoulder high volumes of high-density
 13 mandates, shows that these RHNA Laws are nothing more than an illegal Bill of
 14 Attainder. Moreover, HCD and other Defendants, through the flawed RHNA
 15 process, have allocated highly developed cities like Huntington Beach
 16 disproportionately high RHNA unit mandates, *while reducing the number of*
 17 ***RHNA units***, for dozens of other cities. This skewed, un-uniform, and inconsistent
 18 approach to RHNA by the State undermines the State’s claim that these Housing
 19 and RHNA Laws are a matter of “Statewide Concern.” By their own actions,
 20 Defendants prove they are not.

21 217. If RHNA is a State-mandate, and the State is found to have increased
 22 the number of the City’s RHNA to 13,368 based on either a flawed methodology, or
 23 misguided directives from the States executive, or political gamesmanship, or as
 24

25 ²² The City of Huntington Beach is approximately 28 square miles, much of it is
 26 environmentally sensitive Wetlands and marshes – so the developable amount of
 27 land in Huntington Beach is far less. At 13,368 units, that is approximately 472
 28 units per square mile. This number would be *much higher* if all of the undevelopable
 Wetlands, marshes, and other sensitive environmental areas were removed from the
 calculation.

1 punishment to the City, such an unfounded RHNA mandate amounts to an illegal
2 Bill of Attainder for Huntington Beach.

3
4 **NINTH CLAIM FOR RELIEF**
5 **VIOLATION OF CALIFORNIA ENVIRONMENTAL QUALITY ACT**
6 **PUBLIC RESOURCES CODE SECTIONS 21000 ET. SEQ. (CEQA)**
7 **(As to ALL DEFENDANTS)**

8 218. Plaintiff(s) incorporates paragraphs 1-217 as if fully set forth
9 herein.

10 219. RHNA Laws require the City to make a “Hobson’s Choice,” i.e., that
11 the local legislature, the City Council, is required to adopt a “Statement of
12 Overriding Consideration” pursuant to California Environmental Quality Act
13 (“CEQA”) in order to justify, as a matter of environmental impact, the massive
14 increase in high density housing, or not adopt a “Statement of Overriding
15 Consideration” required by CEQA (because the high density zoning is not justified
16 in light of requisite environmental concerns) and not zone for the massive high
17 density housing mandated by the RHNA Laws and Defendants, but then face
18 crippling penalties and lawsuits from Defendants. The RHNA Laws (and Housing
19 Laws) are pitted against CEQA, thereby putting the City Council in an impossible,
20 irreconcilable impasse.

21 220. More importantly, the high-density development goals of the RHNA
22 Laws *compel* the City Council to arrive at a pre-ordained, “fixed,” State-approved
23 conclusion (of implementing high-density development zoning, i.e., the Defendants’
24 RHNA Units) even before the City Council’s consideration by way of conducting
25 local public hearings before adopting a “Statement of Overriding Consideration” as
26 required by CEQA. For the two State laws, RHNA Laws and CEQA, to be in direct
27 competition or conflict forces local City Council’s in Huntington Beach to
28 relinquish local decision-making one way or the other. Following the Housing and
RHNA Laws forces the City Council to essentially violate CEQA, or lie about a

1 Statement of Overriding Consideration in order to satisfy the Housing and RHNA
2 Laws. This violates CEQA.

3
4 **TENTH CLAIM FOR RELIEF**
5 **VIOLATION OF CALIFORNIA CONSTITUTION**
6 **ARTICLE IV, SECTION 16**
7 **(As to ALL DEFENDANTS)**

8 221. Plaintiff(s) incorporates paragraphs 1-220 as if fully set forth
9 herein.

10 222. The Defendants have implemented various State laws, which are
11 unconstitutional Special Statutes, designed to protect certain regions of the State
12 from having to comply with the Housing and RHNA Laws in the same way that the
13 City is purportedly required to comply. This special treatment by the Defendants of
14 certain favored areas of the State is violative of Article IV, Section 16 of the
15 California Constitution. A number of Special Statutes, not all listed herein, will be
16 proven at the time of trial.

17 223. For instance, Assembly Bill 1537²³ in 2014, which creates a Special
18 Statute for the Counties of Marin, Sonoma, San Francisco, Oakland and Fremont
19 under the State Housing Laws, including RHNA Laws.

20 224. In addition, and in extension to AB 1537, the State Legislatures passed
21 Senate Bill 106, which extended the Special Statute time-period for the Counties of
22 Marin, Sonoma, San Francisco, Oakland and Fremont under the State Housing
23 Laws, including RHNA Laws, to 2028.

24 225. Regions like Marin County have been allowed by Special Statute to
25 skirt having to implement the RHNA Laws in the way the City is being forced to by
26 planning for large volumes of high-density housing development. Marin County's
27 elected officials lobbied for, and prevailed on, a reduced density requirement

28 ²³ Online: LegInfo: http://www.leginfo.ca.gov/pub/13-14/bill/asm/ab_1501-1550/ab_1537_cfa_20140516_114048_asm_floor.html

1 pursuant to RHNA Laws, which has the effect of giving it the lowest housing
2 allocation as a percentage of population in the Bay Area. Marin County is only
3 required to create enough new housing for 0.9% of its 2017 population compared to
4 the regional average of 2.4%.

5 226. Because of the foregoing Special Statutes and others to be presented at
6 the time of trial but not all fully described herein, are unconstitutional in California.
7 Under Cal Const., Art. IV § 16, these are unconstitutional Special Statutes, which
8 has given special treatment to regions of California like Marin County under the
9 RHNA Laws, and as such, are invalid.

10 **ELEVENTH CLAIM FOR RELIEF**

11 **FRAUD**

12 **(As to ALL DEFENDANTS)**

13 227. Plaintiff(s) incorporates paragraphs 1-226 as if fully set forth herein.

14 228. For years, the State, including State actors such as Governor
15 GAVIN NEWSOM, HCD, the Director, and SCAG have claimed that there is a
16 “housing crisis,” that housing is not affordable and that more housing needs to
17 be developed in order to deal with the “housing crisis.” The State, including
18 State actors such as Governor GAVIN NEWSOM, have told the public and
19 cities that the homelessness crisis, among other societal concerns, is a symptom
20 of the “housing crisis.”

21 229. The State, including State actors such as Governor GAVIN
22 NEWSOM, HCD, the Director, and SCAG have also told the public and cities
23 that if cities were forced to plan for and build more affordable housing, then
24 housing prices would drop, becoming more affordable, and the homelessness
25 situation would be cured.

26 230. The public and cities, for years, relied upon the statements made by
27 the State, including actors such as Governor GAVIN NEWSOM, HCD, the
28 Director, and SCAG believed that planning for more housing and building more

1 housing might be a solution to the stated problems.

2 231. In reality however, the statements made by the State, including
3 actors such as Governor GAVIN NEWSOM, HCD, the Director, and SCAG
4 were not true and the State and actors such as Governor GAVIN NEWSOM,
5 HCD, the Director, and SCAG knew they were no true.

6 232. In fact, for the City of Huntington Beach, rents have only *increased*
7 since the State’s push for cities to plan for, and build, more high-density housing
8 has occurred. For example, the City’s rents were fairly stable for years until
9 after 2017, when the State’s new Housing Laws including RHNA Laws were
10 passed. The State’s population has *decreased* during that same timeframe, and
11 the City’s population has also decreased.

12 233. In addition, Governor GAVIN NEWSOM, HCD, the Director, and
13 SCAG have claimed repeatedly that housing, homelessness, and urban development
14 is a matter of “Statewide Concern.”

15 234. In reality however, these statements made by the State, including
16 actors such as Governor GAVIN NEWSOM, HCD, the Director, and SCAG
17 were not true and the State and actors such as Governor, GAVIN NEWSOM,
18 HCD, the Director, and SCAG knew they were no true.

19 235. Governor GAVIN NEWSOM, HCD, the Director, and SCAG knew
20 or should have known about the *flawed* high density RHNA process that created
21 overinflated projected housing needs resulting in a State mandate that the
22 Plaintiff(s) zone for 13,368 units of high density housing that can be built within
23 an eight-year cycle.

24 236. In addition, Governor GAVIN NEWSOM, HCD, the Director, and
25 SCAG knew or should have known about the *flawed* high density RHNA
26 calculations that led to the requirement that the City zone for the allocation of
27 13,368 high density units (determined by HCD and SCAG) to the Plaintiff(s).
28 HCD through SCAG failed to follow the process outlined in California

1 Government Code Section 65584.04(b)-(f).

2 237. As detailed in a letter sent to SCAG by the City of Huntington
3 Beach, HCD through SCAG failed to follow the process outlined in California
4 Government Code Section 65584.04(b)-(f) when it chose in 2021 to arbitrarily
5 and capriciously “dump” an *additional* 6,000 high-density RHNA Units on the
6 City of Huntington Beach.

7 238. Governor GAVIN NEWSOM, HCD, the Director, and SCAG have
8 made intentional misrepresentations about the need for additional housing units.
9 Under concealment of material facts known to Defendant(s) with regard to
10 population and the methodology used to create and allocate the various high density
11 RHNA unit numbers, including the City’s 13,368 units, Defendant(s) have deprived
12 the City of its legal rights, and has forced the City to rely upon the intentional
13 misrepresentations to plan for building over 13,368 additional, unnecessary, high
14 density units.

15 239. In reality however, the statements made, and the issuance of the
16 13,368 high density RHNA “mandate” by the State, including actors such as the
17 Governor GAVIN NEWSOM, HCD, the Director, and SCAG were not true.

18 240. The California DOF Independent Auditor released a Report in 2022
19 on the RHNA process, finding RHNA determinations are “*flawed*” and not
20 supported by evidence.

21 241. These flawed and patently false RHNA determination of 13,368
22 high-density units for the City and representations by Governor GAVIN
23 NEWSOM, HCD, the Director, and SCAG were done to induce Plaintiff(s) to
24 act upon it and plan to build 13,368 high-density units.

25 **VII. PRAYER FOR RELIEF**

26 WHEREFORE, Plaintiff on behalf of itself and those similarly situated
27 respectfully ask this Court to grant Plaintiff the following relief:

28 1. Declaratory Judgment that California Government Code Sections

1 65583, 65583.1, 65583.2, 65583.3, 65584, 65584.01, 65584.02, 65584.03,
2 65584.04, 65584.045, 65584.05 65584.06, 65584.07, 65584.09, 65584.2, 65585.
3 (“Regional Housing Needs Assessment Laws” or RHNA Laws. (“RHNA Laws”)
4 violate the First Amendment of U.S. Constitution as the RHNA Laws compel and
5 therefore violate the free speech of Plaintiff(s); and

6 2. An Injunction against Defendants from enforcement of the RHNA
7 Laws against Plaintiff(s) as violative of the First Amendment; and

8 3. Declaratory Judgment that the RHNA Laws that produced a “mandate”
9 that the City zone for 13,368 high density RHNA Units imposed on Plaintiff(s) by
10 the Defendants, violates Plaintiff(s)’ rights under Procedural Due Process and
11 Substantive Due Process of the U.S. Constitution; and

12 4. An Injunction against Defendants from enforcement of the RHNA
13 Laws against Plaintiff(s) as violative of Plaintiff(s)’ rights under Procedural Due
14 Process and Substantive Due Process of the U.S. Constitution; and

15 5. Declaratory Judgment, and Relief, that the RHNA Laws, combined
16 with Government Code Sections 65000 through 66300 (together “Housing Laws”)
17 creates an undue burden on interstate commerce in violation of Article 1, Section 8,
18 Clause 3 of the U.S. Constitution, (“Commerce Clause”); and

19 6. An Injunction against Defendants from enforcement of the RHNA
20 Laws as violative of the Commerce Clause against Plaintiff(s) and other cities
21 similarly situated; and

22 7. Declaratory Judgment that the RHNA Laws that produced a “mandate”
23 that the City zone for 13,368 high density RHNA Units imposed on Plaintiff(s) by
24 the Defendants, violates the City’s Charter City Home Rule Authority pursuant to
25 Article XI of the California Constitution; and

26 8. Injunction against Defendants from enforcement of the RHNA Laws
27 against Plaintiff(s) as violative of the California Constitution; and

28 9. Declaratory Judgment that the State’s “mandate” of 13,368 high

1 density RHNA Units allocated to Plaintiff(s) by the Defendants, violates RHNA
2 Laws; and

3 10. Injunction against Defendants from enforcement of the mandated
4 allocation of 13,368 high density RHNA Units on Plaintiff(s); and

5 11. Declaratory Judgment that the State’s “mandate” of 13,368 high
6 density RHNA Units allocated to Plaintiff(s) by the Defendants amounts to an
7 illegal Bill of Attainder in violation of the California Constitution; and

8 12. Injunction against Defendants from enforcement of the mandated
9 allocation of 13,368 high density housing units to Plaintiff as an illegal Bill of
10 Attainder in violation of the California Constitution; and

11 13. Declaratory Judgment, and Relief, that RHNA Laws impermissibly
12 delegated legislative authority to an administrative agency, HCD, which cannot be
13 scrutinized by a court of law, in violation of the Constitutional doctrine of
14 Separation of Powers; and

15 14. Injunction against Defendants from enforcement RHNA Laws against
16 Plaintiff(s) and other cities similarly situated as a violation of the Constitutional
17 doctrine of Separation of Powers; and

18 15. Declaratory Judgment, and Relief, that the RHNA Laws are in direct
19 conflict with the California Environmental Quality Act (CEQA) and the City must
20 be able to follow the State’s CEQA law without violating RHNA Laws or Housing
21 Laws if the Plaintiff(s) makes appropriate CEQA findings; and

22 16. Declaratory Judgment, and Relief, that AB 1537 and SB 106 are a
23 Special Statutes as proscribed by Article IV, Section 16 of the California
24 Constitution, having given special treatment to Marin County under the RHNA
25 Laws, and as such, invalid; and

26 17. Enjoin Defendants from enforcing the RHNA Laws against Plaintiff(s)
27 and those cities similarly situated, and from Defendants issuing any future orders or
28 rules similar to the invalid ones described in this Action; and

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18. Declaratory Judgment, and Relief, that the Governor, and/or HCD has through its Director, made intentional misrepresentations, including but not limited to, those statements averred herein. In doing so, Defendant(s) have deprived the Plaintiff(s) of legal rights; and

19. Grant a Preliminary Injunction enjoining the enforcement and further enforcement of RHNA Laws against Plaintiff(s) and all other cities similarly situated; and

20. Any other such further relief to which Plaintiff(s) may be entitled as a matter of law or equity or which this Court determines to be just and proper.

Dated: March 27, 2023

MICHAEL E. GATES, CITY ATTORNEY

By: /s/ MICHAEL E. GATES
MICHAEL E. GATES, CITY ATTORNEY
Attorney for Plaintiffs,
CITY OF HUNTINGTON BEACH, and
HUNTINGTON BEACH CITY COUNCIL, and
MAYOR TONY STRICKLAND, and
MAYOR PRO TEM GRACEY VAN DER
MARK

DEMAND FOR JURY TRIAL

TO THE CLERK OF THE ABOVE-ENTITLED COURT:

PLEASE TAKE NOTICE that Plaintiffs CITY OF HUNTINGTON BEACH, a California Charter City, and Municipal Corporation, the HUNTINGTON BEACH CITY COUNCIL, MAYOR OF HUNTINGTON BEACH, TONY STRICKLAND, also as an individual, and MAYOR PRO TEM OF HUNTINGTON BEACH, GRACEY VAN DER MARK, also as an individual, demand trial by jury in the above-entitled action pursuant to Federal Rules of Civil Procedure 38(b) and Local Rule 38-1.

Dated: March 27, 2023

MICHAEL E. GATES, CITY ATTORNEY

By: /s/ MICHAEL E. GATES
MICHAEL E. GATES, CITY ATTORNEY
Attorney for Plaintiffs,
CITY OF HUNTINGTON BEACH, and
HUNTINGTON BEACH CITY COUNCIL, and
MAYOR TONY STRICKLAND, and
MAYOR PRO TEM GRACEY VAN DER
MARK