

Agenda Report

TO: CITY COUNCIL **DATE:** AUGUST 7, 2006
FROM: CITY MANAGER
SUBJECT: ZONING CODE AMENDMENT TO CREATE THE WORKFORCE HOUSING OVERLAY DISTRICT

RECOMMENDATION

It is recommended the City Council, following a public hearing:

Approve an amendment to Title 17 (Zoning Code) to create the Workforce Housing Overlay District.

BACKGROUND

The City Council on May 8, 2006 approved various zone changes for the Los Robles/Adena Study Area, see attached map. In combination with those zone changes, the Council conceptually approved a new overlay zoning district with additional density for workforce housing. This report describes specific provisions of the proposed Workforce Housing Overlay District.

ANALYSIS

The Workforce Housing Overlay will allow for added density up to 24 units/acre on the RM-16 parcels in the Los Robles Adena Study Area. These additional units may only be sold or rented to households earning a workforce level income (120% to 180% of the average median income for Los Angeles County) at costs and prices that are affordable to households with workforce-level incomes. Projects must conform to all of the development standards of the underlying zoning, except for density. The Overlay allows a property owner to apply for use of either the City's new density bonus chapter provisions or these Workforce Housing Overlay provisions, but not both. The Overlay requires the workforce units to be subject to covenants for a 30 year period; the same period required

for density bonus units. For more information, a copy of the Ordinance is attached to this report.

ENVIRONMENTAL DETERMINATION

A Negative Declaration was prepared and approved for the project in conformance with the requirements of the California Environmental Quality Act.

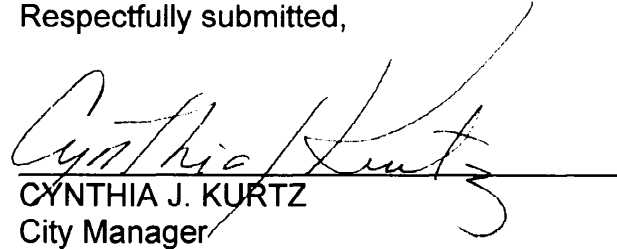
HOUSING IMPACT

The proposed overlay district will allow residential densities on properties with in a base RM-16 district to be increased to 24 units per acre, if all of the units exceeding 16 units per acre are available exclusively to workforce households at workforce prices and costs. The potential increase in density may result in an increased supply both of housing units and, specifically, of units that are affordable to households with workforce-level incomes.

FISCAL IMPACT

There will be no immediate fiscal impact as a result of this amendment to the Zoning Code. Permitting fees will be collected from any future development proposed on the properties impacted.

Respectfully submitted,



CYNTHIA J. KURTZ
City Manager

Prepared by:



Scott A. Reimers
Associate Planner

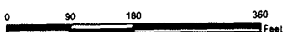
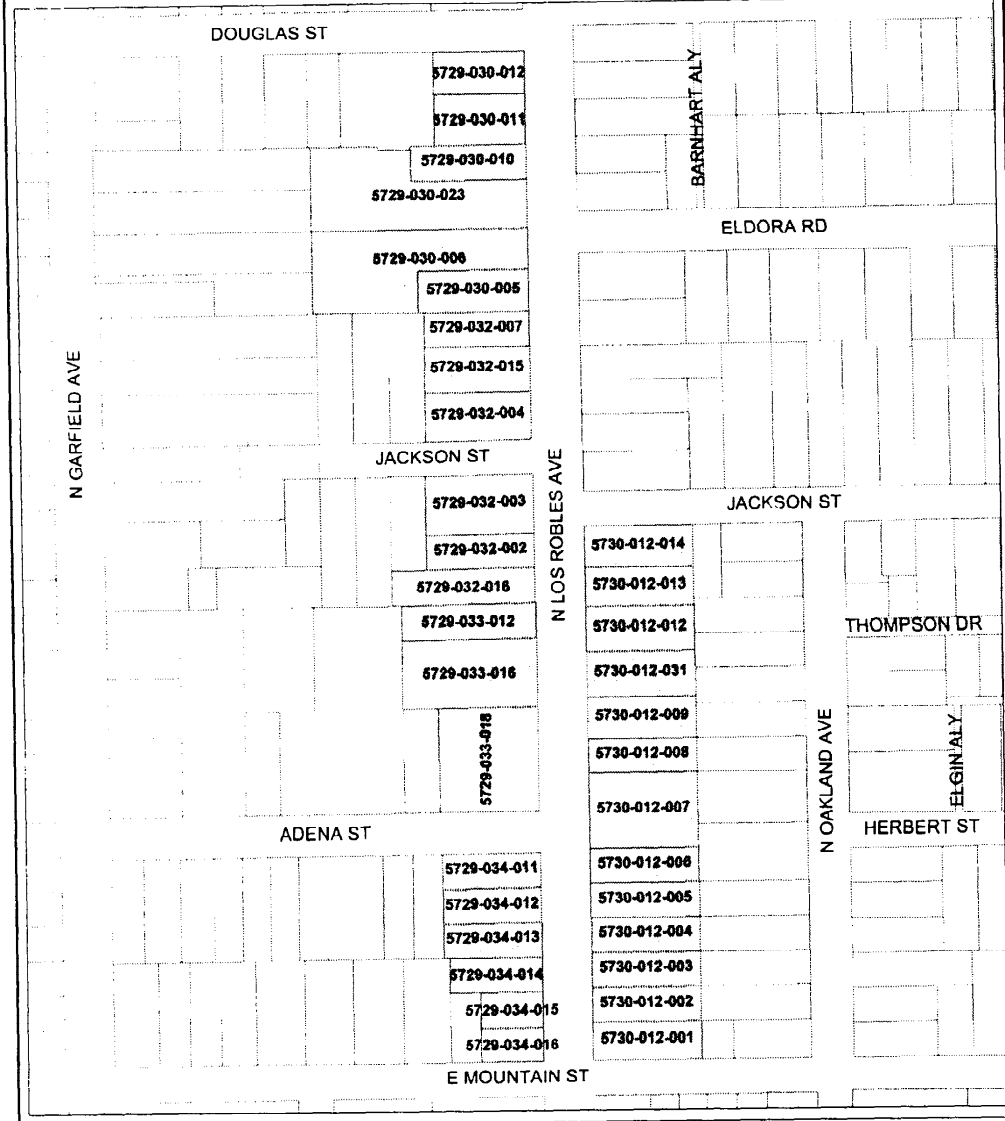
Reviewed by:



Richard J. Bruckner
Director of Planning and Development

Attachment: Ordinance Creating the Workforce Housing Overlay
Workforce Housing Overlay Map

Workforce Housing Overlay



- Legend**
- NO ZONE CHANGE
 - CHANGE TO RM-16 WH

The maps and associated data are provided without warranty of any kind. Any reuse of this information is prohibited. Copyright © 2001, City of Pasadena.

Coordinate System
State Plane California Zone V
FIPS 405 (Feet), NAD 1983



August 7, 2006

Mayor Bogaard and Members of Pasadena City Council
117 East Colorado Blvd.
Pasadena, CA 91101

Re: Opposition to Workforce Housing Overlay Amendment - Item 6C

Honorable Bill Bogaard and Members of City Council:

Affordable Housing Services has entered into a contract to purchase the parcels at 1111-1123 North Los Robles Avenue, Pasadena. It is intent to produce a mixed income project with enough for-sale units to permit the production of 15 low and no income units. To accomplish this end AHS needs RM-32 zoning and the availability of at least a 35% density bonus, or some other variant that would allow for the production of said low and no income units. Our company has previously objected to the downzoning of this these parcels. AHS now objects to the Item 6C proposal to create a workforce housing overlay district that will allow for more dense zoning for workforce housing than permissible for affordable housing, a type of housing that is needed by 12% of Pasadena's residents - according to City planning documents.

As noted in the City's Housing Element, Consolidated Plan and other planning documents, City residents who are in need of affordable housing tend to fall into State and federal fair housing protected categories, *i.e.* large families with children, persons with disabilities and families of color. The proposed Amendment will make it virtually impossible for AHS to respond to the needs of these residents. Instead this proposed Amendment will favor smaller families, persons currently without disabilities and White, higher income families.

Prior to the downzoning of the Los Robles corridor, AHS planned to create 15 new dwellings that would be affordable to low and no income families with little, if any, financing from the City of Pasadena. Under the proposed Amendment, the 15 planned housing units cannot

be built without deep acquisition and construction financing from the City or other public sources. City Housing Division officials indicate that the amount that would be necessary to make this project economically feasible is substantially in excess of the City's present funding guidelines. Because of the downzoning, this project cannot produce:

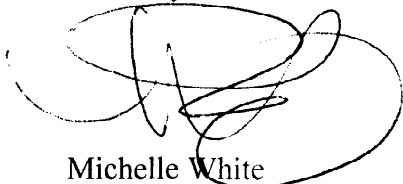
- Enough low and no income units to make an infusion of substantial public resources appropriate, or
- Enough workforce or market rate units to make the production of the contemplated low and no income dwellings feasible.

The city of Pasadena's Zoning Code Amendment to create the Workforce Housing Overlay District ("Amendment") violates the spirit, if not the letter, of Cal. Gov. Code § 65008 because it illegally discriminates against housing intended for occupancy by persons or families of low and moderate income. Section 65008 prohibits a local government from exercising its planning and zoning powers to treat housing intended for occupancy by lower income residents less advantageously than other types of housing. Cal. Gov. Code § 65008(b)(1)(C).

The Workforce Housing Overlay Amendment provides for added density of up to 24 units per acre on parcels normally zoned for only 16 units per acre, a local density bonus of 50% that exceeds the maximum 35% density bonus recently adopted by Council for affordable housing projects. Furthermore, these additional units "may only be sold or rented to households earning . . . 120% to 180% of the average median income for Los Angeles County." This provision means that persons or families of "low and moderate income," defined as income not exceeding 120% of area median income pursuant to Health & Safety Code § 50093, are effectively precluded from occupying any of the additional units in the City's Workforce Housing Overlay District.

In conclusion, if Pasadena is going to offer a local density bonus option that is more generous than the state density bonus law, it may not preclude developers of housing that is affordable to low and moderate households from utilizing the same bonus. To differentiate in the manner proposed in the Overlay Amendment will discriminate against affordable housing projects and undermine the housing opportunities of fair housing protected prospective occupants.

Sincerely,

A handwritten signature in black ink, appearing to read "Michelle White", enclosed within a large, loopy scribble.

Michelle White
Executive Director