

# Agenda Report

JULY 26, 2010

**TO:** Honorable Mayor and City Council  
**FROM:** Planning and Development Department  
**SUBJECT: ADOPTION OF 2008-2014 HOUSING ELEMENT**

## **RECOMMENDATION:**

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

1. Adopt the attached Initial Study and Negative Declaration (Attachment D);
2. Adopt the resolution to approve the 2008-2014 Housing Element (Attachment C).

## **PLANNING COMMISSION RECOMMENDATION:**

On June 23, 2010, following a public hearing, the Planning Commission recommended that the City Council (1) adopt the Initial Study and Negative Declaration and (2) adopt the 2008-2014 Housing Element.

## **BACKGROUND:**

The Draft Housing Element addresses housing needs in the city for the years 2008-2014. It is one of seven elements of the General Plan that are mandated by state law. The Housing Element is subject to detailed state law requirements and to review by the State's Department of Housing and Community Development (HCD), first as a Draft Element and then as a Final Element that has been approved by the City Council.

The revised Draft 2008-2014 Housing Element provides a description of housing needs in the city, analyses of constraints and then of resources in meeting those needs, and finally a housing plan that includes policies, goals, and programs. The Element also reviews recommendations that resulted from recent housing discussions and the programs that were identified in the 2000-2005 Housing Element.

## **Public Participation**

The revised Draft 2008-2014 Housing Element responds to the City's continuing discussion of housing policies and programs during the past eight years. The Housing Affordability Task Force, housing luncheons, a Housing Summit, the Housing Agenda for Action, and the Condominium Conversion Task Force have been among the

opportunities to identify housing needs and potential programs. The many public discussions of housing policy and programs provided background for preparation of the Draft Housing Element. In addition, there were four community meetings, from February through July 2008 with attendance ranging from 18 to 72 people, specifically for the Draft Housing Element, before the Planning Commission and City Council considered the Draft Element for submittal to HCD for comments. The City Council received a list of comments from the community meetings on November 24, 2008, when it authorized submittal of the Draft Housing Element to HCD. Following reviews by HCD of the Draft Element and of a second Draft with revisions, staff revised the Draft Housing Element. A fifth community meeting was held on June 8, 2010, with one person attending, to discuss the revised (May 2010) Draft 2008-2014 Housing Element.

Staff considered the comments that were provided in the community meetings and other forums, the Element incorporates some of the suggestions. The Council previously considered those comments and an analysis of several issues on November 24, 2008, when the Council approved submittal of the Draft Element to HCD. Recent written comments, received for the Planning Commission hearing on June 23, 2010, are attached (Attachments E and F). The Element, now revised, complies with State law requirements, including the Regional Housing Needs Assessment allocation for the period from January 2006 through June 2014.

The initial reviews by the Planning Commission and City Council during 2008 to authorize submittal to the State Department of Housing and Community Development were not required by State law and did not involve approval of the Draft Element. However, they provided opportunities for the Commission and the Council to consider changes to the Draft Element, before it was sent to HCD.

Staff received HCD's comments on the Draft Element during February 2009 and proposed revisions to HCD. HCD commented on a revised Draft Element on April 23, 2010 (Attachment B). HCD informed the City that, as revised, the Draft 2008-2014 Housing Element will comply with State law requirements when it is adopted.

### **Significant Changes from 2000-2005 Housing Element**

State law requirements changed after Pasadena adopted the 2000-2005 Housing Element. The revised Draft 2008-2014 Housing Element responds to those changes as well as to various local initiatives of the past eight years. Four changes are especially important.

First, the revised Draft Element reviews various community initiatives since 2002, including the Housing Affordability Task Force and the Housing Agenda for Action (Chapter 6). This review is included in the Draft Element, because the various initiatives have provided an ongoing discussion of housing policies and programs. Many programs and policy recommendations have been considered as a result of these initiatives.

Second, State law now requires that housing elements include an inventory of sites with the potential for development during the planning period. For earlier elements, State law required jurisdictions to demonstrate there was adequate capacity for the local Regional Housing Needs Assessment (RHNA) allocation but did not, in most cases, require a list of individual parcels on which development could feasibly occur during the RHNA period. That list is now a required component of the Element (Pages 4-12 through 4-20).

Third, recent State law (SB 2) requires that jurisdictions have at least one zoning district in which emergency shelters for homeless people are allowed by right, without a conditional use permit. The Draft Element would commit the City to a program to comply with the new state law (Page 7-29, Program 16D).

Fourth, the City's attention to people with special needs is now shown with a separate goal and supporting policies. This fourth goal gives prominence to special needs equal to Housing and Neighborhood Quality, Housing Supply and Diversity, and Housing Assistance, the other three goal areas, in recognition of Pasadena's substantial efforts to facilitate housing opportunities for those with special needs (Pages 7-3 through 7-6).

### **Regional Housing Need and the inventory of Sites**

State law gives preeminence to the requirements for a city's assigned share of regional housing need, i.e., the RHNA allocation. The current period for the RHNA is 2006-2014, rather than 2008-2014. For Pasadena, the total RHNA allocation is 2,869 units, with specific totals for each level of affordability: 711 very low-, 452 low- and 491 moderate-income units, in addition to 1,215 units priced above moderate-income. (Page 2-32). In general, there are three ways to address the RHNA totals: (1) projects that are or will be under construction during the planning period, (2) preservation of affordability according to strict state requirements, and (3) an inventory of specific sites for feasible development during the planning period.

There are 3,750 units that have been under construction since 2006 or that are "in the pipeline" for development by 2014. This total is well above the RHNA allocation of 2,869 units (Pages 4-2 and 4-3). Even with recent market conditions and the significant financial investment necessary to facilitate affordable housing, Pasadena has made progress toward its share of very low-, low-, and moderate-income units, but production is below the share assigned in the RHNA. The RHNA share of affordable units totals 1,654 units. After counting current production, the remainder of the affordable share, to be addressed with other programs, totals 973 units (Page 4-23, Table 4-5).

State law changed after adoption of the 2000-2005 Housing Element and now requires a parcel-specific inventory of sites where development is feasible during the planning period. Because the construction of housing in Pasadena generally involves recycling parcels, it is crucial that the identified sites be feasible for development, not simply zoned to allow housing at higher densities. In addition, the remaining need is primarily

at the lower-income levels (i.e., low, very low, and extremely low), so the sites must provide a potential density that is deemed high enough to allow lower income housing.

As required by State law, the revised Draft Element provides an inventory of developable sites that, in combination with other programs, could accommodate the remaining 973 units at the moderate-, low, and very low-income levels (Page 4-23, Table 4-5). The inventory includes 83 sites, which are identified by "condition" with a scale of 0 to 4, though only those rated 0 to 3 are considered developable during the planning period. By State law, densities of the sites for the lower-income units (i.e., low, very low, and extremely low) in cities in metropolitan counties, such as Pasadena, must be at least 30 units per acre, unless the city demonstrates that lower-income units are feasible at lower densities. The revised Draft Element identifies only sites that are zoned for 32 units per acre or more (Pages 4-12 through 4-18).

In response to HCD comments, staff revised the inventory that was included in the original Draft Element. The revised inventory includes only sites that can accommodate at least ten units, the minimum number necessary for requiring inclusionary affordable units. HCD indicated (Attachment B), however, that the agency would consider only those sites accommodating at least twenty units as adequate for the lower-income units remaining in the City's RHNA allocation (i.e., 820 units). In addition, HCD said that sites for lower income units would be counted only with site conditions rated 0 to 2, not 3. According to HCD's criteria, the inventory provides adequate sites to accommodate the remaining RHNA allocations of 820 lower-income and 153 moderate-income units.

Counting credit for housing production and for site capacity, the City satisfies the State law requirements for the RHNA. If, as a result of the update of the Land Use Element, the City adopts changes to zoning that affect the sites in the inventory, it may be necessary to revise the Housing Element.

### **Significant Changes from Draft 2008-2014 Housing Element (2008)**

The revised Draft 2008-2014 Housing Element incorporates revisions to the Draft Housing Element (2008). The Council considered the Draft Element on November 24, 2008, and approved submitting it to the California Department of Housing and Community Development (HCD) for comments. After discussions with HCD during 2009-2010 concerning the agency's written comments and various possible changes, staff revised the Housing Element.

The most consequential change to the Draft Element is a major revision to the inventory of specific sites for development. The revised inventory of sites is described above in detail. The inventory in the Draft Housing Element (2008) listed sites in the RM-32 and RM-48 multifamily zoning districts almost exclusively. Many of the sites in the original inventory had potential development of less than ten units per site. The revised inventory includes only sites that accommodate at least ten units and identifies many sites in districts that allow a mix of land uses, including sites in the Central District, North Lake, and Fair Oaks/Orange Grove Specific Plan Areas.

HCD recommended that the City add a program to “monitor the effectiveness of these sites in accommodating housing for lower-income households” (Attachment B). Program 7E on Page 7-16, Housing Production Monitoring, expands an existing program, not originally included in the Housing Element. Under the existing program, staff maintains a record of housing production and reports to the Council. As expanded and included in the revised Draft 2008-2014 Housing Element, the program will “identify the development projects on sites that are included in the Adequate Site Inventory and compare the actual number of constructed units with the potential number shown in the Inventory.” Additional sites will be added as they are identified.

Other revisions provide greater detail about City programs, both existing and proposed, and minor reorganization. The Draft Housing Element (2008) included a program (Program 16D) that is required under State law (Senate Bill 2) to allow emergency shelters in at least one zoning district by right, without a conditional use permit. The revised Draft 2008-2014 Housing Element provides additional information (Program 16D on Page 7-29) that was not included in the earlier description of the program.

The revised Draft 2008-2014 Housing Element responds to the varied comments received during the 2008 community meetings and also to the ongoing community initiatives of the past eight years. The revised Draft Element does not attempt, however, to incorporate every program the City may choose to adopt during the planning period. It recognizes that serious discussions of housing policy and programs continue alongside the process of adopting the 2008-2014 Element and beyond. The complexities of both maintaining a supply of housing that is appropriate to Pasadena’s diverse population and complying with State law requirements for the Housing Element require some flexibility. The revised Draft Element is intended to accommodate those complexities to the greatest extent possible.

**ENVIRONMENTAL DETERMINATION:**

For environmental review, staff prepared an Initial Study, which identified no impacts resulting from the Draft 2008-2014 Housing Element. A Negative Declaration is proposed (Attachment D). City staff received written comments from staff of the California Public Utilities Commission, specifically the Rail Crossings Engineering Section of the Consumer Protection & Safety Division, during a 45-day circulation period (Attachment G). The Initial Study was revised to include a description of the City’s policies concerning analysis of pedestrian activity and vehicular traffic at rail crossings (Transportation/Traffic, 19a, Page 26 of Attachment D).

**COUNCIL POLICY CONSIDERATION:**

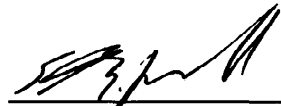
The General Plan as a whole is required by State law to be internally consistent, so individual elements must be consistent with each other. The revised Draft 2008-2014 Housing Element is consistent with other elements of the City’s General Plan, including the Land Use Element. The Housing Element identifies sites in the city that provide

capacity for future development under the existing General Plan land use designations and intensity standards.

**FISCAL IMPACT:**

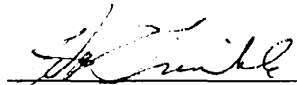
The revised Draft 2008-2014 Housing Element includes programs that support the goals and policies of the Element, including programs that are mandated by state law but without reimbursement. Programs will be implemented in the first year utilizing staff positions that were approved in the adopted FY2011 Budget.

Respectfully submitted,



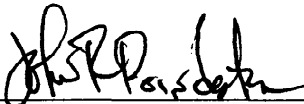
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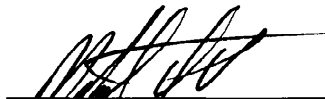
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Attachments:

- A. Draft 2008-2014 Housing Element (under separate cover)
- B. Letter, April 23, 2010, Department of Housing and Community Development
- C. Resolution to Approve the 2008-2014 Housing Element
- D. Draft Initial Study and Negative Declaration
- E. Letter, June 17, 2010, Pasadena Foothill Association of Realtors
- F. Comments Submitted to Planning Commission, June 23, 2010, Michelle White
- G. Letter, June 29, 2010, Public Utilities Commission