

Introduced by: _____

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF PASADENA AMENDING TITLE 17 (ZONING CODE) OF THE PASADENA MUNICIPAL CODE TO ALLOW THE CONVERSION OF HOTELS AND MOTELS TO AFFORDABLE HOUSING, AND AMENDING TITLE 4 (REVENUE AND FINANCE) TO WAIVE CERTAIN FEES FOR CONVERSIONS

WHEREAS, in recent years, there have been considerable discussions throughout the State of California regarding the housing shortage, which is associated with rising housing costs and lack of affordable housing options; and

WHEREAS, the rising housing costs and lack of affordable housing options have led to a rise in homelessness in the region, including within the City of Pasadena; and

WHEREAS, people experiencing homelessness are more likely to successfully transition to permanent housing when provided with easily accessible support services such as health, substance abuse, education, job training, and case management, in addition to affordable housing; and

WHEREAS, the conversion of existing hotels and motels to affordable housing requires substantially less time and cost than new development of affordable housing; and

WHEREAS, the conversion of existing hotels and motels to affordable housing allows for the creation of new housing through adaptive reuse of existing buildings, thereby substantially maintaining the existing scale and character of neighborhoods;

and

WHEREAS, requiring a discretionary review process prior to approval of conversions of hotels and motels to affordable housing allows for public participation and an opportunity to provide flexibility from development standards while imposing project-specific conditions of approval to reduce potential impacts to residents and businesses within the vicinity of a potential hotel or motel conversion; and

WHEREAS, the proposed ordinance is consistent with the General Plan Goals and Policies related to housing choices, adequate and affordable housing, neighborhood character, housing diversity, and public participation.

NOW THEREFORE, the People of the City of Pasadena ordain as follows:

SECTION 1. This ordinance, due to its length and corresponding cost of publication, will be published by title and summary as permitted in Section 508 of the Pasadena City Charter. The approved summary of this ordinance is as follows:

“Summary

The proposed ordinance adds sections 17.50.075 and 17.61.055 to Title 17 (Zoning Code) of the Pasadena Municipal Code to allow hotels and motels with 80 or fewer guest rooms to be converted to affordable housing. The proposed ordinance waives land use restrictions and provides flexibility in complying with development standards in order to facilitate conversions, establishes criteria and performance standards for projects to be eligible, and creates a new entitlement, a Hotel Conversion Permit, which would be required to be approved in order to allow hotel and motel

conversions. The proposed ordinance also amends sections 4.17.050, 4.19.050, 4.32.050, and 4.53.050 of Title 4 of the Pasadena Municipal Code (Revenue and Finance) to waive certain development fees for conversions.

Ordinance No. _____ shall take effect 30 days from its publication.”

SECTION 2. Pasadena Municipal Code, Title 17, Article 5, Chapter 17.50, Section 17.50.075 (Conversion of a Hotel or Motel to Affordable Housing) is added as shown in Exhibit 1, attached hereto and incorporated by reference.

SECTION 3. Pasadena Municipal Code, Title 17, Article 6, Chapter 17.61, Section 17.61.055 (Hotel Conversion Permits) is added as shown in Exhibit 2, attached hereto and incorporated by this reference.

SECTION 4. Pasadena Municipal Code, Title 17, Article 6, Chapter 17.60, Section 17.60.020, **TABLE 6-1 REVIEW AUTHORITY** is amended as shown in Exhibit 3, attached hereto and incorporated by this reference.

SECTION 5. Pasadena Municipal Code, Title 4, Chapter 4.17, Section 4.17.050 (Fee for parkland acquisition, capital improvements and maintenance), subsection F (Affordable Housing Incentive) is amended as follows:

“F. Affordable Housing Incentive.

1. Notwithstanding any other provision contained in this chapter, new residences which are rented or sold to persons and families of low or moderate income (as defined in Health and Safety Code Section 50093) pursuant to the city's inclusionary housing regulations, or which are skilled

nursing units, or is a residential care facility for the elderly, or which are student housing residences, shall be assessed a fee of \$756 per unit. This fee may annually escalate at the same percentage as the consumer price index.

2. If a new residential development project is subject to the city's inclusionary housing ordinance, and all of the inclusionary housing units are built on-site, the noninclusionary residences shall receive a 30 percent discount on the residential impact fee.
3. If a new residential development project offers 15 percent of its units as workforce housing for rent or sale within the price range of 121 to 150 percent of AMI, the workforce housing units shall receive a 50 percent rebate on the residential impact fee, after proving to the city's satisfaction that the workforce housing units are occupied by qualified individuals.
4. If a new residential development project offers 15 percent of its units as workforce housing for rent or sale within the price range of 151 to 180 percent of AMI, the workforce housing units shall receive a 35 percent rebate on the residential impact fee, after proving to the city's satisfaction that the workforce housing units are occupied by qualified individuals.
5. Hotels or motels converted to residences which are rented or sold to persons and families of low or moderate income (as defined in Health and

Safety Code Section 50093) pursuant to a Hotel Conversion Permit shall be exempt from the residential impact fee.

SECTION 6. Pasadena Municipal Code, Title 4, Chapter 4.19, Section 4.19.050, subsection C (Affordable Housing Incentives) is amended as follows:

"C. Affordable Housing Incentives.

- a. The traffic reduction and transportation improvement fee is waived for all for-sale or rental affordable housing units built on-site. Affordable housing units built off-site shall receive a 50 percent discount on the traffic reduction and transportation improvement fee.
- b. For-sale or rental workforce housing units shall receive a 50 percent discount on the traffic reduction and transportation improvement fee when at least 15 percent of a development is within the price range of 121 to 150 percent of Average Median Income (AMI) for Los Angeles County.
- c. For-sale or rental workforce housing units shall receive a 35 percent discount on the traffic reduction and transportation improvement fee when at least 15 percent of a development is within the price range of 151 to 180 percent of Average Median Income (AMI) for Los Angeles County.
- d. The traffic reduction and transportation improvement fee is waived for all hotels or motels converted to residences which are rented or sold to persons

and families of low or moderate income (as defined in Health and Safety Code Section 50093) pursuant to a Hotel Conversion Permit.

SECTION 7. Pasadena Municipal Code, Title 4, Chapter 4.32, Section 4.32.050 (Exemption) is amended as follows:

"4.32.050 - Exemption.

- A. Any residential housing unit which is affordable to persons of very low, low or moderate income as defined in Section 17.80.020(A) is exempt or partially exempt from payment of the tax required by this chapter, according to the schedule provided each year on the resolution of fees, taxes and charges adopted by the board. Such schedule shall reflect the formula approved by the board on November 21, 1991, and may be amended from time to time by the board.
- B. The city council, by resolution, may authorize an exemption from the payment of plan check and building permit fees for projects meeting the following criteria:
 1. A project sponsored by an organization having nonprofit status under Section 501(c) (3) of the Internal Revenue Code, which project will rehabilitate housing occupied by low-income (or very low-income) senior citizen homeowners, or low-income (or very low-income) or handicapped homeowners. The terms "low-income" and "very low-income" shall have the meanings specified in Section 17.12.129(A) of the Pasadena Municipal Code;

2. A single-family residential remodeling project not exceeding 250 square feet, or, in the event of remodeling projects or improvements which do not result in an expansion of the square footage of the residence, less than \$20,000 in valuation;
 3. A reroofing project valued at \$5,000 or less for a single-family residence;
 4. A seismic retrofit project for a single-family residence.
- C. Any construction project with the 'Research and Development-Office' or 'Research and Development-Non-Office' land use designation as defined in Chapter 17 of the Pasadena Municipal Code. The director shall determine whether a full or partial waiver will be granted and shall base his/her decision on his/her determination as to what portion of the construction project is being built to specifically accommodate 'Research and Development' uses.
- D. Hotels or motels converted to residences which are rented or sold to persons and families of low or moderate income (as defined in Health and Safety Code Section 50093) pursuant to a Hotel Conversion Permit are exempt from the payment of the tax required by this chapter."

SECTION 8. Pasadena Municipal Code, Title 4, Chapter 4.53, Section 4.53.050

(Exempt projects) is amended as follows:

"4.53.050 - Exempt projects.

- A. Projects within the city limits that have submitted a complete set of plans for building permits and paid for all plan check fees prior to the effective date of the

charge, or which are exempt pursuant to the Subdivision Map Act's vesting tentative tract map provisions, are exempt from payment of the charge.

- B. Projects outside the city limits which are to be served by the city's sewer system are not subject to the charge set forth herein, but must negotiate a sewer capacity charge on a case-by-case basis, as approved by the council.
- C. Hotels or motels converted to residences which are rented or sold to persons and families of low or moderate income (as defined in Health and Safety Code Section 50093) pursuant to a Hotel Conversion Permit are exempt from the payment of charge."

SECTION 9. The City Clerk shall certify the adoption of this ordinance and shall cause this ordinance to be published by title and summary.

SECTION 10. This ordinance shall take effect 30 days from its publication.

Signed and approved this _____ day of _____, 2018.

Terry Tornek
Mayor of the City of Pasadena

I HEREBY CERTIFY that the foregoing ordinance was adopted by the City Council of the City of Pasadena at its meeting held this _____ day of _____ 2018, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Date Published:

Mark Jomsky
City Clerk

Approved as to form:



Theresa E. Fuentes
Assistant City Attorney

17.50.075 – Conversion of a Hotel or Motel to Affordable Housing

- A. **Zoning Districts.** Notwithstanding the provisions of Chapters 17.22, 17.24, 17.30, 17.31, 17.32, 17.33, 17.34, 17.35, 17.36, and 17.37, existing hotels and motels in all zoning districts as well as those located in Specific Plan areas may be converted to supportive housing, transitional housing, single-room occupancy, multi-family housing, or combination thereof, provided that the converted units are rented or sold to persons of low or moderate income (as defined in Health and Safety Code Section 50093); the converted use complies with all of the provisions of this Section; and a Hotel Conversion Permit is granted pursuant to the provisions in Section 17.61.055.
- B. **Minimum lot size.** There shall be no applicable minimum lot width, depth, or total lot size for hotel and motel conversions.
- C. **Number of rooms.** Hotels and motels with more than 80 guest rooms shall not be eligible for the provisions of this Section or Section 17.61.055.
- D. **Residential density.** The resulting number of residential units after the conversion shall not be more than 110 percent of the number of guest rooms in the existing hotel or motel.
- E. **Floor area ratio.** The resulting floor area, as defined in 'Floor Area, Gross' for "all other districts" after conversion shall not be more than 110 percent of the existing floor area of the hotel or motel being converted. Floor area added solely for the purpose of complying with the Building Code and/or life safety requirements shall not be counted toward the 10 percent increase.

- F. **Site coverage.** There shall be no maximum site coverage applicable for hotel and motel conversions.
- G. **Height.** Any increase in height resulting from hotel and motel conversions shall comply with the maximum height set forth in the underlying zoning district. The conversion of any existing hotel or motel to affordable housing pursuant to this Section shall not result in loss of legally nonconforming status with regard to building height.
- H. **Setbacks.** Hotel and motel conversions shall not be subject to the setback requirements of the underlying zoning district.
- I. **Unit size and occupancy.** The minimum size of a residential unit resulting from a hotel or motel conversion shall be the same as the minimum size of a Single Room Occupancy facility as set forth in Section 17.50.300(C).
- J. **Common area.** All hotel and motels conversion shall include common areas with amenities such as seating, tables, kitchens, barbecues, and/or other amenities conducive to community-building activities. The size and nature of these common areas shall be approved by the reviewing authority pursuant to a Hotel Conversion Permit. Shared bathrooms shall not be considered as common areas.
- K. **Management plan.** A management plan shall be submitted to and reviewed by the Director of the Housing and Career Services Department, or designee, and approved by the reviewing authority for the Hotel Conversion Permit in conjunction with such Permit. The Housing and Career Services Department shall enforce the management plan, and shall have the authority to amend the management plan administratively as needed, provided that the management plan complies with all

conditions of approval for the Hotel Conversion Permit. The management plan shall be comprehensive and contain management policies and operations, rental procedures and rates, maintenance plans, residency and guest rules and procedures, security procedures and staffing needs including job descriptions. The approved management plan shall be in recordable form as approved by the City Attorney and recorded before issuance of a Certificate of Occupancy or Final Building Inspection, as applicable.

- L. **Parking.** The required parking for hotels or motels converted to affordable housing shall be established by the review authority as part of the issuance of a Hotel Conversion Permit. In no case shall the required parking exceed one half space per residential unit.
- M. **Landscaping.** Minimum landscaped areas shall not be applicable to hotel and motel conversions.
- N. **Signs.** All hotel and motel conversions shall comply with the provisions of Chapter 17.48 (Signs).
- O. **Lighting.** All hotel and motel conversions shall comply with the provisions of Section 17.40.080 (Outdoor Lighting).
- P. **Commercial Frontage and Façade Standards.** The provisions of Section 17.24.050 (Commercial Frontage and Façade Standards) shall not be applicable to hotel and motel conversions.
- Q. **Walls and Fences.** Walls and fences for hotel and motel conversions shall comply with the provisions of 17.40.180. Notwithstanding the foregoing, the maximum height of walls and fences between the front property line and the occupancy

frontage for hotel and motel conversions may be increased to six feet, provided that such walls and fences are at least 50 percent open and are set back a minimum of three feet from the front property line. The reviewing authority may approve deviations from any wall and fence requirements as part of the issuance of a Hotel Conversion Permit.

Underlined language added

17.61.055 – Hotel Conversion Permits

- A. **Purpose.** Hotel Conversion Permits are intended to allow for the conversion of existing hotels and motels with 80 or less guest rooms to various types of affordable housing while providing for the review of the configuration, design, location, and potential impacts of the proposed use in order to evaluate the compatibility of the proposed conversion with surrounding uses, and the suitability of a residential use to the site.
- B. **Applicability.** A Hotel Conversion Permit is required in order to authorize affordable multi-family housing, affordable single room occupancy housing, permanent supportive housing, and/or transitional housing as being allowable in any zoning district in which an existing hotel or motel is located.
- C. **Application requirements.** An application for a Hotel Conversion Permit shall be filed in compliance with Chapter 17.60 (Application Filing and Processing) in the same manner as a Conditional Use Permit. The application shall be accompanied by the information identified in the Department handout for Hotel Conversion Permit applications, including a comprehensive Management Plan, which shall include, at a minimum, detailed information on property management policies and operations, rental procedures and rates, maintenance plans, residency and guest rules and procedures, security procedures, staffing needs, and job descriptions. The applicant shall be responsible for providing the evidence in support of the findings required by Subsection F. (Findings and decision) below.
- D. **Review authority.** Hotel Conversion Permits shall be reviewed by the Hearing Officer and may be granted in compliance with the following:

1. The Hearing Officer may grant a Hotel Conversion Permit for affordable multi-family housing, affordable single room occupancy housing, transitional housing, and/or permanent supportive housing; or
2. Defer action and refer the application directly to the Board of Zoning Appeals.

E. Project review, notice, and hearing.

1. Each application shall be analyzed by the Zoning Administrator to ensure the application is consistent with the purpose and intent of this Section. The Zoning Administrator shall submit a staff report and recommendation to the Hearing Officer for consideration on a Hotel Conversion Permit.
2. The applicable review authority shall conduct a public hearing on an application for a Hotel Conversion Permit before the approval or disapproval of the permit.
3. Notice of the public hearing shall be provided, and the hearing shall be conducted in compliance with Chapter 17.76 (Public Hearings).
4. The applicable review authority shall render a decision on the application within 10 days following the final public hearing on the application.

F. Findings and decision. Following a public hearing, the applicable review authority may approve, conditionally approve, or disapprove an application for a Hotel Conversion Permit. The review authority may approve a Hotel Conversion Permit only after first finding that:

1. The hotel or motel proposed for conversion was legally constructed and is currently a legal or legally nonconforming use;

2. One hundred percent of the proposed converted residential units will be rented or sold at rates affordable to persons and families of low or moderate income (as defined in Health and Safety Code Section 50093), and will consist of either Supportive Housing, Transitional Housing, Single-Room Occupancy, multi-family housing, or a combination thereof;
3. The establishment, maintenance, or operation of the use would not, under the circumstances of the particular case, be detrimental to the health, safety or general welfare of persons residing or working in the neighborhood of the proposed use;
4. The use, as described and conditionally approved, would not be detrimental or injurious to property and improvements in the neighborhood or to the general welfare of the City; and
5. The design, location, operating characteristics, and size of the proposed use, including any proposed increase in floor area, room/unit count, or height would be compatible with the existing land uses in the vicinity in terms of aesthetic values, character, scale, and view protection.

G. **Conditions of approval.** In approving a Hotel Conversion Permit, the applicable review authority may impose conditions (e.g., buffers, hours of operation, landscaping and maintenance, lighting, off-site improvements, parking, performance guarantees, property maintenance, signs, surfacing, time limits, traffic circulation, security, support services, etc.) deemed reasonable and necessary to ensure that the approval would be in compliance with the findings

required by Subsection F. (Findings and decision), above, and to preserve the public health, safety, and general welfare.

- H. **Post approval procedures.** The procedures relating to appeals, changes, expiration, performance guarantees, and revocation that are identified in Article 7 (Zoning Code Administration), and those identified in Chapter 17.64 (Permit Implementation, Time Limits, and Extensions) shall apply following the decision on a Hotel Conversion Permit application.

Underlined language added

TABLE 6-1 - REVIEW AUTHORITY					
Type of Decision	Role of Review Authority (1)				
	See Section	Director/Zoning Administrator/ Hearing Officer	DC/HPC (2)	BZA/Planning Commission (2)	City Council
Administrative and Amendments					
General Plan amendments	17.74			Recommend	Decision
Interpretations	17.12	Decision (3)		(BZA) Appeal	CFR
Master Plans	17.61.050			Recommend	Decision
Planned Developments	17.26.020.C			Recommend	Decision
Specific Plans	17.68			Recommend	Decision
Zoning Code amendments	17.74			Recommend	Decision
Zoning Map amendments	17.74			Recommend	Decision
Land Use Permits and other Development Approvals					
Adjustment Permits	17.61.070			Recommend	Decision
Certificate of Appropriateness	17.62.090	Decision (4)	(HPC) Decision/ Appeal/CFR		Appeal/ CFR
Central District - Floor Area Increase	17.30.050			Decision	Appeal/ CFR
Central District -	17.30.050		(DC)		Appeal/

Height Averaging			Decision		CFR
Code Compliance Certificates	17.61.020	Issued by Director			
Conditional Use Permits	17.61.050	(HO) Decision (3)		(BZA) Appeal	Appeal/CFR (5)
Creative Sign Permits	17.48.070	Decision	(DC) Appeal/CFR		Appeal/CFR
Density Bonus - Concessions and other Incentives	17.43.050	(HO) Decision		(BZA) Appeal	Appeal/CFR (5)
Density Bonus - Waiver of Development Standards	17.43.060	(HO) Decision		(BZA) Appeal	Appeal/CFR (5)
Design Review (See Tables 6-2 & 6-3)	17.61.030	Decision	(DC) Decision/ Appeal/CFR		Appeal/CFR
Development Agreement	17.66			Recommend	Decision
Expressive Use Permits	17.61.060	(HO) Decision (3)			Appeal/CFR
Long-term Film Permits	17.61.090	(HO) Decision		(BZA) Appeal	Appeal/CFR
Hillside Development Permit	17.29.010	(HO) Decision (3)		(BZA) Appeal	Appeal/CFR (5)
<u>Hotel Conversion Permit</u>	<u>17.61.055</u>	<u>(HO) Decision (3)</u>		<u>(BZA) Appeal</u>	<u>Appeal/CFR (5)</u>
Lot Line Adjustments	Title 16	Advisory Agency (HO) Decisions		(BZA) Appeal	Appeal/CFR

Major Construction 75,000 sq. ft. or less Conditional Use Permit	17.61.050.J	(HO) Decision (3)		(BZA) Appeal	Appeal/CFR (5)
Major Construction greater than 75,000 sq. ft. Conditional Use Permit	17.61.050.J			Planning Commission Decision	Appeal/CFR (5)
Master Sign Plans	17.48.060	Decision	(DC) Appeal/CFR		Appeal/CFR
Minor Conditional Use Permits	17.61.050	(HO) Decision (3)		(BZA) Appeal	Appeal/CFR (5)
Minor Variances	17.61.080	(HO) Decision (3)		(BZA) Appeal	Appeal/CFR (5)
Modifications for Persons with Disabilities	17.61.080	(HO) Decision (3)		(BZA) Appeal	Appeal/CFR (5)
Public Art Requirement	17.61.100	(AC) Decision (2)			Appeal/CFR
Sexually Oriented Business Hardship Extension	17.50.295.D	(HO) Decision		(BZA) Appeal	Appeal/CFR (5)
Sign Exceptions	17.48.050	(HO) Decision (3)		(BZA) Appeal	Appeal/CFR (5)
Temporary Use Permits	17.61.040	(ZA) Decision (3)		(BZA) Appeal	CFR
Tentative Tract and Parcel Maps (Including Vesting Maps)	Title 16	Advisory Agency (HO) Decision		(BZA) Appeal	Appeal/CFR

Variances	17.61.080	(HO) Decision (3)		(BZA) Appeal	Appeal/CFR (5)
Wireless Telecommunications Facilities, Permit Extension	17.50.310	Director		(BZA) Appeal	Appeal/CFR
Wireless Telecommunications Facilities, SCL	17.50.310	Director		(BZA) Appeal	Appeal/CFR

Notes:

- (1) "Recommend" means that the review authority makes a recommendation to a higher decision-making body; "Decision" means that the review authority makes the final decision on the matter; "Appeal" means that the review authority may consider and decide upon appeals to the decision of an earlier decision-making body, in compliance with Chapter 17.72 (Appeals); and "CFR" means Call for Review, in compliance with Chapter 17.72 (Appeals).
- (2) "DC" means the Design Commission, "HPC" means Historic Preservation Commission, "BZA" means Board of Zoning Appeals and "AC" means Arts and Culture Commission.
- (3) The Hearing Officer may defer action on permit applications and refer the items to the Board of Zoning Appeals (BZA) for the final decision.
- (4) The Director's decision to issue a Certificate of Appropriateness may first be appealed to the Historic Preservation Commission (HPC) and then to the Council.
- (5) Any CEQA document or decision may be appealed to the Council.