

Introduced by: _____

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF PASADENA AMENDING SECTION 17.42.040 AND ADDING SECTION 17.43.050 TO TITLE 17 (ZONING CODE) OF THE PASADENA MUNICIPAL CODE TO INCREASE THE MINIMUM INCLUSIONARY HOUSING UNIT REQUIREMENT, ELIMINATE INCLUSIONARY TRADE-DOWN CREDITS, AND ESTABLISH AN AFFORDABLE HOUSING CONCESSION MENU

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 has led to a rise in homelessness in the region, including within the City of Pasadena; and

WHEREAS, the passage of Assembly Bill 1505 re-confirmed the ability of local jurisdictions to establish and enforce inclusionary housing requirements to ensure the construction of affordable housing alongside the development of market-rate housing; and

WHEREAS, State density bonus law has established incentives and procedures for including affordable housing within market-rate residential developments in exchange for increased allowable density, concessions, incentives, and waivers; and

WHEREAS, projects have taken advantage of concessions and incentives pursuant to State density bonus law resulting in buildings with heights and massing that in certain cases has been out of scale with the context of existing neighborhood

character; and

WHEREAS, existing local inclusionary unit trade-down credit provisions have been used in conjunction with State density bonus law resulting in a lesser overall number of affordable housing units being produced; and

WHEREAS, it is the intent of the City Council to incentivize the construction of both market-rate and affordable housing in such a way that is consistent with the neighborhood scale that is anticipated in the City's General Plan; and

WHEREAS, a market and financial feasibility analysis based on widely-accepted methodology has demonstrated that inclusionary requirements can be raised without making residential development financially infeasible, provided that various development incentives are offered to offset the additional cost of such inclusionary requirements; and

WHEREAS, the creation of an affordable housing concession menu is the mechanism through which these development incentives will be available to developers in exchange for providing a higher rate of inclusionary housing; and

WHEREAS, the proposed ordinance is consistent with the General Plan Goals and Policies related to housing choices, development that is compatible, adequate and affordable housing, equitable distribution of affordable housing, new residential development, neighborhood character, housing diversity, housing incentives, entitlement process improvements, and inclusionary housing.

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

This proposed ordinance amends section 17.42.040 and adds section 17.43.055 to Title 17 (Zoning Code) of the Pasadena Municipal Code to raise the inclusionary housing unit requirements, eliminate the trade down unit credit provisions, and establish an affordable housing concession menu. The proposed ordinance raises the inclusionary housing unit requirement from 15% to 20% for all residential and mixed-use projects with 10 or more units, eliminates trade-down provisions that currently allow a lesser total number of units in exchange for units of deeper affordability, and creates a menu of concessions that can be granted to density bonus projects by-right, provided that the project provides inclusionary units on-site and limits their request to two of the concessions on the established menu.

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

SECTION 2. Pasadena Municipal Code, Title 17, Article 4, Chapter 17.42, Section 17.42.040, **INCLUSIONARY UNIT REQUIREMENTS** is amended as shown in Exhibit 1, attached hereto and incorporated by reference.

SECTION 3. Pasadena Municipal Code, Title 17, Article 4, Chapter 17.43, Section 17.43.055, **AFFORDABLE HOUSING CONCESSION MENU** is added as shown in Exhibit 2, attached hereto and incorporated by this reference.

SECTION 4. The City Clerk shall certify the adoption of this ordinance and shall cause this ordinance to be published by title and summary.

SECTION 5. This ordinance shall take effect 30 days from its publication.

Signed and approved this _____ day of _____, 2019.

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 _____ 2019, by

the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Date Published:

Mark Jomsky
City Clerk

Approved as to form:



Theresa E. Fuentes
Assistant City Attorney

17.42.040 – Inclusionary Unit Requirements

A. **Minimum number of units required.** A minimum of 45~~20~~ percent of the total number of dwelling units in a residential project shall be developed, offered to, and sold or rented to households of very low, low, and moderate-income, at an affordable housing cost, as follows.

1. **Units for sale.** If the project consists of units for sale, a minimum of 45~~20~~ percent of the total number of units in the project shall be sold to very low, low, or moderate-income households.
2. **Rental units.** If the residential project consists of rental units, a minimum of five percent of the units shall be rented to very low-income households, ~~40~~five percent of the units shall be rented to very low or low-income households, and five~~10~~ percent of the units shall be rented to very low, low, or moderate-income households.

~~B. **Exception to minimum number required.** For a period of 12 months from the effective date of this Chapter, a residential project that obtains discretionary approval, or if no discretionary approval is required, obtains a Building Permit within that period, shall develop, offer to, and sell the following number of units to low and moderate income households at an affordable housing cost, instead of the 15 percent required by Subsection A.~~

- ~~1. **Units for sale.** If the project consists of units for sale, a minimum of six percent of the total number of units shall be sold to low or moderate-income households.~~
- ~~2. **Rental units.** If the project consists of rental units, a minimum of four percent of the total number of units shall be rented to low income households and two percent of the total number of units shall be rented to low or moderate income households.~~

~~C. **Allowable credits.** The inclusionary unit requirements of Subsections A. and B. may be reduced as follows.~~

- ~~1. **Very low income units in lieu of low income units.** If very low income units are provided in lieu of the required low income units, the project shall receive a credit of 1.5 affordable units for each unit actually provided.~~
- ~~2. **Very low income units in lieu of moderate income units.** If very low income units are provided in lieu of required moderate income units, the project shall receive a credit of two units for each unit actually provided.~~

~~3. Low-income units in lieu of moderate-income units. If low-income units are provided in lieu of required moderate-income units, the project shall receive a credit of 1.5 units for each unit actually provided.~~

B. D. Rounding of quantities in calculations. In calculating the required number of inclusionary units, fractional units of 0.75 or above shall be rounded-up to a whole unit if the residential project consists of 10 to 20 units; and fractional units of 0.50 or above shall be rounded-up to a whole unit if the project consists of 21 or more units. Notwithstanding the foregoing, the minimum requirement for any project shall not be less than one unit for very low, low or moderate-income households and one unit for very low or low-income households.

Strikethrough language removed

Underlined language added

17.43.055 – Affordable Housing Concession Menu

- A. **Eligibility.** An applicant who utilizes the density bonus provisions of this chapter and complies with the following shall not be subject to the application requirements, procedures, or findings set forth in Section 17.43.050 – Concessions and Other Incentives:
1. The project complies with the minimum number of inclusionary units set forth in Section 17.42.040(A) by providing the units on-site; and
 2. The applicant does not request any concession or incentive except for those specified within the affordable housing concession menu in this section.
- B. **Concession Menu.** An eligible applicant shall be entitled to utilize no more than two of the following concessions:
1. **Height.** Increase in maximum allowable height of each building by up to 12 feet beyond otherwise applicable standard over no more than 60% of the proposed footprint of the respective building. This concession shall not be applicable to any other development standards relating to building scale and massing, including but not limited to, encroachment plane and view corridor preservation standards.
 - a. **Height averaging.** In areas where height averaging is allowed, the project may utilize either the height increase in this concession, or the applicable height averaging standards, but not both. The additional height allowed under this concession shall apply to the average height, and not the maximum height indicated in the height averaging standards.
 2. **Floor area ratio.** Increase in maximum allowable floor area ratio by up to 0.5 beyond otherwise applicable standard. This increase shall apply to the floor area ratio itself, and not the resulting allowable gross floor area, as shown in the following examples:
 - a. **Examples.** For zones with a maximum floor area ratio of 1.5, this concession shall allow a floor area ratio of up to 2.0. For zones with a maximum floor area ratio of up to 2.25, this concession shall allow a floor area ratio of up to 2.75.
 3. **Setbacks.** Reduction of side or rear setback requirements by up to 50% from otherwise applicable standards. This concession applies

only to setbacks from property lines, and shall not be applicable to setbacks from required gardens or any development standards relating to building separation, including but not limited to light and air separation.

a. **Exceptions.**

1. This concession shall not apply to any setback that is adjacent to any RS Zoning District or a Historic Resource.
 2. Setback reductions pursuant to this concession shall not result in the removal of a protected tree, nor shall they exempt a project from meeting the requirements of Chapter 8.52 – City Trees and Tree Protection Ordinance.
4. **Loading.** Exemption from any of the requirements set forth in Section 17.46.260 – Number, Location, and Design of Off-Street Loading Spaces.
5. **Parking.** Reduction of the minimum number of off-street automobile parking space requirements by up to 50% below otherwise applicable standards, provided that the project site is located within the Central District Transit Oriented Development area (Figure 3-5), or any portion of the project site is located within a one-half mile radius of any Metro Gold Line Station, with the exception of the Sierra Madre Villa Station. The 50% reduction shall be in addition to any other applicable parking reduction, including but not limited to those included in Section 17.43.090 – Alternative Parking Standards and Section 17.50.340 – Transit-Oriented Development (TOD).

Underlined language added