

# Agenda Report

**TO: CITY COUNCIL**

**DATE: OCTOBER 14, 2002**

**FROM: CITY MANAGER**

**SUBJECT: 2000-2005 HOUSING ELEMENT OF THE GENERAL PLAN**

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## **RECOMMENDATION**

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

1. Adopt the Initial Environmental Study and Negative Declaration, with the appropriate findings (Attachment C); and,
2. Adopt the RESOLUTION ADOPTING THE 2000-2005 HOUSING ELEMENT OF THE COMPREHENSIVE GENERAL PLAN (Attachment D); and,
3. Approve the *De Minimis Impact* finding on State Fish and Wildlife Habitat; and,
4. Direct the City Clerk to file a Notice of Determination and a Certificate of Fee Exemption for the California Department of Fish and Game with the Los Angeles County Recorder (Attachment E).

## **PLANNING COMMISSION RECOMMENDATION**

The Planning Commission held a public hearing and reviewed the proposed *2000-2005 Housing Element* at its regular meeting on September 25, 2002. The Commission unanimously adopted the staff recommendation that the City Council adopt the *2000-2005 Housing Element* and related environmental documents. In addition, the Commission recommended that Policy 1.10 be added to the proposed *2000-2005 Housing Element*. The additional policy, which is incorporated into the *2000-2005 Housing Element* as recommended to the City Council, states: Promote the preservation of existing affordable housing stock. The Commission also recommended that the City of Pasadena should be actively involved in the Regional Housing Needs Assessment, which is prepared by the Southern California Association of Governments, and to question the allocation of housing need assigned to the City.

## **EXECUTIVE SUMMARY**

The Housing Element is one of seven general plan elements that are required by state law. It provides policy-level direction for the City's efforts to facilitate the development and improvement of housing at costs that are affordable to city residents. The proposed *2000-2005*

*Housing Element* is the result of Pasadena's Housing 2000 recommendations, analysis of local conditions and share of regional housing need, state law requirements, review and comment by Pasadena commissions and area stakeholders, review and comment by the California Department of Housing and Community Development. The proposed 2000-2005 Housing Element describes existing City housing programs but proposes no additional expenditures. Among the existing programs are various rehabilitation and homeownership loan programs, fee waivers for affordable housing units, land assemblage and write-downs, and assistance to renters. The City will evaluate adopting a fee on commercial development for the costs associated with the impact on the availability of housing.

## **BACKGROUND**

The *2000-2005 Housing Element* provides policy-level direction for the City's efforts to facilitate the development and improvement of housing at costs that are affordable to city residents. The City's prior housing element was adopted in 1989.

The preparation and content of the housing element are subject to California state law requirements and review by the California Department of Housing and Community Development (Government Code, Section 65580 *et seq.*). Housing elements are unique among the seven general plan elements required by state law. They alone are subject to extensive review by a state department to determine whether they comply with state law. That authority is given to the Department of Housing and Community Development, because:

The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order. (Government Code, Section 65580)

Consequently, comments and direction from the Department of Housing and Community Development (HCD) have been given great deference in the preparation and revisions of the *2000-2005 Housing Element*.

## **ANALYSIS**

### **Community Outreach and State Review**

Staff, with Cotton/Bridges/Associates, began work on the housing element with the Housing 2000 meetings of 1999 and 2000. More than twenty people with a strong interest in Pasadena's housing supply met regularly to understand the issues and programs in Pasadena and to develop a housing policy framework. Participants included, among others: Housing and Homeless Network, Foothill Apartment Association, Fannie Mae, nonprofit and for-profit developers, and residents. The meetings were open to everyone with an interest in Pasadena housing. One result of the Housing 2000 meetings was the city's inclusionary housing program. The primary purpose of the meetings, however, was to develop a common policy framework for the housing element and other major policy documents. The City Council held three working sessions on issues that arose in the Housing 2000 meetings.

A *Draft Housing Element* was submitted to the Department of Housing and Community Development for review in July 2001. Various Pasadena commissions and committees

received the *Draft Element*, or components of the *Element*, for comment before it was submitted: Northwest Commission, Senior Commission, Community Development Committee, and the Planning Commission. The Housing and Community Development Department reviewed the *Draft Element* and also considered comments that were submitted directly to HCD by various persons and organizations. Recognizing the comments that had been submitted, HCD provided the City with a list of changes to be incorporated into the *Element*.

The City responded to HCD's comments with a revision of the 2001 *Draft Element*. HCD reviewed the new July 2002 *Draft*, along with supplemental revisions from the City and comments from interested parties. On August 30, 2002, the City received a letter from HCD with the conclusions of that review (Attachment B). HCD forwarded copies of the letter to several persons and organizations, including those that commented directly to HCD on the revised *Draft Housing Element*.

The City Council recently established the Housing Affordability Task Force to make recommendations on various programs that will implement the *Housing Element*. The Task Force met for the first time on Thursday, September 12, 2002. The Task Force may recommend improvements to City programs or additional programs. Any amendments to the *Housing Element* that are necessary to implement the recommendations can be incorporated into a revision.

### **Housing Element Chapters**

The *2000-2005 Housing Element* contains five chapters, as listed below. The chapters address content that is required by state law.

#### ***Introduction***

The Introduction describes the context, methodology, and public participation. It also lists the data sources. The proposed *Housing Element* relies on Census 2000 data, to the extent that they were available for preparation of the *Element*. The 2001 *Draft* did not incorporate data from 2000, because results of the Census had not been released. Other data sources supplement the Census where they are more appropriate.

#### ***Housing Needs***

Actual population and housing conditions determine, in part, the housing need. The *Element* analyzes population trends, housing costs, and the special needs of residents, among other topics. It also describes the housing need assigned to the city in the Regional Housing Needs Assessment, which was adopted by the Southern California Association of Governments.

#### ***Potential Constraints***

The production or affordability of housing may be constrained by market conditions, governmental factors, environmental conditions, or infrastructure limits. The demand for housing in a limited area produces higher costs. City priorities for residents' quality of life require that development projects comply with standards and procedures. Even a program to increase the supply of affordable housing has effects on the overall costs of development. Environmental and infrastructure conditions may also limit housing production. The chapter analyzes the potential constraints and also how they are addressed.

## ***Housing Resources***

The resources for meeting Pasadena's housing needs are described and analyzed in relation to the Regional Housing Needs Assessment that SCAG assigned to the city. The Element offers several examples of current and recent projects. It also highlights the distinctiveness of current development in the city. Housing production in Pasadena has focused recently on recycling commercial sites, such as banks, restaurants, and parking lots, especially in the Central District, rather than relying primarily on residential neighborhoods for the necessary supply of new housing. This emphasis follows the objectives and policies of the 1994 *Land Use Element*.

## ***Housing Plan***

The *2000-2005 Housing Element* reviews the City's performance since the *1989 Revised Housing Element* was adopted. Although state law sets five-year cycles for housing elements, the State of California delayed funding for the Regional Housing Needs Assessment and consequently delayed the preparation of local housing elements. The proposed *Element* reviews performance through the extended period. It also sets out Goals and Policies for the current period. The Goals and Policies are based on the framework that was developed in the Housing 2000 meetings and also reflect the assessment of needs in the city. Specific programs are described to implement the Goals and Policies.

While the City was considering adoption of the inclusionary housing ordinance, some members of the public requested that the City also adopt a fee on new nonresidential development, to be used to fund affordable housing. The *Housing Element* says that, during the 2000-2005 period, the City will study whether it should adopt an impact fee on nonresidential development projects. Such a fee would be based on the impacts of new local employment associated with nonresidential development on the availability of affordable housing and would be used to provide housing at affordable costs.

## **Compliance with State Law**

The Department of Housing and Community Development reviewed drafts of Pasadena's *Housing Element* to identify ways in which it might fail to comply with the details of state law. With revisions, the City resubmitted the *Element* to HCD and then added further revisions at HCD's suggestion. HCD is authorized by law to determine whether the housing elements of local jurisdictions comply with the legal requirements. If the City Council, at the recommendation of the Planning Commission, adopts the *2000-2005 Housing Element*, HCD will review the *Element* and provide a final determination of compliance. As indicated in the letter of August 30, 2002 (Attachment B), the proposed *Element* "will be in full compliance with the law when adopted and submitted to HCD for review, pursuant to Government Code Section 65585(h)." Recent law also requires that certain general elements include a policy concerning local compliance with National Pollutant Discharge Elimination Systems permits. Policy 2.10 is incorporated in the proposed *Element* to comply with the requirement.

## **ENVIRONMENTAL**

Pursuant to the *California Environmental Quality Act* (CEQA – Public Resources Code, Section 21000 *et seq.*), a draft Negative Declaration and Initial Study for the *Housing Element* were prepared for public review. The Negative Declaration concludes that adoption of the *2000-2005 Housing Element*, which involves the adoption neither of new housing production programs nor

of development projects, will not result in significant impacts on the physical environment. No adverse impact on fish and/or wildlife is anticipated.

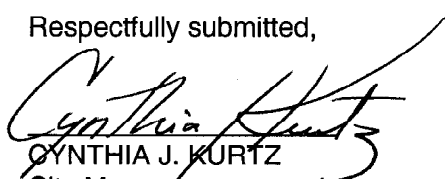
### **CHILDREN, YOUTH, AND FAMILY IMPACT**

The availability of housing at affordable costs is a significant issue for children, youth, and families in the city. The *2000-2005 Housing Element* includes goals, policies, and programs to increase the availability of housing, especially at moderate-, low-, and very low-income levels.

### **FISCAL IMPACT**

The proposed *2000-2005 Housing Element* describes existing City housing programs but proposes no new program expenditures. The *2000-2005 Housing Element* includes a program for the City to study adopting a fee on commercial development for the costs associated with the impact on housing availability before the end of the *2000-2005 Housing Element* period.

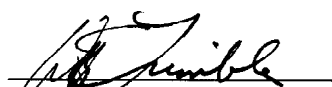
Respectfully submitted,



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Attachments:

- A. *2000-2005 Housing Element*
- B. Letter from Department of Housing and Community Development, August 30, 2002
- C. Initial Environmental Study and Negative Declaration
- D. RESOLUTION ADOPTING THE 2000-2005 HOUSING ELEMENT OF THE COMPREHENSIVE GENERAL PLAN
- E. Certificate of Fee Exemption