

Ordinance Fact Sheet

TO: CITY COUNCIL

DATE: AUGUST 7, 2006

FROM: CITY ATTORNEY

SUBJECT: AN ORDINANCE AMENDING THE ZONING CODE TO CREATE THE WORKFORCE OVERLAY ORDINANCE

TITLE OF PROPOSED ORDINANCE

AN ORDINANCE OF THE CITY OF PASADENA AMENDING THE ZONING CODE (TITLE 17) TO CREATE THE WORKFORCE HOUSING OVERLAY DISTRICT

PURPOSE OF ORDINANCE

This ordinance implements and codifies the Zoning Code amendments approved by the City Council on May 8, 2006, to allow for increased density at the southern section of the Los Robles/Adena study areas provided that the increased density is set aside for workforce housing.

REASON WHY LEGISLATION IS NEEDED

This legislation is needed to implement the City's goal of encouraging housing construction at all levels of affordability in the City.

PROGRAMS, DEPARTMENTS OR GROUPS AFFECTED

The Planning and Development Department will implement the proposed ordinance.

FISCAL IMPACT

There will not be an immediate fiscal impact as a result of these amendments to the Zoning Code and Zoning Map. Permitting fees will be collected from any future development proposed on the properties impacted.

MEETING OF 08/07/2006

AGENDA ITEM NO. 9.A.1.

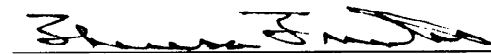
ENVIRONMENTAL DETERMINATION

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

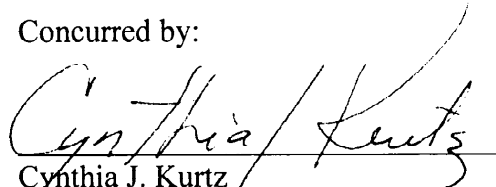
Respectfully submitted,


Michele Beal Bagneris
City Attorney

Prepared by:


Theresa E. Fuentes
Deputy City Attorney

Concurred by:


Cynthia J. Kurtz
City Manager

Introduced by _____

ORDINANCE NO _____

AN ORDINANCE OF THE CITY OF PASADENA AMENDING THE ZONING CODE (TITLE 17) TO CREATE THE WORKFORCE HOUSING OVERLAY DISTRICT

The People of the City of Pasadena ordain as follows:

SECTION 1. Title 17, Article 2, Chapter 20, Section 17.20.020, Table 2-1 – Zoning Districts, of the Pasadena Municipal Code is amended by adding the following new row at the bottom of the “Overlay Districts” column:

WH	Workforce Housing	Multi-Family Residential
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SECTION 2. Title 17, Article 2 of the Pasadena Municipal Code, entitled, “Overlay Zoning Districts,” is amended by adding a new section as follows:

“17.28.120 – WORKFORCE HOUSING OVERLAY DISTRICT

A. Purpose. In addition to the general purposes of this article and the purposes of the base district, the specific purposes of the WH workforce housing overlay district are to:

1. Encourage the provision of housing at rates affordable to those households earning Workforce Level Income.
2. Provide for new residential development density that is compatible with the existing historical context and character of the area.
3. Promote the preservation of historic neighborhoods and properties by allowing for higher densities while keeping stricter development standards.
4. Provide an alternative to the State’s mandated density bonus laws.

B. Applicability. The provisions of this chapter shall apply to that specific area designated “WH” on the official zoning map of the city along North Los Robles Avenue, and shall be combined with the applicable underlying base district.

C. Land Use Regulations. Land use regulations shall be those of the underlying base district.

D. Definitions.

See Section 17.80.020 for Workforce Housing definitions.

E. Development Standards. Except as modified in this chapter, the development standards shall be those of the underlying district.

1. Density. For a Workforce Housing Development, the minimum lot area required for each dwelling unit shall be 1,815 square feet (24 dwelling units/acre).

2. Rounding Numbers. When calculating the permitted density for a Workforce Housing Development, fractional numbers of units exceeding .75 shall be rounded up.

3. Covenant for 30 years. A covenant or other document satisfactory to the City Attorney shall be recorded before issuance of a building permit, which shall ensure that the Workforce Units remain affordable to households at Workforce Level Incomes at an Affordable Housing Cost (as defined in the City’s Workforce Housing Regulations) for at least 30 years. This covenant is distinct from that required by Title 4, Chapter 17, Section 4.17.030 (Residential Impact Fee).

4. Inclusionary calculation. Workforce Units shall be excluded from the total number of dwelling units used as the base for calculating the number of inclusionary units in Section 17.42.040 Inclusionary Unit Requirements.

5. Location within project. All Workforce Units shall be:

- a. Reasonably dispersed through the residential project;
- b. Proportional, in number, bedroom size, and location to the market rate units;
and
- c. Comparable with the market rate units in terms of the appearance, base design, materials, and finished quality.

6. Timing of construction. All Workforce Units shall be constructed concurrent with, or before, the construction of the market rate units. If the City approves a phased project, the required Workforce Units shall be provided within each phase of the residential project.

F. Recapture of financial interest. Notwithstanding the above, after initial sale to a Workforce Level Income household, Workforce Units may be sold to an above-workforce income purchaser; provided that the sale shall result in a recapture by the City, or its designee, of a financial interest in the unit equal to:

1. The difference between the initial Workforce Level Income sales price and the appraised value at the time of the subsequent sale; and
2. A proportionate share of any appreciation (as defined in the City's Workforce Housing Regulations).

If the Workforce Unit also received a discounted residential impact fee pursuant to Chapter 4.17, the Workforce Unit cannot be sold to an above-Workforce Level Income purchaser until the expiration of the covenant required by Chapter 4.17. The recapture provisions provided in this subsection become applicable at that time.

G. Forfeiture of funds. Any individual who rents a Workforce Unit in violation of this Chapter shall be required to forfeit all rents that exceed the Affordable Housing Cost (as

defined in the City's Workforce Housing Regulations). Any individual who sells a Workforce Unit in violation of this Chapter shall be required to forfeit all profits from the sale which exceed the difference between the initial Workforce Level Income sales price and the appraised value at the time of the subsequent sale. Recovered funds shall be deposited in to the Inclusionary Housing Trust Fund.

SECTION 3. Title 17, Article 8, Chapter 17.80, Section 17.80.020 is amended by adding the following new definitions in the proper alphabetical sequence.

Workforce Housing Definitions. The following terms and phrases are defined for workforce housing. Reference should also be made to the City's Workforce Housing Regulations for additional definitions.

1. **Workforce Housing Development.** A development in which all the units exceeding the underlying base district density are Workforce Units. A project receiving a density bonus, concession or incentive, or waiver or modification, as a result of Density Bonus provisions of State law, as may be codified in the Municipal Code, shall be excluded from the definition of a Workforce Housing Development.
2. **Workforce Level Income.** A gross income from 121% to 180% of the Average Median Income for Los Angeles County as determined annually by the U.S. Department of Housing and Urban Development.
3. **Workforce Units.** Dwelling units that are sold or rented to households earning a Workforce Level Income at an Affordable Housing Cost (as defined in the City's Workforce Housing Regulations). Units at moderate and lower income categories, including those provided to meet the Affordable Housing and Incentive requirements

of Chapter 17.42 and the Density Bonus, Waivers and Incentives requirements of Chapter 17.43, are not included in the definition of Workforce Units.

SECTION 4. The City Clerk shall certify the adoption of this ordinance and shall cause this ordinance to be published in full text.

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

Signed and approved this _____ day of _____, 2006.

Bill Bogaard
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 _____, 2006, by the following vote:

AYES:

NOES:

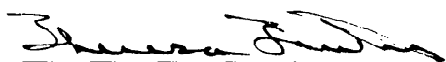
ABSENT:

ABSTAIN:

Date Published:

Jane L. Rodriguez, CMC
City Clerk

APPROVED AS TO FORM:



Theresa E. Fuentes
Deputy City Attorney