

# Agenda Report

**TO:** CITY COUNCIL

**DATE:** MARCH 19, 2007

**FROM:** CITY MANAGER

**SUBJECT:** CENTRAL DISTRICT SPECIFIC PLAN HOUSING INTENSITY STANDARDS

## **RECOMMENDATION:**

This report is presented for information and discussion purposes only.

## **EXECUTIVE SUMMARY**

The General Plan Land Use Element allocates housing units and non-residential square footage to each specific plan area. The Central District specific plan area is nearing its allocation of 5,095 housing units. This report provides several alternatives that the City Council can direct staff to pursue to address this issue.

## **BACKGROUND**

The 1994 Land Use Element of the General Plan established intensity standards for new housing units and new non-residential square footage in each of the seven specific plan areas.

The Central District Specific Plan is organized around this vision statement - *"The Central District will function as the City of Pasadena's vibrant urban core providing a diversity of economic, residential, and cultural opportunities. Downtown will be a place to work, shop, live, and play, with convenient access by foot, bicycle, and transit, as well as by car. Physical and economic growth will support this role and respect the numerous resources of historical and cultural significance that contribute to Downtown's unique identity."*

The 1994 Land Use Element of the General Plan allocated 5,095 net new market-rate housing units and 6.2 million square feet of net new non-residential development to the Central District Specific Plan area to accomplish this vision. The Central District Specific Plan and revised Land Use Element (adopted November 8, 2004) retained the total allocation of housing units and square feet for the district. The next five-year update of the Land Use Element is scheduled for 2009.

As of December 31, 2006, 3,147 market rate housing units have received building permits and are either completed or under construction in the Central District (See Attachment 1). Of the remaining 1,948 market rate units, approximately 1,536 are in the pipeline, leaving approximately 412 market rate units for future projects. The current policy is to allocate the units at issuance of a building permit. The pipeline includes all units with a complete application for an approval, such as design review or conditional use permit, but have not have been issued a building permit. See Attachment 2 – Projects in the pipeline. After further examination of the Central District projects from 1994 to 2006, the number of market rate units with building permits is slightly lower (54 units) than the 12/31/06 quarterly housing production report. The data from earlier years overstated the number units to be counted against the caps due to incorrectly crediting demolitions and affordable units and counting units on the boundaries of the Central District.

Most areas of the Central District permit both residential and non-residential development. (See Attachment 3 – Housing/Ground Floor concept.) There are some areas that only allow residential development and other areas that require residential, except for some ground floor commercial uses.

## **ALTERNATIVES**

The following five alternatives represent a wide range of actions that can be taken to address the issue of residential units approaching the end of the 5,095 unit allocation.

- 1) Take No Action** – Staff would continue to inform Central District property owners that there will soon be no more housing units for new projects. Additional study would be needed to determine when units would be allocated – at issuance of a building permit or whether it would be more appropriate to allocate units after receiving a discretionary approval, such as design review or conditional use permit. When all 5,095 new market-rate housing units have been allocated, no more residential or mixed-use projects will be able to receive building permits unless they are 100% affordable units.

City Council Action – City Council would need to determine the procedures for allocation of the remaining units.

## **ADVANTAGES.**

- Will not require changes to Zoning Code or Central District Specific Plan.
- Avoids potential overloads to the existing infrastructure systems.

- Protects Central District from overabundance of residential development.
- May encourage housing development in other specific plan areas and in the multi-family areas outside of specific plans (RM districts.)
- May encourage affordable housing development in the Central District because it is not subject to the unit restriction.
- In the Central District, many affordable units have been built as part of a development with 80 - 90% market rate housing and 10 – 20% affordable units. When the market rate housing units are depleted, there will not be projects of this mix, although there could still be projects that are 100% affordable.

#### **DISADVANTAGES**

- Some property owners or developers of property in the Central District will rely on the zoning code to determine if housing is permitted and will be surprised to find out that there is no more housing available in the District.
- Some areas of the Central District permit only housing and no commercial uses. Once the housing units are depleted, in these areas, property owners would be allowed to remodel or replace the units on the site, plus any new affordable units, but not have an increase in market-rate units. On a vacant site, there may not be enough options for property owners and this could be considered a legal “taking.”

- 2) Competition for Remaining Units** – Under this alternative, a competition would be established to allocate the remaining housing units in the Central District. Criteria such as on-site affordable housing or exceptional design quality would be established and proposed projects would be evaluated and ranked to determine which projects would receive an allocation of housing units.  
City Council Action – City Council would need to establish the criteria for evaluating projects and amend the Zoning Code and Central District Specific Plan to set up an objective evaluation and appeal process.

#### **ADVANTAGES**

- Would result in new development that meets an established set of criteria and may be more beneficial to the community than other projects.

#### **DISADVANTAGES**

- Difficult to administer and can result in subjective evaluation of projects.

- 3) Rezoning** – There are two options under this alternative – A) Rezone those areas of the Central District that currently allow a mix of uses to remove residential as a permitted use (see Attachment 3); and/or B) Rezone areas of the Central District that currently permit exclusively residential development to introduce complementary commercial uses.

#### **ADVANTAGES**

- Alternative A provides clear rules for property owners and developers because housing is not a permitted use.
- Infill commercial uses in the residential areas under Alternative B would make it easier for residents of the residential districts to walk or bike to these services.
- Remaining allocation of housing will last longer and be preserved for those areas that permit housing exclusively.

#### **DISADVANTAGES**

- Alternative A would not allow housing to be demolished and replaced with new housing (although this could be permitted through a Zoning Code Amendment.)
- Existing housing would become a non-conforming use in some areas under Alternative A.
- Both alternatives would require extensive changes to the Zoning Code and Central District Specific Plan.
- Alternative B could disrupt the residential character of the exclusively residential areas.
- Areas that perceive a need for additional residential development to revitalize this area might be precluded from revitalization.

**4) Allow Conversion of Non-residential square footage to housing units** – Using a conversion factor, allow additional units by reducing the allowable non-residential development in the Central District. This could be done now or concurrently with the next “Five-Year Update” of the Land Use Element, scheduled for 2009. Similar conversion is allowed in the West Gateway and East Colorado Specific Plan areas. City Council Action – Council would need to amend the Land Use Element to implement this alternative.

#### **ADVANTAGES**

- Would continue to support the Central District specific plan goal of mixed-use development in the district and would retain the existing land use patterns.
- More opportunities for projects which include affordable units in with market-rate units may be built or additional in-lieu fees will be generated by market-rate projects.

#### **DISADVANTAGES**

- Would require a change to the policies established in the Land Use Element of the General Plan.
- Study would be required to determine the appropriate conversion factor, particularly in relation to the traffic impacts of substituting residential for commercial uses.
- Would be inconsistent with prior discussions and decisions leading to current Central District Specific Plan.

- 5) Re-examine the caps** – Re-examine the number of new residential units versus non-residential square footage in the Central District to see if changes are necessary to achieve the goals of the Central District. As with Alternative 3, this could be done now or concurrently with the Land Use Element update in 2009. Additional studies would be required to determine the appropriate number of units and square feet. Would require a change to the policies established in the Land Use Element of the General Plan. Would require extensive resources to adequately study what are the appropriate numbers of units and square feet, where they should be allocated in the Central District, and the infrastructure needs.

**ADVANTAGES**

- If a study determines that more market-rate residential development is desirable in the Central District, could encourage additional affordable units to be included in market-rate projects or additional in-lieu fees collected.
- Could allow additional units in specific districts where it meets the Central District Specific Plan objectives.

**DISADVANTAGES**

- May reduce the available sites for other uses that contribute to the tax base, such as offices or hotels.

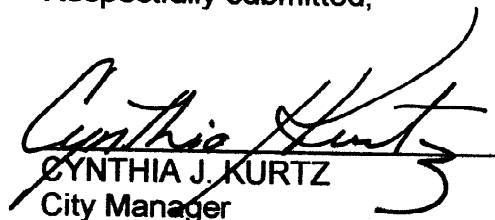
**PLANNING COMMISSION COMMENT**

On February 28, 2007 the Planning Commission discussed these alternatives and heard some public comment from Central District stakeholders. The Commission encouraged staff to notify the public of the issue and favored addressing the housing intensity issue in the next General Plan update.

**CONCLUSION**

Several alternatives or combinations of these alternatives can be adopted to address the upcoming end of the available housing units in the Central District. Staff will work with the Planning Commission to evaluate which best meets the goals of the General Plan and Central District Specific Plan and return to the City Council in May 2007.


Respectfully submitted,

  
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**Attachments:**

- 1: List of Central District projects completed or under construction since 1994
- 2: List of Central District projects in the pipeline
- 3: District-wide Map 12: Housing / Ground Floor Concept



**CENTRAL DISTRICT UNITS WITH BLDG PERMITS AND/OR COMPLETED 01/01/94 THRU 12/31/06**

case #	project address	zoning dist	use	gross new units (1)	demo units (2)	afford units (3)	Net new mkt units = (1)-(2)-(3)
<b>UNITS COMPLETED 1994 THRU 12/99</b>							
BU144110	131-147 E HOLLY ST - HOLLY ST VILLAGE APTS	CD3	M	374	0	74	300
95-01669	42 E WALNUT ST - TELACU	CD1	R	70	0	70	0
95-01161	80 N RAYMOND AV - RAYMOND HOLLY	CD1	R	24	0	2	22
96-06562	450 S EL MOLINO AV	RM48-CDSP	R	1		0	1
BU151993	111 S OAK KNOLL AV	CD6	R	28	0	0	28
BU157333	690 MIRA MONTE PL	CD4	R	1	0	0	1
95-02799	703 LOCUST ST	CD13	R	8	0	0	8
96-05882	487 S EUCLID AV	CD7A	R	10	2	0	8
98-02759	493 S EUCLID AV	CD7A	R	6	2	0	4
BU156407	411 S HUDSON AV	RM48-CDSP	R	3	0	0	3
95-04920	505 S HUDSON AV	CD5-7B	R	3	0	0	3
Subtotal, completed units 1994 -99				528	4	146	378



**CENTRAL DISTRICT UNITS WITH BLDG PERMITS AND/OR COMPLETED 01/01/94 THRU 12/31/06**

case #	project address	zoning dist	use	gross new units (1)	demo units (2)	afford units (3)	Net new mkt units = (1)-(2)-(3)
<b>Units with bldg permits issued and/or completed 01/00 thru 12/06</b>							
98-06475	174 N MADISON AV (6) - HERITAGE WALK	CD3	R	38	0	18	20
98-06476	186 N MADISON AV (7)						
98-06471	600 E WALNUT ST (6)						
98-06472	612 E WALNUT ST (6)						
98-06473	624 E WALNUT ST (6)						
98-06474	636 E WALNUT ST (7)						
99-06546	216 S MADISON AV	RM48-CDSP	R	19	0	0	19
99-01930	325 CORDOVA ST - ARPEGGIO	CD2	M	135		11	124
99-06213	801 E WALNUT ST (75) - ALEXAN	CD5	M	214	0	0	214
99-06216	210 N HUDSON AV (79)	CD5					
99-06218	820 LOCUST ST (60)	CD5					
BLD2000-00161	541 S OAK KNOLL AV	RM48-CDSP	R	1	0	0	1
00-02123	50 W DAYTON ST	CD11	M	17		0	17
00-02196	160 E CORSON / 145 CHESTNUT - ACAPPELA	CD1	M	143		12	131
99-01818	490 E UNION ST	CD4	M	1	0	0	1
00-02514	278 E COLORADO BL - PASEO COLORADO	CD1	M	387		0	387
BLD2000-00121	155 N RAYMOND AV	CD1	M	18	0	0	18
BLD2000-00657	742 LOCUST ST	CD13	R	15	2	0	13
BLD2000-00474	290 N HUDSON AV - OPERATING ENGRS	CD5	R	140	0	0	140
BLD2001-00543	22 W GREEN ST	M	CD1	32	0	0	32
BLD2001-00951	25 S OAK KNOLL AV - ARCHSTONE PASADENA	CD4	M	120	0	10	110
BLD2001-01474	65 W DAYTON ST	CD1	M	42		0	42
BLD2002-0463	385 E GREEN ST	CD2	M	4	0	0	4
BLD2001-01455	286 N MADISON AV - MONTGOMERY ENGG; OLSON CO.	PD21	R	48	0	0	48

**CENTRAL DISTRICT UNITS WITH BLDG PERMITS AND/OR COMPLETED 01/01/94 THRU 12/31/06**

<b>case #</b>	<b>project address</b>	<b>zoning dist</b>	<b>use</b>	<b>gross new units (1)</b>	<b>demo units (2)</b>	<b>afford units (3)</b>	<b>Net new mlt units = (1)-(2)-(3)</b>
BLD2002-00324	173 N OAK KNOLL AV	CD3	M	1	0	0	1
BLD2001-01425	775 E UNION ST - FOUNTAIN GLEN	CD3	M	98	0	4	94
BLD2002-00330	108 S EL MOLINO AV	CD4	R	12	0	0	12
BLD2002-00133	448 S OAK KNOLL AV	RM48-CDSP	R	6	1	0	5
BLD2002-00554	82 PALMETTO DR	CD6	R	1	0	0	1
BLD2002-00556	84 PALMETTO DR	CD6	R	1	0	0	1
BLD2002-00112	160 S HUDSON AV	CD4	M	72	0	0	72
BLD2002-00012	175 S LAKE AVE -	CD4	M	38	0	0	38
BLD2001-00770	33 S WILSON AV	CD5	R	45	7	0	38
BLD2002-00733	712 E WALNUT ST - WALNUT PLACE, LLC	CD3	M	28	0	3	25
BLD2002-01333	478 S OAKLAND AV	RM32-CDSP	R	5	3	0	2
BLD2001-01327	128 N OAK KNOLL AV, 737 E UNION (COMML)	CD3	M	53	0	0	53
BLD2003-00156	448 S OAKLAND AV	RM32-CDSP	R	11	5	0	6
BLD2002-00718	287 PLEASANT ST - BLDG A	RM32-CDSP	R	1	1	0	0
BLD2002-00719	287 PLEASANT ST - BLDG B	RM32-CDSP	R	6	3	0	3
BLD2002-01183	265 S ARROYO PKWY (63) - DEL MAR STN APTS	CD9	M	347	0	21	326
BLD2002-01184	275 S ARROYO PKWY(147) - DEL MAR STN APTS	CD9	M				
BLD2002-01185	115 E DEL MAR BL(43) - DEL MAR STN APTS	CD1	M				
BLD2002-00997	202 S RAYMOND AV (94) - DEL MAR STN APTS	CD1	M				
BLD2003-00227	840 E GREEN ST	CD5	M	103	1	0	102
BLD2002-01515	621, 625, 641 E COLORADO BL, 33 & 35 N EL MOLINO, 30 N MADISON, 610 E UNION ST - TRIO APTS	CD4	M	304	0	18	286

**CENTRAL DISTRICT UNITS WITH BLDG PERMITS AND/OR COMPLETED 01/01/94 THRU 12/31/06**

case #	project address	zoning dist	use	gross new units (1)	demo units (2)	afford units (3)	Net new mkt units = (1)-(2)-(3)
BLD2003-00274	169 W GREEN ST - PASADENA PLACE	CD1	M	38	0	3	35
BLD2003-01400	141/139 S HUDSON AV - HUDSON CORDOVA, LLC	CD4	M	9	0	0	9
BLD2003-01439	35 N RAYMND AV	CD1	M	33	0	0	33
BLD2004-00999	100 W GREEN ST - DELACEY AT GREEN	CD1	M	59	0	0	59
BLD2004-00485	700 E UNION ST - GRANADA COURT	CD4	M	31	0	0	31
BLD2004-00865	22 W GREEN ST	R	CD1	16	0	16	0
BLD2003-01489	261 N MADISON AV- FULLER SEMINARY	CD3	M	179	50	169	-40
BLD2004-00078	480 S LOS ROBLES AV	RM32-CDSP	R	10	9	0	1
BLD2004-01536	217 S MARENGO AV	RM48-HL40(45)	M	36	6	6	24
BLD2005-00308	224 N LAKE AV/ 901-931 E WALNUT ST	CD5	M	106	0	0	106
BLD2004-01081	351 E COLORADO BL - Montana, Ph 1	PD31-CD	M	28	0	0	28
BLD2004-00437	250 S DELACEY AV - DeLacey Flats	CD1	M	30	0	0	30
BLD2005-01302	230, 260 S ARROYO PKY - Milan Lofts	CD1		55	0	0	55
BLD2005-00744	21 N ARROYO PY	CD1	M	12	0	0	12
Subtotal, units with bldg permits and/or completed 01/00 thru 12/06				3148	88	291	2769
<b>TOTAL UNITS W/ PERMITS AND/OR COMPLETED 1/94 THRU 12/06 =</b>				<b>3676</b>	<b>92</b>	<b>437</b>	<b>3147</b>



PIPELINE PROJECTS WITH HOUSING UNITS AS OF 12/31/06 (01/01/04 - 12/31/06)

Case No	Address	Zoning	Use	Gross New Units (1)	Demo units (2)	Afford units (3)	Net New Mkt units = (1)-(2)-(3)
<b>PROJECTS IN CENTRAL DISTRICT:</b>							
PLN2006-00385	496 S ARROYO PKY	CD6	M	21	0	3	18
PLN2004-00543	301 E COLORADO BLVD (Note1) - MONTANA PH 2	PD31/ CDSP	M	18	0		18
PLN2005-00583	590 COLORADO BL E	CD4	M	16	0		16
PLN2004-00426	155 CORDOVA ST - TERRA BELLA	CD1	R	28	16		12
PLN2006-00606	175 DEL MAR BLVD E	CD1	M	9	6		3
PLN2004-00224	70 EL MOLINO AVE N	CD4	M	104	0		104
PLN2006-00205	133 ELECTRIC DR	CD1	M	36	0		36
PLN2006-00363	747 GREEN ST E	CD4	M	30	0		30
PLN2004-00475	922 GREEN ST E	CD5	M	46	0		46
PLN2004-00023	233 HUDSON AVE N	CD3	M	23	0		23
PLN2006-00052; PLN2006-00432	151 HUDSON AVE S	CD4	M	9	1		8
PLN2006-00360	171 HUDSON AVE S	CD4	M	20	0		20
PLN2005-00537	251 S HUDSON AVE	RM48	R	16	1		15
PLN2006-00430	123 S LOS ROBLES AV (Note 2) - LIVINGSTON HOTEL	CD2	M	68	43	5	20
PLN2006-00348	229, 245 S MARENGO AVE	RM-48/CDSP	R	21	15		6
PLN2006-00537	173 N OAK KNOLL AV - CASA LAS AMIGAS	CD3	R	7	0		7
PLN2004-00351	135 OAKLAND AVE N (Note3)- FULLER SEMINARY	CD3	M	586	222	364	0
PLN2006-00259	394 S OAKLAND AVE	RM32/ CDSP	R	5	1		4
PLN2005-00501	445 S OAKLAND AVE	RM32	R	9	2		7

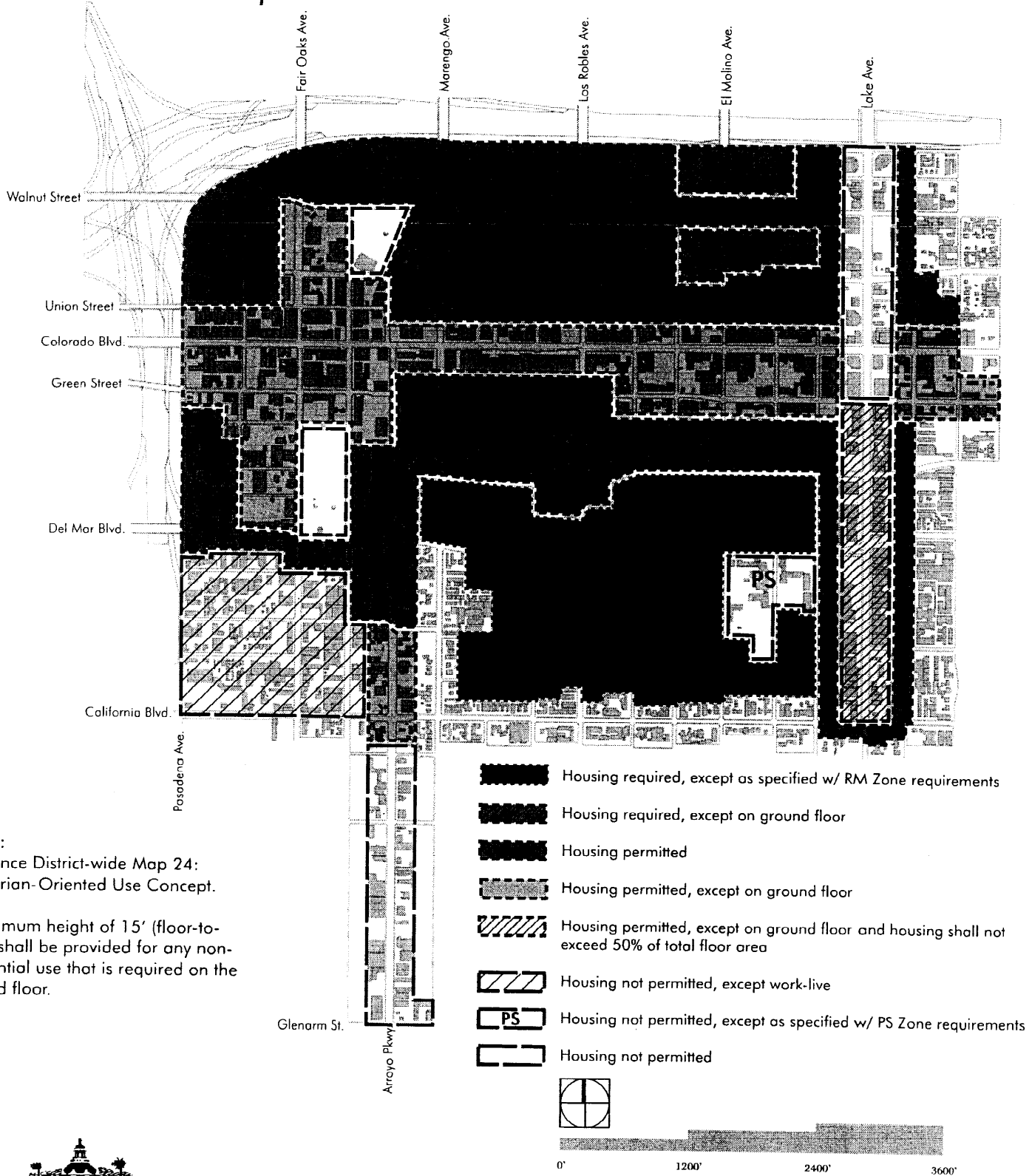
PIPELINE PROJECTS WITH HOUSING UNITS AS OF 12/31/06 (01/01/04 - 12/31/06)

Case No	Address	Zoning	Use	Gross New Units (1)	Demo units (2)	Afford units (3)	Net New Mkt units = (1)-(2)-(3)
PLN2004-00485	520 S OAKLAND AVE	RM32	R	6	0		6
<i>PLN2006-00150</i>	<i>76 PALMETTO DR</i>	<i>CD6</i>	<i>M</i>	<i>2</i>	<i>2</i>		<i>0</i>
PLN2005-00517	129 RAYMOND AVE N	CD1	M	49	0		49
PLN2004-00134; PLN2006-00409; PLN2004-00545	950 SAN PASQUAL ST - GRANITE PARK	CD5	M	75	0		75
PLN2006-00132	250 UNION ST E	CD2	M	52	0		52
PLN2004-00488	134 VALLEY ST (Note 4) - EAST CAMPUS / WESTGATE PROJECT	CD1	M	820	0	110	710
<i>PLN2006-00356;</i> <i>PLN2006-00503</i>	<i>680 WALNUT ST E</i>	<i>CD3</i>	<i>M</i>	<i>60</i>	<i>0</i>		<i>60</i>
PLN2005-00005	770 WALNUT ST E	CD3	M	71	0		71
PLN2006-00578, PLN2006-00650, PLN2006-00690	25 W WALNUT ST	CD1	M	120	0		120
<b>Subtotal, CENTRAL DISTRICT</b>				<b>2,327</b>	<b>309</b>	<b>482</b>	<b>1,536</b>
<b>M = Mixed-use, R = Residential use, N = Non-residential use</b>							
<i>Italicized are projects with multiple permits/entitlements</i>							
<p><b>Note1:</b> Montana Ph 1 &amp; Ph 2 = 46 units; Ph1 (28 units) Bld2004-018081 was issued 4/17/06; Balance of units in pipeline = (46-28) = 18 units</p> <p><b>Note 2:</b> Project involves conversion of existing 43 units into 34 units and construction of 34 new units = 68 gross new units.</p> <p><b>Note 3:</b> Fuller Seminary - Combination of affordable &amp; replacement units results in zero net new market units.</p> <p><b>Note 4:</b> Westgate Project - Recognizes 110 affordable units.</p>							



# Section 4 DISTRICT-WIDE LAND USE CONCEPT

## District-wide Map 12: Housing / Ground Floor Concept



**Notes:**

Reference District-wide Map 24:  
Pedestrian-Oriented Use Concept.

A minimum height of 15' (floor-to-floor) shall be provided for any non-residential use that is required on the ground floor.

