

ATTACHMENT A

FINDINGS FOR ZONING CODE TEXT AMENDMENT

Prior to the approval of a Zoning Code Text Amendment, the following findings must be made:

1. *The proposed amendment is in conformance with the goals, policies and objectives of the General Plan, and other adopted goals and policies of the City.*

The proposed amendment to the Zoning Code is consistent with the goals and policies of the General Plan as follows:

Land Use Element

- Goal 2. Land Use Diversity. A mix of land uses meeting the diverse needs of Pasadena's residents and businesses, fostering improved housing conditions, offering a variety of employment and recreation opportunities, and supporting a healthy population while protecting the environment.
 - Policy 2.1 (Housing Choices). Provide opportunities for a full range of housing types, densities, locations, and affordability levels to address the community's fair share of regional, senior, and workforce housing needs and provide a strong customer base sustaining the economic vitality of Pasadena's commercial land uses. The types, densities, and location of housing shall be determined by the Land Use Diagram and reflect the projected needs specified in the Housing Element.
- Goal 7. Architectural Design and Quality. Encourage an architecturally distinguished city with a diversity of building styles. New development will recognize this by supporting a variety of materials, forms, and construction techniques while demonstrating contextual relationship to its surroundings through traditional physical concepts (orientation, scale, materials) and non-physical concepts (cultural, climactic, economic).
 - Policy 7.1 (Compatibility). Require that new and adaptively re-used buildings are designed to respect and complement the defining built form, massing, scale, modulation, and architectural detailing of their contextual settings.
- Goal 16. Superior Services. A superior level of services meeting the needs of Pasadena's diverse residents including schools, hospitals, parks, child and senior facilities and programs, libraries, shelters, public auditoriums, health facilities, social clubs and recreation centers.
 - Policy 16.6 (Accessible Services). Locate human services close to those who need them and encourage broad community participation in the planning, resource allocation, and evaluation of all programs.
- Goal 20. Information and Participation. All Pasadena communities will be uniformly aware and participate in land use planning, entitlement processes, and decision-making

processes through the communication of clear and understandable information and engagement opportunities.

- Policy 20.3 (Public Involvement and Proposed Projects). Improve neighborhood participation in current planning and land use decisions by affording adequate opportunity to review and comment on plans, programs, activities and reports covering the City's land use projects.
- Goal 21. Desirable Neighborhoods. A City composed of neighborhoods with a variety of housing types that are desirable places to live, contribute to the quality of life, and are well maintained.
 - Policy 21.1 (Adequate and Affordable Housing). Provide a variety of housing types (i.e. small subdivisions, row housing, and condominiums), styles, densities, and affordability levels that are accessible to and meet preferences for different neighborhood types (e.g. mixed use pedestrian environments and traditional suburban neighborhoods), physical abilities and income levels, pursuant to the Housing Element.

Housing Element

- Goal HE-1. Sustainable neighborhoods of quality housing, parks and community services, infrastructure, and other associated services that maintain and enhance neighborhood quality, character, and the health of residents.
 - Policy HE-1.1 (Neighborhood Character). Encourage, foster, and protect a balanced mix, density, and form of residential and mixed-use districts and neighborhoods. Preserve the character, scale, and quality of established residential neighborhoods.
- Goal HE-2. An adequate supply and diversity of quality rental and ownership housing opportunities suited to residents of varying lifestyle needs and income levels.
 - Policy HE-2.1 (Housing Diversity). Facilitate and encourage diversity in types, prices, ownership, and size of single-family homes, apartments, town homes, mixed-uses, transit-oriented developments, and work/live housing, among others.
 - Policy HE-2.5 (Adaptive Reuse). Support innovative strategies for the adaptive reuse of residential, commercial, and industrial structures to provide for a wide range of housing types and residential uses that respect the historic integrity of the structure.
 - Policy HE-2.7 (Entitlement Process). Explore continued improvements to the entitlement process to streamline and improve coordination of the processing of development permits, design review, and funding of affordable housing.

The proposed amendments include changes to the Zoning Code in order to facilitate conversion of hotels and motels to various types of affordable housing, including permanent supportive housing. This increases housing choices and creates opportunities for the production of more affordable housing, consistent with Land Use Policies 2.1 and 21.1, as well as Housing Element Policy HE-2.1. The amendments will establish a discretionary review process in order to allow public participation in the review of projects, while also providing an avenue for projects to obtain waivers from development standards that will otherwise make conversions infeasible. This is consistent with Land Use Policies 20.3 and Housing Element Policy HE-2.7. The amendments will set forth minimum development standards as well as performance standards to ensure high quality housing projects and necessary services consistent with best practices for assisting people experiencing homelessness to obtain permanent housing. The amendments will allow for adaptive reuse of hotels and motels that may be a source of nuisance to the surrounding neighborhood into a much needed housing resource for the City's vulnerable populations. These aspects of the amendments are consistent with Land Use Policies 7.1 and 16.6, as well as Housing Element Policies HE-1.1 and HE-2.5.

2. *The proposed amendment would not be detrimental to the public interest, health, safety, convenience, or general welfare of the City.*

The proposed amendments are consistent with numerous policies in the Land Use and Housing Elements of the General Plan. They will provide greater opportunity to provide affordable housing in Pasadena by adaptively reusing existing hotels and motels, thereby reducing homelessness without any major new construction. The amendments will also require a discretionary review process for projects meeting certain thresholds, which provides opportunity for public participation in the approval of such projects. For these reasons, the amendments will not be detrimental to the public interest, health, safety, convenience, or general welfare of the City.

ATTACHMENT B

SEPTEMBER 12, 2018 PLANNING COMMISSION STAFF REPORT



PLANNING & COMMUNITY DEVELOPMENT DEPARTMENT

STAFF REPORT

DATE: SEPTEMBER 12, 2018

TO: PLANNING COMMISSION

FROM: DAVID M. REYES, DIRECTOR OF PLANNING & COMMUNITY DEVELOPMENT DEPARTMENT

SUBJECT: ZONING CODE TEXT AMENDMENT TO ALLOW CONVERSIONS OF HOTELS AND MOTELS TO AFFORDABLE HOUSING

RECOMMENDATION:

It is recommended that the Planning Commission, after a public hearing, recommend the City council:

1. **Find** that the Zoning Code Text Amendment is exempt from the California Environmental Quality Act (CEQA);
2. **Adopt** the Findings for a Zoning Code Amendment in Attachment A;
3. **Recommend** the City Council approve the proposed Zoning Code Amendments as contained in this report; and

EXECUTIVE SUMMARY:

The Planning and Community Development Department has prepared a Zoning Code Text Amendment to allow the conversion of hotels and motels to affordable housing, including permanent supportive housing. This report provides an overview of further research into the topic, feedback received during prior study sessions on this topic, and the resulting staff recommendation for the Zoning Code Text Amendment. Study sessions on this topic were conducted with the Commission on June 13, July 25, and August 22, 2018. Staff is seeking the Planning Commission's recommendation for the City Council to adopt the proposed ordinance.

BACKGROUND:

Planning Commission Study Sessions

Public Comment

The Planning Commission received comments from the public at its prior study sessions. Comments at the study sessions indicated that hotel and motel conversions should prioritize permanent supportive housing as opposed to the other types of affordable housing discussed.

Commenters also stated that on-site services should also be allowed and encouraged for traditional affordable housing, and not only reserved for permanent supportive housing projects. Finally, commenters suggested that requiring an entitlement process for the creation of affordable housing adds costs and uncertainty for non-profits, which are typically the types of entities that undertake these types of projects. However, during the August 22, 2018 study session, there were comments that suggested all hotel conversions should be discretionary due to the potential for unintended consequences, and that the concept of hotel conversions should be part of the update process for the Specific Plans.

Planning Commission Comments

Over the course of its three study sessions on June 13, July 25, and August 22, 2018, the Planning Commission provided various comments and direction to staff. In general, most Commissioners supported the concept of converting underutilized hotel and motel structures to affordable housing as a strategy to address homelessness and the rising cost of housing in the City. The notion that a conversion would be either "like for like", or "like for better" was discussed in reference to the similarities in use and impacts between hotels and various types of affordable housing. For example, hotels and motels attract inherently transient populations that stay for very short periods of time, whereas permanent supportive, single room occupancy (SRO), and affordable housing would consist of a more permanent resident population. There was also discussion about the benefits of having 24-hour on-site managers available, both to provide services to the residents as well as to monitor and address any activities that may have an impact on surrounding residents or businesses.

Some Commissioners expressed that the creation of affordable housing, and permanent supportive housing in particular, is most effective and likely to succeed when the process is ministerial. They emphasized that the ordinance should focus on removing obstacles and reducing the time needed for approvals. Ultimately, the consensus of these same members of the Commission appeared to be that some types of projects could be approved ministerially, while others that meet or exceed certain thresholds could be required to obtain a discretionary approval. Various ideas for thresholds were discussed, including the number of hotel rooms to be converted; the type of affordable housing proposed; the location of the project in relation to other sensitive uses; and the extent to which changes would be made to the building in order to accommodate the conversion to housing. Some Commissioners indicated that at the very least, conversions should be by-right if the hotel is located in a multi-family zone, as well as in cases where there would be no physical changes to the existing building.

However, one of the Commissioners stated that they did not support the proposed ordinance, particularly due to the lack of public participation if conversions are not required to go through a discretionary process. This Commissioner also expressed hesitation toward limiting conversions only to affordable or permanent supportive housing, citing the need to explore other types of uses such as workforce or student housing, which are also needed in the areas where existing hotels are located. It was ultimately suggested that multiple options be presented to the City Council, including an option that would require discretionary review for all conversions and an option that defers the issue of hotel conversions to the Specific Plan update program.

Permanent Supportive Housing Project Examples

Over the course of the various study sessions regarding the issue of hotel and motel conversions, the Planning Commission expressed interest in learning more about other projects both within Pasadena and in other jurisdictions that operated as permanent supportive housing in order to

better inform the potential development and performance standards that should be included in the Pasadena ordinance. The following is a list of various examples of permanent supportive housing projects with brief descriptions of their facilities and operations.

Centennial Place (Pasadena)

Centennial Place is located at 235 E. Holly St. near City Hall in the former YMCA Building, and includes 142 Single Room Occupancy units rented at rates affordable to single adults with very low-income. Units include a mini-refrigerator and sink, but bathrooms and kitchens are shared facilities. Centennial Place includes on-site case management and supportive services administered by Union Station Homeless Housing services, generally Monday through Friday from 8am-6pm, with some evening and weekend events and programming as well. There is one case manager per 35 units, and an additional Program Manager on-site who doesn't carry a caseload, but provides general support to the clients. Although the building does not have a perimeter fence or other type of enclosure, the main entrance door is secured and accessible only by residents with keys. The project has a property manager and an assistant property manager who lives on-site, as well as a security guard/ambassador on weekends and evenings. The project has no on-site parking, and seven residents out of the total 142 own cars.

Euclid Villa (Pasadena)

Euclid Villa is located at 154 S. Euclid Avenue and includes 15 affordable apartments for formerly homeless families consisting of a mix of one to four bedroom units. The units are fully self-contained, with full kitchens and bathroom facilities in each unit. One of these units is occupied by an on-site property manager, who provides custodial and facilities maintenance services. There is also an additional part-time staff member who focuses on community-building, creating programming for the residents and activities with kids. On-site case management and supportive services are provided by Union Station Homeless Services, generally Monday through Friday from 8am-6pm, with some weekend or evening events as well. There is one case manager for the 14 families that live on-site, and services are tailored toward families. In addition to the traditional case management, healthcare, substance abuse, and job training/education services, there are also tutoring services and socialization activities for children. Euclid Villa has secured access for residents similar to any other typical apartment building, but does not have on-site security personnel or perimeter fencing, with the exception of the playground which does have fencing. Although security cameras are present, they are not actively monitored, but rather used as an investigative tool after an incident occurs. The project has on-site parking, however of the 15 families, there are eight cars that utilize the parking.

Marv's Place (Pasadena)

Marv's Place, which is located at 143 Mar Vista Avenue, includes 20 furnished units of permanent supportive housing with on-site supportive services and a variety of on-site amenities for residents, including a community room, computer center, and laundry facilities. Units at Marv's Place are one- or two-bedrooms. Similar to Euclid Villa, one of the units at Marv's Place is occupied by an on-site property manager who provides daily maintenance services for the building and its residents. There is also an additional part-time staff member who focuses on community-building, creating programming for the residents and activities with kids. On-site case management and supportive services are provided by Union Station Homeless Services, generally Monday through Friday from 8am-6pm, with some weekend or evening events as well. There is one case manager for the 19 families that live on-site, and services are tailored toward families. In addition to the traditional case management, healthcare, substance abuse, and job

training/education services, there are also tutoring services and socialization activities for children. Similar to Euclid Villa, Marv's Place also has secured access for residents similar to any other typical apartment building, but does not have on-site security personnel or perimeter fencing, with the exception of the playground which does have fencing. Although security cameras are present, they are not actively monitored, but rather used as an investigative tool after an incident occurs. The project has on-site parking, however of the 20 families, 13 cars utilize the parking.

The Orchard (Santa Ana)

The Orchard is a former 77-room motel converted into 72 units of permanent supportive housing located in the City of Santa Ana. The units consist of 12 one-bedroom and 60 studio units, including one manager unit. Some of the existing hotel rooms were consolidated in order to accommodate on-site services and a commercial kitchen. The project was processed as an assisted living/assisted care facility, and received a Conditional Use Permit as such in order to become an allowed use. The project took a total of nearly four years to complete. This includes slightly more than one year for entitlements, a year and a half to secure financing, ten months of construction, and six months of leasing. According to the organization managing the project, the most difficult part of the construction process was ensuring that each unit had full kitchens in order to achieve higher retention rates for future residents.

Approximately one-third of the existing parking was removed in order to make space for a community garden, which has been well used by residents. With 72 units in the project, there are 36 parking spaces on site, a parking rate of 0.5 spaces per unit. According to property managers, 26 of the 36 parking spaces are used regularly by residents. In addition to the community garden, the project includes a central courtyard with barbecues, laundry facilities, and a commercial kitchen and dining room that provides two meals a day, five days per week at minimum for free for all residents. The project includes an on-site property manager, three and a half full-time equivalent case management staff, and office space for the Orange County Health Care Agency. With respect to security, the property manager indicated that most issues are not caused by residents, but rather from visitors. There was initially not an interest to install gates around the property in order to avoid making the site feel enclosed and institutional, but due to security concerns by the residents and operators, the property managers have decided to move forward with installing a gate with secured access for residents. The site also includes security cameras and a security guard stationed on-site at night.

Tiki Apartments (Huntington Park)

Tiki Apartments is also a former motel converted into permanent supportive housing. Located adjacent to the City of Huntington Park in unincorporated Los Angeles County, the project includes 36 affordable units comprised of a mix of studios, one-, and three-bedroom units. The overall project included new construction of four units on vacant land, renovation of an existing hotel to convert the rooms into housing, and renovation of a dilapidated apartment building. The motel rooms were converted into one-bedroom units, and the new construction includes three-bedroom units. Due to the scope of the project, the existing buildings went through major renovations to achieve the conversion and make the hotel rooms work as residential units. The overall project timeline was three years, a significant portion of which was due to the waiting period for tax credit financing. It is worth noting, however, that the developer purchased the property with the required entitlements to convert the site into housing already in place, including a Conditional Use Permit. Thus, the three year project timeline does not take into account the entitlement phase, but does include financing, plan check, construction, and leasing.

According to the management company overseeing the project, of the 36 units, only four households own cars and require parking on-site. With respect to safety, the project has security cameras on-site which are remotely monitored during nights by a third-party security agency. The building is gated, with key fobs for all pedestrian-accessible areas. Even with these measures in place, the property management expressed a desire for additional security gates/fences in order to prevent unauthorized visitors who may enter to stay with residents or engage in illicit activities. On-site amenities include laundry facilities, a library, community center, and outdoor fitness equipment. On-site services include substance abuse, job training, mental health services, clinical social workers, and case workers. There is one service provider per 20 residents, and services are offered during regular business hours of 8:30am-5:00pm Monday through Friday. The property manager lives on-site and is on-call after normal business hours to address any property maintenance or security issues.

Other Jurisdictions

The table below provides an overview of ordinances from three other cities related to conversions of hotels and motels to residential uses, with an emphasis on affordable housing.

Table 1 – Conversion Ordinances from Other Jurisdictions

City	Process	Zoning Regulations	Performance Standards	Zoning
<i>Los Angeles</i>	Ministerial	<ul style="list-style-type: none"> - No additional floor area - No additional height - No additional lot coverage - No additional units - All others are waived 	<ul style="list-style-type: none"> - Transitional or Supportive Housing only - Maximum of 10% of floor area may be devoted to on-site services - Shield exterior lighting away from adjacent properties 	<ul style="list-style-type: none"> - Underlying zone, Specific Plan, Overlay Zones do not apply
<i>Anaheim</i>	CUP	<ul style="list-style-type: none"> - No waiver of any standards 	<ul style="list-style-type: none"> - No requirement for support services - No other performance standards identified 	<ul style="list-style-type: none"> - Allowed only in residential zones
<i>San Jose</i>	CUP (5-year period, one renewal)	<ul style="list-style-type: none"> - No waiver of any standards 	<ul style="list-style-type: none"> - No more than 49% of floor area may be used for supportive housing - Management Plan required 	<ul style="list-style-type: none"> - Prohibited in certain zones

- Support services
may be provided,
but not required

ANALYSIS:

Review Process

Ministerial Versus Discretionary

Although a number of Planning Commissioners expressed support for a fully ministerial process for hotel conversions, the majority of Commissioners ultimately reached consensus that some form of discretionary review would be appropriate for conversion projects that meet certain thresholds. The general direction was to establish a series of thresholds that would trigger discretionary review, while also building in requirements for all conversion projects to meet certain development and performance standards.

Notwithstanding the Planning Commission's direction, staff's primary recommendation with respect to the review process is that all requests for conversions be reviewed on a discretionary basis. The nature of converting existing buildings from one use to another, however similar the uses may be, is not entirely predictable and case-by-case review would ensure that projects would be compatible with the surrounding land uses. Discretionary review would allow the reviewing authority to evaluate each project to determine which development standards should be adjusted, to what extent they should be adjusted, and what the appropriate performance standards would be in order to achieve a quality living environment for future residents of the conversion project as well as minimize the impacts to neighboring residents and businesses. For these reasons, staff recommends that all hotel conversion projects be required to obtain discretionary approval as described later in this section of the report.

Nevertheless, should the Planning Commission choose to include ministerial review in the recommendation to City Council, staff recommends the thresholds described in Table 2 to differentiate ministerial versus discretionary conversions:

Table 2 – Criteria for Ministerial and Discretionary Review

Review Type	Project Characteristics
<i>Ministerial</i>	<p>All of those listed below:</p> <ul style="list-style-type: none"> - No increase in floor area, room/unit count, or height, however interior changes are allowed - Exception: any increase necessary to comply with fire, life safety requirements (e.g. elevator shaft) - 100% affordable permanent supportive or transitional housing - Provides on-site services - Meets all development standards for ministerial approval as specified in Table 3 of this report - Meets all performance standards for conversions based on management plan submitted to the Director of Housing and Career Services
<i>Discretionary</i>	<ul style="list-style-type: none"> - Any increase in floor area, room/unit count, or height that is not necessary to comply with fire, life safety requirements (no more than 10% of total existing) - Includes affordable SRO or traditional affordable housing - Off-site services or no services provided - Does not meet all development standards for ministerial approval - Does not meet all performance standards for conversions based on management plan submitted to the Director of Housing

Discretionary Process

The process for allowing conversions of hotels and motels to affordable housing that do not meet the criteria for ministerial approval is envisioned to be a new entitlement called a Hotel Conversion Permit (HCP). The provisions for an HCP would be set forth in a new Section 17.61.055 of the Zoning Code. By establishing a new entitlement type, the City has the ability to establish specialized regulations for applicability, reviewing authority, required findings, and conditions that would be specific to the particular issues related to hotel and motel conversions for affordable housing. The application requirements would involve submittal of plans, a management plan for the property, including supportive or transitional services as applicable, as well as documentation of compliance with all performance and zoning standards. The review authority is envisioned to be the Hearing Officer. Upon requesting an HCP, the applicant could request certain deviations from development standards that ministerial conversions would otherwise be required to comply with. Further information on these deviations is provided in a subsequent section of this report.

The review process for an HCP would be similar to that of a Conditional Use Permit in terms of public noticing, time limits, and extensions. The required findings, however, would be tailored to the particular issues associated with the unique nature of hotel and motel conversions to affordable housing. The following findings would be required to be made in order to approve an HCP, and would ensure that the operations of the converted housing be as close as possible, and to some degree an improvement upon, those of the existing hotel or motel being converted:

1. The hotel or motel proposed for conversion was legally constructed and is currently a legal or legally nonconforming use;
2. One hundred percent (100%) of the proposed converted units will be rented at rates affordable to low-income, very-low income, and extremely-low income households 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.

Zoning Compliance

Land Use Restrictions

The Zoning Code sets forth allowable land uses for various zoning districts, which in some cases would result in conversions from hotels and motels to affordable housing to not be permitted, or to require a Conditional Use Permit. In most zoning districts, Supportive Housing, Transitional Housing, SRO, and Multi-Family Housing (which includes traditional affordable housing) are specifically listed as either permitted, conditionally permitted, or unpermitted uses. For example, Supportive Housing is listed as a permitted use in the CO and CL zoning districts, but is not permitted in the CG zoning district unless it is within an SRO. There is considerable variation throughout the City's various zoning districts with respect to allowing the types of affordable housing contemplated as part of this ordinance.

As a result, an existing hotel or motel that may be a desirable candidate for conversion to affordable housing may be precluded from doing so because of the land use restriction of the underlying zone. To address this, the ordinance would include a provision that exempts hotel and motel conversions from the underlying zoning land use restrictions. This is similar to the approach taken in the City of Los Angeles Interim Motel Conversion Ordinance to address the same issue.

Development Standards

In addition to land use regulations, the Zoning Code also establishes development standards for properties based upon the type of zoning district in which they are located. For example, development standards for properties in commercial zones differ from standards for properties in multi-family or industrial zones. Since most hotels and motels are located in commercial and industrial zones, as well as in Specific Plan areas, the existing structures are more likely to comply with the non-residential development standards for those zones than multi-family development standards.

There are substantial differences in standards between commercial and multi-family zones, including setbacks, building separation, open space, and others. Thus, to require a conversion project to comply with multi-family standards when the existing building was built to commercial standards would likely create a significant barrier and would run counter to the goal of providing more opportunities to create affordable housing from existing structures. Due to the fact that the motels and hotels are existing and would operate in substantially the same manner even after the conversion, and that minimal alteration would be done to the structure for a ministerial conversion, it is recommended that the majority of the development standards be waived in order to avoid zoning code compliance issues.

In particular, parking requirements that are currently established in both commercial and multi-family zones, and especially for hotels and motels, are not comparable to the typical parking demand of certain types of affordable housing, including permanent supportive and transitional housing. For example, within the permanent supportive housing projects located in Pasadena, approximately 60% of units own a car. At these same facilities, car ownership for individuals, as opposed to families, is substantially lower at 5%. Other permanent supportive housing projects discussed previously in this report have similarly low parking demand. Based on these observations, it is clear that the required parking for hotels and motels, which is currently one parking space per guest room, would exceed the actual parking demand when converted to supportive or transitional housing, particularly when those units are occupied by individuals rather than families, which would most likely be the case given the size of existing hotel or motel rooms being converted. Therefore, it is recommended that the parking requirement be reduced to a rate comparable to the actual observed demand, as established in Table 3 below.

Alternatively, if alterations are planned for the structure beyond those required for Building Code compliance, the discretionary process would allow for waivers to be granted up to a certain extent and subject to conditions of approval to ensure that any potential impacts are mitigated. Table 3 below shows the typical development standards that would be considered, and the proposed requirements and waivers for both ministerial and discretionary conversions.

Table 3 – Development Standards Applicable to Ministerial and Discretionary Conversions

Development Standard	Ministerial Conversion*	Discretionary Conversion
<i>Minimum Lot Size (area and width)</i>	Waive requirement	Waive requirement
<i>Maximum Density</i>	Same as existing structure or less	May increase from existing by up to 10% of existing
<i>Setbacks</i>	Same as existing structure	Waive code requirement; allow deviations from minimums
<i>Maximum Site Coverage</i>	Same as existing structure	Waive requirement
<i>Minimum Floor Area per Unit</i>	Waive requirement, except no units may be smaller than requirements for SRO	Waive requirement, except no units may be smaller than requirements for SRO
<i>Height Limit</i>	Same as existing structure except as required for Building Code compliance	Comply with current code
<i>Floor Area Ratio</i>	Same as existing structure or less	May increase by up to 10% of existing
<i>Landscaping</i>	Waive requirement	Waive requirement
<i>Parking</i>	Same as existing parking	Reduce to 0.5 spaces per unit
<i>Signs</i>	Comply with current code	Comply with current code
<i>Lighting</i>	Comply with current code	Comply with current code
<i>Commercial Frontage and Façade Standards</i>	Same as existing structure	Modify existing structure
<i>Walls and Fences</i>	May provide security fences, walls, and gates up to 6' in height. Fences, walls, and gates along any street frontage must be set back by at least 3' from street-fronting property line and open to view.	May provide security fences, walls, and gates in excess of 6' in height. May modify required 3' distance from property line and open to view requirement for fences, walls, and gates along street frontages.

**In the case that the final ordinance that is adopted requires discretionary review for all conversion projects, the 'Ministerial Conversion' standards in Table 3 would not be applicable, and only the 'Discretionary Conversion' standards would apply.*

Performance Standards

The goal of any hotel or motel conversion project is to provide housing opportunities that are safe, comfortable, and have a supportive environment for its residents. It is also important to balance those goals with the need to minimize any potential impacts to the surrounding neighborhood and ensure compatibility with the various land uses in the vicinity. To that end, it is important to implement performance standards on any potential hotel or motel conversion.

In developing appropriate performance standards and seeking best practices, staff looked to a variety of resources, including a study of permanent supportive housing property management practices. The study was conducted in 2009, and interviewed 12 property management firms that manage a combined 186 permanent supportive housing properties and a total of 11,420 units throughout the United States. Additionally, staff reached out to Union Station Homeless Services, which currently operates three permanent supportive housing projects within the City of Pasadena. Finally, staff interviewed operators of two projects located outside the City that were converted from previously existing motels, as discussed earlier in this report. Based on this research, the following list enumerates the recommended minimum performance standards that all hotel and motel conversions to permanent supportive or transitional housing would be required to meet if they are seeking ministerial approval:

1. On-site support services, including but not limited to substance abuse, mental and physical health, education and job training, housing assistance, and overall case management. Services must be provided at least during normal business hours (8:00am – 5:00pm) or longer. Minimum of one case-worker or supportive service staff per 20 units.
2. 24-hour on-site property manager for any conversion project with 15 or more units.
3. 24-hour security monitoring, including on-site security personnel, security cameras, or a combination thereof. Security cameras must be actively monitored on- or off-site.
4. On-site community space for residents to gather with amenities such as seating, tables, barbecues, or other activities for community-building.
5. On-site laundry amenities for residents.
6. Offices for case-workers and property management staff must be provided on-site in dedicated areas.

These performance standards would also serve as guidelines for conversion projects seeking discretionary approval, although some deviations could be granted provided that the required findings for an HCP can still be made. These standards can also serve as guidelines for projects converting to affordable SRO or traditional affordable housing, particularly standards four and five. To ensure that these performance standards are met, plans would be submitted to verify compliance with physical requirements. With respect to operational performance standards, a Management Plan would also be submitted at the time of application submittal for either ministerial or discretionary approval. The Management Plan would 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 Management Plan would be recorded as a covenant on the property as approved by the City Attorney, would be subject to review and approval by the Housing Administrator of the Housing and Career Services Department. The Management Plan would be required to be approved and recorded prior to the approval of the final building inspection. The

Housing Administrator would have the authority to amend the Management Plan at their discretion to ensure compliance and address any unforeseen issues as they occur.

Other Incentives

Some Commissioners expressed interest in providing incentives for hotel and motel conversions, including potential reductions in fees. Therefore, it is recommended that all applicable review fees, including HCP application fees and plan check application fees be waived. Furthermore, since the conversions would result in new residential units, those units would be subject to the City's Residential Impact Fee. It is further proposed that the Residential Impact Fee be waived for hotel or motel conversion projects that contain 100 percent permanent supportive or transitional housing. These reductions and waivers are necessary in order to incentivize the creation of those types of housing units, which would most likely have the biggest impact on reducing homelessness and transitioning individuals to permanent housing.

REQUIRED FINDINGS:

In order to amend the Zoning Code, a proposed amendment must be: 1) in conformance with the goals, policies, and objectives of the General Plan, and 2) not detrimental to the public interest, health, safety, convenience, or general welfare of the City. These findings are included in Attachment A.

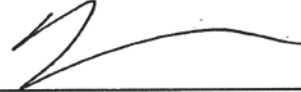
ENVIRONMENTAL DETERMINATION:

The proposed Zoning Code Text Amendment has been assessed in accordance with the criteria contained in the California Environmental Quality Act (CEQA) Guidelines, and qualifies for a categorical exemption pursuant to Section 15301 (Class 1 - Existing Facilities), and there are no features that distinguish this project from others in the exempt class; therefore, there are no unusual circumstances. Section 15301 allows the conversion of existing structures to a use that is similar in operation and intensity. The proposed Zoning Code Amendment is also exempt from CEQA pursuant to State CEQA Guidelines Section 15061(b)(3), the general rule, in that CEQA applies only to projects which have the potential for causing a significant effect on the environment. The Zoning Code Amendment involves negligible alterations to existing buildings. Therefore, staff recommends that the Planning Commission find that the proposed Zoning Code Text Amendment is exempt from further review under the provisions of CEQA.

CONCLUSION:

Staff is seeking a recommendation from the Planning Commission on the proposed Zoning Code Text Amendment framework. Based on the recommendation and comments from the Planning Commission, Staff will prepare an ordinance for the City Council's consideration.

Respectfully Submitted,



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Attachment:
Attachment A: Findings for Zoning Code Text Amendment

ATTACHMENT C

FINDINGS FOR ZONING CODE TEXT AMENDMENT

Prior to the approval of a Zoning Code Text Amendment, the following findings must be made:

1. *The proposed amendment is in conformance with the goals, policies and objectives of the General Plan, and other adopted goals and policies of the City.*

The proposed amendment to the Zoning Code is consistent with the goals and policies of the General Plan as follows:

Land Use Element

- Goal 2. Land Use Diversity. A mix of land uses meeting the diverse needs of Pasadena's residents and businesses, fostering improved housing conditions, offering a variety of employment and recreation opportunities, and supporting a healthy population while protecting the environment.
 - Policy 2.1 (Housing Choices). Provide opportunities for a full range of housing types, densities, locations, and affordability levels to address the community's fair share of regional, senior, and workforce housing needs and provide a strong customer base sustaining the economic vitality of Pasadena's commercial land uses. The types, densities, and location of housing shall be determined by the Land Use Diagram and reflect the projected needs specified in the Housing Element.
- Goal 7. Architectural Design and Quality. Encourage an architecturally distinguished city with a diversity of building styles. New development will recognize this by supporting a variety of materials, forms, and construction techniques while demonstrating contextual relationship to its surroundings through traditional physical concepts (orientation, scale, materials) and non-physical concepts (cultural, climactic, economic).
 - Policy 7.1 (Compatibility). Require that new and adaptively re-used buildings are designed to respect and complement the defining built form, massing, scale, modulation, and architectural detailing of their contextual settings.
- Goal 16. Superior Services. A superior level of services meeting the needs of Pasadena's diverse residents including schools, hospitals, parks, child and senior facilities and programs, libraries, shelters, public auditoriums, health facilities, social clubs and recreation centers.
 - Policy 16.6 (Accessible Services). Locate human services close to those who need them and encourage broad community participation in the planning, resource allocation, and evaluation of all programs.
- Goal 20. Information and Participation. All Pasadena communities will be uniformly aware and participate in land use planning, entitlement processes, and decision-making

processes through the communication of clear and understandable information and engagement opportunities.

- Policy 20.3 (Public Involvement and Proposed Projects). Improve neighborhood participation in current planning and land use decisions by affording adequate opportunity to review and comment on plans, programs, activities and reports covering the City's land use projects.
- Goal 21. Desirable Neighborhoods. A City composed of neighborhoods with a variety of housing types that are desirable places to live, contribute to the quality of life, and are well maintained.
 - Policy 21.1 (Adequate and Affordable Housing). Provide a variety of housing types (i.e. small subdivisions, row housing, and condominiums), styles, densities, and affordability levels that are accessible to and meet preferences for different neighborhood types (e.g. mixed use pedestrian environments and traditional suburban neighborhoods), physical abilities and income levels, pursuant to the Housing Element.

Housing Element

- Goal HE-1. Sustainable neighborhoods of quality housing, parks and community services, infrastructure, and other associated services that maintain and enhance neighborhood quality, character, and the health of residents.
 - Policy HE-1.1 (Neighborhood Character). Encourage, foster, and protect a balanced mix, density, and form of residential and mixed-use districts and neighborhoods. Preserve the character, scale, and quality of established residential neighborhoods.
- Goal HE-2. An adequate supply and diversity of quality rental and ownership housing opportunities suited to residents of varying lifestyle needs and income levels.
 - Policy HE-2.1 (Housing Diversity). Facilitate and encourage diversity in types, prices, ownership, and size of single-family homes, apartments, town homes, mixed-uses, transit-oriented developments, and work/live housing, among others.
 - Policy HE-2.5 (Adaptive Reuse). Support innovative strategies for the adaptive reuse of residential, commercial, and industrial structures to provide for a wide range of housing types and residential uses that respect the historic integrity of the structure.
 - Policy HE-2.7 (Entitlement Process). Explore continued improvements to the entitlement process to streamline and improve coordination of the processing of development permits, design review, and funding of affordable housing.

The proposed amendments include changes to the Zoning Code in order to facilitate conversion of hotels and motels to various types of affordable housing, including permanent supportive housing. This increases housing choices and creates opportunities for the production of more affordable housing, consistent with Land Use Policies 2.1 and 21.1, as well as Housing Element Policy HE-2.1. The amendments will establish a permitting process that allows for a ministerial review process for hotel or motel conversion projects that are under certain thresholds and a discretionary review process for projects exceeding certain thresholds in order to allow public participation in the review of projects that propose changes significant enough that they may result in potential impacts. The process would also provide an avenue for projects to obtain waivers from development standards that will otherwise make conversions infeasible. This is consistent with Land Use Policies 20.3 and Housing Element Policy HE-2.7. The amendments will set forth minimum development standards as well as performance standards to ensure high quality housing projects and necessary services consistent with best practices for assisting people experiencing homelessness to obtain permanent housing. The amendments will allow for adaptive reuse of hotels and motels that may be a source of nuisance to the surrounding neighborhood into a much needed housing resource for the City's vulnerable populations. These aspects of the amendments are consistent with Land Use Policies 7.1 and 16.6, as well as Housing Element Policies HE-1.1 and HE-2.5.

2. *The proposed amendment would not be detrimental to the public interest, health, safety, convenience, or general welfare of the City.*

The proposed amendments are consistent with numerous policies in the Land Use and Housing Elements of the General Plan. They will provide greater opportunity to provide affordable housing in Pasadena by adaptively reusing existing hotels and motels, thereby reducing homelessness without any major new construction. The amendments will establish a permitting process that allows for a ministerial review process for hotel or motel conversion projects that are under certain thresholds and a discretionary review process for projects exceeding certain thresholds in order to allow public participation in the review of projects that propose changes significant enough that they may result in potential impacts and that would otherwise contain provisions outlined in the staff report. For these reasons, the amendments will not be detrimental to the public interest, health, safety, convenience, or general welfare of the City.