

# Agenda Report

August 2, 2021

**TO:** Honorable Mayor and City Council  
**FROM:** Planning & Community Development Department  
**SUBJECT: DRAFT 2021-2029 HOUSING ELEMENT**

## **RECOMMENDATION:**

It is recommended that the City Council authorize the Director of Planning and Community Development to submit the Draft 2021-2029 Housing Element to the California Housing and Community Development Department (HCD).

## **EXECUTIVE SUMMARY:**

This report provides an overview of the City's 2021-2029 Housing Element update process and a summary of the programs in the Draft Housing Element. A robust community outreach program included two Community Workshops, three Planning Commission meetings, four Housing Task Force Meetings, a community survey, a dedicated website, social media posts, and email updates. The Draft Housing Element identifies the capacity of the City to meet the Regional Housing Needs Assessment (RHNA) of 9,429 units that were allocated to the City as required by law. A total of 37 housing policies and 24 housing programs are proposed in the Draft Housing Element. The Planning Commission and Housing Task Force both provided extensive feedback on the Draft Housing Element, primarily focused on strengthening the commitment to the programs in the draft.

## **BACKGROUND:**

To demonstrate that a local jurisdiction can accommodate its share of the regional housing need, cities and counties are required to update their local Housing Element. Housing Elements allow each city and county to prepare a community-specific approach to "how" and "where" housing will be addressed to meet the needs of the community and is the only portion of the General Plan that is required to be updated every eight years. The Housing Element identifies policies and programs to address existing and projected future housing needs. Per state law, the City Council is required to adopt the updated 2021-2029 Housing Element by October 15, 2021 with a 120-day "grace period" to adopt the housing element, which ends February 15, 2022.

The detailed statutory requirements for preparing a housing element are contained in the California Government Code (sections 65580–65589.8). In accordance with state law, the Housing Element includes:

- **Housing Needs.** This includes an analysis of demographic, economic, social, and housing characteristics of Pasadena residents and an assessment of current and future housing needs in the community arising due to population and employment growth and change.
- **Housing Constraints.** This includes an analysis of potential governmental constraints that affect the development, maintenance, and improvement of housing for all income groups and people with disabilities, commensurate with the City’s identified housing needs.
- **Housing Resources.** This includes an inventory of resources available to address the City’s housing needs, including available land to accommodate new housing, financial resources to support program efforts, and administrative capacity to manage housing programs.
- **Program Accomplishments/Evaluation.** This includes an evaluation of current housing programs and accomplishments in addressing the housing needs identified in the 2014-2021 Housing Element.
- **Housing Plan.** This includes a series of goals, policies, and scheduled programs to further the development, improvement, and preservation of housing.

Regional Housing Needs Assessment (RHNA)

RHNA is mandated by State Housing Law, and quantifies the need for housing within each jurisdiction. All local governments are required to provide opportunities to address their share of the housing needs as established by the State Department of Housing and Community Development (HCD) and allocated by the Southern California Association of Governments (SCAG). In March 2021, SCAG adopted the final RHNA Plan, with Pasadena’s RHNA for the 2021-2029 planning period set at 9,429 housing units. The RHNA represents the minimum number of housing units Pasadena is required to plan for in its Housing Element by providing “adequate sites” through general plan designations and zoning. The following table illustrates the breakdown of the RHNA allocation based on income level:

Income Category	Percent of Area Median Income (AMI)	Units
Very Low-Income	≤50%	2,747
Low-Income	51-80%	1,662
Moderate-Income	81-120%	1,565
Above Moderate-Income	>120%	3,455
<b>TOTAL</b>		<b>9,429</b>

### Community Outreach and Engagement

As part of the development of the Housing Element, the City embarked on a series of community outreach efforts for residents and community stakeholders to provide input on housing issues and to recommend strategies to address housing needs and challenges. To provide a broad outreach experience during the Covid-19 pandemic and to ensure compliance with State, County, and local health orders, the City utilized mostly online and virtual tools to engage the community, including:

- A dedicated Housing Element update webpage;
- An April 2021 virtual community workshop series in English and Spanish with approximately 100 participants;
- A June 2021 virtual community workshop in English and Spanish with approximately 50 participants;
- Planning Commission Study Sessions;
- City Council meetings;
- An online and printed housing survey with over 500 submissions;
- Announcements on Facebook, Instagram, and Twitter;
- Email newsletters to existing email subscribers;
- Direct outreach to community groups and organizations; and
- Ads on the housing survey in local newspapers.

In March 2021, Mayor Victor M. Gordo established the Mayor's Task Force for Housing consisting of a diverse group of community leaders and organizations with a wide range of expertise. The first priority of the Task Force is the development of the 2021-2029 update to the Housing Element of the General Plan. The Task Force helped define the range of housing issues included in the Housing Element, offered policies and programs to address those issues, and reviewed draft goals, policies, and programs. For the Housing Element Update, the Task Force convened multiple meetings that focused on a variety of topics, including housing issues in Pasadena, Housing Element law statutory requirements, and goals, policies, and programs to include in the Housing Element.

The feedback received from these outreach efforts were compiled and taken into consideration when drafting the Housing Element. Feedback received at the virtual community workshops, and Housing Task Force meetings is provided as Attachment B.

### Housing Sites Inventory

For the 2021-2029 Housing Element planning period, Pasadena has been allocated a RHNA of 9,429 housing units, including 2,747 very low-income units, 1,662 low-income units, 1,565 moderate-income units, and 3,455 above moderate-income units. Per Housing Element law, local governments are required to prepare an inventory of land suitable for residential development, including vacant sites and sites having the potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites. The required sites inventory identifies specific sites or parcels to demonstrate that a local jurisdiction can accommodate its RHNA for the planning period.

The Draft 2021-2029 Housing Element demonstrates capacity for the 9,429 units within the existing zoning for the City. The Pasadena housing sites inventory identifies the following strategies to accommodate the 2021-2029 RHNA:

- **Accessory Dwelling Units**  
Per Housing Element law, a jurisdiction may consider alternative means of meeting the RHNA beyond vacant and underutilized sites. To count accessory dwelling units (ADUs) towards the RHNA a jurisdiction must include an analysis of the anticipated affordability of ADUs. The Southern California Association of Governments (SCAG) conducted a regional analysis that examines current market rents of ADUs to assist local jurisdictions determine income categories for ADUs.
- **Housing “Credits”**  
Per Housing Element law, a jurisdiction may take RHNA credit for new units approved, permitted, and/or built since the start of the RHNA projection period. For the current RHNA cycle, the start of the RHNA projection period is July 1, 2021.
- **Sites Inventory**
  - **Vacant Residential Land**  
Existing vacant land that is currently zoned to permit the development of residential uses. No zone changes are required to accommodate future residential development on these sites.
  - **Underutilized Sites**  
Local governments with limited vacant land resources or with infill and land reuse priorities may rely on non-vacant and underutilized residential sites to accommodate their regional housing need allocation. Underutilized sites were analyzed using some or all of the following criteria:
    - General Plan Land Use Designation
    - Zoning
    - Existing On-the-Ground Land Use
    - Building Age
    - Building-to-Land-Value Ratio
    - Percent increase in residential units
    - Aerial observation and/or site visit

The following table summarizes the strategies the City has identified to facilitate the development of new residential units to accommodate the 2021-2029 RHNA allocation. Taking into account 1,277 RHNA credits from projects approved, permitted, and/or built since the start of the RHNA projection period, the City can accommodate the RHNA allocation of 9,429 units. Based on the permitted densities, the combination of vacant residential land and underutilized land can accommodate 7,857 units. The City has also

identified the potential for 1,204 ADUs during the 2021-2029 Housing Element planning period.

RHNA	Lower-Income (Very Low- Income & Low-Income)	Moderate- Income	Above Moderate- Income	TOTAL
	4,409	1,565	3,455	9,429
Accessory Dwelling Units	820	25	359	1,204
Credits	101	154	1,022	1,277
Sites Inventory	3,889	2,695	1,273	7,857
<b>TOTAL</b>	<b>4,810</b>	<b>2,874</b>	<b>2,654</b>	<b>10,338</b>
<b>Short/Surplus</b>	<b>401</b>	<b>1,309</b>	<b>(801)*</b>	<b>909</b>

\*Surplus in Lower-Income and Moderate-Income categories is applied to the shortage in the Above Moderate-Income category

Housing Plan: Policies and Programs

The draft Housing Element focuses on establishing City policies and programs intended to address the housing needs of current and future Pasadena residents. This is detailed in the Housing Plan section. The goals listed in the Housing Plan are:

- Goal 1: Neighborhoods citywide with quality housing, parks and community services, infrastructure, and public services that maintain and enhance neighborhood quality, character, and residents’ health.
- Goal 2: An ample supply and diversity of rental and ownership housing suited to residents of varying lifestyle needs and income levels.
- Goal 3: Increased opportunities for people to find and retain housing in Pasadena and to afford rental and ownership homes specific to their income and life stage status.
- Goal 4: Adequate housing opportunities and support services for seniors, people with disabilities, families with children, college students, and people in need of emergency, transitional, or supportive housing.
- Goal 5: A housing environment in which all people have equal access to the housing of their choice and are treated with dignity and respect in the neighborhoods in which they choose to live.

A total of 37 housing policies and 24 housing programs are proposed for the 6th cycle update. Updates to the existing Housing Plan include new policies and changes to components of existing programs in response to new State law and feedback from the community.

Planning Commission Comments

On July 14, 2021, the Planning Commission conducted a study session on the draft Goals/Policies/Programs and Sites Inventory of the 2021-2029 Housing Element. Commissioners offered recommendations for several changes, presented below generally by topic.

- **Strengthen Program Language**  
The Planning Commission expressed the need to strengthen the language of housing programs to demonstrate more commitment from the City to address housing challenges. They also highlighted the importance of shortening timelines and prioritizing programs in order to efficiently use available resources. The Commissioners agreed with the bold and inspiring opening statements but wanted more direct policy and program direction. The housing program also needs to clearly state and highlight specific initiatives regarding affordable housing.
- **Opportunities for Additional Housing Sites**  
The Planning Commission suggested additional program actions to review other site opportunities for more affordable housing:
  - Conduct an inventory of city-owned properties that may be developed with housing.
  - Review distribution of sites identified for lower-income RHNA in the draft sites inventory, which shows that not many affordable sites identified in southwest Pasadena.
  - Collaborate and work with PUSD on potential reuse of closed school district properties.
- **Congregational Housing Overlay**  
The Planning Commission agreed with many residents' comments regarding the establishment of a congregational housing overlay to permit residential development on properties owned by churches, mosques, temples, and the like. Some Planning Commissioners suggested also including non-profit organizations and adoption the overlay by January 2022.
- **Programs to Address Homelessness**  
The Planning Commission highlighted additional considerations to provide support for people experiencing homelessness, including adopting a safe parking ordinance, allowing the development of tiny home villages, and including a housing program to facilitate the development of "bridge" housing. Bridge housing is a model of temporary housing that has service-enriched programs aimed to quickly bring the unhoused off the streets and help residents stabilize their lives and move on to permanent housing.
- **Northwest Pasadena**  
The unique conditions of northwest Pasadena continues to be an important consideration. The Planning Commission suggested adding policies and programs to address systemic racism and encouraged consultation with the Northwest Commission to include appropriate policies and programs in the Housing Element.

- **Additional Policies and Programs**

The Planning Commission suggested the following additional policies and programs be considered:

- Establish the Housing Task Force or similar body in place to push housing programs and provide oversight beyond the Housing Element update process. (An alternative opinion offered not to continue the Housing Task Force.)
- Establish a Housing Authority that will be more proactive in finding partnerships to support housing production.
- Revisit and consider amendments to the motel conversion ordinance to streamline approval of permanent supportive housing.
- Require affordable housing to be provided on site via the Inclusionary Housing Ordinance.
- Establish a “flipping” surcharge to discourage gentrification in more affordable neighborhoods.
- Include more policies and programs that address “Affirmatively Furthering Fair Housing”.

#### Housing Task Force Meeting #4 Comments

On July 22, 2021, the Housing Task Force held a meeting on the draft Goals/Policies/Programs of the 2021-2029 Housing Element. Members offered recommendations for changes, presented below generally by topic.

- **Strengthen Program Language**

Members of the Housing Task Force generally agreed with the Planning Commission that the program language in the draft Housing Element needs to demonstrate more active commitment and include programs that work towards achieving affordable housing goals and housing priorities.

- **Affirmatively Furthering Fair Housing**

Some members highlighted the importance of ensuring that future affordable housing units are distributed throughout the City and observed that not many housing sites were identified in the southwestern portion of Pasadena. It was important to members that a roadmap to support and encourage fair housing practices in the City is prioritized with concrete actions.

- **Infrastructure and City Services**

Corresponding to the increase in RHNA targets for this Housing Element planning period, some members highlighted the importance of ensuring that adequate infrastructure is available for all current and future residents, including parks and open space, water and sewer services, as well as, fire and police.

- **Interim/Bridge Housing**

Some members supported previous Planning Commission comments about addressing homelessness in the community and considering “interim or bridge housing” as an important tool to quickly bring the unhoused off the streets.

- **Increasing Affordable Housing Production**  
Some task force members suggested the following additional housing sites opportunities and programs to increase the production of affordable housing:
  - Residential development on congregational land
  - Inventory of city-owned properties that can go-through an expedited RFQ process
  - Revise current Hotel/Motel Ordinance to permit the conversion to permanent supportive housing by-right
  - Include old Albertsons site on Michillinda Drive in the sites inventory
  - Support use of Caltrans properties and vacant PUSD properties for housing development
  - Consider rezoning to meet the requirements of State law to distribute different types of housing more equitably throughout the City
  
- **Other Recommendations**
  - Create a “rental registry”, which is a local registry created by an ordinance or regulation that requires landlords to register with the city and provide the city with essential information. It can be used to enforce code violations and habitability issues and provide better data and insight into the existing housing stock
  - Support a program for tenants right of purchase to give renters an opportunity to stay in their homes
  - Some members supported the creation of a Housing Commission or similar group to hold City officials accountable and ensure the implementation of the Housing Element and other housing priorities
  - Acknowledge the challenges and effects of the Covid-19 pandemic

#### Additional Public Comment

In addition to comments provided by members of the public at the various meetings to discuss the Housing Element, staff acknowledges the policy recommendations suggested recently by a coalition of community groups including All Saints Church, Making Housing and Community Happen, NAACP, League of Women Voters-Pasadena Area, Pasadena For All, POP!, Democrats of Pasadena Foothills, Complete Streets Coalition, and Abundant Housing LA. These recommendations include:

- Just cause eviction and anti-harassment tenant protections.
- Rent control.
- Establishment of a rental registry.
- Providing for a tenant’s right to legal counsel.
- Amending zoning code to permit churches and houses of faith to build affordable housing on excess land.
- Incentivizing building affordable accessory dwelling units (ADUs) and junior ADUs by removing restrictions and fees.
- Removing parking minimums citywide.
- Creating an affordable housing overlay zone.
- Providing a local density bonus program near transit.



- Allowing housing in commercially zoned areas and adaptive reuse of commercial buildings.
- Streamlining the approval process for all deed-restricted, affordable housing, and permanent supportive housing.
- Enacting a form-based code to focus on building form, not the number of units.
- Removing regulatory barriers to promote “Missing Middle Housing”.
- Dedicating vacant and underutilized public land for affordable housing.
- Enacting a dedicated funding source for an affordable housing fund.
- Unbundling parking cost from rent cost.
- Increasing funding for the Housing Department.
- Providing funds for back rents /reimburse economic losses due to COVID-19 pandemic.
- Ending homelessness.
- Providing “bridge housing” or “tiny homes” and supportive services to the unhoused.
- Expanding the supply of permanent supportive housing and interim/transitional housing.
- Creating community land trusts.
- Establishing city purchase mechanisms and covenants to preserve naturally occurring affordable housing and prevent the displacement of low-income households.
- Enhance Code Enforcement efforts.
- Mandating on-site affordable housing in the inclusionary housing ordinance.
- Ensuring new affordable housing is built throughout the community.

A number of these recommendations are consistent with the comments received by both the Planning Commission and the Housing Task Force, and as discussed below, are recommended for further study. However, several other recommendations are public policy matters or initiatives that may be suitable for consideration, but do not belong in the Housing Element as they have little or no connection to actually creating new housing units.

**NEXT STEPS:**

Per state law, the City Council is required to adopt the updated 2021-2029 Housing Element by October 15, 2021 with a 120-day “grace period” to adopt the housing element, which ends February 15, 2022. Local jurisdictions are required to submit draft Housing Elements to HCD for review, and must address any comments from the State prior to final adoption of the Housing Element. Upon approval for submission of the draft Housing Element by the City Council the revised draft Housing Element will be submitted to HCD for their 60-day review period. Staff believes that the Draft 2021-2029 Housing Element meets requirements for substantial compliance with State Housing Element law.

While HCD is reviewing the draft Housing Element, staff will continue to engage the Housing Task Force and Planning Commission to consider ways to strengthen specific programs in the draft Housing Element.

Given that the Housing Task Force has membership with greater depth in policies beyond traditional land use matters, it may be appropriate for it to focus on overall questions of policies, programs and funding that incentivize building and preserving affordable housing beyond the goal of meeting the RHNA.

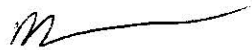
The goal of the Housing Task Force and Planning Commission meetings will be to enhance the draft housing policies and programs, and consider additional programs and actions. Input received from this effort may be incorporated into the draft Housing Element prior to adoption and/or pursued through subsequent housing policy efforts and program actions that may occur beyond what is included in the Housing Element.

Following receipt of HCD's comments, City staff will prepare a proposed final Housing Element for recommendation by the Planning Commission and adoption by the City Council in Fall/Winter 2021, including any recommended changes to the programs from the Housing Task Force and the Planning Commission. Following adoption, the updated 2021-2029 Housing Element will be re-submitted to HCD for certification.

**FISCAL IMPACT:**

This report is for information purposes on the Housing Element Update and will not result in any fiscal impact at this time.

Respectfully submitted,



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Attachment A: Draft 2021-2029 Housing Element  
Attachment B: Comments Received from Community Outreach