

Agenda Report

May 23, 2022

TO: Honorable Mayor and City Council
FROM: Planning & Community Development Department
SUBJECT: ZONING CODE AMENDMENT: RELIGIOUS FACILITIES WITH AFFORDABLE HOUSING

RECOMMENDATION:

It is recommended that the City Council:

1. Adopt the Addendum to the 2015 Pasadena General Plan Environmental Impact Report (EIR) along with the EIR, and find that the Addendum properly discloses only minor technical changes or additions to the EIR, and none of the conditions triggering a subsequent or supplemental EIR are present, as set forth in State CEQA Guidelines Section 15164;
2. Make the Findings for Approval for the Zoning Code Amendment; and
3. Direct the City Attorney to prepare an ordinance for the Zoning Code Amendment within 60 days consistent with the provisions set forth herein.

PLANNING COMMISSION RECOMMENDATION:

On April 27, 2022, the Planning Commission considered the proposed Zoning Code Amendment at a publicly noticed hearing and, by a vote of 7-2, recommended that the City Council approve the Zoning Code Amendment as presented by staff, with the following recommended amendments:

- 1) Apply Secretary of Interior standards to all sites that are historically designated or eligible for designation – no exceptions for small projects.
- Included in the staff recommendation;
- 2) Require a 55-year covenant for affordable housing, which will apply even if the religious use vacates the site.
- Staff recommends that rental units be subject to an affordability covenant in perpetuity and a 45-year covenant for ownership units, consistent with the inclusionary housing requirements of Section 17.42.070.C. Both would remain in

effect for the specified timeframe even if the existing religious use vacates the site;

- 3) Clarify that housing developments may occur on sites with religious facility use as well as adjacent/contiguous sites also owned by the religious institution.
 - Included in the staff recommendation;
- 4) Clarify the development review process (by right and with Design Review).
 - Included in the staff recommendation;
- 5) Clarify that Secretary of Interior standards also apply to noncontributing properties within a historic district.
 - Included in the staff recommendation;
- 6) Prepare a Constitutional Analysis related to allowing housing on religious institutional sites, and require that housing projects must be developed and operated by an independent nonprofit organization (independent from the religious organization).
 - All housing must comply with State and Federal laws; and
- 7) Verify that the religious facility is a nonprofit and has owned and operated the site for a minimum of 5 years prior to applying for a residential project.
 - Included in the staff recommendation.

BACKGROUND:

The City Manager initiated a Zoning Code Amendment in 2020. Staff began work to define regulations related to housing on these properties and conducted outreach in the form of: a Planning Commission Study Session in July 2020; City Council Study Session in October 2020; a Virtual Community Workshop in December 2020; and follow-up study sessions with the Planning Commission in January 2022 and March 2022. On April 27, 2022, a publicly-noticed hearing was held with the Planning Commission. Comments from the public are summarized below:

- Support for allowing affordable housing on sites developed with a religious institution;
- Support for incorporating the Secretary of the Interior's Standards for historic preservation for both designated and eligible religious facility sites;
- Support for more affordable housing options in Pasadena;
- Support for allowing affordable housing on not just sites with active religious assembly use, but also contiguous sites owned by a religious organization;
- Support for a form-based code approach to development standards

The Planning Commission considered public comment and recommended that the City Council approve the staff recommendation with amendments as noted on page one of this report, by a vote of 7-2. Staff agrees with most of the Planning Commission's

additional recommendations, and has incorporated them into the proposed regulations as set forth in the Analysis section below.

ANALYSIS

Staff has developed proposed regulations to allow affordable housing on sites owned and operated by religious facilities in zones that either do not currently allow housing by-right, or which allow limited types of housing and only as an accessory use. The proposal would not be allowed in any single-family zoning districts and additional development standards are included for sites that abut single-family zones.

Religious facilities generally have limited hours of operation and development patterns (such as underutilized parking areas) that are conducive to the development of complementary uses such as housing, potentially allowing for better utilization of parcels. Some state laws such as AB 1851 also recognize that this particular land use would warrant flexibility in standards related to adding housing to these sites.

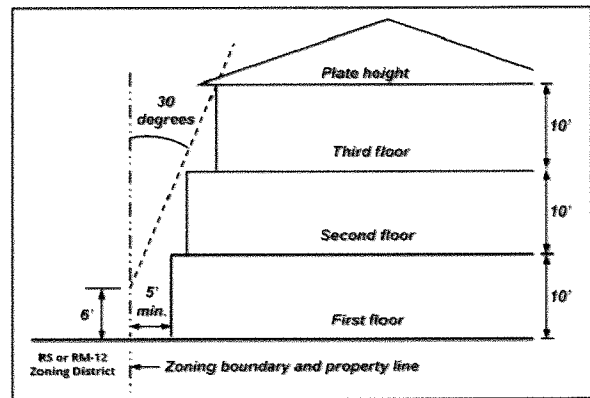
Staff considered the possibility of allowing housing in conjunction with other types of institutional uses such as K-12 schools and traditional campus-style colleges such as Pasadena City College. However, sites with educational institutions are generally utilized on a more frequent and intense basis with classes, sporting events, and other similar activities, such that the development of housing on these sites may have additional impacts.

The following section summarizes the proposed amendments and development standards that have been refined through input from both the public and Planning Commission:

- **Existing Use:** Property must be owned by the religious facility and operated as a religious assembly use or a contiguous site owned and operated by the religious facility and used to directly support the religious assembly use, such as a parking lot. The religious facility would need to be operating at the time of the construction of the multi-family dwelling units utilizing the proposed Zoning Code Amendments and verified as a legally established nonprofit owner/operator of the subject site for a minimum of five years from the date of application. The additional housing would only be allowed in the zones as listed in Attachment B to this report and would not be allowed in any RS (single-family) or RM-12 (two-unit) zones.
- **Existing Use Permits:** When a site has an existing Use Permit (CUP, MCUP, etc.):
 - No modifications to existing Use Permits would be required for housing development;
 - Operational conditions related to non-residential uses would remain in effect, such as hours of operation, occupancy limits, types of uses, and seats

- Development standards for “religious facilities with affordable housing” will supersede conditions of approval regulating development standards. Such standards include FAR, Parking, Height, Setbacks, and Open Space.
- **Residential Density:** Projects would be eligible for a maximum density of 32 dwelling units per acre and a maximum number of 75 dwelling units by right. To exceed 75 dwelling units per site, a Minor Conditional Use Permit (MCUP) would be required.
- **Development Standards:** The development standards (setbacks, FAR, height, etc.) of the underlying zoning district will apply in conjunction with the community open space requirements of the Mixed-Use Development Standards. In the PS zoning district where standards are set by Conditional Use Permit (CUP), the development standards of the least restrictive abutting zoning district would be used in addition to the same community open space requirements.
- **Affordability:** Require a percentage of the units to be affordable, as follows:
 - For Sale projects:
 - A minimum of 80 percent of the total number of units in the project must be sold to moderate-income households, or
 - A minimum of 50 percent of the units must be sold to low-income households and 30 percent of the units would be sold to households earning up to 150 percent AMI
 - Rental projects
 - A minimum of 80 percent of the units must be rented to low-income households.
 - Covenant Required. Staff proposes consistency with the covenant requirements in the Inclusionary Housing Ordinance, as indicated below.
 - For-sale units shall be subject to a 45-year covenant to ensure that such units remain affordable.
 - Rental units shall be subject to an affordability covenant in perpetuity.
 - Covenants shall remain effective for the specified term, independent of the religious facility’s operations.
- **Parking:** Pursuant to existing law (AB 1851), through the construction of a Religious Facility with Affordable Housing, up to 50 percent of the required number of spaces for the existing, or proposed, religious facility can be eliminated, or reduced in the plan for a new development. The remaining parking spaces can be shared between the Religious Facility and the proposed housing. The reduction in parking spaces would not reduce the minimum parking standards for the housing component to less than one space per unit unless within proximity to public transit or a car share vehicle. Staff is proposing no change beyond this law.
- **Adaptive Reuse:** Existing buildings on a Religious Facility site may be converted to residential units without requiring the provision of additional open space.

- **Historic Preservation:** Development proposed on any site containing a designated historic resource, a site with an eligible historic resource, or a noncontributing site located within a designated historic or landmark district shall be subject to all applicable regulations within the City's Historic Preservation Ordinance and the Secretary of the Interior's Standards and subject to review as determined by Design & Historic Preservation staff.
- **Design Review:** Proposed housing developments that utilize these regulations would be an allowed use by right, but would still be subject to Design Review.
- **Encroachment Plane:** The encroachment plane at right would apply to any property line shared with properties zoned RS (single-family) and RM-12 (two-unit lots). In addition, in the PS zones, projects would utilize the setback requirements of the least restrictive abutting zoning district.



ENVIRONMENTAL ANALYSIS:

An Initial Study and EIR was prepared for the Pasadena General Plan in compliance with the California Environmental Quality Act (CEQA) and certified by the City Council on August 17, 2015. An addendum to the IS/EIR has been prepared analyzing the Zoning Code Amendment to allow for Affordable Housing on Sites with a Religious Facility in compliance with Section 15164 (Addendum to an EIR or Negative Declaration) of the CEQA guidelines (Title 14, Chapter 3, Article 11). The addendum found that the project revisions will not result in any potentially significant impacts that were not already analyzed in the IS/EIR.

CONCLUSION AND RECOMMENDATION:

The proposed Zoning Code Amendment would allow for the development of affordable housing projects on sites owned and operated by religious institutions, at a density of 32 dwelling units per acre, up to a maximum of 75 units on-site by-right. Projects may exceed 75 dwelling units per site with approval of a Minor Conditional Use Permit. Staff recommends adopting the proposed amendment as described in the Analysis section of this report.

FISCAL IMPACT:

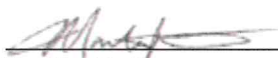
This action will not have a direct fiscal impact.

Respectfully submitted,



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Planner

Reviewed by:



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Approved by:



CYNTHIA J. KURTZ
Interim City Manager

Attachments: (6)

- Attachment A – Findings for Zoning Code Amendment
- Attachment B – List of Zones that would allow “Religious Facility with Housing” land use
- Attachment C – Chapter 17.50.160.H (Mixed-Use Projects Community Space Requirement)
- Attachment D – Planning Commission Staff Report (4/27/22)
- Attachment E – Addendum to 2015 General Plan EIR
- Attachment F – Map of Religious Facility sites in proposed zones