

Agenda Report

July 18, 2022

TO: Honorable Mayor and City Council
FROM: Planning & Community Development Department
SUBJECT: 2021-2029 Housing Element

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 in Attachment A; and
3. Approve the Resolution adopting the 2021-2029 Housing Element which is attached thereto.

EXECUTIVE SUMMARY:

The Housing Element is one of the required Elements of a General Plan and is the only Element required to be updated every eight years. The City is required by State law to update its Housing Element for the 2021-2029 planning period. Recent updates to State law have resulted in a significantly greater Regional Housing Needs Allocation (RHNA) for cities in the region as well as other new Housing Element requirements. 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. This report summarizes the Housing Element requirements, describes how the Housing Element meets these requirements, and how the Housing Element incorporates public comments to reflect Pasadena's values. Staff has consulted with HCD and engaged with the Planning Commission, Mayor's Housing Task Force and the community to shape and refine the recommended 2021-2029 Housing Element. The recommended 2021-2029 Housing Element meets all of the requirements of State law, incorporates substantial public

comment and addresses HCD's comment letters on the document. If adopted by the City Council, staff will submit the Housing Element to HCD for certification.

PLANNING COMMISSION RECOMMENDATION:

On June 29, 2022, the Planning Commission considered the 2021-2029 Housing Element at a publicly noticed hearing and, by a vote of 9-0, recommended that the City Council approve the staff's recommendation, with the following additional recommendations:

1. That the California Department of Housing and Community Development (HCD) count student and senior housing in the housing counts and RHNA numbers;
2. That the Specific Plans encourage mixed use housing, to promote vitality and a more diverse urban experience in our neighborhoods;
3. Connect policies to the fair housing component to create a vision on how to reach the affordable housing goal in areas of high poverty;
4. Incentivize senior housing for the growing senior population;
5. Incorporate neighborhood group and community recommendations into the Housing Element;
6. Explore other avenues for public-private partnership to fund affordable housing;
7. Revise proposed Program 2, page 29, paragraph 2, to clarify the Northwest boundary is as defined in the General plan, and the target for CDBG funding is a minimum of 20%;
8. Revise language for proposed Program 7, page 40, to update all Specific Plans by the end of 2023 to implement new standards that promote TOD, allowing more housing for all Specific Plans; and
9. Revise language for proposed Program 11, page 49, to explore the religious institution housing ordinance of 2022, in the future consider expanding additional institutional uses.

The proposed Element includes the recommendations of the Planning Commission, with the exception of including student housing and group care housing in the RHNA allocation, which is an HCD policy that cannot be changed at the local level. However it is noted in the motion of the Commission.

Targeted Revisions to Housing Element Following the Planning Commission Hearing
City staff has continued to work with HCD to understand the technical corrections and to make refinements to the Element that address HCD's comments. A meeting was held with HCD following the Planning Commission meeting of June 29, 2022. The proposed Element includes the following revisions:

- Incorporating the Planning Commission's recommendations
- References the recent adoption of the South Fair Oaks Specific Plan that occurred on July 11, 2022 after the Planning Commission reviewed the Element
- Resources (Sites Inventory) - additional documentation provided for site selection factors

- Additional Background provided on Homeless Programs in the City
- Strengthening the Affirmatively Furthering Fair Housing Section by:
 - Identifying community development goals of the Specific Plan updates
 - Modifying structure of the section for clarity
 - Modifying language to be clear about commitments
 - Promoting housing opportunities (ADUs, etc.) in higher resource areas
 - Additional actions to encourage “missing middle” housing

Mayor’s Task Force for Housing

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 was assisting in 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 twelve 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 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 included in Appendix E of the Housing Element. At the April 6, 2022 meeting, the Task Force voted on the recommendations that should be included as programs in the Housing Element, which are listed below. The detailed voting of all recommendations considered is included in Attachment E to this report. It should be noted that the Task Force discussed all of the recommendations included in Attachment E and the focus was whether or not the policy or action was appropriate to be included in the Housing Element.

The following are recommended to be included in the Housing Element:

- Provide adequate resources to enforce anti-harassment tenant protections;
- City Council to adopt a local rent stabilization ordinance by the end of 2022;
- City Council to adopt a local Just Cause Eviction Ordinance by the end of 2022;
- Recommend a comprehensive study of ways to increase affordable housing funding;
- Continue to explore local housing dollars that fund affordable housing such as a vacancy tax, commercial linkage fee and a document transfer tax by the end of 2023;
- Housing Department to bring forward a cost study to establish a legal right to counsel for tenants;
- Creation of a safe parking ordinance by the end of 2023.

Staff has included implementation objectives to consider a rent stabilization ordinance, study potential ways to generate additional affordable housing funding, and consider a safe parking ordinance. There is a Pasadena charter amendment set for the November

2022 ballot that proposes rent stabilization, just cause evictions and anti-harassment protections so those are not proposed in the Element at this time.

BACKGROUND:

Housing Element Requirements

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 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. 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.
- **Affirmatively Furthering Fair Housing.** This section is new to this Housing Element Cycle; it includes an analysis of barriers that restrict access to opportunity and a commitment to specific meaningful actions to affirmatively further fair housing.
- **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)

The 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, next page, illustrates the breakdown of the RHNA allocation based on income level:

Table 1: RHNA Allocation by 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
TOTAL		9,429

*AMI for Los Angeles County for a family of four is \$91,100

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 online and virtual tools to reach out to 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;
- Three Housing Element and Community Meetings in March/April, 2022 with approximately 120 participants;
- Five Planning Commission meetings;
- Three City Council meetings;
- 12 Mayor’s Housing Task Force meetings;
- An online and printed housing survey with over 500 submissions;
- Announcements on Facebook, Instagram, and Twitter;
- Email newsletters to over 1,500 existing email subscribers;
- Direct outreach to community groups and organizations; and
- Ads on the housing survey in local newspapers.

Process

In April 2021, staff launched the public outreach program for the Housing Element. From April 2021 to July 2021, public input guided the development of the Housing Element goals, policies, and programs. On June 14, 2021, the draft Housing Element was reviewed by the Planning Commission. On July 28, 2021 the City Council reviewed the Draft Housing Element and authorized staff to submit the draft to HCD. Both the Planning Commission and the City Council recognized the significant public

participation and input, and requested that staff consider the feedback and incorporate it into future drafts of the Housing Element.

Upon submittal to HCD, staff began working with the Task Force to incorporate the public feedback received on the initial draft of the Housing Element. From August 2021 to October 2021, staff and the Task Force identified a number of refinements to the Housing Element.

In October 2021, HCD issued a correction letter, identifying areas that the Housing Element could be improved in order to comply with State law. City staff met with HCD to review the corrections. HCD staff recommended an additional submittal of a revised draft Housing Element. During this period, staff met with the Task Force to incorporate the corrections from HCD into the recommendations by the Task Force (Attachment D). City staff resubmitted to HCD in December 2021.

In February 2022, HCD issued a second correction letter on the draft Housing Element. Staff conducted a series of Housing Task Force and Community Meetings in March/April to share the status of the Housing Element and receive additional public input on the Housing Element.

On April 27, 2022, staff provided an update on the work of the Task Force and the status of the Housing Element process to the Planning Commission. The chair of the Task Force, former Mayor Bill Bogaard, apprised the Commission of the work of the Task Force. On May 25, 2022 staff presented the Housing Element to the Planning Commission as an informational item to receive additional public and Commission comments. On June 29, 2022 the Housing Element was presented to the Planning Commission for consideration and recommendation to the City Council.

ANALYSIS:

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 to demonstrate that a local jurisdiction can accommodate its RHNA for the planning period.

The proposed 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:

- **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.
- **Accessory Dwelling Units (ADUs):** Per Housing Element law, a jurisdiction may consider alternative means of meeting the RHNA beyond vacant and underutilized sites. To count 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.
- **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-and-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 3,905 RHNA credits from residential units 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 6,504 units. The City has also identified the potential for 706 ADUs during the 2021-2029 Housing Element planning period.

Table 2: 2021-2029 RHNA Strategy

	Lower-Income (Very Low- Income & Low- Income)	Moderate- Income	Above Moderate- Income	TOTAL UNITS
RHNA REQUIREMENT	4,409	1,565	3,455	9,429
Credits	439	531	2,935	3,905
Accessory Dwelling Units	481	15	210	706
Sites Inventory	3,564	1,538	1,402	6,504
TOTAL	4,484	2,084	4,547	11,115
Unit Surplus	75	519	1,092	1,686

In addition to the sites identified in the inventory, staff anticipates that the Specific Plan Update process will continue to bring eligible sites online. Program 6 of the Housing Element (Housing Sites) includes an implementation objective that commits the City to bringing new sites into the inventory in order to have a compliant Sites Inventory at all times. To date the Lincoln Avenue, East Colorado and South Fair Oaks Specific Plans have all been approved by the City Council.

Housing Plan: Policies and Programs

The proposed 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 of the document. 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 38 housing policies and 24 housing programs are proposed for the 6th cycle update. Of the 38 proposed policies, 6 are new policies, 13 have been updated or modified, and 19 are carried over from the 2014-2021 Housing Element. There are 2 new housing programs, while 22 existing programs have been updated, with new commitments for the 2021-2029 planning period in response to developing housing challenges, State law, and feedback from the community. Policies and programs are

detailed in the Housing Plan, which is included in the proposed 2021-2029 Housing Element, attached to the draft adoption resolution.

Response to Public Comments

Throughout development of the Element staff has received numerous comments from various groups and individuals along with the Planning Commission and City Council. A summary of all of the public comments and the changes that staff made to the recommended Element are included at the end of Appendix E of the Element.

In July 2021, the Pasadena Affordable Housing Coalition, a group consisting of 17 community-based organizations in the City, submitted a comment letter with 26 items to include in the Housing Element. These comments were reviewed and considered by staff and the Housing Task Force in conjunction with all of the other comments submitted by the public on the first draft Housing Element that was submitted to HCD. The comments were placed into categories and prioritized, resulting in the matrix included in Attachment D to this report. Based on additional recommendations of the Task Force, staff incorporated a number of revisions into the draft Housing Element that was resubmitted to HCD in December 2021. In a series of meetings in March and April 2022, staff and the Housing Task Force revisited the Affordable Housing Coalition comment letter and other public comments to consider additional ways to strengthen the Element. At the conclusion of these meetings, the Housing Task Force voted on the additional Housing Task Force recommendations included in Attachment E.

Revisions and refinements have been made to the Housing Element to incorporate the feedback on the initial draft. Implementation objectives that have been added or strengthened based on public input are listed below:

- Adopting measures that encourage ADU production
- Adopting meaningful actions to affirmatively further fair housing
- Including unbundled parking provisions in the specific plans
- Creating a housing replacement program for non-vacant sites included in the sites inventory
- Investigating means to establish local revenue sources for affordable housing production, such as a residential property vacancy tax, real estate transaction fee, and commercial and industrial development linkage fee
- Finding ways to increase the number of housing vouchers available in Pasadena
- Identifying older multifamily rental properties for potential acquisition and rehabilitation
- Considering establishment of a “safe parking” ordinance
- Strengthening the City’s Tenant Protection Ordinance
- Removing development caps set forth in the General Plan
- Implementing Specific Plan Updates that provide additional housing opportunities throughout the City in combination with design and development standards that improve the built environment and quality of life
- Moving forward with an ordinance to allow housing on religious facility sites
- Incentivizing development of 100% affordable housing

- Policies for adaptive reuse of existing buildings
- Ensuring adequate infrastructure and resources to accommodate new housing

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 Housing Element Update 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.

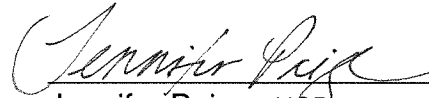
CONCLUSION AND RECOMMENDATION:

The proposed 2021-2029 Housing Element responds to the feedback received during an extensive community outreach process that began in April 2021. Staff has worked directly with HCD to understand their corrections and to prepare an Element that meets technical requirements and responds to a wide array of community values. Staff recommends that the City Council adopt the proposed Element which will then be submitted to HCD for review and certification.

FISCAL IMPACT:

This action will not have a direct fiscal impact.

Respectfully submitted,



Jennifer Paige, AICP
Acting Director of Planning & Community
Development Department

Prepared by:



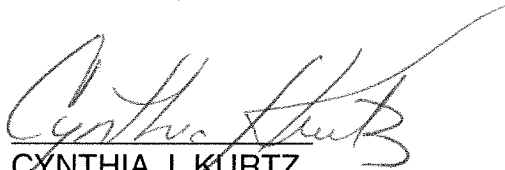
David Sanchez
Principal Planner

Reviewed by:



Luis Rocha
Planning Manager

Approved by:



CYNTHIA J. KURTZ
Interim City Manager

Attachments: (7)

- Attachment A – Required Findings
- Attachment B – October 11, 2021 HCD Correction Letter
- Attachment C – February 25, 2022 HCD Correction Letter
- Attachment D – Housing Task Force List of Public Comment Topics (December 8, 2021)
- Attachment E – Housing Task Force Final Recommendations (April 6, 2022)
- Attachment F – Addendum to General Plan EIR
- Attachment G – General Plan EIR