



**CITY OF SOUTH PASADENA
PLANNING COMMISSION
REGULAR MEETING AGENDA
Amedee O. “Dick” Richards, Jr. Council Chamber
1424 Mission Street, South Pasadena, CA 91030**

Tuesday, August 10, 2021 at 6:30 p.m.

IN-PERSON HYBRID MEETING

South Pasadena Planning Commission Statement of Civility

As your appointed governing board we will treat each other, members of the public, and city employees with patience, civility and courtesy as a model of the same behavior we wish to reflect in South Pasadena for the conduct of all city business and community participation. The decisions made tonight will be for the benefit of the South Pasadena community and not for personal gain.

NOTICE ON PUBLIC PARTICIPATION & ACCESSIBILITY

The South Pasadena Planning Commission Meeting for August 10, 2021 will be conducted as an In-Person Hybrid Meeting from the Council Chambers, Amedee O. “Dick” Richards, Jr., located at 1424 Mission Street, South Pasadena and on Zoom. Please be advised that pursuant to the Executive Order(s), and to ensure the health and safety of the public, staff, and the Planning Commission as the Council Chambers will be open to the public for the meeting and members of the public may attend and/or participate in the in-person meeting, all are kindly reminded to follow Los Angeles County Public Health and CDC regulations and guidelines that are in place and may be posted. The In-Person Hybrid meeting will be conducted live in the City Council Chambers and on Zoom. The Meeting will be available • In Person: City Council Chambers, 1424 Mission Street. • See weblink:

<https://www.southpasadenaca.gov/government/boards-commissions/planning-commission/test-planning-commission-agendas-minutes-copy> • and Via Zoom:

<https://us02web.zoom.us/j/87163524117> Public Comments and participation may be made as follows: • Written Comment submitted by no later than meeting day, 12:00 PM, deadline via the website. • In Person Hybrid Meeting: City Council Chambers, 1424 Mission Street. • Via Zoom by “raising hand” (see Public Comment Section below for instructions.)

To maximize public safety while still maintaining transparency and public access, members of the public can observe the meeting via Zoom in one of the three methods below. 1. Go to the Zoom website and Join meeting 871 6352 4117, or 2. Click on the following unique Zoom meeting link: <https://us02web.zoom.us/j/87163524117>.

CALL TO ORDER:

Chair John Lesak

ROLL CALL: Amitabh Barthakur, Commissioner, Janet Braun, Commissioner, Laura Dahl, Commissioner, Lisa Padilla, Vice-Chair and, John Lesak Chair

COUNCIL LIAISON: Diana Mahmud, Mayor, Council Liaison
STAFF PRESENT: Andrew L. Jared, Assistant City Attorney
Joanna Hankamer, Planning & Community Dev. Director
Marina Khrustaleva, Interim Associate Planner
Jeff Anderson, Contract Planner

APPROVAL OF AGENDA
Majority vote of the Commission to proceed with Commission business.

DISCLOSURE OF SITE VISITS AND EX-PARTE CONTACTS
Disclosure by Commissioners of site visits and ex-parte contact for items on the agenda.

PUBLIC COMMENT AND SUGGESTIONS (Public Comments are limited to 3 minutes)
The Planning Commission welcomes public input. If you would like to comment on an agenda item, members of the public may participate by means of one of the following options: Option 1: Participate in-person at the City Council Chambers. Option 2: Participants will be able to “raise their hand” using the Zoom icon during the meeting, and they will have their microphone un-muted during comment portions of the agenda to speak for up to 3 minutes per item. Option 3: Email public comment(s) to PlanningComments@southpasadenaca.gov. Public Comments received in writing will not be read aloud at the meeting, but will be part of the meeting record. Written public comments will be uploaded online for public viewing under Additional Documents. There is no word limit on emailed Public Comment(s). Please make sure to indicate: 1) Name (optional), and 2) Agenda item you are submitting public comment on. 3) Submit by no later than 12:00 p.m., on the day of the Planning Commission meeting. NOTE: Pursuant to State law, the Planning Commission may not discuss or take action on issues not on the meeting agenda, except that members of the Planning Commission or staff may briefly respond to statements made or questions posed by persons exercising public testimony rights (Government Code Section 54954.2). Staff may be asked to follow up on such items.

PUBLIC HEARING

- 1. 521 and 523 Mission Street, Project No. 2396-CUP/AMOD - Conditional Use Permit for a microbrewery to allow the sale of beer produced on-site (Type 23, Small Beer Manufacturer) and an Administrative Modification for an 8-foot-tall wall along the west property line at the front of the lot located at 521 and 523 Mission Street including a front patio area, Assessor’s Parcel Number 5315-008-026.**

Recommendation:

Adopt resolution denying Project No. 2396-CUP/AMOD, without prejudice, based on Commission action taken on July 13, 2021

2. Study Session: Update on the Pending Release of the 2021-2029 Public Review Draft Housing Element and Overview of Key Strategies

Recommendation:

It is recommended that the Commission:

1. Receive and file this report, which provides an overview of the 2021-2029 Housing Element Public Review Draft, which is soon to be released.
2. Provide feedback and whether the Commission is generally supportive of the density proposals and policy strategies described below and included in the Public Review Draft to be released later this month; and
3. Provide direction regarding the public outreach to accompany the release of the Public Review Draft.

ADMINISTRATION

3. **Comments from City Council Liaison**
4. **Comments from Planning Commissioners**
5. **Comments from Staff**

ADJOURNMENT

6. **Adjourn to the Regular Planning Commission meeting scheduled for September 14, 2021.**

PUBLIC ACCESS TO AGENDA DOCUMENTS AND BROADCASTING OF MEETINGS

Planning Commission meeting agenda packets are available online at the City website: <https://www.southpasadenaca.gov/government/boards-commissions/test-planning-commission-agendas-minutes-copy>

Agenda related documents provided to the Planning Commission are available for public review on the City’s website. Additional documents, when presented to Planning Commission, will also be uploaded and available on the City’s website. The meeting will be broadcast live on the City's website via Zoom, and a recording of the meeting will be available on the website within 48 hours of adjournment.

AGENDA NOTIFICATION SUBSCRIPTION

Individuals can be placed on an email notification list to receive forthcoming agendas by emailing CityClerk@southpasadenaca.gov or calling the City Clerk's Division at (626) 403-7230.

ACCOMMODATIONS



The City of South Pasadena wishes to make all of its public meetings accessible to the public. If special assistance is needed to participate in this meeting, please contact the City Clerk's Division at (626) 403-7230. Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities. Notification at least 48 hours prior to the meeting will assist staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting (28 CFR 35.102-35.104 ADA Title II).

I declare under penalty of perjury that I posted this notice of agenda on the bulletin board in the courtyard of City Hall at 1414 Mission Street, South Pasadena, CA 91030, and on the City's website as required by law.

8/5/21
Date

Elaine Serrano,
Administrative Secretary



Planning Commission Agenda Report

ITEM NO. 1

DATE: August 10, 2021

TO: Planning Commission

FROM: Joanna Hankamer, Director of Planning and Community Development

PREPARED BY: Jeff Anderson, Contract Planner

SUBJECT: **Project No. 2396-CUP/AMOD - Conditional Use Permit for a microbrewery to allow the sale of beer produced on-site (Type 23, Small Beer Manufacturer) and an Administrative Modification for an 8-foot-tall wall along the west property line at the front of the lot located at 521 and 523 Mission Street including a front patio area, Assessor's Parcel Number 5315-008-026.**

Recommendation

It is recommended that the Planning Commission adopt the resolution denying Project No. 2396-CUP/AMOD, without prejudice, based on Commission action taken on July 13, 2021.

Project Description

The applicant, Steve Martin, requested approval of a Conditional Use Permit (CUP) to allow the manufacture and sale of beer (Type 23 License) at the subject property, which is listed as an historic resource in the Mission Street Specific Plan (MSSP). The proposed microbrewery would be called South Pasadena Brewhouse (the "Brewhouse"). The subject property is 7,339 square feet and is currently improved with a residential duplex constructed in 1922 and defined as an historic resource. The proposed Brewhouse would occupy the front portion of the structure, with patio seating and on-site consumption of the beer brewed on site, while the rear portion would continue to be occupied as a residential use, with the garage converted to the beer manufacturing area. (See Attachment 2). The Brewhouse would be 808 square feet and the residential unit would be 858 square feet.

Background and Analysis

The Planning Commission held a public hearing on Project No. 2396-CUP/AMOD on July 13, 2021. At the public hearing, staff provided a presentation, the applicant provided a presentation and public comments were received by multiple individuals. At the conclusion of the hearing, the Planning Commission discussed the proposed microbrewery use as an appropriate "cottage industry" use but determined that they could not make all of the necessary findings for approval for the conditional use permit and the administrative modification. Specifically, the Commission could not make the finding that the establishment would not be detrimental to the health, safety or general welfare of persons residing or working in the neighborhood of the proposed use. (SPMC 36.410.060.F.3). Moreover, the Commission could not make the finding that the design, location, operating characteristics, and size of the proposed use would be compatible with the existing and future land uses in the vicinity, in terms of aesthetics, character, and scale impacts on neighboring properties. (SPMC 36.410.060.F.6). The Commission also considered an application for administrative modification (AMOD)(SPMC 36.410.070) related to

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521-523 Mission
Project No. 2396-CUP/AMOD

36.410.070) related to allowing an 8-foot high wall along the western side of the property, to be constructed in conjunction with the use of the property as the Brewhouse. Such AMOD is required for consideration of allowing a property line wall to deviate from the allowed height, here considering an eight foot wall to be installed where a three foot wall is allowed. The Commission was unable to make the first mandatory finding required for the AMOD determination. Specifically, the Commission could not make the finding that such wall would not be detrimental to the public health, interest, safety, or general welfare and would not be detrimental or injurious to property or improvements in the vicinity and the same zoning district. (SPMC 36.410.070.F.1)

The Planning Commission voted 4-0 to direct staff to prepare a resolution of denial, without prejudice. This action denies this project application, but does not prevent the applicant to resubmit a proposal with revisions to address Planning Commission's concerns regarding those aspects of the project that did not meet the requirements of the code and did not allow the Commission to make the mandatory findings.

The item was then continued to the August 10, 2021 meeting to prepare and adopt a resolution incorporating the decision of the Planning Commission denying (without prejudice) the CUP and the AMOD. (4-0 vote; Barthakur absent). Presented as attachment 1 is a resolution denying such application without prejudice.

Attachments:

1. P.C. Resolution of Denial
2. [Link to July 13, 2021 Staff Report and Attachments \(Item 3\)](#)

ATTACHMENT 1
Denial Resolution

P.C. RESOLUTION NO. 21-

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF SOUTH PASADENA DENYING WITHOUT PREJUDICE PROJECT NO. 2396-CUP/AMOD CONDITIONAL USE PERMIT FOR A MICROBREWERY INCLUDING ON-SITE CONSUMPTION (TYPE 23 SMALL BEER MANUFACTURER) AT 521 AND 523 MISSION STREET (APN NO: 5315-008-026)

WHEREAS, on February 22, 2021, Steve Martin for South Pasadena Brewery (applicant), applied for a Conditional Use Permit to allow a microbrewery with on-site consumption (Type 23 License) in 521 and 523 Mission Street (Assessor's Parcel Number 5315-008-026); and

WHEREAS, the proposed project is considered a "Project" as defined by the California Environmental Quality Act (CEQA), Public Resources Code Section 21000 et seq.; and

WHEREAS, the projects that are denied are statutorily exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15270, no additional environmental analysis is required at this time; and

WHEREAS, on July 2, 2021, the City of South Pasadena Planning Division, published a legal notice in the *South Pasadena Review*, a local newspaper of general circulation, indicating the date, time, and location of the public hearing in compliance with state law concerning Project No. 2396-CUP/AMOD, and said public hearing notice was mailed to each property owner within a 300-foot radius of the project site in accordance with the requirements of South Pasadena Municipal Code declaring the project review by the Planning Commission for the hearing on July 13, 2021; and

WHEREAS, the South Pasadena Planning Commission held a duly noticed public hearing on July 13, 2021, at which time it considered the staff report, oral report, the testimony, and the written evidence submitted by and on behalf of the applicant and by members of the public concerning Project No. 2396-CUP/AMOD and considered the proposed Conditional Use Permit for a microbrewery (Type 23 License) and Administrative Modification at 521 and 523 Mission Street, and directed staff to return with a resolution addressing their determination that the project did not meet the requisite findings required under the South Pasadena Municipal Code.

NOW, THEREFORE, THE PLANNING COMMISSION OF THE CITY OF SOUTH PASADENA DOES HEREBY FIND, DETERMINE, AND RESOLVE AS FOLLOWS:

SECTION 1: CONDITIONAL USE PERMIT FINDINGS

The Planning Commission finds that the proposed project is not consistent with applicable findings for approval of a Conditional Use Permit pursuant to South Pasadena Municipal Code (SPMC) Section 36.410.060, as follows:

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.**

The Planning Commission cannot find that this required finding can be met. The establishment of a microbrewery in a Live/Work environment to produce beer as well as sales of beer would be detrimental to the general welfare of persons residing or working in the neighborhood as the surrounding area includes a mixture of land uses including residential, commercial, personal services and office. Specifically, the following characteristics of the proposed project do not allow for the required finding to be able to be made:

- The hours of operation from 12:00 pm to 10:00 pm;
- The operation seven days a week;
- The height of the proposed buffer wall;
- The use of the outdoor seating area; and
- The characteristics of on-site consumption of beer at the subject property.

6. **The design, location, operating characteristics, and size of the proposed use would be compatible with the existing and future land uses in the vicinity, in terms of aesthetics, character, scale, impacts on neighboring properties.**

The Planning Commission cannot find that this condition can be met.

SECTION 2: ADMINISTRATIVE MODIFICATION FINDINGS

The Planning Commission finds that the proposed project is not consistent with all applicable findings for approval of a Conditional Use Permit pursuant to South Pasadena Municipal Code (SPMC) Section 36.410.070, as follows:

1. **Approval of the Administrative Modification would not be detrimental to the public health, interest, safety, or general welfare and would not be detrimental or injurious to property or improvements in the vicinity and in the same zoning district.**

The subject project is proposed as a Live/Work use with a residential use at the rear of the building and a microbrewery at the front of the building. The subject project proposed an 8-foot-tall wall along the westerly property line of the subject property between the microbrewery portion of the lot and the neighboring residential use to the west. The SPMC allows a 3-foot wall to separate the front yards of residential uses. Applicant The Planning Commission finds that the proposed 8-foot wall would be disruptive and injurious to the neighboring residences to the west and the neighborhood as it would introduce a large, monolithic structure that would be incompatible with the area and adjacent properties and improvements in this same zoning district.

SECTION 3: RECORD OF PROCEEDING

The documents and other materials that constitute the record of the proceedings upon which the Planning Commission's decision is based, which include, but are not limited to, the staff reports, as well as all materials that support the staff reports for the proposed project and are located in the Planning and Building Department of the City of South Pasadena at 1414 Mission Street, South Pasadena, CA 91030. The custodian of these documents is the City Clerk of the City of South Pasadena.

SECTION 4: DETERMINATION

Based upon the findings outlined in Sections 1 and 2 above and provided during the public hearing, the Planning Commission of the City of South Pasadena hereby denies without prejudice Project No. 2396-CUP/AMOD consisting of a Conditional Use Permit for a microbrewery with on-site consumption at 521 and 523 Mission Street and Administrative Modification application for increase of property line wall height. Notwithstanding anything in SPMC 36.420.070, applicant may resubmit a revision of this project at this location without prejudice within twelve (12) months after adoption of this resolution. Nothing in this resolution prevents applicant from submitting a new application for a different project at this or another location

SECTION 5: APPEALS

Any interested person may appeal this decision or any portion of this decision to the City Council. Pursuant to the South Pasadena Municipal Code, the approval of this decision is final, unless appealed to the City Council. Any such appeal must be filed with the City, in writing, and with appropriate appeal fee, no later than (15) days, following the date of the Planning Commission's final action. The time to seek judicial review of this decision shall be governed by Code of Civil Procedure 1094.6.

SECTION 6: CERTIFICATION OF THE RESOLUTION

The Secretary shall certify that the foregoing Resolution was adopted by the Planning Commission of the City of South Pasadena at a duly noticed regular meeting held on the 10th day of August 2021.

PASSED, APPROVED, AND ADOPTED this 10th day of August
2021 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

- SIGNATURES TO FOLLOW ON THE NEXT PAGE -

John Lesak, Chair

ATTEST:

Lisa Padilla, Secretary to the Planning Commission

APPROVED AS TO FORM:

Teresa Highsmith, City Attorney



Planning Commission Agenda Report

ITEM NO. 2

DATE: August 10, 2021

FROM: Joanna Hankamer, Director of Planning and Community Development
Elizabeth Bar-El, Interim Long Range Planning Principal Management Analyst

SUBJECT: Study Session: Update on the Pending Release of the 2021-2029 Public Review Draft Housing Element and Overview of Key Strategies

Recommendation

It is recommended that the Commission:

1. Receive and file this report, which provides an overview of the 2021-2029 Housing Element Public Review Draft, which is soon to be released.
2. Provide feedback and whether the Commission is generally supportive of the density proposals and policy strategies described below and included in the Public Review Draft to be released later this month; and
3. Provide direction regarding the public outreach to accompany the release of the Public Review Draft.

Executive Summary

On May 26, 2021, the Planning Commission held a study session to discuss the strategies for developing housing element programs and a suitable sites inventory as required to comply with the regional housing needs assessment (RHNA) in order to receive state certification. The City of South Pasadena's RHNA allocation for the 6th Cycle housing element is 2,067 housing units. The Commission discussed potential rezoning and strengthened housing programs to continue the City's movement toward supporting more housing production, which took significant steps forward through the recently adopted inclusionary housing ordinance and zoning text amendments for accessory dwelling units (ADUs).

Staff also shared comments from the State Department of Housing and Community Development (HCD) on preliminary approaches to address the RHNA that the City received from HCD's courtesy review process. HCD is the government agency tasked with reviewing and certifying housing elements for compliance with State law. HCD's comments, and input from the Commission and public, provided both critique and support for the strategies and draft sites inventory under development, giving valuable direction for staff and consultants to continue working on a draft housing element for public review.

With delays caused by unanticipated absences of key staff in the Planning & Community Development Department over the last three months, the Public Review Draft was not released

in July as planned. It is expected to be released later this month, after publication of this staff report.

Accordingly, this report is to update the Commission on how the comments received by the community and HCD have been considered and incorporated into the upcoming draft, shaping strategies to comply with the RHNA and with State law. Once released, staff will conduct another study session with the Commission and hold community meetings to facilitate the public's review of the document.

Attached to this report is the proposed sites inventory in the form of two tables that will be included in the Public Review Draft and detailed parcel descriptions that will comprise an appendix. Although the Public Review Draft is still undergoing staff and legal review, the sites inventory attached herein is being released to allow additional time for consideration of the strategies being employed.

Background

The [May 26, 2021 study session staff report](#) provided detailed background on the City's strategy to coordinate the General Plan Update and Downtown Specific Plan (GP/DTSP) with the Housing Element update in order to create the conditions for rezoning areas of the city for increased housing density and for development standards that would accommodate the RHNA. The planning process for the GP/DTSP, which was well underway, was paused in 2020 to ensure consistency with the RHNA, which was expected to impact key programs of the GP/DTSP. SCAG's final RHNA allocation for South Pasadena, finalized by SCAG on March 3, 2021, is 2,067 housing units, with an affordability breakdown of 1,489 affordable units and 578 above-moderate. These are the number of units that the City must demonstrate that within its zoning and land use policies can be developed.

Delaying completion of the GP/DTSP has enabled the City to plan comprehensively and prepare more efficient adoption processes for all of these policy documents, including comprehensive review under the California Environmental Quality Act (CEQA), which requires a program environmental impact report (PEIR). As discussed at the May 26 study session, the notice of preparation for the PEIR was recirculated from April 23 through May 24, due to the expansion of its scope to include the housing element. A draft PEIR is scheduled to be released shortly after the release of the Housing Element Public Review Draft for public comment. The PEIR must be certified prior to Council's adoption of the housing element.

HCD Review

At the May 26 study session, staff shared the working draft strategies and programs that were submitted for HCD's courtesy review and the memo that HCD sent to staff following a virtual meeting to discuss their responses. HCD's comments were helpful and instructive. HCD staff also made themselves available for several follow-up conversations with City staff as staff continued its work to draft a compliant housing plan for the housing element.

In many cases, HCD recommended that City staff explore the preliminary strategies further and emphasized the need for accompanying data and evidence of existing trends; and if the City is

forecasting future development patterns that deviate from past trends, that the City support such claims by showing how new ordinances and policies adopted by the City would make a difference and lead to increased housing production.

Given a RHNA of 2,067 units (compared to 63 units in the 5th cycle of RHNA), the City will need to change its approach to housing policy in order to meet comply with State law. As evidenced by the approval of three mixed use development projects in 2020-2021, including over 180 new housing units, and adoption of new policies adopted by City Council including tenant protections, new permissive policies towards ADU production, and an inclusionary housing ordinance, the City can demonstrate such a shift in housing policy. For example, the inclusionary ordinance that became effective in June is an example of a game-changing policy that supports the City's housing plan by requiring the inclusion of affordable units. This will cause an increase in affordable units.

Although HCD staff has not indicated how it will review the draft housing element, they encouraged the City to continue to develop affordable housing programs, implement the inclusionary requirements, and monitor processes to change the paradigm of the past and build more housing in general, and more affordable housing in particular. HCD staff also encouraged the City to consider the use of available City-owned land to partner with an affordable housing developer and produce 100% affordable housing projects. Such a program will be included in the Housing Element Public Review Draft.

Another example, which has been extensively discussed with HCD staff, is how the City will count ADUs for compliance with the RHNA. The City is allowed to count the number of ADUs that can be reasonably expected to be produced between July 1, 2021 and December 31, 2029. The state's "safe harbor" formula for that number is offered as an option, but as a general formula based on average conditions statewide, it is not necessarily appropriate for all jurisdictions, as HCD has acknowledged. In South Pasadena's case, the safe harbor number would be 93, because until a couple of years ago, ADUs were only permitted on properties of more than 12,000 square feet, eliminating the opportunity for a majority of single-family homeowners. Today, all residential properties are eligible for an ADU and a Junior ADU through staff-approved review under State law. Additionally, the City allows even more flexibility than State Law for two-story and larger-sized ADUs for non-constrained properties through the staff-approved review process, and additional flexibility for constrained properties (with historic resources or certain hillside or atypical lot conditions, for example) under a discretionary review process. . The local ADU provisions were recently updated with objective standards, removing additional barriers that deterred some homeowners. The State and local changes to ADU policy represent a significant shift in the way the City and community approach ADUs; and therefore, the City's proposed forecast of ADUs is based on more recent trends (2020-2021) than based on an average of the last several years. For example, the City approved 1 ADU in 2017, yet just since January 1, 2021, the City has received 32 ADU applications. For further strengthening ADU production, the City is proposing programs to publicize ADU opportunities and to assist applicants; and the Council has approved new Planning staff in the Fiscal Year 2022 Budget to speed up the pace for application review. HCD was not supportive

of the suggestion from staff to anticipate 555 ADUs; however, based on further discussions regarding the City's approach and HCD's advice to provide supporting arguments, the Public Review Draft's RHNA compliance strategy will propose to include 297 ADUs.

Discussion

Format and Contents of the Housing Element Public Review Draft

The Public Review Draft will follow a similar format to the City's current 5th Cycle Housing Element, forming a new Chapter 6 of the City's General Plan. The most significant change in terms of format will be an improved presentation of the housing plan, with goals, policies and programs presented together. Additionally, a new requirement for the 6th Cycle is an assessment of fair housing, based on guidelines provided by the State, which will be featured in the housing needs section. Finally, following the public review and subsequent revisions to the housing element, an Executive Summary will be written for the Housing Element Final Hearing Draft. The Executive Summary will include a summary table of the final housing programs, the quantified objectives, a summary of the inclusive strategy to encourage housing production to serve the entire community, and other key information.

The steep increase in the RHNA allocation compared to the last housing element has necessitated a much more complex analysis of housing resources than the last cycle. The Commission has held several discussions about building up the sites inventory through rezoning and streamlined review processes in order to provide adequate capacity. The Commission has also discussed the role of accessory dwelling units (ADUs), which will play a strategic role in housing production over the next eight years, as discussed above. The Housing Element Public Review Draft will provide site-level detail on suitable sites and a full discussion on ADUs to support the quantified objectives of the housing element, consistent with the RHNA.

The following summary provides a preview of the housing element chapters, highlighting features that are new to this update and focusing on:

Housing Needs and Constraints

Following an introduction (Chapter 6.2) that provides a general overview of the housing element's purpose and structure, the next two chapters of the housing element focus on South Pasadena's housing needs and constraints, providing the data and context for housing conservation and production in South Pasadena.

The Housing Needs data are gathered from US Census sources, including the census and American Communities Survey, updating similar data sets provided in the last housing element round. The data presents a picture of the socio-economic profile of the people in the community, and of the housing stock, cost and living conditions to be analyzed and addressed. From this data, the challenge ahead to maintain housing at an affordable level for the city's middle class is clear, as is the further challenge of providing more affordable housing for households in lower economic groups.

Housing constraints are both governmental and non-governmental. Non-governmental constraints, such as market forces and financing are noted as they affect housing but are not within the control of local government. Land use controls, site improvement requirements, California building codes, fees, and other local programs intended to improve the overall quality of housing may serve as constraints to the development of affordable housing. Identifying these constraints is the first step toward constructing a housing plan with programs aimed at removing them.

Fair Housing Analysis

Under California law, Housing Elements must address “taking meaningful actions, in addition to combatting discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics.” The cost of moving into South Pasadena is effectively a barrier to diversity.

Affirmatively furthering fair housing in South Pasadena and taking meaningful actions to be inclusive are reflected in the housing element’s assessment. The housing element is proposing commitments to promote affordable housing to create a place for lower-income households from groups that historically have not resided in the city. . As a meaningful way to address this issue, the City has adopted an Inclusionary Housing Ordinance which requires developers of multi-family units to produce affordable units.

Housing Development Resources and the RHNA Strategy

Chapter 6.5 discusses the land use designations that allow housing, both exclusively for residential uses or for mixed residential-commercial uses, and includes tables with the locations of sites that are either vacant or non-vacant that can accommodate new housing units.

South Pasadena’s housing stock is about 50% single family units and 50% multi-family units. The vast majority of the multi-family units are in medium or high-density residential zoning districts, which are mostly built out. Some infill opportunities exist in these districts, either on vacant parcels or on parcels that are not developed to full capacity. Additionally, there are some vacant properties zoned for single-family use.

The suitable sites inventory includes single and multi-family zoned properties to accommodate more than half of the above-moderate (market-rate) portion of the RHNA and a small number of moderate income units. However, these sites cannot meet the criteria to accommodate the lower income housing requirement.

The City does not have sufficient multi-family land resources to accommodate the RHNA without increasing the density on those parcels. Increasingly, the potential for new, higher-density housing development can more realistically be found in areas currently zoned non-residential. It is proposed that such areas be rezoned to allow both multi-family and mixed-use development at sufficient densities to help meet the State’s criteria as suitable sites.

Some mixed-use districts were already in place in the current housing element. However, the GP/DTSP Update can increase opportunities to areas of the city that have until now not been available for residential use. The Land Resources chapter will include a table listing suitable sites to assist with the capacity to address the low-income RHNA. Many of these sites will rely on general plan and zoning changes to achieve the RHNA.

Attached to this staff report is the full sites inventory, proposed to be included in the Public Review Draft.

The last major component of land resources for housing are ADUs, which are expected to contribute 14%-18% of the RHNA. The Public Review Draft assumes that permits will be issued for 297 ADUs over the planning period as a component of the RHNA. While this number is more than HCD's "safe harbor" staff believes that it is not only realistic, but likely a *low estimate* based on recent trends. The draft will include calculations based on the trajectory of actual permit applications that demonstrate that it is reasonable to conclude that the actual number may be closer to 368 units. However, after consultation with HCD, staff is recommending to use the more conservative lower estimate to assuage HCD's concerns. The division of affordability levels for the ADUs are based on a Southern California Association of Governments (SCAG) Regional ADU Affordability Analysis conducted for the entire SCAG region in 2020. The analysis made findings for affordability of ADUs by subregion based on data gathered on current rents and occupancy of ADUs in addition to industry research about affordability levels of ADUs, including those that don't reach the rental market.

The table below, which is proposed to be included in the Public Review Draft, summarizes the RHNA and the capacity of sites identified, including projected ADUs (see Attachments 1 and 2).

COMPARISON OF SITE CAPACITY AND RHNA

Income Group	Projected Accessory Dwelling Units	Units on Vacant and Non-Vacant Sites with Suitable Zoning	Units on Vacant Sites Needing Zoning Changes	Units on Non-Vacant Sites Needing Zoning Changes	Total RHNA Capacity	Total RHNA Required	Surplus RHNA
Extremely Low	45	0	70	884	1,157	1,155	2
Very Low	27						
Low	131						
Moderate	6	42	0	383	431	334	97
Above Moderate	88	253	0	426	767	578	189
TOTAL	297	295	70	1,693	2,355	2,067	288

Highlights of the Housing Plan

The housing plan consists of goals, policies and programs. The plan has five goals, which are updated from the City’s current housing element, focusing on conserving existing housing, building new housing, encouraging and assisting in providing affordable housing, complying with State housing laws and promoting fair housing.

The policies implement the goals with more specific concepts that indicate the City’s intention to direct programs. New policies have been added under several of the goals. For example, under the goal to encourage and assist in affordable housing production, a policy is proposed to provide information to developers about the inclusionary housing ordinance and to implement planning approval processes that reflect the priority of affordable housing in the community. Another example, under the fair housing goal, a policy is proposed to encourage community members to learn more about the social impacts of housing discrimination.

Programs

Programs are the heart of the housing element, and the implementation of the adopted programs are proposed to be monitored through the Annual Housing Reports (APR), which are submitted each year by April with housing production data and narrative explanation of the City’s program compliance the previous year. In addition to a report of the number of units that either received Planning approval or were issued Building permits, the APR contains a section that updates the City’s progress on each and every program. The Executive Summary table proposed to be designed to mirror the APR table format in order to make reporting easier and more understandable for decision-makers and community members that wish to monitor implementation progress.

The housing element should have programs that implement every policy, and during the Public Review Draft circulation period, Commissioners and members of the public are encouraged to provide comments on the proposed programs and their potential to adequately implement the policies to achieve the housing element's goals.

With one exception, all of the 2014-2021 Housing Element policies are being continued or revised to reflect updated circumstances (the exception is deletion of a program to adopt a zoning text amendment for planned unit development, which was adopted in 2013). In addition, many new programs will be proposed to provide for the housing needs in the 6th Cycle housing element. As required, each program will include an eight-year objective, funding source, responsible agency and timeframe. The timeframe may be by a specific date, or in some cases "ongoing" throughout the planning period.

The following summarizes the most significant new programs that will be proposed in the 2021-2029 Housing Element Public Review Draft:

- ***Programs that are consistent with the proposed sites inventory and will be needed to comply with the RHNA;***
 - Rezoning parcels for higher residential density;
 - Establishing an affordable housing overlay;
 - Enabling parcel assemblage
 - Amending zoning standards to encourage housing projects in mixed-use districts, either as residential stand-alone projects or as mixed-use development;

- ***ADU Programs***
 - ADU education, promotion and homeowner outreach;
 - An ADU amnesty program for unpermitted units;
 - Monitoring ADU production in terms of expected production counting toward RHNA
 - Exploring an incentive program for ADU affordability covenants

- ***Affordable Housing Programs***
 - Monitoring the inclusionary housing ordinance for effectiveness and adjusting as needed over time;
 - Developing an affordable housing production and program, either based at the City or through a regional effort, and include a City-based monitoring program to ensure appropriate use of all deed-restricted affordable housing units;
 - Facilitating a streamlined process to produce 100% affordable housing projects on City-owned properties that can be made available and are appropriately located;

- ***Programs to encourage both market-rate and affordable housing***
 - Addressing the opportunity presented by the abandonment of the former 710 freeway project right-of-way homes;
 - Developing a variety of senior housing opportunities, both market rate and affordable, to support seniors with varying abilities and lifestyle choices.

- ***Programs for more efficient City processes***
 - Introducing an electronic permitting system that would make the permit process, and subsequent monitoring, more efficient (the City is actively pursuing this now based on a grant that has been awarded);
 - Maintaining Planning Division staff at a level that enables timely permit application review and processing;

- ***Programs to achieve compliance with State laws***
 - Updating zoning code in regard to emergency shelter distancing requirements, SB2 transitional and supportive housing requirements, and AB101 requirements to allow “low barrier navigation centers” that provide housing and services for those in need as well as other support in multi-family areas;
 - Developing a local, written SB35 streamlining guidance policy.

This list is not comprehensive of all programs, but does include those that have been identified as available to meet the challenges of attaining the RHNA and comply with other aspects of housing element law. Commissioners will have opportunities during the review period to consider all of the proposed programs and recommend revisions and/or additions of programs for the final draft. However, it should be understood that removal of some programs, which were reviewed, suggested or encouraged by HCD staff, could jeopardize the certification of the document.

Consequences of Housing Element Non-Compliance

With the upcoming release of the Public Review Draft, South Pasadena is on track to review, revise and adopt a housing element within the statutory timeframe, with every expectation that the document will meet certification criteria. The Commission has held discussions over the last two years in regard to the critical importance of housing law compliance in order to ensure that the City does not become subject to penalties and retains maximum authority over its development and the housing projects that will be proposed in the coming years.

While State law has long required adoption and certification of a compliant housing element, the California State legislature has increased the consequences of non-compliance in recent years. Earlier incentives including a variety of grant opportunities and programs only available to jurisdictions with certified housing elements have been joined by meaningful penalties for the non-certified. When a jurisdiction’s housing element is found to be out of compliance, State law states that its entire General Plan could be found inadequate, and therefore invalid.

Additionally, local governments with noncompliant housing elements are vulnerable to litigation from housing rights' organizations, developers, and HCD. If a jurisdiction faces a court action stemming from its lack of compliance and either loses or settles the case, it often must pay substantial attorney fees to the plaintiff's attorneys in addition to the fees for its own attorneys. Potential consequences of lawsuits include: mandatory compliance within 120 days, suspension of local control on building matters, and court approval of housing developments.

This last point is of particular note. While some State streamlining is already required by SB375 for projects in South Pasadena with more than 60% affordable units, South Pasadena still has significant authority and local control over the issuance of housing permits, provided that the City maintains compliance with State law. The failure to produce a housing element by the end of the extension period in mid-February could have significant implications for loss of local control and the City's ability to maintain and steward its unique character.

Next Steps

The 2021-2029 Housing Element (Public Review Draft & Program Environmental Impact Report) will be released later this month and posted on Planning & Community Development's [Housing Element Update page](#). Notification will be provided to the public, including a press release and email. Interested members of the public may add their names to the list to receive notifications by clicking on a link on the project page (above).

Staff is requesting that the Commission advise on the public review process to ensure that adequate opportunities are given for comments. A copy of the Public Review Draft will be sent to HCD. Per HCD's request, the copy will be sent 1-2 weeks after release in order to give time to any member of the public who wishes to send their own comments to HCD (which are always shared with City staff). Staff seeks input into the timing of one or more community meeting(s) and/or Planning Commission sessions to focus on the key points of the housing plan and sites inventory during the circulation of the Public Review Draft. Public comment would be received at the meeting and written comments will be encouraged during the public review period. Following this period, the final draft will be prepared and adoption proceedings will begin with a Planning Commission recommendation hearing by the end of the calendar year.

State statute requires housing elements to be adopted by October 15, 2021. However, a 120-day grace period is provided to extend the deadline to February 11, 2022. In order to meet the February deadline, staff will release the public review draft by the end of August and will submit the draft Housing Element to the State Housing and Community Development Department (HCD) for the first of two 60-day review periods. Soon thereafter, staff will be releasing the revised draft of the General Plan/Downtown Specific Plan (GP/DTSP) and the associated Program Environmental Impact Report (PEIR) for a 45-day public review period. Staff anticipates presenting the final draft of the Housing Element and PEIR to the Planning Commission in December/January 2022. Followed by adopting and certification of the Housing Element and PEIR by the City Council in January/February 2022. The final draft of the

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GP/DTSP will be presented to the Planning Commission in February/March 2022 and subsequently to the City Council for adoption in March/April 2022.

Legal Review

The City Attorney has reviewed this report.

Public Notification of Agenda Item

The public was made aware that this item was to be considered this evening by virtue of its inclusion on the legally publicly noticed agenda, posting of the same agenda and reports on the City's website.