

# Item 3: Draft Inclusionary Housing Ordinance

Planning Commission Hearing  
January 26, 2021

- **Recommendation to City Council**

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## Inclusionary Housing Ordinance

Adds a chapter to the Zoning ordinance requiring housing projects to include a % of affordable units, to be deed-restricted for a period of time for occupancy by eligible low income households based on LA County income criteria at affordable rent or purchase levels

# Preparation Timeline

## 2019-2020

- 1/28/2019: Planning Commission directs staff to develop housing initiatives, including inclusionary housing
- September 2019: First housing workshops with community
- May-September 2020: Virtual Housing Workshops
- August 11, 2020: PC Study session
- 12/15/2020 – Planning Commission Study Session
  - Considered regulations adopted by other cities.
- PC Affordable Housing sub-committee meetings:
  - December 21, 2020, December 23, 2020,



# Preparation Timeline

## 2021

- PC Affordable Housing sub-committee, 3<sup>rd</sup> meeting:
  - January 12, 2021
- January 12: Staff update to Commission
- December 2020-January 2021: Staff outreach to:
  - Architects/recent projects
  - San Gabriel Valley Affordable Housing Trust
  - South Pasadena Chamber of Commerce
- January 25: Workshop with Housing Rights Center



# Proposed Draft Ordinance

## Key Provisions

- **Applicability:** All projects with 3 or more residential units
- **Exemptions from ordinance:**
  - Projects deemed complete prior to December 31, 2020
  - Residential units within designated landmark buildings (adaptive reuse)
  - 100% affordable projects
  - ADUs/JADUs
  - Projects approved with a development agreement

# Proposed Draft Ordinance

## Key Provisions

### Requirement (Amount)

- Between 15-20% of total # of market rate units
- Applicant chooses the level of affordability from the options in the table

**Table A. Inclusionary Housing Requirement Per Household Type**

Number of Market Rate Units in Residential Development	Extremely Low Income	Very Low Income	Lower Income	Moderate
3-4	1 unit	1 unit	1 unit	1 unit
5-10	1 unit	1 unit	The higher of 1 unit or 15%	The higher of 1 unit or 20%
11-25	15%	15%	20%	--
26-50	20%	20%	20%	--
51+	20%*	20%*	20%*	

\* 20% Affordable Unit requirement must comprise 50% lower and 50% extremely/very low income units. In case of an uneven number, one more unit shall be provided as very low.

# Proposed Draft Ordinance

## Key Provisions

### Alternatives to Onsite provision

- In-lieu fee option for 3-unit projects or fractional units
  - Council to determine fee amount by resolution
  - Fees may be administered locally, or through regional partnership (San Gabriel Valley Regional Housing Trust)
- All other projects may opt to:
  - Build off-site units,
  - Rehabilitate existing units
  - Donate land (with Council decision to accept offer)

# Proposed Draft Ordinance

## Key Provisions

### Affordable Unit standards

- Size: comparable to market rate, with minimums:
  - 1 bedroom: 650 square feet
  - 2 bedroom: 950 square feet
  - 3+ bedrooms: 1,150 square feet.
- Units must be distributed throughout the project
- Comparable quality and materials
- Equal access to project amenities, maintenance



# Proposed Draft Ordinance

## Key Provisions

### Affordable Unit standards

- Constructed concurrently with project
  - Proportional development with phased project
- Rental projects → rental units
- Ownership projects → rental or ownership units
- Affordable Units to be deed-restricted for 55 years

# Proposed Draft Ordinance

## Key Provisions

### Standard Conditions of Approval

- Conditions to be included in entitlement approvals
- Deed restriction to contain specific information to ensure compliance over time with change of ownership.
- Conditions for units for lease or for sale
- Schedule required for off-site unit development at same time as main project

# Proposed Draft Ordinance

## Key Provisions

### Design Incentives on Larger Sites (1/2 acre+) in mixed-use and R4 (high density) residential districts

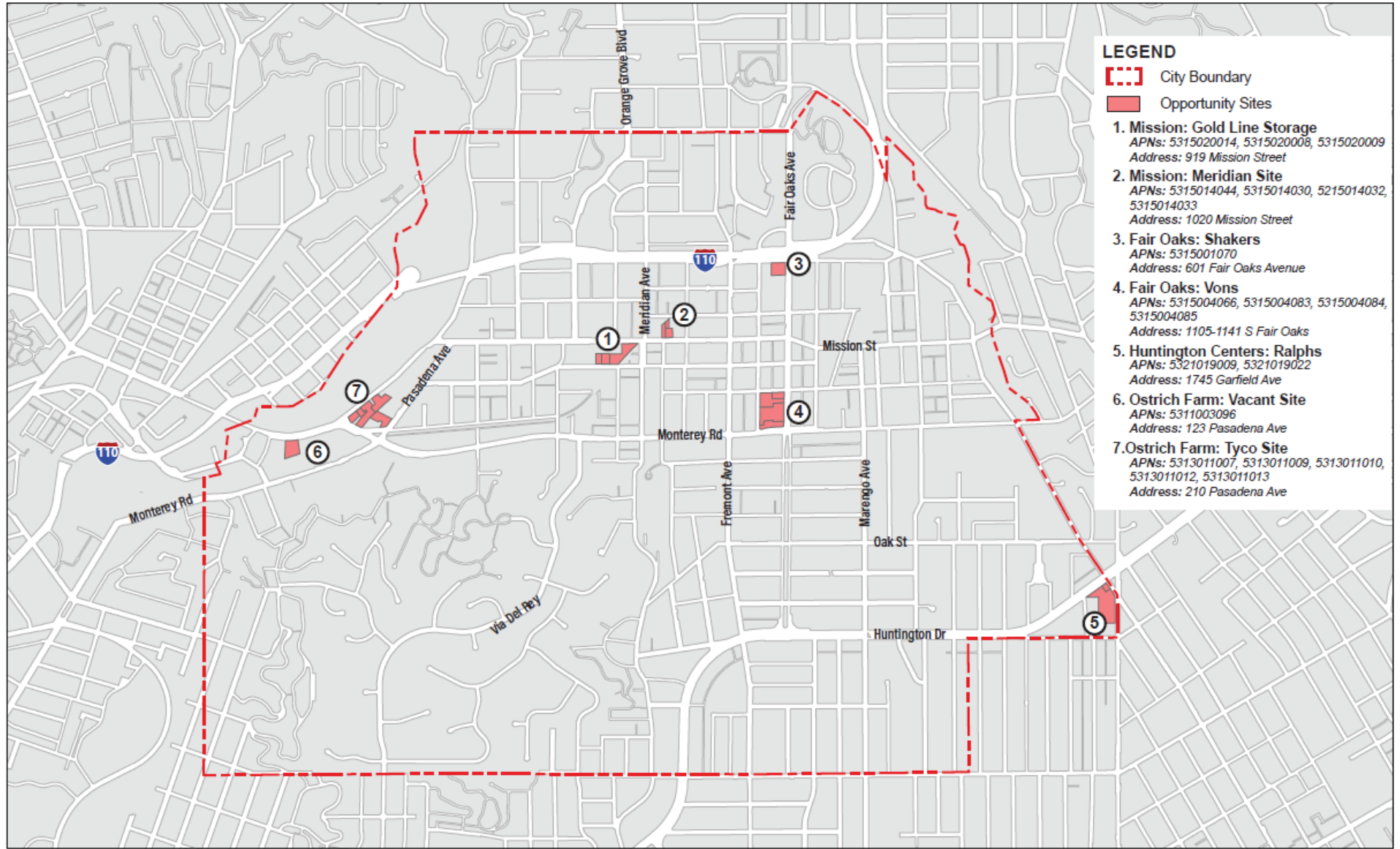
- Goal is for projects to incorporate strong architectural design
  - Stepbacks of 10' or more, siting and massing sensitivity to surrounding context
  - Encourage design that uses extra height to vary skyline, and reduce overall site coverage to increase open space
  - Provide high-ceiling ground floor commercial space and more spacious residential units with open space

# Proposed Draft Ordinance

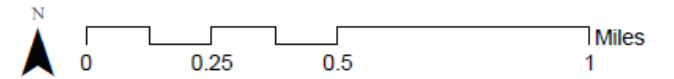
## Key Provisions

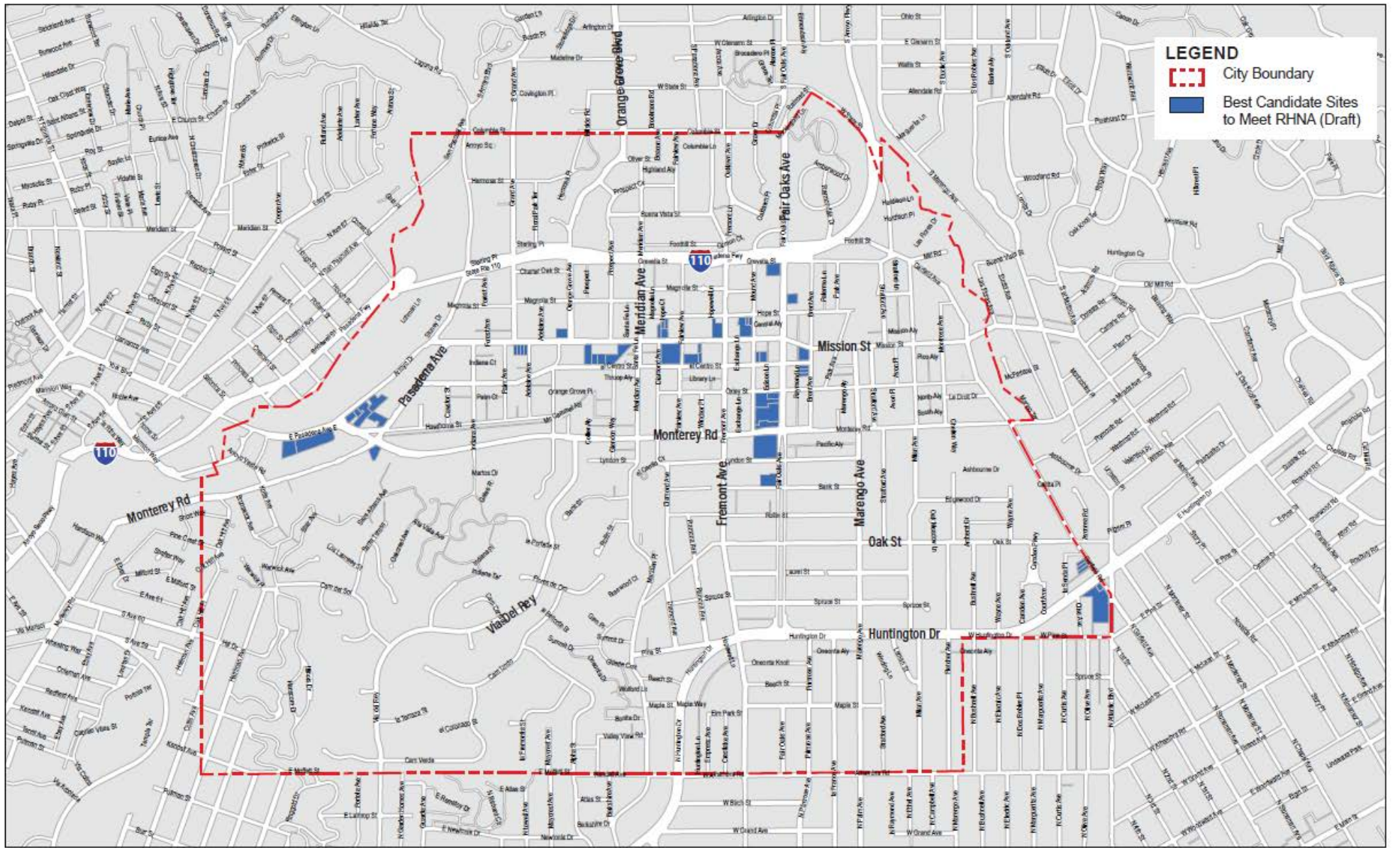
### Design Incentives on Larger Sites (1/2 acre minimum)

- Incentives (continued):
  - Height consistent with State Density Bonus law, allowing height averaging (additional feet above zoning):
    - Mission Street: 5', R4: 10', or other Mixed Use: 15'
  - Affordable unit minimum sizes may be reduced by 50 sq. ft., provided they remain comparable to market rate units
  - Parking consistent with State Density Bonus Law allowed at .5 spaces per bedroom (fractions rounded up)

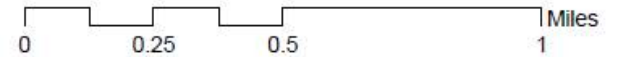


**South Pasadena Housing Opportunity Sites**

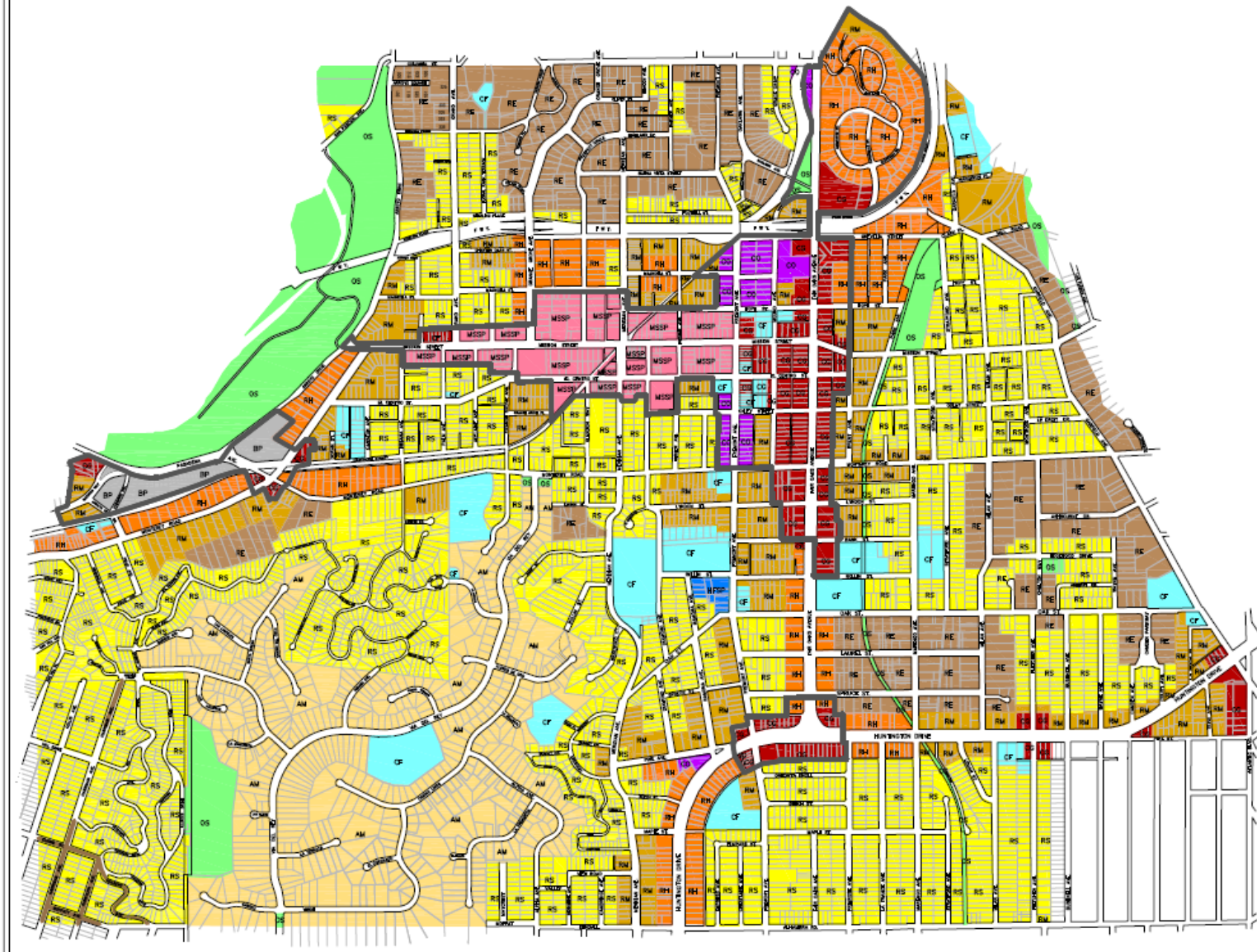




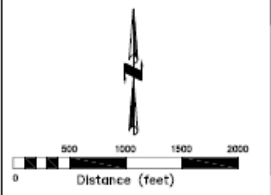
South Pasadena Best Candidate Sites to Meet RHNA (Draft)




# City of South Pasadena Zoning Map



- Residential Estate (RE)
- Altos De Monterey Residential (AM)
- Residential Low Density (RS)
- Residential Medium Density (RM)
- Residential High Density (RH)
- Commercial Office (CO)
- Commercial General (CG)
- Business Park (BP)
- Community Facilities (CF)
- Open Space (OS)
- Holy Family Specific Plan (HFSP)
- Mission Street Specific Plan (MSSP)
- Focus Area Overlay (see the General Plan for the location of specific focus areas within the overall Focus Area Overlay)
- Unimproved Public Street





# The San Gabriel Valley Regional Housing Trust (SGVRHT)

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San Gabriel Valley Regional Housing Trust

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# SGVRHT Overview

- The San Gabriel Valley Regional Housing Trust (SGVRHT) is a Joint Powers Authority formed by SB 751 (Rubio) to fund and finance the planning and construction of homeless housing, and extremely low, very low, and low-income housing projects.
- SGVRHT is able to receive and leverage public and private financing. The City of South Pasadena provided SGVRHT with \$115,000 in Measure H funds in support of capacity building and operational expenses.
- The SGVRHT is governed by a nine-member Board of Directors- seven representatives from jurisdictions that are members of the SGVRHT and two experts in housing and homelessness.
  - Members are appointed by the Governing Board of the San Gabriel Valley Council of Governments.
  - Must be a member city to be eligible to serve on the board of directors.

## 21 Member cities:

Alhambra, Arcadia, Azusa, Baldwin Park, Claremont, Covina, Diamond Bar, Duarte, El Monte, Glendora, Irwindale, La Canada Flintridge, La Verne, Montebello, Monrovia, Pasadena, Pomona, San Gabriel, South El Monte, South Pasadena, West Covina



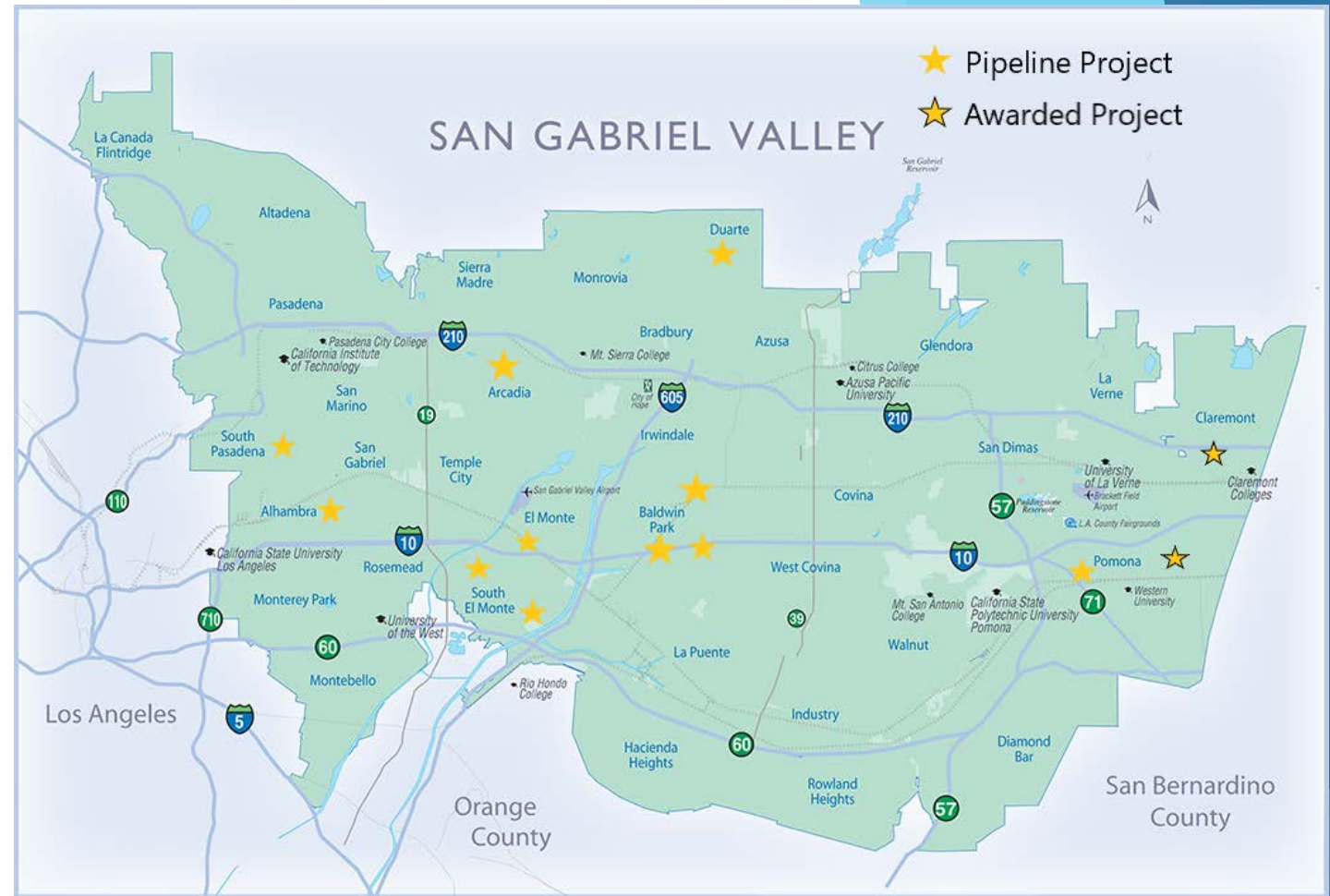
# Support for a Regional Approach

- ▶ The San Gabriel Valley is composed of cities of varying population size and diverse funding sources including entitlement cities, cities that receive allocations from the County, and cities with their own housing authorities
- ▶ The SGVRHT provides a vehicle for relatively small funding allocations to be combined to support housing projects and allows member cities to join together to compliment efforts rather than compete for limited resources
- ▶ An affordable or homeless housing project in a member city is also a value add to neighboring cities
- ▶ The in-lieu fees generated from South Pasadena would be leveraged with other public and private sources including private donations, Permanent Local Housing Allocation (PLHA) funds, and State funds including matching funds available through the Local Housing Trust Fund (LHTF) program



# Application, Awards, and Next Steps

- ▶ The initial project application is available at [sgvrht.org](http://sgvrht.org) and places a project on the San Gabriel Valley project pipeline
- ▶ Funding awards will be made based on the availability of funds and the requirements of available sources of funding
- ▶ The SGVRHT recently launched its Strategic Plan and Funding Strategy which will further define how funds are distributed and best leverage resources to bring homeless and affordable housing to the SGV
- ▶ The SGVRHT is also working on several studies and planning efforts including an affordable housing incubator and an emergency shelter pilot program



# Recommendation

- Hold a public hearing to discuss the draft provisions and recommend revisions as deemed appropriate.
- Adopt a Resolution recommending that the City Council approve the proposed amendment to the South Pasadena Municipal Code (SPMC) Chapter 36 (Zoning) adding Chapter 36.375 (Inclusionary Housing Ordinance).