



CITY OF SOUTH PASADENA
CITY COUNCIL

AGENDA

SPECIAL MEETING
WEDNESDAY, FEBRUARY 1, 2023, AT 7:01 P.M.

AMEDEE O. “DICK” RICHARDS JR. COUNCIL CHAMBERS
1424 MISSION STREET, SOUTH PASADENA, CA 91030

South Pasadena City Council Statement of Civility

As your elected 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 City Council Meeting will be conducted in-person from the Amedee O. “Dick” Richards, Jr. Council Chambers, located at 1424 Mission Street, South Pasadena, CA 91030.

The Meeting will be available:

- In Person Hybrid – Council Chambers, 1424 Mission Street, South Pasadena, CA 91030
- Live Broadcast via the City website –
- http://www.spectrumstream.com/streaming/south_pasadena/live.cfm
- Via Zoom – **Webinar ID: 825 9999 2830**

To maximize public safety while still maintaining transparency and public access, members of the public may observe the meeting via Zoom in one of the three methods below:

1. Go to the Zoom website, <https://zoom.us/join> and enter the Zoom Meeting information; or
2. Click on the following unique Zoom meeting link:
<https://us06web.zoom.us/j/82599992830> or
3. You may listen to the meeting by calling: +1-669-900-6833 and entering the Zoom Meeting ID listed above.

CALL TO ORDER: Mayor Jon Primuth

ROLL CALL:	Mayor	Jon Primuth
	Mayor Pro Tem	Evelyn G. Zneimer
	Councilmember	Jack Donovan
	Councilmember	Michael A. Cacciotti
	Councilmember	Janet Braun

PUBLIC COMMENT GUIDELINES

The City Council welcomes public input. Members of the public may comment on an agenda item only, you may participate **by one of the following options:**

Option 1:

Participate in-person at the City Council Chambers located at 1424 Mission Street, South Pasadena, CA 91030.

Option 2:

Participate via Zoom.

Public comment speakers are able to speak by going to the Zoom webinar controls and clicking on the "Raise Hand" icon. The Meeting Host will be notified that a hand has been raised and speakers will have their microphone un-muted by the Host during the appropriate Public Comment period.

Option 3:

Email public comment to ccpubliccomment@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 to the City website for public viewing under Additional Documents. When submitting a public comment, please make sure to include the following:

- 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 City Council meeting. Correspondence received after this time will be distributed the following business day.

PLEASE NOTE: The Mayor may exercise the Chair's discretion, subject to the approval of the majority of the City Council, to adjust public comment time limit to less than three minutes, as needed.

Pursuant to State law, the City Council may not discuss or take action on issues not on the meeting agenda, except that members of the City Council 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 COMMENT**1. PUBLIC COMMENT**

Public Comment will be limited to three minutes per speaker for the agenda item only.

ACTION / DISCUSSION**2. REVIEW COMMENTS RECEIVED FROM CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (HCD) ON THE 4TH DRAFT HOUSING ELEMENT AND PROVIDE DIRECTION ON 5TH DRAFT**Recommendation

It is recommended that the City Council:

1. Receive a staff presentation on HCD comments regarding the 4th Draft Housing Element; and
2. Provide direction as necessary on the 5th Draft.

ADJOURNMENT**FOR YOUR INFORMATION**

FUTURE CITY COUNCIL MEETINGS

February 15, 2023	Regular City Council Meeting	7:00 p.m.
March 1, 2023	Regular City Council Meeting	7:00 p.m.
March 15, 2023	Regular City Council Meeting	7:00 p.m.

PUBLIC ACCESS TO AGENDA DOCUMENTS AND BROADCASTING OF MEETINGS

City Council meeting agenda packets, any agenda related documents, and additional documents are available online for public viewing on the City’s website:

www.southpasadenaca.gov/CityCouncilMeetings2023


Regular meetings are live streamed via the internet at:

http://www.spectrumstream.com/streaming/south_pasadena/live.cfm

AGENDA NOTIFICATION SUBSCRIPTION

If you wish to receive an agenda email notification please contact the City Clerk’s Division via email at CityClerk@southpasadenaca.gov or call (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 or cityclerk@southpasadenaca.gov. 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).

CERTIFICATION OF POSTING

*I declare under penalty of perjury that I posted this notice of agenda for the meeting to be held on **February 1, 2023**, on the bulletin board in the courtyard of City Hall located at 1414 Mission Street, South Pasadena, CA 91030, and on the City website as required by law, on the date listed below.*

01/30/2023	/S/
Date	Desiree Jimenez, CMC, Chief City Clerk

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City Council Agenda Report

ITEM NO. 2

DATE: February 1, 2023

FROM: Arminé Chaparyan, City Manager *AC*

PREPARED BY: Angelica Frausto-Lupo, Community Development Director
Alison Becker, AICP, Deputy Community Development Director

SUBJECT: Review Comments Received from California Department of Housing and Community Development (HCD) on the 4th Draft Housing Element and Provide Direction on 5th Draft

Recommendation

It is recommended that the City Council:

1. Receive a staff presentation on HCD comments regarding the 4th Draft Housing Element; and
2. Provide direction as necessary on the 5th Draft.

Background

On December 12, 2022, the City of South Pasadena (City) submitted its 4th Draft Housing Element to the California Department of Housing and Community Development (HCD) for compliance/certification review. This 4th draft sought to address all of the issues that were included in HCD's response letter to the City dated October 28, 2022 and corrected letter sent on November 2, 2022 regarding the 3rd Draft Housing Element.

On January 27, 2023, HCD provided a response letter with comments on the 4th Draft Housing Element, attached. The letter and all documents related to the City's 6th Cycle Housing Element development, including all drafts and HCD letters received, are posted on the Community Development Department's project web page (<https://www.southpasadenaca.gov/government/departments/planning-and-building/housing-element-update-2021-2029>).

The 4th Draft Housing Element addressed numerous comments received from HCD as part of the department's review of the 3rd Draft Housing Element. The comments that were fully addressed, and which HCD did not have further comments on include:

- **Suitability of Nonvacant Sites:** Revisions to the Housing Element in the 4th Draft for Site 5, Liquor Store Site, and Site 9, Meridian Site, addressed all of

HCD's concerns regarding the adequacy of these sites for inclusion in the Housing Element.

- **City-Owned Sites:** The revised Housing Element expanded the discussion regarding Site 13, the City-Owned parking lot. This expanded discussion addressed all of HCD's comments regarding Site 13.
- **Environmental Constraints:** The 4th Draft Housing Element included a discussion of environmental constraints for all of the identified sites to address the City's RHNA requirements. This additional information addressed HCD's comments regarding environmental constraints.
- **Program 3.o (No Net Loss):** This program was revised in the 4th Draft Housing Element to commit to evaluate the effectiveness of identified sites and make necessary adjustments in 2024 and 2026. This change addressed the HCD's comments to this program.
- **Affordable Housing Conservation:** The 4th Draft Housing Element included additional units to be preserved as affordable housing on the Caltrans sites to address HCD's comments regarding affordable housing conservation. These revisions addressed HCD's comments regarding affordable housing conservation.

Analysis

While the 4th Draft Housing Element resolved a number of HCD comments, a handful of comments remain, including:

- **Suitability of Nonvacant Sites:** While HCD appears to be satisfied with the revisions to the Housing Element regarding Sites 5 and 9, they have remaining comments on Sites 16 and 17. On Site 16, HCD would like more information regarding the strategies that would be employed to minimize impacts of reduced parking spaces for the existing retail use during redevelopment. For Site 17, HCD needs to see more interest from the property owner for redevelopment of the site, or the site needs to be removed from the inventory.
- **City-Owned Sites:** HCD has accepted the revisions made to address their prior comments on Site 13, but still have additional comments related to Site 8, the City's Public Works Yard. Specifically, HCD wants additional information regarding how the underground gasoline tank might affect the possibility of redevelopment of the site.
- **Program Revisions:** HCD continues to request additional revisions to Programs 3.b (Mixed Use Development), 2.i and 2.m (Inclusionary Housing Regulations), and 2.n (Citywide Height Limit). The prior comments on Programs 3.n and 3.o have been resolved. HCD provided clear direction on how to revise these programs to address these remaining comments.
- **Affirmatively Furthering Fair Housing:** In order for HCD to find the Housing Element in compliance with State housing law, additional revisions are needed

with regard to Affirmatively Furthering Fair Housing (AFFH). HCD's comment states that the "element should make more specific commitments to density increase and changes to development standards to accommodate ... increased density in single family neighborhoods."

- **Public Comments:** Since submitting the 4th Draft Housing Element to HCD for review, HCD and the City have received a number of public comments that need to be addressed in the next draft. These comments include questions about parcels within the Downtown Specific Plan area, as well as requests for additional programs including strengthened commitments to development of deed restricted housing on the Caltrans sites, additional tenant protections, and additional development incentives for affordable housing.

Staff already began revisions to the Housing Element to address each of these comments. However, addressing the concerns regarding identified sites and the comments related to AFFH require direction from the City Council.

Sites Analysis and Lower Income RHNA Units

In reviewing the comments regarding the suitability of the non-vacant sites, staff may need to remove certain of sites from the inventory. If so, the City will need to identify a publicly owned site (or sites) to accommodate an estimated 65 lower income Regional Housing Needs Assessment (RHNA) units.

Affirmatively Furthering Fair Housing

HCD has indicated the inclusion of a new program in the Housing Element to expand housing opportunities for all utilizing the framework of SB10 may be necessary. Staff proposes to allow the use of SB10 in the areas near the L Line (Gold Line) Station, and the intersection of Fair Oaks Avenue and Huntington Drive, areas with small multi-family residential typologies and development standards formulated in the draft Downtown Specific Plan.

Next Steps

Staff will continue to work with the City's consultant, Mobius Planning, to release the 5th Draft Housing Element for public review no later than March 3, 2023 and submit a 5th Draft to HCD no later than March 13, 2023.

Fiscal Impact

There is no fiscal impact with receiving a presentation on HCD's response on the 4th Draft Housing Element.

Attachment: HCD Response Letter, January 27, 2023

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ATTACHMENT

HCD Response Letter, January 27, 2023

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DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT

2020 W. El Camino Avenue, Suite 500
Sacramento, CA 95833
(916) 263-2911 / FAX (916) 263-7453
www.hcd.ca.gov



January 27, 2023

Angelica Frausto-Lupo, Director
Community Development Department
City of South Pasadena
1414 Mission Street
South Pasadena, CA 91030

Dear Angelica Frausto-Lupo:

RE: South Pasadena's 6th Cycle (2021-2029) Revised Draft Housing Element

Thank you for submitting the City of South Pasadena's (City) revised draft housing element received for review on December 13, 2022. Pursuant to Government Code section 65585, subdivision (b), the California Department of Housing and Community Development (HCD) is reporting the results of its review. In addition, HCD considered comments from Care First South Pasadena, the South Pasadena Tenants Union, and Josh Albrekston, pursuant to Government Code section 65585, subdivision (c).

The revised draft element addresses many statutory requirements described in HCD's October 28, 2022 review; however, revisions will be necessary to comply with State Housing Element Law (Article 10.6 of the Gov. Code), as follows:

1. *An inventory of land suitable and available for residential development, including vacant sites and sites having realistic and demonstrated potential for redevelopment during the planning period to meet the locality's housing need for a designated income level, and an analysis of the relationship of zoning and public facilities and services to these sites. (Gov. Code, § 65583, subd. (a)(3).)*

Identify actions that will be taken to make sites available during the planning period with appropriate zoning and development standards and with services and facilities to accommodate that portion of the city's or county's share of the regional housing need for each income level that could not be accommodated on sites identified in the inventory completed pursuant to paragraph (3) of subdivision (a) without rezoning... (Gov. Code, § 65583, subd. (c)(1).)

Suitability of Nonvacant Sites: Per previous reviews, the element must include additional discussion of recent experience in redevelopment and either remove sites or include additional analysis of the extent existing uses impeded additional development. In response, the element removed

and added several sites and added additional discussion of sites but must still demonstrate the existing uses and circumstances do not impede additional development, as follows:

- *Site 16 (Pavillions Parking Lot)*: Although owner interest was emphasized in this draft and it was polled highly by the development community, the element still should discuss the impacts of parking for the existing use on the feasibility of development, including plans for replacement parking and parking needs during construction.
- *Site 17 (Retail and Restaurant Buildings and Parking Lot)*: While the element now discusses the short-term nature of leases, based on City records, the owner does not appear interested in residential development as noted in the element. The element should either remove the site, establish owner interest or demonstrate the existing uses will not impede additional development and will likely discontinue in the planning period.

In addition, because the housing element relies upon nonvacant sites to accommodate more than 50 percent of the regional housing needs allocation (RHNA) for lower-income households, it must demonstrate existing uses are not an impediment to additional residential development and will likely discontinue in the planning period. (Gov. Code, § 65583.2, subd. (g)(2).) Absent findings as part of the adoption resolution based on substantial evidence, the existing uses will be presumed to impede additional residential development and will not be utilized toward demonstrating adequate sites to accommodate the RHNA.

City-Owned Sites: The element now includes information on compliance with the Surplus Land Act and demonstrates the suitability and availability of Site 13 (City-owned Parking Lot). However, the element must still discuss whether existing uses impede additional development and any known conditions that preclude development in the planning period for Site 8 (Public Works Yard). As noted in the prior review, the element should discuss the impacts of the underground gasoline tank and filling station and soil contamination on the timing and cost of development in the planning period. In addition, Program 2.1 (Affordable Housing on City-owned Property) should commit to monitor City-owned sites every other year and identify alternative sites within 6 months if necessary if sites will not be developed in the planning period.

Programs: As noted above, the element does not include a complete site analysis; therefore, the adequacy of sites and zoning were not established. Based on the results of a complete sites inventory and analysis, the City may need to add or revise programs to address a shortfall of sites or zoning available to encourage a variety of housing types. In addition, the element should be revised, as follows:

- *Program 3.b (Mixed Use Development):* While the Program now includes actions to reduce parking requirements, as noted in the prior review, it should also establish incentives (beyond state density bonus law) by a specified date such as specific commitments to increased density, relaxation of development standards, fee reductions and expedited permit processing.
2. *Address and, where appropriate and legally possible, remove governmental and nongovernmental constraints to the maintenance, improvement, and development of housing, including housing for all income levels and housing for persons with disabilities... (Gov. Code, § 65583, subd. (c)(3).)*

While the element now includes potentially meaningful programs to address governmental constraints, programs should be revised as follows:

- *Programs 2.i and 2.m (Inclusionary Housing Regulations):* Per our previous review, the program should commit to engage and incorporate comments from the development community (including smaller developers and property owners) as part of the feasibility analysis and make adjustments as appropriate. To ensure that the projects are feasible, the program should also go beyond reviewing provisions (e.g., ten unit threshold, in-lieu fees, comparable unit costs) and commit to make revisions, including a balanced blend of affordability (Moderate and Lower-income). In addition, while Program 2.i (Inclusionary Housing Regulations) commits to evaluate the effectiveness of the ordinance, the evaluation should also utilize constraints on development as criteria, including housing costs and timing and ensure revisions do not act as a constraint on development.
 - *Program 2.n (Citywide Height Limit Ballot Initiative):* While the program now commits to height limits no less than 60 feet or six stories, it should also consider appropriate height limits for 70 units per acre. The Program could either commit to (a) remove height limits all together and replace all height limits as appropriate to encourage maximum densities, (b) specifically commit to accommodate 70 units per acre (e.g., seven stories and 84 feet) in addition to accommodating 50 units per acre or (c) replace the minimum height to be established with seven stories and 84 feet.
3. *Promote and affirmatively further fair housing opportunities and promote housing throughout the community or communities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability, and other characteristics... (Gov. Code, § 65583, subd. (c)(5).)*

While the element modifies several programs to affirmatively further fair housing (AFFH), it should include specific commitment and additional

actions to improve housing mobility and increase new housing choices and affordability in higher resource or relatively higher income areas (not limited to the RHNA) throughout the City. For example, the element should make more specific commitments to density increases and changes to development standards to accommodate this increased density in single family neighborhoods.

4. *Local governments shall make a diligent effort to achieve public participation of all economic segments of the community in the development of the Housing Element, and the element shall describe this effort. (Gov. Code, § 65583, subd.(c)(9).)*

Public comments from fair housing advocates point to issues relating to both the Caltrans sites as an opportunity to redevelop deed restricted, affordable, multifamily housing in higher opportunity or higher income neighborhood. In addition, comments indicate the Cultural Heritage Commissions efforts to increase the number of historic districts; potentially constraining residential development opportunities. The City should consider and revise the element in response to these comments as appropriate. For example, the element could incorporate any new potential constraints and public participation in its mid-term evaluation of the sites inventory.

Public participation in the development, adoption and implementation of the housing element is essential to effective housing planning. Throughout the housing element process, the City must continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly available while considering and incorporating comments where appropriate. Please be aware, any revisions to the element must be posted on the local government's website and to email a link to all individuals and organizations that have previously requested notices relating to the local government's housing element at least seven days before submitting to HCD.

The element will meet the statutory requirements of State Housing Element Law once it has been revised and adopted to comply with the above requirements pursuant to Government Code section 65585.

As a reminder, the City's 6th cycle housing element was due October 15, 2021. As of today, the City has not completed the housing element process for the 6th cycle. The City's 5th cycle housing element no longer satisfies statutory requirements. HCD encourages the City to revise the element as described above, adopt, and submit to HCD to regain housing element compliance.

Pursuant to Assembly Bill 1398 (Chapter 358, Statutes of 2021), a jurisdiction that failed to adopt a compliant housing element within one year from the statutory deadline cannot be found in compliance until rezones to accommodate

a shortfall of sites pursuant to Government Code section 65583, subdivision (c), paragraph (1), subparagraph (A) and Government Code section 65583.2, subdivision (c) are completed. As this year has passed and Programs 3.a (Rezone and Redesignate Sites to Meet RHNA) has not been completed, the housing element is out of compliance and will remain out of compliance until the rezoning have been completed.

For your information, pursuant to Government Code section 65583.3, the City must submit an electronic sites inventory with its adopted housing element. The City must utilize standards, forms, and definitions adopted by HCD. This is especially important for determining sites that have been utilized in multiple planning periods and are subject to by-right provisions. Please see HCD's housing element webpage at <https://www.hcd.ca.gov/planning-and-community-development/housing-elements> for a copy of the form and instructions. The City can reach out to HCD at sitesinventory@hcd.ca.gov for technical assistance.

Several federal, state, and regional funding programs consider housing element compliance as an eligibility or ranking criteria. For example, the CalTrans Senate Bill (SB) 1 Sustainable Communities grant; the Strategic Growth Council and HCD's Affordable Housing and Sustainable Communities programs; and HCD's Permanent Local Housing Allocation consider housing element compliance and/or annual reporting requirements pursuant to Government Code section 65400. With a compliant housing element, the City will meet housing element requirements for these and other funding sources.

HCD appreciates the hard work and dedication you and the rest of the City's housing element team provided during the review. We are committed to assisting the City in addressing all statutory requirements of State Housing Element Law. If you have any questions or need assistance, please contact Connor Finney at Connor.Finney@hcd.ca.gov.

Sincerely,



Paul McDougall
Senior Program Manager

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