

PROGRAM	EIGHT-YEAR OBJECTIVE	FUNDING SOURCE	RESPONSIBLE AGENCY	TIMEFRAME
<p>process and developers will be encouraged to utilize the inclusionary housing ordinance’s streamlined architectural incentives, as applicable.</p> <p>The City-owned or partially City-owned sites listed in Appendix A and Table VI-50 subject to this program are listed below in addition to the sites discussed in the next paragraph:</p> <ul style="list-style-type: none"> <li>▪ Site 8: Public works yard site</li> <li>▪ Site 13: City-Owned Parking Lot site (City owns three of the four parcels)</li> </ul> <p>There are no existing uses on these sites that impede additional development and there are no known conditions that preclude development in the planning period. The City is already coordinating with the owner of the other parcel on Site 13. Site 8 is completely City-owned and would not require coordination with any other owners. In addition, the City owns one of the parcels in Site 12 in Table VI-50 and will coordinate with the owner of the other parcel on Site 12 to encourage development of housing on that sites.</p> <p>Additionally, the City will commit to monitoring the continued progress of developing the city-owned sites every other year and will identify alternative sites within 6 months if necessary if sites will not be developed during the planning period.</p>				
<p><b><i>Program 2.m – Update Inclusionary Housing Regulations.</i></b></p> <p>In order to broaden the feasibility for projects to include on-site inclusionary housing, the City will revise the Zoning Ordinance to reduce the required percentage of inclusionary units from 20% of base units to 15% of base units. <u>Additionally, an exemption to the Ordinance will be added for projects with less than 10 units.</u> Other provisions of the ordinance will also be reviewed in the revision process including but not limited to <del>the 10-unit threshold</del>, in-lieu fees, cost of a comparable unit and how the inclusionary regulations relate to state density bonus law and other City development standards.</p> <p>As part of Program 2.i., the effectiveness of the Inclusionary Housing Ordinance will be in 2025 and additional changes will be made to the Ordinance if it is determined that it is an impediment to housing development.</p>	<p>Approve 137 inclusionary units during the planning period (15% inclusionary requirement on the moderate- and above moderate RHNA allocation of 912 units).</p>	<p>General Fund</p>	<p>Community Development Department and City Council</p>	<p>Adopt updates to the Inclusionary Housing Ordinance within 120 days of Housing Element adoption</p>
<p><b><i>Program 2.n – Citywide Height Limit Ballot Initiative</i></b></p> <p>Consistent with requirements under state law concerning cities placing measures on the ballot, the City will seek through voter approval in a local election, the repeal of the current height limit of 45 feet as to at least any residential or mixed-use (including residential) project on</p>	<p>Facilitate proposed densities on residential sites in the Housing Element where the height limit may be an impediment to development.</p>	<p>General Fund</p>	<p>Community Development Department and City Council</p>	<p>Place measure on ballot by December 31, 2024. <u>Within 120 days after the enactment of a ballot measure repealing or</u></p>

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<p>which the housing element anticipates a base density in excess of 50 units/acre. Such measure will be brought to the City Council for consideration prior to being placed on the ballot. The measure may either eliminate the height limit for these parcels entirely, or be replaced by a new height limit localized in the areas of increased density to stated density goals..If the height limit is replaced, the new limit will be no less than 84 feet to achieve the densities identified in the DTSP... In addition, the City will facilitate residential projects that may exceed 45 feet by utilizing the existing options for exceptions to the citywide height limit, including state Density Bonus law. (See also Program 3.n.) <u>If the ballot measure is approved, the City will update development standards throughout the DTSP and zoning code to allow for buildings that can achieve the densities identified in the Housing Element.</u> If the ballot measure is not approved by the voters, the City will complete a mid-cycle revision to the housing element, reducing sites for which the housing element anticipates a base density in excess of 50 units/acre; the City will conduct additional rezoning to address the remaining RHNA on sites allowing densities greater than 50 dwelling units per acre. This will include preparing a mid-cycle Housing Element.</p>				<p><u>replacing the height limit, the City will revise the development standards contained in the DTSP and zoning code.</u></p> <p>If the ballot measure is not approved by the voters, within 9 months thereafter complete a mid-cycle revision to the housing element, reducing sites for which the housing element anticipates a base density in excess of 50 units/acre</p>
<p><b>Goal 3.0 Provide opportunities to increase housing production</b></p> <p>Provide adequate sites for residential development with appropriate land use designations and zoning provisions, objective design standards, and energy efficiency requirements, and ensure efficient and transparent review processes for residential development, including accessory dwelling units, to accommodate the City’s share of the regional housing needs.</p>				
<p><b><i>Program 3.a - Rezone and Redesignate Sites to Meet RHNA</i></b></p> <p>Redesignating and rezoning the parcels listed in Table VI-50 and in the sites exhibits in Appendix A will address the shortfall of suitably-zoned sites to address the lower-income Regional Housing Needs Allocation (RHNA) once their General Plan land use and zoning is amended. As part of this rezoning, to improve housing mobility and increase new housing choices and affordability in higher resource or relatively higher income areas, the City will increase the allowable zoning within the Medium Density Residential zone to at least 30 dwelling units per acre (du/ac) and to at least 45 du/ac within the High Density Residential zone. Per California Government Code Section 65583.2(c), the City will also amend the zoning code to allow approval of projects that have at least 15-percent lower-income units in compliance with the inclusionary housing ordinance without discretionary review or “by right.” Additional zoning capacity will be achieved through the adoption of the Downtown Specific Plan (DTSP) and the increase in permitted density along the City’s arterial corridors either through including within the DTSP or through a zoning overlay district. Allowable densities within these areas will be 70 du/ac, except for the Fair Oaks zone within the DTSP, which will</p>	<p>Rezone sufficient sites to accommodate the City’s RHNA targets.</p>	<p>General Fund</p>	<p>Community Development Department</p>	<p>General Plan amendments and rezoning; will occur within 120 days of adoption of a compliant housing element.</p>

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<p>be 110 du/ac.. In addition, comparable Zoning Code revisions outside of the DTSP area will implement this program. The types of standards and processes that will or may need revising include height limits, open space standards, parking requirements and findings for design review. Sites that are planned to receive the Affordable Housing Overlays (see Programs 2.j and 2.k) in the General Plan and Zoning Code are also addressed by this program.</p>				
<p><b><i>Program 3.b - Mixed-Use Developments and Adaptive Re-Use</i></b></p> <p>As part of the rezoning and adoption of the DTSP through Program 3.a, the City will create development standards that encourage the development of high density residential uses. It is anticipated that the base density of the DTSP zones will be either 70 or 110 du/ac, depending on the zone.</p> <p>Both the Mission Street and Fair Oaks zones in the DTSP contain the following objective development standards:</p> <ul style="list-style-type: none"> <li>• Setbacks: 0 feet along the building frontage and sides, and no more than 15 feet in the rear of the building.</li> <li>• Floor Area Ratio: up to 2.5 to 1</li> <li>• Minimum unit size: 450 square feet.</li> <li>• Required parking: <ul style="list-style-type: none"> <li>○ No required parking for parcels within ½ mile of a high quality transit stop;</li> <li>○ One space per studio or one-bedroom unit;</li> <li>○ 1.5 spaces per two-bedroom or larger unit;</li> <li>○ Development incentive of 0.5 spaces for deed restricted affordable housing units.</li> </ul> </li> <li>• Private open space: 50 square feet minimum for Liner and Flex Building typologies.</li> </ul> <p><u><a href="#">These development standards will be updated upon repeal or replacement of the existing height limit in accordance with Program 2.n to allow for the construction of buildings that can achieve the densities identified in the Housing Element.</a></u></p> <p>Additionally, development incentives that would encourage the construction of affordable units within market-rate projects, beyond those required by State Density Bonus law, will be included in the DTSP. These development incentives may include:</p> <ul style="list-style-type: none"> <li>• Reduced private open space requirements;</li> <li>• Reduced public open space requirements;</li> </ul>	<p>Increased production of housing units on properties located within the City’s commercial districts through the mixed-use development provisions of the Zoning Code and on vacant and reused properties in the Downtown Specific Plan area. Reduced time to process permits for mixed-use projects that include affordable housing and increased applicant understanding of the streamlined state density bonus, planned development permit and affordable housing incentive provisions of the Zoning Code to maximize the potential for a project to include affordable housing.</p>	<p>General Fund</p>	<p>Community Development Department</p>	<p>Adopt General Plan, Downtown Specific Plan, and other needed zoning changes with objective development and design standards within 120 days of adoption of a compliant Housing Element. See also Program 3.a. Modify City website to include revised process for streamlined processing of planned development permits for mixed-use and Downtown Specific Plan applications and post notification and educational materials for objective development and design standards by November 2023. Update handout materials by November 2023; Ongoing at the Planning Counter and as applications are received. Outreach to affordable housing developers annually (see Program 2.a.)</p> <p><u><a href="#">Within 120 days after the enactment of a ballot measure repealing or replacing the height limit, the City will revise</a></u></p>

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<ul style="list-style-type: none"> <li>• Reduced parking requirements;</li> <li>• Expedited processing.</li> </ul> <p>The City will analyze and consider a fee reduction or waiver at the mid-point review in the event that other efforts to facilitate affordable housing production are inadequate.</p> <ul style="list-style-type: none"> <li>▪</li> </ul>				<p><a href="#">the development standards contained in the DTSP and zoning code accordingly.</a></p> <p>Fee study if needed by December 2025.</p>
<p><b><i>Program 3.c – Replacement of Lost Units from Residential Demolitions</i></b></p> <p>In accordance with California Government Code Section 65583.2(g), the City will require replacement housing units subject to the requirements of California Government Code Section 65915(c)(3) on sites identified in the sites inventory when any new development (residential, mixed-use, or nonresidential) occurs on a site that has been occupied by or restricted for the use of lower-income households at any time during the previous five years. Currently, existing uses are not an impediment to additional residential development and will likely discontinue in the planning period.</p> <p>This requirement applies to:</p> <ul style="list-style-type: none"> <li>▪ Non-vacant sites</li> <li>▪ Vacant sites with previous residential uses that have been vacated or demolished.</li> </ul>	<p>Identify affected demolition proposals based on maintaining an inventory of affordable units and require replacement housing in compliance with State law to reduce displacement that occurs as a result of demolition and enable residents to remain in their community.</p>	<p>General Fund</p>	<p>Community Development Department</p>	<p>Ongoing, the replacement requirement will be implemented immediately and applied as applications on identified sites are received and processed.</p>
<p><b><i>Program 3.d – Enable Parcel Assemblage</i></b></p> <p>To create additional opportunities for redevelopment and affordable housing, the City will help facilitate lot consolidations to combine small lots (including lots on slopes) into larger developable lots for housing. The City will meet with local developers and property owners to discuss development opportunities and incentives for lot consolidation to accommodate affordable housing units and consider additional incentives brought forth by developers.</p> <p>The City will support developers/owners who approach the City with interest in lot consolidation for the development of affordable housing by deferring certain fees, allowing more height or additional stories, waiving lot merger fees to enable the project, and providing concurrent/fast tracking of project application reviews. By 2023, the City will review the effectiveness of this program and revise as appropriate. The City will also pursue grant funding for parcel assemblage land banking when it is available.</p>	<p>Approval of more applications to merge parcels that result in feasible sites for multifamily housing during the planning period.</p>	<p>General Fund (legislative efforts); Grant funding (implementation)</p>	<p>City Manager’s Office; Community Development Department</p>	<p>Meet with developers and property owners starting in 2022 and annually thereafter. Based on the meetings with developers and property owners, add incentives as appropriate within six months and review annually thereafter. Ongoing: Support consolidation as applicable housing applications are received; Pursue grant funding as feasible during planning period if California legislation and/or</p>

As detailed in the Housing Plan under Goal #3, additional efforts are planned to encourage and support ADU applications, also contributing to the assumption of an additional 297 ADU permits between January 1, 2022, and October 15, 2029. Although the City projects a higher number of ADUs than the conservative options for projecting ADUs in the HCD Sites Inventory Guidebook, the City's projections are more appropriate and realistic because current trends are based on recent Code changes, making it incorrect to base assumptions on earlier years when the Code did not allow ADUs on most properties.

Southern California Association of Governments (SCAG) prepared its Regional ADU Affordability Analysis for the entire SCAG region in 2020. The analysis was accepted by HCD in late 2020 and is the best proxy for estimating affordability levels for South Pasadena. The number of currently occupied ADUs in South Pasadena is too low to do a meaningful study. 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. Table VI-5452 provides the projected 297 ADUs broken down by income category based on the SCAG analysis for the Los Angeles II subregion that includes South Pasadena. A survey of studio and one-bedroom rentals available in South Pasadena in August 2022 was conducted online. The average price for this type of unit was a 1 bedroom for \$2,500/month. The lowest rental price was \$1,995. The other three listings were higher. However, these listings only include those ADU units that are being rented at market prices, and do not include ADU units that are being rented to friends and family through private placements, which have been shown to often be at below-market rents that would be affordable to lower-income households. These rental listings reflect a point-in-time and are considered supplemental to the SCAG affordability analysis which was based on a much larger data set. The South Pasadena ADU regulations encourage this housing type and allow flexibility in their development. Additional detail about affordability assumptions are detailed in Appendix E. The City updated its ADU regulations in June 2021, and again in December 2021 to facilitate ADU production on historic properties or within historic districts; and will continue to comply with State law (see Program 3.f).

***The City is also facilitating ADU production through other efforts detailed in Programs 3.f through 3.k that commit the City to promote and facilitate ADUs to support the development of a significantly increased number of ADUs during the 6th cycle. Comparison of Site Inventory with RHNA***

SCAG's 2021–2029 RHNA has allocated South Pasadena a total of 2,067 units for the planning period, which breaks down by affordability level as shown in Table VI-47. The table compares the site inventory capacity to the RHNA allocation by income group. As shown in the table, the City has identified sufficient sites to accommodate the RHNA of 2,067 units. Appendix A provides parcel-specific information and map illustrations for all sites addressing the lower-income RHNA.

**Timeframe:** Create City-owned affordable housing site property list by June 30, 2023. Start outreach to developers by December 2023. Issue first RFP by 2024 and remaining three RFPs in 2026. Building Permit issuance for first project by 2025; two additional building permits issued by 2029.

Bi-annually, review progress towards developing city-owned sites and identify alternative sites within 6 months if sites will not be developed within the planning period.

***Program 2.m – Update Inclusionary Housing Regulations.***

In order to broaden the feasibility for projects to include on-site inclusionary housing, the City will revise the Zoning Ordinance to reduce the required percentage of inclusionary units from 20% of base units to 15% of base units. Additionally, an exemption to the Ordinance will be added for projects with less than 10 units. Other provisions of the ordinance will also be reviewed in the revision process including but not limited to ~~the 10-unit threshold~~, in-lieu fees, cost of a comparable unit and how the inclusionary regulations relate to state density bonus law and other City development standards.

As part of Program 2.i., the effectiveness of the Inclusionary Housing Ordinance will be in 2025 and additional changes will be made to the Ordinance if it is determined that it is an impediment to housing development.

**Eight-year Objective:** Approve 137 inclusionary units during the planning period (15% inclusionary requirements on the moderate- and above moderate RHNA allocation of 912 units).

**Funding Source:** General Fund

**Responsible Agency:** Community Development Department and City Council

**Timeframe:** Adopt updates to the Inclusionary Housing Ordinance within 120 days of Housing Element adoption.

***Program 2.n – Citywide Height Limit Ballot Initiative***

Consistent with requirements under state law concerning cities placing measures on the ballot, the City will seek through voter approval in a local election, the repeal of the current height limit of 45 feet as to at least any residential or mixed-use (including residential) project on which the housing element anticipates a base density in excess of 50 units/acre. Such measure will be brought to the City Council for consideration prior to being placed on the ballot. The measure may either eliminate the height limit for these parcels entirely, or be replaced by a new height limit. If the height limit is replaced, the new limit will be no less than 84 feet to achieve the densities identified in the DTSP. In addition, the City will facilitate residential projects that may exceed 45 feet by utilizing the existing options for exceptions to the citywide height limit, including state Density Bonus law. (See also Program 3.n.) If the ballot measure is approved, the City will update development standards throughout the DTSP and zoning code to allow for buildings that can achieve the densities identified in the Housing Element. If the ballot measure is not approved by the voters, the City will complete a mid-cycle revision to the housing element, reducing sites for which the housing element anticipates a base density in excess of 50 units/acre; City will conduct additional rezoning to address the remaining RHNA on sites allowing densities greater than 50 dwelling units per acre. This will include preparing a mid-cycle Housing Element.

**Eight-year Objective:** Facilitate proposed densities on residential sites in the Housing Element where the height limit may be an impediment to development.

**Funding Source:** General Fund

**Responsible Agency:** Community Development Department and City Council

**Timeframe:** Place measure on ballot by December 31, 2024. Within 120 days after the enactment of a ballot measure repealing or replacing the height limit, the City will revise the development standards contained in the DTSP and zoning code. If the ballot measure is not approved by the voters, within 9 months thereafter complete a mid-cycle revision to the housing element, reducing sites for which the housing element anticipates a base density in excess of 50 units/acre.

### **GOAL 3.0**     **Provide opportunities to increase housing production**

Provide adequate sites for residential development with appropriate land use designations and zoning provisions, objective design standards, and energy efficiency requirements, and ensure efficient and transparent review processes for residential development, including accessory dwelling units, to accommodate the City's share of the regional housing needs.

**Policy 3.1**     Promote mixed-use developments by continuing to allow development of residential uses in the Mixed-Use zoning district and the Downtown Specific Plan zoning districts and encourage on-site inclusionary housing units within the residential component of all residential and mixed-use projects and planned development permits, as required by the City's Zoning Code. Conduct early consultations with developers of all residential and mixed-use projects to explain the requirements and design incentives.

**Policy 3.2**     Maintain an inventory of vacant and underdeveloped properties in the City with potential for development of new residential dwelling units. Improve the City's ability to monitor through introducing electronic permit system and other technology to facilitate research of property data.

**Policy 3.3**     Encourage the development of housing types that offer options for seniors to remain within the community when remaining in their existing homes is no longer viable.

**Policy 3.4:**     Allow for and encourage new residential and/or mixed-use development in or near commercial districts, with access to services, transit and schools. Allow for employment centers to be located near housing developments to increase job opportunities.

**Policy 3.5:**     Provide objective standards and ministerial application processes to implement 2021 State housing legislation (SB 9 and SB 10) that requires the City to permit construction of two dwelling units on single-family lots and allows density increases for multi-family properties up to 10 units with a CEQA exemption.

#### ***Program 3.a – Rezone and Redesignate Sites to Meet RHNA***

Redesignating and rezoning the parcels listed in Table VI-50 and in the sites exhibits in Appendix A will address the shortfall of suitably-zoned sites to address the lower-income Regional Housing Needs

Allocation (RHNA) once their General Plan land use and zoning is amended. As part of this rezoning, to improve housing mobility and increase new housing choices and affordability in higher resource or relatively higher income areas, the City will increase the allowable zoning within the Medium Density Residential zone to at least 30 dwelling units per acre (du/ac) and to at least 45 du/ac within the High Density Residential zone. Per California Government Code Section 65583.2(c), the City will also amend the zoning code to allow approval of projects that have at least 15-percent lower-income units in compliance with the inclusionary housing ordinance without discretionary review or “by right.” Additional zoning capacity will be achieved through the adoption of the Downtown Specific Plan (DTSP) and the expansion of mixed-use areas along the City’s arterial corridors either through inclusion within the DTSP or through a zoning overlay district. Allowable densities within these mixed-use areas will be 70 du/ac, except for the Fair Oaks zone within the DTSP, which will be 110 du/ac. In addition, comparable Zoning Code revisions outside of the DTSP area will implement this program. The types of standards and processes that will or may need revising include height limits, open space standards, parking requirements and findings for design review. Sites that are planned to receive the Affordable Housing Overlays (see Programs 2.j and 2.k) in the General Plan and Zoning Code are also addressed by this program.

**Eight-year Objective:** Rezone sufficient sites to accommodate the City’s RHNA targets.

**Funding Source:** General Fund

**Responsible Agency:** Community Development Department

**Timeframe:** General Plan amendments and rezoning: will occur within 120 days of adoption of a compliant housing element.

### ***Program 3.b - Mixed-Use Developments and Adaptive Re-Use***

As part of the rezoning and adoption of the DTSP done as part of Program 3.a, the City will create development standards that encourage the development of high-density residential uses. It is anticipated that the base density of the DTSP zones will be either 70 or 110 du/ac, depending on the zone.

Both the Mission Street and Fair Oaks zones in the DTSP contain the following objective development standards:

- Setbacks: 0 feet along the building frontage and sides, and no more than 15 feet in the rear of the building.
- Floor Area Ratio: up to 2.5 to 1
- Minimum unit size: 450 square feet.
- Required parking:
  - No required parking for parcels within ½ mile of a high quality transit stop;
  - One space per studio or one-bedroom unit;
  - 1.5 spaces per two-bedroom or larger unit;
  - Development incentive of 0.5 spaces for deed restricted affordable housing units.
- Private open space: 50 square feet minimum for Liner and Flex Building typologies.



These development standards will be updated upon repeal or replacement of the existing height limit in accordance with Program 2.n to allow for the construction of buildings that can achieve the densities identified in the Housing Element. . Within 120 days after the enactment of a ballot measure repealing or replacing the height limit, the City will revise the development standards contained in the DTSP and zoning code accordingly.

Additionally, development incentives that would encourage the construction of affordable units within market-rate projects, beyond those required by State Density Bonus law, will be included in the DTSP. These development incentives may include:

- Reduced private open space requirements;
- Reduced public open space requirements;
- Reduced parking requirements;
- Expedited processing.

The City will analyze and consider a fee reduction or waiver at the mid-point review in the event that other efforts to facilitate affordable housing production are inadequate.

**Eight-year Objective:** Target production of 400 lower-income housing units on properties located within the City’s commercial districts through the mixed-use development provisions of the Zoning Code and on vacant and reused properties in the Downtown Specific Plan area. Reduced time to process permits for mixed-use projects that include affordable housing and increased applicant understanding of the streamlined state density bonus, planned development permit and affordable housing incentive provisions of the Zoning Code to maximize the potential for a project to include affordable housing.

**Funding Source:** General Fund

**Responsible Agency:** Community Development Department

**Timeframe:** Adopt General Plan, Downtown Specific Plan, and other needed zoning changes with objective development and design standards within 120 days of adoption of a compliant Housing Element. See also Program 3.a. Modify City website to include revised process for streamlined processing of planned development permits for mixed-use and Downtown Specific Plan applications and post notification and educational materials for objective development and design standards by November 2023. Update handout materials by November 2023; Ongoing at the Planning Counter and as applications are received. Outreach to affordable housing developers annually (see Program 2.a.) Analyze and consider a fee reduction or waiver at the mid-point review if necessary.

### ***Program 3.c – Replacement of Lost Units from Residential Demolitions***

In accordance with California Government Code Section 65583.2(g), the City will require replacement housing units subject to the requirements of California Government Code Section 65915(c)(3) on sites identified in the sites inventory when any new development (residential, mixed-use, or nonresidential) occurs on a site that has been occupied by or restricted for the use of lower-income households at any time during the previous five years.

This requirement applies to: