

CITY COUNCIL,
PLANNING COMMISSION,
AND RENT STABILIZATION COMMISSION
UNFINISHED BUSINESS

APRIL 5, 2010

SUBJECT: JOINT STUDY SESSION REGARDING HOUSING POLICIES AND
ECONOMIC DEVELOPMENT ISSUES TO BE ADDRESSED IN
THE GENERAL PLAN UPDATE

INITIATED BY: DEPARTMENT OF COMMUNITY DEVELOPMENT
(Anne McIntosh, AICP, Deputy City Manager/CDD Director)
(John Keho, AICP, Planning Manager)
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DEPARTMENT OF HOUSING AND RENT STABILIZATION
(Allyne Winderman, Director of Housing and Rent Stabilization)
(Jeff Skorneck, Housing Manager)

STATEMENT ON THE SUBJECT:

City Council, Planning Commission, and Rent Stabilization Commission will hear a presentation and hold a discussion regarding the Draft Housing Element and Economic Development issues to be addressed in the General Plan Update.

RECOMMENDATION:

1. Staff recommends that City Council, Planning Commission, and Rent Stabilization Commission hear a presentation, hold a discussion of the issues and information presented therein, and make comments regarding the Draft Housing Element and Economic Development issues to staff and consultants.
2. Direct staff to revise the Draft Housing Element as appropriate in response to comments offered and forward the revised draft document to the California Department of Housing and Community Development for State-mandated preliminary review.

BACKGROUND/ANALYSIS:

Purpose

The purpose of this Joint Study Session is for City Council, Planning Commission, and Rent Stabilization Commission to discuss key issues addressed in the Draft Housing Element, as well as to hear a presentation regarding a study of Economic Development issues prepared as part of the General Plan Update process. The discussion will be guided by the questions outlined below in this staff report. The Draft Housing Element and accompanying Housing Background Report (Attachments A and B) are preliminary drafts, intended to generate discussion and feedback.

Based on input from this meeting, staff and the consultant team will make any necessary refinements to the Draft Housing Element prior to forwarding it to the California Department of Housing and Community Development for review and certification. The Draft General Plan, including the Housing Element and the Environmental Impact Report will be brought to Planning Commission and City Council for adoption hearings beginning in August, 2010.

Economic Development

Dena Belzer, Principal of Strategic Economics, will present information regarding the City's fiscal health, key industries, and growth areas, and the relationship of these to General Fund revenues in the City from which a variety of disbursements are made, including Social Services. Strategic Economics is a consulting and research firm specializing in urban and regional economics and planning. They are providing analysis and content relating to economic development policy for the General Plan Update, including preparation of the draft Economic Development Element. Versions of Ms. Belzer's presentation have previously been given to the Planning Commission and General Plan Advisory Committee. At the request of the City Manager, Ms. Belzer will repeat the presentation as part of this Study Session.

Housing

Based on background research, data analysis, community input to date, staff and consultant expertise, and feedback from the General Plan Advisory Committee (GPAC), the project team has developed the Draft Housing Element and Housing Background Report.

The Housing Background Report and Draft Housing Element were prepared by consultant Veronica Tam and Associates. The scope of the Housing Element (of which the Housing Background Report is a part) is determined by the California Department of Housing and Community Development (HCD), and subject to that agency's review for compliance with State laws.

This Study Session is intended to generate feedback on the general direction of the proposed housing policies contained in the Draft Housing Element, and to result in Council approval to forward the Draft Housing element to HCD for preliminary review. It is important to remember that submission of a Draft Housing Element to the State at this stage is required to keep the General Plan update project on schedule, but the general public as well as Commissioners and City Council will have further opportunities to review and revise the Housing Element prior to adoption.

The Housing Element provides an assessment of both current and future housing needs, identifies constraints and opportunities for meeting those needs, and provides a comprehensive strategy that establishes goals, policies, and programs related to housing. A finding of Housing Element compliance by HCD is an important component of establishing a legally adequate General Plan. It also allows the City priority for funding under Proposition 1C and other State-administered funds, including CalHFA

loans, workforce housing grants, and infrastructure funds. HCD requires that the Housing Element accomplish the following:

- Identify adequate sites which will be made available through appropriate zoning and development standards and with services and facilities to facilitate and encourage the development of a variety of types of housing for all income levels;
- Assist in the development of adequate housing to meet the needs of lower- and moderate-income households;
- Remove governmental constraints to the maintenance, improvement, and development of housing where appropriate and legally possible;
- Conserve and improve the condition of the existing affordable housing stock; and
- Promote housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, disability, or sexual orientation.

In keeping with the City's core values, the Draft Housing Element places a great emphasis on residential quality of life. The existing Housing Element, for the years 2000 - 2008, provided for the continuation and enhancement of many progressive programs and policies. The new Draft Housing Element builds on this tradition by laying out goals, policies, and implementation measures designed to further an ambitious set of objectives. The following are the key policy directions addressed in the Draft Housing Element:

- **Preservation of existing affordable housing.** Proposed strategies would explore financial support for rehabilitating aging housing stock, and acquisition and rehabilitation of deteriorated properties to provide affordable housing for lower income or special needs households.
- **Conservation of existing housing stock and neighborhood quality.** Proposed strategies would encourage housing development in commercial areas near transit (see below), ensuring design compatibility for any new development in residential areas, and continuing to implement the Green Building Program,
- **Facilitation of housing production.** Proposed strategies would explore ways to accommodate accessory dwelling units in low-density residential neighborhoods; continuing to remove governmental constraints to housing construction; and continuing to address the changing needs of the community, particularly for special needs households.

The Draft Land Use Element will also have bearing on housing issues. Strategies for reducing development pressure on residential neighborhoods in the Draft Land Use Element include:

- Continuation of the existing mixed-use bonus in most commercial districts, which allows a 0.5 FAR increase to projects providing residential units;
- Increase allowable building height and density near existing transit nodes along Santa Monica Boulevard at the intersections of Fairfax and La Brea to encourage development in commercial districts, and to encourage residents of such new development to drive less and take advantage of existing high levels of transit service; and

- Consider Transit Overlay Zones in targeted areas near major existing and proposed transit nodes (including proposed Metro subway stop locations), to be implemented only when measurable increases in transit service are achieved or rail transit to the City is funded. When implemented, Transit Overlay Zones would allow for targeted modifications to the General Plan's permitted density, height, parking requirements, or other development standards to further encourage mixed-use development near major transit nodes.

In order to help facilitate discussion and clear direction for staff and the consultant team, three key questions are asked of Council and Commissioners:

- 1. Are the Draft Housing Element policies consistent with the strategic plan and core values of the City?**
- 2. Are the proposed strategies appropriate and sufficient to achieve the goals of these policies?**
- 3. Are there any additional policies or strategies that you would like to have the project team address in the Housing Element?**

NEXT STEPS:

The General Plan project team is continuing to implement the community outreach program as well as developing the Draft General Plan.

- The project team is planning to bring the General Plan and Environmental Impact Report to Planning Commission and City Council for adoption in August, 2010. In order to meet this deadline, the Draft General Plan and EIR will be released in early June 2010.
- A community workshop planned for early July 2010 will follow the release of the public Draft General Plan.

EVALUATION:

Staff and the consultant team will continue to seek and receive input from the community on General Plan policy issues, with a formal public review process between June and October, 2010. Staff will continue to measure the progress of the General Plan Update against the timeline and budget approved by City Council in August, 2009, and will provide updates to both City Council and Planning Commission on a regular basis.

ENVIRONMENTAL SUSTAINABILITY AND HEALTH:

The Draft Housing Element addresses the maintenance of existing and provision of new housing opportunities via methods that are in keeping with sustainable principles – preservation and adaptation of existing buildings, and new infill development. Goals

and policies relating to environmental sustainability and community health will be incorporated throughout the updated General Plan.

CONFORMANCE WITH VISION 2020:

This item is consistent with the Primary Strategic Goal to **Maintain the City's Unique Urban Balance with Emphasis on Residential Neighborhood Livability** and the goal of **Fiscal Sustainability**.

DEPARTMENT OF PRIMARY RESPONSIBILITY:

Community Development Department

FISCAL IMPACT:

None.

ATTACHMENTS:

- A. Draft Housing Element
- B. Draft Housing Background Report