



City of South Pasadena Planning and Community Development Department

Memo

Date: May 26, 2021

To: Chair and Members of the Planning Commission

From: Joanna Hankamer, Planning & Community Development Director

Re: Additional Document No. 2 for Item No. 1 – (Study Session: Progress on the 2021-2029 Housing Element and General Plan/Downtown Specific Plan Update): HCD Review Notes on 3-26-21 Housing Element Working Draft

As discussed in the staff report, City staff and PlaceWorks submitted a set of materials for an informal, courtesy review by State Department of Housing and Community Development (HCD) staff. The submittal constituted a working draft of housing element sections related specifically to sites and programs that might be proposed to comply with the City’s Regional Housing Needs Assessment (RHNA). HCD offers this review process to support jurisdictions with guidance about strategy and approach to developing the housing element. The conversation with HCD will be ongoing throughout the development of the housing element and is essential to ensure that the City remains on-track to receive certification of the final draft, once adopted by the Council.

Attached to this memo are HCD’s notes from the review meeting held on Tuesday, May 18th, which staff received several days after the review meeting and after agenda posting.

- The first document, entitled “City of South Pasadena – Informal Sites Review (May 2021) List of Questions” references page numbers from the package posted on the housing element webpage and included in the staff report as Attachment 1. HCD’s questions are worded informally, and the City Response column reflects HCD’s summary of City responses provided at the meeting.
- The second document, which is not titled but was provided as a file entitled “Questionable sites 52021,” provides HCD’s notes on 27 of the sites provided on the draft inventory list. The full working draft sites list provided to HCD included 224 vacant parcels and 30 other sites, some of which consist of multiple parcels that may be tied to increase development potential, particularly to create lower-income housing units. The sites noted by HCD include four small,

inaccessible sites picked up in the GIS model that staff had intended to remove. HCD has also questioned sites that are developed with current uses, such as grocery store sites, which staff has identified as potential mixed-use sites that could include a redeveloped market with upper floor housing, for example. Such sites have been preliminarily included based on criteria such as size and location, whether the site is underutilized (large surface parking lots, for example), and interest shown by developers and/or owners. HCD's notes on the sites are consistent with the May 18th discussion with staff and the comments provided on the first document regarding the need for additional analysis to justify their inclusion.

Attachments:

1. HCD, "City of South Pasadena – Informal Sites Review (May 2021) List of Questions"
2. HCD, "Questionable sites 5-20-21"

City of South Pasadena – Informal Sites Review (May 2021)

List of Questions

Page Number	Question	City Response
General	Reviewed for just sites – w/o context and other requirements of the housing element	
General	Will the city be using the HCD sites form? Submitting electronically with the adopted?	Planning on it
	Realistic capacity: 80% - based on? Recent trends? Affordable?	Not based on local data, based on consultant practices of not assuming the maximum for vacant sites of moderate and above moderate. The city knows it has some constrained sites. They will take it a step further and look at some recent local projects
	Realistic capacity: analysis of capacity in non-residential zones? Allow 100% non-residential? Residential likelihood?	
	ADU: 2018-2020 average at 9 units/year? Assuming 69 units per year?	If they city provides proof of 2021 numbers uptick, could that help? HCD - Yes, provide that, but still not going to get near 70 a year.
	Market trends: describe characteristics of recent development and link to sites inventory – include more on previous uses (age, vacancy, existing FAR, ownership), individual parcel sizes, how site was assembled and resulting affordability	
	Table VI-3 – Any information on affordability? Counting small sites toward lower? Any trends from South Pasadena?	
	Relying on greater than 50% of lower on non-vacant sites => Must make findings based on substantial evidence	
	Sites with residential uses? How work? Net additional units?	
	Inclusionary: status? Adopted? Will need more analysis and policies and programs as appropriate. 20%: trigger 1505? In lieu fee limited to specified projects? How related to db law? Density bonus affordable units count? What is the fee? How alternatives work?	It was adopted on May 5 th , adopted by urgency ordinance before that. It is in place already. 20% inclusionary – half low/half very low. The inclusionary requirement is based on base number of units. No additional inclusionary on density bonus

		<p>units. For the element explain that in the reverse.</p> <p>Question for HCD - Do you have examples of good HE that analyze 20% inclusionary ordinances? We'll look, but it's not that common – look at santa monica 5th cycle as an example.</p>
7	DTSP – proposed? Status?	It is pending. It was put on hold for them to do the housing element update, to have that integrated. Early 2022, right after the housing element
7	Realistic capacity: Using 100% maximum for lower? Analysis will need to be strengthened or assumptions scaled down. Analysis needs trends; including by affordability	Correct.
8	Table VI-4 – need individual parcel acreage. Are these sites all for rezoning?	yes
General	Any sites from the prior planning period?	Yes, there are a couple. All of them, the proposed change to zoning should be compliant – They will show with an asterisk.
11	Infrastructure: add total capacity to accommodate the RHNA	
General	Environmental constraints: Add discussion of known constraints	Think they have it somewhere else in the element
	Program 3.a: add minimum density, residential only, 16 units per site, acreage, shortfall, development standards	<p>They're happy to add that detail on individual parcel acreage. Their understanding that if there is common ownership and adjacent that's enough</p> <p>HCD response - not quite, need to do more analysis.</p>
	Program 3.a: rezone for 1,155 units? What about 815? Using same affordability assumptions?	
	Program 3.c: depends on analysis	
	Program 3.d: depends on analysis	
	Program 3.f: "looking for ways"; add specific commitment, timing, etc; actions as drafted are insufficient to support anything over safe harbor assumptions	They had a conversation with our ADU team before it was adopted and made some changes based on that.

		HCD – will look into that and double check. Comments we reviewed from our ADU team were recent.
	Program 3.g: 75% bar should be higher; monitoring should be bi-annual; monitor all incomes; add clear commitment to back up action and timing	The 71 was based on a projection they had that would increase over time, but they may change their approach in the next revision
	Program 3.i: add clear commitment (beyond “conduct analysis”, “recommend”, “look for ways”)	
	Program 3.j: add to “consider” language	
	Program 3.k: Overlay – how does this work with sites? which ones? For what income group? If lower, then by right	This is the mechanism for the rezone. There’s a few different aspects of rezoning. 1) commercial areas upzoned to mixed-use, 2) overlay over existing residential that is a little lower density – AHO would say that if you’re developing affordable on these properties you can develop at a higher density. They didn’t include all the sites that they’re considering in the version they sent to HCD – it’s evolving. The intent was to include as part of 3a
Appendix A	Template is generally good approach but should add individual acreage, common ownership if there are others and more detail on existing uses where no interest from property owners, clarify owner interest in consolidation where appropriate	
General	Publicly owned sites: how work? surplus? Lease? Schedule? programs with milestones?	There’s a tradeoff for sure – revenue they can gain for selling sites vs. ground-lease for desired site.
General	AFFH – not considered in review	
General	Public comments on sites, including mod and above mod – Approach? HCD must consider and potentially including problematic sites – will send list	That is helpful to receive a list of problematic sites. Send them all electronic public comments.

City of South Pasadena – Informal Sites Review (May 2021)

Preliminary Review Feedback Checklist

Y/N	Page Number	Topic	Notes
		Parcel listing	<ul style="list-style-type: none"> • Add individual parcel acreage • Add detail on existing uses where no property owner interest
		Realistic capacity	<ul style="list-style-type: none"> • General 80% assumption • Non-residential assumption • Candidate sites 100% assumption
		Infrastructure	
		Small sites	
		Environmental constraints	
		Non-vacant	<ul style="list-style-type: none"> • Add more on trends and connect to inventory • Add more on existing uses • FYI – 50% finding and evidence
		ADU	<ul style="list-style-type: none"> • Scale back based on permitted units
		Programs	<ul style="list-style-type: none"> • Revise 3.a, 3.c, 3.d, 3.f, 3.g, 3.i, 3.j, 3.k • Add city owned site program
		Public comments	<ul style="list-style-type: none"> • Address comments on vacant mod/above mod • Address comments on candidate rezone sites
		Other	<ul style="list-style-type: none"> • Other zoning and development standards that impact sites • AFFH
Follow ups, FYIs, TBD			
		FYI	Electronic site form with adopted submittal
		TBD	Sites identified in prior planning period(s)

ATTACHMENT 2

Tier	APN	Low-Income Site #1 (Appendix)	Vacant/Non-Vacant	Low	Mod	Above Mod	Notes
1	5311002900		Vacant		x		no street access, tiny site
1	5311003029		Vacant		x		no street access, tiny site
1	5312002008		Vacant		x		no street access, tiny site
1	5311010012		Vacant		x		no street access
1	5317028270		Vacant (but should be classified non-vacant)		x		Utility lines running through middle of site, provides access to adjacent city water tower, right across from massive industrial facility, large slope on site
1	5312001903		Vacant (but should be classified non-vacant)		x		Mostly Metro gold line rail tracks
1	5315002911, 5315002902, 5315002905	15 Non-vacant		x	x	x	City Hall, Police Station, and Fire Station. A very high bar to show relocation of all 3 uses and redevelopment during the planning period is likely - we are skeptical plans for this site to become a pocket park underway per public comment. If true, should be removed.
2	5315011904		Vacant		x		large slope on site
2	5312002009		Vacant		x		large slope on site
2	5312002025		Vacant		x		parcel line goes through existing building. large slope on site
2	5311010007		Vacant		x		large slope on site
2	5311010015		Vacant		x		appears to be owned by adjacent property owner, parcel line goes through their existing building. Large slope
2	5311010010		Vacant		x		
2	5317022004		Vacant (but should be classified non-vacant)		x		From google street-view looks as though a single-family home was newly built on the site in 2019?
2	5315012904		Vacant (but likely should be classified non-vacant)		x		Appears to be fairly formalized and large community garden. which state agency owns the site?
2	5313007042, 5313007043, 5313007044, 5313007045	8 Non-vacant		x	x	x	Trader Joe's - we're very skeptical that 4/6 of the city's main grocery stores will be redeveloped during the planning cycle. A high bar to show likelihood of cessation of use during the planning period.

2	5315020901	10 Non-vacant	x	x	x	<p>City public works yard - would need to show where existing use would be accommodated/reality of city's plans for housing on the site</p> <p>This is the school district headquarters? Does the school district still use this site? If redeveloped, do they already have another office location? Who owns the site and what are their plans? We also received a public comment that the buildings on the site are on the national historic building resource – can you provide information on this?</p>
2	5315008900	13 Non-vacant	x	x	x	<p>Developer of this site has emailed me personally to say that their plan is 53 units, 6 of which are VLI and the rest are market-rate (they have submitted a pre-app). Should adjust affordability of units accordingly so as not to get into a no-net-loss situation</p>
2	5315009051	14 Non-vacant	x	x	x	<p>Von's - we're very skeptical that 4/6 of the city's main grocery stores will be redeveloped during the planning cycle. A high bar to show likelihood of cessation of use during the planning period. Why does the site need a historic resource evaluation?</p>
2	5315004066, 5315004083, 5315004084, 5315004085	23 Non-vacant	x	x	x	<p>Pavilion's - we're very skeptical that 4/6 of the city's main grocery stores will be redeveloped during the planning cycle. A high bar to show likelihood of cessation of use during the planning period. Please provide more detail about conversation with owner and the 'possibly' answer of redevelopment, especially given the owner is fairly far along in the process of remodeling site without adding housing (according to public comment and design review board meeting agendas)</p>
2	5319002034	24 Non-vacant	x	x	x	

5321019009, 2 5321019022	27 Non-vacant	x	x	x	Pavilion's - we're very skeptical that 4/6 of the city's main grocery stores will be redeveloped during the planning cycle. A high bar to show likelihood of cessation of use during the planning period. Please provide more detail about conversation with owner and interest in development Per public comment submitted by the owner of these properties, they only intend to build 15-20 units on these sites, not 30 units (and not all low-income). I would also caution that if you assume 30 low-income units, and it's developed at 15-20 market-rate, could be in a no-net-loss scenario (showpublisheddocument (southpasadenaca.gov) p.41).
5311015035, 5311010001, 3 5311010002	3 Non-vacant	x			Would this be conversion of existing b&b or teardown and redevelopment? How many rooms does the b&b currently have? Given the nature of the site and road access to adjacent parcel, looks like the full site couldn't be redeveloped. If redevelopment, please provide net acreage that could be developed on and adjust accordingly Multiple parcels makes site challenging. Self-storage is notoriously difficult to redevelop because of so many different leases with tenants who can be unresponsive
3 5311012010	6 Non-vacant	x			According to public comment and loopnet, site is currently being leased with a 3-5 year lease term – signals that redevelopment is not imminent (in combination with no response from property owner)
5315020014, 5315020008, 3 5315020009	11 Non-vacant	x	x	x	Does the YMCA have plans for these properties? How do they currently use them? Are these homes considered historic?
3 5319003029	25 Non-vacant	x	x	x	
5321015018, 5321015017, 3 5321015016	26 Non-vacant	x	x	x	