



Community Development
Department

Memo

DATE: July 26, 2022
TO: Planning Commission
FROM: Matt Chang, Planning Manager
RE: Additional Documents, Item No. 3, Update on the Housing Element, Results of a Feasibility Review of the Inclusionary Housing Ordinance and Comments on Strategies

The attached written comments were received by 12:00 p.m. on July 26, 2022.

From: Josh Albrektson
Sent: Friday, July 22, 2022 5:07 AM
To: PlanningComments; Angelica Frausto-Lupo; Domenica Megerdichian; Armine Chaparyan
Subject: Public Comment for July 26th PC Meeting, whichever item the IHO is on

CAUTION: This email originated from outside of the City of South Pasadena. Do not click links or open attachments unless you recognize the sender and know the content is safe.

17 months ago South Pasadena enacted the highest IHO in the state. It was done to make sure that no housing could be built in South Pasadena and it succeeded. It killed every project except one. That is the schoolyard project where they purchased the land not knowing the IHO was about to be enacted.

In case the recent Housing Element letter wasn't clear, HCD actually wants housing to be built and doesn't care for bullshit fake "owner interest" and "Legal R1 lots" that housing will never get built. Here is one line:

"analysis on how given land use constraints such as height limits and the inclusionary zoning requirements may make development infeasible on sites"

After listening to the City Council meeting again I am certain that staff and Placemarks still don't know what the Housing Element law is in relation to the IHO. Amy Senheimer quoted the wrong law in the meeting and staff kept claiming this study proved the IHO to be feasible.

As I have said many times in public comment, you cannot use a density bonus to make anything possible for the Housing Element. It is at the bottom of page 14 of the June 10th 2020 HCD memo on Housing Elements.

" The analysis of "appropriate zoning" should not include residential buildout projections resulting from the implementation of a jurisdiction's inclusionary program or potential increase in density due to a density bonus, because these tools are not a substitute for addressing whether the underlining (base) zoning densities are appropriate to accommodate the RHNA for lower income households. Additionally, inclusionary housing ordinances applied to rental housing must include options for the developer to meet the inclusionary requirements other than exclusively requiring building affordable units on site. While an inclusionary requirement may be a development criterion, it is not a substitute for zoning. The availability of density bonuses is also not a substitute for an analysis, since they are not a development requirement, but are development options over the existing density, and generally require waivers or concessions in development standards to achieve densities and financial feasibility."

Not only that, the city has to show that the IHO is not only barely feasible, but you have to show that it is LIKELY that the buildings will still happen with the IHO AT THE BASE DENSITY.

As I am writing this on Thursday I believe that SoPas will propose a 15% Low Income IHO. A 15% Low income IHO was not analyzed by EPS, but EPS did produce some great data that can be used to analyze IHOs in South Pasadena.

And this data shows that a 15% low income IHO is not feasible in South Pasadena with the current conditions at the base density (or even with significant upzoning). This would be very easy for me to prove to HCD using the data provided. It would also be obvious to anybody who has experience developing buildings or providing loans for buildings. It takes about \$5 per sq ft rent to be feasible.

I want an IHO that actually means the buildings actually get built. For 17 months you had one that made sure that no buildings could get built despite my objections and proof it was the highest IHO in the state.

So if you want my support on this IHO this is what I propose:

1. 5% Very Low OR 10% Low OR 25% Moderate IHO
2. Buildings under 10 units fully exempted
3. In Lieu fee for fractions as described in the April Report. Builders can fully pay the In Lieu fee to opt out. (This is required by law)
4. If South Pasadena produces less than 200 units a year starting with the 2024 APR, then the IHO is eliminated.

Or you can enact a 15% Low Income IHO and wait for it to be rejected when I show HCD that it is not feasible using the data in today's report.

There is no developer or bank that would consider a 15% IHO feasible based on the data provided. I will also point out HCD told the City to reach out to developers in part so that the developers would tell them that the 15% is non-viable.

"Other Local Ordinances: While the element now describes the inclusionary housing requirement and local height initiative, it generally **does not analyze the impacts on housing cost, supply and ability to achieve maximum densities**, including densities proposed as part of this housing element. For example, the analysis of the inclusionary requirement should, among other items, address the 20 percent requirement and cost impacts, 10 unit threshold, in lieu fees and cost of a comparable unit and how the inclusionary relates to State Density Bonus Law. **The City should engage the development community as part of this analysis.** Please see HCD's prior review for additional information."

--

Josh Albrektson MD
Neuroradiologist by night
Crime fighter by day

From: Josh Albrektson
Sent: Friday, July 22, 2022 6:05 PM
To: PlanningComments
Subject: Item 3, Public comment

CAUTION: This email originated from outside of the City of South Pasadena. Do not click links or open attachments unless you recognize the sender and know the content is safe.

The agenda packet has been published and I have read through it. Your staff still doesn't know the law/requirements of an inclusionary housing ordinance as it relates to the Housing Element, no matter how many times I have posted the paragraph at the bottom of page 14 of the June 10th, 2020 HCD memo.

All proposals guarantees a rejection of the Housing Element, so this entire meeting will be a waste of time.

--

Josh Albrektson MD
Neuroradiologist by night
Crime fighter by day

From: Josh Albrektson
Sent: Monday, July 25, 2022 4:26 PM
To: PlanningComments
Subject: IHO item

CAUTION: This email originated from outside of the City of South Pasadena. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Not taking into account that you cannot use the density bonus to claim something is feasible for the Housing Element, this feasibility study have some major errors/problems:

1. Carrows sold for \$170 per sq foot in 2018. This study claims land is worth \$110 per sq ft.
2. It does not factor in the carrying costs that are needed for the 4 years it takes from Pre-Application to building permits to actually building the building (And it does mention this on the second page). This is a significant cost especially with the current interest rates and right now it takes South Pasadena about 4 years from Pre-Application to Building permits.
3. It does not factor in the demolition cost for tearing down the current building on the property.
4. For the In-Lieu study it claimed \$50k per parking spot. It now claims \$35k per underground parking spot. This is much lower than the actual cost of \$70k per spot.

There are other major problems, but this study really just showed that almost no housing is feasible in South Pasadena.

--

Josh Albrektson MD
Neuroradiologist by night
Crime fighter by day

From: Michael Siegel
Sent: Tuesday, July 26, 2022 9:56 AM
To: PlanningComments
Subject: Comment on housing element

CAUTION: This email originated from outside of the City of South Pasadena. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Commission/Councilors,

I am saddened to see our city's inaction on both the housing element and housing crisis we are currently in. We bill ourselves as a progressive city, with empathetic values of inclusion, yet, we deny anyone without extraordinary means from moving here and enjoying the benefits of our amazing city.

We are not a "built-out city", we are just a city that lacks imagination. We have something that most cities in LA County would kill for, a metro stop that takes our residents to employment centers in Downtown and Pasadena just minutes away. Yet we refuse to surround this stop with vibrancy, a sense of place, and density.

We only have ourselves to blame, we've only permitted a handful of multifamily units in the past 15 years, and we've made it impossible for anything to be built with the myriad of restrictions we have put in place.

In order to pass the element and do our part in this housing crisis, we need to:

- 1) Release Placeworks of their contract and recoup any money paid for a dishonest housing element.
- 2) Rezone the entire city. As I walk through single-family neighborhoods across this city, they are dotted with quadplexes, 8-plexes and other multifamily housing. They are already integrated into the fabric of the community and do not diminish the "character" of the neighborhood. We can and must make it possible to build more in all parts of our city
- 3) Get rid of height restrictions on our major thoroughfares. Fair Oaks is suited for 5 story, and near the metro we should have taller dense housing to complement a walkable, transit oriented community.
- 4) Relax restrictions that are making development harder and more expensive.
- 5) Embrace change

Thank you for your consideration

Mike, 91030

Public comment on Item 3 of July 26, 2022 Planning Commission agenda

Dear Chair Lesak and Commissioners,

As you grapple with the Herculean task of completing and certifying the City's latest Housing Element, I'd like you to be aware of the sale of approximately 35 homes by Caltrans with affordability covenants in the mid-1990s to private buyers. For reasons unknown, the City was never given credit for these affordable units by the California Department of Housing and Community Development in previous housing element cycles. Although obtaining retroactive credit for these units as part of our commitment to provide affordable housing may be difficult, it is a challenge worth attempting. In an age when the City's assigned targets for moderate, low and very low-income units have increased exponentially over those in the most recent housing element cycle, every affordable unit we can claim matters. I respectfully urge you to make every effort to have these units credited towards our RHNA targets as part of the new Housing Element. Members of the South Pasadena Preservation Foundation Board of Directors have additional knowledge and information about the sale of these units and their affordability restrictions and are at your service to assist you in seeing that those units, and the City, get the proper credit that they deserve. Thank you for your time and consideration of this matter.

Sincerely,

Mark Gallatin, Immediate Past President
South Pasadena Preservation Foundation

From: William Kelly
Sent: Tuesday, July 26, 2022 11:12 AM
To: PlanningComments
Subject: Public Comment to Planning Commission on Item 3 at July 26, 2022 Meeting

CAUTION: This email originated from outside of the City of South Pasadena. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Public comment on Item 3: Update on the Housing Element, Results of a Feasibility Review of the Inclusionary Housing Ordinance and Comments on Strategies

Dear Commissioners:

As a resident of South Pasadena, I urge you to discuss updating the housing element and the inclusionary housing ordinance tonight, but not make recommendations to the City Council on this item tonight. Instead, I urge you to hold any recommendations until a subsequent meeting in order to provide adequate time for the community to review and digest the issues at hand and provide informed comments to your commission. There simply has not been adequate time for members of the community and various interested groups to study the material and there is no need for the city to make hasty decisions.

Thanks,
Bill Kelly

From: Ed Elsner
Sent: Tuesday, July 26, 2022 11:52 AM
To: PlanningComments
Subject: Public Comment: Item 3, Special Meeting, July 26, 2022

CAUTION: This email originated from outside of the City of South Pasadena. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Dear Chair Lesak and Commissioners Barthakur, Braun, Dahl, and Padilla:

Thank you for your consideration of the housing element item on tonight's special meeting agenda.

The most significant challenge in the housing element process as it relates to the City of South Pasadena appears to be the site inventory requirement.

In the latest draft housing element, the City identified twenty-four nonvacant sites as suitable and available to accommodate the City's housing need for lower income households.

However, fifteen of the twenty-four sites have been questioned by HCD for lack of evidence of owner interest in redevelopment, or lack of evidence that existing uses at these sites are likely to be discontinued during the planning period, among other reasons.

Collectively, these fifteen sites represent a total of 990 housing units, including 600 low income housing units, as determined by the City. (These numbers were based on the rezoning proposed by Program 3.a. of the draft housing element.)

In other words, sites identified as meeting 52% of the City's low income RHNA allocation (1,155) and 48% of the City's total RHNA allocation (2,067) are in question.

It seems unlikely that at least some of the twenty-four identified sites will meet the requirements for inclusion in the site inventory, primarily due to lack of evidence that existing uses are likely to be discontinued during the planning period.

For example, the Vons site at Monterey and Fair Oaks (157 low-income, 263 total), and the Ralphs parking lot at Huntington and Garfield (80 low-income, 133 total, no response from owner to City outreach).

These two sites alone represent 21% of the low-income RHNA allocation and 19% of the total RHNA allocation.

The Pavilions site (80 low-income, 133 total) may be a special case, but HCD is

understandably questioning whether the existing grocery store use is likely to be discontinued during the planning period, given the ongoing renovations.

Removal of sites from the inventory means that the City may need to find other ways to meet its RHNA allocation, which could include identifying new sites for inclusion in the site inventory and/or modifying the City's proposed rezoning program.

With respect to both current and new sites, the City may need to explore an alternative method (other than outreach to owners of individual parcels) to identify parcels suitable for inclusion in the inventory.

In general, meeting the site inventory requirement may require more than fine tuning, and it is important to keep the scope of the problem in mind when considering various strategies to attain housing element certification.

Thanks again to the Commission and to City staff for its ongoing work on these and other housing element challenges.

Ed Elsner
1708 Milan Ave.