



City of  
**Santa  
Monica**

## **Recommendation to City Council on 6<sup>th</sup> Cycle 2021-2029 Housing Element**

Planning Commission

September 24, 2021

# Agenda

1. **Overview of addenda to draft Housing Element based on PC direction provided on 9/20/21.**
2. **Overview of further technical changes in Appendices E and F in response to public correspondence and HCD comments**
3. **Overview of Final EIR for 6<sup>th</sup> Cycle Housing Element**
4. **Adopt Resolution Number 21-011 (PCS) Recommending that the City Council:**
  1. **Adopt the 6th Cycle (2021-2029) Housing Element of the General Plan as amended by Exhibit B (addenda), and**
  2. **Consider and Make a Recommendation to the City Council on the Final Environmental Impact Report (Final EIR) for the 6th Cycle Housing Element.**

# Addenda | PC Direction & Staff Response

- New program implementing SB9 to address 25% demolition limitation for building a duplex. Delete reference to SB 9 in Program 4.C. (P.37)
  - **PC Redline:** Program 4.E: Implement SB 9 in a meaningful way, that may include, but not be limited to, allowing for demolition of existing structures to produce a duplex.

**Staff Response:**

- **Program 4.E will be added**
- Facilitate and streamline the approval of housing projects on school sites as contemplated in state legislation.
  - **PC Redline:** Policy 1.9 Partner with School District and Community College District for Housing. The City shall seek opportunities to work with the School District to facilitate housing development.

**Staff Response:**

- **New Policy 1.9 under Goal 1 to be added.**
- **School Districts can vote to exempt themselves from local law. The City has no control over what the School District can do with their properties. Based on prior discussions with school district, there is an interest in developing housing for SMMUSD workforce.**

# Addenda | PC Direction & Staff Response

- **Program 1.A:** Projects requesting a minor modification are still entitled to streamlining and HAA, but not projects requesting major modifications. Additionally, reduce the number of major modifications on the menu. Change the timeframe to December 31, 2021.
  - **PC Redline:** The City shall make permanent amendments to the Zoning Ordinance that are currently interim and make amendments to the Land Use and Circulation Element (LUCE), Downtown Community Plan (DCP), Bergamot Area Plan (BAP) and Zoning Ordinance, as necessary, to allow, **at a minimum:** 1) 100% affordable housing projects ~~and;~~ 2) non-Downtown housing projects that are code-compliant or are granted a minor modification; 3) Downtown housing projects that do not exceed Tier 2 maximums and are subject to the Housing Accountability Act code-compliant or are granted a minor modification.
  - Timing: August 1, 2022 December 31, 2021.

## **Staff Response:**

- ***Projects that seek deviations from objective standards through the minor modification process do not meet all objective standards, and are thus not covered under the HAA. However, these projects are still eligible for the administrative approval (by-right) process and the City will be prohibited from denying or reducing density.***
- ***Due to limited time, noticing requirements, necessary procedure to bring forward code amendments, and outreach, staff proposes a timeframe of March 31, 2022.***

# Addenda | PC Direction & Staff Response

- Program 1.B: Change timeframe to September 30, 2022 (P.19)

- **PC Redline:** Timing: ~~August 1, 2022~~September 30, 2022

**Staff Response:**

- **Program timeframe to be updated accordingly.**

- Program 1.C: Change language to build in flexibility to allow housing on surface lots in all residential districts, including OP districts. Also consider removing restrictions on lot consolidation and street access.

- **PC Redline:** Program 1.C: Incentivize Housing Development On Surface Parking Lots in Residential Zones ~~That Are Associated With Existing Commercial Uses~~
- New paragraph in Program 1.C: The City shall also adopt standards that incentivize housing production on surface parking lots associated with existing residential uses as long as the existing residential use is not removed.

**Staff Response:**

- **Program language to be updated accordingly.**

# Addenda | PC Direction & Staff Response

- **Program 1.F: Remove affordability percentage for off / on-site & affordability mix requirement.**
  - **PC Redline:** Add note at bottom of table *“\*The City reserves the right to adjust these heights and FARs up or down. Any changes will ensure feasibility and that overall capacity is met, and will be no lower than the allowable existing height and FAR as of DATE. The off-site affordability requirement will be greater than the on-site requirement.”*
  - Add as last sentence to program 1.F:
  - The City shall consider opportunities, including rezoning or the creation of new zoning districts, as necessary, to facilitate advancement of housing goals and/or historic preservation.
  - Add to the end of Program 1.F:

In addition to FAR and height, the City shall review all standards and regulations that may be considered a constraint to housing production including but not limited to development impacts fees and design standards such as restrictions on ground floor residential use, minimum/maximum ground floor height, and daylight plane adjacent to existing residential neighborhoods.

## **Staff Response:**

- **OK to delete reference to AHPP affordability requirements in the HE.**
- **FARs are based on Council direction of 15% AHPP affordability requirement. Adjusting FARs down later would require reducing the AHPP requirement as well.**

# Addenda | PC Direction & Staff Response

- Program 1.G: Add back ADU accelerator to the title (p.22)

- **PC Redline:** ~~Promote The Use Incentivize and Facilitate the Development~~ Of Accessory Dwelling Units Through An ADU Accelerator Program

**Staff Response:**

- **OK. Deletion made in error and original text for program title will be restored.**

- Program 1.I: Add “environmentally sustainable” before construction techniques.

- **PC Redline:** The City shall support innovative lower-cost, ~~and~~ efficient, and environmentally sustainable construction techniques for housing. Program shall ~~consider~~ implement a streamlined building permit review process for housing projects utilizing innovative construction methods and technology, and project-based outcome-oriented permitting benchmarks.

**Staff Response:**

- **OK. Program language updated accordingly.**



# Addenda | PC Direction & Staff Response

## Program 1.J:

- Remove affordability percentage for off / on-site & affordability mix requirement.
- Housing projects should be defined as stated in HAA.
- Staff shall explore opportunities, including rezoning or creation of new zoning districts to facilitate advancement of housing goals and/or historic preservation.
- Apply SDBL definition of “equivalent size” to unit mix requirements.
  - **PC Redline:** Add note at bottom of table “\*The City reserves the right to adjust these heights and FARs up or down. Any changes will ensure feasibility and that overall capacity is met, and will be no lower than the allowable existing height and FAR as of DATE. The off-site affordability requirement will be greater than the on-site requirement.”
  - Amend Program 1.J: “...may be considered a constraint to housing production, including but not limited to development impact fees, unit mix requirements, and design standards.”
  - Add to Program 1.J: Revise the definition of a Housing Project in the DCP to be consistent with the HAA.
  - Add to end of Program 1.J: The City shall consider opportunities, including rezoning or the creation of new zoning districts, as necessary, to facilitate advancement of housing goals and/or historic preservation.



# Addenda | PC Direction & Staff Response

- Add to the end of Program 1.J: In addition to FAR and height, the City shall review all standards and regulations that may be considered a constraint to housing production including but not limited to development impacts fees and design standards such as restrictions on ground floor residential use, minimum/maximum ground floor height, and daylight plane adjacent to existing residential neighborhoods.

## ***Staff Response:***

- ***OK to delete reference to AHPP affordability requirements for now in the HE.***
- ***FARs are based on Council direction of 15% AHPP affordability requirement. Adjusting FARs down later would require reducing the AHPP requirement as well.***
- ***If housing is to be permitted in zones where housing has historically not occurred (to address AFFH, the standards must make it feasible for housing to be produced.***
- ***There may be fair housing implications resulting from continuing to discourage housing in certain areas of the City and more heavily incentivizing in others.***
- ***Council voted to define housing project in the DCP in August 2020, limiting to 25% neighborhood commercial uses on the first two floors.***

# Addenda | PC Direction & Staff Response

## Program 2.C:

Remove percentages and distribution requirements (aligned with 1.F and 1.J) and increase the AHPP applicability to projects with 6 or more units.

- **PC Redline:** Update The City's Affordable Housing Production Program And Development Standards to Ensure To Increase the Number of Affordable Housing Units at all Income Levels that Housing Projects Are Feasible
- In order to increase the number of affordable housing units at all income levels, the AHPP ~~including in on-site option for housing projects located outside of~~ the Downtown, shall be revised to eliminate include, but not be limited to:
  - Increase the threshold (to at least 6 units) by at which projects are required to provide on-site or off-site affordable units.
  - Eliminate the current "menu" option of affordability requirements and instead establish a desired new base affordability percentage of 15% for%, with the inclusionary units provided equally among all affordable very low, low, and moderate income levels.
  - ~~The City shall also re~~ Re-evaluate the in-lieu fee option to provide funds for applicants to pay a fee instead of ~~construction constructing~~ affordable units to ensure that the fee supports the funding and construction of new affordable housing throughout the City; and
  - Evaluate the possibility of a mixed-compliance option that would provide applicants more flexibility in meeting AHPP requirements

# Addenda | PC Direction & Staff Response

- Additionally, to support increased affordable housing production, the AHPP off-site option for housing projects located outside of the Downtown shall be revised to ~~allow~~
  - Increase the ~~off-site affordable housing option minimum percentage~~ of required affordable units to be higher than the on-site option. ~~to be a more viable alternative to on-site affordable 20% with inclusionary units. The revision would allow provided at 10% very low, 5% low, and 5% moderate-income~~
  - Allow projects to locate off-site affordable housing ~~to be located~~ anywhere in the City that is not a disadvantaged area, ~~determined through as defined by SB535, which includes socioeconomic and environmental~~ metrics. ~~such as overconcentration of lower income households~~
  - ~~The AHPP off-site option shall also be updated to allow~~ Allow market-rate projects to comply with ~~the~~ AHPP through ~~the~~ acquisition and rehabilitation of existing ~~vacant~~ rental units and converting those to deed-restricted units.

## ***Staff Response:***

***OK. Program language updated accordingly.***

# Addenda | PC Direction & Staff Response

- Program 2.D: If the income distribution for the affordability requirement is removed then there shall be a mechanism for developers to get more than one concession. (p.27)
  - **PC Redline:** Add new sentence: If there is an affordability requirement in place that distributes affordability requirements evenly across income levels, explore ways for developers to request more than one incentive/concession.

## **Staff Response:**

- **Staff does not recommend this change as it conflicts with prior Council direction.**
- **City will follow allowed provisions of State density bonus law. Applicants are eligible for density bonus in accordance with percentage of affordable units provided on-site. There are also other options available other than concessions/incentives, such as waivers.**

# Addenda | PC Direction & Staff Response

- Program 2.E: Add language to allow for revenue generating uses that are in synergy with housing, including up to 200% AMI affordable units. (p.28)
  - **PC Redline:** Amend Program 2.E: “...with consideration of other revenue-generating uses that are in synergy with fair and economically diverse housing, including up to 200% AMI deed-restricted units, community-serving purposes, including but not limited to green space, place making, and/or community-serving commercial.”

## **Staff Response:**

- **Staff does not recommend this change as it conflicts with prior Council direction. Council previously directed specific language for this program.**

# Addenda | PC Direction & Staff Response

- ***New Policy 1.10: New policy to direct the City to aggressively pursue grant money to facilitate affordable housing on City-owned sites. (P.103)***

- ***PC Redline:*** Policy 1.10: Funding for Affordable Housing on City-owned sites: Pursue grant funding opportunities to facilitate affordable housing on City-owned sites.

***Staff Response:***

- ***OK: Policy 1.10 will be added***
- **Program 2.F: Amend Program 2.F so that the acquisition/rehabilitation of units is for deed-restricted, multi-unit developments in areas of affluence (P.29).**
  - ***PC Redline:*** "...commitments for affordable housing production and preservation for special needs and ELI households, including exploring acquisition/rehabilitation of units to be converted to deed-restricted, multi-unit developments in areas of affluence."

***Staff Response:***

- **Staff does not recommend this change as City Council sets policy on use of Housing Trust Funds that establishes priority goals and funding allocations based on recommendations from the Housing Commission.**

# Addenda | PC Direction & Staff Response

- **Program 3.A: Study the distinction between SB8 and Housing Element Law requirements for non-vacant sites. Amend Program 3.A so that the housing replacement requirement is reflective of Housing Element Law. (P.31)**

**PC Redline:** As required by Government Code Section 65583.2(g)(3), the City shall amend the Zoning Ordinance to require that ~~:(1)~~ sites that currently have residential use, or ~~(2)~~ within the past five years have had residential uses that have been vacated or demolished, that (1) are or were subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of low or very low income, or (2) subject to any other form of rent or price control through a public entity's valid exercise of its police power, or (3) within the past five years were occupied by low or very low income households, shall be required to replace all of those units as affordable to the same or lower income level as a condition of any development on the site. Replacement requirements shall be consistent with those set forth Government Code Section 65915(c)(3).

**Staff Response:**

- **OK: Program 3.A will be amended to address SB330 as amended by SB and Housing Element Law.**
- **Program 4.B: Amend Program 4.B to permit ancillary uses to support the expansion of the primary community serving Community Assembly use on or above the ground floor (non-profit, youth-serving) (P.36).**

- **PC Redline:** "...and an additional 22 feet of building height, and allowance for the primary community assembly use on or above the ground floor."

**Staff Response:**

- **OK: Program 4.B will be amended. Note that there is no need to distinguish between types of community assembly uses for the applicability of the program.**



# Addenda | PC Direction & Staff Response

- *Program 4.D: Broaden the objective of Program 4.D to include more impacted communities. (P.37)*

**PC Redline:** "...through the Pico neighborhood ~~during the 1950s and 1960s~~ that disproportionately impacted low-income communities, other impacted groups, indigenous communities, and communities of color."

**Staff Response:**

- *Staff does not recommend this change without Council direction.*
- *Council approved this pilot program on 7/23/21 with specific program objectives.*

# Addenda | PC Direction & Staff Response

- **Program 6.A:** Amend Program 6.A to explore entering into a contract with the County for project-based vouchers (P.115).

**PC Redline: New Policy 6.7 :** "The City shall explore the possibility of entering into a contracts with the County for project-based vouchers including, but not limited to, programs administered by the County of Los Angeles."

**Staff Response:**

- **Staff is consulting with Housing and Human Services Division staff to determine whether this is appropriate policy.**

- **Program 6.C:** Amend Program 6.C to also assist persons with disabilities (P.39).

**PC Redline:** "Assist seniors and persons with disabilities in achieving a basic needs budget".

**Staff Response:**

- **Staff does not recommend this change since this is an existing City Council adopted program and any such changes would require Council approval. Potential POD program expansion to other rent burdened households, including persons with disabilities, is provided as Policy 6.4. Program expansion will be evaluated based on Housing Commission and Housing and Human Services Division input and consideration of available program funding.**

# Addenda | Additional Staff Changes

- ***New Program 1.K: Add new Adequate Sites Program as required by Government Code section 65583.2(h)(P.25).***

***Staff Redline: Program 1.K: Adequate Sites Program*** To accommodate the City's lower-income RHNA, the City shall make amendments to the Land Use and Circulation Element (LUCE), Downtown Community Plan (DCP), Bergamot Area Plan (BAP) and Zoning Ordinance, as necessary to establish that all sites designated for mixed-uses, except for NC Main Street and NC Montana, are allowed 100 percent residential use and require residential use to occupy at least 50 percent of the floor area in a mixed-use housing project.

- ***Amend Program 1.A: Amend Program 1.A to include the creation of SB35 implementation procedures, and also to reference Government Code Section 65583.2(c) (P.18).***

***Staff Redline:***

New paragraph added to Program 1.A:

"The City shall also develop written procedures to implement the streamlined review process for eligible projects under SB35."

Amend Program 1.A:

"...4) housing projects that include at least 20% of units on-site as affordable to lower-income households [Government Code Section 65583.2(c)] to be reviewed..."

# Appendix E – Constraints on Housing

## Additional Revisions and Analysis

- **Development Standard Constraints**
  - Additional acknowledgment of possible development standard constraints, including fees and process
  - Clarification of Programs 1.F and 1.J reviewing all standards, regulations, and fees, and providing feasible FARs and building heights
- **Activity Centers**
  - Additional details regarding process of establishing Activity Centers and the replacement with community benefits system.
- **Residential Zone Density Limits**
  - Residential density caps acknowledged, and reasoning provided for their purpose (deter displacement of rent control units and “affordable” housing stock)
- **Surface Parking Lot Redevelopment Limitations**
  - Acknowledgment added regarding density cap constraints and intent of Program 1.C to remove those barriers to encourage redevelopment of surface parking lots.

# Appendix E – Constraints on Housing

## Additional Revisions and Analysis

- **Affordable Housing Production Program**
  - Additional details provided summarizing Program 2.C revisions of the AHPP.
- **Community Benefits**
  - Additional details provided, as well as reference to Program 1.J establishing feasible FARs and building heights that have accounted for community benefits and the program's intent to review all standards, regulations, and fees.
  - Language added for DCP community benefits and reference to Program 1.F establishing feasible FARs and building heights that have accounted for community benefits and the program's intent to review all standards, regulations, and fees.
- **Implementation of State Density Bonus**
  - Acknowledgement added of City's past practices and current compliance direction provided by City Council.

# Appendix E – Constraints on Housing

## Additional Revisions and Analysis

- **Local Coastal Plan**
  - Summary provided of Coastal Commission process and the City’s progress of adopting an LCP.
  - Current constraint acknowledged.
- **Locational Limitations on Housing**
  - Language added referencing Programs 1.F and 1.J reviewing location limitations on housing, such as on the ground floor.
- **Local Amendments to the Building Code**
  - Summary provided regarding various local Building Code amendments that provide higher orders of seismic, structural, fire, and occupant safety, as well as environmental conservation (Energy Code and Green Building Standards).
  - Constraints are recognized and weighed against the City’s local climatic, geological, topographical, and environmental conditions and goals.
  - Additional information regarding City’s high-rise definition and its necessity to ensure protection of human life.

# Appendix E – Constraints on Housing

## Additional Revisions and Analysis

- **On- and Off- Site Improvements**
  - Summary provided regarding various on- and off-site improvement requirements and constraint recognition.
- **Entitlement Processes and Thresholds**
  - Language added referencing Program 1.A (streamlining) allowing projects with Minor Modifications to still be processed ministerially.
- **SB 35**
  - Language added referencing Program 1.A (streamlining) establishing written procedures to implement a streamlined review process and Program 1.B (ARB) creating objective design standards.
- **Housing Accountability Act**
  - Language added referencing Program 1.A (streamlining) allowing projects with Minor Modifications to still be processed ministerially.



# Appendix F – Suitable Sites Inventory Report

## Additional Revisions and Analysis

- Following additional guidance from HCD, new table added showing shortfall of units (by income category) added under current development standards

	Total Capacity	Capacity for Affordable Units				
	# Units	Total Affordable Capacity	ELI	VLI	LI	Moderate
Category 1 Approved	1,503	416	104	104	104	104
Category 1 Pending	680	165	42	42	42	42
Category 4 City Sites	788	647	162	162	162	162
Category 11 Religious Sites	29	0	0	0	0	0
Category 12 Parking Lots	61	0	0	0	0	0
All Remaining Categories	2,593	2,593	648	648	648	648
ADUs	352	232	53	7	151	21
<b>Total</b>	<b>6,006</b>	<b>4,053</b>	<b>1,009</b>	<b>963</b>	<b>1,107</b>	<b>977</b>
<b>RHNA Targets</b>	<b>8,895</b>	<b>6,168</b>	<b>1,397</b>	<b>1,397</b>	<b>1,672</b>	<b>1,702</b>
<b>Shortfall</b>	<b>(2,889)</b>	<b>(2,115)</b>	<b>(388)</b>	<b>(434)</b>	<b>(565)</b>	<b>(725)</b>
	-32%					

# Appendix F – Suitable Sites Inventory Report

## Additional Revisions and Analysis

- New Program 1.K added, which will permit sites designated as mixed uses (except NC Main Street and NC Montana) to accommodate 100 percent residential use and require residential use to occupy at least 50 percent of the floor area in a mixed-use project. Required by Government Code section 65583.2(h)
- Modifications to the SSI Table to reflect removal of a couple sites that have new applications as well as a few listing errors

# Housing Element Final EIR

- Required by California Environmental Quality Act (CEQA)
- Analyzed potential environmental impacts of the buildout of up to 11,000 units (RHNA of 8,895 units plus buffer)
- Public Review
  - ❖ *Notice of Preparation Released on October 30, 2020*
  - ❖ *Draft EIR published on July 1, 2021 and circulated for 45 days*
  - ❖ *Four comment letters received and PC comments provided on August 4, 2021*
  - ❖ *Final EIR (with responses to comments) published September 14, 2021*

# Housing Element Final EIR

## ***Significant and Unavoidable Environmental Impacts***

- Air Quality (construction and operation)
- Noise/Vibration (vibration effects on sensitive buildings)
- Cultural Resources (due to potential demolition or alteration of historic resource)
- Public Services (Fire, Parks, Schools)
- Transportation
- Utilities (Water)

## ***Mitigation Identified for:***

- Air Quality
- Tribal Cultural Resources
- Public Services
- Transportation
- Utilities

# Housing Element Final EIR

## Alternatives Analyzed

- Alternative 1, No Project/No Build, required by CEQA Guidelines.
- Alternative 2, Transit-Oriented Housing Development on Fewer Sites Alternative
- Alternative 3, Quantified Objective Alternative

## Environmentally Superior Alternative

- Alternative 3, Quantified Objective
  - ❖ it does not achieve the goals of the Housing Element
  - ❖ would not achieve the RHNA
  - ❖ not compliant with state Housing Element law

# Housing Element Final EIR

## Errata Table 2-4 Project Description

Zone	Proposed Tier 1 (housing projects)		
	On-Site Affordable Housing FAR	Off-Site Affordable Housing FAR	Max Stories/Height
MUBL	2.25	2.25	4.55'
MUB	2.75	2.75	4.55'
GC (SMB)	2.75	2.75	4.55'
GC (Pico)	2.75	2.50	4.55'
GC (Lincoln)	2.25	2.25	4.55'
NC	2.75	2.50	4.55'
NC (Main)	2.75/3.0	2.75	5.65'
NC (Ocean Park)	2.75	2.50	4.55'
NC (Montana)	2.00	2.25	3.45'
HMU	2.75	2.75	4.55'
LT (East)	2.75	2.50	4.55'
LT (West)	2.75	2.50	4.55'
NV	2.75	2.50	4.55'
BC (Promenade)	2.75	2.50	4.55'
BC (2 <sup>nd</sup> Street /4 <sup>th</sup> Street)	2.75	2.50	4.55'
TA	2.75	2.50	4.55'
OT	2.75	2.50	4.55'
WT	2.75	2.50	4.55'
BTV	2.50	2.25	4.55'
CAC	2.50	2.25	4.55'
CCS	2.50	-	55'
MUC	2.50	2.25	4.55'
OC	2.75	2.50	4.55'
IC	2.75/3.25	2.75	5.65'

\*The City reserves the right to adjust these heights and FARs up or down. Any changes will ensure feasibility and that overall unit capacity assumed in the site inventory is met, including income category, and will be no lower than existing height and FAR. The off-site affordability requirement will be greater than the on-site requirement

# Housing Element Final EIR

## Errata Table 2-6 SSI Sites

	Total Capacity	Capacity for Affordable Units				
	# Units	# Total Affordable Units Capacity	ELI	VLI	LI	Moderate
Category 1 Approved	1,503	416	104	104	104	104
Category 1 Pending	680	165	42	42	42	42
Category 4 City Sites	1,884	1,884	471	471	471	471
Category 11 Religious Sites	257	129	32	32	32	32
Category 12 Parking Lots	94	47	12	12	12	12
All Remaining Categories	6,007	6,007	1,502	1,502	1,502	1,502
ADUs	600352	396232	9053	427	258151	3621
Total	11,02510,777	9,0448,880	2,2532,216	2,1752,170	2,4212,314	2,1992,184
RHNA Targets	8,895	6,168	1,397	1,397	1,672	1,702
Buffer	+2,1301,882	+2,8762,712	+856819	+778773	+749642	+497482
	2421%					



# Recommendation

Adopt Resolution Number 21-011 (PCS)

- Recommending that the City Council Adopt the 6th Cycle (2021-2029) Housing Element of the General Plan, as amended by Exhibit B (addenda)
- Consider and Make a Recommendation to the City Council on the Final Environmental Impact Report (Final EIR) for the 6th Cycle Housing Element