



**Presentation to: Planning Commission**

**Date: July 25, 2012**

Following the presentation on the housing element process, challenges and emerging issues, commissioners provided the following feedback:

**Process**

Commissioners noted the challenges involved with preparing the Housing Element at the same time as the Zoning Ordinance and asked staff to consider how best to synchronize the efforts. There was also reference to previous PC and Council discussions about affordable housing need.

As one goal of housing development is to balance jobs and to reduce traffic, the housing needs of Santa Monica's workforce should be studied.

Commissioners questioned the most relevant approach to looking at the demographic and housing data, as there is a "chicken and egg" relationship: Should new housing be allowed to be built without consideration for the City's goal to attract a diverse population (a developer-driven future)? Another approach is to consider "What is the vision?" and to build housing to meet the needs of those we want to attract.

**Unit Sizes**

Concern was expressed about unit sizes – too many SROs and small units that don't address diverse needs.

Consider whether it is a good idea to set a minimum square footage size for new units, or consider that smaller units can also be seen as potentially positive because they may be more affordable.

It was stated that small units do not meet the needs of the community. Council should have a discussion and consider whether to be allowing these types of units. Developers say that there is a market for these units and they are quite profitable; therefore they are proposing them. But there was a concurrence that developers' bottom line should not be the leading factor in setting policy. How can the city develop a market for larger units and could we require some mix with at least some larger units in each project?

The HE should consider ways to incentivize larger units and those that would meet seniors' needs and lower-income units to meet demand, including a certain amount of family-sized units (three or more bedrooms) to accommodate larger families.

**Affordable Housing: Funding and Incentives**

The City will need to find new funding sources for affordable housing; what will happen to the share of tax funding that comes in as the State reallocates RDA money to cities, counties and school districts? Can that be dedicated back to housing?

Consider whether 100% affordable very low/low income projects should be able to have more than 50 units on an administrative permit so that they can reduce their per-unit cost through increased density. Reducing the parking requirement would also help and could be considered, but we need to ensure that it does not result in neighborhood impacts (residents in new construction projects should not get on-street preferential parking permits).



Need to meet the needs of families and workforce.

The definition of affordability needs to be adjusted and made consistent. City should look at increasing the ministerial threshold for 100% low income units

### **Moderate Income Housing**

Consider revising policies that might remove incentives (i.e., AA approvals) for moderate income housing. Reconsider some of the affordable housing fee “discounts” that apply to projects with certain characteristics.

### **Outreach**

It was suggested to reach out to Santa Monicans for Renters’ Rights for input and to hear what businesses perceive as the greatest need, and generally to cast a wide net. It was also suggested to meet with the Chamber Land Use Committee on Land Use.

### **Housing Element Background**

Some commissioners have been involved in past Housing Elements since 1998, at which time there was some real policy shift toward promoting affordable housing. Most updates since then were more or less status quo in terms of policy. The last update was good and should be the primary basis for the next. The overarching vision is to achieve housing diversity because housing defines who lives here. Housing diversity will lead to more community diversity. To reduce VMT, the Housing Element should identify measures that connect both living and working in Santa Monica.

### **Public: 1 speaker – Sarah Lett, CCSM**

Moderate Income housing should be treated as less of a priority. The rent levels for moderate are close to market rate, so subsidizing them and providing incentives is not good use of limited public funds for affordable housing. Unit sizes should be bigger – we need more 2 and 3 bedroom units for families. It is not just about reading the demographics – it is about encouraging a vision of the community.

Per unit cost needs to be brought down in order to stay competitive and attract state funding, which increasingly is going to those locations that are more cost effective. Economies of scale and parking are considerations for reducing per unit cost.