

**City of Culver City, California
Agenda Item Report**

Meeting Date: 01/27/14		Item Number: <u>PH-2</u>	
CITY COUNCIL AGENDA ITEM: PUBLIC HEARING – (1) Adoption of a Resolution Adopting General Plan Element Amendment, GPE-P2013099 Regarding the City of Culver City 2013–2021 Housing Element; and (2) Adoption of a Related Negative Declaration.			
Contact Person/Dept.: Jose Mendivil / CDD		Phone Number: (310) 253-5757	
Fiscal Impact: Yes ☐ No ☒		General Fund: Yes ☐ No ☒	
Public Hearing: ☒		Action Item: ☐ Attachments: ☒	
Public Notification: Notice of Public Hearing was published in the Culver City News (12/19/13; 01/02/14). Notice of Public Hearing was mailed to Culver City Organizations, Housing Advocates, and Developers (12/18/13); Meetings and Agendas – City Council (01/21/14).			
Department Approval: Sol Blumenfeld (01/15/14)		City Attorney Approval Carol Schwab (by H. Baker) (01/20/14)	
Chief Financial Officer Approval: Jeff Muir (by M. Noller) (01/21/14)		City Manager Approval: John M. Nachbar (01/21/14)	
<u>RECOMMENDATION:</u> Staff recommends the City Council: 1. Adopt a Negative Declaration based on the Initial Study finding that the project will not have a significant adverse impact on the environment; and, 2. Adopt a Resolution adopting General Plan Element Amendment, GPE P2013099, regarding the City of Culver City 2013-2021 Housing Element. <u>INTRODUCTION:</u> The Housing Element is one of nine elements comprising the City of Culver City's General Plan (seven of which are mandatory per State law) and is the only element that the State is mandated to review. The Housing Element specifically addresses the City's vision as it relates to housing. It is the primary planning guide to identify and prioritize the City's housing needs with goals, policies, and programs to address those needs and provides a planning tool to demonstrate to the California Department of Housing and Community Development (HCD), how the City plans to meet its housing objectives. The Housing Element is unique among General Plan elements in the extent to which State law prescribes local policies, and the Legislature has granted HCD the authority to review local governments' housing elements and issue findings			

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regarding whether, in its opinion, those housing elements substantially comply with the requirements of State law (Government Code Section 65580 et seq.). Cities are required to submit draft housing elements to HCD for review prior to adoption, and must also submit adopted housing elements for final review. Failure to adopt a housing element that HCD finds to be in compliance with State law may result in the loss of eligibility for community development grant funds and cities may be required to prepare more frequent housing element updates in the future. Cities are also required to report annually to HCD regarding their progress in implementing the policies and programs contained in their adopted housing elements. Further, HCD certification confers a presumption of validity in the event of a legal challenge to a city's housing element.

In accordance with current State law, the City must adopt the proposed draft of the 2013-2021 Housing Element ("Draft Housing Element") no later than February 12, 2014 in order to maintain an eight-year housing element cycle, with the next update due in late 2021/early 2022. If the City fails to adopt the Draft Housing Element by this date, then the City will be subject to a four-year rather than an eight-year cycle and the adopted housing element will expire in October of 2017. In effect, the City will be subject to an additional housing element cycle if it fails to successfully enact an updated housing element by February 12, 2014.

BACKGROUND:

On September 16, 2013, a Joint City Council/Planning Commission Community Public Workshop was held to provide an opportunity for public involvement and feedback on the Draft Housing Element.

On September 26, 2013 Staff submitted the Draft Housing Element to HCD for its 60-day review period. On November 25, 2013, HCD issued a pre-certification or draft "in compliance" letter (Attachment No. 5). HCD determined the Draft Housing Element complies with State housing law and is prepared to certify the Draft Housing Element, subject to certain revisions as discussed herein and the City Council's adoption of the document in its current form.

On January 8, 2014, the Planning Commission conducted a public hearing on the 2013-2021 Housing Element and (1) adopted a Negative Declaration, in accordance with the California Environmental Quality Act (CEQA), finding the project will not result in significant adverse environmental impacts; and (2) recommended the City Council approve General Plan Element Amendment, GPE-P2013099 and adopt the 2013-2021 Housing Element. For a full summary of the background and analysis of the 2013-2021 Housing Element please see the January 8, 2014 Planning Commission Staff report (Attachment No. 3).

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ANALYSIS:

HCD Review and Subsequent Revisions

After staff submitted the Draft Housing Element to HCD for review, HCD contacted staff with additional comments and questions. These revisions are incorporated into the Draft Housing Element. Below is a summary of the revisions:

- Clarification of Table IV-2. Table IV-2 on Page IV-4 summarizes Zoning Code development standards related to residential uses. The summary table omitted a footnote that is in the Zoning Code that states transitional and supportive housing is subject to only those restrictions that apply to other residential uses of the same type in the same zone. Pursuant to HCD's request, staff has inserted this footnote into the Draft Housing Element summary table.
- Analysis on nine (9) unit restriction in the RMD zone. Maximum density (the number of units per lot) in the Residential Medium Density Multiple (RMD) Zone is 1 unit per 1,500 square feet of lot area which equates to 29 units per acre. Further the Zoning Code requires that no lot shall be developed with more than 9 units even if the density calculation noted above results in more than 9 units. Measure 2E of the Current Housing Element committed the staff to providing the City Council an analysis of this 9 unit cap with the potential recommendation of removing the restriction (but maintaining the 1:1,500 density factor). This analysis or study was not performed in the previous Housing Element cycle and HCD asked that the City commit to completing this analysis within one year of this current cycle. Staff proposed (and HCD accepted) that the study be delivered to the City Council no later than the end of September of 2014. This is reflected in Measure 2E carried over from the Current Housing Element. The target completion date is shown in Table V-2 on Page V-15 of the Draft Housing Element.
- Supportive Housing. In the Current Housing Element, Measure 2L committed the City to amending the Zoning Code to address Senate Bill 2 (SB2) and the mandatory requirements contained therein relating to Supportive Housing. In August of 2013, SB2 related Zoning Code amendments were adopted by the City Council requiring that supportive housing be treated as a residential use subject only to the requirements and restrictions of housing of the same type in the same zone. Culver City relied on previous State Planning Law that allows cities to impose

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additional regulations on Supportive Housing serving seven (7) or more residents. The August 2013 Zoning Code amendments required a Conditional Use Permit (CUP) for Supportive Housing serving 7 or more residents. HCD noted that SB2 supersedes previous State Planning Law relating to Supportive Housing and that a CUP can be placed on these residential uses regardless of the number of residents if other residential uses do not require a CUP. Since the Zoning Code does not require a CUP for a residential use of the same type (i.e. single family dwelling, duplex, triplex or multi-family dwelling) as similar residential uses allowed in the same zone that supportive housing is allowed, a CUP cannot be required for a supportive housing units. Measure 2L has been revised to include a commitment to amend the Zoning Code by removing the CUP requirement for supportive housing dwellings with 7 or more residents. HCD asked that this be completed within the first year of the 2013–2021 Housing Element period; the date of completion for this amendment is July of 2014. Revisions to Measure 2L are reflected on Page V-11 and in Table V-2 on Page V-15 of the draft Housing Element.

PLANNING COMMISSION HEARING AND PUBLIC COMMENTS:

At the January 8, 2014 Planning Commission hearing all the Commissioners recognized that the Draft Housing Element is pre-certified by HCD and expressed support for the document and recommended it be approved by the City Council as presented. As noted by staff, the Planning Commission was informed that revising the document at this time will generate another HCD round of review which will result in the City missing the February 12, 2014 deadline and being subject to a four-year instead of eight-year housing element cycle, as discussed above.

During the hearing one Commissioner stated that other strategies not otherwise found in the Draft Housing Element could be used to promote affordable housing including: reduced parking requirements, priority processing, by-right development allowances, and fee reductions. These suggested strategies for assisting in the development of affordable housing would require further research and study by staff and could be incorporated into the Community Development Department work plan for the next fiscal year if approved by the City Council.

Public testimony was received from one resident who also submitted a letter to HCD into the record and stated that the City needs to produce more affordable housing for very low and low income levels and that there should be a concerted effort to institute rent control (Attachment No. 6).

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Staff responded that with the elimination of redevelopment agencies by the State, it is no longer possible to accumulate the amount of funding needed to construct affordable housing and that over the last two years the City has expended its entire Low Moderate Income Housing Fund to construct new housing at Tilden Terrace and to secure 30-year low and moderate income covenants at 4043 Irving Place. The cost to develop new housing and to secure 30-year affordable housing covenants is substantial and without redevelopment agencies, there is no method currently available to finance affordable housing at the local level. Redevelopment agencies had for many years largely funded affordable housing developments and the retention, preservation, and maintenance of affordable units. Nevertheless, the programs in the Draft Housing Element continue to reference former Culver City Redevelopment Agency sponsored projects in the event that tax increment funding is made available by the State. For a full discussion of the public comments on the 2013-2021 Housing Element please see the January 8, 2014 Planning Commission Staff report (Attachment No. 3).

ENVIRONMENTAL DETERMINATION:

Pursuant to the California Environmental Quality Act (CEQA) guidelines, an Initial Study prepared for the General Plan Housing Element Amendment determined that the Amendment will not have a significant adverse impact on the environment and that a Negative Declaration finding is appropriate. Approval of the 2013-2021 Housing Element will not result in additional housing construction beyond the level currently anticipated in the Land Use Element of the General Plan. There is no specific development projects associated with the adoption of the Housing Element. The Amendment is consistent with other elements of the General Plan, the Zoning Code, and State housing law. A copy of the proposed Negative Declaration, Initial Study (Attachment No.4), and the 2013-2021 Housing Element were made available for public review in accordance with CEQA guidelines and regulations.

FISCAL ANALYSIS:

There is no fiscal impact associated with the City Council adoption of the 2013-2021 Housing Element. The 2013-2021 Housing Element update effort is part of an approved budget by the City Council and does not require action on the part of the Planning Commission or the City Council that would necessitate expenditure of additional City funds at this time. Implementation measures described in the Housing Element will be funded by a combination of State and Federal grants and the City's General Fund. Staff will seek approval of funding for the implementation measures from the sources listed.

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CONCLUSION:

The 2013-2021 Housing Element in its current form has been pre-certified by HCD because it meets all of the criteria mandated by State housing law. Therefore, staff recommends the City Council adopt the 2013-2021 Housing Element without additional substantive changes. Further substantive changes to the document will require staff to send the document back to HCD for another review cycle. This will require additional time before City Council adoption of the Housing Element and will result in the City missing the February 12, 2014 adoption deadline. Housing Elements adopted prior to February 12, 2014 will be on an eight-year cycle with the next housing element due in 2021/early 2022. Housing Elements adopted after February 12th will be on a four-year cycle with the next element due in 2017. Following adoption of the document by the City Council, staff will transmit the adopted Housing Element to HCD and request certification of the document.

ATTACHMENTS:

1. Proposed Resolution
2. Planning Commission Resolution No. 2014-P001
3. Planning Commission Staff Report – January 8, 2014
4. Negative Declaration and Initial Study
5. HCD pre-certification (draft “in compliance”) letter dated November 25, 2013
6. Comment Letter From a Resident Submitted to HCD
7. 2013–2021 Housing Element dated January 2014

MOTIONS:

That the City Council:

1. Adopt a Negative Declaration based on the Initial Study finding that the project will not have a significant adverse impact on the environment; and,
2. Adopt a Resolution adopting the proposed General Plan Element Amendment, GPE P2013099, regarding the City of Culver City 2013-2021 Housing Element.