

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

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| Meeting Date: 06/07/10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  | Item Number: <u>PH-2</u>                                                               |  |
| <b>CITY COUNCIL AGENDA ITEM: PUBLIC HEARING – (1) Approval of a Negative Declaration and (2) Approval of General Plan Element Amendment, GPE-P2010038 Regarding the 2008-2014 Housing Element.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |                                                                                        |  |
| Contact Person/Dept.:<br>Susan Yun and Jose Mendivil / CDD                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |  | Phone Number:<br>(310) 253-5755 and (310) 253-5757                                     |  |
| Fiscal Impact: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  | General Fund: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>      |  |
| Public Hearing: <input checked="" type="checkbox"/>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  | Action Item: <input type="checkbox"/> Attachments: <input checked="" type="checkbox"/> |  |
| Public Notification: Notice were mailed to all Culver City Homeowners Associations and to various Culver City Organizations, Housing Advocates, Developers, and Attendees of past Housing Element meetings (05/17/10); Published in the Culver City News (05/13/10 and 05/20/10); and Notices were emailed to Master Notification List (05/14/10 and 06/02/10); (E-Mail) Meetings and Agendas – City Council (06/02/10)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |  |                                                                                        |  |
| Department Approval:<br>Sol Blumenfeld (05/27/10)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |  | City Attorney Approval<br>Carol Schwab (by H. Baker) (06/02/10)                        |  |
| Chief Financial Officer Approval:<br>Jeff Muir (by N. Kimball) (06/02/10)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |  | City Manager Approval:<br>P. Lamont Ewell (06/02/10)                                   |  |
| <p><b><u>RECOMMENDATION:</u></b></p> <p>Staff recommends the City Council:</p> <ol style="list-style-type: none"><li>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,</li><li>2. Adopt a Resolution approving the proposed General Plan Element Amendment regarding the 2008-2014 Housing Element.</li></ol> <p><b><u>INTRODUCTION:</u></b></p> <p>The adoption process of the 2008-2014 Housing Element involves an amendment to the City's General Plan (updating the existing 2001 Housing Element) with review and recommendation by the Planning Commission and final adoption by the City Council.</p> <p><u>Overview</u></p> <p>California Government Code Section 65302(c) mandates that each City shall include a Housing Element in its General Plan, and that the Housing Element be updated periodically to reflect current conditions and legal requirements. The City's previous</p> |  |                                                                                        |  |

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Housing Element was adopted in 2001 and State law requires that the Housing Element be updated for the 2008–2014 planning period.<sup>1</sup>

The Housing Element is required to identify and analyze existing and projected housing needs, and include statements of the City's goals, policies, quantified objectives, and programs to facilitate the preservation, improvement, and development of housing. In adopting its Housing Element, the City must consider local conditions and context, including economic, environmental, and fiscal factors, as well as community goals as set forth elsewhere in the General Plan. The contents of the 2008-2014 Housing Element are listed in detail as an endnote to this staff report.<sup>2</sup>

One key focus of the Housing Element is the Regional Housing Needs Assessment (RHNA). Through the RHNA process, each jurisdiction is assigned a "fair share" of the region's new housing need. The State's Department of Housing and Community Development (HCD) reviews the City's Housing Element to see how the City can accommodate Culver City's RHNA of 504 new units. State law does not require cities to achieve the amount of new housing development identified in the RHNA, but rather requires that the Housing Element contain a realistic plan that addresses potential and actual governmental constraints on housing development and demonstrates the City's land inventory of vacant or underutilized sites with appropriate zoning to meet its RHNA needs.<sup>3</sup>

**BACKGROUND:**

The City initiated the 2008-2014 Housing Element update process in July 2007, upon receiving Culver City's RHNA numbers from the Southern California Association of Governments (SCAG). Starting in February 2008, several public meetings and study sessions were held to provide opportunities for public involvement and feedback. A chronology of key milestone and public meeting dates is detailed as an endnote to this staff report.<sup>4</sup>

In addition, the City Council and Planning Commission each formed Housing Element Subcommittees so that there would be a forum for feedback, status updates, and guidance on policy issues throughout the Housing Element update process. Throughout the drafting of the 2008-2014 Housing Element, staff, the City's consultant, and the Subcommittees met several times to review data and survey results; analyze draft housing objectives, policies, and program language; and finalize the 2008-2014 Housing Element.

The 2008-2014 Housing Element was last reviewed by the City Council at a Joint Study Session with the Planning Commission on June 24, 2009. At the conclusion

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of that meeting, the City Council authorized staff to submit the revised draft element to HCD for a second round of review.

Since the time of submittal to HCD for the second round review of the 2008-2014 Housing Element and subsequent communications between City Staff and HCD staff, HCD has issued a pre-certification or draft "in compliance" letter on February 8, 2010 (Attachment No. 4). HCD has determined the City's 2008-2014 Housing Element complies with State housing law and is prepared to certify the City's 2008-2014 Housing Element subject to adoption of the document by the City Council in its current form. Staff recommends the City Council adopt the document without additional changes. Revising the document will trigger another HCD review cycle and delay the adoption and certification of the 2008-2014 Housing Element. A discussion of the substantive issues raised by HCD is provided in the following section.

Revisions and HCD Review

As authorized by the City Council, on July 30, 2009, staff submitted the 2008-2014 Housing Element to HCD for a second round of review. Subsequently, HCD staff contacted City staff with additional comments and questions. Issues raised by HCD included the calculation of potential new units contained in the land inventory analysis, additional information on the Transit Oriented Development (TOD) area, and specific funding and development commitments for affordable housing including the development of affordable housing described in the Redevelopment Agency's Comprehensive Housing Strategy (CHS).

After careful review of HCD's comments and consultation with the City Attorney's Office and the City's Housing Element consultant, the City responded to HCD's remaining concerns. Through the assistance of the City Attorney's Office, legal counsel indicated to HCD staff that the document demonstrates the City's commitment to affordable housing and the CHS and describes the funding strategies needed to implement the CHS. Further, staff pointed out that HCD has no legal basis under State law to require specific efforts or funding to implement the Housing Element and that there is no requirement under State law for additional analysis of the City's land inventory and potential to meet new housing construction.

In response to HCD's requests some revisions were made to clarify the status of potential projects in the TOD area as well as some of the Housing Measures and Land Inventory tables. Below is a summary description of these revisions:

- An explanation that housing is allowed in the TOD area due to its General Plan Land Use designation;

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- An explanation of TOD properties in the Land Inventory Analysis as potential mixed use sites that currently do not have pending project applications;
- Modification of various Land Inventory tables in Appendix B to reflect sites as either potential housing development sites or approved projects;
- Clarification of existing uses in the Land Inventory tables;
- Clarification in Measure 2.D to state that the City will ensure the effect of the Design Guidelines will not cause an undue burden on housing supply and affordability;
- Clarification in Measure 3.D to list examples of non-profit organizations that the City has worked with that could assist in the preservation of at-risk housing units; and,
- Stating the City's available capacity to accommodate new housing construction even if not all properties in the Land Inventory are developed with residential uses.

These additional revisions do not change the intent or policies established in the Housing Element or the Housing Measures that were reviewed by the Planning Commission and City Council at the June 24, 2009 Joint Study Session. On February 8, 2010, HCD issued a letter stating that the revised draft 2008-2014 Housing Element meets State standards and will be in full compliance upon adoption by the City Council.

Planning Commission Adoption Hearing

On April 28, 2010, the Planning Commission held a public hearing and recommended to the City Council adoption of the 2008-2014 Housing Element and related CEQA document. The Planning Commission expressed support and stated the importance of having a State certified Housing Element and did not recommend any further revisions or changes to the document.

Comments made from members of the public centered on providing clarification and methodology of data contained in the 2008-2014 Housing Element. Specifically, a comment was made on the accuracy of the total number of units identified in the land inventory analysis for some Residential Medium Density (RMD) zoned lots. Staff responded that the data in land inventory table was a result of a "windshield" survey taken of all RMD zoned areas. Staff assessed the general condition and number of units of various properties as seen from the street or sidewalk. The

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windshield survey method was an inexpensive and efficient method of cataloging the City's land inventory that the State requires in Housing Elements. Staff acknowledged that with such a survey there may be some minor errors but that the State also considers this method acceptable for the purposes of developing a Housing Element.

Another comment was that the data tables used to describe Culver City's population and employment characteristics did not appear to be accurate. There was a question as to the number of Culver City residents that are employed and the number of jobs in Culver City. Staff stated that the figures in the 2008-2014 Housing Element describing the number of residents who are employed and the number of jobs in the City come from the U.S. Census (as sourced in the document) and that such a data source is considered credible and accepted by the State. Further, a comment was made on the definition of affordable housing and affordable income levels. In response, staff provided the federal definitions for both.

Additionally, there was a comment that residential street parking in the City is impacted by patrons and employees of nearby commercial businesses and this impact could be intensified by the adoption of the Housing Element. Staff felt that that this matter did not pertain directly to the Housing Element update and is a separate issue altogether. Furthermore, the Housing Element is a general policy document that guides the housing needs for the City. It is not approving or entitling a specific development project. A review of potential impacts will be required for specific development projects that may result from the implementation of the Housing Element. Mitigation measures, if needed, will be identified on a case by case basis.

**DISCUSSION:**

The section below focuses on those measures that were reviewed and accepted by the City Council and Planning Commission at the joint June 24, 2009 meeting when both bodies authorized the document to be transmitted to HCD. The following is a summary of the new measures and the issues those measures address.

**Emergency Shelters and Transitional/Supportive Housing**

Senate Bill 2 of 2007 (SB 2) strengthened the planning requirements for local governments in the area of emergency shelters and transitional/supportive housing. An emergency shelter is a permanent, year-round facility that provides shelter to homeless families or individuals on a short-term basis, typically six months or less. Transitional housing is a temporary (often six months to two years) facility for a homeless individual or family that is transitioning to permanent housing. Supportive housing may be longer term and includes a supportive services component (e.g. job

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skills training, rehabilitation counseling, assistance with daily necessities, etc.) to allow individuals to gain necessary life skills in support of independent living.

SB 2 generally requires that unless there are sufficient existing shelter facilities to meet all of the need, cities must identify at least one zoning district or area where emergency shelters may be established as an allowed use without requiring a conditional or administrative use permit or similar discretionary review of the proposed use. In order to respond to the requirements of SB 2, Measure 2.L is included in the Housing Element in Chapter V - Housing Plan to allow emergency shelter facilities in at least one zone as an allowed use without requiring a conditional or administrative use permit. Implementation of this measure would require an amendment to the Culver City Municipal Code (CCMC).

Staff evaluated the eastern portion of the City (bounded by Ballona Creek on the west, Fairfax Avenue on the east and Washington Boulevard on the north) to potentially accommodate emergency shelters. As part of the CCMC amendment process to allow Emergency Shelters without requiring a Conditional or Administrative Use Permit, the City Council will have the discretion to determine that another area is better suited for this purpose. Any alternate location that may be determined to be better suited for emergency shelters must comply with the requirements of SB 2. SB 2 does not prohibit cities from imposing written, objective development and operating standards on emergency shelters, such as, for example, limits on the number of beds or persons, length of stay, lighting and security measures, or onsite management. Further, Measure 2L does not create the overlay zone but rather identifies the area noted above as the location being considered for emergency shelters.

SB 2 also requires that transitional and supportive housing be treated as residential uses that are subject only to those requirements that apply to other residential uses of the same type in the same zone. The CCMC currently does not contain a definition for transitional or supportive housing. Measure 2.L in the Housing Plan includes a commitment to amend the CCMC to provide a definition, standards and permitting procedures for these uses that are no more restrictive than for other residential developments of the same type in the same zone, in conformance with SB 2. Further, under SB 2 design development review authority will be retained by the City. The City will have the authority to impose development standards such as height, setback, parking, amenities, landscaping and architectural standards and to present the design of transitional and supportive housing developments to the Planning Commission for review, so long as the standards and review procedures are no more restrictive than for other residential developments of the same type in the same zone. In complying with SB 2, the current Conditional Use Permit requirement will have to be eliminated since other residential uses do not require a CUP.

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*Housing for Persons with Special Needs*

State law requires that cities review their zoning regulations, development standards and procedures as part of the Housing Element update to ensure that they do not pose undue constraints on the provision and use of housing by persons with disabilities or other special needs. Measures 2.K, 2.M and 2.N are included in the Housing Element and call for amending the CCMC to remove constraints and facilitate the provision of housing for persons and families with special needs. More specifically the measures address the following:

- *Definition of “Family”* – As called for in Measure 2.M, the CCMC will be amended to include a definition of “Family” that is consistent with current State law.
- *Single Room Occupancy (SRO) Housing* - State law requires all jurisdictions to provide for a variety of housing types to meet the needs of all segments of the community through appropriate planning and zoning regulations. Among these housing types are SRO dwellings. SROs are small, hotel/motel-type efficiency units intended for long-term residency by one or two persons. The CCMC currently contains no specific development standards or land use category for SRO dwellings. In order to clarify regulations regarding SROs in compliance with State law, Measure 2.K in the Housing Plan calls for amending the CCMC to provide explicit reference, development standards and permit procedures for SRO housing.
- *Reasonable Accommodation for Persons with Disabilities* - Existing State law requires cities to offer reasonable accommodation in their planning and building requirements for persons with disabilities. This would include a simplified review and approval process for modifications needed to ensure reasonable access and use of a residence by a person with a disability. Measure 2.N in the Housing Plan calls for the adoption of reasonable accommodation procedures in the CCMC, consistent with State law.

*Off-Street Parking Requirements*

The City’s off-street parking requirements could act as a constraint to the production of affordable housing. In particular, the requirement for 2 parking spaces for large studio or 1-bedroom units with over 900 square feet was identified as a potential constraint. Measure 2-O in the Housing Plan has been added to conform with State law requiring a reduced off-street parking requirement, upon a developer’s request, to one space for studio and 1-bedroom units in developments that meet the affordability criteria for a density bonus.

*Development Fees for Affordable Housing*

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Development fees, particularly the residential surcharge fee for new construction, can potentially affect housing affordability when developers pass the cost of this fee onto renters or purchasers of new housing. The 2008-2014 Housing Element notes that low- to moderate-income units are exempt from some fees such as In-lieu Parkland and Art in Public Places fees. Measure 2-P in the Housing Plan also commits the City to offsetting the new construction surcharge fee for Redevelopment Agency-assisted low and moderate income housing projects from the housing set-aside fund.

**Conclusion on New Measures**

All the new measures will require amendments to the CCMC – (more specifically the Zoning Code portion of the CCMC). These new measures are a result of staff, the consultant, and the Subcommittees discussing and analyzing what is being asked of Culver City by HCD and what is currently required by State law. Initial comments from HCD prior to the inclusion of these new measures reflected their analysis that the City's 2008-2014 Housing Element as originally presented to them was not in compliance with State law or did not address governmental constraints such as reasonable accommodation and parking requirements. Acting on these measures to amend the CCMC will be expected of the City by HCD. All jurisdictions in the State must address these same issues in order to be in conformance with recently enacted State laws. Further, when the measures are implemented through the Zoning Code amendments, there will not be resulting significant land use changes. The amendments will not result in new uses that are above and beyond the City's expected build out capacity as per the General Plan. Additionally the land uses affected by the amendments are already allowed in the Zoning Code. What the amendments will result in is the approval of these uses in a manner that is consistent with State mandates for local jurisdictions.

**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 (ND) finding is appropriate. Approval of the 2008-2014 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



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Study (Attachment No.3), and the 2008-2014 Housing Element were made available for public review in accordance with CEQA guidelines and regulations.

**CONCLUSION:**

The 2008-2014 Housing Element in its current form has been pre-certified by the State HCD as it meets all of the criteria mandated by the State housing law. Therefore, staff recommends that the City Council adopt the 2008-2014 Housing Element. Following adoption of the document by the City Council, staff shall transmit the adopted Housing Element to HCD and request certification of the document.

**FISCAL ANALYSIS:**

The 2008-2014 Housing Element update effort is part of the 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, Redevelopment Agency housing set-aside funds, and the City's General Fund. Staff will seek approval of funding for the implementation measures from the sources listed when appropriate.

**ATTACHMENTS:**

1. City Council Resolution No. 2010-R\_\_\_\_
2. Planning Commission Resolution No. 2010-P002
3. Negative Declaration and Initial Study
4. HCD pre-certification (draft "in compliance") letter dated February 8, 2010
5. 2008-2014 Housing Element dated June 2010

**MOTIONS:**

That The 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 approving the proposed General Plan Element Amendment regarding the 2008-2014 Housing Element.

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<sup>1</sup> The previous housing projection period ended in 2006. The State credits cities for housing built between 2006 and 2008 as meeting a portion of RHNA.

<sup>2</sup> Housing Element Contents: The 2008-2014 Housing Element is comprised of the following sections:

- Chapter I – Introduction: Introduction and overview of Housing Element content and requirements;
- Chapter II – Housing Needs Assessment: Analysis of population, household and employment trends, characteristics of the housing stock, and a summary of current and projected housing needs (Chapter II);
- Chapter III – Resources and Opportunities: Evaluation of resources and opportunities that will facilitate the development and preservation of housing for all economic segments of the community;
- Chapter IV – Constraints: Review of potential constraints to meeting identified housing needs;
- Chapter V – Housing Plan: Housing Plan to address identified needs, including housing goals, policies and programs;
- Appendix A – Evaluation of the 2001 Housing Element: Evaluation of the City's housing accomplishments during the previous planning period;
- Appendix B – Residential Land Inventory – 2006 – 2014: Inventory of potential sites for residential development;
- Appendix C - Inventory of At-Risk Affordable Housing Units: Inventory of at-risk affordable housing units;
- Appendix D – Public Participation Summary: Summary of public involvement activities during the Housing Element update process;
- Appendix E – Acronyms: List of Acronyms; and
- Appendix F - Glossary

<sup>3</sup> Legal Framework for the Housing Element

The Housing Element is one of nine elements comprising the City of Culver City's General Plan. The Housing Element is unique among General Plan elements in the extent to which State law prescribes local policies, and the legislature has granted the California Department of Housing and Community Development (HCD) the authority to review local governments' Housing Elements and issue findings regarding whether, in its opinion, the Housing Element substantially complies 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 elements for 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 the Housing Element. Further, HCD certification confers a presumption of validity in the event of a legal challenge to the Housing Element.

<sup>4</sup> Key Milestones: The following summarizes a chronology of events regarding 2008-2014 Housing Element update process:

- February 26, 2008 – Public Workshop. A public workshop was held introducing the Draft 2008-2014 Housing Element update process.

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- June 30, 2008 – City Council/Planning Commission Joint Study Session. A Study Session was held to allow public review of the Draft 2008-2014 Housing Element and to receive input and direction from the City Council and Planning Commission.
- August 25, 2008 – City Council First Authorization Study Session. The City Council unanimously voted to authorize staff to submit the Draft 2008-2014 Housing Element to the California Department of Housing and Community Development (State HCD) for their review.
- June 24, 2009 - City Council Second Authorization Study Session. A Joint Study Session was held to review and discuss State HCD's comments on the City's Draft 2008-2014 Housing Element. City Council and the Planning Commission authorized submission of the Revised Draft 2008-2014 Housing Element to State HCD for a second round of review with minor revisions.
- February 8, 2010 – Compliance Letter from HCD. HCD letter finding that the City's Draft 2008-2014 Housing Element as revised meets State standards and will be in full compliance once adopted by the City Council.
- April 28, 2010 – Planning Commission Adoption Hearing. The Planning Commission recommended to the City Council that they adopt the 2008-2014 Housing Element and related CEQA findings.
- June 7, 2010 – City Council Final Adoption Hearing. The City Council will hold a hearing for final adoption of the 2008-2014 Housing Element.