

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

Meeting Date: 06/24/2009		Item Number: <u>J-1</u>	
AGENDA ITEM: JOINT ITEM – (1) Review and Discussion of the Revised 2009 Draft Housing Element and (2) Authorization to Submit the Revised 2009 Draft Housing Element for Review by the California Department of Housing and Community Development.			
Contact Person/Dept.: Jose Mendivil and Susan Yun/CDD		Phone Number: 310-253-5757 and 310-253-5755	
Fiscal Impact: Yes ☐ No ☒		General Fund: Yes ☐ No ☒	
Public Hearing: ☐		Action Item: ☒ Attachments: ☒	
Public Notification: Mailed Citywide (over 17,000 addresses), Culver City Organizations, Housing Advocates, Developers, and Attendees of Past Housing Element Meetings (06/04/09); Notice of Public Meeting was published in the Culver City News (06/11/09 and 06/18/09); Master E-Mail Notification List (06/04/09 and 06/18/09).			
Department Approval: Sol Blumenfeld (06/09/09)		City Attorney Approval: Carol Schwab (by H. Baker) (06/17/09)	
Chief Financial Officer Approval: Jeff Muir (by M. Noller) (06/17/09)		City Manager Approval: Mark Scott (06/18/09)	
<u>RECOMMENDATION:</u> Staff recommends the City Council and Planning Commission review and discuss the recommended revisions to the 2009 Draft Housing Element in response to the California Department of Housing and Community Development (State HCD) comments and authorize the submission of the revised 2009 Draft Housing Element to State HCD for its 60-day review as required by State law. <u>INTRODUCTION:</u> The Housing Element is one of nine elements comprising the City of Culver City's General Plan. The General Plan is a comprehensive, long term plan for the physical development of the City. The intent of the General Plan is to communicate the City's strategic thinking and philosophy for the future to residential and business communities and to provide for the physical, social, and economic needs of the City and its people. In essence it is the City's vision. 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 housing needs of the City and outline the goals, policies, and programs to address those needs while balancing community character, objectives and resources. As a planning document and like the other elements of the General Plan, the Housing Element includes goals, policies, and programs. Further, it is the only element that the State is mandated to review, and it must demonstrate to the State how the City is able to address its housing needs.			

City of Culver City, California
Agenda Item Report

BACKGROUND:

Per State law, the Housing Element must demonstrate how the City will address new housing, rehabilitation of current housing stock where necessary, and preservation of existing affordable housing. The City's current Housing Element was adopted in 2001 and was subsequently certified by the State as meeting all the requirements of State law.

The new Housing Element covers the period 2008-2014. This Housing Element "cycle" commenced in July 2007 when the Southern California Association of Governments (SCAG) approved the Regional Housing Needs Assessment (RHNA) allocation for the period 2006-2014 (sometimes referred to as a "planning period or cycle"). The RHNA identifies the new housing needs for all economic levels in each city and county within the six-county SCAG region¹ during this planning period.

After receiving Culver City's RHNA new housing needs allocation from SCAG, the City Council approved a professional services agreement with a consultant (Conexus) to assist in drafting the Housing Element. 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 Housing Element, staff, the consultant, and the Subcommittees have met several times to review data and survey results; analyze draft housing objectives, policies, and program language; and finalize the Draft Housing Element.

On June 30, 2008, a Joint Study Session was held to allow the public to review and comment upon the Draft Housing Element and to allow the City Council and Planning Commission to also review and comment upon the draft Housing Element. Attachment Number 1, the staff report for the Joint Study Session, provides further background information on the initial drafting of the Housing Element. At this meeting staff summarized the Draft Housing Element that consists of the following major components:

- Chapter I is the Introduction describing the context of the Housing Element as a part of the City's General Plan, and how opportunities for public involvement were provided;
- Chapter II is an analysis of the City's demographic and housing characteristics and trends;
- Chapter III is an evaluation of land, financial, and administrative resources available to address the City's housing needs;

¹ The SCAG region is comprised of Los Angeles, Orange, Riverside, San Bernardino, Imperial and Ventura counties.

City of Culver City, California
Agenda Item Report

- Chapter IV is a review of potential constraints, both governmental and non-governmental, to meeting the City's housing needs;
- Chapter V is the Housing Plan for the 2008 – 2014 planning period, including housing goals, policies and programs;
- Appendix A is a review of the City's accomplishments and progress in implementing the 2001 Housing Element;
- Appendix B is a land inventory analysis that addresses HCD's requirement that the City demonstrate it has the land capacity to accommodate the number of new units allocated per the RHNA process;
- Appendix C is an analysis of at-risk affordable housing units;
- Appendix D is a public participation summary;
- Appendix E is a glossary of acronyms;
- Appendix F is a glossary or definition of key housing terms

The City's Draft Housing Element addresses various components that State HCD considers during its review of the draft Housing Element. Some of these components cover topics such as policies and programs that will demonstrate how the City is able to accommodate new housing, housing rehabilitation, and housing preservation; constraints to housing; analysis of resources available to the City; general demographic information; and public outreach.

At the June 30, 2008 Joint Study Session, approximately 25-30 people attended and provided comments along with the City Council and Planning Commission. The key issue raised at the Study Session was that the City's Housing Element demonstrates to State HCD the City's commitment to affordable housing. Equally important was the issue that the character of existing residential neighborhoods be preserved. After discussion of these issues, the Planning Commission and City Council felt that the Draft Housing Element was adequate and addressed the State requirements for certification. Minor revisions and clarifications to the draft document were made based on comments and questions received at the study session.

On August 25, 2008, staff submitted the Draft Housing Element to the City Council and recommended the Council authorize submission of the Draft Housing Element to State HCD for review. The Council unanimously voted to submit the Draft Housing Element to State HCD. The August 25, 2008 staff report (see Attachment No. 2), provides additional detailed background information on that meeting.

Following the City Council public meeting of August 25, 2008, the Draft Housing Element was submitted to State HCD for review. On November 7, 2008, the City received a letter from State HCD providing their comments and identifying the additional information and revisions that are necessary in order for the Housing Element to fully comply with State law (see Attachment No. 3).

City of Culver City, California
Agenda Item Report

Following receipt of State HCD's comments and after internal review of those comments by City staff and Conexus, staff met with the Subcommittees on February 4, 2009, and April 29, 2009, to discuss proposed revisions to the Draft Housing Element in response to State HCD's concerns. State HCD's comments along with proposed responses are summarized in Attachment No. 4. The table further directs the reader to pages within the Draft Housing Element that have been revised as a result of State HCD comments. Attachment No. 7 is the revised 2009 Draft Housing Element dated June 24, 2009, reflecting in strikeout/underline the revisions made since it was last submitted to State HCD. The revised Draft Housing Element document was delivered to the City Council and Planning Commission under separate cover. While many of the proposed revisions could be characterized as additional data or clarification, other comments raise policy issues and are described in the section below.

The primary purpose of tonight's public meeting is to review State HCD's comments and the proposed Housing Element revisions prepared by staff in consultation with the Subcommittees. If the Planning Commission and City Council agree with the proposed revisions, the next step would be to submit the revised Draft Housing Element to State HCD for a second round of review. If State HCD finds that the revised Draft Housing Element addresses all of its concerns, a letter of compliance (or preliminary "certification") will be issued. The proposed final Housing Element would then be brought back for consideration and adoption at public hearings of the Planning Commission and City Council. Having a State HCD-certified Housing Element enhances the City's competitiveness for housing grant funds and also helps to protect the City against legal challenges.

DISCUSSION:

The revised 2009 Draft Housing Element document has various changes that are editorial in nature or are included to clarify issues raised by either State HCD or the Subcommittees. The section below focuses on those changes that require a policy decision to be made. The following issues raised by HCD would require modifications to current City policies or regulations.

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. 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

City of Culver City, California
Agenda Item Report

proposed use. As an alternative, cities may enter into a multi-jurisdictional agreement with up to two other agencies to develop a shelter facility.

Although the City recently approved an application for Upward Bound House, it is HCD's opinion that this facility does not meet Culver City's entire need for emergency shelter beds. 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). The City has also retained the services of St. Joseph Center to provide outreach and referrals to supportive services and housing to the homeless in Culver City.

Staff has evaluated the eastern portion of the City generally bounded by Ballona Creek on the west, Fairfax Avenue on the east and Washington Boulevard on the north to accommodate emergency shelters. See the Key Map (Attachment No. 5) that shows the boundary of the area studied and Zoning Map (Attachment No. 6) that describes the various zoning designations for the area studied. This area includes parcels zoned IG (General Industrial), CG (General Commercial), and East Washington Boulevard Overlay (EW) and encompasses approximately 30 acres. It is largely an industrial area with some commercial uses and auto oriented uses. This area does not include residential zones and Ballona Creek and Washington Boulevard act as dividers to the nearest residential zones to the west and north. The area is well-served by bus transit and is located near a variety of services needed by homeless persons. As part of the CCMC amendment process to allow Emergency Shelters without requiring a Conditional or Administrative Use Permit, the City Council has 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 development standards such as size or bed limits and basic amenity requirements on emergency shelters.

SB 2 also provides that transitional and supportive housing shall be considered a residential use that is subject only to those procedures and requirements that apply to other residential dwellings 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 Element in Chapter V - Housing Plan includes a commitment to amend the CCMC to provide a definition and regulations 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. For example a multi-family housing development in a multi-family zone does not require a Conditional or Administrative Use Permit; the use is not in question and is allowed. The City does have the authority to impose development standards such as height, setback,

City of Culver City, California
Agenda Item Report

parking, amenities, landscaping and architectural standards and to present the design of the multi-family development to the Planning Commission for review. In complying with SB 2, similar design development review authority will be retained by the City, but the current CCMC required Conditional Use Permit requirement will have to be eliminated.

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, motel-type efficiency units intended for long-term residency by a single person. Although the CCMC currently contains no specific development standards or land use category for SRO dwellings, the CCMC authorizes the City to determine that an SRO is similar to other permitted commercial uses such as hotels. The City has approved SRO housing in the past. One such facility, the West End Hotel, is located on Van Buren Place in Downtown and the other, the Lindblade Hotel, is located on Lindblade Street. In order to clarify regulations regarding SROs and to be in compliance with State law, Measure 2.K in the Housing Element in Chapter V - Housing Plan, is included and calls for amending the CCMC to provide explicit reference, development standards and permit procedures for SRO housing.

Off-Street Parking Requirements

State HCD was concerned that 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. In response to this concern, Measure 2-O in the Housing Element in Chapter V - Housing Plan, has been added to reduce the parking requirement to one space for studio and 1-bedroom units that are reserved for lower-income occupants.

Development Fees for Affordable Housing

State HCD noted a concern regarding the effect of development fees on housing affordability, particularly the residential surcharge fee for new construction. The Draft 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 Element in Chapter V - Housing Plan also commits the City to offsetting the new construction surcharge fee for Agency-assisted projects from the housing set-aside fund. For example, the new construction surcharge fee for housing is \$250 per unit over 2 units with a maximum limit of \$12,750. If a 20 unit development has a 25% set aside for affordable units, or 5 of the 20 units, the total surcharge on

City of Culver City, California
Agenda Item Report

those affordable units would be $\$250 \times 5 = \$1,250$. The \$1,250 would be offset from set-aside funds.

Reasonable Accommodation for Persons with Disabilities

Existing 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 is included in the Housing Element in Chapter V - Housing Plan and calls for the adoption of reasonable accommodation procedures in the CCMC, consistent with state law.

Extremely-Low-Income (ELI) Housing

Cities are required to adopt programs that respond to the housing needs of all economic segments of the community, including those with extremely-low incomes (i.e. 30% or less of the county's median income). Culver City addresses the needs of ELI households through the provision of rental assistance from both the federal Section 8 Housing Choice Voucher Program (HCVP) and the Redevelopment Agency's Rental Assistance Program (RAP) funded with Housing Set Aside funds. Because the HCVP has an extensive wait period (sometimes in excess of five years), Culver City created the RAP to assist the homeless and other extremely-low-income residents. The RAP functions similar to the HCVP where a household does not pay more than 30% of its gross income towards rent with the remainder subsidized through the RAP. This program is funded at \$500,000 annually and can assist up to 30 homeless and extremely-low income households. Additionally, where appropriate and financially feasible, the Agency will seek to include ELI units in new projects identified in the Comprehensive Housing Strategy (see Program 2.F in Chapter V - Housing Plan).

Except for the last measure on ELI, all the other measure would require amendments to the CCMC – (more specifically the Zoning Code portion of the CCMC). These new measure are a result of staff, the consultant, and the Subcommittees discussing and analyzing what is being asked of Culver City by State HCD. The comments from State HCD reflect their analysis that the City's Draft Housing Element as originally presented to them is not in compliance with State law or does not address governmental constraints such as reasonable accommodation and parking requirements. These measures, if approved as part of the updated Housing Element, will place Culver City's Housing Element in conformance with new State laws that have been passed since the last RHNA cycle. Acting on these measures to amend the CCMC will also be expected of the City by State HCD. All jurisdictions in the State must address these same issues in order to be in conformance with new laws. Staff and the Subcommittees recommend revising the

City of Culver City, California
Agenda Item Report

Draft Housing Element to include these measures and commitments to amend the CCMC. As already stated, an HCD-certified Housing Element enhances the City's competitiveness for housing grant funds and also helps to protect the City against legal challenges.

PUBLIC NOTICE AND OPPORTUNITIES FOR COMMUNITY INVOLVEMENT

An initial Housing Element public workshop was held in the Council Chambers on February 26, 2008. The purpose of that workshop was to inform interested persons and organizations of the legal requirements and key issues with respect to the Housing Element update and solicit public concerns regarding housing needs and opportunities.

On June 30, 2008 a joint study session was held by the City Council and Planning Commission to allow the public to review and offer comments on the preliminary Draft Housing Element. At that meeting the City Council and Planning Commission directed staff to revise the Draft Housing Element based on comments made at the joint meeting. A second public meeting on the Draft Housing Element Update was held as part of the August 25, 2008 City Council meeting. At this meeting, the Council reviewed the Draft Housing Element and heard additional public comments. At the conclusion of that meeting, the City Council directed staff to submit the Draft Housing Element to State HCD for review.

Appendix D of the Housing Element contains a summary of public comments at those three previous public meetings along with brief responses. In addition, Attachment No. 4 of this report contains a summary of comments from State HCD and the City's proposed responses to State HCD's comments.

Tonight's meeting represents the fourth public meeting on the Housing Element update. Public notice for all public meetings was provided in City-wide mailings to all Culver City residences (approximately 17,000 households) and to more than 200 organizations including homeowner associations, housing developers, and Westside housing advocates. Notice was also published in the Culver City News newspaper and posted on the City website prior to each meeting. Following tonight's meeting there will be at least two additional opportunities for public review at the future Planning Commission and City Council public hearings prior to adoption of the Housing Element.

Handout materials from past meetings as well as other relevant documents such as the Draft Housing Element, the State HCD comment letter, and the Summary Table of the comment letter and staff response are posted on the City's website.

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

FISCAL ANALYSIS:

There is no fiscal impact associated with the authorization for submission of the Housing Element to HCD for review. This is part of the Housing Element update budget and does not require action on the part of the City Council that would necessitate expenditure of additional City funds at this time.

CONCLUSION:

Staff believes that the Revised 2009 Draft Housing Element fully addresses all of the concerns identified in State HCD's November 7, 2008, review letter with the proposed revisions described above and in the attachments. Therefore, staff recommends that the City Council authorize transmittal of the revised element to State HCD for a second 60-day review. Following receipt of State HCD's letter of preliminary certification, public hearings will be scheduled before the Planning Commission and City Council for final review and adoption of the Housing Element.

ATTACHMENTS:

1. June 30, 2008 City Council/Planning Commission Agenda Item Report
2. August 25, 2008 City Council Agenda Item Report
3. November 7, 2008 State HCD Review Letter
4. Summary of State HCD Comments and Proposed City Responses
5. Prospective Area for Emergency Shelter Location – Key Map
6. Prospective Area for Emergency Shelter Location – Zoning Map
7. Revised Draft Housing Element dated June 24, 2009 in ~~strikeout~~/underline
(Delivered to City Council and Planning Commission Under Separate Cover)

MOTION:

That the City Council and Planning Commission:

- (1) Review and discuss the Revised Draft Housing Element; and
- (2) Accept the revisions to the 2009 Draft Housing Element and authorize staff to submit the Revised 2009 Draft Housing Element to State HCD for a 60-day review as required by State law.