

## ATTACHMENT A

### FINDINGS FOR ZONING CODE TEXT AMENDMENT

Prior to the approval of a Zoning Code Text Amendment, the following findings must be made:

1. *The proposed amendment is in conformance with the goals, policies and objectives of the General Plan, and other adopted goals and policies of the City.*

The proposed amendment to the Zoning Code is consistent with the goals and policies of the General Plan as follows:

#### Land Use Element

- Goal 2. Land Use Diversity. A mix of land uses meeting the diverse needs of Pasadena's residents and businesses, fostering improved housing conditions, offering a variety of employment and recreation opportunities, and supporting a healthy population while protecting the environment.
  - Policy 2.1 (Housing Choices). Provide opportunities for a full range of housing types, densities, locations, and affordability levels to address the community's fair share of regional, senior, and workforce housing needs and provide a strong customer base sustaining the economic vitality of Pasadena's commercial land uses. The types, densities, and location of housing shall be determined by the Land Use Diagram and reflect the projected needs specified in the Housing Element.
- Goal 4. Elements Contributing to Urban Form. A safe, well-designed, accessible City with a diversity of uses and forms. These diverse forms include distinct, walkable districts, corridors, and transit and neighborhood villages and cohesive, unique single and multi-family residential neighborhoods and open spaces where people of all ages can live, work, shop, and recreate.
  - Goal 4.11 (Development that is Compatible). Require that development demonstrates a contextual relationship with neighboring structures and sites addressing such elements as building scale, massing, orientation, setbacks, buffering, the arrangement of shared and private open spaces, visibility, privacy, automobile and truck access, impacts of noise and lighting, landscape quality, infrastructure, and aesthetics.
- Goal 21. Desirable Neighborhoods. A City composed of neighborhoods with a variety of housing types that are desirable places to live, contribute to the quality of life, and are well maintained.
  - Policy 21.1 (Adequate and Affordable Housing). Provide a variety of housing types (i.e. small subdivisions, row housing, and condominiums), styles, densities, and affordability levels that are accessible to and meet preferences for different neighborhood types (e.g. mixed use pedestrian environments and traditional suburban neighborhoods), physical abilities and income levels, pursuant to the Housing Element.

- Policy 21.2 (Equitable Distribution of Affordable Housing). Providing for the equitable distribution of affordable housing throughout the City, as defined by the Housing Element goals and policies, capitalizing on opportunities for new development allowed by the densities permitted in the Central District and Transit Villages.
- Policy 21.4 (New Residential Development). Attract new residential development that is well-conceived, constructed, and maintained in a variety of types, densities, locations and costs.

### Housing Element

- Goal HE-1. Sustainable neighborhoods of quality housing, parks and community services, infrastructure, and other associated services that maintain and enhance neighborhood quality, character, and the health of residents.
  - Policy HE-1.1 (Neighborhood Character). Encourage, foster, and protect a balanced mix, density, and form of residential and mixed-use districts and neighborhoods. Preserve the character, scale, and quality of established residential neighborhoods.
- Goal HE-2. An adequate supply and diversity of quality rental and ownership housing opportunities suited to residents of varying lifestyle needs and income levels.
  - Policy HE-2.1 (Housing Diversity). Facilitate and encourage diversity in types, prices, ownership, and size of single-family homes, apartments, town homes, mixed-uses, transit-oriented developments, and work/live housing, among others.
  - Policy HE-2.4 (Affordable Housing). Facilitate a mix of household income and affordability levels in residential projects and the appropriate dispersal of such units to achieve greater integration of affordable housing throughout the City.
  - Policy HE-2.6 (Housing Incentives). Facilitate the development of affordable housing through regulatory concessions, financial assistance, density bonuses, the inclusionary housing program, and other City and outside agency programs.
  - Policy HE-2.7 (Entitlement Process). Explore continued improvements to the entitlement process to streamline and improve coordination of the processing of development permits, design review, and funding of affordable housing.
- Program #10: Inclusionary Housing
  - 2014-2021 Objectives: By 2016, review current ordinance to determine if inclusionary requirements can and should be increased in TOD districts.

The proposed amendments include changes to the Inclusionary Housing Ordinance (IHO) that would raise the optional inclusionary in-lieu fee and eliminate trade-downs. The amendments also include the creation of an affordable housing concession menu to

streamline projects utilizing State density bonus law (SDBL). The elimination of trade-downs would result in a higher number of on-site affordable units being produced at both the low-income and moderate-income levels as opposed to current trends, wherein developers utilize the trade-down provision to provide fewer total units all at the very low-income level. Although increasing the in-lieu fee would make it less of an attractive option to developers, it is still anticipated that many will choose to pay the in-lieu fee rather than face the uncertainties of providing on-site affordable units, thereby increase the revenues to the Affordable Housing Trust Fund. These revenues can be used to fund other types of affordable housing that would not otherwise be produced in the market, such as permanent supportive housing or transitional housing. These outcomes are consistent with Housing Element Policies 1.1, 2.1, 2.4, 2.6, and 2.7. Additionally, as part of this effort, a study was conducted that analyzed whether increased inclusionary percentages could be justified in TOD districts. The study did not produce strong evidence that increased inclusionary percentages in TOD areas would be more financially feasible than areas outside of TOD districts. Nevertheless, this study was undertaken specifically pursuant to Housing Element Implementation Program #10, and thus has satisfied that measure.

Although some housing development projects continue to be financially feasible today, development trends indicate that as time goes on, land prices and development costs will result in projects relying on greater density bonuses and increasingly larger concessions for height and floor area ratio being required in order to make projects financially feasible. This has resulted in newer projects being out of scale and incompatible with existing neighborhoods. The creation of an affordable housing concession menu will offer an alternative for developers that meets the City's goals of providing additional affordable housing while maintaining compatibility of new projects with existing character. In exchange for an additional set-aside of affordable units, projects will be eligible to take advantage of a set of concessions from a pre-determined menu and a streamlined review process. The result would be increasing the production of various types of affordable housing while maintaining compatibility with neighborhood character without limiting the development of market-rate housing overall. Therefore, these amendments would be consistent with Land Use Policies 2.1, 4.11, 21.1, 21.2, and 21.4.

2. *The proposed amendment would not be detrimental to the public interest, health, safety, convenience, or general welfare of the City.*

The proposed amendments are consistent with numerous policies in the Land Use and Housing Elements of the General Plan. The proposed changes to the IHO would result in a higher number of on-site affordable units and additional financial resources for the Affordable Housing Trust Fund. The creation of the affordable housing concession menu would require additional affordable housing while incentivize preservation of neighborhood character without stifling market-rate housing production overall. Therefore, the proposed amendments would not be detrimental to the public interest, health, safety, convenience, or general welfare of the City.