



STAFF REPORT

DATE: JULY 8, 2020

TO: PLANNING COMMISSION

FROM: DAVID M. REYES, DIRECTOR OF PLANNING & COMMUNITY DEVELOPMENT DEPARTMENT

SUBJECT: CHURCH HOUSING STUDY SESSION

RECOMMENDATION:

This report is a study session item related to a City-initiated Zoning Code Amendment. Staff will present background on proposed State law and potential regulations that could be adopted locally regarding residential uses in areas zoned for and/or occupied by faith-based and non-profit educational uses. The Planning Commission will be asked to discuss these matters and provide feedback. There is no action required at this time. Subsequent to this study session, Staff will return to the Planning Commission with a proposed Zoning Code Amendment.

BACKGROUND:

General Plan - Land Use Element

Providing a variety of housing opportunities is one of the Goals of the Land Use Element of the City's General Plan, with associated implementation policies:

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.

Policy 2.2: Senior Housing. Encourage the development of senior housing that has access to commercial services, health care facilities, community facilities, and public transit.

General Plan – Housing Element

The Housing Element also identifies the provision of a variety of housing types and income levels in the form of goals and policies:

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-2.2: 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-3.2: Partnerships. Support collaborative partnerships with nonprofit organizations, faith-based organizations, developers, business community, and state and federal agencies to develop, rehabilitate, preserve, and retain affordable housing.

Policy HE-3.6: Rental Assistance. Support the provision of rental assistance for residents earning lower incomes, including persons with special needs consistent with City preference and priority categories and fair housing law.

Policy HE-3.7: Workforce Housing. Work with major employers, educational institutions, health care institutions, and other employers within Pasadena to facilitate and encourage the development of workforce housing opportunities.

Policy HE-3.8: Housing Acquisition and Rehabilitation. Promote the acquisition, rehabilitation, preservation, or purchase of affordability covenants on multi-family housing and the maximum extension of affordability controls.

A recent effort by churches and faith-based organizations in California, referred to as “YIGBY” (Yes in God’s Backyard) has prompted a discussion on the use of land owned by religious organizations for uses other than worship. Many churches are required to set aside substantial portions of their properties for parking. The YIGBY effort seeks to respond to the State’s housing crisis by allowing for the redevelopment of church parking lots into affordable housing for low-income and moderate-income households.

Proposed State Legislation

Two State bills related to the provision of housing opportunities have been proposed and are under consideration in the State legislature: Senate Bill 899 (Wiener) and AB 1851 (Wicks). Both bills consider the possibility of allowing housing by-right on property owned by faith-based organizations and/or other nonprofit institutions, as well as potential standards for parking requirements. A summary and analysis of each bill is provided below.

Senate Bill 899 (Wiener)

Introduced on January 31, 2020 and most recently amended on June 18, 2020, this bill considers allowing housing as a by-right use on land owned by a religious institution or nonprofit college if the development meets all of the following criteria:

- The land was owned by a religious institution or nonprofit college as of January 1, 2020
- The project is not located on an environmentally sensitive site
- The project is not located within a historic district
- The project is located on a parcel that is in an urbanized area or cluster
 - An urbanized area or cluster is a site in which at least 75% of the perimeter of the site adjoins parcels developed for urban uses, and sites zoned for residential or mixed use.
- The project is located in a residential, mixed-use, or commercial zone and meets specified density requirements (as described below)
- The project is located on a site that is one-quarter acre or greater in size.
- The religious institution or nonprofit college partners with a “Qualified Developer”. A Qualified Developer is defined as a local public entity, as defined in Section 50079 of the Health and Safety Code, or a developer that meets both of the following criteria:
 - The developer is a nonprofit corporation, a limited partnership in which the managing general partner is a nonprofit corporation, or a limited liability company in which the managing member is a nonprofit corporation
 - The developer, at the time of submission of an application for development pursuant to this section, owns or manages housing units located on a property that is exempt from taxation pursuant to the welfare exemption established in subdivision (a) of Section 214 of the Revenue and Taxation Code.
- All residential units in the project, excluding manager’s unit or units, must be restricted to households as follows:
 - 100% of the units must be available to lower-income households, except;
 - 20% of the units may be designated for moderate-income households
 - Units must be dedicated to housing income limits for at least 55 years for rental units and at least 45 years for owner-occupied units
 - The rent or sales price for the units must be at least 20% below market rate for a unit of similar size and bedroom count in the same neighborhood. Applicants must provide the City with evidence that proposed units meet these requirements.
 - The City may restrict projects to lower-income households for longer periods of time, if such restrictions are consistent with applicable regulatory requirements for State assistance.

- The project must comply with all other objective development standards that don't conflict with regulations in SB 899.
- Any demolition of existing residential units in relation to the project must comply with existing statutory anti-demolition protections.
- For proposed projects in a residential or mixed-use zone, the following would apply:
 - The project shall be allowed density appropriate to accommodate housing for lower income households as identified in California Government Code Section 65583.2(c)(3)(B).
 - If the local government allows for greater residential density on a parcel than the above-mentioned density, or if the local government allows greater residential density or building heights on an adjacent parcel, then the greater density or building heights apply.
 - The project shall be eligible for density bonus.
- For proposed projects in a commercial zone, the following would apply:
 - Projects would be allowed a density of 40 units per acre and a height of one story above the maximum allowed height for the parcel.
 - If the local government allows for greater residential density on a parcel than the above-mentioned density, or if the local government allows greater residential density or building heights on an adjacent parcel, then the greater density or building heights apply. However, unlike in residential or mixed-use zones, projects in commercial zones shall not use an incentive, waiver, or concession to increase the height of the development beyond the aforementioned limits.
 - Except as specified above, a project shall be eligible for density bonus.
- All projects would be required to provide up to one on-site parking space per unit, except;
 - No parking is required if a development is located within one-half mile walking distance of a high-quality transit corridor or major transit stop, and within one block of a car share vehicle.
- Projects may have ancillary uses, depending on the zone:
 - In single-family residential zones, ancillary uses shall be limited to uses that provide direct services to the residents of the development and have a community benefit, including childcare centers and community centers
 - In multifamily residential, commercial, or mixed-use zones, the development may include commercial uses that are permitted without a conditional use permit or planned unit development permit

SB 899 applies to faith-based organizations, of which there are many in Pasadena. Staff identified approximately 115 religious organizations in total within the City; the majority of these institutions are found in areas zoned for multifamily uses and/or within Specific Plan areas that allow for commercial, residential, or mix of uses. 25 of those surveyed did not meet the parcel size

threshold of 0.25 acres. Of the remaining 90 organizations, approximately 17 of the religious organizations surveyed were in multifamily zones (in whole or in part), while 5 religious organizations were found in areas zoned for single-family residences (in whole or in part).

Additionally, SB 899 includes nonprofit colleges as eligible sites. Staff identified five nonprofit colleges in Pasadena, three of which are zoned PS (Public, Semi-Public) and two of which are within Specific Plan Areas. Three of the colleges are subject to Master Plans, which may impact their eligibility.

Assembly Bill 1851 (Wicks)

Introduced on January 6, 2020 and most recently amended on May 5, 2020, this bill similarly considers allowing housing as a by-right use for religious institutions and sets parking requirements for such uses. Specifically, the bill defines a “faith-based organization affiliated housing development project” as one that meets all of the following criteria:

- The project is located on one or more contiguous parcels that are each owned entirely by a “faith-based organization”. A “faith-based organization” is defined as a nonprofit corporation organized and registered for religious purposes
- The project qualifies for a density bonus under State law (only applies to projects with 5 or more units)
- The project qualifies as being near co-located religious use parking, by any of the following means:
 - The project is located on or more parcels that collectively contain religious-use parking
 - The project is located adjacent to a parcel owned by the faith-based organization that contains religious-use parking
 - The project is located on one or more parcels that are no more than 0.1 miles away from a parcel owned by the faith-based organization, which contains religious-use parking.

Per AB 1851, local agencies must reduce or eliminate parking requirements for projects that qualify as “faith-based organization affiliated housing development projects”. This parking reduction must be ministerial. Local agencies cannot require the replacement of parking spaces that would be eliminated, however, the number of parking spaces requested to be eliminated cannot exceed 50% of the number available at the time of the request. Local agencies also cannot require any pre-existing deficits in parking to be cured as a condition of approval.

As previously discussed, staff has identified approximately 91 religious organizations in the City of Pasadena, the majority of which are found in areas zoned for multifamily uses and/or within Specific Plan areas that allow for either commercial or residential, or mix of uses. Approximately 15 of the religious organizations surveyed were found to be in areas zoned for single-family residences, however four are within landmark districts. AB 1851 does not appear to apply to non-profit colleges or other institutions.

San Diego

In December 2019, the City of San Diego's City Council approved zoning code revisions that allow affordable housing to be constructed in church parking lots, as well as a streamlined process for approving senior living facilities. The revisions to the zoning code included allowing continuing care retirement communities to be permitted in zones that allow multifamily housing, and conditionally permitted in single-family zones. One church, Clairemont Lutheran, is exploring options for providing affordable housing, to be constructed in a portion of their on-site parking lot.

Walnut Creek

In 2016, the City of Walnut Creek approved a Conditional Use Permit for St. Paul's Episcopal Church to construct St. Paul's Commons, a 45-unit multifamily affordable housing project with 100% affordable units, with community facilities serving the homeless and working poor on the ground floor. The project included 10 on-site parking spaces as well as 21 parking spaces in a lot across the street. While this project predates the bills under consideration by the State, it is a recent example of affordable housing constructed on church property.

DISCUSSION:

Pasadena

Staff has been exploring the establishment of an overlay that would:

- Allow housing on church property and property meeting specific criteria
- Allow for reduction in parking
- Establish density and height regulations that would be compatible with the regulations found in adjacent zones.

NEXT STEPS:

Staff will receive comments, questions, and general feedback from the Planning Commission regarding Zoning Code Amendment to allow housing on church properties, engage the community in a virtual meeting and return to the Planning Commission for a formal recommendation at a future date.

ENVIRONMENTAL DETERMINATION:

This report is for information and discussion only, no action is proposed that would be subject to environmental review. Environmental analysis of code revisions will be evaluated if and when proposed code changes are identified.

Respectfully Submitted,



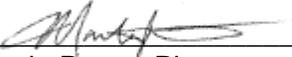
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