

Gustavo Mendez, Chair
Gilbert Cuevas, Vice Chair
Richard Corvera-Hernandez, Commissioner
Patricia Covarrubias, Commissioner
Vacant, Commissioner



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AGENDA

**A SPECIAL MEETING
OF THE CUDAHY PLANNING COMMISSION
Monday, August 30, 2021 – 6:30 P.M.**

"Members of the Public are Advised that all PAGERS, CELLULAR TELEPHONES and any OTHER COMMUNICATION DEVICES are to be turned off upon entering the City Council Chambers." If you need to have a discussion with someone in the audience, kindly step out into the lobby.

Written materials distributed to the Planning Commission within 24 hours of the Planning Commission meeting are available for public inspection immediately upon distribution in the City Clerk's Office at City Hall located at 5220 Santa Ana Street, Cudahy, CA 90201.

In compliance with the Americans with Disabilities Act (ADA) if you need special assistance to participate in this meeting, you should contact the City Clerk's Office at (323) 773-5143 at least 72 hours in advance of the meeting.

1. CALL TO ORDER

2. ROLL CALL

Commissioner Corvera-Hernandez
Commissioner Covarrubias
Vice Chair Cuevas
Chair Mendez

3. PLEDGE OF ALLEGIANCE

4. PRESENTATIONS

A. None.

5. PUBLIC COMMENTS

(Chairperson: This is the time set aside for citizens to address the Planning Commission on matters relating to Commission business. When addressing the Commission please speak into the microphone and voluntarily state your name and address. **Each person will be allowed to speak only once and will be limited to five (5) minutes.** The proceedings of this meeting are recorded on audio/video.

6. WAIVE FULL READINGS

A. Approval to waive the full reading of all resolutions on the agenda and declare that said titles which appear on the public agenda shall be determined to have been read by title only.

Recommendation: To waive the full text reading of all resolutions on the agenda.

7. PUBLIC HEARING

NONE

8. BUSINESS SESSION

Presentation on the Inclusionary Housing Ordinance with CEQA Streamlining

Recommendation: Receive and File

9. COMMISSION BUSINESS

10. ADJOURNMENT

I Salvador Lopez Jr., hereby certify under penalty of perjury under the laws of the State of California that the foregoing agenda was posted at Cudahy City Hall, Bedwell Hall, Clara Park, Lugo Park, and the City's Website not less than 24 hours prior to the meeting. A copy of said Agenda is on file in the Community Development Department.

Dated this 27th Day of August, 2021



Salvador Lopez Jr.
Community Development Manager



STAFF REPORT

Date: August 30, 2021

To: Honorable Chair and Members of the Planning Commission

From: Salvador Lopez Jr., Community Development Manager

Subject: Special Planning Commission Meeting to receive background information and input on development of an Inclusionary Housing Ordinance with accompanying Environmental Review Streamlining Process.

This staff report has been prepared for the special Planning Commission meeting for August 30, 2021.

RECOMMENDATION

Staff recommends that the Planning Commission of the City of Cudahy (the "City"):

1. Conduct a staff presentation, followed by input from the public and Commission, and a question/answer session; and
2. Receive and File. This is an informative workshop to provide background and engage the Commission, as the City explores adoption of an Inclusionary Housing Ordinance with accompanying Environmental Review Streamlining Process.

BACKGROUND

The State of California requires all cities and counties to provide affordable housing. The state has established Associations of Governments representing different regions throughout the state. One of the responsibilities of an Association of Government is to assist public agencies in their efforts to develop affordable housing in their communities.

The City is part of the Southern California Association of Governments (SCAG). SCAG determines, through the Regional Housing Needs Assessment (RHNA) the number of affordable units by income, that each city and county must provide during a specified cycle (5th cycle 2014-2021 and 6th cycle 2021-2029). The state further requires that all cities and counties adopt a Housing Element as part of their General Plan, which includes how the community will achieve the RHNA affordable housing unit numbers.

The City is currently preparing the state required update to the City's 2018 Housing Element. This update will include a variety of goals, policies, and strategies to achieve the RHNA number of affordable units established for the City. One of these goals is to provide affordable housing throughout the community, as a requirement for new residential and mixed-use development projects. The City began exploring the adoption of an Inclusionary Housing Ordinance with accompanying Environmental Review Streamlining Process, as a strategy to achieve the upcoming Housing Element goals.

What is Inclusionary Housing?

Inclusionary housing refers to programs and strategies that promote the creation of affordable housing when new development occurs. An Inclusionary Housing program requires new residential development to include affordable units. A program can be tailored to meet the specific needs of a community by establishing:

- Which residential projects will be required to provide affordable units (examples: projects with four or more units, and mixed-use projects which include a residential component).
- Percentage of units in a project which shall be affordable.
- How many units will be provided for different income categories (very-low, low, and moderate).
- Whether the project can include ownership and rental units, or a combination of both.
- Options for constructing units on-site.

Including an Inclusionary Housing Program, with specified criteria as noted above, is one strategy that many California communities have adopted as a way to meet their Housing Element goals and provide affordable housing throughout their community.

Environmental Review Streamlining Process

The City is exploring the potential for streamlining the environmental review process as a means to assist with the timely development of affordable housing. Such a process could be undertaken for projects in conformance with a proposed Inclusionary Housing Ordinance.

The California Environmental Quality Act (CEQA) requires all agencies to inform decision makers and the public about the potential impacts of a proposed project, and to reduce those environmental impacts to the extent feasible. CEQA includes exemptions for projects which have been determined to not have a significant effect on the environment.

Environmental Review Streamlining is a means to promote the construction of affordable housing by not requiring extensive environmental review. Affordable housing projects that are in compliance with the City's General Plan and Housing Element, adhere to all respective mitigation measures, and are in compliance with all Zoning Ordinance requirements and standards, could be considered exempt. Further environmental studies could still be required to address specific potential impacts such as soil, air quality/greenhouse gas, and traffic impact studies.

Outreach

As part of the City's Inclusionary Housing Ordinance efforts, the City has been reaching out to the community to provide input, suggestions, and to be active participants in providing affordable housing opportunities for all citizens. The City has been seeking the help of citizens, stakeholders, residential housing developers, affordable housing advocates, and the business community to identify what is needed when it comes to establishing affordable housing. Additionally, the City is seeking input on how to streamline and prioritize residential projects through environmental streamlining procedures.

Funding

The State of California Housing and Community Development Department (HCD) awarded the City funds, through the SB 2 Planning Grants Program, to prepare an Inclusionary Housing Ordinance. Funds were also included to explore the feasibility of an Environmental Review Permit Streamlining process to accompany an Inclusionary Housing Project proposal.

ANALYSIS & DISCUSSION:

Following is an analysis, and discussion, of the efforts conducted thus far as part of the review of the City's consideration to establish an Inclusionary Housing Program and Environmental Review Streamlining Process.

Benefits- Inclusionary Housing

In reviewing the requirements, guidelines, and feasibility of establishing a City Inclusionary Housing Program, the following benefits of such a program, were identified by communities throughout the country:

- More choices for lower-income households about where to live.
- Reduced opposition to affordable housing by requiring and producing affordable units within communities as they develop, not after.
- Support for compact infill development, reduced sprawl and achievement of local Regional Housing Needs Assessment (RHNA) targets for all income levels.
- Reduced vehicle miles traveled (VMT) and greenhouse gas emissions by providing people at all income levels more opportunities to live closer to work and in transit-rich areas.
- Ensuring that the entire community benefits from a growing economy. Public and private investments help create economic growth that raises property values. Inclusionary housing helps capture some of the value created by these investments to ensure that the benefits do not accrue solely to property owners and helps buffer against displacement pressures by ensuring that lower-income residents can remain in the community.
- Reduced segregation and concentration of poverty.

These are only some of the benefits identified. Benefits to the City could be far reaching and depending on the requirements and guidelines the City adopts, could include architectural design, increased home ownership, and more income diversity in neighborhoods.

Inclusionary Housing Program

A number of communities in the Los Angeles (LA) area were researched in an effort to identify whether they have adopted an Inclusionary Housing Program, or not. Of the programs that have been adopted a review was conducted of the types of requirements, guidelines, and processes the various communities had adopted as part of their respective programs. Following is a brief summary of these research efforts:

- There were 19 cities and one county researched:
 - Cities: Agoura Hills, Avalon, Burbank, Calabasas, Claremont, Duarte, Glendale, Long Beach, Pasadena, South Pasadena, Rancho Palos Verdes, Santa Monica, South Gate, West Hollywood, Whittier, Alhambra, Downey, Bellflower, and Norwalk.
 - County: LA
- Adopted Inclusionary Housing Ordinances and Other Alternatives:
 - Fifteen cities (Agoura Hills, Avalon, Burbank, Calabasas, Claremont, Duarte, Glendale, Long Beach, Pasadena, South Pasadena, Rancho Palos Verdes, Santa Monica, South Gate, West Hollywood, Whittier), and LA Co. have adopted Inclusionary Housing Ordinances (total 16 jurisdictions).
 - Two cities are proposing ordinances (Alhambra and Downey) and two cities are considering alternative ordinances/policies/projects (Bellflower and Norwalk) (total four jurisdictions).
 - Ordinances vary and are tailored to a respective city's circumstances and resources.
- Ordinance Requirements/Guidelines:
 - Minimum project size for requiring affordable units ranges from 5-10 units.
 - Majority of cities require both ownership and rental affordable units (of note, if affordable rental units are allowed, then the City shall provide options to on-site construction of the affordable units, Assembly Bill 1505).
 - Percentage of project to be affordable ranges from 5% (Rancho Palos Verdes) to 50% (Calabasas).
 - Majority of cities have the in-lieu fee and off-site construction options, in lieu of on-site construction.
 - Some of the cities also allow for acquisition and rehabilitation of existing units in-lieu of onsite construction.

As the City receives community input and continues exploring various options for requirements and guidelines, a Program can be tailored that is unique to the City.

Environmental Review Streamlining Process

Funds were also included in the grant received by the City to research and identify potential environmental review streamlining processes for projects in conformance with a proposed Inclusionary Housing Ordinance. Research included a review of state laws pertaining to affordable housing and streamlining, CEQA, and a select number of southern California city municipal codes. Following is a brief summary of this research:

- CEQA has an exemption for infill development provided specified requirements are met.
- State legislation exists for streamlining the project itself (but not environmental review), incentives for density bonus projects, and allowing an Inclusionary Housing Ordinance to include rental units as affordable units.
- None of the 20 jurisdictions researched had an environmental review streamlining process that was specific to inclusionary housing projects. However, cities do conduct environmental review of housing projects, which can include the CEQA infill exemption.

As the City receives public input, there are a number of options available to the City regarding environmental review of Inclusionary Housing projects, including, but not limited to the following:

- The City has the authority to establish a streamlining process for environmental review, but it must be in compliance with CEQA Guidelines and state legislation. The City could expand on the CEQA Section 15332 In-fill development exemption by including compliance with the City's adopted General Plan Environmental Impact Report (EIR), Housing Element environmental document, and adopted Inclusionary Housing Ordinance. In conjunction with an exemption, and project review, the City could require special studies such as soil, air quality/greenhouse gas, and traffic impact analysis.
- The City could continue the current environmental review process applied to all development proposals, to specifically include Inclusionary Housing project proposals as well. Based on the City's evaluation of a development project, environmental review could include one of the following: preparation of an EIR, Mitigated Negative Declaration, Negative Declaration, or CEQA Section 15332 In-fill development exemption as identified in the CEQA Guidelines.

Based on public input and additional consideration, the City has the opportunity to establish criteria for streamlining the environmental review process for Inclusionary Housing projects.

Public Outreach

The City has been conducting public outreach efforts to engage the community in identifying what is needed when it comes to establishing affordable housing in the City. All outreach efforts have been conducted in English and Spanish including written materials and provision of an interpreter at the first Community Workshop. Following are the efforts achieved thus far:

- A Community Survey was provided on the City's homepage from June 15, 2021 – August 16, 2021 which included the following information and responses:
 - In addition to the Website Survey, hard copies of the Survey were provided at the June 24, 2021 Food Distribution event.

- Twenty questions seeking input on housing needs and program requirements.
- 32 participants took the survey over the 2-month period.
- 26 responded in English, and 6 responded in Spanish.
- Majority live in Cudahy, and work elsewhere.
- Majority rent, rather than own their places of residence.
- Supported creation of mixed income neighborhoods.
- Support programs that require new development to include on-site affordable units.
- Prefer new single-family homes rather than apartments.
- 50% of project should be affordable units.
- Prefer onsite affordable units, followed by donate land for affordable project.
- Majority supported environmental review streamlining for affordable projects.
- An information banner was placed on the City's website home page.
- An article was prepared, and included in the City's July "Cudahy Chronicle" newsletter.
- A dedicated email address BeInclusionary@cityofcudahyca.gov was established, included in written materials, and posted on the City's website.
- Letters were sent to 50 Stakeholders (residential developers, Building Industry Association, businesses, churches, community members, and affordable housing advocates) notifying them of the City's consideration to adopt an Inclusionary Housing Ordinance and environmental review streamlining process, inviting them to attend the first Community Workshop, and encouraging them to provide input.
- City hosted the first Community Workshop on July 13, 2021. The City conducted the workshop, including recording, and facilitating presentations and public input. An interpreter was available to provide Spanish translation for citizens requesting this service. A power point presentation was provided, followed by a question-and-answer session. Below is a summary of the community input received at the first Workshop:
 - Supportive:
 - Agree with adoption of an Inclusionary Housing Ordinance.
 - Affordable units should be constructed as part of a market-rate project.
 - Affordable units should be dispersed throughout the project, and not located all together.
 - A percentage of affordable units constructed as part of the project should be greater than ten percent.
 - Not Supportive:
 - Developers should not have the option to pay a fee. Affordable units should be constructed on-site as part of the project.
 - Reduced parking should not be allowed for Inclusionary Housing projects, or any residential projects.
 - Did not support any type of environmental review streamlining.
 - General Comments:
 - Concerned with environmental justice.
 - Rents are too high for the new homes and apartments.
 - City needs more homeownership.
 - Affordable units should be for homeownership, and not rentals.

- The City has many contaminated sites and environmental review should be conducted.
- Tests should go deeper into the soil to determine whether contamination is evident or not.
- Traffic is an existing problem and should be part of environmental review for all projects.
- Traffic around schools is a problem.
- Air pollution is a problem from idling cars.
- City already has a lot of apartments and does not need anymore.
- The Inclusionary Housing Survey had a confusing question regarding options.
- Does not agree that City should give the maximum density bonus the State allows.
- Need more community outreach to gather input from citizens.
- Salvador Lopez, Community Development Manager, met with interested citizens to hear input and engage community members.
- Special Planning Commission August 30, 2021.

Future public outreach efforts will include public hearings before the Planning Commission and City Council. Additional efforts could include another article in the City's "Cudahy Chronicle" newsletter, updated informational banner on the City's website, and future activities as needed.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

This is an informational/update meeting, where no action will be taken by the Planning Commission; therefore, CEQA review is not required for this Special Planning Commission meeting.

Future CEQA compliance will be required as part of adoption of the Inclusionary Housing Ordinance. The following CEQA exemption applies to adoption of the Ordinance:

- Section 15060 Preliminary Review. The establishment and adoption of the Inclusionary Housing Ordinance is not subject to environmental review under CEQA pursuant to Section 15060 (c)(2) the activity will not result in a direct or reasonable, foreseeable indirect physical change in the environment and Section 15060 (c)(3) the activity is not a "project" as defined in Section 15378.

Future residential projects, themselves, will require a separate environmental review and are not subject to the exemption noted above for the adoption of an Inclusionary Housing Ordinance.

UPCOMING HEARINGS:

Adoption of an Inclusionary Housing Ordinance is considered an amendment to the Title 20, Zoning Code of the City's Municipal Code. A new Chapter (20.30 Inclusionary Housing Program) would be included, along with respective Sections. Additional definitions, for terms used in the new Chapter 20.30, will be added to Chapter 20.88 Definitions. The following public hearings are required to amend the Zoning Code and adopt an Inclusionary Housing Program:

Planning Commission

The Planning Commission is required to hold a minimum of one public hearing.

- Hold a public hearing, receiving input from the public.
- By Resolution, provide a recommendation to the City Council to adopt an Amendment to the Zoning Code an Inclusionary Housing Ordinance, with accompanying Environmental Review Streamlining Process, and CEQA Categorical Exemption.

More information will be provided as the hearing dates are finalized.

City Council

The City Council is required to hold a minimum of two public hearings.

- Hold the first public hearing, receiving input from the public, and considering the Planning Commission's recommendations.
- If supported, adoption, by Ordinance, approve an amendment to the Zoning Code and establish an Inclusionary Housing Ordinance with accompanying Environmental Review Streamlining Process.
- Approve CEQA Categorical Exemption.
- Hold a second reading for the amendment to the Zoning Code and the Inclusionary Housing Ordinance.

More information will be provided as the hearing dates are finalized.