



Community Development Department
City Planning Division
1685 Main Street – Mail Stop 28
Santa Monica, CA 90401

April 12, 2023

Paul McDougall, Senior Program Manager
State Department of Housing and Community Development
c/o Land Use and Planning Unit
2020 W. El Camino Ave, Suite 500
Sacramento, CA 95833

VIA E-MAIL: Paul.McDougall@hcd.ca.gov

RE: Request for Technical Assistance Regarding Potential Proposal to Amend Santa Monica's Certified 6th Cycle Housing Element

Dear Paul,

The City of Santa Monica is diligently pursuing implementation of its certified 6th Cycle (2021-2029) Housing Element and has completed the first phase of implementation, primarily consisting of Programs scheduled to be implemented no later than October 15, 2023. To complete this first phase, study sessions with our City Council were held on February 22 and February 28, 2023, to review and discuss the proposed implementation of Housing Element Programs addressing 1) Streamlined Processing for Housing Projects; 2) Rezoning for Housing; 3) Special Standards to Encourage Housing Production; and 4) Consistency with State Law.

The Council then held a public hearing on March 21, 2023, and adopted the amendments to the Land Use and Circulation Element ("LUCE"), Bergamot Area Plan ("BAP"), Downtown Community Plan ("DCP"), and introduced for first reading amendments to the Zoning Ordinance necessary to implement these requirements of our first phase of certified Housing Element implementation. The second reading of the ordinance to amend the Zoning Ordinance was adopted by the City Council on April 11, 2023.

Among those amendments, the City Council completed implementation of Program 1J (*Rezoning By Revising Development Standards To Ensure That Housing Projects Are Feasible And Incentivized Over Commercial Development*), which included increasing the maximum allowable floor area ratio ("FAR") and height (i.e., up-zoning) for housing projects in the City's nonresidential districts outside of the downtown in order to incentivize housing production, and Program 4A (*Zoning Ordinance Amendment to Permit Multiple-Unit Housing in Non-Residential Zones Where Not Currently Permitted*), which included a commitment to promote fair and equitable housing opportunities in certain zoning districts.

During the Council's February 22, 2023 study session preceding its March 21, 2023 vote to approve the full range of first phase program implementation, including Programs 1J and 4A, part of the Council's discussion highlighted its interest in balancing both the City's programmatic

approach to affirmatively furthering fair housing (*Assessment of Fair Housing in the City*, Chapter 2) by providing new housing choices and more affordability in high opportunity areas, with its concern about displacement of small businesses from neighborhood commercial areas. During the February 22nd study session, in response to concerns raised by the community, the Planning Commission, and Councilmembers, the City Council directed staff to request technical assistance from HCD regarding a potential proposal to amend a portion of the City’s Housing Element that would reverse the increase in allowable FAR and building height for certain sections of the Neighborhood Commercial (NC) Zone.

More specifically, and as described in more detail below, the City of Santa Monica respectfully submits the following question for technical advice:

Would HCD consider the City’s 6th Cycle (2021-2029) Housing Element to be substantially compliant with State Housing Element Law (i.e., would the Housing Element retain its certified status) if the City were to amend Programs 1.J and 4.A to eliminate the up-zoning (i.e., increasing height and FAR) for certain sections of the NC Zone on Main Street, Montana Avenue, Ocean Park Boulevard and Pico Boulevard?

For clarity, and as described in more detail below, if the City were to pursue this amendment, and if it were approved by HCD, it would result in a reversal of the up-zoning of those limited portions of the NC Zone that the City Council adopted on March 21, and April 11, 2023.

This question comes in response to the City Council’s discussion of concerns regarding how best to protect these neighborhood-serving commercial areas that are home to local, small businesses. As indicated in the attached materials, arguments presented to the City Council include: retaining small businesses would be a means to remove barriers to entry and increase entrepreneur opportunities for local residents, promote workforce development through local jobs, which in turn supports affirmatively furthering fair housing by allowing local residents to participate in the local economy. For ease of reference, Chapter 2 of the City’s certified Housing Element provides an overview of the City’s approach to these areas from an affirmatively furthering fair housing perspective (see pp. 77-78).

Table 1 below outlines the up-zoning of the Neighborhood Commercial Zone as described in Program 1.J of the City’s certified 6th Cycle Housing Element. The City Council approved this up-zoning of the Neighborhood Commercial Zone as part of its March 21, 2023 and April 11, 2023 actions.

TABLE 1.

NC Zone Parcel Information	Approx. Acres to be Rezoned	Current Tier 1 FAR/Height	Current Tier 2 FAR/Height	Minimum FAR/Height with Rezoning
NC ¹	27	1.50/32 ft	N/A	2.25/50 ft
NC (Main)	14	1.00/27 ft	N/A	2.50/55 ft
NC (Ocean Park)	15	1.00/32 ft	N/A	2.50/55 ft
NC (Montana)	15	1.00/ 32 ft	N/A	2.50/55 ft

¹ This NC Zone includes Pico Boulevard but other NC Zones on 14th Street and 26th Street have not been the subject of Council discussions and is therefore not part of the question being asked.

The map set forth below is also provided here to display the parcels zoned NC where the up-zoning would be reversed with this proposal (parcels outlined in blue). In other words, the highlighted parcels would revert back to the “current” maximum height and FAR set forth in Table

1 that has been in effect since June 23, 2015. There are a total of 13 parcels zoned Neighborhood Commercial on Main Street, Ocean Park Boulevard, and Montana Avenue that are also listed on the City’s Suitable Sites Inventory (Attachment “E”).

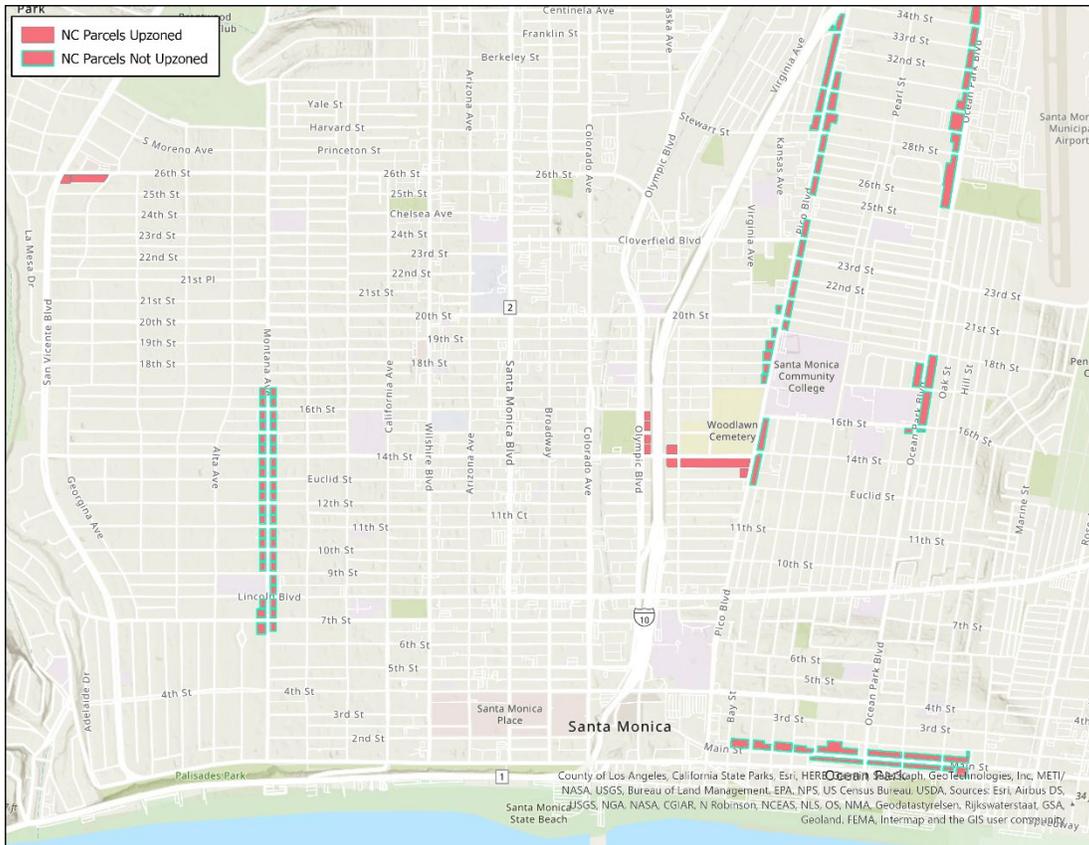


Figure 1. NC Zone Parcels under Discussion

Attached to this request for technical assistance is a letter from the Planning Commission dated January 23, 2023 (Attachment “A”) and a link to written correspondence received at the February 22, 2023 study session (Attachment “B”) that the Council considered as part of its discussion and as context to directing this request.

Finally, for reference, Attachment “C” to this letter provides a redline of the summary table incorporating this potential change to the NC Zone (Program 1.J on pages 129-130 of the City’s certified 6th Cycle Housing Element) and Attachment “D” provides a summary map showing the up-zoning Council adopted on March 21, 2023 and April 11, 2023 in order to ensure that for the City as a whole, new housing is feasible and incentivized over commercial development and new housing choices and more affordability in high opportunity areas are accommodated.

We look forward to receiving HCD's response to this technical assistance request. Should you have any questions or require additional information, please feel free to contact me at roxanne.tanemori@santamonica.gov or (310) 458-8202.

Sincerely,



Roxanne Tanemori, AICP
Acting Planning Manager

cc: David White, City Manager
David Martin, Community Development Director
Douglas Sloan, City Attorney
Susan Cola, Assistant City Attorney
Heidi von Tongeln, Chief Deputy City Attorney

Attachments

- A. Letter from Planning Commission to City Council proposing amendments to the Housing Element, January 23, 2023
- B. [Link to written correspondence for City Council Study Session, February 22, 2023](#)
- C. Redline summary table (*Program 1.J on pages 129-130 of the City's certified 6th Cycle Housing Element*)
- D. Map of Council-adopted rezoning, March 21, 2023
- E. Certified 6th Cycle Housing Element Suitable Sites Inventory with NC-Zoned parcels highlighted