

# memorandum

**DATE:** February 5, 2019

**TO:** Ron Davis, City Manager

**FROM:** Patrick Prescott, Community Development Director  
BY: Simone McFarland, Assistant Community Development Director  
Fred Ramirez, Assistant Community Development Director

**SUBJECT: HOUSING PRESENTATION-SETTING A PROACTIVE HOUSING GOAL**

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## **RECOMMENDATION**

Staff recommends that the City Council establish a housing goal that will:

- Build 12,000 dwelling units during the next 15 years, mainly along the I-5 Freeway corridor, which includes Downtown Burbank/Burbank Center Plan area, Airport District (Golden State Specific Plan) area, and parts of the Media District Specific Plan area. This would create a jobs-to-housing ratio of 2.57.

This housing goal is intended to facilitate responsible development that results in new housing for all economic segments, including much needed workforce housing. The proposed housing goal takes advantage of the City's public transportation infrastructure, and reduces vehicle miles traveled and traffic congestion from employee commutes. At the same time, this would help the City to ensure responsible development of new housing does not adversely impact single family residential neighborhoods.

## **BACKGROUND**

In July 2017, the City Council reviewed and approved the Housing Analysis and Strategy Plan. Subsequently, on October 30, 2018, staff presented the first of a series of housing goals presentations, providing background information related to three housing goals questions:

- The Right Place to create housing - *Where?*
- The Right Time frame for it to be implemented - *Why Now?*
- The Right Amount of housing - *How Much?*

Since that time, staff has been conducting research and is bringing back the topic to continue the discussion, as directed by City Council.

## **DISCUSSION**

### **Jobs-to-Housing Imbalance**

Burbank continues to have a significant jobs-to-housing imbalance. Currently the City has 154,000 jobs and only 44,000 homes. This equates to a jobs-to-housing ratio of 3.5, much higher than neighboring cities. Each day, more than 128,000 people drive into Burbank for work, causing traffic and parking frustrations. This swells Burbank to more than 200,000 people during the day and shrinks back down to 108,000 people at night. As a result, this necessitates the City to provide infrastructure and services for a much larger population. For example, the City provides Police, Fire, Public Works, Library and Parks and Recreation services along with infrastructure (e.g., streets, electricity, water and sewer) to support the peak population of 200,000, while not reaping the full benefits the City could receive if a larger percentage of these people lived here. These would include spending their night time and weekend dollars at local retail establishments, along with paying local taxes and becoming more engaged with the Burbank community.

Between 2010 and 2016, only one housing unit was created for each 57 new jobs within Burbank. We are jobs rich and housing poor with the job numbers tilting the scale in favor of more jobs every day as adequate new housing is not built and jobs continue to increase. This approach is not sustainable in the long term and has the potential to adversely impact the City's ability to attract and retain the businesses that currently make Burbank a major job center in the region.

If the jobs-to-housing ratio is not improved, continued declines in workers' quality of life will occur. Commuting times will increase, local traffic congestion will escalate, and people will become more stressed. This situation will force employees to look elsewhere for a better quality of life and businesses that want to keep their workforce will move with them.

### **Risk of Losing Local Control**

Furthermore, Burbank is at risk of losing local control of planning discretionary review and approval processes over housing.

With the passage of numerous housing bills during the last two legislative sessions, State law has strengthened housing law requirements that seek to reduce local impediments and streamline the process for increasing the housing supply. This will be done by requiring local cities to approve housing projects that comply with applicable local and State laws in order to meet fair share of regional housing needs, also known as Regional Housing Need Allocation (RHNA) numbers. The method for establishing RHNA numbers per jurisdiction has changed, lending more transparency to the process and giving the California Department of Housing and Community Development (HCD) more authority in the establishment of the numbers. HCD has also been explicitly granted authority to revoke certification of a city's Housing Element if a city does not comply with their Housing Element or other enumerated State housing laws, such as density bonus laws.

State housing laws are intended to facilitate the development of new housing for all economic segments of the State due to the significant shortage in new housing. HCD is seeking local compliance with Housing Element law, density bonus laws and other statutes in order to create a balance between income levels and housing costs within each area. In those instances where HCD has identified cities that have failed to comply with the Housing Element goals and other enumerated State housing laws, HCD has taken direct action through letters warning local jurisdictions of non-compliance with applicable State housing laws and potential decertification of their Housing Elements. In the most serious cases, HCD has referred cities to the Attorney General for further legal action; results of which can potentially lead to a court-imposed building moratorium limiting the issuance of building permits to only housing projects. In other words, new commercial development will not be allowed until there is housing growth. As of today, HCD had already begun flexing their enforcement rights by issuing 46 letters of non-compliance to local jurisdictions. Many of these letters state that the local jurisdictions are at risk of housing element decertification.

In 2006, the State Attorney General acted as the plaintiff-intervenor in an Alameda Superior Court case, Urban Habitat Program and Sandra De Gregorio vs. the City of Pleasanton. The plaintiffs stated that their City's voter-approved cap on housing development was a direct conflict with State law because the cap impeded their ability to meet their RHNA numbers. The plaintiffs also cited that Alameda was a jobs rich City and is inconsistent between the City's General Plan and its restrictive housing policies. After a four year battle, the trial court ruled in favor of the plaintiffs, requiring that all residential unit caps be removed and enjoined their City from issuing any commercial building permits until the city complied with the order.<sup>1</sup>

In December 2018, Senate Bill (SB) 50 was introduced to the current legislative session. If passed, the SB 50 will prevent cities, like Burbank, from restricting higher-density housing within a ½ mile of rail transit and within a ¼ mile of a bus line. It will also require waivers on density and parking similar to those applied with density bonus provisions. A similar bill, SB 4 is still in draft form and is planned to be proposed as an alternative to SB 50. Attached as Exhibit A is a recent letter received from the City's State Legislative Advocacy firm – Emanuel Jones and Associates. It further defines both proposed bills along with providing a summary of the Governor's proposed budget.

More recently, Governor Newsom stated that he wants to build 3.5 million residential units in California within the next six years. If the number of units for each city's share was based solely on a percentage of population, Burbank's share of new units to build would be 10,000 units although the mandated "share" number is likely to be much, much higher based on the City's jobs-to-housing imbalance. If cities do not comply with the Governor's ask he has threatened to withhold SB 1 Gas Tax funds, which help fund needed infrastructure projects at the local level.

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<sup>1</sup> <http://www.pilpca.org/2011/07/01/urban-habitat-decision-invalidates-housing-cap/>  
Urban Habitat Program v. City of Pleasanton, 164 Cal.App.4th 1561 (2008)

These State mandates are all similar to the State's Accessory Dwelling Unit (ADU) requirements, where the State has usurped local control and planning approval processes.

### **Building Neighborhoods vs. Developing Projects**

One of the most important ramifications of losing local control of our housing approval process is Burbank's ability to build neighborhoods as opposed to just approving housing projects. The City Council has indicated that neighborhood development, as part of a responsible development effort, is a priority for staff. Additionally, City Council has used the review and approval process to consider neighborhood development when reviewing specific projects. When considering planned development projects that request development agreements, when possible, the City often requires publicly accessible amenities that benefit the entire community to be included.

It is anticipated that State housing legislation that emphasizes the building of housing at the expense of local control will only continue if the City does not take proactive steps now to identify an appropriate number of housing units and the right locations for building those units. The result of State actions without a similar proactive response to address local housing demand will result in the State mandating the building of housing projects and not considering how they contribute to making a better Burbank.

### **Planning the Work & Working the Plan**

Based on these factors, it seems that it would be important to proactively set specific housing goals related to the number of units, during a specified time, in targeted development areas, which protect single family neighborhoods. By doing so, staff can continue to "plan the work" and "work the plan" including developing the Airport District/Golden State Specific Plan, and updating the Burbank Center Plan and the Media District Specific Plan. All of these are scheduled to be revised within the next five years or so, subject to the availability of funding and staffing.

### **Timeframe**

Staff recommends that City Council consider 15 years as the planning period within which to establish housing goals. The proposed planning time frame would take the City through the current Burbank2035 General Plan, along with the next two cycles of the RHNA timelines that are projected to occur during this period. Additionally, this longer planning period allows sufficient time for staff to undertake the long-term planning and ongoing implementation of the City's Housing Plan.

### **Place – Protecting Single Family Neighborhoods**

Staff recommends that the City Council clearly indicate that the focus should be on facilitating responsible development projects that create opportunities along the I-5 transportation corridor that includes portions of the City within the Downtown/Burbank Center Plan and the Airport District/Golden State Specific Plan areas. In addition, staff would be looking at possible opportunities for infill projects within the Media District Specific Plan area. With this approach, the focused development in these areas made up primarily of underutilized commercial, industrial, and higher density residential can result

in mixed-used and similar planned development projects that can help protect existing single family residential neighborhoods.

### **Housing Amount**

Staff is recommending that the City Council set a housing goal number of 12,000 dwelling units to begin the process of addressing the jobs-to-housing imbalance and reducing the jobs to housing ratio.

The proposed amount is based on a review of the existing Burbank2035 Housing Element and Measure 1<sup>2</sup> projected build out capacity along with State mandated local RHNA unit allocation currently and anticipated future allocations during the planning period. Both Burbank2035 and Measure 1 have maximum build out capacity limits of 17,338 and 19,395 additional units, respectively. To meet the City's current RHNA numbers (2013-2021) and expected RHNA numbers for the next cycle from 2021-2028, staff projects that the City would need to build more than 44,733 additional units to yield the number of market rate and affordable dwelling units to meet State RHNA, housing production requirements. This is based on the assumption that any unmet RHNA requirements would be rolled over into the next cycle, which is very likely to occur.

Further discussion along with staff's analysis on these numbers will be provided as part of the upcoming presentation accompanying this report.

### **Goal Setting**

By setting a specific housing unit number goal, staff and City Council will be better aligned in their expectations and vision for the future. This enables us to take advantage of new opportunities that may come our way along with considering and preparing for potential threats such as State intervention. The City can collectively do this through future planning efforts and City Council policies. Lastly, setting achievable goals provides City Council and staff a way to measure how we are doing as we can evaluate our efforts against the goal each year.

## **CONCLUSION**

To summarize the main points within the report:

- **We are jobs rich and housing poor.** Burbank badly needs housing. **Our jobs to housing ratio continues to get worse.**
- **A goal identifying the appropriate time, place and the amount of housing units is warranted.** Establishing the housing goal now will allow the City to better manage housing development through proactive planning and the subsequently measuring of our achievements in meeting the goal. **We plan the work and then work the plan.**

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<sup>2</sup> Measure 1 was passed by voters in 1989 as a residential growth management measure that prohibits the City from increasing the maximum allowed number of residential units beyond the approved 1988 Land Use Element. The City Council has extended the Measure until January 1, 2020.

- If we do nothing, current State mandates and anticipated future actions by the legislature can cause Burbank to **lose local control** over our housing planning approval processes. **We can manage change or it will manage us.**
- Establishing focused planning areas to facilitate responsible development of needed housing will help to **protect single-family residences.**

For all of these reasons, staff recommends a housing goal to build 12,000 units that helps the City work towards achieving a jobs to housing ratio of 2.57 within the next 15 years.

The plan will allow staff to focus future long-range planning efforts to facilitate new housing opportunities including workforce housing primarily along transportation corridors, which includes Downtown Burbank and the Airport District located along the I-5 Freeway corridor and to a more limited amount of infill development projects within the Media District area.

## **EXHIBIT**

A – Emanuel Jones and Associates Bill Analysis - Housing