

Development of Affordable Housing on Mid-City Parking Lots

November 18, 2024

Below is information regarding the future affordable housing to be developed by Hollywood Community Housing Corporation (HCHC) on City-owned public parking lots near Wilshire Boulevard at 1217 Euclid Street and 1211-1217 Fourteenth Street.

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Site selection/suitability

Why did the City make these sites available for affordable housing?

On October 11, 2022, the Santa Monica City Council voted to [adopt](#) the [2021-2029 Housing Element](#), a State-required plan to demonstrate the City's capacity for addressing housing needs at all income levels.

To address the City's shortfall of sites that could accommodate the City's need for housing affordable to 1,880 lower-income households, the City Council committed to [soliciting proposals](#) for the development of housing on certain [City-owned sites](#), including the public parking lots located at 1217 Euclid Street, 1211-1217 Fourteenth Street, and 1146 Sixteenth Street. In the City's 2021-2029 Housing Element, the City projected capacity for 130 residences across the three sites.

If the City did not identify City-owned sites to accommodate the shortfall, the Housing Element would have had to plan for substantially more housing units, which would have meant significantly higher upzoning. Further, the Housing Element requires the City to comply with new requirements to affirmatively further fair housing that required identifying City-owned sites throughout the City with special emphasis on areas that have historically not accommodated as much affordable housing as others. Thus, among other sites, surface parking lots at 1217 Euclid Street, 1211-1217 Fourteenth Street, and 1146 Sixteenth Street were identified to address the lower-income shortfall and the City's obligation to affirmatively further fair housing.

The California Department of Housing and Community Development (HCD) [certified](#) the City's Housing Element on October 14, 2022. Under State law, the City is required to report annually to HCD on implementation of the City's Housing Element programs. The City is subject to State enforcement action if it does not implement the Housing Element or takes an action that is inconsistent with the Housing Element. State enforcement actions could substantial fines, loss of funding, and/or the "builder's remedy," which would allow all developers in the City to bypass local zoning requirements as long as their developments include a minimum percentage of affordable housing. Other potential outcomes include lawsuits brought against the City by third parties.

What community outreach was done for selection of these sites for future development of affordable housing?

The City Council approved the Housing Element following a robust community engagement process, which began in 2019. [This page](#) summarizes all the City-hosted study sessions, workshops, and public meetings that took place. [Chapter 1, Section G](#) of the Housing Element (beginning on Page 12 as printed in the lower right-hand corner of the document) also outlines a thorough summary of City-led outreach efforts.

[This page](#) provides more in-depth information regarding the City-hosted outreach events, including meeting materials and questions and answers from participants.

Has the City studied the environmental impacts of the proposed affordable housing developments?

In accordance with the California Environmental Quality Act (CEQA), the City prepared an Environmental Impact Report (EIR) for the 6th Cycle 2021-2029 City's Housing Element, which was certified in October 2021 with an addendum approved in October 2022. The Housing Element EIR and associated addendum studied the potential environmental impacts of approximately 14,000 new housing units in the City through 2029, which included the development of housing on City-owned sites. The Housing Element EIR and Addendum to the Housing Element EIR are available at <https://www.santamonica.gov/housing-element-update> (scroll to the bottom of the page).

Development plans

What is currently proposed to be built on the three sites?

The development team will conduct further due diligence and continue to refine its proposal pursuant to available federal, state, and local affordable housing funding sources, Housing Element commitments, and the direction provided by City Council in closed session at the August 27, 2024 City Council meeting:

Give direction to continue exclusive negotiations with HCHC based upon a revised 100% affordable development with large family housing on 1217 Euclid Street and senior housing with 40 permanent supportive housing units for seniors on 1211-1217 Fourteenth Street and

1402 Wilshire Boulevard, provided that 1402 Wilshire Boulevard can be acquired by HCHC from a third party.

This revised project would be coupled with a City subsidy. Development on 1146 Sixteenth Street would be eliminated to mitigate parking impacts and would remain public parking. Development of 85 senior housing apartments inclusive of 40 permanent supportive housing apartments for seniors would be built on two parcels (1211-1217 Fourteenth Street and 1402 Wilshire Boulevard) instead of one to reduce building height adjacent to neighboring residential buildings on Fourteenth Street.

The current revised proposal includes the following:

1217 Euclid Street

48 large family apartments (a minimum of 50% of the apartments will be two and three-bedrooms)

40 resident parking spaces

1211-1217 Fourteenth Street

82 senior apartments, including 40 permanent supportive housing (PSH) apartments for seniors aged 55+ who are homeless or at risk of homelessness

42 resident parking spaces

City Council will consider the final proposal at a future open City Council meeting. For future updates on HCHC's proposal, please visit the development [web site](#).

How have plans for the development changed in response to community feedback?

The development team has proposed several changes to its [original proposal](#) in response to community feedback. The changes include:

- relocating the proposed permanent supportive housing apartments from Euclid Street to Fourteenth Street
- The Fourteenth Street site, including the 40 permanent supportive housing apartments, will house seniors aged 55 and older
- The Fourteenth Street site will be combined with the site at 1402 Wilshire Boulevard (which currently houses Unleashed by Petco) to concentrate height closer to Wilshire and step down to four stories on Fourteenth Street
- adding a second resident manager at Fourteenth Street
- a budget for security personnel with night and weekend hours for the first year of operations, to be reassessed by the City on an ongoing basis
- adding perimeter fences, fob-access gates, and security cameras at all sites

- restricting services to residents only
- Sixteenth Street will remain public parking
- No studios will be provided; smallest residences will be one-bedrooms
- providing vehicle queueing areas within the property lines to reduce congestion on the neighboring alleys

City Council will consider the final proposal at a future open City Council meeting. For future updates on HCHC's proposal, please visit the development [web site](#).

Parking

Why isn't there more on-site parking for residents of the developments?

The parking ratios are comparable to affordable housing industry standards based on leasing and affordable housing best practices, with a higher ratio of spaces provided at Euclid Street where two- and three-bedroom apartments for larger households are proposed and a lower ratio provided at Fourteenth Street for senior/senior permanent supportive housing apartments, where residents are less likely to own a car. The buildings will also have secure bicycle parking available for residents and are located near public transit. The City also operates a [low-cost on-demand rideshare program](#) for seniors and people with disabilities. When apartments are made available for lease, prospective tenants will be informed they are not guaranteed a parking space should they choose to move in.

Will public parking be replaced?

The City Council provided direction to continue negotiations with the development team based on a revised proposal, which would retain the current use of 1146 Sixteenth Street as public parking. The current revised proposal does not include on-site public parking replacement at the affordable housing developments. The City is continuing to research additional solutions to address the community concerns related to loss of public parking at Euclid and Fourteenth Streets and will present options for City Council consideration. Since there are no dedicated sources of funding to support public parking construction, any decision regarding replacement public parking, including any City financial contribution, would be at the direction and approval of City Council.

Will the developments adhere to the height restrictions allowed under the zoning code?

Per [Section 9.01.040.A.1.d of the Santa Monica Municipal Code](#), housing developments affordable to lower income households on City-owned property are exempt from zoning regulations. Although zoning regulations do not apply, the current proposal utilizes additional height, zoning incentives and waivers available to affordable housing developments under State law and City code.

Permanent Supportive Housing

What is Permanent Supportive Housing?

Permanent supportive housing (PSH) combines affordable housing with on-site voluntary support services and intensive case management to assist formerly unhoused residents in achieving housing stability. Services are designed to build independent living and tenancy skills, address health concerns, and connect residents with community and public resources.

Onsite services are referred to as “wrap around” because they entail a wide variety of supports, with case management being the core of the support. This is often paired with life skills classes, budgeting classes, workforce support, community building social activities, and more.

Services that are offered onsite at a PSH community are exclusively for residents of that development and are tailored to the needs of those residents.

Is Permanent Supportive Housing (PSH) the same as a shelter?

Unlike shelters or temporary housing, PSH is long-term housing. Residents have leases and maintain the same legal rights and restrictions as any other renter in the City. Residents sign a lease and can continue to renew their lease. Residents pay up to 30% of their income in rent, and a federally-funded rental subsidy administered by the Santa Monica Housing Authority (SMHA) pays the balance of rent owed each month. Rental subsidies for 40 households are anticipated to be awarded by the SMHA for use at the Fourteenth Street site pending Council approval.

In Program 5.A of the Housing Element, the City committed to reducing the number of homeless individuals living on the streets of Santa Monica through the provision of a range of housing options, with an emphasis on affordable, permanent, supportive housing.

For more information about PSH and why it is a key strategy to addressing homelessness in Santa Monica, please see blog posts [here](#) and [here](#).

Who would qualify to live in Permanent Supportive Housing?

Eligible households include vulnerable Santa Monicans who are at-risk of homelessness, or who became homeless while living in Santa Monica, or while working in the City, or have been homeless in the City for years, or are deemed in highest need of immediate housing based on utilization of City services. For senior PSH, there is an added eligibility requirement of 55 years of age or older. This housing is a vital safety net to keep Santa Monican seniors housed and enable them to age in place in our community.

The Santa Monica Housing Authority conducts a background check for all PSH residents prior to moving in as part of their approval process. See below regarding who would not be able to move in based on the SMHA’s background check process.

Who CANNOT move into Permanent Supportive Housing?

Residents in PSH must be able to live independently. If an individual requires a higher level of care – such as a mental health crisis stabilization bed – they are not a candidate for PSH.

As part of the applicant screening process, the Santa Monica Housing Authority conducts a background check of applicants.

The following individuals are not eligible for PSH:

- Lifetime registered sex offenders
- Households in which any member was convicted of any of the following criminal activities within the past three years:
 - Drug-related criminal activity
 - Violent criminal activity
 - Criminal activity that may threaten the health, safety, or right to peaceful enjoyment of other residents, surrounding neighbors or staff at the community.

What happens if residents are disorderly or violate the terms of their lease?

Like any renter in the City, tenants must abide by the terms of their lease. General affordable and PSH developments also have rules and guidelines that tenants must abide by, which are enforceable by property management staff. Per HCHC's rules and guidelines, every resident and household member is entitled to the "quiet enjoyment" of their apartment. Residents, household members, and their guests are expected to conduct their activities in and about the buildings in a manner so as not to interfere with the rights, comfort, or convenience of their neighbors. Loud, boisterous conduct anywhere on the property that will disturb the comfort of others is prohibited.

The City requires developers to provide a sample tenant lease as well as a property management plan for City approval that describes steps property management will take to resolve potential lease violations as well as eviction procedures in the event issues cannot be otherwise resolved.

What measures are in place to ensure safety and security for the neighborhood?

Like any tenant, a PSH tenant signs a lease, pays rent, and must abide by the terms of the lease. The stability provided by safe and stable housing combined with onsite supportive services promote PSH residents' ability to live healthy, productive lives.

In addition to onsite case managers offering supportive services to PSH residents and in response to community feedback, the property will have two property managers living on-site. The property managers will be employed by HCHC and will be trained to address any challenging situations. In addition to property managers living on site and case managers providing services to tenants,

HCHC has also budgeted for security personnel with night and weekend hours for the first year of operations, to be reassessed by the City on an ongoing basis. Both developments will have perimeter fencing, similar to existing multi-family buildings in the neighborhood; fob-access gates; and security cameras. HCHC will be required to submit for City approval a security plan as part of its agreement to ground-lease the City parking lots.

Development and leasing process

Who will own the developments?

The City-owned sites will remain City-owned property and would be developed pursuant to a ground lease. Any future development on the sites will require City Council approval in open session of the development plan, business terms between the City and developer (such as ground lease payments from the developer to the City), population to be housed, and other terms for use of City-owned land. HCHC will own the buildings constructed on the land and intends to own and operate the properties as affordable housing for the life of the properties. HCHC owns and operates 33 affordable apartment buildings and has not sold any of its properties.

How will the construction be funded?

The developments are anticipated to be funded through State and Federal tax credit equity, private bank loans, and a loan from the California Department of Housing and Community Development's Multifamily Housing Program. Any contribution from the City of Santa Monica Housing Trust Funds above that which is allowed under the City's Housing Trust Fund Guidelines would be subject to City Council approval.

When will construction begin and end?

Euclid Street construction is anticipated to start in Fall 2025 and end in Summer 2027. Fourteenth Street construction is anticipated to start in Winter 2025/2026 and reach completion in Winter 2027/2028. Construction timelines are approximate and subject to change based on timing of public funding application cycles and award announcements. Please visit the development [web site](#) for future updates on the construction schedule.

How will eligibility for prospective general affordable residents be determined?

Prospective general affordable housing residents will be drawn from the City-administered Below Market Housing (BMH) waitlist for both Euclid Street and Fourteenth Street sites. For the PSH apartments, a waitlist administered by the Santa Monica Housing Authority.

Prospective residents are required to submit documentation to verify eligibility, such as proof of income and age (for the Fourteenth Street senior development). If they meet the requirements for

local priority, such as Santa Monica residency or employment, prospective residents must submit supporting documentation.

Public process

What is the role of the City in facilitating development of these sites?

On October 11, 2022, the City Council adopted the City's 2021-2029 Housing Element, which designated the three City-owned public parking lots near Wilshire Boulevard and Fourteenth Street for affordable housing. In adopting the Housing Element, the City Council also committed to soliciting proposals for the development of affordable housing on the sites (Housing Element Program 2.E). The City released a Request for Proposals (RFP) in June 2023, and on March 19, 2024, the City Council selected the development team led by HCHC with which to negotiate future development on the sites.

City staff as well as City Councilmembers have attended community meetings with HCHC and have attended additional meetings with stakeholders. City staff have reviewed public comments received and are assisting the development team as it conducts due diligence and refines its proposal.

Will there be future opportunities to provide feedback or comments on the developments?

The proposed developments and business terms for the developments are tentatively scheduled to be considered by the City Council in an open meeting on December 17, 2024. The developments' design are anticipated to be discussed at a future meeting of the City's Architectural Review Board in December 2024 or early 2025. Currently HCHC anticipates beginning construction in late 2025 on the Euclid Street site and winter 2025/2026 for the Fourteenth Street site. Meeting this deadline is contingent on other factors, including HCHC applying for and receiving funding which have specific deadlines for applying, and some funding opportunities are only available on an annual basis. Given this, the community input on design and development aspects remains limited to the period prior to funding applications. Once the developments are open and operating, HCHC will provide contact information to community members to report concerns about operations to property management.

Where can I receive updated information about the developments?

You can check for updates from the Housing Division [here](#), or visit HCHC's development [web site](#).