

Report on Actions Taken to Alleviate Conditions Leading to the Imposition of a Moratorium on New Hotel Development Projects in the City's Downtown Specific Plan area:

On October 19, 2021, the City of Glendale enacted a Moratorium prohibiting new Hotel Development Projects within the Downtown Specific Plan area by Interim Urgency Interim Ordinance No. 5977. The Moratorium was enacted for an initial period of 45 days and the City Council will consider an action to extend the Moratorium for up to 10 months and 15 days at a duly noticed Public Hearing on November 16, 2021.

This report provides all interested parties information on actions taken by the City of Glendale to alleviate the conditions leading to the imposition of the Moratorium. Pursuant to law, this report is being made available at least 10 days prior to the City taking action on extending the Moratorium.

1. Staff has created different alternatives to study, regarding the future of hotel uses in the Downtown Specific Plan (DSP) study area. These alternatives will define the work plan during the moratorium. Staff has identified the following alternatives:
 - A) Market Study. The market study will provide an opportunity to evaluate the future need of hotels in the DSP study area. This study will consider the need for different ratings of hotels and the overall quantity of rooms that the downtown may support or need. This study will also consider the impacts of the Covid-19 pandemic and how the pandemic may have changed the demand for hotels, particularly related to business travel.
 - B) Hotel Use Incentive. Currently, the hotel use incentive in the DSP allows for additional development potential. This premise is based on the positive economic impacts of hotel developments in the downtown through increased economic activity and tourism. These projects also provide other benefits such as commercial establishments to be accessed by the general public and meeting rooms. As part of the incentive, developments are required to establish a covenant in perpetuity for participation. During this time, staff will utilize the proposed market study to inform whether the incentive system is still necessary, or if it should be modified. Staff will also evaluate the feasibility of other approval mechanisms for projects that participate in the incentive program, such as a development agreement. This would allow for the City to impose additional conditions on a project to satisfy specific impacts or contexts, as well as the goals and objectives of the DSP.
 - C) Conditional Use Permit. Staff will also study the potential for hotel development, in the downtown, to be required to obtain a conditional use permit. A conditional use permit will require that specific findings be made regarding the compatibility of a hotel use, within the DSP, and may also require that specific conditions be met to

ensure compatibility with surrounding uses and the vision for the DSP. Staff will analyze the impacts of requiring a conditional use permit, including potential special conditions that could be required

- D) Prohibited Use. Staff will study an alternative that would considering prohibiting the use of hotels within the DSP. This alternative will be developed based on the findings of the proposed market study, and will identify whether the use is necessary in the DSP and also present the potential impacts of prohibiting the use.

During the period of the extended moratorium, staff will return to Council with updates on each of the potential alternatives, as well as a recommendation for future action.