



CITY of CALABASAS
CITY COUNCIL AGENDA REPORT

DATE: SEPTEMBER 18, 2019

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: MAUREEN TAMURI, COMMUNITY DEVELOPMENT DIRECTOR, AICP
MICHAEL KLEIN, SENIOR PLANNER

SUBJECT: REPORT ON EXPIRATION OF AFFORDABLE HOUSING UNITS

MEETING DATE: SEPTEMBER 25, 2019

SUMMARY RECOMMENDATION:

This is an informational item, no action required at this time.

BACKGROUND:

The purpose of this report is to provide the City Council with information regarding current affordable housing options in the City of Calabasas. The report will also include a discussion of expired affordable housing.

DISCUSSION/ANALYSIS:

Number of Restricted Units for Affordable Housing

According to the 2015 US Census, Calabasas is home to approximately 24,000 residents living in approximately 9,200 housing units. There are approximately 6,900 single-family units, 2,100 multi-family units, and 230 mobile home units within the City. In 2018, approximately 23% of households (2,100 homes) earned less than \$50,000 annually (US Census American Survey). In comparison, the Area Median Income for a family of four in Los Angeles County is \$73,100. The

following tables identify restricted units within the City available to households that earn less than 120% of the County median income:

Existing Affordable Housing:

Name	Address	No. of Units	Income Level	Expiration Date
Avanti	23500 Park Sorrento	8	Very Low Income	2046
Canyon Creek	4803 El Canon	74	Very Low Income	2066
Avalon Bay	3831 Orchid Lane	120	Very Low/Moderate Income	2020*
Total: 202 units				

* The LACDC Bond requiring the affordable units was paid off in September of 2018, and is no longer in effect. The County Board of Supervisors approved \$600,000 in funding to provide a temporary rent subsidy to remaining tenants until the end of 2019. As a result, these units may be rented at market rate on January 1, 2020, unless new funds are committed.

Approved – Pending Construction/Completion:

Name	Address	No. of Units	Income Level	Expiration Date
Paxton	4240 Las Virgenes Rd	4	Very Low Income	2048
Raznick	23480 Park Sorrento	5	Very Low Income	2075 (est)
Total: 9				

Applications in Process:

Name	Address	No. of Units	Income Level	Expiration Date
West Village	4790 Las Virgenes Rd	27	Very Low Income	55 years
Total: 27				

Expired:

Name	Address	No. of Units	Income Level	Expiration Date
Malibu Canyon	5757 Las Virgenes	140	Very Low/Moderate Income	2016
Malibu Creek	4201 Las Virgenes	14	Moderate Income	2013
Total: 154				

Affordable Housing Trends

In 2014, during the adoption of the City's current Housing Element, there were 334 deed restricted affordable housing units within the City. Since then, 140 affordable units, or 42% of all affordable units in the City, have been lost due to expiration of bonds or deed restrictions enforced by LA County. With the expiration of County funding to subsidize rents at Avalon Bay, another 120 affordable units (60% of the remaining affordable units in the City) are at risk of expiring at the end of 2019. With the completion of Paxton, four new deed restricted affordable units will be available. Although Raznick has approved entitlements to construct 42 units (5 of which would be deed restricted for Very Low Income tenants), the City has been advised that the current construction climate may render the project infeasible.

The City's Inclusionary Housing Ordinance requires all residential projects with five or more units to provide 5-20% of the number of units in the project at affordable rent or sales levels. The Ordinance allows for a range of affordable units depending on whether the units are reserved for very low, low or moderate income households. Where the Planning Commission determines that onsite affordable units are not feasible, the Commission may approve alternatives such as offsite construction, conversion of existing market rate units to affordable rates (via deed restrictions), or payment of in-lieu fees to be deposited into the City's Affordable Housing Trust Fund.

The Housing Element of the 2030 General Plan includes the following policies with the objective of providing a variety of housing types to address the needs of all economic segments of the community:

- Policy V-12 Continue to require new housing development to set-aside a portion of units for lower and moderate income households through the Inclusionary Housing Ordinance. Only if that is not economically feasible, allow for payment of an in-lieu fee, but this is considered the less desirable alternative.
- Policy V-13 Support the provision of affordable housing to employees in Calabasas through the Commercial/Industrial Development Impact Fee Program.
- Policy V-14 Provide financial and/or regulatory incentives to facilitate the development of affordable housing

Policy V-17 Offer regulatory incentives and concessions, including density bonuses, to offset or reduce the costs of developing affordable housing.

Policy V-18 Promote the timely processing and approval of residential projects that meet General Plan policies and City regulatory requirements.

City's Affordable Housing Trust Fund

The City's Affordable Housing Fund, generated from Commercial Impact and Inclusionary Housing fees, serves as the primary source of funds to support the production or retention of affordable housing in the City. Money from this fund may be used to purchase land and/or build affordable units, purchase existing market rate units or provide a rent subsidy to retain affordable housing rates. There is currently a balance of \$1,662,666 in City's Affordable Housing fund as of the end of August, 2019. The amount of \$500,000 from this fund was reserved by the Council in April 2012 for a dilapidated home repair program for low and moderate income residents, and further expanded in April 2019 to include financial assistance for the construction of ADUs for low and moderate income residents. As such, there is approximately \$1,160,000 from the Affordable Housing fund which remains to be programmed. There are no anticipated sources of new revenue for the City's Affordable Housing fund because there are no approved projects that are required to pay the City's Affordable Housing Impact Fee.

Housing Element Update / Regional Housing Needs Allocation (RHNA)

California law requires that each city develop local housing programs to meet its fair share of existing and future housing needs for all income groups. The Southern California Association of Governments (SCAG) is responsible for developing and assigning Regional Housing Needs Assessment (RHNA) to each jurisdiction. While state law used to require cities to only plan for additional housing units, recent legislation penalizes cities that have not issued building permits to construct units in accordance with their RHNA allocation. The current RHNA cycle started in 2014 and ends in 2021, and has the following housing allocation for Calabasas:

2014-2021 RHNA	
Income Category	Assigned RHNA
Very Low	88
Low	54
Moderate	57
Above Moderate	131
TOTALS:	330

By law, the City will need to update the Housing Element of the 2030 General Plan, by November 2021 in order to accommodate the RHNA allocation for the next cycle (2022-2030). Staff anticipates receipt of draft RHNA allocation in February 2020.

FISCAL IMPACT/SOURCE OF FUNDING:

None at this time.

REQUESTED ACTION:

Receive and file.

ATTACHMENTS: None