



CITY of CALABASAS

PLANNING COMMISSION AGENDA REPORT
FEBRUARY 4, 2021

TO: Members of the Planning Commission

FROM: Tom Bartlett, AICP, City Planner
Michael Klein, AICP, Senior Planner

SUBJECT: Discussion of housing site inventory for the 2021 – 2029
Housing Element Update

RECOMMENDATION: Provide direction to Staff regarding the 2021 – 2029 Housing
Element Update.

STAFF RECOMMENDATION:

That the Commission review the housing site inventory and provide direction to Staff regarding the 2021 – 2029 Housing Element Update.

REVIEW AUTHORITY:

Any amendment to the Calabasas General Plan must be reviewed by the Planning Commission, in accordance with 66350 of the California Government Code and Chapter 17.76 of the Calabasas Municipal Code.

BACKGROUND:

Every city and county in California must prepare, adopt and implement a General Plan, which establishes overall goals and policies for future growth of the jurisdiction. As set out in the California Government Code, a city's General Plan must include a Housing Element as one of seven mandatory elements. The Housing Element must include policies and programs to meet existing and future housing needs for the City across a wide socio-economic spectrum, as established by the California Department of Housing and Community Development (HCD) and the Southern California Association of Governments (SCAG).

On July 16, 2020, the Planning Commission held a kick-off meeting to discuss the 2021-

2029 Housing Element Update process, take public comment and provide preliminary direction to staff. Staff updated the housing site inventory based on feedback from the Planning Commission, and posted the sites map online for public comment. Additionally, staff developed an online survey with 11 questions for Calabasas residents to provide feedback on the preference for various policy options. The survey was posted on the City website for six weeks, with a link advertised in the Acorn, Valley News Group and a postcard sent to every residential unit in the City. The City received 913 responses to the survey, which closed on September 30, 2020.

On September 30, 2020, staff held a virtual Community Workshop to provide the public with information regarding the 2021-2029 Housing Element update. In the Community Workshop, staff received active participation by the attendees via quick micro-surveys, site-by-site review of possible sites, and questions and answers. There were 16 people in attendance of the Community Workshop.

On October 15, 2020, the Planning Commission held a public meeting to discuss the results of the online survey and the Community Workshop. The Commission opened the discussion up for additional public comment and provided staff with direction. The Commission also requested that staff return to a future meeting in order to finalize the housing site inventory based on feedback from the community and Commissioners.

DISCUSSION:

6th Cycle of the Regional Housing Needs Assessment (RHNA)

SCAG started the 6th cycle RHNA process through a Local Input Survey, which was distributed to the planning departments for all cities and counties in the region. The survey allowed the Calabasas Planning staff to review SGAG's growth projections and identify errors/constraints in their draft methodology. Planning staff's input also included one-on-one discussions with SCAG representatives to demonstrate the City's severe topographical constraints and extreme wildfire susceptibility. SCAG then used the local input as a basis for finalizing its methodology for RHNA distribution.

Late in 2019, SCAG received from HCD a regional allocation of 1,344,740 total new housing units. Shortly afterward, SCAG issued draft RHNA sub-allocations to the region's individual cities and counties; the City of Calabasas received a preliminary draft allocation of 351 total new housing units, with 290 of those units (more than 80% of the total) to fall into Moderate Income, Low Income, and Very Low Income affordability categories. The draft allocation was later updated by SCAG, and Calabasas now faces an allocation of 353 total housing units. SCAG started the appeals process of the RHNA allocation in September 2020, and should conclude by the end of January 2021. RHNA allocations

may be adjusted for each city with the SCAG region based on the results of the appeals. Final RHNA allocations are expected to be provided by SCAG in February or March 2021. The City's current draft RHNA allocation is detailed below.

Draft 6th Cycle RHNA for City of Calabasas

| Income Level | Percent of Area Median Income (AMI) | Housing Units | Percent |
|---------------------|--|----------------------|----------------|
| Very Low | 31-50% | 131 | 37% |
| Low | 51-80% | 70 | 20% |
| Moderate | 81-120% | 70 | 20% |
| Above Moderate | 120%+ | 82 | 23% |
| Total | | 353 | 100% |

HCD: Plan for Adequate Sites Above and Beyond RHNA

For the preceding RHNA cycles, the City included a reasonable buffer of available sites in its Housing Element. This buffer (or 'surplus' of future housing capacity) proved beneficial when the City prepared the 5th RHNA cycle update because the City was able to rely on identified sites from the 4th RHNA planning cycle to meet the City's new RHNA. However, with the City's higher 6th cycle RHNA allocation, including a much higher percentage of affordable units, as well as substantially more stringent site justification requirements, the existing planned and zoned housing sites will not be adequate. Furthermore, HCD will now also require local jurisdictions to identify enough future housing sites inventory to not only cover the jurisdiction's 6th RHNA, but to also provide for an additional buffer capacity above the RHNA. The buffer capacity is required to accommodate realistic production rates of affordable housing units; plus having the buffer can allow for instances when a smaller residential project may have to be considered for a given property. (The "No Net Loss" Law -- Government Code section 65863 -- requires enough sites be maintained to meet the RHNA for all income levels throughout the planning period). The recommendation from HCD is to adopt a housing site inventory with a buffer of at least 20% over the allocated RHNA.

Staff has prepared two housing site inventory options based on feedback from the community via the online survey and virtual workshop, and feedback from the Planning Commission. These options reflect multiple requirements by HCD that must be satisfied in order to include a site in the inventory, as well as an analysis of site feasibility. Both options require restructuring density and the adoption of an Affordable Housing Overlay Zone (see discussion below), which would permit higher densities in exchange for a project that includes a greater percentage of affordable housing. Without an Affordable Housing Overlay Zone, the City would have to rezone more properties to accommodate

approximately 3,000 new residential units in order to achieve the allocated number of affordable housing units through the City’s inclusionary program. Additionally, both site inventory options include mixed use sites in Craftsman Corner, taking advantage of the City’s planned annexation of this area. Staff requests that the Planning Commission review both options and provide direction for the City Council to approve a housing site inventory for the 2021-2029 Housing Element.

Option A (see Exhibit A) includes an affordable housing overlay zone on Mixed Use properties and on the Avalon Apartment complex. Due to the concentration of higher densities along Calabasas and Agoura Road (which was supported by the community survey), this option does not include any vacant land along Mulholland Highway, and does not require any parcel to be rezoned.

Option B (see Exhibit B) removes the Avalon Apartment Complex from the inventory. However, to offset the loss of units provided by Avalon, this option requires the addition of vacant sites along Mulholland Highway and a rezone program to change these sites from single-family to multi-family zones. Under state law, any property that is part of a rezone effort to meet RHNA is required to be zoned for “by-right” development.

Affordable Housing Overlay

New HCD rules require cities to use past performance to identify realistic production of affordable housing. As demonstrated in the table below, the average rate of production for affordable housing in Calabasas is approximately 10% of a new development. This is accomplished via the City’s inclusionary housing ordinance, which requires any project with five or more residential units to provide deed restricted affordable housing. At a rate of 10%, the City would have to develop a housing inventory with enough feasible sites (mostly vacant) in order to accommodate approximately 3,000 new residential units, which would yield 300 affordable units to meet the City’s RHNA allocation for very low, low and moderate income housing.

| Project Name | Property Type | Source of Assistance | Total Project Units | Affordable Units | % of Total Units Designated Affordable |
|---|----------------------|--|----------------------------|-------------------------|---|
| Paxton Calabasas 4240 Las Virgenes | Townhomes | Inclusionary Ordinance | 74 | 4 Very Low Income | 5% |
| Avanti 23500 Park Sorrento | Condos | Inclusionary Ordinance; Density Bonus | 80 | 8 Very Low Income | 10% |
| Calabasas Creekside 23480 Park Sorrento | Senior Apartments | Inclusionary Ordinance; Density Bonus | 42 | 5 Very Low Income | 12% |

In order to increase the production of affordable housing, and reduce the total need for additional residential units, staff suggests development of an Affordable Housing Overlay Zone. This zone could be applied to any property that permits multi-family housing and requires the property owner to provide additional affordable housing to take advantage of a higher density, rather than just increasing the site density by right. For example, property owners would remain subject to the 20 dwelling units per acre of the base density for a parcel in the CMU zone, plus any density bonus required by law, for any project that simply meets the City's inclusionary housing requirement of 5-15% of the units dedicated to very low income housing. However, if the property owner proposes a project that includes at least 25% of the total units for very low income units, then the Affordable Housing Overlay Zone would allow an increase in density to 35 dwelling units per acre, plus applicable density bonus required by law. As a result, it is the intent of an Affordable Housing Overlay Zone to encourage development of more affordable housing by allowing greater density than would otherwise be permitted.

Minimum Density

In accordance with HCD's "default density" criteria for suburban jurisdictions such as Calabasas, 20 dwelling units per acre is the *minimum* density threshold for sites to be considered suitable for providing housing affordable to very low and low income households. The current permitted density in the Commercial Mixed Use (CMU) and Residential Multi-Family (RM) zones is a maximum of 20 dwelling units per acre. As a result, it is necessary to adjust the permitted density for the CMU and RM-16/20 zones to a range of 20 to 24 dwelling units per acre. This adjustment would comply with HCD's requirement of identifying housing inventory sites that have a minimum density of 20 dwelling units per acre in order to accommodate very low and low income units.

Housing Element Background Report

The purpose of the Housing Element Background Report is to provide an analysis of population and housing characteristics, identify special housing needs among certain population groups, evaluate existing housing conditions, and provide other important information to support the goals, policies, and programs that will meet the needs of current and future Calabasas residents. The draft Background Report is available for review on the City's website at <https://www.cityofcalabasas.com/government/community-development/2021-2029-housing-element-update/resources> .

ATTACHMENTS:

- Exhibit A: Housing Site Inventory Option A
- Exhibit B: Housing Site Inventory Option B