



CITY of CALABASAS

CITY COUNCIL AGENDA REPORT

DATE: MARCH 3, 2021

TO: HONORABLE MAYOR AND COUNCILMEMBERS

**FROM: MAUREEN TAMURI AIA, AICP
COMMUNITY DEVELOPMENT DIRECTOR**

**SUBJECT: CITY COUNCIL REVIEW OF PROPOSED 2021 STATE HOUSING BILLS,
AND AUTHORIZATION FOR THE CITY MANAGER TO PREPARE AND
MAYOR TO SIGN LETTERS REFLECTING THE CITY COUNCIL'S
POSITION ON ALL OR SELECTED BILLS**

MEETING

DATE: MARCH 10, 2021

SUMMARY RECOMMENDATION:

That the City Council discusses the Las Virgenes Malibu Council of Governments request to review proposed 2021 State Housing Bills, and authorization to the City Manager to prepare and Mayor to sign letters reflecting the City Council's position on all or selected bills.

BACKGROUND:

During the local Las Virgenes Malibu Council of Government (COG) meeting of January 19, 2021, City officials were provided a list of proposed 2021 Housing bills. Subsequent to the meeting, COG members were asked to present these bills to their City Councils to determine if the City Council wanted to take positions.

DISCUSSION:

There are a total of 17 bills on the attached list provided by the COG. Because the COG requests Council input in a short timeframe, staff has re-organized the listing based on topic area, and chosen to focus on those bills which would have long-term land use and housing regulation impacts, in particular, the bills in Exhibit 4.

Our breakdown is as follows:

1) COVID -19 Relief (Exhibit 1)

Four of the bills (AB 15, AB 16, SB 3 and SCA 2) would provide assistance to tenants or property owners experiencing hardship as a result of the pandemic in the form of rental relief, debt re-payment, deadline extensions and notification and processing requirements). SCA 2 may be of special interest to the Council. This proposed constitutional amendment would repeal the prohibition in the California Constitution that the state or a local public agency, including the City, may not develop or purchase a low-rent housing project until a majority of voters approve the project during an election.

2) Housing Financing and Processing Improvements (Exhibit2)

Six of the bills (AB 59, AB 68, ACA 1, SB 5, SB11 and SB 15) attempt to increase housing production through a variety of methods, including:

- a) Reforming the process for cities imposing impact fees;
- b) Implement the recommendations in the California State Auditor's Report 2019-2020 to improve state agency coordination and oversight of affordable housing;
- c) Authorizing the issuance of state bonds to finance housing for persons experiencing homelessness and low-income persons;
- d) Convening a working group to identify ways to incorporate fire damage mitigation strategies into homeowners insurance ratemaking processes; and
- e) Creating a program to issue state grants to incentivize converting underperforming and vacant "big box" retail sites to housing.

Of particular interest to the Council may be ACA 1, which adds an exception to the current 1% ad valorem California Constitutional cap, imposed by Proposition 13, allowing additional local funding of public infrastructure,

affordable housing, and creating permanent supportive housing, all subject to 55% voter approval.

3) Housing Bills of Reduced Impact (Exhibit 3)

There are two housing bills, AB 215 and SCA 2, which, as currently composed, carry apparent City exemptions, or have reduced impacts. These include:

- a) AB 215 provides greater authority to the State Housing and Community Development Department (HCD) in reviewing General Plan Housing Elements and increases HCD oversight of local plans and programs when housing production falls below RHNA production. It also increases the amount that a City can be fined per month up to \$100,000 when a City is found by HCD and the Attorney General to not be in compliance with the applicable Housing Element and related housing obligations. Because our 2021 Housing Element is still under development, any projections of our future progress for the next 8 year housing cycle against the impacts of this bill are speculative at this time. Staff notes that a recent analysis of progress in meeting RHNA goals concluded that only 3% of all cities and counties in the State had met their goals.
- b) SCA 2 would lift a prohibition on the State's development, construction or acquisition of a low rent housing project unless it is approved through a vote of the local elected body. While technically possible that the State or another eligible local government, e.g. the County, could elect to develop low rent housing within the within the City, Staff sees no foreseeable impact at this time. Staff notes that the Las Virgenes School District has capacity to build housing at school sites, but we are unaware of any long range plan to do so.

4) Housing Bills of Higher Impact (Exhibit 4)

There are five bills (AB 115, SB 9, SB 10, SB 12 and SB 55) of note for Council discussion as follows:

- a) AB 115 would require housing as an allowed use in commercial zones, overriding any provision of the City's General Plan, Specific Plan or Development Code. If passed, it would require the City to permit housing currently prohibited in our Commercial Retail, Commercial Office, Commercial Business and Commercial Limited zones subject to specified criteria. Projects under AB 115 would be required to have a deed restriction mandating that at least 20% of the units are affordable for

lower income households. AB 115 would sunset on January 1, 2031 and would only apply to cities that have not adopted their rezoning as required by the pending, 6th revision of their Housing Element.

- b) SB 9 (previously introduced last year as SB 1120), would require a proposed housing development with 2 residential units in a single family residential zone to be ministerial approved by right. The exception to ministerial approvals is very limited, and triggered when recorded affordability covenants exist, structural alterations of 25% or more are required to the main home, or that the property is historic, or in a historic district. Cities would be further limited to imposing objective zoning and design standards, unless those standards would physically preclude the construction of duplexes. SB 9 would also require cities to consider ministerially urban lot splits. SB 9 would also require local agencies to consider ministerially urban lot splits. An urban lot is defined as being “located within a city the boundaries of which include some portion of either an urbanized area or urban cluster, as designated by the United States Census Bureau, or, for unincorporated areas, a legal parcel wholly within the boundaries of an urbanized area or urban cluster, as designated by the United States Census Bureau.” Under SB 9 property owners would be able to split an urban lot into two lots and build four units, where previously one unit would have been allowed. Of great concern is that the minimum lot size for splitting would be set at 1,200 square feet.
- c) SB 10 would allow cities to pass an ordinance allowing for the zoning of up to 10 units per parcel in transit rich areas, jobs rich areas and urban infill sites, locations which may exist within Calabasas depending on the final definitions of those terms by the bill. While the bill exempts communities in High Fire Severity Zones (the whole of Calabasas), it also further exempts from the exception “sites who have complied with State fire mitigation measures,” which could be used to argue that a given project designed to be “fire-hardened” is within the exception to the exemption, and thus eligible for SB 10’s protections.
- d) SB 12 would require future updates of the General Plan and Safety Element to include and adopt comprehensive retrofit strategy to address wildfire property loss and damage due to wildfires, and transmit such approved programs to the Office of Planning and Research. By January 1, 2023, the City would need to analyze, prepare, and adopt wildfire risk reduction standards and publish the plan with the Office of Planning and Research. SB 12 would also require the State Fire Marshal to develop additional wildfire risk reduction standards that the City would need to abide by. The bill also limits issuance of discretionary approvals for new

developments in High Fire Severity Zones, and requires proportional RHNA reductions in such areas. The City has approximately 8,750 occupied structures, with countless secondary and accessory structures which would likely fall under a wildfire risk reduction strategy, not to mention landscape and natural brush and forestry areas.

- e) SB 55 (previously SB 474) would prohibit approvals of all new commercial and residential development in designated High Fire Severity Zones. The entirety of Calabasas is in a High Fire Severity Zone. If approved, the City would not be able to approve any new ADU, residential unit, or mobile home. The prohibition would also apply to new commercial, retail or industrial projects. Because the City is reliant upon maintaining a vibrant sales tax base, the inability to develop revenue generating activities on vacant parcels such as the former Sperling Nursery could have a significant effect on future revenue growth.

FISCAL IMPACT/SOURCE OF FUNDING:

Staff has not yet determined the financial impact of the bills, and are unable to provide an estimate of the impacts to the City, pro or con.

REQUESTED ACTION:

That the City Council discusses the Las Virgenes Malibu Council of Governments request to review proposed 2021 State Housing Bills, and authorization to the City Manager to prepare and Mayor to sign letters reflecting the City Council's position on all or selected bills.

ATTACHMENTS:

Exhibit 1) COVID -19 Relief Bills, Legislative Council Digests
AB 15, AB 16, SB 3 and SCA 2

Exhibit 2) Housing Financing and Processing Improvement Bills,
Legislative Council Digests
AB 59, AB 68, ACA 1, SB 5, SB11 and SB 15

Exhibit 3) Housing Bills of Reduced Impact, Legislative Council Digests
AB 215, SCA 2

Exhibit 4) Housing Bills of Higher Impact, Legislative Council Digests
AB 115, SB 9, SB 10, SB12 and SB 55

Exhibit 5) Las Virgenes Malibu COG Agenda Report
Preview of 2021 Housing Legislation 1/19/21