

CITY COUNCIL AGENDA REPORT

DATE: SEPTEMBER 21, 2021

TO: HONRABLE MAYOR AND COUNCILMEMBERS

FROM: MAUREEN TAMURI, AICP, COMMUNITY DEVELOPMENT DIRECTOR

TOM BARTLETT, AICP, CITY PLANNER MICHAEL KLEIN, AICP, SENIOR PLANNER

SUBJECT: CONSIDERATION OF CITY COUNCIL RESOLUTION 2021-1750 TO:

1) CERTIFY THE FINAL ENVIRONMENTAL IMPACT REPORT (EIR); AND 2) ADOPT THE 2021-2029 HOUSING ELEMENT UPDATE AND ASSOCIATED LAND USE ELEMENT UPDATES TO THE CALABASAS 2030 GENERAL PLAN, CONSISTENT WITH STATUTORY

REQUIREMENTS OF CALIFORNIA HOUSING ELEMENT LAW.

AND

CONSIDERATION OF ORDINANCE NO. 2021-395 AMENDING TITLE 17 OF THE CALABASAS MUNICIPAL CODE BY ADDING NEW SECTIONS 17.18.060 AND 17.22.050, CREATING AN "AFFORDABLE HOUSING OVERLAY ZONE" AND ASSOCIATED DEVELOPMENT STANDARDS FOR QUALIFYING HOUSING DEVELOPMENT PROJECTS; AMENDING OTHER SECTIONS WITHIN TITLE 17 OF THE CMC AS NECESSARY TO BE CONSISTENT WITH THE ADDED NEW SECTIONS; AND UPDATING THE OFFICIAL ZONING MAP; ALL AS NECESSARY TO CONFORM WITH THE GENERAL PLAN HOUSING ELEMENT AND RELATED UPDATES.

THE PLANNING COMMISSION RECOMMENDED CERTIFICATION OF THE FINAL EIR, ADOPTION OF THE 2021-2029 HOUSING ELEMENT UPDATE WITH ASSOCIATED UPDATES TO THE LAND USE ELEMENT, AND ADOPTION OF ORDINANCE NO. 2021-395 TO THE CITY COUNCIL AT A PUBLIC HEARING HELD ON SEPTEMBER 13,

2021.

MEETING

DATE: SEPTEMBER 28, 2021

STAFF RECOMMENDATION:

Staff recommends that the City Council take the following actions:

- 1) Adopt Resolution No. 2021-1750 (Attachment A), certifying the Final Environmental Impact Report, and approving the 2021-2029 Housing Element update (Attachment B) and the associated Land Use Element updates (Attachment C) to the Calabasas 2030 General Plan, consistent with statutory requirements of California Housing Element law; and,
- 2) Introduce, and waive further reading of, Ordinance No. 2021-395 (Attachment D), amending Title 17 of the Calabasas Municipal Code by adding new Sections 17.18.060 and 17.22.025, creating an "Affordable Housing Overlay Zone" and associated development standards for qualifying housing development projects; amending other sections within Title 17 of the CMC as necessary to be consistent with the added new sections; and updating the official zoning map; all as necessary to conform with the General Plan Housing Element and related updates.

BACKGROUND:

State housing element statutes (Government Code Sections 65580-65589.8) mandate that local governments adequately plan to meet existing and projected housing needs of all economic segments of the community. The law recognizes that in order for the private market to adequately address housing needs and demand, local governments must adopt land use plans and regulatory systems that provide opportunities for, and do not unduly constrain, new housing development, inclusive of affordable housing. As a result, California housing policy rests largely upon the effective implementation of local General Plans and in particular, local Housing Elements. Housing Element statutes also require the California Department of Housing and Community Development (HCD) to review local Housing Elements to determine local compliance with State law.

Each city and county must develop local housing programs and provide an inventory of future housing sites adequate to meet its "fair share" of existing and future housing needs for all income categories. The Southern California region was assigned more than 1,300,000 new housing units by the State for the 6th RHNA cycle planning period (2021 – 2029). The Southern California Association of Governments (SCAG) developed a local allocation methodology, and then assigned to the various cities and counties their respective fair shares of the regional housing need. The 6th cycle Final RHNA Allocation Plan was formally adopted by SCAG's Regional Council on March 4, 2021, with an allocation of 354 total new housing units to the City of Calabasas. The City's final total allocation of 354 units was significantly smaller than SCAG's first draft allocation of ~1200 units. Staff would like to thank the involvement of the City Council, and through the COG and SCAG, in ensuring that SCAG revised the allocation to a lesser figure, reflecting the City's unique geographic constraints and significant fire

and other environmental hazards. The 354 units are further distributed among the following income groups: 132 very low income; 71 low income; 70 moderate income; and 81 above moderate income units.

The City's Housing Element must now be updated for the 2021-2029 planning period to accommodate the 6th cycle RHNA, and the updated Housing Element must be approved no later than October 15, 2021. If the City adopts the update Housing Element before the deadline, and is successful in obtaining certification from HCD, it will not need to revisit the housing element until 2029. Otherwise, a new update of the housing element would be required in just four years. Also, without an updated and certified housing element on or before the statutory deadline of October 15, 2021, any new housing project which includes affordable housing on an existing planned and zoned multi-family housing site must be reviewed and approved ministerially (meaning no public hearings and no CEQA review). Furthermore, until such time that the updated housing element is eventually adopted and certified, the city would not qualify for any housing grants or many other State administered grant and/or loan programs.

In April 2020, the City and its housing policy consultant, Karen Warner Associates, Inc. (KWA), began preparation for the housing element update. On July 16, 2020, Planning staff and Ms. Warner of KWA conducted a public workshop before the Planning Commission to solicit input on housing needs and to confirm policy direction for the Housing Element. Staff prepared a draft housing site inventory based on community input and feedback from the Planning Commission. A map of the draft sites was posted online for public comment. Additionally, staff developed an online survey for Calabasas residents to provide feedback on their preferences for various housing policy options. The survey was posted on the City website for six weeks; an advertisement with the website link was placed in the *Acorn*, and the *Las Virgenes Enterprise* (Valley News Group); and, a postcard was sent to every residential unit in the City. The City received 913 responses to the survey, which closed on September 30, 2020.

The City also conducted a Senior Housing Needs survey, which was distributed on-line as well as through hardcopies distributed to residents at senior housing complexes. The City received 324 responses to the senior needs survey. A discussion of the surveys and associated results is included on Pages V-4 of the attached updated 2021 - 2029 Housing Element (see Attachment B). Additional public participation and meeting information is outlined in Section V.A of the draft Housing Element. Furthermore, all meeting materials and a recording of each meeting may be accessed on the City website:

(https://www.cityofcalabasas.com/government/community-development/2021-2029-housing-element-update/get-involved).

Concurrent with the development of the 2021-2029 Housing Element Update, Rincon Consultants Inc. commenced preparation of necessary updates to the Land Use,

Circulation, and Safety Elements of the General Plan, as well as preparation of a Programmatic Environmental Impact Report (EIR). The Land Use Element updates are complete and ready for consideration in conjunction with the updated Housing Element; however, the Circulation and Safety Element updates will not be finalized until early 2022. The Draft EIR (Attachment I) was completed on July 30, 2021, and circulated for public review with the review comment period ending on September 13th. Received comments, together with staff's responses to those comments, as well as any and all necessary revisions to the DEIR (and the DEIR itself), collectively constitute the Final Environmental Impact Report (FEIR). The received comments, staff's responses to those comments, and the revisions to the DEIR are found at Attachment J (the DEIR having already been attached as Attachment I).

On July 8, 2021, staff submitted the Draft 2021-2029 Housing Element to HCD for review. Comments from HCD were provided to the City on September 3, 2021, and are included as Attachment E to this report.

On September 13, 2021, at a noticed public hearing, the Planning Commission reviewed the draft 2021-2029 Housing Element, draft Land Use Element, Draft EIR and Draft Ordinance No. 2021-395. Staff presented to the Commission a detailed analysis and discussion of the Draft Housing Element, the updates to the Land Use Element, the Draft Ordinance No. 2021-395, and the Draft EIR. The Planning Commission staff report is provided as Attachment G (note that exhibits to the Planning Commission staff report are not included because those have already been individually included as attachments to this report). Based upon the staff report, public testimony during the public hearing, and submitted correspondence, the Commission voted unanimously to recommend approval of the aforementioned to City Council (see Planning Commission Resolution No. 2021- 730 at Attachment F).

HCD provided its comment letter on the Draft 2021-2029 Housing Element the day the Commissioner's packets were distributed and posted. The Commission members were provided copies of the HCD comment letter prior to the public hearing. However, revisions and additions to the draft Housing Element update based on the HCD comment letter could not be accomplished prior the commission hearing. As a result, the 2021-2029 Housing Element update provided for the Council's consideration -- as Attachment B – does include amendments in response to the HCD comments, and a redline version of the draft 2021-2029 Housing Element that was initially reviewed by the Planning Commission is provided as Attachment H for reference.

FISCAL IMPACT:

Preparation of the 2021-2029 Housing Element, the associated updates to the General Plan Land Use Element, and the Environmental Impact Report had been anticipated, and the necessary funding was included in the adopted 2020 - 2021 and 2021 - 2022 City budgets.

ENVIRONMENTAL IMPACT REVIEW:

Pursuant to the California Environmental Quality Act (CEQA), a Program Environmental Impact Report (EIR) was prepared for the Housing Element update and associated Circulation, Safety and Land Use Element updates to the 2030 General Plan (see Attachments I and J). The Program EIR analyzes potentially significant environmental impacts associated with reasonably foreseeable development under the General Plan Update and addresses appropriate and feasible mitigation measures or project alternatives that would minimize or eliminate these impacts. The following areas were identified where the project may have a potential effect on the environment; biological resources, noise, geology and soils, and cultural resources. All areas listed as potentially significant have been mitigated to levels that are no longer significant due to the inclusion of specified mitigation measures. Please refer to the EIR for a summary of the identified mitigation measures.

A Notice of Preparation (NOP) of the Program EIR was distributed for a 30-day agency and public review period starting on February 8, 2021 and ending on March 9, 2021. The City held an EIR Scoping Meeting on February 22, 2021. The scoping meeting (held via Zoom due to Covid-19 restrictions), provided information about the proposed project to public agencies, interested stakeholders and residents/community members. The City received letters from five agencies in response to the NOP, as well as various verbal comments during the EIR Scoping Meeting. (The NOP is found in Appendix A of the Draft Program EIR, along with the NOP comments received.) On July 30, 2021 the Draft Program EIR was circulated for review by responsible agencies, as well as the State Clearinghouse, and the public. The Draft Program EIR was available for public review at City Hall, the Library, and on the City website. The required 45-day review period ended on September 13, 2021, and all received comments on the DEIR and responses to those comments are included as part of the Final EIR (Attachment J).

REQUIRED FINDINGS:

The findings required in Section 17.76.050(A) and 17.76.050(B) of the Calabasas Municipal Code for general plan amendments and zoning map or development code amendments are contained in City Council Resolution No. 2021-1750 (Attachment A) and Ordinance No. 2021-395 (Attachment D). The zoning ordinance has three primary components. First, it adopts the development standard and requirements for the proposed affordable housing overlay zone, including setting minimum affordability standards (generally, 25% affordable) and maximum base density requirements (generally, 50 units per acre). Affordable housing overlay zone projects would also be eligible for additional density in return for sufficient affordable units under the state density bonus law. The additional affordable housing units would be deed restricted as affordable for 55 years. The intent of the AHO to encourage development of more affordable housing by allowing greater density than would otherwise be permitted. It is

a voluntary program, as the City cannot force property owners to develop or redevelop any site. Second, the ordinance confirms that the density levels for each identified site matches the densities listed in the Housing Element – including allowing a maximum density of 24 units per acre at the Avalon Apartments site, revised from the current as-built density of 20 units per acre as needed to provide for sufficient units to meet the RHNA standards.1 Third, the ordinance confirms that, in the event of inconsistencies, the Affordable Housing Overlay zone and Housing Element provisions control.

REQUESTED ACTION:

Staff recommends that the City Council take the following actions:

- 1) Adopt Resolution No. 2021-1750 (Attachment A), certifying the Final Environmental Impact Report, and approving the 2021-2029 Housing Element update (Attachment B) and the associated Land Use Element updates (Attachment C) to the Calabasas 2030 General Plan, consistent with statutory requirements of California Housing Element law; and,
- 2) Introduce, and waive further reading of, Ordinance No. 2021-395 (Attachment D), amending Title 17 of the Calabasas Municipal Code by adding new Sections 17.18.060 and 17.22.025, creating an "Affordable Housing Overlay Zone" and associated development standards for qualifying housing development projects; amending other sections within Title 17 of the CMC as necessary to be consistent with the added new sections; and updating the official zoning map; all as necessary to conform with the General Plan Housing Element and related updates.

ATTACHMENTS:

Attachment A: City Council Resolution No. 2021-1750

Attachment B: 2021-2029 Housing Element
Attachment C: Updated Land Use Element
Attachment D: Ordinance No. 2021-395
Attachment E: HCD Comment Letter

Attachment F: Planning Commission Resolution No. 2021-730
Attachment G: Planning Commission Staff Report for 9-13-2021

Attachment H: Redline Version of the Draft 2021-2021 Housing Element

Attachment I: Draft EIR

Attachment J: Final EIR (EIR Amendments; Comments; Responses to Comments)

Attachment K: Public Correspondence
Attachment L: PowerPoint Presentation

1 NB: If the City Council approves the proposed Housing Element and associated rezoning, then the Avalon Apartments project could add an additional 71 units, plus any allowed by state density bonus law, without any legislative action and thereby without the possibility of a referendum on that project, except on the Housing Element and/or Housing Element Implementation Zoning Ordinance itself.