



CITY of CALABASAS
CITY COUNCIL AGENDA REPORT

DATE: OCTOBER 18, 2021

TO: HONORABLE MAYOR AND COUNCILMEMBERS

**FROM: MAUREEN TAMURI, COMMUNITY DEVELOPMENT DIRECTOR, AICP
 TOM BARTLETT, CITY PLANNER, AICP
 MICHAEL KLEIN, SENIOR PLANNER, AICP**

**SUBJECT: CONSIDER ADOPTION OF RESOLUTION NO. 2021-1758,
 AUTHORIZING APPLICATION FOR, AND RECEIPT OF, UP TO
 \$3,257,461 FROM CDBG-DR FUNDING FROM THE CALIFORNIA
 STATE DEPARTMENT OF HOUSING AND COMMUNITY
 DEVELOPMENT (HCD)**

**MEETING OCTOBER 27, 2021
DATE:**

SUMMARY RECOMMENDATION:

That the City Council consider adoption of Resolution No. 2021-1758, authorizing application for, and receipt of, up to \$3,257,461 from CDBG-DR funding from the California State Department of Housing and Community Development (HCD).

BACKGROUND:

The California Department of Housing and Community Development (HCD) is the grantee of Community Development Block Grant – Disaster Recovery (CDBG-DR) funds allocated by the U.S. Department of Housing and Urban Development (HUD) as a result of the 2018 disasters. HCD works with local governments and organizations to fund programs that provide long-term recovery assistance for housing, infrastructure, and economic revitalization. While the Federal Emergency Management Agency (FEMA) and the California Office of Emergency Services

provide immediate post-disaster response and emergency management services, CDBG-DR provides funds for long-term disaster recovery.

DISCUSSION/ANALYSIS:

Given California's housing crisis where the affordable housing inventory is critically low, and the wildfire disasters destroyed thousands of units of housing stock, many of which were rental properties, exacerbating and increasing the severity of the lack of housing, the development of affordable rental units through new construction is critical for recovery. HCD expanded the Disaster Recovery Multifamily Housing Program (DR-MHP) from 2017 disasters to meet the needs of the 2018 disasters. DR-MHP Projects are funded to assist communities with meeting the unmet rental housing need, including the needs of individuals displaced from rental homes and individuals who became homeless as the result of the disasters. HUD appropriated \$1,017,399,000 in CDBG-DR funds to the state of California to address impacts from disasters that occurred in 2018. In 2019, HCD prepared an Action Plan to allocate funds to each Subrecipient (i.e. the City of Calabasas) based on a formula that determined the proportionate share of the total program allocation based on the disaster impacts to each jurisdiction. As a result, due to the regional impact of the Woolsey Fire, the City has been allocated \$3,257,461 to be used specifically for the development of multi-family units with affordable housing.

Multifamily projects include apartment complexes and mixed-use developments. The DR-MHP will allow Subrecipients to identify, select, and submit potential Projects to HCD for eligibility assessment and review, approval, and funding. Subrecipients that receive funds will then work with qualified Developers and Contractors to construct a Project(s). The following criteria will be used by HCD to determine eligibility of multifamily housing development:

- A) CDBG-DR funds are limited to low to moderate income housing units. Proposed Projects may have mixed-income units, but CDBG-DR funds must only be applied to the Affordable Units for occupation by Low- to Moderate-Income Households.
- B) The proposed Project must have a minimum of 8 total units. If the Project is a Scattered Site Project, the Project application must include details on the Developer's experience managing Scattered Site rentals and must provide a reasonable plan to adequately supervise and maintain the properties.
- C) The proposed Project must have a minimum of four Affordable Units or 30 percent of units must be Affordable Units, whichever is greater. Pursuant to 24 CFR 570.483(b)(3), if the project is a rehabilitation project or a senior new construction project, the project must include at least 51% of units as LMI- occupied, or a waiver must be requested. All rehabilitation projects

must result in the addition of affordable units to the affordable housing stock to be deemed eligible.

The next step is for the City to issue an RFP for developers to propose an affordable housing project. HCD will provide technical assistance in the development of an RFP and evaluation of proposals. Furthermore, an eligible project could also utilize funding from other sources, such as the City's affordable housing trust fund and other state grants. The final date to submit a City sponsored project is December 31, 2022, and the Final date for the issuance of a Certificate of Occupancy is December 2026. As a result, any such project would have to be approved and constructed within the 6th Cycle Regional Housing Needs Assessment (RHNA) period, and would count towards the City's progress towards providing affordable housing.

FISCAL IMPACT/SOURCE OF FUNDING:

There is no fiscal impact from the filing of the grant application. Should the application result in a grant award, the City would receive up to \$3,257,461 to be used for the development of multi-family housing with at least 30% of the units dedicated to affordable housing.

REQUESTED ACTION:

Adopt Resolution No. 2021-1758, authorizing application for, and receipt of, up to \$3,257,461 from CDBG-DR funding from the California State Department of Housing and Community Development (HCD).

ATTACHMENTS:

- Attachment A: Resolution No. 2021-1758
- Attachment B: CBDG-DR Fact Sheet from CA HCD