



CITY of CALABASAS

CITY COUNCIL AGENDA REPORT

DATE: MARCH 14, 2022

TO: HONRABLE MAYOR AND COUNCILMEMBERS

FROM: DON PENMAN, INTERIM COMMUNITY DEVELOPMENT DIRECTOR
TOM BARTLETT, AICP, CITY PLANNER
MICHAEL KLEIN, AICP, SENIOR PLANNER

SUBJECT: CONSIDERATION OF CITY COUNCIL RESOLUTION 2022-1778 TO ADOPT A REVISED 2021-2029 HOUSING ELEMENT UPDATE TO THE CALABASAS 2030 GENERAL PLAN, AS NECESSARY TO SECURE CERTIFICATION OF CONSISTENCY WITH CALIFORNIA HOUSING ELEMENT LAW FROM THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT.

ON SEPTEMBER 28, 2021 A FINAL ENVIRONMENTAL IMPACT REPORT FOR THE HOUSING ELEMENT UPDATE AND ASSOCIATED GENERAL PLAN ELEMENT UPDATES WAS APPROVED AND CERTIFIED BY THE CITY COUNCIL AS BEING ADEQUATE AND CONSISTENT WITH THE PROVISIONS OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, AND THE REVISED HOUSING ELEMENT IS CONSISTENT WITH THE ADOPTED FINAL EIR; THEREFORE, NO ADDITIONAL ENVIRONMENTAL IMPACT REVIEW IS REQUIRED.

**MEETING
DATE:** MARCH 30, 2022

STAFF RECOMMENDATION:

Staff recommends that the City Council adopt Resolution No. 2022-1778 (Attachment A), approving the proposed revisions to the 2021 – 2029 Housing Element update.

AGENDA ITEM NO. 1

BACKGROUND:

State housing element statutes (Government Code Sections 65580-65589.8) mandate that local governments adequately plan to meet the 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— including 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 compliance with State law.

The Calabasas General Plan Housing Element establishes and describes local housing programs and provides an inventory of future housing sites adequate to meet the City's "fair share" of existing and future housing needs for persons of all income categories. For the 6th RHNA cycle planning period (2021 – 2029), the Southern California Association of Governments (SCAG) allocated 354 new housing units to the City of Calabasas as the City's "fair share" of the regional housing need. The 354 allocated new housing units that the City needs to plan for are further distributed among the following income groups: 132 very low income units; 71 low income units; 70 moderate income units; and 81 above moderate income units. For the 2021 – 2029 Housing Element the City is required to address and meet its allocated housing need, and to do so in a manner conforming to the requirements established by the California Department of Housing and Community Development (HCD). Once HCD determines that a local agency's updated Housing Element conforms with the applicable State laws, the department certifies the updated Housing Element accordingly.

An extensive planning process was conducted over the course of one year by Planning Division staff and a retained housing policy consultant, Karen Warner Associates, Inc. During the planning process the general public, housing interest groups, and the housing development community all provided input for the 2021 – 2029 Housing Element update. (Details of the public participation process were presented to the City Council in previous staff reports, and are available on-line via the Planning Division website.)

On September 13, 2021, the Planning Commission conducted a public hearing for consideration of the draft 2021 – 2029 Housing Element update; at the conclusion of the hearing the Planning Commission recommended to the City Council approval and certification of the Housing Element update Final E.I.R., and approval of the 2021 – 2029 Housing Element update itself. The City Council then conducted a public hearing on September 28, 2021, after which the Council adopted and certified the adequacy

of the Final EIR, and introduced Ordinance No. 2021-395 to establish a new Affordable Housing Overlay (AHO) zoning district and to generally implement other provisions of the updated Housing Element. At its meeting on October 13, 2021, the City Council approved resolution No. 2021 – 1755, adopting the 2021 – 2029 Housing Element update and attendant revisions to the General Plan Land Use Element. At this meeting the City Council also adopted ordinance No. 2021-395, establishing the new AHO zoning district.

HCD Review of the Housing Element.

Securing HCD certification of a local jurisdiction’s housing element is critical. Without a certified housing element, a court might suspend the City’s authority to issue any building or zoning permit and the City might be required to consider any new housing project which includes certain kinds of affordable housing on an existing planned and zoned multi-family housing site, meeting certain other requirements, through a ministerial process (meaning no public hearings and no CEQA review). Staff recommends avoiding such possibilities by securing a certified housing element. Furthermore, until such time that an updated housing element is adopted and certified, the city will not qualify for any housing grants or many other State administered grant and/or loan programs.

Leading up to the public hearings by the Planning Commission and the City Council, staff had submitted to HCD a draft of the 2021 – 2029 Housing Element update for the agency’s review and comment. On September 3, 2021 HCD sent a comment letter to the City identifying certain concerns and recommendations for strengthening the document to better establish consistency with State housing laws. All of the comments and concerns were addressed and revisions to the draft Housing Element update were accomplished accordingly. The 2021 – 2029 Housing Element update included all revisions prompted by the HCD comment letter, and based on the extent of revisions made to address the HCD comments, Planning Division staff felt confident that HCD would certify the 2021 – 2029 Housing Element update adopted by the City Council on October 13, 2021. However, HCD will not officially certify a city’s Housing Element until after the legislative body has approved the document, and HCD has 90 days to accomplish their review.

On January 24, 2022, at the conclusion of the agency’s 90-day review period for the City’s adopted Housing Element, HCD sent another comment letter identifying four additional points of revision in the City’s 2021 – 2029 Housing Element update, which would need to be addressed for HCD certification (see Attachment B). On February 15, 2022 Planning staff and our housing consultant, Karen Warner, convened a meeting with several representatives from HCD to discuss the agency’s outstanding comments and staff’s proposed approach to addressing the agency’s concerns. Given the focused nature of the necessary revisions to the Element, the City requested, and HCD agreed to, an informal review to ensure the Element is in statutory compliance prior to re-adoption by City Council. On March 2, 2022, the City’s consultant submitted the

proposed Housing Element revisions to HCD for informal review, and on March 3rd staff and the consultant received an email from HCD indicating the revisions were acceptable (Attachment C). Consequently, staff has now inserted the responsive amendments into the adopted Housing Element, yielding the revised 2021 – 2029 Housing Element update that is now before the City Council.

Below are summaries of the four HCD comments from the agency's January 24th letter. Following each HCD comment is a description of how the comment has been addressed in the revised Housing Element, along with references to the applicable pages within the redline copy (Attachment E).

1. ***Affirmatively Furthering Fair Housing.*** *HCD acknowledged that the adopted Housing Element identifies actions to address housing mobility enhancement, new housing choices, place-based strategies for community preservation and revitalization, and displacement protection. However, HCD stated that to create meaningful impact and to overcome contributing factors to fair housing issues, the proposed actions identified in the City's Housing Element must be supported by specific milestones and metrics, and that the specified program actions be revised for consistency with Table B-6.*

Revisions to the Housing Element which address this comment include the addition of specific milestones and metrics through insertion of a new Table V-5, "Summary Matrix of Fair Housing Issues and Actions for Mitigation". This new table summarizes the fair housing issues, factors, and actions which are presented in detail within Table B-6 in Appendix B. Table B-6 of Appendix B has been revised as well. ***Refer to pages V-50 to V-53 in the redline copy of the revised Housing Element, and pages B-48 to B-51 of Appendix B.***

2. ***Feasibility of Site #8 to Accommodate Additional Housing.*** *The inventory of vacant sites and sites having realistic and demonstrated potential for redevelopment includes the 30-acre Site #8, the Avalon Apartments property. This site is specified as having the capacity for an additional 72 units. HCD stated that: A) it was not clear how the additional housing units could be accommodated in addition to the existing 600 units; and. B) that the discussion of Site #8 failed to explain "what [City] approvals would be necessary to ensure a 72-unit project could occur." In particular, HCD stated that it was unclear how the described six new structures and 72 additional housing units would conform with existing development standards, including parking requirements. "[T]o accommodate the new units, the element should clarify whether additional parking would be required beyond that which is already on the site or whether a project be required to seek a parking exception." HCD concluded that the Housing Element must be revised to include a program to facilitate approval of additional housing development on site #8, particularly in light of "recent*

community opposition to a project on this site along with the existing entitlement process.”

Revisions to the Housing Element which address this comment include a more detailed explanation of existing conditions at Site #8, greater detail about how infill development may be accommodated among and between the existing structures, and additional evidence regarding landowner interest in pursuing such a project. ***Refer to pages V-18, V-19, and V-24 in the redline copy of the revised Housing Element.***

3. ***City’s Review and Approval Processes as a Housing Development Constraint.*** *HCD recognized that the adopted Housing Element includes additional information regarding the City’s review and approval processes for multi-family development (pages G-48 to G-50). However, the agency nonetheless found this information to be insufficient. Specifically, HCD stated that the referenced section of the element must be revised to include an analysis of the permitting process as a potential constraint and tangible solutions to remove such constraints. For example, HCD stated the “... element provides information on Community Forums but should evaluate impact on [housing] development.” Furthermore, HCD specified that “...the analysis should assess the impact of the many community meetings and approval hearings on approval certainty, supply, affordability, timing, and other relevant factors and discuss the City’s recent track record of multifamily development.”*

Revisions to the Housing Element respondent to HCD concerns about the City’s high number of required public meetings and hearings include the addition of a new paragraph under the “Objective Design Standards” program heading, stating that housing projects on any of the identified future housing sites shall be exempt from the Community Development Forums requirement. Also, within Appendix G the descriptions of project review processes conducted by the Development Review Committee and the Architectural Review Panel have been revised to make them clearer. ***Refer to pages V-47, V-48, and V-59 of the redline copy of the revised Housing Element, and pages G-48 to G-51 of Appendix G.***

4. ***Demonstration of Outreach to All Economic Segments of the Community.*** *HCD stated that the adopted Housing Element should be revised to include additional information about specific strategies and efforts made by the City to reach all economic segments and special needs populations in the community during the public participation process. “For example, through conversations with the City’s consultant HCD understands that translation services were provided, and senior groups were directly contacted for the survey. The element should incorporate this information and any other strategies used to reach all economic segments during the development and adoption of the housing element.”*

Revisions to the Housing Element which address this comment include more expansive and descriptive summarizations of the community outreach efforts employed as part of the planning process for the updated Housing Element. ***Refer to pages V-2, V-4, and V-6 in the redline copy of the revised Housing Element, pages B-2 and B-3 in Appendix B, and page F-1 in Appendix F.***

Collectively, the above summarized revisions to the Housing Element affect 24 pages within the 288-page document (about 8%). The proposed revisions do not modify, relocate, enlarge, or eliminate any of the twelve identified future housing sites; the expected densities on those sites is not modified in any way; and, no substantive changes are made to any of the specified housing programs and policies.

FISCAL IMPACT:

Preparation of the 2021 - 2029 Housing Element was an anticipated project during the current fiscal year, and the necessary funding was included in the adopted 2021 - 2022 City budget.

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 updates to the Circulation, Safety and Land Use Elements of the 2030 General Plan. The EIR analyzed potentially significant environmental impacts associated with reasonably foreseeable development under the General Plan Update and addressed appropriate and feasible mitigation measures or project alternatives that would minimize or eliminate the identified impacts. On September 28, 2021, the City Council determined that the Final Program EIR was consistent with CEQA and that it was adequate for informing the Council of the potential environmental impacts associated with the General Plan updates, including the updated Housing Element. The proposed revisions to the adopted 2021 – 2029 Housing Element consist of only minor edits and clarifications in response to HCD’s outstanding comments on the adopted Element. No changes are proposed to the identified future housing sites, the expected densities on those sites, or to the specified housing programs and policies. Accordingly, the adopted Final EIR adequately accomplishes the environmental impact review necessary for this project, and no additional analysis is required.

REQUESTED ACTION:

Staff recommends that the City Council adopt Resolution No. 2022-1778 (Attachment A), approving the Revised 2021-2029 Housing Element (Attachment D), consistent with the statutory requirements of California Housing Element law.

ATTACHMENTS:

- Attachment A: City Council Resolution No. 2022-1778
- Attachment B: HCD Letter to City (Jan 24, 2022)
- Attachment C: HCD E-mail to K. Warner, March 3, 2022
- Attachment D: Revised 2021-2029 Housing Element – Final, March 2022
- Attachment E: Redline of 2021-2029 Housing Element (Adopted Oct. 13, 2021)