



CITY *of* CALABASAS
PRESS RELEASE

FOR IMMEDIATE RELEASE

January 5, 2024

Contact: Kindon Meik (424.299.2947)

City of Calabasas Settles West Village Litigation

On November 27, 2023, Superior Court Judge Curtis Kin issued a ruling against the City of Calabasas related to the City's denial of the West Village project. The City had denied the project primarily due to safety and open space concerns. The ruling ordered the City to allow The New Home Company to build 180 residential units without further review or approval.

The facts in this case have been challenging from the very beginning. State lawmakers have strengthened numerous housing laws, including the Housing Accountability Act. These changes have impacted how courts look at residential projects and make it extremely difficult for local jurisdictions to deny housing projects.

While the City of Calabasas has local ordinances for development projects which address concerns over public safety and open space protection, the court ruled that new State regulations supersede local laws in favor of expediting the building of more housing.

For the past two years, the City vigorously defended its denial of the West Village project in court. In the recent decision the judge ruled against the City's Open Space Initiative (Measure O) and ultimately favored State housing laws over the City's local ordinances. The judge also determined that in denying the project, the City acted in bad faith, a term of legal significance which would force the City to approve the 180-unit project and let the developer build immediately and raises the risk of significant fines and penalties.

Following the ruling, the city hired legal counsel with specific expertise in appellate cases to review our options. Legal counsel has analyzed the record closely and concluded that the City, on appeal, would have an extremely difficult time challenging the ruling. Furthermore, to initiate this appeal, the court will require that the City post a bond to cover

potential liabilities associated with the appeal. Legal counsel has determined that the bond could be beyond the City's ability to pay. While many appeals do not require a bond, part of the Housing Accountability Act now requires cities to post bonds to appeal housing project cases.

In December, The New Home Company approached the City to discuss a settlement agreement. Following negotiations between the City and the developer, a settlement has been agreed upon which would change the project from multi-family units to single family residences and reduce the number of units from 180 to no more than 76 units. Additionally, the developer has agreed to assist the City with its obligation to provide affordable housing, either by contributing approximately \$2.25 million to the City's affordable housing fund or constructing on-site affordable units. Finally, the settlement relieves the City of the court order to pay The New Home Company an estimated \$1 million for their attorney fees incurred to date and potentially tens of millions of dollars in other financial liabilities if an appeal was unsuccessful.

After considering the risks and significantly lower overall unit count, the City Council unanimously agreed to this settlement.

The next step will be a City Council meeting on January 10, 2024, to consider certification of the original environmental impact report (EIR). The developer will then submit final plans for the revised project for consideration at a future City Council meeting.

The City Council will consider a ballot initiative at a future date which will strengthen the current open space laws in Calabasas.

###