

Application for the City of Calabasas

U.S. Department of Housing and Urban Development's Pathways to Removing Obstacles to Housing (PRO Housing) Competitive Grant

October 15th, 2024

| CD 11 | C | ~ , , |
|-------|-----------------|--------------|
| Table | △ | Contents |
| 1 aur | \cup \cup 1 | Comunis |

| Exhibit A – Executive Summary | 3 |
|--|----|
| Exhibit B – Threshold Requirements and Other Submission Requirements | |
| Exhibit C – Need | 9 |
| Exhibit D – Soundness of Approach | 17 |
| Exhibit E – Capacity | 30 |
| Exhibit F – Leverage | 33 |
| Exhibit G – Long-term Effect | 35 |



Exhibit A – Executive Summary

City of Calabasas

EXECUTIVE SUMMARY

The City of Calabasas (City) is situated within the hills of the Santa Monica Mountains within Los Angeles County, California. The City has a population of 23,241, and covers approximately 13.3 square miles. Calabasas is loved by its residents and visitors for its close proximity to the City of Los Angeles, while maintaining the rural feel of a hillside community that abuts the mountains and the Pacific Ocean. However, the rural setting (the majority of which is designated as open space) and sought-after location of the community also results in barriers to the creation of housing—particularly of affordable housing—within the City. The City's vision for this proposal for the PRO Housing Grant is to increase production of affordable housing, particularly workforce housing and senior affordable housing, to best address the housing need in our community. To achieve this vision, we aim to address the three main barriers to creating affordable housing units in Calabasas:

- 1. Lack of available/affordable land
- 2. Time-consuming and costly permitting/construction processes
- 3. Lack of community support for affordable housing

The City of Calabasas is seeking a \$2.2 million PRO Housing grant for the purpose of funding activities that reduce those barriers, and encouraging the construction of affordable housing units within the City of Calabasas. These activities include preparation of **Objective Design Standards**, preparing an **Adaptive Reuse Ordinance**, and updates to the **2030 General Plan** which will encourage the production of housing.

Adaptive Reuse: The City of Calabasas has a large inventory of office space with high vacancy rates, coupled with a lack of available housing units, especially affordable housing. Due to the lack of housing and abundance of vacant commercial space, the City's 2021 Housing Element outlines a comprehensive plan for adaptive reuse, which focuses on repurposing existing buildings to meet current housing needs. This strategy is part of the city's broader effort to address housing shortages and promote sustainable development. By implementing an adaptive reuse ordinance and encouraging the redevelopment of existing commercial corridors, the first barrier identified above (lack of available/affordable land) would be alleviated.

Objective Design Standards: The discretionary review process is a large part of the reason behind the time-consuming and costly permitting procedures within Calabasas. Without a specific set of objective design standards, developers are faced with many unknowns in the design of their project, and must spend time re-designing projects accordingly based on feedback from the community, the City's Architectural Review Panel, and the City's decision makers at a public hearing. By creating a set of agreed-upon objective design standards, the City aims to reduce the second barrier listed above, by removing unknowns on the developer's end and creating a streamlined ministerial process for projects that comply with the design standards that are supported by the Community and adopted by the City.

2030 General Plan Update: The City's current general plan runs through 2030, and in the next several years, the City will be looking at a comprehensive update to the whole general plan, including to the Housing element, Community Design Element, Land Use Element, etc. The

current general plan does not align with the community's vision of development, which creates a barrier to constructing new housing in Calabasas. During the current (6th cycle) housing element, Staff heard from the community a clear desire towards infill development, to concentrate new development within existing commercial corridors and to keep existing sites vacant. However, the current Housing Element and General Plan do not do enough to encourage higher density, mixeduse, and multifamily housing within existing commercial corridors. Input from the community is needed to determine exactly where this higher density should be located, and this community input will be a large part of the General Plan Update process. By involving the community and allowing them to be part of the General Plan process, the City can work towards alleviating the third barrier listed above towards the creation of affordable housing.



Exhibit B – Threshold Requirements and Other Submission Requirements

City of Calabasas

THRESHOLD REQUIREMENTS AND OTHER SUBMISSION REQUIREMENTS

Calabasas meets all Threshold eligibility Requirements in Section III.D and all Other Submission Requirements as identified in Section IV.G of the HUD PRO Housing NOFO.

1. Threshold Requirements

- Resolution of Civil Rights Matters: The City of Calabasas has no outstanding civil
 rights issues that would render the City ineligible for funding. Any charges, cause
 determinations, lawsuits, or letters of findings (referenced in Section III.D.1.a.1-5)
 are non-existent or have already been resolved to HUD's satisfaction. Calabasas is
 dedicated to fair housing practices and committed to upholding civil rights and nondiscrimination in housing.
- *Timely Submission of Application*: Calabasas provided 15 days for public comment on the application draft (beginning on September 30), allowing time to address any public comments. The final application was presented at a public hearing of the Calabasas City Council on October 9, 2024. Any comments received are included in Attachment A.
- *Eligible Applicant*: The City of Calabasas is eligible for funding as outlined in Section III.A.02, is applying as a single jurisdiction, has met all statutory/regulatory requirements outlined in Section III.E and the "Eligibility Requirements for Applicants of HUD's Financial Assistance Programs" document, and has necessary processes and systems in place to comply with the Award Term.
- *Number of Applications*: Calabasas is only submitting one application.

2. Submission Requirements

- Standard Application, Assurances, Certifications, and Disclosures: All required forms are complete and will be submitted with Calabasas's application as outlined in the NOFO. Calabasas assures that, upon selection for an award, the City will comply with all statutory and other requirements and will submit assurances of compliance. The City has a Professional Service Agreement that complies with the requirements included in the "Conducting Business in Accordance with Ethical Standards" section of the Administrative, National, and Department Policy Requirements and Terms for HUD Financial Assistance Awards.
- Limited English Proficiency (LEP): In accordance with Federal and City policies, the City will ensure that the public has equal access to information about the proposed activities, including persons with disabilities and limited English proficiency. The City will ensure that program information will be made available for digital translation into other languages as necessary.
- Physical Accessibility: All meetings for the proposal will be held in facilities that
 are physically accessible to persons with disabilities, and all notices of and
 communications during all public meetings will be provided in a manner that
 ensures effective communication for persons with hearing, visual, and other
 communication-related disabilities.
- Environmental Review: The City of Calabasas will comply with all applicable environmental requirements related to this grant, including compliance with

environmental justice regulations as set forth in HUD's regulations at 24 CFR Parts 50 and 58, implementing the polities of the National Environmental Policy Act (NEPA). The City will prepare appropriate environmental documents as needed for the individual activities discussed within this application.



Exhibit C – Need City of Calabasas

NEED

The City of Calabasas is committed to addressing the critical need for affordable housing within our community. As a city known for its high quality of life and scenic beauty, we recognize the importance of ensuring that all residents, regardless of income, have access to safe, affordable, and sustainable housing.

i. Demonstrate your progress and commitment to overcoming local barriers to facilitate the increase of affordable housing production and preservation, primarily by having enacted improved laws and regulations. (15 points)

a. Improved laws, regulations, or local land use policies. (10 points)

The City of Calabasas has undertaken significant efforts to improve laws, regulations, and land use policies to overcome local barriers to affordable housing production and preservation. Below is a description of these efforts.

- 1. <u>Inclusionary Housing Ordinance</u> The City's Inclusionary Housing Ordinance was adopted in 2010, and requires that all new mixed use or residential development projects that propose five or more housing units shall provide for a minimum number of affordable housing units, as determined by the affordability level and number of total housing units proposed. This ordinance, in combination with the substantial in-lieu fees that the City has imposed as an incentive for applicants to provide affordable housing on-site instead of paying the fee, have contributed to the production of affordable housing units within the City. Additionally, the City does impose an affordable housing in-lieu fee for larger new commercial developments not providing on-site housing, to mitigate for the increase in housing required from the increase in jobs. However, in regards to measurable impact, the average rate of production for affordable housing is only about 10% of new development, resulting from requirements under this section. 10% of new development is a good start and does result in new affordable units, however, improvements are needed in order to further increase production of affordable units that the City desperately needs.
- 2. 2021-2029 Housing Element Update Because of the above-mentioned improvements that are needed to adequately facilitate the construction of affordable housing, the City made necessary adjustments to local land use policies during the 6th Cycle (2021-2029) Housing Element Update. These includes identifying 12 Opportunity Sites for the development of mixed-use and multifamily housing. Additionally, 8 of the 12 total sites were also incorporated within the City's newly created Affordable Housing Overlay (AHO) zone, for the purpose of increasing production of affordable housing within the City. The AHO was structured to incentivize more affordable units at a higher density. By looking at trends in nearby communities to see densities of comparable multi-family projects, the City raised allowable densities within the AHO, due to the fact that data analysis of nearby communities demonstrated that development at higher densities is more feasible for development of affordable housing.

The AHO has resulted in progress towards achieving the City's housing goals—thus far, the City has received two applications for mixed-use development projects on properties within the AHO, including The Commons Lane project (located at 4719 Commons Way) and The Park Apartments (located at 24100 Park Sorrento). The Commons Lane received entitlements in December of 2023 for 119 multifamily housing units (including 12 deed restricted affordable units for low-income households), and is currently pending Building permit issuance. The Park Apartments is still currently incomplete, but the pending project application proposes 107 residential units (including 22 deed restricted affordable units for very low-income households), pursuant to the higher unit density allowed under the City's AHO.

In addition to the AHO, as part of the Housing Element Update, the City upzoned all multifamily properties within the City from a max density of 20 housing units/acre to 24 units/acre. Additional density is permissible for properties within the AHO, and for projects that take advantage of the State's density bonus laws, but this upzoning effort increased the maximum base density for all multifamily and mixed-use developments.

3. Rental assistance program — The City's Rental Assistance Program was originally enacted in 2003, and used City funding to provide rent subsidy vouchers to qualifying low-income senior residents within the City's mobile home park, the Calabasas Village Mobile Estates. Today, the City has partnered with the mobile home park owner on partial funding of the program, to expand the program to 50 participants in total—42 within the mobile home park, and 8 participants within other rental communities within the City. The current rental subsidy is \$290 a month. The program is open to those that are either age 62 or over, or are permanently disabled; rent a unit within the City of Calabasas; and have total household income levels that do not exceed 80% of LA County's area median income. The program is ongoing, and provides monthly assistance to the 50 participants. Calabasas's population is largely comprised of senior citizens, with the average resident age being 43.5, so overcoming the local barrier of high rent costs within the LA County region and supporting our senior population has been of great importance to the City. By providing this subsidy, many senior residents have been able to remain in their homes, rather than being priced out of the City due to rising rent costs.

b. Other recent actions taken to overcome barriers to facilitate the increase of affordable housing production and preservation. (5 points)

1. Online portal for digital submittals – In addition to the regulatory progress & local policies listed above, the City has also enacted other strategies to help facilitate the construction of affordable housing. One such strategy has been the launch of the City's online portal. As mentioned within Exhibit A above, one of the greatest barriers in Calabasas to the development of new housing units are the costs and timelines involved. Staff has attempted to do what they can to streamline development, within the City's existing regulatory framework and code requirements. This effort to streamline the permit process resulted in the launch of the city's online portal first for Planning permits in 2020, and Building permits in early 2024. Prior to the launch of the online portal, all permit applications were

required to be submitted in-person to the City, with 3 printed copies of full-size plan sets and all necessary application forms required for each submittal. With the launch of the online portal, the digital process has removed costs and time on the applicant's end by removing the requirement to print plans or requiring permit runners to drive to the City and submit physical plan sets in-person. Especially since the City has seen a large increase in the number of ADU applications per year (4 applications submitted in 2021 compared to 20 applications in 2023), the online portal has resulted in faster and easier permitting of new housing units and ADUs for residents.

- 2. Pre-approved ADU Plans As part of the city's effort to facilitate the production of accessory dwelling units, the City published an RFP for the preparation of pre-approved ADU plans. Staff has heard from residents that many people are interested in constructing backyard ADUs, a housing type which is crucial to the City meeting its affordable housing goals and Regional Housing Needs Assessment (RHNA) allocation, due in large part to the City's makeup as a suburban community with a lack of developable vacant land. However, many residents have expressed a concern in regards to the cost of constructing an ADU—as mentioned above, timelines and cost are one of the primary barriers to the development of new housing units in Calabasas. The City is committed to doing what we can to alleviate this barrier, and has entered into an agreement with RRM for the preparation of pre—approved ADU plans, which is currently in-process. The plans will be made available to City residents at no cost, and will therefore be a great benefit to the community by helping alleviate barriers to the production of ADUs.
- 3. Mobile Home Park MOU In 2021, the City approved a Memorandum of Understanding (MOU) between the City of Calabasas and the owners of the Calabasas Village mobile home park. For the mutual benefit of the mobile home residents and mobile home park owners, this MOU established terms of a long-term lease agreement for residents, including long-term restrictions on rental rates and annual increases. As a result of this MOU, many residents' rental rates were actually lowered; the City recognized that many residents were struggling to pay their monthly rental rates, and was able to achieve a positive result through this MOU by continuing to commit funding for the above-mentioned rental assistance program.
- 4. Canyon Creek In 2012, Canyon Creek, the first senior affordable housing project in the City, was constructed. The total cost of the development was \$20 million, with \$1 million from the City of Calabasas's own Affordable Housing Trust Fund, with \$16 million in funding provided from the County, State, and Federal government. There are 74 units, all designated affordable for low-income individuals 62 or over. The affordable development would not have been possible without the government subsidies, including the \$1 million provided from the City's own funding. This development has been incredibly important to the City and its vision of protecting our senior population and preventing them from being priced out of the City, as it allowed many residents to downsize from their homes and be able to afford to continue to live in the Calabasas region.

ii. Do you have acute need for affordable housing? What are your remaining affordable housing needs and how do you know? (10 points)

According to HUD's PRO Housing List of Priority Geographies, the City of Calabasas is considered a priority geography, and therefore has a demonstrated acute demand for affordable housing for households below 100% of the Area Median Income (AMI).

Per HUD's methodology, the City of Calabasas has a Housing Affordability Factor (HAF) of 6.06, a HAF National threshold of 2.07, and a HAF State threshold of 9.5. By contrast, the average HAF is 1.3, the average HAF National threshold is 2.01, and the average HAF State threshold is 3.04; therefore, the City of Calabasas measures much higher than the average jurisdiction in regards to measure of insufficient affordable housing.

California State Housing laws also require that regional planning agencies determine the housing needs for individual jurisdictions. In the Southern California region, the Southern California Association of Governments (SCAG) was required to plan for 1,344,740 new housing units during the 2021-2029 Housing Element process, as a result of the Regional Housing Needs determination required by the State. The City of Calabasas has been assigned by SCAG a final RHNA allocation of 354 units, with a breakdown of income categories as follows:

| 6 th Cycle RHNA Obligation for the City of Calabasas | | |
|---|----------------------|--|
| Income Category (% of County AMI) | Housing Units Needed | |
| Very Low (31% to 50%) | 132 Units | |
| Low (51% to 80%) | 71 Units | |
| Moderate (81% to 120%) | 70 Units | |
| Above Moderate (120% or more) | 81 Units | |
| TOTAL | 354 Units | |

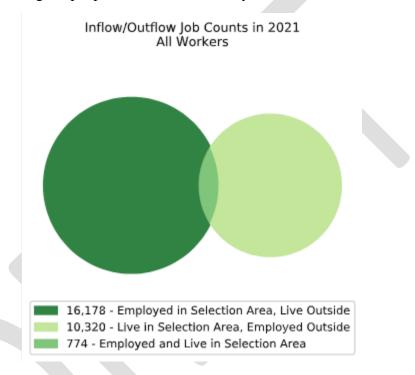
Therefore, the City's current housing need is 354 units as assigned by SCAG, with 203 units at a below-moderate income level. Currently, there are 9,289 housing units in the City, and the City must plan for these 354 new units (3.8% of the current total housing units), so there is an urgent need to quickly increase the housing stock with the construction of new affordable units.

Local key demographics are as follows:

- The average age in the City is 43.5 years old.
- 18% of the population is 65 years or older.
- A majority (75%) of City's the housing stock is comprised of single-family homes, including a majority of which are two-story and may not be accessible for an aging population.
- The median rent in Calabasas as of the end of 2023 is \$3,037, greater than the statewide median rent of \$1,992.
- The median sale price of homes in Calabasas is \$1,800,000 for 2024. In comparison, the median sale price of homes in the surrounding Los Angeles County is \$900,000 for 2024.

- According to U.S. Census data, there are 16,952 employees working in the City of Calabasas; 16,178 of these employees (95.4%) live outside of the City and commute in.
- According to U.S. Census Data, 42.6% of workers employed in the City earn less than \$3,333 per month, making it unattainable to afford the above-mentioned cost of living in Calabasas.

The below graph utilizing U.S. Census Data provides a visual representation of the disparity between people that live in vs people that work in the City of Calabasas, which demonstrates the need to construct housing for people that work in the City:



Based on the above demographics, there is an acute need to construct more housing units in the City that serve an aging senior population and accommodate for workforce housing, two key demographics that are at risk of being priced out of the region due to the rising cost of living.

iii. What key barriers still exist and need to be addressed to produce and preserve more affordable housing?

There are three key barriers to the production of affordable housing units within the City of Calabasas, as mentioned within the executive summary above and described in detail within the list below.

1. <u>Lack of available/affordable land zoned for housing development</u>

The City of Calabasas is a suburban community in the Santa Monica Mountains, to the west of the City of Los Angeles. There are over 5,000 acres of vacant land within the City's boundaries (out of 8,500 acres in total); however, the terrain of this vacant land and the lack of infrastructure makes the prospect of developing any of these vacant parcels with

housing difficult, and nearly impossible for multifamily/mixed-use housing. Therefore, given the topographical and infrastructure constraints of the remaining vacant land in the City, new housing developments within Calabasas would largely need to be infill development.

However, a barrier currently exists in regards to zoning and land use control of these existing developed properties. As identified in subsection (C)(i)(a) above, the City established an Affordable Housing Overlay (AHO) zone to allow for development at a greater density within specified areas of the City. The AHO allows for a maximum density of 50 dwelling units per acre for senior developments, and 40 dwelling units per acre for non-senior housing projects. However, as identified in the City's 2021-2029 Housing Element, developers in nearby communities are building multi-family projects that greatly exceed 40 units per acre, with an average density of 95 units per acre for recent multifamily developments in surrounding communities. Therefore, even taking into consideration the City's increased allowable density within the AHO, this maximum density is still far below the allowable maximums in neighboring communities, and discourages the production of multifamily housing projects within the City of Calabasas. This is a key land use policy barrier which needs to be addressed within the 7th Cycle Housing Element update, in order to ensure that new housing development and affordable housing development is encouraged in Calabasas rather than pushed to surrounding communities due to prohibitive land use restrictions within the City.

2. <u>Time-consuming and costly permitting/construction processes</u>

In addition to the above-mentioned lack of available land and restrictive land use controls, for housing developments that are proposed within the City of Calabasas, the permitting and construction process is time consuming and costly. Currently, the cost of construction in Calabasas can be upwards of \$400/SF, which can be cost-prohibitive for new development. At least one recent senior housing project in the City was unable to build after receiving Planning entitlements and Building permits, due to the rising cost of construction rendering the project financially infeasible.

On top of the rising cost of construction within the region, the City also has permitting procedures which are lengthy and contain an element of uncertainty; all new housing projects are discretionary decisions, subject to approval at a public hearing either by the Planning Commission or City Council dependent upon the project scope. Housing projects proposed outside of the Affordable Housing Overlay (AHO) are also required to hold two community development forums, one before their initial project application and one prior to a public hearing for a project decision, which further contributes to the uncertainty and the cost of the application process.

All housing projects also require review by the City's Architectural Review Panel (ARP) on the architectural style and design, although the City does not have any architectural guidelines for any areas outside of Scenic Corridors (major thoroughfares in the City). The lack of clear design guidelines can create uncertainty, and this uncertainty can extend timelines, as applicants redesign projects based on feedback from the ARP. This creates a

barrier to housing production because extensive timelines and the uncertainty of an approval work to discourage new housing development applications, and creates a long timeline for any projects already in process. By removing the discretionary component to projects that comply with a specified set of criteria, and establishing a set of objective design standards, this could address this barrier by improving timing for an approval and adding predictability for an approval, since clear design standards could effectively be communicated to developers.

3. Lack of community support for new housing

A lack of community support for any new housing project is a significant barrier to the production of affordable housing units within the City of Calabasas. Many community members have voiced opposition to change, with concerns about the character of the City that would result from the increase in density required to facilitate new affordable housing developments. Calabasas was founded as a reprieve from the hustle and bustle of nearby Los Angeles, and many residents are displeased at the idea of their quiet reprieve from the busy city becoming more densely developed with tall residential buildings. Two primary concerns voiced by the community are traffic and parking, and these main concerns have historically been utilized as tools to prevent the development of new housing projects.

The City did gain some traction in overcoming this barrier as part of its efforts in the 2021-2029 Housing Element process, which included a significant educational outreach effort to inform the community of the need to construct affordable housing within our City. As part of this effort, many residents did realize that although they may not love the concept of change in their community, they do want their children and their grandchildren to be able to afford to live close to them when they grow up, and they like the idea of being able to downsize from their two-story single-family residence and into a smaller, more manageable/accessible housing unit in the area as they age. As a result, many residents did meaningfully engage with the Housing Element process, informing staff of where they would most like to see new development (the overwhelming response being infill development within the City's existing commercial corridors).

However, despite the successful community engagement process as part of the Housing Element update, there is still much work and educational outreach to be done in order to truly engage the community and gain their support for the development of affordable housing in Calabasas. The City intends to overcome the barrier of community opposition through further extensive public engagement, to educate members of the community about barriers to construct housing and inform them of how the construction of housing units in their community could actually serve to benefit them rather than negatively impact them, such as by alleviating the homeless population, alleviating traffic by allowing people to live and work in the City, and by allowing them to downsize to a more accessible unit through senior multi-family housing projects being built in the city.

SOUNDNESS OF APPROACH

i. What is your vision?

The City of Calabasas has a clear vision for the creation of affordable housing units in Calabasas, by implementing a plan to address the City's three main barriers to creation of housing in the City:

1) Lack of available land zoned for housing development, 2) Time-consuming and costly permitting/construction processes, and 3) Lack of community support for affordable housing. The below table outlines how the City's 3 barriers correlate to the key barriers identified in the NOFO, which eligible activities the City of Calabasas is pursuing & the proposal under this grant, and which national objectives the activities are meeting.

| | | | | T |
|---------------------|----------------------------|---|-----------------|------------------------|
| Key barriers per | Eligible Activities per | C | City Activities | National Objectives |
| Need [Factor | Section III(F)(2) | | | |
| (a)(iii)] | | | | |
| Zoning and land | G. Establishing incentive | • | Creation of | a. Benefiting low- and |
| use controls | programs or flexibilities | | Adaptive | moderate-income |
| | to enable and promote | | Reuse | persons |
| | the adaptive reuse of | | Ordinance | |
| | vacant or underutilized | • | Creation of | |
| | properties for housing or | | Objective | |
| | mixed-use development | | Design | |
| | N. Developing proposals to | | Standards | |
| | replace discretionary | | | |
| | design review | | | |
| | procedures with | | | |
| | objective design and | | | |
| | development standards | | | |
| Permitting | N. Developing proposals to | • | Creation of | a. Benefiting low- and |
| procedures and | replace discretionary | | Objective | moderate-income |
| approval timing | design review | | Design | persons |
| and predictability | procedures with | | Standards | |
| | objective design and | | | |
| | development standards | | | |
| Capacity to | A. Developing or updating | • | General Plan | c. Meeting other |
| conduct meaningful | housing plans, | | Update | community |
| community | community development | | • | development needs |
| engagement, | strategies, and zoning | | | having a particular |
| procedural delays | and land use policies | | | urgency because |
| associated with | such as overlays to | | | existing conditions |
| soliciting | encourage multifamily | | | pose a serious and |
| engagement or | and mixed-use | | | immediate threat to |
| community review, | development or access to | | | the health or welfare |
| and/or opposition | affordable housing, | | | of the community and |
| to new and/or | floating zones (such as | | | other financial |
| affordable housing. | redevelopment, | | | resources are not |
| | workforce housing, or | | | |

| live/work zones in high | available to meet such |
|----------------------------|------------------------|
| opportunity areas), | needs |
| incentive zoning, transit- | |
| oriented development | |
| zones, floodplain | |
| management or climate | |
| resilience plans, or | |
| ordinances to encourage | |
| housing development or | |
| preservation | |

Activity 1: Preparation of Objective Design Standards

The first activity the City of Calabasas plans to implement to reduce the barriers identified above is the preparation of a set of Objective Design Standards. In the City's 6th Cycle Housing element, the City established the following objective: Research and develop Objective Design and Development Standards for qualifying multi-family and mixed-use development to streamline the review process, provide greater certainty to developers, and facilitate development on Housing element sites. Many of the City's current standards are subjective and discretionary, requiring judgement by the City's Architectural Review Panel (ARP) regarding the design and by the City's decision makers at a hearing regarding the project. As identified by the State Department of Housing and Community Development (HCD), the number of design review meetings and approval hearings required in the City of Calabasas adds unduly time, cost, and uncertainty to development, and serves as a constraint to the production of both market rate and affordable housing. The City established the above-listed objective for the 2021-2029 time period, in order to remedy this constraint to housing production. However, the City has thus far lacked the funding and staff capacity to prepare a detailed set of Objective Design Standards that balances both the community's desires for unified architectural style and good design in the City, and provides clear direction to prospective developers regarding the required design of a potential project. By utilizing funding from the PRO Housing grant, the City plans to develop and implement these standards by the end of 2025.

By establishing a set of agreed-upon Objective Design Standards, with project standards supported by the community and adopted by the City Council, the City will be able to eliminate the discretionary review process for projects that provide affordable housing. Because the City's existing Affordable Housing Overlay (AHO) and Inclusionary Housing ordinance both encourage affordable/senior housing by allowing for increased density for these types of projects, the proposed Objective Design Standards in combination with the existing policy would shorten permit timelines and encourage affordable/senior housing. This would remove regulatory and procedural barriers to housing production, by allowing a streamlined, ministerial review process for qualifying projects. Objective Design Standards would apply citywide, but there are a total of 12 Housing Opportunity Sites identified within the City's Housing Element with a total net unit potential of 1,019 units. The streamlined review process created through the Objective Design Standards would help facilitate a faster permit process for these 12 sites, further encouraging

development of these 1,019 potential units. Further, this activity would advance the national objective of benefitting low- and moderate-income persons by encouraging the development of affordable housing units within Calabasas, by streamlining the permitting process for projects that provide affordable housing and meet established design standards. This proposal is expected to succeed due to the City's prior experience with barriers to housing development—Staff has regularly received feedback from developers that the discretionary permit process and subjective review is prohibitive to the development of both market-rate and affordable housing, and by removing those barriers—but balancing that with the community's desire for unifying design themes for new development—this proposal is expected to increase production of affordable housing units within Calabasas.

Activity 2: Creation of an Adaptive Reuse Ordinance

The City's second proposed activity is to create an Adaptive Reuse Ordinance, to encourage infill development and redevelopment of existing office buildings within the City's commercial corridors. Some of the main challenges to the development of both market-rate and affordable housing units are the lack of viable land zoned for/suited for housing development, due to the heavily sloped topography and lack of infrastructure within the undeveloped areas of the City. Additionally, within the City's developed commercial centers, many properties are zoned Commercial Business (CB), Commercial Limited (CL), or Commercial Retail (CR), which do not allow for any sort of residential development. Due in part to the aftermath of the COVID-19 pandemic with an influx of offices closing their physical locations, many of these office buildings already are, or will soon become, obsolete, making them a suitable candidate for conversion to residential use.

A number of barriers currently exist towards converting existing unused office space to residential uses, which the City aims to alleviate via the creation of an Adaptive Reuse Ordinance that would comprehensively address these challenges. Four of the 12 sites identified in the Housing Element sites inventory are office buildings suitable for conversion to residential during the eight-year planning period, and those are currently within the mixed-use zoning district, which does permit residential development. The below table shows the net unit potential of these 4 opportunity sites:

| Site Number per | Site Description | Acreage | Net Unit Potential |
|-----------------|-------------------------|---------|--------------------|
| Housing Element | | | |
| 1 | Raznick Office Building | 1.93 | 42 |
| 7 | Downtown Offices | 1.34 | 54 |
| 9 | Agoura Rd Offices | 2.78 | 111 |
| 10 | Mureau Rd Offices | 1.59 | 64 |
| | | TOTAL | 271 |

Per the above table, a maximum of 271 units are possible based on the current allowed density for these four properties. However, further tools are needed to encourage development of these units on these sites to overcome some of the barriers that are commonly encountered with office-to-residential conversions. The City plans to facilitate the adaptive reuse of offices to residential housing units using the following tools:

- Allowing flexibility in use of the Building Code, e.g. allowing use of the State Historic Building Code for older office buildings (even ones that may not be considered historic).
- Establishing an Adaptive Reuse Ordinance, with modified development standards for office-to-residential conversions to encourage and accommodate for residential development on these properties.

Currently, the cost of construction is prohibitive to development within the City; the cost of adaptive reuse is significantly less than the cost of construction, so by encouraging and accommodating for adaptive reuse, new housing units will be created at a lower cost than the cost to construct a brand-new multifamily building. Additionally, by providing a streamlined process for market-rate housing units, more affordable units/senior affordable units will be constructed, as incentivized through the higher densities allowable by the City's existing AHO and Inclusionary Housing Ordinance. The timeline for establishment of this ordinance is by the end of 2026.

The development of an Adaptive Reuse Ordinance would advance the national objective of benefitting low- and moderate-income persons, because the development of any market-rate housing in the City would be required to dedicate a specified percentage of the units as deed-restricted affordable housing units, or pay an in-lieu fee to the City's Affordable Housing Trust Fund instead. By removing restrictive zoning and regulatory barriers, and encouraging/allowing the development of market-rate housing within the opportunity areas of the City's existing commercial corridors, low-income individuals would benefit from the affordable units proposed as part of these developments.

Activity 3: Updates to the City's General Plan

Lastly, within the next few years, the City will be conducting a comprehensive General Plan update, which establishes an overall vision and direction for the City. Specific updates (such as to the Housing, Land Use, Safety, Circulation, and Community Design elements) pertain to the development of housing units, and address issues regarding where housing should be located, zoning and allowable density, traffic/circulation within the City, and wildfire risk/evacuation routes. A comprehensive update to the overall plan is needed, for the purpose of creating a unifying vision for the City that supports the development of both market-rate and affordable housing units and addresses factors associated with new development, such as wildfire risk and traffic, as mentioned above. Additionally, the General Plan update will be aimed towards engaging the community in the development of multifamily/mixed-use housing & affordable housing units. As identified above, one of the primary barriers Calabasas faces in the development of both marketrate and affordable housing is a lack of community support for new development, which results in opposition to individual development projects that delay timelines, introduce uncertainty, and create animosity between the community and prospective developers. The City aims to alleviate some of these challenges with the next General Plan update, which will take place beginning in 2026, and will run from 2030-2050.

One key component of this update is community engagement—since lack of community support for housing development is currently a challenge, the City will hold educational workshops to inform residents of the importance (and State requirements) of planning for new housing development, and engaging the community in regards to where they are supportive of development being located, what types of housing developments they want to see (duplexes, low-rise multifamily, mixed-use multifamily, etc), and what they want these developments to look like. By engaging the community in the updates to General Plan, and ensuring that the elements of the Plan reflect community desires in regards to housing development, the City will be able to plan for more housing units in locations and styles acceptable to the community.

This activity is expected to be successful because community opposition has been historically targeted at specific development projects when housing developments have been proposed; by updating these elements of the General Plan to reflect extensive efforts to engage with the community and include their desires/wants, the City can establish a clear vision of what type of housing development is desired and where. Subsequent housing projects will then face less community opposition, by following the clearly identified desires of the community within the Housing, Land Use, and Community Design elements of the general plan.

Furthermore, the national objective of 'Meeting other community development needs having a particular urgency' would be met with this activity because vulnerable populations within the City of Calabasas, primarily senior citizens, are at risk of being displaced due to the lack of available housing options within the City, and a lack of community support for development prevents new housing (including senior/accessible housing) from being constructed. By promoting community engagement in the General Plan update process, new development that complies with these elements can expect to face less community opposition and therefore facilitate production of market-rate and affordable housing units.

Comparison to Similar Efforts

<u>2021-2029 Housing Element Update</u> - One successful effort that the City made in the past to further the development of affordable housing were the community workshops that led to the development of the 2021-2029 Housing Element. This effort included solicited engagement from the community through community surveys, senior surveys, and through interactive public meetings where the community was able to vote on which specific properties they wanted to see included as an Opportunity Site designated for potential future housing development. These efforts were largely successful, cultivating a positive relationship with the community and allowing them to be a part of the process to decide where new development should be located.

As part of the General Plan update, this activity will emulate those prior efforts, but on a larger scale. The City plans to put more time and effort into the community engagement process, to ensure all City residents—including non-English speakers, students, elderly residents, etc—can be involved. This would be done by posting flyers in other languages in addition to English; posting on social media; posting flyers at the Senior Center; etc, so that the entire community can be reached and provide their input.

<u>Affordable Housing NOFA</u> - One previous effort to facilitate the development of affordable housing which was less successful was a Notice of Funding Availability issued by the City of Calabasas, for up to \$1,200,000 from the City's Affordable Housing Trust Fund for the development of an affordable housing project, with a minimum of 8 units total, at least 4 of which

would be deed-restricted affordable. This effort did not attract any respondents capable of delivering what the City was asking for, and the lesson the City learned from this endeavor was that it's not financially feasible for most developers to construct 100% affordable housing projects due to the high cost of land and construction within Calabasas, even when utilizing upwards of \$1,000,000 in City funding. As a result of this effort, the City learned that the best way to create new affordable housing is to encourage the development of market-rate housing, requiring a percentage of the development project to be designated affordable units for low- or very low-income households. Therefore, the City's activities under this grant of creating an Adaptive Reuse Ordinance, Objective Design Standards, and General Plan Update will encourage the creation of market-rate and affordable housing, learning from the successes and missteps of prior efforts.

Avalon Initiative - Another previous unsuccessful effort was an initiative proposed by an existing apartment complex, Avalon Calabasas, to amend the City's General Plan and Municipal Code, and adopt a new Specific Plan to construct 161 new units at an existing 600-unit apartment complex. Avalon was originally constructed in 1988, with financing via a bond from Los Angeles County to maintain 80 rent-restricted affordable units until the bond was paid off. Once paid off, in 2020, the property owners proposed an initiative to construct another 161 new market-rate units within already-developed areas of their property, to offset the cost of maintaining the 80 affordable units for moderate income and very-low income households for another 55 years. However, the initiative was put on the ballot by the City Council for a decision by the voters, where it was ultimately not approved by the voters. The lesson that the City learned from this effort was that the lack of community engagement in the project process was ultimately detrimental to the project. Residents expressed that they did not support the developers bypassing the typical project review process by putting an initiative on the ballot, rather than holding the standard Community Forums, Architectural Review Panel meetings, and a decision at a public hearing. Moving forward, with the above-mentioned activities pursuant to this grant, the City plans to engage residents in the process of determining updated development standards, density, design standards, etc., so a future project similar to the Avalon expansion could proceed with that community input and without requiring a ballot initiative.

Advancing Existing Planning Initiatives, Services, and Other Community Assets

The activities outlined above align with existing planning initiatives because the City's General Plan aims to plan for the future of the City, and the Housing Element of the general plan looks to the future to determine how potential future challenges will be addressed with planning policies. The City's demographics are expected to change in the coming years to have a higher median age as the population continues to live longer, as is common throughout the country. Given that Calabasas is already an older population, with an average age of 43 and almost 20% of the population being over the age of 65, and one of the challenges faced by our residents is how they're able to age without being displaced, given that most of the City's housing stock is two-story single-family homes, which can be difficult to manage for older residents. By creating new market-rate and affordable multi-family housing units that are accessible to disabled/senior populations, we can ensure that our residents will have options and won't be forced out of their neighborhood when they can no longer manage a larger two-story home.

Additionally, the City's General Plan policies include providing a mix of diverse retail and commercial, office, and business park areas that provide jobs for residents of all skill/education levels. As listed in Exhibit C(ii) above, 95% of the City's workforce lives outside of the City, so this demonstrates a current inconsistency with the General Plan, which aims to provide places to work for residents and places to live for employees within the City. Constructing more multifamily housing units, especially affordable units, are crucial to ensuring employees within Calabasas can afford to live here as well, rather than commuting long distances in. Therefore, the City's proposed activities pursuant to this PRO Housing grant are consistent with current general plan activities and job retention efforts.

Proposal's Alignment with Environmental Risks

Calabasas is a hillside community located within the Santa Monica Mountains, and the entire City is within the Very High Fire Hazard Severity Zone (VHFHSZ) as designated by the State Fire Marshal; therefore, the greatest environmental risk in the City is currently the risk of wildfires. Many of the City's residential neighborhoods are single entry and exit communities, with one way in and one way out, which poses evacuation challenges by adding increased density & additional housing units within these existing neighborhoods. Therefore, the City's General Plan policies discourage new development in areas that do not have adequate infrastructure/resources (paved roads, water pressure, communication lines) in order to minimize fire hazards, and to instead concentrate development within infill areas, along the City's existing commercial corridors and in developed areas.

By encouraging new housing within existing developed areas of the City, there would also be no increase to the urban-wildland interface, and native vegetation would not be impacted by the fuel modification efforts required by CalFire of any new developments within the state. Environmentalism and the preservation of existing natural resources is of great importance to the City, and by promoting infill development with activities such as implementing Adaptive Reuse standards and updates to the General Plan to encourage housing in developed areas of the City, wildfire risks would be minimized and impacts to existing natural resources would also be minimized.

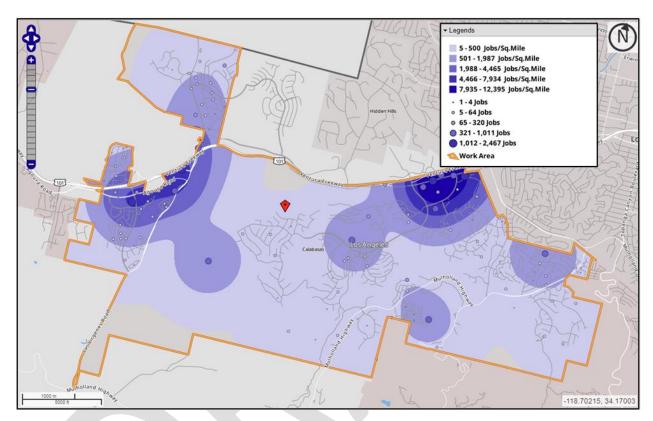
Potential Roadblocks

Potential roadblocks to the implementation of the City's proposals would be a lack of unifying support from the community and decision-makers on the City's proposed activities listed above. This proposal would aim to counter-act these obstacles by spending a significant amount of time and resources on community engagement and educational efforts, to ensure that the proposed ordinances and General Plan update are reflective of the community's wants/needs and includes input/feedback from decision makers prior to adoption.

ii. What is your geographic scope?

The geographic scope of the City's activities pursuant to this grant (the Adaptive Reuse Ordinance, Objective Design Standards, and General Plan Update) will be applicable citywide, but the anticipated areas in which these new regulations will be utilized for development are the City's

commercial regions. In the figure below, the Las Virgenes/West Side corridor is depicted on the west side of the map, and the East Village is on the east side in the map above. As shown in the legend, these regions are where jobs are most highly concentrated, due to the location of office/retail/service uses within these regions. Therefore, these are high-opportunity areas for the creation of housing units.



Because one of the main target populations of the City's activities in the development of housing are senior citizens, encouraging housing in or near these commercial corridors will be a benefit to this vulnerable population. Suburban environments become difficult for many seniors to live in as they age when they can no longer drive to access necessary goods and services. By encouraging senior affordable housing in these high-opportunity commercial corridors, it will ensure seniors are located in close proximity to commercial land uses and therefore expands their opportunity to access grocery stores, pharmacies, and other necessary land uses.

Additionally, another main target population of the City's activities pursuant to this grant is the City's workforce, most of whom currently live outside the City. Therefore, these commercial regions are also high-opportunity areas for the creation of affordable workforce housing.

iii. Who are your key stakeholders? How are you engaging them?

The main stakeholders intended to be served by the City's activities listed above are low-income populations that live and work within the City, particularly seniors and the labor force working in Calabasas. The unmet housing need of these two groups is a lack of available affordable housing units within Calabasas, which results in seniors being priced out of the community, and results in

the labor force commuting long distances into the City due to the high cost of living in the Calabasas/neighboring Los Angeles region. Other key stakeholders include Los Angeles County, of which Calabasas is within, and also the Southern California Association of Governments (SCAG), the local Las Virgenes – Malibu Council of Governments (COG), the Calabasas Chamber of Commerce, local neighborhood groups (including formal/informal HOAs), local housing developers, and community advocacy groups.

The City developed this proposal based on past experience working with these groups, with knowledge of which general approaches would be most favored by the community and key stakeholder groups. To solicit input from the community and key stakeholders in development of this application, the application was made available for public comment and posted online for a minimum of 15 days, and reviewed at a publicly noticed hearing of the City Council on October 9th, 2024.

If approved for funding pursuant to this PRO Housing grant, the City would then conduct extensive public outreach to solicit input from stakeholders, including sending public hearing notices, posting on the City website, at City Hall, and at the Senior Center, and engaging with local groups such as the Chamber of Commerce and local HOAs. The majority of residences in Calabasas are located within an HOA, and outreach efforts through these HOA boards to their residents is crucial to participation in City matters. These outreach efforts have been successful for resident participation in the past, and the City would use the same approach to solicit key stakeholder input for activities related to the development of Objective Design Standards, an Adaptive Reuse Ordinance, and the next General Plan update.

iv. How does your proposal align with requirements to affirmatively further fair housing?

The City proposes to create a set of Objective Design Standards, create an Adaptive Reuse Ordinance, and update the City's General Plan towards a consistent vision of expanding housing opportunities and increasing the number of affordable housing units within the City of Calabasas. All three of these activities are focused on densification in desired locations and streamlining the permitting of new housing.

The City proposes to remove barriers to the development of affordable housing in well-resourced areas of the City by allowing for higher density housing in the next General Plan update, and increasing access for underserved groups to these areas by encouraging affordable and workforce housing. The racial composition of the City is 74% white, 12% Asian, and 8% multiracial communities; however, the grant activities are also expected to benefit the workforce in the City by providing affordable workforce housing opportunities. The racial composition of the City's workforce differs greatly from the racial composition of City residents; 34% of the workforce is Hispaic/Latinx, and 6% is Black or African American. The City's plan will remove barriers impeding development of affordable housing that would promote segregation by prohibiting discriminatory practicing in the renting of housing units, and ensuring affordable housing opportunities are thoroughly advertised to not only current residents of Calabasas.

The City will ensure this proposal does not cause affordable housing to be concentrated in low opportunity areas by incentivizing housing development in areas that currently have the greatest

need, within the City's developed areas and commercial corridors. This increases housing chouse by allowing residents—especially seniors—to be able to choose to live closer to necessary goods and services, especially if their current housing is not sufficient to meet their accessibility needs.

The City's approach addresses the unique housing needs of members of protected class groups by encouraging the development of senior accessible/ADA compliant housing units; much of Calabasas's population is older with mobility challenges, and encouraging senior housing would help address their needs.

The City's plan addresses issues in the City's Housing Element, including the City's policies to further fair housing and advance equal opportunity, by encouraging the construction of new single-level ADA-compliant housing units, which will be beneficial for individuals with disabilities and for the City's senior population.

Risk of displacement has been considered with this proposal, by encouraging the preservation of existing affordable units, and increasing supply of housing units overall, thereby increasing supply and preventing high rental rates as a result of a lack of supply. The City's housing stock is primarily between 40-60 years old, and there is little possibility for any existing multifamily properties to be demolished to make way for new construction.

The proposed activities will work in conjunction with existing City policies to address the housing needs of people with disabilities and increase their access to accessible affordable housing, including, for example, the Reasonable Accommodations Ordinance. The City will also focus on identifying and removing barriers to fair housing and affirmatively furthering fair housing to increase housing choice. The City will work with Los Angeles County Development Authority's goals to enhance accessible housing and supportive services to ensure compliance with the Americans with Disabilities Act. The City will also ensure compliance for meetings, hearings, and community engagement event.

The City's outreach efforts for these activities, particularly for the General Plan Update, will include outreach conducted to all local business owners, including for minority-owned, womenowned, and veteran-owned businesses The City will evaluate the effect of this proposal on expanding equitable access to well-resourced areas of opportunity with the next General Plan update, by ensuring that all developments will be required to include a percentage of affordable housing or pay an in-lieu fee, and de-concentrate affordable housing units by ensuring these requirements apply citywide, rather than concentrated in any specific area in the City. Additionally, the City will track progress to evaluate effectiveness of our efforts to advance racial equity by engaging with community stakeholder to gather feedback on the City's efforts to promote racial equity.

v. What are your budget and timeline proposals?

Proposal Budget

The City's budget for the proposed scope of work includes a reasonable staff allocation over a five-year period to manage various consultants who will assist with drafting and finalizing the work products. The budget allocates 11,000 hours of staff time over the next five years. Based

on the City's experience drafting similar policy documents, this allocation is appropriate to ensure the task is competed on budget and on time.

Responsibilities will be clearly delineated between staff and consultants. Staff will manage the grant, including reporting, financial management, and project management. They will also lead public engagement efforts, with support from the consultants. Additionally, staff will conduct all public hearings and oversee the work product, ensuring it aligns with community and decision maker input.

The following five-year budget estimate is based on the City's previous experience working on and managing similar scopes of work. The City has used contracts to develop it current General Plan, various Master Plans and other long range policy documents. As demonstrated below, the City intends to match up to 68% of the grant through a combination of in-kind staff and financial commitments to complete the proposed scope of work.

Staff Costs - \$1,250,000

HUD Share \$0

City Share \$1,250,000

Objective Design Standards - \$500,000

HUD Share \$400,000 City Share \$100,000

General Plan Update - \$1,500,000

HUD Share \$1,500,000

City Share \$0

Adaptive Reuse - \$300,000

HUD Share \$300,000

City Share \$0 ADUs - \$50,000

HUD Share \$0

City Share \$50,000

<u>City Attorney - \$100,000</u>

HUD Share \$0

City Share \$100,000

Total Project - \$3,700,000

Total HUD share \$2,200,000 Total City Share \$1,500,000

Timeline

The total project time frame is approximately 5 years, with the project split into phases as outlined in the chart below. There is expected to be overlap between these phases, but the primary goal during each phase will be completion of the listed activity.



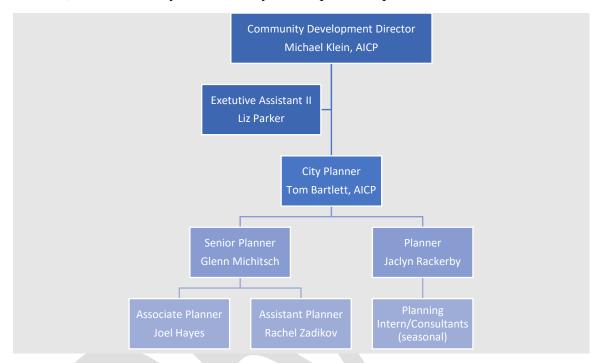
If the City were to not be awarded the full extent of the requested \$2.2 million grant, the proposed activities would need to be significantly scaled back to accommodate for the reduction in funding. As outlined in the above budget estimate, the largest planned expense utilizing HUD grant funding is the General Plan Update, and this is the activity that would have to be scaled back most significantly as a result from a reduction in funding. If the City were to be awarded only 50% of the requested amount, we would likely be able to achieve only the activities listed in Phase 1 and Phase 2—the preparation of Objective Design Standards and creation of an Adaptive Reuse Ordinance. Without the broader General Plan Update, the creation of these ordinances would not be linked to an overall vision and goal for the City's future, and therefore the overall proposal would be less effective. However, the geographic scope of the proposal would not be altered due to a reduction in funds, since all proposed activities would be citywide policy changes. No proposed activities are limited to a specific geographic region within the City, but the ordinance updates and General Plan updates are anticipated to be utilized within the City's commercial corridors at the east and west sides of the City.

Exhibit E — Capacity City of Calabasas

CAPACITY

i. What capacity do you and your Partner(s) have? What is your staffing plan? (10 points)

The lead agency for implementing the proposed activities would be the City of Calabasas's Community Development Department (the Department). Within the Department, the Planning division is responsible for land use planning, zoning, housing development, Planning permits, and Planning grant management. Below is an organizational chart for the Planning Division (the Division), within the City's Community Development Department:



All positions within the Planning Division are currently filled, and all the positions in the above chart (aside from the Planning Intern/consultants) are full-time staff members that will contribute their time to the implementation of these grant activities. The Division is comprised of 5 full-time planners, one executive assistant, and the Director.

The City will be the lead agency in implementing the activities discussed within this grant application, and for any services contracted out, Planning Division staff will manage those contracts and work closely with contract team members on successful execution of the grant activities. Planning Division staff does have experience on coordinating with contract partners in previous projects of similar scope—for example, the City's 2021-2029 Housing Element was prepared by a contract team, and Staff successfully collaborated with and managed the contract, meeting regularly with the contract team to ensure the approach and all documents prepared reflect the City's goals and desires, and facilitated public meetings with the Planning Commission, City Council, community members, and contract workers. As a smaller city, Calabasas does not have the capacity for larger efforts to be handled 100% in-house by full-time employees, so Staff is very familiar with collaborating with partners/contractors in these efforts.

The City of Calabasas is predominantly white in regards to racial background, with no particular minority enclaves or areas of racial segregation, so Department staff do not have broad experience handling racial disparities; however, the primary fair housing issue we do deal with in Calabasas is economic disparity—because the cost of living in the community is so high, low-income individuals are at particular risk of being priced out of the City, so Staff does have substantial experience working with the low-income populations and working with data to analyze economic disparities.

This grant application was prepared by City of Calabasas staff members, without the aid of a professional/technical grant writer in a consulting/contract capacity. The application was prepared by Jaclyn Rackerby, Planner; Tom Bartlett, City Planner; and Michael Klein, Community Development Director.

$\begin{aligned} & Exhibit \ F-Leverage \\ & City \ of \ Calabasas \end{aligned}$

LEVERAGE

i. Are you leveraging any other funding or non-financial contributions? (10 points)

The City of Calabasas is a smaller City, with limited capacity to fully fund the proposed activities utilizing the City's own budget; however, the City is firmly committed to these activities in furtherance of developing affordable housing in Calabasas, and therefore we will dedicate in-kind staff time and funding to achieve a 68% share match, or approximately \$1,500,000, through a combination of in-kind staff time and monetary financial commitment.

<u>In-Kind Staff Time</u>: The City has committed to utilizing 11,000 hours or \$1,250,000 in staff time to support project management, facilitate community engagement, and other technical and administrative tasks as needed to ensure completion of the proposed projects.

<u>Funds</u>: The City is also firmly committed to contributing \$250,000 dollars from the City's own budget for the funding of City activities pursuant to this grant application.

$\label{eq:condition} \begin{aligned} & Exhibit \ G-Long\text{-term Effect} \\ & & \text{City of Calabasas} \end{aligned}$

LONG-TERM EFFECT

i. What permanent, long-term effects will your proposal have? What outcomes do you expect?

A major long-term challenge faced not only by the City of Calabasas, but also the entire United States, is that as the population continues to age and people continue to live longer, infrastructure faces significant challenge. This challenge is exacerbated in the City of Calabasas, where the median age of the population is greater than the national average, and with a greater population of resides over the age of 65. Planning for the production of affordable housing units, especially that of senior affordable housing, is incredibly important at this stage, so that the capacity exists in years to come when the demand for senior housing continues to increase. Single-level living in accessible units is crucial for an older population, and this grant seeks to remove barriers associated with production of this specific type of development.

The activities pursuant to this grant seek to permanently address the barriers of time and permitting procedures by focusing on updating the City's General Plan, and creating two new ordinances—an Adaptive Reuse Ordinance and Objective Design Standards—that streamline development of market-rate and affordable housing. The City's General Plan update will run from 2030-2050, and the proposed new ordinances will be permanent changes to the City's municipal code, with no sunset date. The table below outlines the specified barriers, proposed activities pursuant to this grant, and details the anticipated long-term effect of each activity.

| Key barriers per Need | City Activities | Anticipated Long-Term Effects |
|--|--|---|
| [Factor (a)(iii)] Zoning and land use controls | Creation of Adaptive Reuse Ordinance Creation of Objective Design Standards | Updated zoning regulations to encourage office-to-residential conversions will result in cheaper new residential developments. Longterm, residents of Calabasas would be able to downsize into new single-level accessible housing units, staying in the City within their existing communities & close to goods and services. All new affordable units constructed pursuant to the City's Inclusionary Housing Ordinance will be deed-restricted affordable for 55 years. |
| Permitting procedures and approval timing and predictability | Creation of Objective Design Standards | Objective design standards would allow streamlined process for new compliant housing developments. Long-term, this change will result in sustained production of housing by bypassing permit process barriers. Residents will be able to live closer to where they work, and will have |

| | more choice in regards to what type |
|-----------------------|--|
| | of housing they want to live in. All new affordable units constructed pursuant to the City's Inclusionary Housing Ordinance will be deed-restricted affordable for 55 years. |
| • General Plan Update | • The General Plan, by nature, is intended to be long-term; this updated General Plan would run from 2030-2050, and so the needs of the City in the next 25 years would be planned for. The City's long-term goal of the General Plan as it relates to housing is to create a unified vision for housing development in Calabasas, a vision that is shaped by and supported by the residents and other stakeholders. By increasing engagement and involving residents in the General Plan update, the anticipated long-term effect would be a community in support of new development that complies with the updated General Plan. |
| • | General Plan Update |

Following the completion of grant-funded activities, the City will have achieved the adoption of Objective Design Standards guiding the design of development within the City, created an Adaptive Reuse Ordinance to encourage office-to-residential conversions, and finalized the 2030-2050 Calabasas General Plan. The individual effects of each activity are outlined in the table above, but the comprehensive long-term effect of these activities would be improving housing availability and affordability in Calabasas. By creating these ordinances and making the necessary General Plan updates, the City would ensure the community is supportive of housing developments of a specific type and architectural design, creating a streamlined path for these future proposed developments. When development is proposed and constructed pursuant to these ordinances, it will result in a variety of housing types in the City at different affordability levels, to allow for people of all income levels to be able to live and work in Calabasas.

The City's proposal represents a model for other cities because many communities nationwide, especially within California, are struggling right now with a lack of community support for new multifamily developments, so Calabasas is not alone in experiencing this lack of support. This barrier which has a lasting long-term negative effect of barring new housing for residents' children, family members, and an aging senior population to be able to occupy. The City aims to overcome this barrier through community outreach and education, informing them of the importance of creating new housing units and taking their feedback into consideration in regards to how these housing units should be designed. Other cities in similar situations can replicate Calabasas's

efforts, by involving the community and valuing their feedback to overcome their opposition to projects and ordinance updates.

At the end of the performance period and beyond, success for this proposal would look like people of all income levels being able to afford to enjoy living in the City of Calabasas. As demonstrated by the local key demographics within Exhibit C, the City's high rental rates and housing costs is currently a barrier to having low-income individuals living and working in the community. The targeted outcomes of creating more housing units, both market-rate and affordable, would remedy the identified need by creating opportunities for seniors and the City's workforce to be able to live and work in the City, or to avoid being priced out of the City due to the currently cost-prohibitive housing situation. As mentioned above, the City's current Regional Housing Needs Assessment (RHNA) allocation is 354 new units, which the City must plan for and aim to accommodate for by 2029. Through the activities proposed as part of this grant application, the City aims to achieve its RHNA goal by permitting these 354 new housing units. This would not be feasible/likely with the City's current permit processes and development standards, and the proposed Objective Design Standards and Adaptive Reuse Ordinance are necessary in order for this goal to be realized.

In the long-term, by encouraging production of affordable housing within the City of Calabasas, this proposal would remove barriers that inhibit low-income families and individuals from having access to the same resources in and around the City that otherwise wealthy individuals can already afford to live nearby and have access to, including healthcare, healthy foods, safe neighborhoods, etc. Historically, economic segregation keeps low-income families low-income, while mixed-income living (such as housing developments that include market-rate and affordable units) have the beneficial effects of improving social/job networks, reducing crime, and improving quality of life for low-income individuals. This can even lead to increased opportunities that will help pull low-income individuals out of poverty. In the long-term, the City's proposal to facilitate the development of both market-rate and affordable housing in Calabasas will result in a more mixed-income community, and advance access to resources for these vulnerable populations. By expanding access to housing opportunities, Calabasas can become a City that welcomes all residents, regardless of income level.