Issue Paper on Affordable Housing

City of Calabasas 2030 General Plan Update

Prepared by:

Karen Warner Associates
882 N. Holliston Avenue
Pasadena, California 91104

and

Rincon Consultants, Inc.
790 E. Santa Clara Street
Ventura, California 93001

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This issue paper discusses the current status of housing affordability in Calabasas and ways in which the City may accommodate affordable housing needs in the 2030 General Plan Update. The paper is based largely on the “White Paper on Strategy for Affordable Housing Trust Fund” prepared for the City of Calabasas by Karen Warner Associates in 2004. As appropriate, information contained in that White Paper has been updated to reflect current conditions.

**CURRENT HOUSING NEEDS**

**Senior Housing Needs**

The 2000 census identifies 9% of Calabasas’ population as age 65 and above, with another 10% (“pre-seniors”) turning this age over the coming decade. Approximately 14% of the City’s households are headed by a senior, with about one-third of these householders over the age of 75, and 29% living alone. One-quarter of elderly residents in Calabasas have some type of disability, which may limit their ability to live independently.

Given Calabasas’ growing senior population, the City may experience an increase in the need for senior housing and services. Particularly those seniors age 75 and above begin to require housing with a supportive services component. Rising apartment and mobile home park rents, as well as ongoing homeowner maintenance costs are a particular concern for seniors as many are on fixed incomes.

Calabasas currently has only one specialized residential facility for seniors. Silverado Senior Living is a 110-bed facility for persons with Alzheimer’s disease and related dementias. Monthly costs range from $5,000 for a shared room to $8,000 for a private room.

In July 2006, the Calabasas City Council approved a conditional use permit for development of a 60 unit senior condominium development. The Malibu Hills Senior Housing project will be located at the eastern terminus of Malibu Hills Road. The project applicant has not yet pulled building permits, and it is uncertain whether they will choose to fulfill the City’s affordable housing requirements on-site or pay the inclusionary housing in-lieu fee.

Over the past several years, City staff have been approached by a number of developers interested in building senior housing, and currently has a proposal for the development of 90 affordable senior rental units in Old Town. This is further indication of the market demand for such facilities in Calabasas.

**Workforce Housing Needs**

The Calabasas Commercial/Industrial Development and Affordable Housing Nexus Study (1998) documented significant demand for affordable housing to address the community’s workforce. The study estimated that, as of 1998, 40% of recent workers in...
Calabasas had low to moderate incomes, and over half those workers commuted over 30 miles daily. The study also indicated that 17% of recent (as of 1998) employees attempted to find housing in Calabasas, and that less than a quarter of these were successful, citing high housing costs and lack of residential vacancies as major deterrents.

The limited supply of rental units in Calabasas, combined with escalating rents averaging $1,700 for a one-bedroom unit, has pushed rental housing out of reach for even moderate (120% MFI) income occupations. With for-sale housing prices averaging $1.4 million for single-family homes and $530,000 for condominiums, homeownership within the City is unattainable for most of Calabasas’ working professionals, including teachers, civic employees, police officers, firefighters, and engineers.

REGIONAL HOUSING NEEDS ASSESSMENT (RHNA)

California’s Housing Element law requires that each county and city develop local housing programs to meet their “fair share” of future housing growth needs for all income groups, as determined by the State Department of Finance. The regional councils of government, including the Southern California Association of Governments (SCAG), are then tasked with distributing the State-projected housing growth need for their region amongst their city and county jurisdictions by income category. This fair share allocation is referred to as the Regional Housing Needs Assessment (RHNA) process. The RHNA represents the minimum number of housing units each community is required to plan for through a combination of: 1) zoning “adequate sites” at suitable densities to provide affordability; and 2) housing programs to support production of below-market rate units.

The regional housing needs process is based upon the premise of the critical need to increase the supply of housing throughout the State to accommodate California’s growing population. Because the RHNA reflects each jurisdiction’s allocation of the State’s housing growth needs, only those programs which result in an increase in the supply of new units provide jurisdictions with RHNA credit in their Housing Elements. The RHNA is one of the primary threshold criteria necessary to achieve State Department of Housing and Community Development (HCD) approval of the Housing Element. Lack of an HCD-approved Housing Element can render jurisdictions ineligible for certain State funds and can subject jurisdictions to litigation based on a legally inadequate General Plan.

In November 2007, jurisdictions within the SCAG region were provided with preliminary draft RHNA figures for the upcoming 2008-2014 housing element cycle. Calabasas’ RHNA was initially established at 870 new units, including 528 units for lower and moderate income households. Based on City staff’s written and oral testimony before SCAG documenting why this level of growth was implausible in Calabasas, SCAG

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1 Dataquick – compilation of 2006 single-family and condominium sales for Calabasas.
adjusted the City’s draft RHNA downwards to 516 units, distributed among the four income categories as shown in Table 1.

Table 1: Draft Regional Housing Needs Assessment 2008-2014

<table>
<thead>
<tr>
<th>Income Group</th>
<th># of New Units</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Low (0-50% MFI)</td>
<td>136</td>
<td>26.3%</td>
</tr>
<tr>
<td>Low (51-80% MFI)</td>
<td>85</td>
<td>16.5%</td>
</tr>
<tr>
<td>Moderate (81-120% MFI)</td>
<td>92</td>
<td>17.8%</td>
</tr>
<tr>
<td>Above Moderate (&gt;120%MFI)</td>
<td>203</td>
<td>39.4%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>516</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Source: [http://SCAG.ca.gov/Housing/rhna.htm](http://SCAG.ca.gov/Housing/rhna.htm)

Note: 2008-2014 RHNA includes any building permits issued since 1/2006.

City staff have filed an appeal with SCAG for further reduction of the draft RHNA, and should learn the outcome of this appeal in May. The City’s Housing Element will need to demonstrate the availability of sufficiently zoned land to meet the City’s RHNA, including sites zoned at multi-family densities to address lower and moderate income needs.

**CURRENT AFFORDABLE HOUSING PROGRAMS**

**Inclusionary Housing In-lieu Fee Program**

Adopted in 1998, the City’s Inclusionary Housing Program requires all residential projects of ten or more units to provide 5-20% of the total number of units in a project at affordable rent or sales levels. Instead of requiring a fixed percentage of all units to be allocated for affordable housing, the City’s program allows for a range of affordable units depending on whether the units are targeted toward very low, low or moderate income households.

Where the Community Development Director determines that provision of on-site affordable units is not feasible, the Director may approve one or more of the following alternatives to satisfy the inclusionary requirement:

- Off-site construction of affordable units equal to the number of affordable units that would otherwise be required on-site
- Off-site construction of special needs housing, such as emergency shelters, special care homes, employee housing, senior housing and hospices (each off-site special needs unit shall satisfy the requirement of two of the required affordable units)

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2 Chapter 17.22 (Affordable Housing) of the Calabasas Municipal Code.
• Conversion of market-rate housing to affordable levels through establishment of affordability covenants
• Rehabilitation of substandard housing deemed uninhabitable by the City
• Preservation of existing affordable housing at-risk of conversion to market rate within a five-year period
• Payment of in-lieu housing fee to be deposited into a Housing Trust Fund and to be used for the preservation and development of affordable housing

Since inception of Calabasas' Inclusionary Housing Program, all residential projects have been permitted to pay the in-lieu housing fee, originally established in 1998 at $2,886 per residential unit. In 2006, the City Council adopted the following updated in-lieu fees to reflect current market conditions and the increased affordability gap: $17,713 per apartment unit, $44,947 per condominium/townhome unit, and $62,500 per single-family home. According to City staff, the higher in-lieu fee has for the first time resulted in developers pursuing ways to include the affordable units within their projects.

Commercial Affordable Housing Impact Fee Program

The Calabasas Housing Element also establishes the commercial/industrial impact fee program to mitigate the impact of new commercial/industrial development on the need for affordable housing. Under this program, new commercial, office or manufacturing development that introduces new workers into the community and thereby creates a need for more new housing than is available within a five-mile radius of the site, shall either, as determined to be appropriate by the Community Development Director:

- Design the development as a mixed-use project, providing housing affordable to employees within the project site; or
- Pay an in-lieu housing impact fee to be placed into the affordable housing trust fund

To date, all new commercial/industrial developments have opted to pay the impact fee. When the program was established in 1998, in-lieu impact fee amounts were originally set at $0.90 per square foot for new or additional retail space and $1.50 per square foot for new or additional office, research and development (R&D), industrial and warehouse space. City Council increased the commercial impact fees in conjunction with the inclusionary housing in-lieu fees in 2006 to $1.80 per square foot for retail, and $3.00 per square foot for office, R&D, industrial and warehouse space.

Both the Inclusionary Housing In-Lieu Fee and Commercial Impact Fee revenues are deposited into an Affordable Housing Trust Fund. Housing Trust Fund revenues may be used for the preservation and development of housing affordable to very low, low and moderate income households, and serve as the primary means for the City to address its share of regional housing needs (RHNA) as defined in the Housing Element. As of

3 Pursuant to the State Department of Housing and Community Development (HCD), household income is defined based on the percentage of the County median family income (MFI) as follows: Very Low Income (0-50% MFI); Low Income (51-80% MFI); Moderate Income (81-120% MFI).
March 2007, the Housing Trust Fund balance was $1.9 million. This mount reflects the total housing in-lieu fees and commercial impact fees collected since the Fund’s inception, plus interest income.

**Residential Rehabilitation Program**

The City of Calabasas receives approximately $100,000 annually in Community Development Block Grant (CDBG) funds through the County, of which it allocates $80,000 toward the residential rehabilitation program. This program provides $5,000 grants to lower income mobile home residents, with an additional $7,500 loan available to lower income owner occupants of condominiums and single-family homes. The program typically runs a wait list of 6 months – 2 years, with an average of 10-20 households assisted annually. Discussions with the program administrator indicate difficulty in qualifying many single-family family applicants because they have incomes above the 80% income threshold mandated under CDBG.

**Rental Assistance Program**

In January 2004, the City Council allocated $50,000 in General Fund revenues to initiate a two-year Rental Assistance Program for lower income senior and disabled residents in the Calabasas Village Mobile Estates. The purpose of this program was to provide interim financial relief to households at-risk of displacement due to rising space rents, while the City explored potential long-term assistance solutions. Assistance of up to $100 per month was provided in the form of a grant, with half the subsidy paid for by the City and half by the property owner. In May 2005, the City Council allocated another $50,000 to extend and expand the program until June 30, 2007. In addition to Calabasas Village residents, the program was expanded to include lower income seniors and disabled residents in the City’s apartment complexes also impacted by rent increases.

The Rental Assistance Program currently has 33 qualified recipients from Calabasas Village Estates and 3 qualified recipients from other properties, with each recipient receiving a total monthly subsidy of $75. No new recipients have been added to the program since the last renewal period in August 2006, but Planning staff receive frequent inquiries about application to the program. With the June 30, 2007 program sunset approaching, City Council will soon be evaluating whether to extend the program for another two-year term.

**Rental Registration Program**

In June 2004, the City Council adopted Ordinance No. 2004-191, establishing a Rental Registration Program as a means of developing an inventory of rental units and rent levels in Calabasas. The ordinance requires owners of four or more rented dwellings (including mobile homes) to annually register units with the City and to report any increase in rent of 5% or greater, except those associated with a new tenancy. The ordinance also establishes a fee to cover the City’s cost of administering the program.
Since October 2004, Planning staff have annually contacted rental property owners to maintain the rent database. The database includes property owner information; rental rates for 2004, 2005, 2006; and all reported increases for each unit. The list of owners includes: Malibu Canyon Apartments, Archstone Apartments, Malibu Creek I and II Apartments, Calabasas Village Mobile Estates, and four independent individuals who rent out more than four condominiums throughout the City. The average monthly rent increase between 2004-2006 within these approximately 1,500 rental units was $250.

**Density Bonus**

In 2006, the Calabasas City Council adopted a local density bonus ordinance to conform with the new requirements of Government Code Section 65915 as passed by the California legislature. In summary, applicants of residential projects of five or more units may apply for a density bonus and additional incentive(s) if the project provides for construction of one of the following:

a. Ten percent (10%) of the total units of a housing development for lower income households, as defined in Health and Safety Code section 50079.5; or

b. Five percent (5%) of the total units of a housing development for very low income households, as defined in Health and Safety Code section 50105; or

c. A senior citizen housing development as defined in Civil Code sections 51.3 and 51.12, or mobilehome park that limits residency based on age requirements for housing for older persons pursuant to Civil Code section 798.76 or 799.5; or

d. Ten percent (10%) of the total dwelling units in a common interest development as defined in Civil Code section 1351, for persons and families of moderate income, as defined in Health and Safety Code section 50093, provided that all units in the development are offered to the public for purchase.

The amount of density bonus to which the applicant is entitled varies according to the amount by which the percentage of affordable housing units exceeds the minimum percentage established in this section, but generally ranges from 20-35% above the specified General Plan density. In addition to the density bonus, eligible projects may receive 1-3 additional development incentives, depending on the proportion of affordable units and level of income targeting. Pursuant to Government Code section 65915(l), the following types of incentives are offered:

a. A reduction in the parcel development standards (e.g., coverage, setback, zero lot line and/or reduced parcel sizes, and/or parking requirements).
b. Approval of mixed-use zoning in conjunction with the housing project if nonresidential land uses would reduce the cost individual units in the housing project, and the nonresidential land uses would be compatible with the housing project and adjoining development.

c. Other regulatory incentives or concessions proposed by the permit applicant or the City that would result in identifiable cost reductions.

The details of the City’s density bonus ordinance can be referenced in Section 17.22.020 of the Calabasas Municipal Code.

POSSIBLE ADDITIONAL APPROACHES TO PROVIDING AFFORDABLE HOUSING

Facilitate Construction of Senior and/or Workforce Housing

In their review of Calabasas’ 2000-2005 Housing Element, the State Department of Housing and Community Development (HCD) indicated that in order to attain a finding of HCD compliance, the City needed to strengthen their commitment towards affordable housing production. In response, the City’s adopted housing element establishes the following program commitment:

Program #9 – Development of Senior and Workforce Housing

The City will facilitate the development of affordable housing for seniors and the local workforce in several ways. First, the City will identify sites for development, and encourage development of designated multi-family sites with appropriately designed multi-family development projects. Second, the City will offer regulatory incentives and/or direct financial assistance appropriate to the project. The following are among the types of incentives which may be provided:

- Contributions to off-site improvements (e.g. traffic mitigation, infrastructure upgrades, etc)
- Flexible development standards (reduced parking, modified setbacks, etc)
- Density bonuses
- City support in affordable housing funding applications
- Reduction in development fees
- Direct financial assistance (Housing Trust Fund, CDBG)

Five-Year Objective: The City will identify and evaluate sites suitable for new senior and workforce housing. Within one year, the City will contact land/property owners regarding the City’s interest in assisting in the development of senior and workforce housing, and provide information on available regulatory and financial incentives.
The City has achieved only partial implementation of Program #9 to date. In July 2006, the Council approved a density bonus and reduced parking for a 60 unit senior condominium development on Malibu Hills Road. However, while the project will provide needed senior housing to the community, it does not provide any units affordable to lower or moderate income seniors. As part of the current Housing Element update, the City will be required to report on its progress in implementing each program contained in the Element. The provision of adequate sites and accompanying development incentives to address regional housing needs (RHNA) serves as the foundation of the Housing Element, and Program #9 is the only program in which Calabasas can receive credit for addressing these requirements. Therefore, allocation of Housing Trust Fund resources towards new construction of affordable housing will be critical to demonstrating the City’s commitment to addressing regional housing needs and maintaining HCD compliance.

Toward this end, Karen Warner Associates’ “White Paper on Strategy for Affordable Housing Trust Fund” evaluated six potential sites for affordable housing in or adjacent to the City. This list of sites has been updated and expanded, and is presented in Table 2. This table does not provide an exhaustive list of potential sites for affordable housing. Rather, it lists sites for which there has either been prior interest in developing housing or that have been identified through preliminary analysis as having development potential. The site locations are shown on Figure 1.

**Purchase of Affordability Covenants on Existing Market Rate Units**

Under limited circumstances, jurisdictions may be eligible to substitute up to 25% of their RHNA obligation by: (1) deed-restricting rental units to be substantially rehabilitated; (2) preserving assisted rental units at-risk of conversion to market rate; or (3) converting market rentals from non-affordable to affordable. Neither of the first two options is applicable in Calabasas as the City lacks any substandard rental housing and the two assisted apartment projects are not at imminent risk of conversion. However, purchase of affordability covenants is a possibility.

Rent levels in Calabasas’ only two apartment complexes have increased over 50% in the past six years, currently averaging $1,700 for a one-bedroom unit, $2,000 for a two-bedroom unit, and $2,200 for a three-bedroom unit. Increasing rents have rendered rental housing unaffordable to many of the City’s retail and service occupations, including teachers.

The City could receive Housing Element credit for the purchase of affordability covenants on market units under the following conditions:
Table 2: Potential Housing Sites Subject to City Affordable Housing Requirements

<table>
<thead>
<tr>
<th>Site</th>
<th>Acreage</th>
<th>Current General Plan Designation</th>
<th>Current Use</th>
<th>Current/Past Housing Proposals</th>
<th>Major Constraints</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SITES WITH ZONING IN PLACE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 - Standard Pacific</td>
<td>21</td>
<td>Business – Limited Intensity (Scenic Corridor)</td>
<td>Vacant</td>
<td>Pending CUP application for 86 multi-family condominiums. Proposing to build 10% affordable units (9 units) on-site and 16 acres of open space</td>
<td>Topographic constraints; scenic corridor</td>
</tr>
<tr>
<td>2 - Malibu Hills Road Site</td>
<td>2.7</td>
<td>Business - Business Park (Scenic Corridor)</td>
<td>Vacant</td>
<td>July 2006. CUP approved for 60 senior condominium units. Construction has not yet begun.</td>
<td>None; site vacant and graded for development</td>
</tr>
<tr>
<td>3 - Mahin Tract</td>
<td>14</td>
<td>Rural Residential</td>
<td>Vacant</td>
<td>14 single-family homes proposed. CEQA review in process.</td>
<td>Geologic constraints; oak trees; scenic corridor</td>
</tr>
<tr>
<td>4 - Rancho Pet Kennel Site</td>
<td>6.6</td>
<td>Residential, Multi-Family (Scenic Corridor)</td>
<td>Rancho Pet Kennels</td>
<td>2003 - American Senior Living submitted informal proposal for 100 affordable senior apartments</td>
<td>Possible noise and visual issues due to freeway adjacency; narrow site; several mature trees present onsite</td>
</tr>
<tr>
<td><strong>SITES REQUIRING REZONING AND/OR ANNEXATION</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 - Calabasas Inn</td>
<td>5.4</td>
<td>Commercial-Office (requires General Plan and Zoning Amendment to Commercial Mixed-Use)</td>
<td>Banquet Facility</td>
<td>Most recent application submitted in March 2007 for 104 condominium units, including 5 affordable units. Also 38,000 sq.ft. commercial, and 9,500 Performing Arts/Fitness Center.</td>
<td>Stream located on rear of site presents flooding hazards.</td>
</tr>
<tr>
<td>6 - Farmer Property</td>
<td>1.0</td>
<td>Business – Old Town</td>
<td>Single-family residence with two accessory structures</td>
<td>2006 – Thomas Safran &amp; Associates submitted pre-application for 90 affordable senior rental units</td>
<td>Small site; traffic &amp; access potentially problematic; creek in rear of property</td>
</tr>
<tr>
<td>7 - Pontopiddian/ Waljeski Site</td>
<td>7.5</td>
<td>Residential-Single Family (Las Virgenes Gateway Master Plan identifies multi-</td>
<td>5 parcels: 3 single-family homes on 2 parcels (under</td>
<td>None</td>
<td>No major constraints; Las Virgenes Creek at rear of property; scenic corridor</td>
</tr>
</tbody>
</table>
# Table 2: Potential Housing Sites Subject to City Affordable Housing Requirements

<table>
<thead>
<tr>
<th>Site</th>
<th>Acreage</th>
<th>Current General Plan Designation</th>
<th>Current Use</th>
<th>Current/Past Housing Proposals</th>
<th>Major Constraints</th>
</tr>
</thead>
<tbody>
<tr>
<td>8 - Mulholland Across from High School</td>
<td>16</td>
<td>Hillside Mountainous</td>
<td>Vacant</td>
<td>Prior to City’s incorporation, approval for over 100 units. Entitlement now expired.</td>
<td>Topographic constraints</td>
</tr>
<tr>
<td>9 - 5489 North Las Virgenes (Johnson property)</td>
<td>10.4</td>
<td>Hillside Mountainous</td>
<td>Single-family home</td>
<td>None</td>
<td>Geotechnical issues. Site slopes towards west – located adjacent to ancient landslide.</td>
</tr>
<tr>
<td>10 - Old Courthouse/ Craftsman Corner</td>
<td>4.8</td>
<td>Commercial (Santa Monica Mountains North Area Plan, Los Angeles County)</td>
<td>Former County courthouse – no longer in use</td>
<td>None</td>
<td>No obvious physical constraints; site is in the unincorporated County within Hidden Hills sphere of influence, and would require annexation.</td>
</tr>
</tbody>
</table>

Note: This table is for discussion purposes only and does not provide an exhaustive list of potential sites for affordable housing. Rather, it lists sites for which there has either been prior interest in developing housing or that have been identified through preliminary analysis as having development potential.
Potential Housing Sites Subject to City Affordable Housing Requirements

Source: City of Calabasas and Rincon Consultants, 2007.
• Project consists of multi-family rental complex of 16+ units
• Units must be made available at affordable housing costs to lower income households (80% MFI)
• Units cannot be currently occupied by low or very low income households
• Units are in decent, safe and sanitary condition Acquisition price is below 120% of the median price for housing in the City
• Units have long-term affordability covenants for not less than 30 years
• Units must be reoccupied by lower income persons

The subsidy cost of the affordability covenant would represent the rent differential between market rents and the maximum affordable housing cost for a low income household. The differential between low income affordable rents and market rents is $525-$670 for one to two-bedroom units4. Assuming the City were able to negotiate an agreement with the property owner to purchase affordability covenants on a number of the units, the per unit subsidy cost over the 30-year affordability period would range from approximately $190,000-$240,000.

Homeownership Assistance

With for-sale housing prices averaging $1.4 million for single-family homes and $530,000 for condominiums, homeownership is well beyond the reach of the majority of Calabasas’ workforce, including teachers, police and firefighters, retail and service workers. A locally funded homeownership assistance program could provide assistance to the City’s moderate income workforce to purchase housing in the community. Such a program would provide down payment and closing cost assistance for households otherwise unable to qualify for a mortgage.

City staff are currently researching development of a draft homeownership assistance program for consideration by City Council. Assistance would likely be in the form of a low interest, deferred second mortgage loan. The City would share in some percentage of the equity accumulated on the property upon sale, such as an amount equal to the City’s proportionate share of the purchase price of the property.

As a result of the escalation in housing prices over the past several years, many cities have restructured, and in many cases, even suspended existing ownership assistance programs. As sales prices increase faster than incomes, the necessary subsidy to qualify a moderate (120% MFI) income household for purchase increases. Where in the late 1990s homeownership assistance of $15,000-$20,000 was typical in metropolitan Los Angeles, today’s market necessitates assistance of $50,000 and above to make most programs viable.

Over the past year (4/06-3/07), the median sales prices for the 8 one-bedroom condominiums sold in Calabasas was $375,000, and $465,000 for the 20 two-bedroom

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4 Rent differential calculated based on the difference between market rents and 2007 low income rents charged at Archstone Calabasas and Malibu Canyon Apartments under LA County bond program.
units sold. Comparison of these sales prices with the maximum affordable purchase price for moderate income households provides an estimate of the affordability gap in Calabasas, and associated subsidy necessary for a homeowner assistance program. As shown in Table 3, even for these smaller, relatively lower priced condominiums, the affordability gap ranges from $193,500 for a one-bedroom unit to $262,600 for a two-bedroom unit.

Homeownership assistance could allow more of Calabasas’ workforce to live in the community; however, the heightened real estate market renders such a program extremely costly to implement. At an assistance level of $200,000 - $250,000, the current Housing Trust Fund would be exhausted after providing assistance to only ten moderate income households, assuming a sufficient number of lower priced units were even available for-sale. Another drawback is homeownership assistance programs, unless linked to new construction, provide no credit toward Housing Element RHNA requirements.

Table 3: 2006 Maximum Affordable Housing Cost (Moderate Income) - Los Angeles County

<table>
<thead>
<tr>
<th></th>
<th>1 Bedroom (2 persons)</th>
<th>2 Bedroom (3 persons)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Household Income @ 110% of Median</td>
<td>$49,500</td>
<td>$55,660</td>
</tr>
<tr>
<td>Income Toward Housing @ 35% of Income</td>
<td>$17,330</td>
<td>$19,480</td>
</tr>
<tr>
<td>Expenses (utilities, insurance, HOA fees, taxes)</td>
<td>$5,160</td>
<td>$6,120</td>
</tr>
<tr>
<td>Income Available for Mortgage</td>
<td>$12,170</td>
<td>$13,360</td>
</tr>
<tr>
<td>Supportable Mortgage @ 6.25% Interest</td>
<td>$165,00</td>
<td>$184,000</td>
</tr>
<tr>
<td>Homebuyer Down Payment (10%)</td>
<td>$16,500</td>
<td>$18,400</td>
</tr>
<tr>
<td>Maximum Affordable Purchase Price</td>
<td>$181,500</td>
<td>$202,400</td>
</tr>
<tr>
<td>Calabasas Condominium Sales Price</td>
<td>$375,000</td>
<td>$465,000</td>
</tr>
<tr>
<td>Affordable Housing Gap</td>
<td>$193,500</td>
<td>$262,600</td>
</tr>
</tbody>
</table>

Source: Karen Warner Associates.
Mobile Home Park Options

As described previously under the City’s Current Affordable Housing Programs, in January 2004, the City initiated a two-year rental assistance program for lower income senior and disabled tenants in Calabasas Village Mobile Estates. The program was extended to June 30, 2007, and the City Council will soon be evaluating whether to extend the program for another two-year term using General Fund monies, or pursue other strategies to address rising mobile home park rents, such as the following:

- **Maintain the rental assistance program** over the long term using, replacing General Fund monies with Housing Trust Fund revenues. Under the current program structure and level of assistance, the tenant’s rent payment is not limited to affordable levels (30% of income), particularly for seniors on fixed incomes. The City could consider restructuring the program to ensure lower income tenants are not spending more than 30% of their income on rent. Such program restructuring would necessitate a greater level of funding commitment from the Housing Trust Fund.

- **Institute a mobile home park rent stabilization ordinance** to limit annual increases in space rents. In response to escalation in mobile home park space rents, nearly 100 California cities and counties have enacted local mobile home park rent control. Jurisdictions often link permitted space rent increases to increases in the consumer price index (CPI), or alternatively, jurisdictions may establish a maximum annual percentage increase, such as 5%. Rent stabilization requires establishment of a review body to arbitrate rent petitions, and allocation of staff resources to the monitor program. Housing Trust Fund monies could be allocated to cover these administrative costs. Some jurisdictions implement citywide mobile home park rent stabilization in combination with targeted rental assistance. For example, in addition to park rent control, Thousand Oaks provides subsidized space rents at affordable monthly payments to very low income tenants in the Rancho Mobile Home Park.

- **Develop senior housing with priority residency to mobile home park tenants.** Calabasas’ senior population is growing and within the mobile home park, seniors are experiencing the greatest need for rental assistance. A logical pairing would be for the City to direct Housing Trust Fund monies toward the development of senior housing, with priority occupancy to lower income mobile home park tenants.

Another option frequently used in the 1980s and 1990s to control space rents was purchase of the mobile home park by the municipality or non-profit housing provider. However, the escalating value of these parks and positive cash flow has now made most park owners unwilling to sell. Even if the owner of the Calabasas Village Mobile Estates were willing sell the park, the purchase price would likely well exceed Housing Trust Fund resources.
None of these options to conserve affordability in the City’s mobile home park generate regional housing needs (RHNA) credit in the Housing Element because they do not create new units.

**Increase in Income Limits in Residential Rehabilitation Program**

The City’s current Residential Rehabilitation Program provides $5,000 grants to lower income mobile home residents, with an additional $7,500 loan available to lower income owner-occupants of condominiums and single-family homes. Approximately $80,000 in Community Development Block Grant (CDBG) funds are allocated to this program annually, providing assistance to an average of 10-20 households.

Due to the 80% MFI income threshold mandated under the CDBG program, the majority of households assisted under the residential rehabilitation program are mobile home residents and/or senior citizens. Some modest income single-family family homeowners in need of rehabilitation assistance are unable to qualify due to the stringency of the income guidelines. The City could consider expanding the applicability of this program to moderate income households (up to 120% MFI) using Housing Trust Fund monies. For example, this would raise the maximum income limit from $59,200 to $67,800 for a family of four. CDBG funds could still be used to fund rehabilitation assistance to households earning below 80% MFI, with the Housing Trust Fund targeted to households earning between 80-120% MFI. Housing rehabilitation assistance would not, however, provide the city with RHNA credit in the Housing Element.