

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

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September 3, 2021

Maureen Tamuri, Community Development Director
Community Development Department
City of Calabasas
100 Civic Center Way
Calabasas, CA 91302

Dear Maureen Tamuri:

RE: Review of the City of Calabasas 6th Cycle (2021-2029) Draft Housing Element

Thank you for submitting the City of Calabasas (City) draft housing element received for review on July 8, 2021. Pursuant to Government Code section 65585, subdivision (b), the California Department of Housing and Community Development (HCD) is reporting the results of its review. Our review was facilitated by a telephone conversation on August 27, 2021 with you, Senior Planner Michael Klein, and the City's consultants Karen Warner and Lori Parrington. In addition, HCD considered comments from YIMBY Law pursuant to Government Code section 65585, subdivision (c).

The draft element addresses many statutory requirements; however, revisions will be necessary to comply with State Housing Element Law (Article 10.6 of the Gov. Code). The enclosed Appendix describes revisions needed to comply with State Housing Element Law.

To remain on an eight-year planning cycle, the City must adopt its housing element within 120 calendar days from the statutory due date of October 15, 2021 for Southern California Association of Government (SCAG) localities. If adopted after this date, Government Code section 65588, subdivision (e)(4), requires the housing element be revised every four years until adopting at least two consecutive revisions by the statutory deadline. For more information on housing element adoption requirements, please visit HCD's website at: http://www.hcd.ca.gov/community-development/housing-element/housing-element-memos/docs/sb375_final100413.pdf

For your information, some general plan element updates are triggered by housing element adoption. HCD reminds the City to consider timing provisions and welcomes the opportunity to provide assistance. For information, please see the Technical Advisories issued by the Governor's Office of Planning and Research at: http://opr.ca.gov/docs/OPR_Appendix_C_final.pdf and http://opr.ca.gov/docs/Final_6.26.15.pdf.

Public participation in the development, adoption and implementation of the housing element is essential to effective housing planning. Throughout the housing element process, the City should continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly available and considering and incorporating comments where appropriate.

Pursuant to Government Code section 65583.3, subdivision (b), the City must utilize standards, forms, and definitions adopted by HCD when preparing the sites inventory. Please see HCD's housing element webpage at <https://www.hcd.ca.gov/community-development/housing-element/index.shtml> for a copy of the form and instructions. The City can reach out to HCD at sitesinventory@hcd.ca.gov for technical assistance. Upon adoption of the housing element, the City must submit an electronic version of the sites inventory with its adopted housing element to sitesinventory@hcd.ca.gov.

Several federal, state, and regional funding programs consider housing element compliance as an eligibility or ranking criteria. For example, the CalTrans Senate Bill (SB) 1 Sustainable Communities grant; the Strategic Growth Council and HCD's Affordable Housing and Sustainable Communities programs; and HCD's Permanent Local Housing Allocation consider housing element compliance and/or annual reporting requirements pursuant to Government Code section 65400. With a compliant housing element, the City meets housing element requirements for these and other funding sources.

HCD appreciates the hard work and dedication the City's housing element team provided during the course of our review. We are committed to assist the City in addressing all statutory requirements of State Housing Element Law. If you have any questions or need additional technical assistance, please contact Divya Ram, of our staff, at Divya.Ram@hcd.ca.gov.

Sincerely,

A handwritten signature in black ink that reads "Shannan West". The signature is written in a cursive, flowing style.

Shannan West
Land Use & Planning Unit Chief

Enclosure

APPENDIX CITY OF CALABASAS

The following changes are necessary to bring the City's housing element into compliance with Article 10.6 of the Government Code. Accompanying each recommended change, we cite the supporting section of the Government Code.

Housing element technical assistance information is available on HCD's website at <http://www.hcd.ca.gov/community-development/housing-element/housing-element-memos.shtml>. Among other resources, the housing element section contains HCD's latest technical assistance tool, *Building Blocks for Effective Housing Elements (Building Blocks)*, available at <http://www.hcd.ca.gov/community-development/building-blocks/index.shtml> and includes the Government Code addressing State Housing Element Law and other resources.

A. Review and Revision

Review the previous element to evaluate the appropriateness, effectiveness, and progress in implementation, and reflect the results of this review in the revised element. (Gov. Code, § 65588 (a) and (b).)

Special Needs Populations: As part of the evaluation of programs in the past cycle, the element must provide an explanation of the effectiveness of goals, policies, and related actions in meeting the housing needs of special needs populations (e.g., elderly, persons with disabilities, large households, female headed households, farmworkers and persons experiencing homelessness).

B. Housing Needs, Resources, and Constraints

1. *Affirmatively further[ing] fair housing (AFFH) in accordance with Chapter 15 (commencing with Section 8899.50) of Division 1 of Title 2...shall include an assessment of fair housing in the jurisdiction (Gov. Code, § 65583, subd. (c)(10)(A))*

Outreach: The element generically describes past outreach efforts with the County of Los Angeles (pp. B-3, B-12 to B-14). However, largely, the element does not address this requirement. The element must include a description of fair housing enforcement and outreach capacity as it relates to the ability of the City and fair housing entities to disseminate information related to fair housing and provide outreach and education to assure community members are aware of fair housing laws and rights.

Regional Trends and Patterns: The element generally describes local trends and patterns but must analyze Calabasas relative to the rest of the region regarding integration and segregation, racially and ethnically concentrated areas of poverty, disparities in access to opportunity and disproportionate housing needs.

Integration and Segregation: The element includes limited local and regional data on segregation and integration of disability and income, and no data on familial status (pp. B-15 to B-17). The element needs to include complete local and regional data on

integration and segregation for the City and analyze it for both local and regional trends and patterns.

Racially/Ethnically Concentrated Areas of Poverty (R/ECAP): The element includes some data on R/ECAP (p. B-18) but no data or analysis areas of affluence. The element needs to be revised to include local and regional data on areas of affluence and analyze this data for trends and patterns.

Access to Opportunity: The element includes local data (pp. B-18 to B-20) on access to opportunity of education, economic, transportation, and environment, and no regional data on access to any of these opportunity areas. However, a complete analysis should include an analysis of disparities in relation to education, economic opportunity, transportation, and environmental factors at the regional level.

Disproportionate Housing Needs including Displacement Risks: The element includes some local and regional data (pp. B-20 to B-22) on overcrowding, substandard housing, and homelessness, but it does not include regional analysis on overcrowding, substandard housing and homelessness. The element should include complete regional data for overcrowding, substandard housing and homelessness and analyze the data for trends and patterns.

Other Relevant Factors: While the element addresses local data and knowledge (p. B-4), it must also include other relevant factors that contribute to fair housing issues in the jurisdiction. For instance, the element can analyze historical land use and investment practices or other information and demographic trends.

Sites: The element discusses the proposed number of sites and units relative to income (p. B-28) but must also address other components of the assessment of fair housing (e.g., R/ECAP, Access to Opportunity, Disproportionate Housing Need, including Displacement). The accompanying analysis shall also be reflective of housing development at all income-levels address how the sites are identified to improve conditions (or if sites exacerbate conditions, how a program can mitigate the impact), whether the sites are isolated by income group and should be supported by local data and knowledge.

Goals, Priorities, Metrics, and Milestones: Goals and actions must create meaningful impact to overcome contributing factors to fair housing issues. Currently, programs are not sufficient to facilitate meaningful change and address AFFH requirements. Based on the outcomes of a complete analysis, the element must be revised to add or modify goals and actions. Goals and actions must specifically respond to the analysis and to the identified and prioritized contributing factors to fair housing issues and must be significant and meaningful enough to overcome identified patterns and trends. Actions must have metrics and milestones as appropriate and must address housing mobility enhancement, new housing choices and affordability in high opportunity areas, place-based strategies for community preservation and revitalization and displacement protection.

2. *Include an analysis and documentation of household characteristics, including level of payment compared to ability to pay, housing characteristics, including overcrowding, and housing stock condition. (Gov. Code, § 65583, subd. (a)(2).)*

The element identifies the age of the housing stock (p.G-5). However, this data is insufficient to estimate the number of units in need of rehabilitation and replacement. The analysis could supplement this information with estimates from a recent windshield survey or sampling, estimates from the code enforcement agency, or information from knowledgeable builders/developers, including non-profit housing developers or organizations. For additional information, see the Building Blocks at <http://www.hcd.ca.gov/community-development/building-blocks/housing-needs/housing-stock-characteristics.shtml>.

3. *An inventory of land suitable and available for residential development, including vacant sites and sites having realistic and demonstrated potential for redevelopment during the planning period to meet the locality's housing need for a designated income level, and an analysis of the relationship of zoning and public facilities and services to these sites. (Gov. Code, § 65583, subd. (a)(3).)*

The City has a regional housing needs allocation (RHNA) of 354 housing units, of which 203 are for lower-income households. To address this need, the element relies on vacant sites, nonvacant sites, and accessory dwelling units. To demonstrate the adequacy of these sites and strategies to accommodate the City's RHNA, the element must include complete analyses:

Sites Inventory: Table V-4 shows a shortfall in sites available for the low-income and moderate-income housing categories. While there does seem to be a surplus of sites in the very low-income and above moderate-income categories, the element must either reallocate capacity from this surplus to show that there are sufficient sites to accommodate the RHNA by income group or include a program to rezone capacity to accommodate the shortfall.

Realistic Capacity: While the element provides assumptions of buildout for sites included in the inventory (pp. V-9 and V-10), it must also provide support for these assumptions. In particular, the element must support its assumption that sites within the Affordable Housing Overlay (AHO) will develop at 100% of the maximum allowable density. For example, the element should demonstrate what specific trends, factors, and other evidence led to the assumptions. The estimate of the number of units for each site must be adjusted as necessary, based on the land-use controls and site improvements, typical densities of existing or approved residential developments at a similar affordability level in that jurisdiction, and on the current or planned availability and accessibility of sufficient water, sewer, and dry utilities. The element also needs to analyze the likelihood that the identified units will be developed as noted in the inventory in zones that allow nonresidential uses (e.g., mixed-use) or at the base zoning on sites within the AHO. This analysis should consider the likelihood of nonresidential development, performance standards, and development trends supporting residential development. For additional information, see the Building Blocks

at <http://www.hcd.ca.gov/community-development/building-blocks/site-inventory-analysis/analysis-of-sites-and-zoning.shtml#zoning>.

Suitability of Nonvacant Sites: The element identifies a large portion of its RHNA at all income levels on nonvacant sites (pp. V-11 and V-19). The analysis mentioned a list of factors that were considered to determine development potential including age of structures and degree of underutilization. However, the element must include a complete analysis demonstrating the potential for redevelopment of nonvacant sites including the extent to which existing uses may constitute an impediment to additional residential development. Please be aware that relying on nonvacant sites to accommodate 50 percent or more of the housing needs for lower-income households triggers requirements to make findings based on substantial evidence that the existing use is not an impediment and will likely discontinue in the planning period. The element should address the following:

Site 6: The analysis should clarify whether the existing church will be removed during the planning period or a portion of the site would be built and describe factors that would lead to the development of the current church site such as discussions with church leadership to gauge interest in development of the site.

Site 8: As the City is aware, voters have recently rejected the expansion of this site to include 161 additional units. To demonstrate the suitability of this site to accommodate the RHNA, the analysis must clarify whether the additional 71 units identified in the sites inventory would require a General Plan or zoning amendment to achieve and whether voter approval would be required. The analysis should also discuss any discretionary approvals required to develop a project on this site in relationship to approval certainty given the past rejection of the housing project. The element should also describe any interest from the owners to add the additional units to this property given a significantly smaller expected development. Based on the outcome of the analysis, the City may need to add a program to facilitate the residential development on this site.

Site 11: It is the understanding of HCD that the portion of the site that is expected to be developed has environmental constraints that would inhibit residential production. The analysis needs to update its realistic capacity calculation with the identified environmental constraints. Furthermore, the element should describe how this site would develop with additional residential units given exiting commercial uses are likely to remain.

Large Sites: The element include sites larger than 10 acres (Sites 8 and 11). Sites larger than 10 acres in size are deemed inadequate to accommodate housing for lower-income households unless it is demonstrated that sites of equivalent size were successfully developed during the prior planning period for an equivalent number of lower-income housing units as projected for the site or unless the housing element describes other evidence to HCD that the site is adequate to accommodate lower income housing (Gov. Code, § 65583.2, subd. (c)(2)(A).). HCD understands that only a portion of these sites will be developed; the element could describe size of the part of the parcel will be developed.

Environmental Constraints: While the element generally describes the City is in Very High Fire Severity Zone (p. V-20), it must relate those conditions to identified sites and describe any other known environmental or other constraints that could impact housing development on identified sites in the planning period.

Suitability and Availability of Infrastructure: While the element describes water and sewer infrastructure, it must also demonstrate sufficient existing or planned dry utilities and describe if identified sites have access to infrastructure improvements. For additional information, see the Building Blocks at <http://www.hcd.ca.gov/community-development/building-blocks/site-inventory-analysis/analysis-of-sites-and-zoning.shtml#environmental>.

Sites with Zoning for a Variety of Housing Types:

Emergency Shelters: The element indicates all emergency shelters are permitted use (p. G-34). However, the element must clarify if emergency shelters are allowed without a conditional use permit or other discretionary action.

4. *An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the types of housing identified in paragraph (1) of subdivision (c), and for persons with disabilities as identified in the analysis pursuant to paragraph (7), including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures. The analysis shall also demonstrate local efforts to remove governmental constraints that hinder the locality from meeting its share of the regional housing need in accordance with Government Code section 65584 and from meeting the need for housing for persons with disabilities, supportive housing, transitional housing, and emergency shelters identified pursuant to paragraph (7). Transitional housing and supportive housing shall be considered a residential use of property and shall be subject only to those restrictions that apply to other residential dwellings of the same type in the same zone. (Gov. Code, § 65583, subd. (a)(5).)*

Local Processing and Permit Procedures: While the element describes the use permit procedures for most housing types (pp. G-43 to G-44), it must describe and analyze the City permit processing and approval procedures for multifamily rental housing including identification of which approval body ultimately decides on project approval. The analysis must evaluate the processing and permit procedures' impacts as potential constraints on housing supply and affordability. The analysis should consider the standards for design review, approval findings and any discretionary approval procedures. For example, the element identifies multiple meeting that are required prior to obtaining approval for multifamily rental housing including two community meetings, the development review committee, and architectural review committee. The element should analyze this process for impact on transparency and certainty in the approval process and include programs to mitigate and remove any constraints. For additional information and sample analysis, see the Building Blocks at

<http://www.hcd.ca.gov/community-development/buildingblocks/constraints/processing-permitting-procedures.shtml>.

Zoning, Development Standards and Fees: The element must clarify its compliance with new transparency requirements for posting all zoning, development standards and fees for each parcel on the jurisdiction's website.

Low Barrier Navigation Centers and Permanent Supportive Housing: Low barrier navigation centers and permanent supportive housing shall be a use by-right in zones where multifamily and mixed uses are permitted, including nonresidential zones permitting multifamily uses pursuant to Government Code sections 65651 and 65662. The element must demonstrate compliance with this requirement and include programs as appropriate.

Constraints on Housing for Persons with Disabilities: The element (p. G-34) currently details that residential care facilities serving seven or more persons are permitted with a conditional use permit (CUP), in the RM, CMU, and CT Zones. The CUP and exclusion from listed zones should be analyzed as a constraint on housing for persons with disabilities, and the element should include actions as appropriate to remove or mitigate the constraints. In addition, while the element briefly describes the City's Chapter 17.38 Reasonable Accommodation process, it should further describe and analyze its reasonable accommodation criteria and process including approval findings.

C. Housing Programs

1. *Include a program which sets forth a schedule of actions during the planning period, each with a timeline for implementation, which may recognize that certain programs are ongoing, such that there will be beneficial impacts of the programs within the planning period, that the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the housing element through the administration of land use and development controls, the provision of regulatory concessions and incentives, and the utilization of appropriate federal and state financing and subsidy programs when available. The program shall include an identification of the agencies and officials responsible for the implementation of the various actions. (Gov. Code, § 65583, subd. (c).)*

To address the program requirements of Government Code section 65583, subdivision (c)(1-6), and to facilitate implementation, programs should include: (1) a description of the City's specific role in implementation; (2) definitive implementation timelines; (3) objectives, quantified where appropriate; and (4) identification of responsible agencies and officials. For example, the element must provide discrete timing for the following programs to account for how often the action will occur as well as to ensure a beneficial impact throughout the planning period:

- Program 2 Home Repair/ ADU Assistance Program: Describe when the City will advertise availability of funds.

- Program 6 Preservation and Monitoring of Assisted Housing: Provide specific timeframes for establishing monitoring activities.
- Program 10: Promote Accessory Dwelling Units: Provide additional incentives.
- Program 15 Green Building: Describe how the City will promote the Green Initiative program.
- Program 16 Density Bonus Ordinance Zoning: Describe when will the City advertise availability of Density Bonus.
- Program 19 Fair Housing/AFFH: Describe when will the City develop the fair housing brochure.
- Program 21 Senior Housing Opportunities: Describe specific actions the City will pursue to expand housing choice for senior citizens.

2. *Identify actions that will be taken to make sites available during the planning period with appropriate zoning and development standards and with services and facilities to accommodate that portion of the city's or county's share of the regional housing need for each income level that could not be accommodated on sites identified in the inventory completed pursuant to paragraph (3) of subdivision (a) without rezoning, and to comply with the requirements of Government Code section 65584.09. Sites shall be identified as needed to facilitate and encourage the development of a variety of types of housing for all income levels, including multifamily rental housing, factory-built housing, mobilehomes, housing for agricultural employees, supportive housing, single-room occupancy units, emergency shelters, and transitional housing. (Gov. Code, § 65583, subd. (c)(1).)*

As noted in Finding B3, the element does not include a complete site analysis; therefore, the adequacy of sites and zoning were not established. Based on the results of a complete sites inventory and analysis, the City may need to add or revise programs to address a shortfall of sites or zoning available to encourage a variety of housing types.

The element indicates that sites will require rezoning and includes Programs 8 and 9 to complete that rezoning which is expected to occur prior to the start of the planning period (October 15, 2021). Please be aware, if rezonings are not completed by that date, the element must include a program(s) to identify sites with appropriate zoning to accommodate the regional housing need within the planning period. (Gov. Code, § 65583.2, subd. (h) and (i).)

In addition, the element should be revised as follows:

Annexation: The element includes Program 11 to complete the annexation of the Craftsman's Corner. Pursuant to Government Code section 65583, subdivision (c)(1), rezones to accommodate a shortfall must occur within three years of adoption of the housing element. The program should include a commitment to rezone additional sites to address the shortfall of sites to accommodate the City's RHNA if the land is not annexed within that time frame. The program should also state the specific shortfall in which will be accommodated by the annexation.

Program 10 (Promote Accessory Dwelling Units (ADU)): The element must include specific timeframes for the development of pre-approved ADU construction plans to streamline the development project application and review process.

In addition, the City is counting 12 ADUs per year for a total of 96 ADUs to accommodate its very low-, low-, moderate-, and above-moderate RHNA. The element shows that the City permitted an average of seven to eight ADUs per year between 2017-2021 (p. V-18). However, Program 10 does not support the assumption that 12 ADUs will be permitted during the planning period. As a result, the element should consider additional incentives such as streamlined process for building permits, a strong education and marketing program for homeowners, financial incentives, or other zoning actions. In addition to monitoring production, this program should also monitor affordability. Additional actions, if necessary, should be taken in a timely manner (e.g., within 6 months). Finally, if necessary, the degree of additional actions should be in stride with the degree of the gap in production and affordability. For example, if actual production and affordability of ADUs is far from anticipated trends, then rezoning or something similar would be an appropriate action. If actual production and affordability is near anticipated trends, then measures like outreach and marketing might be more appropriate.

3. *The housing element shall contain programs which assist in the development of adequate housing to meet the needs of extremely low-, very low-, low- and moderate-income households. (Gov. Code, § 65583, subd. (c)(2).)*

The element must include a program(s) to assist in the development of housing affordable to low-, very low- and extremely low-income (ELI) households. Programs must be revised or added to the element to assist in the development of housing for ELI households with specific actions and commitments the City will take beyond State Density Bonus Law. This is particularly important because according to the review of previous programs in the 5th cycle (2014-2021), the City failed to preserve two projects (Malibu Canyon Apartments at 140 units and Avalon Bay Apartments at 120 units). As you are aware, the City was presented an opportunity to preserve 80 units at Avalon Bay by approving the Calabasas Neighborhood Preservation Initiative but elected to require voter approval for the project which was rejected by the voters.

4. *Address and, where appropriate and legally possible, remove governmental and nongovernmental constraints to the maintenance, improvement, and development of housing, including housing for all income levels and housing for persons with disabilities. The program shall remove constraints to, and provide reasonable accommodations for housing designed for, intended for occupancy by, or with supportive services for, persons with disabilities. (Gov. Code, § 65583, subd. (c)(3).)*

As noted in Finding B4, the element requires a complete analysis of potential governmental constraints. Depending upon the results of that analysis, the City may need to revise or add programs and address and remove or mitigate any identified constraints.

5. *Promote AFFH opportunities and promote housing throughout the community or communities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability, and other characteristics protected by the California Fair Employment and Housing Act (Part 2.8 (commencing with Section*

12900) of Division 3 of Title 2), Section 65008, and any other state and federal fair housing and planning law. (Gov. Code, § 65583, subd. (c)(5).)

As noted in Finding B1, the element must include a complete analysis of AFFH. Based on the outcomes of that analysis, the element must add or modify programs.

E. Public Participation

Local governments shall make a diligent effort to achieve public participation of all economic segments of the community in the development of the housing element, and the element shall describe this effort. (Gov. Code, § 65583, subd.(c)(8).)

While the element includes a general summary of the public participation process (pp. V-2 to V-5, Appendix F), it must also demonstrate diligent efforts were made to involve all economic segments of the community in the development of the housing element. The element should be revised to discuss outreach to lower-income and special needs groups during the public participation efforts, solicitation efforts for survey responses, and participation in community workshops, and if translation services were provided. In addition, the element should also summarize the public comments and describe how they were considered and incorporated into the element. For additional information, see the Building Blocks at <http://www.hcd.ca.gov/community-development/building-blocks/getting-started/public-participation.shtml>.

In addition, HCD understands the City made the element available to the public concurrent with its submittal to HCD. By not providing an opportunity for the public to review and comment on a draft of the element in advance of submission, the City has not yet complied with statutory mandates to make a diligent effort to encourage the public participation in the development of the element and it reduces HCD's ability to consider public comments in the course of its review. The availability of the document to the public and opportunity for public comment prior to submittal to HCD is essential to the public process and HCD's review. The City must proactively make future revisions available to the public, including any commenters, prior to submitting any revisions to HCD and diligently consider and address comments, including making revisions to the document where appropriate. HCD's future review will consider the extent to which the revised element documents how the City solicited, considered, and addressed public comments in the element. The City's consideration of public comments must not be limited by HCD's findings in this review letter.