



CITY *of* CALABASAS

September 4, 2019

Honorable Peggy Huang, Chair  
Community, Economic and Human Development Policy Committee  
Regional Housing Needs Assessment Subcommittee  
Southern California Association of Governments  
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Los Angeles, CA 90017  
housing@scag.ca.gov

**Subject: Draft Regional Housing Needs Assessment (RHNA) Methodology Options**

The City of Calabasas appreciates the opportunity to provide these comments on the proposed methodologies for the draft regional housing needs assessment (RHNA) for your consideration. The City looks forward to further regional cooperation regarding how best it and the other cities and counties in the SCAG region can work together to cooperatively improve the availability of affordable, safe housing reasonably sited in each jurisdiction reflecting each community's safety, character, applicable development constraints and hazards, and needs.

**NATURAL LIMITATIONS ON DEVELOPMENT.** First, as the past few years have made painfully clear, there is a substantial state and local interest in reducing and mitigating residential exposure to fire risk. The entirety of Calabasas is mapped within a very high fire hazard severity zone. Many cities in Southern California, and indeed across the state, are similarly situated – with existing vulnerable communities in higher fire risk areas.

Further, many jurisdictions are dealing with escalating construction costs to replace structures lost to fires. Calabasas, in particular, has faced substantial obstacles rebuilding after the recent Woolsey and Thomas fires. Costs are heightened when building in very high fire hazard severity zones, which makes it challenging to supply very low, low and moderate-income housing. Further, the proposed methodologies don't account for the strain on resources that communities damaged by federally-declared disasters face. Impacted jurisdictions should be allowed to prioritize rebuilding existing communities rather than generating new housing stock. Compelling additional development and significant numbers of additional residents (who will then become additional evacuees) into higher fire risk jurisdictions with no analysis of each jurisdiction's ability to serve those additional residents, to defend those additional structures and homes from the next wildfire, and to protect their community is the height of paper planning folly – is entirely divorced from reality.

Similarly, none of SCAG's three proposed RNHA methodologies consider or account for differing topography amongst local jurisdictions. The City of Calabasas is severely constrained by difficult topography and the fact that the City's General Plan, and applicable state laws, restrict grading and development on hillsides and significant ridgelines. Calabasas contains two protected park areas that belong to the Santa Monica Mountains Conservancy and California State Parks, respectively. Additionally, the City is home to two mapped wildlife corridors, one of which is being considered for a \$87 million wildlife protection bridge, numerous identified endangered species habitats, and archeological resources that further limit development. The County of Los Angeles faces similar concerns, which it addresses by restricting housing development within the Santa Monica North Area Plan. Unlike the County, Calabasas is a small City without the luxury of selecting areas outside of resource-protected zones to accommodate growth. The City strongly urges SCAG to revise the proposed RHNA allocation methodologies to consider fire risk, open space preservation requirements, environmental resource protections, appropriate mitigation methods, and the resulting limited true development potential.

**ALLOCATION METHODOLOGIES – OPTION 3 IS BEST.** Next, we understand that the first and third proposed methodologies allocate projected housing need based, in part, on jurisdictions' historic growth trends and replacement need. The City appreciates that SCAG's proposed methodologies adhere to historic growth patterns, instead of dividing estimated future housing need solely based on relative population shares. This best represents local conditions and sets a realistic goal for future development. However, this approach needs to be applied with clear recognition that any city with very low

population growth over the past several decades cannot be expected to be the relief valve for Southern California's pent-up development pressures. Among the three options, the City recommends further consideration of Option 3, because this option best accounts for local estimated household growth. We would welcome an approach that applies Option 3, preferably with further refinement to account for the local fire risk, topography, environmental constraints, and open space preservation factors discussed above, and to account for a City's limited growth patterns.

The first and second proposed methodologies allocate a substantial portion of the total RHNA numbers based on the proportion of the jurisdiction's population compared to the SCAG region. SCAG would be better served by, at the least, including consideration of historic growth patterns in this determination. Each jurisdiction's local conditions allow or restrict future development. Calabasas has fire-risk related, natural, geographic, climatic, topographical, and state-mandated limitations on further development opportunities. These factors are implicitly recognized in historic growth patterns, but are not reflected by merely comparing total population. Failing to account for these factors, as in Options 1 & 2, leaves the analysis incomplete. Further, failing to account for local input regarding historic growth patterns, as in Option 2, violates the statutory requirement to consider local input from each City as part of the RHNA process. (Gov't Code, § 65584.04, subd. (b)(4).) The City urges SCAG to adopt an approach based in historic growth more broadly, instead of using generic regional growth factors or relying on the jurisdiction's share of regional population.

**SOCIAL EQUITY MULTIPLIER.** The City also questions the use of a 150 percent social equity multiplier to increase future housing need allocations in Option 1 and to increase all allocations in Options 2 & 3. The City acknowledges that the 110 percent social equity multiplier supports important goals – namely mitigating the overconcentration of income categories in certain areas. However, the 150 percent multiplier is untenable. It applies a top-down approach to mandate additional housing at certain income levels in certain areas, with no recognition of legitimate constraints on local development opportunities. The City questions the proposed 150% adjustment rate as excessive, divorced from statutory requirements, and out of alignment with the housing market. The Government Code does not require, nor does it contemplate, a 150% social equity adjustment factor. SCAG's analysis does not demonstrate why this method is appropriate, required, or even would serve to actually promote additional affordable housing development, rather than simply as a paper planning exercise. Market conditions – not zoning – are the significant constraint on very low, low and moderate-income housing in jurisdictions with higher

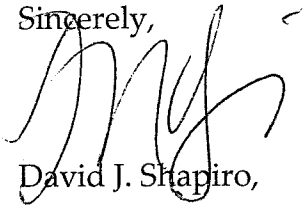
average incomes and higher land values. Such a substantial social equity adjustment will force jurisdictions to take actions to bolster types of housing not supported by the market, without sufficient funding to support affordable housing. This will not actually result in additional affordable housing being built. Instead, it will likely further constrain an already under-performing housing market and result in substantially fewer new housing units overall – not just in Calabasas, but throughout the entire SCAG region.

**VACANCY RATES.** The City understands and agrees that destroyed housing units are accounted for and replaced within the proposed methodologies, as is appropriate to determine existing need. However, SCAG has failed to account for a significant threat to losing existing housing units – short-term rentals. Web-based short term rental markets have greatly expanded this type of use. The outcome is the transition of properties away from permanent housing, a result not reflected in the proposed methodologies. Other cities throughout SCAG’s jurisdiction have enacted short-term rental regulations, either supporting or restricting the transition of housing into short-term rentals. We recommend SCAG take these local efforts into account, adjusting existing need allocated to cities based on their regulatory efforts, requiring additional units to be located in those cities who have chosen to permit short-term rentals, reflecting the consequence of that decision is the removal from the market of long-term housing units at all income levels.

**CONCLUSION.** In closing, the City thanks the Chair and Committee in advance for your consideration of the comments included here. The City believes strongly in the need to provide safe, affordable, livable housing for its residents and for the region. This goal is best accomplished if SCAG, the City, and all our regional partners work together to assess and allocate fair shares of regional housing needs based on local conditions, including local fire risk, open space and environmental preservation goals and requirements, and hazards. SCAG must also consider historic development patterns and local input from each City regarding its growth projections, in its calculation of existing and projected future housing need. It should consider other local factors that limit dense development, particularly geography, topography, climate, existing state and other legal restrictions on development (e.g. the prevalence of endangered species), and other local realities. This should include the strain placed on resources both by significant fire risk and the process of rebuilding after a fire event. It should consider other regulatory factors that affect existing housing supply and future housing development, including short-term rentals. Finally, SCAG should utilize all available localized data, including on vacancy rates, instead of relying on statewide data that misrepresents local conditions.

The City believes the goals of the regional housing needs assessment are best accomplished by Option 3, with further refinement to fully account for the comments described above. Again, I appreciate your consideration and am available if you have additional questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Shapiro', written over the printed name 'David J. Shapiro'.

David J. Shapiro,

Mayor

City of Calabasas