



Council Agenda Report

City Council Meeting
09-16-15

Item
3.B.6.

To: Mayor Sibert and Honorable Members of the City Council

Prepared by: Richard Mollica, AICP, Senior Planner

Reviewed by: Bonnie Blue, AICP, Planning Director *BB*

Approved by: Jim Thorsen, City Manager *[Signature]*

Date prepared: August 26, 2015 Meeting Date: September 16, 2015

Subject: Annual Progress Report Regarding the Implementation of the City's Housing Element to the California Department of Housing and Community Development

RECOMMENDED ACTION: Direct staff to submit the Annual Housing Element Progress Report to the California Department of Housing and Community Development.

FISCAL IMPACT: There is no fiscal impact associated with the recommended action.

DISCUSSION: The Housing Element is one of the elements contained in the City's adopted General Plan. The Housing Element contains a variety of policies and programs for the implementation of housing programs to ensure the City's compliance with the State of California housing requirements and goals. Government Code Section 65400 requires each governing body to prepare an annual report on the status and progress in implementing the jurisdiction's housing element of the general plan using forms and definitions adopted by the Department of Housing and Community Development (HCD). Currently, the City is processing a Local Coastal Program Amendment, which will modify the City's Local Coastal Program to incorporate code amendments that will allow for multi-family development in compliance with both the adopted 2008-2013 and 2013-2021 Housing Elements.

On February 12, 2014, HCD certified the City's Housing Element as meeting the requirements of state law for the planning period of 2013-2021. The attached annual report covers the 2014 calendar year.

The report includes a summary of housing units built by income category (Tables A and A3), housing units rehabilitated, preserved or acquired (Table A2), and progress toward the Regional Housing Needs Assessment (Table B). Table C summarizes the City's progress in implementing the programs contained in Section 7.5 of the Housing Element.

ATTACHMENT: 2014 Annual Housing Element Progress Report

ANNUAL ELEMENT PROGRESS REPORT *Housing Element Implementation* (CCR Title 25 §6202)

Jurisdiction City of Malibu
Reporting Period 1/1/2014 - 12/31/2014

Table A

Annual Building Activity Report Summary - New Construction Very Low-, Low-, and Mixed-Income Multifamily Projects

| Housing Development Information | | | | | | Housing with Financial Assistance and/or Deed Restrictions | | Housing without Financial Assistance or Deed Restrictions | | | |
|---|---------------|-------------------------------|------------------------------------|------------|-----------------|--|-------------------------|---|--|---|---|
| 1 | 2 | 3 | 4 | | | | 5 | 5a | 6 | 7 | 8 |
| Project Identifier (may be APN No., project name or address) | Unit Category | Tenure R=Renter O=Owner | Affordability by Household Incomes | | | | Total Units per Project | Est. # Infill Units* | Assistance Programs for Each Development See Instructions | Deed Restricted Units See Instructions | Note below the number of units determined to be affordable without financial or deed restrictions and attach an explanation how the jurisdiction determined the units were affordable. Refer to instructions. |
| | | | Very Low-Income | Low-Income | Moderate-Income | Above Moderate-Income | | | | | |
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| | | | | | | | | | | | |
| (9) Total of Moderate and Above Moderate from Table A3 | | | | | 0 | 13 | 13 | | | | |
| (10) Total by income Table A/A3 | | | | | | 13 | 13 | | | | |
| (11) Total Extremely Low-Income Units* | | | | | | | | | | | |

* Note: These fields are voluntary

ANNUAL ELEMENT PROGRESS REPORT

Housing Element Implementation

(CCR Title 25 §6202)

Jurisdiction City of Malibu
Reporting Period 1/1/2014 - 12/31/2014

Table A2
Annual Building Activity Report Summary - Units Rehabilitated, Preserved and Acquired pursuant to GC Section 65583.1(c)(1)

Please note: Units may only be credited to the table below when a jurisdiction has included a program in its housing element to rehabilitate, preserve or acquire units to accommodate a portion of its RHNA which meet the specific criteria as outlined in GC Section 65583.1(c)(1)

| Activity Type | Affordability by Household Incomes | | | | (4) The Description should adequately document how each unit complies with subsection (c)(7) of Government Code Section 65583.1 |
|-----------------------------------|------------------------------------|-----------------|------------|-------------|---|
| | Extremely Low-Income* | Very Low-Income | Low-Income | TOTAL UNITS | |
| (1) Rehabilitation Activity | | | | 0 | |
| (2) Preservation of Units At-Risk | | | | 0 | |
| (3) Acquisition of Units | | | | 0 | |
| (5) Total Units by Income | 0 | 0 | 0 | 0 | |

* Note: This field is voluntary

Table A3
Annual building Activity Report Summary for Above Moderate-Income Units (not including those units reported on Table A)

| | 1. Single Family | 2. 2 - 4 Units | 3. 5+ Units | 4. Second Unit | 5. Mobile Homes | 6. Total | 7. Number of infill units* |
|--|---------------------|-------------------|----------------|-------------------|--------------------|-------------|-------------------------------|
| No. of Units Permitted for Moderate | | | | | | 0 | |
| No. of Units Permitted for Above Moderate | 13 | | | | | 13 | |

* Note: This field is voluntary

ANNUAL ELEMENT PROGRESS REPORT

Housing Element Implementation

(CCR Title 25 §6202)

Jurisdiction City of Malibu
 Reporting Period 1/1/2014 - 12/31/2014

Table B

Regional Housing Needs Allocation Progress

Permitted Units Issued by Affordability

| Enter Calendar Year starting with the first year of the RHNA allocation period. See Example. | | | | | | | | | | | | Total Units to Date (all years) | Total Remaining RHNA by Income Level |
|--|---------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--|---------------------------------|--------------------------------------|
| Income Level | RHNA Allocation by Income Level | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | | | |
| Very Low | Deed Restricted | 1 | 0 | | | | | | | | | 13 | 2 |
| | Non-deed restricted | | 0 | | | | | | | | | | |
| Low | Deed Restricted | 1 | 0 | | | | | | | | | 13 | 2 |
| | Non-deed restricted | | 0 | | | | | | | | | | |
| Moderate | Deed Restricted | 0 | 0 | | | | | | | | | 13 | 2 |
| | Non-deed restricted | | 0 | | | | | | | | | | |
| Above Moderate | | | 13 | | | | | | | | | 13 | 2 |
| Total RHNA by COG. Enter allocation number: | | 2 | 13 | | | | | | | | | 13 | 2 |
| Total Units ▶ ▶ ▶ | | | | | | | | | | | | | |
| Remaining Need for RHNA Period ▶ ▶ ▶ ▶ ▶ | | | | | | | | | | | | | |

Note: units serving extremely low-income households are included in the very low-income permitted units totals.

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
(CCR Title 25 §6202)

Jurisdiction City of Malibu
Reporting Period 1/1/2014 - 12/31/2014

General Comments:

**Table C
2014 Annual Housing Element Program Evaluation**

| Program | Objective | Timeframe | Implementation Status |
|--|---|--------------------------------|---|
| <p>Program 1.1 – Code Enforcement Ensure compliance with the City's codes and regulations. Particularly in the case of code violations in units that are occupied by lower-income persons or persons with special needs, direct property owners and renters to programs that are available to provide assistance. Offer amnesty and legalization for existing housing units where:</p> <ol style="list-style-type: none"> 1) The unit is "livable" and meets basic health and safety requirements 2) The unit existed at the time of the City's incorporation; and 3) The unit is restricted for owner-occupancy or rental by low- or moderate-income persons at an affordable rate. | Reduce code violations and health & safety issues in existing housing | Throughout the planning period | Ongoing |
| <p>Program 1.2 – Rebuilding Assistance Expedite permit processing and provide special assistance to homeowners seeking to repair or rebuild homes that have been lost or damaged in a fire, flood or other disaster, especially units that accommodate low- and moderate-income households, elderly, disabled, large families, single heads of households, farm workers, individuals in need of emergency shelter, and other individuals or household types with special needs, unless those units are located in areas that are physically unsuitable for development.</p> | Facilitate rebuilding of lost or damaged homes | Throughout the planning period | Ongoing – no homes were lost or damaged due to natural disaster. |
| <p>Program 1.3 – Housing Rehabilitation Assistance Provide incentives to rehabilitate existing housing units, such as permit fee waivers for units that are deed-restricted for low- and moderate-income families.</p> | 4 units | Throughout the planning period | Opportunities for this are reviewed on a case by case basis. No requests were made during this time period. |
| <p>Program 1.4 – Preserve Existing Mobile Home Parks Maintain the Mobile Home Park Rent Control Regulations Ordinance that regulates maximum allowable rents and limits rent increases. Pursuant to the provisions of <i>Government Code</i> §65863.7, require the submittal of a report detailing the impacts of any proposed mobile home park conversion to a nonresidential use concurrent with the filing of any discretionary permit on such property and impose reasonable mitigation measures upon the park owners.</p> | No net loss of mobile home units | Throughout the planning period | Ongoing – no mobile home parks were proposed for conversion. |
| <p>Program 1.5 – Conserve Affordable Housing in the Coastal Zone In accordance with <i>Government Code</i> §65590, continue to require the replacement of low- or moderate-income units that have been removed from the coastal zone (either by demolition or conversion), whenever feasible.</p> | LCP and M.M.C. amendment | Throughout the planning period | Ongoing – no low- or moderate-income units were demolished or converted. |
| <p>Program 2.1 – Regional Housing Needs Identification Work with the Southern California Association of Governments (SCAG) and the Las</p> | Encourage fair and realistic RHNA allocations | Throughout the planning period | City staff continued to monitor SCAG |

| Program | Objective | Timeframe | Implementation Status |
|---|--|--------------------------------|--|
| Virgenes-Malibu Subregional Council of Governments (COG) to encourage an appropriate fair share allocation of future regional housing needs based on population need, existing supply/demand, ability to accommodate growth given the physical/environmental constraints and the jobs-to-housing ratio. | | | programs related to housing needs. |
| <p>Program 2.2 – Ensure Adequate Capacity to Accommodate Regional Housing Needs</p> <p>The City's residential land inventory provides adequate capacity to accommodate the City's housing needs as identified in the 2014-2021 RHNA (see Appendix B). The City will pursue a two-part strategy to provide sites for lower-income housing: 1) Opportunities and incentives for second units; and 2) Zoning regulations to facilitate affordable multi-family or mixed-use development in suitable locations.</p> <p>A. Expand the Supply of Second Units</p> <p>Second units represent an important source of affordable housing in Malibu (see Appendix B for further discussion of second unit production). Due to extraordinarily high land cost and environmental constraints, development of new affordable housing is very difficult. Since second units can be accommodated on developed sites at no additional land cost, they represent an excellent option for addressing the needs of seniors, university students, household employees, local service workers, and extended family members. In order to maximize the availability of additional second units, the City will implement the following actions:</p> <ol style="list-style-type: none"> Promote the Development of Second Units - Develop a brochure to provide information on the City's second unit standards and incentives to promote their development. The brochure will be distributed at City Hall, posted on the website, and provided to all applicants for new residential development. Amnesty Program for Second Units - Continue to implement the Second Unit Amnesty Program for legalized second units that meet all health and safety requirements. The amnesty program may include the waiver of City fees and penalties and will allow the legal registration of both second units and converted guest houses. Financial Assistance for Second Units - Contact local service providers, including the Water District and School District, to pursue reduced development impact fees on second units dedicated for occupancy by lower-income households. Evaluate mechanisms to subsidize impact fees using local, state, and nonprofit sources, including the City's Affordable Housing Trust Fund. Pre-Approved Second Unit Prototypes - Make available pre-approved second unit prototype plans to assist applicants and streamline the approval process. | 21 second units during 2014-2021 | Throughout the planning period | The City encourages the development of second residential units over guest homes or studios. No requests have been made to legalize previously developed second units during this past year. Staff is currently reviewing and implementing steps to streamline the process for development review. |
| <p>B. Facilitate New Affordable Housing Development</p> <p>In order to accommodate lower-income housing, the M.M.C. and LCP regulations were amended in the previous planning period to establish an Affordable Housing Overlay allowing multi-family or mixed-use development by-right at a density of 20 units/acre for projects that include affordable housing. In order to qualify for the increased density</p> | Provide suitable sites with appropriate zoning that could accommodate lower-income housing | Throughout the planning period | The City is working with the California Coastal Commission to approve the required code |

| Program | Objective | Timeframe | Implementation Status |
|---|--|---|--|
| <p>incentive, all "bonus" units (i.e., additional units allowed above the base density of 6 units per acre) must be deed-restricted for low- and moderate-income households for a minimum of 30 years at a ratio of 50% low- and 50% moderate-income. As an alternative, very-low-income units may offset the requirement for moderate-income units on a one-for-one basis. Any developer utilizing these incentives shall be required to screen tenants or buyers for compliance with income limits and establish a monitoring system to ensure the unit's continued affordability. This program creates a strong incentive for affordable housing development because of the additional units allowed at 20 units per acre compared to the base density of 6 units per acre. The allowable density of 20 units per acre does not include the state-mandated density bonus, and it is anticipated that all projects utilizing this option will also qualify for a density bonus of up to 35%.</p> <p>This program does not represent an "inclusionary" requirement because property owners who do not wish to take advantage of the density incentive would be allowed to develop market-rate housing at the allowable base density of 6 units/acre.</p> <p>Incentives and concessions for ELI¹ units will include a variety of housing types such as SRO²s and supportive housing. Incentives may include priority processing, density bonus, modified development standards, administrative support with funding applications, and/or fee waivers or deferrals.</p> <p>In order to facilitate development of affordable housing, including housing for persons with developmental disabilities and other special needs, the City will contact non-profit developers annually to implement a strategy for developing housing, including site identification, priority processing, density bonus and modified development standards, administrative support with funding applications, and fee waivers or deferrals if feasible. The City has already had conversations with nonprofit developers regarding affordable housing opportunities on the La Paz site.</p> | | | amendments. |
| <p>Program 2.3 – Streamline Development Review and Assist Affordable Housing Developments</p> <p>Streamline the development review and permit process for all residential development by providing a series of informational handouts describing how to apply for housing development and summarizing the basic development criteria for different zones. When developers propose to include affordable units in a project, provide assistance through expedited processing, density bonus and other modified development standards, and administrative assistance with grant applications.</p> | Minimize residential permit processing time and assist affordable housing developments | Throughout the planning period | Ongoing – Staff has created various pamphlets as well as forms to help guide applicants through the permitting process. No applications have been submitted for affordable housing projects. |
| <p>Program 3.1 – Fair Housing</p> | Provide and publicize fair housing services through contracting with a | Annual appropriation and semi-annual publications and | Ongoing – Staff does work with the Los |

¹ ELI: Extremely Low Income

² SRO: Single Room Occupancy

| Program | Objective | Timeframe | Implementation Status |
|--|--|---|---|
| <p>Support fair housing efforts by contracting with the Los Angeles County Housing Authority, Westside Fair Housing Council, or other appropriate organization, to create a program that provides fair housing services, including investigation of discrimination complaints, research on housing discrimination-related issues, public information about the rights and responsibilities of landowners and tenants, and landlord/tenant dispute resolution. Promote the program each year through the use of pamphlets, public bulletin boards on community television; educational flyers distributed to property owners, apartment managers and tenants; public service announcements on local radio stations and in local print media; and presentations at community groups.</p> | <p>public or non-profit service provider</p> | <p>announcements</p> | <p>Angeles County Housing Authority, however no questions or requests have been made regarding affordable fair housing.</p> |
| <p>Program 3.2 – Provide Financial Support and Referral Information to Persons in Need of Assistance</p> <p>Malibu is a small jurisdiction without a redevelopment agency or housing department, and is not an entitlement jurisdiction for federal grants, such as Community Development Block Grants (CDBG) and the HOME Investment Partnerships Program (HOME). Therefore, the City does not have any resources for direct financial housing assistance, other than a small Affordable Housing Trust Fund. The City will provide referral information to extremely-low-, very-low-, low-, and moderate-income persons and families, the elderly, and persons with disabilities regarding affordable and special needs housing, such as Section 8 Rental Assistance and the Mortgage Credit Certificate program. If feasible, the City will seek CDBG and HOME funds.</p> <p>a. Affordable Housing Trust Fund. Maintain an Affordable Housing Trust Fund and use the proceeds to leverage other sources of funding for affordable housing.</p> <p>b. State and Federal Grants. Where feasible, seek state and federal grant funds, such as CDBG and HOME, in order to provide support for affordable housing activities.</p> <p>c. Section 8 Rental Assistance. Provide referral information to low-income persons seeking rental assistance by publicizing the program in flyers posted at City Hall, the City's website and other public locations.</p> <p>d. Mortgage Credit Certificates. Provide referral information regarding the mortgage credit certificate program to homebuyers by publicizing the program in flyers posted at City Hall, the City website and other public locations.</p> | <p>Disseminate housing assistance information; provide direct funding in support of affordable housing when feasible</p> | <p>The City's Housing Coordinator has responsibility for monitoring all activities related to Housing Element implementation, including preparation of annual progress reports, annual monitoring of sources of financial assistance such as Section 8, state/federal grants, and mortgage credit certificates. The Housing Coordinator shall also be responsible for disseminating information to the community regarding this activities and resources.</p> <p>Depending on program availability and City eligibility, apply for state/federal funds on a bi-annual basis to assist affordable housing development.</p> | <p>The City is currently working with the owner of a multifamily development to complete a contractual agreement to collect fees for the City's Housing programs.</p> |
| <p>Program 4.1 – Monitor and Report Annually on Housing Program Accomplishments</p> <p>The City will monitor accomplishments toward Housing Element objectives and report annually to the City Council and California Department of Housing and Community Development. If implementation measures are ineffective in achieving desired results, adjustments will be made to improve the efficacy of programs.</p> | <p>Monitor progress and make mid-course corrections if necessary to achieve desired results</p> | <p>Annual progress reports</p> | <p>The City continues to monitor Housing Element programs and report progress annually.</p> |