

## 2.0 PROJECT DESCRIPTION

The proposed project involves an update to the Housing Element of the City of Malibu General Plan. The 2008-2014 Housing Element Update establishes programs, policies and actions to generally further the goal of meeting the existing and projected housing needs of all family income levels of the community, and specifically to provide evidence of the City's ability to accommodate the Regional Housing Needs Assessment (RHNA) allocation from 2006 through the year 2014, as established by the Southern California Association of Governments (SCAG).

This EIR considers all components of the Housing Element Update; however, the impact analysis focuses specifically on those components of the Housing Element Update that would result in physical environmental impacts, which are analyzed in Section 4.0, *Environmental Impact Analysis*, of this EIR. The Housing Element Update can be accessed in its entirety at: <http://malibucity.org/index.aspx?NID=370>.

### 2.1 PROJECT APPLICANT

City of Malibu  
Planning Department  
23825 Stuart Ranch Road  
Malibu, California 90265  
(310) 456-2489

### 2.2 PROJECT LOCATION

The Housing Element Update would establish new housing goals, policies, and programs for the entire City of Malibu. Many of these goals, policies, and programs would apply city-wide. In addition, the Housing Element implementation actions proposed as part of the project include amending the Local Coastal Program (LCP) and Malibu Municipal Code (M.M.C.) to create an Affordable Housing Overlay District (AHO) that would be applied to three specific parcels that could accommodate the City's 2006-2014 RHNA allocation, as described further in Section 2.4, *Project Characteristics*. The following three parcels, identified throughout the EIR as "candidate sites", are proposed for zoning modification to allow multi-family residential development at a density of 25 units/acre:

- Candidate Site #1: 28517 Pacific Coast Highway [Assessor's Parcel Numbers (APN) 4467-013-022 and -023]
- Candidate Site #2: 28401 Pacific Coast Highway (APN 4467-012-005)
- Candidate Site #7: 23465 Civic Center Way (a 2.3 acre portion of APN 4458-022-024)

Candidate Site #7 would also be rezoned to Planned Development (PD). Four additional parcels have been identified for analysis as alternatives to the three parcels, as described in 6.0, *Alternatives*. Figure 2-1 shows the location of Malibu within the greater Los Angeles region. Figures 2-2 and 2-3 show the locations of the three candidate sites where the AHO is proposed.





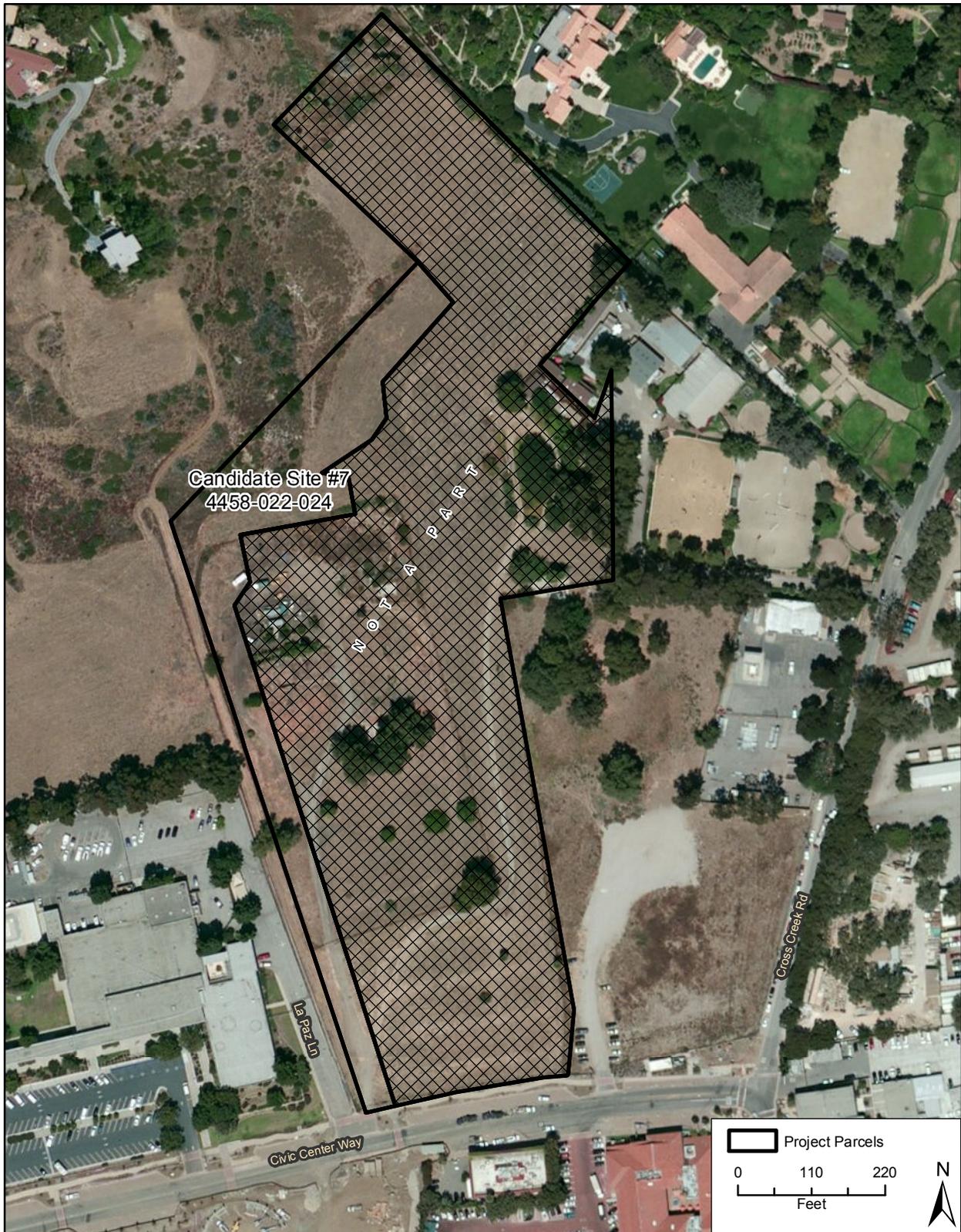


Imagery provided by ESRI and its licensors © 2012.

Candidate Sites #1 and #2  
Locations

Figure 2-2  
City of Malibu





Imagery provided by ESRI and its licensors © 2013.

Candidate Site #7  
Location

Figure 2-3  
City of Malibu



## 2.3 BACKGROUND

The City of Malibu's current Housing Element was adopted on February 12, 2001. The element set forth an action plan covering the planning period from 1998 to 2005. The Housing Element identifies strategies and programs that focus on conserving and improving existing affordable housing, providing adequate housing sites, assisting in the development of affordable housing, removing governmental and other constraints to housing development, and promoting equal housing opportunities.

The Housing Element Law, enacted in 1969, mandates that local governments adequately plan to meet the existing and projected housing needs of all economic segments of the community through the preparation of a Housing Element. The law requires local governments to adopt land use plans and regulatory systems that provide opportunities for, and do not unduly constrain, housing development. The law requires local governments update the Housing Element every eight years to reflect the most recent trends in demographics and employment. Pursuant to these requirements, the City of Malibu is required to update the Housing Element of the City of Malibu General Plan. The Housing Element Update would establish new policies, goals and programs for the City and amend development regulations for three parcels to accommodate the City's required housing needs allocation as determined by SCAG in the RHNA.

The RHNA is mandated by state law as part of the periodic process of updating local housing elements of the General Plan. SCAG is responsible for preparing the RHNA, which quantifies the need for housing within each jurisdiction during specified planning periods. The current RHNA projection period covers an 8 ½ year period from January 1, 2006 to June 30, 2014.

SCAG estimates the future population within each jurisdiction based upon State Department of Finance projections and knowledge of circumstances particular to the region. The population change is then converted into housing units necessary to accommodate projected population increases. This estimate includes a vacancy rate that reflects a "healthy" housing market, and replacement of existing units that may have been demolished.

The estimate of housing needs is then divided into four groups based on income: very-low, low, moderate, and above moderate income based on the income characteristics of the community. Table 2-1 below shows the current RHNA allocation required for the City of Malibu by household income group.

**Table 2-1**  
**RHNA Allocation for the City of Malibu 2006-2014**

<b>Household Income Groups</b>	<b>RHNA Allocation</b>
Very-Low Income Households	115
Low Income Households	73
Moderate Income Households	79
Above Moderate Income Households	175
<b>Total</b>	<b>441</b>



Under the RHNA allocation, the City is required to provide the capacity to accommodate the development of at least 441 residential units using various land use planning strategies. The City current has demonstrated that it has the land use capacity to meet the RHNA allocation for moderate and above moderate income households and therefore is not required by the State to provide additional land use capacity for these income groups. As a result, the City needs to only provide land use capacity for low and very-low income households, which of the 441 units, total 188 units. The City, however, is not required to physically construct 188 units as a result of the RHNA allocation, rather provide the land use capacity to accommodate up to that number of units.

Housing element law also requires that the Department of Housing and Community Development (HCD) review local housing elements for compliance with State law and report written findings to the local government. The City submitted the initial Draft Housing Element Update to HCD on December 6, 2011. HCD subsequently provided comments on the Draft Housing Element to the City on February 14, 2012. In May 2012, the City submitted a revised draft Housing Element to HCD in response to the December 6, 2011 comment letter. Final revisions to the Housing Element were submitted to HCD on July 19, 2012. On July 27, 2012, HCD provided a letter to the City which stated that “the revised draft housing element addresses the statutory requirements described in the Department’s February 14, 2012 review... The revised draft element will comply with State housing element law (Article 10.6 of the Government Code) when adopted and submitted to the Department, pursuant to Government Code Section 65585(g).”

This EIR analyzes the programs and policies contained in the July 2012 revised draft Housing Element that have the potential to result in physical environmental effects.

## **2.4 PROPOSED HOUSING ELEMENT PROGRAMS**

Chapter V of the Housing Element Update includes a number of programs intended to facilitate the provision of adequate housing for the existing and projected needs of all economic segments of the community.

### **2.4.1 Site-Specific Programs**

The project would update the Housing Element to include a program to create a new “Affordable Housing Overlay” (AHO) District in the Local Coastal Program (LCP) and the Malibu Municipal Code (M.M.C.) (see Housing Element Chapter V, Program 2.2.B). The AHO designation would allow multi-family residential development at a density of 25 units/acre when affordable housing units are included in the project and a density bonus up to 35%, consistent with State Density Bonus Law. Permitting any new development will be done via 1) a coastal development permit (CDP) or 2) an administrative plan review (APR) if it can be proven that the new project (e.g. addition to a house made possible through the changes to the MF development standards or for an improvement via reasonable accommodation) falls within the allowable exemptions from a CDP provided in LIP Section 13.4.

Program 2.2.B also calls for the AHO to be applied to three parcels (Candidate Sites #1, #2, and #7) to accommodate the City’s required housing needs allocation as determined by SCAG in the



RHNA. Incentives for development on the three candidate sites could include density bonuses up to 35%, priority permit processing, modified development standards, administrative support with funding applications, and/or fee waivers or deferrals. Candidate Sites #1 and #2 would remain zoned MF and would increase in density from 6 units/acre to 25 units/acre accommodating up to 155 multi-family units. Candidate Site #7 would be rezoned to Planned Development (PD). Per LIP Section 3.3(Q), the PD zone is intended to provide for a mix of residential and recreational development of the Crummer Trust property located east of Malibu Bluffs State Park and south of Pacific Coast Highway, and other commercial areas in order to encourage innovation in development concepts, land use mixes, and site design. Any planned developments in such commercial areas would require an amendment to the LCP in order to specify the permitted type, density, and intensity of development. The PD zone with AHO would permit multi-family residential development at a density of 25 units / acre in addition to allowing commercial development up to 15% floor area ratio (F.A.R.). With the PD zoning and AHO, Candidate Site #7 would accommodate up to 57 units. As shown in Table 2-2, the development potential on the three candidate sites combined could accommodate up to 212 units, which exceeds the City’s 188-unit RHNA allocation requirement for very-low and low income households.

**Table 2-2  
Proposed Candidate Site Zoning Changes**

Candidate Site Number	APN	Gross Lot Size (Acres)	Developable Lot Size (Acres)	Existing Zoning	Current Development Potential	Proposed Zoning	Proposed Development Potential
1	4467-013-022 and -023	5.8	3.66	Multi-Family Residential (6 units/acre)	22 MF units	MF/AHO	91 MF units
2	4467-012-005	3.25	2.59	Multi-Family Residential (6 units/acre)	16 MF units	MF/AHO	64 MF units
7	4458-022-023 and -024	2.3	2.3	Community Commercial/ Commercial Visitor-Serving	Town Center Overlay - Uses as designated in LIP Section 3.4.3 and M.M.C. Section 17.42.020(J)(3)	PD/AHO	57 MF units
<b>TOTAL</b>							<b>212 MF units</b>

*Note: Candidate Site #7 could theoretically permit mixed use (commercial and residential) development as a result of the proposed PD designation. However, this EIR assumes only residential development would occur on this site given that it is being rezoned to meet the goals of the Housing Element Update. Future commercial development on this site would require subsequent environmental review.*

*Note: Gross lot size represents total legal lot size. Due to existing wetland constraints on Parcels 1 and 2 and setback requirements, the developable lot size is less than gross lot size.*

Additional candidate sites were considered by the City Council as part of the Housing Element Update process. Candidate Sites #3, #4, #5 and #6 (pictured on Figure 6-1) are discussed in analysis of alternatives to the proposed project in Section 6.0 of this EIR.



## 2.4.2 City-wide Programs

The Housing Element Update includes a number of programs and policies intended to encourage and facilitate the provision of adequate housing for the existing and projected needs of all economic segments of the community, as well as housing for persons with special needs. These proposed programs may be found in Section V of the Housing Element Update and are summarized below.

- **Policy 1.1** Ensure compliance with existing codes to protect health, safety and community sustainability
- **Policy 1.2** Assist property owners in repairing or rebuilding damaged or deteriorated housing units, especially affordable housing
- **Policy 1.3** Preserve existing mobile home parks as an important source of affordable housing
- **Policy 1.4** Conserve affordable housing in the Coastal Zone
  - **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:
    - The unit is "livable" and meets basic health and safety requirements
    - The unit existed at the time of the City's incorporation; and
    - The unit is restricted for owner-occupancy or rental by low- or moderate-income persons at an affordable rate.
  - **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.
  - **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.
  - **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 *Government Code* Sec. 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.

- **Program 1.5 - Conserve Affordable Housing in the Coastal Zone:** In accordance with *Government Code* Sec. 65590, amend the LCP and M.M.C. 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.
- **Policy 2.1** Support a regional fair-share approach to meeting housing needs
- **Policy 2.2** Support a range of new housing development commensurate with the City's needs and consistent with environmental and public service limitations through all appropriate regulatory and administrative mechanisms
  - **Program 2.1 - Regional Housing Needs Identification:** Work with the Southern California Association of Governments (SCAG) and the Las 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.
  - **Program 2.2 - Ensure Adequate Capacity to Accommodate Regional Housing Needs:** The City's residential land inventory does not currently have adequate capacity to accommodate the lower-income portion of housing needs identified in the 2006-2014 RHNA (see Appendix B). In order to provide additional capacity for new housing commensurate with the RHNA the City will pursue a two-part strategy that includes: 1) expanded opportunities and incentives for second units; and 2) amended zoning regulations to facilitate affordable multi-family or mixed-use development in suitable locations.

**A. Expand the Supply of Second Units:** 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:

1. **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.
2. **Amnesty Program for Second Units:** Adopt a 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. These newly-created affordable units can be counted towards meeting the City's RHNA requirements as allowed for in *Government Code* Section 65583.1(c).

3. 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.

4. Pre-Approved Second Unit Prototypes Make available pre-approved second unit prototype plans to assist applicants and streamline the approval process.

***B. Facilitate New Affordable Housing Development:*** Existing development standards in the Multi-Family district limit density to 6 units/acre. In order to accommodate the City's lower-income regional housing need, the M.M.C. and LCP regulations will be amended on selected sites to allow multifamily or mixed-use development by-right at a minimum density of 20 units/acre for projects that include affordable housing. In order to qualify for the increased density incentive, all "bonus" units (i.e., additional units allowed above the base density) must be deed-restricted for low- and moderate-income households for a minimum of 30 years. In conformance with *Government Code* Sec. 65583.2(h) and (i), qualifying projects must accommodate at least 16 units per site, and at least 50% of the remaining lower-income need will be accommodated on sites where only residential development (i.e., not mixed use) is allowed. Development standards will be established to encourage and facilitate such development. 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 will create a strong incentive for affordable housing development because of the additional units allowed at 20 units/acre compared to the base density of 6 units/acre. The allowable density of 20 units/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%.

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.

Potential affordable housing sites are identified in Appendix B, Table B-5 [of the Housing Element Update]. Following the completion of an environmental review of the potential sites, zoning, and LCP amendments will be processed to facilitate development of affordable housing of the most appropriate sites.



As part of the environmental review and entitlement process, the City will contact potential affordable housing developers to solicit suggestions regarding development standards and other entitlement issues that could facilitate the provision of affordable housing, including family units (2-3 bedrooms) and extremely-low-income (ELI) units where feasible.

Amendments to the M.M.C. and LCP Local Implementation Plan (LIP) development standards will be processed as necessary to facilitate affordable multi-family development. These amendments could include revisions to current standards for total development square footage, grading quantities, impermeable coverage, building envelope, minimum unit size, or subterranean parking. In addition, the current requirement to obtain a Conditional Use Permit (CUP) for multi-unit development in the Multi-Family (MF) and Multi-Family Beachfront (MFBF) zoning districts will be reevaluated since the LCP requires more stringent findings for all coastal development permits for new residential development.

Incentives and concessions for ELI units will include a variety of housing types such as SROs and supportive housing.

The zoning regulations will include a “no net loss” provision that requires the City to make the findings required by *Government Code* Sec. 65863 if a project were approved at lower density than assumed in the Housing Element land inventory.

In order to facilitate affordable housing development, 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.

- **Program 2.3 – Streamline Development Review and Assist Affordable Housing Developments:** 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.
- **Program 2.4 – Density Bonus Ordinance:** In order to ensure consistency with state density bonus law, the LCP and M.M.C. will be amended in conformance with *Government Code* Section 65915.
- **Policy 3.1** Facilitate the provision of fair housing services.
- **Policy 3.2** Remove regulatory barriers to housing for all residents, including those with special needs.



- **Policy 3.3** Provide financial support, where feasible, and referral information to persons in need of housing assistance.
  - **Program 3.1 – Fair Housing:** 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.
  - **Program 3.2 – Remove Regulatory Barriers to Affordable Housing and Housing for Persons with Special Needs:**
    - a. *Residential Care Facilities.* Amend the LCP and M.M.C. to permit small licensed residential care facilities (maximum six residents) by-right in all residential zones, and larger care facilities (more than six residents) and similar innovative alternative living projects in the Civic Center area subject to a Conditional Use Permit (CUP) where such projects would be compatible with the surrounding uses.
    - b. *Reasonable Accommodation Ordinance.* Amend the LCP and M.M.C. to establish administrative procedures for reviewing and approving requests for modifications to zoning and land use regulations that are necessary to accommodate the needs of persons with disabilities, such as universal design features and reasonable accommodation procedures.
    - c. *Permanent Emergency Shelters.* Amend the LCP and M.M.C. to establish a definition and allow permanent emergency shelters as a permitted use by-right in the Commercial General (CG) and Institutional zoning districts subject to appropriate development standards consistent with Senate Bill (SB) 2.
    - d. *Temporary Emergency Shelters.* According to the City Emergency Service Coordinator, the City currently has the possibility of using Bluffs Park as a temporary emergency shelter. The American Red Cross has developed agreements with the school district to use any of its schools as disaster shelters if necessary. The City currently has emergency supplies and agreements to utilize Malibu High School as an emergency shelter. The City also has a memorandum of understanding with Beaches & Harbors to use Zuma Beach Parking Lot #12 as a temporary emergency evacuation area, with no provisions for feeding or sleeping, only congregating.
    - e. *Transitional and Supportive Housing.* Amend the LCP and M.M.C. to clarify that transitional and supportive housing are residential uses that are subject only to the same regulations and procedures as other residential uses of the same type in the same zone.



f. *Single Room Occupancy (SRO) Housing*. Amend the LCP and M.M.C. to identify appropriate locations and development standards to encourage and facilitate the production of SRO units, which can help to address the needs of seniors, college students, service workers and domestic employees with extremely-low incomes.

g. *Reduced Parking Requirements for Affordable Housing*. In order to enhance the feasibility of affordable housing development, amend the LCP and M.M.C. to allow reduced parking standards for qualifying affordable units pursuant to *Government Code Sec. 65915 et. seq.*

h. *Farmworker Housing*. Amend the LCP and M.M.C. in conformance with the Employee Housing Act (*Health and Safety Code Sec. 17021.5 and 17021.6*).

- **Program 3.3 - Provide Financial Support and Referral Information to Persons in Need of Assistance:** 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 proposed 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.

a. *Affordable Housing Trust Fund*. Create an Affordable Housing Trust Fund and use the proceeds to leverage other sources of funding for affordable housing.

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.

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.

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.

- **Policy 4.1** Monitor housing program results and revise strategies as necessary

- **Program 4.1 - Monitor and Report Annually on Housing Program Accomplishments:** 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.



## 2.5 PROJECT OBJECTIVES

In addition to the goals, policies and programs listed above, the primary objectives of the Housing Element Update for CEQA purposes are to:

- *Update the City of Malibu Housing Element to comply with State Housing Law;*
- *Provide for a mix of housing types for all income levels;*
- *Amend the development regulations for a sufficient number of parcels within the City to accommodate the RHNA allocation requirements for low and very-low income households;*
- *Adopt regulations to encourage construction of additional second units and the conversion of existing secondary units within the City; and*
- *Remove regulatory barriers to the development of multi-family residential projects and housing for persons with special needs in conformance with state law.*

## 2.6 REQUIRED APPROVALS

The Housing Element Update would need to be adopted by the Malibu City Council. In conjunction with this approval, the Planning Commission would first provide a recommendation on the proposed amendments to the General Plan, M.M.C. and LCP and then the City Council would need to approve amendments, as described above. The proposed amendments to the City's LCP would also require certification by the California Coastal Commission.

