

# Sherman Oaks Vision Pursuing Equitable, Affordable Housing



**COMMUNITIES NEED TO BE PLANNED, NOT LEGISLATED**

# Purpose

We are circulating this draft (approved for circulation by the Sherman Oaks Neighborhood Council) to gather comments and input from elected officials, planning officials and others.

The goal of this study is to share a positive basis for local jurisdictions to approve and encourage affordable, equitable housing in a manner that is appropriate for their community.

Timing is critical.

Please send your comments to me by August 15, 2021.

[jeff.kalban.sonc@gmail.com](mailto:jeff.kalban.sonc@gmail.com)

Thank you,  
Jeffrey M. Kalban AIA

# Mission

Equitable, Affordable, Up-lifting Communities for ALL!

Everyone's Quality of Life is Important

# Goals:

## ***Local jurisdictions***

To provide a toolkit of ideas & options to use for fulfilling the community's affordable housing goals, needs and objectives to use at the local jurisdictions discretion.

## ***The State***

To have the State fund the construction of affordable housing and the implementation of programs to fulfill State mandates such as reduced minimum parking and its ramifications.

## ***Communities***

To maintain their character while providing equitable, affordable housing opportunities.

# Background

## ***Since the Great Recession:***

- Per year, 100,000 housing units have not been built because of the lack of State funding
- The State is responsible for one million units not built in the past decade.

## ***Make Homeownership more Accessible***

- The State is now supporting rental housing over ownership.
- Rental and ownership units have to be supported equally. For each “starter” home purchased, a rental unit is freed up.

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# Financing

Some of the current and proposed programs to fund affordable housing:

- Grants
- Government entitlement bonuses
- Low-cost financing
- Tax-credits
- Voucher systems

# Financing



## **Grants & Funding:**

By administering programs that provide grants and loans (from both state and federal housing programs), Housing and Community Development (HCD) creates rental and homeownership opportunities for Californians from all walks of life, including veterans, seniors, young families starting out, people with disabilities, farmworkers, and individuals and families who are experiencing homelessness. Over the last three decades, HCD has provided more than \$3 billion of funding for the development of affordable housing and associated infrastructure, but HCD's role does not end once the awards are made. Through long-term monitoring, HCD ensures the developments continue to provide safe and affordable homes, and that the homes remain well-maintained and financially sound.

# Financing



## **Public Lands for Affordable Housing Development**

One of the challenges in building new affordable homes is acquiring land suitable for housing. In 2019, Governor Newsom took several actions to make state and local public lands available for affordable housing development including:

- An executive order to make excess state land available for affordable housing (Executive Order N-06-19)
- Connecting affordable housing developers to local surplus land and strengthening enforcement of the Surplus Lands Act (AB 1486, Ting, 2019)
- Requiring cities and counties to inventory and report surplus and excess local public lands to include in a statewide inventory (AB 1255, Robert Rivas, 2019)

# Financing



## CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

The California Tax Credit Allocation Committee (TCAC) facilitates the investment of private capital into the development of affordable rental housing for low-income Californians. TCAC allocates federal and state tax credits to the developers of these projects. Corporations provide equity to build the projects in return for the tax credits. TCAC verifies that the developers have met all the requirements of the program and ensures the continued affordability and habitability of the developments for the succeeding 55 years.

# Financing



The Office of Departmental Grants Management and Oversight (ODGMO) of California is responsible for housing grants (HUD programs and initiatives) in the state of California. Although there are funds available to California residents, not everyone is eligible to apply and receive California Housing Grants. The ODGMO has set a list of policy priorities.

# Financing



Established in 1975, California Housing Finance Agency (CalHFA) was chartered as the state's affordable housing lender. The Agency's Multifamily Division finances affordable rental housing through partnerships with jurisdictions, developers and more, while its Single Family Division provides first mortgage loans and down payment assistance to first-time homebuyers. CalHFA is a completely self-supporting state agency, and its bonds are repaid by revenues generated through mortgage loans, not taxpayer dollars.

# Financing



*California*  
LEGISLATIVE INFORMATION

The State of California has established several density bonus bills, perhaps the most popularly known is SB 1818.

[https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill\\_id=200320040SB1818](https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=200320040SB1818)

# Financing

## California's Section 8 Housing Program

For those who need housing, but don't have the financial means to afford it, the government offers what's known as Section 8 housing programs. The Section 8 housing program in California is designed to help low-income families find homes within their financial means.

The California Section 8 Program or Housing Choice Voucher Program is operated by the California Public Housing Authority (PHA) which has more than 100 offices spread throughout the state.

The PHA is provided with funds from the United States Department of Housing and Urban Development (HUD), which are given in the form of vouchers to eligible applicants in the Section 8 program. The vouchers are distributed to the landlord or property owner directly on behalf of the applicant.

# Financing

## **Affordable Apartment Rents**

The California Statewide Communities Development Authority (CSCDA), is a joint powers authority that provides bond financing for public projects to more than 500 cities and counties around the state. The CSCDA purchases market-rate apartment buildings using bonds that are sold to investors, who get repaid through rental income and interest. Because the buildings are government-owned, they're exempted from property taxes. As tenants leave and leases expire, the apartments gradually turn over from market-rate to moderate-income. Whether the community benefits of that outweigh the lost tax revenue remains to be seen.

[www.kcrw.com/news/shows/greater-la/rent-safe-parking-olympics/housing-subsidies-middle-class](http://www.kcrw.com/news/shows/greater-la/rent-safe-parking-olympics/housing-subsidies-middle-class)

Jon Penkower, Managing Director

# Financing

## Affordable Home Ownership

Senator Bob Hertzberg: <https://www.dailynews.com/2021/03/07/california-must-invest-in-new-homeownership-bob-hertzberg/>

“It is time to flip the script and focus on turning renters into homeowners, who can build their own wealth over the long term. To have real, lasting impact, we need to think big- a \$25 billion dollar bond fund- with money from investors and not taxpayers. ...our new homes must be built in an environmentally sensitive manner as “in-fill” sustainable community strategy projects with significant community benefit, rather than create more 1950’s style sprawl. Moreover,...we will ensure that it benefits people of all races, ethnicities, creeds and sexual orientations.

Taking advantage of the below-market financing costs available to the State of California, we can leverage private funding for down-payment and other mortgage assistance through “silent second” mortgages – which would be repaid when homes are resold.

The time to act is now. The California Dream of homeownership should not die with the baby boomer generation.”

# Financing

## Rent To Own

An alternative to the traditional purchase process may be rent-to-own agreements which typically consist of two parts: a standard lease agreement and an option to buy.

A rent-to-own agreement is a deal in which you commit to renting a property for a specific period of time, with the option of buying it before the lease runs out.

Rent-to-own agreements include a standard lease agreement and also an option to buy the property at a later time.

Lease-option contracts give you the right to buy the home when the lease expires, while lease-purchase contracts require you to buy it.

You pay rent throughout the lease, and in some cases, a percentage of the payment is applied to the purchase price.

With some rent-to-own contracts, you may have to maintain the property and pay for repairs.

Resource: <https://www.investopedia.com/updates/rent-to-own-homes/>



# Entitlement Criteria

## **Establish the allowable capacity of housing within existing zoning**

Cities and counties are required to inventory and report surplus and excess local public lands to include in a statewide inventory (AB 1255, Robert Rivas, 2019) not to include parks, recreation areas and other publically approved open space.

## **Establish an Inventory of Public Land in each Local Jurisdiction**

On January 15, 2019, California Governor Gavin Newsom signed Executive Order N-06-19 that ordered the California Department of General Services (DGS) and the California Department of Housing and Community Development (HCD) to identify and prioritize excess state-owned property and aggressively pursue sustainable, innovative, cost-effective housing projects.

# Entitlement Criteria

## **California Environmental Quality Act (CEQA)**

CEQA makes environmental protection a mandatory part of every California state and local (public) agency's decision making process. All rezoning must follow CEQA guidelines whether statewide or locally implemented.

## **Discretionary approval**

All rezoning must seek local discretionary approval. We recommend the establishment of community based “Vision Committees” to plan for community centric development.

# Entitlement Criteria

## Repeal Article 34 in the California Constitution

Article 34 states:

No low-rent housing project shall hereafter be developed, constructed, or acquired in any manner by any state public body until, a majority of the qualified electors of the city, town or county, as the case may be, in which it is proposed to develop, construct, or acquire the same, voting upon such issue, approve such project by voting in favor thereof at an election to be held for that purpose, or at any general or special election.

# Entitlement Criteria

New developments must be more economically diverse. This means that the developers have to include some smaller homes, or starter homes. Example: 85% larger townhomes and 15 % slightly smaller units. The smaller ones cost less to build, therefore less to buy. They are to be earmarked for first time homeowners who pay their own mortgage, but who could apply for assistance with the down payment.

The people who buy these smaller homes have to promise to live in them and not rent them. If they move out within a certain time period, they are only allowed to increase the sales price by a fixed amount.

The owners of the smaller homes have the advantages of mortgage deduction, living in the same neighborhood as more affluent people, access to the same schools, etc.

In similar programs around the country, 15% was the maximum percentage that would make this program work financially.

They called these houses "moderately priced dwelling units" (**MPDUs**)



# Legislative Tactics

## Vacancy Tax

Developers and speculators are leaving housing units vacant for various motives. This results in higher rental rates.

The City of Vancouver has their “Empty Homes Tax”:

Properties deemed empty will be subject to a tax of 1.25% of the property’s 2020 assessed taxable value. Most homes will not be subject to the tax, as it does not apply to principal residences or homes rented for at least six months of the year. Net revenues from the tax are being reinvested into affordable housing initiatives.

# Legislative Tactics

**Incentivize those earning higher than qualifying income to move out of low-income units.**

Currently, if your income increases and you no longer officially qualify for low income housing, your subsidies may be adjusted accordingly, but you will not be required to leave.

**Funds for low income projects be used for construction costs, only.**

Currently soft costs are also paid for by the funds.

# Legislative Tactics

## **Require affordable units in projects requiring discretionary approval**

All housing projects requesting discretionary approval by a local jurisdiction must include affordable units.

## **Promote mixed-income inclusionary projects**

## **Establish a living wage to offset housing costs**

## **Establish universal right of return**

People forced to move from housing to allow for redevelopment of a property have the right to return to a similarly affordable unit in the new development.

# Legislative Tactics



*California*  
STATE AUDITOR



## Report 2020-108 Recommendations

The State Auditor Report 2020-108 : California's Housing Agencies: The State must overhaul its approach to affordable housing development to help relieve millions of Californians' burdensome housing costs.

There are several policy proposals in the auditor's report that deal with a more efficient use of state funding for affordable housing.

<http://www.auditor.ca.gov/reports/recommendations/2020-108>



# Density Issues

Revisit Regional Housing Needs Allocation (RHNA) numbers to determine how many new homes and their affordability for local jurisdiction's Housing Element.

Calculate based on two factors:

- Actual needs based on outflow of residents
- Actual needs based on new telecommuting models

Encourage mixed-income housing

Encourage more affordable single family housing

Encourage job-housing proximity

# Density Issues

Dick Platkin of CityWatchLA stated if we built out the commercial and multifamily zones in LA we could house two times our current population.

The General Plan Framework, SB 1818, the TOC Guidelines, and the ADU ordinance have boosted the allowed density of residential zones in LA. In the Framework FEIR, the zoning buildout of LA was 7.2 million people. Based on the work of Jay Ross, the additional density would pull the previous density up by about 25 percent. This totals 9 million people. There is vast unused density and no need to upzone to meet the RHNA allocation to Los Angeles.

# Density Issues

In a study by Peter Calthorpe, a founding member of the Congress for New Urbanism, he states:

El Camino Real runs 43 miles through Silicon Valley and can absorb 250,000 housing units instead of TEARING APART our neighborhoods. The Bay Area has 16,000 acres of underused commercial lots that could absorb 1.6M new units of housing.

<https://www.livablecalifornia.org/famed-urbanist-peter-calthorpe-is-against-upzoning-put-housing-in-commercial-areas-dont-bulldoze-neighborhoods/>

# Density Issues

## Communities:

Communities are unique. They know where they can appropriately add density. Solutions should be tailored to meet local needs.



Typical Communities



Gated Communities

**One Size Fits All Solutions** will not work. They will erode existing efforts for local zoning and community values.

# Density Issues

## Communities:

Communities are unique. They know where they can appropriately add density. Solutions should be tailored to meet local needs.



Estate Communities



Beach Communities

# Density Issues

## Topography:

California has so many changes in topography and environmental conditions, no one solution can possibly be appropriate for all.



Hillside Communities

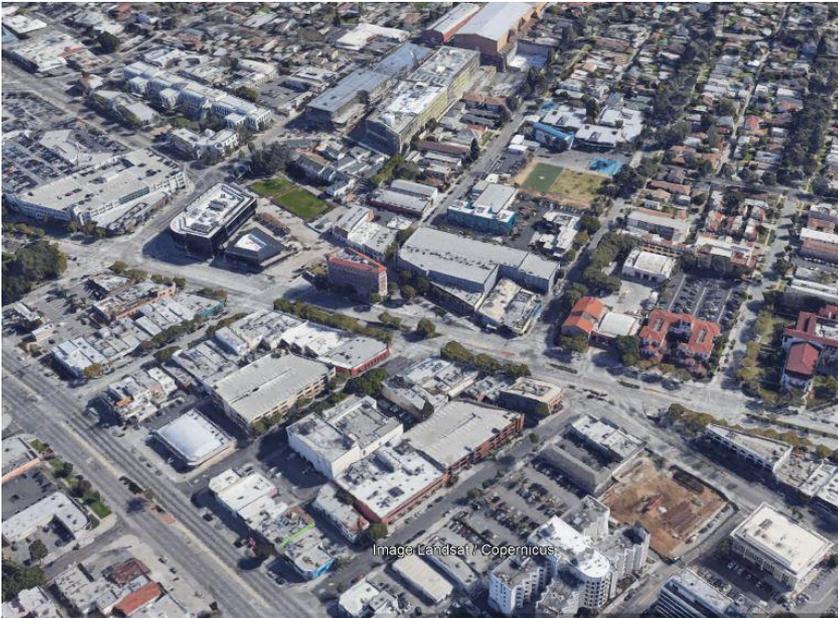


Canyon Communities

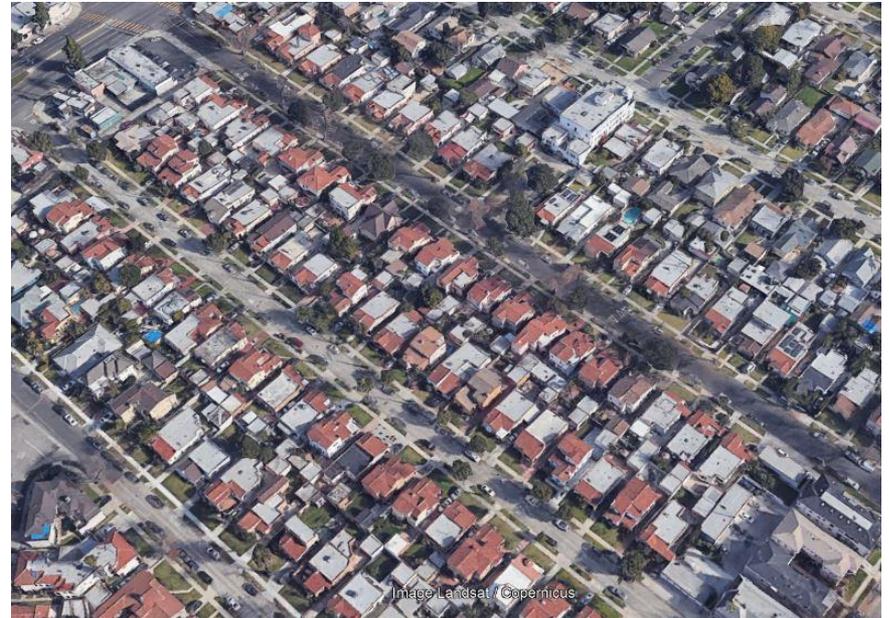
# Density Issues

## Gentrification & Displacement:

Wealthier people move into poorer urban areas, typically displacing current inhabitants in the process



Hi Tech Communities



Underserved Communities

# Density Concept

Incentivize the development of underutilized commercial corridors.



Here is where we can address economies of scale.



Image from: Peter Calthorpe

# Density Concept

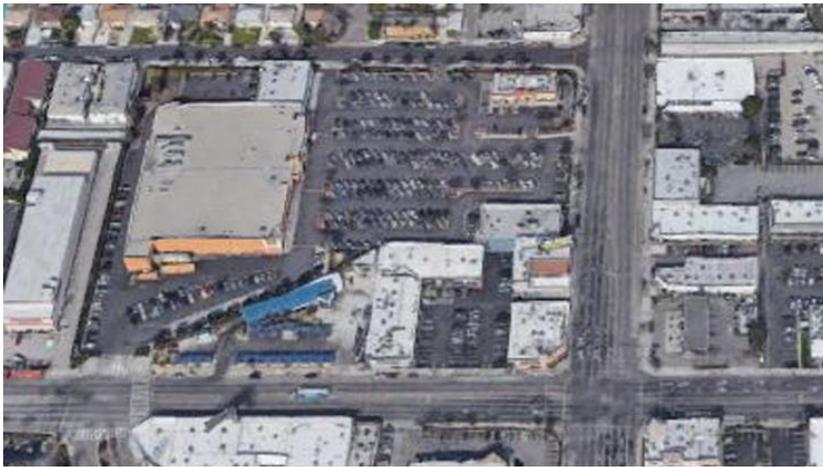
Building density in these corridors with the support of redevelopment funds from the state can add hundreds of thousands of housing units. As these centers thrive, they start to generate tax revenue that can improve transit networks, fund more affordable housing and help support schools.

This is where we have the **economy of scale & infrastructure** to develop affordable housing and not touch any single family neighborhoods.

# Density Concept

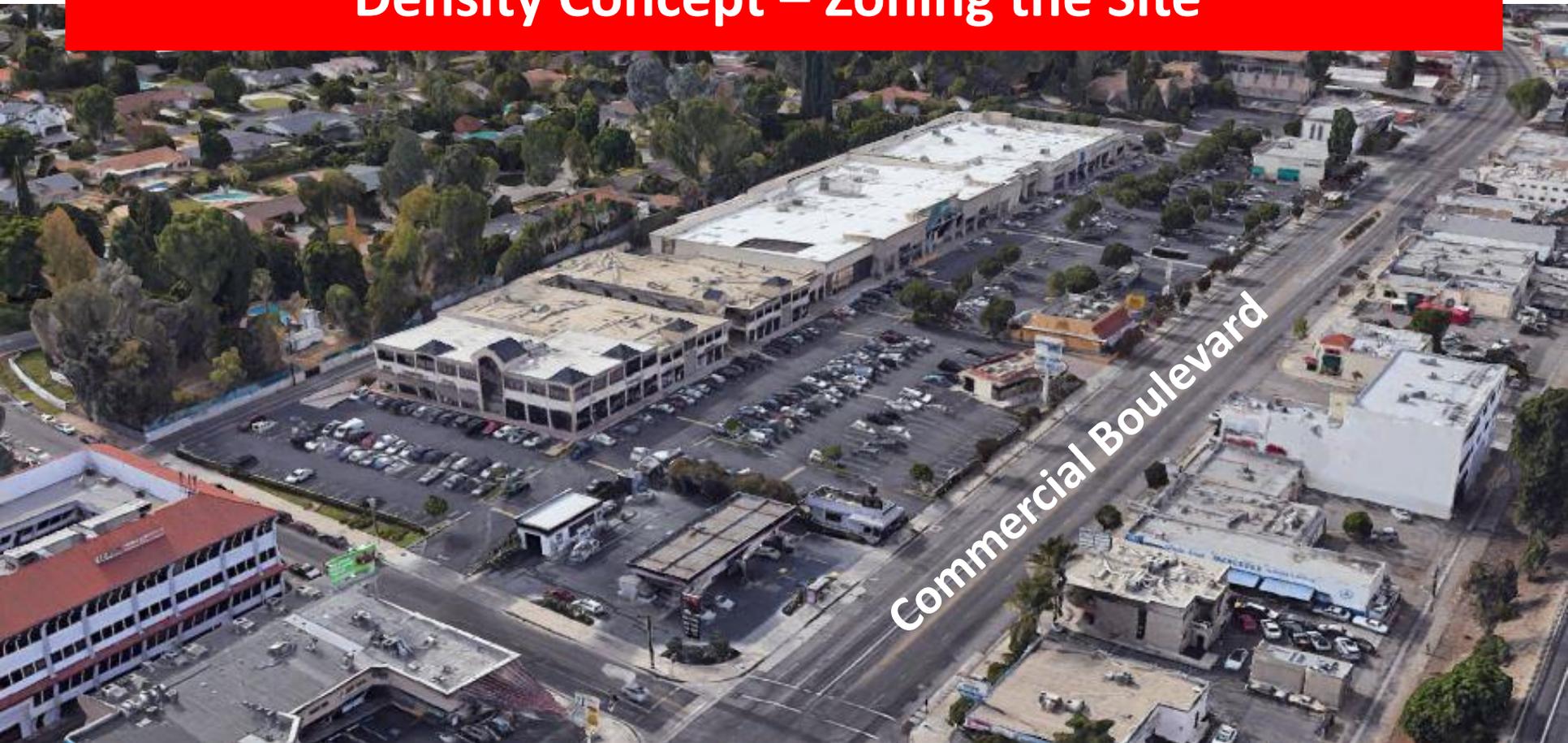


**Incentivize the development of underutilized commercial corridors**



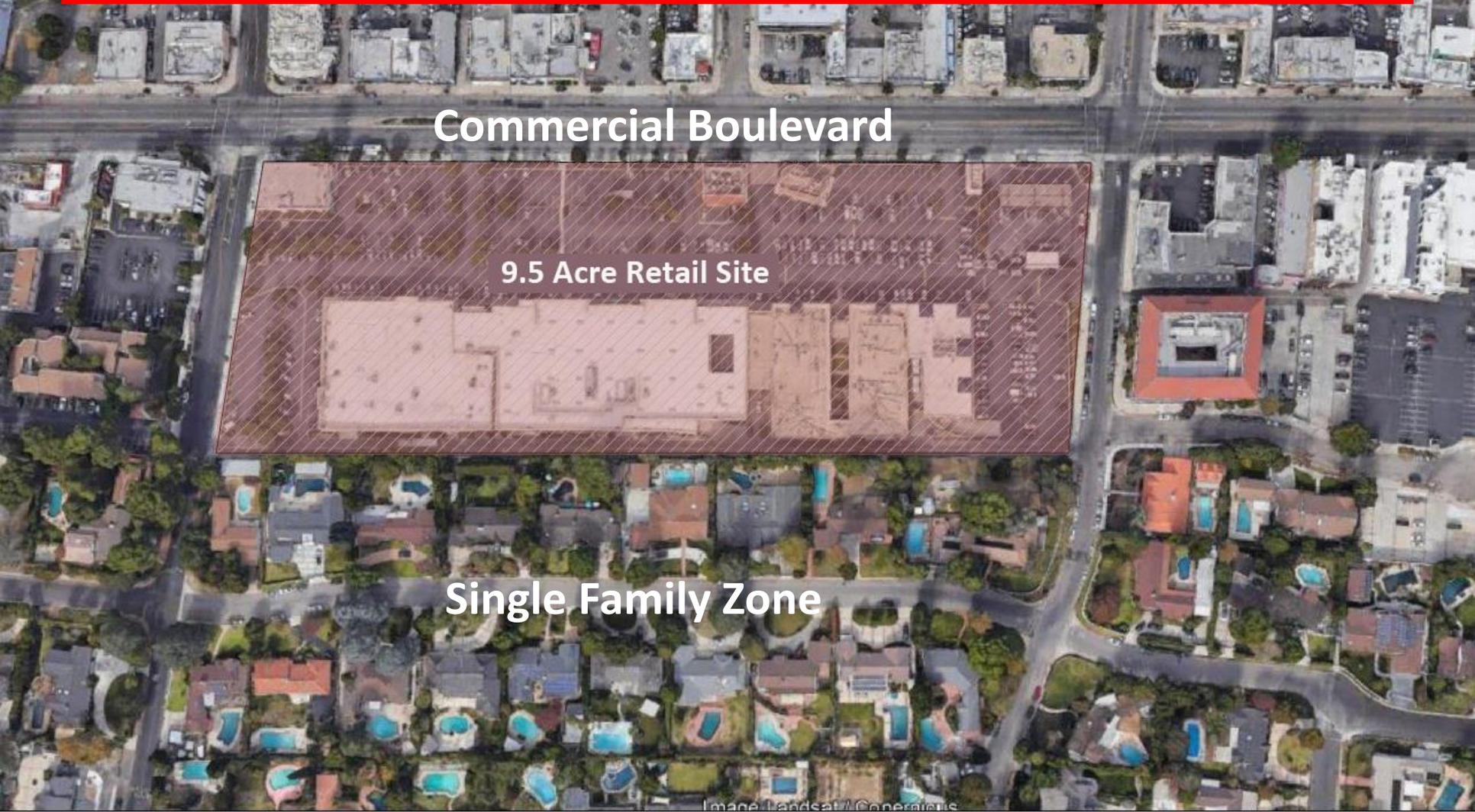
**There are millions of underutilized square feet of retail space throughout California**

# Density Concept – Zoning the Site



## 9.5 Acre Retail Site

# Density Concept – Zoning the Site



**Commercial Boulevard**

**9.5 Acre Retail Site**

**Single Family Zone**

**Existing Retail Site**

DRAFT 5 Sherman Oaks Neighborhood  
Council Vision Committee

# Density Concept – Zoning the Site



## Mixed-Income Housing with Townhouses

# Density Concept – Zoning the Site



## Mixed-Income Housing with Single Family Houses

# Incentivize the development of commercial corridors

**Create beautiful boulevards of offices, housing and local retail/dining.**

*Example: Ventura Cahuenga Specific Plan Must Be Amended in Sherman Oaks*



Rodeo Drive 45 Foot Height Limit

- Establish 45 foot high cornice height to allow for mixed uses: retail, offices and/or housing
- Height measures from the high point along the public sidewalk/right of way.
- Allow an additional 15 feet in height for elevator and stair access to roof terraces and for rooftop shade/photovoltaic shade structures.



Ventura Blvd. 30 Foot Height Limit

# Incentivize the development of commercial corridors

*An excerpt from Peter Calthorpe's summary of his rational proposal:  
"To Solve California's Housing Crisis, Reinvent The Strip."*

“While not invading residential areas or tearing down affordable apartment buildings, this commercial land could be rebuilt with mixed-use structures, keeping retail businesses on the ground floor while adding condos and apartments above. Massive infill, but not as politically toxic as residential demolition or new densities in old neighborhoods.”

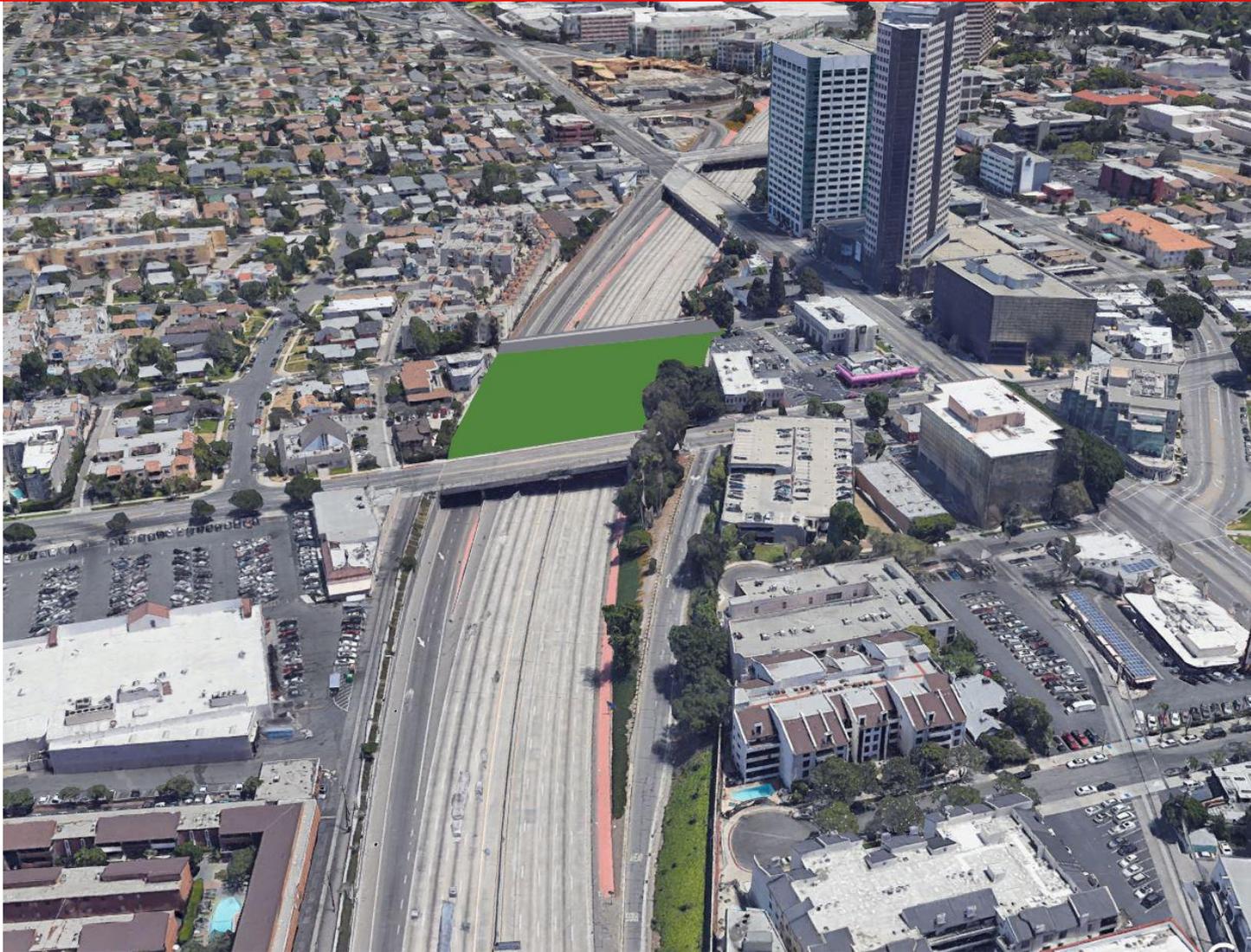
“This infill strategy would upgrade the dying strip while distributing housing throughout the region without disrupting stable neighborhoods. And as a bonus, the increased property values would provide a tax windfall for public investments in transit, schools, affordable housing and local public services.”

# Density Concepts where Freeway Location Allows



Freeways divided communities

# Density Concepts where Freeway Location Allows



Span freeways and reunite communities

# Density Concepts where Freeway Location Allows



Span freeways and build mixed income housing

# Housing Types



# Housing Types



Duplex

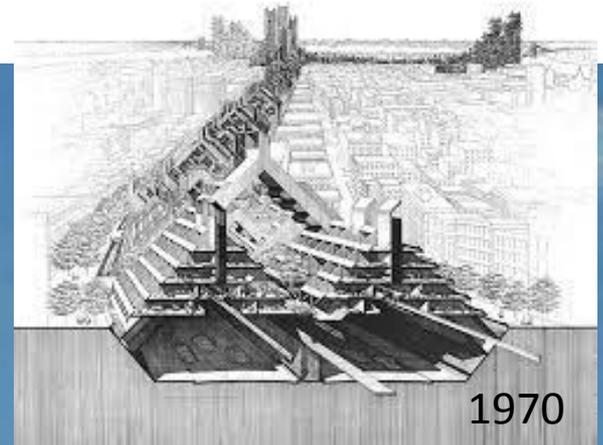


Small Lots

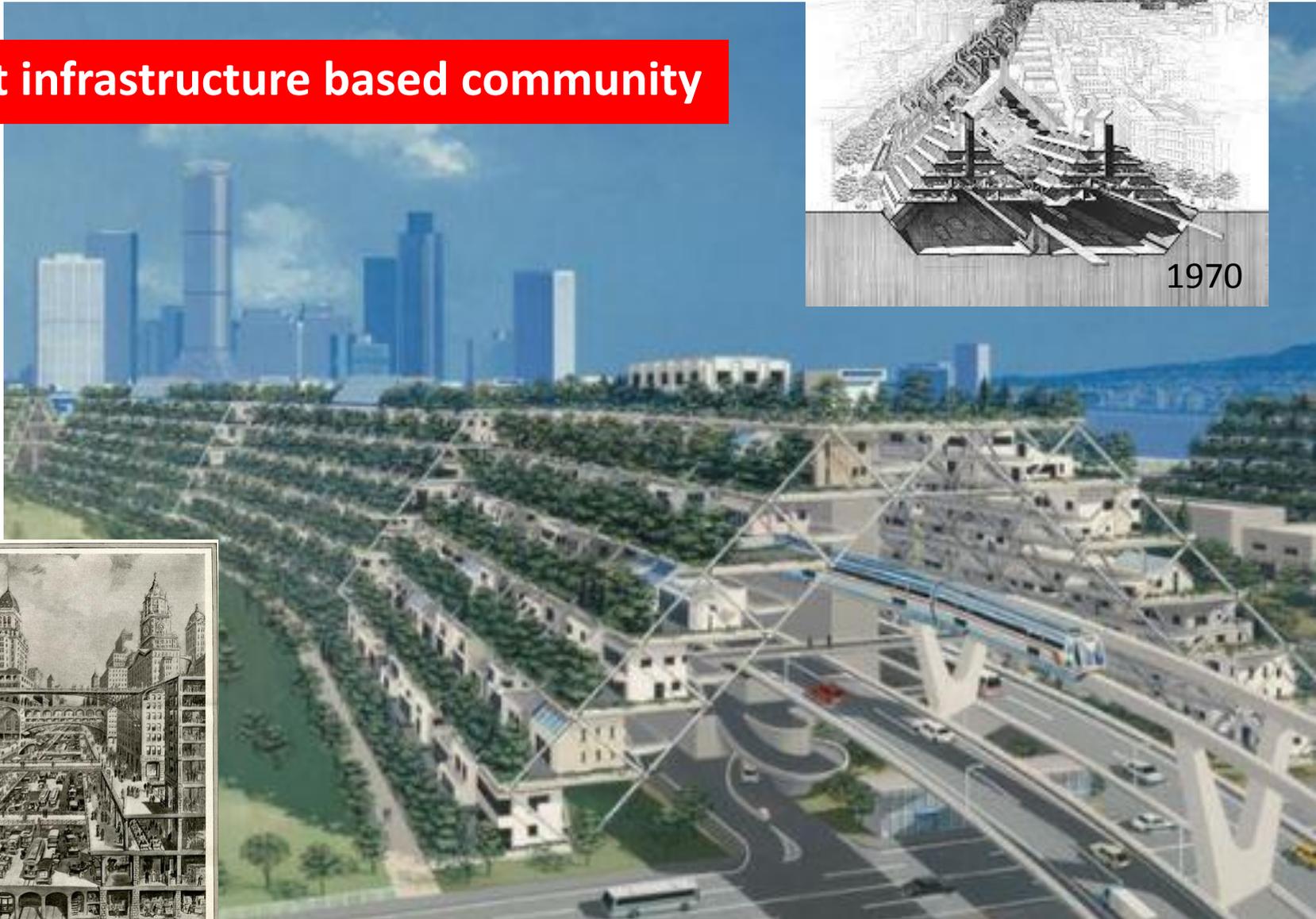


Duplex

# Transit infrastructure based community



1913



Megastructures have been proposed for over a hundred years.  
Maybe it's time to try it.

# Optional Residential Formats



## Creative multifamily living: Micro units

# Optional Residential Formats



## Creative multifamily living: Co-living units

# Density Concept

NO mid-block  
lot splits in  
Single Family Zoning



# Density Concept

NO apartments in  
Single Family Zoning



# Density Concepts in Single-Family Zones

At the discretion of Local Jurisdictions



Typical Neighborhood

# Density Concepts in Single-Family Zones

## At the discretion of Local Jurisdictions



Typical Neighborhood with Mid-Block Duplexes (no ADU or JrADU)

All housing has to comply with existing single family zoning requirements as per January 1, 2021.

# Density Concepts in Single-Family Zones

## At the discretion of Local Jurisdictions



### Typical Neighborhood with Corner Lot Duplexes

All housing has to comply with existing single family zoning requirements as per January 1, 2021.

# Density Concepts in Single-Family Zones

## At the discretion of Local Jurisdictions



### Typical Neighborhood with Splitting of End Lots

All housing has to comply with existing single family zoning requirements as per January 1, 2021.

Smaller lot, smaller house, therefore less expensive.

# Additional Concepts for Local Jurisdictions



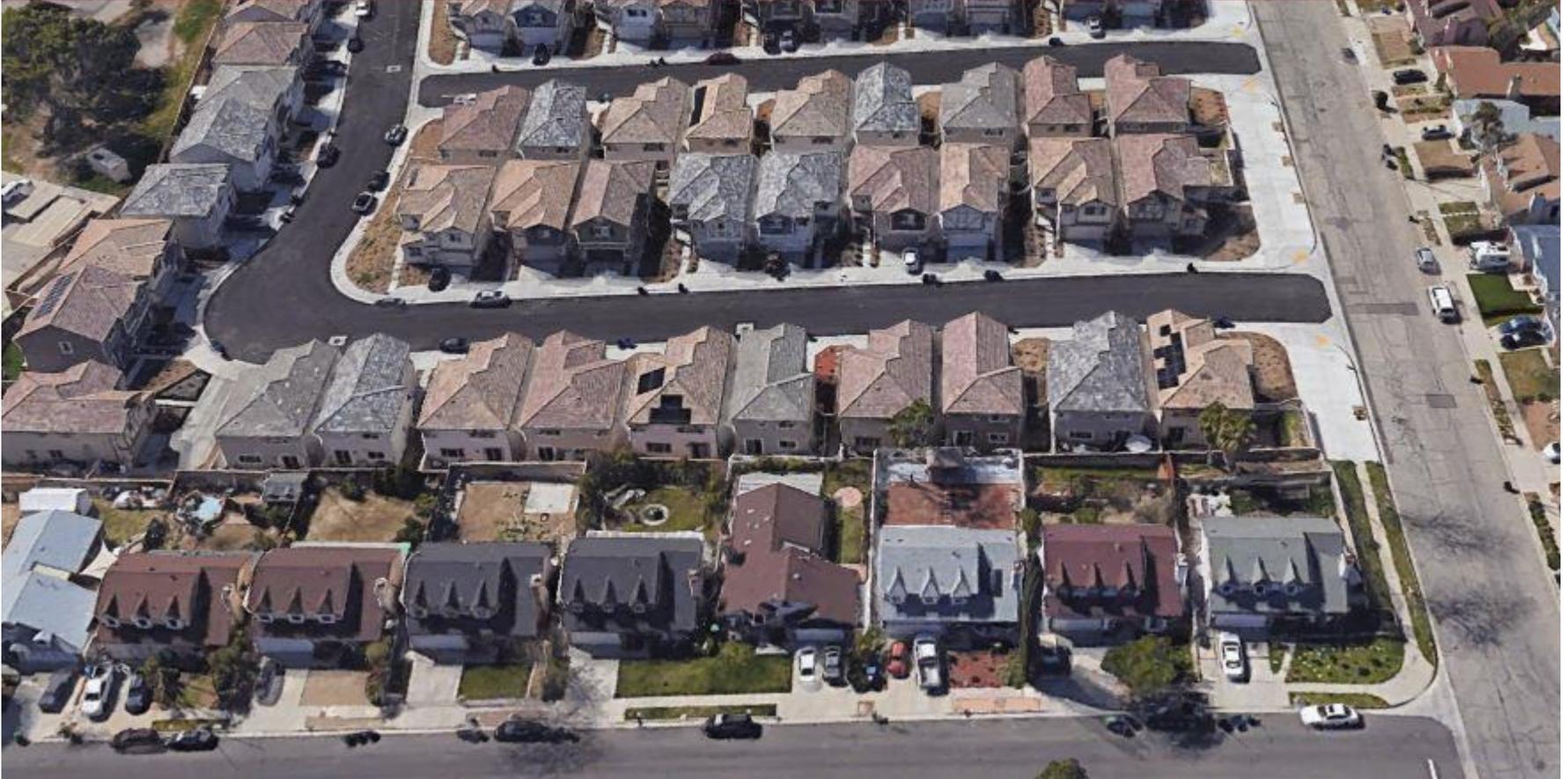
Adaptive reuse and repurpose of office and retail space into housing.

# Additional Concepts for Local Jurisdictions



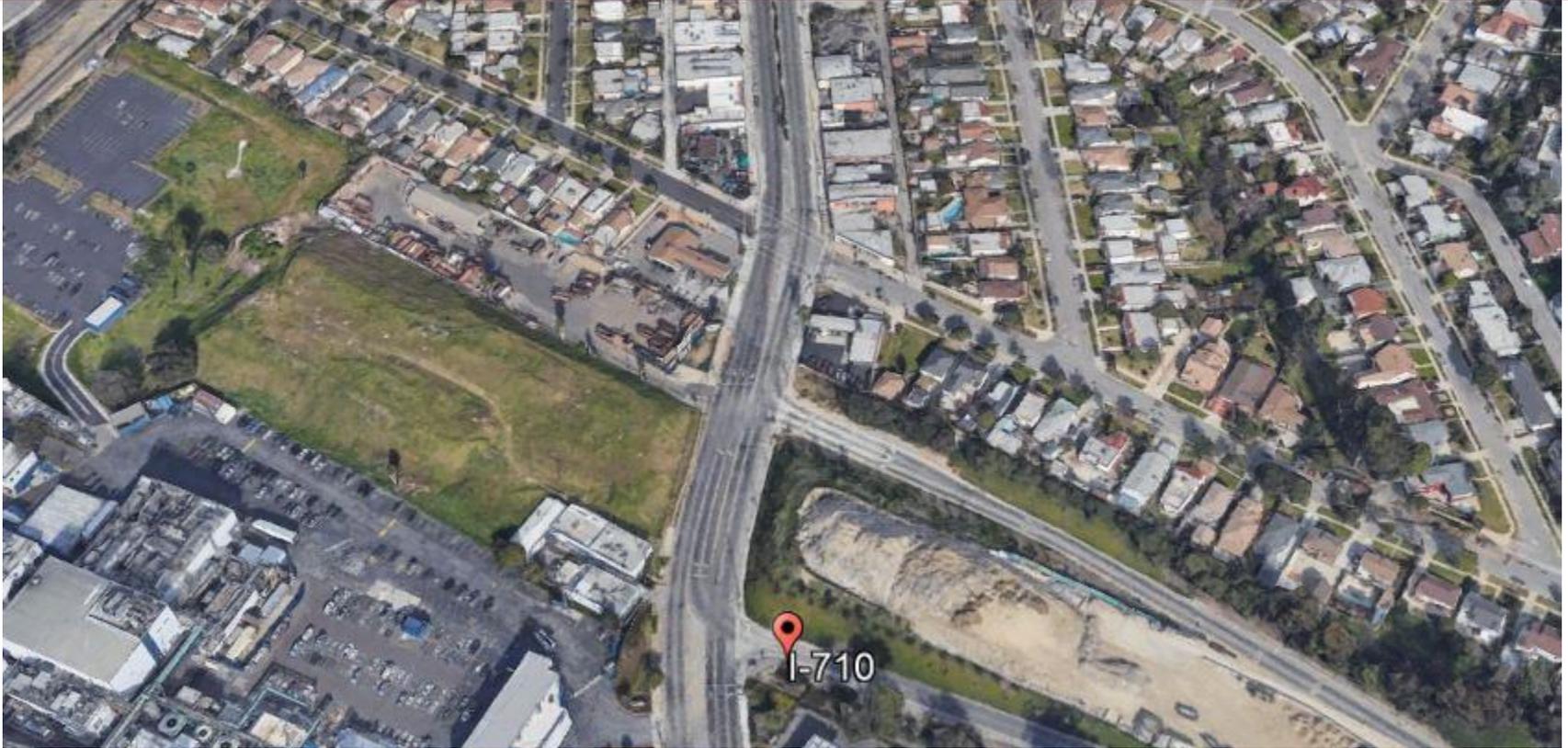
Rehabilitate existing affordability housing.

# Additional Concepts for Local Jurisdictions



Encourage homeownership:  
Smaller lots/smaller houses; Affordable condos

# Additional Concepts for Local Jurisdictions



CalTrans land no longer required for projects should be used for affordable housing.

Shown: north end of 710 FWY eminent domain housing.



# Parking

**The Atlantic,** May 2021

## **How Parking Destroys Cities**

“Parking requirements attack the nature of the city itself, subordinating density to the needs of the car.”

Michael Manville, Associate urban-planning professor at the UCLA Luskin School of Public Affairs

Politicians and developers want to do away with required minimum parking standards. Parking is expensive, underground parking within multifamily develops is even more expensive.

But, currently there is no satisfactory, equitable alternative.

### **A Concept:**

Create community parking areas to accommodate citizens vehicles along with local, efficient, public transit.

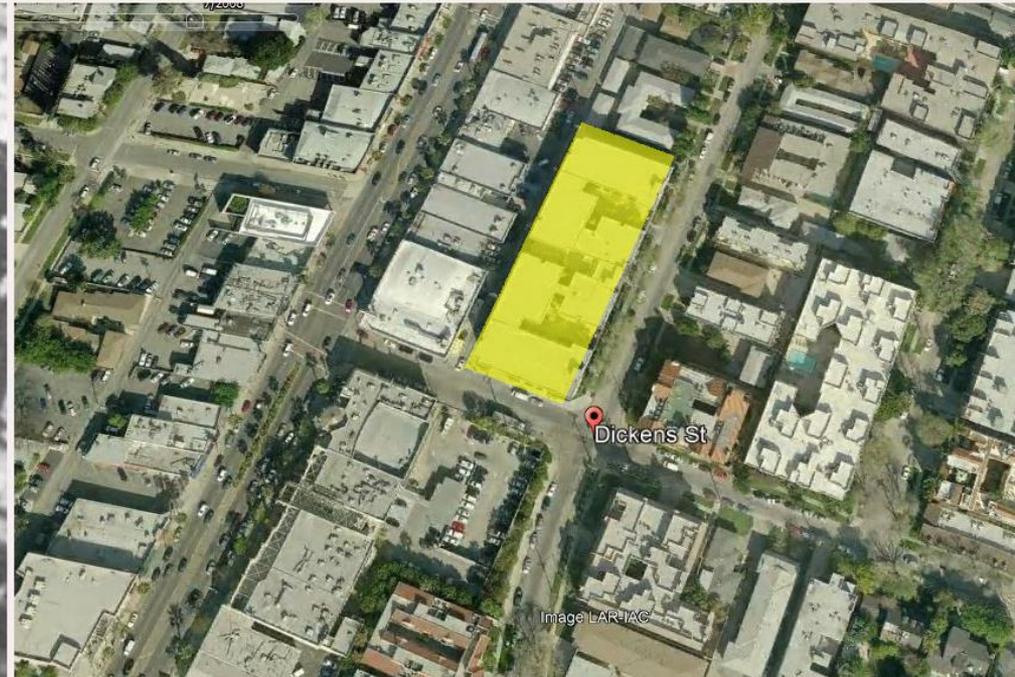
# Parking

1985



Surface Public Parking

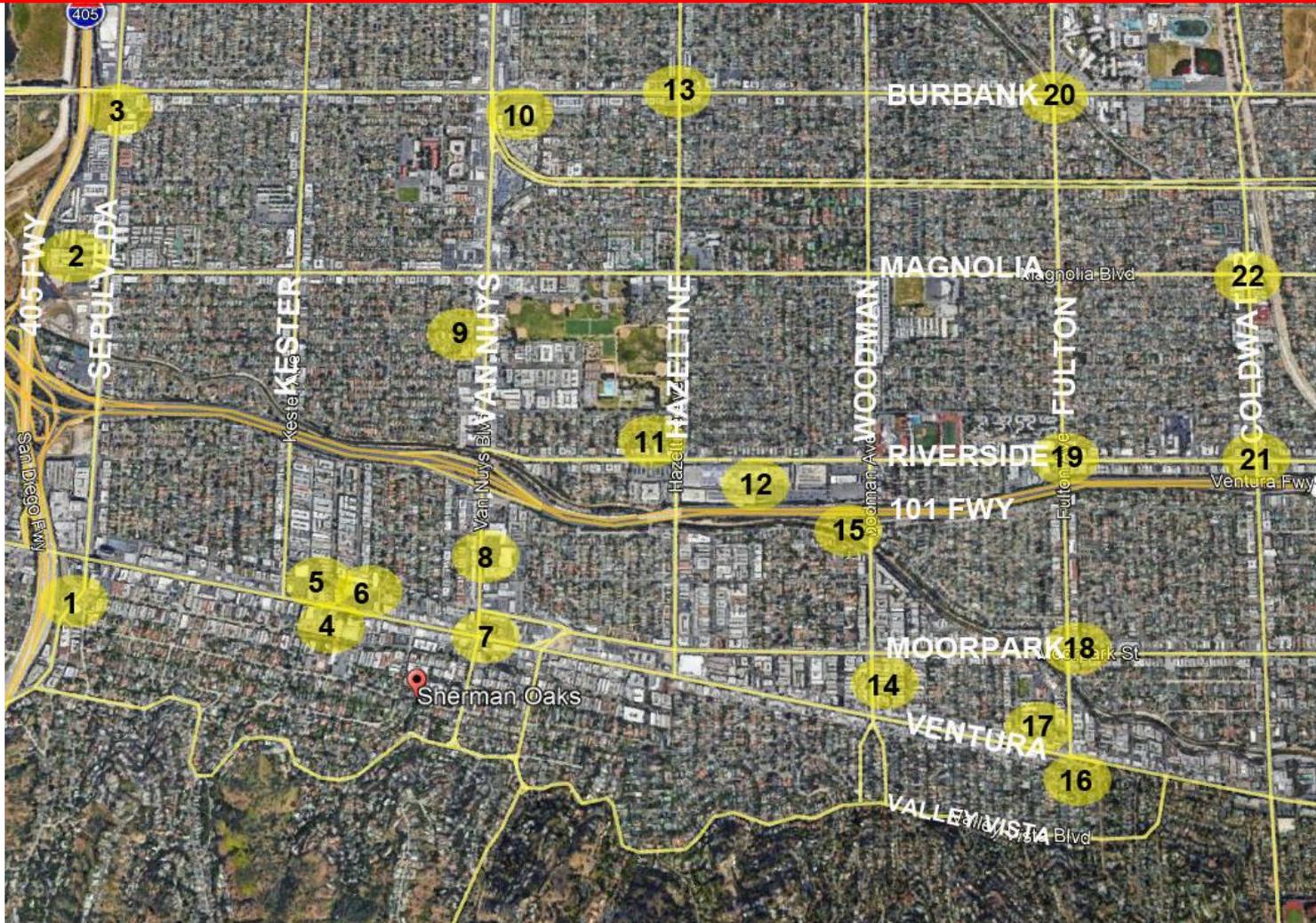
2010



Structured Public Parking below Affordable Housing

**Publicly owned properties have to become part of the solution.**

# Parking



**22 Sherman Oaks Opportunity Sites should contain Community Parking**

## Develop Publicly Owned Properties

An aerial photograph showing a vast parking lot filled with hundreds of cars, mostly white and dark-colored. The lot is situated next to a multi-lane highway with a concrete barrier. To the right of the highway, there are several large, mature trees and a building with a flat roof. The scene is captured from a high angle, showing the layout of the parking spaces and the surrounding infrastructure.

**Current Parking Lot for  
LA Metro Orange Line  
being used to store new  
cars for local dealerships.**

© 2021 Google

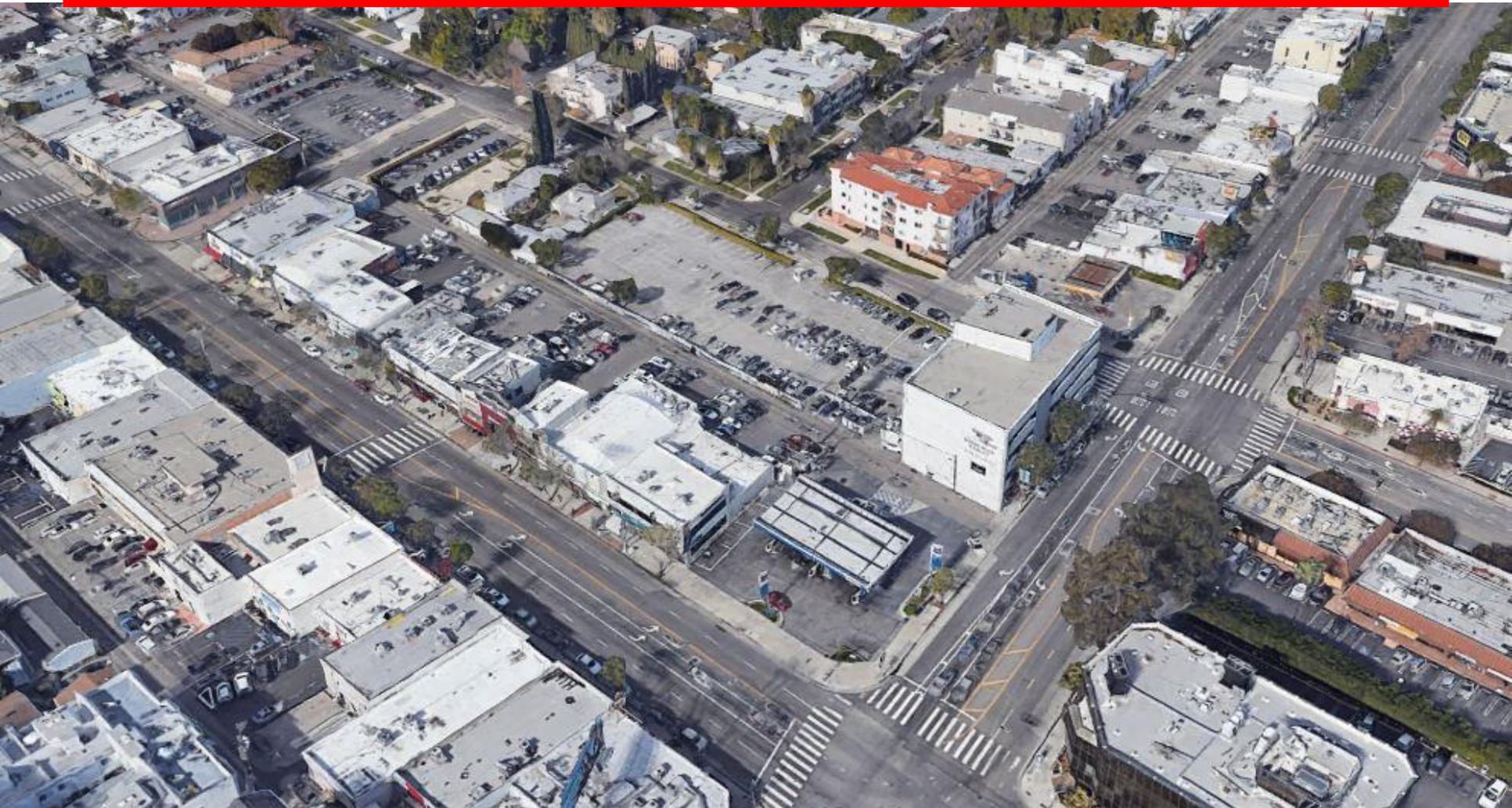
There are miles of this in LA. Must be similar in many communities

# Develop Publicly Owned Properties

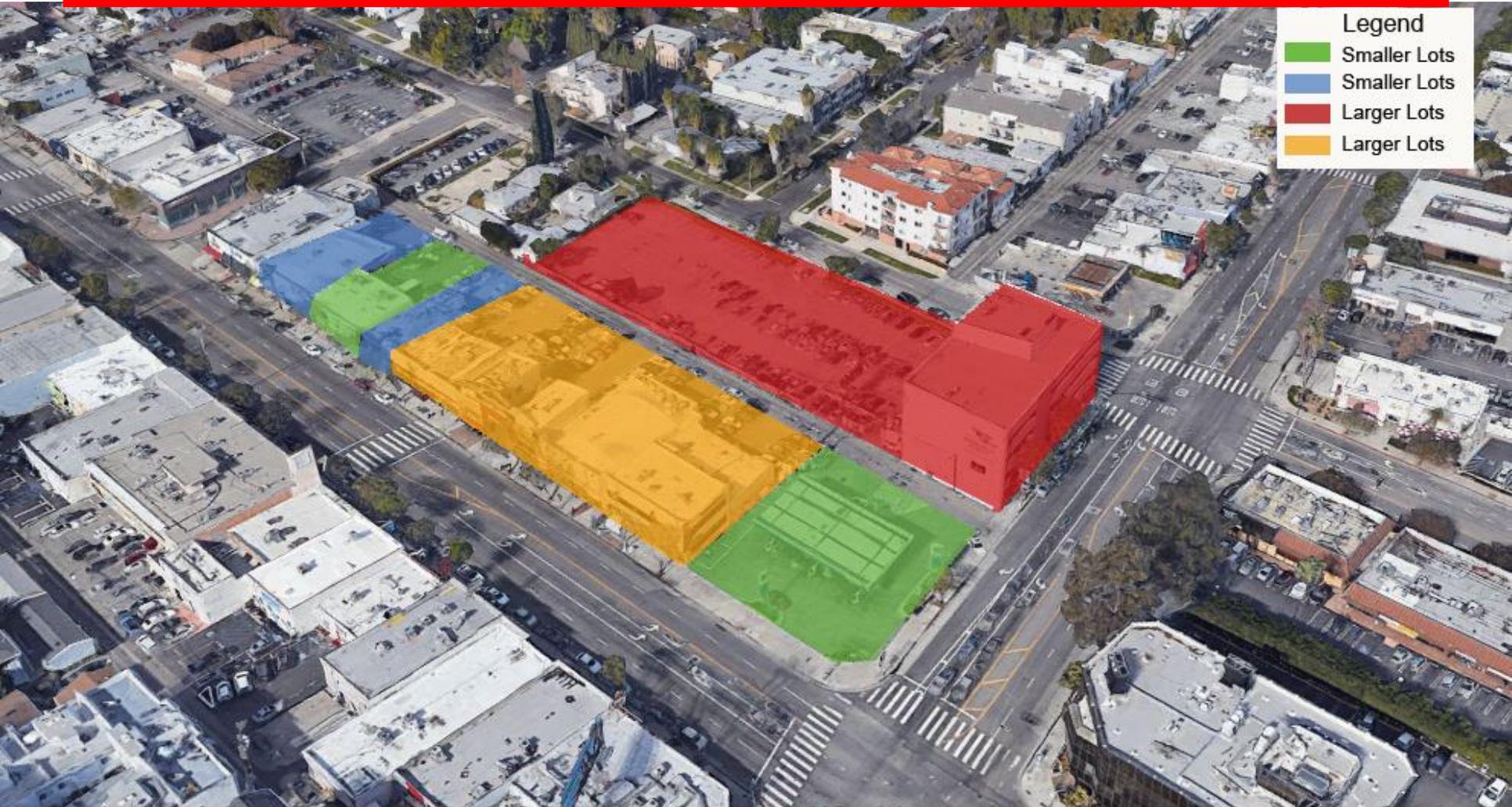


**Mixed income housing above public and apartment parking.**

# Community Development Opportunities



# Transfer of Air Rights from Smaller to Larger Lots



# Community Parking – Public/Private Development





# Transit

Local transit - Local zero-fare shuttles

- To get from homes to community parking facilities

- To get from homes to shopping

- To get from homes to mass transit

Mass transit

- To get from neighborhood to work centers

Transportation networks have to be improved prior to minimizing parking criteria.

# Transit



local transit will be required for  
“first mile/last mile” rides.  
It must be convenient, friendly and run 24/7.

# Transit

*An excerpt from Peter Calthorpe's summary of his rational proposal:  
"To Solve California's Housing Crisis, Reinvent The Strip."*

"...the next generation of transit could emerge. Replacing buses on exclusive transit lanes with autonomous vans that use smart algorithms to cluster origins and destinations would provide on-call express trips 24/7. Faster and less expensive to build and operate than any current transit system, this transit tech is currently being tested in Singapore. Fehr & Peers, a leading transportation firm, estimates the construction cost at 10% of most light rail systems, with half the operating cost, all while moving passengers 30% faster. Fast, cheap, and ubiquitous may be just the ticket to get people out of their cars."



# Environment

- Open space, light and air are the basic principles of zoning and must be protected.
- Trees and permeable surfaces, storm water retention are critical parts of California's environmental response.
- Our environment must be protected as our communities become more dense.
- Parks and other open space amenities are critical as our communities become more dense.
- CEQA must be maintained and enforced.



# State Responsibility

## **State Funding for Community Parking**

- Local jurisdictions reduce parking criteria.

## **State Funding for Community Transit**

- Local jurisdictions establish transit lanes.

## **State Funding for Affordable Housing**

- Local jurisdictions establish development locations and streamline approvals.



# Conclusion

Working together we can identify *financing* alternatives, *entitlement* criteria, increased *density* concepts, *parking* alternatives and *transit* solutions that can give local jurisdictions the kit of tools they need to properly add equitable, affordable housing that works within the unique qualities of their community.

Our goal is not to stop housing but to promote good sound solutions that make winners of all of us.

**Our thanks to the Sherman Oaks Neighborhood Council Vision Committee and the many community members that contributed to this study**

**Jeffrey Kalban, AIA – Sherman Oaks Neighborhood Council (SONC)  
Chair, SONC Planning and Land Use (PLUM) Committee**

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**With special gratitude to:**

**Jeffrey Hartsough, President of The Sherman Oaks Neighborhood Council**

**COMMUNITIES NEED TO BE PLANNED, NOT LEGISLATED**