SOLANO COUNTY

Legislative Committee Meeting

Committee
Supervisor Erin Hannigan (Chair)
Supervisor John M. Vasquez

Staff
Michelle Heppner

April 15, 2019
1:30 p.m.

Solano County Administration Center
Sixth Floor Conference Center, Room 6003
675 Texas Street
Fairfield, CA 94533

AGENDA

i. **Introductions** *(Attendees)*

ii. **Public Comment** *(Items not on the agenda)*

iii. **Federal Legislative update** *(Paragon Government Relations)*

- FY 2020 Budget and Appropriations Update
- Homelessness Legislation Introduced in House and Senate
- Infrastructure / FAST Act Reauthorization Update
- Action on Cannabis Banking Legislation; STATES Act Reintroduced

iv. **Update from Solano County Legislative Delegation** *(Representative and/or staff)*

v. **State Legislative Update** *(Karen Lange)*

State Action Items:

Housing

- Review CASA Compact Bills (Page 2)
  - 2019 California Housing Bill Matrix (Page 4-13)
- Housing Bills Impacting the County Listing (Page 3-298)

Health and Social Services

- AB 1769 (Frazier D) County of Solano: mental health facilities. (Page 299)

Discussion Items

- Industrial Hemp (Page 302)
- In-Home Support Services (IHSS) / County Medical Services Program (CMSP)

Informational Items

- Solano County Bill Tracking Matric as at April 12, 2019

vi. **Future Scheduled Meetings:** May 6, 2019

vii. **Adjourn**

CASA Compact Bills

AB 68 (Ting D) Land use: accessory dwelling units.

AB 69 (Ting D) Land use: accessory dwelling units.

AB 1481 (Bonta D) Tenancy termination: just cause.

AB 1482 (Chiu D) Tenancy: rent caps.

AB 1483 (Grayson D) Housing data: collection and reporting.

AB 1484 (Grayson D) Mitigation Fee Act: housing developments.

AB 1485 (Wicks D) Housing development: streamlining.

AB 1486 (Ting D) Local agencies: surplus land.

AB 1487 (Chiu D) San Francisco Bay area: housing development: financing.

AB 1706 (Quirk D) Housing development: incentives.

SB 18 (Skinner D) Keep Californians Housed Act.

SB 50 (Wiener D) Planning and zoning: housing development: incentives.

SB 330 (Skinner D) Housing Crisis Act of 2019.

Housing Bills Impacting the County

AB 1483 *	(Grayson D) Housing data: collection and reporting. Current Analysis: 04/08/2019 Assembly Housing And Community Development *(text 4/1/2019)*
AB 1486 *	(Ting D) Local agencies: surplus land. Current Analysis: 04/09/2019 Assembly Local Government *(text 3/28/2019)*
SB 4	(McGuire D) Housing. Current Analysis: 03/28/2019 Senate Housing *(text 2/28/2019)*
SB 5	(Beall D) Affordable Housing and Community Development Investment Program. Current Analysis: 03/28/2019 Senate Housing *(text 3/21/2019)*
SB 13	(Wieckowski D) Accessory dwelling units. Current Analysis: 04/05/2019 Senate Governance And Finance *(text 4/4/2019)*
SB 50	(Wiener D) Planning and zoning: housing development: incentives. Current Analysis: 03/28/2019 Senate Housing *(text 3/11/2019)*
SB 330 *	(Skinner D) Housing Crisis Act of 2019. Current Analysis: 04/05/2019 Senate Governance And Finance *(text 4/4/2019)*

* *Denotes also CASA Compact Bill and is included in listing on next page*

2019 California Housing Bill Matrix

Last Updated: April 9, 2019

Topic	Bill	Summary	Bay Area Legislator	Bay Area Specific Bill
PROTECTION				
Rent Cap	AB 36 (Bloom)	Loosens, but does not repeal, Costa Hawkins to allow rent control to be imposed on single family homes and multifamily buildings 10 years or older, with the exception of buildings owned by landlords who own just one or two units.		
	AB 1482 (Chiu)	Caps annual rent increases by an unspecified amount above the percent change in the cost of living. Exempts housing subject to a local ordinance that is more restrictive than the bill. Prohibits termination of tenancy to avoid the bill's provisions.	√	
Just Cause Eviction	AB 1481 (Bonta)	Prohibits eviction of a tenant without just cause stated in writing. Requires tenant be provided a notice of violation of lease and opportunity to cure violation prior to issuance of notice of termination.	√	
	AB 1697 (Grayson)	For a lease in which the tenant has occupied the property for 12 months or more, prohibits eviction of a tenant without just cause stated in writing.	√	
Tenant Organizing Rights	SB 529 (Durazo)	Declares that tenants have the right to form, join, and participate in the activities of a tenant association, subject to any restrictions as may be imposed by law, or to refuse to join or participate in the activities of a tenant association.		
Rent Assistance & Access to Legal Counsel	SB 18 (Skinner)	• Authorizes a competitive grant program to be administered by Department of Housing and Community Development (HCD) to provide emergency rental assistance and moving expenses and grants to local governments to provide legal aid for tenants facing eviction, meditation between landlords and tenants and legal education. The primary use of grant funds must be for rental assistance. • Requires HCD to post all state laws applicable to the tenant-landlord relationship on its web site no later than January 1, 2021 and to update biannually thereafter.	√	

Topic	Bill	Summary	Bay Area Legislator	Bay Area Specific Bill
PRODUCTION & PRESERVATION				
Accessory Dwelling Units (ADUs)	AB 68 (Ting)	• Prohibits local ADU standards from including certain requirements related to minimum lot size, floor area ratio or lot coverage, and parking spaces. • Requires an ADU (attached or detached) of at least 800 square feet and 16 feet in height to be allowed. • Reduces the allowable time to issue a permit from 120 days to 60 days.	√	
	AB 69 (Ting)	• Requires HCD to propose small home building standards to the California Building Standards Commission governing accessory dwelling units and homes smaller than 800 square feet. • Authorizes HCD to notify the Attorney General if they find that an ADU ordinance violates state law.	√	
	AB 587 (Friedman)	Authorizes an ADU that was ministerially approved to be sold separately from the primary residence to a qualified buyer if the property was built or developed by a qualified nonprofit corporation and a deed restriction exists that ensures the property will be preserved for affordable housing.		
	AB 671 (Friedman)	Requires local agencies to include in their housing element a plan that incentivizes and promotes the creation of ADUs that can be offered for rent for very low-, low- and moderate-income households in their housing elements.		
	AB 881 (Bloom)	Eliminates ability of local jurisdiction to mandate that an applicant for an ADU permit be an owner-occupant.		

Topic	Bill	Summary	Bay Area Legislator	Bay Area Specific Bill
PRODUCTION & PRESERVATION (cont'd)				
ADUs (cont'd)	SB 13 (Wieckowski)	• Maintains local jurisdictions' ability to define height, setback, lot coverage, parking and size of an ADU related to a specified amount of total floor area. • Prohibits local agency from requiring the replacement of parking if a space is demolished to construct an accessory dwelling unit. • Allows a local agency to count an ADU for purposes of identifying adequate sites for housing. • Expires January 1, 2040	√	
Zoning/ Housing Approvals	AB 1279 (Bloom)	• Requires HCD to designate areas in the state as high-resource areas, by January 1, 2021, and every 5 years thereafter. • Makes housing development in such areas "by right" if the project is no more than four units in an area zoned for single family homes or up to 40 units and 30 feet in areas generally zoned for residential, subject to certain affordability requirements.		
	SB 4 (McGuire)	• Allows an eligible transit-oriented development (TOD) project that is located within ½ mile of an existing or planned transit station and meets various height, parking, zoning and affordability requirements a height increase up to 15 feet above the existing highest allowable height for mixed use or residential use. • Exempts a TOD project within ¼ mile of a planned or existing station from minimum parking requirements in jurisdictions > 100,000 in population. • Establishes a new category of residential project – a "neighborhood multifamily project" as a project that on vacant land that is allowed to be a duplex in a nonurban community or a four-plex in an urban community and grants such projects ministerial approval.	√	

Topic	Bill	Summary	Bay Area Legislator	Bay Area Specific Bill
PRODUCTION & PRESERVATION (cont'd)				
Zoning/ Housing Approvals (cont'd)	SB 50 (Wiener)	• Allows upzoning within ½-mile of transit and in high-opportunity areas. Provides for a five-year deferral of bill's provisions in "sensitive communities" that would be defined by HCD in conjunction with community groups. • Defers applicability of bill in "sensitive communities" –to be defined by HCD in conjunction with local community-based organizations—until January 1, 2025. • Excludes sites that contain housing occupied by tenants or that was previously occupied by tenants within the preceding seven years or the owner has withdrawn the property from rent or lease within 15 years prior to the date of application.	√	
	SB 330 (Skinner)	• Restricts a local jurisdiction or ballot measure from downzoning or imposing building moratoria on land where housing is an allowable use within an affected county or city identified by HCD as having fair market rate __ percent higher than statewide average fair market rent for the year and a vacancy rate below __ percent. • Prohibits a city or county from conducting more than three de novo hearings on an application for a housing development project. • Ten year emergency statute.	√	
Fees/ Transparency	AB 724 (Wicks)	• Requires HCD to create a rental registry online portal, which would be designed to receive specified information from landlords regarding their residential tenancies and to disseminate this information to the general public. • Requires HCD complete the rental registry online portal by January 1, 2021, and would require landlords to register within 90 days and annually thereafter.	√	

Topic	Bill	Summary	Bay Area Legislator	Bay Area Specific Bill
PRODUCTION & PRESERVATION (cont'd)				
Fees/ Transparency (cont'd)	AB 847 (Grayson)	• Requires HCD to establish a competitive grant program, subject to appropriation by the Legislature, to offset the cost of housing-related transportation impact fees. Qualifying recipients would be cities and counties, which may apply jointly with a developer. • Projects must be at least 20 percent affordable (specific area median income (AMI) level unspecified) and be consistent with sustainable communities strategy (SCS). • Preference for transit-oriented development.	√	
	AB 1483 (Grayson)	• Requires a city or county to compile of zoning and planning standards, fees, special taxes, and assessments in the jurisdiction. • Requires each local agency to post the list on its website and provide the list to the HCD and any applicable metropolitan planning organization (MPO). • Requires each city and county to annually submit specified information concerning pending housing development projects with completed applications within the city or county to HCD and any applicable MPO.	√	
	AB 1484 (Grayson)	• Prohibits a local agency from imposing a fee on a housing development project unless the type and amount of the exaction is specifically identified on the local agency's internet website at the time the development project application is submitted. • Prohibits a local agency from imposing, increasing, or extending any fee on a housing development project at an amount that is in excess of information made available on its web site. • Applicable to all cities statewide, including charter cities.	√	
Streamlining	AB 1485 (Wicks)	For a 15-year period, provides specified financial incentives to a residential development project in the San Francisco Bay Area that dedicates at least 20 percent of housing units to households making no more than 150 percent AMI. Incentives include exemption from CEQA, a cap on fees, a density bonus of 35 percent, parking reductions and a waiver of other local requirements.	√	√

Topic	Bill	Summary	Bay Area Legislator	Bay Area Specific Bill
PRODUCTION & PRESERVATION (cont'd)				
Streamlining (cont'd)	AB 1706 (Quirk)	• Provides specified financial incentives to a residential development project in the San Francisco Bay Area that dedicates at least 20 percent of the housing units to households making no more than 150 percent AMI. • Incentives include exemption from CEQA, a cap on fees, a density bonus of 35 percent, parking reductions and a waiver of physical building requirements imposed on development, such as green building standards.	√	√
	SB 621 (Glazer)	• Requires the Judicial Council to adopt a rule of court applicable to an action to challenge an environmental impact report for an affordable housing project, to be resolved, to the extent feasible, within 270 days of the filing of the certified record of proceeding with the court. • Prohibits a court from staying or enjoining the construction or operation of an affordable housing project unless it makes certain findings.	√	
Public Lands	SB 6 (Beall)	• Requires HCD to provide the Department of General Services (DGS) with a list of local lands suitable and available for residential development as identified by a local government as part of the housing element of its general plan. • Requires DGS to create a database of that information and information regarding state lands determined or declared excess and to make this database available and searchable by the public by means of a link on its internet website.	√	
	AB 1255 (Rivas)	Requires the housing element to contain an inventory of land owned by the city or county that is in excess of its foreseeable needs and requires the city or county to identify those sites that qualify as infill or high density.	√	

Topic	Bill	Summary	Bay Area Legislator	Bay Area Specific Bill
PRODUCTION & PRESERVATION (cont'd)				
Public Lands (cont'd)	AB 1486 (Ting)	• Revises the definitions of "local agency" and "surplus land" applicable to the current law requirement that local agencies provide notice that the land is available for housing development. • Permits residential uses on all non-exempt surplus land, if 100 percent of the residential units are sold or rented at an affordable housing cost. • Requires that HCD create and maintain a downloadable inventory of public lands in the state. The inventory would be developed from information submitted by local agencies. • Expands HCD's enforcement mandate to include the Surplus Lands Act.	√	
Funding *(Note: Funding is the most relevant category for affordable housing preservation)*	AB 10 (Chiu)	Expands the state's Low Income Housing Tax Credit program by $500 million per year, up from $94 million, leveraging an estimated $1 billion in additional federal funds annually.	√	
	AB 11 (Chiu)	• Authorizes a city or county or two or more cities acting jointly to form an affordable housing and infrastructure agency that could use tax increment financing to fund affordable housing and infrastructure projects. • Requires establishment of new agencies be approved by the Strategic Growth Council and that expenditure plans for such agencies be aligned with the state's greenhouse gas reduction goals. • A minimum of 30 percent of funds would be required to be invested in affordable housing.	√	

Topic	Bill	Summary	Bay Area Legislator	Bay Area Specific Bill
PRODUCTION & PRESERVATION (cont'd)				
Funding (cont'd)	AB 1487 (Chiu)	• Establishes the Housing Alliance for the Bay Area (HABA), a new regional entity serving the nine Bay Area counties to fund affordable housing production, preservation and tenant protection programs. • Authorizes HABA to place unspecified revenue measures on the ballot, issue bonds, allocate funds to the various cities, counties, and other public agencies and affordable housing projects within its jurisdiction to finance affordable housing development, preserve and enhance existing affordable housing, and fund tenant protection programs, • Provides that HABA will governed by a board composed of an unspecified number of voting members from MTC, ABAG and gubernatorial appointees and be staffed by the Metropolitan Transportation Commission (MTC).	√	√
	AB 1568 (McCarty)	Conditions eligibility for SB 1 local street and road fund on an HCD determination that a jurisdiction's housing element is in compliance with state law.		
	AB 1717 (Friedman)	Establishes the Transit-Oriented Affordable Housing Program, to be administered by the California Housing Finance Agency (CalHFA). The program would allow a city council or a county board of supervisors to participate in the program by enactment of an ordinance establishing a transit-oriented affordable housing district. Such a district would be authorized to use tax-increment finance through a diversion of property taxes, including the school portion, to finance affordable housing projects. Funds would be redirected to CalHFA who would be authorized to issue bonds to pay for the projects.		

	SB 5 (Beall)	• Authorizes local agencies to apply to the state to reinvest their share of ERAF (Educational Revenue Augmentation Fund) funds in affordable housing or other community improvement purposes. Sets an initial limit of $200 million per year for the first five years, growing to $250 million in 2029. • Establishes the Local-State Sustainable Investment Incentive Program which would be administered by a new Sustainable Investment Incentive Committee comprised of state agency representatives and legislative and gubernatorial appointees. • Requires at least 50 percent of funds to be allocated for affordable housing and workforce housing and for 50 percent of the units to be affordable. • **MTC and ABAG support in concept**	√	
PRODUCTION & PRESERVATION (cont'd)				
Funding (cont'd)	ACA 1 (Aguiar-Curry)	• Reduces vote threshold for local bonds or special taxes for affordable housing production, preservation or public infrastructure. • **MTC and ABAG support**	√	
	SB 128 (Beall)	• Eliminates the voter approval requirement for Enhanced Infrastructure Financing Districts (EIFDs), which can be used to finance affordable housing production and preservation, among other purposes. • **MTC and ABAG support**	√	
Planning	AB 725 (Wicks)	Prohibits more than 20% of a jurisdiction's share of regional housing need for above moderate-income housing from being allocated to sites with zoning restricted to single-family development.	√	
	SB 235 (Dodd)	Allows the City and the County of Napa to reach an agreement under which the county would be allowed to count certain housing units built within the city toward the county's regional housing needs assessment (RHNA) requirement.	√	√

	SB 744 (Caballero)	Requires a lead agency to prepare the record of proceeding for a No Place Like Home project with the environmental review of the project if it is not eligible for approval as a use by right.		

ASSEMBLYMEMBER TIM GRAYSON
AB 1483
Housing development project applications: reporting

Summary:
AB 1483 directs cities and counties to partner with their local Metropolitan Planning Organizations (MPOs) and the Department of Housing and Community Development (HCD) to produce a comprehensive set of data related to the production and preservation of affordable housing.

Background:
California has a massive and growing housing production and affordability gap. HCD estimates that approximately 1.8 million new housing units, or 180,000 new homes annually, are needed by 2025 to meet projected population and household growth. However, over the past 10 years California has on average produced less than 80,000 new homes annually.

The legislature has recently committed significant financial resources and new authorities to tackle the housing crisis, enacting policies that streamline housing approvals, preserve existing affordable housing, and protect vulnerable tenants from displacement. Robust data is needed to support enforcement and implementation of these efforts, and to enable sound, evidence-based policymaking in the future.

In HCD's 2018 report *California's Housing Future*, the Department recommended that the state "Improve data collection, transparency, and analysis related to reducing housing costs per unit where possible in state housing programs."[1]

Problem:
Housing regulators at the local, regional, and state level need accurate, accessible, and timely data to implement and enforce recently enacted housing policies. Too much of the housing data that is currently collected is not available, standardized, or organized in a manner that leverages our existing data investments, or our extensive community of housing researchers and advocates. An investment in our organizational capacity will not only result in more effective enforcement of existing housing policies, but will drive better decision-making as we continue to search for solutions to our housing affordability crisis.

Solution:
AB 1483 will empower HCD and MPOs to collect data that will dramatically expand policymakers' understanding of the current housing crisis by:

1. Requiring HCD to coordinate a statewide parcel database that will provide an accessible and flexible framework for organizing the state's growing housing data resources;
2. Requiring cities and counties to transparently publish zoning and planning standards, fees imposed under the Mitigation Fee Act, special taxes, assessments applicable to housing development projects in their jurisdiction, and other data relevant to the production and preservation of affordable housing and the protection of tenants and homeowners;
3. Requiring cities and counties to report annually on pending housing development projects with completed applications, the number of applications deemed complete, and the number of discretionary permits, building permits, and certificates of occupancy issued; and,
4. Requiring HCD to include a 10-year data strategy in its state housing plan to ensure that all future data requirements are coordinated and that jurisdictions are supported in their roles.

Better information is needed to guide decisions by cities, MPOs, elected officials, advocates, developers, community groups, academic researchers, and voters. By making housing data open and available, we can leverage all of California's housing stakeholders to implement smart, effective solutions to our housing affordability crisis.

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[1] California Department of Housing and Community Development. "California's Housing Future: Challenges and Opportunities," 2018. http://www.hcd.ca.gov/policy-research/plans-reports/docs/sha_final_combined.pdf

Support:

- California Building Industry Association (sponsor)
- Bay Area Council
- California YIMBY
- Non-Profit Housing Association of Northern California
- North Bay Leadership Council
- San Francisco Foundation
- SPUR
- TMG Partners
- UC Berkeley Urban Displacement Project
- LeadingAge California
- Enterprise Community Partners

AMENDED IN ASSEMBLY APRIL 11, 2019

AMENDED IN ASSEMBLY APRIL 1, 2019

CALIFORNIA LEGISLATURE—2019–20 REGULAR SESSION

ASSEMBLY BILL No. 1483

Introduced by Assembly Member Grayson

February 22, 2019

An act to amend Section 65400 of, and to add Sections 65940.1 and 65940.2 to, the Government Code, and to amend Section 50452 of, and to add Sections 50457.5, 50469, and 50515 to, the Health and Safety Code, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

AB 1483, as amended, Grayson. Housing data: collection and reporting.

(1) The Planning and Zoning Law requires a city or county to adopt a general plan for land use development within its boundaries that includes, among other things, a housing element. That law requires the planning agency of a city or county to provide by April 1 of each year an annual report to, among other entities, the Department of Housing and Community Development (department) that includes, among other specified information, the number of net new units of housing that have been issued a completed entitlement, a building permit, or a certificate of occupancy, thus far in the housing element cycle, as provided.

This bill would authorize the department to require a planning agency to include in that annual report specified additional information that this bill would require, as described below. The bill would require the department, if requested, to provide technical assistance in providing this additional information to the local public entity that is required to

include this additional information in the annual report. The bill would also authorize the department to assess the accuracy of the information submitted as part of the annual report and, if it determines that any report submitted to it by a planning agency contains inaccurate information, require that the planning agency correct that inaccuracy.

This bill would authorize a metropolitan planning organization to request that the department require the planning agency for a county or a city located within its territorial boundaries to provide data regarding housing production within the county or city. The bill would require the department to grant this request if it determines that the metropolitan planning organization has complied with specified requirements and the request is justified on the basis of furthering the state's housing goals. The bill would require the metropolitan planning organization to provide, or enter into an agreement with the department to provide, technical assistance to the planning agency of the county or city that was the subject of the request in order to fulfill that request.

(2) The Permit Streamlining Act, which is part of the Planning and Zoning Law, requires each public agency to provide a development project applicant with a list that specifies the information that will be required from any applicant for a development project. Existing law prohibits a local agency from requiring additional information from an applicant that was not specified in that list.

The Mitigation Fee Act requires a local agency that establishes, increases, or imposes a fee as a condition of approval of a development project to, among other things, determine a reasonable relationship between the fee's use and the type of development project on which the fee is imposed.

This bill would require a city or county to compile a list that provides ~~zoning and planning standards,~~ fees imposed under the Mitigation Fee Act, special taxes, and assessments applicable to housing development projects in the jurisdiction. *The bill would also require a city or county to make all zoning and planning standards available on its internet website and to maintain and annually update an archive of those standards.* This bill would require each local agency to post the list on its internet website and provide the list to the department and any applicable metropolitan planning organization. The bill would require the department to post the information submitted pursuant to these provisions on its internet website by January 1, ~~2021,~~ *2022,* and each year thereafter.

This bill would require each city and county to annually submit specified information concerning pending housing development projects with completed applications within the city or county, the number of applications deemed complete, and the number of discretionary permits, building permits, ~~and~~ certificates of occupancy issued by the city or ~~county~~ *county, and specified information regarding each housing development project for which the city or county deemed an application to be complete or issued a building permit or certificate of occupancy* to the department and any applicable metropolitan planning organization. The bill would require the department to post the information submitted pursuant to these provisions on its internet website by January 1, ~~2021,~~ *2022,* and each year thereafter.

(3) Existing law requires the department to update and provide a revision of the California Statewide Housing Plan to the Legislature every 4 years, as provided. Existing law requires that these revisions contain specified segments, including a comparison of the housing need for the preceding 4 years with the amount of building permits issued and mobilehome units sold in those fiscal years.

This bill, for the next revision of the plan on or after January 1, 2020, and each subsequent revision thereafter, would require that revisions of the plan include a 10-year housing data strategy, as provided.

(4) Existing law requires the department to make available to the public information about federal, state, and local laws regarding housing and community development and to develop specifications for the structure, functions, and organization of a housing and community development information system for this state, as provided.

This bill would require the department to establish a statewide, publicly accessible, geographic information system database of parcel boundaries. The bill would also require the department to develop specified protocols relating to housing data and submit a report to the Legislature on those protocols by January 1, ~~2021.~~ *2022*. The bill would require a recipient of state funds through a grant or contract for research or a project relating to housing to adhere to these protocols as a condition of receiving state funds. The bill would require the department to coordinate and integrate existing housing data from local, state, and federal agencies and to develop, operate, and maintain a data portal for all nonpersonal housing data collected by the department.

(5) By requiring each city and county to report on, and post on its internet website, specified information regarding housing development, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

SECTION 1. Section 65400 of the Government Code is amended to read:

65400. (a) After the legislative body has adopted all or part of a general plan, the planning agency shall do both of the following:

(1) Investigate and make recommendations to the legislative body regarding reasonable and practical means for implementing the general plan or element of the general plan, so that it will serve as an effective guide for orderly growth and development, preservation and conservation of open-space land and natural resources, and the efficient expenditure of public funds relating to the subjects addressed in the general plan.

(2) Provide by April 1 of each year an annual report to the legislative body, the Office of Planning and Research, and the Department of Housing and Community Development that includes all of the following:

(A) The status of the plan and progress in its implementation.

(B) The progress in meeting its share of regional housing needs determined pursuant to Section 65584 and local efforts to remove governmental constraints to the maintenance, improvement, and development of housing pursuant to paragraph (3) of subdivision (c) of Section 65583.

The housing element portion of the annual report, as required by this paragraph, shall be prepared through the use of standards, forms, and definitions adopted by the Department of Housing and Community Development. The department may review, adopt, amend, and repeal the standards, forms, or definitions, to implement this article. Any standards, forms, or definitions adopted to implement this article shall not be subject to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title

2. Before and after adoption of the forms, the housing element portion of the annual report shall include a section that describes the actions taken by the local government towards completion of the programs and status of the local government's compliance with the deadlines in its housing element. That report shall be considered at an annual public meeting before the legislative body where members of the public shall be allowed to provide oral testimony and written comments.

The report may include the number of units that have been substantially rehabilitated, converted from nonaffordable to affordable by acquisition, and preserved consistent with the standards set forth in paragraph (2) of subdivision (c) of Section 65583.1. The report shall document how the units meet the standards set forth in that subdivision.

(C) The number of housing development applications received in the prior year.

(D) The number of units included in all development applications in the prior year.

(E) The number of units approved and disapproved in the prior year.

(F) The degree to which its approved general plan complies with the guidelines developed and adopted pursuant to Section 65040.2 and the date of the last revision to the general plan.

(G) A listing of sites rezoned to accommodate that portion of the city's or county's share of the regional housing need for each income level that could not be accommodated on sites identified in the inventory required by paragraph (1) of subdivision (c) of Section 65583 and Section 65584.09. The listing of sites shall also include any additional sites that may have been required to be identified by Section 65863.

(H) The number of net new units of housing, including both rental housing and for-sale housing, that have been issued a completed entitlement, a building permit, or a certificate of occupancy, thus far in the housing element cycle, and the income category, by area median income category, that each unit of housing satisfies. That production report shall, for each income category described in this subparagraph, distinguish between the number of rental housing units and the number of for-sale units that satisfy each income category. The production report shall include, for each entitlement, building permit, or certificate of

occupancy, a unique site identifier which must include the assessor's parcel number, but may include street address, or other identifiers.

(I) The number of applications submitted pursuant to subdivision (a) of Section 65913.4, the location and the total number of developments approved pursuant to subdivision (b) of Section 65913.4, the total number of building permits issued pursuant to subdivision (b) of Section 65913.4, the total number of units including both rental housing and for-sale housing by area median income category constructed using the process provided for in subdivision (b) of Section 65913.4.

(J) Any additional information required by the Department of Housing and Community Development pursuant to subdivision (b).

(K) The Department of Housing and Community Development shall post a report submitted pursuant to this paragraph on its ~~Internet Web site~~ *internet website* within a reasonable time of receiving the report.

(b) As part of the annual report submitted to it pursuant to paragraph (2) of subdivision (a), the Department of Housing and Community Development may require the planning agency to include the following additional information:

(1) The information concerning ~~zoning and planning standards,~~ fees, special taxes, and property assessments required pursuant to Section 65940.1.

(2) The information concerning the number of housing development applications deemed complete, pursuant to Section 65943, and the number of discretionary permits, building permits, and certificates of occupancy issued by the city or county required pursuant to Section 65940.2.

(3) Any other information the Department of Housing and Community deems necessary or convenient for purposes of assessing progress toward the state's housing goals.

(c) (1) (A) A metropolitan planning organization, by a majority vote of its governing board, may submit a request to the Department of Housing and Community Development to require that a planning agency for a county or a city located within the territorial boundaries of the metropolitan planning organization provide data regarding housing production within the county or city. The request shall be in the form and manner required by the

department and shall demonstrate that the request for housing data is justified on the basis of furthering the state's housing goals.

(B) A metropolitan planning organization that requests housing data pursuant to this subdivision shall collaborate with the county or city from which the data is sought to establish the scope of the requested data, so as to ensure that the request does not create an undue burden on the staff of the county or city.

(C) The Department of Housing and Community Development shall grant a request for housing data pursuant to this subdivision, and shall require the planning agency of the county or city that is the subject of the request to provide that data to the metropolitan planning organization, if it determines that all of the following apply:

(i) The request is justified on the basis of furthering the state's housing goals.

(ii) The metropolitan planning organization has collaborated with the county or city to establish the scope of the requested data.

(iii) The scope of the requested data does not create an undue burden on the staff of the county or city.

(iv) The metropolitan planning organization has agreed to provide, or has proposed to enter into an agreement with the department to provide, technical assistance to the county or city to fulfill the request, in accordance with paragraph (2).

(2) If the Department of Housing and Community Development grants a request for housing data pursuant to this subdivision, the metropolitan planning organization shall provide, or enter into an agreement with the department to provide, technical assistance to the planning agency of the county or city that was the subject of the request in order to fulfill that request.

(d) The Department of Housing and Community Development may assess the accuracy of the information submitted as part of the annual report required pursuant to paragraph (2) of subdivision (a). If the department determines that any report submitted to it by a planning agency pursuant to this section contains inaccurate information, the department may require that the planning agency correct that inaccuracy.

(e) If a court finds, upon a motion to that effect, that a city, county, or city and county failed to submit, within 60 days of the deadline established in this section, the housing element portion of the report required pursuant to subparagraph (B) of paragraph

(2) of subdivision (a) that substantially complies with the requirements of this section, the court shall issue an order or judgment compelling compliance with this section within 60 days. If the city, county, or city and county fails to comply with the court's order within 60 days, the plaintiff or petitioner may move for sanctions, and the court may, upon that motion, grant appropriate sanctions. The court shall retain jurisdiction to ensure that its order or judgment is carried out. If the court determines that its order or judgment is not carried out within 60 days, the court may issue further orders as provided by law to ensure that the purposes and policies of this section are fulfilled. This subdivision applies to proceedings initiated on or after the first day of October following the adoption of forms and definitions by the Department of Housing and Community Development pursuant to paragraph (2) of subdivision (a), but no sooner than six months following that adoption.

SEC. 2. Section 65940.1 is added to the Government Code, to read:

65940.1. (a) Each city and county shall compile one or more lists that specify in detail all of the following information applicable to housing development projects in its jurisdiction:

~~(1) All zoning and planning standards.~~

~~(2)~~

(1) All fees imposed by the city or county and any other local agency on a housing development project under the Mitigation Fee Act (Chapter 5 (commencing with Section 66000), Chapter 6 (commencing with Section 66010), Chapter 7 (commencing with Section 66012), Chapter 8 (commencing with Section 66016), and Chapter 9 (commencing with Section 66020)).

~~(3)~~

(2) All special taxes and property assessments imposed on a development including charges by an assessment district, taxes for the payment of principal and interest on voter-approved bonds, and fees authorized by the Mello-Roos Community Facilities Act of 1982 (Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5).

(b) A city or county shall make ~~the list required by subdivision (a)~~ *both of the following* available on its internet ~~website and available upon request.~~ *website:*

(1) The list required by subdivision (a). The city or county shall also make the list be made available upon request.

(2) All zoning and planning standards. The city or county shall also maintain and annually update a publicly accessible archive of its zoning and planning standards.

(c) (1) Each city and county shall annually provide the lists of information required by subdivision (a) *and the information required by paragraph (2) of subdivision (b)* to the Department of Housing and Community Development and any applicable metropolitan planning organization. The department shall post the information submitted pursuant to subdivision (a) on its internet website by January 1, ~~2021,~~ *2022,* and each year thereafter.

(2) The Department of Housing and Community development may require that the city or county provide the lists of information required by subdivision (a) as part of the annual report required by paragraph (2) of subdivision (a) of Section 65400.

(d) For purposes of this section, "housing development project" means ~~a use consisting of any of the following:~~ *any development project that includes residential units.*

~~(1) Residential units only.~~

~~(2) Mixed-use developments consisting of residential and nonresidential uses with at least two-thirds of the square footage designated for residential use.~~

SEC. 3. Section 65940.2 is added to the Government Code, to read:

65940.2. (a) Each city and county shall annually submit a report to the Department of Housing and Community Development and any applicable metropolitan planning organization containing the following information:

(1) The number of housing development project applications that the city or county has deemed complete pursuant to Section 65943, but have not been issued a certificate of occupancy. ~~This report shall include all of the following information for each application:~~

~~(A) The name of the applicant.~~

~~(B) The location of the proposed project.~~

~~(C) The date the application was deemed complete.~~

~~(D) The nature of the additional permits needed to complete the housing development project.~~

(2) The number of discretionary permits granted by the legislative body or planning commission of the city or county, including conditional use permits and zoning variances.

(3) The number of building permits issued by the city or county.

(4) The number of certificates of occupancy issued by the city or county.

(5) Information regarding each housing development project for which the city or county has deemed an application to be complete pursuant to Section 65943 or issued a building permit or certificate of occupancy during the year covered by the report, including, but not limited to, all of the following:

(A) The name of the applicant.

(B) The location of the housing development project.

(C) The number of units in the housing development project.

(D) The date the application was deemed complete.

(E) The nature of any permits the housing development project has already received.

(F) The nature of any additional permits needed to complete the housing development project.

(b) The department shall post the information submitted pursuant to subdivision (a) on its internet website by January 1, ~~2021,~~ *2022*, and each year thereafter.

(c) The ~~Department of Housing and Community development~~ *department* may require the city or county to provide the information required to be submitted ~~to it~~ by subdivision (a) as part of the annual report required by paragraph (2) of subdivision (a) of Section 65400.

(d) For purposes of this section, "housing development project" means ~~a use consisting of any of the following:~~ *any development project that includes residential units.*

~~(1) Residential units only.~~

~~(2) Mixed-use developments consisting of residential and nonresidential uses with at least two-thirds of the square footage designated for residential use.~~

SEC. 4. Section 50452 of the Health and Safety Code is amended to read:

50452. (a) The department shall update and provide a revision of the California Statewide Housing Plan to the Legislature by January 1, 2006, by January 1, 2009, and every four years thereafter. The revisions shall contain all of the following segments:

(1) A comparison of the housing need for the preceding four years with the amount of building permits issued and mobilehome units sold in those fiscal years.

(2) A revision of the determination of the statewide need for housing development specified in subdivision (b) of Section 50451 for the current year and projected four additional years ahead.

(3) A revision of the housing assistance goals specified in subdivision (c) of Section 50451 for the current year and projected four additional years ahead.

(4) A revision of the evaluation required by subdivision (a) of Section 50451 as new census or other survey data become available. The revision shall contain an evaluation and summary of housing conditions throughout the state and may highlight data for multicounty or regional areas, as determined by the department. The revision shall include a discussion of the housing needs of various population groups, including, but not limited to, the elderly persons, disabled persons, large families, families where a female is the head of the household, and farmworker households.

(5) An updating of recommendations for actions by federal, state, and local governments and the private sector which will facilitate the attainment of housing goals established for California.

(6) For the next revision of the plan on or after January 1, 2020, and each subsequent revision thereafter, a 10-year housing data strategy that defines suitable data to inform modern state housing policymaking in support of safe, sustainable, and equitable housing that is sufficient to meet the housing needs of this state.

(b) The Legislature may review the plan and the updates of the plan and transmit its comments on the plan or updates of the plan to the Governor, the Secretary of Business, Consumer Services and Housing, and the Director of Housing and Community Development.

SEC. 5. Section 50457.5 is added to the Health and Safety Code, to read:

50457.5. The department shall establish a statewide, publicly accessible, geographic information system database of parcel boundaries, capable of linking to all parcel-level housing data available to the state.

SEC. 6. Section 50469 is added to the Health and Safety Code, to read:

50469. (a) (1) The department shall develop protocols for data sharing, documentation, quality control, public access, and promotion of open-source platforms and decision support tools related to housing data. No later than January 1, ~~2021,~~ *2022,* the department shall submit to the Legislature a report describing these protocols.

(2) The report required to be submitted pursuant to this subdivision shall be submitted in compliance with Section 9795 of the Government Code.

(b) (1) The department shall coordinate and integrate existing housing data from local, state, and federal agencies.

(2) No later than January 1, ~~2022,~~ *2023,* the department shall develop, and shall thereafter operate and maintain, a single, publicly accessible, and machine-readable data portal for all nonpersonal housing data collected by the department.

(c) The department shall require, as a condition of providing funds through grants or contracts for research or projects relating to housing pursuant to this part, that fund recipients adhere to the protocols developed pursuant to subdivision (b) for data sharing, transparency, documentation, and quality control.

SEC. 7. Section 50515 is added to the Health and Safety Code, to read:

50515. Upon request of a local public entity required to submit an annual report to the department pursuant to paragraph (2) of subdivision (a) of Section 65400 of the Government Code, the department shall provide technical assistance to that local public entity in providing the information required pursuant to subdivision (b) of Section 65400 of the Government Code.

SEC. 8. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.

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Date of Hearing: April 10, 2019

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT
David Chiu, Chair
AB 1483 (Grayson) – As Amended April 1, 2019

SUBJECT: Housing data: collection and reporting

SUMMARY: Requires increased reporting of housing data from local jurisdictions, compilation of data by the state, and dissemination of the data by both local jurisdictions and the state. Specifically, **this bill**:

1) Requires the compilation of information concerning city and county zoning and planning standards, fees, special taxes, and property assessments for housing development projects as follows:

    a) Requires each city and county to compile one or more lists that specify in detail all of the following information applicable to housing development projects in its jurisdiction:

        i. All zoning and planning standards;

        ii. All fees imposed by the city or county and any other local agency on a housing development project under the Mitigation Fee Act; and,

        iii. All special taxes and property assessments imposed on a development including charges by an assessment district, taxes for the payment of principal and interest on voter-approved bonds, and fees authorized by the Mello-Roos Community Facilities Act of 1982;

    b) Requires each city and county to make this information available by:

        i. Posting the lists its internet website and making available upon request; and,

        ii. Annually providing the lists to the Department of Housing and Community Development (HCD) and any applicable metropolitan planning organization (MPO).

    c) Requires HCD to post this information on its internet website by January 1, 2021, and each year thereafter;

    d) Enables HCD to require the city or county submit this information to as part of the annual housing element production report; and

    e) Requires, upon request of a local public entity, that HCD must provide technical assistance to that local public entity in providing this information.

2) Requires the compilation of information concerning housing development projects in cities and counties as follows:

    a) Each city and county must annually compile the following information:

i. The number of housing development project applications that the city or county has deemed complete, but have not been issued a certificate of occupancy, including:

1. The name of the applicant;

2. The location of the proposed project;

3. The date the application was deemed complete; and

4. The nature of the additional permits needed to complete the housing development project.

ii. The number of discretionary permits granted by the legislative body or planning commission of the city or county, including conditional use permits and zoning variances;

iii. The number of building permits issued by the city or county;

iv. The number of certificates of occupancy issued by the city or county.

b) Each city and county must annually submit a report with this information to HCD and any applicable MPO;

c) Requires HCD to post this information on its internet website by January 1, 2021, and each year thereafter;

d) Enables HCD to require the city or county submit this information to as part of the annual housing element production report; and

e) Requires, upon request of a local public entity, that HCD must provide technical assistance to that local public entity in providing this information.

3) Defines, for purposes of this section, "housing development project" to mean a use consisting of residential units only or mixed-use developments consisting of residential and nonresidential uses with at least two-thirds of the square footage designated for residential use.

4) Requires that, as part of the annual housing element report submitted to HCD, HCD may require a city or county planning agency to include any other they deem necessary or convenient for purposes of assessing progress toward the state's housing goals.

5) Enables HCD to assess the accuracy of the information submitted as part of the annual housing element production report. If HCD determines that any report submitted to it by a planning agency pursuant to this section contains inaccurate information, HCD may require that the planning agency correct that inaccuracy.

6) Enables a metropolitan planning organization (MPO) to receive data regarding housing production within a county or city located within the territorial boundaries of the MPO, as follows:

   a) The MPO must submit a request for the data to HCD by a majority vote of its governing board. The request shall be in the form and manner required by HCD and shall demonstrate that the request for housing data is justified on the basis of furthering the state's housing goals;

   b) An MPO that requests this housing data must collaborate with the county or city from which the data is sought to establish the scope of the requested data, so as to ensure that the request does not create an undue burden on the staff of the county or city;

   c) HCD must grant a request for this housing data, and must require the planning agency of the county or city that is the subject of the request to provide that data to the MPO, if it determines that all of the following apply:

      i. The request is justified on the basis of furthering the state's housing goals;

      ii. The MPO has collaborated with the county or city to establish the scope of the requested data;

      iii. The scope of the requested data does not create an undue burden on the staff of the county or city;

      iv. The MPO has agreed to provide, or has proposed to enter into an agreement with the department to provide, technical assistance to the county or city to fulfill the request.

   d) If HCD grants a request for housing data pursuant to this subdivision, the MPO shall provide, or enter into an agreement with HCD to provide, technical assistance to the planning agency of the county or city that was the subject of the request in order to fulfill that request.

7) Establishes requirements for the collection as dissemination of data as follows:

   a) Requires a 10-year housing data strategy to be included in each of HCD's subsequent California Statewide Housing Strategy. This strategy must discuss the data suitable to inform modern state housing policymaking in support of safe, sustainable, and equitable housing that is sufficient to meet the housing needs of this state.

   b) Requires HCD to establish a statewide, publicly accessible, geographic information system database of parcel boundaries, capable of linking to all parcel-level housing data available to the state.

   c) Requires HCD to develop protocols for data sharing, documentation, quality control, public access, and promotion of open-source platforms and decision support tools related to housing data. No later than January 1, 2021, HCD shall submit to the Legislature a report describing these protocols.

d) Requires HCD to coordinate and integrate existing housing data from local, state, and federal agencies.

e) Requires that, no later than January 1, 2022, HCD must develop, and thereafter operate and maintain, a single, publicly accessible, and machine-readable data portal for all nonpersonal housing data collected by the department.

f) Requires HCD to require, as a condition of providing funds through grants or contracts for research or projects relating to housing pursuant to this part, that fund recipients adhere to their protocols for data sharing, transparency, documentation, and quality control.

8) Provides that no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.

EXISTING LAW:

1) Requires every city and county to prepare and adopt a general plan containing seven mandatory elements, including a housing element (Govt. Code Sections 65300 and 65302).

2) Requires a housing element to identify and analyze existing and projected housing needs, identify adequate sites with appropriate zoning to meet the housing needs of all income segments of the community, and ensure that regulatory systems provide opportunities for, and do not unduly constrain, housing development (Govt. Code Section 65583).

3) Requires local governments located within the territory of a metropolitan planning organization (MPO) to revise their housing elements every eight years following the adoption of every other regional transportation plan. Local governments in rural non-MPO regions must revise their housing elements every five years (Govt. Code Section 65588).

4) Requires, prior to each housing element revision, that each council of governments (COG), in conjunction with the Department of Housing and Community Development (HCD), prepare a regional housing needs assessment (RHNA) and allocate to each jurisdiction in the region its fair share of the housing need for all income categories. Where a COG does not exist, HCD determines the local share of the region's housing need (Govt. Code Sections 65584-65584.09).

5) Requires housing elements to include an inventory of land suitable for residential development that identifies enough sites that can be developed for housing within the planning period to accommodate the local government's entire share of the RHNA (Govt. Code Sections 65583 and 65583.2).

6) Requires all cites including charter cities to submit an annual general plan report that the includes the following (Govt. Code Sections 65400):

a) The number of housing development applications received in the prior year;

b) The number of units included in all development applications in the prior year;

c) The number of units approved and disapproved in the prior year; and

d) A listing of sites rezoned to accommodate that portion of the local government's share of the regional housing need for each income level that could not be accommodated on sites identified in the housing element's site inventory. This shall also include any additional sites that may have been required to be identified under No Net Loss Zoning law.

7) Requires HCD to update and provide a revision of the California Statewide Housing Plan to the Legislature every four years thereafter. The revisions must contain a comparison of the housing need for the preceding four years with the amount of building permits issued in those fiscal years, the determination of the statewide need for housing development for the current year and projected four additional years ahead, and a revision of the housing assistance goals for the current year and projected four additional years ahead (Health and Safety Section 50452).

FISCAL EFFECT: Unknown

COMMENTS:

Purpose of the Bill: According to the author, "Better information is needed to guide action by cities, metropolitan planning organizations, elected officials, developers, community groups, academic researchers, and voters. By making housing development pipeline data open and available, we can leverage California's dedicated community of housing researchers and advocates to implement smart, effective solutions to our housing affordability crisis."

Background: Every local government is required to prepare a housing element as part of its general plan. The housing element process starts when HCD determines the number of new housing units a region is projected to need at all income levels (very low-, low-, moderate-, and above-moderate income) over the course of the next housing element planning period to accommodate population growth and overcome existing deficiencies in the housing supply. This number is known as the RHNA. The Council of Governments (COG) for the region, or HCD for areas with no COG, then assigns a share of the RHNA number to every city and county in the region based on a variety of factors.

In preparing its housing element, a local government must show how it plans to accommodate its share of the RHNA. The housing element must include an assessment of housing needs and an inventory of resources and constraints relevant to the meeting of these needs. Included in this analysis is an assessment of both governmental and nongovernmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the availability of financing, the price of land, and the cost of construction.

Existing law requires all local jurisdictions to annually provide housing information to HCD including the following information from the prior year and/or for the current eight-year housing element cycle:

- The number of housing development applications received;

- The number of units included in all development applications;
- The number of units approved and disapproved;
- For each income category, the number of net new units of housing, including both rental housing and for-sale housing, that have been issued a completed entitlement, a building permit, or a certificate of occupancy;
- A unique site identifier (such as assessor's parcel number) for each entitlement, building permit, or certificate of occupancy; and
- The overall progress in meeting its share of regional housing needs.

Addressing Housing Data Deficiencies: While the state collects a wealth of housing data, much of it is not accessible in a standardized or organized manner that facilitates research and analysis. As such, policy makers and housing researchers often lack the data needed to adequately understand housing problems and to make and track progress on housing solutions. Additionally, there are substantial gaps in the data, particularly around zoning, standards, and fees that further impedes research and analysis.

This bill would help fill in gaps in the data by requiring local jurisdictions to provide the following information to the state:

- Information about the housing entitlement process, including all zoning and planning standards, fees, taxes, and property assessments.
- Information about applications received, including project-specific data and cumulative data on outcomes.

To help local jurisdictions provide this information, the bill requires that HCD must provide them technical assistance upon request. The bill enables MPOs to request additional information from local jurisdictions with HCD's permission. The bill does not require the state to reimburse local jurisdictions for the cost of fulfilling these requirements.

This bill would help make sure that this data is accessible, standardized, and organized for public use by requiring that the following occur:

- By January 1, 2021, HCD must place on its internet website all data collected from local jurisdictions and develop protocols for data sharing, documentation, quality control, public access, and promotion of open-source platforms;
- By January 1, 2022, HCD must develop, and thereafter operate and maintain, a single, publicly accessible, and machine-readable data portal for all non-personal housing data collected by the department; and
- That a 10-year housing data strategy to be included in each of HCD's subsequent California Statewide Housing Strategies.

Staff Comments: This bill would increase the collection, standardization, and dissemination of housing data, which in turn could greatly benefit the policymaking at the local, regional, and state levels. However, this process is likely to be substantially challenging to both local jurisdictions and HCD, given that each of the state's 540 local jurisdictions has its own set of rules, definitions, and data collection process. Recognizing this, the Committee may wish to consider amending the bill to extend the timeframe for the implementation of this program by

one year. This would give HCD and local jurisdictions more time to develop data standards and to organize data for dissemination.

The bill requires each city and county to annually submit a report to HCD and any applicable MPO containing a summary of information about the housing development projects they have received, as well as specific information about projects that have not received a certificate of occupancy. Given the intent of the bill is to collect data about all housing projects for further analysis, it potentially makes more sense to have detailed data about all housing projects. As such, the Committee may wish to consider amending the bill to require the local jurisdictions to submit to HCD more complete data on individual projects, including the number of units proposed in the project, and the permits that have already been received.

The bill requires local jurisdictions to collect and share information on housing development projects, and defines those to mean a use consisting of residential units only or mixed-use developments with at least two-thirds of the square footage designated for residential use. Given that this bill is about housing data, it does not seem appropriate to eliminate projects that include any housing – especially as some of the largest housing developments in the state contain more than one-third non-residential uses. As such, the Committee may wish to consider amending the bill define housing development project to mean any development project containing residential units.

The bill requires local jurisdictions to compile lists that specify all zoning and planning standards, to post these lists to their internet website, and provide this information to HCD. However, zoning and planning standards are typically quite complex and layered, and compiling them into "lists" could potential be both time consuming and of limited value. This is particularly true of relevant zoning maps. For purposes of data collection, it is likely more useful for the public, researchers, and policymakers to ensure that these zoning and planning standards are available, and that it is relatively easy to understood how they evolve over time. As such, the Committee may wish to amend the legislation to not require lists of zoning and planning standards, but instead require that all zoning and planning standards be posted to the internet websites of local jurisdictions, that annually the jurisdiction archives this information, and that this information is what is shared annually with HCD and relevant MPOs.

Committee Amendments: To address the issues raised above, the Committee may wish to consider the following amendments:

- Extending the timeframe for the implementation of this program by one year;
- Require the local jurisdictions to submit to HCD more complete data on individual projects, including the number of units proposed in the project, and the permits that have already been received;
- Define "housing development project" to mean any development project containing residential units; and
- Require that all zoning and planning standards be posted to the internet websites of local jurisdictions, that annually the jurisdiction archives this information, and that this information is what is shared annually with HCD and relevant MPOs. Do not require lists of zoning and planning standards.

Related Legislation:

AB 1484 (Grayson) (2019) would freeze specified impact and development fees on housing developments at an application for a housing development is deemed complete. *This bill is pending in the Local Government Committee.*

Double referred: This bill was also referred to the Assembly Committee on Local Government where it will be heard should it pass out of this committee.

REGISTERED SUPPORT / OPPOSITION:

Support

Bay Area Council
Building Industry Association of the Bay Area
California Apartment Association
California Association of Realtors
California Building Industry Association
California Community Builders
Chan Zuckerberg Initiative
Eden Housing
Enterprise Community Partners, Inc.
Habitat for Humanity East Bay/Silicon Valley
Leading Age California
Non-Profit Housing Association of Northern California
North Bay Leadership Council
Related California
SV@Home
SPUR
TMG Partners
Urban Displacement Project, UC-Berkeley

Support if Amended

American Planning Association, California Chapter
The San Francisco Foundation
Working Partnerships USA

Opposition

None on file.

Analysis Prepared by: Steve Wertheim / H. & C.D. / (916) 319-2085

AB 1486

Surplus Land Act

Assemblymember Phil Ting 19TH DISTRICT

SUMMARY

California is facing a housing crisis and unused public land has the potential to promote affordable housing development throughout the state. AB 1486 clarifies and strengthens provisions in the Surplus Land Act that will promote the use of public land for affordable housing.

BACKGROUND

Across California, public agencies control significant amounts of unused land that have remained dormant for decades, but are strategically located next to transit, schools, and job opportunities. California's surplus land laws already require such land to be prioritized for purposes of affordable housing, but a narrow scope and lack of clarity within the law prevents surplus land from being used more effectively.

Enacted in 1968, the Surplus Land Act requires all local agencies to prioritize affordable housing, as well as parks and open space, when disposing of surplus land. Before local agencies may dispose of surplus land, they are required to give notice to local public entities and organizations involved in affordable housing development. If a preferred entity expresses interest, the parties must enter into good faith negotiations to determine a sales price or lease terms.

In 2014, the act was amended to better define a qualified proposal for affordable housing, prioritize proposals providing the most units at the deepest affordability, and provide more realistic timeframes to make offers and negotiate, as well as require that any housing developed on surplus public land provide at least 15% of the units affordable. While the 2014 amendments helped clarify the surplus land act, local agencies have attempted to circumvent this statute. These conflicts have delayed the sale of surplus sites and reduced the number of sites available for affordable housing development.

Surplus land can provide opportunities to create new affordable housing. AB 1486 will ensure those opportunities are fully realized.

THIS BILL

AB 1486 will bring clarity and improve enforcement of the Surplus Land Act to increase the supply of affordable housing. AB 1486 will:

Clarifies Critical Provisions of the Surplus Land Act By:

- Clarifying the definition of "surplus" land as any publicly-owned land not needed for the public agency's own governmental operations that property becomes surplus when the agency initiates action to dispose of it, and to which agencies this applies.
- Adding reasonable exemptions to account for the types of leases and sale of land that serve a legitimate public interest.
- Streamlining the process for notifying qualified affordable housing developers of available public land.
- Clarifying what it means to grant "priority" to affordable housing proposals by requiring that agencies negotiate exclusively with the entity proposing the most units at the deepest affordability.
- Clarifying that the existing 15% minimum affordability requirement applies whenever surplus public land is used for housing.

Provides Data and Facilitate Enforcement of the Act By:

- Directing local agencies to create a full inventory of publicly-owned sites within their jurisdiction and report the information to the Department of Housing and Community Development (HCD).
- Requiring HCD develop a statewide public lands database as well as empowering it to more effectively enforce the Surplus Land Act.

Builds on the Governor's Executive Order for State Involvement By:

- Requiring State agencies to prioritize and expedite the disposition of surplus land for development of affordable housing under the State Surplus Land Act by specifying a minimum percentage of surplus property be disposed annually.
- Directing the Department of General Services to review its spatial guidelines for public facilities to allow on-site affordable housing without compromising the quality of on-site public services.

Incentivizes Development of Affordable Housing on Public Land By:

- Allowing affordable housing on surplus land and public agencies that dispose of it to be more competitive for state funding.

Uses Housing Element Law to Leverage Surplus Land for Housing By:

- Establishing a presumption in Housing Element law that allows residential uses on all developable public land where it is feasible, subject to certain exemptions, notwithstanding local zoning, for housing in which 100% of the units qualify as affordable housing to lower-income households.
- Requiring Housing Elements to include public land in the land inventory, the jurisdiction's plans to encourage the development of affordable housing on surplus land, and that local jurisdictions report on their progress annually.

SUPPORT

Non-Profit Housing Association of Northern California (Sponsor)
San Diego Housing Federation (Sponsor)
Bay Area Council
Building Industry Association of the Bay Area
California Community Builders
EAH Housing
East Bay Asian Local Development Corporation
Habitat for Humanity East Bay/Silicon Valley
North Bay Leadership Council
San Francisco Housing Action Coalition
TMG Partners

STAFF CONTACT

Tara Gamboa-Eastman, (916) 319-2019

AMENDED IN ASSEMBLY APRIL 11, 2019

AMENDED IN ASSEMBLY MARCH 28, 2019

CALIFORNIA LEGISLATURE—2019–20 REGULAR SESSION

ASSEMBLY BILL No. 1486

Introduced by Assembly Member Ting

February 22, 2019

An act to amend Sections 11011, 11011.1, ~~50569,~~ 54220, 54221, 54222, 54222.3, 54223, 54225, 54226, 54227, *54230*, 54230.5, 54233, 65400, 65583.2, and 65585 of the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

AB 1486, as amended, Ting. Local agencies: surplus land.

(1) Existing law prescribes requirements for the disposal of surplus land by a local agency. Existing law defines "local agency" for these purposes as every city, county, city and county, and district, including school districts of any kind or class, empowered to acquire and hold real property. Existing law defines "surplus land" for these purposes as land owned by any local agency that is determined to be no longer necessary for the agency's use, except property being held by the agency for the purpose of exchange. Existing law defines "exempt surplus land" to mean land that is less than 5,000 square feet in area, less than the applicable minimum legal residential building lot size, or has no record access and is less than 10,000 square feet in area, and that is not contiguous to land owned by a state or local agency and used for park, recreational, open-space, or affordable housing.

This bill would expand the definition of "local agency" to include sewer, water, utility, and local and regional park districts, joint powers

authorities, successor agencies to former redevelopment agencies, housing authorities, and other political subdivisions of this state and any instrumentality thereof that is empowered to acquire and hold real property, thereby requiring these entities to comply with these requirements for the disposal of surplus land. The bill would specify that the term "district" includes all districts within the state, and that this change is declaratory of existing law. The bill would revise the definition of "surplus land" to mean land owned by any local agency that is not necessary for the agency's governmental operations, except property being held by the agency expressly for the purpose of exchange for another property necessary for its governmental operations and *would define "governmental operations" to mean land that is being used for the express purpose of agency work or operations, as specified. The bill* would provide that land is presumed to be surplus land when a local agency initiates an action to dispose of it. The bill would provide that "surplus land" for these purposes includes land held in the Community Redevelopment Property Trust Fund and land that has been designated in the long-range property management plan, either for sale or for retention, for future development, as specified. The bill would also broaden the definition of "exempt surplus land" to include specified types of ~~lands or conveyances.~~ *lands.*

~~The bill would also define the term "dispose of" for these purposes as the sale, lease, transfer, or other conveyance of any interest in real property owned by a local agency.~~ The bill would recast various provisions referring to the sale or lease of surplus land to instead refer to the disposal of surplus land. The bill would also delete certain obsolete references and make related conforming changes.

(2) Existing law requires a local agency disposing of surplus land to send, prior to disposing of that property, a written offer to sell or lease the property to specified entities. Existing law requires that a local agency, upon a written request, send a written offer to sell or lease surplus land to a housing sponsor, as defined, for the purpose of developing low- and moderate-income housing. Existing law also requires the local agency to send a written offer to sell or lease surplus land for the purpose of developing property located within an infill opportunity zone, designated as provided, to, among others, a community redevelopment agency.

This bill would instead require the local agency disposing of surplus land to send, prior to disposing of that property or participating in any formal or informal negotiations to dispose of that property, a written

notice of availability. The bill would make various related conforming changes. With regards to a housing sponsor, the bill would require that the written notice of availability be sent if the housing sponsor has notified the applicable regional council of governments or, in the case of a local agency without a council of governments, the Department of Housing and Community Development of its interest in the land, rather than upon written request. With regards to surplus land to be used for the purpose of developing property located within an infill opportunity zone, as described above, the bill would instead require that the written notice of availability be sent to a successor agency to a former redevelopment agency.

(3) After the disposing agency has received a notice from an entity desiring to purchase or lease the land, existing law requires the disposing agency to enter into good faith negotiations to determine a mutually satisfactory sales price or lease terms.

This bill would limit negotiations to sales price and lease terms, including the amount and timing of any payments.

(4) Existing law requires a local agency to give priority to the development of affordable housing for lower income elderly or disabled persons or households, and other lower income households when disposing of surplus land.

This bill would remove that priority.

(5) If the local agency receives offers from more than one entity that agrees to meet specified requirements related to the provision of affordable housing on the surplus land, existing law requires the local agency to give priority to the entity that proposes to provide the greatest number of units that meet those requirements. Notwithstanding that requirement, existing law requires the local agency to give first priority to an entity in specified circumstances.

This bill would define “priority” for these purposes as meaning that the local agency negotiates in good faith exclusively with the entity pursuant to specified requirements. In the event that more than one entity proposes the same number of units that meet the above-described affordable housing requirements, this bill would require that priority be given to the entity that proposes the deepest average level of affordability for the affordable units. The bill would authorize a local agency to negotiate concurrently with all entities that provide notice of interest to purchase or lease land for the purpose of developing affordable housing.

(6) Under existing law, failure by a local agency to comply with these requirements for the disposal of surplus land does not invalidate the transfer or conveyance of real property to a purchaser or encumbrancer of value.

~~The~~ *This* bill would invalidate that transfer or conveyance unless the local agency makes an alternative site available that can accommodate an equal or greater number of housing units as the original site whose transfer or conveyance was effected.

(7) If a local agency does not agree to price and terms with an entity to which notice and an opportunity to purchase or lease are given and disposes of the surplus land to an entity that uses the property for the development of 10 or more residential units, existing law requires the purchasing entity or a successor in interest to provide not less than 15% of the total number of units developed on the parcels at an affordable housing cost or affordable rent to lower income households.

This bill would revise this requirement to apply if the local agency does not agree to price and terms with an entity to which notice of availability of land was given, or if no entity to which a notice of availability was given responds to that notice, and 10 or more residential units are developed on the property.

The bill would permit residential uses on ~~all~~ *certain types of* land that a local agency disposes of as surplus, if 100% of the residential units are sold or rented at an affordable housing cost, as ~~defined.~~ *specified.*

(8) Existing law requires each state agency to make a review of all proprietary state lands over which it has jurisdiction, except as specified, on or before December 31 of each year to determine what, if any, land is in excess of its foreseeable needs and report thereon in writing to the Department of General Services. Existing law requires the department to annually report to the Legislature the land declared excess and to request authorization to dispose of the land by sale or otherwise, as specified. Existing law requires the department to comply with specified requirements and procedures when disposing of surplus land that the department has received authorization to dispose of by the Legislature, including that the department may dispose of the land upon any terms and conditions that the department determines is in the best interest of the state.

This bill would, instead, require each state agency to review state lands over which it has jurisdiction to determine if any land is in excess of its foreseeable needs for governmental operations. The bill would require the department to dispose of at least 10% of the land that the

department has determined is not needed by any other state agency, as specified. The bill would require surplus land disposed of by the department be permitted for a residential use if 100% of the residential units are sold or rented at an affordable housing cost, as defined. The bill would delete the authority of the department to dispose of surplus land upon any terms and conditions that the department determines are in the best interest of the state.

(9) Existing law authorizes a board of supervisors of a county to establish a central inventory of all surplus governmental property located in the county.

This ~~bill~~ *bill, instead, would require a local agency to make a central inventory of specified surplus governmental property on or before December 31 of each year, and would require the local agency to make a description of each parcel and its present uses a matter of public record and to report this information to the Department of Housing and Community Development no later than April 1 of each year, beginning April 1, 2021. The bill would require a local agency, upon request, to provide a list of its surplus governmental properties to a citizen, limited dividend corporation, housing corporation, or nonprofit corporation without charge. The bill* would require, by September 30, 2021, the Department of Housing and Community Development to create and maintain a searchable and downloadable public inventory of all publicly owned or controlled lands and their present uses.

~~(9)~~

(10) Existing law authorizes the Director of General Services to dispose of surplus state real property if that property is not needed by another state agency and the Legislature has authorized disposal of the property. Existing law also specifies the manner in which the department is to dispose of surplus state real property first to a local agency and then to nonprofit affordable housing sponsors.

This bill would revise the manner in which the department is to dispose of surplus state real property. The bill would require the department to provide notice of surplus property to specified entities including, among others, public entities and housing sponsors for the purpose of constructing low- and moderate income housing. The bill would require the department enter good faith negotiations with any entity that provides written notice of their desire to purchase the property. The bill would require that an entity that proposes to construct affordable housing on the surplus property provide at least 25% of the total number of units developed at affordable housing cost. The bill

would provide that if the department does not receive a written notice from any entity to purchase the property or negotiations are unsuccessful, and 10 or more residential units are constructed on the property, at least 15% of the total number of residential units developed on the parcels be sold or rented at affordable housing cost.

~~(10)~~

(11) The Planning and Zoning Law requires a city or county to adopt a general plan for land use development within its boundaries that includes, among other things, a housing element. That law requires the planning agency of a city or county to provide by April 1 of each year an annual report to, among other entities, the Department of Housing and Community Development that includes, among other specified information, the number of net new units of housing that have been issued a completed entitlement, a building permit, or a certificate of occupancy thus far in the housing element cycle, as provided.

This bill would require a city or county to include as a part of that report a listing of sites owned or leased by the city or county that have been sold, leased, or otherwise disposed of in the prior year, and sites with leases that expired in the prior year.

The Planning and Zoning Law requires that the housing element include, among other things, an inventory of land suitable for residential development to be used to identify sites that can be developed for housing within the planning period and that are sufficient to provide for the jurisdiction's share of the regional housing need determined pursuant to specified law.

This bill would require the housing element to provide a description of nonvacant sites owned by the ~~agency preparing the housing element,~~ *city or county* and provide whether there are any plans to dispose of the ~~property.~~ *property during the planning period and how the city or county will comply with specified provisions relating to the disposal of surplus land by a local agency.*

~~(11)~~

(12) Existing law requires the Department of Housing and Community Development to notify a city or county and authorize notice to the Attorney General when a city or county has taken an action that violates the Housing Accountability Act, specified provisions relating to local housing elements, and the Density Bonus Law.

This bill would also require the Department of Housing and Community Development to notify the city or county and authorizes

notice to the Attorney General when the city or county has taken an action that violates these provisions relating to surplus property.

~~(12)~~

(13) Existing law makes various findings and declarations as to the need for affordable housing and the use of surplus government land for that purpose.

This bill would revise these findings.

This bill would express the intent of the Legislature to enact legislation that addresses the need for affordable housing by utilizing surplus land within the state, as specified.

~~(13)~~

(14) By adding to the duties of local officials with respect to the disposal of surplus land, and expanding the scope of local agencies subject to the bill's requirements, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

SECTION 1. Section 11011 of the Government Code is amended to read:

11011. (a) On or before December 31 of each year, each state agency shall make a review of all proprietary state lands, other than tax-deeded land, land held for highway purposes, lands under the jurisdiction of the State Lands Commission, land that has escheated to the state or that has been distributed to the state by court decree in estates of deceased persons, and lands under the jurisdiction of the State Coastal Conservancy, over which it has jurisdiction to determine what, if any, land is in excess of its foreseeable needs for governmental operations and report thereon in writing to the Department of General Services. These lands shall include, but not be limited to, the following:

(1) Land not currently being utilized, or currently being underutilized, by the state agency for any existing or ongoing state program.

(2) Land for which the state agency has not identified any specific utilization relative to future programmatic needs.

(3) Land not identified by the state agency within its master plans for facility development.

(b) Jurisdiction of all land reported as excess shall be transferred to the Department of General Services, when requested by the director of that department, for sale or disposition under this section or as may be otherwise authorized by law.

(c) The Department of General Services shall report to the Legislature annually, the land declared excess and request authorization to dispose of the land by sale or otherwise.

(d) The Department of General Services shall review and consider reports submitted to the Director of General Services pursuant to Section 66907.12 of this code and Section 31104.3 of the Public Resources Code prior to recommending or taking any action on surplus land, and shall also circulate the reports to all agencies that are required to report excess land pursuant to this section. In recommending or determining the disposition of surplus lands, the Director of General Services may give priority to proposals by the state that involve the exchange of surplus lands for lands listed in those reports.

(e) Except as otherwise provided by any other law, whenever any land is reported as excess pursuant to this section, the Department of General Services shall determine whether or not the use of the land is needed by any other state agency. If the Department of General Services determines that any land is needed by any other state agency it may transfer the jurisdiction of this land to the other state agency upon the terms and conditions as it may deem to be for the best interests of the state.

(f) When authority is granted for the sale or other disposition of lands declared excess, and the Department of General Services has determined that the use of the land is not needed by any other state agency, the Department of General Services shall sell the land or otherwise dispose of the same pursuant to Section 11011.1. The Department of General Services shall report to the Legislature annually, with respect to each parcel of land authorized to be sold under this section, giving the following information:

(1) A description or other identification of the property.

(2) The date of authorization.

(3) With regard to each parcel sold after the next preceding report, the date of sale and price received, or the value of the land received in exchange.

(4) The present status of the property, if not sold or otherwise disposed of at the time of the report.

(g) (1) Except as otherwise specified by law, the net proceeds received from any real property disposition, including the sale, lease, exchange, or other means, that is received pursuant to this section shall be paid into the Deficit Recovery Bond Retirement Sinking Fund Subaccount, established pursuant to subdivision (f) of Section 20 of Article XVI of the California Constitution, until the time that the bonds issued pursuant to the Economic Recovery Bond Act (Title 18 (commencing with Section 99050)), approved by the voters at the March 2, 2004, statewide primary election, are retired. Thereafter, the net proceeds received pursuant to this section shall be deposited in the Special Fund for Economic Uncertainties.

(2) For purposes of this subdivision, net proceeds means proceeds less any outstanding loans from the General Fund, or outstanding reimbursements due to the Property Acquisition Law Money Account for costs incurred prior to June 30, 2005, related to the management of the state's real property assets, including, but not limited to, surplus property identification, legal research, feasibility statistics, activities associated with land use, and due diligence.

(h) The Director of Finance may approve loans from the General Fund to the Property Acquisition Law Money Account, which is hereby created in the State Treasury, for the purposes of supporting the management of the state's real property assets.

(i) Any rentals or other revenues received by the department from real properties, the jurisdiction of which has been transferred to the Department of General Services under this section, shall be deposited in the Property Acquisition Law Money Account and shall be available for expenditure by the Department of General Services upon appropriation by the Legislature.

(j) Nothing contained in this section shall be construed to prohibit the sale, letting, or other disposition of any state lands

pursuant to any law now or hereafter enacted authorizing the sale, letting, or disposition.

(k) (1) The disposition of a parcel of surplus state real property, pursuant to Section 11011.1, made on an "as is" basis shall be exempt from Chapter 3 (commencing with Section 21100) to Chapter 6 (commencing with Section 21165), inclusive, of Division 13 of the Public Resources Code. Upon title to the parcel vesting in the purchaser or transferee of the property, the purchaser or transferee shall be subject to any local governmental land use entitlement approval requirements and to Chapter 3 (commencing with Section 21100) to Chapter 6 (commencing with Section 21165), inclusive, of Division 13 of the Public Resources Code, except as provided in Section 11011.1.

(2) If the disposition of a parcel of surplus state real property, pursuant to Section 11011.1, is not made on an "as is" basis and close of escrow is contingent on the satisfaction of a local governmental land use entitlement approval requirement or compliance by the local government with Chapter 3 (commencing with Section 21100) to Chapter 6 (commencing with Section 21165), inclusive, of Division 13 of the Public Resources Code, the execution of the purchase and sale agreement or of the exchange agreement by all parties to the agreement shall be exempt from Chapter 3 (commencing with Section 21100) to Chapter 6 (commencing with Section 21165), inclusive, of Division 13 of the Public Resources Code.

(3) For the purposes of this subdivision, "disposition" means the sale, exchange, sale combined with an exchange, or transfer of a parcel of surplus state property.

(*l*) For land that the Department of General Services has determined is not needed by any other state agency pursuant to subdivision (e), the department shall request authorization to dispose of no less than 10 percent of the land on an annual basis pursuant to Section 11011.1.

(m) Notwithstanding local zoning designations, surplus land that the department has disposed of shall be permitted for a residential use if 100 percent of the residential units, except for the units occupied by onsite management staff, are sold or rented at an affordable housing cost, as defined in Section 50052.5 of the Health and Safety Code, or affordable rent, as defined in Section

50053 of the Health and Safety Code, to lower income households, as defined in Section 50079.5 of the Health and Safety Code.

(n) The department shall make every effort to conclude the pending disposition of surplus land that it has received authorization to dispose of within 24 months of the date the sale, exchange, or transfer of land was approved by the department.

(o) As used in this section, "governmental operations" means land that is being used for the express purpose of agency work or operations, including utility sites, watershed property, land being used for conservation purposes, and buffer sites near sensitive governmental uses, including, but not limited to, wastewater treatment plants.

SEC. 2. Section 11011.1 of the Government Code is amended to read:

11011.1. (a) Notwithstanding any other provision of law, except Article 8.5 (commencing with Section 54235) of Chapter 5 of Part 1 of Division 2 of Title 5, the disposal of surplus state real property by the Department of General Services shall be subject to the requirements of this section. For purposes of this section, "surplus state real property" means real property declared surplus by the Legislature and directed to be disposed of by the Department of General Services, including any real property previously declared surplus by the Legislature but not yet disposed of by the Department of General Services prior to the enactment of this section.

(b) (1) The department may dispose of surplus state real property by sale, lease, exchange, a sale combined with an exchange, or other manner of disposition of property, as authorized by the Legislature, subject to this section.

(2) The Legislature finds and declares that the provision of decent housing for all Californians is a state goal of the highest priority. The disposal of surplus state real property is a direct and substantial public purpose of statewide concern and will serve an important public purpose, including mitigating the environmental effects of state activities. Therefore, it is the intent of the Legislature that priority be given, as specified in this section, to the disposal of surplus state real property to housing for persons and families of low or moderate income, where land is suitable for housing and there is a need for housing in the community.

(3) The department shall send, before disposing of surplus property or participating in negotiations to dispose of surplus property, a written notice of availability of the property to all of the following entities:

(A) A written notice of availability for the purpose of developing low- and moderate-income housing, as defined in Section 50079 of the Health and Safety Code, to both of the following:

(i) Any local public entity within whose jurisdiction the surplus land is located.

(ii) A housing sponsor, as defined by Section 50074 of the Health and Safety Code, that has notified the department of its interest in surplus land for the purpose of developing low- and moderate-income housing.

(B) A written notice of availability for open-space purposes to all of the following:

(i) Any park or recreation department of any city within which the land may be situated.

(ii) Any park or recreation department of the county within which the land is situated.

(iii) Any regional park authority having jurisdiction within the area in which the land is situated.

(iv) The Natural Resources Agency or any agency that may succeed to its powers.

(C) A written notice of availability of land suitable for school facilities construction or use by a school district for open-space purposes to any school district in whose jurisdiction the land is located.

(D) A written notice of availability for the purpose of developing property located within an infill opportunity zone designated pursuant to Section 65088.4 or within an area covered by a transit village plan adopted pursuant to the Transit Village Development Planning Act of 1994 (Article 8.5 (commencing with Section 65460) of Chapter 3 of Division 1 of Title 7) to any county, city, city and county, successor agency to a former redevelopment agency, public transportation agency, or housing authority within whose jurisdiction the surplus land is located.

(4) The entity or association desiring to purchase or lease the surplus land for any of the purposes authorized by this section shall notify the department in writing of its interest in purchasing

or leasing the land within 60 days after receipt of the notice of availability of the land pursuant to paragraph (3).

(5) The department shall send all notices of availability by first-class mail and, if possible, by electronic mail, and shall include in that notice the location and a description of the property.

(6) An entity proposing to use the surplus land for developing low- and moderate-income housing shall agree to make available not less than 25 percent of the total number of units developed on the parcels at an affordable housing cost, as defined in Section 50052.5 of the Health and Safety Code, or affordable rent, as defined in Section 50053 of the Health and Safety Code, to lower income households, as defined in Section 50079.5 of the Health and Safety Code. Rental units shall remain affordable to, and occupied by, lower income households for a period of at least 55 years. The initial occupants of all ownership units shall be lower income households, and the units shall be subject to an equity sharing agreement consistent with paragraph (2) of subdivision (c) of Section 65915. These requirements shall be contained in a covenant or restriction recorded against the surplus land at the time of sale, which shall run with the land and shall be enforceable, against any owner who violates a covenant or restriction and each successor in interest who continues the violation, by any of the following:

(A) The department.

(B) A resident of a unit subject to this subdivision.

(C) A resident association with members who reside in units subject to this subdivision.

(D) A former resident of a unit subject to this section who last resided in that unit.

(E) An applicant seeking to enforce the covenants or restrictions for a particular unit that is subject to this subdivision, if the applicant conforms to all of the following:

(i) Is of low or moderate income, as defined in Section 50093 of the Health and Safety Code.

(ii) Is able and willing to occupy that particular unit.

(iii) Was denied occupancy of that particular unit due to an alleged breach of a covenant or restriction implementing this subdivision.

(F) A person on an affordable housing waiting list who is of low or moderate income, as defined in Section 50093 of the Health

and Safety Code, and who is able and willing to occupy a unit subject to this subdivision.

(7) After the department has received notice from the entity desiring to purchase or lease the land on terms that comply with this subdivision, the department and the entity shall enter into good faith negotiations to determine a mutually satisfactory sales price and terms or lease terms. If the price or terms cannot be agreed upon after a good faith negotiation period of not less than 90 days, the land may be disposed of without further regard to this subdivision, except that paragraph (10) shall apply.

(8) Nothing in this subdivision shall preclude a local agency, housing authority, or redevelopment agency that purchases land from a disposing agency pursuant to this article from reconveying the land to a nonprofit or for-profit housing developer for development of low- and moderate-income housing as authorized under other provisions of law.

(9) (A) In the event that the department receives a notice of interest to purchase or lease of that land from more than one of the entities to which notice of available surplus land was given pursuant to this subdivision, the department shall give first priority to the entity that agrees to use the site for housing that meets the requirements of paragraph (6). If the department receives offers from more than one entity that agrees to meet the requirements of paragraph (6), then the department shall give priority to the entity that proposes to provide the greatest number of units that meet the requirements of paragraph (6). In the event that more than one entity proposes the same number of units that meet the requirements of paragraph (6), priority shall be given to the entity that proposes the deepest average level of affordability for the affordable units. The department may negotiate concurrently with all entities that provide notice of interest to purchase or lease land for the purpose of developing affordable housing that meets the requirements of paragraph (6).

(B) Notwithstanding subparagraph (A), the department shall give first priority to an entity that agrees to use the site for park or recreational purposes if the land being offered is already being used and will continue to be used for park or recreational purposes, or if the land is designated for park and recreational use in the local general plan and will be developed for that purpose.

(C) For purposes of this paragraph, "priority" means that the department shall negotiate in good faith exclusively with the entity in accordance with paragraph (7).

(10) If the department does not agree to price and terms with an entity to which notice of availability of land was given pursuant to this subdivision, or if no entity to which a notice of availability was given responds to that notice, and 10 or more residential units are developed on the property, not less than 15 percent of the total number of residential units developed on the parcels shall be sold or rented at an affordable housing cost, as defined in Section 50052.5 of the Health and Safety Code, or affordable rent, as defined in Section 50053 of the Health and Safety Code, to lower income households, as defined in Section 50079.5 of the Health and Safety Code. Rental units shall remain affordable to, and occupied by, lower income households for a period of at least 55 years. The initial occupants of all ownership units shall be lower income households, and the units shall be subject to an equity sharing agreement consistent with the provisions of paragraph (2) of subdivision (c) of Section 65915. The department shall include these requirements in a covenant or restriction recorded against the surplus land before land use entitlement of the project, and the covenant or restriction shall run with the land and shall be enforceable, against any owner who violates a covenant or restriction and each successor in interest who continues the violation, by any of the entities described in subparagraphs (A) to (F), inclusive, of paragraph (4).

(c) Thirty days prior to executing a transaction for a sale, lease, exchange, a sale combined with an exchange, or other manner of disposition of the surplus state real property for less than fair market value or for affordable housing, or as authorized by the Legislature, the Director of General Services shall report to the chairpersons of the fiscal committees of the Legislature all of the following:

(1) The financial terms of the transaction.

(2) A comparison of fair market value for the surplus state real property and the terms listed in paragraph (1).

(3) The basis for agreeing to terms and conditions other than fair market value.

(d) As to surplus state real property sold or exchanged pursuant to this section, the director shall except and reserve to the state all

mineral deposits, as described in Section 6407 of the Public Resources Code, together with the right to prospect for, mine, and remove the deposits. If, however, the director determines that there is little or no potential for mineral deposits, the reservation may be without surface right of entry above a depth of 500 feet, or the rights to prospect for, mine, and remove the deposits shall be limited to those areas of the surplus state real property conveyed that the director determines to be reasonably necessary for the removal of the deposits.

(e) The failure to comply with this section, except for subdivision (d), shall not invalidate the transfer or conveyance of surplus state real property to a purchaser for value.

(f) For purposes of this section, fair market value is established by an appraisal and economic evaluation conducted by the department or approved by the department.

~~SEC. 3. Section 50569 of the Government Code is amended to read:~~

~~50569. (a) On or before December 31 of each year, each local agency shall make an inventory of all lands held, owned, or controlled by it or any of its departments, agencies, or authorities to determine what land, including air rights, if any, is in excess of its foreseeable needs for its governmental operations. A description of each parcel owned or controlled and its present uses found to be in excess of needs shall be made a matter of public record and reported to the Department of Housing and Community Development no later than April 1 of each year, beginning 2021. Any citizen, limited dividend corporation, housing corporation or nonprofit corporation, shall upon request be provided with a list of said parcels without charge.~~

~~(b) The Department of Housing and Community Development shall create and maintain a searchable and downloadable public inventory of all publicly owned or controlled lands and their present uses in the state on its internet website, which shall be updated on an annual basis. The inventory shall be available no later than September 30, 2021.~~

~~(c) For purposes of this section, "local agency" means a county, city, whether general law or chartered, city and county, town, district, including school, sewer, water, utility, and local and regional park districts of any kind or class, joint powers authority, successor agency to a former redevelopment agency, housing~~

~~authority, or other political subdivision of this state and any instrumentality thereof that is empowered to acquire and hold real property.~~

~~SEC. 4.~~

SEC. 3. Section 54220 of the Government Code is amended to read:

54220. (a) The Legislature reaffirms its declaration that housing is of vital statewide importance to the health, safety, and welfare of the residents of this state and that provision of a decent home and a suitable living environment for every Californian is a priority of the highest order. The Legislature further declares that a shortage of sites available for housing for persons and families of low and moderate income is a barrier to addressing urgent statewide housing needs and that surplus government land, prior to disposition, should be made available for that purpose.

(b) The Legislature reaffirms its belief that there is an identifiable deficiency in the amount of land available for recreational purposes and that surplus land, prior to disposition, should be made available for park and recreation purposes or for open-space purposes. This article shall not apply to surplus residential property as defined in Section 54236.

(c) The Legislature reaffirms its declaration of the importance of appropriate planning and development near transit stations, to encourage the clustering of housing and commercial development around such stations. Studies of transit ridership in California indicate that a higher percentage of persons who live or work within walking distance of major transit stations utilize the transit system more than those living elsewhere, and that lower income households are more likely to use transit when living near a major transit station than higher income households. The sale or lease of surplus land at less than fair market value to facilitate the creation of affordable housing near transit is consistent with goals and objectives to achieve optimal transportation use. The Legislature also notes that the Federal Transit Administration gives priority for funding of rail transit proposals to areas that are implementing ~~higher-density,~~ *higher density,* mixed-use, and affordable development near major transit stations.

~~SEC. 5.~~

SEC. 4. Section 54221 of the Government Code is amended to read:

54221. As used in this article, the following definitions shall apply:

(a) (1) "Local agency" means every city, whether organized under general law or by charter, county, city and county, district, including school, sewer, water, utility, and local and regional park districts of any kind or class, joint powers authority, successor agency to a former redevelopment agency, housing authority, or other political subdivision of this state and any instrumentality thereof that is empowered to acquire and hold real property.

(2) The Legislature finds and declares that the term "district" as used in paragraph (7) includes all districts within the state, including, but not limited to, all special districts, sewer, water, utility, and local and regional park districts, and any other political subdivision of this state that is a district, and therefore the changes in paragraph (1) made by the act adding this paragraph that specify that the provisions of this article apply to all districts, including school, sewer, water, utility, and local and regional park districts of any kind or class, are declaratory of, and not a change in, existing law.

(b) "Surplus land" means land owned by any local agency that is not necessary for the agency's governmental operations. Land shall be presumed to be "surplus land" when a local agency initiates an action to dispose of it. "Surplus land" includes land held in the Community Redevelopment Property Trust Fund pursuant to Section 34191.4 of the Health and Safety Code and land that has been designated in the long-range property management plan pursuant to Section 34191.5 of the Health and Safety Code, either for sale or for retention, for future development and that was not subject to an exclusive negotiating agreement or legally binding agreement to dispose of the land. Exclusive negotiating agreements or other agreements or contracts for land held in the Community Redevelopment Property Trust Fund shall be subject to this article.

(c) "Governmental operations" means land that is being used for the express purpose of agency work or operations, including utility sites, watershed property, land being used for conservation purposes, and buffer sites near sensitive governmental uses, including, but not limited to, waste water treatment plants.

(d) "Open-space purposes" means the use of land for public recreation, enjoyment of scenic beauty, or conservation or use of natural resources.

(e) "Persons and families of low or moderate income" has the same meaning as provided in Section 50093 of the Health and Safety Code.

(f) (1) Except as provided in paragraph (2), "exempt surplus land" means any of the following:

(A) Surplus land that is transferred pursuant to Section 25539.4.

(B) Surplus land that is (i) less than 5,000 square feet in area, (ii) less than the minimum legal residential building lot size for the jurisdiction in which the parcel is located, or 5,000 square feet in area, whichever is less, or (iii) has no record access and is less than 10,000 square feet in area; and is not contiguous to land owned by a state or local agency that is used for open-space or low- and moderate-income housing purposes. If the surplus land is not sold to an owner of contiguous land, it is not considered exempt surplus land and is subject to this article.

(C) Surplus land held by the local agency for the express purpose of exchange for another property necessary for its governmental operations.

(D) Surplus land held by the local agency for the express purpose of transfer to another local agency for its governmental operations.

~~(E) A lease of land expressly designated for a local agency's future governmental operations that is leased on an interim basis prior to development.~~

~~(F) An easement for utility, conservation, or governmental purposes.~~

~~(G) A lease of land with an existing structure and lease furthering an express governmental operation of the local agency, including, but not limited to, a concession lease on recreational property.~~

~~(H) A financing lease in furtherance of governmental operations, including, but not limited to, a lease and lease-back transaction.~~

~~(I) A lease of undeveloped land, provided that construction of any permanent structure is not permitted under the lease.~~

~~(J) A short-term lease of one year or less that may be renewed or extended on an annual basis for temporary or seasonal activities.~~

~~(K) A lease of more than one year, but less than 10 years, that is not eligible for renewal or extension.~~

~~(L) The renewal of an existing lease of one or more years for the same purpose, provided the lease was in effect as of January 1, 2018.~~

~~(M) Leases of existing agency-owned facilities for short-term use, such as park facilities, community rooms, and other uses where a facility is being rented on a temporary, short-term basis of days or months.~~

~~(N)~~

(E) Surplus land that is put out to open, competitive bid by a local agency, provided all entities identified in subdivision (a) of Section 54222 will be invited to participate in the competitive bid process, for either of the following purposes:

(i) A housing development, which may have ancillary commercial ground floor uses, that restricts 100 percent of the residential units to persons and families of low or moderate income, with at least 75 percent of the residential units restricted to lower income households, as defined in Section 50079.5 of the Health and Safety Code, with an affordable sales price or an affordable rent, as defined in Sections 50052.5 or 50053 of the Health and Safety Code, for a minimum of 55 years, and in no event shall the maximum affordable sales price or rent level be higher than 20 percent below the median market rents or sales prices for the neighborhood in which the site is located.

(ii) A mixed-use development that is more than one acre in area, that includes not less than 300 housing units, and that restricts at least 25 percent of the residential units to lower income households, as defined in Section 50079.5 of the Health and Safety Code, with an affordable sales price or an affordable rent, as defined in Sections 50052.5 and 50053 of the Health and Safety Code, for a minimum of 55 years.

~~(O)~~

(F) Surplus land that is subject to legal restrictions that would make housing prohibited or incompatible on the site due to state or federal statutes, voter-approved measures, or other legal restrictions that are not imposed by the local agency. Existing zoning alone is not a legal restriction that would make housing prohibited or incompatible. Nothing in this article limits a local agency's jurisdiction or discretion regarding land use, zoning, or entitlement decisions in connection with surplus land.

(2) Notwithstanding paragraph (1), a written notice of the availability of surplus land for open-space purposes shall be sent to the entities described in subdivision (b) of Section 54222 prior to disposing of the surplus land if the land is any of the following:

(A) Within a coastal zone.

(B) Adjacent to a historical unit of the State Parks System.

(C) Listed on, or determined by the State Office of Historic Preservation to be eligible for, the National Register of Historic Places.

(D) Within the Lake Tahoe region as defined in Section 66905.5.

~~(g) "Dispose of" shall mean sell, lease, transfer, or otherwise convey any interest in real property owned by a local agency.~~

~~SEC. 6.~~

SEC. 5. Section 54222 of the Government Code is amended to read:

54222. Any local agency disposing of surplus land shall send, prior to disposing of that property or participating in negotiations to dispose of that property, a written notice of availability of the property to all of the following entities:

(a) A written notice of availability for the purpose of developing low- and moderate-income housing shall be sent to any local public entity, as defined in Section 50079 of the Health and Safety Code, within whose jurisdiction the surplus land is located. Housing sponsors, as defined by Section 50074 of the Health and Safety Code, that have notified the applicable regional council of governments or, in the case of a local agency without a council of governments, the Department of Housing and Community Development, of their interest in surplus land shall be sent a written notice of availability of surplus land for the purpose of developing low- and moderate-income housing. All notices shall be sent by first-class mail and, if possible, by electronic mail, and shall include the location and a description of the property.

(b) A written notice of availability for open-space purposes shall be sent:

(1) To any park or recreation department of any city within which the land may be situated.

(2) To any park or recreation department of the county within which the land is situated.

(3) To any regional park authority having jurisdiction within the area in which the land is situated.

(4) To the State Resources Agency or any agency that may succeed to its powers.

(c) A written notice of availability of land suitable for school facilities construction or use by a school district for open-space purposes shall be sent to any school district in whose jurisdiction the land is located.

(d) A written notice of availability for the purpose of developing property located within an infill opportunity zone designated pursuant to Section 65088.4 or within an area covered by a transit village plan adopted pursuant to the Transit Village Development Planning Act of 1994 (Article 8.5 (commencing with Section 65460) of Chapter 3 of Division 1 of Title 7) shall be sent to any county, city, city and county, successor agency to a former redevelopment agency, public transportation agency, or housing authority within whose jurisdiction the surplus land is located.

(e) The entity or association desiring to purchase or lease the surplus land for any of the purposes authorized by this section shall notify in writing the disposing agency of its interest in purchasing or leasing the land within 60 days after receipt of the agency's notice of availability of the land.

~~SEC. 7.~~

SEC. 6. Section 54222.3 of the Government Code is amended to read:

54222.3. This article shall not apply to the disposal of exempt surplus land as defined in Section 54221 by an agency of the state or any local agency.

~~SEC. 8.~~

SEC. 7. Section 54223 of the Government Code is amended to read:

54223. After the disposing agency has received notice from the entity desiring to purchase or lease the land on terms that comply with this article, the disposing agency and the entity shall enter into good faith negotiations to determine a mutually satisfactory sales price and terms or lease terms. If the price or terms cannot be agreed upon after a good faith negotiation period of not less than 90 days, the land may be disposed of without further regard to this article, except that Section 54233 shall apply. Negotiations shall be limited to sales price and lease terms, including the amount and timing of any payments.

~~SEC. 9.~~

SEC. 8. Section 54225 of the Government Code is amended to read:

54225. (a) Any public agency disposing of surplus land to an entity described in Section 54222 for park or recreation purposes, for open-space purposes, for school purposes, or for low- and moderate-income housing purposes may provide for a payment period of up to 20 years in any contract of sale or sale by trust deed for the land. The payment period for surplus land disposed of for housing for persons and families of low and moderate income may exceed 20 years, but the payment period shall not exceed the term that the land is required to be used for low- or moderate-income housing.

(b) Notwithstanding local zoning designations, any surplus land disposed of by a public agency shall be permitted for residential use if 100 percent of the units, except for units occupied by onsite management staff, are sold or rented at an affordable housing cost, as defined in Section 50052.5 of the Health and Safety Code, or affordable rent, as defined in Section 50053 of the ~~an~~ Health and Safety Code, to lower income households, as defined in Section 50079.5 of the Health and Safety Code. This subdivision shall not apply to exempt surplus ~~land.~~ *land or surplus land that is ineligible for any public financing for affordable housing.*

~~SEC. 10.~~

SEC. 9. Section 54226 of the Government Code is amended to read:

54226. This article shall not be interpreted to limit the power of any local agency to dispose of surplus land at fair market value or at less than fair market value, and any disposal at or less than fair market value consistent with this article shall not be construed as inconsistent with an agency's purpose. No provision of this article shall be applied when it conflicts with any other provision of statutory law.

~~SEC. 11.~~

SEC. 10. Section 54227 of the Government Code is amended to read:

54227. (a) In the event that any local agency disposing of surplus land receives a notice of interest to purchase or lease of that land from more than one of the entities to which notice of available surplus land was given pursuant to this article, the local

agency shall give first priority to the entity that agrees to use the site for housing that meets the requirements of Section 54222.5. If the local agency receives offers from more than one entity that agrees to meet the requirements of Section 54222.5, then the local agency shall give priority to the entity that proposes to provide the greatest number of units that meet the requirements of Section 54222.5. In the event that more than one entity proposes the same number of units that meet the requirements of Section 54222.5, priority shall be given to the entity that proposes the deepest average level of affordability for the affordable units. A local agency may negotiate concurrently with all entities that provide notice of interest to purchase or lease land for the purpose of developing affordable housing that meets the requirements of Section 54222.5.

(b) Notwithstanding subdivision (a), first priority shall be given to an entity that agrees to use the site for park or recreational purposes if the land being offered is already being used and will continue to be used for park or recreational purposes, or if the land is designated for park and recreational use in the local general plan and will be developed for that purpose.

(c) For purposes of this section, "priority" means that the local agency shall negotiate in good faith exclusively with the entity in accordance with Section 54223.

SEC. 11. Section 54230 of the Government Code is amended to read:

54230. ~~The board of supervisors of any county may establish~~ *(a) (1) On or before December 31 of each year, each local agency shall make* a central inventory of all surplus governmental property located in ~~such county.~~ *the jurisdiction of the local agency that the local agency or any of its departments, agencies, or authorities owns or controls to determine what land, if any, is in excess of its foreseeable needs for its governmental operations.*

(2) A local agency shall make a description of each parcel found to be in excess of the needs and the present use of the parcel a matter of public record and shall report this information to the Department of Housing and Community Development no later than April 1 of each year, beginning April 1, 2021.

(3) A local agency, upon request, shall provide a list of its surplus governmental properties to a citizen, limited dividend

corporation, housing corporation, or nonprofit corporation without charge.

(b) The Department of Housing and Community Development shall create and maintain a searchable and downloadable public inventory of all publicly owned or controlled lands and their present uses in the state on its internet website, which shall be updated on an annual basis. The inventory shall be available no later than September 30, 2021.

SEC. 12. Section 54230.5 of the Government Code is amended to read:

54230.5. The failure by a local agency to comply with this article shall invalidate the transfer or conveyance of real property to a purchaser or encumbrancer for value, unless the local agency makes an alternative site available subject to Section 54227 that can accommodate an equal or greater number of housing units as the original site whose transfer or conveyance was effected.

SEC. 13. Section 54233 of the Government Code is amended to read:

54233. If the local agency does not agree to price and terms with an entity to which notice of availability of land was given pursuant to this article, or if no entity to which a notice of availability was given pursuant to this article responds to that notice, and 10 or more residential units are developed on the property, not less than 15 percent of the total number of residential units developed on the parcels shall be sold or rented at affordable housing cost, as defined in Section 50052.5 of the Health and Safety Code, or affordable rent, as defined in Section 50053 of the Health and Safety Code, to lower income households, as defined in Section 50079.5 of the Health and Safety Code. Rental units shall remain affordable to, and occupied by, lower income households for a period of at least 55 years. The initial occupants of all ownership units shall be lower income households, and the units shall be subject to an equity sharing agreement consistent with the provisions of paragraph (2) of subdivision (c) of Section 65915. These requirements shall be contained in a covenant or restriction recorded against the surplus land prior to land use entitlement of the project, and the covenant or restriction shall run with the land and shall be enforceable, against any owner who violates a covenant or restriction and each successor in interest

who continues the violation, by any of the entities described in subdivisions (a) to (f), inclusive, of Section 54222.5.

SEC. 14. Section 65400 of the Government Code is amended to read:

65400. (a) After the legislative body has adopted all or part of a general plan, the planning agency shall do both of the following:

(1) Investigate and make recommendations to the legislative body regarding reasonable and practical means for implementing the general plan or element of the general plan, so that it will serve as an effective guide for orderly growth and development, preservation and conservation of open-space land and natural resources, and the efficient expenditure of public funds relating to the subjects addressed in the general plan.

(2) Provide by April 1 of each year an annual report to the legislative body, the Office of Planning and Research, and the Department of Housing and Community Development that includes all of the following:

(A) The status of the plan and progress in its implementation.

(B) The progress in meeting its share of regional housing needs determined pursuant to Section 65584 and local efforts to remove governmental constraints to the maintenance, improvement, and development of housing pursuant to paragraph (3) of subdivision (c) of Section 65583.

The housing element portion of the annual report, as required by this paragraph, shall be prepared through the use of standards, forms, and definitions adopted by the Department of Housing and Community Development. The department may review, adopt, amend, and repeal the standards, forms, or definitions, to implement this article. Any standards, forms, or definitions adopted to implement this article shall not be subject to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2. Before and after adoption of the forms, the housing element portion of the annual report shall include a section that describes the actions taken by the local government towards completion of the programs and status of the local government's compliance with the deadlines in its housing element. That report shall be considered at an annual public meeting before the legislative body where members of the public shall be allowed to provide oral testimony and written comments.

The report may include the number of units that have been substantially rehabilitated, converted from nonaffordable to affordable by acquisition, and preserved consistent with the standards set forth in paragraph (2) of subdivision (c) of Section 65583.1. The report shall document how the units meet the standards set forth in that subdivision.

(C) The number of housing development applications received in the prior year.

(D) The number of units included in all development applications in the prior year.

(E) The number of units approved and disapproved in the prior year.

(F) The degree to which its approved general plan complies with the guidelines developed and adopted pursuant to Section 65040.2 and the date of the last revision to the general plan.

(G) A listing of sites rezoned to accommodate that portion of the city's or county's share of the regional housing need for each income level that could not be accommodated on sites identified in the inventory required by paragraph (1) of subdivision (c) of Section 65583 and Section 65584.09. The listing of sites shall also include any additional sites that may have been required to be identified by Section 65863.

(H) A listing of sites owned or leased by the city or county that have been sold, leased, or otherwise disposed of in the prior year, and a listing of sites with leases that expired in the prior year. The list shall include the entity to whom each site was transferred and the intended use for the site.

(I) The number of net new units of housing, including both rental housing and for-sale housing, that have been issued a completed entitlement, a building permit, or a certificate of occupancy, thus far in the housing element cycle, and the income category, by area median income category, that each unit of housing satisfies. That production report shall, for each income category described in this subparagraph, distinguish between the number of rental housing units and the number of for-sale units that satisfy each income category. The production report shall include, for each entitlement, building permit, or certificate of occupancy, a unique site identifier which must include the assessor's parcel number, but may include street address, or other identifiers.

(J) The number of applications submitted pursuant to subdivision (a) of Section 65913.4, the location and the total number of developments approved pursuant to subdivision (b) of Section 65913.4, the total number of building permits issued pursuant to subdivision (b) of Section 65913.4, the total number of units including both rental housing and for-sale housing by area median income category constructed using the process provided for in subdivision (b) of Section 65913.4.

(K) The Department of Housing and Community Development shall post a report submitted pursuant to this paragraph on its internet website within a reasonable time of receiving the report.

(b) If a court finds, upon a motion to that effect, that a city, county, or city and county failed to submit, within 60 days of the deadline established in this section, the housing element portion of the report required pursuant to subparagraph (B) of paragraph (2) of subdivision (a) that substantially complies with the requirements of this section, the court shall issue an order or judgment compelling compliance with this section within 60 days. If the city, county, or city and county fails to comply with the court's order within 60 days, the plaintiff or petitioner may move for sanctions, and the court may, upon that motion, grant appropriate sanctions. The court shall retain jurisdiction to ensure that its order or judgment is carried out. If the court determines that its order or judgment is not carried out within 60 days, the court may issue further orders as provided by law to ensure that the purposes and policies of this section are fulfilled. This subdivision applies to proceedings initiated on or after the first day of October following the adoption of forms and definitions by the Department of Housing and Community Development pursuant to paragraph (2) of subdivision (a), but no sooner than six months following that adoption.

SEC. 15. Section 65583.2 of the Government Code, as amended by Section 3 of Chapter 958 of the Statutes of 2018, is amended to read:

65583.2. (a) A city's or county's inventory of land suitable for residential development pursuant to paragraph (3) of subdivision (a) of Section 65583 shall be used to identify sites throughout the community, consistent with paragraph (9) of subdivision (c) of Section 65583, that can be developed for housing within the planning period and that are sufficient to provide for

the jurisdiction's share of the regional housing need for all income levels pursuant to Section 65584. As used in this section, "land suitable for residential development" includes all of the sites that meet the standards set forth in subdivisions (c) and (g):

(1) Vacant sites zoned for residential use.

(2) Vacant sites zoned for nonresidential use that allows residential development.

(3) Residentially zoned sites that are capable of being developed at a higher density, including the airspace above sites owned or leased by ~~any local agency as defined by Section 54221.~~ *a city, county, or city and county.*

(4) Sites zoned for nonresidential use that can be redeveloped for residential use, and for which the housing element includes a program to rezone the site, as necessary, rezoned for, to permit residential use, including sites owned or leased by ~~any local agency as defined by Section 54221.~~ *a city, county, or city and county.*

(b) The inventory of land shall include all of the following:

(1) A listing of properties by assessor parcel number.

(2) The size of each property listed pursuant to paragraph (1), and the general plan designation and zoning of each property.

(3) For nonvacant sites, a description of the existing use of each property. If a site subject to this paragraph is owned by the city or ~~county preparing the housing element,~~ *county,* the description shall also include whether there are any plans to dispose of the property during the planning period and how the ~~agency~~ *city or county* will comply with Article 8 (commencing with Section 54220) of Chapter 5 of Part 1 of Division 2 of Title 5.

(4) A general description of any environmental constraints to the development of housing within the jurisdiction, the documentation for which has been made available to the jurisdiction. This information need not be identified on a site-specific basis.

(5) (A) A description of existing or planned water, sewer, and other dry utilities supply, including the availability and access to distribution facilities.

(B) Parcels included in the inventory must have sufficient water, sewer, and dry utilities supply available and accessible to support housing development or be included in an existing general plan program or other mandatory program or plan, including a program or plan of a public or private entity providing water or sewer

service, to secure sufficient water, sewer, and dry utilities supply to support housing development. This paragraph does not impose any additional duty on the city or county to construct, finance, or otherwise provide water, sewer, or dry utilities to parcels included in the inventory.

(6) Sites identified as available for housing for above moderate-income households in areas not served by public sewer systems. This information need not be identified on a site-specific basis.

(7) A map that shows the location of the sites included in the inventory, such as the land use map from the jurisdiction's general plan, for reference purposes only.

(c) Based on the information provided in subdivision (b), a city or county shall determine whether each site in the inventory can accommodate the development of some portion of its share of the regional housing need by income level during the planning period, as determined pursuant to Section 65584. The inventory shall specify for each site the number of units that can realistically be accommodated on that site and whether the site is adequate to accommodate lower-income housing, moderate-income housing, or above moderate-income housing. A nonvacant site identified pursuant to paragraph (3) or (4) of subdivision (a) in a prior housing element and a vacant site that has been included in two or more consecutive planning periods that was not approved to develop a portion of the locality's housing need shall not be deemed adequate to accommodate a portion of the housing need for lower income households that must be accommodated in the current housing element planning period unless the site is zoned at residential densities consistent with paragraph (3) of this subdivision and the site is subject to a program in the housing element requiring rezoning within three years of the beginning of the planning period to allow residential use by right for housing developments in which at least 20 percent of the units are affordable to lower income households. A city that is an unincorporated area in a nonmetropolitan county pursuant to clause (ii) of subparagraph (B) of paragraph (3) shall not be subject to the requirements of this subdivision to allow residential use by right. The analysis shall determine whether the inventory can provide for a variety of types of housing, including multifamily rental housing, factory-built housing, mobilehomes, housing for agricultural employees,

supportive housing, single-room occupancy units, emergency shelters, and transitional housing. The city or county shall determine the number of housing units that can be accommodated on each site as follows:

(1) If local law or regulations require the development of a site at a minimum density, the department shall accept the planning agency's calculation of the total housing unit capacity on that site based on the established minimum density. If the city or county does not adopt a law or regulation requiring the development of a site at a minimum density, then it shall demonstrate how the number of units determined for that site pursuant to this subdivision will be accommodated.

(2) The number of units calculated pursuant to paragraph (1) shall be adjusted as necessary, based on the land use controls and site improvements requirement identified in paragraph (5) of subdivision (a) of Section 65583, the realistic development capacity for the site, typical densities of existing or approved residential developments at a similar affordability level in that jurisdiction, and on the current or planned availability and accessibility of sufficient water, sewer, and dry utilities.

(A) A site smaller than half an acre shall not be deemed adequate to accommodate lower income housing need unless the locality can demonstrate that sites of equivalent size were successfully developed during the prior planning period for an equivalent number of lower income housing units as projected for the site or unless the locality provides other evidence to the department that the site is adequate to accommodate lower income housing.

(B) A site larger than 10 acres shall not be deemed adequate to accommodate lower income housing need unless the locality can demonstrate that sites of equivalent size were successfully developed during the prior planning period for an equivalent number of lower income housing units as projected for the site or unless the locality provides other evidence to the department that the site can be developed as lower income housing. For purposes of this subparagraph, "site" means that portion of a parcel or parcels designated to accommodate lower income housing needs pursuant to this subdivision.

(C) A site may be presumed to be realistic for development to accommodate lower income housing need if, at the time of the adoption of the housing element, a development affordable to

lower income households has been proposed and approved for development on the site.

(3) For the number of units calculated to accommodate its share of the regional housing need for lower income households pursuant to paragraph (2), a city or county shall do either of the following:

(A) Provide an analysis demonstrating how the adopted densities accommodate this need. The analysis shall include, but is not limited to, factors such as market demand, financial feasibility, or information based on development project experience within a zone or zones that provide housing for lower income households.

(B) The following densities shall be deemed appropriate to accommodate housing for lower income households:

(i) For an incorporated city within a nonmetropolitan county and for a nonmetropolitan county that has a micropolitan area: sites allowing at least 15 units per acre.

(ii) For an unincorporated area in a nonmetropolitan county not included in clause (i): sites allowing at least 10 units per acre.

(iii) For a suburban jurisdiction: sites allowing at least 20 units per acre.

(iv) For a jurisdiction in a metropolitan county: sites allowing at least 30 units per acre.

(d) For purposes of this section, a metropolitan county, nonmetropolitan county, and nonmetropolitan county with a micropolitan area shall be as determined by the United States Census Bureau. A nonmetropolitan county with a micropolitan area includes the following counties: Del Norte, Humboldt, Lake, Mendocino, Nevada, Tehama, and Tuolumne and other counties as may be determined by the United States Census Bureau to be nonmetropolitan counties with micropolitan areas in the future.

(e) (1) Except as provided in paragraph (2), a jurisdiction shall be considered suburban if the jurisdiction does not meet the requirements of clauses (i) and (ii) of subparagraph (B) of paragraph (3) of subdivision (c) and is located in a Metropolitan Statistical Area (MSA) of less than 2,000,000 in population, unless that jurisdiction’s population is greater than 100,000, in which case it shall be considered metropolitan. A county, not including the City and County of San Francisco, shall be considered suburban unless the county is in an MSA of 2,000,000 or greater in population in which case the county shall be considered metropolitan.

(2) (A) (i) Notwithstanding paragraph (1), if a county that is in the San Francisco-Oakland-Fremont California MSA has a population of less than 400,000, that county shall be considered suburban. If this county includes an incorporated city that has a population of less than 100,000, this city shall also be considered suburban. This paragraph shall apply to a housing element revision cycle, as described in subparagraph (A) of paragraph (3) of subdivision (e) of Section 65588, that is in effect from July 1, 2014, to December 31, 2028, inclusive.

(ii) A county subject to this subparagraph shall utilize the sum existing in the county's housing trust fund as of June 30, 2013, for the development and preservation of housing affordable to low- and very low income households.

(B) A jurisdiction that is classified as suburban pursuant to this paragraph shall report to the Assembly Committee on Housing and Community Development, the Senate Committee on Transportation and Housing, and the Department of Housing and Community Development regarding its progress in developing low- and very low income housing consistent with the requirements of Section 65400. The report shall be provided three times: once, on or before December 31, 2019, which report shall address the initial four years of the housing element cycle, a second time, on or before December 31, 2023, which report shall address the subsequent four years of the housing element cycle, and a third time, on or before December 31, 2027, which report shall address the subsequent four years of the housing element cycle and the cycle as a whole. The reports shall be provided consistent with the requirements of Section 9795.

(f) A jurisdiction shall be considered metropolitan if the jurisdiction does not meet the requirements for "suburban area" above and is located in an MSA of 2,000,000 or greater in population, unless that jurisdiction's population is less than 25,000 in which case it shall be considered suburban.

(g) (1) For sites described in paragraph (3) of subdivision (b), the city or county shall specify the additional development potential for each site within the planning period and shall provide an explanation of the methodology used to determine the development potential. The methodology shall consider factors including the extent to which existing uses may constitute an impediment to additional residential development, the city's or county's past

experience with converting existing uses to higher density residential development, the current market demand for the existing use, an analysis of any existing leases or other contracts that would perpetuate the existing use or prevent redevelopment of the site for additional residential development, development trends, market conditions, and regulatory or other incentives or standards to encourage additional residential development on these sites.

(2) In addition to the analysis required in paragraph (1), when a city or county is relying on nonvacant sites described in paragraph (3) of subdivision (b) to accommodate 50 percent or more of its housing need for lower income households, the methodology used to determine additional development potential shall demonstrate that the existing use identified pursuant to paragraph (3) of subdivision (b) does not constitute an impediment to additional residential development during the period covered by the housing element. An existing use shall be presumed to impede additional residential development, absent findings based on substantial evidence that the use is likely to be discontinued during the planning period.

(3) Notwithstanding any other law, and in addition to the requirements in paragraphs (1) and (2), sites that currently have residential uses, or within the past five years have had residential uses that have been vacated or demolished, that are or were subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of low or very low income, subject to any other form of rent or price control through a public entity's valid exercise of its police power, or occupied by low or very low income households, shall be subject to a policy requiring the replacement of all those units affordable to the same or lower income level as a condition of any development on the site. Replacement requirements shall be consistent with those set forth in paragraph (3) of subdivision (c) of Section 65915.

(h) The program required by subparagraph (A) of paragraph (1) of subdivision (c) of Section 65583 shall accommodate 100 percent of the need for housing for very low and low-income households allocated pursuant to Section 65584 for which site capacity has not been identified in the inventory of sites pursuant to paragraph (3) of subdivision (a) on sites that shall be zoned to permit owner-occupied and rental multifamily residential use by right for developments in which at least 20 percent of the units are

affordable to lower income households during the planning period. These sites shall be zoned with minimum density and development standards that permit at least 16 units per site at a density of at least 16 units per acre in jurisdictions described in clause (i) of subparagraph (B) of paragraph (3) of subdivision (c), shall be at least 20 units per acre in jurisdictions described in clauses (iii) and (iv) of subparagraph (B) of paragraph (3) of subdivision (c) and shall meet the standards set forth in subparagraph (B) of paragraph (5) of subdivision (b). At least 50 percent of the very low and low-income housing need shall be accommodated on sites designated for residential use and for which nonresidential uses or mixed uses are not permitted, except that a city or county may accommodate all of the very low and low-income housing need on sites designated for mixed uses if those sites allow 100 percent residential use and require that residential use occupy 50 percent of the total floor area of a mixed-use project.

(i) For purposes of this section and Section 65583, the phrase "use by right" shall mean that the local government's review of the owner-occupied or multifamily residential use may not require a conditional use permit, planned unit development permit, or other discretionary local government review or approval that would constitute a "project" for purposes of Division 13 (commencing with Section 21000) of the Public Resources Code. Any subdivision of the sites shall be subject to all laws, including, but not limited to, the local government ordinance implementing the Subdivision Map Act. A local ordinance may provide that "use by right" does not exempt the use from design review. However, that design review shall not constitute a "project" for purposes of Division 13 (commencing with Section 21000) of the Public Resources Code. Use by right for all rental multifamily residential housing shall be provided in accordance with subdivision (f) of Section 65589.5.

(j) Notwithstanding any other provision of this section, within one-half mile of a Sonoma-Marin Area Rail Transit station, housing density requirements in place on June 30, 2014, shall apply.

(k) For purposes of subdivisions (a) and (b), the department shall provide guidance to local governments to properly survey, detail, and account for sites listed pursuant to Section 65585.

(*l*) This section shall remain in effect only until December 31, 2028, and as of that date is repealed.

SEC. 16. Section 65583.2 of the Government Code, as amended by Section 4 of Chapter 958 of the Statutes of 2018, is amended to read:

65583.2. (a) A city's or county's inventory of land suitable for residential development pursuant to paragraph (3) of subdivision (a) of Section 65583 shall be used to identify sites throughout the community, consistent with paragraph (9) of subdivision (c) of Section 65583, that can be developed for housing within the planning period and that are sufficient to provide for the jurisdiction's share of the regional housing need for all income levels pursuant to Section 65584. As used in this section, "land suitable for residential development" includes all of the sites that meet the standards set forth in subdivisions (c) and (g):

(1) Vacant sites zoned for residential use.

(2) Vacant sites zoned for nonresidential use that allows residential development.

(3) Residentially zoned sites that are capable of being developed at a higher density, and sites owned or leased by ~~any local agency as defined by Section 54221.~~ *a city, county, or city and county.*

(4) Sites zoned for nonresidential use that can be redeveloped for residential use, and for which the housing element includes a program to rezone the sites, as necessary, to permit residential use, including sites owned or leased by ~~any local agency as defined by Section 54221.~~ *a city, county, or city and county.*

(b) The inventory of land shall include all of the following:

(1) A listing of properties by assessor parcel number.

(2) The size of each property listed pursuant to paragraph (1), and the general plan designation and zoning of each property.

(3) For nonvacant sites, a description of the existing use of each property. If a site subject to this paragraph is owned by the city or ~~county preparing the housing element,~~ *county,* the description shall also include whether there are any plans to dispose of the property during the planning period and how the ~~agency~~ *city or county* will comply with Article 8 (commencing with Section 54220) of Chapter 5 of Part 1 of Division 2 of Title 5.

(4) A general description of any environmental constraints to the development of housing within the jurisdiction, the documentation for which has been made available to the jurisdiction. This information need not be identified on a site-specific basis.

(5) (A) A description of existing or planned water, sewer, and other dry utilities supply, including the availability and access to distribution facilities.

(B) Parcels included in the inventory must have sufficient water, sewer, and dry utilities supply available and accessible to support housing development or be included in an existing general plan program or other mandatory program or plan, including a program or plan of a public or private entity providing water or sewer service, to secure sufficient water, sewer, and dry utilities supply to support housing development. This paragraph does not impose any additional duty on the city or county to construct, finance, or otherwise provide water, sewer, or dry utilities to parcels included in the inventory.

(6) Sites identified as available for housing for above moderate-income households in areas not served by public sewer systems. This information need not be identified on a site-specific basis.

(7) A map that shows the location of the sites included in the inventory, such as the land use map from the jurisdiction's general plan for reference purposes only.

(c) Based on the information provided in subdivision (b), a city or county shall determine whether each site in the inventory can accommodate the development of some portion of its share of the regional housing need by income level during the planning period, as determined pursuant to Section 65584. The inventory shall specify for each site the number of units that can realistically be accommodated on that site and whether the site is adequate to accommodate lower-income housing, moderate-income housing, or above moderate-income housing. A nonvacant site identified pursuant to paragraph (3) or (4) of subdivision (a) in a prior housing element and a vacant site that has been included in two or more consecutive planning periods that was not approved to develop a portion of the locality's housing need shall not be deemed adequate to accommodate a portion of the housing need for lower income households that must be accommodated in the current housing element planning period unless the site is zoned at residential densities consistent with paragraph (3) of this subdivision and the site is subject to a program in the housing element requiring rezoning within three years of the beginning of the planning period to allow residential use by right for housing developments in which

at least 20 percent of the units are affordable to lower income households. A city that is an unincorporated area in a nonmetropolitan county pursuant to clause (ii) of subparagraph (B) of paragraph (3) shall not be subject to the requirements of this subdivision to allow residential use by right. The analysis shall determine whether the inventory can provide for a variety of types of housing, including multifamily rental housing, factory-built housing, mobilehomes, housing for agricultural employees, supportive housing, single-room occupancy units, emergency shelters, and transitional housing. The city or county shall determine the number of housing units that can be accommodated on each site as follows:

(1) If local law or regulations require the development of a site at a minimum density, the department shall accept the planning agency's calculation of the total housing unit capacity on that site based on the established minimum density. If the city or county does not adopt a law or regulation requiring the development of a site at a minimum density, then it shall demonstrate how the number of units determined for that site pursuant to this subdivision will be accommodated.

(2) The number of units calculated pursuant to paragraph (1) shall be adjusted as necessary, based on the land use controls and site improvements requirement identified in paragraph (5) of subdivision (a) of Section 65583, the realistic development capacity for the site, typical densities of existing or approved residential developments at a similar affordability level in that jurisdiction, and on the current or planned availability and accessibility of sufficient water, sewer, and dry utilities.

(A) A site smaller than half an acre shall not be deemed adequate to accommodate lower income housing need unless the locality can demonstrate that sites of equivalent size were successfully developed during the prior planning period for an equivalent number of lower income housing units as projected for the site or unless the locality provides other evidence to the department that the site is adequate to accommodate lower income housing.

(B) A site larger than 10 acres shall not be deemed adequate to accommodate lower income housing need unless the locality can demonstrate that sites of equivalent size were successfully developed during the prior planning period for an equivalent number of lower income housing units as projected for the site or

unless the locality provides other evidence to the department that the site can be developed as lower income housing. For purposes of this subparagraph, "site" means that portion of a parcel or parcels designated to accommodate lower income housing needs pursuant to this subdivision.

(C) A site may be presumed to be realistic for development to accommodate lower income housing need if, at the time of the adoption of the housing element, a development affordable to lower income households has been proposed and approved for development on the site.

(3) For the number of units calculated to accommodate its share of the regional housing need for lower income households pursuant to paragraph (2), a city or county shall do either of the following:

(A) Provide an analysis demonstrating how the adopted densities accommodate this need. The analysis shall include, but is not limited to, factors such as market demand, financial feasibility, or information based on development project experience within a zone or zones that provide housing for lower income households.

(B) The following densities shall be deemed appropriate to accommodate housing for lower income households:

(i) For an incorporated city within a nonmetropolitan county and for a nonmetropolitan county that has a micropolitan area: sites allowing at least 15 units per acre.

(ii) For an unincorporated area in a nonmetropolitan county not included in clause (i): sites allowing at least 10 units per acre.

(iii) For a suburban jurisdiction: sites allowing at least 20 units per acre.

(iv) For a jurisdiction in a metropolitan county: sites allowing at least 30 units per acre.

(d) For purposes of this section, a metropolitan county, nonmetropolitan county, and nonmetropolitan county with a micropolitan area shall be as determined by the United States Census Bureau. A nonmetropolitan county with a micropolitan area includes the following counties: Del Norte, Humboldt, Lake, Mendocino, Nevada, Tehama, and Tuolumne and other counties as may be determined by the United States Census Bureau to be nonmetropolitan counties with micropolitan areas in the future.

(e) A jurisdiction shall be considered suburban if the jurisdiction does not meet the requirements of clauses (i) and (ii) of subparagraph (B) of paragraph (3) of subdivision (c) and is located

in a Metropolitan Statistical Area (MSA) of less than 2,000,000 in population, unless that jurisdiction's population is greater than 100,000, in which case it shall be considered metropolitan. A county, not including the City and County of San Francisco, shall be considered suburban unless the county is in an MSA of 2,000,000 or greater in population in which case the county shall be considered metropolitan.

(f) A jurisdiction shall be considered metropolitan if the jurisdiction does not meet the requirements for "suburban area" above and is located in an MSA of 2,000,000 or greater in population, unless that jurisdiction's population is less than 25,000 in which case it shall be considered suburban.

(g) (1) For sites described in paragraph (3) of subdivision (b), the city or county shall specify the additional development potential for each site within the planning period and shall provide an explanation of the methodology used to determine the development potential. The methodology shall consider factors including the extent to which existing uses may constitute an impediment to additional residential development, the city's or county's past experience with converting existing uses to higher density residential development, the current market demand for the existing use, an analysis of any existing leases or other contracts that would perpetuate the existing use or prevent redevelopment of the site for additional residential development, development trends, market conditions, and regulatory or other incentives or standards to encourage additional residential development on these sites.

(2) In addition to the analysis required in paragraph (1), when a city or county is relying on nonvacant sites described in paragraph (3) of subdivision (b) to accommodate 50 percent or more of its housing need for lower income households, the methodology used to determine additional development potential shall demonstrate that the existing use identified pursuant to paragraph (3) of subdivision (b) does not constitute an impediment to additional residential development during the period covered by the housing element. An existing use shall be presumed to impede additional residential development, absent findings based on substantial evidence that the use is likely to be discontinued during the planning period.

(3) Notwithstanding any other law, and in addition to the requirements in paragraphs (1) and (2), sites that currently have

residential uses, or within the past five years have had residential uses that have been vacated or demolished, that are or were subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of low or very low income, subject to any other form of rent or price control through a public entity's valid exercise of its police power, or occupied by low or very low income households, shall be subject to a policy requiring the replacement of all those units affordable to the same or lower income level as a condition of any development on the site. Replacement requirements shall be consistent with those set forth in paragraph (3) of subdivision (c) of Section 65915.

(h) The program required by subparagraph (A) of paragraph (1) of subdivision (c) of Section 65583 shall accommodate 100 percent of the need for housing for very low and low-income households allocated pursuant to Section 65584 for which site capacity has not been identified in the inventory of sites pursuant to paragraph (3) of subdivision (a) on sites that shall be zoned to permit owner-occupied and rental multifamily residential use by right for developments in which at least 20 percent of the units are affordable to lower income households during the planning period. These sites shall be zoned with minimum density and development standards that permit at least 16 units per site at a density of at least 16 units per acre in jurisdictions described in clause (i) of subparagraph (B) of paragraph (3) of subdivision (c), shall be at least 20 units per acre in jurisdictions described in clauses (iii) and (iv) of subparagraph (B) of paragraph (3) of subdivision (c), and shall meet the standards set forth in subparagraph (B) of paragraph (5) of subdivision (b). At least 50 percent of the very low and low-income housing need shall be accommodated on sites designated for residential use and for which nonresidential uses or mixed uses are not permitted, except that a city or county may accommodate all of the very low and low-income housing need on sites designated for mixed uses if those sites allow 100 percent residential use and require that residential use occupy 50 percent of the total floor area of a mixed uses project.

(i) For purposes of this section and Section 65583, the phrase "use by right" shall mean that the local government's review of the owner-occupied or multifamily residential use may not require a conditional use permit, planned unit development permit, or other discretionary local government review or approval that would

constitute a "project" for purposes of Division 13 (commencing with Section 21000) of the Public Resources Code. Any subdivision of the sites shall be subject to all laws, including, but not limited to, the local government ordinance implementing the Subdivision Map Act. A local ordinance may provide that "use by right" does not exempt the use from design review. However, that design review shall not constitute a "project" for purposes of Division 13 (commencing with Section 21000) of the Public Resources Code. Use by right for all rental multifamily residential housing shall be provided in accordance with subdivision (f) of Section 65589.5.

(j) For purposes of subdivisions (a) and (b), the department shall provide guidance to local governments to properly survey, detail, and account for sites listed pursuant to Section 65585.

(k) This section shall become operative on December 31, 2028.

SEC. 17. Section 65585 of the Government Code is amended to read:

65585. (a) In the preparation of its housing element, each city and county shall consider the guidelines adopted by the department pursuant to Section 50459 of the Health and Safety Code. Those guidelines shall be advisory to each city or county in the preparation of its housing element.

(b) (1) At least 90 days prior to adoption of its housing element, or at least 60 days prior to the adoption of an amendment to this element, the planning agency shall submit a draft element or draft amendment to the department.

(2) The planning agency staff shall collect and compile the public comments regarding the housing element received by the city, county, or city and county, and provide these comments to each member of the legislative body before it adopts the housing element.

(3) The department shall review the draft and report its written findings to the planning agency within 90 days of its receipt of the draft in the case of an adoption or within 60 days of its receipt in the case of a draft amendment.

(c) In the preparation of its findings, the department may consult with any public agency, group, or person. The department shall receive and consider any written comments from any public agency, group, or person regarding the draft or adopted element or amendment under review.

(d) In its written findings, the department shall determine whether the draft element or draft amendment substantially complies with this article.

(e) Prior to the adoption of its draft element or draft amendment, the legislative body shall consider the findings made by the department. If the department's findings are not available within the time limits set by this section, the legislative body may act without them.

(f) If the department finds that the draft element or draft amendment does not substantially comply with this article, the legislative body shall take one of the following actions:

(1) Change the draft element or draft amendment to substantially comply with this article.

(2) Adopt the draft element or draft amendment without changes. The legislative body shall include in its resolution of adoption written findings which explain the reasons the legislative body believes that the draft element or draft amendment substantially complies with this article despite the findings of the department.

(g) Promptly following the adoption of its element or amendment, the planning agency shall submit a copy to the department.

(h) The department shall, within 90 days, review adopted housing elements or amendments and report its findings to the planning agency.

(i) (1) (A) The department shall review any action or failure to act by the city, county, or city and county that it determines is inconsistent with an adopted housing element or Section 65583, including any failure to implement any program actions included in the housing element pursuant to Section 65583. The department shall issue written findings to the city, county, or city and county as to whether the action or failure to act substantially complies with this article, and provide a reasonable time no longer than 30 days for the city, county, or city and county to respond to the findings before taking any other action authorized by this section, including the action authorized by subparagraph (B).

(B) If the department finds that the action or failure to act by the city, county, or city and county does not substantially comply with this article, and if it has issued findings pursuant to this section that an amendment to the housing element substantially complies with this article, the department may revoke its findings until it

determines that the city, county, or city and county has come into compliance with this article.

(2) The department may consult with any local government, public agency, group, or person, and shall receive and consider any written comments from any public agency, group, or person, regarding the action or failure to act by the city, county, or city and county described in paragraph (1), in determining whether the housing element substantially complies with this article.

(j) The department shall notify the city, county, or city and county and may notify the Office of the Attorney General that the city, county, or city and county is in violation of state law if the department finds that the housing element or an amendment to this element, or any action or failure to act described in subdivision (i), does not substantially comply with this article or that any local government has taken an action in violation of the following:

(1) Housing Accountability Act (Section 65589.5 of the Government Code).

(2) Section 65863 of the Government Code.

(3) Chapter 4.3 (commencing with Section 65915) of Division 1 of Title 7 of the Government Code.

(4) Section 65008 of the Government Code.

(5) Article 8 (commencing with Section 54220) of Chapter 5 of Part 1 of Division 2 of Title 5 of the Government Code.

SEC. 18. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

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Date of Hearing: April 10, 2019

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT
Cecilia Aguiar-Curry, Chair
AB 1486 (Ting) – As Amended March 28, 2019

SUBJECT: Local agencies: surplus land.

SUMMARY: Expands surplus property requirements for both the state and local agencies. Specifically, **this bill**:

1) Expands the provisions of the Surplus Lands Act for local agencies, as follows:

    a) Expands the definition of "local agency" in the Surplus Land Act to additionally include sewer, water, and utility districts, local and regional park districts, joint powers authority, successor agency to a former redevelopment agency (RDA), housing authority, or other political subdivision of this state and instrumentality thereof that is empowered to acquire and hold real property. Declares, for purposes of this definition, that the term "district" as defined, is declaratory of, and not a change in, existing law;

    b) Revises the definition of "surplus land" to mean land owned by any local agency that is not necessary for the agency's *governmental operations*. Defines "governmental operations" to mean land that is being used for the express purpose of agency work or operations, including utility sites, watershed property, land being used for conservation purposes, and buffer sites near sensitive governmental uses, including, but not limited to, waste water treatment plants.

    c) Defines "dispose of" to mean sell, lease, transfer, or otherwise convey any interest in real property owned by a local agency.

    d) Requires that land shall be presumed to be "surplus land" when a local agency initiates an action to dispose of it. Declares that "surplus land" includes land held in the Community Redevelopment Property Trust Fund, as specified, and land that has been designated in the long-range property management plan, as specified, either for sale or for retention for future development and that was not subject to an exclusive negotiating agreement or legally binding agreement to dispose of the land, as specified.

    e) Expands the definition of "exempt surplus land" to include:

        i) Surplus land held by the local agency for the express purpose of exchange for another property necessary for its governmental operations;

        ii) Surplus land held by the local agency for the express purpose of transfer to another local agency for its governmental operations;

        iii) A lease of land expressly designated for a local agency's future governmental operations that is leased on an interim basis prior to development;

        iv) An easement for utility, conservation, or governmental purposes;

v) A lease of land with an existing structure and lease furthering an express governmental operation of the local agency, including but not limited to, a concession lease on recreational property;

vi) A financing lease in furtherance of governmental operations, including, but not limited to, a lease and lease-back transaction;

vii) A lease of undeveloped land, provided that the construction of any permanent structure is not permitted under the lease;

viii) A short-term lease of one year or less that may be renewed or extended on an annual basis for temporary or seasonal activities;

ix) A lease of more than one year, but less than 10 years, that is not eligible for renewal or extension;

x) The renewal of an existing lease of one or more years for the same purpose, provided the lease was in effect as of January 1, 2018;

xi) Leases of existing agency-owned facilities for short-term use, such as park facilities, community rooms, and other uses where a facility is being rented on a temporary, short term basis of days or months;

xii) Surplus land that is put out to open, competitive bid by a local agency, provided all entities, as specified, will be invited to participate in the bid process, for either of the following purposes:

(1) A housing development, which may have ancillary commercial ground floor uses, that restricts 100% of the residential units to persons and families of low or moderate income, with at least 75% of the residential units restricted to lower income households, as defined, with an affordable sales price or an affordable rent, as defined, for a minimum of 55 years, and in no event shall the maximum affordable sales price or rent level be higher than 20% below the median market rents or sales prices for the neighborhood in which the site is located; or,

(2) A mixed-use development that is more than one acre in area, that includes not less than 300 housing units, and that restricts at least 25% of the residential units to lower income households, as defined, with an affordable sales price or an affordable rent, as defined, for a minimum of 55 years;

xiii) Surplus land that is subject to legal restrictions that would make housing prohibited or incompatible on the site due to state or federal statutes, voter-approved measures, or other legal restrictions that are not imposed by the local agency. States that existing zoning alone is not a legal restriction that would make housing prohibited or incompatible;

f) Requires a written notice of availability to be sent to housing sponsors that have notified the applicable regional council of governments (COG), or in the case of a local agency without a COG, the Department of Housing and Community Development (HCD), of

their interest in surplus land. Expands the notice to also include electronic mail (email), if possible;

g) Specifies that any surplus land disposed of by a public agency shall be permitted for residential use, notwithstanding local zoning designations, if 100% of the units, except for units occupied by onsite management staff, or sold or rented at an affordable housing costs, as defined, or an affordable rent, as defined, to lower income households. Provides that this provision shall not apply to exempt surplus land;

h) Specifies that negotiations between a disposing agency and an entity desiring to purchase or lease land, as specified, shall be limited to sales price and lease terms, including the amount and timing of any payments;

i) Requires, in the event that the disposing agency receives notices of interest from multiple entities that proposed the same number of housing units, that first priority shall be given to the entity that proposes the deepest average level of affordability for the affordable units. Allows a local agency to negotiate concurrently with all entities that provide notice of interest to purchase or lease land for the purpose of developing affordable housing;

j) Provides that the failure by a local agency to comply with the provisions of the Surplus Land Act shall invalidate the transfer or conveyance of real property to a purchase or encumbrancer for value, unless the local agency makes an alternative site available, as specified, that can accommodate an equal or greater number of housing units as the original site; and,

k) Clarifies that the existing 15% minimum affordability requirement applies whenever surplus land is used for housing;

2) Modifies an existing requirement in law that requires each local agency to make an inventory of all lands held, owned, or controlled by it or any of its departments to determined what land is in excess of its foreseeable needs for its *governmental operations*, and requires this information to be reported to HCD no later than April 1, of each year, beginning 2021.

3) Requires HCD to create and maintain a searchable and downloadable public inventory of all publicly owned or controlled lands and their present uses in the state on its internet website, which shall be updated on an annual basis. Requires the inventory to be available no later than September 30, 2021.

4) Requires a city or county, by April 1 of each year, in the Annual Progress Report submitted to HCD and the Governor's Office of Planning and Research (OPR), to additionally include a listing of sites owned or leased by the city or county that have been sold, leased or otherwise disposed of in the prior year, and a listing of sites with leases that expired in the prior year. Specifies that the list shall include the entity to whom each site was transferred and the intended use for the site.

5) Expands, in a city or county's identification of sites required pursuant to Housing Element law, the requirements for cities and counties to additionally include information about certain sites owned by a local agency (as defined by the Surplus Land Act), thereby requiring cities and counties to account for sites owned by a special district or school district, including the following:

a) Residentially zoned zones that are capable of being developed at a higher density owned or lease by any local agency; and,

b) Sites zoned for nonresidential use that can be redeveloped for residential use, and for which the housing element includes a program to rezone the site, as necessary, rezoned for, to permit residential use, includes sites owned or leased by a local agency.

6) Requires, in a city or county's identification of sites, if a piece of property is owned by the city or county preparing the housing element, the description of nonvacant sites to also include whether there are any plans to dispose of the property during the planning period, and how the agency will comply with the Surplus Land Act.

7) Adds the Surplus Land Act to provisions that allow HCD to notify the city or county and notify the Office of the Attorney General that that city or county is in violation of state law.

8) Modifies requirements for state surplus property, as follows:

a) Clarifies the existing requirement that each state agency shall make a review of all proprietary state lands, as specified that that agency has jurisdiction to determine what, if any, land is in excess its foreseeable needs *for governmental operations;*

b) Requires DGS, when authority is granted for the sale or other disposition of lands declared excess, and DGS has determined that the use of land is not needed by any other state agency, to sell the land or otherwise dispose of it, as specified, and modifies this process;

c) Requires, for land that DGS has determined is not needed by any other state agency, DGS to request authorization to dispose of no less than 10% of the land on an annual basis pursuant to 8)b), above;

d) Requires that surplus land that DGS has disposed of to be permitted by right, regardless of local zoning designations, for a residential use if 100% of the residential units, except for the units occupied by onsite management staff, are sold or rented at an affordable housing cost, or affordable rent, as defined, to lower income households, as defined; and,

e) Requires DGS to make every effort to conclude the pending disposition of surplus land pursuant to 8)c), above, that is has received authorization to dispose of within 24 months of the date the sale, exchange, or transfer of land was approved by DGS.

9) Provides that reimbursement to local agencies and school districts shall be made, if the Commission on State Mandates determines that this act contains costs mandated by the state.

EXISTING LAW:

1) Requires each local agency, on or before December 31 of each year, to make an inventory of all lands held, owned or controlled by it or any of its departments, agencies, or authorities, to determine what land, including air rights, if any, is in excess of its foreseeable needs. Requires a description of each parcel found to be so in excess of needs to be made a matter of public record. Allows any citizen, limited dividend corporation, housing corporation or nonprofit corporation, upon request, to be provided with a list of said parcels without charge.

2) Defines “surplus land” as land owned by any local agency that is determined to be no longer necessary for the agency’s use, except property being held by the agency for the purpose of exchange or property meeting other exemptions.

3) Requires that a local agency must provide a written offer to sell or lease surplus land for the purpose of developing low- or moderate-income housing to "housing sponsors" upon written request, as well as any local public entity within the jurisdiction where the surplus land is located.

4) Provides that a local agency wishing to dispose of surplus land must also provide a written offer to additional entities, depending on the type of proposed usage, for park and recreational purposes, school facilities construction or use by a school district for open space purposes, enterprise purposes, and infill opportunity zones or transit village plans.

5) Allows a county to establish a central inventory of surplus property.

FISCAL EFFECT: This bill is keyed fiscal and contains a state-mandated local program.

COMMENTS:

1) **Bill Summary.** This bill makes numerous changes to the local Surplus Lands Act, and to state surplus land statutes. For the local Surplus Lands Act, this bill significantly expands the Act to:

   a) Specify that the definition of “surplus” land is land not needed for the agency’s own *governmental operations,* and then defines this term;

   b) Modifies the definition of “disposal” to mean sell, lease, transfer, or otherwise convey any interest in real property owned by a local agency, thus expanding the Act to local agency leases;

   c) Lists out numerous exemptions on what is considered “exempt surplus land;”

   d) Modifies procedures for notification of surplus lands, and how the local agency can negotiate with the interested party or parties on that land; and,

   e) Allows any surplus land disposed of by a public agency to be permitted for residential use, regardless of local zoning designations, if 100% of the units are sold or rented at an affordable housing cost or affordable rent.

   In addition to these provisions, the bill also requires all local agencies, as the bill defines, to make an inventory of all lands held, owned, or controlled by it, in excess of its foreseeable needs for its governmental operations, and report this information to HCD each year. The bill also places additional requirements on cities and counties in the provisions of law that require a city or county to develop an inventory of land suitable for residential development to account for these surplus lands, and allows HCD to notify the Attorney General if a city or county is in violation of provisions of the Surplus Lands Act.

This bill is sponsored by the Nonprofit Housing Association of Northern California and the San Diego Housing Federation.

2) **Author's Statement.** According to the author, "California is facing an affordable housing crisis and unused public land has the potential to promote affordable housing development throughout the state. AB 1486 clarifies and strengthens provisions in the Surplus Lands Act that will promote the use of public land for affordable housing projects."

3) **Executive Order on Surplus Property.** On January 15, 2019, Governor Gavin Newsom signed Executive Order N-06-19 that requires DGS to create an inventory of all state-owned parcels that are in excess of state agencies' foreseeable needs by, among other things, conducting a comprehensive survey of all state-owned land, and required that the inventory be completed by April 30, 2019. The Executive Order also requires DGS, HCD and the Housing Finance Agency to collaborate to develop two new screening tools for prioritizing affordable housing development on excess state land by March 29, 2019, and to issue requests for proposals on individual parcels and accept proposals from developers of affordable housing.

4) **Prior and Related Legislation.** AB 2135 (Ting), Chapter 644, Statues of 2014, amended the procedure for the disposal of surplus land by local agencies and expanded the provisions relating to the prioritization of affordable housing development if the surplus land will be used for residential development.

   AB 2065 (Ting, 2018), would have amended the Surplus Lands Act expand the types of local agencies required to comply with the Act, require a "written notice of availability" of property to specified entities prior to disposal of property, require that notice to be sent to housing sponsors that have notified both HCD and the COG of their interest in surplus land, placed parameters on the negotiations to dispose of the property, and would have provided that the existing 15% affordability requirements applies whenever surplus public land is used for housing. AB 2065 was held in the Appropriations Committee. Most of the changes contained in 2065 are in also in AB 1486.

   AB 1255 (R. Rivas), currently pending in this Committee, requires cities and counties to include an inventory of surplus sites that are infill, "high-density" sites in the housing element, and requires Department of General Services (DGS) to create a searchable database of surplus sites.

5) **Policy Considerations.** The Committee may wish to consider the following issues:

   a) **Local Agency Leases.** Opposition from local governments argue that the bill redefines and substantially broadens the term "dispose of" to include the sale, *lease*, transfer, or other conveyance of an interest in real property, which would pose many problems for public agencies. According to these groups, the bill narrowly exempts certain very specific leasing scenarios from the requirements of the bill, but fails to address the global problems associated with making the surplus land requirements applicable to leasing or conveyance of easements of other nonpossessory interests. They write that local governments lease property in a wide array of circumstances in support of their governmental operations and public purposes, not all of which can be predicted or micromanaged in advance as this bill attempts. They ask that the author amend the definition of "disposal" in AB 1486 to apply only to the *sale* of surplus land.

b) **Parameters of 100% Affordable Housing Provisions.** Concerns have been raised about the broad nature of the provisions related to allowing any surplus land disposed of by a public agency to be permitted for residential use, regardless of local zoning designations, if 100% of the units are sold or rented at an affordable housing cost or affordable rent. The sponsor notes that these provisions are intended to apply to projects that receive some level of state subsidy.

c) **Implementation Issues.** There are several technical implementation issues that should be addressed, including consistency in terminology. These issues include:

i) **Local Inventory Required in Provisions other than the Surplus Lands Act.** This bill expands the provisions of the local Surplus Lands Act, yet requires an inventory to be completed by local agencies in a completely unrelated section of laws. In order to address this issue, the provisions of Government Code Section 50569 should be deleted and then added into Government Code 54230, which is in the Surplus Lands Act.

i) **Governmental Operations Definition.** The bill creates a new definition of "governmental operations" in the Surplus Lands Act. This term is also added to the DGS section of the bill, however there is no definition included in this unrelated code section. For consistency, it should be added.

ii) **Housing Element Language.** This bill requires cities and counties to inventory the surplus land of *all local agencies* in the bill's requirements for cities and counties to make an inventory of land suitable for residential development. This should be corrected to return back to existing law so that the impact is only on a city or county.

6) **Committee Amendments.** In order to address these issues, the Committee may wish to consider the following amendments:

a) Remove new "dispose of" definition added by the bill, and delete corresponding lease exemption language contained in local Surplus Land Act provisions.

b) Include language in the 100% affordable units section to specify that "This provision shall not apply if the site is ineligible for any public financing for affordable housing."

c) Fix the implementation issues listed above.

7) **Arguments in Support.** Supporters argue that many local agencies have attempted to circumvent both the letter and intent of the Surplus Lands Act, and that this bill will bring greater clarity and improvement to the enforcement of the Act.

8) **Arguments in Opposition.** Opponents argue that the new definition of "disposal" is problematic for many public agencies that have valid reasons to lease or otherwise protect land they own, and note that the bill would place onerous new requirements on public agencies disposing of surplus land.

9) **Double-Referral.** This bill is double-referred to the Housing and Community Development Committee.

REGISTERED SUPPORT / OPPOSITION:

Support

Nonprofit Housing Association of Northern California [SPONSOR]
San Diego Housing Federation [SPONSOR]
Bay Area Council
Building Industry Association of the Bay Area
Burbank Housing Development Corporation
California Community Builders
California Housing Consortium
California Rural Legal Assistance Foundation
California YIMBY
Chan Zuckerberg Initiative
Community Legal Services In East Palo Alto
EAH Housing
East Bay Asian Local Development Corporation
East Bay Housing Organizations
Enterprise Community Partners, Inc.
Habitat For Humanity East Bay/Silicon Valley
Housing California
North Bay Leadership Council
Related California
San Diego Housing Federation
San Francisco Foundation (if amended)
San Francisco Housing Action Coalition
Silicon Valley At Home (Sv@Home)
TMG Partners
Urban Displacement Project, UC-Berkeley
Western Center on Law & Poverty, Inc.
Working Partnerships USA (if amended)

Opposition

Association of California Healthcare Districts (unless amended)
Association of California Water Agencies (unless amended)
California Association of Sanitation Agencies (unless amended)
California Land Title Association (unless amended)
California Municipal Utilities Association (unless amended)
California Special Districts Association (unless amended)
California State Association of Counties (unless amended)
Chino Valley Independent Fire District (unless amended)
Coachella Valley Water District
Costa Mesa Sanitary District (unless amended)
Crestline Sanitation District (unless amended)
Cucamonga Valley Water District (unless amended)
Eastern Kern County Resource Conservation District (unless amended)
El Dorado Hills Community Services District (unless amended)

Opposition (continued)

Fresno County Mosquito And Vector Control District (unless amended)
Georgetown Divide Public Utility District (unless amended)
Goleta Sanitary Water Resource Recovery District (unless amended)
Goleta West Sanitary District (unless amended)
Greenfield County Water District (unless amended)
Humboldt Bay Municipal Water District (unless amended)
Indian Wells Valley Water District (unless amended)
Irvine Ranch Water District (unless amended)
Kern County Cemetery District (unless amended)
Leucadia Wastewater District (unless amended)
Mckinleyville Community Services District (unless amended)
Merced County Mosquito Abatement District (unless amended)
Mesa Water District (unless amended)
North County Fire Protection District (unless amended)
North Tahoe Fire Protection District (unless amended)
Northern Salinas Valley Mosquito Abatement District
Orange County Mosquito Abatement District (unless amended)
Orange County Water District (unless amended)
Palo Verde Cemetery District (unless amended)
Placentia Library District (unless amended)
Rainbow Municipal Water District
Rural County Representatives of California (unless amended)
Santa Margarita Water District (unless amended)
San Bernardino Valley Water District (unless amended)
South Coast Water District (unless amended)
Stallion Springs Community Services District (unless amended)
Tahoe City Public Utility District (unless amended)
Three Valleys Municipal Water District (unless amended)
Town of Discovery Bay Community Services District (unless amended)
Tulare Public Cemetery District (unless amended)
Urban Counties of California (unless amended)
Valley Center Municipal Water District (unless amended)
Ventura Port District (unless amended)
Vista Irrigation District (unless amended)
West Side Recreation and Park District (unless amended)
Yucaipa Valley Water District

Analysis Prepared by: Debbie Michel / L. GOV. / (916) 319-3958

Senate Bill 4

Enabling Inclusive Workforce Affordable Housing

Senator McGuire

Summary

California is facing an affordable housing crisis that threatens the long-term financial viability of our state and local communities. Strategic infill focused on workforce affordable housing throughout California without advancing a one-size-fits-all strategy is key to addressing the needs of working families and seniors while ensuring no neighborhood witnesses radical change. SB 4 will advance strategies to help address the affordable housing crisis in big cities and small, in every corner of California by encouraging (1) projects that are in scale with what local governments already allow in areas with sufficient transit, but some cities simply won't approve and (2) multi-family buildings in residential areas throughout the state.

Background

California is in the midst of a serious housing crisis. Homeownership rates in the state have fallen to the lowest rate since the 1940s. California is home to 21 of the 30 most expensive rental housing markets in the country, which has had a disproportionate impact on the middle class and the working poor. A major factor in this crisis is the state's housing shortage. From 1954-1989, California constructed an average of more than 200,000 new homes annually, with multifamily housing accounting for the largest share of housing production. Since then, however, construction has dropped significantly. The state Department of Housing and Community Development (HCD) estimates that approximately 1.8 million new housing units – 180,000 new homes per year – are needed to meet the state's projected population and housing growth by 2025.

Problem

A variety of causes have contributed to the lack of housing production, including restrictive zoning ordinances, skyrocketing land prices, local permitting processes that provide multiple avenues to stop a project, and the lack of public funding to advance workforce affordable housing. These issues pose challenges to constructing market-rate and affordable housing developments alike. California's high—and rising—land costs necessitate multifamily housing construction for a project to be financially viable and for the housing to ultimately be affordable to lower-income households. Yet, recent trends in California have shown that sufficient new multifamily housing is not being constructed.

Solution

SB 4 advances strategic changes local zoning to allow construction of additional homes in two ways. First, SB 4 grants streamlined ministerial review to eligible projects within ½ mile of fixed rail or ferry terminals in cities of 50,000 residents or more in smaller counties and in all urban areas in counties with over a million residents. SB 4 also only applies to jurisdictions that have produced fewer housing units than jobs over the past 10 years and are not meeting goals for regional housing needs at one or more income levels. An eligible project may be up to one story (15 feet) above the highest zoning (plus density bonus) for that parcel, provided they meet certain conditions, such as meeting local design standards and including at least 30 units per acre in urban counties and 20 units per acre in suburban counties. Finally, 30% of the units in an eligible project must be set aside for lower-income families, and prevailing wage/skilled and trained workforce (per SB 35) requirements also apply.

Second, SB 4 allows ministerial permitting of up to fourplexes in residential areas in cities and urban areas over 50,000 people (duplexes in urban areas under 50,000) on any vacant infill parcels zoned residential, as long as it meets other local requirements for height, setback, and lot coverage that applied to the parcel on Jan 1, 2018. Projects would be required to provide at least 0.5 spaces per unit. Developers would have to pay for sewer, water, and electrical hookups, and school fees would be capped at $3,000 per unit, but other impact fees would be prohibited.

Certain sensitive communities are excluded, including: historic districts, coastal zones, very high fire hazard severity zones, and floodplains. Also, anti-displacement language ensures that these projects will not displace existing tenants. These changes only apply to parcels where the land has been reassessed on or after Jan 1, 2021, so that their property tax reasonably reflects their fair market value.

Contact

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Support

AMENDED IN SENATE APRIL 10, 2019

AMENDED IN SENATE FEBRUARY 28, 2019

SENATE BILL No. 4

Introduced by Senators McGuire and Beall

December 3, 2018

An act to add Sections 65913.5 and 65913.6 to the Government Code, relating to land use.

LEGISLATIVE COUNSEL'S DIGEST

SB 4, as amended, McGuire. Housing.

(1) The Planning and Zoning Law requires a city or county to adopt a general plan for land use development within its boundaries that includes, among other things, a housing element. Existing law requires an attached housing development to be a permitted use, not subject to a conditional use permit, on any parcel zoned for multifamily housing if at least certain percentages of the units are available at affordable housing costs to very low income, lower income, and moderate-income households for at least 30 years and if the project meets specified conditions relating to location and being subject to a discretionary decision other than a conditional use permit. Existing law provides for various incentives intended to facilitate and expedite the construction of affordable housing.

Existing law authorizes a development proponent to submit an application for a multifamily housing development that satisfies specified planning objective standards to be subject to a streamlined, ministerial approval process, as provided, and not subject to a conditional use permit.

This bill would authorize a development proponent of a neighborhood multifamily project or eligible ~~TOD~~ *transit-oriented development (TOD)*

project located on an eligible parcel to submit an application for a streamlined, ministerial approval process that is not subject to a conditional use permit. The bill would define a "neighborhood multifamily project" to mean a project to construct a multifamily unit of up to 2 residential dwelling units in a nonurban community, as defined, or up to 4 residential dwelling units in an urban community, as defined, that meets local height, setback, and lot coverage zoning requirements as they existed on July 1, 2019. The bill would define an "eligible TOD project" as a project located in an urban community, as defined, that meets specified height requirements, is located within ½ mile of an existing or planned transit station parcel or entrance, and meets other floor area ratio, density, parking, and zoning requirements. The bill also requires an eligible TOD project development proponent to develop a plan that ensures transit accessibility to the residents of the development in coordination with the applicable local transit agency. The bill would require specified TOD projects to comply with specified affordability, prevailing wage, and skilled and trained workforce requirements. The bill would also define "eligible parcel" to mean a parcel located within a city or county that has unmet regional housing needs and has produced fewer housing units than jobs over a specified period; is zoned to allow residential use and qualifies as an infill site; is not located within a historic district, coastal zone, very high fire hazard severity zone, or a flood plain; the development would not require the demolition of specified types of affordable housing; the parcel is not eligible for development under existing specified transit-oriented development authorizations; and the parcel in question has been fully reassessed on or after January 1, 2021, to reflect its full cash ~~value.~~ *value, following a change in ownership.*

This bill would require a local agency to notify the development proponent in writing if the local agency determines that the development conflicts with any of the requirements provided for streamlined ministerial approval; otherwise, the development is deemed to comply with those requirements. The bill would limit the authority of a local agency to impose parking standards or requirements on a streamlined development approved pursuant to these provisions, as provided. ~~The bill would prohibit a local agency, special district, or water corporation from considering a neighborhood multifamily unit to be a new residential use for the purpose of calculating fees charged for new development, except as otherwise provided.~~ The bill would provide that if a local agency approves a project pursuant to that process, that approval will

not expire if that project includes investment in housing affordability, and would otherwise provide that the approval of a project expire automatically after 3 years, unless that project qualifies for a one-time, one-year extension of that approval. The bill would provide that approval pursuant to its provisions would remain valid for 3 years and remain valid thereafter, so long as vertical construction of the development has begun and is in progress, and would authorize a discretionary one-year extension, as provided. The bill would prohibit a local agency from adopting any requirement that applies to a project solely or partially on the basis that the project receives ministerial or streamlined approval pursuant to these provisions.

This bill would allow a local agency to exempt a project from the streamlined ministerial approval process described above by finding that the project will cause a specific adverse impact to public health and safety, and there is no feasible method to satisfactorily mitigate or avoid the adverse impact.

(2) The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of, an environmental impact report on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. CEQA does not apply to the approval of ministerial projects.

This bill would establish a streamlined ministerial approval process for neighborhood multifamily and transit-oriented projects, thereby exempting these projects from the CEQA approval process.

(3) The bill would make findings that ensuring access to affordable housing is a matter of statewide concern rather than a municipal affair and, therefore, applies to all cities, including a charter city and a charter city and county.

(4) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

SECTION 1. (a) The Legislature finds and declares all of the following:

(1) California's high and rising land costs necessitate dense housing construction in order for a project to be financially viable and affordable to lower income households. Yet, recent trends in California show that new housing has not commensurately increased in density. In a 2016 analysis, the Legislative Analyst's Office found that the housing density of a typical neighborhood in California's coastal metropolitan areas increased only by 4 percent during the 2000s. The pattern of development in California has changed in ways that limit new housing opportunities. New development shifted from moderate, but widespread density in the 1960s and 1970s, to pockets of high-density housing near downtown cores surrounded by vast swaths of low-density single-family housing.

(2) Economists widely agree that restrictive land use policies increase housing prices. Studies have found that housing prices in California are higher and increase faster in jurisdictions with stricter land use controls, and in some markets, each additional regulatory measure increases housing prices by nearly 5 percent. Stricter land use controls are also associated with greater displacement and segregation along both income and racial lines. Restrictive land use policies also hurt economic growth by preventing residents from moving to more productive areas where they can accept more productive jobs that pay higher wages.

(3) At the same time, there are limitations to lowering housing prices by expanding supply. New housing stock takes decades to become affordable, and new housing can displace existing residents absent adequate safeguards. Moreover, reductions in the cost to produce housing do not necessarily lead to a reduction in housing prices. While local agencies control housing approvals, developers are ultimately responsible for construction. Finally, solutions that apply to the state's major metropolitan areas may not be effective in rural areas.

(b) Therefore, it is the intent of the Legislature to enact legislation that would limit restrictive local land use policies and legislation that would encourage increased housing development near transit and job centers, in a manner that ensures that every jurisdiction contributes its fair share to a housing solution, while acknowledging relevant differences among communities.

SEC. 2. Section 65913.5 is added to the Government Code, to read:

65913.5. For purposes of this section and Section 65913.6, the following definitions shall ~~apply.~~ *apply:*

(a) "Development proponent" means the developer who submits an application for streamlined approval pursuant to Section 65913.6.

(b) "Eligible parcel" means a parcel that meets all of the following requirements:

(1) The parcel on which the project would be located has been fully reassessed on or after January 1, 2021, to reflect its full cash value ~~as if a change in ownership has occurred,~~ *following a change in ownership,* as defined by Sections 60 and 61 of the Revenue and Taxation Code.

(2) The parcel is located within the jurisdictional boundaries of a local agency that meets both of the following conditions:

(A) The Department of Housing and Community Development has determined that the local agency has produced fewer housing units than jobs over the past 10 years, based on data developed by the United States Bureau of Labor Statistics and the Employment Development Department.

(B) The local agency has unmet regional housing needs.

(3) The parcel is not located within any of the following:

(A) An architecturally or historically significant historic district, as defined in subdivision (h) of Section 5020.1 of the Public Resources Code.

(B) A coastal zone, as defined in Division 20 (commencing with Section 30000) of the Public Resources Code.

(C) A very high fire hazard severity zone, as determined by the Department of Forestry and Fire Protection pursuant to Section 51178, or within a high or very high fire hazard severity zone as indicated on maps adopted by the Department of Forestry and Fire Protection pursuant to Section 4202 of the Public Resources Code.

A parcel is not ineligible within the meaning of this paragraph if it is either of the following:

(i) A site excluded from the specified hazard zones by a local agency, pursuant to subdivision (b) of Section 51179.

(ii) A site that has adopted fire hazard mitigation measures pursuant to existing building standards or state fire mitigation measures applicable to the development.

(D) A flood plain as determined by maps promulgated by the Federal Emergency Management Agency, unless the development has been issued a flood plain development permit pursuant to Part 59 (commencing with Section 59.1) and Part 60 (commencing with Section 60.1) of Subchapter B of Chapter I of Title 44 of the Code of Federal Regulations.

(4) The development of the project on the proposed parcel would not require the demolition of any of the following types of housing:

(A) Housing that is subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of moderate, low, or very low income.

(B) Housing that is subject to any form of rent or price control through a public entity's valid exercise of its police power.

(C) Housing that has been occupied by tenants within the past 10 years.

(5) The site was not previously used for housing that was occupied by tenants that was demolished within 10 years before the development proponent submits an application under this section.

(6) The development of the project on the proposed parcel would not require the demolition of a historic structure that was placed on a national, state, or local historic register.

(7) The proposed parcel does not contain housing units that are occupied by tenants, and units at the property are, or were, subsequently offered for sale to the general public by the subdivider or subsequent owner of the property.

(8) The parcel is zoned to allow residential use and qualifies as an infill site.

(9) The parcel does not qualify as an eligible TOD project site for a development under Article 4 (commencing with Section 29010) of Chapter 6 of Part 2 of Division 10 of the Public Utilities Code.

(c) "Eligible TOD project" means a TOD project, located on an eligible parcel in an urban community, that meets all of the following requirements:

(1) It has a height less than or equal to one story, or 15 feet, above the highest allowable height for mixed use or residential use. For purposes of this paragraph, "highest allowable height" means the tallest height, including heights that require conditional approval, allowable pursuant to zoning and any specific or area plan that covers the parcel.

(2) It is located within a one-half mile of an existing or planned transit station entrance.

(3) It has a floor area ratio equal to or less than 0.6 times the number of stories that satisfies paragraph (1). If the parcel is not subject to a zoning ordinance or other restriction on maximum height, the maximum allowable floor area ratio shall be calculated by multiplying the number of stories proposed for the project by 0.6.

(4) It has a minimum density of 30 dwelling units per acre in jurisdictions considered metropolitan, as defined in subdivision (f) of Section 65583.2, or a minimum density of 20 dwelling units per acre in jurisdictions considered ~~suburban~~ *suburban*, as defined in subdivision (e) of Section 65583.2.

(5) It provides parking as follows:

(A) The project provides parking consistent with the provisions of subdivision (p) of Section 65915, if the project is located in a city with less than 100,000 residents or if the project is located in a city with over 100,000 residents and is between one-fourth and one-half mile from an existing or planned transit station.

(B) No minimum parking requirement shall apply to a project located in a jurisdiction with over 100,000 residents and that is within one-fourth of a mile from an existing or planned transit station entrance.

(6) At least two-thirds of the square footage of the development is designated for residential use.

(7) The eligible TOD project meets all local requirements that do not conflict with this section or Section 65913.6, including, but not limited to, a general plan, specific plan, or zoning ordinance. If, on or after July 1, 2019, a local agency adopts an ordinance that eliminates residential zoning designations or decreases residential zoning development capacity within an existing zoning district in

which the development is located other than what was authorized on July 1, 2019, then that development shall be deemed to be consistent with any applicable requirement of this section and Section 65913.6 if it complies with zoning designations not in conflict with this section and Section 65913.6 that were authorized as of July 1, 2019.

(8) The development proponent of the TOD project, in coordination with the applicable local transit agency, develops a plan to ensure transit accessibility to the residents of the development.

(9) For a TOD project relating to a planned transit station, the station has been approved by an ordinance or resolution adopted by the legislative body of the local agency with local land use zoning jurisdiction over the area in which the station is located.

(10) For a TOD project of 10 units or greater, the development proponent dedicates a minimum of 30 percent of the total number of units available at an affordable rent or affordable housing cost to households earning below 80 percent of the area median income and executes a recorded affordability restriction for at least 55 years. If the local agency has adopted a local ordinance that requires that greater than 30 percent of the units be dedicated to housing affordable to households making below 80 percent of the area median income, then that local ordinance shall apply.

(11) The TOD project proponent certifies to the local agency that either of the following is true, as applicable:

(A) The entirety of the development is a public work for purposes of Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of the Labor Code.

(B) If the development is not in its entirety a public work, that all construction workers employed in the execution of the development will be paid at least the general prevailing rate of per diem wages for the type of work and geographic area, as determined by the Director of Industrial Relations pursuant to Sections 1773 and 1773.9 of the Labor Code, except that apprentices registered in programs approved by the Chief of the Division of Apprenticeship Standards may be paid at least the applicable apprentice prevailing rate. If the development is subject to this subparagraph, then for those portions of the development that are not a public work all of the following shall apply:

(i) The development proponent shall ensure that the prevailing wage requirement is included in all contracts for the performance of the work.

(ii) All contractors and subcontractors shall pay to all construction workers employed in the execution of the work at least the general prevailing rate of per diem wages, except that apprentices registered in programs approved by the Chief of the Division of Apprenticeship Standards may be paid at least the applicable apprentice prevailing rate.

(iii) Except as provided in clause (v), all contractors and subcontractors shall maintain and verify payroll records pursuant to Section 1776 of the Labor Code and make those records available for inspection and copying as provided therein.

(iv) Except as provided in clause (v), the obligation of the contractors and subcontractors to pay prevailing wages may be enforced by the Labor Commissioner through the issuance of a civil wage and penalty assessment pursuant to Section 1741 of the Labor Code, which may be reviewed pursuant to Section 1742 of the Labor Code, within 18 months after the completion of the development, by an underpaid worker through an administrative complaint or civil action, or by a joint labor-management committee though a civil action under Section 1771.2 of the Labor Code. If a civil wage and penalty assessment is issued, the contractor, subcontractor, and surety on a bond or bonds issued to secure the payment of wages covered by the assessment shall be liable for liquidated damages pursuant to Section 1742.1 of the Labor Code.

(v) Clauses (iii) and (iv) shall not apply if all contractors and subcontractors performing work on the development are subject to a project labor agreement that requires the payment of prevailing wages to all construction workers employed in the execution of the development and provides for enforcement of that obligation through an arbitration procedure. For purposes of this clause, "project labor agreement" has the same meaning as set forth in paragraph (1) of subdivision (b) of Section 2500 of the Public Contract Code.

(vi) Notwithstanding subdivision (c) of Section 1773.1 of the Labor Code, the requirement that employer payments not reduce the obligation to pay the hourly straight time or overtime wages found to be prevailing shall not apply if otherwise provided in a

bona fide collective bargaining agreement covering the worker. The requirement to pay at least the general prevailing rate of per diem wages does not preclude use of an alternative workweek schedule adopted pursuant to Section 511 or 514 of the Labor Code.

(12) (A) For a TOD project in which any of the following conditions apply, the development proponent certifies that a skilled and trained workforce shall be used to complete the development if one of the following is met:

(i) The development consists of 50 or more units with a residential component that is not 100 percent subsidized affordable housing and will be located within a local agency located in a coastal or bay county with a population of 225,000 or more.

(ii) The development consists of more than 25 units with a residential component that is not 100 percent subsidized affordable housing and will be located within a local agency with a population of fewer than 550,000 and that is not located in a coastal or bay county.

(B) Notwithstanding subparagraph (A), a project that is subject to approval pursuant to this section is exempt from the prevailing wage and skilled workforce requirements if it meets both of the following:

(i) The project includes fewer than 10 units.

(ii) The project is not a public work for purposes of Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of the Labor Code.

(C) For purposes of this paragraph, "skilled and trained workforce" has the same meaning as provided in Chapter 2.9 (commencing with Section 2600) of Part 1 of Division 2 of the Public Contract Code.

(D) If the development proponent has certified that a skilled and trained workforce will be used to complete the development and the application is approved, all of the following shall apply:

(i) The development proponent shall require in all contracts for the performance of work that every contractor and subcontractor at every tier will individually use a skilled and trained workforce to complete the development.

(ii) Every contractor and subcontractor shall use a skilled and trained workforce to complete the development.

(iii) Except as provided in clause (iv), the development proponent shall provide to the local agency, on a monthly basis while the development or contract is being performed, a report demonstrating compliance with Chapter 2.9 (commencing with Section 2600) of Part 1 of Division 2 of the Public Contract Code. A monthly report provided to the local agency pursuant to this clause shall be a public record under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1) and shall be open to public inspection. A development proponent that fails to provide a monthly report demonstrating compliance with Chapter 2.9 (commencing with Section 2600) of Part 1 of Division 2 of the Public Contract Code shall be subject to a civil penalty of ten thousand dollars ($10,000) per month for each month for which the report has not been provided. Any contractor or subcontractor that fails to use a skilled and trained workforce shall be subject to a civil penalty of two hundred dollars ($200) per day for each worker employed in contravention of the skilled and trained workforce requirement. Penalties may be assessed by the Labor Commissioner within 18 months of completion of the development using the same procedures for issuance of civil wage and penalty assessments pursuant to Section 1741 of the Labor Code, and may be reviewed pursuant to the same procedures in Section 1742 of the Labor Code. Penalties shall be paid to the State Public Works Enforcement Fund created pursuant to Section 1771.3 of the Labor Code.

(iv) Clause (iii) shall not apply if all contractors and subcontractors performing work on the development are subject to a project labor agreement that requires compliance with the skilled and trained workforce requirement and provides for enforcement of that obligation through an arbitration procedure. For purposes of this subparagraph, “project labor agreement” has the same meaning as set forth in paragraph (1) of subdivision (b) of Section 2500 of the Public Contract Code.

(d) “Floor area ratio” means the ratio of gross building area of the development, excluding structured parking areas, proposed for the project, divided by the total area of the parcel or parcels used by the project. For purposes of this subdivision, “gross building area” means the sum of all finished areas of all floors of a building included within the outside faces of its exterior walls.

(e) "Local agency" means a city, including a charter city, a county, including a charter county, or a city and county, including a charter city and county.

(f) "Neighborhood multifamily project" means a project to construct a multifamily unit of up to two residential dwelling units in a nonurban community, and up to four residential dwelling units in an urban community, located on an eligible parcel, that meets all of the following requirements:

(1) The parcel or parcels on which the neighborhood multifamily project would be located is vacant land, as defined in subdivision (p).

(2) The neighborhood multifamily project meets all local requirements that do not conflict with this subdivision or Section 65913.6 for height, setbacks, lot coverage, and any other applicable local zoning requirement. If, on or after July 1, 2019, a local agency adopts an ordinance that eliminates residential zoning designations or decreases residential zoning development capacity within an existing zoning district in which the development is located than what was authorized on July 1, 2019, then that development shall be deemed to be consistent with any applicable requirement of this section and Section 65913.6 if it complies with zoning designations not in conflict with this section and Section 65913.6 that were authorized as of July 1, 2019.

(3) The project provides at least 0.5 parking spaces per unit.

(g) "Planned transit station" means a transit station that has completed the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) review and for which construction is more than 75 percent funded.

(h) "Production report" means the information reported pursuant to subparagraph (H) of paragraph (2) of subdivision (a) of Section 65400.

(i) "Reporting period" means either of the following:

(1) The first half of the regional housing needs assessment cycle.

(2) The last half of the regional housing needs assessment cycle.

(j) "Station entrance" means the entry point into an enclosed station structure, or, if that point is not clear or does not exist, the station fare gates.

(k) "TOD" means transit-oriented development.

(*l*) "Transit station" means a passenger rail or light-rail station or ferry terminal, but does not include stations solely served by National Railroad Passenger Corporation lines that leave the state.

(m) "Unmet regional housing needs" means the Department of Housing and Community Development has determined that the number of units that have been entitled, or issued building permits or certificates of occupancy, is less than the local agency's share of the regional housing needs, for any income category, for that reporting period. A local agency shall remain subject to this subdivision until the department's determination for the next reporting period. A local agency shall be subject to this subdivision if it has not submitted an annual housing element report to the department pursuant to paragraph (2) of subdivision (a) of Section 65400 for at least two consecutive years before the development submitted an application for approval by Section 65913.6.

(n) "Urban community" means either of the following:

(1) A city with a population of 50,000 or greater that is located in a county with a population of less than 1,000,000.

(2) An urbanized area or urban cluster, as designated by the United States Census Bureau, located in a county with a population of 1,000,000 or greater.

(o) "Nonurban community" means an urbanized area or urban cluster, as designated by the United States Census Bureau, that is not an urban community.

(p) "Vacant land" means either of the following:

(1) A property that contains no existing structures.

(2) A property that contains at least one existing structure, but the structure or structures have been unoccupied for at least five years and are considered substandard as defined by Section 17920.3 of the Health and Safety Code.

(q) (1) "Infill site" means a site in an urban or nonurban community that meets either of the following criteria:

(A) The site has not been previously developed for urban uses and both of the following apply:

(i) The site is immediately adjacent to parcels that are developed with urban uses, or at least 75 percent of the perimeter of the site adjoins parcels that are developed with urban uses, and the remaining 25 percent of the site adjoins parcels that have previously been developed for urban uses.

(ii) No parcel within the site has been created within the past 10 years unless the parcel was created as a result of the plan of a redevelopment agency.

(B) The site has been previously developed for urban uses.

(2) For purposes of this subdivision, "urban use" means any residential, commercial, public institutional, transit or transportation passenger facility, or retail use, or any combination of those uses.

SEC. 3. Section 65913.6 is added to the Government Code, to read:

65913.6. (a) For purposes of this section, the definitions provided in Section 65913.5 shall apply.

(b) Except as provided in subdivision (i), a development proponent of a neighborhood multifamily project or eligible TOD project located on an eligible parcel may submit an application for a development to be subject to a streamlined, ministerial approval process provided by subdivision (c) and not be subject to a conditional use permit if the development meets the requirements of this section and Section 65913.5 and is consistent with objective zoning standards and objective design review standards in effect at the time that the development is submitted to the local agency pursuant to this section. For purposes of this subdivision, "objective zoning standards" and "objective design review standards" means standards that involve no personal or subjective judgment by a public official and are uniformly verifiable by reference to an external and uniform benchmark or criterion available and knowable by both the development proponent and the public official before the development proponent submits an application pursuant to this section.

(c) (1) If a local agency determines that a development submitted pursuant to this section is in conflict with any of the requirements specified in this section or Section 65913.5, it shall provide the development proponent written documentation of which requirement or requirements the development conflicts with, and an explanation for the reason or reasons the development conflicts with that requirement or requirements, as follows:

(A) Within 60 days of submission of the development to the local agency pursuant to this section if the development contains 150 or fewer housing units.

(B) Within 90 days of submission of the development to the local agency pursuant to this section if the development contains more than 150 housing units.

(2) If the local agency fails to provide the required documentation pursuant to paragraph (1), the development shall be deemed to satisfy the requirements of this section and Section 65913.5.

(d) Any design review or public oversight of the development may be conducted by the local agency's planning commission or any equivalent board or commission responsible for review and approval of development projects, or the city council or board of supervisors, as appropriate. That design review or public oversight shall be objective and be strictly focused on assessing compliance with criteria required for streamlined projects, as well as any reasonable objective design standards published and adopted by ordinance or resolution by a local agency before submission of a development application, and shall be broadly applicable to development within the local agency. That design review or public oversight shall be completed as follows and shall not in any way inhibit, chill, or preclude the ministerial approval provided by this section or its effect, as applicable:

(1) Within 90 days of submission of the development to the local agency pursuant to this section if the development contains 150 or fewer housing units.

(2) Within 180 days of submission of the development to the local agency pursuant to this section if the development contains more than 150 housing units.

(e) Notwithstanding any other law, a local agency, whether or not it has adopted an ordinance governing automobile parking requirements in multifamily developments, shall not impose automobile parking standards for a streamlined development that was approved pursuant to this section beyond those provided in the minimum requirements of Section 65913.5.

(f) (1) If a local agency approves a development pursuant to this section, then, notwithstanding any other law, that approval shall not expire if the project includes public investment in housing affordability, beyond tax credits, and 50 percent of the units are affordable to households making below 80 percent of the area median income.

(2) If a local agency approves a development pursuant to this section and the project does not include 50 percent of the units affordable to households making below 80 percent of the area median income, that approval shall automatically expire after three years except that a project may receive a one-time, one-year extension if the project proponent provides documentation that there has been significant progress toward getting the development construction ready. For purposes of this paragraph, "significant progress" includes filing a building permit application.

(3) If a local agency approves a development pursuant to this section, that approval shall remain valid for three years from the date of the final action establishing that approval and shall remain valid thereafter for a project so long as vertical construction of the development has begun and is in progress. Additionally, the development proponent may request, and the local agency shall have discretion to grant, an additional one-year extension to the original three-year period. The local agency's action and discretion in determining whether to grant the foregoing extension shall be limited to considerations and process set forth in this section.

~~(g) A neighborhood multifamily project shall not be considered by a local agency, special district, or water corporation to be a new residential use for the purposes of calculating fees charged for new development, except as provided in paragraphs (1) and (2).~~

~~(1) Connection fees and capacity charges related to water, sewer, and electrical service shall be determined in accordance with Chapter 5 (commencing with Section 66000) and Chapter 7 (commencing with Section 66012).~~

~~(2) Fees charged by a school district pursuant to Chapter 4.9 (commencing with Section 65995) of this code and Chapter 6 (commencing with Section 17620) of Part 10.5 of Division 1 of Title 1 of the Education Code shall be limited to no more than three thousand dollars ($3,000) per dwelling unit.~~

(g) It is the intent of the Legislature to address the effect of unreasonable fees imposed on small housing developments, informed by the study due to be completed by the Department of Housing and Community Development on or before June 30, 2019, pursuant to Section 50456 of the Health and Safety Code.

(h) A development proponent of an eligible TOD project may apply for a density bonus pursuant to Section 65915. For purposes of an application submitted pursuant to this section, "maximum

allowable gross residential density," as that term is used in Section 65915, includes the highest allowable height, as defined in paragraph (1) of subdivision (c) of Section 65913.5, and the floor area ratio requirement described in of paragraph (2) of subdivision (c) of Section 65913.5. A project that meets the requirements of subdivision (c) of Section 65913.5 before the addition of any height increases, density increases, waivers, or concessions awarded through a density bonus shall remain eligible for streamlining under this section after the addition of a density bonus, waiver, incentive, or concession.

(i) This section shall not apply if the local agency finds that the development project as proposed would have a specific, adverse impact upon the public health or safety, including, but not limited to, fire safety, and there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact without rendering the development unaffordable to low- and moderate-income households. As used in this paragraph, a "specific, adverse impact" means a significant, quantifiable, direct, and unavoidable impact, based on objective, identified written public health or safety standards, policies, or conditions as they existed on the date the application was deemed complete. Inconsistency with the zoning ordinance or general plan land use designation shall not constitute a specific, adverse impact upon the public health or safety.

(j) A local agency shall not adopt any requirement, including, but not limited to, increased fees or inclusionary housing requirements, that applies to a project solely or partially on the basis that the project is eligible to receive ministerial or streamlined approval pursuant to this section.

(k) This section shall not affect a development proponent's ability to use any alternative streamlined by right permit processing adopted by a local agency, including the provisions of subdivision (i) of Section 65583.2 or 65913.4.

(*l*) This section shall become effective on January 1, 2022.

SEC. 4. The Legislature finds and declares that ensuring access to affordable housing is a matter of statewide concern, and not a municipal affair as that term is used in Section 5 of Article XI of the California Constitution. Therefore, the changes made by this act apply to all cities, including a charter city or a charter city and county.

SEC. 5. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.

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SENATE COMMITTEE ON HOUSING
Senator Scott Wiener, Chair
2019 - 2020 Regular

Bill No:	SB 4	**Hearing Date:**	4/2/2019
Author:	McGuire		
Version:	2/28/2019		
Urgency:	No	**Fiscal:**	Yes
Consultant:	Alison Hughes		

SUBJECT: Housing

DIGEST: This bill creates a streamlined approval process for eligible projects within ½ mile of fixed rail or ferry terminals in cities of 50,000 residents or more in smaller counties and in all urban areas in counties with over a million residents. It also allows creates a streamlined approval process for duplexes and fourplexes, as specified, in residential areas on vacant, infill parcels.

ANALYSIS:

Existing law:

1) Requires all cities and counties to adopt an ordinance that specifies how they will implement state density bonus law.

2) Requires cities and counties to grant a density bonus when an applicant for a housing development of five or more units seeks and agrees to construct a project that will contain at least one of the following:

    a) 10% of the total units of a housing development for lower income households
    b) 5% of the total units of a housing development for very low-income households
    c) A senior citizen housing development or mobile home park
    d) 10% of the units in a common interest development (CID) for moderate-income households
    e) 10% of the total units for transitional foster youth, disabled veterans, or homeless persons.

3) Requires the city or county to allow an increase in density of 20% over the otherwise maximum allowable residential density under the applicable zoning ordinance and land use element of the general plan for low-income, very low-

income, or senior housing, and by five percent for moderate-income housing in a CID.

4) Provides that upon the request of a developer, a city, county, or city and county shall not require a vehicular parking ratio, inclusive of disabled and guest parking, that meets the following ratios:

    a) Zero to one bedroom — one onsite parking space
    b) Two to three bedrooms — two onsite parking spaces
    c) Four and more bedrooms — two and one-half parking spaces

5) Requires cities and counties to provide an applicant for a density bonus with concessions and incentives based on the number of below market-rate units included in the project as follows:

    a) One incentive or concession, if the project includes at least 10% of the total units for low-income households or 5% for very low-income households
    b) Two incentives or concessions, if the project includes at least 20% of the total units for low-income households or 10% for very low-income households.
    c) Three incentives or concessions, if the project includes at least 30% of the total units for low-income households or 15% for very low-income households.

6) Requires, until January 1, 2029, cities and counties to adopt zoning standards in the San Francisco Bay Area Rapid Transit District's (BART) transit-oriented development (TOD) guidelines and establishes a streamlined approval process for certain projects on BART-owned land.

7) Requires every city and county to prepare and adopt a general plan, including a housing element, to guide the future growth of a community. The housing element must identify and analyze existing and projected housing needs, identify adequate sites with appropriate zoning to meet the housing needs of all income segments of the community, and ensure that regulatory systems provide opportunities for, and do not unduly constrain, housing development.

8) Requires local governments located within the territory of a metropolitan planning organization (MPO) to revise their housing elements every eight years following the adoption of every other regional transportation plan (RTP). Local governments in rural non-MPO regions must revise their housing elements every five years.

9) Provides that each community's fair share of housing shall be determined through the regional housing needs allocations (RHNA) process, which is composed of three main stages:

   a) The Department of Finance and the Department of Housing and Community Development (HCD) develop regional housing needs estimates;
   b) Councils of government (COGs) allocate housing within each region based on these estimates (where a COG does not exist, HCD makes the determinations); and
   c) Cities and counties incorporate their allocations into their housing elements.

10) Requires a local jurisdiction to give public notice of a hearing whenever a person applies for a zoning variance, special use permit, conditional use permit, zoning ordinance amendment, or general or specific plan amendment.

11) Requires the board of zoning adjustment or zoning administrator to hear and decide applications for conditional uses or other permits when the zoning ordinance provides therefor and establishes criteria for determining those matters, and applications for variances from the terms of the zoning ordinance.

12) Provides that supportive housing, in which 100% of units are dedicated to low-income households (up to 80% AMI) and are receiving public funding to ensure affordability, shall be a use by right in all zones where multifamily and mixed uses are allowed, as specified.

13) Provides that infill developments in localities that have failed to meet their regional housing needs assessment (RHNA) numbers shall not be subject to a streamlined, ministerial approval process, as specified.

14) Requires HCD, by June 30, 2019, to complete a study evaluating the reasonableness of local fees charged to new developments. The study shall include findings and recommendations regarding potential amendments to the Mitigation Fee Act to substantially reduce fees for residential development.

This bill:

1) Defines "eligible parcel" as a parcel that meets all of the following requirements:

   a) The parcel is in a jurisdiction of a local agency that meets both conditions:

i. HCD has determined that the local agency has produced fewer housing units than jobs over the past 10 years; and
ii. The local agency has unmet regional housing needs.

b) The parcel is not located within any of the following:
i. An architecturally or historically significant historic district
ii. Coastal zone
iii. Very high fire hazard severity zone, as specified
iv. A flood plain

c) The project on the proposed parcel will not require the demolition of any of the following types of housing:
i. Housing that is subject to a recorded covenant, ordinance, or law that restricts rents to families of low- and moderate income levels;
ii. Housing that is subject to rent or price control;
iii. Housing that has not been occupied by tenants in the past 10 years.

d) The site was not previously used for housing that was occupied by tenants that was demolished within 10 years before the development proponent submits an application pursuant to this bill.

e) The development of the project on the proposed parcel would not require the demolition of a historic structure.

f) The proposed parcel does not contain housing units that were occupied by tenants and units at the property are or were subsequently offered for sale to the general public by the subdivider or subsequent owner of the property.

g) The parcel is zoned to allow residential use and qualifies as an infill site.

h) The parcel does not qualify as an eligible TOD project site for a development on BART property.

i) A parcel on which the project would be located would be fully assessed on or after January 1, 2021 to reflect its full cash value as if a change in ownership has occurred.

2) Defines "eligible TOD project" as a transit oriented development (TOD) project, located on an eligible parcel in an urban community that meets all of the following requirements:

a) Has a height less than or equal to one story, or 15 feet, above the highest allowable height, or the tallest height allowable, for mixed use or residential use.

b) Is located within ½ mile of an existing or planned transit station entrance.

c) Has a floor area ratio of 0.6 times the number of stories that satisfies paragraph (a). If the parcel is not subject to a zoning ordinance or other restriction on maximum height, the maximum allowable floor area ratio shall be calculated by multiplying the number of stories proposed by 0.6.

d) Has a minimum density of 30 units per acre in a metropolitan area or 20 units per acre in suburban areas.
e) Provides parking as follows:
    i. In a city with fewer than 100,000 residents, or over 100,000 residents and between ¼ and ½ mile from an existing planned transit station, a project shall provide parking consistent with existing density bonus law.
    ii. In a jurisdiction with more than 100,000 residents and that is within ¼ of a mile from an existing or planned transit station entrance, no further parking requirements may apply.
f) At least 2/3 of the square footage of the development is designated for residential use.
g) The eligible TOD project meets all local requirements that do not conflict with this bill, including but not limited to a general plan, a specific plan, or a zoning ordinance.
h) The development proponent of the TOD project develops a plan to ensure transit accessibility to the residents of the development
i) For a TOD project with 10 units or more, the development shall dedicate 30% of the total units at rent affordable to households earning lower than 80% of the area median income and execute a recorded affordability restriction for at least 55 years. If a local agency has adopted an ordinance requiring greater than 30% affordability, that ordinance shall apply.

k) The development proponent has done both of the following, as applicable:
    i. Certified to the locality that either of the following is true: (1) The entirety of the development is a public work or, (2) if the development is not in its entirety a public work, that all construction workers employed in the execution of the development will be paid at least the general prevailing rate of per diem wages for the type of work and geographic area, as specified, except that apprentices registered in programs approved by the chief of the division of Apprenticeship Standards may be paid at least the applicable apprentice prevailing rate.
    ii. For specified developments, a skilled and trained workforce shall be used to complete the development.

3) Defines "neighborhood multifamily project" (NMP) as a project to construct up to two residential units in a non-urban community and up to four units in an urban community, located on an eligible parcel that meets all of the following:

a) The parcel on which the NMP would be located is on vacant land. "Vacant land" means either: a property with no existing structures or a property with a least one structure but the structure has been unoccupied for at least 5 years and considered substandard under the state housing law.
b) The NMP meets all local requirements, including height, setbacks, lot coverage, and other applicable zoning requirement.
c) The project provides at least .5 parking spaces per unit.

4) Defines "planned transit station" as a transit station that has completed CEQA review and for which construction is 75% funded.

5) Defines "station entrance" as the entry point into an enclosed station structure, or if that point is not clear or does not exist, the station fare gates.

6) Defines "non-urban community" as not an urban community. Urban community means either of the following.

a) A city with a population of 50,000 or greater that is located in a county with a population of less than 1,000,000.
b) An urbanized area or urban cluster located in a county with a population of 1,000,000 or greater.

7) Defines "infill site" as a site in an urban or nonurban community that meets the following criteria:

a) The site has not previously been used for urban uses and both of the following apply (i) The site is immediately adjacent to parcels that are developed with urban uses or at least 75% of the perimeter of the site adjoins parcels that are developed with urban uses, and (ii) the remaining 25% of the site adjoins parcels that have been previously developed for urban uses.
b) "Urban use" means any residential, commercial, public institutional, transit or transportation passenger facility, or retail use, or any combination of those uses.

8) Provides that an eligible NMP or eligible TOD project located on an eligible parcel may submit an application for a development to be subject to a streamlined, ministerial approval process outlined in this bill and not subject to a conditional use permit if it is consistent with objective zoning standards, as defined.

9) States that if a local agency determines that a development is inconsistent with any of the requirements allowing streamlined approval, the local agency shall provide the development proponent with written documentation of which requirement the development conflicts with and an explanation for the reason or reasons the development conflicts with that requirement or requirements within a specified period of time. If a local agency fails to provide the required documentation, the development shall be deemed to satisfy the requirements for streamlined approval.

10) Provides that design review or public oversight of the development may be conducted, as specified.

11) Provides that if a project is approved using the streamlined process outlined in this bill and the project contains 50% of units affordable to households making below 80% AMI, the approval shall not expire. The approvals for projects with fewer than 50% units affordable to those making 80% AMI shall expire after 3 years; a project proponent may apply for a one year extension after providing specified documentation.

12) Provides that a NMP shall not be considered by a local agency, special district, or water corporation to be a new residential use for the purposes of calculating fees charged for new development, except as follows: 1) Connection fees and capacity charges related to water, sewer, and electrical service shall be determined by existing law, and 2) fees charged by a school district shall be limited to no more than $3,000 per dwelling unit.

13) Authorizes a development proponent of an eligible TOD project to apply for a density bonus. A project that meets the requirement for streamlining under this bill before adding any height increases, density increases, waivers, or concessions awarded through a density bonus shall remain eligible for streamlining after the addition of a density bonus, waiver, incentive, or concession.

14) Prohibits streamlining from applying if the local agency finds that the development would have a specific, adverse impact, as specified, on public health or safety, including but not limited to, fire safety, and there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact without rendering the development unaffordable to low- and moderate-income households.

COMMENTS

1) *Purpose of the bill*. According to the author, "A variety of causes have contributed to California's lack of housing production, including restrictive zoning ordinances, skyrocketing land prices, local permitting processes that provide multiple avenues to stop a project, and the lack of public funding to advance workforce affordable housing. These issues pose challenges to constructing market-rate and affordable housing developments alike. SB 4 advances strategic changes to local zoning to allow construction of additional homes in two ways. First, SB 4 grants streamlined ministerial review to eligible projects within ½ mile of fixed rail or ferry terminals in cities of 50,000 residents or more in smaller counties and in all urban areas in counties with over a million residents. Second, SB 4 allows ministerial permitting of up to fourplexes in cities and urban areas over 50,000 people (duplexes in urban areas under 50,000) on any vacant infill parcels zoned residential. SB 4 helps address the affordable housing crisis in big cities and small, in every corner of California by encouraging projects that are in scale with what local governments already allow in areas with sufficient transit, but some cities simply won't approve and unlocking neighborhood multi-family buildings in residential areas throughout the state."

2) *Existing Streamlining Programs*. Every city and county in California is required to develop a general plan that outlines the community's vision of future development through a series of policy statements and goals. A community's general plan lays the foundation for all future land use decisions, as these decisions must be consistent with the plan. Each community's general plan must include a housing element, which outlines a long-term plan for meeting the community's existing and projected housing needs. Cities and counties enact zoning ordinances to implement their general plans. Zoning determines the type of housing that can be built. In addition, before building new housing, housing developers must obtain one or more permits from local planning departments and must also obtain approval from local planning commissions, city councils, or county board of supervisors.

   Some housing projects can be permitted by city or county planning staff ministerially or without further approval from elected officials. Projects reviewed ministerially require only an administrative review designed to ensure they are consistent with existing general plan and zoning rules, as well as meet standards for building quality, health, and safety. Most large housing projects are not allowed ministerial review. Instead, these projects are vetted through both public hearings and administrative review. Most housing projects that require discretionary review and approval are subject to review under the

California Environmental Quality Act (CEQA), while projects permitted ministerially generally are not.

SB 2 (Cedillo, 2007) required local governments, in their housing element, to accommodate their need for emergency shelters on sites where the use is allowed without a conditional use permit, and requires cities and counties to treat transitional and supportive housing projects as a residential use of property. In addition to SB 2 (Cedillo), SB 35 (Wiener, 2017) requires local jurisdictions that have not met their above moderate-income or lower income regional housing needs assessment (RHNA) to streamline certain developments. Jurisdictions that are not meeting their lower income RHNA requirement must streamline developments that restrict at least 50% of the units in a development to households earning up to 80% AMI. However, SB 35 is limited to urban infill sites and has limited application where rental housing existed within the last 10 years. AB 2162 (Chiu, 2018) provided that supportive housing, in which 100% of units are dedicated to low-income households (up to 80% AMI) and are receiving public funding to ensure affordability, shall be a use by-right in all zones where multifamily and mixed uses are allowed, as specified. AB 2162 applies to all areas of the state, urban and rural, and would apply regardless of whether a local government has met its RHNA.

3) *Housing near Transit.* Research has shown that encouraging more dense housing near transit serves not only as a means of increasing ridership of public transportation to reduce greenhouse gases (GHGs), but also a solution to our state's housing crisis. As part of California's overall strategy to combat climate change, the Legislature began the process of encouraging more transit oriented development with the passage of SB 375 (Steinberg, Chapter 728, Statutes of 2008). SB 375 is aimed at reducing the amount that people drive and associated GHGs by requiring the coordination of transportation, housing, and land use planning. The Legislature subsequently allocated 20% of the ongoing Cap and Trade Program funds to the Affordable Housing and Sustainable Communities Program, which funds land use, housing, transportation, and land preservation projects to support infill and compact development that reduce GHGs. At least half of the funds must support affordable housing projects.

   The McKinsey Report found that increasing housing demand around high-frequency public transit stations could build 1.2 – 3 million units within a half-mile radius of transit. The report notes that this new development would have to be sensitive to the character of a place, and recommends that local communities proactively rezone station areas for higher residential density to pave the way for private investments, accelerate land-use approvals, and use bonds to finance station area infrastructure.

Research has also demonstrated a positive relationship between income and vehicle miles traveled (VMT). A study by the Center for Neighborhood Technology, entitled *Income, Location Efficiency, and VMT: Affordable housing as a Climate Strategy*, created a model to isolate the relationship of income on VMT. This model found that lower-income families living near transit were likely to drive less than their wealthier neighbors. More specifically, in metro regions, home to two-thirds of California's population, identically composed and located low-income households were predicted to drive 10% less than the median, very low-income households 25% less, and extremely low-income households 33% less. By contrast, middle income households were predicted to drive 5% more and above moderate-income households 14% more. The patterns are similar for the other two Regional Contexts, although the differences are slightly reduced in Rural Areas. This research demonstrates the value of encouraging lower-income people to live near transit who are more likely to increase transit ridership.

4) *2018 BART bill.* In May 2017, BART released a publication on its "Transit-Oriented Development Guidelines," with the goal of beginning to implement BART's previously adopted TOD policy. Among others, the purposes of the TOD Guidelines were to delineate what BART requires and encourages in TOD projects—such as building and street design, financial performance, partnerships and blending with the community—and to offer guidance to cities and developers in creating transit-supportive station area plans for the areas surrounding BART stations, TOD projects, and approvals within a half-mile of BART stations.

   The TOD Guidelines state that BART-owned developable land, totaling 250 acres spread across 27 stations that are already built or under construction, offers a unique opportunity for TOD. The Guidelines assign each BART station a "place type": regional centers, urban or city centers, and neighborhood or town centers. Based on these place types, the guidelines specify zoning standards that BART identifies as conducive to TOD, including quantified standards for height, density, and parking, as follows:

	Regional Center	Urban or City Center	Neighborhood or Town Center
Parking maximum	1 space/unit; 2.5 spaces/1,000 sq. ft.	0.5 space/unit; 1.6 spaces/1,000 sq. ft.	0.375 space/unit; no office parking spaces
Height minimum	12 stories	7 stories	5 stories
Density	75 units/acre		

Last year, the Legislature passed and the Governor signed AB 2923 (Chiu, Chapter 1000), which required, until January 1, 2029, cities and counties to adopt zoning standards in the San Francisco BART transit-oriented development (TOD) guidelines and establishes a streamlined approval process for certain projects on BART-owned land.

This bill, similar to the BART bill (AB 2923, Chiu, Chapter 1000), would create a streamlined approval process for specified housing developments near planned or existing transit stations and ferry terminals. To qualify for streamlining, a jurisdiction must have created fewer jobs than homes in the past 10 years and have unmet housing needs under RHNA. Projects must be on a site that is infill and zoned residential, and must be in an urban community. Projects also may not be in an architecturally or historically significant historic district, coastal zone, a very high fire hazard severity zone, or flood plain.

In addition to streamlined approvals, a development utilizing this bill may build the development one story higher than the local zoning allows, have a floor area ratio of .6 the number of stories, have reduced parking requirements (similar to density bonus law), and have minimum density, as specified.

5) *Denser Housing in Single-Family Zoning*. California's high — and rising — land costs necessitate dense housing construction for a project to be financially viable and for the housing to ultimately be affordable to lower-income households. Yet, recent trends in California show that new housing has not commensurately increased in density. In a 2016 analysis, the Legislative Analyst's Office (LAO) found that the housing density of a typical neighborhood in California's coastal metropolitan areas increased only by four percent during the 2000s. In addition, the pattern of development in California has changed in ways that limit new housing opportunities. A 2016 analysis by BuildZoom found that new development has shifted from moderate but widespread density to pockets of high-density housing near downtown cores surrounded by vast swaths of low-density single-family housing. Specifically,

construction of moderately-dense housing (2 to 49 units) in California peaked in the 1960s and 1970s and has slowed in recent decades.

Stricter land use controls are also associated with greater displacement and segregation along both income and racial lines. Past practices such as redlining, which led to the racial and economic segregation of communities in the 1930s, have shown the negative effects that these practices can have on communities. The federal National Housing Act of 1934 was enacted to make housing and mortgages more affordable and to stop bank foreclosures during the Great Depression. These loans were distributed in a manner to purposefully exclude "high risk" neighborhoods composed of minority groups. This practice led to underdevelopment and lack of progress in these segregated communities while neighborhoods surrounding them flourished due to increased development and investment. People living in these redlined communities had unequal access to quality, crucial resources such as health and schools. These redlined communities experience higher minority and poverty rates today and are experiencing gentrification and displacement at a higher rate than other neighborhoods. Today, exclusionary zoning can lead to "unintended" segregation of low-income and minority groups, which creates unequal opportunities for Californians of color. Both the LAO and an analysis by the Institute of Governmental Studies (IGS) at the University of California, Berkeley indicate that building new housing would reduce the likelihood that residents would be displaced in future decades.

The UC Berkeley Terner Center conducted a residential land use survey in California from August 2017 to October 2018. The survey found that most jurisdictions devote the majority of their land to single family zoning and in two-thirds of jurisdictions, multifamily housing is allowed on less than 25% of land. Some jurisdictions in the US have taken steps to increase density in single-family zones. For example, Minneapolis will become the first major U.S. city to end single-family home zoning; in December, the City Council passed a comprehensive plan to permit three-family homes in the city's residential neighborhoods, abolish parking minimums for all new construction, and allow high-density buildings along transit corridors. According to the 2016 McKinsey Report, California has the capacity to build between 341,000 and 793,000 new units by adding units to existing single-family homes.

In an effort to encourage density everywhere, this bill creates a streamlined approval process for duplexes in non-urban cities or fourplexes in urban cities, on vacant parcels. To qualify for streamlining, a jurisdiction must have created fewer jobs than homes in the past 10 years and have unmet housing needs under RHNA. Projects must be on a site that is vacant, infill and zoned residential,

and must be in an urban community. Projects may not be in an architecturally or historically significant historic district, coastal zone, a very high fire hazard severity zone, or flood plain. Eligible projects must otherwise comply with existing zoning requirements and design review. Developers would have to pay for sewer, water, and electrical hookups, and school fees would be capped at $3,000 per unit, but other impact fees would be prohibited.

6) *Density bonus law.* Given California's high land and construction costs for housing, it is extremely difficult for the private market to provide housing units that are affordable to low- and even moderate-income households. Public subsidy is often required to fill the financial gap on affordable units. Density bonus law allows public entities to reduce or even eliminate subsidies for a particular project by allowing a developer to include more total units in a project than would otherwise be allowed by the local zoning ordinance in exchange for affordable units. Allowing more total units permits the developer to spread the cost of the affordable units more broadly over the market-rate units. The idea of density bonus law is to cover at least some of the financing gap of affordable housing with regulatory incentives, rather than additional subsidy.

   Under existing law, if a developer proposes to construct a housing development with a specified percentage of affordable units, the city or county must provide all of the following benefits: a density bonus, incentives or concessions (hereafter referred to as incentives); waiver of any development standards that prevent the developer from utilizing the density bonus or incentives; and reduced parking standards.

   To qualify for benefits under density bonus law, a proposed housing development must contain a minimum percentage of affordable housing (*see* the "Existing Law" section). If one of these five options is met, a developer is entitled to a base increase in density for the project as a whole (referred to as a density bonus) and one regulatory incentive. Under density bonus law, a market rate developer gets density increases on a sliding scale based on the percentage of affordable housing included in the project. At the low end, a developer receives 20% additional density for 5% very low-income units and 20% density for 10% low-income units. The maximum additional density permitted is 35% (in exchange for 11% very low-income units and 20% low-income units). The developer also negotiates additional incentives and concessions, reduced parking, and design standard waivers with the local government. This helps developers reduce costs while enabling a local government to determine what changes make the most sense for that site and community.

A development proponent may enjoy greater benefits under the provisions of this bill than those received under DBL. TOD projects of any size may receive increased density and reduced parking requirements, and minimum height and floor area ratio requirements. In exchange, projects with 10 or more units must include at least 30% of the units at an affordable rate to lower-income households. NMPs will also receive greater density than an existing residential zone without any affordable housing requirements. Moving forward, the author may wish to evaluate how the two programs may work more closely in concert with one another.

7) *Applicability*. The author provided a rough estimate of the cities and counties affected by this bill: roughly 60% of cities or 92% of the city population and 16% of counties or 52% of the county population, meet the minimum threshold requirements (jobs/housing imbalance and unmet housing needs). Unfortunately, this bill will likely have relatively limited applicability due to restrictions on eligible parcels. The provisions for both TOD projects and NMPs are limited to infill sites and may not be permitted in architecturally or historically significant historic district, the coastal zone, very high fire hazard severity zone, or flood plains. TOD projects may only exist in urban communities, or cities with populations of 50,000 or more and, while NMPs may exist in a city of any size, they are limited to vacant parcels, as defined. Given the extent of the housing crisis in California, moving forward, the author may wish to consider expanding the applicability of this bill so as to encourage the development of more units.

8) *Reduced fees on NMPs.* As part of the 2017 Housing Package, the Legislature passed AB 879 (Grayson, Chapter 374), which requires HCD to complete a study to evaluate the reasonableness of local feels charged to new developments. The study, which is due to the Legislature by June 30th, 2019, must include findings and recommendations regarding amendments to existing law to substantially reduce fees for residential development. This bill recognized that, in order to address the statewide housing shortage, more units need to be built at a lower per-unit cost. This bill will help inform the legislature of ways to reduce feeds for residential development in a comprehensive manner. Moving forward, the author may wish to consider whether it is premature to prohibit certain fees when a study is already underway to provide overall policy recommendations for reducing housing costs.

9) *SB 4 (McGuire) vs. SB 50 (Wiener).* This bill is similar in nature to SB 50 (Wiener), which will also be heard today. Both bills encourage denser housing

near transit by relaxing density, height, parking, and floor area ratio requirements, but also differ in several ways. First, this bill only applies in jurisdictions that have built fewer homes in the last 10 years than jobs and have unmet housing needs, whereas SB 50 does not have threshold requirements. Also, the zoning benefits in this bill do not extend to projects in proximity to high quality bus corridors. While both bills only apply to parcels in residential zones, this bill only applies to infill sites and is not permitted in specified areas. Both bills also relate to areas not tied to transit; this bill allows for duplexes on vacant parcels that allow a residential use in cities less than 50,000 and fourplexes in cities greater than 50,000. SB 50 does not limit density, however it is limited to areas designated as "jobs-rich" by HCD and OPR. Lastly, this bill also provides a streamlined approval process for both TOD.

Here is a comparison of the SB 4 and SB 50 benefits for projects near transit:

	SB 4 TOD	SB 50 Transit-Rich
Density	- Metro areas: min. 30 units/acre - Suburban: min. 20 units per acre	No limit
Parking	- Cities <100,000 and 1/4-1/2 mile from transit: DBL (spaces/BR or .5 spaces/unit if 100% affordable) - Cities >100,000 and 0-1/4 mile from transit: no parking	No parking
Concessions and Incentives	No	- 1 C/I: Projects with 10% LI or 5% VLI - 2 C/I: Projects with 20% LI or 10% VLI - 3 C/I: Projects with 30% LI or 15% VLI
Waivers or Reductions of Dev't Standards	Existing design review applies	Must comply with all relevant standards, including architectural design
Height	One story over allowable height	No less than 45' or 55' (depending on proximity to transportation)
FAR	.6 times the number of stories	No less than 2.5 or 3.25 (depending on proximity to transit)
Streamlining	Ministerial Review	No new streamlined approvals, but may qualify under existing law (SB 35)
Reduced Fees	No	No

Here is a comparison of the SB 4 and SB 50 benefits for a "jobs-rich" and NMP incentive:

	SB 4 Duplexes & Fourplexes	SB 50 Jobs-Rich
Density	- Urban Cities (<50,000): 2 units - Non-Urban (>50,000): 4 units	No limit
Parking	.5 spaces per unit	.5 spaces per unit
Concessions and Incentives	No	- 1 C/I: Projects with 10% LI or 5% VLI - 2 C/I: Projects with 20% LI or 10% VLI - 3 C/I: Projects with 30% LI or 15% VLI
Waivers or Reductions of Dev't Standards	Existing design review applies	Must comply with all relevant standards, including architectural design
Height	Meet existing zoning requirements	None *(can use one of the C/I or W/R of design standards)*
FAR	Meet existing zoning requirements	None *(can use one of the C/I or W/R of design standards)*
Streamlining	Ministerial Review	No new streamlined approvals, but may qualify under existing law (SB 35)
Reduced Fees	- Not a new residential use, except connection for service fees - No more than $3,000 in school fees	No

10) *Opposition*. Associated Builders and Contractors of Northern California are opposed to specified labor provisions in the bill.

11) Triple-referral. This bill is triple-referred to the Governance and Finance Committee and the Senate Environmental Quality Committee.

RELATED LEGISLATION:

SB 50 (Wiener, 2019) — requires a local government to grant an equitable communities incentive, which reduces local zoning standards, when a development proponent meets specified requirements. *This bill will also be heard today by this committee.*

AB 2162 (Chiu, Chapter 753, 2018) — streamlined affordable housing developments that include a percentage of supportive housing units and onsite services

AB 2923 (Chiu, Chapter 1000, Statutes of 2018) — required, until January 1, 2029, cities and counties to adopt zoning standards in the San Francisco BART transit-oriented development (TOD) guidelines and establishes a streamlined approval process for certain projects on BART-owned land.

SB 827 (Wiener, 2018) — would have created an incentive for housing developers to build near transit by exempting developments from certain low-density requirements, including maximum controls on residential density, maximum controls on FAR, as specified, minimum parking requirements, , and maximum building height limits, as specified. A developer could choose to use the benefits provided in that bill if it meets certain requirements. *This bill failed passage in the Senate Transportation and Housing Committee.*

AB 879 (Grayson, Chapter 374, Statutes of 2017) — required HCD to complete a study to evaluate the reasonableness of local feels charged to new developments.

SB 35 (Wiener, Chapter 366, Statutes of 2017) — created a streamlined, ministerial approval process for infill developments in localities that have failed to meet their regional housing needs assessment (RHNA) numbers.

SB 2 (Cedillo, Chapter 633, Statues of 2007) — required cities and counties to accommodate their need for emergency shelters on sites where the use is allowed without a conditional use permit, and requires cities and counties to treat transitional and supportive housing projects as a residential use of property.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

POSITIONS: (Communicated to the committee before noon on Wednesday,

March 27, 2019.)

SUPPORT

California Alternative Payment Program Association

OPPOSITION

Associated Builders and Contractors Northern California Chapter
California Assessors' Association

-- END --

SENATOR JIM BEALL AND SENATOR MIKE MCGUIRE

SB 5 Building Affordable and Inclusive Communities

ISSUE

At the time of its dissolution in 2012, Redevelopment Agencies (RDA) were the largest single source of funding for affordable housing and were obligated to spend $1 billion on affordable housing annually. This lost revenue in addition to budget cuts at the federal level, created a significant gap in the construction of affordable housing.

The aim of the legislation is to thoughtfully tackle the housing crises by responding to the needs of cities and counties. It will create desperately needed housing opportunities for hard-working Californians and also help alleviate poverty, create jobs, and meet our statewide environmental goals without affecting school funding.

BACKGROUND

California is home to 21 of the 30 most expensive rental housing markets in the country, which has had a disproportionate impact on the middle class and the working poor. A person earning minimum wage must work three jobs on average to pay the rent for a two-bedroom unit. Housing units affordable to low-income earners, if available, are often in serious states of disrepair.

California also faces a housing shortage: 2.2 million extremely low-income and very low-income renter households are competing for only 664,000 affordable rental homes. This leaves more than 1.54 million of California's lowest income households without access to housing.

As a result, low-income families are forced to spend more and more of their income on rent, which leaves little else for other basic necessities. Many renters must postpone or forego homeownership, live in more crowded housing, commute further to work, or, in some cases, choose to live and work elsewhere.

THIS BILL

This bill will allow local governments to collaborate on state-approved redevelopment plans, which would be funded by reducing their contributions to local Education Revenue Augmentation Funds (ERAFs). Funding can be used for the following five purposes: (1) affordable housing, (2) transit-oriented development, (3) infill development, (4) revitalizing and restoring neighborhoods, and (5) planning for sea level rise. This bill will commit at least $1 billion in ongoing funding and will ensure schools are held harmless to meet the Prop 98 guarantee.

The funding mechanism will allow local governments that have opted-in and have an approved project plan to receive a reduction of their ERAF contribution. At a minimum, 50% of the program's funding has to go to the construction of workforce and affordable housing.

The bill creates a Sustainable Investment Incentive Committee that will review and approve or disapprove proposed projects. The Committee will be comprised of individuals appointed by the Legislator and the Governor.

Each applicant that has received financing pursuant to the program for any fiscal year shall provide a report to the Committee. The Committee will provide oversight of the funds and will be responsible for provide an annual report on program outputs to the Joint Legislative Budget Committee.

SUPPORT

Support in Concept:
League of Cities
Housing California

FOR MORE INFORMATION

Sunshine Borelli
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Local-State Sustainable Investment Incentive Program

At the time of dissolution, redevelopment was the largest single source of funds for affordable housing. Bill would allow local governments to collaborate on state-approved redevelopment plans, which would be funded by reduced contributions to local Education Revenue Augmentation Funds (ERAFs), awarded to state-approved projects. Funding could be used for the following five purposes: (1) affordable housing, (2) transit-oriented development, (3) infill development, (4) revitalizing and restoring neighborhoods, and (5) planning for sea level rise.

Key Elements

- Annual state commitment: $1-2 billion. New projects suspended when the Legislature uses the "Rainy Day Fund."
- Opt-in: No taxing entities are forced to participate.
- Schools will be made whole. No impact to Prop 98.
- Additional benefits to schools, if needed.
- Rural city/county set aside.
- Prevailing wage and skilled and trained workforce requirements.
- Strong state oversight.

Overview

Local governments that that have a financial commitment to a project are eligible for a reduction of their ERAF contribution. At a minimum 50% of the program's funding has to go to:

- The construction of workforce and affordable housing. At least X% of the units for each project supported by these funds shall be used for workforce and affordable housing.

Other eligible uses of funding include:

- Transit-oriented development in priority locations that maximize density and transit use, and contribute to the reduction of vehicle miles traveled and greenhouse gas emissions.
- Infill development and equity by rehabilitating, maintaining and improving existing infrastructure that supports infill development and appropriate reuse and redevelopment of previously developed, underutilized land that is presently served by transit, street, water, sewer, and other essential services, particularly in underserved areas, and to preserving cultural and historic resources.
- Promoting strong neighborhoods through supporting of local community planning and engagement efforts to revitalize and restore neighborhoods, including repairing infrastructure and parks, rehabilitating and building housing, promoting public-private partnerships, supporting small businesses and job growth for affected residents.
- Protecting communities dealing with the effects of sea-level rise including the construction, repair, replacement, and maintenance infrastructure related to protecting communities from sea-level rise.

Funds are not intended to be used to subsidize the construction of market rate housing units. Twenty percent of funds will be set aside for rural cities and counties.

State Oversight

Creates the Sustainable Investment Incentive Committee which shall be comprised of the following:

- The Chair of the Strategic Growth Council.

- The Chair of the State Infrastructure and Economic Development Bank.
- The Chair of California Workforce Investment Board.
- Director of the California Housing and Community Development Department.
- Two people appointed by the Speaker of the Assembly.
- Two people appointed by the Senate Rules Committee.
- One public member appointed by the Governor that has a background in land use planning, local government, or community development or revitalization.

The Committee shall review and approve or disapprove proposed projects. Each applicant that has received financing pursuant to the program for any fiscal year shall provide a report to the Committee. The Committee shall also provide an annual report to the Joint Legislative Budget Committee.

AMENDED IN SENATE APRIL 8, 2019

AMENDED IN SENATE MARCH 21, 2019

AMENDED IN SENATE MARCH 18, 2019

SENATE BILL No. 5

Introduced by Senators Beall and McGuire
(Principal coauthor: Senator Roth)
(Coauthors: Senators Caballero and Hueso)

December 3, 2018

An act to add Section 41202.6 to the Education Code, to add Part 4 (commencing with Section 55900) to Division 2 of Title 5 of the Government Code, and to add Section 97.68.1 to the Revenue and Taxation Code, relating to local government finance.

LEGISLATIVE COUNSEL'S DIGEST

SB 5, as amended, Beall. Affordable Housing and Community Development Investment Program.

Existing property tax law requires the county auditor, in each fiscal year, to allocate property tax revenue to local jurisdictions in accordance with specified formulas and procedures, subject to certain modifications. Existing law requires an annual reallocation of property tax revenue from local agencies in each county to the Educational Revenue Augmentation Fund (ERAF) in that county for allocation to specified educational entities.

Existing law authorizes certain local agencies to form an enhanced infrastructure financing district, affordable housing authority, transit village development district, or community revitalization and investment authority for purposes of, among other things, infrastructure, affordable housing, and economic revitalization.

This bill would establish in state government the Affordable Housing and Community Development Investment Program, which would be administered by the Affordable Housing and Community Development Investment Committee. The bill would authorize a city, county, city and county, joint powers agency, enhanced infrastructure financing district, affordable housing authority, community revitalization and investment authority, transit village development district, or a combination of those entities, to apply to the Affordable Housing and Community Development Investment Committee to participate in the program and would authorize the committee to approve or deny plans for projects meeting specific criteria.

The bill would require the Affordable Housing and Community Development Investment Committee to adopt guidelines for plans and approve no more than $200,000,000 per year from July 1, 2020, to June 30, 2025, and $250,000,000 per year from July 1, 2025, to June 30, 2029, in reductions in annual ERAF contributions for applicants for plans approved pursuant to this program. This bill would provide that eligible projects include, among other things, ~~construction~~ *the predevelopment, development, acquisition, rehabilitation, and preservation* of workforce and affordable housing, certain transit oriented development, and projects promoting strong neighborhoods.

The bill would require the Affordable Housing and Community Development Investment Committee, upon approval of a plan, to issue an order directing the county auditor to reduce the total amount of ad valorem property tax revenue otherwise required to be contributed to the county's ERAF from the applicant by the annual reduction amount approved. The bill would require a county auditor to deposit the total annual reduction amount approved within a county into the Affordable Housing and Community Development Investment Fund, which is created by this bill in the treasury of each county, and allocate moneys in that fund as directed by the committee, as specified. The bill would require the auditor, if the applicant is an enhanced infrastructure financing district, affordable housing authority, transit village development district, or community revitalization investment authority, to transfer to the city or county that created the authority or district an amount of property tax revenue equal to the reduction amount approved by the Affordable Housing and Community Development Investment Committee for that authority or district. The bill would require the city or county that created the district to, upon receipt, transfer those funds to the authority or district in an amount equal to the affordable housing

and community development investment amount for that authority or district. By imposing additional duties on local officials, the bill would impose a state-mandated local program. The bill would authorize applicants to use approved amounts to incur debt or issue bonds or other financing to support an approved project.

The bill also would require each applicant that has received funding to submit annual reports, as specified, and would require the Affordable Housing and Community Development Investment to provide a report to the Joint Legislative Budget Committee that includes certain project information.

Section 8 of Article XVI of the California Constitution sets forth a formula for computing the minimum amount of revenues that the state is required to appropriate for the support of school districts and community college districts for each fiscal year.

This bill would require the Director of Finance to adjust the percentage of General Fund revenues appropriated for school districts and community college districts for these purposes in a manner that ensures that the reductions in contributions to a county's ERAF pursuant to the Affordable Housing and Community Development Investment Program have no net fiscal impact upon the total amount of the General Fund revenue and local property tax revenue allocated to school districts and community college districts pursuant to Section 8 of Article XVI of the California Constitution, as specified.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares all of the following:

(a) In recent years the Legislature has created several new opportunities to use tax increment financing, which include the formation of enhanced infrastructure financing districts, affordable

housing authorities, and community revitalization investment authorities. While these new tools can be useful to local agencies, they are widely viewed as lacking sufficient financial capacity compared to what existed under the former tax increment financing tool utilized by community redevelopment agencies.

(1) Under redevelopment, all of the growth in property tax (tax increment) within a project area over a base year, net of mandatory pass-through payments, that would otherwise be allocated to cities, counties, special districts and school districts was dedicated to redevelopment purposes. Under the new tax increment tools, however, property tax increment from affected taxing agencies other than the initiating city or county can only be dedicated with the approval of the affected local agencies.

(2) While potential local partnerships between cities, counties, and special districts involving new economic development tools continue to be explored by the state and local governments, a reality is that the state and local governments often have other policy and budget priorities, and lack incentives to participate.

(3) The language in the new tax increment laws currently prohibit school districts from participating, largely reflecting state concerns over potential backfill requirements for school funding under the requirements of Proposition 98 of 1988.

(b) The state shares many policy priorities with local governments, including affordable housing and economic development, that can be advanced by creating a new infrastructure financing tool that would focus on the following:

(1) Increasing the production of affordable housing available to very low, low-, and moderate-income families.

(2) Expanding transit-oriented development at higher densities.

(3) Reducing jobs-housing imbalances in areas with high job growth.

(4) Increasing the availability of high-quality jobs through the rehabilitation, construction, and maintenance of housing and infrastructure.

(5) Improving the quality of life in neighborhoods and disadvantaged communities.

(6) Incentivizing growth in urban areas, thereby reducing sprawl and ensuring that open space is preserved throughout the state.

(7) Reducing poverty and caseloads of state and county safety net support programs by incentivizing the training and hiring of affected individuals to jobs where they can be self-supporting.

(8) Protecting communities dealing with the effects of sea level rise, which is one of the most significant threats of climate change.

(c) The Legislature has declared that the policy priorities listed in subdivision (b) are matters of statewide concern. It is therefore appropriate that the state and local governments contribute financially to the realization of these priorities.

(d) By allowing local agencies to reduce their contributions to their county's Educational Revenue Augmentation Fund (ERAF) to fund affordable housing projects and related infrastructure, the state can advance its policy priorities while also protecting funding for schools and limiting effects on the state budget. The state's interests can be ensured and protected in the following manner:

(1) Requiring approval of the newly created Affordable Housing and Community Development Investment Committee, to ensure that the investment of property taxes otherwise allocated to schools through a county's educational revenue augmentation fund are used only for projects that maximize state policy benefits while ensuring that an economic analysis projects increased property tax revenues for schools in the affected territory upon project completion.

(2) Offering additional incentives to participating counties and special districts.

(3) Establishing an annual cap on the total affordable housing and community development investment amount that may be approved to be allocated by the Affordable Housing and Community Development Investment Committee, as follows:

(A) Not to exceed two hundred million dollars ($200,000,000) annually between July 1, 2020, and June 30, 2025.

(B) Not to exceed two hundred fifty million dollars ($250,000,000) annually between July 1, 2025, and June 30, 2029.

(4) Requiring annual reports to the Legislature on the status of all projects funded through this program.

(e) It is the intent of the Legislature that schools and community colleges receive no less total funding from General Fund and local property tax revenue as a result of the bill.

(f) It is the intent of the Legislature to have the state provide increased funding in an amount that equals reductions in local

ERAF funds to the point necessary for schools to meet their minimum funding guarantee pursuant to existing law.

(g) It is the intent of the Legislature that local agencies receive the same amount of excess ERAF as they would have if the program established by this bill were not in effect.

SEC. 2. Section 41202.6 is added to the Education Code, to read:

41202.6. (a) It is the intent of the Legislature to ensure that the program authorized by the Affordable Housing and Community Development Investment Program established by Part 4 (commencing with Section 55900) of Division 2 of Title 5 of the Government Code does not affect the amount of funding required to be applied for the support school districts and community college districts pursuant to Section 8 of Article XVI of the California Constitution.

(b) The Director of Finance shall adjust "the percentage of General Fund revenues appropriated for school districts and community college districts" for the purpose of applying paragraph (1) of subdivision (b) of Section 8 of Article XVI of the California Constitution in a manner that ensures that reductions in contributions to a county's Educational Revenue Augmentation Fund authorized by Section 97.68.1 of the Revenue and Taxation Code shall have no net fiscal impact upon the total amount of General Fund revenue and local property tax revenue allocated to school districts and community college districts pursuant to Section 8 of Article XVI of the California Constitution. The Director of Finance shall make this adjustment effective with the 2020–21 fiscal year, consistent with the start of the grant program pursuant paragraph (1) of subdivision (a) of Section 55906 of the Government Code. The Director of Finance shall update the adjustment for subsequent increases or decreases in the amount of reductions authorized by Affordable Housing and Community Development Investment Program.

SEC. 3. Part 4 (commencing with Section 55900) is added to Division 2 of Title 5 of the Government Code, to read:

PART 4. AFFORDABLE HOUSING AND COMMUNITY DEVELOPMENT INVESTMENT PROGRAM

55900. This part is known and may be cited as the Affordable Housing and Community Development Investment Program.

55901. The Affordable Housing and Community Development Investment Program is hereby established to create a local-state partnership to reduce poverty and advance other state priorities financed, in part, by property tax increment.

55902. As used in this part, the following terms have the following meanings:

(a) "Affordable housing and community development investment amount" is the amount of property tax revenue allocated pursuant to Section 97.68.1 of the Revenue and Taxation Code.

(b) "Applicant" means any entity identified in paragraph (a) of Section 55905 that has submitted a plan to the committee pursuant to that section.

(c) "Committee" means the Affordable Housing and Community Development Investment Committee established by Section 55904.

(d) "Plan" means an application for one or more projects that is submitted to the committee.

(e) "Program" means the Affordable Housing and Community Development Investment Program established by this part.

(f) "Project" shall include:

(1) A project undertaken by a city, county, city or county, joint powers authority, enhanced infrastructure financing district, affordable housing authority, community revitalization and investment authority, or a transit village development district.

(2) A transit priority project that meets the requirements of subdivision (d) of Section 65470.

(g) "Skilled and trained workforce" has the same meaning as set forth in Chapter 2.9 (commencing with Section 2600) of Part 1 of Division 2 of the Public Contract Code.

(h) "Transit Priority Project Program" has the same meaning as contained in Section 65470.

55903. (a) *(1)* Funding allocated to the program shall be used to support a plan that includes affordable housing. ~~Eligible~~ *Subject to paragraph (2), eligible* uses of this funding include:

~~(1) Construction of~~

(A) Predevelopment, development, acquisition, rehabilitation, and preservation of affordable housing. For purposes of this section, the term "affordable housing" means housing affordable to households earning under 120 percent of area median income.

~~(2)~~

(B) Transit-oriented development ~~in priority locations that maximize density and transit use~~, *for the purpose of developing or facilitating the development of higher density uses within close proximity to transit stations that will increase public transit ridership* and contribute to the reduction of vehicle miles traveled and greenhouse gas emissions. Fiscal incentives shall be offered to offset local community impacts associated with greater densities.

~~(3)~~

(C) Infill development ~~and equity by rehabilitating, maintaining, and improving existing infrastructure that supports infill development and appropriate reuse and redevelopment of previously developed, underutilized land that is presently served by transit, street, water, sewer, and other essential services, particularly in underserved areas, and to preserving cultural and historic resources.~~ *to assist in the new construction and rehabilitation of infrastructure that supports high-density, affordable, and mixed-income housing in locations designated as infill, including, but not limited to, any of the following:*

(i) Park creation, development, or rehabilitation to encourage infill development.

(ii) Water, sewer, or other public infrastructure costs associated with infill development.

(iii) Transportation improvements related to infill development projects.

(iv) Traffic mitigation.

~~(4)~~

(D) Promoting strong neighborhoods through support of local community planning and engagement efforts to revitalize and restore neighborhoods, including repairing infrastructure and parks, rehabilitating and building housing, promoting public-private partnerships, supporting small businesses and job growth for affected residents.

~~(5)~~

(E) Protecting communities dealing with the effects of sea level rise, which is one of the most significant threats of climate change,

including the construction, repair, replacement, and maintenance infrastructure related to protecting communities from sea level rise.

~~(6)~~

(F) The acquisition, construction, or rehabilitation of land or property pursuant to eligible uses of funding specified in ~~paragraphs (1) to (5),~~ *subparagraphs (A) to (E),* inclusive.

(2) Eligible uses allocated to an applicant under the program shall be limited to those uses described in subparagraphs (A) to (C), inclusive, of paragraph (1) if the applicant has taken any action, whether by the legislative body of the applicant or the electorate exercising its local initiative or referendum power, that has any of the following effects:

(A) Established or implemented any provision that:

(i) Limits the number of land use approvals or permits necessary for the approval and construction of housing that will be issued or allocated within all or a portion of the applicant.

(ii) Acts as a cap on the number of housing units that can be approved or constructed either annually or for some other time period.

(iii) Limits the population of the applicant.

(B) Imposes a moratorium or enforces an existing moratorium on housing development, including mixed-use development, within all or a portion of the jurisdiction of the applicant, except pursuant to a zoning ordinance that complies with the requirements of Section 65858.

(C) Requires voter approval of any updates to the applicant's housing element to comply with Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7, or any rezoning of sites or general plan amendment to comply with an updated housing element or Section 65863.

(D) Changes the zoning of a parcel or parcels of property to a less intensive use or reduces the intensity of land use within an existing zoning district below what was allowed under the general plan land use designation and zoning ordinances of the applicant in effect on January 1, 2018. For purposes of this subparagraph, "less intensive use" includes, but is not limited to, reductions to height, density, floor area ratio, or new or increased open space or lot size requirements, for property zoned for residential use in the applicant's general plan or other planning document.

(b) At least 50 percent of the funding provided pursuant to the program and at least 50 percent of the funding of each project included in the plan shall be allocated according to paragraph (1) of subdivision (a).

(c) (1) Except as provided in paragraph (2), any plan approved pursuant to the program shall be subject to a recorded affordability restriction that requires the project or projects to include a minimum of 30 percent of the total number of housing units to be available at an affordable rent or affordable housing cost to, and occupied by, households earning below 120 percent of the area median income for at least 55 years.

(2) If the local agency has adopted a local ordinance that requires that greater than 30 percent of the units in a project be dedicated to housing affordable to households making below 120 percent of the area median income, that ordinance shall apply.

(d) The affordable housing and community development investment amount shall not be used to subsidize the construction of market rate units. It is the intent of the Legislature to preserve the incentives for affordable housing provided by existing density bonus law.

(e) (1) At least 12 percent of the overall funding for the program shall be set aside for counties with populations of less than 200,000. Of this amount, 2 percent shall be set aside to provide technical assistance for counties with populations of less than 200,000, which shall not be considered administrative costs for purposes of a plan.

(2) Notwithstanding subdivision (a) of Section 55906, to the extent that all funds set aside in one year for counties with populations of less than 200,000 are not dedicated to plans approved by the committee, the amount of funds not dedicated shall be available to counties with populations of less than 200,000 residents in the following year pursuant to this program.

(f) All projects approved pursuant to the program shall be considered public work for purposes of Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of the Labor Code.

55904. (a) The Affordable Housing and Community Development Investment Committee is hereby established and shall be comprised of the following:

(1) The Chair of the Strategic Growth Council, or the chair's designee.

(2) The Chair of the California Infrastructure and Economic Development Bank, or the chair's designee.

(3) The Chair of California Workforce Investment Board, or the chair's designee.

(4) The Director of Housing and Community Development, or the director's designee.

(5) Two people appointed by the Speaker of the Assembly.

(6) Two people appointed by the Senate Committee on Rules.

(7) One public member appointed by the Joint Legislative Budget Committee who has expertise in education finance.

(b) The committee shall review and approve or deny plans received pursuant to Section 55905.

(c) The Department of Housing and Community Development shall provide the technical assistance and administrative support necessary for the committee to consider plans.

55905. (a) A plan for the affordable housing and community development investment amount may be submitted by any of the following:

(1) A city, county, or city and county.

(2) A joint powers authority formed pursuant to Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 that is composed of entities that may submit a plan pursuant to this subdivision.

(3) An enhanced infrastructure financing district established pursuant to Chapter 2.99 (commencing with Section 53398.50) of Part 1 of Division 2 of Title 5.

(4) An affordable housing authority established pursuant to Division 5 (commencing with Section 62250) of Title 6.

(5) A community revitalization and investment authority established pursuant to Division 4 (commencing with Section 62000) of Title 6.

(6) A transit village development district established pursuant to Article 8.5 (commencing with Section 65460) of Chapter 3 of Division 1 of Title 7.

(b) A plan to participate in the program may be submitted to the committee and shall include all of the following information:

(1) A description of the proposed project or projects to be completed by the applicant pursuant to the plan and the funding amount necessary for each year the applicant requests funding

pursuant to the program. The applicant may request funding for no more than 30 years for each project included in the plan.

(2) Information necessary to demonstrate that each project proposed by the plan complies with all of the statutory requirements of any statutory authorization pursuant to which the project is proposed.

(3) Certification that any low- and moderate-income housing or other projects or portions of other projects that receive funding from the program will comply with paragraph (8) of subdivision (a) of Section 65913.4.

(4) A strategy for outreach to, and retention of, women, minority, disadvantaged youth, formerly incarcerated, and other underrepresented subgroups in coordination with the California Workforce Investment Board and local boards, to increase their representation and employment opportunities in the building and construction trades.

(5) For each project identified in the plan, a requirement that no eviction has been made on any project site within the last 10 years, and protections to avoid displacement of individuals affected by the project.

(6) A requirement that any project included in the plan would not require the demolition of any of the following types of housing:

(A) Housing that is subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of moderate, low, or very low income.

(B) Housing that is subject to any form of rent or price control through a public entity's valid exercise of its police power.

(C) Housing that has been occupied by tenants within the past 10 years.

(7) A requirement that the site was not previously used for housing that was occupied by tenants that was demolished within 10 years before the applicant submits a plan pursuant to this section.

(8) A requirement that the development of the project or projects included in the plan would not require the demolition of a historic structure that was placed on a national, state, or local historic register.

(9) A requirement that the project or projects included in the plan would not contain present or former tenant-occupied housing units that are will be or were, subsequently offered for sale to the

general public by the subdivider or subsequent owner of the property.

(10) An economic and fiscal analysis, paid for by the applicant and prepared by the applicant or an individual or entity approved by the committee that includes the following information as it pertains to the plan:

(A) The estimated cost of providing services or facilities for each project included in the plan.

(B) The estimated revenue available to provide services or facilities by each project included in the plan.

(C) Identification of the taxing entities that are participating in the financing of each project included in the plan through the pledge of an amount equal to the entity's incremental share of the property tax or other means.

(D) Identification of the property tax, sales tax, and other public funding available to invest in each project included in the plan or the services or facilities needed by each project included in the plan, as proposed, including, but not limited to, information from the county auditor describing how the county or counties where the applicant is from has historically distributed its educational revenue augmentation fund revenue to schools and local agencies.

(E) Identification of the funding and financing methods that will be used by each project included in the plan, including whether the applicant intends to issue bonds that will be repaid from property tax increment.

(F) The affordable housing and community development investment amount requested by the applicant to complete each project included in the plan or the services or facilities needed by each project included in the plan, as proposed, and the proposed date on which the annual allocation of the affordable housing and community development investment amount will terminate.

(G) The amount of administrative costs associated with the plan. The plan may set aside not more than 5 percent of the total affordable housing and community development investment amount requested in the plan for administrative costs.

(c) (1) The applicant shall certify that a skilled and trained workforce will be used to complete the project if the plan is approved.

(2) If the applicant has certified that a skilled and trained workforce will be used to complete the project or projects and the plan is approved, the following shall apply:

(A) The applicant shall require every contractor and subcontractor at every tier performing work on the project to provide the applicant with an enforceable commitment that the contractor or subcontractor will individually use a skilled and trained workforce to complete the project.

(B) Every contractor and subcontractor shall individually use a skilled and trained workforce to complete the project.

(C) The applicant shall be considered an awarding body for purposes of Section 2602 of the Public Contract Code.

(3) This subdivision shall not apply to projects that meet the following criteria ____.

(d) (1) Within 30 days of receipt of a plan pursuant to this section, the committee shall provide the applicant with a written statement identifying any questions about the plan.

(2) If the committee denies approval of the plan, the committee shall, not more than 30 days following the date the committee has issued a decision, provide the applicant with a written statement explaining the reasons why the plan was denied.

(3) ~~The~~ *Subject to subdivision (e), the* committee shall develop a rubric to determine which plan to approve. The rubric shall give priority to plans based on, but not limited to, the following factors:

(A) The number of housing units created.

(B) The share of housing units to be constructed that are available to individuals with an area median income below 120 percent.

(C) The share of housing units to be constructed that are available to individuals with an area median income below 80 percent.

(D) The share of housing units to be constructed that are available to individuals with an area median income below 50 percent.

(E) The level of local, state, and federal funds that will be dedicated toward the projects included in the plan, including but not limited to tax credits, in-kind transfers, personnel costs and services, and land.

(F) Whether the applicant adopts plans that streamline ~~development~~ *development,* including ~~those~~ *the following:*

(i) Plans adopted through a Workforce Housing Opportunity Zone (Article 10.10 (commencing with Section 65620) of Chapter 3 of Division 1 of Title ~~7),~~ *7) or* a Housing Sustainability District (Chapter 11 (commencing with Section 66200) of Division 1 of Title ~~7), or plans~~ *7).*

(ii) Plans to streamline development funded by the Building Homes and Jobs Act (Chapter 2.5 (commencing with Section 50470) of Part 2 of Division 31 of the Health and Safety Code).

(iii) Other local measures adopted to reduce development costs, including, but not limited to, accelerating housing approvals, reducing the average time for issuing a conditional use or other development permit to less than one year, reducing fees imposed in connection with the approval of accessory dwelling units, and increasing density near transit.

(e) Notwithstanding any other provision of this part, the committee may approve a plan submitted to it pursuant to this section only if it finds all of the following:

(1) (A) Except as otherwise provided in subparagraph (B), the applicant will provide matching resources, including, but not limited to, financial, in-kind land dedication, or public-private funds, for the state investment in the program.

(B) This paragraph shall not apply in the case of an applicant located in a rural area of the state.

(2) (A) If applicable, the applicant has a housing element that the Department of Housing and Community Development has determined to be in substantial compliance with Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7, pursuant to Section 65585.

(B) An applicant subject to this paragraph shall annually submit its housing element to the Department of Housing and Community Development for review to ensure that its housing element remains in substantial compliance with state law. The Department of Housing and Community Development shall certify to the committee whether the housing element is in substantial compliance and whether any rezoning of sites required by law, including, but not limited to, Sections 65583, 65583.2, and 65863, have been completed.

(3) If applicable, the applicant has not been found to have violated the Housing Accountability Act (Section 65589.5) or the

Density Bonus Law (Chapter 4.3 (commencing with Section 65915) of Division 1 of Title 7) within the following time periods:

(A) Until January 1, 2023, on or after January 1, 2018.

(B) On and after January 1, 2023, within the five years preceding the date of the submission of the applicant's plan pursuant to this section.

55906. (a) The committee shall adopt annual priorities consistent with the objectives set forth in Section 55903 and shall adhere to the following funding schedule:

(1) For the five-year period commencing July 1, 2020, and ending June 30, 2025, the committee may approve no more than two hundred million dollars ($200,000,000) in funding in any year for plans approved pursuant to the program.

(2) For the four-year period commencing July 1, 2025, and ending June 30, 2029, the committee may approve no more than two hundred fifty million dollars ($250,000,000) in funding in any year for plans approved pursuant to the program.

(3) The Legislature may direct the committee to suspend consideration of plans submitted pursuant to Section 55903 in any fiscal year in which the Legislature passes a bill described in Section 22 of Article XVI of the California Constitution. Nothing in this paragraph shall affect or have any financial impact upon previously approved funding pursuant to this program.

(4) The Legislature may direct the committee to suspend consideration of plans submitted pursuant to Section 55903 in any fiscal year in which the Legislature passes a bill described in Section 8 of Article XVI of the California Constitution. Nothing in this paragraph shall affect or have any financial impact upon previously approved funding pursuant to this program.

(b) The annual amounts dedicated to individual approved projects shall be allocated based on the schedule of funding included in the plan that includes the project, unless the committee decides to allocate a different level of funding or change the number of years that the project is to receive funding pursuant to the program in accordance with the plan approved pursuant to subdivision (d).

(c) The committee shall adopt guidelines to explain how geographic equity will be maintained in the approval of plans pursuant to this program.

(d) (1) The committee shall approve or deny a plan submitted pursuant to Section 55905 upon both of the following:

(A) Receipt of the information required to be submitted pursuant to paragraphs (1) through (4) of subdivision (b) of Section 55905.

(B) A determination that the affordable housing and community development investment amount requested is consistent with the guidelines adopted pursuant to subdivision (b).

(2) The approval shall state the amount of the affordable housing and community development investment amount approved and the date upon which the affordable housing and community development investment amount terminates.

(e) The committee may require the applicant to reimburse it for the reasonable cost incurred to review the plan to participate in the program.

(f) The committee shall review, and may approve or deny, any changes to a plan submitted by the applicant.

55907. (a) Upon approval of a plan pursuant to subdivision (d) of Section 55906, the committee shall issue an order directing the county auditor to reduce the amount of ad valorem property tax revenue pursuant to Section 97.68.1 of the Revenue and Taxation Code by the annual affordable housing and community development investment amount approved by the committee.

(b) The revenues allocated to an applicant pursuant to Section 97.68.1 of the Revenue and Taxation Code may be used for the purposes set forth in Section 55903.

(c) The applicant may use the additional revenue received pursuant to Section 97.68.1 of the Revenue and Taxation Code to incur debt or issue bonds or other financing to support the project or projects included in the plan.

55908. (a) On or before July 1, 2021, and annually thereafter, each applicant that has received financing pursuant to the program for any fiscal year shall provide a report to the committee that includes all of the following information for the previous fiscal year:

(1) The affordable housing and community development investment amount that the county auditor reallocated to the applicant pursuant to Section 97.68.1 of the Revenue and Taxation Code.

(2) The purposes for which that reallocated money was used, including the number of housing units constructed and at which income level.

(3) The actions taken during the prior fiscal year to implement the project.

(4) The total amount of funds expended for planning and general administrative costs.

(b) Notwithstanding Section 10231.5, on or before March 1, 2020, and annually thereafter, the committee shall provide a report to the Joint Legislative Budget Committee that includes all of the following information for the preceding fiscal year:

(1) The name, location, and general description, including the number of housing units constructed and at which income level, of each project that received an affordable housing and community development investment amount pursuant to this program.

(2) The total amount of money that county auditors reallocated from affordable housing and community development investment funds pursuant to the program in the previous fiscal year.

(3) An evaluation of the value of the state's investment through the funding provided by this program as measured by a net revenue increase to the General Fund and progress towards achieving the purposes and intent of the program.

(c) The committee shall develop a corrective action plan for noncompliance with the requirement of this part.

55909. (a) If, based on annual reports submitted to the committee pursuant to Section 55908, the committee determines that any of the following has occurred, the committee shall direct the applicant to develop a corrective action plan based on recommendations made by the committee:

(1) The applicant is not on track to produce the number of housing units included in the plan.

(2) The applicant is not on track to spend at least 50 percent of plan funds on affordable housing.

(3) The applicant is on track to exceed 5 percent of the administrative limit.

(4) The applicant is found to have used funding provided by the program for purposes not authorized by the act.

(5) The applicant is found to have used funds to subsidize market rate housing.

(6) The applicant has violated antidisplacement provisions pursuant to paragraph (6), (7), (8), or (9) of subdivision (a) of Section 55905.

(7) The applicant is not on track to complete all of the projects included in the plan according to the timeline included in the plan.

(b) The applicant shall have one year from the date that the committee directed the applicant to develop a corrective action plan.

(c) The committee shall issue a finding that the applicant is out of compliance with the program if the committee finds either of the following apply:

(1) The applicant has not provided an adequate corrective action plan to the committee within one year of the date the committee directed the applicant to develop a corrective action plan.

(2) The annual report provided to the committee pursuant to Section 55908 does not demonstrate that the applicant has taken adequate steps to implement the corrective action plan that was provided to the committee within one year of the date the committee directed the applicant to develop a corrective action plan.

(d) If the committee finds that the applicant is out of compliance with the program, the committee shall direct the auditor to stop reducing ERAF contributions approved pursuant to the program under Section 97.68.1 of the Revenue and Taxation Code, and prohibit the applicant from applying for additional funds for this program for a period of five years.

(e) If an applicant is found to be out of compliance with the program, the applicant shall be ineligible to apply for other state grant programs for a period of five years.

SEC. 4. Section 97.68.1 is added to the Revenue and Taxation Code, to read:

97.68.1. Notwithstanding any other provision of law, for each fiscal year for which funding for a plan for the county is approved under Part 4 (commencing with Section 55900) of Division 2 of Title 5 of the Government Code, in allocating ad valorem property tax revenue, all of the following shall apply:

(a) The auditor shall reduce the total amount of ad valorem property tax revenue otherwise required to be allocated to a county’s Educational Revenue Augmentation Fund by the

countywide affordable housing and community development investment amount.

(b) (1) The auditor shall, except as provided in paragraph (2), deposit the countywide affordable housing and community development investment amount into the Affordable Housing and Community Development Investment Fund, which shall be established in the treasury of each county. Moneys in the Affordable Housing and Community Development Investment Fund shall only be used for plans approved pursuant to Part 4 (commencing with Section 55900) of Division 2 of Title 5 of the Government Code, and shall be allocated to the applicant as directed by the committee.

(2) In the case of an applicant that is an enhanced infrastructure financing district, affordable housing authority, community revitalization investment authority, or transit village development district, the auditor shall allocate an amount equal to the enhanced infrastructure financing district's, affordable housing authority's, community revitalization investment authority's, or transit village development district's affordable housing and community development investment amount to the city or county that created the enhanced infrastructure financing district, affordable housing authority, community revitalization investment authority, or transit village development district. The city or county shall, upon receipt, transfer those funds to that enhanced infrastructure financing district, affordable housing authority, community revitalization investment authority, or transit village development district, in an amount equal to the affordable housing and community development investment amount for that enhanced infrastructure financing district, affordable housing authority, community revitalization investment authority, or transit village development district.

(3) The auditor shall allocate one-half of an amount specified in paragraph (1) or (2) on or before January 31 of each fiscal year, and the other one-half on or before May 31 of each fiscal year.

(c) For purposes of this section, all of the following shall apply:

(1) "Affordable housing and community development investment amount" for a particular city, county, or city and county means the amount approved by the Affordable Housing and Community Development Committee pursuant to Part 4

(commencing with Section 55900) of Division 2 of Title 5 of the Government Code.

(2) "Countywide affordable housing and community development investment amount" means, for any fiscal year, the total sum of the amounts described in paragraph (1) for a county or a city and county, and each city and county.

(d) This section shall not be construed to do any of the following:

(1) Reduce any allocations of excess, additional, or remaining funds that would otherwise have been allocated to county superintendents of schools, cities, counties, and cities and counties pursuant to clause (i) of subparagraph (B) of paragraph (4) of subdivision (d) of Sections 97.2 and 97.3 or Article 4 (commencing with Section 98) had this section not been enacted. The allocations required by this section shall be adjusted to comply with this paragraph.

(2) Require an increased ad valorem property tax revenue allocation or increased tax increment allocation to a community redevelopment agency.

(3) Alter the manner in which ad valorem property tax revenue growth from fiscal year to fiscal year is otherwise determined or allocated in a county.

(4) Reduce ad valorem property tax revenue allocations required under Article 4 (commencing with Section 98).

(e) If, for the fiscal year, after complying with Section 97.68, there is not enough ad valorem property tax revenue that is otherwise required to be allocated to a county Educational Revenue Augmentation Fund for the auditor to complete the allocation reduction required by subdivision (a), the auditor shall additionally reduce the total amount of ad valorem property tax revenue that is otherwise required to be allocated to all school districts and community college districts in the county for that fiscal year by an amount equal to the difference between the countywide affordable housing and community development investment amount and the amount of ad valorem property tax revenue that is otherwise required to be allocated to the county Educational Revenue Augmentation Fund for that fiscal year. This reduction for each school district and community college district in the county shall be the percentage share of the total reduction that is equal to the proportion that the total amount of ad valorem property tax

revenue that is otherwise required to be allocated to the school district or community college district bears to the total amount of ad valorem property tax revenue that is otherwise required to be allocated to all school districts and community college districts in a county. For purposes of this subdivision, "school districts" and "community college districts" do not include any districts that are excess tax school entities, as defined in Section 95.

(f) Any reduction in the amount of ad valorem property tax revenues deposited in the county's Educational Revenue Augmentation Fund as a result of subparagraph (A) shall be applied exclusively to reduce the amounts that are allocated from that fund to school districts and county offices of education, and shall not be applied to reduce the amounts of ad valorem property tax revenues that are otherwise required to be allocated from that fund to community college districts.

(g) (1) A property tax revenue allocation reduction or property tax revenue transfer made pursuant to subdivision (a) or (b) shall not be considered for purposes of determining under Section 96.1 the amount of property tax revenue allocated to a jurisdiction in the prior fiscal year.

(2) The auditor may include the cost of workload related to calculating reductions pursuant to subdivision (a) for the purposes of Section 95.3.

SEC. 5. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

SEC. 6. Each provision of this act is a material and integral part of the act, and the provisions of this act are not severable. If any provision of this act or its application is held invalid, the entire act shall be null and void.

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SENATE COMMITTEE ON HOUSING
Senator Scott Wiener, Chair
2019 - 2020 Regular

Bill No:	SB 5	**Hearing Date:**	4/2/2019
Author:	Beall		
Version:	3/21/2019		
Urgency:	No	**Fiscal:**	Yes
Consultant:	Alison Hughes		

SUBJECT: Affordable Housing and Community Development Investment Program

DIGEST: This bill creates the Affordable Housing and Community Development Investment Program, which funds affordable housing and housing-related infrastructure.

ANALYSIS:

Existing law:

1) Authorizes local agencies to create Enhanced Infrastructure Financing Districts (EIFDs) to finance specified infrastructure projects and facilities.

2) Authorizes a local government to create Community Revitalization and Investment Authorities to use tax increment revenue to improve infrastructure, assist businesses, and support affordable housing in disadvantaged communities.

3) Authorizes a local government to establish an Affordable Housing Authority to fund affordable housing.

4) Establishes the Neighborhood Infill and Transit Improvements Act, or NIFTI, in EIFD law and allows the infrastructure financing plan to contain a provision for the addition of any increase of the total receipts of local sales and use taxes (SUTs) and attribute those taxes to the NIFTI.

5) Authorizes a local government to establish a transit village development district which addresses, among other things housing within ½ a mile from the main entrance of a transit station.

This bill creates the Affordable Housing and Community Development Investment Program (Program). It establishes an application process, eligible uses for the funds made available by the bill, a process for distributing funds, project requirements, and accountability measures. Specifically, this bill:

1) Allows various local agencies to apply for the Program, either individually or jointly. Eligible applicants include:

    a) A city, county, or city and county.
    b) A joint powers authority.
    c) An EIFD.
    d) An affordable housing authority.
    e) A community revitalization and investment authority.
    f) A transit village development district.

2) Requires an applicant to submit a plan to the Affordable Housing and Community Development Committee (Committee). This nine-member committee is comprised of the following members:

    a) The Chair of the Strategic Growth Council, or designee.
    b) The Chair of the California Infrastructure and Economic Development Bank, or designee.
    c) The Chair of the California Workforce Investment Board, or designee.
    d) Director of the Housing and Community Development Department (HCD), or designee.
    e) Two people appointed by the Speaker of the Assembly.
    f) Two people appointed by the Senate Rules Committee.
    g) A member of the public with expertise in education finance appointed by the Joint Legislative Budget Committee.

3) Requires the plan submitted by the applicant to the Committee to include various types of information including:

    a) A description of the proposed projects the applicant plans to complete and the funding amount necessary for each year every project is to receive funding.
    b) Information necessary to demonstrate that the plan complies with all of the statutory requirements of the Program.
    c) Certification that any low- and moderate-income housing or other projects or portions of other projects that receive funding from the program will use streamlined review processes.
    d) A plan for outreach to, and retention of, women, minority, disadvantaged youth, formerly incarcerated, and other underrepresented subgroups in

coordination with the California Workforce Investment Board and local boards.

e) An economic and fiscal analysis paid for and prepared by the applicant.

4) Permits the Committee to submit questions, approve, deny, or modify an application.

5) Requires the Committee to ensure that funds are distributed with geographic equity in mind and directs the Committee to create a scoring methodology that prioritizes projects based on: a) the number of housing units created; b) the share of those units dedicated to each low- and moderate- income category; c) the level of local, state, and federal funds leveraged for the plan; and d) whether the applicant adopts plans to streamline development. This bill directs HCD to provide technical and administrative assistance for the preparation and review of plans.

6) Provides that eligible uses of funds from the Program are:

   a) Construction of affordable housing, defined as units affordable to households making 120% of area median income.
   b) Transit-oriented development in priority locations that maximize density and transit use and contribute to the reduction of vehicle miles traveled and greenhouse gas emissions.
   c) Infill development, including: i) infrastructure needed to support infill development; and ii) appropriate reuse and redevelopment of previously developed land that is presently served by municipal services.
   d) Promoting strong neighborhoods through supporting local community planning and engagement efforts to revitalize and restore neighborhoods, including repairing infrastructure and parks, rehabilitating and building housing, promoting public-private partnerships, and supporting small businesses and job growth for affected residents.
   e) Protecting communities from the effects of sea-level rise, including the construction, repair, replacement, and maintenance of infrastructure that protects communities from sea-level rise.

7) Requires at least 50% of funding to be used on the construction of affordable housing. This bill prohibits funds from subsidizing market rate units, but allows funding for infrastructure of developments that include market rate units. Each project in the plan must dedicate at least 50% of housing units to affordable housing and keep those units affordable for at least 55 years.

8) Reserves at least 12% of the funds for counties with 200,000 residents or less, of which at least two percent shall be for technical assistance. If these counties

do not spend all of these funds in any year, the funding shall be reserved for these counties in subsequent years.

9) Allows the Committee to approve $200 million in plans in the first year, increasing in $200 million increments each year for five years until reaching $1 billion after five years. The next four years, the annual increase in funding the Committee can approve increases by $250 million each year until it reaches $2 billion after nine years. This bill allows the Legislature to suspend the program if the state taps into its Rainy Day account or suspends the Proposition 98 guarantee.

10) Directs the county auditor to reduce the amount of property tax revenue the applicant would otherwise have contributed to the county's Education Revenue Augmentation Fund (ERAF), when the Committee approves a plan. The applicant would retain the funds they would have otherwise transferred to ERAF to use for the projects included in their plan. The bill specifies that these reductions can only come from ERAF amounts that were going to be used for K-12 schools, which ensures that the General Fund backfills the lower property tax revenue to schools. To the extent that this bill inadvertently reduces school funding, the bill gives the Department of Finance the ability to recalculate the Proposition 98 guarantee so that schools receive the same amount of funding they would have absent this Program.

11) Requires projects approved in a plan to do the following:

   a) Not request funding for more than 30 years.
   b) Include prevailing wage requirements and a skilled-and-trained workforce to complete projects. The bill also includes unspecified exceptions to what projects are required to use a skilled-and-trained workforce.
   c) Exclude project sites where an eviction has taken place within the last 10 years.
   d) Not demolish housing subject to affordable housing requirements, rent control, or which has been occupied by tenants within the last ten years.
   e) Not demolish historic structures that were placed on a national, state, or local historic register.
   f) Exclude tenant occupied housing units that are, will be, or were subsequently offered for sale to the general public.

12) Requires the recipient of diverted ERAF funds to submit an annual report to the Committee documenting the plan's progress, how the applicant used the funding, and whether projects continue to meet the requirements described above. The Committee must compile these reports into an annual report that it

submits to the Legislature.

13) Permits the Committee to direct the applicant to develop a corrective action plan (CAP), if an applicant does not spend the funds as laid out in their plan. In deciding whether to require an applicant to develop a CAP, the committee must consider whether the applicant:

a) Remains on track to produce the number of housing units included in the plan.
b) Remains on track to spend at least 50% of plan funds on affordable housing.
c) Is on track to exceed the five percent administrative cost limit.
d) Has used funding for ineligible purposes.
e) Has used funds to subsidize market rate units.
f) Violated the bill's anti-displacement provisions.
g) Is not on track to complete the projects according to the agreed upon timelines.

14) Gives the applicant one year to develop the CAP and take steps to implement the plan. To the extent that an applicant does not comply with the plan, it cannot apply for additional funding from this program for five years or apply for other state grant programs.

COMMENTS

1) *Purpose of the bill.* According to the author, "Nearly 130,000 men, women, and children lived on California's streets in 2018. A major driver for the increase in homelessness is high housing costs and underproduction of housing units, especially for those with the lowest income. Since the 1980s, California has failed to produce the estimated 180,000 necessary new housing units per year. According to HCD, California has a 1.5 million unit shortage of housing available to our lowest income households, who are most at risk of becoming homeless. The state must act with urgency to address the shortage of affordable housing units. [This bill] makes the state a long-term partner and provides much needed money to build affordable housing construction across the state. It provides a significant ongoing investment, ramping up to $2 billion annually over time, and offers an effective finance tool lost when the state dissolved redevelopment agencies. The intent of this bill is to respond to the needs of the cities and counties and get funds out the door to construct affordable housing units quickly. It creates desperately needed housing opportunities for hard-working Californians and will also help alleviate poverty, create jobs, and meet our statewide environmental goals without affecting school funding. According to economic analysis prepared by the Northern California Carpenters Regional Council and California Housing Partnership, this bill would create up to 86,000

new and rehabilitated housing units, 329,000 jobs and spur more than $60 billion in economic activity over a 10 year period."

2) *Loss of Redevelopment Funds.* Article XVI, Section 16 of the California Constitution authorizes the Legislature to provide for the formation of redevelopment agencies (RDAs) to eliminate blight in an area by means of a self-financing schedule that pays for the redevelopment project with tax increment derived from any increase in the assessed value of property within the redevelopment project area (or tax increment). Prior to Proposition 13, very few RDAs existed; however after its passage, RDAs became a source of funding for a variety of local infrastructure activities. Eventually, RDAs were required to set-aside 20% of funding generated in a project area to increase the supply of low and moderate-income housing in the project areas. At the time RDAs were dissolved, the Controller estimated that statewide, RDAs were obligated to spend $1 billion on affordable housing.

   Since the dissolution of RDAs in 2012, legislators have enacted several measures creating new tax increment financing tools to pay for local economic development. In 2014, the Legislature authorized the creation of EIFDs (SB 628, Beall), followed by Community Revitalization and Investment Authorities (CRIAs) in 2015 (AB 2, Alejo). Similar to EIFDs, CRIAs use tax increment financing to fund infrastructure projects, with two big differences: CRIAs may only be formed in economically depressed areas, but don't require voter approval. Two years ago, the Legislature authorized the formation of Affordable Housing Authorities (AHAs), which may use tax increment financing exclusively for rehabilitating and constructing affordable housing and do not require voter approval to issue bonds (AB 1598, Mullin). Last year, SB 961 (Allen) removed the vote requirement for a subset of EIFDs to issue bonds and required these EIFDs to instead solicit public input. While these entities share fundamental similarities with RDAs in terms of using various forms of tax increment financing, they differ in one important aspect: not having access to the school's share of property tax revenue.

3) *Education Revenue Augmentation Fund (ERAF) Background*. Each year, the state estimates how much each K-12 school and community college district will receive in local property tax revenue (and student fee revenue in the case of community colleges); the annual budget act appropriates state General Fund to "make up the difference" and fund the district's revenue limit or apportionment at the intended level. Frequently, however, the actual property tax revenues allocated to school districts may be less than anticipated. The state's education finance system addresses these shortfalls differently for different types of educational entities. For K-12 districts, all funding shortfalls are backfilled

automatically with additional state aid. In contrast, explicit state action is required to backfill community college funding shortfalls.

In 1992-93 and 1993-94, in response to serious budgetary shortfalls, the state permanently redirected almost one-fifth of total statewide property tax revenue from cities, counties, and special districts to K-12 and community college districts. Under the changes in property tax allocation laws, the redirected property tax revenue is deposited into a countywide fund for schools, ERAF. The property tax revenue from ERAF is distributed to non-basic aid schools and community colleges, reducing the state's funding obligations for K-14 education. In 2017-18, cities, counties, and special districts deposited around $9.6 billion into county ERAFs. Funds deposited into county ERAFs are distributed back to back to schools and local agencies, as specified.

4) *Money for Locals to Build Housing*. California is in the midst of a serious housing crisis, largely due to a shortage of housing stock, primarily for lower-income households. This bill creates an ongoing revenue source for locals to create affordable housing and housing-related infrastructure by indirectly requiring the General Fund to backfill any reductions to the ERAF. It also states that the backfills shall ensure that schools receive the same level of revenue as they would have in absence of the bill.

5) *Use of the funds.* While the bill requires at least 50% of the overall funding to be allocated to affordable housing, the remaining 50% is allocated towards the program's other five eligible uses. These categories are relatively broad, from dealing with sea level rise to encouraging local economic development. One of the critiques of redevelopment was that funding was used for projects that were not the highest priority. Given the breadth of funding uses, it is possible that this new program could face similar criticisms when implemented. ***The author has agreed to clarify these uses as the following: a) Predevelopment, development, acquisition, rehabilitation and preservation of affordable housing, defined as units affordable to households making 120% of area median income; b) Transit-oriented development for the purpose of developing or facilitating the development of higher density uses within close proximity to transit stations that will increase public transit ridership and contribute to the reduction of vehicle miles traveled and greenhouse gas emissions; and c) Infill development to assist in the new construction and rehabilitation of infrastructure that supports high-density, affordable, and mixed-income housing in locations designated as infill, including, but not limited to, any of the following: park creation, development, or rehabilitation to encourage infill development; water, sewer, or other public infrastructure***

costs associated with infill development; transportation improvements related to infill development projects; and traffic mitigation.

6) *Sharing the burden*. The Legislature has enacted numerous measures to facilitate affordable housing production and address the housing shortage. The housing package of 2017 made an effort to promote higher density housing, streamline housing approval processes, and increase zoning for housing while providing more state enforcement power. This package included SB 2 (Atkins), which required recorders to collect a $75 fee on every real estate instrument, paper, or notice. Once collected, these fees will fund various housing programs. The package also included SB 3 (Beall), which placed a $3 billion bond before voters on the November 2018 ballot, which voters approved, to fund affordable housing programs. Additionally, in 2018, the voters approved Proposition 2, which provides $2 billion for housing construction for chronically homeless persons experiencing a mental illness.

   In 2016 and 2018, several jurisdictions across the state took action and adopted local measures to fund affordable housing construction, either through general obligation bonds or the creation of a permanent funding stream. On the other hand, some jurisdictions have taken actions to stymie housing development either through local initiative processes or through actions by the local city council. Given the severity of the crisis, identifying funding solutions must be a shared responsibility and locals have control over how quickly they approve housing and can take steps to reduce housing costs. Further, with finite resources available, the state should not reward jurisdictions that have otherwise sought to stymie housing production. ***The author has agreed to the following amendments: a) require that, in order to receive funding, non-rural jurisdictions provide a match, including financial, in kind land dedication, and public-private funds; b) the Program will also prioritize projects in jurisdictions that have enacted local measures to reduce development costs, including but not limited to accelerating housing approvals, the average permitting time is less than a year, reduced fees for ADUs, and dense zoning near transit; and c) jurisdictions that have passed measures that cap population or place limits on growth, enacted housing moratoria, required housing-related zoning decisions be approved by the electorate, engaged in downzoning, failed to comply with housing element law, or violated state housing programs may only use the funds from the Program for housing and infrastructure that supports housing. The committee may also wish to consider requiring jurisdictions that have violated state housing laws in the last five years to be ineligible for funding.***

7) *Double-referral.* This bill is double-referred to the Governance and Finance. This bill passed out of that committee on 3/20/2019 with a 6-0 vote.

RELATED LEGISLATION:

AB 1568 (Bloom, Chapter 562, Statutes of 2017) — allowed an EIFD to allocate sales taxes for affordable housing on infill sites.

AB 2 (Alejo, Chapter 319, Statutes of 2015) — authorized local governments to create Community Revitalization and Investment Authorities (CRIA) to use tax increment revenue to improve the infrastructure, assist businesses, and support affordable housing in disadvantaged communities. It requires that at least 25% of all tax increment revenues that are allocated to the CRIA from any participating entity must be deposited into a separate Low- and Moderate-Income Housing Fund and used by the CRIA for the purposes of increasing, improving, and preserving the community's supply of low- and moderate-income housing available at affordable housing cost.

SB 628 (Beall, Chapter 785, Statutes of 2014) — allowed local agencies to create enhanced infrastructure financing districts (EIFDs) to finance specified infrastructure projects and facilities.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

POSITIONS: (Communicated to the committee before noon on Wednesday, March 27, 2019.)

SUPPORT:

American Planning Association, California Chapter
Bay Area Council
Brentwood; City Of
Burbank; City Of
California Association For Local Economic Development
Concord; City Of
Cotati; City of
Covina; City Of
Crescent City; City Of
Fort Bragg; City Of
Fountain Valley; City Of
International Union Of Operating Engineers, Cal-Nevada Conference
Kosmont Companies

Laguna Beach; City Of
Laguna Niguel; City Of
Lakeport; City Of
Lakewood; City Of
League Of California Cities
Mayor of San Jose Sam Liccardo
Moorpark; City Of
Napa; City Of
Novato; City Of
Pasadena; City Of
Pinole; City Of
Placentia; City Of
Rohnert Park; City Of
Rosemead; City Of
Salinas; City Of
San Rafael; City Of
Sand City; City Of
South Pasadena; City Of
Town Of Danville
Vallejo; City Of
Working Partnerships USA

OPPOSITION:

None received.

-- END --

SB 13 (Wieckowski)

Accessory Dwelling Units

SUMMARY

We face many challenges when it comes to providing affordable housing, but reducing and eliminating barriers to accessory dwelling units (ADUs) is a common-sense, cost-effective approach that will allow homeowners to make good use of their property across California while easing the housing crisis.

PROBLEM

California is in a severe housing crisis. Throughout the state, the bottom 25% of income earners spends 67% of their income on housing. This housing burden is one of the most significant drivers of institutional and generational poverty cycles and will not be resolved until more housing can be developed. One significant step to increase the supply of affordable housing is to build more ADUs.

ADUs are inherently affordable: costing as little as 25% of a regular housing unit in a conventional infill development. ADUs cost less to build, are managed by a homeowner, and require no public subsidy. Under existing law, any property owner has the ability to a construct an ADU on their property should they meet certain zoning and building requirements. However, a significant number of homeowners interested in building ADUs on their property are deterred from constructing these units due to unnecessary regulatory barriers, such as excessive fees.

A 2017 report by UC Berkeley's Terner Center of Housing Innovation stated that development fees and code standards continue to prevent the construction of ADUs. ADUs are often charged with the same impact fees that a new home would be subject to. These fees can range anywhere between $5,000 and $60,000. This is true even though a homeowner building an additional bathroom or bedroom would not be charged.

These excessive fees, coupled with stringent code standards, have prompted many homeowners to build ADUs without permits. Los Angeles estimates that about 50,000 pre-existing unpermitted ADUs exist in the city. A recent report estimated nearly 300,000 unpermitted units in the larger metropolitan area of Los Angeles. This is a significant health and safety hazard; without a proper record of where these units are, cities cannot accommodate for the units or the people residing in the units in an event of an emergency. The goal of SB 13 is to reduce barriers in order to encourage the safe and legal construction of ADUs.

EXISTING LAW

Government Code Section 65852.2 defines an ADU as an attached or detached residential dwelling unit which provides complete independent living facilities for one or more persons. The ADU shall include permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the single-family dwelling is situated. This section also allows any local agency to provide for the construction of ADUs by ordinance. A local ordinance may designate areas where ADUs may be permitted and may impose standards such as parking, setback, lot coverage, and maximum size.

THIS BILL

SB 13 will ease the construction of ADUs by:

- Reducing impact fees for ADUs. Units less than 750 square feet will be charged zero impact fees. Units over 750 square feet shall be charged 25 % of impact fees.
- Creating an amnesty program that would ease the process of permitting a pre-existing unpermitted ADU until 2030.
- Clarifying that ADUs count towards RHNA.
- Prohibiting owner-occupancy requirements for an ADU.
- Reducing the permit review timeline from 120 days to 60 days.
- Deeming an ADU permit application automatically approved if a local agency has not acted upon the application within 60 days.
- Raising the size limit that a local ordinance can impose on an ADU from 150 square feet to at least 850 square feet, or 1000 square feet if the unit consist of more than one bedroom.
- Defining "public transit" as "a location such as a bus stop or train station, where members of the public may access buses, trains, subways, and other forms of transportation that charge set fares, run on fixed routes, and are available to the public."
- Enhancing an enforcement mechanism that would allow the California Department of Housing and Community Development to ensure local agencies are following the law on ADUs

SUPPORT

Bay Area Council
CA Apartment Association
CA YIMBY
CalChamber
California Association of Realtors
Casita Coalition
Eden Housing
LA Mas
PrefabADU
Silicon Valley @ Home
UC Berkeley Terner Center

AMENDED IN SENATE APRIL 4, 2019

AMENDED IN SENATE MARCH 11, 2019

SENATE BILL No. 13

Introduced by Senator Wieckowski
(Principal coauthors: Senators Beall and Hertzberg)
(Principal coauthors: Assembly Members Gloria and Quirk-Silva)
~~**(Coauthor: Senator Skinner)**~~
(Coauthors: Senators Nielsen and Skinner)
(Coauthors: Assembly Members Levine and Patterson)

December 3, 2018

An act to amend Sections 65585 and 65852.2 of the Government Code, and to add and repeal Section 17980.12 of the Health and Safety Code, relating to land use.

LEGISLATIVE COUNSEL'S DIGEST

SB 13, as amended, Wieckowski. Accessory dwelling units.

(1) The Planning and Zoning Law authorizes a local agency, by ordinance, or, if a local agency has not adopted an ordinance, by ministerial approval, to provide for the creation of accessory dwelling units in single-family and multifamily residential zones. Existing law requires accessory dwelling units to comply with specified standards, including that the accessory dwelling unit is either attached to, or located within, the proposed or existing primary dwelling or detached if located within the same lot, and that it does not exceed a specified amount of total area of floor space.

This bill would, instead, authorize the creation of accessory dwelling units in areas zoned to allow single-family or multifamily dwelling use. The bill would also revise the requirements for an accessory dwelling unit by providing the accessory dwelling unit may be attached to, or

located within, an attached garage, storage area, or other structure, and that it does not exceed a specified amount of total floor area.

(2) Existing law generally authorizes a local agency to include in the ordinance parking standards upon accessory dwelling units, including authorizing a local agency to require the replacement of parking spaces if a garage, carport, or covered parking is demolished to construct an accessory dwelling unit. Existing law also prohibits a local agency from imposing parking standards on an accessory dwelling unit if it is located within one-half mile of public transit.

This bill would, instead, prohibit local agency from requiring the replacement of parking spaces if a garage, carport, or covered parking is demolished to construct an accessory dwelling unit. The bill would also prohibit a local agency from imposing parking standards on an accessory dwelling unit that is located within a traversable distance of one-half mile of public transit, and would define the term "public transit" for those purposes.

(3) Existing law authorizes a local agency to establish minimum and maximum square-feet limitations on accessory dwelling units, provided that the ordinance permits an 800 square-foot accessory dwelling unit to be constructed in compliance with local development standards.

This bill would instead require that ordinance to permit an 850 square-foot accessory dwelling unit and, if the unit consists of more than one bedroom, a 1,000 square-foot accessory dwelling unit to be constructed in compliance with local development standards.

~~(3)~~

(4) Existing law authorizes a local agency to include in an ordinance governing accessory dwelling units a requirement that a permit applicant be an owner-occupant, and authorizes a local agency, as a part of a ministerial approval process for accessory dwelling units, to require owner occupancy for either the primary or the accessory dwelling unit created by that process.

This bill would, instead, prohibit a local agency from requiring occupancy of either the primary or the accessory dwelling unit.

~~(4)~~

(5) Existing law requires a local agency that has not adopted an ordinance governing accessory dwelling units to approve or disapprove the application ministerially and without discretionary review within 120 days after receiving the application.

The bill would require a local agency, whether or not it has adopted an ordinance, to consider and approve an application, ministerially and

without discretionary review, within 60 days after receiving the application. The bill would also provide that, if a local agency does not act on the application within that time period, the application shall be deemed approved.

~~(5)~~

(6) Existing law requires fees for an accessory dwelling unit to be determined in accordance with the Mitigation Fee Act. Existing law also requires the connection fee or capacity charge for an accessory dwelling unit requiring a new or separate utility connection to be based on either the accessory dwelling unit's size or the number of its plumbing fixtures.

This bill would prohibit a local agency, special district, or water corporation from imposing any impact fee upon the development of an accessory dwelling unit if that fee, in the aggregate, exceeds specified requirements depending on the size of the unit. The bill would revise the basis for calculating the connection fee or capacity charge specified above to either the accessory dwelling unit's square feet or the number of its drainage fixture unit values, as specified.

(7) Existing law, for purposes of these provisions, defines "accessory structure" as an existing, habitable or nonattached or detached fixed structure, which includes a garage, studio, pool house, or other similar structure.

This bill would redefine "accessory structure" to mean a structure that is accessory and incidental to a dwelling located on the same lot.

~~(6)~~

(8) Existing law requires a local agency to submit a copy of the adopted ordinance to the Department of Housing and Community Development and authorizes the department to review and comment on the ordinance.

This bill would instead authorize the department to submit written findings to the local agency as to whether the ordinance complies with the statute authorizing the creation of an accessory dwelling unit, and, if the department finds that the local agency's ordinance does not comply with those provisions, would require the department to notify the local agency and would authorize the department to notify the Attorney General that the local agency is in violation of state law. The bill would authorize the department to adopt guidelines to implement uniform standards or criteria to supplement or clarify the provisions authorizing accessory dwelling units.

~~(7)~~

(9) Existing law requires the planning agency of each city and county to adopt a general plan that includes a housing element that identifies adequate sites for housing. Existing law authorizes the department to allow a city or county to do so by a variety of methods and also authorizes the department to allow a city or county to identify sites for accessory dwelling units, as specified.

This bill would state that a local agency may count an accessory dwelling unit for purposes of identifying adequate sites for housing in accordance with those provisions.

~~(8)~~

(10) Existing law, the State Housing Law, a violation of which is a crime, establishes statewide construction and occupancy standards for buildings used for human habitation. Existing law requires, for those purposes, that any building, including any dwelling unit, be deemed to be a substandard building when a health officer determines that any one of specified listed conditions exists to the extent that it endangers the life, limb, health, property, safety, or welfare of the public or its occupants.

This bill would authorize the owner of an accessory dwelling unit that receives a notice to correct violations or abate nuisances to request that the enforcement of the violation be delayed for 10 years if correcting the violation is not necessary to protect health and safety, as determined by the enforcement agency, subject to specified requirements. The bill would make conforming and other changes relating to the creation of accessory dwelling units.

By increasing the duties of local agencies with respect to land use regulations, and because the bill would expand the scope of a crime under the State Housing Law, the bill would impose a state-mandated local program.

~~(9)~~

(11) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

SECTION 1. Section 65585 of the Government Code is amended to read:

65585. (a) In the preparation of its housing element, each city and county shall consider the guidelines adopted by the department pursuant to Section 50459 of the Health and Safety Code. Those guidelines shall be advisory to each city or county in the preparation of its housing element.

(b) (1) At least 90 days prior to adoption of its housing element, or at least 60 days prior to the adoption of an amendment to this element, the planning agency shall submit a draft element or draft amendment to the department.

(2) The planning agency staff shall collect and compile the public comments regarding the housing element received by the city, county, or city and county, and provide these comments to each member of the legislative body before it adopts the housing element.

(3) The department shall review the draft and report its written findings to the planning agency within 90 days of its receipt of the draft in the case of an adoption or within 60 days of its receipt in the case of a draft amendment.

(c) In the preparation of its findings, the department may consult with any public agency, group, or person. The department shall receive and consider any written comments from any public agency, group, or person regarding the draft or adopted element or amendment under review.

(d) In its written findings, the department shall determine whether the draft element or draft amendment substantially complies with this article.

(e) Prior to the adoption of its draft element or draft amendment, the legislative body shall consider the findings made by the department. If the department's findings are not available within the time limits set by this section, the legislative body may act without them.

(f) If the department finds that the draft element or draft amendment does not substantially comply with this article, the legislative body shall take one of the following actions:

(1) Change the draft element or draft amendment to substantially comply with this article.

(2) Adopt the draft element or draft amendment without changes. The legislative body shall include in its resolution of adoption written findings which explain the reasons the legislative body believes that the draft element or draft amendment substantially complies with this article despite the findings of the department.

(g) Promptly following the adoption of its element or amendment, the planning agency shall submit a copy to the department.

(h) The department shall, within 90 days, review adopted housing elements or amendments and report its findings to the planning agency.

(i) (1) (A) The department shall review any action or failure to act by the city, county, or city and county that it determines is inconsistent with an adopted housing element or Section 65583, including any failure to implement any program actions included in the housing element pursuant to Section 65583. The department shall issue written findings to the city, county, or city and county as to whether the action or failure to act substantially complies with this article, and provide a reasonable time no longer than 30 days for the city, county, or city and county to respond to the findings before taking any other action authorized by this section, including the action authorized by subparagraph (B).

(B) If the department finds that the action or failure to act by the city, county, or city and county does not substantially comply with this article, and if it has issued findings pursuant to this section that an amendment to the housing element substantially complies with this article, the department may revoke its findings until it determines that the city, county, or city and county has come into compliance with this article.

(2) The department may consult with any local government, public agency, group, or person, and shall receive and consider any written comments from any public agency, group, or person, regarding the action or failure to act by the city, county, or city and county described in paragraph (1), in determining whether the housing element substantially complies with this article.

(j) The department shall notify the city, county, or city and county and may notify the office of the Attorney General that the city, county, or city and county is in violation of state law if the department finds that the housing element or an amendment to this element, or any action or failure to act described in subdivision

(i), does not substantially comply with this article or that any local government has taken an action in violation of the following:

(1) Housing Accountability Act (Section 65589.5).

(2) Section 65863.

(3) Chapter 4.3 (commencing with Section 65915) of Division 1 of Title 7.

(4) Section 65008.

(5) Section 65852.2.

SEC. 2. Section 65852.2 of the Government Code is amended to read:

65852.2. (a) (1) A local agency may, by ordinance, provide for the creation of accessory dwelling units in areas zoned to allow single-family or multifamily dwelling residential use. The ordinance shall do all of the following:

(A) Designate areas within the jurisdiction of the local agency where accessory dwelling units may be permitted. The designation of areas may be based on criteria that may include, but are not limited to, the adequacy of water and sewer services and the impact of accessory dwelling units on traffic flow and public safety.

(B) (i) Impose standards on accessory dwelling units that include, but are not limited to, parking, height, setback, lot coverage, landscape, architectural review, maximum size of a unit, and standards that prevent adverse impacts on any real property that is listed in the California Register of Historic Places.

(ii) Notwithstanding clause (i), a local agency may reduce or eliminate parking requirements for any accessory dwelling unit located within its jurisdiction.

(C) Provide that accessory dwelling units do not exceed the allowable density for the lot upon which the accessory dwelling unit is located, and that accessory dwelling units are a residential use that is consistent with the existing general plan and zoning designation for the lot.

(D) Require the accessory dwelling units to comply with all of the following:

(i) The unit may be rented separate from the primary residence, but may not be sold or otherwise conveyed separate from the primary residence.

(ii) The lot includes a proposed or existing single-family dwelling.

(iii) The accessory dwelling unit is either attached to, or located within, the proposed or existing primary dwelling, including attached garages, storage areas or similar uses, or an accessory structure or detached from the proposed or existing primary dwelling and located on the same lot as the proposed or existing primary dwelling.

(iv) The total floor area of an attached accessory dwelling unit shall not exceed 50 percent of the proposed or existing primary dwelling living area or 1,200 square feet.

(v) The total floor area for a detached accessory dwelling unit shall not exceed 1,200 square feet.

(vi) No passageway shall be required in conjunction with the construction of an accessory dwelling unit.

(vii) No setback shall be required for an existing garage that is converted to an accessory dwelling unit or to a portion of an accessory dwelling unit, and a setback of no more than five feet from the side and rear lot lines shall be required for an accessory dwelling unit that is constructed above a garage.

(viii) Local building code requirements that apply to detached dwellings, as appropriate.

(ix) Approval by the local health officer where a private sewage disposal system is being used, if required.

(x) (I) Parking requirements for accessory dwelling units shall not exceed one parking space per unit or per bedroom, whichever is less. These spaces may be provided as tandem parking on a driveway.

(II) Offstreet parking shall be permitted in setback areas in locations determined by the local agency or through tandem parking, unless specific findings are made that parking in setback areas or tandem parking is not feasible based upon specific site or regional topographical or fire and life safety conditions.

(III) This clause shall not apply to a unit that is described in subdivision (d).

(xi) When a garage, carport, or covered parking structure is demolished in conjunction with the construction of an accessory dwelling unit or converted to an accessory dwelling unit, a local agency shall not require that those offstreet parking spaces be replaced.

(2) The ordinance shall not be considered in the application of any local ordinance, policy, or program to limit residential growth.

(3) A permit application for an accessory dwelling unit shall be considered and approved ministerially without discretionary review or a hearing, notwithstanding Section 65901 or 65906 or any local ordinance regulating the issuance of variances or special use permits, within 60 days after receiving the application. If the local agency has not acted upon the submitted application within 60 days, the application shall be deemed approved. A local agency may charge a fee to reimburse it for costs incurred to implement this paragraph, including the costs of adopting or amending any ordinance that provides for the creation of an accessory dwelling unit.

(4) An existing ordinance governing the creation of an accessory dwelling unit by a local agency or an accessory dwelling ordinance adopted by a local agency shall provide an approval process that includes only ministerial provisions for the approval of accessory dwelling units and shall not include any discretionary processes, provisions, or requirements for those units, except as otherwise provided in this subdivision. In the event that a local agency has an existing accessory dwelling unit ordinance that fails to meet the requirements of this subdivision, that ordinance shall be null and void and that agency shall thereafter apply the standards established in this subdivision for the approval of accessory dwelling units, unless and until the agency adopts an ordinance that complies with this section.

(5) No other local ordinance, policy, or regulation shall be the basis for the delay or denial of a building permit or a use permit under this subdivision.

(6) This subdivision establishes the maximum standards that local agencies shall use to evaluate a proposed accessory dwelling unit on a lot that includes a proposed or existing single-family dwelling. No additional standards, other than those provided in this subdivision, shall be utilized or imposed, except that a local agency may require that the property be used for rentals of terms longer than 30 days.

(7) A local agency may amend its zoning ordinance or general plan to incorporate the policies, procedures, or other provisions applicable to the creation of an accessory dwelling unit if these provisions are consistent with the limitations of this subdivision.

(8) An accessory dwelling unit that conforms to this subdivision shall be deemed to be an accessory use or an accessory building

and shall not be considered to exceed the allowable density for the lot upon which it is located, and shall be deemed to be a residential use that is consistent with the existing general plan and zoning designations for the lot. The accessory dwelling unit shall not be considered in the application of any local ordinance, policy, or program to limit residential growth.

(b) When a local agency that has not adopted an ordinance governing accessory dwelling units in accordance with subdivision (a) receives an application for a permit to create an accessory dwelling unit pursuant to this subdivision, the local agency shall approve or disapprove the application ministerially without discretionary review pursuant to subdivision (a) within 60 days after receiving the application. If the local agency has not acted upon the submitted application within 60 days, the application shall be deemed approved.

(c) A local agency may establish minimum and maximum unit size requirements for both attached and detached accessory dwelling units. No minimum or maximum size for an accessory dwelling unit, or size based upon a percentage of the proposed or existing primary dwelling, shall be established by ordinance for either attached or detached dwellings that does not permit ~~at least an 800 square-foot accessory dwelling unit~~ *either of the following* to be constructed in compliance with local development ~~standards. Accessory~~ *standards:*

(1) An 850 square-foot accessory dwelling unit.

(2) A 1,000 square-foot accessory dwelling unit, if the unit provides more than one bedroom. ~~dwelling units shall not be required to provide fire sprinklers if they are not required for the primary residence.~~

(d) Notwithstanding any other law, a local agency, whether or not it has adopted an ordinance governing accessory dwelling units in accordance with subdivision (a), shall not impose parking standards for an accessory dwelling unit in any of the following instances:

(1) The accessory dwelling unit is located within a traversable distance of one-half mile of public transit.

(2) The accessory dwelling unit is located within an architecturally and historically significant historic district.

(3) The accessory dwelling unit is part of the proposed or existing primary residence or an accessory structure.

(4) When on-street parking permits are required but not offered to the occupant of the accessory dwelling unit.

(5) When there is a car share vehicle located within one block of the accessory dwelling unit.

(e) Notwithstanding subdivisions (a) to (d), inclusive, a local agency shall ministerially approve an application for a building permit to create one accessory dwelling unit per lot if the unit is substantially contained within the existing space of a single-family residence or accessory structure, has independent exterior access from the existing residence, and the side and rear setbacks are sufficient for fire safety. Accessory dwelling units shall not be required to provide fire sprinklers if they are not required for the primary residence.

(f) A local agency shall not require owner occupancy for either the primary or the accessory dwelling unit. An agreement with a local agency to maintain owner occupancy as a condition of issuance of a building permit for an accessory dwelling unit shall be void and unenforceable.

(g) (1) Fees charged for the construction of accessory dwelling units shall be determined in accordance with Chapter 5 (commencing with Section 66000) and Chapter 7 (commencing with Section 66012).

(2) An accessory dwelling unit shall not be considered by a local agency, special district, or water corporation to be a new residential use for the purposes of calculating connection fees or capacity charges for utilities, including water and sewer service.

(3) A local agency, special district, or water corporation shall not impose any impact fee upon the development of an accessory dwelling unit if that fee, in the aggregate, exceeds the following:

(A) An accessory dwelling unit less than 750 square feet will be charged zero impact fees.

(B) An accessory dwelling unit ~~between 750 and 1,000~~ *750 or more* square feet shall be charged 25 percent of the impact fees otherwise charged for a new single-family dwelling on the same lot.

~~(C) An accessory dwelling unit greater than 1,000 square feet shall be charged 50 percent of the impact fees otherwise charged for a new single-family dwelling.~~

(4) For an accessory dwelling unit described in subdivision (e), a local agency, special district, or water corporation shall not

require the applicant to install a new or separate utility connection directly between the accessory dwelling unit and the utility or impose a related connection fee or capacity charge.

(5) For an accessory dwelling unit that is not described in subdivision (e), a local agency, special district, or water corporation may require a new or separate utility connection directly between the accessory dwelling unit and the utility. Consistent with Section 66013, the connection may be subject to a connection fee or capacity charge that shall be proportionate to the burden of the proposed accessory dwelling unit, based upon either its square feet or the number of its drainage fixture unit (DFU) values, as defined in the Uniform Plumbing Code adopted and published by the International Association of Plumbing and Mechanical Officials upon the water or sewer system. This fee or charge shall not exceed the reasonable cost of providing this service.

(h) This section does not limit the authority of local agencies to adopt less restrictive requirements for the creation of an accessory dwelling unit.

(i) (1) A local agency shall submit a copy of the ordinance adopted pursuant to subdivision (a) to the Department of Housing and Community Development within 60 days after adoption. After adoption of an ordinance, the department may submit written findings to the local agency as to whether the ordinance complies with the section.

(2) If the department finds that the local agency's ordinance does not comply with this section, the department shall notify the local agency and may notify the office of the Attorney General that the local agency is in violation of state law.

(3) The local agency shall consider findings made by the department pursuant to paragraph (2) and may change the ordinance to comply with this section or adopt the ordinance without changes. The local agency shall include findings in its resolution adopting the ordinance that explain the reasons the local agency believes that the ordinance complies with this section despite the findings of the department.

(j) The department may review, adopt, amend, or repeal guidelines to implement uniform standards or criteria that supplement or clarify the terms, references, and standards set forth in this section. The guidelines adopted pursuant to this subdivision

are not subject to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2.

(k) As used in this section, the following terms mean:

(1) "Accessory structure" means ~~an existing, habitable or nonattached or detached fixed structure, including, but not limited to, a garage, studio, pool house, or other similar structure.~~ *a structure that is accessory and incidental to a dwelling located on the same lot.*

(2) "Living area" means the interior habitable area of a dwelling unit including basements and attics but does not include a garage or any accessory structure.

(3) "Local agency" means a city, county, or city and county, whether general law or chartered.

(4) "Neighborhood" has the same meaning as set forth in Section 65589.5.

(5) "Accessory dwelling unit" means an attached or a detached residential dwelling unit which provides complete independent living facilities for one or more persons. It shall include permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the single-family dwelling is situated. An accessory dwelling unit also includes the following:

(A) An efficiency unit, as defined in Section 17958.1 of the Health and Safety Code.

(B) A manufactured home, as defined in Section 18007 of the Health and Safety Code.

(6) "Passageway" means a pathway that is unobstructed clear to the sky and extends from a street to one entrance of the accessory dwelling unit.

(7) "Public transit" means a location, including, but not limited to, a bus stop or train station, where the public may access buses, trains, subways, and other forms of transportation that charge set fares, run on fixed routes, and are available to the public.

(8) "Tandem parking" means that two or more automobiles are parked on a driveway or in any other location on a lot, lined up behind one another.

(*l*) Nothing in this section shall be construed to supersede or in any way alter or lessen the effect or application of the California Coastal Act of 1976 (Division 20 (commencing with Section 30000) of the Public Resources Code), except that the local

government shall not be required to hold public hearings for coastal development permit applications for accessory dwelling units.

(m) A local agency may count an accessory dwelling unit for purposes of identifying adequate sites for housing, as specified in subdivision (a) of Section 65583.1, subject to authorization by the department and compliance with this division.

(n) In enforcing building standards for an accessory dwelling unit pursuant Article 1 (commencing with Section 17960) of Chapter 5 of Part 1.5 of Division 13 of the Health and Safety Code, a local agency, upon request of an owner of an accessory dwelling unit for a delay in enforcement, shall delay enforcement of a building standard, subject to compliance with Section 17980.12 of the Health and Safety Code.

SEC. 3. Section 17980.12 is added to the Health and Safety Code, immediately following Section 17980.11, to read:

17980.12. (a) (1) An enforcement agency, until January 1, 2030, that issues to an owner of an accessory dwelling unit a notice to correct a violation of any provision of any building standard pursuant to this part shall include in that notice a statement that the owner of the unit has a right to request a delay in enforcement pursuant to this subdivision.

(2) The owner of an accessory dwelling unit that receives a notice to correct violations or abate nuisances as described in paragraph (1) may, in the form and manner prescribed by the enforcement agency, submit an application to the enforcement agency requesting that enforcement of the violation be delayed for 10 years on the basis that correcting the violation is not necessary to protect health and safety.

(3) The enforcement agency shall grant an application described in paragraph (2) if the enforcement determines that correcting the violation is not necessary to protect health and safety. In making this determination, the enforcement agency shall consult with the entity responsible for enforcement of building standards and other regulations of the State Fire Marshal pursuant to Section 13146.

(4) The enforcement agency shall not approve any applications pursuant to this section on or after January 1, 2030. However, any delay that was approved by the enforcement agency before January 1, 2030, shall be valid for the full term of the delay that was approved at the time of the initial approval of the application pursuant to paragraph (3).

(b) For purposes of this section, "accessory dwelling unit" has the same meaning as defined in Section 65852.2.

(c) This section shall remain in effect only until January 1, 2040, and as of that date is repealed.

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.

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SENATE COMMITTEE ON GOVERNANCE AND FINANCE

Senator Mike McGuire, Chair
2019 - 2020 Regular

Bill No:	SB 13	**Hearing Date:**	4/10/19
Author:	Wieckowski	**Tax Levy:**	No
Version:	4/4/19 Amended	**Fiscal:**	Yes
Consultant:	Favorini-Csorba		

ACCESSORY DWELLING UNITS

Imposes additional restrictions on ordinances and developer fees pertaining to accessory dwelling units.

Background

The Legislature has long identified accessory dwelling units (ADUs), also known as second units, in-law apartments, or "granny flats," as a valuable form of housing for family members, students, the elderly, in-home health care providers, the disabled, and others, at below market prices within existing neighborhoods. In 1982, the Legislature first provided a framework for local governments to enact ordinances that permit the construction of ADUs, while preserving local government flexibility to regulate the units as necessary. When fewer ADUs than anticipated were developed, the Legislature significantly amended ADU law to address some of the barriers that property owners encountered while trying to develop them (AB 1866, Wright, 2002).

Among other provisions, AB 1866 allowed local governments to adopt an ordinance that allows the creation of ADUs in single-family and multi-family residential zones and to set standards on the units regarding parking, height, setback, maximum size, and potential adverse impacts on historic places. AB 1866 also prohibited local agencies from adopting an ordinance that entirely prohibits ADUs unless it made specific findings regarding adverse impacts from the units. Some local governments continued to impose onerous requirements or prohibit ADUs entirely.

Recent ADU law changes. The Legislature revised ADU law in 2016 to address some of the barriers to ADU creation that had been adopted by local governments (SB 1069,Wieckowski and AB 2299, Bloom). These laws prohibited local ordinances that entirely ban ADUs and required a local agency to, among other provisions:

- Designate areas within the jurisdiction where ADUs may be permitted;
- Impose standards on ADUs, including minimum lot sizes and requiring ADUs to be set back from the property line ("setbacks");
- Consider permit applications within 120 days;
- Approve or disapprove an application for an ADU ministerially without discretionary review if the local government does not have an ADU ordinance when it receives a permit application; and
- Approve building permits to create an ADU ministerially if the ADU is within an existing residence, has independent exterior access, and meets certain fire safety requirements.

These bills also limited the cases when local agencies could require new utility connections for water and sewer, and limited the fees to be proportionate to the burden created by the ADU. In 2017, the Legislature made further changes to ADU law to clarify portions of the law (SB 229, Wieckowski and AB 494, Bloom).

Boom in ADU permitting. ADU permit applications have increased substantially following the enactment of these recent changes. A December 2017 report on ADUs by the Terner Center for Housing Innovation found that in 2017 alone, approximately 2,000 ADU permit applications were submitted in the City of Los Angeles and 600 were submitted in San Francisco, representing an increase of 25x and 12x, respectively, over prior years.

However, some local agencies continue to impose restrictions and developer fees on ADUs that make them more difficult to build. For example, the Terner Center's report argued that developer fees are a disincentive to ADU creation. In addition, a brief review by the California Department of Housing and Community Development (HCD) has found that some jurisdictions appear to impose minimum lot size restrictions on a much larger lot than the average lot in a jurisdiction, essentially prohibiting ADUs. Finally, other issues have hindered ADU creation. Some jurisdictions, as authorized under existing law, have required the owner of the property to reside in the main home or in the ADU. But some lenders have argued that these covenants could preclude the lender from occupying the property if the lender must foreclose on the property.

The author wants to address these remaining barriers.

Proposed Law

Senate Bill 13 adds new constraints on the requirements that local agencies may impose on ADUs.

Additional restrictions on local ADU ordinances. Current law allows ADU ordinances to specify minimum and maximum sizes of attached and detached ADUs, but requires local agencies to allow at least an efficiency unit to be constructed. **SB 13** requires local ADU ordinances to permit at least an 850 square foot ADU, or a 1,000 square foot ADU if it contains more than one bedroom.

Current law restricts the new parking that a local agency may require for an ADU, including to allow parking on the same lot in any configuration if the local agency requires replacement parking for an ADU that results in the loss of a garage or carport. **SB 13** prohibits a local agency from requiring parking in these situations.

Current law requires a local agency to act on a permit for an ADU ministerially within 120 days of receiving an application. **SB 13** requires a local agency to act on the permit within 60 days and deems the permit approved if the local government fails to act within that timeframe. **SB 13** also prohibits local agencies from using other laws to delay permitting.

Current law allows a local agency to require owner occupancy of either the primary residence or the ADU or to require an applicant for an ADU permit to be an owner occupant. **SB 13** repeals these provisions and voids an agreement with a local agency to maintain owner occupancy as a condition for issuance of a building permit for an ADU as against public policy.

Current law requires a local agency to approve an ADU that meets certain minimum criteria and is contained within an existing living space or accessory structure. **SB 13** requires approval if the ADU is *substantially* contained within an existing living space or accessory structure.

Current law provides that sprinklers are not required for ADUs if the primary dwelling is not required to have sprinklers. **SB 13** repeals this provision.

Prohibition on developer fees. Under current law, when approving development projects, counties and cities can require the applicants to mitigate the project's effects by paying fees. The California courts have upheld these mitigation fees for water and sewer service, sidewalks, parks, school construction, and many other public purposes. Current law prohibits cities, counties, special districts, and water districts from considering an ADU to be a new residential use. It also prohibits those entities from requiring a new connection or imposing connection fees on many attached ADUs and conversions, and limits the connection fees for other ADUs to the proportionate burden imposed by the proposed ADU.

SB 13 prohibits all impact fees on ADUs of under 750 square feet, including school district fees, connection fees, capacity charges, and any other fees levied by a local agency, school district, special district, or water corporation. **SB 13** also prohibits local agencies from charging in aggregate more than 25% of the fees otherwise charged to a new single-family dwelling on the same lot.

Review and challenges to local ordinances. SB 13 requires a city or county to submit a copy of its ADU ordinance to HCD within 60 days of adopting it. HCD can submit written findings to the city or county on whether the ordinance complies with state ADU law. If HCD determines that the ordinance does not comply, **SB 13** directs HCD to notify the city or county and allows HCD to notify the Attorney General that the city or county is in violation of state law. A city or county that receives findings from HCD must consider them, and must adopt findings of its own if it believes that its ordinance complies with state law.

SB 13 allows HCD to develop guidelines for reviewing ADU ordinances that supplement or clarify state ADU law and specifies that these guidelines are not subject to the statutory processes for adopting regulations under the Administrative Procedures Act (APA).

Amnesty program. SB 13 requires where a building official finds that a substandard ADU presents an imminent risk to the health and safety of the building's residents, upon request by an ADU owner, a building official, in consultation with local fire and code enforcement officials, must approve a delay of not less than 10 years of any California Building Standards Code requirement that is not necessary to protect the health and safety of the building's residents. If a building official issues a notice to correct to an ADU owner, they must also notify the owner of their right to request a delay in enforcement. The building official cannot approve a delay on or after January 1st, 2030, and the program sunsets on January 1st, 2040.

SB 13 defines its terms and makes other technical and conforming changes.

State Revenue Impact

No estimate.

Comments

1. Purpose of the bill. California continues to face a housing affordability crisis, despite changes to state housing element law, incentives for infill development and high density developments, and other state laws intended to allow for the construction of new, affordable housing. Research by multiple groups has found that ADUs are a key strategy for increasing affordable housing stock. The Legislature has taken great strides in recent years to encourage the development of ADUs with the passage of SB 1069 and AB 2299 in 2016. However, some local governments continue to impose unreasonable constraints on ADUs, including artificially limited areas where ADUs are permitted, lot size standards that exclude most parcels within certain cities, development fees that are as high as those charged to new homes, and owner occupancy requirements that jeopardize the loans that property owners have used to finance construction of ADUs. SB 13 opens up new areas of cities and counties to ADU development by eliminating restrictive zoning requirements. It eliminates unnecessary developer fees that have minimal relation to the impact of the ADU on the community, and it ensures that ADU construction can be financed by prohibiting owner occupancy requirements. SB 13 continues the good work of the Legislature on enabling this important source of housing to reach its full potential.

2. Round four. Local governments are still working to comply with the sweeping changes to ADU law that the Legislature enacted in 2016. Before the ink was dry on SB 1069 and AB 2299, the Legislature made additional changes that set locals back further. The most recent changes have only been in force for just over a year. Last year, the Legislature considered, but did not adopt, more changes, leaving local governments on tenterhooks. SB 13 continues what has become an annual tradition of moving the goalposts on local ADU ordinances.

3. Fair's fair. Local governments have seen their sources of revenue slashed by a series of propositions, while demand for public services has increased. As a result, cities and counties follow a simple principle: new developments should pay for the impacts that they have on the community and the burden they impose on public services. Developer fees pay for important public services, including schools, new infrastructure for water and wastewater, roads, transit, and parks. Accessory dwelling units can be as large as, or larger than, new multi-family housing units, which must pay full freight. But SB 13 prohibits all developer fees from being charged to ADUs. This raises several concerns:

- Developer fees must already meet stringent constitutional and statutory controls that: (1) require developer fees to bear a reasonable relationship to the impact of the new development, and (2) limit school fees to $3.69/square foot or, in some cases, up to only half of construction costs, as long as state bond funds for school construction are available. If additional controls are necessary, a more appropriate solution would be a comprehensive look at the Mitigation Fee Act, which governs developer fees. Fortunately, AB 879 (Grayson, 2017) directs HCD to study developer fees and report with recommendations for changes by June 30th, 2019. SB 13's prohibition may be premature.
- ADUs already receive preferential treatment relative to other development when it comes to utility connection fees. Under a deal struck in SB 1069, local governments may only impose connection fees on a subset of ADUs and limits those fees to the proportionate burden caused by the ADU. SB 13 undoes this deal after only three years by entirely prohibiting connection fees on any ADUs.

- Advocates for ADUs argue that they can rapidly be deployed at scale to make a meaningful contribution to housing supply. If this occurs, the cumulative impacts of new ADUs will put significant pressure on water systems, sewer systems, schools, and other public infrastructure. SB 13 would prevent local governments from charging the same fees as similarly sized single family homes, no matter how large the ADUs are and how they are used.
- Limiting impact fees could dampen other housing development as local governments look elsewhere to make up the losses in impact fees caused by SB 13. One readily available source is to increase developer fees on other new developments, which increases costs to builders of other types of housing. SB 13 privileges accessory dwelling units over other types of potentially more desirable housing, such as multi-family units near transit.
- SB 13 removes owner occupancy requirements and contains no affordability restrictions, allowing for-profit developers and landlords to make money off of them. Shouldn't they be required to pay their fair share?

For the above reasons, the Committee may wish to consider amending SB 13 to strike the fee provisions from the bill and instead insert placeholder language on the intent to address unreasonable fee burdens once the AB 879 study is finalized.

4. Regulation by fiat. The APA establishes rulemaking procedures and standards for state agencies in California. The APA is designed to provide the public with a meaningful opportunity to participate in the adoption of state regulations and to ensure that regulations are clear, necessary, and legally valid. SB 13 borrows from language adopted in last year's housing package to allow HCD to review local ADU ordinances for compliance with state laws without having to follow the APA when developing their guidelines for doing so. In essence, this allows HCD to adopt regulations without going through the state's process for ensuring that the rules are fair and limits opportunities for comment by the public. As HCD's regulatory authority over local land use expands, shouldn't it be subject to the same rules that other state agencies have to follow? Furthermore, SB 13 allows HCD to *supplement* state ADU laws in their guidelines. It is unclear what additional regulations HCD would be allowed to impose under this provision. The Committee may wish to consider removing the ability for HCD to supplement ADU laws without going through a traditional rulemaking process.

5. Rewind. Recent amendments to SB 13 in the Senate Housing Committee inadvertently repealed a provision of ADU law that says sprinklers are only required in an ADU if they are required in the primary residence. The Committee may wish to consider amending SB 13 to return this provision to existing law.

6. Mandate. The California Constitution requires the state to reimburse local governments for the costs of new or expanded state mandated local programs. Because SB 13 requires local governments to perform new activities related to land use regulation, Legislative Counsel says that it imposes a new state mandate. SB 13 states that if the Commission on State Mandates determines that the bill imposes a reimbursable mandate, reimbursement must be made pursuant to existing statutory provisions.

7. Incoming! The Senate Housing Committee approved SB 13 at its April 2nd meeting on a vote of 10-0. The Senate Governance and Finance Committee is hearing SB 13 as the committee of second reference.

8. Related legislation. SB 13 is one of several ADU bills introduced in the Legislature this year. Another ADU bill, AB 68, contains additional restrictions on the zoning standards that local governments may apply to ADUs, allows owner-occupancy requirements that meet certain conditions, requires local governments to permit 800 square foot ADUs instead of up to 1,000 square feet, and adds a number of additional types of ADUs that are permitted notwithstanding other laws, including local ordinances. AB 68 is currently pending in the Assembly Housing and Community Development Committee.

Last year, the Legislature considered three ADU bills: SB 831 (Wieckowski), SB 1469 (Skinner), and AB 2890 (Ting). Those bills contained similar provisions to SB 13, plus many of the provisions included in AB 68. SB 831 was held in the Assembly Local Government Committee; SB 1469 was held in the Senate Appropriations Committee; and AB 2890 was held in the Senate Rules Committee.

Support and Opposition (4/5/19)

Support: Bay Area Council; California Apartment Association; Eden Housing; LA-MAS; PrefabADU; Silicon Valley at Home (SV@Home); Terner Center for Housing Innovation at the University of California, Berkeley; 1 individual.

Opposition: American Planning Association, California Chapter.

-- END --

Senator Scott Wiener, 11th Senate District

SB 50 – More HOMES Act of 2019:
Housing, Opportunity, Mobility, Equity, Stability

SUMMARY

Senate Bill 50 allows for building housing near existing job centers and public transportation, and includes strong protections against displacement for renters and vulnerable communities in those areas.

The bill is expected to help relieve the acute housing shortage and affordability crisis in California's cities. It will also reduce climate pollution and improve public health by greatly expanding access to sustainable transportation options, like public transportation, and by allowing people to live closer to where they work.

BACKGROUND/EXISTING LAW

Existing law leaves most zoning and land use decisions to local governments, and includes no minimum density standards near state- and federally-funded transit infrastructure. While state land use standards in the Density Bonus Law and SB 375 establish general guidelines and principles, they do not include adequate provisions for enforcement.

Due to the lack of adequate and enforceable statewide standards, most California cities (with a few noteworthy exceptions) are still operating from outdated and highly restrictive zoning ordinances that make it difficult or impossible to build multi-family dwellings at any density. Duplexes, fourplexes, and similar infill housing types near high-quality transit are routinely banned due to neighborhood objections and underlying single-family zoning.

Clearly, a significant component of solving California's housing crisis must include greatly expanding access to transit services for workers at all income levels, while addressing the well-documented housing shortage. The status quo is jeopardizing several of the State's high-priority policy objectives:

- **On housing affordability:** The California Legislative Analyst's Office has found that the housing shortage in coastal cities is pushing a growing share of Californians into poverty, and forcing a large and growing cohort to spend more than half their income on rent.
- **On climate change:** The California Air Resources Board has found that the state will miss its climate targets unless Californians reduce the amount they drive by 25 percent by 2030. Absent a surge of new housing development in livable, pedestrian-oriented areas near public transit, such reductions in vehicle miles travelled are impossible.
- **On equitable growth:** According to the California Department of Housing and Community Development, "Today's population of 39 million is expected to grow to 50 million by 2050. Without intervention, much of the population increase can be expected to occur further from job centers, high-performing schools, and transit, constraining opportunity for future generations."

PROBLEM

Economic and educational opportunities in California are increasingly concentrated in urban areas, but housing construction has not kept pace with demand for access to these opportunities. Local governments play the lead role in determining the location and amount of housing in their jurisdictions, including which developments will be located near high-quality transit corridors. They also control, via housing supply, reasonable access to schools, parks, libraries and other vital services that improve community well-being and ensure a vibrant economic future.

The dearth of new housing construction, particularly in California's highest-opportunity communities, has compounded over the last several decades into a shortage of 3.5 million homes, according to the California Housing and Community Development Department.

California's workers and families feel the results of this shortage in the form of exorbitant rents and the highest home purchase prices in the nation. Excessive competition for limited housing supply is also driving a statewide epidemic of displacement, evictions, and homelessness.

California's failure to keep home building on pace with job growth is directly responsible for longer commutes and increased air pollution. Millions of low- and middle-income Californians have multi-hour commutes, as they seek affordable housing far from areas with concentrated economic and educational opportunities.

Statewide, California's businesses have created 4.5 jobs for every new housing unit; according to the Building Industry Association, the ideal ratio is 1.5 jobs per housing unit.

According to the Department of Housing and Community Development:

> "Land use policies and planning can help encourage greater supply and affordability, as well as influence the type and location of housing. Thoughtful land use policies and planning can translate into the ability for families to access neighborhoods of opportunity, with high-performing schools, greater availability of jobs that afford entry to the middle-class, and convenient access to transit and services. Easy access to jobs and amenities reduces a household's daily commute and other travel demands. Encouraging new homes in already developed areas and areas of opportunity not only alleviates the housing crisis, but also supports the State's climate change and equity goals."

SOLUTION

While the housing shortage is chronic across most California jurisdictions, there are several examples of cities taking the lead on reforms that help alleviate the crisis by encouraging infill housing near transit, job, and educational opportunities. These include Los Angeles, which authorized creation of the Transit Oriented Communities (TOC) program in 2017. The measure created powerful incentives for affordable housing near Metro subway stops and bus services through modifications to the zoning code; as projects move closer to high-quality transit, they are required to increase the amount of affordable housing.

Oakland's experience also offers a positive vision for future housing growth. In 2016, the city eliminated minimum parking requirements, drastically reducing the cost of new housing construction while encouraging new developments on high-quality transit corridors. The changes to the city's zoning and development standards have resulted in a mini-boom of walkable, transit-oriented apartments near BART and AC Transit bus stations, and within a short distance from the city's primary job locations.

Senate Bill 50 integrates lessons learned from cities like Los Angeles and Oakland to expand the benefits of affordable, transit-rich and job-rich housing across the state. The bill will give cities new tools to provide relief to rent-burdened workers and families while reversing the growing, and alarming, trends of homelessness, displacement, and migration out of California.

State Minimums, More Housing Choices:
The bill waives apartment bans near high-quality transit and in job-rich areas to ensure that the benefits of public investments in transportation are broadly accessible to Californians of all incomes. The bill also includes specific requirements to provide low-income housing in new development to ensure that market-rate construction is always coupled with affordable units for the lowest income Californians.

SB 50 applies to sites that are either within ½ mile of high-quality public transportation, or within a job-rich, high-opportunity neighborhood. Under SB 50, a local government will be allowed to approve higher-density housing with no parking requirements, provided the site is adjacent to transit, or reduced parking requirements in areas close to jobs and high-quality schools. Height limits for new housing with close, walkable access to rail or connected transit will be loosened to encourage mid-rise, apartment-style housing construction. For example, in areas close to rail or transit-connected ferry service, a local government may allow buildings of up to 4-5 stories, depending on the distance from transit.

Preservation of Local Control:
Under the legislation, all housing projects will still be subject to environmental review (the California Environmental Quality Act), and must follow existing labor and employment standards for new construction. Local development fees, community engagement processes, and architectural design review for each housing development will remain as-is. Additionally:

- **Anti-demolition:** A local government retains existing authority to ban, prohibit, or restrict demolition of existing housing, consistent with the Housing Accountability Act. At a minimum, a local government may not issue demolition permits for housing currently or recently occupied by renters.

- **Local affordable housing policy:** If a local government requires more affordable housing than what is required in SB 50, that policy will be honored in new developments.

- **Neighborhood height limits:** A local government retains authority to set or maintain local height limits for new housing in areas without easy access to rail transit.

- **Local initiatives to encourage TOD:** If a community has a successful, preexisting, program to encourage apartments near public transportation, such as the TOC program in Los Angeles, then properties eligible for that incentive will be ineligible for this program.

Key provisions for renters and sensitive communities:

SB 50 includes the following provisions:

- **Tenant Protections:** Establishes strict tenant protections to ensure long-time residents will not be displaced from their communities, including a prohibition on demolishing buildings currently or recently occupied by renters.

- **Affordable Housing:** Establishes a requirement that every new housing development larger than 20 units must include a significant number of housing units affordable to for low, very low, or extremely low-income households, ensuring affordable housing will be built for people of all income levels. Each project must designate 15-25% of the total units to low-income families, or designate an equivalent amount for very low- or extremely low-income families.

- **Sensitive Communities:** Allows for delayed implementation in sensitive communities at risk of gentrification and displacement, and grants five years for a community-led planning process in these neighborhoods.

- **Job-Rich Communities:** Proposes a new "job-rich housing project" designation to ensure that high-opportunity communities with easy access to jobs allow a broader range of multifamily housing choices for people of all income levels, even in the absence of high-quality transit.

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SPONSORS/SUPPORT

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- **Non-Profit Housing Association of Northern California** (Co-Sponsor)
- **California Association of Realtors** (Co-Sponsor)

- 6Beds, Inc.
- Abundant Housing Los Angeles
- American Association of Retired Persons – (AARP)
- Associated Students of the University of California (ASUC)
- Bay Area Council
- Bay Area Housing Advocacy Coalition
- Bay Area Rapid Transit (BART)
- Black American Political Association of California (BAPAC) – Sacramento Chapter
- Building Industry Association, Bay Area
- California Apartment Association
- California Asian Pacific Islander Chamber of Commerce
- California Building Industry Association (CBIA)
- California Chamber of Commerce
- California Community Builders
- California Downtown Association
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- House Sacramento
- Housing Leadership Council of San Mateo County
- Indivisible Sacramento
- Los Angeles Business Council
- Los Angeles Chamber of Commerce
- Mission YIMBY
- Natural Resources Defense Council (NRDC)
- New Way Homes
- NextGen Marin
- North Bay Leadership Council
- Northern Neighbors
- Orange County Business Council (OCBC)
- People for Housing - Orange County
- Progress Noe Valley
- Related California
- San Francisco Foundation
- San Francisco Housing Action Coalition
- San Francisco Planning and Urban Research (SPUR)
- Santa Cruz County Business Council
- Santa Cruz Yimby
- Silicon Valley @ Home
- Silicon Valley Community Foundation
- Silicon Valley Leadership Group
- Silicon Valley Young Democrats
- South Bay Yimby
- State Council on Developmental Disabilities
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- TechNet
- TMG Partners
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- Valley Industry Commerce Association (VICA)
- YIMBY Action
- Yimby Democrats of San Diego

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AMENDED IN SENATE MARCH 11, 2019

SENATE BILL **No. 50**

Introduced by Senator Wiener
(Coauthors: Senators Caballero, Hueso, Moorlach, ~~and Skinner)~~
Skinner, and Stone)
(Coauthors: Assembly Members Burke, *Diep, Fong,* Kalra, Kiley, Low, Robert Rivas, Ting, and Wicks)

December 3, 2018

An act to *amend Section 65589.5 of, and to* add Chapter 4.35 (commencing with Section 65918.50) to Division 1 of Title 7 of the Government Code, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

SB 50, as amended, Wiener. Planning and zoning: housing development: ~~equitable communities incentive.~~ *incentives.*

Existing law, known as the Density Bonus Law, requires, when an applicant proposes a housing development within the jurisdiction of a local government, that the city, county, or city and county provide the developer with a density bonus and other incentives or concessions for the production of lower income housing units or for the donation of land within the development if the developer, among other things, agrees to construct a specified percentage of units for very low, low-, or moderate-income households or qualifying residents.

This bill would require a city, county, or city and county to grant upon request an equitable communities incentive when a development proponent seeks and agrees to construct a residential development, as defined, that satisfies specified criteria, including, among other things, that the residential development is either a job-rich housing project or a transit-rich housing project, as those terms are defined; the site does

not contain, or has not contained, housing occupied by tenants or accommodations withdrawn from rent or lease in accordance with specified law within specified time periods; and the residential development complies with specified additional requirements under existing law. The bill would require that a residential development eligible for an equitable communities incentive receive waivers from maximum controls on density and *minimum controls on* automobile parking requirements greater than 0.5 parking spots per unit, up to 3 additional incentives or concessions under the Density Bonus Law, and specified additional waivers if the residential development is located within a ½-mile or ¼-mile radius of a major transit stop, as defined. The bill would authorize a local government to modify or expand the terms of an equitable communities incentive, provided that the equitable communities incentive is consistent with these provisions.

The bill would include findings that the changes proposed by ~~this bill~~ *these provisions* address a matter of statewide concern rather than a municipal affair and, therefore, apply to all cities, including charter cities. The bill would also ~~declare the intent of the Legislature to~~ delay implementation of ~~this bill~~ *these provisions* in sensitive communities, as defined, until July 1, 2020, as provided.

By adding to the duties of local planning officials, this bill would impose a state-mandated local program.

The Housing Accountability Act prohibits a local agency from disapproving, or conditioning approval in a manner that renders infeasible, a housing development project for very low, low-, or moderate-income households or an emergency shelter unless the local agency makes specified written findings based on a preponderance of the evidence in the record. That law provides that the receipt of a density bonus is not a valid basis on which to find a proposed housing development is inconsistent, not in compliance, or not in conformity with an applicable plan, program, policy, ordinance, standard, requirement, or other similar provision of that act.

This bill would additionally provide that the receipt of an equitable communities incentive is not a valid basis on which to find a proposed housing development is inconsistent, not in compliance, or not in conformity with an applicable plan, program, policy, ordinance, standard, requirement, or other similar provision of that act.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

SECTION 1. Section 65589.5 of the Government Code is amended to read:

65589.5. (a) (1) The Legislature finds and declares all of the following:

(A) The lack of housing, including emergency shelters, is a critical problem that threatens the economic, environmental, and social quality of life in California.

(B) California housing has become the most expensive in the nation. The excessive cost of the state's housing supply is partially caused by activities and policies of many local governments that limit the approval of housing, increase the cost of land for housing, and require that high fees and exactions be paid by producers of housing.

(C) Among the consequences of those actions are discrimination against low-income and minority households, lack of housing to support employment growth, imbalance in jobs and housing, reduced mobility, urban sprawl, excessive commuting, and air quality deterioration.

(D) Many local governments do not give adequate attention to the economic, environmental, and social costs of decisions that result in disapproval of housing development projects, reduction in density of housing projects, and excessive standards for housing development projects.

(2) In enacting the amendments made to this section by the act adding this paragraph, the Legislature further finds and declares the following:

(A) California has a housing supply and affordability crisis of historic proportions. The consequences of failing to effectively and aggressively confront this crisis are hurting millions of Californians, robbing future generations of the chance to call California home, stifling economic opportunities for workers and businesses, worsening poverty and homelessness, and undermining the state's environmental and climate objectives.

(B) While the causes of this crisis are multiple and complex, the absence of meaningful and effective policy reforms to significantly enhance the approval and supply of housing affordable to Californians of all income levels is a key factor.

(C) The crisis has grown so acute in California that supply, demand, and affordability fundamentals are characterized in the negative: underserved demands, constrained supply, and protracted unaffordability.

(D) According to reports and data, California has accumulated an unmet housing backlog of nearly 2,000,000 units and must provide for at least 180,000 new units annually to keep pace with growth through 2025.

(E) California's overall homeownership rate is at its lowest level since the 1940s. The state ranks 49th out of the 50 states in homeownership rates as well as in the supply of housing per capita. Only one-half of California's households are able to afford the cost of housing in their local regions.

(F) Lack of supply and rising costs are compounding inequality and limiting advancement opportunities for many Californians.

(G) The majority of California renters, more than 3,000,000 households, pay more than 30 percent of their income toward rent and nearly one-third, more than 1,500,000 households, pay more than 50 percent of their income toward rent.

(H) When Californians have access to safe and affordable housing, they have more money for food and health care; they are less likely to become homeless and in need of government-subsidized services; their children do better in school; and businesses have an easier time recruiting and retaining employees.

(I) An additional consequence of the state's cumulative housing shortage is a significant increase in greenhouse gas emissions caused by the displacement and redirection of populations to states with greater housing opportunities, particularly working- and middle-class households. California's cumulative housing shortfall therefore has not only national but international environmental consequences.

(J) California's housing picture has reached a crisis of historic proportions despite the fact that, for decades, the Legislature has enacted numerous statutes intended to significantly increase the

approval, development, and affordability of housing for all income levels, including this section.

(K) The Legislature's intent in enacting this section in 1982 and in expanding its provisions since then was to significantly increase the approval and construction of new housing for all economic segments of California's communities by meaningfully and effectively curbing the capability of local governments to deny, reduce the density for, or render infeasible housing development projects and emergency shelters. That intent has not been fulfilled.

(L) It is the policy of the state that this section should be interpreted and implemented in a manner to afford the fullest possible weight to the interest of, and the approval and provision of, housing.

(3) It is the intent of the Legislature that the conditions that would have a specific, adverse impact upon the public health and safety, as described in paragraph (2) of subdivision (d) and paragraph (1) of subdivision (j), arise infrequently.

(b) It is the policy of the state that a local government not reject or make infeasible housing development projects, including emergency shelters, that contribute to meeting the need determined pursuant to this article without a thorough analysis of the economic, social, and environmental effects of the action and without complying with subdivision (d).

(c) The Legislature also recognizes that premature and unnecessary development of agricultural lands for urban uses continues to have adverse effects on the availability of those lands for food and fiber production and on the economy of the state. Furthermore, it is the policy of the state that development should be guided away from prime agricultural lands; therefore, in implementing this section, local jurisdictions should encourage, to the maximum extent practicable, in filling existing urban areas.

(d) A local agency shall not disapprove a housing development project, including farmworker housing as defined in subdivision (h) of Section 50199.7 of the Health and Safety Code, for very low, low-, or moderate-income households, or an emergency shelter, or condition approval in a manner that renders the housing development project infeasible for development for the use of very low, low-, or moderate-income households, or an emergency shelter, including through the use of design review standards,

unless it makes written findings, based upon a preponderance of the evidence in the record, as to one of the following:

(1) The jurisdiction has adopted a housing element pursuant to this article that has been revised in accordance with Section 65588, is in substantial compliance with this article, and the jurisdiction has met or exceeded its share of the regional housing need allocation pursuant to Section 65584 for the planning period for the income category proposed for the housing development project, provided that any disapproval or conditional approval shall not be based on any of the reasons prohibited by Section 65008. If the housing development project includes a mix of income categories, and the jurisdiction has not met or exceeded its share of the regional housing need for one or more of those categories, then this paragraph shall not be used to disapprove or conditionally approve the housing development project. The share of the regional housing need met by the jurisdiction shall be calculated consistently with the forms and definitions that may be adopted by the Department of Housing and Community Development pursuant to Section 65400. In the case of an emergency shelter, the jurisdiction shall have met or exceeded the need for emergency shelter, as identified pursuant to paragraph (7) of subdivision (a) of Section 65583. Any disapproval or conditional approval pursuant to this paragraph shall be in accordance with applicable law, rule, or standards.

(2) The housing development project or emergency shelter as proposed would have a specific, adverse impact upon the public health or safety, and there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact without rendering the development unaffordable to low- and moderate-income households or rendering the development of the emergency shelter financially infeasible. As used in this paragraph, a "specific, adverse impact" means a significant, quantifiable, direct, and unavoidable impact, based on objective, identified written public health or safety standards, policies, or conditions as they existed on the date the application was deemed complete. Inconsistency with the zoning ordinance or general plan land use designation shall not constitute a specific, adverse impact upon the public health or safety.

(3) The denial of the housing development project or imposition of conditions is required in order to comply with specific state or federal law, and there is no feasible method to comply without

rendering the development unaffordable to low- and moderate-income households or rendering the development of the emergency shelter financially infeasible.

(4) The housing development project or emergency shelter is proposed on land zoned for agriculture or resource preservation that is surrounded on at least two sides by land being used for agricultural or resource preservation purposes, or which does not have adequate water or wastewater facilities to serve the project.

(5) The housing development project or emergency shelter is inconsistent with both the jurisdiction's zoning ordinance and general plan land use designation as specified in any element of the general plan as it existed on the date the application was deemed complete, and the jurisdiction has adopted a revised housing element in accordance with Section 65588 that is in substantial compliance with this article. For purposes of this section, a change to the zoning ordinance or general plan land use designation subsequent to the date the application was deemed complete shall not constitute a valid basis to disapprove or condition approval of the housing development project or emergency shelter.

(A) This paragraph cannot be utilized to disapprove or conditionally approve a housing development project if the housing development project is proposed on a site that is identified as suitable or available for very low, low-, or moderate-income households in the jurisdiction's housing element, and consistent with the density specified in the housing element, even though it is inconsistent with both the jurisdiction's zoning ordinance and general plan land use designation.

(B) If the local agency has failed to identify in the inventory of land in its housing element sites that can be developed for housing within the planning period and are sufficient to provide for the jurisdiction's share of the regional housing need for all income levels pursuant to Section 65584, then this paragraph shall not be utilized to disapprove or conditionally approve a housing development project proposed for a site designated in any element of the general plan for residential uses or designated in any element of the general plan for commercial uses if residential uses are permitted or conditionally permitted within commercial designations. In any action in court, the burden of proof shall be on the local agency to show that its housing element does identify

adequate sites with appropriate zoning and development standards and with services and facilities to accommodate the local agency's share of the regional housing need for the very low, low-, and moderate-income categories.

(C) If the local agency has failed to identify a zone or zones where emergency shelters are allowed as a permitted use without a conditional use or other discretionary permit, has failed to demonstrate that the identified zone or zones include sufficient capacity to accommodate the need for emergency shelter identified in paragraph (7) of subdivision (a) of Section 65583, or has failed to demonstrate that the identified zone or zones can accommodate at least one emergency shelter, as required by paragraph (4) of subdivision (a) of Section 65583, then this paragraph shall not be utilized to disapprove or conditionally approve an emergency shelter proposed for a site designated in any element of the general plan for industrial, commercial, or multifamily residential uses. In any action in court, the burden of proof shall be on the local agency to show that its housing element does satisfy the requirements of paragraph (4) of subdivision (a) of Section 65583.

(e) Nothing in this section shall be construed to relieve the local agency from complying with the congestion management program required by Chapter 2.6 (commencing with Section 65088) of Division 1 of Title 7 or the California Coastal Act of 1976 (Division 20 (commencing with Section 30000) of the Public Resources Code). Neither shall anything in this section be construed to relieve the local agency from making one or more of the findings required pursuant to Section 21081 of the Public Resources Code or otherwise complying with the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

(f) (1) Nothing in this section shall be construed to prohibit a local agency from requiring the housing development project to comply with objective, quantifiable, written development standards, conditions, and policies appropriate to, and consistent with, meeting the jurisdiction's share of the regional housing need pursuant to Section 65584. However, the development standards, conditions, and policies shall be applied to facilitate and accommodate development at the density permitted on the site and proposed by the development.

(2) Nothing in this section shall be construed to prohibit a local agency from requiring an emergency shelter project to comply with objective, quantifiable, written development standards, conditions, and policies that are consistent with paragraph (4) of subdivision (a) of Section 65583 and appropriate to, and consistent with, meeting the jurisdiction's need for emergency shelter, as identified pursuant to paragraph (7) of subdivision (a) of Section 65583. However, the development standards, conditions, and policies shall be applied by the local agency to facilitate and accommodate the development of the emergency shelter project.

(3) This section does not prohibit a local agency from imposing fees and other exactions otherwise authorized by law that are essential to provide necessary public services and facilities to the housing development project or emergency shelter.

(4) For purposes of this section, a housing development project or emergency shelter shall be deemed consistent, compliant, and in conformity with an applicable plan, program, policy, ordinance, standard, requirement, or other similar provision if there is substantial evidence that would allow a reasonable person to conclude that the housing development project or emergency shelter is consistent, compliant, or in conformity.

(g) This section shall be applicable to charter cities because the Legislature finds that the lack of housing, including emergency shelter, is a critical statewide problem.

(h) The following definitions apply for the purposes of this section:

(1) "Feasible" means capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, social, and technological factors.

(2) "Housing development project" means a use consisting of any of the following:

(A) Residential units only.

(B) Mixed-use developments consisting of residential and nonresidential uses with at least two-thirds of the square footage designated for residential use.

(C) Transitional housing or supportive housing.

(3) "Housing for very low, low-, or moderate-income households" means that either (A) at least 20 percent of the total units shall be sold or rented to lower income households, as defined in Section 50079.5 of the Health and Safety Code, or (B) 100

percent of the units shall be sold or rented to persons and families of moderate income as defined in Section 50093 of the Health and Safety Code, or persons and families of middle income, as defined in Section 65008 of this code. Housing units targeted for lower income households shall be made available at a monthly housing cost that does not exceed 30 percent of 60 percent of area median income with adjustments for household size made in accordance with the adjustment factors on which the lower income eligibility limits are based. Housing units targeted for persons and families of moderate income shall be made available at a monthly housing cost that does not exceed 30 percent of 100 percent of area median income with adjustments for household size made in accordance with the adjustment factors on which the moderate-income eligibility limits are based.

(4) "Area median income" means area median income as periodically established by the Department of Housing and Community Development pursuant to Section 50093 of the Health and Safety Code. The developer shall provide sufficient legal commitments to ensure continued availability of units for very low or low-income households in accordance with the provisions of this subdivision for 30 years.

(5) "Disapprove the housing development project" includes any instance in which a local agency does either of the following:

(A) Votes on a proposed housing development project application and the application is disapproved, including any required land use approvals or entitlements necessary for the issuance of a building permit.

(B) Fails to comply with the time periods specified in subdivision (a) of Section 65950. An extension of time pursuant to Article 5 (commencing with Section 65950) shall be deemed to be an extension of time pursuant to this paragraph.

(i) If any city, county, or city and county denies approval or imposes conditions, including design changes, lower density, or a reduction of the percentage of a lot that may be occupied by a building or structure under the applicable planning and zoning in force at the time the application is deemed complete pursuant to Section 65943, that have a substantial adverse effect on the viability or affordability of a housing development for very low, low-, or moderate-income households, and the denial of the development or the imposition of conditions on the development is the subject

of a court action which challenges the denial or the imposition of conditions, then the burden of proof shall be on the local legislative body to show that its decision is consistent with the findings as described in subdivision (d) and that the findings are supported by a preponderance of the evidence in the record. For purposes of this section, "lower density" includes any conditions that have the same effect or impact on the ability of the project to provide housing.

(j) (1) When a proposed housing development project complies with applicable, objective general plan, zoning, and subdivision standards and criteria, including design review standards, in effect at the time that the housing development project's application is determined to be complete, but the local agency proposes to disapprove the project or to impose a condition that the project be developed at a lower density, the local agency shall base its decision regarding the proposed housing development project upon written findings supported by a preponderance of the evidence on the record that both of the following conditions exist:

(A) The housing development project would have a specific, adverse impact upon the public health or safety unless the project is disapproved or approved upon the condition that the project be developed at a lower density. As used in this paragraph, a "specific, adverse impact" means a significant, quantifiable, direct, and unavoidable impact, based on objective, identified written public health or safety standards, policies, or conditions as they existed on the date the application was deemed complete.

(B) There is no feasible method to satisfactorily mitigate or avoid the adverse impact identified pursuant to paragraph (1), other than the disapproval of the housing development project or the approval of the project upon the condition that it be developed at a lower density.

(2) (A) If the local agency considers a proposed housing development project to be inconsistent, not in compliance, or not in conformity with an applicable plan, program, policy, ordinance, standard, requirement, or other similar provision as specified in this subdivision, it shall provide the applicant with written documentation identifying the provision or provisions, and an explanation of the reason or reasons it considers the housing development to be inconsistent, not in compliance, or not in conformity as follows:

(i) Within 30 days of the date that the application for the housing development project is determined to be complete, if the housing development project contains 150 or fewer housing units.

(ii) Within 60 days of the date that the application for the housing development project is determined to be complete, if the housing development project contains more than 150 units.

(B) If the local agency fails to provide the required documentation pursuant to subparagraph (A), the housing development project shall be deemed consistent, compliant, and in conformity with the applicable plan, program, policy, ordinance, standard, requirement, or other similar provision.

(3) For purposes of this section, the receipt of a density bonus pursuant to Section 65915 *or an equitable communities incentive pursuant to Section 65918.51* shall not constitute a valid basis on which to find a proposed housing development project is inconsistent, not in compliance, or not in ~~conformity,~~ *conformity* with an applicable plan, program, policy, ordinance, standard, requirement, or other similar provision specified in this subdivision.

(4) For purposes of this section, a proposed housing development project is not inconsistent with the applicable zoning standards and criteria, and shall not require a rezoning, if the housing development project is consistent with the objective general plan standards and criteria but the zoning for the project site is inconsistent with the general plan. If the local agency has complied with paragraph (2), the local agency may require the proposed housing development project to comply with the objective standards and criteria of the zoning which is consistent with the general plan, however, the standards and criteria shall be applied to facilitate and accommodate development at the density allowed on the site by the general plan and proposed by the proposed housing development project.

(5) For purposes of this section, "lower density" includes any conditions that have the same effect or impact on the ability of the project to provide housing.

(k) (1) (A) The applicant, a person who would be eligible to apply for residency in the development or emergency shelter, or a housing organization may bring an action to enforce this section. If, in any action brought to enforce this section, a court finds that either (i) the local agency, in violation of subdivision (d), disapproved a housing development project or conditioned its

approval in a manner rendering it infeasible for the development of an emergency shelter, or housing for very low, low-, or moderate-income households, including farmworker housing, without making the findings required by this section or without making findings supported by a preponderance of the evidence, or (ii) the local agency, in violation of subdivision (j), disapproved a housing development project complying with applicable, objective general plan and zoning standards and criteria, or imposed a condition that the project be developed at a lower density, without making the findings required by this section or without making findings supported by a preponderance of the evidence, the court shall issue an order or judgment compelling compliance with this section within 60 days, including, but not limited to, an order that the local agency take action on the housing development project or emergency shelter. The court may issue an order or judgment directing the local agency to approve the housing development project or emergency shelter if the court finds that the local agency acted in bad faith when it disapproved or conditionally approved the housing development or emergency shelter in violation of this section. The court shall retain jurisdiction to ensure that its order or judgment is carried out and shall award reasonable attorney's fees and costs of suit to the plaintiff or petitioner, except under extraordinary circumstances in which the court finds that awarding fees would not further the purposes of this section. For purposes of this section, "lower density" includes conditions that have the same effect or impact on the ability of the project to provide housing.

(B) (i) Upon a determination that the local agency has failed to comply with the order or judgment compelling compliance with this section within 60 days issued pursuant to subparagraph (A), the court shall impose fines on a local agency that has violated this section and require the local agency to deposit any fine levied pursuant to this subdivision into a local housing trust fund. The local agency may elect to instead deposit the fine into the Building Homes and Jobs Fund, if Senate Bill 2 of the 2017–18 Regular Session is enacted, or otherwise in the Housing Rehabilitation Loan Fund. The fine shall be in a minimum amount of ten thousand dollars ($10,000) per housing unit in the housing development project on the date the application was deemed complete pursuant to Section 65943. In determining the amount of fine to impose,

the court shall consider the local agency's progress in attaining its target allocation of the regional housing need pursuant to Section 65584 and any prior violations of this section. Fines shall not be paid out of funds already dedicated to affordable housing, including, but not limited to, Low and Moderate Income Housing Asset Funds, funds dedicated to housing for very low, low-, and moderate-income households, and federal HOME Investment Partnerships Program and Community Development Block Grant Program funds. The local agency shall commit and expend the money in the local housing trust fund within five years for the sole purpose of financing newly constructed housing units affordable to extremely low, very low, or low-income households. After five years, if the funds have not been expended, the money shall revert to the state and be deposited in the Building Homes and Jobs Fund, if Senate Bill 2 of the 2017–18 Regular Session is enacted, or otherwise in the Housing Rehabilitation Loan Fund, for the sole purpose of financing newly constructed housing units affordable to extremely low, very low, or low-income households.

(ii) If any money derived from a fine imposed pursuant to this subparagraph is deposited in the Housing Rehabilitation Loan Fund, then, notwithstanding Section 50661 of the Health and Safety Code, that money shall be available only upon appropriation by the Legislature.

(C) If the court determines that its order or judgment has not been carried out within 60 days, the court may issue further orders as provided by law to ensure that the purposes and policies of this section are fulfilled, including, but not limited to, an order to vacate the decision of the local agency and to approve the housing development project, in which case the application for the housing development project, as proposed by the applicant at the time the local agency took the initial action determined to be in violation of this section, along with any standard conditions determined by the court to be generally imposed by the local agency on similar projects, shall be deemed to be approved unless the applicant consents to a different decision or action by the local agency.

(2) For purposes of this subdivision, "housing organization" means a trade or industry group whose local members are primarily engaged in the construction or management of housing units or a nonprofit organization whose mission includes providing or advocating for increased access to housing for low-income

households and have filed written or oral comments with the local agency prior to action on the housing development project. A housing organization may only file an action pursuant to this section to challenge the disapproval of a housing development by a local agency. A housing organization shall be entitled to reasonable attorney's fees and costs if it is the prevailing party in an action to enforce this section.

(*l*) If the court finds that the local agency (1) acted in bad faith when it disapproved or conditionally approved the housing development or emergency shelter in violation of this section and (2) failed to carry out the court's order or judgment within 60 days as described in subdivision (k), the court, in addition to any other remedies provided by this section, shall multiply the fine determined pursuant to subparagraph (B) of paragraph (1) of subdivision (k) by a factor of five. For purposes of this section, "bad faith" includes, but is not limited to, an action that is frivolous or otherwise entirely without merit.

(m) Any action brought to enforce the provisions of this section shall be brought pursuant to Section 1094.5 of the Code of Civil Procedure, and the local agency shall prepare and certify the record of proceedings in accordance with subdivision (c) of Section 1094.6 of the Code of Civil Procedure no later than 30 days after the petition is served, provided that the cost of preparation of the record shall be borne by the local agency, unless the petitioner elects to prepare the record as provided in subdivision (n) of this section. A petition to enforce the provisions of this section shall be filed and served no later than 90 days from the later of (1) the effective date of a decision of the local agency imposing conditions on, disapproving, or any other final action on a housing development project or (2) the expiration of the time periods specified in subparagraph (B) of paragraph (5) of subdivision (h). Upon entry of the trial court's order, a party may, in order to obtain appellate review of the order, file a petition within 20 days after service upon it of a written notice of the entry of the order, or within such further time not exceeding an additional 20 days as the trial court may for good cause allow, or may appeal the judgment or order of the trial court under Section 904.1 of the Code of Civil Procedure. If the local agency appeals the judgment of the trial court, the local agency shall post a bond, in an amount to be

determined by the court, to the benefit of the plaintiff if the plaintiff is the project applicant.

(n) In any action, the record of the proceedings before the local agency shall be filed as expeditiously as possible and, notwithstanding Section 1094.6 of the Code of Civil Procedure or subdivision (m) of this section, all or part of the record may be prepared (1) by the petitioner with the petition or petitioner's points and authorities, (2) by the respondent with respondent's points and authorities, (3) after payment of costs by the petitioner, or (4) as otherwise directed by the court. If the expense of preparing the record has been borne by the petitioner and the petitioner is the prevailing party, the expense shall be taxable as costs.

(o) This section shall be known, and may be cited, as the Housing Accountability Act.

~~SECTION 1.~~

SEC. 2. Chapter 4.35 (commencing with Section 65918.50) is added to Division 1 of Title 7 of the Government Code, to read:

CHAPTER 4.35. EQUITABLE COMMUNITIES INCENTIVES

65918.50. For purposes of this chapter:

~~(a) "Affordable" means available at affordable rent or affordable housing cost to, and occupied by, persons and families of extremely low, very low, low, or moderate incomes, as specified in context, and subject to a recorded affordability restriction for at least 55 years.~~

~~(b)~~

(a) "Development proponent" means an applicant who submits an application for an equitable communities incentive pursuant to this chapter.

~~(c)~~

(b) "Eligible applicant" means a development proponent who receives an equitable communities incentive.

~~(d)~~

(c) "FAR" means floor area ratio.

~~(e)~~

(d) "High-quality bus corridor" means a corridor with fixed route bus service that meets all of the following criteria:

(1) It has average service intervals of no more than 15 minutes during the three peak hours between 6 a.m. to 10 a.m., inclusive,

and the three peak hours between 3 p.m. and 7 p.m., inclusive, on Monday through Friday.

(2) It has average service intervals of no more than 20 minutes during the hours of 6 a.m. to 10 ~~a.m.~~ *p.m.*, inclusive, on Monday through Friday.

(3) It has average intervals of no more than 30 minutes during the hours of 8 a.m. to 10 p.m., inclusive, on Saturday and Sunday.

(e) (1) "Jobs-rich area" means an area identified by the Department of Housing and Community Development in consultation with the Office of Planning and Research that is both high opportunity and jobs rich, based on whether, in a regional analysis, the tract meets the following:

(A) The tract is higher opportunity and its characteristics are associated with positive educational and economic outcomes for households of all income levels residing in the tract.

(B) The tract meets either of the following criteria:

(i) New housing sited in the tract would enable residents to live in or near a jobs-rich area, as measured by employment density and job totals.

(ii) New housing sited in the tract would enable shorter commute distances for residents, compared to existing commute levels.

(2) The Department of Housing and Community Development shall, commencing on January 1, 2020, publish and update, every five years thereafter, a map of the state showing the areas identified by the department as "jobs-rich areas."

(f) "Job-rich housing project" means a residential development within an area identified *as a jobs-rich area* by the Department of Housing and Community Development ~~and~~ *in consultation with* the Office of Planning and Research, based on indicators such as proximity to jobs, high area median income relative to the relevant region, and high-quality public schools, as an area of high opportunity close to jobs. A residential development shall be deemed to be within an area designated as job-rich if both of the following apply:

(1) All parcels within the project have no more than 25 percent of their area outside of the job-rich area.

(2) No more than 10 percent of residential units or 100 units, whichever is less, of the development are outside of the job-rich area.

(g) "Local government" means a city, including a charter city, a county, or a city and county.

(h) "Major transit stop" means a ~~site containing an existing~~ rail transit station or a ferry terminal ~~served by either bus or rail transit service.~~ *that is a major transit stop pursuant to subdivision (b) of Section 21155 of the Public Resources Code.*

(i) "Residential development" means a project with at least two-thirds of the square footage of the development designated for residential use.

(j) "Sensitive community" means ~~an~~ *either of the following:*

(1) Except as provided in paragraph (2), an area identified by the Department of Housing and Community Development, *which identification shall be updated every five years,* in consultation with local community-based organizations in each *metropolitan planning* region, as an area ~~vulnerable to displacement pressures, based on indicators such as percentage of tenant households living at, or under, the poverty line relative to the region.~~ *where both of the following apply:*

(A) Thirty percent or more of the census tract lives below the poverty line, provided that college students do not compose at least 25 percent of the population.

(B) The location quotient of residential racial segregation in the census tract is at least 1.25 as defined by the Department of Housing and Community Development.

(2) In the Counties of Alameda, Contra Costa, Marin, Napa, Santa Clara, San Francisco, San Mateo, Solano, and Sonoma, areas designated by the Metropolitan Transportation Commission on December 19, 2018, as the intersection of disadvantaged and vulnerable communities as defined by the Metropolitan Transportation Commission and the San Francisco Bay Conservation and Development Commission, which identification of a sensitive community shall be updated at least every five years by the Department of Housing and Community Development.

(k) "Tenant" means a person ~~residing in~~ *who does not own the property where they reside, including residential situations that are* any of the following:

(1) Residential real property rented by the person under a long-term lease.

(2) A single-room occupancy unit.

(3) An accessory dwelling unit that is not subject to, or does not have a valid permit in accordance with, an ordinance adopted by a local agency pursuant to Section 65852.22.

(4) A residential motel.

(5) A mobilehome park, as governed under the Mobilehome Residency Law (Chapter 2.5 (commencing with Section 798) of Title 2 of Part 2 of Division 2 of the Civil Code), the Recreational Vehicle Park Occupancy Law (Chapter 2.6 (commencing with Section 799.20) of Title 2 of Part 2 of Division 2 of the Civil Code), the Mobilehome Parks Act (Part 2.1 (commencing with Section 18200) of Division 13 of the Health and Safety Code), or the Special Occupancy Parks Act (Part 2.3 (commencing with Section 18860) of Division 13 of the Health and Safety Code).

~~(5)~~

(6) Any other type of residential property that is not owned by the person or a member of the person's household, for which the person or a member of the person's household provides payments on a regular schedule in exchange for the right to occupy the residential property.

(*l*) "Transit-rich housing project" means a residential development the parcels of which are all within a one-half mile radius of a major transit stop or a one-quarter mile radius of a stop on a high-quality bus corridor. A project shall be deemed to be within ~~a one-half mile~~ *the* radius ~~of a major transit stop or a one-quarter mile radius of a stop on a high-quality bus corridor~~ if both of the following apply:

(1) All parcels within the project have no more than 25 percent of their area outside of a one-half mile radius of a major transit stop or a one-quarter mile radius of a stop on a high-quality bus corridor.

(2) No more than 10 percent of the residential units or 100 units, whichever is less, of the project are outside of a one-half mile radius of a major transit stop or a one-quarter mile radius of a stop on a high-quality bus corridor.

65918.51. ~~(a)~~ A local government shall, upon request of a development proponent, grant an equitable communities incentive, as specified in Section 65918.53, when the development proponent seeks and agrees to construct a residential development that satisfies the requirements specified in Section 65918.52.

~~(b) It is the intent of the Legislature that, absent exceptional circumstances, actions taken by a local legislative body that increase residential density not undermine the equitable communities incentive program established by this chapter.~~

65918.52. In order to be eligible for an equitable communities incentive pursuant to this chapter, a residential development shall meet all of the following criteria:

(a) The residential development is either a job-rich housing project or transit-rich housing project.

(b) The residential development is located on a site that, at the time of application, is zoned to allow housing as an underlying use in the zone, including, but not limited to, a residential, mixed-use, or commercial zone, as defined and allowed by the local government.

(c) (1) If the local government has adopted an inclusionary housing ordinance requiring that the development include a certain number of units affordable to households with incomes that do not exceed the limits for moderate-income, lower income, very low income, or extremely low income specified in Sections 50079.5, 50093, 50105, and 50106 of the Health and Safety Code, and that ordinance requires that a new development include levels of affordable housing in excess of the requirements specified in paragraph (2), the residential development complies with that ordinance. *The ordinance may provide alternative means of compliance that may include, but are not limited to, in-lieu fees, land dedication, offsite construction, or acquisition and rehabilitation of existing units.*

(2) *(A)* If the local government has not adopted an inclusionary housing ordinance, as described in paragraph (1), ~~and the residential development includes ____ or more residential units,~~ the residential development includes ~~onsite~~ *an* affordable housing *contribution* for households with incomes that do not exceed the limits for extremely low income, very low income, and low income specified in Sections 50093, 50105, and 50106 of the Health and Safety Code. ~~It is the intent of the Legislature to require that any development of ____ or more residential units receiving an equitable communities incentive pursuant to this chapter include housing affordable to low, very low or extremely low income households, which, for projects with low or very low income units, are no less than the number of onsite units affordable to low or~~

~~very low income households that would be required pursuant to subdivision (f) of Section 65915 for a development receiving a density bonus of 35 percent.~~

(B) For purposes of this paragraph, the residential development is subject to one of the following:

(i) If the project has 10 or fewer units, no affordability contribution is imposed.

(ii) If the project has 11 to 20 residential units, the development proponent may pay an in-lieu fee to the local government for affordable housing, where feasible, pursuant to subparagraph (C).

(iii) If the project has more than 20 residential units, the development proponent shall do either of the following:

(I) Make a comparable affordability contribution toward housing offsite that is affordable to lower income households, pursuant to subparagraph (C).

(II) Include units on the site of the project that are affordable to extremely low income, as defined in Section 50105 of the Health and Safety Code, very low income, or low-income households, as defined in Section 50079.5 of the Health and Safety Code, as follows:

Project Size	*Inclusionary Requirement*
21– 200 units	*15% low income; or*
	8% very low income; or
	6% extremely low income
201–350 units	*17% low income; or*
	10% very low income; or
	8% extremely low income
351 or more units	*25% low income; or*
	15% very low income; or
	11% extremely low income

(C) The development proponent of a project that qualifies pursuant to clause (ii) or subclause (I) of clause (iii) of subparagraph (B) may make a comparable affordability contribution toward housing offsite that is affordable to lower income households, as follows:

(i) The local government collecting the in-lieu fee payment shall make every effort to ensure that future affordable housing will be sited within one-half mile of the original project location within

the boundaries of the local government by designating an existing housing opportunity site within a one-half mile radius of the project site for affordable housing. To the extent practicable, local housing funding shall be prioritized at the first opportunity to build affordable housing on that site.

(ii) If no housing opportunity sites that satisfy clause (i) are available, the local government shall designate a site for affordable housing within the boundaries of the local government and make findings that the site for the affordable housing development affirmatively furthers fair housing, as defined in Section 8899.50.

(D) Affordability of units pursuant to this paragraph shall be restricted by deed for a period of 55 years for rental units or 45 years for units offered for sale.

(d) The site does not contain, or has not contained, either of the following:

(1) Housing occupied by tenants within the seven years preceding the date of the application, including housing that has been demolished or that tenants have vacated prior to the application for a development permit.

(2) A parcel or parcels on which an owner of residential real property has exercised ~~his or her~~ *their* rights under Chapter 12.75 (commencing with Section 7060) of Division 7 of Title 1 to withdraw accommodations from rent or lease within 15 years prior to the date that the development proponent submits an application pursuant to this chapter.

(e) The residential development complies with all applicable labor, construction employment, and wage standards otherwise required by law and any other generally applicable requirement regarding the approval of a development project, including, but not limited to, the local government's conditional use or other discretionary permit approval process, the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code), or a streamlined approval process that includes labor protections.

(f) The residential development complies with all other relevant standards, requirements, and prohibitions imposed by the local government regarding architectural design, restrictions on or oversight of demolition, impact fees, and community benefits agreements.

(g) The equitable communities incentive shall not be used to undermine the economic feasibility of delivering low-income housing under the state density bonus program or a local implementation of the state density bonus program, or any locally adopted program that puts conditions on new development applications on the basis of receiving a zone change or general plan amendment in exchange for benefits such as increased affordable housing, local hire, or payment of prevailing wages.

65918.53. (a) ~~A residential development~~ *Any transit-rich or jobs-rich housing project* that meets the criteria specified in Section 65918.52 shall receive, upon request, an equitable communities incentive as follows:

~~(1) Any eligible applicant shall receive the following:~~

~~(A)~~

(1) A waiver from maximum controls on density.

~~(B)~~

(2) A waiver from ~~maximum~~ *minimum* automobile parking requirements greater than 0.5 automobile parking spots per unit.

~~(C)~~

(3) Up to three incentives and concessions pursuant to subdivision (d) of Section 65915.

~~(2)~~

(b) An eligible applicant proposing a residential development that is located within a one-half mile radius, but outside a one-quarter mile radius, of a major transit stop ~~and includes no less than ____ percent affordable housing units~~ shall receive, in addition to the incentives specified in ~~paragraph (1),~~ *subdivision (a),* waivers from all of the following:

~~(A)~~

(1) Maximum height requirements less than 45 feet.

~~(B)~~

(2) Maximum FAR requirements less than 2.5.

~~(C)~~

(3) Notwithstanding subparagraph (B) of paragraph (1), any maximum automobile parking requirement.

~~(3)~~

(c) An eligible applicant proposing a residential development that is located within a one-quarter mile radius of a major transit ~~and includes no less than ____ percent affordable housing units~~

stop shall receive, in addition to the incentives specified in ~~paragraph (1),~~ *subdivision (a),* waivers from all of the following:

~~(A)~~

(1) Maximum height requirements less than 55 feet.

~~(B)~~

(2) Maximum FAR requirements less than 3.25.

~~(C)~~

(3) Notwithstanding ~~subparagraph (B) of~~ paragraph ~~(1),~~ *(1) of subdivision (b),* any ~~maximum~~ *minimum* automobile parking requirement.

~~(4)~~

(d) Notwithstanding any other law, for purposes of calculating any additional incentive or concession in accordance with Section 65915, the number of units in the residential development after applying the equitable communities incentive received pursuant to this chapter shall be used as the base density for calculating the incentive or concession under that section.

~~(5)~~

(e) An eligible applicant proposing a project that meets all of the requirements under Section 65913.4 may submit an application for streamlined, ministerial approval in accordance with that section.

~~(b)~~

(f) The local government may modify or expand the terms of an equitable communities incentive provided pursuant to this chapter, provided that the equitable communities incentive is consistent with, and meets the minimum standards specified in, this chapter.

65918.54. The Legislature finds and declares that this chapter addresses a matter of statewide concern rather than a municipal affair as that term is used in Section 5 of Article XI of the California Constitution. Therefore, this chapter applies to all cities, including charter cities.

65918.55. (a) ~~It is the intent of the Legislature that implementation~~ *Implementation* of this chapter *shall* be delayed in sensitive communities until July 1, 2020.

~~(b) It is further the intent of the Legislature to enact legislation that does all of the following:~~

~~(1)~~

(b) Between January 1, 2020, and ____, ~~allows~~ a local government, in lieu of the requirements of this chapter, ~~to~~ *may* opt for a community-led planning process *in sensitive communities* aimed toward increasing residential density and multifamily housing choices near transit ~~stops.~~ *stops, as follows:*

~~(2) Encourages sensitive~~

(1) Sensitive communities ~~to opt for~~ *that pursue* a community-led planning process at the neighborhood level ~~to develop~~ *shall, on or before January 1, 2025, produce a community plan that may include* zoning and *any* other policies that encourage multifamily housing development at a range of income levels to meet unmet needs, protect vulnerable residents from displacement, and address other locally identified priorities.

~~(3) Sets minimum performance standards for community plans, such as minimum~~

(2) Community plans shall, at a minimum, be consistent with the overall residential development capacity and the minimum affordability standards set forth in this ~~chapter.~~ *chapter within the boundaries of the community plan.*

~~(4) Automatically applies the~~

(3) The provisions of this chapter *shall apply* on January 1, 2025, to sensitive communities that ~~do~~ *have* not ~~have~~ adopted community plans that meet the minimum standards described in paragraph ~~(3),~~ *(2),* whether those plans were adopted prior to or after enactment of this chapter.

~~SEC. 2.~~

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.

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SENATE COMMITTEE ON HOUSING
Senator Scott Wiener, Chair
2019 - 2020 Regular

Bill No:	SB 50	**Hearing Date:**	4/2/2019
Author:	Wiener		
Version:	3/11/2019 Amended		
Urgency:	No	**Fiscal:**	Yes
Consultant:	Alison Hughes		

SUBJECT: Planning and zoning: housing development: incentives

DIGEST: This bill requires a local government to grant an equitable communities incentive, which reduces specified local zoning standards in "jobs-rich" and "transit rich areas," as defined, when a development proponent meets specified requirements.

ANALYSIS:

Existing law:

1) Provides, under the Housing Accountability Act, that when a proposed housing development project complies with applicable, objective general plan, zoning, and subdivision standards in effect at the time the housing development project's application is determined to be complete, but the local agency proposes to disapprove the project or impose a condition that the project be approved at a lower density, the local agency shall base its decision upon written findings, as specified.

2) Requires all cities and counties to adopt an ordinance that specifies how they will implement state density bonus law. Requires cities and counties to grant a density bonus when an applicant for a housing development of five or more units seeks and agrees to construct a project that will contain at least one of the following:

    a) 10% of the total units of a housing development for lower income households
    b) 5% of the total units of a housing development for very low-income households
    c) A senior citizen housing development or mobile home park
    d) 10% of the units in a common interest development (CID) for moderate-income households

e) 10% of the total units for transitional foster youth, disabled veterans, or homeless persons.

3) Requires the city or county to allow an increase in density on a sliding scale from 20% to 35% over the otherwise maximum allowable residential density under the applicable zoning ordinance and land use element of the general plan, depending on the percentage of units affordable low-income, very low-income, or senior households.

4) Provides that upon the request of a developer, a city, county, or city and county shall not require a vehicular parking ratio, inclusive of disabled and guest parking, that meets the following ratios:

   a) Zero to one bedroom — one onsite parking space
   b) Two to three bedrooms — two onsite parking spaces
   c) Four and more bedrooms — two and one-half parking spaces

5) Provides that if a project contains 100% affordable units and is within ½ mile of a major transit stop, the local government shall not impose a parking ratio higher than .5 spaces per unit.

6) The applicant shall receive the following number of incentives or concessions:

   a) One incentive or concession for projects that include at least 10% of the total units for lower income households or at least 5% for very low income households.
   b) Two incentives or concessions for projects that include at least 20% of the total units for lower income households or least 10% for very low income households.
   c) Three incentives or concessions for projects that include at least 30% of the total units for lower income households or at least 15% for very low income households.

7) Provides that supportive housing, in which 100% of units are dedicated to low-income households (up to 80% AMI) and are receiving public funding to ensure affordability, shall be a use by right in all zones where multifamily and mixed uses are allowed, as specified.

8) Provides that infill developments in localities that have failed to meet their regional housing needs assessment (RHNA) numbers shall not be subject to a streamlined, ministerial approval process, as specified.

This bill:

1) Defines "high quality bus corridor" as a corridor with fixed bus route service that meets specified average service intervals.

2) Defines "jobs-rich area" as an area identified by the Department of Housing and Community Development (HCD), in consultation with the Office of Planning and Research (OPR), that both meets "high opportunity" and "jobs-rich," based on whether, in a regional analysis, the tract meets (a) and (b) below. HCD shall, beginning January 1, 2020 publish and update a map of the state showing areas identified as "jobs-rich areas" every five years.

    a) The tract is "higher opportunity" and its characteristics are associated with positive educational and economic outcomes of all income levels residing in the tract.
    b) The tract meets either of the following:
        i. New housing sited in the tract would enable residents to live in or near the jobs-rich area, as measured by employment density and job totals.
        ii. New housing sited in the tract would enable shorter commute distances for residents compared to existing commute levels.

3) "Jobs-rich housing project" means a residential development within an area identified as a "jobs-rich area" by HCD and OPR, based on indicators such as proximity to jobs, high median income relative to the relevant region, and high-quality public schools, as an area of high opportunity close to jobs.

4) Defines "major transit stop" as a rail transit station or a ferry terminal as defined.

5) Defines "residential development" as a project with at least two-thirds of the square footage of the development designated for residential use.

6) Defines "sensitive communities" as either:

    a) An area identified by HCD every five years, in consultation with local community-based organizations in each metropolitan planning region, as an area where both of the following apply:
        i. 30% or more of the census tract lives below the poverty line, provided that college students do not compose at least 25% of the population.
        ii. The "location quotient" of residential racial segregation in the census tract is at least 1.25 as defined by HCD.

b) In the counties of Alameda, Contra Costa, Marin, Napa, Santa Clara, San Francisco, San Mateo, Solano, and Sonoma, areas designated by the Metropolitan Transportation Commission (MTC) on December 19, 2018 as the intersection of disadvantaged and vulnerable communities as defined by the MTC and the San Francisco Bay Conservation and Development Commission.

7) Defines "tenant" as a person who does not own the property where they reside, including specified residential situations.

8) Defines "transit-rich housing project" as a residential development in which the parcels are all within ½ mile radius of a major transit stop or ¼ mile radius of a stop on a high-quality bus corridor.

9) Requires a local government to grant an equitable communities incentive when a development proponent seeks and agrees to construct a residential development that meets the following requirements:

   a) The residential development is either a jobs-rich housing project or transit-rich housing project.
   b) The residential development is located on a site that, at the time of application, is zoned to allow "housing as an underlying use" in the zone.
   c) Prohibits the site from containing either of the following:
      i. Housing occupied by tenants within the seven years preceding the date of the application.
      ii. A parcel or parcels on which an owner of residential real property has exercised their rights to withdraw accommodations from rent or lease within 15 years prior to the date that the development proponent submits an application under this bill.
   d) The residential development complies with all applicable labor, construction, employment, and wage standards otherwise required by law, and any other generally applicable requirement regarding the approval of a development project.
   e) The residential development complies with all relevant standards, requirements, and prohibitions imposed by the local government regarding architectural design, restrictions on or oversight of demolition, impact fees, and community benefit agreements.
   f) Affordable housing requirements, required to remain affordable for 55 years for rental units and 45 years for units offered for sale, as specified:
      i. If the local government has adopted an inclusionary housing ordinance and that ordinance requires that a new development include levels of

affordability in excess of what is required in this bill, the requirements in that ordinance shall apply.

ii. If (i) does not apply, the following shall apply:

Project Size	Inclusionary Housing Requirement
1-10 units	No affordability requirement.
11-20 units	Development proponent may pay an in lieu fee, where feasible, toward housing offsite affordable to lower income households.
21-200 units	• 15% low income OR • 8% very low income OR • 6% extremely low income OR • Comparable affordability contribution toward housing offsite affordable to lower income households.
201 – 350 units	• 17% low income OR • 10% very low income OR • 8% extremely low income OR • Comparable affordability contribution toward housing offsite affordable to lower income households
351 units or more	• 25% low income OR • 15% very low income OR • 11% extremely low income OR • Comparable affordability contribution toward housing offsite affordable to lower income households

iii. If a development proponent makes a comparable affordability contribution toward housing offsite, the local government collecting the in-lieu payment shall make every effort to ensure that future affordable housing will be sited within ½ mile of the original project location within the boundaries of the local government by designating the existing housing opportunity site within a ½ mile radius of the project site for affordable housing. To the extent practical, local housing funding shall be prioritized at the first opportunity to build affordable housing on that site.

iv. If no housing sites are available, the local government shall designate a site for affordable housing within the boundaries its jurisdiction and make findings that the site affirmatively furthers fair housing, as specified.

10) Prohibits the equitable communities incentive from being used to undermine the economic feasibility of delivering low-income housing under specified state

and local housing programs, including the state or a local implementation of the state density bonus program.

11) Requires a transit-rich or jobs-rich housing project to receive an equitable communities incentive, as follows:

a) A waiver from maximum controls on density.
b) A waiver from minimum parking requirements greater than .5 parking spaces per unit.
c) Up to three incentives and concessions under density bonus law.

12) Requires projects up to ¼ mile radius of a major transit stop, in addition to the benefits identified in (11), to receive waivers from all of the following:

a) Maximum height requirements less than 55 feet.
b) Maximum floor area ratio requirements less than 3.25.
c) Any minimum parking requirement.

13) Requires projects between ¼ and ½ mile of a major transit stop, in addition to the benefits identified in (11), to receive waivers from all of the following:

a) Maximum height requirements less than 45 feet.
b) Maximum floor area ratio requirements less than 2.5.
c) Any maximum parking requirement.

14) Requires, for purposes of calculating any additional incentives and concessions under density bonus law, to use the number of units after applying the increased density permitted under this bill as the base density.

15) Permits a development receiving an equitable communities incentive to also be eligible for streamlined, ministerial approval under existing law.

16) Requires the implementation of this bill to be delayed in sensitive communities until July 1, 2020. Between January 1, 2020 and an unspecified date, a local government, in lieu of the requirements in this bill, may opt for a community-led planning process in sensitive communities aimed toward increasing residential density and multifamily housing choices near transit stops, as follows:

a) Sensitive communities that pursue a community-led planning process at the neighborhood level shall, on or before January 1, 2025, produce a community plan that may include zoning and any other policies that encourage

multifamily housing development at a range of income levels to meet unmet needs, protect vulnerable residents from displacement, and address other locally identified priorities.

b) Community plans shall, at a minimum, be consistent with the overall residential development capacity and the minimum affordability standards set forth in this chapter within the boundaries of the community plan.

c) The provisions of this bill shall apply on January 1, 2025, to sensitive communities that have not adopted community plans that meet the minimum standards described in paragraph (16)(b).

17) States that the receipt of an equitable communities incentive shall not constitute a valid basis to find a proposed housing development project inconsistent, not incompliance, or in conformity with an applicable plan, program, policy, ordinance, standard, requirement or other similar provision under the Housing Accountability Act.

COMMENTS

1) *Purpose of the bill*. According to the author, "California's statewide housing deficit is quickly approaching four million homes -- equal to the total deficit of the other forty-nine states combined. This housing shortage threatens our state's environment, economy, diversity, and quality of life for current and future generations. In addition to tenant protections and increased funding for affordable housing, we need an enormous amount of new housing at all income levels in order to keep people stable in their homes. Policy interventions focused on relieving our housing shortage must be focused both on the number of new homes built and also the location of those homes: as we create space for more families in our communities, they must be near public transportation and jobs. The status quo patterns of development in California are covering up farmland and wild open space while inducing crushing commutes. Absent state intervention, communities will continue to effectively prohibit people from living near transit and jobs by making it illegal to build small apartment buildings around transit and jobs, while fueling sprawl and inhumane supercommutes.

   "Small and medium-sized apartment buildings (i.e., not single-family homes and not high rises) near public transportation and high-opportunity job centers are an equitable, sustainable, and low-cost source of new housing. SB 50 promotes this kind of housing by allowing small apartment buildings that most California neighborhoods ban, regardless of local restrictions on density, within a half mile of rail stations and ferry terminals, quarter mile of a bus stop on a frequent bus line, or census tract close to job and educational opportunities. Around rail stations and ferry terminals, the bill also relaxes maximum height limits up to 45

or 55 feet—that is, a maximum of four and five stories—depending on the distance from transit. Job-rich areas and those serviced only by buses do not trigger height increases, but these areas will benefit from relaxed density and off-street parking requirements that encourage low-rise multifamily buildings like duplexes and fourplexes. SB 50 grants significant local control to individual jurisdictions over design review, labor and local hire requirements, conditional use permits, CEQA, local affordable housing and density bonus programs, and height limits outside of areas immediately adjacent to rail and ferry. This bill also requires an affordable housing component for all projects over ten units, and contains the strongest anti-displacement rules in state law, including an automatic ineligibility for any property currently or recently occupied by renters."

2) *Housing near Transit.* Research has shown that encouraging more dense housing near transit serves not only as a means of increasing ridership of public transportation to reduce greenhouse gases (GHGs), but also a solution to our state's housing crisis. As part of California's overall strategy to combat climate change, the Legislature began the process of encouraging more transit oriented development with the passage of SB 375 (Steinberg, Chapter 728, Statutes of 2008). SB 375 is aimed at reducing the amount that people drive and associated GHGs by requiring the coordination of transportation, housing, and land use planning. The Legislature subsequently allocated 20% of the ongoing Cap and Trade Program funds to the Affordable Housing and Sustainable Communities Program, which funds land use, housing, transportation, and land preservation projects to support infill and compact development that reduce GHGs. At least half of the funds must support affordable housing projects.

   The McKinsey Report found that increasing housing demand around high-frequency public transit stations could build 1.2 – 3 million units within a half-mile radius of transit. The report notes that this new development would have to be sensitive to the character of a place, and recommends that local communities proactively rezone station areas for higher residential density to pave the way for private investments, accelerate land-use approvals, and use bonds to finance station area infrastructure.

   Research has also demonstrated a positive relationship between income and vehicle miles traveled (VMT). A study by the Center for Neighborhood Technology, entitled *Income, Location Efficiency, and VMT: Affordable housing as a Climate Strategy*, created a model to isolate the relationship of income on VMT. This model found that lower-income families living near transit were likely to drive less than their wealthier neighbors. More specifically, in metro regions, home to two-thirds of California's population, identically composed and located low-income households were predicted to drive 10% less than the

median, very low-income households 25% less, and extremely low-income households 33% less. By contrast, middle income households were predicted to drive 5% more and above moderate-income households 14% more. The patterns are similar for the other two Regional Contexts, although the differences are slightly reduced in Rural Areas. This research demonstrates the value of encouraging lower-income people to live near transit who are more likely to increase transit ridership.

This bill incentivizes denser housing near transit by reducing zoning controls such as density, parking, height, and floor area ratios, as specified.

3) *Denser Housing in Single-Family Zoning*. California's high—and rising—land costs necessitate dense housing construction for a project to be financially viable and for the housing to ultimately be affordable to lower-income households. Yet, recent trends in California show that new housing has not commensurately increased in density. In a 2016 analysis, the Legislative Analyst's Office (LAO) found that the housing density of a typical neighborhood in California's coastal metropolitan areas increased only by four percent during the 2000s. In addition, the pattern of development in California has changed in ways that limit new housing opportunities. A 2016 analysis by BuildZoom found that new development has shifted from moderate but widespread density to pockets of high-density housing near downtown cores surrounded by vast swaths of low-density single-family housing. Specifically, construction of moderately-dense housing (2 to 49 units) in California peaked in the 1960s and 1970s and has slowed in recent decades.

Stricter land use controls are also associated with greater displacement and segregation along both income and racial lines. Past practices such as redlining, which led to the racial and economic segregation of communities in the 1930s, have shown the negative effects that these practices can have on communities. The federal National Housing Act of 1934 was enacted to make housing and mortgages more affordable and to stop bank foreclosures during the Great Depression. These loans were distributed in a manner to purposefully exclude "high risk" neighborhoods composed of minority groups. This practice led to underdevelopment and lack of progress in these segregated communities while neighborhoods surrounding them flourished due to increased development and investment. People living in these redlined communities had unequal access to quality, crucial resources such as health and schools. These redlined communities experience higher minority and poverty rates today and are experiencing gentrification and displacement at a higher rate than other neighborhoods. Today, exclusionary zoning can lead to "unintended" segregation of low-income and minority groups, which creates unequal

opportunities for Californians of color. Both the LAO and an analysis by the Institute of Governmental Studies (IGS) at the University of California, Berkeley indicate that building new housing would reduce the likelihood that residents would be displaced in future decades.

The UC Berkeley Terner Center conducted a residential land use survey in California from August 2017 to October 2018. The survey found that most jurisdictions devote the majority of their land to single family zoning and in two-thirds of jurisdictions, multifamily housing is allowed on less than 25% of land. Some jurisdictions in the US have taken steps to increase density in single-family zones. For example, Minneapolis will become the first major U.S. city to end single-family home zoning; in December, the City Council passed a comprehensive plan to permit three-family homes in the city's residential neighborhoods, abolish parking minimums for all new construction, and allow high-density buildings along transit corridors. According to the 2016 McKinsey Report, California has the capacity to build between 341,000 and 793,000 new units by adding units to existing single-family homes.

In an effort to encourage denser housing everywhere, and in particular, in traditionally exclusionary jurisdictions, this bill seeks to incentivize denser housing development in "jobs-rich areas" by reducing density and parking, and granting developments up to three concessions and incentives consistent with density bonus law. This is similar mapping exercise to a process that the California Tax Credit Allocation Committee (TCAC) in the State Treasurer's Office underwent to encourage low-income housing developments in high opportunity areas, with the goal of encouraging more inclusive communities in California. TCAC and HCD convened a group of independent organizations and researchers called the California Fair Housing Taskforce (Taskforce). The Taskforce released a detailed opportunity mapping methodology document that identifies specific policy goals and purposes, as well as detailed indicators to identify areas that further the policy goals and purposes. This bill specifies that HCD, in consultation with OPR, is responsible for creating maps that identify which tracts meet the requirements in this bill. As written, the definition of "jobs-rich area" is not entirely clear. Moving forward, the author may wish to modify the requirements for a "jobs-rich area" to provide more clarity to HCD and OPR.

4) *Density bonus law (DBL).* Given California's high land and construction costs for housing, it is extremely difficult for the private market to provide housing units that are affordable to low- and even moderate-income households. Public subsidy is often required to fill the financial gap on affordable units. DBL allows public entities to reduce or even eliminate subsidies for a particular project by

allowing a developer to include more total units in a project than would otherwise be allowed by the local zoning ordinance in exchange for affordable units. Allowing more total units permits the developer to spread the cost of the affordable units more broadly over the market-rate units. The idea of DBL is to cover at least some of the financing gap of affordable housing with regulatory incentives, rather than additional subsidy.

Under existing law, if a developer proposes to construct a housing development with a specified percentage of affordable units, the city or county must provide all of the following benefits: a density bonus; incentives or concessions (hereafter referred to as incentives); waiver of any development standards that prevent the developer from utilizing the density bonus or incentives; and reduced parking standards.

To qualify for benefits under density bonus law, a proposed housing development must contain a minimum percentage of affordable housing (*see* the "Existing Law" section). If one of these five options is met, a developer is entitled to a base increase in density for the project as a whole (referred to as a density bonus) and one regulatory incentive. Under density bonus law, a market rate developer gets density increases on a sliding scale based on the percentage of affordable housing included in the project. At the low end, a developer receives 20% additional density for 5% very low-income units and 20% density for 10% low-income units. The maximum additional density permitted is 35% (in exchange for 11% very low-income units and 20% low-income units). The developer also negotiates additional incentives and concessions, reduced parking, and design standard waivers with the local government. This helps developers reduce costs while enabling a local government to determine what changes make the most sense for that site and community.

This bill provides similar zoning reductions as density bonus law. Unlike density bonus law, which grants more zoning reductions and waivers with increased percentages of affordable housing, this bill encourages the construction of more housing across the state, generally. This bill provides that in areas that are "jobs-rich" – the goal of which is to increase housing in traditionally "high opportunity areas" – a specified project is not subject to density controls, parking, and may receive up to three concessions and incentives under DBL. Housing projects near transit, as specified, receive additional benefits of having minimum height requirements and minimum floor area ratios. Under the requirements of this bill, affordable housing requirements depend on the size of the project and increase with the number of units in a housing project.

A development proponent, particularly near transit, will likely enjoy greater benefits under the provisions of this bill than those received under DBL. For example, the greatest density a housing project enjoys under DBL is 35%; this bill removes density requirements, so while increased density will vary for each individual site, it is not limited. Under DBL, only projects containing 100% affordable units enjoy parking minimums less than 1 space per bedroom, while pursuant to this bill, no projects are required to have more than .5 spaces per unit. Additionally, under both DBL and this bill, a developer may receive three concessions and incentives only if at least 30% of the units are affordable to lower income households. Under this bill, projects near transit enjoy minimum height requirements and floor area ratios, while under DBL, a developer would need to use its concessions and incentives or waivers to negotiate reductions of those types of requirements.

The author's stated goal is to enable a developer to access the benefits of DBL as well as those provided under this bill. In fact, this bill states that the incentive granted under this bill shall not be used to "undermine the economic feasibility of delivering low-income housing under the state density bonus program…". Moving forward, the author is evaluating how the two programs may work more closely in concert with one another.

5) *Sensitive Communities*. According to the author, many communities, particularly communities of color and those with high concentrations of poverty, have been disempowered from the community planning process. In order to provide more flexibility to disenfranchised communities, the bill contains a delay for sensitive communities, as defined, until July 1, 2020, as well as a process for these communities to identify their own plans to encourage multifamily housing development at a range of income levels to meet unmet needs, protect vulnerable residents from displacement, and address other locally identified priorities. Moving forward, the author may wish to provide more clarity as to what factors will guide HCD in determining what qualifies as a sensitive community.

6) *SB 827 (Wiener, 2018).* This bill is similar to SB 827, which created an incentive for housing developers to build denser housing near transit by exempting developments from certain low-density requirements, including maximum controls on residential density, maximum controls on FAR, as specified, minimum parking requirements, and maximum building height limits, as specified. A developer could choose to use the benefits provided in that bill if it met certain requirements.

This bill is different from SB 827 in several ways. First, unlike SB 827, this bill is not limited in application to proximity near transit; this bill provides reduced

zoning requirements for specified projects in "jobs-rich areas" that are traditionally "high-opportunity" and will result in more housing across the state. With regards to the inclusion of units affordable to lower income households, SB 827 contained an inclusionary housing scheme that only applied to additional units granted by that bill, not the number of units in the base zoning. This bill provides that projects with 11-19 units may pay an in-lieu fee for affordable housing, if feasible, and requires projects with 21 or more units to contain units affordable to lower-income households or pay an in lieu fee. This bill also increases demolition protections for sites that have previously housed tenants and removes complex "Right to Return" provisions that could have proved difficult to enforce. Specifically, this bill prohibits an eligible site from containing housing occupied by tenants within the seven years preceding the date of the application and parcels on which an owner of has taken their rentals properties off the market for rent or lease within 15 years prior to the date the development proponent submits an application. This bill also creates a delayed implementation for sensitive communities, as defined, and permits them to come up with a community plan that may include zoning and other policies to encourage multifamily development at varying income levels and protect vulnerable residents from displacement.

7) *SB 4 (McGuire) vs. SB 50 (Wiener).* This bill is similar in nature to SB 4 (McGuire), which will also be heard today. Both bills encourage denser housing near transit by relaxing density, height, parking, and FAR requirements, but also differ in several ways. SB 4 only applies in jurisdictions that have built fewer homes in the last 10 years than jobs and have unmet housing needs, whereas this bill does not have threshold requirements. Also, the zoning benefits in this bill also extend to projects in proximity to high quality bus corridors. While both bills only apply to parcels in residential zones, SB 4 only applies to infill sites and is not permitted in specified areas. Both bills also relate to areas not tied to transit; SB 4 allows for duplexes on vacant parcels that allow a residential use in cities less than 50,000 and fourplexes in cities greater than 50,000. This bill does not limit density, however it is limited to areas designated as "jobs-rich" by HCD and OPR. Lastly, SB 4 also provides a streamlined approval process.

Here is a comparison of the SB 4 and SB 50 benefits for projects near transit:

	SB 4 TOD	**SB 50 Transit-Rich**

Density	- Metro areas: min. 30 units/acre - Suburban: min. 20 units per acre	No limit
Parking	- Cities <100,000 and 1/4-1/2 mile from transit: DBL (spaces/BR or .5 spaces/unit if 100% affordable) - Cities >100,000 and 0-1/4 mile from transit: no parking	No parking
Concessions and Incentives	No	- 1 C/I: Projects with 10% LI or 5% VLI - 2 C/I: Projects with 20% LI or 10% VLI - 3 C/I: Projects with 30% LI or 15% VLI
Waivers or Reductions of Dev't Standards	Existing design review applies	Must comply with all relevant standards, including architectural design
Height	One story over allowable height	No less than 45' or 55' (depending on proximity to transportation)
FAR	.6 times the number of stories	No less than 2.5 or 3.25 (depending on proximity to transit)
Streamlining	Ministerial Review	No new streamlined approvals, but may qualify under existing law (SB 35)
Reduced Fees	No	No

Here is a comparison of the SB 4 and SB 50 benefits for a “jobs-rich” and “neighborhood multifamily project” incentive:

	SB 4 Duplexes & Fourplexes	SB 50 Jobs-Rich
Density	- Urban Cities (<50,000): 2 units - Non-Urban (>50,000): 4 units	No limit
Parking	.5 spaces per unit	.5 spaces per unit
Concessions and Incentives	No	- 1 C/I: Projects with 10% LI or 5% VLI - 2 C/I: Projects with 20% LI or 10% VLI - 3 C/I: Projects with 30% LI or 15% VLI
Waivers or Reductions of Dev't Standards	Existing design review applies	Must comply with all relevant standards, including architectural design
Height	Meet existing zoning requirements	None *(can use one of the C/I or W/R of design standards)*
FAR	Meet existing zoning requirements	None *(can use one of the C/I or W/R of design standards)*
Streamlining	Ministerial Review	No new streamlined approvals, but may qualify under existing law (SB 35)
Reduced Fees	- Not a new residential use, except connection for service fees - No more than $3,000 in school fees	No

9) *Support.* Those supporting this bill state that it will help build hundreds of thousands of new homes and ensure that a significant percentage will be affordable to lower-income households. The sponsors state that this bill will correct for decades of under-producing housing and perpetuating exclusionary housing policies, and will ensure housing is built in high-opportunity areas. Sponsors also state that this bill preserves the voices of long-time residents by

allowing sensitive communities to engage in their own planning process and includes strong anti-displacement protections.

10) *Letters Expressing Concern But Not Opposition.* Some organizations have expressed concern, but not opposition, relating to affordable housing, protections for sensitive communities, and the preservation of local affordable housing policies and plans. These concerns are raised by the following: Alliance for Community Trust – Los Angeles, California Environmental Justice Alliance, California Rural Legal Assistance Foundation, Chinatown Community Development, Central Coast Alliance United for a Sustainable Economy, East Bay Housing Organizations, East LA Community Corporation, Housing California, Koreatown Immigrant Workers Alliance, Leadership Counsel for Justice and Accountability, Legal Services for Prisoners with Children, Little Tokyo Service Center, Los Angeles Black Worker Center, LA Forward, Move LA, Orange County Communities Organized for Responsible Development, Organize Sacramento, People for Mobility Justice, Physicians for Social Responsibility – Los Angeles, Policy Link, Public Advocates, Public Counsel, Public Interest Law Project, Rural Community Assistance Corporation, Strategic Actions for a Just Economy, Social Justice Learning Institute, Southern California Association of Non-Profit Housing, Southeast Asian Community Alliance, St. John's Well Child & Family Center, Thai Community Development Center, T.R.U.S.T. South LA, Venice Community Housing, and Western Center on Law and Poverty. These organizations are engaging in ongoing conversations with the author's office to address their concerns as the bill moves through the legislative process.

11) *Opposition*. Cities, neighborhood associations, and homeowners groups are opposed to this bill for overriding local planning and decision-making and enacting a "one-size-fits-all" approach to solving the housing crisis. Some state that increased state involvement in local decisions could lead to increased opposition to housing. Others raise questions about how areas subject to the equitable communities incentives will be identified and are concerned about the negative impacts of denser housing to surrounding areas. The AIDS Healthcare Foundation asserts that this bill will give a free pass to developers in specified areas and does not require enough affordable housing in return. Instead, the state and developers should be focused on collaborating with local governments.

12) *Double-referral.* This bill is double-referred to the Governance and Finance Committee.

RELATED LEGISLATION:

SB 4 (McGuire, 2019) — creates a streamlined approval process for eligible projects within ½ mile of fixed rail or ferry terminals in cities of 50,000 residents or more in smaller counties and in all urban areas in counties with over a million residents. It also allows creates a streamlined approval process for duplexes and fourplexes, as specified, in residential areas on vacant, infill parcels. *This bill will also be heard today by this committee.*

SB 827 (Wiener, 2018) — would have created an incentive for housing developers to build near transit by exempting developments from certain low-density requirements, including maximum controls on residential density, maximum controls on FAR, as specified, minimum parking requirements, , and maximum building height limits, as specified. A developer could choose to use the benefits provided in that bill if it meets certain requirements. *This bill failed passage in the Senate Transportation and Housing Committee.*

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

POSITIONS: (Communicated to the committee before noon on Wednesday, March 27, 2019.)

SUPPORT

California Association Of Realtors (Co-Sponsor)
California YIMBY (Co-Sponsor)
Non-Profit Housing Association Of Northern California (Co-Sponsor)
6Beds, Inc.
American Association Of Retired Persons
Associated Students Of The University Of California
Associated Students Of University Of California, Irvine
Bay Area Council
Black American Political Association of California
Bridge Housing Corporation
Building Industry Association Of The Bay Area
Burbank Housing Development Corporation
CalAsian Chamber Of Commerce
California Apartment Association
California Building Industry Association
California Chamber Of Commerce
California Community Builders
California Downtown Association
California Foundation For Independent Living Centers
California Housing Alliance

California Labor Federation, AFL-CIO
California League Of Conservation Voters
California Renters Legal Advocacy And Education Fund
California Public Interest Research Group
Circulate San Diego
Council Of Infill Builders
Eah Housing
East Bay For Every One
Environment California
Facebook, Inc.
Fair Housing Advocates Of Northern California
Fieldstead And Company, Inc.
First Community Housing
Fossil Free California
Habitat For Humanity California
Homeless Services Center
House Sacramento
Housing Leadership Council Of San Mateo County
Indivisible Sacramento
Los Angeles Business Council
Monterey Peninsula YIMBY
Natural Resources Defense Council
New Way Homes
Nextgen Marin
North Bay Leadership Council
Orange County Business Council
People For Housing - Orange County
Related California
San Francisco Bay Area Rapid Transit District
San Jose Associated Students
Santa Cruz County Business Council
Santa Cruz YIMBY
Silicon Valley At Home
Silicon Valley Community Foundation
Silicon Valley Leadership Group
Silicon Valley Young Democrats
Spur
State Building & Construction Trades Council Of California
State Council On Developmental Disabilities
Technology Network
TMG Partners
University Of California Student Association

Up For Growth National Coalition
Valley Industry And Commerce Association
YIMBY Democrats Of San Diego County
1198 Individuals

OPPOSITION

AIDS Healthcare Foundation
American Planning Association, California Chapter
Beverly Hills; City Of
Chino Hills; City Of
Coalition For San Francisco Neighborhoods
Coalition To Preserve La
Cow Hollow Association
Dolores Heights Improvement Club
Glendora; City Of
Homeowners Of Encino
Lakewood; City Of
League Of California Cities
Livable California
Miraloma Park Improvement Club
Mission Economic Development Agency
Pasadena; City Of
Rancho Palos Verdes; City Of
Redondo Beach; City Of
Santa Clarita; City Of
Sherman Oaks Homeowners Association
South Bay Cities Council Of Governments
Sunnyvale; City Of
Sutro Avenue Block Club/Leimert Park
Telegraph Hill Dwellers
Toluca Lake Homeowners Association
West Mar Vista Residents Association
5 Individuals

-- END --

Senate Bill 330

The Housing Crisis Act

Senator Nancy Skinner (D-Berkeley)

THIS BILL

California is experiencing an extreme housing crisis. Rent and purchase prices have skyrocketed, super commutes are normal, and increasing numbers of Californians, who can no longer afford the cost of housing, are living in their cars or on the streets.

SB 330 relies on existing local zoning rules but ensures that actions that would decrease or delay new housing are suspended for a limited 10 year time period. Requiring timely processing of permits and relaxing a limited set of rules, SB 330 employs the same approach that governments have used to help recover from disasters, fires or other crises. And to help keep tenants and low-income families in their homes, SB 330 also includes anti-displacement measures.

ISSUE

With just a few years as an exception, annual housing construction in the state has not kept pace with population and job growth since the 1970s. California now ranks 49th in the number of housing units per capita. In 2017, the median price of a California home was more than 2.5 times the median price in the U.S. as a whole, and California is home to 33 of the 50 U.S. cities with the highest rents.

The LAO raised the alarm with the 2015 report: *California's High Housing Costs – Causes and Consequences*. By federal estimates the state is short by at least 3 million units and needs approximately 180,000 additional units of housing each year – just to keep up with current population growth. Governor Gavin Newsom has himself called for the creation of 3.5 million units of housing in the next seven years.

Prop 13's decrease in residential property taxes, local government downzoning and lengthy permitting processes, federal disinvestment in affordable housing and many years of minimal private investment in urban housing construction are among the factors contributing to California's low housing supply. And to compound the problem the cost of building a single unit of housing in a multi-unit complex climbed from $265,000 in 2000 to $425,000 in 2016 – a 60 percent increase.

SOLUTION

To address the state's housing crisis and help meet California's housing needs, for a ten year time period SB 330 will facilitate housing construction and protect lower income residents from displacement by:

- Suspending enactment of local downzoning and housing construction moratoriums
- Requiring timely processing of housing permits following existing local zoning rules
- Lifting required parking minimums
- Eliminating certain fees on low income units
- Postponing requirements for voter approval of zoning, general plan changes
- Protecting rent controlled or Section 8 units from demolition, and
- Requiring resettlement benefits and first right of refusal in new units or compensation for rehousing for renters who may be displaced.

Lastly, the bill requires HCD to establish a minimum code for health and safety for buildings that are currently inhabited but are not meet all current building code standards.

SUPPORT

Bay Area Council
BRIDGE Housing
CA Building Industry Association
CBIA Bay Area
CA Community Builders
California YIMBY
EAH Housing
East Bay for Everyone
Emerald Fund
Facebook
Nonprofit Housing Association of North America
North Bay Leadership Council
Related
The San Francisco Foundation
San Francisco Housing Action Coalition

SV@Home
Terner Center for Housing Innovation, UC Berkeley
TMG Partners
Urban Displacement Project, UC Berkeley

CONTACT

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AMENDED IN SENATE APRIL 4, 2019

AMENDED IN SENATE MARCH 25, 2019

SENATE BILL No. 330

Introduced by Senator Skinner

February 19, 2019

An act to amend ~~Sections 65589.5 and 65943 of, to add Sections 65941.1 and 65950.2 to, and~~ *Section 65589.5 of, to amend, repeal, and add Section 65943 of,* to add and repeal Sections ~~65358.5, 65452.5, 65850.10,~~ 65905.5, 65913.3, ~~and 65913.10 of,~~ *65913.10, 65941.1, and 65950.2 of, and to add and repeal Chapter 12 (commencing with Section 66300) of Division 1 of Title 7 of,* the Government Code, and to add and repeal Section 17921.8 of the Health and Safety Code, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

SB 330, as amended, Skinner. Housing Crisis Act of 2019.

~~(1) The Planning and Zoning Law, among other things, requires the legislative body of each county and city to adopt a comprehensive, long-term general plan for the physical development of the county or city and of any land outside its boundaries that relates to its planning. That law authorizes the legislative body, if it deems it to be in the public interest, to amend all or part of an adopted general plan, as provided. That law also authorizes the legislative body of any county or city, pursuant to specified procedures, to adopt ordinances that, among other things, regulate the use of buildings, structures, and land as between industry, business, residences, open space, and other purposes.~~

~~This bill, until January 1, 2030, with respect to land where housing is an allowable use, would prohibit the legislative body of a county or city, defined to include the electorate exercising its local initiative or~~

~~referendum power, in which specified conditions exist, from enacting an amendment to a general plan or specific plan or adopting or amending any zoning ordinance that would have the effect of (A) changing the zoning classification of a parcel or parcels of property to a less intensive use or reducing the intensity of land use within an existing zoning district below what was allowed under the general plan or specific plan land use designation and zoning ordinances of the county or city as in effect on January 1, 2018; (B) imposing a moratorium on housing development within all or a portion of the jurisdiction of the county or city, except as provided; (C) imposing design standards that are more costly than those in effect on January 1, 2019; or (D) establishing or implementing any provision that limits the number of land use approvals or permits necessary for the approval and construction of housing that will be issued or allocated within the county or city. The bill would, notwithstanding these prohibitions, allow a city or county to prohibit the commercial use of land zoned for residential use consistent with the authority of the city or county conferred by other law. The bill would state that these prohibitions would apply to any zoning ordinance adopted or amended on or after January 1, 2018, and that any zoning ordinance adopted, or amendment to an existing ordinance or to an adopted general plan or specific plan, on or after that date that does not comply would be deemed void.~~

~~The bill would state that these prohibitions would prevail over any conflicting provision of the Planning and Zoning Law or other law regulating housing development in this state, except as specifically provided. The bill would also require that any exception to these provisions, including an exception for the health and safety of occupants of a housing development project, be construed narrowly. The bill would also declare any requirement to obtain local voter approval for specified purposes related to housing development against public policy and void.~~

~~(2) Existing law, the Permit Streamlining Act, requires public agencies to approve or disapprove of a development project within certain timeframes, as specified. The act requires a public agency, upon its determination that an application for a development project is incomplete, to include a list and a thorough description of the specific information needed to complete the application. Existing law authorizes the applicant to submit the additional material to the public agency, requires the public agency to determine whether the submission of the application together with the submitted materials is complete within 30 days of receipt, and provides for an appeal process from the public~~

~~agency's determination. Existing law requires a final written determination by the agency on the appeal no later than 60 days after receipt of the applicant's written appeal.~~

~~This bill would provide that a housing development project, as defined, shall be deemed to have submitted a complete initial application upon providing specified information about the proposed project to the city or county from which approval for the project is being sought and would require the Department of Housing and Community Development to adopt a standardized form that applicants for housing development projects may use for that purpose, as specified.~~

~~The bill would require the lead agency, as defined, if the application is determined to be incomplete, to provide the applicant with an exhaustive list of items that were not complete, as specified.~~

~~The bill would provide that all deadlines in the Permit Streamlining Act are mandatory. The bill would prohibit a local agency from requiring more than 3 public hearings in total to consider and take final action on all of the land use approvals and entitlements necessary to approve and complete a proposed housing development project if the project complies with applicable, objective general plan, zoning, and subdivision standards and criteria, including design review standards, in effect at the time a complete initial application was submitted, as specified.~~

~~(3)~~

(1) The Housing Accountability Act, which is part of the Planning and Zoning Law, prohibits a local agency from disapproving, or conditioning approval in a manner that renders infeasible, a housing development project for very low, low-, or moderate-income households or an emergency shelter unless the local agency makes specified written findings based on a preponderance of the evidence in the record. The act specifies that one way to satisfy that requirement is to make findings that the housing development project or emergency shelter is inconsistent with both the jurisdiction's zoning ordinance and general plan land use designation as specified in any element of the general plan as it existed on the date the application was deemed complete. *The act requires a local agency that proposes to disapprove a housing development project that complies with applicable, objective general plan and zoning standards and criteria that were in effect at the time the application was deemed to be complete, or to approve it on the condition that it be developed at a lower density, to base its decision upon written findings supported by substantial evidence on the record that specified conditions exist, and places the burden of proof on the*

local agency to that effect. The act requires a court to impose a fine on a local agency under certain circumstances and requires that the fine be at least $10,000 per housing unit in the housing development project on the date the application was deemed complete.

~~The bill would, instead, provide that one way to satisfy that requirement is for the local agency to make those findings in regard to any element of the general plan as it existed on the date a complete initial application was submitted, as specified.~~

~~The act requires a local agency that proposes to disapprove a housing development project that complies with applicable, objective general plan and zoning standards and criteria that were in effect at the time the application was deemed to be complete, or to approve it on the condition that it be developed at a lower density, to base its decision upon written findings supported by substantial evidence on the record that specified conditions exist, and places the burden of proof on the local agency to that effect.~~

~~The bill would, instead, require the objective general plan zoning standards and criteria to be determined by what was in effect at the time a complete initial application was submitted, and would make conforming changes in the provisions relating to the burden of proof.~~

This bill, until January 1, 2030, would specify that an application is deemed complete for these purposes if a complete initial application was submitted, as described below.

Existing law authorizes the applicant, a person who would be eligible to apply for residency in the development or emergency shelter, or a housing organization to bring an action to enforce the Housing Accountability Act. If, in that action, a court finds that a local agency failed to satisfy the requirement to make the specified findings described above, existing law requires the court to issue an order or judgment compelling compliance with the act within 60 days, as specified.

~~The bill~~

This bill, until January 1, 2030, would additionally require a court to issue the order or judgment previously described if the local agency required or attempted to require certain housing development projects to comply with an ordinance, policy, or standard not adopted and in effect when a complete initial application was submitted.

Existing law authorizes a local agency to require a housing development project to comply with objective, quantifiable, written development standards, conditions, and policies appropriate to, and

consistent with, meeting the jurisdiction's share of the regional housing need, as specified.

~~The bill~~

This bill, until January 1, 2030, would, notwithstanding those provisions or any other ~~law,~~ *law and* with certain exceptions, require that a housing development project only be subject to the ordinances, policies, and standards adopted and in effect when a complete initial application is submitted, except as specified.

~~(4)~~

(2) The Planning and Zoning Law, except as provided, requires that a public hearing be held on an application for a variance from the requirements of a zoning ordinance, an application for a conditional use permit or equivalent development permit, a proposed revocation or modification of a variance or use permit or equivalent development permit, or an appeal from the action taken on any of those applications. That law requires that notice of a public hearing be provided in accordance with specified procedures.

This bill, until January 1, 2030, would prohibit a city or county from conducting more than 3 de novo hearings held pursuant to these provisions, or any other law, ordinance, or regulation requiring a public hearing, ~~on an application for a zoning variance or a conditional use permit or equivalent development permit for a housing development project.~~ *if a proposed housing development project complies with the applicable, objective general plan and zoning standards in effect at the time a complete initial application was submitted, as described below.* The bill would require the city or county to consider and either approve or disapprove the housing development project at any of the 3 hearings consistent with the applicable timelines under the Permit Streamlining Act, but would require the city or county to either approve or disapprove the permit within 12 months from when the date on which the application is deemed complete, as provided.

~~(5)~~

(3) The Planning and Zoning Law requires a county or city to designate and zone sufficient vacant land for residential use with appropriate standards, as provided. That law also authorizes a development proponent to submit an application for a development that is subject to a specified streamlined, ministerial approval process and not subject to a conditional use permit if the development satisfies certain objective planning standards.

This bill, until January 1, 2030, with respect to land where housing is an allowable use, would prohibit a county or city in which specified conditions exist from ~~(A) changing the general plan designation or zoning classification of a parcel or parcels of property to a less intensive classification or reducing the intensity of land use within an existing zoning district below what was allowed under the general plan land use designation or zoning ordinances of the city or county as in effect on January 1, 2018, with respect to a housing development project for which the application is deemed complete; (B) imposing a moratorium, or enforce an existing moratorium, on housing development within all or a portion of the jurisdiction of the county or city, except as provided; (C)~~ *(A)* imposing any new, increasing or enforcing any existing, requirement that a proposed housing development include ~~parking; (D)~~ *parking or (B)* charging fees, as defined, for the approval of a housing development project in excess of specified amounts, or charging any fee in connection with the approval of units within the housing development that meet specified affordability ~~criteria; or (E) establishing a maximum number of conditional use or other discretionary permits that the county or city will issue for the development of housing within all or a portion of the county or city or otherwise imposing or enforcing a cap on the number of housing units within or the population of the county or city. The bill would also deem an application for a permit for a proposed housing development project to be consistent and in compliance with the general plan land use designation and zoning ordinances of a city or county, if a reasonable person could have found that the application would have been consistent and in compliance with the general plan land use designation and zoning ordinances of the city or county as in effect on January 1, 2018.~~ *criteria.* If the city or county grants a conditional use permit approving a proposed housing development project and that project would have been eligible for a higher density under the city's or county's general plan land use designation and zoning ordinances as in effect on January 1, 2018, the bill would also require the city or county to allow the project at that higher density. The bill would require a project that requires the demolition of certain types of housing to comply with specified requirements, including the provision of relocation assistance and a right of first refusal in the new housing to displaced occupants.

The bill would state that these provisions would prevail over any conflicting provision of the Planning and Zoning Law or other law regulating housing development in this state, except as specifically

provided. The bill would also require that any exception to these provisions, including an exception for the health and safety of occupants of a housing development project, be construed narrowly.

~~(6)~~

(4) The *Permit Streamlining Act, which is part of the* Planning and Zoning ~~Law~~ *Law,* requires each state agency and each local agency to compile one or more lists that specify in detail the information that will be required from any applicant for a development project. That law requires the state or local agency to provide copies of this information available to all applicants for development projects and to any persons who request the information.

The bill, ~~with respect to an application for a conditional use permit, zoning variance, or any other discretionary permit for a housing development project that is submitted to any city, including a charter city, or county that is not otherwise subject to the provisions described in (3), above, would (A) prohibit enforcement of any zoning ordinance adopted, amendment to an existing zoning ordinance or general plan, or any other standard adopted or amendment to an existing standard after the date on which the application for that housing development project is deemed complete; (B) prohibit any fee, as defined, in excess of the amount of fees or other exactions that applied to the proposed housing development project at the time the application for that housing development project is deemed complete; and (C)~~ *until January 1, 2030,* for purposes of any state or local law, ordinance, or regulation that requires a city or county to determine whether the site of a proposed housing development is a historic site, would require the city or county to make that determination, which would remain valid for the pendency of the housing development, at the time the application is deemed complete. The ~~bill~~ *bill, until January 1, 2030,* would *also* require that each local agency make copies of any above-described list with respect to information required from an applicant for a housing development project available both (A) in writing to those persons to whom the agency is required to make information available and (B) publicly available on the internet website of the local agency. ~~The bill would repeal these provisions as of January 1, 2030.~~

(5) The Permit Streamlining Act requires public agencies to approve or disapprove of a development project within certain timeframes, as specified. The act requires a public agency, upon its determination that an application for a development project is incomplete, to include a list and a thorough description of the specific information needed to

complete the application. Existing law authorizes the applicant to submit the additional material to the public agency, requires the public agency to determine whether the submission of the application together with the submitted materials is complete within 30 days of receipt, and provides for an appeal process from the public agency's determination. Existing law requires a final written determination by the agency on the appeal no later than 60 days after receipt of the applicant's written appeal.

This bill, until January 1, 2030, would provide that a housing development project, as defined, shall be deemed to have submitted a complete initial application upon providing specified information about the proposed project to the city or county from which approval for the project is being sought and would require the Department of Housing and Community Development to adopt a standardized form that applicants for housing development projects may use for that purpose, as specified. The bill would provide that a housing development project would not be deemed to have submitted a complete initial application under these provisions if, following the initial application being deemed complete, the development proponent revises the project such that the number of residential units or square footage of construction changes by 20% or more, except as specified.

The bill, until January 1, 2030, would require the lead agency, as defined, if the application is determined to be incomplete, to provide the applicant with an exhaustive list of items that were not complete, as specified.

The bill, until January 1, 2030, would also provide that all deadlines in the Permit Streamlining Act are mandatory.

(6) The Planning and Zoning Law, among other things, requires the legislative body of each county and city to adopt a comprehensive, long-term general plan for the physical development of the county or city and of any land outside its boundaries that relates to its planning. That law authorizes the legislative body, if it deems it to be in the public interest, to amend all or part of an adopted general plan, as provided. That law also authorizes the legislative body of any county or city, pursuant to specified procedures, to adopt ordinances that, among other things, regulate the use of buildings, structures, and land as between industry, business, residences, open space, and other purposes.

This bill, until January 1, 2030, with respect to land where housing is an allowable use, except as specified, would prohibit a county or city, including the electorate exercising its local initiative or referendum

power, in which specified conditions exist, from enacting a development policy, standard, or condition, as defined, that would have the effect of (A) changing the land use designation or zoning of a parcel or parcels of property to a less intensive use or reducing the intensity of land use within an existing zoning district below what was allowed under the general plan or specific plan land use designation and zoning ordinances of the county or city as in effect on January 1, 2018; (B) imposing or enforcing a moratorium on housing development within all or a portion of the jurisdiction of the county or city, except as provided; (C) imposing or enforcing new design standards established on or after January 1, 2018, that are not objective design standards, as defined; or (D) establishing or implementing certain limits on the number of permits issued by, or the population of, the county or city. The bill would, notwithstanding these prohibitions, allow a city or county to prohibit the commercial use of land zoned for residential use consistent with the authority of the city or county conferred by other law. The bill would state that these prohibitions would apply to any zoning ordinance adopted or amended on or after January 1, 2018, and that any zoning ordinance adopted, or amendment to an existing ordinance or to an adopted general plan or specific plan, on or after that date that does not comply would be deemed void.

The bill would state that these prohibitions would prevail over any conflicting provision of the Planning and Zoning Law or other law regulating housing development in this state, except as specifically provided. The bill would also require that any exception to these provisions, including an exception for the health and safety of occupants of a housing development project, be construed narrowly. The bill would also declare any requirement to obtain local voter approval for specified purposes related to housing development against public policy and void.

(7) The State Housing Law, among other things, requires the Department of Housing and Community Development to propose the adoption, amendment, or repeal of building standards to the California Building Standards Commission, and to adopt, amend, and repeal other rules and regulations for the protection of the public health, safety, and general welfare of the occupant and the public, governing hotels, motels, lodging houses, apartment houses, and dwellings, and buildings and structures accessory thereto. That law specifies that the provisions of the State Housing Law and the building standards and rules and regulations adopted pursuant to that law apply in all parts of the state

and requires specified entities within each city, county, or city and county to enforce within its jurisdiction those pertaining to the maintenance, sanitation, ventilation, use, or occupancy of apartment houses, hotels, or dwellings. A violation of the State Housing Law, or any building standard, rule, or regulation adopted pursuant to that law, is a misdemeanor.

This bill would require the department to propose the adoption, amendment, or repeal of building standards to the California Building Standards Commission, and to adopt, amend, or repeal other rules and regulations for the protection of the public health, safety, and general welfare of the occupant and the public, applicable to occupied substandard buildings, as defined, in lieu of the above-described building standards, rules, and regulations. The bill would provide that an occupied substandard building that complies with these alternative building standards, rules, and regulations is deemed to be in compliance with the State Housing Law, and the building standards, rules, and regulations adopted pursuant to that law, for a period of 7 years following the date on which the enforcement agency finds a violation of the State Housing Law or a related building standard, rule, or regulation. The bill would make these provisions inoperative, except as specified, on January 1, 2030, and repeal these provisions on January 1, 2037.

(8) This bill would include findings that the changes proposed by this bill ~~to the Planning and Zoning Law~~ address a matter of statewide concern rather than a municipal affair and, therefore, apply to all cities, including charter cities.

(9) By imposing various new requirements and duties on local planning officials with respect to housing development, and by changing the scope of a crime under the State Housing Law, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

(10) This bill would provide that the provisions of the act are severable.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

SECTION 1. This act shall be known, and may be cited, as the Housing Crisis Act of 2019.

SEC. 2. (a) The Legislature finds and declares the following:

(1) California is experiencing a housing supply crisis, with housing demand far outstripping supply. In 2018, California ranked 49th out of the 50 states in housing units per capita.

(2) Consequently, existing housing in this state, especially in its largest cities, has become very expensive. Seven of the 10 most expensive real estate markets in the United States are in California. In San Francisco, the median home prices is $1.6 million.

(3) California is also experiencing rapid year-over-year rent growth with three cities in the state having had overall rent growth of ~~10%~~ *10 percent* or more year-over-year, and of the 50 United States cities with the highest United States rents, 33 are cities in California.

(4) California needs an estimated 180,000 additional homes annually to keep up with population growth, and the Governor has called for 3.5 million new homes to be built over the next 7 years.

(5) The housing crisis has particularly exacerbated the need for affordable homes at prices below market rates.

(6) The housing crisis harms families across California and has resulted in all of the following:

(A) Increased poverty and homelessness, especially first-time homelessness.

(B) Forced lower income residents into crowded and unsafe housing in urban areas.

(C) Forced families into lower cost new housing in greenfields at the urban-rural interface with longer commute times and a higher exposure to fire hazard.

(D) Forced public employees, health care providers, teachers, and others, including critical safety personnel, into more affordable housing farther from the communities they serve, which will exacerbate future disaster response challenges in high-cost, high-congestion areas and increase risk to life.

(E) Driven families out of the state or into communities away from good schools and services, making the ZIP Code where one grew up the largest determinate of later access to opportunities and social mobility, disrupting family life, and increasing health problems due to long commutes that may exceed three hours per day.

(7) The housing crisis has been exacerbated by the additional loss of units due to wildfires in 2017 and 2018, which impacts all regions of the state. The Carr Fire in 2017 alone burned over 1,000 homes, and over 50,000 people have been displaced by the Camp Fire and the Woolsey Fire in 2018. This temporary and permanent displacement has placed additional demand on the housing market and has resulted in fewer housing units available for rent by low-income individuals.

(8) Individuals who lose their housing due to fire or the sale of the property cannot find affordable homes or rental units and are pushed into cars and tents.

(9) Costs for construction of new housing continue to increase. According to the Terner Center for Housing Innovation at the University of California, Berkeley, the cost of building a 100-unit affordable housing project in the state was almost $425,000 per unit in 2016, up from $265,000 per unit in 2000.

(10) Lengthy permitting processes and approval times, fees and costs for parking, and other requirements further exacerbate cost of residential construction.

(11) The housing crisis is severely impacting the state's economy as follows:

(A) Employers face increasing difficulty in securing and retaining a workforce.

(B) Schools, universities, nonprofits, and governments have difficulty attracting and retaining teachers, students, and employees, and our schools and critical services are suffering.

(C) According to analysts at McKinsey and Company, the housing crisis is costing California $140 billion a year in lost economic output.

(12) The housing crisis also harms the environment by doing both of the following:

(A) Increasing pressure to develop the state's farm lands, open space, and rural interface areas to build affordable housing, and

increasing fire hazards that generate massive greenhouse gas emissions.

(B) Increasing greenhouse gas emissions from longer commutes to affordable homes far from growing job centers.

(13) Homes, lots, and structures near good jobs, schools, and transportation remain underutilized throughout the state and could be rapidly remodeled or developed to add affordable homes without subsidy where they are needed with state assistance.

(14) Reusing existing infrastructure and developed properties, and building more smaller homes with good access to schools, parks, and services, will provide the most immediate help with the lowest greenhouse gas footprint to state residents.

(b) In light of the foregoing, the Legislature hereby declares a statewide housing emergency, to be in effect until January 1, 2030.

(c) It is the intent of the Legislature, in enacting the Housing Crisis Act of 2019, to do both of the following:

(1) Suspend certain restrictions on the development of new housing during the period of the statewide emergency described in subdivisions (a) and (b).

(2) Work with local governments to expedite the permitting of housing in regions suffering the worst housing shortages and highest rates of displacement.

~~SEC. 3. Section 65358.5 is added to the Government Code, to read:~~

~~65358.5. (a) As used in this section:~~

~~(1) "Affected county or city" means a county or city, including a charter city, for which the Department of Housing and Community Development determines, in any calendar year, that both of the following conditions apply:~~

~~(A) The average rate of rent is ____ percent higher than the fair market rent for the state, for the year.~~

~~(B) The vacancy rate for residential rental units is less than ____ percent.~~

~~(2) Notwithstanding any other law, "legislative body of an affected county or city" includes the electorate of an affected county or city exercising its local initiative or referendum power, whether that power is derived from the California Constitution, statute, or the charter or ordinances of the affected county or city.~~

~~(b) (1) Notwithstanding any other law, with respect to land where housing is an allowable use, the legislative body of an~~

~~affected county or city shall not enact an amendment to an adopted general plan that would have any of the following effects:~~

~~(A) Changing the general plan land use designation of a parcel or parcels of property to a less intensive use or reducing the intensity of land use within an existing general plan land use designation below what was allowed under the land use designation of the affected county or city as in effect on January 1, 2018. For purposes of this subparagraph, "less intensive use" is broadly defined to include, but is not limited to, reductions to height, density, or floor area ratio, or new or increased open space or lot size requirements, for property designated for residential use in the affected county's or city's general plan or other land use planning document.~~

~~(B) Imposing design standards that are more costly than those in effect on January 1, 2018.~~

~~(C) Imposing a moratorium on housing development, including mixed-use development, within all or a portion of the jurisdiction of the affected county or city, except pursuant to an urgency zoning ordinance that, in addition to the requirements of Section 65858, complies with the requirements of subparagraph (B) of paragraph (1) of subdivision (b) of Section 65850.10.~~

~~(D) Establishing or implementing any provision that:~~

~~(i) Limits the number of land use approvals or permits necessary for the approval and construction of housing that will be issued or allocated within all or a portion of the affected county or city.~~

~~(ii) Acts as a cap on the number of housing units that can be approved or constructed either annually or for some other time period.~~

~~(iii) Limits the population of the affected county or city.~~

~~(2) This section shall apply to any amendment to an adopted general plan on or after January 1, 2018. Any amendment to a general plan on or after that date that does not comply with this section shall be deemed void.~~

~~(c) Notwithstanding subdivisions (b) and (d), the legislative body of an affected county or city may enact an amendment to an adopted general plan that would have the effect of prohibiting the commercial use of land that is zoned for residential use, including, but not limited to, short-term occupancy of a residence, consistent with the authority of the city or county conferred by or authorized by other law.~~

~~(d) (1) Except as provided in paragraph (3), this section shall prevail over any conflicting provision of this title or other law regulating housing development in this state.~~

~~(2) It is the intent of the Legislature that this section be broadly construed so as to maximize the development of housing within this state. Any exception to the requirements of this section, including an exception for the health and safety of occupants of a housing development project, shall be construed narrowly.~~

~~(3) This section shall not be construed as prohibiting the amendment of an adopted general plan in a manner that allows greater density, facilitates the development of housing, reduces the costs to a housing development project, or as otherwise necessary to comply with the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).~~

~~(e) For purposes of this section, an "objective standard" is one that involves no personal or subjective judgment by a public official and is uniformly verifiable by reference to an external and uniform benchmark or criterion available and knowable by both the development applicant or proponent and the public official before submittal of an application.~~

~~(f) Notwithstanding Section 9215, 9217, or 9323 of the Elections Code or any other provision of law, except the California Constitution, any requirement that local voter approval be obtained to increase the allowable density or intensity of housing, to establish housing as an allowable use, or to provide services and infrastructure necessary to develop housing, is hereby declared against public policy and void.~~

~~(g) Nothing in this section supersedes, limits, or otherwise modifies the requirements of, or the standards of review pursuant to, Division 13 (commencing with Section 21000) of the Public Resources Code.~~

~~(h) This section shall remain in effect only until January 1, 2030, and as of that date is repealed.~~

~~SEC. 4. Section 65452.5 is added to the Government Code, to read:~~

~~65452.5. (a) (1) For purposes of this section "affected county or city" means a county or city, and includes a charter city for which the Department of Housing and Community Development~~

~~determines, in any calendar year, that both of the following conditions apply:~~

~~(A) The average rate of rent is ____ percent higher than the fair market rent for the state, for the year.~~

~~(B) The vacancy rate for residential rental units is less than ____ percent.~~

~~(2) Notwithstanding any other law, "legislative body of an affected county or city" includes the electorate of an affected county or city exercising its local initiative or referendum power, whether that power is derived from the California Constitution, statute, or the charter or ordinances of the affected county or city.~~

~~(b) (1) Notwithstanding any other law, with respect to land where housing is an allowable use, the legislative body of an affected county or city shall not enact an amendment to an adopted specific plan that would have any of the following effects:~~

~~(A) Changing the specific plan land use designation of a parcel or parcels of property to a less intensive use or reducing the intensity of land use within an existing specific plan land use designation below what was allowed under the land use designation of the affected county or city as in effect on January 1, 2018. For purposes of this subparagraph, "less intensive use" is broadly defined to include, but is not limited to, reductions to height, density, or floor area ratio, or new or increased open space or lot size requirements, for property designated for residential use in the affected county's or city's specific plan or other land use planning document.~~

~~(B) Imposing design standards that are not objective or that are more costly than those in effect on January 1, 2018.~~

~~(C) Imposing a moratorium on housing development, including mixed-use development, within all or a portion of the jurisdiction of the affected county or city, except pursuant to an urgency zoning ordinance that, in addition to the requirements of Section 65858, complies with the requirements of subparagraph (B) of paragraph (1) of subdivision (b) of Section 65850.10.~~

~~(D) Establishing or implementing any provision that:~~

~~(i) Limits the number of land use approvals or permits necessary for the approval and construction of housing that will be issued or allocated within all or a portion of the affected county or city.~~

~~(ii) Acts as a cap on the number of housing units that can be approved or constructed either annually or for some other time period.~~

~~(iii) Limits the population of the affected county or city.~~

~~(2) This section shall apply to any amendment to a specific plan adopted on or after January 1, 2018. Any amendment to a specific plan on or after that date that does not comply with this section shall be deemed void.~~

~~(c) Notwithstanding subdivisions (b) and (d), the legislative body of an affected county or city may enact an amendment to an adopted specific plan that would have the effect of prohibiting the commercial use of land that is zoned for residential use, including, but not limited to, short-term occupancy of a residence, consistent with the authority of the city or county conferred by or authorized by other law.~~

~~(d) (1) Except as provided in paragraph (3), this section shall prevail over any conflicting provision of this title or other law regulating housing development in this state.~~

~~(2) It is the intent of the Legislature that this section be broadly construed so as to maximize the development of housing within this state. Any exception to the requirements of this section, including an exception for the health and safety of occupants of a housing development project, shall be construed narrowly.~~

~~(3) This section shall not be construed as prohibiting the amendment of an adopted specific plan in a manner that:~~

~~(A) Allows greater density.~~

~~(B) Facilitates the development of housing.~~

~~(C) Reduces the costs to a housing development project.~~

~~(D) Imposes mitigation measures as otherwise necessary to comply with the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).~~

~~(e) For purposes of this section, an "objective standard" is one that involves no personal or subjective judgment by a public official and is uniformly verifiable by reference to an external and uniform benchmark or criterion available and knowable by both the development applicant or proponent and the public official before submittal of an application.~~

~~(f) Nothing in this section supersedes, limits, or otherwise modifies the requirements of, or the standards of review pursuant~~

~~to, Division 13 (commencing with Section 21000) of the Public Resources Code.~~

~~(g) This section shall remain in effect only until January 1, 2030, and as of that date is repealed.~~

~~SEC. 5.~~

SEC. 3. Section 65589.5 of the Government Code is amended to read:

65589.5. (a) (1) The Legislature finds and declares all of the following:

(A) The lack of housing, including emergency shelters, is a critical problem that threatens the economic, environmental, and social quality of life in California.

(B) California housing has become the most expensive in the nation. The excessive cost of the state's housing supply is partially caused by activities and policies of many local governments that limit the approval of housing, increase the cost of land for housing, and require that high fees and exactions be paid by producers of housing.

(C) Among the consequences of those actions are discrimination against low-income and minority households, lack of housing to support employment growth, imbalance in jobs and housing, reduced mobility, urban sprawl, excessive commuting, and air quality deterioration.

(D) Many local governments do not give adequate attention to the economic, environmental, and social costs of decisions that result in disapproval of housing development projects, reduction in density of housing projects, and excessive standards for housing development projects.

(2) In enacting the amendments made to this section by the act adding this paragraph, the Legislature further finds and declares the following:

(A) California has a housing supply and affordability crisis of historic proportions. The consequences of failing to effectively and aggressively confront this crisis are hurting millions of Californians, robbing future generations of the chance to call California home, stifling economic opportunities for workers and businesses, worsening poverty and homelessness, and undermining the state's environmental and climate objectives.

(B) While the causes of this crisis are multiple and complex, the absence of meaningful and effective policy reforms to

significantly enhance the approval and supply of housing affordable to Californians of all income levels is a key factor.

(C) The crisis has grown so acute in California that supply, demand, and affordability fundamentals are characterized in the negative: underserved demands, constrained supply, and protracted unaffordability.

(D) According to reports and data, California has accumulated an unmet housing backlog of nearly 2,000,000 units and must provide for at least 180,000 new units annually to keep pace with growth through 2025.

(E) California's overall homeownership rate is at its lowest level since the 1940s. The state ranks 49th out of the 50 states in homeownership rates as well as in the supply of housing per capita. Only one-half of California's households are able to afford the cost of housing in their local regions.

(F) Lack of supply and rising costs are compounding inequality and limiting advancement opportunities for many Californians.

(G) The majority of California renters, more than 3,000,000 households, pay more than 30 percent of their income toward rent and nearly one-third, more than 1,500,000 households, pay more than 50 percent of their income toward rent.

(H) When Californians have access to safe and affordable housing, they have more money for food and health care; they are less likely to become homeless and in need of government-subsidized services; their children do better in school; and businesses have an easier time recruiting and retaining employees.

(I) An additional consequence of the state's cumulative housing shortage is a significant increase in greenhouse gas emissions caused by the displacement and redirection of populations to states with greater housing opportunities, particularly working- and middle-class households. California's cumulative housing shortfall therefore has not only national but international environmental consequences.

(J) California's housing picture has reached a crisis of historic proportions despite the fact that, for decades, the Legislature has enacted numerous statutes intended to significantly increase the approval, development, and affordability of housing for all income levels, including this section.

(K) The Legislature's intent in enacting this section in 1982 and in expanding its provisions since then was to significantly increase the approval and construction of new housing for all economic segments of California's communities by meaningfully and effectively curbing the capability of local governments to deny, reduce the density for, or render infeasible housing development projects and emergency shelters. That intent has not been fulfilled.

(L) It is the policy of the state that this section should be interpreted and implemented in a manner to afford the fullest possible weight to the interest of, and the approval and provision of, housing.

(3) It is the intent of the Legislature that the conditions that would have a specific, adverse impact upon the public health and safety, as described in paragraph (2) of subdivision (d) and paragraph (1) of subdivision (j), arise infrequently.

(b) It is the policy of the state that a local government not reject or make infeasible housing development projects, including emergency shelters, that contribute to meeting the need determined pursuant to this article without a thorough analysis of the economic, social, and environmental effects of the action and without complying with subdivision (d).

(c) The Legislature also recognizes that premature and unnecessary development of agricultural lands for urban uses continues to have adverse effects on the availability of those lands for food and fiber production and on the economy of the state. Furthermore, it is the policy of the state that development should be guided away from prime agricultural lands; therefore, in implementing this section, local jurisdictions should encourage, to the maximum extent practicable, in filling existing urban areas.

(d) A local agency shall not disapprove a housing development project, including farmworker housing as defined in subdivision (h) of Section 50199.7 of the Health and Safety Code, for very low, low-, or moderate-income households, or an emergency shelter, or condition approval in a manner that renders the housing development project infeasible for development for the use of very low, low-, or moderate-income households, or an emergency shelter, including through the use of design review standards, unless it makes written findings, based upon a preponderance of the evidence in the record, as to one of the following:

(1) The jurisdiction has adopted a housing element pursuant to this article that has been revised in accordance with Section 65588, is in substantial compliance with this article, and the jurisdiction has met or exceeded its share of the regional housing need allocation pursuant to Section 65584 for the planning period for the income category proposed for the housing development project, provided that any disapproval or conditional approval shall not be based on any of the reasons prohibited by Section 65008. If the housing development project includes a mix of income categories, and the jurisdiction has not met or exceeded its share of the regional housing need for one or more of those categories, then this paragraph shall not be used to disapprove or conditionally approve the housing development project. The share of the regional housing need met by the jurisdiction shall be calculated consistently with the forms and definitions that may be adopted by the Department of Housing and Community Development pursuant to Section 65400. In the case of an emergency shelter, the jurisdiction shall have met or exceeded the need for emergency shelter, as identified pursuant to paragraph (7) of subdivision (a) of Section 65583. Any disapproval or conditional approval pursuant to this paragraph shall be in accordance with applicable law, rule, or standards.

(2) The housing development project or emergency shelter as proposed would have a specific, adverse impact upon the public health or safety, and there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact without rendering the development unaffordable to low- and moderate-income households or rendering the development of the emergency shelter financially infeasible. As used in this paragraph, a "specific, adverse impact" means a significant, quantifiable, direct, and unavoidable impact, based on objective, identified written public health or safety standards, policies, or conditions as they existed on the date the application was deemed complete. Inconsistency with the zoning ordinance or general plan land use designation shall not constitute a specific, adverse impact upon the public health or safety.

(3) The denial of the housing development project or imposition of conditions is required in order to comply with specific state or federal law, and there is no feasible method to comply without rendering the development unaffordable to low- and

moderate-income households or rendering the development of the emergency shelter financially infeasible.

(4) The housing development project or emergency shelter is proposed on land zoned for agriculture or resource preservation that is surrounded on at least two sides by land being used for agricultural or resource preservation purposes, or which does not have adequate water or wastewater facilities to serve the project.

(5) The housing development project or emergency shelter is inconsistent with both the jurisdiction's zoning ordinance and general plan land use designation as specified in any element of the general plan as it existed on the date ~~a complete initial application was submitted pursuant to Section 65941.1,~~ *the application was deemed complete*, and the jurisdiction has adopted a revised housing element in accordance with Section 65588 that is in substantial compliance with this article. For purposes of this section, a change to the zoning ordinance or general plan land use designation subsequent to the date ~~a complete initial application was submitted pursuant to Section 65941.1~~ *the application was deemed complete* shall not constitute a valid basis to disapprove or condition approval of the housing development project or emergency shelter.

(A) This paragraph cannot be utilized to disapprove or conditionally approve a housing development project if the housing development project is proposed on a site that is identified as suitable or available for very low, low-, or moderate-income households in the jurisdiction's housing element, and consistent with the density specified in the housing element, even though it is inconsistent with both the jurisdiction's zoning ordinance and general plan land use designation.

(B) If the local agency has failed to identify in the inventory of land in its housing element sites that can be developed for housing within the planning period and are sufficient to provide for the jurisdiction's share of the regional housing need for all income levels pursuant to Section 65584, then this paragraph shall not be utilized to disapprove or conditionally approve a housing development project proposed for a site designated in any element of the general plan for residential uses or designated in any element of the general plan for commercial uses if residential uses are permitted or conditionally permitted within commercial designations. In any action in court, the burden of proof shall be

on the local agency to show that its housing element does identify adequate sites with appropriate zoning and development standards and with services and facilities to accommodate the local agency's share of the regional housing need for the very low, low-, and moderate-income categories.

(C) If the local agency has failed to identify a zone or zones where emergency shelters are allowed as a permitted use without a conditional use or other discretionary permit, has failed to demonstrate that the identified zone or zones include sufficient capacity to accommodate the need for emergency shelter identified in paragraph (7) of subdivision (a) of Section 65583, or has failed to demonstrate that the identified zone or zones can accommodate at least one emergency shelter, as required by paragraph (4) of subdivision (a) of Section 65583, then this paragraph shall not be utilized to disapprove or conditionally approve an emergency shelter proposed for a site designated in any element of the general plan for industrial, commercial, or multifamily residential uses. In any action in court, the burden of proof shall be on the local agency to show that its housing element does satisfy the requirements of paragraph (4) of subdivision (a) of Section 65583.

(e) Nothing in this section shall be construed to relieve the local agency from complying with the congestion management program required by Chapter 2.6 (commencing with Section 65088) of Division 1 of Title 7 or the California Coastal Act of 1976 (Division 20 (commencing with Section 30000) of the Public Resources Code). Neither shall anything in this section be construed to relieve the local agency from making one or more of the findings required pursuant to Section 21081 of the Public Resources Code or otherwise complying with the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

(f) (1) Except as provided in subdivision (o), nothing in this section shall be construed to prohibit a local agency from requiring the housing development project to comply with objective, quantifiable, written development standards, conditions, and policies appropriate to, and consistent with, meeting the jurisdiction's share of the regional housing need pursuant to Section 65584. However, the development standards, conditions, and policies shall be applied to facilitate and accommodate

development at the density permitted on the site and proposed by the development.

(2) Except as provided in subdivision (o), nothing in this section shall be construed to prohibit a local agency from requiring an emergency shelter project to comply with objective, quantifiable, written development standards, conditions, and policies that are consistent with paragraph (4) of subdivision (a) of Section 65583 and appropriate to, and consistent with, meeting the jurisdiction's need for emergency shelter, as identified pursuant to paragraph (7) of subdivision (a) of Section 65583. However, the development standards, conditions, and policies shall be applied by the local agency to facilitate and accommodate the development of the emergency shelter project.

(3) Except as provided in subdivision (o), nothing in this section shall be construed to prohibit a local agency from imposing fees and other exactions otherwise authorized by law that are essential to provide necessary public services and facilities to the housing development project or emergency shelter.

(4) For purposes of this section, a housing development project or emergency shelter shall be deemed consistent, compliant, and in conformity with an applicable plan, program, policy, ordinance, standard, requirement, or other similar provision if there is substantial evidence that would allow a reasonable person to conclude that the housing development project or emergency shelter is consistent, compliant, or in conformity.

(g) This section shall be applicable to charter cities because the Legislature finds that the lack of housing, including emergency shelter, is a critical statewide problem.

(h) The following definitions apply for the purposes of this section:

(1) "Feasible" means capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, social, and technological factors.

(2) "Housing development project" means a use consisting of any of the following:

(A) Residential units only.

(B) Mixed-use developments consisting of residential and nonresidential uses with at least two-thirds of the square footage designated for residential use.

(C) Transitional housing or supportive housing.

(3) "Housing for very low, low-, or moderate-income households" means that either (A) at least 20 percent of the total units shall be sold or rented to lower income households, as defined in Section 50079.5 of the Health and Safety Code, or (B) 100 percent of the units shall be sold or rented to persons and families of moderate income as defined in Section 50093 of the Health and Safety Code, or persons and families of middle income, as defined in Section 65008 of this code. Housing units targeted for lower income households shall be made available at a monthly housing cost that does not exceed 30 percent of 60 percent of area median income with adjustments for household size made in accordance with the adjustment factors on which the lower income eligibility limits are based. Housing units targeted for persons and families of moderate income shall be made available at a monthly housing cost that does not exceed 30 percent of 100 percent of area median income with adjustments for household size made in accordance with the adjustment factors on which the moderate-income eligibility limits are based.

(4) "Area median income" means area median income as periodically established by the Department of Housing and Community Development pursuant to Section 50093 of the Health and Safety Code. The developer shall provide sufficient legal commitments to ensure continued availability of units for very low or low-income households in accordance with the provisions of this subdivision for 30 years.

(5) Notwithstanding any other law, until January 1, 2030, "deemed complete" means that the applicant has submitted a complete initial application pursuant to Section 65941.1.

~~(5)~~

(6) "Disapprove the housing development project" includes any instance in which a local agency does either of the following:

(A) Votes on a proposed housing development project application and the application is disapproved, including any required land use approvals or entitlements necessary for the issuance of a building permit.

(B) Fails to comply with the time periods specified in subdivision (a) of Section 65950. An extension of time pursuant to Article 5 (commencing with Section 65950) shall be deemed to be an extension of time pursuant to this paragraph.

~~(6)~~

(7) "Lower density" includes any conditions that have the same effect or impact on the ability of the project to provide housing.

~~(7) "Objective~~

(8) Until January 1, 2030, "objective standard or criteria" means one that involves no personal or subjective judgment by a public official and is uniformly verifiable by reference to an external and uniform benchmark or criterion available and knowable by both the development applicant or proponent and the public official before submittal of an application.

(i) If any city, county, or city and county denies approval or imposes conditions, including design changes, lower density, or a reduction of the percentage of a lot that may be occupied by a building or structure under the applicable planning and zoning in force at the time ~~a complete initial application was submitted pursuant to Section 65941.1,~~ *the housing development project's application is deemed complete,* that have a substantial adverse effect on the viability or affordability of a housing development for very low, low-, or moderate-income households, and the denial of the development or the imposition of conditions on the development is the subject of a court action which challenges the denial or the imposition of conditions, then the burden of proof shall be on the local legislative body to show that its decision is consistent with the findings as described in subdivision (d) and that the findings are supported by a preponderance of the evidence in the record.

(j) (1) When a proposed housing development project complies with applicable, objective general plan, zoning, and subdivision standards and criteria, including design review standards, in effect at the time that a complete initial application was submitted pursuant to Section 65941.1, but the local agency proposes to disapprove the project or to impose a condition that the project be developed at a lower density, the local agency shall base its decision regarding the proposed housing development project upon written findings supported by a preponderance of the evidence on the record that both of the following conditions exist:

(A) The housing development project would have a specific, adverse impact upon the public health or safety unless the project is disapproved or approved upon the condition that the project be developed at a lower density. As used in this paragraph, a "specific, adverse impact" means a significant, quantifiable, direct, and

unavoidable impact, based on objective, identified written public health or safety standards, policies, or conditions as they existed on the date the application was deemed complete.

(B) There is no feasible method to satisfactorily mitigate or avoid the adverse impact identified pursuant to paragraph (1), other than the disapproval of the housing development project or the approval of the project upon the condition that it be developed at a lower density.

(2) (A) If the local agency considers a proposed housing development project to be inconsistent, not in compliance, or not in conformity with an applicable plan, program, policy, ordinance, standard, requirement, or other similar provision as specified in this subdivision, it shall provide the applicant with written documentation identifying the provision or provisions, and an explanation of the reason or reasons it considers the housing development to be inconsistent, not in compliance, or not in conformity as follows:

(i) Within 30 days of the date that the application for the housing development project is determined to be complete, if the housing development project contains 150 or fewer housing units.

(ii) Within 60 days of the date that the application for the housing development project is determined to be complete, if the housing development project contains more than 150 units.

(B) If the local agency fails to provide the required documentation pursuant to subparagraph (A), the housing development project shall be deemed consistent, compliant, and in conformity with the applicable plan, program, policy, ordinance, standard, requirement, or other similar provision.

(3) For purposes of this section, the receipt of a density bonus pursuant to Section 65915 shall not constitute a valid basis on which to find a proposed housing development project is inconsistent, not in compliance, or not in conformity, with an applicable plan, program, policy, ordinance, standard, requirement, or other similar provision specified in this subdivision.

(4) For purposes of this section, a proposed housing development project is not inconsistent with the applicable zoning standards and criteria, and shall not require a rezoning, if the housing development project is consistent with the objective general plan standards and criteria but the zoning for the project site is inconsistent with the general plan. If the local agency has complied

with paragraph (2), the local agency may require the proposed housing development project to comply with the objective standards and criteria of the zoning which is consistent with the general plan, however, the standards and criteria shall be applied to facilitate and accommodate development at the density allowed on the site by the general plan and proposed by the proposed housing development project.

(k) (1) (A) (i) The applicant, a person who would be eligible to apply for residency in the development or emergency shelter, or a housing organization may bring an action to enforce this section. If, in any action brought to enforce this section, a court finds that any of the following are met, the court shall issue an order pursuant to clause (ii):

(I) The local agency, in violation of subdivision (d), disapproved a housing development project or conditioned its approval in a manner rendering it infeasible for the development of an emergency shelter, or housing for very low, low-, or moderate-income households, including farmworker housing, without making the findings required by this section or without making findings supported by a preponderance of the evidence.

(II) The local agency, in violation of subdivision (j), disapproved a housing development project complying with applicable, objective general plan and zoning standards and criteria, or imposed a condition that the project be developed at a lower density, without making the findings required by this section or without making findings supported by a preponderance of the evidence.

(III) ~~The~~ *(ia) Subject to sub-subclause (ib), the* local agency, in violation of subdivision (o), required or attempted to require a housing development project to comply with an ordinance, policy, or standard not adopted and in effect when a complete initial application was submitted.

(ib) This subclause shall become inoperative on January 1, 2030.

(ii) If the court finds that one of the conditions in clause (i) is met, the court shall issue an order or judgment compelling compliance with this section within 60 days, including, but not limited to, an order that the local agency take action on the housing development project or emergency shelter. The court may issue an order or judgment directing the local agency to approve the housing development project or emergency shelter if the court

finds that the local agency acted in bad faith when it disapproved or conditionally approved the housing development or emergency shelter in violation of this section. The court shall retain jurisdiction to ensure that its order or judgment is carried out and shall award reasonable attorney's fees and costs of suit to the plaintiff or petitioner, except under extraordinary circumstances in which the court finds that awarding fees would not further the purposes of this section.

(B) (i) Upon a determination that the local agency has failed to comply with the order or judgment compelling compliance with this section within 60 days issued pursuant to subparagraph (A), the court shall impose fines on a local agency that has violated this section and require the local agency to deposit any fine levied pursuant to this subdivision into a local housing trust fund. The local agency may elect to instead deposit the fine into the Building Homes and Jobs Fund, if Senate Bill 2 of the 2017–18 Regular Session is enacted, or otherwise in the Housing Rehabilitation Loan Fund. The fine shall be in a minimum amount of ten thousand dollars ($10,000) per housing unit in the housing development project on the date the application was deemed complete pursuant to Section 65943. In determining the amount of fine to impose, the court shall consider the local agency's progress in attaining its target allocation of the regional housing need pursuant to Section 65584 and any prior violations of this section. Fines shall not be paid out of funds already dedicated to affordable housing, including, but not limited to, Low and Moderate Income Housing Asset Funds, funds dedicated to housing for very low, low-, and moderate-income households, and federal HOME Investment Partnerships Program and Community Development Block Grant Program funds. The local agency shall commit and expend the money in the local housing trust fund within five years for the sole purpose of financing newly constructed housing units affordable to extremely low, very low, or low-income households. After five years, if the funds have not been expended, the money shall revert to the state and be deposited in the Building Homes and Jobs Fund, if Senate Bill 2 of the 2017–18 Regular Session is enacted, or otherwise in the Housing Rehabilitation Loan Fund, for the sole purpose of financing newly constructed housing units affordable to extremely low, very low, or low-income households.

(ii) If any money derived from a fine imposed pursuant to this subparagraph is deposited in the Housing Rehabilitation Loan Fund, then, notwithstanding Section 50661 of the Health and Safety Code, that money shall be available only upon appropriation by the Legislature.

(C) If the court determines that its order or judgment has not been carried out within 60 days, the court may issue further orders as provided by law to ensure that the purposes and policies of this section are fulfilled, including, but not limited to, an order to vacate the decision of the local agency and to approve the housing development project, in which case the application for the housing development project, as proposed by the applicant at the time the local agency took the initial action determined to be in violation of this section, along with any standard conditions determined by the court to be generally imposed by the local agency on similar projects, shall be deemed to be approved unless the applicant consents to a different decision or action by the local agency.

(2) For purposes of this subdivision, "housing organization" means a trade or industry group whose local members are primarily engaged in the construction or management of housing units or a nonprofit organization whose mission includes providing or advocating for increased access to housing for low-income households and have filed written or oral comments with the local agency prior to action on the housing development project. A housing organization may only file an action pursuant to this section to challenge the disapproval of a housing development by a local agency. A housing organization shall be entitled to reasonable attorney's fees and costs if it is the prevailing party in an action to enforce this section.

(*l*) If the court finds that the local agency (1) acted in bad faith when it disapproved or conditionally approved the housing development or emergency shelter in violation of this section and (2) failed to carry out the court's order or judgment within 60 days as described in subdivision (k), the court, in addition to any other remedies provided by this section, shall multiply the fine determined pursuant to subparagraph (B) of paragraph (1) of subdivision (k) by a factor of five. For purposes of this section, "bad faith" includes, but is not limited to, an action that is frivolous or otherwise entirely without merit.

(m) Any action brought to enforce the provisions of this section shall be brought pursuant to Section 1094.5 of the Code of Civil Procedure, and the local agency shall prepare and certify the record of proceedings in accordance with subdivision (c) of Section 1094.6 of the Code of Civil Procedure no later than 30 days after the petition is served, provided that the cost of preparation of the record shall be borne by the local agency, unless the petitioner elects to prepare the record as provided in subdivision (n) of this section. A petition to enforce the provisions of this section shall be filed and served no later than 90 days from the later of (1) the effective date of a decision of the local agency imposing conditions on, disapproving, or any other final action on a housing development project or (2) the expiration of the time periods specified in subparagraph (B) of paragraph (5) of subdivision (h). Upon entry of the trial court's order, a party may, in order to obtain appellate review of the order, file a petition within 20 days after service upon it of a written notice of the entry of the order, or within such further time not exceeding an additional 20 days as the trial court may for good cause allow, or may appeal the judgment or order of the trial court under Section 904.1 of the Code of Civil Procedure. If the local agency appeals the judgment of the trial court, the local agency shall post a bond, in an amount to be determined by the court, to the benefit of the plaintiff if the plaintiff is the project applicant.

(n) In any action, the record of the proceedings before the local agency shall be filed as expeditiously as possible and, notwithstanding Section 1094.6 of the Code of Civil Procedure or subdivision (m) of this section, all or part of the record may be prepared (1) by the petitioner with the petition or petitioner's points and authorities, (2) by the respondent with respondent's points and authorities, (3) after payment of costs by the petitioner, or (4) as otherwise directed by the court. If the expense of preparing the record has been borne by the petitioner and the petitioner is the prevailing party, the expense shall be taxable as costs.

(o) (1) ~~Except as provided in paragraph (2),~~ *Subject to paragraphs (2) and (5),* a housing development project shall be subject only to the ordinances, policies, and standards adopted and in effect when a complete initial application is submitted pursuant to Section 65941.1.

(2) Paragraph (1) shall not prohibit a housing development project from being subject to ordinances, policies, and standards adopted after the initial application is submitted pursuant to Section 65941.1 in the following circumstances:

(A) In the case of a fee, charge, or other monetary exaction, to an increase resulting from an automatic annual adjustment based on an independently published cost index that is referenced in the ordinance or resolution establishing the fee or other monetary exaction.

(B) A preponderance of the evidence in the record establishes that subjecting the housing development project to an ordinance, policy, or standard beyond those in effect when a complete initial application is submitted is necessary to mitigate or avoid a specific, adverse impact upon the public health or safety, as defined in subparagraph (A) of paragraph (1) of subdivision (j), and there is no feasible alternative method to satisfactorily mitigate or avoid the adverse impact.

(C) Subjecting the housing development project to an ordinance, policy, or standard beyond those in effect when a complete initial application is submitted is necessary to mitigate an impact of the project to a less than significant level pursuant to the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

(D) The housing development project has not commenced construction within three years following the date that the project received final approval. For purposes of this subparagraph, "final approval" means that the housing development project has received all necessary approvals to be eligible to apply for, and obtain, a building permit or permits and either of the following is met:

(i) The expiration of all applicable appeal periods, petition periods, reconsideration periods, or statute of limitations for challenging that final approval without an appeal, petition, request for reconsideration, or legal challenge having been filed.

(ii) If a challenge is filed, that challenge is fully resolved or settled in favor of the housing development project.

(E) The housing development project is revised following submittal of a complete initial application pursuant to Section 65941.1 such that the number of residential units or square footage of construction ~~increases~~ *changes* by 20 percent or more, exclusive

of any increase resulting from the receipt of a density bonus, incentive, concession, waiver or similar provision.

(3) This subdivision does not prevent a local agency from subjecting additional units or square footage that result from project revisions occurring after a complete initial application is submitted pursuant to Section 65941.1 to the ordinances, policies, and standards adopted and in effect when the complete initial application was submitted.

(4) For purposes of this subdivision, "ordinances, policies, and standards" means general plan, zoning, and subdivision standards and criteria, and any other rules, regulations, requirements, and policies of a local agency, as defined in Section 66000, including those relating to development impact fees, capacity or connection fees or charges, permit or processing fees, and other exactions.

(5) This subdivision shall become inoperative on January 1, 2030.

(p) This section shall be known, and may be cited, as the Housing Accountability Act.

~~SEC. 6. Section 65850.10 is added to the Government Code, to read:~~

~~65850.10. (a) As used in this section:~~

~~(1) "Affected county or city" means a county or city, including a charter city, for which the department determines, in any calendar year, that both of the following conditions apply:~~

~~(A) The average rate of rent is _____ percent higher than the fair market rent for the state, for the year.~~

~~(B) The vacancy rate for residential rental units is less than _____ percent.~~

~~(2) Notwithstanding any other law, "legislative body of an affected county or city" includes the electorate of an affected county or city exercising its local initiative or referendum power, whether that power is derived from the California Constitution, statute, or the charter or ordinances of the affected county or city.~~

~~(b) (1) Notwithstanding any other law, with respect to land where housing is an allowable use, the legislative body of an affected county or city shall not adopt or amend any zoning ordinance that would have any of the following effects:~~

~~(A) Changing the zoning of a parcel or parcels of property to a less intensive use or reducing the intensity of land use within an existing zoning district below what was allowed under the zoning~~

~~ordinances of the affected county or city as in effect on January 1, 2018. For purposes of this subparagraph, "less intensive use" includes, but is not limited to, reductions to height, density, or floor area ratio, or new or increased open space or lot size requirements, or new or increased setback requirements, minimum frontage requirements, or maximum lot coverage limitations, for property zoned for residential use in the affected county's or city's zoning ordinance.~~

~~(B) (i) Imposing a moratorium or similar restriction or limitation on housing development, including mixed-use development, within all or a portion of the jurisdiction of the affected county or city, other than to specifically protect against an imminent threat to the health and safety of persons residing in, or within the immediate vicinity of, the area subject to the moratorium or for projects specifically identified as existing restricted affordable housing.~~

~~(ii) The affected county or city shall not enforce a zoning ordinance imposing a moratorium or other similar restriction on or limitation of housing development until it has submitted the ordinance to, and received approval from, the department. The department shall approve a zoning ordinance submitted to it pursuant to this subparagraph only if it determines that the zoning ordinance satisfies the requirements of this subparagraph. If the department denies approval of a zoning ordinance imposing a moratorium or similar restriction or limitation on housing development as inconsistent with this subparagraph, that ordinance shall be deemed void.~~

~~(C) Imposing design standards that are not objective or that are more costly than those in effect on January 1, 2018.~~

~~(D) Establishing or implementing any provision that:~~

~~(i) Limits the number of land use approvals or permits necessary for the approval and construction of housing that will be issued or allocated within all or a portion of the affected county or city.~~

~~(ii) Acts as a cap on the number of housing units that can be approved or constructed either annually or for some other time period.~~

~~(iii) Limits the population of the affected county or city.~~

~~(2) This section shall apply to any zoning ordinance adopted, or amendment to an existing ordinance, on or after January 1, 2018. Any zoning ordinance adopted, or amendment to an existing~~

~~ordinance, on or after that date that does not comply with this section shall be deemed void.~~

~~(c) Notwithstanding subdivisions (b) and (d), the legislative body of an affected county or city may adopt or amend a zoning ordinance to prohibit the commercial use of land that is zoned for residential use, including, but not limited to, short-term occupancy of a residence, consistent with the authority conferred on the county or city by other law.~~

~~(d) (1) Except as provided in paragraph (3), this section shall prevail over any conflicting provision of this title or other law regulating housing development in this state.~~

~~(2) It is the intent of the Legislature that this section be broadly construed so as to maximize the development of housing within this state. Any exception to the requirements of this section, including an exception for the health and safety of occupants of a housing development project, shall be construed narrowly.~~

~~(3) This section shall not be construed as prohibiting the adoption or amendment of a zoning ordinance in a manner that:~~

~~(A) Allows greater density.~~

~~(B) Facilitates the development of housing.~~

~~(C) Reduces the costs to a housing development project.~~

~~(D) Imposes mitigation measures as necessary to comply with the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).~~

~~(e) For purposes of this section, an "objective standard" is one that involves no personal or subjective judgment by a public official and is uniformly verifiable by reference to an external and uniform benchmark or criterion available and knowable by both the development applicant or proponent and the public official before submittal of an application.~~

~~(f) Nothing in this section supersedes, limits, or otherwise modifies the requirements of, or the standards of review pursuant to, Division 13 (commencing with Section 21000) of the Public Resources Code.~~

~~(g) This section shall remain in effect only until January 1, 2030, and as of that date is repealed.~~

~~SEC. 7.~~

SEC. 4. Section 65905.5 is added to the Government Code, to read:

65905.5. (a) ~~A~~ *(1) Notwithstanding any other law, if a proposed housing development project complies with the applicable, objective general plan and zoning standards in effect at the time a complete initial application was submitted pursuant to Section 65941.1, a* city or county shall not conduct more than three de novo hearings pursuant to Section 65905, or any other law, ordinance, or regulation requiring a public~~ hearing in connection with the approval of an application for a zoning variance or development permit, on an application for a zoning variance, conditional use permit, or equivalent development permit for a housing development project.~~ *hearing.* The city or county shall consider and either approve or disapprove the application at any of the three hearings allowed under this section consistent with the applicable timelines under the Permit Streamlining Act (Chapter 4.5 (commencing with Section 65920)), except ~~that~~ *that, subject to paragraph (2),* the city or county shall act to either approve or disapprove the permit within 12 months from when the date on which the application is deemed complete.

(2) Notwithstanding paragraph (1), the 12-month period shall be extended for a time period equal to the amount of time that elapses after a public agency has transmitted a determination regarding the sufficiency of an application until the applicant submits revised materials.

(b) For purposes of this section:

(1) "Deemed complete" means that the application has met all of the requirements specified in the relevant list compiled pursuant to Section 65940 that was available at the time when the application was submitted.

(2) "Hearing" includes any public hearing conducted by the city or county with respect to the housing development project, whether by the legislative body of the city or county, the planning agency established pursuant to Section 65100, or any other agency, department, board, or commission of the city or county or any committee or subcommittee thereof.

(c) A housing development project shall not be found to be inconsistent, not in compliance, or not in conformity with the zoning, and the project shall not require rezoning, if the zoning does not allow the maximum residential use, density, and intensity allowable on the site by the land use or housing element of the general plan.

~~(c)~~

(d) Nothing in this section supersedes, limits, or otherwise modifies the requirements of, or the standards of review pursuant to, Division 13 (commencing with Section 21000) of the Public Resources Code.

~~(d)~~

(e) This section shall remain in effect only until January 1, 2030, and as of that date is repealed.

~~SEC. 8.~~

SEC. 5. Section 65913.3 is added to the Government Code, to read:

65913.3. (a) (1) As used in this ~~section, "affected county or~~ *section:*

(A) Except as otherwise provided in subparagraph (B), "affected city" means a ~~county or~~ city, including a charter city, for which the Department of Housing and Community Development determines, in any calendar year, that ~~both of the following conditions apply:~~ *the average of both of the following amounts exceeds ___:*

~~(A) The average rate of rent is ____ percent higher than the fair market rent for the state, for the year.~~

~~(B) The vacancy rate for residential rental units is less than ____ percent.~~

(i) The percentage by which the city's average rate of rent exceeded 130 percent of the national median rent in 2017, based on the federal 2013-2017 American Community Survey 5-year Estimates.

(ii) The percentage by which the vacancy rate for residential rental units is less than the national vacancy rate, based on the federal 2013-2017 American Community Survey 5-year Estimates.

(B) Notwithstanding subparagraph (A), "affected city" does not include any city that has a population of 5,000 or less and is not located within an urban core.

(2) "Affected county" means a county in which at least 50 percent of the cities located within the territorial boundaries of the county are affected cities.

~~(2)~~

(3) Notwithstanding any other law, for purposes of any action that this section prohibits an affected ~~city or~~ county *or an affected city* from doing, "affected county or *affected* city" includes the

electorate of the affected county or ~~city~~ *affected city, as applicable,* exercising its local initiative or referendum power with respect to any act that is subject to that power by other law, whether that power is derived from the California Constitution, statute, or the charter or ordinances of the affected county or *affected* city.

(b) Notwithstanding any other law, with respect to land where housing is an allowable use, an affected county or ~~city~~ *an affected city, as applicable,* shall not do ~~any~~ *either* of the following:

~~(1) With respect to a proposed housing development project for which the affected county or city has received an application for a permit and once that application is deemed complete, change the general plan designation or zoning classification of a parcel or parcels of property to a less intensive classification or reduce the intensity of land use within an existing zoning district below what was allowed under the general plan land use designation or zoning ordinances of the affected county or city as in effect on January 1, 2018. For purposes of this paragraph:~~

~~(A) "Deemed complete" means that the application for a housing development has met all of the requirements specified in the relevant list compiled pursuant to Section 65940 that was available at the time when the application was submitted.~~

~~(B) "Less intensive use" includes, but is not limited to, reductions to height, density, or floor area ratio, or new or increased open space or lot size requirements, for property zoned for residential use in the affected county's or city's general plan or other planning document.~~

~~(2) Impose a moratorium, or enforce an existing moratorium, on housing development, including mixed-use development, within all or a portion of the jurisdiction of the affected county or city, except pursuant to a zoning ordinance that complies with the requirements of subparagraph (B) of paragraph (1) of subdivision (b) of Section 65850.10.~~

~~(3)~~

(1) Impose any new, or increase or enforce any existing, requirement that a proposed housing development include parking.

~~(4)~~

(2) (A) Subject to ~~subparagraph (B),~~ *subparagraphs (B) and (C),* charge any fee, as that term is defined in subdivision (b) of Section 66000, or impose any other exaction imposed in connection with the approval of a development project for the approval of a

housing development project in excess of the amount of fees or other exactions that would have applied to the proposed housing development project as of January 1, 2018. For purposes of this subparagraph, "other exaction" includes, but is not limited to, sewer and water connection charges, community benefit charges, and requirements that the project include public art.

(B) Notwithstanding subparagraph ~~(A),~~ *(A) and except as otherwise provided in subparagraph (C),* the affected county or *affected* city shall not charge any fee, as that term is defined in subdivision (b) of Section 66000, in connection with the approval of any unit within a housing development that meets the following criteria:

(i) The unit is affordable to persons and families with a household income equal to or less than 80 percent of the area median income.

(ii) The unit is subject to a recorded affordability restriction for at least 55 years.

(C) Notwithstanding subparagraph (A), an affected city or affected county may impose an increase in a fee, charge, or other monetary exaction resulting from an automatic annual adjustment based on an independently published cost index that is referenced in the ordinance or resolution establishing the fee, charge, or other monetary exaction.

~~(C)~~

(D) Notwithstanding any provision of this paragraph to the contrary, an affected county or affected city may charge a fee that is in lieu of a housing development's compliance with any requirement imposed by the affected county or affected city, as applicable, to include a certain percentage of affordable units.

(E) An affected county or *affected* city shall not deny or refuse to approve a housing development project on the basis of an applicant's failure or refusal to pay an amount of fee or other exaction that exceeds the amount allowed under subparagraph (A) or any fee that the affected county or *affected* city is prohibited from charging pursuant to subparagraph (B).

~~(5) Establish or enforce a maximum number of conditional use or other discretionary permits that the affected county or city will issue for the development of housing within all or a portion of the affected county or city, or otherwise impose or enforce any cap~~

~~on the maximum number of housing units within or population of the affected county or city.~~

~~(c) (1) Notwithstanding any other law, a housing development project shall be deemed consistent, compliant, and in conformity with an applicable plan, program, policy, ordinance, standard, requirement, or other similar provision if there is substantial evidence that would allow a reasonable person to conclude that the housing development project would have been consistent, compliant, or in conformity with the plan, program, policy, ordinance, standard, requirement, or other similar provision of the affected county or city as in effect on January 1, 2018.~~

~~(2)~~

(c) A housing development project shall not be found to be inconsistent, not in compliance, or not in conformity with the zoning in effect as of January 1, 2018, and the project shall not require rezoning, if the zoning did not allow the maximum residential use, density, and intensity allowable on the site by the land use or housing element of the general plan as of that date.

(d) If the affected county or *affected* city approves an application for a conditional use permit for a proposed housing development project and that project would have been eligible for a higher density under the affected county's or *affected* city's general plan land use designation and zoning ordinances as in effect prior to January 1, 2018, the affected county or *affected* city shall allow the project at that higher density.

(e) (1) Notwithstanding any other provision of this section, if a proposed housing development project subject to this section would require the demolition of residential property as described in paragraph (2), an affected county or *an affected* city may only approve that housing development if all of the following apply:

(A) The proposed housing development project is at least as dense as the existing residential use of the property.

(B) The developer agrees to provide both of the following:

(i) Relocation benefits to the occupants of those affordable residential rental units.

(ii) A right of first refusal for units available in the new housing development project at rents commensurate with the occupants' previous rent or compensation to previous occupants who will be displaced.

(C) The affected county or city is not otherwise prohibited from approving the demolition of the affordable rental units pursuant to subparagraph (A).

(2) For purposes of this subdivision, "residential property" means:

(A) Residential rental units that are any of the following:

(i) Assisted pursuant to Section 8 of the United States Housing Act of 1937.

(ii) Subject to any form of rent or price control through a public entity's valid exercise of its police power.

(iii) Affordable to persons with a household income equal to or less than 80 percent of the area median income.

(B) A residential structure containing residential dwelling units currently occupied by tenants, or were previously occupied by tenants if those dwelling units were withdrawn from rent or lease in accordance with Chapter 12.75 (commencing with Section 7060) of Division 7 of Title 1 and subsequently offered for sale by the subdivider or subsequent owner of the property.

(f) (1) Except as provided in ~~paragraph (3),~~ *paragraphs (3) and (4)*, this section shall prevail over any conflicting provision of this title or other law regulating housing development in this state.

(2) It is the intent of the Legislature that this section be construed so as to maximize the development of housing within this state. Any exception to the requirements of this section, including an exception for the health and safety of occupants of a housing development project, shall be construed narrowly.

(3) This section shall not be construed as prohibiting planning standards that allow greater density in or reduce the costs to a housing development project or are necessary to comply with the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

(4) This section shall not apply to a housing development project located within a very high fire hazard severity zone. For purposes of this paragraph, "very high fire hazard severity zone" has the same meaning as provided in Section 51177.

(g) *(1)* Nothing in this section supersedes, limits, or otherwise modifies the requirements of, or the standards of review pursuant to, Division 13 (commencing with Section 21000) of the Public Resources Code.

(2) Nothing in this section supersedes, limits, or otherwise modifies the requirements of the California Coastal Act of 1976 (Division 20 (commencing with Section 30000) of the Public Resources Code).

(h) This section shall remain in effect only until January 1, 2030, and as of that date is repealed.

~~SEC. 9. Section 65913.10 is added to the Government Code, to read:~~

~~65913.10. (a) Each city and each county shall make copies of any list compiled pursuant to Section 65940 with respect to information required from an applicant for a housing development project available both (1) in writing to those persons to whom the agency is required to make information available under subdivision (a) of that section, and (2) publicly available on the internet website of the city or county.~~

~~(b) With respect to an application for a conditional use permit, zoning variance, or any other discretionary permit for a housing development project that is submitted to any city, including a charter city, or county that is not otherwise subject to Section 65913.3, the following shall apply:~~

~~(1) The city or county shall not, with respect to the housing development project for which the application is filed, enforce or require the applicant to comply with any zoning ordinance adopted, an amendment to an existing zoning ordinance or general plan, or any other standard adopted or amendment to an existing standard after the date on which the application for that housing development project is deemed complete.~~

~~(2) (A) The city or county shall not, with respect to the housing development project for which the application is filed, charge any fee, as that term is defined in subdivision (b) of Section 66000, in excess of the amount of fees or other exactions that applied to the proposed housing development project at the time the application for that housing development project is deemed complete.~~

~~(B) The county or city shall not deny or refuse to approve a housing development project on the basis of an applicant's failure or refusal to pay an amount or fee that exceeds the amount allowed under this paragraph.~~

~~(3) For purposes of any state or local law, ordinance, or regulation that requires the city or county to determine whether the site of a proposed housing development project is a historic~~

~~site, the city or county shall make that determination at the time the application for the housing development project is deemed complete. A determination as to whether a parcel of property is a historic site shall remain valid during the pendency of the housing development project for which the application was made.~~

~~(c) For purposes of this section, "deemed complete" means that the application has met all of the requirements specified in the relevant list compiled pursuant to Section 65940 that was available at the time when the application was submitted.~~

~~(d) Nothing in this section supersedes, limits, or otherwise modifies the requirements of, or the standards of review pursuant to, Division 13 (commencing with Section 21000) of the Public Resources Code.~~

~~(e) This section shall remain in effect only until January 1, 2030, and as of that date is repealed.~~

SEC. 6. Section 65913.10 is added to the Government Code, to read:

65913.10. (a) For purposes of any state or local law, ordinance, or regulation that requires the city or county to determine whether the site of a proposed housing development project is a historic site, the city or county shall make that determination at the time the application for the housing development project is deemed complete. A determination as to whether a parcel of property is a historic site shall remain valid during the pendency of the housing development project for which the application was made.

(b) For purposes of this section, "deemed complete" means that the application has met all of the requirements specified in the relevant list compiled pursuant to Section 65940 that was available at the time when the application was submitted.

(c) (1) Nothing in this section supersedes, limits, or otherwise modifies the requirements of, or the standards of review pursuant to, Division 13 (commencing with Section 21000) of the Public Resources Code.

(2) Nothing in this section supersedes, limits, or otherwise modifies the requirements of the California Coastal Act of 1976 (Division 20 (commencing with Section 30000) of the Public Resources Code).

(d) This section shall remain in effect only until January 1, 2030, and as of that date is repealed.

~~SEC. 10.~~

SEC. 7. Section 65941.1 is added to the Government Code, to read:

65941.1. (a) A housing development project, as defined in paragraph (2) of subdivision (h) of Section 65589.5, shall be deemed to have submitted a complete initial application upon providing the following information about the proposed project to the city, county, or city and county from which approval for the project is being sought:

(1) The specific location.

(2) The major physical alterations to the property on which the project is to be located.

(3) A site place showing the location on the property, as well as the massing, height, and approximate square footage, of each building that is to be occupied.

(4) The proposed land uses by number of units or square feet using the categories in the applicable zoning ordinance.

(5) The proposed number of parking spaces.

(6) Any proposed point sources of air or water pollutants.

(7) Any species of special concern known to occur on the property.

(8) Any historic or cultural resources known to exist on the property.

(9) The number of below market rate units and their affordability levels.

(b) The Department of Housing and Community Development shall adopt a standardized form that applicants for housing development projects may use for the purpose of satisfying the requirements for submittal of a complete initial application. Adoption of the standardized form shall not be subject to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(c) A housing development project shall not be deemed as having submitted a completed initial application if, following the initial application being deemed complete, the development proponent revises the project such that the number of residential units or square footage of construction changes by 20 percent or more, exclusive of any increase resulting from the receipt of a density bonus, incentive, concession, waiver, or similar provision.

(d) This section shall remain in effect only until January 1, 2030, and as of that date is repealed.

~~SEC. 11.~~

SEC. 8. Section 65943 of the Government Code is amended to read:

65943. (a) Not later than 30 calendar days after any public agency has received an application for a development project, the agency shall determine in writing whether the application is complete and shall immediately transmit the determination to the applicant for the development project. If the application is determined to be incomplete, the lead agency shall provide the applicant with an exhaustive list of items that were not complete. That list shall be limited to those items actually required on the lead agency's submittal requirement checklist. In any subsequent review of the application determined to be incomplete, the local agency shall not request the applicant to provide any new information that was not stated in the initial list of items that were not complete. If the written determination is not made within 30 days after receipt of the application, and the application includes a statement that it is an application for a development permit, the application shall be deemed complete for purposes of this chapter. Upon receipt of any resubmittal of the application, a new 30-day period shall begin, during which the public agency shall determine the completeness of the application. If the application is determined not to be complete, the agency's determination shall specify those parts of the application which are incomplete and shall indicate the manner in which they can be made complete, including a list and thorough description of the specific information needed to complete the application. The applicant shall submit materials to the public agency in response to the list and description.

(b) Not later than 30 calendar days after receipt of the submitted materials described in subdivision (a), the public agency shall determine in writing whether the application as supplemented or amended by the submitted materials is complete and shall immediately transmit that determination to the applicant. In making this determination, the public agency is limited to determining whether the application as supplemented or amended includes the information required by the list and a thorough description of the specific information needed to complete the application required by subdivision (a). If the written determination is not made within

that 30-day period, the application together with the submitted materials shall be deemed complete for purposes of this chapter.

(c) If the application together with the submitted materials are determined not to be complete pursuant to subdivision (b), the public agency shall provide a process for the applicant to appeal that decision in writing to the governing body of the agency or, if there is no governing body, to the director of the agency, as provided by that agency. A city or county shall provide that the right of appeal is to the governing body or, at their option, the planning commission, or both.

There shall be a final written determination by the agency on the appeal not later than 60 calendar days after receipt of the applicant's written appeal. The fact that an appeal is permitted to both the planning commission and to the governing body does not extend the 60-day period. Notwithstanding a decision pursuant to subdivision (b) that the application and submitted materials are not complete, if the final written determination on the appeal is not made within that 60-day period, the application with the submitted materials shall be deemed complete for the purposes of this chapter.

(d) Nothing in this section precludes an applicant and a public agency from mutually agreeing to an extension of any time limit provided by this section.

(e) A public agency may charge applicants a fee not to exceed the amount reasonably necessary to provide the service required by this section. If a fee is charged pursuant to this section, the fee shall be collected as part of the application fee charged for the development permit.

(f) Each city and each county shall make copies of any list compiled pursuant to Section 65940 with respect to information required from an applicant for a housing development project available both (1) in writing to those persons to whom the agency is required to make information available under subdivision (a) of that section, and (2) publicly available on the internet website of the city or county.

(g) This section shall remain in effect only until January 1, 2030, and as of that date is repealed.

SEC. 9. Section 65943 is added to the Government Code, to read:

65943. (a) Not later than 30 calendar days after any public agency has received an application for a development project, the agency shall determine in writing whether the application is complete and shall immediately transmit the determination to the applicant for the development project. If the written determination is not made within 30 days after receipt of the application, and the application includes a statement that it is an application for a development permit, the application shall be deemed complete for purposes of this chapter. Upon receipt of any resubmittal of the application, a new 30-day period shall begin, during which the public agency shall determine the completeness of the application. If the application is determined not to be complete, the agency's determination shall specify those parts of the application which are incomplete and shall indicate the manner in which they can be made complete, including a list and thorough description of the specific information needed to complete the application. The applicant shall submit materials to the public agency in response to the list and description.

(b) Not later than 30 calendar days after receipt of the submitted materials, the public agency shall determine in writing whether they are complete and shall immediately transmit that determination to the applicant. If the written determination is not made within that 30-day period, the application together with the submitted materials shall be deemed complete for purposes of this chapter.

(c) If the application together with the submitted materials are determined not to be complete pursuant to subdivision (b), the public agency shall provide a process for the applicant to appeal that decision in writing to the governing body of the agency or, if there is no governing body, to the director of the agency, as provided by that agency. A city or county shall provide that the right of appeal is to the governing body or, at their option, the planning commission, or both.

There shall be a final written determination by the agency on the appeal not later than 60 calendar days after receipt of the applicant's written appeal. The fact that an appeal is permitted to both the planning commission and to the governing body does not extend the 60-day period. Notwithstanding a decision pursuant to subdivision (b) that the application and submitted materials are not complete, if the final written determination on the appeal is

not made within that 60-day period, the application with the submitted materials shall be deemed complete for the purposes of this chapter.

(d) Nothing in this section precludes an applicant and a public agency from mutually agreeing to an extension of any time limit provided by this section.

(e) A public agency may charge applicants a fee not to exceed the amount reasonably necessary to provide the service required by this section. If a fee is charged pursuant to this section, the fee shall be collected as part of the application fee charged for the development permit.

(f) This section shall become operative on January 1, 2030.

~~SEC. 12.~~

SEC. 10. Section 65950.2 is added to the Government Code, to read:

65950.2. (a) Notwithstanding any other ~~provision of~~ law, the deadlines specified in this article are mandatory.

~~(b) Notwithstanding any other provision of law, if a proposed housing development project complies with the applicable, objective general plan, zoning, and subdivision standards and criteria, including design review standards specified in subdivision (j) of Section 65589.5, in effect at the time a complete initial application was submitted pursuant to Section 65941.1, the local agency shall not require more than three public hearings in total to consider and take final action on all of the land use approvals and entitlements necessary to approve and complete the project. This consideration and final action shall take no longer than 12 months from the date of the application being deemed complete.~~

(b) This section shall remain in effect only until January 1, 2030, and as of that date is repealed.

SEC. 11. Chapter 12 (commencing with Section 66300) is added to Division 1 of Title 7 of the Government Code, to read:

CHAPTER 12. HOUSING CRISIS ACT OF 2019

66300. (a) As used in this section:

(1) (A) Except as otherwise provided in subparagraph (B), "affected city" means a city, including a charter city, for which the department determines, in any calendar year, that the average of both of the following amounts exceeds ___:

(i) The percentage by which the city's average rate of rent exceeded 130 percent of the national median rent in 2017, based on the federal 2013-2017 American Community Survey 5-year Estimates.

(ii) The percentage by which the vacancy rate for residential rental units is less than the national vacancy rate, based on the federal 2013-2017 American Community Survey 5-year Estimates.

(B) Notwithstanding subparagraph (A), "affected city" does not include any city that has a population of 5,000 or less and is not located within an urban core.

(2) "Affected county" means a county in which at least 50 percent of the cities located within the territorial boundaries of the county are affected cities.

(3) Notwithstanding any other law, "affected county" and "affected city" includes the electorate of an affected county or city exercising its local initiative or referendum power, whether that power is derived from the California Constitution, statute, or the charter or ordinances of the affected county or city.

(4) "Department" means the Department of Housing and Community Development.

(5) "Development policy, standard, or condition" means any of the following:

(A) A provision of, or amendment to, a general plan.

(B) A provision of, or amendment to, a specific plan.

(C) A provision of, or amendment to, a zoning ordinance.

(D) A subdivision standard or criterion.

(6) "Objective design standard" means a design standard that involve no personal or subjective judgment by a public official and is uniformly verifiable by reference to an external and uniform benchmark or criterion available and knowable by both the development applicant or proponent and the public official before submittal of an application.

(b) (1) Notwithstanding any other law, with respect to land where housing is an allowable use, an affected county or an affected city shall not enact a development police, standard, or condition that would have any of the following effects:

(A) Changing the general plan land use designation, specific plan land use designation, or zoning of a parcel or parcels of property to a less intensive use or reducing the intensity of land use within an existing general plan land use designation, specific

plan land use designation, or zoning district below what was allowed under the land use designation and zoning ordinances of the affected county or affected city, as applicable, as in effect on January 1, 2018, except as otherwise provided in clause (ii) of subparagraph (B). For purposes of this subparagraph, "less intensive use" includes, but is not limited to, reductions to height, density, or floor area ratio, new or increased open space or lot size requirements, or new or increased setback requirements, minimum frontage requirements, or maximum lot coverage limitations, for property zoned for residential use in the affected county's or city's zoning ordinance.

(B) (i) Imposing a moratorium or similar restriction or limitation on housing development, including mixed-use development, within all or a portion of the jurisdiction of the affected county or city, other than to specifically protect against an imminent threat to the health and safety of persons residing in, or within the immediate vicinity of, the area subject to the moratorium or for projects specifically identified as existing restricted affordable housing.

(ii) The affected county or affected city, as applicable, shall not enforce a zoning ordinance imposing a moratorium or other similar restriction on or limitation of housing development until it has submitted the ordinance to, and received approval from, the department. The department shall approve a zoning ordinance submitted to it pursuant to this subparagraph only if it determines that the zoning ordinance satisfies the requirements of this subparagraph. If the department denies approval of a zoning ordinance imposing a moratorium or similar restriction or limitation on housing development as inconsistent with this subparagraph, that ordinance shall be deemed void.

(C) Imposing or enforcing design standards established on or after January 1, 2018, that are not objective design standards.

(D) Establishing or implementing any provision that:

(i) Limits the number of land use approvals or permits necessary for the approval and construction of housing that will be issued or allocated within all or a portion of the affected county or affected city, as applicable.

(ii) Acts as a cap on the number of housing units that can be approved or constructed either annually or for some other time period.

(iii) Limits the population of the affected county or affected city, as applicable.

(2) Any development policy, standard, or condition enacted on or after January 1, 2018, that does not comply with this section shall be deemed void.

(c) Notwithstanding subdivisions (b) and (d), an affected county or affected city may enact a development policy, standard, or condition to prohibit the commercial use of land that is designated for residential use, including, but not limited to, short-term occupancy of a residence, consistent with the authority conferred on the county or city by other law.

(d) (1) Except as provided in paragraphs (3) and (4), this section shall prevail over any conflicting provision of this title or other law regulating housing development in this state.

(2) It is the intent of the Legislature that this section be broadly construed so as to maximize the development of housing within this state. Any exception to the requirements of this section, including an exception for the health and safety of occupants of a housing development project, shall be construed narrowly.

(3) This section shall not be construed as prohibiting the adoption or amendment of a zoning ordinance in a manner that:

(A) Allows greater density.

(B) Facilitates the development of housing.

(C) Reduces the costs to a housing development project.

(D) Imposes or implements mitigation measures as necessary to comply with the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

(4) This section shall not apply to a housing development project located within a very high fire hazard severity zone. For purposes of this paragraph, "very high fire hazard severity zone" has the same meaning as provided in Section 51177.

(e) Notwithstanding Section 9215, 9217, or 9323 of the Elections Code or any other provision of law, except the California Constitution, any requirement that local voter approval be obtained to increase the allowable intensity of housing, to establish housing as an allowable use, or to provide services and infrastructure necessary to develop housing, is hereby declared against public policy and void. For purposes of this subdivision, "intensity of housing" is broadly defined to include, but is not limited to, height,

density, or floor area ratio, or open space or lot size requirements, or setback requirements, minimum frontage requirements, or maximum lot coverage limitations.

(f) (1) Nothing in this section supersedes, limits, or otherwise modifies the requirements of, or the standards of review pursuant to, Division 13 (commencing with Section 21000) of the Public Resources Code.

(2) Nothing in this section supersedes, limits, or otherwise modifies the requirements of the California Coastal Act of 1976 (Division 20 (commencing with Section 30000) of the Public Resources Code).

(g) This section does not prohibit an affected county or an affected city from changing a land use designation or zoning ordinance to a less intensive use if the city or county concurrently changes the development standards, policies, and conditions applicable to other parcels within the jurisdiction to ensure that there is no net loss in residential capacity.

66301. This chapter shall remain in effect only until January 1, 2030, and as of that date is repealed.

~~SEC. 13.~~

SEC. 12. Section 17921.8 is added to the Health and Safety Code, to read:

17921.8. (a) As used in this section, "occupied substandard building" means a building in which one or more persons reside that an enforcement agency finds is in violation of any provision of this part, any building standards published in the State Building Standards Code, or any other rule or regulation adopted pursuant to this part, other than the building standards and rules and regulations adopted pursuant to this section.

(b) (1) (A) Except as provided in paragraph (2), the department shall propose the adoption, amendment, or repeal of building standards to the California Building Standards Commission pursuant to the provisions of Chapter 4 (commencing with Section 18935) of Part 2.5, and shall adopt, amend, or repeal other rules and regulations for the protection of the public health, safety, and general welfare of the occupant and the public, applicable to occupied substandard buildings in lieu of those building standards, rules, and regulations adopted pursuant to Section 17921.

(B) The building standards proposed, and the rules and regulations adopted or amended, pursuant to this paragraph shall

establish minimum health and safety standards for occupied substandard buildings, as follows:

(i) The building standards, rules, and regulations shall require that an occupied substandard building include adequate sanitation and exit facilities and comply with seismic safety standards.

(ii) The building standards, rules, and regulations shall permit those conditions proscribed by Section 17920.3 which do not endanger the life, limb, health, property, safety, or welfare of the public or the occupant.

(iii) Notwithstanding Section 17922, the building standards, rules, and regulations need not be substantially the same as those contained in the most recent editions of the international or uniform industry codes specified by that section.

(2) Notwithstanding paragraph (1), the building standards proposed to be adopted or amended, and the rules and regulations adopted or amended, by the State Fire Marshal pursuant to subdivision (b) of Section 17921 shall apply to an occupied substandard building.

(c) Notwithstanding any other law, an occupied substandard building that complies with the building standards, rules, and regulations adopted pursuant to this section shall be deemed to be in compliance with this part, the building standards published in the State Building Standards Code relating to this part, or any other rule or regulation promulgated pursuant to this part, for a period of seven years following the date on which an enforcement agency finds that the occupied substandard building is otherwise in violation of this part or any building standard, rule, or regulation adopted pursuant to this part. If, at the end of this seven-year period, the enforcement agency finds that the occupied substandard building is still in violation of any provision of this part, any building standards published in the State Building Standards Code, or any other rule or regulation adopted pursuant to this part, the occupied substandard building shall be subject to enforcement as provided in this part.

(d) (1) This section, other than subdivision (c), shall become inoperative on January 1, 2030.

(2) This section shall remain in effect only until January 1, 2037, and as of that date is repealed.

~~SEC. 14.~~

SEC. 13. The Legislature finds and declares that the provision of adequate housing, in light of the severe shortage of housing at all income levels in this state, is a matter of statewide concern and is not a municipal affair as that term is used in Section 5 of Article XI of the California Constitution. Therefore, the provisions of this act apply to all cities, including charter cities.

~~SEC. 15.~~

SEC. 14. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution for certain costs that may be incurred by a local agency or school district because, in that regard, this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

However, if the Commission on State Mandates determines that this act contains other costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

~~SEC. 16.~~

SEC. 15. The provisions of this act are severable. If any provision of this act or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

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SENATE COMMITTEE ON GOVERNANCE AND FINANCE

Senator Mike McGuire, Chair
2019 - 2020 Regular

Bill No:	SB 330	**Hearing Date:**	4/10/19
Author:	Skinner	**Tax Levy:**	No
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Consultant:	Favorini-Csorba		

HOUSING CRISIS ACT OF 2019

Enacts the "Housing Crisis Act of 2019," which, until January 1, 2030: (1) makes changes to local approval processes, (2) modifies the Permit Streamlining Act, (3) imposes restrictions on certain types of development standards, and (4) creates separate building standards for occupied substandard buildings.

Background

Planning and approving new housing is mainly a local responsibility. The California Constitution allows cities and counties to "make and enforce within its limits, all local, police, sanitary and other ordinances and regulations not in conflict with general laws." It is from this fundamental power (commonly called the police power) that cities and counties derive their authority to regulate behavior to preserve the health, safety, and welfare of the public—including land use authority.

Planning and Zoning Law. State law provides additional powers and duties for cities and counties regarding land use. The Planning and Zoning Law requires every county and city to adopt a general plan that sets out planned uses for all of the area covered by the plan. A general plan must include specified mandatory "elements," including a housing element that establishes the locations and densities of housing, among other requirements. Cities' and counties' major land use decisions—including most zoning ordinances and other aspects of development permitting—must be consistent with their general plans. The Planning and Zoning Law also establishes a planning agency in each city and county, which may be a separate planning commission, administrative body, or the legislative body of the city or county itself. Cities and counties must provide a path to appeal a decision to the planning commission and/or the city council or county board of supervisors.

When approving development projects, counties and cities can require applicants to mitigate the project's effects by paying fees. The California courts have upheld these mitigation fees for sidewalks, parks, school construction, and many other public purposes. When imposing a fee as a condition of approving a development project, local officials must determine a reasonable relationship between the fee's amount and the cost of the public facility.

State housing law. The Legislature has enacted a variety of statutes to facilitate and encourage the provision of housing, particularly affordable housing and housing to support individuals with disabilities or other needs. Among them is the Housing Accountability Act (HAA), enacted in 1982 in response to concerns over a growing rejection of housing development by local governments due to not-in-my-backyard (NIMBY) sentiments among local residents (SB 2011,

Greene). The HAA, also known as the "Anti-NIMBY" legislation, restricts a local agency's ability to disapprove, or require density reductions in, certain types of residential projects. The HAA limits the ability of local governments to reject or render infeasible housing developments based on their density without a thorough analysis of the economic, social, and environmental effects of the action. Specifically, when a proposed development complies with objective general plan and zoning standards, including design review standards, a local agency that intends to disapprove the project, or approve it on the condition that it be developed at a lower density, must make written findings based on substantial evidence that the project would have a specific, adverse impact on the public health or safety and that there are no feasible methods to mitigate or avoid those impacts other than disapproval of the project.

Permit Streamlining Act. The 1977 Permit Streamlining Act requires public agencies to act fairly and promptly on applications for development permits, including wireless facilities. Public agencies must compile lists of information that applicants must provide and explain the criteria they will use to review permit applications. Public agencies have 30 days to determine whether applications for development projects are complete; failure to act results in an application being "deemed complete." However, local governments may continue to request additional information, potentially extending the time before the clock begins running.

Once a complete application for a development has been submitted, the Act requires local officials to act within a specific time period after completing any environmental review documents required under the California Environmental Quality Act. Specifically, local governments must act within (1) 60 days after completing a negative declaration or determining that a project is exempt from review, or (2) 180 days after certifying an environmental impact report (EIR). If the local government fails to approve or disapprove the application in the applicable time period, the application is deemed granted, and the applicant may file suit in state court to order the local government to issue the permit.

California's housing challenges. California faces a severe housing shortage. In its most recent statewide housing assessment, HCD estimated that California needs to build an additional 100,000 units per year over recent averages of 80,000 units per year to meet the projected need for housing in the state. A variety of causes have contributed to the lack of housing production. Recent reports by the Legislative Analyst's Office (LAO) and others point to local approval processes as a major factor. They argue that local governments control most of the decisions about where, when, and how to build new housing, and those governments are quick to respond to vocal community members who may not want new neighbors. The building industry also points to CEQA review, and housing advocates note a lack of a dedicated source of funds for affordable housing.

Many local governments have adopted policies that limit or outright prohibit new residential development within their jurisdictions, or implement restrictive zoning ordinances, or otherwise impose costly procedural and design requirements on building. The author wants to remove some of these barriers in areas where housing is most acutely needed.

Proposed Law

Senate Bill 330 enacts the "Housing Crisis Act of 2019," which, until January 1, 2030: (1) makes changes to local approval processes, (2) modifies the Permit Streamlining Act, (3) imposes restrictions on certain types of development standards, and (4) creates separate building standards for occupied substandard buildings.

Approval process changes. SB 330 establishes a process for submitting a complete initial application—separate from and prior to the complete application required for the Permit Streamlining Act clock to begin running—and restricts the changes that local governments may apply to a project after a completed initial application is submitted.

SB 330 deems a complete initial application to have been submitted by a housing development applicant if they have provided the following information about the project:

- The specific location.
- The major physical alterations to the property on which the project is to be located.
- A site place showing the location on the property, as well as the massing, height, and approximate square footage, of each building that is to be occupied.
- The proposed land uses by number of units or square feet using the categories in the applicable zoning ordinance.
- The proposed number of parking spaces.
- Any proposed point sources of air or water pollutants.
- Any species of special concern known to occur on the property.
- Any historic or cultural resources known to exist on the property.
- The number of below market rate units and their affordability levels.

However, if a project applicant revises the project to change the number of units or square footage by 20 percent or more, excluding density bonus, the initial application is no longer complete.

SB 330 directs HCD to adopt a standardized form that applicants may use for submitting an initial application, and provides that the adoption of the form is not subject to the Administrative Procedures Act.

SB 330 prohibits a city or county from conducting more than three de novo hearings on a proposed housing development if it complies with the applicable, objective general plan and zoning standards in effect at the time a complete initial application. The city or county must consider and either approve or disapprove the application at any of the three hearings consistent with the applicable timelines under the Permit Streamlining Act. In addition to those requirements, the city or county must either approve or disapprove the permit within 12 months from when the date on which the application is deemed complete. However, SB 330 stops the clock from running while the applicant is revising their application materials.

SB 330 states that a project cannot be found inconsistent, not in compliance, or not in conformity with the zoning, and the project does not require rezoning, if the zoning does not allow the maximum residential use, density, and intensity allowable on the site by the land use or housing element of the general plan.

SB 330 amends the HAA to prohibit a local agency from applying ordinances, policies, and standards to a development after a completed initial application is submitted. The bill allows local governments to apply new standards after the complete initial application is submitted in the following circumstances:

- A development fee or exaction is indexed to inflation in the ordinance.

- A local government finds that a new standard is needed to mitigate or avoid a specific, adverse impact to public health or safety based on a preponderance of the evidence in the record, and there is no feasible alternative to mitigate it.
- A new policy, standard, or ordinance is needed to mitigate an impact of the project to a less than significant level pursuant to CEQA.
- The housing development project has not commenced construction within three years following the date that the project received final approval, as defined.
- The housing development project is revised following submittal of a complete initial application such that the number of residential units or square footage of construction changes by 20 percent or more, excluding the application of density bonus.

A local agency may also subject new square footage or units to the ordinances, policies, and standards in effect when the complete initial application is submitted.

A development applicant, a person who would be eligible to apply for residency in a proposed development, or a housing organization can file a lawsuit if a local agency requires a housing development project to comply with an ordinance, policy, or standard not adopted and in effect when a complete initial application was submitted.

Permit Streamlining Act changes. SB 330 also amends the existing application process under the Permit Streamlining Act. Specifically, SB 330 requires a public agency to provide an applicant with an exhaustive list of items in their application that was not complete. That list must be limited to those items actually required on the agency's checklist that is required by existing law. In any subsequent review of the application determined to be incomplete, the local agency cannot request the applicant to provide any new information that was not stated in the initial list of items that were not complete. When determining if the application is complete, the public agency must limit its review to only determining whether the application includes the missing information. SB 330 also requires each city and each county to make copies of any list of required application information available both (1) in writing to those persons to whom the agency is required to make information available, and (2) publicly available on their website.

The bill also requires any determination of whether the site of a proposed housing development is a historic site to be made at the time when the application for the project is deemed complete under the Permit Streamlining Act.

SB 330 provides that the timelines under the Permit Streamlining Act are mandatory.

Restrictions on local development standards and policies. SB 330 imposes restrictions on several types of development standards in an affected city or county. SB 330 defines "affected city" to be those that meet all the following conditions:

- The percentage by which the city's average rate of rent exceeded 130 percent of the national median rent in 2017, based on the federal 2013-2017 American Community Survey 5-year estimates.
- The percentage by which the vacancy rate for residential rental units is less than the national vacancy rate, based on the federal 2013-2017 American Community Survey 5-year estimates.
- The city has a population of more than 5,000, or has a population of 5,000 or less but is located within an urban core.

SB 330 defines an affected county to mean a county where at least half the cities are affected cities.

In an affected city or county, SB 330 prohibits a local government from adopting a development policy, standard, or condition that would have any of the following effects:

- Changing the general plan land use designation, specific plan land use designation, or zoning of a parcel or parcels of property to a less intensive use, as defined to include specified zoning standards, or reducing the intensity of land use within an existing general plan land use designation, specific plan land use designation, or zoning district below what was allowed under the land use designation and zoning ordinances of the affected county or affected city, as applicable, as in effect on January 1, 2018.
- Imposing a moratorium or similar restriction or limitation on housing development, including mixed-use development, within all or a portion of the jurisdiction of the affected county or city, other than to specifically protect against an imminent threat to the health and safety. A city or county cannot enforce the moratorium until HCD approves it.
- Imposing or enforcing design standards established on or after January 1, 2018, that are not objective design standards.
- Limiting the number of land use approvals or permits necessary for the approval and construction of housing that will be issued or allocated within all or a portion of the affected county or affected city, as applicable.
- Capping the number of housing units that can be approved or constructed either annually or for some other time period.
- Limiting the population of the affected county or affected city, as applicable.

However, a local government may change land use designations or zoning ordinances to allow a less intensive use if it concurrently increases intensity elsewhere it ensure that there is no net loss of residential capacity. SB 330 also allows a local government to enact a policy that prohibits commercial use of land that is designated for residential use, such as short-term occupancy of a residence.

SB 330 also prohibits an affected city or county from:

- Imposing any new, or increasing or enforcing any existing, requirement that a proposed housing development include parking.
- Charging a development fee or exaction, including water or sewer connection fees, in an amount that exceeds the amount that would have applied to the project on January 1, 2018, except if that fee or exaction is indexed to inflation, or if that fee is charged in lieu of an inclusionary housing requirement.
- Charging any development fees or exactions to deed-restricted units affordable to lower income persons and families, as defined.

An affected city or county cannot deny a housing project solely because the applicant does not pay a fee that is prohibited by the bill.

SB 330 provides that if the affected county or affected city approves an application for a conditional use permit for a proposed housing development project and that project would have

been eligible for a higher density under the affected county's or affected city's general plan land use designation and zoning ordinances as in effect prior to January 1, 2018, the affected county or affected city must allow the project at that higher density.

A development that would require demolition of specified types of affordable housing units or rental units cannot benefit from SB 330's provisions unless (1) the developer agrees to provide relocation benefits to the current residents and offers them first right of refusal in the new development, and (2) the development is at least as dense as the existing residential use of property.

SB 330 nullifies any development policy, standard, or condition enacted on or after January 1, 2018, that does not comply with the above prohibitions. The bill states that it must be construed broadly to maximize the development of housing, and that any exceptions shall be construed narrowly.

SB 330 applies its provisions to the electorate of an affected city or county, and voids any voter initiative or other policy that requires local voter approval for an increase the allowable intensity of housing, to establish housing as an allowable use, or to provide services and infrastructure necessary to develop housing.

SB 330 exempts the Very High Fire Hazard Severity Zone, as defined in existing law, from its provisions, and provides that it does not affect the California Coastal Act of 1976, nor does it prevent the operation of CEQA.

Substandard buildings. SB 330 also establishes a process for legalizing occupied substandard buildings. The bill requires HCD to develop building standards and other rules that apply to an occupied substandard building, defined to be a building in which one or more persons reside that an enforcement agency finds is in violation of any health and safety requirements. SB 330 applies these standards, once developed, in lieu of the requirements that apply to buildings under existing law. The standards developed by HCD must:

- Require that an occupied substandard building include adequate sanitation and exit facilities and comply with seismic safety standards;
- Permit those conditions prohibited under existing substandard building laws that do not endanger the life, limb, health, property, safety, or welfare of the public or the occupant; and
- Meet rules and regulations developed by the State Fire Marshal.

SB 330 deems the occupied substandard building in compliance with state building codes and health and safety laws if it meets the substandard building requirements developed by HCD for a period of seven years. After that time, the current building standards in force at the time apply.

SB 330 sunsets all its provisions on January 1, 2030 and provides throughout the bill that nothing in the bill supersedes, limits, or otherwise modifies the requirements of CEQA. The bill also states that its provisions are severable, makes technical and conforming changes, and includes findings and declarations to support its purposes.

State Revenue Impact

No estimate.

Comments

1. Purpose of the bill. California is in the midst of a housing crisis. Rents across the state significantly exceed the rest of the United States, and homeownership has fallen to abysmal levels. Demand is clearly high, but builders find themselves unable to meet that demand because of local rules that limit the number of units or simply prohibit building altogether. At a time when housing is so desperately needed, there are some local policies that should just be off limits. SB 330 is a targeted approach that prohibits the most egregious practices in the areas that are hardest hit by the housing crisis. It repeals local voter initiatives enacted by NIMBYs that have prevented well-meaning local officials from taking the steps they need to ensure that housing can get built. It prevents local governments from downzoning unless they upzone elsewhere, and it stops them from changing the rules on builders who are in the midst of going through the approval process. SB 330 also limits the application of parking ratios and design standards that drive up the cost of building. These are not uncontroversial changes, but SB 330 sunsets its provisions so that the Legislature can evaluate its effectiveness. The first rule of holes says that when you're in one, stop digging: SB 330 applies this principle to one of the state's greatest challenges.

2. Home rule. California is a diverse state, with 482 cities and 58 counties. Local elected officials for each of those municipalities are charged by the California Constitution with protecting their citizens' welfare. One chief way local governments do this is by exercising control over what gets built in their community. Local officials weigh the need for new housing against the concerns and desires of their constituents. Where appropriate, those officials impose enact ordinances to shape their communities or set standards to make sure that the impacts of new development are considered and mitigated, based on local conditions. SB 330 runs roughshod over the unique features of California's communities by imposing blanket prohibitions on certain types of development regulation.

3. Time marches on. Local governments update their development policies and standards over time to reflect new circumstances within their jurisdiction or to respond to mistakes made in the past. In some cases, this may mean amending those standards while a city or county is actively considering a project for approval. SB 330 freezes in time the standards that were in place when a complete initial application, a new term created in the bill, is filed. But these completed applications do not include all the information a local government needs to understand a development's impacts, make a decision on the project, or to even necessarily know which standards apply to it. That's why it's important to have a completed *final* application. Should the Legislature prevent new ordinances from applying before a local government has a chance to understand the impacts of a development?

4. Power to the people. In 1911, California voters amended the Constitution to provide voters the power to enact initiatives and referenda. The voter initiative is a "reserved power;" it is not a right granted to them, but a power reserved by them. As such, the power of initiative is integral to California's political process. SB 330 removes the ability of local elected officials, and more importantly, local voters, to enact new growth management ordinances or even enforce existing ones. Locals adopt these measures for a variety of reasons, some more noble than others: for example, some are adopted out of environmental concerns, such as preventing sprawl or

reducing pressure to convert agricultural land to urban uses, while others are intended to block new neighbors from moving in. To avoid universally overturning the will of the voters and to draw a distinction between some, the Committee may wish to consider amending SB 330 to allow the continuation some duly adopted growth management ordinances, such as those that may need enhanced open-space protections, that still allow for affordable housing development, and that have been in effect for a longer period of time.

5. Gridlock. Ask any local elected official: Californians love their cars and consider it of paramount importance that they have somewhere to park them. For this reason, many local governments impose minimum parking requirements. But building new parking is expensive and potentially increases the cost of new development. Developers, for their part, would prefer to only build the parking they absolutely need to include in order to rent or sell their units. SB 330 voids local parking requirements in areas that it affects, regardless of whether residents can realistically go without cars. The Committee may wish to consider amending SB 330 to allow some parking requirements to remain in force for developments that aren't close to transit or are built in smaller cities that may not have the density of amenities to allow going car-free, or otherwise allowing local governments to impose some parking limits where they are truly needed.

6. Time is money. Developers face lots of costs when they try to get a project built: the "hard" construction costs of the actual structure, plus the "soft" costs of completing all the procedural steps and documentation that are needed to secure approval, plus the time value of money. SB 330 aims to reduce these costs in several ways, including by imposing a 12-month time limit on approval and limiting the number of hearings on development applications that are consistent with local zoning to three. But this reduction in the number of hearings constrains public input on new developments. Given that the bill caps the total time to approval, developers' soft costs may be sufficiently reduced to encourage new production without having to limit public comment. The Committee may wish to consider amending SB 330 to increase or remove the limit on the number of hearings allowed on development approvals that is imposed by the bill.

7. Whither general plans? The general plan is often called the "constitution for future development." It serves an important role in shaping the location and type of development that will occur, ensuring that there is adequate infrastructure to support that development, providing adequate open space, and mitigating future risks from fire, floods, and climate change. Zoning ordinances then effectuate the requirements in the housing element and general plan—those ordinances are specific where the general plan is, well, general. SB 330 provides that a project isn't inconsistent with local zoning if it meets the objective standards for density and other metrics in the general plan, but that misunderstands how general plans and zoning ordinances are applied. For example, a general plan may specify a range of densities for an area, which is only then specifically applied through the zoning ordinance. AB 3194 (Daly) of last year initially made similar changes to the HAA as SB 330 does, but was amended to more accurately reflect the way zoning works in practice. The Committee may wish to consider amending SB 330 to track the changes made in the final version of AB 3194.

8. Pay the man. Local governments have seen their revenues significantly constrained over the past several decades. Local governments have seen their sources of revenue slashed by a series of propositions, while demand for public services have increased. As a result, cities and counties follow a simple principle: new developments should pay for the impacts that they have on the community and the burden they impose on public services. Developer fees pay for important public services, including schools, new infrastructure for water and wastewater, roads, transit,

and parks. SB 330 prevents most increases in fees, even if they follow the stringent requirements of the Constitution and state law, and outright exempts affordable units, even though those units are likely to generate similar demands for public services. Without the ability to charge appropriate fees, residents may find that their services are scaled back.

9. Mandate. The California Constitution generally requires the state to reimburse local agencies for their costs when the state imposes new programs or additional duties on them. Because SB 330 expands the penalties under state housing law and requires new duties of local planning officials, Legislative Counsel says it creates a new state mandate. But the bill disclaims the state's responsibility for reimbursing local governments for enforcing these new crimes. That's consistent with the California Constitution, which says that the state does not have to reimburse local governments for the costs of new crimes (Article XIIIB, 6[a] [2]). SB 330 also says that if the Commission on State Mandates determines that the bill imposes a reimbursable mandate, reimbursement must be made pursuant to existing statutory provisions.

10. Charter city. The California Constitution allows cities that adopt charters to control their own "municipal affairs." In all other matters, charter cities must follow the general, statewide laws. Because the Constitution doesn't define "municipal affairs," the courts determine whether a topic is a municipal affair or whether it's an issue of statewide concern. SB 330 says that its statutory provisions apply to charter cities. To support this assertion, the bill includes a legislative finding that the provision of adequate housing, in light of the severe shortage of housing at all income levels in this state, is a matter of statewide concern.

11. Double referral. The Senate Rules Committee has ordered a double referral of SB 330: first to the Governance and Finance Committee to hear issues relating to local permitting, and then to the Senate Housing Committee.

12. Related legislation. The Legislature is considering numerous bills to increase the production of housing in the state. Most notably, SB 4 (McGuire) and SB 50 (Wiener), increase zoning near transit and in other parts of the state.

Support and Opposition (4/5/19)

Support: Bay Area Council; Bridge Housing Corporation; Building Industry Association of the Bay Area; California Building Industry Association; California Community Builders; California Yimby; Enterprise Community Partners, Inc.; Facebook, Inc.; Silicon Valley At Home (Sv@Home); TMG Partners.

Opposition: League of California Cities.

-- END --

AMENDED IN ASSEMBLY MARCH 28, 2019

CALIFORNIA LEGISLATURE—2019–20 REGULAR SESSION

ASSEMBLY BILL No. 1769

Introduced by Assembly Member Frazier

February 22, 2019

An act ~~to amend Section 13110 of the Health and Safety Code, relating to fire protection.~~ *relating to mental health, and making an appropriation therefor.*

LEGISLATIVE COUNSEL'S DIGEST

AB 1769, as amended, Frazier. Fire ~~protection: State Fire Marshal: regulations.~~ *County of Solano: mental health facilities.*

Existing law requires the counties to establish a system of mental health services and provides various methods for funding those services, including through the Medi-Cal program and the Mental Health Services Act.

This bill would appropriate $14,000,000 to the County of Solano from the General Fund in the 2019–20 fiscal year for the planning, construction, and operation of two integrated mental health residential facilities, as specified. The bill would require the county to report specified information to the Governor and the Legislature annually, on or before January 1, of each year, commencing in 2022, and ending, upon repeal of the provision, in 2025.

~~Existing law authorizes the State Fire Marshal to propose, adopt, and administer the regulations that the State Fire Marshal deems necessary in order to ensure fire safety in buildings and structures within the state, as provided.~~

~~This bill would make a nonsubstantive change to that law.~~

Vote: ~~majority~~ *2/3*. Appropriation: ~~no~~ *yes*. Fiscal committee: ~~no~~ *yes*. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. (a) There is hereby appropriated from the General Fund to the County of Solano fourteen million dollars ($14,000,000) in the 2019–20 fiscal year. This money shall be available for spending or encumbrance for four years, after which, any moneys unspent or unencumbered shall revert to the General Fund.

(b) Moneys appropriated pursuant to subdivision (a) shall be used to plan, construct, and operate two integrated mental health residential facilities adjacent to the county's existing health and social services campus. The facilities shall provide, respectively, augmented board and care services, which provide intensive mental health services geared at minimizing psychiatric symptoms and improving independent living skills for individuals who are leaving a locked psychiatric health facility, and board and care services for clients who are stable enough to live independently in a less supportive environment.

(c) (1) The county shall report all of the following to the Governor and the Legislature annually, on or before January 1, of each year, commencing in 2022:

(A) Number of placements in the new facilities.

(B) Average length of stay in the new facilities.

(C) Rates of readmission to the new facility or a higher level of care.

(D) Client satisfaction levels with placement in the new facilities.

(2) The report submitted pursuant to this subdivision shall be submitted in compliance with Section 9795 of the Government Code.

(d) This section shall remain in effect only until January 1, 2025, and as of that date is repealed.

~~SECTION 1. Section 13110 of the Health and Safety Code is amended to read:~~

~~13110. (a) Notwithstanding any other provision of this part, the State Fire Marshal may propose, adopt, and administer the regulations that the State Fire Marshal deems necessary in order to ensure fire safety in buildings and structures within this state~~

~~including regulations related to construction, modification, installation, testing, inspection, labeling, listing, certification, registration, licensing, reporting, operation, and maintenance. Regulations that are building standards shall be submitted to the State Building Standards Commission for approval pursuant to Chapter 4 (commencing with Section 18935) of Part 2.5 of Division 13.~~

~~(b) The Office of the State Fire Marshal may establish and collect reasonable fees necessary to implement this section, consistent with Section 3 of Article XIII A of the California Constitution.~~

O

California Industrial Hemp Law

The following sections are extracts from Division 24 the California Food and Agricultural Code. They have been prepared by the Nursery, Seed, and Cotton Program, Pest Exclusion Branch, California Department of Food and Agriculture. These extracts are provided for information purposes only. For the official text, the user should consult the California Food and Agricultural Code published by the California State Legislature.

81000. Definitions. For purposes of this division, the following terms have the following meanings:

(a) "Board" means the Industrial Hemp Advisory Board.

(b) "Commissioner" means the county agricultural commissioner.

(c) "Established agricultural research institution" means any institution that is either:

(1) A public or private institution or organization that maintains land or facilities for agricultural research, including colleges, universities, agricultural research centers, and conservation research centers; or
(2) An institution of higher education (as defined in Section 1001 of the Higher Education Act of 1965 (20 U.S.C. 1001)) that grows, cultivates or manufactures industrial hemp for purposes of research conducted under an agricultural pilot program or other agricultural or academic research.

(d) "Industrial hemp" has the same meaning as that term is defined in Section 11018.5 of the Health and Safety Code.

(e) "Secretary" means the Secretary of Food and Agriculture.

(f) "Seed breeder" means an individual or public or private institution or organization that is registered with the commissioner to develop seed cultivars intended for sale or research.

(g) "Seed cultivar" means a variety of industrial hemp.

(h) "Seed development plan" means a strategy devised by a seed breeder, or applicant seed breeder, detailing his or her planned approach to growing and developing a new seed cultivar for industrial hemp.

(Amended November 8, 2016, by initiative Proposition 64, Sec. 9.2. Section operative January 1, 2017, pursuant to Section 81010.)

81001. (a) There is in the department an Industrial Hemp Advisory Board. The board shall consist of 11 members, appointed by the secretary as follows:

(1) Three of the board members shall be growers of industrial hemp that are registered pursuant to the provisions of this division. In the case of forming the initial board, and if the registration program established pursuant to this division has not yet been implemented, these board members shall be those who intend to register as growers of industrial hemp. A member of the board who is a grower of industrial hemp, or who intends to register as a grower of industrial hemp, shall be a representative of at least one of the following functions:
(A) Seed production.
(B) Seed condition.
(C) Marketing.
(D) Seed utilization.
(2) Two of the board members shall be members of an established agricultural research institution.
(3) One member of the board shall be a representative as provided by the California State Sheriffs' Association and approved by the secretary.

(4) One member of the board shall be a county agricultural commissioner.
(5) One member of the board shall be a representative of the Hemp Industries Association or its successor industry association.
(6) One member of the board shall be a representative of industrial hemp product processors or manufacturers.
(7) One member of the board shall be a representative of businesses that sell industrial hemp products.
(8) One member of the board shall be a member of the public.

(b) It is hereby declared, as a matter of legislative determination, that growers and representatives of industrial hemp product manufacturers and businesses appointed to the board pursuant to this division are intended to represent and further the interest of a particular agricultural industry, and that the representation and furtherance is intended to serve the public interest. Accordingly, the Legislature finds that persons who are appointed to the board shall be subject to the conflict-of-interest provisions described in Section 87103 of the Government Code.

(c) The term of office for a member of the board is three years. If a vacancy exists, the secretary shall, consistent with the membership requirements described in subdivision (a), appoint a replacement member to the board for the duration of the term.

(d) A member of the board shall not receive a salary but may be reimbursed by the department for attendance at meetings and other board activities authorized by the board and approved by the secretary.

(e) The board shall advise the secretary and may make recommendations on all matters pertaining to this division, including, but not limited to, industrial hemp seed law and regulations, enforcement, annual budgets required to accomplish the purposes of this division, and the setting of an appropriate assessment rate necessary for the administration of this division.

(f) The board shall annually elect a chair from its membership and, from time to time, other officers as it deems necessary.

(g) The board shall meet at the call of its chair or the secretary, or at the request of any four members of the board. The board shall meet at least once a year to review budget proposals and fiscal matters related to the proposals.

(Added by Stats. 2013, Ch. 398, Sec. 4. Effective January 1, 2014. Section operative January 1, 2017, pursuant to Section 81010.)

81002. (a) Except when grown by an established agricultural research institution or by a seed breeder developing a new California seed cultivar, industrial hemp shall only be grown if it is on the list of approved seed cultivars, or produced by clonal propagation of industrial hemp that is on the list of approved seed cultivars and therefore genetically identical to, and capable of exhibiting the same range of characteristics as, the parent cultivar.

(b) The list of approved seed cultivars shall include all of the following:

(1) Industrial hemp seed cultivars that have been certified by member organizations of the Association of Official Seed Certifying Agencies, including, but not limited to, the Canadian Seed Growers' Association.
(2) Industrial hemp seed cultivars that have been certified by the Organization of Economic Cooperation and Development.
(3) California varieties of industrial hemp seed cultivars that have been certified by a seed-certifying agency pursuant to Article 6.5 (commencing with Section 52401) of Chapter 2 of Division 18.

(c) (1) Upon recommendation by the board or the department, the secretary may update the list of approved seed cultivars by adding, amending, or removing seed cultivars.
(2) The adoption, amendment, or repeal of the list of approved seed cultivars, and the adoption of a methodology and procedure to add, amend, or remove a seed cultivar from the list of approved

seed cultivars, pursuant to this section shall not be subject to the requirements of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

(3) The department, in consultation with the board, shall hold at least one public hearing with public comment to determine the methodology and procedure by which a seed cultivar is added, amended, or removed from the list of approved seed cultivars.

(4) The department shall finalize the methodology and procedure to add, amend, or remove a seed cultivar from the list of approved seed cultivars and send the methodology and procedure to the Office of Administrative Law. The Office of Administrative Law shall file the methodology and procedure promptly with the Secretary of State without further review pursuant to Article 6 (commencing with Section 11349) of Chapter 3.5 of Part 1 of Division 3 of Title 2 of the Government Code. The methodology and procedure shall do all of the following:

(A) Indicate that the methodology and procedure are adopted pursuant to this division.

(B) State that the methodology and procedure are being transmitted for filing.

(C) Request that the Office of Administrative Law publish a notice of the filing of the methodology and procedure and print an appropriate reference in Title 3 of the California Code of Regulations.

(d) The department, in consultation with the board, may determine the manner in which the public is given notice of the list of approved seed cultivars, and any addition, amendment, or removal from that list.

(Amended by Stats. 2018, Ch. 986, Sec. 1. (SB 1409) Effective January 1, 2019.)

81003. (a) (1) Except for an established agricultural research institution, and before cultivation, a grower of industrial hemp for commercial purposes shall register with the commissioner of the county in which the grower intends to engage in industrial hemp cultivation.

(2) The application shall include all of the following:

(A) The name, physical address, and mailing address of the applicant.

(B) The legal description, Global Positioning System coordinates, and map of the land area on which the applicant plans to engage in industrial hemp cultivation, storage, or both.

(C) The approved seed cultivar to be grown, including the state or county of origin

(3) (A) The application shall be accompanied by a registration fee, as determined pursuant to Section 81005.

(B) A registration issued pursuant to this section shall be valid for one year, after which the registrant shall renew his or her registration and pay an accompanying renewal fee, as determined pursuant to Section 81005.

(b) If the commissioner determines that the requirements for registration pursuant to this division are met, the commissioner shall issue a registration to the applicant.

(c) A registrant that wishes to alter the land area on which the registrant conducts industrial hemp cultivation, storage, or both, shall, before altering the area, submit to the commissioner an updated legal description, Global Positioning System coordinates, and map specifying the proposed alteration. Once the commissioner has received the change to the registration, the commissioner shall notify the registrant that it may cultivate industrial hemp on the altered land area.

(d) A registrant that wishes to change the seed cultivar grown shall submit to the commissioner the name of the new, approved seed cultivar to be grown. Once the commissioner has received the change to the registration, the commissioner shall notify the registrant that it may cultivate the new seed cultivar.

(e) The commissioner shall transmit information collected under this section to the department.

(Amended by Stats. 2018, Ch. 986, Sec. 2. (SB 1409) Effective January 1, 2019.)

81004. (a) (1) Except when grown by an established agricultural research institution, and before cultivation, a seed breeder shall register with the commissioner of the county in which the seed breeder intends to engage in industrial hemp cultivation.

(2) The application shall include all of the following:

(A) The name, physical address, and mailing address of the applicant.
(B) The legal description, Global Positioning System coordinates, and map of the land area on which the applicant plans to engage in industrial hemp cultivation, storage, or both.
(C) The approved seed cultivar to be grown for seed production, including the state or county of origin.
(D) If an applicant intends to develop a new California seed cultivar to be certified by a seed-certifying agency, the applicant shall include all of the following:
(i) The name of the seed-certifying agency that will be conducting the certification.
(ii) The industrial hemp varieties that will be used in the development of the new California seed cultivar.
(iii) A seed development plan specifying how the listed industrial hemp varieties will be used in the development of the new seed cultivar, measures that will be taken to prevent the unlawful use of industrial hemp or seed cultivars under this division, and a procedure for the maintenance of records documenting the development of the new seed cultivar.

(3) (A) The application shall be accompanied by a registration fee, as determined pursuant to Section 81005.
(B) A registration issued pursuant to this section shall be valid for one year, after which the registrant shall renew its registration and pay an accompanying renewal fee, as determined pursuant to Section 81005.

(b) If the commissioner determines that the requirements for registration pursuant to this division are met, the commissioner shall issue a seed breeder registration to the applicant.

(c) A registrant that wishes to alter the land area on which the registrant conducts industrial hemp cultivation, storage, or both, shall, before altering the area, submit to the commissioner an updated legal description, Global Positioning System coordinates, and map specifying the proposed alteration. Once the commissioner has received the change to the registration, the commissioner shall notify the registrant that it may cultivate industrial hemp on the altered land area.

(d) A registrant that wishes to change the seed cultivar grown shall submit to the commissioner the name of the new, approved seed cultivar to be grown. Once the commissioner has received the change to the registration, the commissioner shall notify the registrant that it may cultivate the new seed cultivar.

(e) A registrant developing a new California seed cultivar who wishes to change any provision of the seed development plan shall submit to the commissioner the revised seed development plan. Once the commissioner has received the change to the registration, the commissioner shall notify the registrant that he or she may cultivate under the revised seed development plan.

(f) All records pertaining to the seed development plan shall be kept and maintained by the seed breeder and be available upon request by the commissioner, a law enforcement agency, or a seed certifying agency.

(g) The commissioner shall transmit information collected under this section to the department.

(Amended by Stats. 2018, Ch. 986, Sec. 3. (SB 1409) Effective January 1, 2019.)

81005. (a) The department shall establish a registration fee and appropriate renewal fee to be paid by growers of industrial hemp for commercial purposes and seed breeders, not including an established agricultural research institution, to cover the actual costs of implementing, administering, and enforcing the provisions of this division.

(b) Fees established pursuant to subdivision (a) that are collected by the commissioners upon registration or renewal pursuant to Section 81003 or 81004, except for amounts retained pursuant to this subdivision, shall be forwarded, according to procedures set by the department, to the department for deposit into the Department of Food and Agriculture Fund to be used for the administration and enforcement of this division. A commissioner or the county, as appropriate, may retain the amount of a fee necessary to reimburse direct

costs incurred by the commissioner in the collection of the fee.

(c) The board of supervisors of a county may establish a reasonable fee, in an amount necessary to cover the actual costs of the commissioner and the county of implementing, administering, and enforcing the provisions of this division, except for costs that are otherwise reimbursed pursuant to subdivision (b), to be charged and collected by the commissioner upon registrations or renewals required pursuant to Section 81003 or 81004 and retained by the commissioner or the county, as appropriate.

(Amended by Stats. 2018, Ch. 986, Sec. 4. (SB 1409) Effective January 1, 2019.)

81006. Industrial Hemp Growth Limitations; Prohibitions; Imports; Laboratory Testing.

(a) (1) Except when grown by an established agricultural research institution or a seed breeder, industrial hemp shall be grown in acreages of not less than one-tenth of an acre at the same time.
(2) Seed breeders, for purposes of seed production, shall only grow industrial hemp in acreages of not less than one-tenth of an acre at the same time.
(3) Seed breeders, for purposes of developing a new California seed cultivar, shall grow industrial hemp in dedicated acreage of not less than one-tenth of an acre and in accordance with the seed development plan. The entire area of the dedicated acreage is not required to be used for the cultivation of the particular seed cultivar.

(b) Clandestine cultivation of industrial hemp is prohibited. All plots shall have adequate signage indicating they are industrial hemp.

(c) Industrial hemp shall include products imported under the Harmonized Tariff Schedule of the United States (2013) of the United States International Trade Commission, including, but not limited to, hemp seed, per subheading 1207.99.03, hemp oil, per subheading 1515.90.80, oilcake, per subheading 2306.90.01, true hemp, per heading 5302, true hemp yarn, per subheading 5308.20.00, and woven fabrics of true hemp fibers, per subheading 5311.00.40.

(d) (1) Except when industrial hemp is grown by an established agricultural research institution, a registrant that grows industrial hemp under this section shall, before the harvest of each crop and as provided below, obtain a laboratory test report indicating the THC levels of a random sampling of the dried flowering tops of the industrial hemp grown.
(2) Sampling shall occur no more than 30 days before harvest.
(3) The sample collected for THC testing shall be taken with the grower or seed breeder present. The department shall establish, by regulation, the sampling procedures, including all of the following:
(A) The number of plants to be sampled per field, and any composting of samples.
(B) The portions of the plant to be sampled.
(C) The plant parts to be included in a sample.
(D) Additional procedures as necessary to ensure accuracy and the sanitation of samples and fields.
(4) The sample collected for THC testing shall be accompanied by the following documentation:
(A) The registrant's proof of registration.
(B) Seed certification documentation for the seed cultivar used.
(C) The THC testing report for each certified seed cultivar used.
(5) The laboratory test report shall be issued by a laboratory approved by the department, using a department-approved testing method, and indicate the percentage content of THC on a dry-weight basis, indicate the date and location of samples taken, and state the Global Positioning System coordinates and total acreage of the crop. If the laboratory test report indicates a percentage content of THC that is equal to or less than three-tenths of 1 percent, the words "PASSED AS CALIFORNIA INDUSTRIAL HEMP" shall appear at or near the top of the laboratory test report. If the laboratory test report indicates a percentage content of THC that is greater than three-tenths of 1 percent, the words "FAILED AS CALIFORNIA INDUSTRIAL HEMP" shall appear at or near the top of the laboratory test report.
(6) If the laboratory test report indicates a percentage content of THC that is equal to or less than three-tenths of 1 percent, the laboratory shall provide the person who requested the testing not less

than 10 original copies signed by an employee authorized by the laboratory and shall retain one or more original copies of the laboratory test report for a minimum of two years from its date of sampling.
(7) If the laboratory test report indicates a percentage content of THC that is greater than three-tenths of 1 percent and does not exceed 1 percent, the registrant that grows industrial hemp shall submit additional samples for testing of the industrial hemp grown.
(8) A registrant that grows industrial hemp shall destroy the industrial hemp grown upon receipt of a first laboratory test report indicating a percentage content of THC that exceeds 1 percent or a second laboratory test report pursuant to paragraph (7) indicating a percentage content of THC that exceeds three-tenths of 1 percent but is less than 1 percent. If the percentage content of THC exceeds 1 percent, the destruction shall begin within 48 hours, and be completed within 7 days, after receipt of the laboratory test report. If the percentage content of THC in the second laboratory test report exceeds three-tenths of 1percent but is less than 1 percent, the destruction shall take place as soon as practicable, but no later than 45 days after receipt of the second test report.
(9) A registrant that intends to grow industrial hemp and who complies with this section shall not be prosecuted for the cultivation or possession of marijuana as a result of a laboratory test report that indicates a percentage content of THC that is greater than three-tenths of 1 percent but does not exceed 1 percent.
(10) Established agricultural research institutions shall be permitted to cultivate or possess industrial hemp with a laboratory test report that indicates a percentage content of THC that is greater than three-tenths of 1 percent if that cultivation or possession contributes to the development of types of industrial hemp that will comply with the three-tenths of 1 percent THC limit established in this division.
(11) Except for an established agricultural research institution, a registrant that grows industrial hemp shall retain an original signed copy of the laboratory test report for two years from its date of sampling, make an original signed copy of the laboratory test report available to the department, the commissioner, or law enforcement officials or their designees upon request, and shall provide an original copy of the laboratory test report to each person purchasing, transporting, or otherwise obtaining from the registrant that grows industrial hemp the fiber, oil, cake, or seed, or any component of the seed, of the plant.

(e) If, in the Attorney General's opinion issued pursuant to Section 8 of the act that added this division, it is determined that the provisions of this section are not sufficient to comply with federal law, the department, in consultation with the board, shall establish procedures for this section that meet the requirements of federal law.

(Amended by Stats. 2018, Ch. 986, Sec. 5. (SB 1409) Effective January 1, 2019. Note: This section was added on Nov. 8, 2016, by initiative Prop. 64.)

81007. As part of the registration program established pursuant to this division, the department may establish and carry out, by regulation, an agricultural pilot program pursuant to Section 7606 of the federal Agricultural Act of 2014 (7 U.S.C. Sec. 5940) in accordance with the purposes of that section.

(Added by Stats. 2018, Ch. 986, Sec. 6. (SB 1409) Effective January 1, 2019.)

81008. Attorney General Reports; Requirements.

(a) Not later than January 1, 2019, the Attorney General shall report to the Assembly and Senate Committees on Agriculture and the Assembly and Senate Committees on Public Safety the reported incidents, if any, of the following:

(1) A field of industrial hemp being used to disguise marijuana cultivation.
(2) Claims in a court hearing by persons other than those exempted in subdivision (f) of Section 81006 that marijuana is industrial hemp.

(b) A report submitted pursuant to subdivision (a) shall be submitted in compliance with Section 9795 of the Government Code.

(c) Pursuant to Section 10231.5 of the Government Code, this section is repealed on January 1, 2023, or four years after the date that the report is due, whichever is later.

(Amended November 8, 2016, by initiative Proposition 64, Sec. 9.5. Section operative January 1, 2017, pursuant to Section 81010. Repealed on January 1, 2023, or later as prescribed by its own provisions.)

81009. Not later than January 1, 2019, or five years after the provisions of this division are authorized under federal law, whichever is later, the board, in consultation with the Hemp Industries Association, or its successor industry association, shall report the following to the Assembly and Senate Committees on Agriculture and the Assembly and Senate Committees on Public Safety:

(a) The economic impacts of industrial hemp cultivation, processing, and product manufacturing in California.

(b) The economic impacts of industrial hemp cultivation, processing, and product manufacturing in other states that may have permitted industrial hemp cultivation.

(Added by Stats. 2013, Ch. 398, Sec. 4. Effective January 1, 2014. Section operative January 1, 2017, pursuant to Section 81010.)

81010. This division, and Section 221 shall become operative on January 1, 2017.

(Amended by Stats. 2017, Ch. 27, Sec. 112. Effective June 27, 2017. Note: This section was amended on Nov. 8, 2016, by initiative Prop. 64, making Division 24 (commencing with Section 81000) operative on January 1, 2017.)

81011. Before cultivating industrial hemp, an established agricultural research institution shall provide the Global Positioning System coordinates of the planned cultivation site to the commissioner of the county in which the site is located.

(Added by Stats. 2018, Ch. 986, Sec. 7. (SB 1409) Effective January 1, 2019.)

Solano County 2019 Bill List

Friday, April 12, 2019

BILL ID/Topic	Location	Summary	County Position	CSAC Position	LCC Position
AB 4 Bonta D Medi-Cal: eligibility.	4/9/2019-A. APPR. 4/10/2019-From committee: Do pass and re-refer to Com. on APPR. (Ayes 11. Noes 3.) (April 9). Re-referred to Com. on APPR.	Federal law prohibits payment to a state for medical assistance furnished to an alien who is not lawfully admitted for permanent residence or otherwise permanently residing in the United States under color of law. Current law requires that individuals under 19 years of age enrolled in restricted-scope Medi-Cal at the time the Director of Health Care Services makes a determination that systems have been programmed for implementation of these provisions to be enrolled in the full scope of Medi-Cal benefits, if otherwise eligible, pursuant to an eligibility and enrollment plan, which includes outreach strategies. This bill would extend eligibility for full-scope Medi-Cal benefits to individuals of all ages, if otherwise eligible for those benefits, but for their immigration status, and would delete provisions delaying eligibility and enrollment until the director makes the determination as specified Last Amended on 3/28/2019			
AB 10 Chiu D Income taxes: credits low-income housing: farmworker housing.	12/3/2018-A. REV. & TAX 3/28/2019-Measure version as revised on March 27 corrected. 4/29/2019 2:30 p.m. - State Capitol, Room 126 ASSEMBLY REVENUE AND TAXATION, BURKE, Chair	Would, under the law governing the taxation of insurers, the Personal Income Tax Law, and the Corporation Tax Law, for calendar years beginning in 2020, increase the aggregate housing credit dollar amount that may be allocated among low-income housing projects by an additional $500,000,000, as specified, and would allocate to farmworker housing projects $25,000,000 per year of that amount. The bill, under those laws, would modify the definition of applicable percentage relating to qualified low-income buildings to depend on whether the building is a new or existing building and federally subsidized, or a building that is, among other things, at least 15 years old, serving households of very low income or extremely low income, and will complete substantial rehabilitation, as specified.			
AB 11 Chiu D Community Redevelopment Law of 2019.	4/10/2019-A. L. GOV. 4/11/2019-From committee chair, with author's amendments: Amend, and re-refer to Com. on L. GOV. Read second time and amended. 4/24/2019 1:30 p.m. - State Capitol, Room 127 ASSEMBLY LOCAL GOVERNMENT, AGUIAR-CURRY, Chair	Current law dissolved redevelopment agencies as of February 1, 2012 and designates successor agencies to act as successor entities to the dissolved redevelopment agencies. This bill, the Community Redevelopment Law of 2019, would authorize a city or county, or two or more cities acting jointly, to propose the formation of an affordable housing and infrastructure agency by adoption of a resolution of intention that meets specified requirements, including that the resolution of intention include a passthrough provision and an override passthrough provision, as defined. Last Amended on 4/11/2019			

BILL ID/Topic	Location	Summary	County Position	CSAC Position	LCC Position
AB 36 Bloom D Residential tenancies: rent control.	3/25/2019-A. H. & C.D. 3/27/2019-Re-referred to Com. on H. & C.D. 4/25/2019 Upon adjournment of Session - State Capitol, Room 447 ASSEMBLY HOUSING AND COMMUNITY DEVELOPMENT, CHIU, Chair	Would modify those provisions to authorize an owner of residential real property to establish the initial and all subsequent rental rates for a dwelling or unit that has been issued its first certificate of occupancy within 10 years of the date upon which the owner seeks to establish the initial or subsequent rental rate, or for a dwelling or unit that is alienable separate from the title to any other dwelling unit or is a subdivided interest in a subdivision and the owner is a natural person who owns 2 or more residential units within the same jurisdiction as the dwelling or unit for which the owner seeks to establish the initial or subsequent rental rate, subject to certain exceptions. Last Amended on 3/26/2019			
AB 53 Jones-Sawyer D Rental housing discrimination: applications: criminal records.	1/17/2019-A. H. & C.D. 1/17/2019-Referred to Com. on H. & C.D. 4/24/2019 9:15 a.m. - State Capitol, Room 126 ASSEMBLY HOUSING AND COMMUNITY DEVELOPMENT, CHIU, Chair	Would make it unlawful for the owner of any rental housing accommodation to deny the rental or lease of a housing accommodation without first satisfying specified requirements relating to the application process. The bill would prohibit the owner of a rental housing accommodation from inquiring about, or requiring an applicant for rental housing accommodation to disclose, a criminal record during the initial application assessment phase, as defined, unless otherwise required by state or federal law.			
AB 68 Ting D Land use: accessory dwelling units.	4/10/2019-A. APPR. 4/11/2019-From committee: Do pass and re-refer to Com. on APPR. (Ayes 6. Noes 1.) (April 10). Re-referred to Com. on APPR. *Agenda*	The Planning and Zoning Law authorizes a local agency to provide, by ordinance, for the creation of accessory dwelling units in single-family and multifamily residential zones and sets forth required ordinance standards, including, among others, lot coverage. This bill would delete the provision authorizing the imposition of standards on lot coverage and would prohibit an ordinance from imposing requirements on minimum lot size. Last Amended on 4/3/2019		Concerns	Oppose unless Amended
AB 69 Ting D Land use: accessory dwelling units.	4/3/2019-A. APPR. 4/8/2019-Re-referred to Com. on APPR. *Agenda*	Current law requires the Department of Housing and Community Development to propose building standards to the California Building Standards Commission, and to adopt, amend, or repeal rules and regulations governing, among other things, apartment houses and dwellings, as specified. This bill would require the department to propose small home building standards governing accessory dwelling units smaller than 800 square feet, junior accessory dwelling units, and detached dwelling units smaller than 800 square feet, as specified, and to submit the small home building standards to the California Building Standards Commission for adoption on or before January 1, 2021. Last Amended on 4/4/2019		Support	Watch

BILL ID/Topic	Location	Summary	County Position	CSAC Position	LCC Position
AB 148 Quirk-Silva D Regional transportation plans: sustainable communities strategies.	1/24/2019-A. TRANS. 1/24/2019-Referred to Coms. on TRANS. and NAT. RES.	Current law requires certain transportation planning agencies to prepare and adopt a regional transportation plan directed at achieving a coordinated and balanced regional transportation system. Current law requires the regional transportation plan to include, if the transportation planning agency is also a metropolitan planning organization, a sustainable communities strategy. This bill would require each sustainable communities strategy to identify areas within the region sufficient to house an 8-year projection of the emergency shelter needs for the region, as specified.		Pending	Watch
AB 185 Grayson D California Transportation Commission: transportation policies: joint meetings.	2/4/2019-A. TRANS. 2/4/2019-Referred to Com. on TRANS. 4/22/2019 3 p.m. - State Capitol, Room 4202 ASSEMBLY TRANSPORTATION, FRAZIER, Chair	Current law creates the California Transportation Commission, with various powers and duties relative to the programming of transportation capital projects and allocation of funds to those projects pursuant to the state transportation improvement program and various other transportation funding programs. Existing law requires the commission and the State Air Resources Board to hold at least 2 joint meetings per calendar year to coordinate their implementation of transportation policies. This bill would require the Department of Housing and Community Development to participate in those joint meetings.			
AB 228 Aguiar-Curry D Food, beverage, and cosmetic adulterants: industrial hemp products.	4/10/2019-A. APPR. SUSPENSE FILE 4/10/2019-In committee: Set, first hearing. Referred to APPR. suspense file.	Would state that a food, beverage, or cosmetic is not adulterated by the inclusion of industrial hemp or cannabinoids, extracts, or derivatives from industrial hemp, and would prohibit restrictions on the sale of food, beverages, or cosmetics that include industrial hemp or cannabinoids, extracts, or derivatives from industrial hemp based solely on the inclusion of industrial hemp or cannabinoids, extracts, or derivatives from industrial hemp. The bill would specify that a food, beverage, cosmetic, or other product that contains industrial hemp-derived tetrahydrocannabinol (THC) in concentrations above 0.3% by product weight is subject to the provisions of MAUCRSA. Last Amended on 3/21/2019		Watch	Watch
AB 302 Berman D Parking: homeless students.	4/3/2019-A. APPR. 4/3/2019-From committee: Do pass and re-refer to Com. on APPR. (Ayes 10. Noes 0.) (April 2). Re-referred to Com. on APPR.	Would require a community college campus that has parking facilities on campus to grant overnight access to those facilities, on or before July 1, 2020, to any homeless student who is enrolled in coursework, has paid any enrollment fees that have not been waived, and is in good standing with the community college, for the purpose of sleeping in the student's vehicle overnight. The bill would require the governing board of the community college district to determine a plan of action to implement this requirement, as specified. Last Amended on 3/25/2019			

BILL ID/Topic	Location	Summary	County Position	CSAC Position	LCC Position
AB 437 Wood D Move-In Loan Program.	3/14/2019-A. H. & C.D. 3/18/2019-Re-referred to Com. on H. & C.D. 4/24/2019 9:15 a.m. - State Capitol, Room 126 ASSEMBLY HOUSING AND COMMUNITY DEVELOPMENT, CHIU, Chair	Would establish the Move-In Loan Program for the purpose of providing grants to eligible nonprofit organizations to be used to provide no-interest loans to eligible applicants to afford the security deposit and first month's rent for a rental dwelling. The bill would require the Department of Housing and Community Development to administer the program and to determine the standards for, and control selection of, eligible nonprofit organization applicants to receive a grant to administer a loan program, as specified. Last Amended on 3/14/2019			
AB 539 Limón D California Financing Law: consumer loans: charges.	4/10/2019-A. APPR. SUSPENSE FILE 4/10/2019-In committee: Set, first hearing. Referred to APPR. suspense file. Heard	The CFL also authorizes a licensee, as an alternative to the specified rate charges for consumer loan amounts, to instead contract for and receive charges at the greater of a rate not exceeding 1.6% per month on the unpaid principal balance or a rate not exceeding 5 5/6 of 1% per month, plus a specified percentage per month, as established by the Federal Reserve Bank of San Francisco, on advances to member banks under federal law, or if there is no single determinable rate, the closest counterpart of this rate. Under existing law, these provisions do not apply to a loan of a bona fide principal amount of $2,500 or more, as specified. The CFL further authorizes a licensee to contract for and receive an administrative fee of a specified amount that varies with the bona fide principal amount of the loan. This bill, entitled the Fair Access to Credit Act, would authorize a licensee, with respect to a loan of a bona fide principal amount of $2,500 or more but less than $10,000, to contract for or receive charges at a rate not exceeding an annual simple interest rate of 36% plus the Federal Funds Rate. Last Amended on 3/26/2019	Support		Watch
AB 723 Wicks D Low-income housing incentives: leased rental housing: Counties of Alameda and Contra Costa.	4/9/2019-A. H. & C.D. 4/9/2019-From committee: Do pass and re-refer to Com. on H. & C.D. (Ayes 10. Noes 0.) (April 8). Re-referred to Com. on H. & C.D. 4/24/2019 9:15 a.m. - State Capitol, Room 126 ASSEMBLY HOUSING AND COMMUNITY DEVELOPMENT, CHIU, Chair	Current property tax law, in accordance with authorization provided by the California Constitution, provides a welfare exemption for property used exclusively for religious, hospital, scientific, or charitable purposes and that is owned or operated by certain types of nonprofit entities, if certain qualifying criteria are met. Current property tax law additionally exempts from taxation on the possessory and fee interest property that is leased for 35 years or more, if the lessor is not otherwise qualified for the welfare exemption and the property is used exclusively and solely for rental housing and related facilities for low-income tenants, as provided, and leased and operated by specified entities. This bill would authorize the Counties of Alameda and Contra Costa to provide the lessor of an eligible property located within its territorial boundaries with a low-income rental housing incentive. Last Amended on 3/25/2019			

BILL ID/Topic	Location	Summary	County Position	CSAC Position	LCC Position
AB 724 Wicks D Rental property data registry.	4/10/2019-A. JUD. 4/11/2019-From committee chair, with author's amendments: Amend, and re-refer to Com. on JUD. Read second time and amended. 4/23/2019 8 a.m. - State Capitol, Room 437 ASSEMBLY JUDICIARY, STONE, MARK, Chair	Would require the Department of Housing and Community Development to create a rental registry online portal, which would be designed to receive specified information from landlords regarding their residential tenancies and to disseminate this information to the general public. The bill would require the department to complete the rental registry online portal, the form necessary to support it, by January 1, 2021, and would require landlords who own or operate property that includes more than 15 dwelling units to register within 90 days and annually thereafter. Last Amended on 4/11/2019			
AB 725 Wicks D General plans: housing element: above moderate-income housing: suburban and metropolitan jurisdictions.	2/28/2019-A. H. & C.D. 4/10/2019-In committee: Set, second hearing. Hearing canceled at the request of author.	The Planning and Zoning Law requires that the housing element include, among other things, an inventory of land suitable for residential development, to be used to identify sites that can be developed for housing within the planning period and that are sufficient to provide for the jurisdiction's share of the regional housing need determined pursuant to specified law. This bill would prohibit more than 20% of a suburban or metropolitan jurisdiction's share of the regional housing need for above moderate-income housing from being allocated to sites with zoning restricted to single-family development. Last Amended on 4/2/2019			
AB 847 Grayson D Housing: transportation-related impact fees grant program.	4/1/2019-A. H. & C.D. 4/1/2019-From committee: Be re-referred to Com. on H. & C.D. Re-referred. (Ayes 10. Noes 0.) (April 1). Re-referred to Com. on H. & C.D. *Agenda* 4/24/2019 9:15 a.m. - State Capitol, Room 126 ASSEMBLY HOUSING AND COMMUNITY DEVELOPMENT, CHIU, Chair	Would require the Department of Housing and Community Development, upon appropriation by the Legislature, to establish a competitive grant program to award grants to cities and counties to offset up to 100% of any transportation-related impact fees exacted upon a qualifying housing development project, as defined, by the local jurisdiction. Last Amended on 3/27/2019		Pending	Take to Policy Committee
AB 849 Bonta D Elections: local redistricting.	4/10/2019-A. L. GOV. 4/11/2019-From committee chair, with author's amendments: Amend, and re-refer to Com. on L. GOV. Read second time and amended. 4/24/2019 1:30 p.m. - State Capitol, Room 127 ASSEMBLY LOCAL GOVERNMENT, AGUIAR-CURRY, Chair	Current law establishes criteria and procedures pursuant to which local jurisdictions, including cities, counties, special districts, school districts, community college districts, and county boards of education, adjust or adopt district, division, or trustee area boundaries, as applicable, for the purpose of electing members of the local jurisdiction's governing body. This bill would revise and recast these provisions. The bill would require the governing body of each local jurisdiction described above to adopt new district, division, or trustee area boundaries after each federal decennial census, except as specified. Last Amended on 4/11/2019			

BILL ID/Topic	Location	Summary	County Position	CSAC Position	LCC Position
AB 857 Chiu D Public banks.	4/11/2019-A. L. GOV. 4/11/2019-Assembly Rule 56 suspended. (pending re-referral to Com. on L. GOV.) 4/22/2019 3:30 p.m. - State Capitol, Room 444 ASSEMBLY BANKING AND FINANCE, LIMÓN, Chair 4/24/2019 1:30 p.m. - State Capitol, Room 127 ASSEMBLY LOCAL GOVERNMENT, AGUIAR-CURRY, Chair	Would define the term "bank" for purposes of the Financial Institutions Law and the Banking Law to include a public bank. The bill would define the term "public bank" to mean a corporation, organized for the purpose of engaging in the commercial banking business or industrial banking business, that is wholly owned by a local agency, local agencies, a joint powers authority, or a special district. Last Amended on 3/19/2019			
AB 1091 Jones-Sawyer D Child support: suspension.	3/26/2019-A. APPR. 3/26/2019-From committee: Do pass and re-refer to Com. on APPR. (Ayes 10. Noes 0.) (March 26). Re-referred to Com. on APPR.	Current law, until January 1, 2020, suspends a money judgment or order for child support for any period exceeding 90 consecutive days in which the person ordered to pay support is incarcerated or involuntarily institutionalized, except as specified. Under current law, a child support obligation suspended under these provisions resumes on the first day of the first full month after the release of the person owing the child support. This bill would delete the repeal date, making these provisions effective indefinitely. Last Amended on 3/21/2019			
AB 1092 Jones-Sawyer D Child support: enforcement.	3/26/2019-A. APPR. 4/1/2019-Re-referred to Com. on APPR.	Current law requires the parties to a proceeding in which child support is at issue to disclose whether a party is currently receiving, or intends to apply for, assistance under the California Work Opportunity and Responsibility to Kids (CalWORKs) program for the maintenance of the child. This bill would instead require the parties to disclose whether a party is currently receiving, or currently applying for, that assistance. Last Amended on 3/28/2019			
AB 1110 Friedman D Rent increases: noticing.	3/7/2019-A. JUD. 3/28/2019-In committee: Set, first hearing. Hearing canceled at the request of author.	Would require 90 days' notice if a landlord of a residential dwelling with a month-to-month tenancy increases the rent by more than 10%, but no more than 15%, of the amount of the rent charged to a tenant annually. This bill would require 120 days' notice if a landlord of a residential dwelling with a month-to-month tenancy increases the rent by more than 15% of the amount of the rent charged to a tenant annually.			
AB 1194 Frazier D Sacramento-San Joaquin Delta: Delta Stewardship Council.	3/11/2019-A. W.,P. & W. 4/9/2019-In committee: Set, first hearing. Held without recommendation.	Would increase the membership of the Delta Stewardship Council to 13 members, including 11 voting members and 2 nonvoting members, as specified. By imposing new duties upon local officials to appoint new members to the council, the bill would impose a state-mandated local program.			

BILL ID/Topic	Location	Summary	County Position	CSAC Position	LCC Position
AB 1481 Bonta D Tenancy termination: just cause.	3/28/2019-A. JUD. 4/1/2019-Re-referred to Com. on JUD. *Agenda*	Would, with certain exceptions, prohibit a lessor of residential property for a term not specified by the parties, from terminating the lease without just cause stated in the written notice to terminate. This bill would require, for curable violations, that the lessor give a notice of violation and an opportunity to cure the violation prior to issuing the notice of termination, unless the notice to terminate states just cause that is related to specific illegal conduct that creates the potential for harm to other tenants. Last Amended on 3/28/2019		Watch	Watch
AB 1482 Chiu D Tenancy: rent caps.	3/28/2019-A. H. & C.D. 4/1/2019-Re-referred to Com. on H. & C.D. *Agenda* 4/25/2019 Upon adjournment of Session - State Capitol, Room 447 ASSEMBLY HOUSING AND COMMUNITY DEVELOPMENT, CHIU, Chair	Would prohibit an owner of residential real property from increasing the rental rate for that property in an amount that is greater than an unspecified percent more than the rental rate in effect for the immediately preceding year, subject to specified conditions. The bill would exempt from these provisions deed-restricted affordable housing, dormitories, and housing subject to a local ordinance that imposes a more restrictive rent increase cap than these provisions. The bill would prohibit a landlord from terminating a tenancy for the purposes of avoiding these provisions and would create a rebuttable presumption that the termination of a tenancy is for the purposes of avoiding these provisions in the absence of a written statement showing cause for the termination. Last Amended on 3/28/2019		Watch	Watch
AB 1483 Grayson D Housing data: collection and reporting.	4/11/2019-A. L. GOV. 4/11/2019-Read second time and amended. *Agenda* 4/24/2019 1:30 p.m. - State Capitol, Room 127 ASSEMBLY LOCAL GOVERNMENT, AGUIAR-CURRY, Chair	The Planning and Zoning Law requires the planning agency of a city or county to provide by April 1 of each year an annual report to, among other entities, the Department of Housing and Community Development (department) that includes, among other specified information, the number of net new units of housing that have been issued a completed entitlement, a building permit, or a certificate of occupancy, thus far in the housing element cycle, as provided. This bill would authorize the department to require a planning agency to include in that annual report specified additional information that this bill would require, as specified. Last Amended on 4/11/2019		Pending	Watch
AB 1484 Grayson D Mitigation Fee Act: housing developments.	4/3/2019-A. L. GOV. 4/11/2019-Re-referred to Com. on L. GOV. *Agenda* 4/24/2019 1:30 p.m. - State Capitol, Room 127 ASSEMBLY LOCAL GOVERNMENT, AGUIAR-CURRY, Chair	The Mitigation Fee Act requires a local agency that establishes, increases, or imposes a fee as a condition of approval of a development project to, among other things, determine a reasonable relationship between the fee's use and the type of development project on which the fee is imposed. This bill would require each city, county, or city and county to post on its internet website the type and amount of each fee imposed on a housing development project, as defined. Last Amended on 4/10/2019		Concerns	Watch

BILL ID/Topic	Location	Summary	County Position	CSAC Position	LCC Position
AB 1485 Wicks D Housing development: streamlining.	4/11/2019-A. L. GOV. 4/11/2019-Read second time and amended. *Agenda* 4/24/2019 1:30 p.m. - State Capitol, Room 127 ASSEMBLY LOCAL GOVERNMENT, AGUIAR-CURRY, Chair	The Planning and Zoning Law requires that a development be subject to a requirement mandating a minimum percentage of below market rate housing based on one of 3 specified conditions. Current law requires, among those conditions, a development to dedicate a minimum of 10% of the total number of units to housing affordable to households making below 80% of the area median income, if the project contains more than 10 units of housing and the locality did not timely submit its latest production report to the Department of Housing and Community Development, or that production report reflects that there were fewer units of above moderate-income housing issued building permits than were required for the regional housing needs assessment cycle for that reporting period. This bill would modify that condition to authorize a development to instead dedicate 20% of the total number of units to housing affordable to households making below 120% of the area median income with the average income of the units at or below 100% of the area median income, except as provided. Last Amended on 4/11/2019		Pending	Watch
AB 1486 Ting D Local agencies: surplus land.	4/11/2019-A. H. & C.D. 4/11/2019-Read second time and amended. *Agenda* 4/24/2019 9:15 a.m. - State Capitol, Room 126 ASSEMBLY HOUSING AND COMMUNITY DEVELOPMENT, CHIU, Chair	Current law prescribes requirements for the disposal of surplus land by a local agency. Current law defines "local agency" for these purposes as every city, county, city and county, and district, including school districts of any kind or class, empowered to acquire and hold real property. This bill would expand the definition of "local agency" to include sewer, water, utility, and local and regional park districts, joint powers authorities, successor agencies to former redevelopment agencies, housing authorities, and other political subdivisions of this state and any instrumentality thereof that is empowered to acquire and hold real property, thereby requiring these entities to comply with these requirements for the disposal of surplus land. The bill would specify that the term "district" includes all districts within the state, and that this change is declaratory of existing law. Last Amended on 4/11/2019		Oppose unless Amended	Watch
AB 1487 Chiu D San Francisco Bay area: housing development: financing.	4/10/2019-A. L. GOV. 4/10/2019-From committee: Do pass and re-refer to Com. on L. GOV. (Ayes 5. Noes 2.) (April 10). Re-referred to Com. on L. GOV. *Agenda* 4/24/2019 1:30 p.m. - State Capitol, Room 127 ASSEMBLY LOCAL GOVERNMENT, AGUIAR-CURRY, Chair	Current law provides for the establishment of various special districts that may support and finance housing development, including affordable housing special beneficiary districts that are authorized to promote affordable housing development with certain property tax revenues that a city or county would otherwise be entitled to receive. This bill, the San Francisco Bay Area Regional Housing Finance Act, would establish the Housing Alliance for the Bay Area (hereafter "the entity") and would state that the entity's purpose is to increase affordable housing in the San Francisco Bay area, as defined, by providing for enhanced funding and technical assistance at a regional level for tenant protection, affordable housing preservation, and new affordable housing production. Last Amended on 4/4/2019		Watch	Watch

BILL ID/Topic	Location	Summary	County Position	CSAC Position	LCC Position
AB 1568 McCarty D Housing law compliance: prohibition on applying for state grants.	3/14/2019-A. H. & C.D. 4/11/2019-From committee chair, with author's amendments: Amend, and re-refer to Com. on H. & C.D. Read second time and amended. 4/24/2019 9:15 a.m. - State Capitol, Room 126 ASSEMBLY HOUSING AND COMMUNITY DEVELOPMENT, CHIU, Chair	The Housing Element Law, prescribes requirements for the preparation of the housing element, including a requirement that a planning agency submit a draft of the element or draft amendment to the element to the Department of Housing and Community Development prior to the adoption of the element or amendment to the element. Current law requires the department to review the draft and report its written findings, as specified. Current law also requires the department, in its written findings, to determine whether the draft substantially complies with the Housing Element Law. This bill would authorize the city or county to submit evidence that the city or county is no longer in violation of state law to the department and to request the department to issue a finding that the city or county is no longer in violation of state law. Last Amended on 4/11/2019			
AB 1697 Grayson D Housing: tenancy termination: just cause.	3/25/2019-A. JUD. 3/26/2019-Re-referred to Com. on JUD. *Agenda*	Would, with certain exceptions, prohibit a lessor of residential property, for a term not specified by the parties, in which the tenant has occupied the property for 12 months or more, from terminating the lease without just cause, stated in the written notice to terminate. Last Amended on 3/25/2019		Watch	Watch
AB 1706 Quirk D Housing development: incentives.	3/25/2019-A. H. & C.D. 3/27/2019-Re-referred to Com. on H. & C.D. *Agenda*	Would, until January 1, 2035, provide specified financial incentives that ensure financial feasibility to a development proponent of a residential housing development in the 9-county San Francisco Bay area region that dedicates at least 20% of the development's housing units to households making no more than 150% of the area median income. The incentives provided to those developments include an exemption from the California Environmental Quality Act, a density bonus of 35%, a waiver of local parking requirements, and a waiver of physical building requirements imposed on development by the local agency, such as green building standards. Last Amended on 3/26/2019			Watch
AB 1724 Salas D Elections: general law city and county redistricting.	3/18/2019-A. E. & R. 4/10/2019-In committee: Set, first hearing. Hearing canceled at the request of author.	Would declare the intent of the Legislature to require each general law city and county to establish an independent redistricting commission that is modeled after the Citizens Redistricting Commission. The bill would require each of those local jurisdictions to establish an independent redistricting commission for the purpose of adjusting the boundary lines of districts for the legislative body of the local jurisdiction after each federal decennial census. The bill would require the auditor of each local jurisdiction to implement an application process for members to the commission, as specified.			

BILL ID/Topic	Location	Summary	County Position	CSAC Position	LCC Position
AB 1763 Chiu D Planning and zoning: density bonuses: affordable housing.	4/10/2019-A. L. GOV. 4/10/2019-From committee: Do pass and re-refer to Com. on L. GOV. (Ayes 8. Noes 0.) (April 10). Re-referred to Com. on L. GOV. 4/24/2019 1:30 p.m. - State Capitol, Room 127 ASSEMBLY LOCAL GOVERNMENT, AGUIAR-CURRY, Chair	Would require a density bonus to be provided to a developer who agrees to construct a housing development in which 100% of the total units, exclusive of managers' units, are for lower income households, as defined. The bill would also require that a housing development that meets this criteria receive 4 incentives or concessions under the Density Bonus Law. Last Amended on 3/28/2019			
AB 1769 Frazier D Fire County of Solano: mental health facilities.	3/28/2019-A. HEALTH 4/1/2019-Re-referred to Com. on HEALTH. *Agenda* 4/23/2019 1:30 p.m. - State Capitol, Room 4202 ASSEMBLY HEALTH, WOOD, Chair	Would appropriate $14,000,000 to the County of Solano from the General Fund in the 2019–20 fiscal year for the planning, construction, and operation of two integrated mental health residential facilities, as specified. The bill would require the county to report specified information to the Governor and the Legislature annually, on or before January 1, of each year, commencing in 2022, and ending, upon repeal of the provision, in 2025. Last Amended on 3/28/2019		Pending	Watch
ACA 1 Aguiar-Curry D Local government financing: affordable housing and public infrastructure: voter approval.	3/27/2019-A. APPR. 3/28/2019-Coauthors revised. From committee: Be adopted, and re-refer to Com. on APPR. Re-referred. (Ayes 5. Noes 2.) (March 27). Re-referred to Com. on APPR. Heard	The California Constitution prohibits the ad valorem tax rate on real property from exceeding 1% of the full cash value of the property, subject to certain exceptions. This measure would create an additional exception to the 1% limit that would authorize a city, county, city and county, or special district to levy an ad valorem tax to service bonded indebtedness incurred to fund the construction, reconstruction, rehabilitation, or replacement of public infrastructure, affordable housing, or permanent supportive housing, or the acquisition or lease of real property for those purposes, if the proposition proposing that tax is approved by 55% of the voters of the city, county, or city and county, as applicable, and the proposition includes specified accountability requirements. Last Amended on 3/18/2019	Support	Support	Support
ACA 2 Nazarian D State tax agency.	12/3/2018-A. PRINT 12/4/2018-From printer. May be heard in committee January 3.	Would authorize the Legislature to vest all powers, duties, and responsibilities in a single state tax agency or separately in multiple state tax agencies. The measure would deem the California Department of Tax and Fee Administration and the office of Tax Appeals to be state tax agencies for purposes of these provisions and vest in those entities specified powers, duties and responsibilities currently vested in the State Board of Equalization.			

BILL ID/Topic	Location	Summary	County Position	CSAC Position	LCC Position
SB 4 McGuire D Housing.	4/2/2019-S. GOV. & F. 4/10/2019-From committee with author's amendments. Read second time and amended. Re-referred to Com. on GOV. & F. *Agenda* 4/24/2019 9 a.m. - Room 112 SENATE GOVERNANCE AND FINANCE SPECIAL ORDER, MCGUIRE, Chair 4/24/2019 9 a.m. - Room 113 SENATE ENVIRONMENTAL QUALITY, ALLEN, Chair	Would authorize a development proponent of a neighborhood multifamily project or eligible transit-oriented development (TOD) project located on an eligible parcel to submit an application for a streamlined, ministerial approval process that is not subject to a conditional use permit. The bill would define a "neighborhood multifamily project" to mean a project to construct a multifamily unit of up to 2 residential dwelling units in a nonurban community, as defined, or up to 4 residential dwelling units in an urban community, as defined, that meets local height, setback, and lot coverage zoning requirements as they existed on July 1, 2019. Last Amended on 4/10/2019			
SB 5 Beall D Affordable Housing and Community Development Investment Program.	4/2/2019-S. APPR. 4/11/2019-Set for hearing April 22. *Agenda* 4/22/2019 10 a.m. - John L. Burton Hearing Room (4203) SENATE APPROPRIATIONS, PORTANTINO, Chair	Would establish in state government the Affordable Housing and Community Development Investment Program, which would be administered by the Affordable Housing and Community Development Investment Committee. The bill would authorize a city, county, city and county, joint powers agency, enhanced infrastructure financing district, affordable housing authority, community revitalization and investment authority, transit village development district, or a combination of those entities, to apply to the Affordable Housing and Community Development Investment Committee to participate in the program and would authorize the committee to approve or deny plans for projects meeting specific criteria. Last Amended on 4/8/2019			
SB 13 Wieckowski D Accessory dwelling units.	4/10/2019-S. APPR. 4/10/2019-VOTE: Do pass as amended, but first amend, and re-refer to the Committee on [Appropriations] *Agenda*	Current law requires accessory dwelling units to comply with specified standards, including that the accessory dwelling unit is either attached to, or located within, the proposed or existing primary dwelling or detached if located within the same lot, and that it does not exceed a specified amount of total area of floor space. This bill would, instead, authorize the creation of accessory dwelling units in areas zoned to allow single-family or multifamily dwelling use. Last Amended on 4/4/2019			
SB 18 Skinner D Keep Californians Housed Act.	4/2/2019-S. JUD. 4/11/2019-From committee with author's amendments. Read second time and amended. Re-referred to Com. on JUD. *Agenda* 4/23/2019 1:30 p.m. - Room 112 SENATE JUDICIARY, JACKSON, Chair	Current law establishes the Department of Consumer Affairs (DCA) under the control of a civil executive officer known as the Director of Consumer Affairs. Current law requires, among other things, that the director provide for the establishment of a comprehensive library of books, documents, studies, and other materials relating to consumers and consumer problems. This bill, no later than January 1, 2021, would require DCA to publish on its internet website, and to biannually update, a guide to all state laws pertaining to landlords and the landlord-tenant relationship. Last Amended on 4/11/2019			Watch

BILL ID/Topic	Location	Summary	County Position	CSAC Position	LCC Position
SB 45 Allen D Wildfire, Drought, and Flood Protection Bond Act of 2020.	4/3/2019-S. GOV. & F. 4/4/2019-Read second time and amended. Re-referred to Com. on GOV. & F. 4/24/2019 9 a.m. - Room 112 SENATE GOVERNANCE AND FINANCE, MCGUIRE, Chair	Would enact the Wildfire, Drought, and Flood Protection Bond Act of 2020, which, if approved by the voters, would authorize the issuance of bonds in the amount of $4,300,000,000 pursuant to the State General Obligation Bond Law to finance projects to restore fire damaged areas, reduce wildfire risk, create healthy forest and watersheds, reduce climate impacts on urban areas and vulnerable populations, protect water supply and water quality, protect rivers, lakes, and streams, reduce flood risk, protect fish and wildlife from climate impacts, improve climate resilience of agricultural lands, and protect coastal lands and resources. Last Amended on 4/4/2019			
SB 48 Wiener D Interim housing intervention developments.	4/10/2019-S. E.Q. 4/11/2019-From committee: Do pass and re-refer to Com. on EQ. (Ayes 6. Noes 0.) (April 10). Re-referred to Com. on EQ. 4/24/2019 9 a.m. - Room 113 SENATE ENVIRONMENTAL QUALITY, ALLEN, Chair	Would revise the requirements of the housing element, as specified, in connection with the identification of zones where emergency shelters are allowed as a permitted used with a conditional use or other discretionary permit. The bill would generally require that emergency shelters be in areas that allow residential use, including mixed-use areas, but would permit designation in industrial zones if a local government can demonstrate that the zone is connected to specified amenities and services. The bill would remove the authorization granted to local government to require off-street parking, as specified, in connection with standards applied to emergency shelters. Last Amended on 3/25/2019			
SB 50 Wiener D Planning and zoning: housing development: incentives.	4/2/2019-S. GOV. & F. 4/4/2019-Set for hearing April 24. *Agenda* 4/24/2019 9 a.m. - Room 112 SENATE GOVERNANCE AND FINANCE SPECIAL ORDER, MCGUIRE, Chair	Would require a city, county, or city and county to grant upon request an equitable communities incentive when a development proponent seeks and agrees to construct a residential development, as defined, that satisfies specified criteria, including, among other things, that the residential development is either a job-rich housing project or a transit-rich housing project, as those terms are defined; the site does not contain, or has not contained, housing occupied by tenants or accommodations withdrawn from rent or lease in accordance with specified law within specified time periods; and the residential development complies with specified additional requirements under existing law. Last Amended on 3/11/2019		Pending	Oppose unless Amended
SB 139 Allen D Independent redistricting commissions.	4/2/2019-S. GOV. & F. 4/11/2019-From committee with author's amendments. Read second time and amended. Re-referred to Com. on GOV. & F. 4/24/2019 9 a.m. - Room 112 SENATE GOVERNANCE AND FINANCE, MCGUIRE, Chair	Would, with certain exceptions, require a county with more than 250,000 residents on and after January 1, 2019, and on and after January 1 of every subsequent year ending in the number 9, to establish a 10-member independent redistricting commission to adopt the county's supervisorial districts after each federal decennial census pursuant to a specified procedure. Last Amended on 4/11/2019			

BILL ID/Topic	Location	Summary	County Position	CSAC Position	LCC Position
SB 153 Wilk R Industrial hemp.	4/3/2019-S. AGRI. 4/4/2019-Set for hearing April 22. 4/22/2019 10:30 a.m. - Rose Ann Vuich Hearing Room (2040) SENATE AGRICULTURE, GALGIANI, Chair	Would revise the provisions regulating the cultivation and testing of industrial hemp to conform with the requirements for a state plan under the federal Agricultural Marketing Act of 1946, as amended by the federal Agriculture Improvement Act of 2018, by, among other things, revising the definition of industrial hemp, expanding the registration requirements to apply to growers of industrial hemp for noncommercial as well as commercial purposes, imposing new requirements on the department and county agricultural commissioners for the handling and transmittal of registration information, imposing new testing requirements, providing new enforcement procedures, to be operative as of the effective date of an approved state plan, as defined, and imposing new conditions on eligibility to participate in the industrial hemp program, as defined. Last Amended on 3/25/2019		Pending	Watch
SB 176 Jackson D State Bar of California: annual license fee.	4/3/2019-S. JUD. 4/5/2019-Set for hearing April 30. 4/30/2019 1:30 p.m. - Room 112 SENATE JUDICIARY, JACKSON, Chair	The State Bar Act provides for the licensure and regulation of attorneys by the State Bar of California, a public corporation governed by a board of trustees, and provides that protection of the public is the highest priority of the State Bar of California and the board of trustees in exercising their licensing, This bill would, until January 1, 2021, require the board to charge an annual license fee in an unspecified amount for 2020. The bill would require the board to adopt a rule or rules providing that an active licensee who can demonstrate total gross annual individual income from all sources of less than $60,478.35 presumptively qualifies for a waiver of 25% of the annual license fee. Last Amended on 3/27/2019			
SB 204 Dodd D State Water Project: contracts.	3/18/2019-S. APPR. 4/10/2019-April 22 set for first hearing canceled at the request of author.	Would require the Department of Water Resources to provide at least 10 days' notice to the Joint Legislative Budget Committee and relevant policy and fiscal committees of the Legislature before holding public sessions to negotiate any potential amendment of a long-term water supply contract that is of projectwide significance with substantially similar terms intended to be offered to all contractors. The bill would require the department, before the execution of a specified proposed amendment to a long-term water supply contract and at least 60 days before final approval of such an amendment, to submit to the Joint Legislative Budget Committee and relevant policy and fiscal committees of the Legislature certain information regarding the terms and conditions of a proposed amendment of a long-term water supply contract and to submit a copy of the long-term contract as it is proposed to be amended. Last Amended on 3/18/2019			

BILL ID/Topic	Location	Summary	County Position	CSAC Position	LCC Position
SB 280 Jackson D Older adults and persons with disabilities: fall prevention.	3/25/2019-S. HOUSING 4/10/2019-From committee with author's amendments. Read second time and amended. Re-referred to Com. on HOUSING. 4/22/2019 3 p.m. or upon adjournment of Session - Room 112 SENATE HOUSING, WIENER, Chair	The Mello-Granlund Older Californians Act establishes the California Department of Aging, and sets forth its duties and powers, including, among other things, entering into a contract for the development of information and materials to educate Californians on the concept of "aging in place" and the benefits of home modification. Current law also establishes the Senior Housing Information and Support Center within the department for the purpose of providing information and training relating to available innovative resources and senior services, and housing options and home modification alternatives designed to support independent living or living with family. This bill would repeal those provisions relating to the department's provision of information on housing and home modifications for seniors. Last Amended on 4/10/2019			
SB 284 Beall D Juvenile justice: county support of wards.	3/26/2019-S. APPR. 4/9/2019-From committee with author's amendments. Read second time and amended. Re-referred to Com. on APPR. 4/22/2019 10 a.m. - John L. Burton Hearing Room (4203) SENATE APPROPRIATIONS, PORTANTINO, Chair	Current law generally requires a county from which a person is committed to the Department of Corrections and Rehabilitation, Division of Juvenile Justice, to pay to the state an annual rate of $24,000 while the person remains under the direct supervision of the division or remains cared for and supported at the expense of the division. This bill would increase that annual rate to $125,000 if the offense on which the commitment is based, had it been filed in a court of criminal jurisdiction at the time of adjudication, had a maximum aggregate sentence of fewer than 7 years or if the offense on which the commitment is based occurred when the person was 15 years of age or younger. Last Amended on 4/9/2019			
SB 329 Mitchell D Discrimination: housing: source of income.	2/28/2019-S. JUD. 3/28/2019-Set for hearing April 23. 4/23/2019 1:30 p.m. - Room 112 SENATE JUDICIARY, JACKSON, Chair	Current law defines the term "source of income" for purposes of the provisions relating to discrimination in housing accommodations as specified, to mean lawful, verifiable income paid directly to a tenant or paid to a representative of a tenant. This bill would instead define the term for purposes of those provisions, to mean verifiable income paid directly to a tenant, or paid to a housing owner or landlord on behalf of a tenant, including federal, state, or local public assistance and housing subsidies, as specified.			

BILL ID/Topic	Location	Summary	County Position	CSAC Position	LCC Position
SB 330 Skinner D Housing Crisis Act of 2019.	4/10/2019-S. HOUSING 4/11/2019-From committee: Do pass and re-refer to Com. on HOUSING. (Ayes 6. Noes 0.) (April 10). Re-referred to Com. on HOUSING. *Agenda* 4/22/2019 3 p.m. or upon adjournment of Session - Room 112 SENATE HOUSING, WIENER, Chair	The Housing Accountability Act requires a local agency that proposes to disapprove a housing development project that complies with applicable, objective general plan and zoning standards and criteria that were in effect at the time the application was deemed to be complete, or to approve it on the condition that it be developed at a lower density, to base its decision upon written findings supported by substantial evidence on the record that specified conditions exist, and places the burden of proof on the local agency to that effect. The act requires a court to impose a fine on a local agency under certain circumstances and requires that the fine be at least $10,000 per housing unit in the housing development project on the date the application was deemed complete. This bill would, until January 1, 2030, specify that an application is deemed complete for these purposes if a complete initial application was submitted, as specified. Last Amended on 4/4/2019		Pending	Oppose
SB 337 Skinner D Child support.	4/9/2019-S. JUD. 4/11/2019-From committee with author's amendments. Read second time and amended. Re-referred to Com. on JUD. 4/23/2019 1:30 p.m. - Room 112 SENATE JUDICIARY, JACKSON, Chair	Current law requires the first $50 of any amount of child support collected in a month in payment of the required support obligation for that month to be paid to a recipient of CalWORKs aid, and prohibits this amount from being considered income or resources of the recipient family or being deducted from the amount of aid to which the family would otherwise be eligible. This bill would instead require all the child support collected in a month to be paid to the recipient and would prohibit any of the child support received from being considered income or resources of the recipient family or being deducted from the amount of aid to which the family would otherwise be eligible. Last Amended on 4/11/2019			
SB 438 Hertzberg D Emergency medical services: dispatch.	4/10/2019-S. HEALTH 4/11/2019-From committee: Do pass and re-refer to Com. on HEALTH. (Ayes 6. Noes 1.) (April 10). Re-referred to Com. on HEALTH. 4/24/2019 1:30 p.m. - John L. Burton Hearing Room (4203) SENATE HEALTH, PAN, Chair	Would prohibit a public agency from delegating, assigning, or contracting for “911” emergency call processing or notification duties regarding the dispatch of emergency response resources unless the delegation or assignment is to, or the contract is with, another public agency or made pursuant to a joint powers agreement or cooperative agreement. The bill would state the Legislature’s intent to affirm and clarify a public agency’s duty and authority to develop emergency communication procedures and respond quickly to a person seeking emergency services through the “911” emergency telephone system. Last Amended on 3/25/2019			

BILL ID/Topic	Location	Summary	County Position	CSAC Position	LCC Position
SB 529 Durazo D Tenant associations: eviction for cause: withholding payment of rent.	3/7/2019-S. JUD. 4/9/2019-From committee with author's amendments. Read second time and amended. Re-referred to Com. on JUD. 4/23/2019 1:30 p.m. - Room 112 SENATE JUDICIARY, JACKSON, Chair	Current law prohibits a lessor from retaliating against a lessee because the lessee has lawfully organized or participated in a lessees' association or an organization advocating lessees' rights, or has lawfully and peaceably exercised any rights under the law, by increasing rent, decreasing services, causing a lessee to quit involuntarily, bringing an action to recover possession, or from threatening to do any of those acts. A lessor who violates this latter provision is liable to the lessee for actual damages and, under certain circumstances, punitive damages. This bill would declare that tenants have the right to form, join, and participate in the activities of a tenant association, subject to any restrictions as may be imposed by law, or to refuse to join or participate in the activities of a tenant association. Last Amended on 4/9/2019			
SB 646 Morrell R Local agency utility services: extension of utility services.	3/14/2019-S. GOV. & F. 4/11/2019-From committee with author's amendments. Read second time and amended. Re-referred to Com. on GOV. & F. 4/24/2019 9 a.m. - Room 112 SENATE GOVERNANCE AND FINANCE, MCGUIRE, Chair	The Mitigation Fee Act, among other things, requires fees for water or sewer connections, or capacity charges imposed by a local agency to not exceed the estimated reasonable cost of providing the service for which the fee or charge is imposed, unless a question regarding the amount of the fee or charge imposed in excess of the reasonable cost of providing the service or materials is submitted to and approved by 2/3 of the electors voting on the issue. This bill would state that a fee or charge for the extension of water or sewer service may not be utilized for facilities or services other than those for which the fee or charge is imposed. Last Amended on 4/11/2019			
SB 778 Committee on Labor, Public Employment and Retirement Employers: sexual harassment training: requirements.	4/10/2019-S. APPR. 4/10/2019-From committee: Do pass and re-refer to Com. on APPR. with recommendation: To consent calendar. (Ayes 4. Noes 0.) (April 10). Re-referred to Com. on APPR. 4/22/2019 10 a.m. - John L. Burton Hearing Room (4203) SENATE APPROPRIATIONS, PORTANTINO, Chair	Current law, by January 1, 2020, requires an employer with 5 or more employees to provide at least 2 hours of classroom or other effective interactive training and education regarding sexual harassment to all supervisory employees and at least 1 hour of classroom or other effective interactive training and education regarding sexual harassment to all nonsupervisory employees in California within 6 months of their assumption of a position. Current law also specifies that an employer who has provided this training to an employee after January 1, 2019, is not required to provide sexual harassment training and education by the January 1, 2020, deadline. This bill would require an employer with 5 or more employees to provide the above-described training and education by January 1, 2021, and thereafter once every 2 years. Last Amended on 4/1/2019			

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SCA 1 Allen D Public housing projects.	3/20/2019-S. HOUSING 3/20/2019-Referred to Coms. on HOUSING, E. & C.A., and APPR.	The California Constitution prohibits the development, construction, or acquisition of a low-rent housing project, as defined, in any manner by any state public body until a majority of the qualified electors of the city, town, or county in which the development, construction, or acquisition of the low-rent housing project is proposed approve the project by voting in favor at an election, as specified. This measure would repeal these provisions.			
SCA 3 Hill D Property taxation: change in ownership: inheritance exclusion.	3/20/2019-S. GOV. & F. 4/4/2019-Set for hearing April 24. 4/24/2019 9 a.m. - Room 112 SENATE GOVERNANCE AND FINANCE, MCGUIRE, Chair	The California Constitution generally limits ad valorem taxes on real property to 1% of the full cash value of that property. For purposes of this limitation, "full cash value" is defined as the assessor's valuation of real property as shown on the 1975–76 tax bill under "full cash value" or, thereafter, the appraised value of that real property when purchased, newly constructed, or a change in ownership has occurred. The California Constitution specifies various transfers that are not deemed to be a "purchase" or "change in ownership" of a property for these purposes, including the purchase or transfer of a principal residence from parents to their children, or, under certain circumstances, from grandparents to their grandchildren, and the purchase or transfer of the first $1,000,000 of the full cash value of all other real property transferred from parents or grandparents to their children or grandchildren. This measure would limit the above-described $1,000,000 exclusion for purchases or transfers of real property other than a principal residence to purchases or transfers of nonresidential real property.			

Total Measures: 60

Total Tracking Forms: 60