

# Housing, Community and Economic Development Policy Committee Meeting

April 3, 2020

# Housekeeping Items

This webinar is being recorded.

All phone lines have been muted.

We will be using the Webex polling feature today to vote on motions. Please be aware that you will be unable to change your answer once you hit submit, so make sure you are certain of your answer before doing so.

If you experience technical difficulties during this webinar, please email [education@cacities.org](mailto:education@cacities.org).

# How to ask a question or make a comment?

To ask a question, please “raise your hand” by clicking on the small hand icon under the list of panelists. Once your question is answered, please click the hand again to lower your hand.

When you are called upon, please say your name, title and city.





# Welcome and Introductions

Chair, Blanca Pacheco, Mayor, City of Downey  
Vice Chair, Marilyn Ezzy Ashcraft, Mayor, City of Alameda

# Agenda

- Welcome and Introductions
- Public Comment
- General Briefing
- COVID-19 Update
- Legislative Update
- League's Housing Proposal Update



# Public Comment

Written comments can be sent to Jason Rhine, Assistant Legislative Director at [Jrhine@cacities.org](mailto:Jrhine@cacities.org).



# General Briefing

\*Refer to Handout\*

Jason Rhine, Assistant Legislative Director,  
League of California Cities

# COVID-19 Update

Jason Rhine, Assistant Legislative Director,  
League of California Cities



# Overview

- COVID-19 League Resources
- Legislative Deadlines and Priorities
- 2020 California State Budget Outlook
- Federal Relief and Stimulus Bills

# COVID-19 League Resources and Advocacy

## League Efforts and Resources for Cities:

- COVID-19 dedicated webpage and email
  - [www.cacities.org/coronavirus](http://www.cacities.org/coronavirus)
  - [covid-19@cacities.org](mailto:covid-19@cacities.org)
- Daily COVID-19 updates via email
- Webinar series on the impacts of COVID-19
  - [www.cacities.org/Education-Events/Webinars](http://www.cacities.org/Education-Events/Webinars)

## Statewide and Federal Partnerships:

- Collaborating with Governor's Office of Emergency Services (Cal OES) and Governor's Office
  - Statutory and regulatory waivers and relief
  - Funding needs
- Working with National League of Cities and League's federal lobbying team on federal legislation and resource needs

# Legislative Deadline and Priorities

- California State Legislature on recess from March 20 until April 13
  - Likely to extend through April or longer
- Legislative Deadlines:
  - June 15 – State Budget must be passed by Legislature at midnight
  - July 1 – Governor must sign or veto the State Budget
  - August 31 – End of regular session
  - Sept 30 – Legislation must be signed or vetoed by Governor
  - Nov 30 – Regular session sine die
- Potential Legislative Priorities:
  - COVID-19 response and recovery
  - Homelessness and housing
  - Wildfires/PG&E bankruptcy

# 2020 California State Budget Outlook

State budget process will be significantly altered:

- Asm. Budget Chair told legislators to lower their expectations on budget outlook to reflect the new reality.
- Budget committee hearings are on hold; most likely have a streamlined budget process this year.
- Budget likely to be barebones - maintaining current levels of State funding, but with little to no additional spending.
- \$1.1 billion in [SB 89](#) funds to support the State's COVID-19 response.
- \$1.3 billion from the Special Fund for Economic Uncertainties for COVID-19 response.

# Federal Relief and Stimulus Bills

## Federal Bills:

- Bill #1 - [Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020](#)
  - \$7.8 billion package, plus a \$500 million authorization to enhance telehealth services, will give resources to prepare, prevent and respond to the crisis, including vaccine development, support for state and local governments' prevention and response efforts, and the purchase of critical medical supplies to protect public health and safety.
- Bill #2 – [H.R. 6201 Families First Coronavirus Response Act](#)
  - Guarantees free coronavirus testing, establishes paid leave, enhances Unemployment Insurance, expands food security initiatives, and increases federal Medicaid funding.
- Bill #3 - [The CARES Act](#)
  - \$2 trillion emergency package intended to stave off total economic collapse in the wake of the coronavirus crisis.
  - \$139 billion is reserved to be distributed between states and units of local government.
- Potential 4<sup>th</sup> Stimulus Bill
  - Talked about in the House of Representatives.
  - League working with federal team on potential requests.
  - Details forthcoming.

# Questions?

Website: [www.cacities.org/coronavirus](http://www.cacities.org/coronavirus)

Email: [covid-19@cacities.org](mailto:covid-19@cacities.org)

# Legislative Update

# Planning and Zoning

## **AB 725 (Wicks) Housing Element. Moderate-income and Above Moderate-income Housing.**

- This measure would require incorporated areas within a metropolitan jurisdiction, at least 25% of the jurisdiction's share of the regional housing need for both the moderate-income and above moderate-income housing categories must be allocated to sites with zoning that allows at least two units of housing, but no more than 35 units of housing per acre.
- **League Position:** Pending

## **AB 1279 (Bloom) Housing Developments. High-resource Areas.**

- This measure would require HCD to designate areas in this state as high-resource areas by January 1, 2021, and every 5 years thereafter. In any area designated as a high-resource area, this measure would require cities, at the request of a developer, to allow up to fourplexes in single-family zones and up to 100 units per acre in commercial zones. These projects shall receive ministerial approval (use by right).
- **League Position:** Pending



# Planning and Zoning

## **AB 1851 (Wicks) Faith-based Organizations. Housing Developments. Parking Requirements.**

- This measure would, upon the request of a developer of a housing development project, require a local agency to ministerially approve a request to that local agency to reduce or eliminate any parking requirements that would otherwise be imposed by that local agency on the development if the housing development project qualifies as a faith-based organization affiliated housing development project.
- This measure would prohibit a local agency from requiring the replacement of religious-use parking spaces proposed to be eliminated by a faith-based organization's housing project or from requiring the curing of any preexisting deficit of religious-use parking as a condition of approval of a faith-based organization affiliated housing development project.
- **League Position:** Pending

# Planning and Zoning

## **AB 2345 (Gonzalez) Planning and Zoning. Density Bonus.**

- This measure would greatly expand Density Bonus law and allow developers to receive up to five concessions and incentives from local governments and up to 50% more density.
- **League Position:** Pending

## **SB 899 (Wiener) Housing Development. Nonprofit Hospitals or Religious Institutions.**

- This measure would require that a housing development project be a use by right upon the request of a nonprofit hospital, nonprofit diagnostic or treatment center, nonprofit rehabilitation facility, nonprofit nursing home, or religious institution that partners with a qualified developer on any land owned in fee simple by the applicant if the development satisfies specified criteria.
- **League Position:** Pending

# Planning and Zoning

## **SB 902 (Wiener) Neighborhood Multifamily Project. Use By Right.**

- This measure would provide that a neighborhood multifamily project (up to fourplexes, based on population) is a use by right in zones where residential uses are permitted if the project is not located in a very high fire severity zone, does not demolish sound rental housing or housing that has been placed on a national or state historic register, and follows specified local objective criteria.
- This measure would also allow a local government to pass an ordinance, notwithstanding any local restrictions on adopting zoning ordinances enacted by the jurisdiction, including restrictions enacted by a local voter initiative, that limit the legislative body's ability to adopt zoning ordinances, to zone any parcel for up to 10 units of residential density per parcel, at a height specified by the local government in the ordinance, and not be subject to CEQA.
- **League Position:** Pending

# Planning and Zoning

## **SB 1079 (Skinner) Residential Property Warehousing.**

- This measure would authorize a local agency to adopt an ordinance that imposes a civil penalty in an unspecified amount on an owner of residential property located within its jurisdiction if the residential property has been vacant for at least 90 calendar days and the property is owned by a corporation or a limited liability company in which at least one member is a corporation. The measure would require the local agency to earmark and use the moneys collected from the civil penalty for homeless diversion, rental assistance, and other affordable housing purposes.
- This measure would also allow a city, county, or city and county to acquire a residential property within its jurisdiction by eminent domain if the property has been vacant for at least 90 days, the property is owned by a corporation or a limited liability company in which at least one member is a corporation, and the local agency provides just compensation to the owner based on the lowest assessment obtained for the property by the local agency.
- **League Position:** Pending

# Planning and Zoning

## **SB 1138 (Wiener) Housing Element. Emergency Shelters. Zoning of Sites.**

- This measure would revise the requirements of the housing element to require emergency shelters in residential zones unless it is not possible or feasible.
- This measure would also, for the 6th and each subsequent revision of the housing element, require that a local government that fails to adopt a housing element that the Department of Housing and Community Development has found to be in substantial compliance with state law within 120 days of the statutory deadline to complete the rezoning no later than one year (instead of three years under current law) from the statutory deadline for the adoption of the housing element.
- **League Position:** Oppose

# Planning and Zoning

## **\*SB 1410 (Gonzalez. L) Housing. Local Development Decisions. Appeals.**

- This measure would establish a Housing Accountability Committee within the Housing and Community Development Department. The measure would set forth the committee's powers and duties, including the review of appeals regarding multifamily housing projects that cities and counties have denied or subjected to unreasonable conditions that make the project financially infeasible.
- This measure would require a local agency to carry out a committee order within 30 days of entry, and if the local agency fails to do so, the bill would authorize an applicant to enforce the committee orders in court and would entitle the applicant to attorney's fees and costs, as specified.
- **League Position:** Pending

# Accessory Dwelling Units (ADUs)

## **AB 953 (Ting) Accessory Dwelling Units (ADUs).**

- This measure would deem a permit application for the creation of an accessory dwelling unit or junior accessory dwelling unit approved if the local agency has not acted upon the completed application within 60 days.
- **League Position:** Pending

## **SB 773 (Skinner) Accessory Dwelling Units (ADUs)**

- This measure would deem a permit application for the creation of an accessory dwelling unit or junior accessory dwelling unit approved if the local agency has not acted upon the completed application within 60 days.
- **League Position:** Pending

# Affordable Housing

## **\*AB 2843 (Chu) Local Employer. Affordable Housing Fee.**

- This measure would require a city, county, or city and county to collect an additional annual fee from any applicant for a local business license in an amount depending on the number of employees employed by the business.
- The measure would require the local entity to create a fund, entitled the “Affordable Housing Assistance Fund,” in which the fees collected under these provisions would be deposited. The moneys in the fund would be used for first-time homebuyer programs, vouchers for individuals experiencing homelessness, funding and subsidizing affordable housing development projects, and rental assistance.
- **League Position:** Pending



# Homelessness

## **\*AB 1905 (Chiu) Housing and Homelessness Response Fund. Mortgage Interest Deduction.**

- This measure would entirely eliminate the option to claim the mortgage interest deduction (MID) on second homes. On qualified home loans acquired in 2018 or later for primary homes, the amount of interest a filer can claim would be reduced from the current level of \$1 million to \$750,000, conforming California's tax regulations with federal law. The savings from the elimination and reform of these tax deductions, which is estimated to be between \$400-\$500 million annually, would be redirected to the Housing and Homelessness Response Fund to alleviate California's homelessness crisis.
- **League Position:** Pending

# Homelessness

## **\*AB 1907 (Santiago) CEQA. Emergency Shelters, Supportive Housing, and Affordable Housing.**

- This measure would, until January 1, 2029, exempt from environmental review under CEQA certain activities in furtherance of providing emergency shelters, supportive housing, or affordable housing. The measure would require a lead agency that determines to carry out or approve an activity that is within this CEQA exemption to file a notice of exemption.
- **League Position:** Watch

# Homelessness

## **AB 2553 (Ting) Shelter Crisis Declaration.**

- This measure would allow a city, county, or city and county, in lieu of compliance with local building approval procedures or state housing, health, habitability, planning and zoning, or safety standards, procedures, and laws, may adopt by ordinance reasonable local standards and procedures for the design, site development, and operation of homeless shelters and the structures and facilities therein, to the extent that it is determined at the time of adoption that strict compliance with state and local standards or laws in existence at the time of that adoption would in any way prevent, hinder, or delay the mitigation of the effects of the shelter crisis.
- **League Position:** Pending

# Homelessness

## **AB 2988 (Chu) Planning and Zoning. Supportive Housing. Emergency Shelters.**

- Under Planning and Zoning Law, supportive housing is a use by right in zones where multifamily and mixed uses are permitted if the developer provides the planning agency with a plan for providing supportive services and the proposed housing development meets specified criteria, including that the housing development consist of 50 units or fewer if it is located in an unincorporated area of a county or city that has a population of fewer than 200,000 and a population of persons experiencing homelessness of 1,500 or fewer. This measure would, additionally, make supportive housing a use by right in zones where emergency shelters are permitted.
- **League Position:** Watch

# Homelessness

## **AB 3122 (Santiago) Housing Element. Emergency Shelters, Temporary Housing, and Supportive Housing.**

- Current law requires that the housing element include, among other things, an inventory of land suitable for residential development and an analysis of any special housing needs, such as those of the elderly, persons with disabilities, large families, farmworkers, families with female heads of households, and families and persons in need of emergency shelter.
- This measure would additionally require the inventory to include an analysis of potential sites available for the development of emergency shelters, temporary housing, and supportive housing necessary to provide shelter to the locality's homeless population.
- **League Position:** Pending

# Homelessness

## **AB 3300 (Santiago) Homelessness Grant Funds.**

- This measure would appropriate, commencing with the 2020–21 fiscal year and every fiscal year thereafter, without regard to fiscal year, \$2 billion from the General Fund to the Department of Housing and Community Development for the purpose of providing local jurisdictions and other specified entities with ongoing grant funds to sustain or expand efforts to address their immediate and long-term homelessness challenges.
- The measure would require \$1.1 billion to be distributed to counties and continuums of care, \$800 million to be distributed to cities with a population of at least 300,000, and \$100 million to nonprofit housing developers for specified purposes relating to the provision of housing. The measure would require the method of allocation to be based on a formula that considers specified data.
- **League Position:** Pending

# Questions?

# Mitigation Fees/Development Fees

## **AB 1484 (Grayson) Mitigation Fee Act.**

- This measure would prohibit a local agency from imposing a housing impact requirement adopted by the local agency on a housing development project unless specified requirements are satisfied by the local agency, including that the housing impact requirement be roughly proportional in both nature and extent to the impact created by the housing development project.
- **League Position:** Oppose

## **AB 1924 (Grayson) Housing Development Fees.**

- This measure would require that a fee levied or imposed on a housing development project by a local agency be proportionate to the square footage of the proposed unit or units.
- **League Position:** Pending



# Mitigation Fees/Development Fees

## **AB 2722 (McCarty) Development Fees and Charges. Deferral.**

- This measure would prohibit a noncompliant local agency, as defined, that imposes any fees or charges on a qualified development, as defined, from requiring the payment of those fees or charges until 20 years from the date of the final inspection, or the date the certificate of occupancy is issued, whichever occurs first.
- “Noncompliant local agency” means a local agency that did not meet its regional housing needs during the most recent complete regional housing needs assessment cycle and for the current regional housing needs assessment cycle.
- **League Position:** Oppose

# Mitigation Fees/Development Fees

## **AB 3144 (Grayson) Housing Cost Reduction Incentive Program.**

- This measure would establish the Housing Cost Reduction Incentive Program, to be administered by the Department of Housing and Community Development, for the purpose of reimbursing cities, counties, and cities and counties for development impact fee waivers or reductions provided to qualified rental housing developments. Upon appropriation, the bill would require the department to provide grants to applicants in an amount equal to 50% of the amount of development impact fee waived or reduced for a qualified rental housing development by issuing a Notice of Funding Availability for each calendar year in which funds are made available for the program.
- **League Position:** Pending

# Mitigation Fees/Development Fees

## **AB 3145 (Grayson) Local Government. Housing Development Projects. Fees and Exactions Cap.**

- This measure would prohibit a city or county from imposing a specified fee or exaction if the total dollar amount of the fees and exactions that a city or county would impose on a proposed housing development is greater than 12 percent of the city's or county's median home price unless approved by the Department of Housing and Community Development.
- The measure would authorize a city or county to seek approval from the department to impose a fee or an exaction that would result in the total dollar amount of fees and exactions exceeding that limitation by making a specified finding and submitting a completed application for a waiver.
- **League Position:** Oppose

# Mobile Homes

## **AB 2690 (Low) Mobilehome Parks. Local Ordinances. Rent Stabilization.**

- This measure would require each city, county, or city and county, shall, by January 1, 2023, do one of the following: 1) Adopt a mobilehome park rent stabilization ordinance; or 2) Adopt and submit to the Department of Housing and Community Development, in writing, a justification as to why a mobilehome park rent stabilization ordinance is not necessary for the city, county, or city and county.
- **League Position:** Pending

# Tax Increment Financing

## **SB 795 (Beall) Affordable Housing and Community Development Investment Program.**

- This measure would establish the Affordable Housing and Community Development Investment Program, which would be administered by the Affordable Housing and Community Development Investment Committee.
- The measure 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. This measure would provide up to \$2 billion annually for affordable housing, infrastructure, and community revitalization.
- **League Position:** Support

# League's Housing Production Proposal

## **League's Housing Production Proposal Update**

# League's Housing Production Proposal

## League's Housing Production Proposal

**Near-term Actions** – New funding, immediate local actions to spur housing construction and address barriers to housing construction beyond the control of local governments.

**Longer-term Actions** – Update Housing Element 6th Cycle and prioritize housing density and site identification near transit, downtown, commercial corridors, etc., in order to comply with existing law.

# League's Housing Production Proposal

## League's Housing Production Proposal

### Near-term Actions:

- New funding to support needed affordable housing and infrastructure.
  - SB 795 (Beall) Affordable Housing and Community Development Investment Program.
    - Up to \$2 billion annual state investment via tax increment in infrastructure, affordable housing and revitalizing neighborhoods.
    - 50 percent of funds must support affordable housing.
    - Builds off of existing TIF tools - CRIA, EIFD, affordable housing authority, and transit village development district.



# League's Housing Production Proposal

## League's Housing Production Proposal

### **Near-term Actions** (continued):

- ACA 1 (Aguiar-Curry) Affordable Housing and Public Infrastructure. Voter Approval.
  - Proposes to amend the California Constitution, subject to approval by voters at a statewide election, to allow a city, county, or special district, with 55% voter approval, to incur bonded indebtedness or impose specified special taxes to fund projects for affordable housing, permanent supportive housing, or public infrastructure.

# League's Housing Production Proposal

## League's Housing Production Proposal

### **Near-term Actions** (continued):

- Cities will take (some) immediate actions (already adopted actions would qualify) that work best in their community:
  - Adopt an ADU ordinance.
  - Streamline housing approval processes.
  - Reduce development fees.
  - Develop objective design review standards.
  - Adopt an inclusionary housing ordinance.
  - Establish a local housing trust.
  - Restrict demolition of existing housing stock.
  - Allow up to fourplexes in single-family zones.

# League's Housing Production Proposal

## League's Housing Production Proposal

### **Near-term Actions** (continued):

- Cities will take (some) immediate actions (already adopted actions would qualify) that work best in their community:
  - Establish an Enhanced Infrastructure Financing District (EIFD) or a similar financing tool.
  - Increase allowable heights and densities.
  - Adopt TOD plans.
  - Reduce parking requirements.
  - Adopt tenant protections.
  - Establish a Workforce Housing Opportunity Zone (WHOZ) or a Housing Sustainability District.

# League's Housing Production Proposal

## League's Housing Production Proposal

### **Near-term Actions** (continued):

- Remove barriers to housing construction that local governments do not control:
  - Construction costs.
  - New building codes.
  - CEQA costs and delays.
  - Financing.

# League's Housing Production Proposal

## League's Housing Production Proposal

### Longer-term Actions:

- To accommodate much higher RHNA allocations and align local planning documents with state priority development areas, cities will prioritize housing density and housing site identification near key transit infrastructure, downtown areas, and commercial corridors.
- Accommodate as much of the housing unit allocation in these areas before other locations are considered.

# Questions?

Jason Rhine, Assistant Legislative  
Director at [Jrhine@cacities.org](mailto:Jrhine@cacities.org)



Thank you and stay safe!

Next HCED Policy Committee Meeting:  
Friday, June 5, South San Francisco\*  
*\*(Subject to Change)*