

Mayors & Council Members Executive Forum

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Housing Legislation Update

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Political Landscape

- Governor Newsom won election by 22 points.
- Governor has very ambitious housing production goals – 3.5 million by 2025.
- Assembly – 61 Dems and 19 Reps.
- Senate – 29 Dems and 11 Reps.
- Super majority party is progressive on housing policy.
- Nearly all housing bills are simple majority vote.

Governor Newsom's State of the State

- "If we want a California for All, we have to build housing for all."
- "I don't intend to file suit against all 47, but I'm not going to preside over neglect and denial." (*standing ovation*)

2019 Legislative Session

- 1st year of the two-year session.
- 2,700 bills introduced this year.
- 200 plus pertain to housing and land use.
- Little more than halfway through the year.
- Several high profile bills amended or dead for the year.
- Next three weeks are critical.
- Legislature adjourns for summer recess on July 12th.

FY 2019/2020 State Budget

FY 2019/2020 State Budget

Short-Term Planning and Infill Infrastructure Grants

- \$750 million in one-time funding is allocated to increase housing production and provide technical assistance to local governments. These include:
 - \$250 million for technical assistance for local governments and Councils of Government (COG) to develop plans that include but are not limited to: streamline housing approvals, complete California Environmental Quality Act (CEQA), improve permitting or rezone to increase density; and
 - \$500 million for the Infill Infrastructure Grant Program administered by the Department of Housing and Community Development (HCD).
 - Implementing budget trailer bill still pending.

FY 2019/2020 State Budget

Housing Tax Credits/Moderate-Income Housing Production

- \$1 billion to help spur the production of housing that is affordable to moderate-income and low-income households. These include:
 - \$500 million for the development of moderate-income housing. The California Housing Finance Agency will expand the existing Mixed-Income Loan Program that provides a lower subsidy than traditional state housing programs.

FY 2019/2020 State Budget

Housing Tax Credits/Moderate-Income Housing Production

- \$500 million, and up to \$500 million annually thereafter, upon appropriation, for affordable housing tax credits as follows:
 - \$300 million to the existing housing tax credit program that targets new construction projects that pair with the underutilized 4 percent federal tax credit program.
 - \$200 million to a new program targeting housing projects for households earning between 60 and 80 percent of area median income.

FY 2019/2020 State Budget

\$650 Million for Homelessness

- One-time funding for jurisdictions that site and build emergency shelters, navigation centers or supportive housing.
- Unclear how this new funding will be distributed to cities, COCs, and counties. The allocation amounts will be determined in an upcoming budget trailer bill that will be voted on in the next couple of weeks.

Key Legislative Proposals



“Not so Good” Bills

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Key Bills Dead for the Year

SB 4 (McGuire) Housing Density.

- Requires up to fourplexes on vacant lots in single-family neighborhoods, by-right housing approvals.
- TOD heights one-story above existing heights; based on city population.

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SB 50 (Wiener) Housing Development Incentives.

- Upzones around transit.
- Limits single-family only zoning.
- Increases density.
- Limits or eliminates parking requirements.
- Awards Density Bonus incentives.

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AB 1279 (Bloom) High Resource Areas.

- Requires HCD to determine “high-resource areas”, areas of high opportunity and low residential density not experiencing displacement or gentrification.
- Requires by-right approval for up to 100 units and 55 ft, if the project meets affordability requirements and site limitations.

Key Bills Still Active

SB 592 (Wiener) Housing Accountability Act (HAA).

- Applies the HAA to a housing project that proposes a single residential unit (including an accessory dwelling unit); and the addition of one or more bedrooms to an existing residential unit.
- Allows a court to award compensatory damages to the applicant, housing organization, or potential resident of the housing project.
- Applies the HAA to apply to “ministerial or use by right” decisions [such as those made under SB 35]. This may mean that fines and compensatory damages could be awarded against a city that makes a ministerial or use by right decision that a court determines is unlawful.

SB 330 (Skinner) Housing Crisis Act of 2019.

- Declares a statewide housing crisis and for a five-year period.
- Creates a “preliminary” housing project application, which upon submittal, limits the number of public hearings, freezes nearly all project related fees, and starts the approval timeline before an application is deemed complete.

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SB 330 (Skinner) Housing Crisis Act of 2019.

- Locks in place nearly all fees imposed on a housing project once a developer submits a “preliminary” application. Developers would have up to three years to begin construction and not be subject to any new fee.
- Prohibits a city from imposing any fee, except CEQA related fees, after the submittal of a “preliminary” application. This would essentially ban project specific fees because these fees cannot be determined until a city fully analyzes the project.

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AB 1763 (Chiu) Density Bonus. Affordable Housing.

- Greatly expands existing Density Bonus Law by requiring, at the request of a developer, for 100 percent affordable housing projects, a city or county must award an 80 percent density bonus and four incentives and concessions.
- For 100 percent affordable housing projects within one-half mile of a major transit stop or high quality bus corridor, a city or county would be required to allow unlimited density, four incentives and concessions, and up to three additional stories

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AB 68 (Ting) Accessory Dwelling Units.

- Significantly amends the statewide standards that apply to locally-adopted ordinances concerning accessory dwelling units (ADUs).
- Prohibits minimum lot size requirements.
- Requires at least 800 sq.ft. per ADU.
- Requires approval within 60 days, and prohibits owner occupancy requirements.

AB 881 (Bloom) Accessory Dwelling Units.

- Prohibits a local jurisdiction from requiring a property owner live in the main house or one of the accessory structures.
- Requires local agencies to ministerially approve ADUs on lots with multi-family residences and within existing garages.
- Adds a definition of "public transit" to mean a bus stop, bus line, light rail, street car, car share drop off or pick up, or heavy rail stop.

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AB 1484 (Grayson) Mitigation Fee Act.

- Requires, for certain types of housing development projects, each city and county to post each fee that is applicable to that project, on the city or county's website.
- This measure is also intended to implement the recommendations contained in the Mitigation Fee Act study that is scheduled for release on July 1, 2019.



Now for Some “Good” Bills

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Tenant Protections

AB 1110 (Friedman) Rent Increases. Noticing.

- Expands existing notice requirements to 120 days if the rent increase is more than 15%.

SB 329 (Mitchell) Discrimination. Housing. Source of Income.

- Expands “source of income” definition to include state, federal, or local funds, and housing vouchers.

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Affordable Housing

AB 10 (Chiu) Low-Income Tax Credit.

- Increase the state's Low Income Housing Tax Credit by \$500 million to build and rehabilitate much needed affordable housing.

SB 5 (Beall/McGuire) Affordable Housing and Community Development Investment Program.

- Creates a local-state partnership to provide up to \$2 billion annually to fund state-approved affordable housing, infrastructure, and economic development projects that also support state policies to reduce greenhouse gas emissions.
- Expands transit oriented development (TOD).
- Address poverty, and revitalize neighborhoods.
- Provides RDA-type ongoing financing for these important projects.

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Economic Development

SB 128 (Beall) Enhanced Infrastructure Financing Districts. Bonds. Issuance.

- Removes the existing 55 percent vote requirement from EIFD's to issue bonds.

AB 213 (Reyes) Annexation Financing.

- Restores funding to 140 cities that lost funds following the annexation of inhabited territory.
- Reestablishes previous fiscal incentives for cities that annex inhabited territory.

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Economic Development

ACA 1 (Aguiar-Curry) Local Government Financing. Affordable Housing And Public Infrastructure. Voter Approval.

- Reduces the local vote threshold for local bonds and taxes to invest in infrastructure and affordable housing from 2/3rds to 55 percent.



Questions?



Thank you!