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**SENATE COMMITTEE ON HOUSING**

**Senator Scott Wiener, Chair**

**2019 - 2020 Regular**

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<b>Author:</b>	Wiener		
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<b>Urgency:</b>	No	<b>Fiscal:</b>	Yes
<b>Consultant:</b>	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 at 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	<ul style="list-style-type: none"> <li>• 15% low income OR</li> <li>• 8% very low income OR</li> <li>• 6% extremely low income OR</li> <li>• Comparable affordability contribution toward housing offsite affordable to lower income households.</li> </ul>
201 – 350 units	<ul style="list-style-type: none"> <li>• 17% low income OR</li> <li>• 10% very low income OR</li> <li>• 8% extremely low income OR</li> <li>• Comparable affordability contribution toward housing offsite affordable to lower income households</li> </ul>
351 units or more	<ul style="list-style-type: none"> <li>• 25% low income OR</li> <li>• 15% very low income OR</li> <li>• 11% extremely low income OR</li> <li>• Comparable affordability contribution toward housing offsite affordable to lower income households</li> </ul>

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  $\frac{1}{4}$  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  $\frac{1}{4}$  and  $\frac{1}{2}$  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 in compliance, 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 Turner 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
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<b>Density</b>	- Metro areas: min. 30 units/acre - Suburban: min. 20 units per acre	No limit
<b>Parking</b>	- 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
<b>Concessions and Incentives</b>	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
<b>Waivers or Reductions of Dev't Standards</b>	Existing design review applies	Must comply with all relevant standards, including architectural design
<b>Height</b>	One story over allowable height	No less than 45' or 55' (depending on proximity to transportation)
<b>FAR</b>	.6 times the number of stories	No less than 2.5 or 3.25 (depending on proximity to transit)
<b>Streamlining</b>	Ministerial Review	No new streamlined approvals, but may qualify under existing law (SB 35)
<b>Reduced Fees</b>	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
<b>Density</b>	- Urban Cities (<50,000): 2 units - Non-Urban (>50,000): 4 units	No limit
<b>Parking</b>	.5 spaces per unit	.5 spaces per unit
<b>Concessions and Incentives</b>	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
<b>Waivers or Reductions of Dev't Standards</b>	Existing design review applies	Must comply with all relevant standards, including architectural design
<b>Height</b>	Meet existing zoning requirements	None ( <i>can use one of the C/I or W/R of design standards</i> )
<b>FAR</b>	Meet existing zoning requirements	None ( <i>can use one of the C/I or W/R of design standards</i> )
<b>Streamlining</b>	Ministerial Review	No new streamlined approvals, but may qualify under existing law (SB 35)
<b>Reduced Fees</b>	- 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. SouthLA, 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 --**