



California's 2017 Legislative Housing Package

Major Components¹



Provides critical funding for new affordable homes

- Imposes a \$75 fee on recording of real estate documents (excluding sales) for investment in affordable-home development.
- Places a \$4 billion general obligation bond on the November 2018 general election ballot for veterans and affordable housing programs.

Accelerates development to increase housing supply

- Creates a streamlined approval process for certain developments in cities/counties that have not yet met their legally mandated housing targets.
- Authorizes HCD to provide one-time planning funds and technical assistance to cities/counties to help them streamline housing production.
- Authorizes financial incentives for cities/counties that streamline development of housing in specific areas of their jurisdiction.

Holds cities/counties accountable for addressing housing needs in their communities

- Authorizes increased enforcement of state housing-planning ("housing element") law and enables HCD to refer violations to the Attorney General.
- Strengthens housing-planning law to ensure appropriate land is available for new development and increases transparency on local government progress in meeting legally mandated housing targets.
- Creates a \$10,000 per unit penalty on cities/counties that deny (for unjustified reasons) approval of new homes affordable to low or moderate income Californians.

Creates opportunities for new affordable homes and preserves existing affordable homes

- Makes California's "farmworker housing tax credit" more attractive to developers.
- Creates additional tracking and enforcement responsibilities to ensure compliance with state housing-preservation laws.
- Allows the legislative body of a city/county the option to require a certain amount of low-income housing in any new residential rental developments.

¹ In order of reference: SB 2 (Atkins), SB 3 (Beall), SB 35 (Wiener), AB 73 (Chiu), SB 540 (Roth), AB 72 (Santiago), AB 1397 (Low), AB 879 (Grayson), AB 166 (Skinner), AB 678 (Bocanegra)/SB 167 (Skinner) AB 1515 (Daly), AB 571 (E. Garcia), AB 1521 (Bloom), and AB 1505 (Bloom)



CALIFORNIA'S 2017 LEGISLATIVE HOUSING PACKAGE

Streamline Housing Development

Planning & Zoning	<p>SB 35 (Wiener) Streamline Approval Process <i>Opt-in program for developers</i></p> <p>Creates a streamlined approval process for developments in localities that have not yet met their housing targets, provided that the development is on an infill site and complies with existing residential and mixed use zoning.</p> <p>Participating developments must provide at least 10 percent of units for lower-income families. All projects over 10 units must be prevailing wage and larger projects must provide skilled and trained labor.</p>
Planning & Zoning	<p>AB 73 (Chiu) Streamline and Incentivize Housing Production <i>Opt-in program for jurisdictions and developers</i></p> <p>Provides state financial incentives to cities and counties that create a zoning overlay district with streamlined zoning. Development projects must use prevailing wage and include a minimum amount of affordable housing.</p>
Planning & Zoning	<p>SB 540 (Roth) Workforce Housing Opportunity Zones <i>Opt-in program for jurisdictions</i></p> <p>Authorizes the state to provide planning funds to a city or county to adopt a specific housing development plan that minimizes project level environmental review. Requires at least 50 percent of total housing units within that plan to be affordable to persons or families, at or below moderate income, with at least 10 percent of total units affordable for lower income households. Development projects must use prevailing wage.</p>

Accountability and Enforcement

Amends Housing Accountability Act	<p>AB 678 (Bocanegra)/SB 167 (Skinner) Strengthen the Housing Accountability Act</p> <p>Strengthens the Housing Accountability Act by increasing the documentation necessary and the standard of proof required for a local agency to legally defend its denial of low and moderate-income housing development projects, and requires courts to impose a fine of \$10,000 or more per unit on local agencies that fail to legally defend their rejection of an affordable housing development project.</p>
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Accountability and Enforcement (Continued)	
Amends Housing Accountability Act	AB 1515 (Daly) Reasonable Person Standard States that a housing development conforms with local land use requirements if there is substantial evidence that would allow a reasonable person to reach that conclusion.
Amends Housing Element Law	AB 72 (Santiago) Enforce Housing Element Law Authorizes HCD to find a jurisdiction out of compliance with state housing law at any time (instead of the current eight-year time period), and refer any violations of state housing law to the Attorney General if it determines the action is inconsistent with the locality's adopted housing element.
Amends Housing Element Law	AB 1397 (Low) Adequate Housing Element Sites Requires cities to zone more appropriately for their share of regional housing needs and in certain circumstances require by-right ¹ development on identified sites. Requires stronger justification when non-vacant sites are used to meet housing needs, particularly for lower income housing.
Amends Existing Housing Law	SB 166 (Skinner) No Net Loss Requires a city or county to identify additional low-income housing sites in their housing element when market-rate housing is developed on a site currently identified for low-income housing.
Amends Existing Reporting Requirements	AB 879 (Grayson) and Related Reporting Bills Make various updates to housing element and annual report requirements to provide data on local implementation including number of project application and approvals, processing times, and approval processes. Charter cities would no longer be exempt from housing reporting. Requires HCD to deliver a report to the Legislature on how local fees impact the cost of housing development.

¹ Current housing law defines by-right as local government review of a project may not require a conditional use permit or other discretionary action that would constitute a “project” under the California Environmental Quality Act

Create and Preserve Affordable Housing	
Ongoing Source	<p>SB 2 (Atkins) Building Jobs and Homes Act</p> <p>Imposes a fee on recording of real estate documents excluding sales for the purposes of funding affordable housing. Provides that first year proceeds will be split evenly between local planning grants and HCD's programs that address homelessness. Thereafter, 70 percent of the proceeds will be allocated to local governments in either an over-the-counter or competitive process. Fifteen percent will be allocated to HCD, ten percent to assist the development of farmworker housing and five percent to administer a program to incentivize the permitting of affordable housing. Fifteen percent will be allocated to CalHFA to assist mixed-income multifamily developments.</p>
Affordable Housing Bond	<p>SB 3 (Beall) Veterans and Affordable Housing Bond Act</p> <p>Places a \$4 billion general obligation bond on the November 2018 general election ballot. Allocates \$3 billion in bond proceeds among programs that assist affordable multifamily developments, housing for farmworkers, transit-oriented development, infrastructure for infill development, and homeownership. Also funds matching grants for Local Housing Trust Funds and homeownership programs. Provides \$1 billion in bond proceeds to CalVet for home and farm purchase assistance for veterans.</p>
Land Use: Zoning Regulations	<p>AB 1505 (Bloom) Inclusionary Ordinances</p> <p>Authorizes the legislative body of a city or county to require a certain amount of low-income housing on-site or off-site as a condition of the development of residential rental units.</p>
Amends Preservation Noticing law	<p>AB 1521 (Bloom) Preserve the Existing Affordable Housing Stock</p> <p>Requires the seller of a subsidized housing development to accept a bonafide offer to purchase from a qualified purchaser, if specified requirements are met. Gives HCD additional tracking and enforcement responsibilities to ensure compliance.</p>
Amends Farmworker Housing and Office of Migrant Services Programs	<p>AB 571 (E. Garcia) Low-Income Housing Credits for Farmworkers</p> <p>Makes modifications to the state's farmworker housing tax credit to increase use. Authorizes HCD to advance funds to operators of migrant housing centers at the beginning of each season to allow them to get up-and-running. Extends the period of time that migrant housing centers may be occupied up to 275 days.</p> <p style="text-align: right;">3</p>