

City Council Memorandum

City of Arts & Innovation

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TO: HONORABLE MAYOR AND CITY COUNCIL DATE: FEBRUARY 8, 2022

FROM: COMMUNITY & ECONOMIC DEVELOPMENT WARDS: ALL
DEPARTMENT

SUBJECT: 2021 CALIFORNIA HOUSING BILLS UPDATE

ISSUE:

Receive and file a summary of the California Legislature’s 2021 Housing Bills with an update on the potential impacts for the City of Riverside.

RECOMMENDATION:

That the City Council receive and file the staff report on the California Legislature’s 2021 Housing Bills.

HOUSING AND HOMELESSNESS COMMITTEE:

On December 20, 2021, the Housing and Homelessness Committee (Committee) received an update on Housing Legislation signed into law by Governor Newsom in 2021 and recommended that City Council receive and file the update. The staff report summarizes the bills and categorizes them based on potential impact to the City: low, moderate, and high impact (Attachments 1 and 2). The Committee requested additional information or clarification on five Bills as follows:

- AB 1029 (Low Impact) - The Committee inquired about the City’s Pro-Housing policies and approach. The Housing Element, recently adopted by City Council, includes Pro-Housing Policies to protect affordable housing. The Housing Authority will continue to maintain and track the affordable housing projects with covenants.
- SB 10 (Low Impact) - The Committee inquired on what the process would be for the City to “opt-in” to the residential density increases authorized under SB 10. Staff indicated that City Council has the option to change the zoning per the State Legislation. Staff prepared a map (Attachment 3) showing the City’s transit-rich areas (half-mile radius around the Magnolia/Market/University corridor and the three Metrolink stations) indicating the areas that could potentially be impacted by this Bill if City Council chooses to move forward.
- AB 1584 (Moderate Impact) - The Committee inquired about the changes to noticing requirements on terminating affordability covenants. Staff explained that the noticing requirement is that the owner must notify all affected tenants at least 12 months prior to the anticipated date of the termination of a subsidy contract, the expiration of rental

restrictions, or prepayment on an assisted housing development. These noticing requirements were previously in the state law. The Committee report incorrectly stated that the Bill modified these noticing requirements. AB 1584 made no changes to the noticing requirements.

- AB 602 (High Impact) - The Committee inquired about potential effects to City Departments related to the requirement for the nexus study for impact fees. The City is currently updating the fee schedule which includes several impact fees from both the Public Works Department and the Parks, Recreation and Community Services Department. In the next Fee Study, the City will be required to update fees at a minimum of 8-year intervals and tie those fees to the scale of the development. The nexus study requirement does not apply to the establishment or modification of application fees, user fees, or other non-impact related fees.
- SB 9 (High Impact) - The Committee inquired if staff have prepared a map indicating the areas of the City where SB 9 would apply. Staff developed a map (Attachment 4) that identifies the areas of the City that are impacted and those that have been excluded (fire hazard severity zones, flood zones, historic districts, agricultural lands protected by a local ballot initiative, etc.).

LEGISLATIVE HISTORY:

In September 2021, Governor Gavin Newsom signed 31 housing bills to promote housing production across the State by streamlining the approval process, establishing more local accountability, encouraging greater affordability, and allowing for more density.

BACKGROUND:

The State of California has been facing an increasing housing shortage for the past few years. The housing shortage is a result of housing production not keeping up with the need for a variety of reasons, including, but not limited to the following: high land costs, neighborhood opposition to new housing, environmental regulations, population growth, growing income disparity, cost of construction, and local and State regulations.

The State of California has identified the shortage of housing as a legislative priority. The housing shortage impacts the California economy, contributes to the homelessness crisis, and results in longer commutes, which increases greenhouse gas emissions, air pollution, and poor health. In September 2021, Governor Newsom signed 31 bills into law addressing the State's housing crisis (Attachment 2).

The bills generally fall into the following categories: Accessory Dwelling Unit (ADU) Regulations (1 Bill), Affordable Housing (4 Bills), Tax Credits (1 Bill), Density Bonus (4 Bills), Enforcement (1 Bill), Housing Elements (6 Bills), Impact Fees (1 Bill), Process (3 Bills), Public Financing (1 Bill), Real Estate (3 Bills), Senior Housing (1 Bill), Statewide Housing Plan (1 Bill), Surplus Land (2 Bills), Zoning (1 Bill) and an Omnibus Package – many topics (1 Bill).

DISCUSSION:

Of the 31 Bills, staff has determined that nine (9) will have low impacts to the City of Riverside as they are the responsibility of other agencies. These bills include AB 68, AB 447, AB 948, AB 1095, AB 1297, AB 1466, SB 263, SB 281, and SB 281.

Nine (9) Bills that are the responsibility of the City will likely have moderate impacts on the City. These include AB 345, AB 491, AB 1043, AB 1584, SB 8, SB 290, SB 478, SB 591, and SB 728.

Three (3) Bills that are the responsibility of the City of Riverside will likely have high impacts on the City of Riverside. These include AB 602, AB 838, and SB 9.

The Housing and Homelessness Committee report (Attachment 1) summarizes the 31 bills and provides a brief description of each of them. The Bill Summary (Attachment 2) also provides a hyperlink directly to the Bill language.

STRATEGIC PLAN ALIGNMENT:

The Housing Legislation Update to the City Council supports **Strategic Priority 2 – Community Well-Being** and **Goals 2.1, 2.2 and 2.4.**

This update aligns with each of the Cross-Cutting Threads as follows:

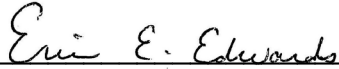
1. **Community Trust** – The Update aligns with the Community Trust Cross-Cutting Thread as the update provides needed information for both the City Council members and the public on changes to housing related legislation recently signed into law by the State.
2. **Equity** – The Update aligns with the Equity Cross-Cutting Thread in that it provides information on State Legislation that relates to further housing opportunities for all residents in the City.
3. **Fiscal Responsibility** – The Update aligns with the Fiscal Responsibility Cross-Cutting Thread as changes to regulations to housing projects will help to streamline housing projects and provide additional housing options for all residents.
4. **Innovation** - The proposed project aligns with the Innovation Cross-Cutting Thread as it will result in updated processes and regulations that promote innovation and creativity in future housing developments.
5. **Sustainability and Resiliency** – The proposed project aligns with the Sustainability and Resiliency Cross-Cutting Thread as it considers existing and future housing needs for residents.

FISCAL IMPACT:

There is no fiscal impact associated with City Council receiving and filing this report.

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Approved by: Rafael Guzman, Assistant City Manager
Approved as to form: Phaedra A. Norton, City Attorney

Concurs with;



Erin Edwards, Chair
Housing and Homelessness Committee

Attachments:

1. Housing and Homelessness Committee Report - December 20, 2021 Potentially Impacted Areas – SB 10
2. Summary of Housing Legislation
3. Potentially Impacted Areas – SB 10
4. Potentially Impacted Areas – SB 9
5. Presentation