



Housing and Homelessness Committee Memorandum

City of Arts & Innovation

TO: HOUSING AND HOMELESSNESS COMMITTEE DATE: DECEMBER 20, 2021

FROM: COMMUNITY & ECONOMIC DEVELOPMENT DEPARTMENT WARDS: ALL

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 and direct staff to present an update to City Council.

RECOMMENDATIONS:

That the Housing and Homelessness Committee:

1. Receive and file the staff report on the California Legislature's 2021 Housing Bills; and
2. Direct staff to present an update to City Council.

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 Newsome signed 31 bills into law addressing the State's housing crisis (Attachment 1).

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:

Attachment 1 summarizes the 31 bills with a brief description and hyperlink directly to the Bill language. Of the 31 Bills, nine (9) will have low impacts to the City of Riverside as they are the responsibility of the Bureau of Real Estate (SB 263, AB 948 and AB 1466), the California Tax Credit Allocation Committee (AB 447), Infrastructure and Economic Development Bank – IBANK (AB 1297), State Housing and Community Development Department (AB 68 and SB 791), Strategic Growth Council (AB 1095) and one applies only to the City of South Pasadena (SB 281).

Bills with Low Impact

Ten (10) Bills that are the responsibility of the City will likely have low impacts. These include:

1. AB 215 (Chiu) – Planning and Zoning Law: Housing Element: Violations
 - A. Requires draft Housing Element updates to be made available for 30 days of public review and 10 days of revision prior to submitting for the Department of Housing and Community Development (HCD) review; requires subsequent revisions to be posted online and sent to interested parties; increases HCD review time from 60 to 90 days; authorizes the Attorney General or HCD to bring action against local agencies when the Housing Accountability Act (HAA) is violated.
 - B. City Council recently adopted the 6th Cycle Housing Element (October 5, 2021). Planning will ensure that the 7th Cycle Housing Element update (2029) complies with the updated public review period of 30 days prior to submittal to HCD.
2. AB 571 (Mayes) – Density Bonus
 - A. Prohibits affordable housing linkage or impact fees from being imposed on affordable units in Density Bonus projects.
 - B. Planning will coordinate with the Housing Authority to ensure that no linkage fees or impact fees are applied to affordable units in Density Bonus projects.
3. AB 634 (Carrillo) – Density Bonus
 - A. Clarifies that the Density Bonus Law does not prohibit jurisdictions from requiring affordability periods longer than 55 years.
 - B. Planning will be updating the Density Bonus Ordinance as part of the funding received from SB 2 (anticipated in 2022). Current language in Title 19.545.070, this time frame is set at 45 years for single-family residential and 55 years for multi-family residential for projects with direct contribution from the City (cost of infrastructure, write-down of land costs, subsidizing cost of construction). If City Council directs, as the Ordinance is updated, the duration of the affordability may be modified.

4. AB 721 (Bloom) – Affordable Housing

- A. Makes deed restrictions that limit the number of units, number of families/persons, size, or location of units, etc., unenforceable against affordable housing development.
- B. Working with the City Attorney's office, the Housing Authority and Planning Division will ensure that deed restrictions limiting the number of units, families/persons, size or location of units are not placed on affordable housing during the approval process. In addition, the City cannot deny or turn away an application that has a deed restriction with these limitations.

5. AB 787 (Gabriel) Planning and zoning: housing element: converted affordable housing units

- A. Allows jurisdictions to count market-rate units that are converted to affordable units toward up to 25% of their Moderate-Income Regional Housing Needs Allocation (RHNA).
- B. City Council recently adopted the 6th Cycle Housing Element (October 5, 2021). For the Annual Progress Report due to the State each year, Planning will monitor, track, and report any converted units as part of the affordable RNHA obligation.

6. AB 1029 (Mullin) – Housing Elements: Pro-Housing Local Policies

- A. Adds the preservation of affordable housing units through the extension of existing project-based rental assistance covenants to avoid the displacement of affected tenants and a reduction in available affordable housing units to the list of specified pro-housing local policies.
- B. The Housing Authority maintains a list of projects with covenants for affordable housing. The Housing Authority will evaluate and extend existing rental assistance covenants as requested to protect affordable units.

7. AB 1174 (Grayson) – Planning and Zoning: Housing: Development Application Modifications, Approvals, and Subsequent Permits

- A. Makes changes to the existing streamlined, ministerial SB 35 approval process for housing development in jurisdictions that have not yet made enough progress towards their allocation of their regional housing needs by extending the time limit for commencing construction on SB 35 projects from three years to indefinite, provided the project meets certain criteria.
- B. The recently adopted the 6th Cycle Housing Element and accompanying rezoning program exceeds the RHNA obligation with an approximately 15% buffer to ensure compliance. To date, the City has not received an application for residential development pursuant to the streamlined provisions of SB 35; however, should such an application be received and approved, that project could be eligible for the extended approval period provided by this legislation.

8. AB 1304 (Santiago) – Affirmatively Further Fair Housing (AFFH): Housing Element: Inventory of Land

- A. Clarifies AFFH requirements for local jurisdictions including demonstrating compliance with AFFH in the selection of the housing inventory sites.
- B. The City Council recently adopted the 6th Cycle Housing Element and accompanying rezoning program. The Housing Element includes a Technical Background Report showing how the AFFH requirements are considered and met. The 7th Cycle update in 2029 will consider future requirements of the AFFH.

9. AB 1398 (Bloom) – Planning and Zoning: Housing Element: Rezoning of Sites: Pro-Housing Local Policies

- A. Changes the compliance deadline for housing element rezoning programs from 3 years to 1 year for jurisdictions that fail to adopt a compliant Housing Element by the deadline. Provides that jurisdictions that timely adopt a 6th Cycle Housing Element by the deadline will have satisfied an applicable 6th-Cycle mid-cycle (4-year) update.
- B. The City Council recently adopted the 6th Cycle Housing Element and accompanying rezoning program, meeting the October 15, 2021 deadline. For the 7th Cycle – due in 2029 – these deadlines may apply, unless there are additional changes to State law that would modify these deadlines before the next Cycle is due.

10. SB 10 (Wiener) – Planning and Zoning: Housing Development: Density

- A. Creates a voluntary process for local governments to access a streamlined zoning process for new multi-unit housing near transit or in urban infill areas, with up to 10 units per parcel. The legislation simplifies the CEQA requirements for up-zoning, giving local leaders another tool to voluntarily increase density and provide affordable rental opportunities to more Californians.
- B. Through Streamline Riverside, the housing development approval process has been streamlined. For those sites included as Opportunity Sites in the 6th Cycle Housing Element, only Design Review approval will be required for residential development. Planning will ensure that any CEQA requirements for up-zoning follow State legislation.

Moderate Impact Bills

Nine (9) Bills that are the responsibility of the City will likely have moderate impacts on the City. These include:

1. AB 345 (Quirk-Silva) – Accessory Dwelling Units: Separate Conveyance

- A. Requires each local agency to allow an accessory dwelling unit to be sold or conveyed separately from the primary residence if certain conditions are met, including that the property was built or developed by a qualified non-profit corporation and that the property is held pursuant to a recorded tenancy in common agreement.
- B. The Planning Division is currently updating the ADU Ordinance. Currently, the provision for a non-profit to sell an ADU is included in Title 19. As the ADU Ordinance update is completed, any tenancy agreement will include the delineation of areas of property for each co-tenant and the responsibility related to taxes, insurance, etc. and process for any dispute resolution.

2. AB 491 (Gonzalez) – Common Entrances

- A. Requires that mixed-income multifamily structures provide the same access to the common entrances, common areas, and amenities of the structure to occupants of the affordable housing units in the structure as is provided to occupants of the market-rate housing units. The bill also prohibits a mixed-income multifamily structure from isolating the affordable housing units within the structure to a specific floor or an area on a specific floor.

- B. During the application review process, The Planning Division will ensure that all entrances, common areas and amenities are open and accessible to all residents within the development. The Housing Authority will oversee the affordable units and ensure they are located in areas that meet this statute.
- 3. AB 1043 (Bryan) – Housing Programs: Rental Housing Developments: Affordable Rent
 - A. Creates a new income category for affordable housing: Acutely Low-Income – less than 15% AMI (adjusted for family size) and limits housing development receiving certain types of assistance to acutely low-income households.
 - B. The Housing Authority will ensure compliance with new calculation of rent amounts for households that meet the definition of acutely low-income. These rents are calculated annually by HCD. This definition will impact the Housing Authority's production of Permanent Supportive Housing which addresses a homeless clientele.
- 4. AB 1584 (Committee on Housing and Community Development) – Housing Omnibus
 - A. This is an Omnibus bill that amends the Civil Code, the Code of Civil Procedure, the Government Code, and the Health and Safety Code and addresses the following variety of topics related to housing:
 - 1. *ADUs*: Clarifies unenforceability of Covenants, Conditions & Restrictions (CC&Rs) that prohibit ADUs and also applies to certain common interest developments;
 - 2. *Mobile Home Parks*: Extends notification of tenancy terminations from 15 to 60 days;
 - 3. *Homeowner Bill of Rights*: Clean-up/clarifying changes;
 - 4. *Real Estate*: Changes the process and timing for making court decisions available to public;
 - 5. *Housing Accountability Act*: Clarifies that request for a Density Bonus concession/waiver/incentive does not create inconsistency with applicable plans for Housing Accountability Act purposes; clarifies that for supportive housing development, maximum rents are those specified by the requirements of whichever program financing the project is receiving;
 - 6. *Affordable Housing*: Changes noticing requirements for termination or non-renewal of affordable rental restrictions for publicly assisted housing developments and revises reporting requirements that HCD must follow;
 - 7. *Mobile Home Parks*: Clarifies that properties with manufactured ADUs are not mobile home parks under existing law; and
 - 8. *Successor Agency*: Requires that retained housing units or new housing development on successor agency properties be made available to persons and families displaced by the acquisition or redevelopment and to lower-income descendants of those displaced persons.
 - B. This Omnibus bill covers a variety of topics, some of which do not directly impact the City. However, there are a number of changes that will need to be considered by Planning, the Housing Authority, the Successor Agency and the City Attorney's Office.
 - 1. *ADUs*: Planning typically reviews CC&Rs for new common interest developments such as planned residential developments (PRDs) and

condominiums prior to a review by the City Attorney's Office. Under the new law, Planning will specifically ensure that the CC&Rs do not include any language that would prohibit the construction or use of ADUs or Jr. ADUs (JADUs) within the development. This review will be performed within the normal development review process.

2. *Mobile Home Parks*: This change affects mobile home park property managers and does not directly impact City functions.
 3. *Homeowner Bill of Rights*: This change is intended to expand protections for homebuyers and will not directly impact City functions.
 4. *Real Estate*: This change affects requirements for publication of court decisions and will not directly impact City functions.
 5. *Housing Accountability Act*: Title 19 (Zoning) of the Riverside Municipal Code (RMC) includes Chapter 19.545 Density Bonus which is consistent with State law. There is no language in the existing Code that would contradict or hinder the intent of the clarified language included within the Omnibus bill. Planning will ensure compliance with all applicable density bonus laws upon receipt of an application that meets the requirements of Chapter 19.545.
 6. *Affordable Housing*: The noticing requirements for termination or non-renewal of affordable rental restrictions for publicly assisted housing developments will be incorporated into Housing Authority affordability covenants.
 7. *Mobile Home Parks*: Title 19 (Zoning) currently allows manufactured dwellings to be used as an ADU. Title 19 also defines a Mobile Home Park as "an area of land where two or more mobile home sites are rented, or held out for rent, to accommodate mobile homes used for human habitation," which is consistent with the definition in state law. The statute is intended to discourage local jurisdictions from classifying a mobile home used as an ADU as a Mobile Home Park and subsequently regulated as such. The City complies with the law.
 8. *Successor Agency*: The City's Successor Agency will ensure that any existing or new housing development on successor agency properties will be made available to persons and families displaced by the acquisition or redevelopment and to lower-income descendants of those displaced persons prior to offering to other individuals.
5. SB 8 (Skinner) – Housing Crisis Act of 2019
- A. Extends the provisions of the Housing Crisis Act of 2019 through 2030. The Housing Crisis Act of 2019, which was scheduled to expire in 2025, accelerates the approval process for housing projects, curtails local governments' ability to downzone and limits fee increases on housing applications, among other key accountability provisions.

Clarifies that "housing development project" includes projects that involve no discretionary approvals, projects that involve both discretionary and nondiscretionary approvals, and projects that include a proposal to construct a single dwelling unit.

Specifies that the Housing Crisis Act does not prohibit a housing development project that is an affordable housing project from being subject to ordinances,

- policies, and standards adopted after the preliminary application was submitted if the project has not commenced construction within 3.5 years.
- B. This bill is largely an extension of the previously adopted Housing Accountability Act. No changes are required to the RMC as a result of the statute. The City would be most affected by the extended freeze on development-related fees once a developer submits a preliminary application. This would limit the City's ability to fully recoup and occasionally adjust the fee associated with the staff cost to process the necessary Design Review or other discretionary reviews for applicable projects through 2030.
6. SB 290 (Skinner) – Density Bonus Law: Qualifications for Incentives or Concessions: Student Housing for Lower Income Students: Moderate-Income Persons and Families: Local Government Constraints
- A. Requires affordable units required by inclusionary zoning to be included in the base density on which a density bonus is based. Provides an incentive/concession to student housing developments with 20% lower income units. Changes to density bonus eligibility for for-sale common interest developments. Extends maximum 0.5 space/unit parking requirement to developments with 40% moderate income units. Extends annual reporting requirements to capture lower-income student housing units in density bonus projects. Eliminates “specific adverse impact on the physical environment” from list of reasons why a local jurisdiction can deny a request for an incentive/waiver/concession under Density Bonus law.
- B. Planning Staff will evaluate the changes made with this statute and bring forward a recommendation of any necessary amendments to Chapter 19.545 – Density Bonus of the RMC to Planning Commission and City Council for compliance with State law. Planning Staff will also begin tracking the number of lower income student housing units for inclusion in the annual progress reports to HCD. Although the City does not currently have an inclusionary housing ordinance, Planning and Housing Authority staff will ensure any future recommendation for an ordinance is consistent with this statute.
7. SB 478 (Wiener) – Planning and Zoning Law: Housing Development Projects
- A. In multifamily and mixed-use zones, prohibits local jurisdictions from imposing the following: 1) a maximum Floor Area Ratio (FAR) of less than 1.0 for developments of 3 to 7 units, and 2) less than 1.25 for developments of 8 to 10 units. Also prohibits imposition of lot coverage standards that would preclude these developments from achieving at least these FARs. Prohibits local jurisdictions from denying housing developments on the basis that the lot does not meet minimum lot size requirements. Makes unenforceable CC&Rs or deed restrictions that precludes developments from achieving these FARs. Authorizes the Attorney General or HCD to enforce these requirements.
- B. Currently, the Zoning Code does not specifically impose specific limitations on FAR based on the number of units in the multiple family zones. Additionally, there are no maximum lot coverage standards for the mixed-use zones. However, there may be opportunities to provide clarity with regard to the latest changes in state law. Planning Staff will evaluate the changes made with this statute and bring forward a recommendation of any necessary amendments to Chapter 19.100 – Residential Zones and 19.120 – Mixed-Use Zones to Planning Commission and City Council for compliance with State law. Planning and CAO Staff will review incoming residential CC&Rs for compliance with state law to ensure they do not preclude developments from achieving the FARs allowed in the statute.

8. SB 591 (Becker) – Senior Citizens: Intergenerational Housing Developments

- A. Allows senior housing developments affordable to lower-income households to permit up to 20% of units to be occupied by caregivers or transition-aged youth. Prohibits evictions or lease terminations to comply with age-restricted occupancy requirements.
- B. The Zoning Code currently defines Senior Housing as “a housing facility consisting of three or more dwelling units the occupancy of which is limited to persons 55 years of age or older.” A strict application of this definition does not allow for caregivers or transition-aged youth to live in the development, which is in conflict with State law. Planning Staff will evaluate the changes made with this statute and bring forward a recommendation of any necessary amendments to Article X – Definitions of the Zoning Code to Planning Commission and City Council for compliance with State law.

9. SB 728 (Hertzberg) – Density Bonus Law: purchase of density bonus units by non-profit housing organizations

- A. For for-sale projects receiving a density bonus, requires that: (1) initial sale of units to lower-income households at an affordable housing cost include an equity sharing agreement, or (2) the unit be purchased by a qualified non-profit housing organization receiving a property tax welfare exemption that requires a 45-year affordability covenant with an equity sharing agreement and a repurchase option that requires a subsequent purchaser desiring to sell or convey the property to first offer the non-profit corporation the opportunity to repurchase the property. This creates more ownership options for non-profit housing organizations.
- B. In connection with for-sale density bonus units that qualified a developer for an award of a density bonus, Planning will ensure that SB 728 requirements are adhered to. The Housing Authority does and will enforce any equity sharing agreements.

High Impact Bills

Three (3) Bills that are the responsibility of the City of Riverside will likely have high impacts on the City of Riverside. These include:

1. AB 602 (Grayson) – Development Fees: Impact Fee Nexus Study

- A. Requires local agencies that conduct an impact fee nexus study to follow specific standards and practices, including, but not limited to: (1) that prior to the adoption of an associated development fee, an impact fee nexus study be adopted; (2) that the study identify the existing level of service for each public facility, identify the proposed new level of service, and include an explanation of why the new level of service is necessary; and (3) if the study is adopted after July 1, 2022, either calculate a fee levied or imposed on a housing development project proportionately to the square footage of the proposed units, or make specified findings explaining why square footage is not an appropriate metric to calculate the fees. Requires that impact fee nexus studies be updated at least every eight years.

Requires that a local agency that calculates fees proportionately to the square footage of the proposed units be deemed to have used a valid method to establish

a reasonable relationship between the fee charged and the burden posed by the development.

Also requires a city, county, or special district to post a written fee schedule or a link directly to the written fee schedule on its website. The bill requires a city or county to request the total amount of fees and exactions associated with a project upon the issuance of a certificate of occupancy or the final inspection, whichever occurs last, and to post this information on its website.

B. This bill affects development impact fees and does not affect administrative, or application fees tied to development. The following development impact fees collected by the City may be affected by the new requirements:

- Park Fees:
 - Local Park Fee – Per unit
 - Aquatics Fee – Per unit
 - Regional Park Fee – Per acre
 - Trail Fee – Per acre
- Public Works Fees:
 - Storm Drain Fee – Per square footage
 - Sewer Capacity Fee – Per unit
 - Traffic and Railroad Signal Mitigation Fee – Per unit
 - Transportation Impact Fee – Per unit
 - Stephen's Kangaroo Rat Preservation Fee – Per unit/Per acre (varies)
 - Southwest Area Drainage Plan Fee (Only if project walls within the Southwest Area Drainage Plan area) – Per acre
 - Overlook Parkway Fee (Only if project walls within the Overlook Parkway Fee area) – Per unit

These fees are currently posted on the City's website. Most of these fees are not calculated based on the proportional square footage of the residential development. Future fee updates will need to either be revised to be based on square footage or provide specified findings to justify an alternative calculation method.

The City is currently conducting a multi-department fee study that is anticipated to be adopted prior to the July 1, 2022, effective date of this law. The City will ensure compliance with this law, including the preparation of a nexus study, for any future impact fee updates.

Some of the City's development impact fees have not been updated in over fifteen years. This statute mandates that impact fee nexus studies be prepared at least every eight years.

2. AB 838 (Friedman) – State Housing Law: Enforcement Response to Complaints

A. Requires a city or county that receives a complaint of a substandard building or a lead hazard violation from a tenant, resident, or occupant to inspect and identify any substandard conditions of the building, portion of the building intended for human occupancy, or premises of the building. The bill requires the city or county to advise the owner or operator of each violation and of each action that is required to be taken to remedy the violation. The bill requires a city or county to provide free, certified copies of an inspection report and citations issued, if any, to the complaining tenant, resident, occupant, or agent, and to all potentially affected tenants, residents, occupants, or the agents of those individuals.

- B. Code Enforcement routinely responds to and addresses complaints of substandard housing conditions. Staff will inspect the location, identify conditions and issue a Notice of Violation or Notice and Order of Substandard Housing which enumerates the substandard conditions and identifies what action needs to be taken to resolve the issue(s). These notices are sent by regular and certified mail to all responsible parties as well as posted at the subject address. The City of Riverside has adopted the 1997 Uniform Housing Code in lieu of the California Health and Safety Code as our enforceable statute. In terms of lead paint abatement and complaints, these are handled by Riverside County Environmental Health and CalEPA at times. The Code Enforcement Division does not inspect for lead-based paint but will forward such complaints to the County for handling.

Staff currently processes requests for copies of citations/notices/reports within ten business days under the process established by the California Public Records Act. If copies are transmitted electronically, there is no fee. If hard copies are requested, there is a small fee for materials. Staff will need to discontinue charging this fee under the new housing law.

3. SB 9 (Atkins) – Housing development: approvals

- A. The California Housing Opportunity and More Efficiency (HOME) Act facilitates the process for homeowners to build a duplex or split their current residential lot, expanding housing options for people of all incomes that will create more opportunities for homeowners to add units on their existing properties. It includes provisions to prevent the displacement of existing renters and protect historic districts, fire-prone areas, and environmental quality.
- B. SB 9 requires the City to ministerially approve a lot split in all single-family zones, then ministerially permit the construction of one or two residential units (duplex) on each separate lot, resulting in up to four units on the original single-family lot.

The intent of the Bill is to expedite the process for higher-density dwellings in single-family-residential zones. There are concerns that the new law could result in significant changes to the character and dynamics of established single-family residential areas. Proponents of SB 9 saw it as a way of increasing available dwellings in housing-strapped California, while opponents fear that it will effectively end single-family zoning statewide and lead to more high-density housing.

Per the statute, the City cannot prohibit the legislation from applying to the City. For Riverside, this means that properties in the R-1 – Single Family Residential, RR – Rural Residential, and RE – Residential Estate which currently prohibit multiple-family dwellings, are subject to the ministerial approval of lot splits and duplexes. However, per the law, a local agency may retain discretion to deny a proposed housing project if it finds that the project would have an adverse health and safety or environmental impact that cannot be feasibly mitigated or avoided.

Lots in mapped floodways, very high fire hazard severity zones, and designated historic districts or resources are not eligible for the provisions of SB 9. Land designated for agricultural protection by a local ballot measure are also exempt from SB 9 which includes the RA-5 Zone. Portions of the RC Zone could be exempt (e.g., very high fire risk areas), but this would be determined on a case by case basis.

Properties that were occupied by tenants within the past three years and deed-restricted affordable housing units are not eligible for the duplex provisions of the law (but may be eligible for the lot-split provisions).

Cities are prohibited by the legislation from requiring the dedication of right-of-way, construction of off-site improvements, or correction of non-conforming zoning conditions as a condition of approving an SB 9 lot split. However, it does appear that these routine conditions can still be imposed on new construction and conversions. Cities are also required to prohibit units constructed under the provisions of SB 9 from being used as short-term rentals. No more than one parking space per unit can be required – and no parking may be required if the site is within one-half mile of a high-quality transit corridor or transit stop.

Throughout the legislative process, concerns were repeatedly raised that SB 9, when combined with recent state law permitting ADUs and JADUs, could actually result in six or even eight units on a former single-family lot (i.e., two lots each developed with duplexes pursuant to SB 9, plus each with an ADU and a JADU pursuant to existing state law). To address this, the adopted law permits local jurisdictions to prohibit ADU/JADU construction on lots that were split or in association with duplexes that were built pursuant to SB 9.

The law also requires that for any properties that are split into two parcels, a homeowner must agree to live on the premises as their principal residence for a minimum of 3 years, and that a deed restriction be recorded on the new lots that prohibits further splitting. Planning Staff will work with the City Attorney's office to ensure that deed restrictions are prepared for applicable projects to ensure owner-occupancy of at least one unit for a minimum period of 3 years and to prohibit further lot splits, per state law.

Planning Staff is also evaluating the changes made with this statute and will bring forward a recommendation of any necessary amendments of the Zoning Code to Planning Commission and City Council for compliance with State law.

STRATEGIC PLAN ALIGNMENT:

The Housing Legislation Update to the Housing and Homelessness Committee supports **Strategic Priority 2 (Goals 2.1, 2.2 and 2.4)**.

This Update aligns with the following Cross-Cutting Threads as follows:

1. **Community Trust** – The Update provides needed information for both the Committee members and the public on changes to housing related legislation recently signed into law by the State.
2. **Equity** – The Update 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 Housing and Homelessness Committee receiving and filing this report.

Prepared by: David Welch, Community & Economic Development Director

Certified as to

availability of funds: Edward Enriquez, Chief Financial Officer/City Treasurer

Approved by: Rafael Guzman, Assistant City Manager

Approved as to form: Phaedra A. Norton, City Attorney

Attachments:

1. Summary of 2021 Housing Bills
2. Presentation