



City of Arts & Innovation

Housing and Homelessness Committee Memorandum

**TO: HOUSING AND HOMELESSNESS
COMMITTEE MEMBERS**

DATE: JANUARY 4, 2021

**FROM: COMMUNITY & ECONOMIC DEVELOPMENT
DEPARTMENT**

WARDS: ALL

SUBJECT: STATE OF CALIFORNIA 2020 HOUSING BILLS UPDATE - DIRECT SUBMITTAL

ISSUE:

Receive and file a summary of the California Legislature's 2020 Housing Bills, which includes eight approved State legislative bills aimed at providing COVID – 19 protections, supporting emergency shelter production, and producing more housing in California.

RECOMMENDATION:

That the Housing and Homelessness Committee receive and file a report on the California Legislature's 2020 Housing Bills.

LEGISLATIVE HISTORY:

When Governor Newsom first took office, he made housing a top priority, proposing that California strive to build 3.5 million homes by 2025; an average of 500,000 units per year. In September 2020, Governor Newsom signed eight legislative bills that address California's housing crisis. The legislative bills will be effective January 1, 2021. The State's 2020 Housing Bills aim to provide COVID-19 protections, support emergency shelter production, and produce more housing in California.

BACKGROUND:

The housing shortage in California is a result of housing production not keeping up with 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 long commutes, which increases green-house gas emissions, air-pollution and poor health.

In September 2020, the Governor signed eight bills into law to address the housing crisis. The bills generally fall into three categories:

1. COVID-19 assistance
2. Homeless Crisis Declarations
3. Process, Approvals and Density

DISCUSSION:

Overview

The eight bills (Attachment 1) include the following:

COVID-19 ASSISTANCE		
<i>Bill Number</i>		<i>Anticipated Impact</i>
1	AB 1561 (Garcia) – Extension of Time for Housing Entitlements, Tribal Consultation	Low
2	AB 3088 (Ting) – Eviction and Foreclosure Protections	Low
HOMELESS CRISIS DECLARATIONS		
<i>Bill Number</i>		<i>Anticipated Impact</i>
3	AB 2553 (Ting) – Shelter Crisis Declarations	High
PROCESS, APPROVALS AND DENSITY		
<i>Bill Number</i>		<i>Anticipated Impact</i>
4	AB 168 (Aguiar-Curry) - Planning and Zoning: Annual Report: Housing Development: Streamlined Approvals	Low
5	AB 831 (Grayson) – Planning and Zoning: Housing: Development Application Modifications	Low
6	AB 725 (Wicks) – General Plans, Housing Element: Moderate-Income and Above Moderate-Income Housing: Suburban and Metropolitan Jurisdictions	Low
7	AB 1851 (Wicks) – Religious Institution Affiliated Housing Development Projects: Parking Requirements	Low
8	AB 2345 (Gonzalez): Planning and Zoning: Density Bonus: Annual Report: Affordable Housing	Moderate

Summary of the September 2020 Bills

The following is a summary of each of the bills passed in September 2020, and the potential impacts on Riverside:

1. AB 1561 (Garcia) – Extension of Time for Housing Entitlements, Tribal Consultation

A. Bill Summary

AB 1561 extends the expiration of certain housing entitlements by 18 months. For those entitlements issued before, and still in effect, on March 4, 2020 and that will expire before December 31, 2021, an 18-month extension is provided. This extension is in response to the COVID-19 pandemic to allow housing developments to move forward during this challenging time.

This bill applies to “housing entitlement” approvals, permits or other entitlements issued by a local agency for housing development projects, including tentative tract maps and any approval subject to the Permit Streamlining Act. It also includes ministerial approvals that are required for building permit issuance. Exceptions include development agreements and preliminary applications.

AB 1561 also amends the Housing Element Law to authorize, but not require, the Housing Element’s analysis constraints on the maintenance, improvement, or development of housing for persons due to their sex, race, color, religion, ancestry, national origin, disability, medical condition, genetic information, marital status, sexual orientation, citizenship, primary language, or immigration status.

California Environmental Quality Act (CEQA) response times for California Native American Tribes are extended by an additional 30 days, for a total of 60 days for housing development projects. This extension is applicable for those housing projects that have submitted a completed project application between March 4, 2020, and December 31, 2021.

B. Potential City of Riverside Impacts

Under normal procedures, applicants can request extensions, that vary based on the type of entitlement or approval. Planning and Public Works staff have been notified of the extensions related to housing projects that meet the specific requirements of this bill and will process extensions as required.

The City is currently completing the Housing Element update, with Environmental Justice Policies and the Public Safety Element. Considerations of constraints related to housing development are being evaluated as part of this update, requiring no additional scope or time to complete this update.

The CEQA response extension could impact the timing of some projects, by providing additional response time for Native American Tribes to request consultation. Staff estimates this provision to impact only one application that Planning anticipates receiving this year (Project Legacy).

Impacts to the City are low in that project extensions do not require any additional review, but only allow applicants additional time to satisfy the conditions of approval or finalize their projects.

2. AB 3088 (Ting) – Eviction and Foreclosure Protections

A. Bill Summary

AB 3088 establishes eviction and foreclosure protections for residential tenants and property owners that are facing financial hardships as a result of the COVID-19 pandemic. The bill also clarifies and modifies the rules governing the residential eviction process to protect tenants that have financial constraints because of the pandemic. The bill will remain in effect until February 1, 2021.

B. Potential City of Riverside Impacts

The bill protects renters in the City of Riverside from evictions, and homeowners from foreclosures. To ensure that residents don’t face evictions, the City has allocated CARES

Act funding to the Rental Assistance program that is operated by the Fair Housing Council of Riverside County. As of December 1, 2020, Fair Housing has been able to assist 382 residents with past due rent totaling \$1,143,155.41 from CARES Act funding. Impacts to the City are low in that these protections for residents will ensure that they maintain their homes through these difficult times and there is no cost to the City of Riverside.

3. AB 2553 (Ting) – Shelter Crisis Declarations

A. Bill Summary

AB 2553 extends to all jurisdictions in the State, who declare a shelter crisis, the authority to adopt, by ordinance, “reasonable local standards and procedures for the design, site development, and operation of homeless shelters and the structures and facilities.” The local ordinance applies in lieu of state and local health, habitability, planning/zoning, or safety procedures and laws when the jurisdiction has determined that strict compliance to State requirements would hinder or delay attempts to mitigate the effects of the shelter crisis. The jurisdiction’s standards still must, at a minimum, meet the standards provided in the 2019 California Residential Code Appendix X, California Building Code Appendix O, and any future standards adopted by the Department of Housing and Community Development related to emergency housing or emergency housing facilities, unless the jurisdiction adopts findings stating why the foregoing standards cannot be met and how the jurisdiction’s standards protect health and safety.

AB 2553 requires that any local jurisdiction that declares a shelter crisis must develop a public plan to address the crisis. This can include, but not be limited to, development of homeless shelters and permanent supportive housing, providing onsite supportive services, and a way forward to transition residents from homeless shelters to permanent housing.

The City will build on the Housing First Plan that was adopted by the City Council on March 13, 2018 to develop 400 affordable housing units to meet the needs of the unsheltered count of 389 persons highlighted in the 2017 Point-In-Time count. To-date, the City has 523 affordable rental housing units in the pipeline for development.

If the shelter crisis is declared before January 1, 2021, the public plan is due on or before July 1, 2021. After January 1, 2021, the public plan is due on or before July 1 of the year after the shelter crisis is declared.

B. Potential City of Riverside Impacts

The City of Riverside declared a shelter crisis on December 4, 2018. Because this declaration was made prior to January 1, 2021, the City is required to create and adopt a Plan to address the crisis before July 2, 2021. The Plan is required to identify future homeless shelters and permanent supportive housing, including onsite supportive services. A plan to transition residents from homeless shelters to permanent housing is also required. The impact on the City is high as there is a time frame to finalize this Plan for City Council adoption.

4. AB 168 (Aguiar-Curry) - Planning and Zoning: Annual Report: Housing Development: Streamlined Approvals

A. Bill Summary

AB 168 creates a new Tribal consultation requirement for developers seeking to use the streamlined process that was originally adopted as part of SB 35 in 2019. SB 35 requires that the City streamline the approval process for certain multi-family projects. Under AB 168, before submitting an SB 35 application, the applicant must submit a notice to a local jurisdiction and initiate Native American consultation with those Tribes “traditionally and culturally affiliated with the geographic area [of the proposed development].” If the applicant cannot reach an agreement with the Native American Tribes, the applicant cannot obtain streamlined approval. This modification does not apply to projects that were previously approved before the bill was enacted.

B. Potential City of Riverside Impacts

The provisions of SB 35 have not been used by any applicants in the City of Riverside to date. The City is required to follow SB 35, and the additional requirement for Tribal Consultation as part of the application process will have low impact on future projects submitted in the City.

5. AB 831 (Grayson) – Planning and Zoning: Housing: Development Application Modifications

A. Bill Summary

AB 831 clarifies portions of SB 35 by adding a mechanism for applicants to request a modification to a project approved under SB 35 (streamlined, ministerial process) if the final building permit has not yet been issued. There are limitations requiring jurisdictions to assess “consistency with the objective planning standards using the same assumptions and analytical methodology...originally used to assess consistency for the development that was approved from streamlined, ministerial approval”. If planning standards have been modified, there are times when these new standards can be applied:

- Project is revised with an increase in residential units or total square footage by 15% or more;
- Project is revised with changes in residential units or total square footage by 5% or more and new planning standards apply that will mitigate a specific impact on public health and safety; and
- Objective building standards in the California building code must be applied to the project.

B. Potential City of Riverside Impacts

This bill will likely have a low impact on the City in that no applicants have submitted projects pursuant to SB 35. This is, in part, because the City’s 5th Cycle Housing Element rezoning program allows housing by right on sites identified in the process. The City’s Streamline Riverside process has also helped to streamline development applications in the City, capturing many of the requirements of SB 35.

6. AB 725 (Wicks) – General Plans, Housing Element: Moderate-Income and Above Moderate-Income Housing: Suburban and Metropolitan Jurisdictions

A. Bill Summary

Planning and Zoning laws require that cities and counties adopt a general plan that includes a Housing Element. Jurisdictions must plan at least 25% of moderate income housing to be located in areas zoned for at least four units/parcel but not more than 100 units/acre. In addition, jurisdictions must plan for at least 25% of above-moderate income homes to be located in areas zoned for at least four units/parcel.

B. Potential City of Riverside Impacts

AB 725 requires the City to plan for a wider variety of housing types through the Regional Housing Needs Allocation (RHNA) process. This bill requires that, in future RHNA Cycles, the City must plan for a minimum of 25% each of the Moderate- and Above-Moderate Income units to be built on sites that allow at least four units per parcel, but not more than 100 units per acre. The intent of this bill is to facilitate the development of moderate-density “Missing Middle” housing like (e.g. three- and fourplexes, bungalow courts and small garden apartments). The bill takes effect in January 2022 and will not affect the current 6th-Cycle Housing Element update that is now underway, and the expected impact is low.

7. AB 1851 (Wicks) – Religious Institution Affiliated Housing Development Projects: Parking Requirements

A. Bill Summary

AB 1851 prohibits a local jurisdiction from requiring replacement parking at places of worship if the parking is being used for a housing project, providing that no more than 50% of spaces are eliminated. The remaining parking on site may be counted toward the required parking for the housing project up to one space/unit. Parking at a place of worship would no longer be considered a concession as allowed by the Density Bonus Law. Finally, no parking deficiencies can be “cured” if the place of worship pursues a housing project.

B. Potential City of Riverside Impacts

This bill would expand opportunities for housing projects at places of worship using existing parking lots. The City of Riverside allows housing projects at places of worship. This bill would expand the opportunities and will likely have a low impact on the City of Riverside.

8. AB 2345 (Gonzalez): Planning and Zoning: Density Bonus: Annual Report: Affordable Housing

A. Bill Summary

AB 2345 makes several changes to the Density Bonus Law. Under existing State law, a maximum density bonus of 35% is available based on the composition of the project. AB 2345, which takes effect on January 1, 2021, modifies the maximum available density bonus up to 50%. To receive the 50% density bonus, a project must comply with set aside requirements, based on targeted income levels.

In addition, AB 2345 authorizes the number of concessions, up to three, that an applicant may receive based on the composition, affordability and targeted income levels of the housing project.

B. Potential City of Riverside Impacts

The City currently offers bonus densities per Title 19 - Section 19.545. Density bonuses and concessions offered by the City will be updated to reflect the changes in State Law related. The Planning Division will be updating the Density Bonus Ordinance with funds received from the SB-2 Grant. These changes on the densities and concessions allowed, based on the percentage of affordable units included, will be made to the updates of the Density Bonus Ordinance update over the next 6-9 months. The impact to Riverside could be moderate as more developers may take advantage of the density bonuses, to increase number of units, and the concessions, to avoid the need for variances.

FISCAL IMPACT:

There is no fiscal impact to receive and file this update. For any specific development projects that use the bills included in this update, costs will be borne by the applicant.

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

1. Housing Bill Summary
2. Presentation