

## **2021 Legislative Session Housing and Land-Use Bills**

*Provided by Daniel Reeves, Juniper Strategic Advisory*

While this list is by no means comprehensive, the following is a more detailed look at statewide bills discussed in the ULI Trends Report Legislative Roundup, as well as others that didn't make the cut due to space, but that may bear interest, nonetheless. This list is as accurate as possible at this writing, but, by the nature of pending legislation, changes are possible and likely to occur.

### **CALIFORNIA STATE SENATE**

#### **SB 5** Housing: Bond Act (Atkins, Caballero, McGuire, Rubio, Skinner, Wiener)

- AB 5 lays the groundwork for the issuance of bonds, the proceeds from the sale of which would be used to finance housing-related programs that serve homeless, extremely low income, and very low income individuals.

#### **SB 6** Neighborhood Homes Act (Caballero, Eggman, Rubio)

- "SB 6 is permissive and allows local government to expedite residential development on existing lots currently zoned for commercial office and retail, such as strip malls and large 'big box' retail. This infill development bill requires that the residential units be built to a minimum density [30 units/acre in San Diego] to accommodate housing which is affordable, and is required to comply with all local planning and development ordinances." -Senator Caballero
- Project must be certified as a "public work," as defined, pay prevailing wage, or employ a "skilled and trained workforce," as defined.
- Prohibits short-term rentals in units created pursuant to this bill.
- Project may receive ministerial streamlining if it has had no commercial tenants on 50% or more of its total useable net interior square footage for a period of 3 years.

#### **SB 7** Jobs and Economic Improvement Through Environmental Leadership Act of 2021 (Atkins)

- "Senate Bill 7 seeks to improve the California Environmental Quality Act (CEQA) process by extending and expanding provisions of [AB 900](#), which streamlined paperwork and expedited legal challenges to large, multi-benefit housing, energy, and manufacturing projects. SB 7 would extend the 2021 'sunset' of AB 900, which created jobs and investment in the state, through 2025."
- Requires jurisdictions to prepare Master EIRs when preparation is funded by the State (allowing limited review of subsequent housing projects described in MEIR).
- Extends the Governor's ability to certify "Environmental Leadership Development Projects," as defined, for streamlining benefits related to CEQA until Jan 1, 2024 (bill sunsets Jan 1, 2026 by which time jurisdictions must have approved projects certified under the bill).

- Adds “housing” projects, as defined, to those that may be certified by Governor for streamlining.

#### [SB 8](#) (Skinner)

- SB 8 makes a non-substantive change to the definition of “Development Standard” for purposes of the Density Bonus Law.
- Upon review of the bill language, it appears this change is limited to the removal of the hyphen from the word “open-space.”
- Presumably included as minimal intent language that will be amended to be more substantive at a later date.

#### [SB 9](#) California Housing Opportunity & More Efficiency (HOME) Act (Atkins, Caballero, Rubio, Wiener)

- “Senate Bill 9 promotes small-scale neighborhood residential development by streamlining the process for a homeowner to create a duplex or subdivide an existing lot in residential areas. This bill builds on the successful approach of Accessory Dwelling Units (ADUs) and expands options for homeowners who wish to be part of the solution in solving California’s housing crisis.”
- Allows for development of 2-unit projects in single-family residential zones to be processed ministerially, and be exempt from CEQA. No public hearing would be required for CDPs.
- Also allows urban lot splits in residential zones that create 2 new parcels of equal size (min 1200 sf) to be processed ministerially, and be exempt from CEQA. No public hearing would be required for CDPs.

#### [SB 10](#) (Wiener)

- “SB 10 allows cities to upzone areas close to job centers, transit, and existing urbanized areas to allow up to ten units without having to go through the lengthy CEQA process. SB 10 will make it easier for cities to build housing affordable to young people and working families.”
- Gives local jurisdictions the right to pass an ordinance to rezone a parcel for up to 10 units of residential density per parcel, without the ordinance triggering CEQA review if the parcel is located in one of the following:
  - A “transit rich area,” as defined.
  - A “jobs rich area,” as defined.
  - An “urban infill site,” as defined.

#### [SB 12](#) (McGuire)

- SB 12, among other things, requires local jurisdictions to include “very high fire risk” areas, as defined, in its land use element of its general plan, and to adopt a very high fire risk overlay zone or otherwise amend its zoning ordinance to be consistent with its general plan.

- The bill would prohibit jurisdictions from approving development agreements or discretionary entitlements for projects located in identified very high fire risk area, unless the jurisdiction makes specified findings based on substantial evidence.

#### [SB 15](#) Retail Site Rezoning Incentives (Portantino)

- SB 15 creates a program to provide grants to local jurisdictions that rezone idle sites used for a big box retailer or a commercial shopping center to instead allow the development of workforce housing.
- Requirements:
  - Center has at least 80% vacancy for 12 months prior to application.
  - New zoning allows workforce housing, as defined, by right.
  - Developer of workforce housing project must pay prevailing wage and use skilled and trained workforce, as defined, or enter into a Project Labor Agreement.

#### [SB 55](#) (Stern, Allen)

- SB 55 prohibits jurisdictions from approving new development (residential, commercial, retail, or industrial) projects in Very High Fire Severity Zones, as defined by the Director of Forestry and Fire Protection, or in State Responsibility Areas, as defined by existing law.

#### [SB 60](#) (Glazer)

- SB 60 increases maximum fines for a violation of an ordinance related to residential short-term rentals, as defined, that is an infraction and poses a threat to health and safety to \$1500 for first violation, \$3000 for second violation of same ordinance within a year, and \$5000 for each additional violation of the same ordinance within a year of the first violation.
- Up from \$100, \$200, and \$500 respectively.

#### [SCA 2](#) (Allen, Wiener)

- SCA 2 would propose to the people of California that the California State Constitution be amended to repeal Article XXXIV in its entirety:
  - The California Constitution prohibits the development, construction, or acquisition of a low-rent housing project, as defined, in any manner by any state public body until a majority of the qualified electors of the city, town, or county in which the development, construction, or acquisition of the low-rent housing project is proposed approve the project by voting in favor at an election, as specified.

## **CALIFORNIA STATE ASSEMBLY**

#### [AB 15](#) Tenant Stabilization Act of 2021 (Chiu, Bonta, Gonzalez, Quirk Silva, Santiago, Wicks)

- AB 15 extends the definition of "COVID-19 Rental Debt" to apply to obligations that came due between March 1, 2020 and December 31, 2021 (from January 31, 2021), and extends the repeal date to January 1, 2026 (from February 1, 2025).

- Extends the imposition of damages for violating the prohibition of interrupting services to January 1, 2022.
- Prohibits the landlord from taking certain actions, such as charging late fees, changing terms of tenancy, or withholding services or amenities.
- Extends the prohibition from taking action to recover COVID-19 Rental Debt until January 1, 2022 (from March 1, 2021).
- Provides a prohibition against considering COVID-19 Rental Debt as a negative factor in considering credit worthiness.
- Affirms existing law protecting, until January 1, 2023, first lien mortgage or deed of trust that is secured by tenant-occupied residential real property (4 or fewer units) from foreclosure if it meets certain criteria, including that a tenant is unable to pay rent due to COVID-19.
- Extends those protections to borrowers who have been approved for foreclosure protection, or have applied for a loan modification before January 1, 2023, but who have not yet received a determination of eligibility or the appeal period has not yet expired.

#### [AB 16](#) Tenant, Small Landlord, and Affordable Housing Provider Stabilization Act of 2021 (Chiu)

- AB 16 establishes the Tenant, Small Landlord, and Affordable Housing Provider Stabilization Program.
- Authorizes the Director of Housing and Community Development to implement the program.
- Establishes a fund in the State Treasury to distribute moneys to carry out the program (once appropriated by the Legislature and made available through the Budget Act).

#### [AB 115](#) (Bloom)

- AB 115 requires jurisdictions to allow housing developments, as defined, to be an authorized use on commercially-zoned land if 20% of units deed restricted for low-income, and the site is not adjacent to any industrial uses.
- The following development standards must be applied, unless local development standards are less restrictive:
  - The height limit shall be the greater of:
    - The highest allowable height under existing regulation for the site.
    - The highest allowable height for a commercial or residential use within a half-mile of the site.
    - 36 feet.
  - The maximum FAR shall be not less than .6 times the allowable number of stories.
  - The density limit shall be the greater of:
    - The greatest allowed density for a mixed-use or residential use within ½ mile of the site.
    - The applicable density deemed appropriate to accommodate housing for lower-income households identified in Sec 65583.2

#### [AB 482](#) (Ward)

- AB 482 extends until January 1, 2026, the sunset of a pilot program allowing a housing authority, such as the San Diego Housing Commission, to develop and finance middle-income housing projects if the project receives gap financing.

#### [AB 617](#) (Davies)

- AB 617, not to be confused with the widely known air pollution control bill from 2018, would authorize local jurisdictions to transfer all or a portion of their Regional Housing Needs Assessment (RHNA) allocations to another city or county for a negotiated fee. This may be interesting to our regional cities grappling with the prospect of adding density.

#### [AB 682](#) (Bloom)

- This bill would require any City with over 400,000 residents to permit the building of co-housing, as defined, in any multifamily zone, and on the same basis as multifamily dwelling units, and requires a certain percentage of co-housing units be set aside for affordable housing.

#### [AB 950](#) (Ward)

- AB 950 would authorize CalTrans to sell excess real property to a local jurisdiction at the price originally paid by CalTrans if that jurisdiction agrees to use the property solely to build affordable housing, and would exempt these sales from CEQA.

#### [ACA 1](#) (Aguiar-Curry, Gonzalez, Chiu)

- ACA 1 would propose to the people of California that the California State Constitution be amended to:
  - Create an additional exception to the 1% ad valorem tax rate limit on real property that would allow a jurisdiction to levy an ad valorem tax to service bonds incurred to fund public infrastructure, affordable housing, or permanent supportive housing by passage of a proposition.
  - Authorize a local government to impose, extend, or increase a sales and use tax or transaction and use tax, or a parcel tax, as defined, to fund public infrastructure, affordable housing or permanent supportive housing by passage of a proposition.
- Propositions must be approved by 55% of voters of the applicable jurisdiction.
- Propositions must include specified accountability requirements.
- Proposed Constitutional Amendments also reduce approval threshold for incurring bond indebtedness exceeding the income and revenue for that jurisdiction in that year from 2/3 to 55%.

For those still eager for more bills to read, following are a few other bills of interest scheduled to be heard by either Senate Housing Committee or Assembly Housing and Community Development Committee this year:

[SB 621](#) (Eggman)

[SB 765](#) (Stern)

[AB 345](#) (Quirk-Silva)

[AB 561](#) (Ting, Bloom)

[AB 571](#) (Mayes)