



## Senator Scott Wiener, 11<sup>th</sup> Senate District

### Senate Bill 35 – Housing Accountability & Affordability Act

#### SUMMARY

Senate Bill 35 ensures that all communities in California create the housing we desperately need to address our statewide housing shortage, and spur the creation of housing in California by streamlining the approval process.

#### BACKGROUND/EXISTING LAW

California is in the depths of a housing shortage. Our State's housing production has not kept pace with population growth, particularly for low and middle income residents. California households in the bottom quarter of the income distribution—the poorest 25 percent of households—report spending four times more of their income (67 percent, on average) than households in the top quarter of the income distribution (16 percent, on average).

Every 8 years, each California city receives a Regional Housing Needs Assessment (RHNA) goal from the Department of Housing and Community Development (HCD) for how many future units of housing the city must include in its zoning plan. However, HCD cannot require cities to follow through with producing the housing in their own zoning plan, and too many communities either ignore RHNA or make inadequate efforts to comply with it. HCD does not comprehensively track housing production data.

#### PROBLEM

The negative impacts of California's housing shortage threaten our state's economic growth, environmental well-being, and diversity. It is far too expensive to rent or buy a home in California, which results in displacement, evictions, and families being pushed out as they grow. Teachers, retail workers, first responders, and other middle-income professionals often have crushing commutes as they increasingly cannot afford to live near their jobs.

California has a long tradition of broad local control, and in many areas, local communities are in the best position to judge what makes sense for their residents. However, when local

communities refuse to approve enough housing—instead punting housing creation to other communities—then the State needs to ensure that all communities are equitably contributing to regional housing needs. Local control must be about how a community meets its housing goals, not whether it meets those goals. Too many communities either ignore their housing goals or set up processes designed to impede housing creation. Allowing local communities to ignore their responsibility to create housing has led to a housing disaster—triggering huge economic, environmental, and social problems.

#### SOLUTION

Under SB 35, as amended, cities that are on track to meet their RHNA housing production goals at all income levels will retain full local control over how they approve housing. When cities do not meet their housing obligations, approval of qualified housing projects will be streamlined until cities do meet their goals.

For streamlining to apply, a project must include housing for certain income levels where there is a shortage of production, rigorous standards for construction labor, and meet all objective affordability, density, zoning, historic, and environmental standards outlined in the bill. Additionally, it is voluntary for a developer to use streamlining for their project approval. If a developer prefers to use the traditional approval process offered by the local jurisdiction *instead* of the streamlined process offered in SB 35, they may do so.

The new, streamlined approval process will require localities to approve projects only on the basis of whether the project complies with the objective SB 35 qualifying criteria. The streamlined process applies only when unmet income-based categories are addressed. For example, if a city is issuing enough approvals to meet its above moderate-income housing RHNA goals but not its low-income housing goals, streamlining will apply only to those projects that add a majority low-income units.

This bill also requires all charter cities to report their annual housing approvals and production to HCD, and will require HCD to ensure thorough housing production data is up-to-date and publicly accessible on the internet in order to ensure accountability to the public, thoroughly enforce the various provisions of SB35, and collect data that will inform future state and local housing policies. Currently, general law cities must report their housing production annually, but charter cities and charter counties are not required by law to do so.

#### STATUS

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- Passed out of Senate Transportation & Housing
  - Passed out of Senate Governance & Finance
  - Passed out of Senate Appropriations
  - Passed off the Senate Floor
  - Passed out of Assembly Local Government
  - Passed out of Assembly Housing & Community Development
  - ***Pending vote on Assembly Floor***

#### CO-AUTHORS

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- Senator Toni Atkins (Principal)
  - Senator Ben Allen
  - Senator Andy Vidak
  - Assemblymember Joaquin Arambula
  - Assemblymember Rob Bonta
  - Assemblymember Anna Caballero
  - Assemblymember Brian Dahle
  - Assemblymember Mike Gipson
  - Assemblymember Todd Gloria
  - Assemblymember Timothy Grayson
  - Assemblymember Miguel Santiago

#### SUPPORT

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- Abundant Housing LA
  - Apartment Association of Greater Los Angeles (AAGLA)
  - Bridge Housing
  - California Apartment Association
  - California Asian Chamber of Commerce
  - California Association of Realtors
  - California Council for Affordable Housing
  - California League of Conservation Voters
  - California Renters Legal Advocacy & Education Fund
  - California State Council of Laborers
  - Center for Sustainable Neighborhoods

- Council of Infill Builders
- County of Napa
- East Bay Forward
- Facebook
- Greenbelt Alliance
- Grow the Richmond
- Jewish Family Service of San Diego
- LeadingAge California
- League of California Community Foundations
- Local Government Commission
- Los Angeles Business Council
- Los Angeles Chamber of Commerce
- Mayor Darrell Steinberg, City of Sacramento
- Mayor Edwin Lee, City & County of San Francisco
- Mayor Libby Schaaf, City of Oakland
- Mayor Sam Liccardo, City of San Jose
- Mayor Pro Tem Michele Martinez, City of Santa Ana; Former President of Southern California Association of Governments (SCAG)
- Mercy Housing
- Mission Housing Development Corporation
- Natural Resources Defense Council
- NextGen
- Non-Profit Housing Association of Northern California
- Progress Noe Valley
- Sacramento Bee
- San Francisco Chamber of Commerce
- San Francisco Chronicle
- San Francisco Housing Action Coalition
- San Francisco Planning & Urban Research (SPUR)
- San Francisco Yes-In-My-Back-Yard Party
- Santa Cruz Chamber of Commerce
- Santa Barbara Rental Property Association
- Silicon Valley At Home (SV@Home)
- Silicon Valley Community Foundation
- Silicon Valley Leadership Group
- Supervisor Leticia Perez, Kern County
- Supervisor Zach Friend, Santa Cruz County
- State Building & Construction Trades Council
- U.S. Green Building Council
- YIMBY Action

#### FOR MORE INFORMATION

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