



AB 2011 (Wicks): **Affordable Housing and** **High Road Jobs Act**

Joint MTC ABAG Legislation Committee

June 10, 2022



ASSOCIATION OF BAY AREA GOVERNMENTS
METROPOLITAN TRANSPORTATION COMMISSION

Bay Area Housing Challenges

- The Bay Area is facing a severe housing affordability crisis, which has been exacerbated by the COVID-19 pandemic
- Housing affordability challenges driven (in part) by mismatch between housing supply and demand
- Minimum of 400,000 units over the next 8 years needed in the Bay Area to address this mismatch



50%
Bay Area renters
are rent burdened



25%
Bay Area households can
afford to purchase a home.



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Commercial Redevelopment as Tool to Combat the Housing Crisis

Underutilized Commercial Land

- Brick and mortar retail and commercial spaces have been facing a steady decline since the takeoff of online shopping
- Reimagining underutilized commercial spaces as housing can turn an economic development challenge into an opportunity.

Housing Development Potential

- **2 million units** – Urban Footprint estimated increase of market-feasible capacity if housing were allowed on commercial sites
- **300,000 acres** – UC Berkeley Turner Center estimate of commercial land area in California's four largest metros



Renderings of El Camino Real by Michael Reardon/Grand Boulevard Initiative

Residential Redevelopment of Commercial Land: MTC/ABAG Policy Alignment



Combatting Climate Change

- Infill development brings residents closer to jobs, transit and amenities, thus helping to reduce per capita greenhouse gas emissions.



Jobs and Economy

- Mixed-use, mixed income development of aging shopping malls and office parks can revitalize underutilized spaces while bringing housing closer to jobs



Housing Affordability

- The Bay Area's severe housing shortage is a major contributor to the housing affordability crisis. Housing production, especially affordable housing production, is needed to achieve the Plan Bay Area 2050 vision of a more affordable, inclusive and diverse Bay Area for all residents.



MTC ABAG 2022 Joint Advocacy Program

- Pursue a range of strategies to increase housing production to help meet the Bay Area's housing goals
- Support proposals to authorize housing as a permitted use in certain commercial zones, subject to local approval but without requiring zoning changes.

AB 2011: Housing Streamlining in Commercial Areas

- AB 2011 (Wicks) would require affordable housing projects meeting certain labor, affordability, density, and site criteria be deemed a "use by right" and subject to a ministerial project approval *if* the project is located in certain commercial areas.



Summary of AB 2011 Criteria for Mixed Income vs. 100% Affordable Projects

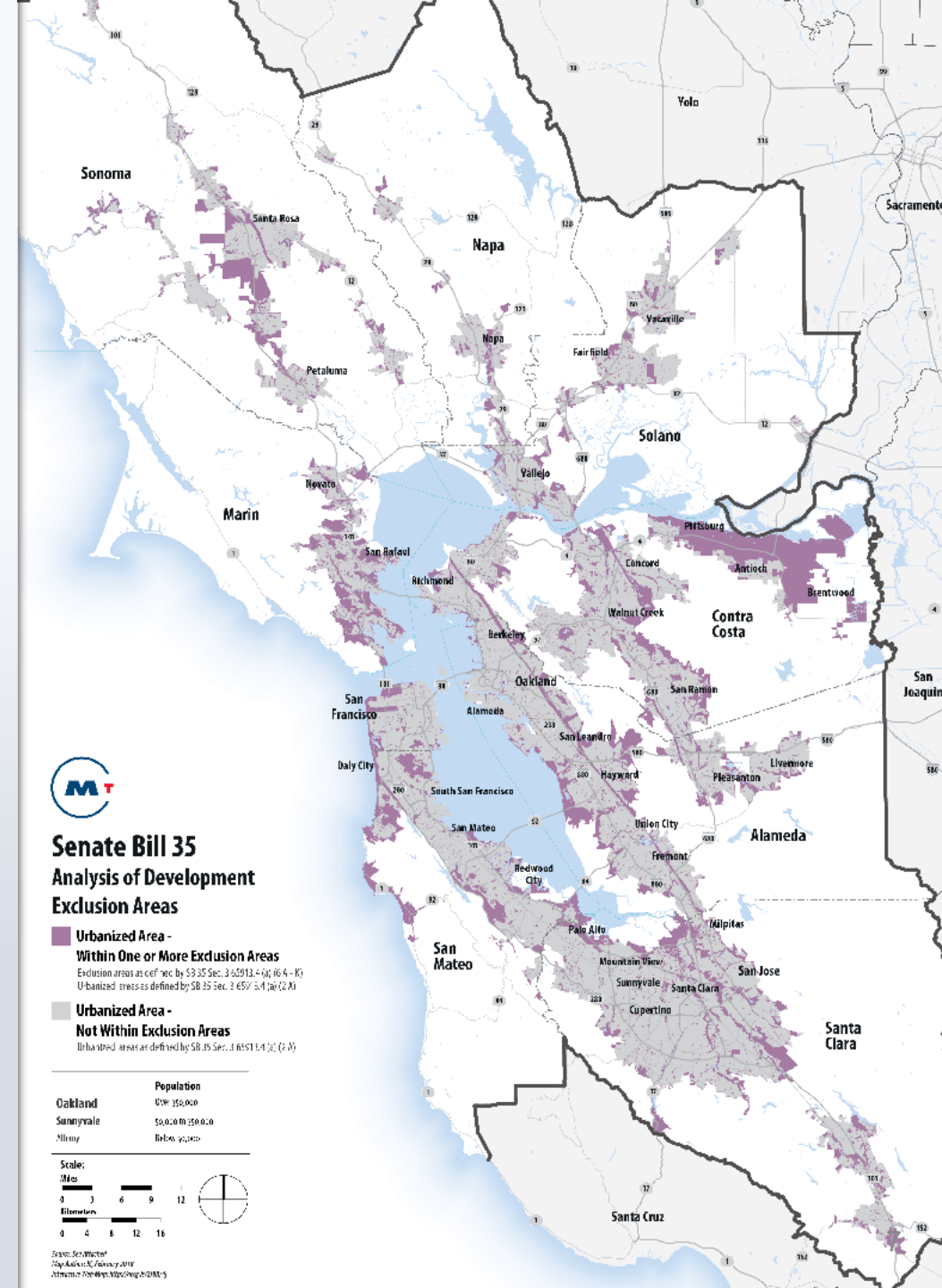
	Mixed Income Project	100% Affordable Project
Affordability	Minimum of 15% units must be deed-restricted affordable units	100% of units must be deed-restricted affordable units
Location	On a commercial corridor (typically a four- to six-lane road) and on an urban infill site zoned for retail, office or parking, except: • Site within a specific plan area must also allow residential • Location is not adjacent to industrial land or in an environmentally sensitive area, as defined by the bill.	Any urban infill site zoned for retail, office or parking, except: • Site within a specific area plan must also allow residential • Location is not adjacent to industrial land or in an environmentally sensitive area, as defined by the bill
Project characteristics	Three- to five-story, medium-density project; residential or mixed-use	Low- to medium density; residential or mixed-use



AB 2011 Exclusion Areas in the Bay Area

- AB 2011 conditions eligibility for project streamlining on numerous factors, including that a project must be located in an urban area. Projects may *not* be located on environmentally sensitive sites or hazardous sites.
- The map adjacent provides an approximation of Bay Area geographies that would be wholly excluded from AB 2011 parameters (the purple and white areas on the map).

Note: Exclusion areas generally align with SB 35 (Wiener, 2017)



AB 2011 Streamlining Scenario: Berkeley

For-profit developer is proposing a three-story housing project on San Pablo Ave. in northwest Berkeley. Fifteen percent of the units will be set at affordable rents for low-income households and be deed restricted for 55 years. The developer will comply with all AB 2011 labor standards.

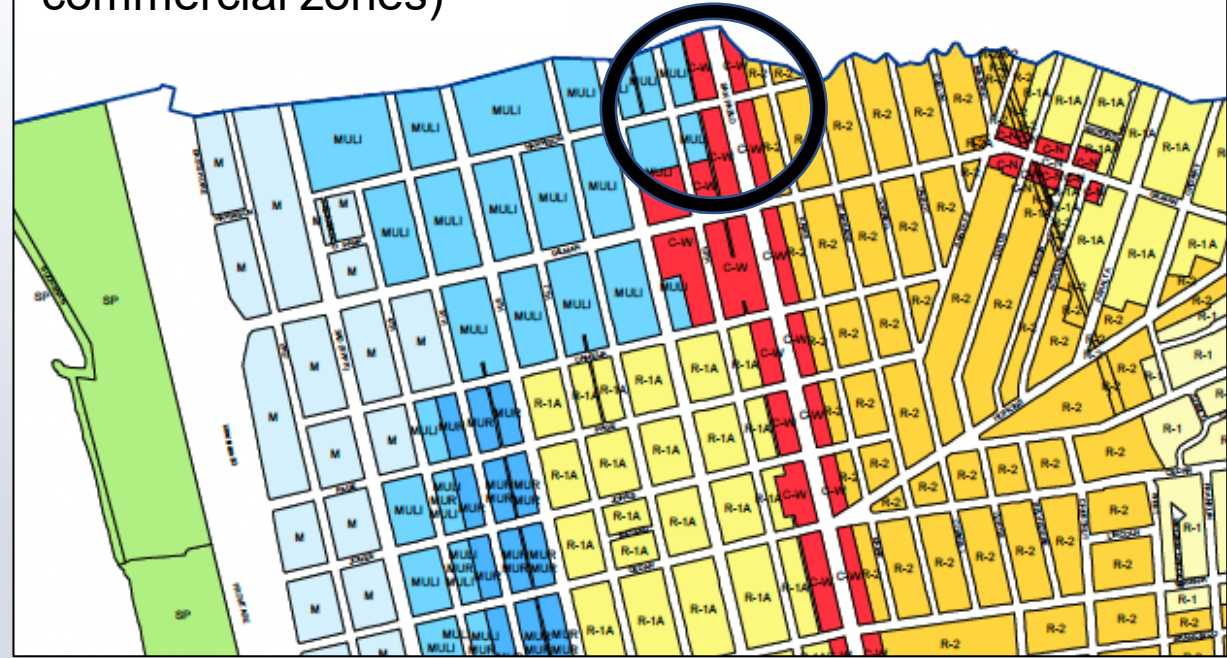
Zone: West Berkeley Commercial (red)

- ✓ Located on a commercial corridor (road is 70 feet to 150 feet wide)?
- ✓ Zoned for office, retail or parking?
- Specific Plan area? **No**
- ✓ Labor standards?
- ✓ Affordability standards
- ✓ Urban infill & not in environmentally sensitive area?
- ✓ Density standards?

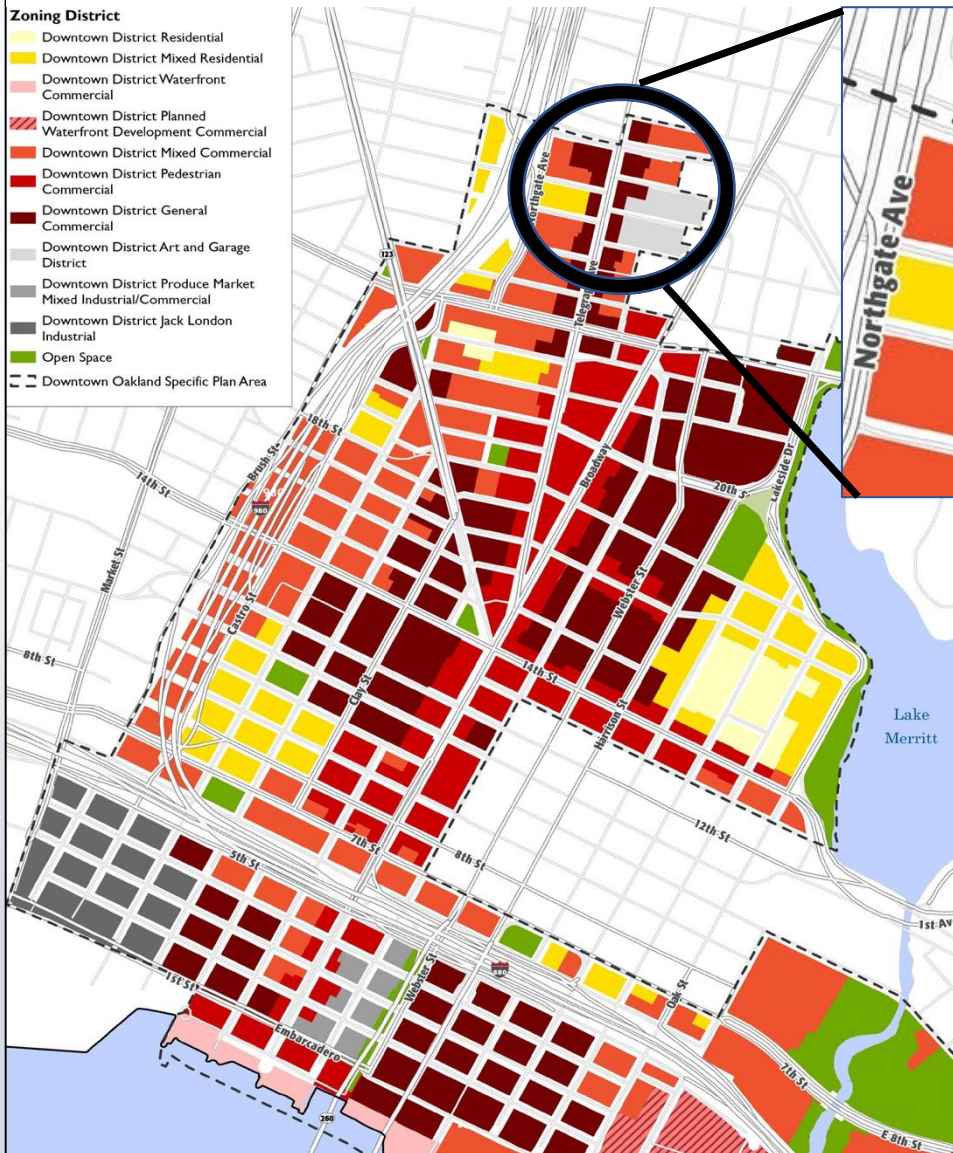
Result: By-right development

Zoning Map of Northwest Berkeley

(Red indicates commercial zones)



Downtown Oakland Specific Plan Map (Proposed)



AB 2011 Streamlining Scenario: Oakland

Non-profit affordable housing developer is proposing to build a two-story 100% affordable apartment building in downtown Oakland's newly zoned Arts and Garage district. Units will be deed restricted for 55 years and developer will comply with AB 2011 labor standards.

Zone: **Arts and Garage commercial district** (grey)

- ✓ Zoned for office, retail or parking?
- ✓ Specific Plan area? **Yes**
Residential allowed? **No**
- ✓ Labor standards?
- ✓ Affordability standards
- ✓ Urban infill & not in environmentally sensitive area?
- ✓ Density standards

Result: Rezoning or conditional use permit required; no ministerial project approval



Staff Recommends Three Amendments to Integrate Ongoing Planning Into AB 2011

1. **Create a nexus between project streamlining** and RHNA performance by allowing for ministerial project-level approvals *only* in jurisdictions that are not keeping pace with their RHNA goals.
2. **Support local planning in commercial corridors** where local governments have rezoned to accommodate infill residential development. Specifically, for planning areas where local governments have already completed (or will complete) rezones, AB 2011's streamlining provisions should *be limited to the locations where residential development is allowed*.
3. **The bill should be amended to include provisions to ensure local governments** receive "credit" in *the current housing element cycle* for planned residential development in commercial corridors.



Support if Amended Recommendation

- Amendments aim to advance multiple regional goals



Alleviating the Housing Crisis

- AB 2011 aligns with MTC and ABAG's policy priority of supporting housing production across income levels.



Plan Bay Area 2050 Alignment

- Repurposing commercial spaces for housing aligns further aligns with Plan Bay Area climate, connectivity, economy and workforce goals.



Supporting Local Planning

- Many Bay Area cities are taking steps to accommodate more housing in underutilized commercial areas.
- Our proposed amendments align AB 2011 with these ongoing planning efforts, including through ensuring these efforts are accounted for in housing element reviews.



Balancing Priorities

- Recommended amendments aim to balance local land use control with new tools to combat the housing affordability crisis.

For more information:
<http://www.bayareametro.gov/>

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