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

ABAG Executive Board Meeting

July 21, 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.

ASSOCIATION OF BAY AREA GOVERNMENTS
METROPOLITAN TRANSPORTATION COMMISSION

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 Terner 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: ABAG/MTC 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 located in certain commercial areas that meet specified labor, affordability, density, and site criteria be deemed a "use by right" and subject to ministerial project approval.

Commercial area
(office, retail or parking is a principally permitted use)

+

Minimum Standards for:
Labor
Affordability
Site
Objective design standards

=

By-right development
(no conditional use permit, rezoning, CEQA or discretionary review required)

AB 2011 Criteria:
Mixed Income vs. 100% Affordable Projects

June 2022 amendments reflected in red

	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: • Sites within an area covered by a specific plan, area plan, precise plan, urban village plan or master plan must also allow residential • Location is not on or 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 an area covered by a specific plan, area plan, precise plan, urban village plan or master plan must also allow residential • Location is not on or 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; local objective design standards	Low- to medium density; residential or mixed-use; local objective design standards

Staff Recommends Two Remaining Amendments to Integrate Ongoing Planning Into AB 2011

- Amendments to AB 2011 on June 23 address one of staff's original recommendations that the bill honor recent local planning completed or underway to expand housing in commercial corridors.

- Specifically, where a jurisdiction has completed (or will complete before 1/1/24) a specific plan, area plan, precise plan, urban village plan, or master plan to allow housing in commercial areas, streamlining will only apply to projects meeting the project-specific requirements on sites where those plans now allow housing.

Remaining amendments staff is recommending for a "support if amended" position:

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. **Ensure local governments receive "credit" in the current housing element cycle** for planned residential development in commercial corridors.

ASSOCIATION OF BAY AREA GOVERNMENTS
METROPOLITAN TRANSPORTATION COMMISSION

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 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 jurisdictions get credit for these efforts in housing element reviews.

Balancing Priorities

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

ASSOCIATION OF BAY AREA GOVERNMENTS
METROPOLITAN TRANSPORTATION COMMISSION

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

Georgia Gann Dohrmann

Assistant Director, Legislation & Public Affairs

gganndohrmann@bayareametro.gov