
SENATE COMMITTEE ON HOUSING

Senator Scott Wiener, Chair

2019 - 2020 Regular

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Author:	McGuire		
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Consultant:	Alison Hughes		

SUBJECT: Housing

DIGEST: This bill creates a streamlined approval process for eligible projects within ½ mile of fixed rail or ferry terminals in cities of 50,000 residents or more in smaller counties and in all urban areas in counties with over a million residents. It also allows creates a streamlined approval process for duplexes and fourplexes, as specified, in residential areas on vacant, infill parcels.

ANALYSIS:

Existing law:

- 1) Requires all cities and counties to adopt an ordinance that specifies how they will implement state density bonus law.
- 2) Requires cities and counties to grant a density bonus when an applicant for a housing development of five or more units seeks and agrees to construct a project that will contain at least one of the following:
 - a) 10% of the total units of a housing development for lower income households
 - b) 5% of the total units of a housing development for very low-income households
 - c) A senior citizen housing development or mobile home park
 - d) 10% of the units in a common interest development (CID) for moderate-income households
 - e) 10% of the total units for transitional foster youth, disabled veterans, or homeless persons.
- 3) Requires the city or county to allow an increase in density of 20% over the otherwise maximum allowable residential density under the applicable zoning ordinance and land use element of the general plan for low-income, very low-

income, or senior housing, and by five percent for moderate-income housing in a CID.

- 4) Provides that upon the request of a developer, a city, county, or city and county shall not require a vehicular parking ratio, inclusive of disabled and guest parking, that meets the following ratios:
 - a) Zero to one bedroom — one onsite parking space
 - b) Two to three bedrooms — two onsite parking spaces
 - c) Four and more bedrooms — two and one-half parking spaces
- 5) Requires cities and counties to provide an applicant for a density bonus with concessions and incentives based on the number of below market-rate units included in the project as follows:
 - a) One incentive or concession, if the project includes at least 10% of the total units for low-income households or 5% for very low-income households
 - b) Two incentives or concessions, if the project includes at least 20% of the total units for low-income households or 10% for very low-income households.
 - c) Three incentives or concessions, if the project includes at least 30% of the total units for low-income households or 15% for very low-income households.
- 6) Requires, until January 1, 2029, cities and counties to adopt zoning standards in the San Francisco Bay Area Rapid Transit District's (BART) transit-oriented development (TOD) guidelines and establishes a streamlined approval process for certain projects on BART-owned land.
- 7) Requires every city and county to prepare and adopt a general plan, including a housing element, to guide the future growth of a community. The housing element must identify and analyze existing and projected housing needs, identify adequate sites with appropriate zoning to meet the housing needs of all income segments of the community, and ensure that regulatory systems provide opportunities for, and do not unduly constrain, housing development.
- 8) Requires local governments located within the territory of a metropolitan planning organization (MPO) to revise their housing elements every eight years following the adoption of every other regional transportation plan (RTP). Local governments in rural non-MPO regions must revise their housing elements every five years.

- 9) Provides that each community's fair share of housing shall be determined through the regional housing needs allocations (RHNA) process, which is composed of three main stages:
 - a) The Department of Finance and the Department of Housing and Community Development (HCD) develop regional housing needs estimates;
 - b) Councils of government (COGs) allocate housing within each region based on these estimates (where a COG does not exist, HCD makes the determinations); and
 - c) Cities and counties incorporate their allocations into their housing elements.
- 10) Requires a local jurisdiction to give public notice of a hearing whenever a person applies for a zoning variance, special use permit, conditional use permit, zoning ordinance amendment, or general or specific plan amendment.
- 11) Requires the board of zoning adjustment or zoning administrator to hear and decide applications for conditional uses or other permits when the zoning ordinance provides therefor and establishes criteria for determining those matters, and applications for variances from the terms of the zoning ordinance.
- 12) Provides that supportive housing, in which 100% of units are dedicated to low-income households (up to 80% AMI) and are receiving public funding to ensure affordability, shall be a use by right in all zones where multifamily and mixed uses are allowed, as specified.
- 13) Provides that infill developments in localities that have failed to meet their regional housing needs assessment (RHNA) numbers shall not be subject to a streamlined, ministerial approval process, as specified.
- 14) Requires HCD, by June 30, 2019, to complete a study evaluating the reasonableness of local fees charged to new developments. The study shall include findings and recommendations regarding potential amendments to the Mitigation Fee Act to substantially reduce fees for residential development.

This bill:

- 1) Defines "eligible parcel" as a parcel that meets all of the following requirements:
 - a) The parcel is in a jurisdiction of a local agency that meets both conditions:

- i. HCD has determined that the local agency has produced fewer housing units than jobs over the past 10 years; and
 - ii. The local agency has unmet regional housing needs.
 - b) The parcel is not located within any of the following:
 - i. An architecturally or historically significant historic district
 - ii. Coastal zone
 - iii. Very high fire hazard severity zone, as specified
 - iv. A flood plain
 - c) The project on the proposed parcel will not require the demolition of any of the following types of housing:
 - i. Housing that is subject to a recorded covenant, ordinance, or law that restricts rents to families of low- and moderate income levels;
 - ii. Housing that is subject to rent or price control;
 - iii. Housing that has not been occupied by tenants in the past 10 years.
 - d) The site was not previously used for housing that was occupied by tenants that was demolished within 10 years before the development proponent submits an application pursuant to this bill.
 - e) The development of the project on the proposed parcel would not require the demolition of a historic structure.
 - f) The proposed parcel does not contain housing units that were occupied by tenants and units at the property are or were subsequently offered for sale to the general public by the subdivider or subsequent owner of the property.
 - g) The parcel is zoned to allow residential use and qualifies as an infill site.
 - h) The parcel does not qualify as an eligible TOD project site for a development on BART property.
 - i) A parcel on which the project would be located would be fully assessed on or after January 1, 2021 to reflect its full cash value as if a change in ownership has occurred.
- 2) Defines “eligible TOD project” as a transit oriented development (TOD) project, located on an eligible parcel in an urban community that meets all of the following requirements:
- a) Has a height less than or equal to one story, or 15 feet, above the highest allowable height, or the tallest height allowable, for mixed use or residential use.
 - b) Is located within ½ mile of an existing or planned transit station entrance.
 - c) Has a floor area ratio of 0.6 times the number of stories that satisfies paragraph (a). If the parcel is not subject to a zoning ordinance or other restriction on maximum height, the maximum allowable floor area ratio shall be calculated by multiplying the number of stories proposed by 0.6.

- d) Has a minimum density of 30 units per acre in a metropolitan area or 20 units per acre in suburban areas.
 - e) Provides parking as follows:
 - i. In a city with fewer than 100,000 residents, or over 100,000 residents and between ¼ and ½ mile from an existing planned transit station, a project shall provide parking consistent with existing density bonus law.
 - ii. In a jurisdiction with more than 100,000 residents and that is within ¼ of a mile from an existing or planned transit station entrance, no further parking requirements may apply.
 - f) At least 2/3 of the square footage of the development is designated for residential use.
 - g) The eligible TOD project meets all local requirements that do not conflict with this bill, including but not limited to a general plan, a specific plan, or a zoning ordinance.
 - h) The development proponent of the TOD project develops a plan to ensure transit accessibility to the residents of the development
 - i) For a TOD project with 10 units or more, the development shall dedicate 30% of the total units at rent affordable to households earning lower than 80% of the area median income and execute a recorded affordability restriction for at least 55 years. If a local agency has adopted an ordinance requiring greater than 30% affordability, that ordinance shall apply.
 - k) The development proponent has done both of the following, as applicable:
 - i. Certified to the locality that either of the following is true: (1) The entirety of the development is a public work or, (2) if the development is not in its entirety a public work, that all construction workers employed in the execution of the development will be paid at least the general prevailing rate of per diem wages for the type of work and geographic area, as specified, except that apprentices registered in programs approved by the chief of the division of Apprenticeship Standards may be paid at least the applicable apprentice prevailing rate.
 - ii. For specified developments, a skilled and trained workforce shall be used to complete the development.
- 3) Defines “neighborhood multifamily project” (NMP) as a project to construct up to two residential units in a non-urban community and up to four units in an urban community, located on an eligible parcel that meets all of the following:

- a) The parcel on which the NMP would be located is on vacant land.
“Vacant land” means either: a property with no existing structures or a property with a least one structure but the structure has been unoccupied for at least 5 years and considered substandard under the state housing law.
 - b) The NMP meets all local requirements, including height, setbacks, lot coverage, and other applicable zoning requirement.
 - c) The project provides at least .5 parking spaces per unit.
- 4) Defines “planned transit station” as a transit station that has completed CEQA review and for which construction is 75% funded.
- 5) Defines “station entrance” as the entry point into an enclosed station structure, or if that point is not clear or does not exist, the station fare gates.
- 6) Defines “non-urban community” as not an urban community. Urban community means either of the following.
- a) A city with a population of 50,000 or greater that is located in a county with a population of less than 1,000,000.
 - b) An urbanized area or urban cluster located in a county with a population of 1,000,000 or greater.
- 7) Defines “infill site” as a site in an urban or nonurban community that meets the following criteria:
- a) The site has not previously been used for urban uses and both of the following apply (i) The site is immediately adjacent to parcels that are developed with urban uses or at least 75% of the perimeter of the site adjoins parcels that are developed with urban uses, and (ii) the remaining 25% of the site adjoins parcels that have been previously developed for urban uses.
 - b) “Urban use” means any residential, commercial, public institutional, transit or transportation passenger facility, or retail use, or any combination of those uses.
- 8) Provides that an eligible NMP or eligible TOD project located on an eligible parcel may submit an application for a development to be subject to a streamlined, ministerial approval process outlined in this bill and not subject to a conditional use permit if it is consistent with objective zoning standards, as defined.

- 9) States that if a local agency determines that a development is inconsistent with any of the requirements allowing streamlined approval, the local agency shall provide the development proponent with written documentation of which requirement the development conflicts with and an explanation for the reason or reasons the development conflicts with that requirement or requirements within a specified period of time. If a local agency fails to provide the required documentation, the development shall be deemed to satisfy the requirements for streamlined approval.
- 10) Provides that design review or public oversight of the development may be conducted, as specified.
- 11) Provides that if a project is approved using the streamlined process outlined in this bill and the project contains 50% of units affordable to households making below 80% AMI, the approval shall not expire. The approvals for projects with fewer than 50% units affordable to those making 80% AMI shall expire after 3 years; a project proponent may apply for a one year extension after providing specified documentation.
- 12) Provides that a NMP shall not be considered by a local agency, special district, or water corporation to be a new residential use for the purposes of calculating fees charged for new development, except as follows: 1) Connection fees and capacity charges related to water, sewer, and electrical service shall be determined by existing law, and 2) fees charged by a school district shall be limited to no more than \$3,000 per dwelling unit.
- 13) Authorizes a development proponent of an eligible TOD project to apply for a density bonus. A project that meets the requirement for streamlining under this bill before adding any height increases, density increases, waivers, or concessions awarded through a density bonus shall remain eligible for streamlining after the addition of a density bonus, waiver, incentive, or concession.
- 14) Prohibits streamlining from applying if the local agency finds that the development would have a specific, adverse impact, as specified, on public health or safety, including but not limited to, fire safety, and there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact without rendering the development unaffordable to low- and moderate-income households.

COMMENTS

- 1) *Purpose of the bill.* According to the author, “A variety of causes have contributed to California’s lack of housing production, including restrictive zoning ordinances, skyrocketing land prices, local permitting processes that provide multiple avenues to stop a project, and the lack of public funding to advance workforce affordable housing. These issues pose challenges to constructing market-rate and affordable housing developments alike. SB 4 advances strategic changes to local zoning to allow construction of additional homes in two ways. First, SB 4 grants streamlined ministerial review to eligible projects within ½ mile of fixed rail or ferry terminals in cities of 50,000 residents or more in smaller counties and in all urban areas in counties with over a million residents. Second, SB 4 allows ministerial permitting of up to fourplexes in cities and urban areas over 50,000 people (duplexes in urban areas under 50,000) on any vacant infill parcels zoned residential. SB 4 helps address the affordable housing crisis in big cities and small, in every corner of California by encouraging projects that are in scale with what local governments already allow in areas with sufficient transit, but some cities simply won't approve and unlocking neighborhood multi-family buildings in residential areas throughout the state.”
- 2) *Existing Streamlining Programs.* Every city and county in California is required to develop a general plan that outlines the community’s vision of future development through a series of policy statements and goals. A community’s general plan lays the foundation for all future land use decisions, as these decisions must be consistent with the plan. Each community’s general plan must include a housing element, which outlines a long-term plan for meeting the community’s existing and projected housing needs. Cities and counties enact zoning ordinances to implement their general plans. Zoning determines the type of housing that can be built. In addition, before building new housing, housing developers must obtain one or more permits from local planning departments and must also obtain approval from local planning commissions, city councils, or county board of supervisors.

Some housing projects can be permitted by city or county planning staff ministerially or without further approval from elected officials. Projects reviewed ministerially require only an administrative review designed to ensure they are consistent with existing general plan and zoning rules, as well as meet standards for building quality, health, and safety. Most large housing projects are not allowed ministerial review. Instead, these projects are vetted through both public hearings and administrative review. Most housing projects that require discretionary review and approval are subject to review under the

California Environmental Quality Act (CEQA), while projects permitted ministerially generally are not.

SB 2 (Cedillo, 2007) required local governments, in their housing element, to accommodate their need for emergency shelters on sites where the use is allowed without a conditional use permit, and requires cities and counties to treat transitional and supportive housing projects as a residential use of property. In addition to SB 2 (Cedillo), SB 35 (Wiener, 2017) requires local jurisdictions that have not met their above moderate-income or lower income regional housing needs assessment (RHNA) to streamline certain developments. Jurisdictions that are not meeting their lower income RHNA requirement must streamline developments that restrict at least 50% of the units in a development to households earning up to 80% AMI. However, SB 35 is limited to urban infill sites and has limited application where rental housing existed within the last 10 years. AB 2162 (Chiu, 2018) provided that supportive housing, in which 100% of units are dedicated to low-income households (up to 80% AMI) and are receiving public funding to ensure affordability, shall be a use by-right in all zones where multifamily and mixed uses are allowed, as specified. AB 2162 applies to all areas of the state, urban and rural, and would apply regardless of whether a local government has met its RHNA.

- 3) *Housing near Transit.* Research has shown that encouraging more dense housing near transit serves not only as a means of increasing ridership of public transportation to reduce greenhouse gases (GHGs), but also a solution to our state's housing crisis. As part of California's overall strategy to combat climate change, the Legislature began the process of encouraging more transit oriented development with the passage of SB 375 (Steinberg, Chapter 728, Statutes of 2008). SB 375 is aimed at reducing the amount that people drive and associated GHGs by requiring the coordination of transportation, housing, and land use planning. The Legislature subsequently allocated 20% of the ongoing Cap and Trade Program funds to the Affordable Housing and Sustainable Communities Program, which funds land use, housing, transportation, and land preservation projects to support infill and compact development that reduce GHGs. At least half of the funds must support affordable housing projects.

The McKinsey Report found that increasing housing demand around high-frequency public transit stations could build 1.2 – 3 million units within a half-mile radius of transit. The report notes that this new development would have to be sensitive to the character of a place, and recommends that local communities proactively rezone station areas for higher residential density to pave the way for private investments, accelerate land-use approvals, and use bonds to finance station area infrastructure.

Research has also demonstrated a positive relationship between income and vehicle miles traveled (VMT). A study by the Center for Neighborhood Technology, entitled *Income, Location Efficiency, and VMT: Affordable housing as a Climate Strategy*, created a model to isolate the relationship of income on VMT. This model found that lower-income families living near transit were likely to drive less than their wealthier neighbors. More specifically, in metro regions, home to two-thirds of California's population, identically composed and located low-income households were predicted to drive 10% less than the median, very low-income households 25% less, and extremely low-income households 33% less. By contrast, middle income households were predicted to drive 5% more and above moderate-income households 14% more. The patterns are similar for the other two Regional Contexts, although the differences are slightly reduced in Rural Areas. This research demonstrates the value of encouraging lower-income people to live near transit who are more likely to increase transit ridership.

- 4) *2018 BART bill*. In May 2017, BART released a publication on its “Transit-Oriented Development Guidelines,” with the goal of beginning to implement BART’s previously adopted TOD policy. Among others, the purposes of the TOD Guidelines were to delineate what BART requires and encourages in TOD projects—such as building and street design, financial performance, partnerships and blending with the community—and to offer guidance to cities and developers in creating transit-supportive station area plans for the areas surrounding BART stations, TOD projects, and approvals within a half-mile of BART stations.

The TOD Guidelines state that BART-owned developable land, totaling 250 acres spread across 27 stations that are already built or under construction, offers a unique opportunity for TOD. The Guidelines assign each BART station a “place type”: regional centers, urban or city centers, and neighborhood or town centers. Based on these place types, the guidelines specify zoning standards that BART identifies as conducive to TOD, including quantified standards for height, density, and parking, as follows:

	Regional Center	Urban or City Center	Neighborhood or Town Center
Parking maximum	1 space/unit; 2.5 spaces/1,000 sq. ft.	0.5 space/unit; 1.6 spaces/1,000 sq. ft.	0.375 space/unit; no office parking spaces
Height minimum	12 stories	7 stories	5 stories
Density	75 units/acre		

Last year, the Legislature passed and the Governor signed AB 2923 (Chiu, Chapter 1000), which required, until January 1, 2029, cities and counties to adopt zoning standards in the San Francisco BART transit-oriented development (TOD) guidelines and establishes a streamlined approval process for certain projects on BART-owned land.

This bill, similar to the BART bill (AB 2923, Chiu, Chapter 1000), would create a streamlined approval process for specified housing developments near planned or existing transit stations and ferry terminals. To qualify for streamlining, a jurisdiction must have created fewer jobs than homes in the past 10 years and have unmet housing needs under RHNA. Projects must be on a site that is infill and zoned residential, and must be in an urban community. Projects also may not be in an architecturally or historically significant historic district, coastal zone, a very high fire hazard severity zone, or flood plain.

In addition to streamlined approvals, a development utilizing this bill may build the development one story higher than the local zoning allows, have a floor area ratio of .6 the number of stories, have reduced parking requirements (similar to density bonus law), and have minimum density, as specified.

- 5) *Denser Housing in Single-Family Zoning.* California's high — and rising — land costs necessitate dense housing construction for a project to be financially viable and for the housing to ultimately be affordable to lower-income households. Yet, recent trends in California show that new housing has not commensurately increased in density. In a 2016 analysis, the Legislative Analyst's Office (LAO) found that the housing density of a typical neighborhood in California's coastal metropolitan areas increased only by four percent during the 2000s. In addition, the pattern of development in California has changed in ways that limit new housing opportunities. A 2016 analysis by BuildZoom found that new development has shifted from moderate but widespread density to pockets of high-density housing near downtown cores surrounded by vast swaths of low-density single-family housing. Specifically,

construction of moderately-dense housing (2 to 49 units) in California peaked in the 1960s and 1970s and has slowed in recent decades.

Stricter land use controls are also associated with greater displacement and segregation along both income and racial lines. Past practices such as redlining, which led to the racial and economic segregation of communities in the 1930s, have shown the negative effects that these practices can have on communities. The federal National Housing Act of 1934 was enacted to make housing and mortgages more affordable and to stop bank foreclosures during the Great Depression. These loans were distributed in a manner to purposefully exclude “high risk” neighborhoods composed of minority groups. This practice led to underdevelopment and lack of progress in these segregated communities while neighborhoods surrounding them flourished due to increased development and investment. People living in these redlined communities had unequal access to quality, crucial resources such as health and schools. These redlined communities experience higher minority and poverty rates today and are experiencing gentrification and displacement at a higher rate than other neighborhoods. Today, exclusionary zoning can lead to “unintended” segregation of low-income and minority groups, which creates unequal opportunities for Californians of color. Both the LAO and an analysis by the Institute of Governmental Studies (IGS) at the University of California, Berkeley indicate that building new housing would reduce the likelihood that residents would be displaced in future decades.

The UC Berkeley Turner Center conducted a residential land use survey in California from August 2017 to October 2018. The survey found that most jurisdictions devote the majority of their land to single family zoning and in two-thirds of jurisdictions, multifamily housing is allowed on less than 25% of land. Some jurisdictions in the US have taken steps to increase density in single-family zones. For example, Minneapolis will become the first major U.S. city to end single-family home zoning; in December, the City Council passed a comprehensive plan to permit three-family homes in the city’s residential neighborhoods, abolish parking minimums for all new construction, and allow high-density buildings along transit corridors. According to the 2016 McKinsey Report, California has the capacity to build between 341,000 and 793,000 new units by adding units to existing single-family homes.

In an effort to encourage density everywhere, this bill creates a streamlined approval process for duplexes in non-urban cities or fourplexes in urban cities, on vacant parcels. To qualify for streamlining, a jurisdiction must have created fewer jobs than homes in the past 10 years and have unmet housing needs under RHNA. Projects must be on a site that is vacant, infill and zoned residential,

and must be in an urban community. Projects may not be in an architecturally or historically significant historic district, coastal zone, a very high fire hazard severity zone, or flood plain. Eligible projects must otherwise comply with existing zoning requirements and design review. Developers would have to pay for sewer, water, and electrical hookups, and school fees would be capped at \$3,000 per unit, but other impact fees would be prohibited.

- 6) *Density bonus law*. Given California's high land and construction costs for housing, it is extremely difficult for the private market to provide housing units that are affordable to low- and even moderate-income households. Public subsidy is often required to fill the financial gap on affordable units. Density bonus law allows public entities to reduce or even eliminate subsidies for a particular project by allowing a developer to include more total units in a project than would otherwise be allowed by the local zoning ordinance in exchange for affordable units. Allowing more total units permits the developer to spread the cost of the affordable units more broadly over the market-rate units. The idea of density bonus law is to cover at least some of the financing gap of affordable housing with regulatory incentives, rather than additional subsidy.

Under existing law, if a developer proposes to construct a housing development with a specified percentage of affordable units, the city or county must provide all of the following benefits: a density bonus, incentives or concessions (hereafter referred to as incentives); waiver of any development standards that prevent the developer from utilizing the density bonus or incentives; and reduced parking standards.

To qualify for benefits under density bonus law, a proposed housing development must contain a minimum percentage of affordable housing (*see* the "Existing Law" section). If one of these five options is met, a developer is entitled to a base increase in density for the project as a whole (referred to as a density bonus) and one regulatory incentive. Under density bonus law, a market rate developer gets density increases on a sliding scale based on the percentage of affordable housing included in the project. At the low end, a developer receives 20% additional density for 5% very low-income units and 20% density for 10% low-income units. The maximum additional density permitted is 35% (in exchange for 11% very low-income units and 20% low-income units). The developer also negotiates additional incentives and concessions, reduced parking, and design standard waivers with the local government. This helps developers reduce costs while enabling a local government to determine what changes make the most sense for that site and community.

A development proponent may enjoy greater benefits under the provisions of this bill than those received under DBL. TOD projects of any size may receive increased density and reduced parking requirements, and minimum height and floor area ratio requirements. In exchange, projects with 10 or more units must include at least 30% of the units at an affordable rate to lower-income households. NMPs will also receive greater density than an existing residential zone without any affordable housing requirements. Moving forward, the author may wish to evaluate how the two programs may work more closely in concert with one another.

- 7) *Applicability.* The author provided a rough estimate of the cities and counties affected by this bill: roughly 60% of cities or 92% of the city population and 16% of counties or 52% of the county population, meet the minimum threshold requirements (jobs/housing imbalance and unmet housing needs).

Unfortunately, this bill will likely have relatively limited applicability due to restrictions on eligible parcels. The provisions for both TOD projects and NMPs are limited to infill sites and may not be permitted in architecturally or historically significant historic district, the coastal zone, very high fire hazard severity zone, or flood plains. TOD projects may only exist in urban communities, or cities with populations of 50,000 or more and, while NMPs may exist in a city of any size, they are limited to vacant parcels, as defined. Given the extent of the housing crisis in California, moving forward, the author may wish to consider expanding the applicability of this bill so as to encourage the development of more units.

- 8) *Reduced fees on NMPs.* As part of the 2017 Housing Package, the Legislature passed AB 879 (Grayson, Chapter 374), which requires HCD to complete a study to evaluate the reasonableness of local fees charged to new developments. The study, which is due to the Legislature by June 30th, 2019, must include findings and recommendations regarding amendments to existing law to substantially reduce fees for residential development. This bill recognized that, in order to address the statewide housing shortage, more units need to be built at a lower per-unit cost. This bill will help inform the legislature of ways to reduce fees for residential development in a comprehensive manner. Moving forward, the author may wish to consider whether it is premature to prohibit certain fees when a study is already underway to provide overall policy recommendations for reducing housing costs.

- 9) *SB 4 (McGuire) vs. SB 50 (Wiener).* This bill is similar in nature to SB 50 (Wiener), which will also be heard today. Both bills encourage denser housing

near transit by relaxing density, height, parking, and floor area ratio requirements, but also differ in several ways. First, this bill only applies in jurisdictions that have built fewer homes in the last 10 years than jobs and have unmet housing needs, whereas SB 50 does not have threshold requirements. Also, the zoning benefits in this bill do not extend to projects in proximity to high quality bus corridors. While both bills only apply to parcels in residential zones, this bill only applies to infill sites and is not permitted in specified areas. Both bills also relate to areas not tied to transit; this bill allows for duplexes on vacant parcels that allow a residential use in cities less than 50,000 and fourplexes in cities greater than 50,000. SB 50 does not limit density, however it is limited to areas designated as “jobs-rich” by HCD and OPR. Lastly, this bill also provides a streamlined approval process for both TOD.

Here is a comparison of the SB 4 and SB 50 benefits for projects near transit:

	SB 4 TOD	SB 50 Transit-Rich
Density	- Metro areas: min. 30 units/acre - Suburban: min. 20 units per acre	No limit
Parking	- Cities <100,000 and 1/4-1/2 mile from transit: DBL (spaces/BR or .5 spaces/unit if 100% affordable) - Cities >100,000 and 0-1/4 mile from transit: no parking	No parking
Concessions and Incentives	No	- 1 C/I: Projects with 10% LI or 5% VLI - 2 C/I: Projects with 20% LI or 10% VLI - 3 C/I: Projects with 30% LI or 15% VLI
Waivers or Reductions of Dev't Standards	Existing design review applies	Must comply with all relevant standards, including architectural design
Height	One story over allowable height	No less than 45' or 55' (depending on proximity to transportation)
FAR	.6 times the number of stories	No less than 2.5 or 3.25 (depending on proximity to transit)
Streamlining	Ministerial Review	No new streamlined approvals, but may qualify under existing law (SB 35)
Reduced Fees	No	No

Here is a comparison of the SB 4 and SB 50 benefits for a “jobs-rich” and NMP incentive:

	SB 4 Duplexes & Fourplexes	SB 50 Jobs-Rich
Density	- Urban Cities (<50,000): 2 units - Non-Urban (>50,000): 4 units	No limit
Parking	.5 spaces per unit	.5 spaces per unit
Concessions and Incentives	No	- 1 C/I: Projects with 10% LI or 5% VLI - 2 C/I: Projects with 20% LI or 10% VLI - 3 C/I: Projects with 30% LI or 15% VLI
Waivers or Reductions of Dev't Standards	Existing design review applies	Must comply with all relevant standards, including architectural design
Height	Meet existing zoning requirements	None (<i>can use one of the C/I or W/R of design standards</i>)
FAR	Meet existing zoning requirements	None (<i>can use one of the C/I or W/R of design standards</i>)
Streamlining	Ministerial Review	No new streamlined approvals, but may qualify under existing law (SB 35)
Reduced Fees	- Not a new residential use, except connection for service fees - No more than \$3,000 in school fees	No

10) *Opposition.* Associated Builders and Contractors of Northern California are opposed to specified labor provisions in the bill.

11) *Triple-referral.* This bill is triple-referred to the Governance and Finance Committee and the Senate Environmental Quality Committee.

RELATED LEGISLATION:

SB 50 (Wiener, 2019) — requires a local government to grant an equitable communities incentive, which reduces local zoning standards, when a development proponent meets specified requirements. *This bill will also be heard today by this committee.*

AB 2162 (Chiu, Chapter 753, 2018) — streamlined affordable housing developments that include a percentage of supportive housing units and onsite services

AB 2923 (Chiu, Chapter 1000, Statutes of 2018) — required, until January 1, 2029, cities and counties to adopt zoning standards in the San Francisco BART transit-oriented development (TOD) guidelines and establishes a streamlined approval process for certain projects on BART-owned land.

SB 827 (Wiener, 2018) — would have created an incentive for housing developers to build near transit by exempting developments from certain low-density requirements, including maximum controls on residential density, maximum controls on FAR, as specified, minimum parking requirements, , and maximum building height limits, as specified. A developer could choose to use the benefits provided in that bill if it meets certain requirements. *This bill failed passage in the Senate Transportation and Housing Committee.*

AB 879 (Grayson, Chapter 374, Statutes of 2017) — required HCD to complete a study to evaluate the reasonableness of local fees charged to new developments.

SB 35 (Wiener, Chapter 366, Statutes of 2017) — created a streamlined, ministerial approval process for infill developments in localities that have failed to meet their regional housing needs assessment (RHNA) numbers.

SB 2 (Cedillo, Chapter 633, Statutes of 2007) — required cities and counties to accommodate their need for emergency shelters on sites where the use is allowed without a conditional use permit, and requires cities and counties to treat transitional and supportive housing projects as a residential use of property.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

POSITIONS: (Communicated to the committee before noon on Wednesday,

March 27, 2019.)

SUPPORT

California Alternative Payment Program Association

OPPOSITION

Associated Builders and Contractors Northern California Chapter
California Assessors' Association

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