

**Metropolitan Transportation Commission and the Association of Bay Area Governments
Joint MTC Legislation Committee and
ABAG Legislation Committee**

May 10, 2019

Agenda Item 7c2

SB 50 (Wiener): Equitable Communities Incentives – Upzoning Near Transit & Jobs-Rich Areas & By Right Allowance for Small Residential Projects in Specified Areas

Subject: SB 50 would allow varying degrees of higher-density multifamily housing to be built within ½-mile of transit stations, ¼-mile of high-quality bus corridors and in areas designated as “jobs-rich” by the Department of Housing and Community Development. The bill also provides for smaller, by-right residential development on vacant parcels in urbanized areas.

Background: SB 50 seeks to encourage more transit-oriented development and housing closer to jobs by allowing developers to build higher levels of density around California’s fixed-route transit (rail and ferry) stations, high-quality bus stops and jobs-rich areas than would in many cases be allowed under current zoning. The bill has two main components:

Equitable Communities Incentive (ECI)

To qualify for an ECI, a parcel must be already zoned to allow residential and meet numerous other requirements. The ECI itself is tiered depending on the proximity to a transit station, as follows:

- For a project located in either a jobs-rich area, within ¼-mile of a high-quality bus stop, or within ½-mile of a transit station, the incentive would include: 1) a waiver from maximum controls on density; and 2) a waiver from minimum parking requirements greater than 0.5 spaces/unit.
- For a project within ½-mile of a transit station, the incentive would allow at least 45 feet tall and 2.5 floor area ratio (FAR).
- For a project within ¼-mile of a transit station, the incentive would allow at least 55 feet tall and 3.25 FAR.

County Size Threshold Added

Recent amendments to SB 50 significantly scaled back its applicability in counties with fewer than 600,000 residents. In those counties, the ECI would only apply to projects located within ½-mile of a transit station within cities greater than 50,000. As such, the Bay Area’s four northern counties (Marin, Napa, Solano and Sonoma) are currently excluded from significant provisions of the bill and the more modest ECI provisions would only apply in six cities—Fairfield, Novato, Petaluma, San Rafael, Santa Rosa and Vallejo. In these cities, the ECI would provide:

- A waiver on maximum controls on density, with a minimum requirement of 30 units/acre in jurisdictions considered; metropolitan and 20 units/acre in jurisdictions considered suburban
- An allowance of one story or 15 feet above the highest allowable height for residential or mixed use;
- Maximum FAR requirements less than 0.6 times the number of stories;

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- No parking requirement for a housing development located within 1/4 –mile radius of a transit station in a city with a population greater than 100,000 (Fairfield, Santa Rosa & Vallejo) and elsewhere in these six cities, a waiver from parking requirements greater than 0.5/unit.

Neighborhood Multifamily Projects

In addition, SB 50 now also includes a section, originally proposed by SB 4 (McGuire), allowing for by-right development on vacant parcels that are already zoned to allow for residential development and are located within urbanized areas or, in census terminology, “urban clusters.” The bill excludes numerous sensitive land from this provision, similar to those excluded from SB 35, such as coastal zones, high fire zones, etc. See Attachment B for a map indicating the areas subject to SB 50 and those that are excluded. Conversions would be allowed in limited circumstances.

Deferral in Sensitive Communities

The bill would defer applicability of the ECI in “sensitive communities,” which the bill defines as the intersection of Communities of Concern and the Bay Conservation and Development Commission’s sensitive communities designations for the Bay Area until January 2026. Such areas could instead develop a community plan, but it must ultimately meet the same level of development capacity as provided for in the bill and meet other requirements. The bill also excludes sites that contain housing occupied by tenants or that was previously occupied by tenants within the preceding seven years or the owner has withdrawn the property from rent or lease within 15 years prior to the date of application.


Discussion:

SB 50 has the potential to make tremendous progress on the region’s housing production with a particular emphasis on increased housing at all income levels near transit. However, there are a number of outstanding issues to be resolved. These include the definition of jobs-rich, which does not adequately prioritize areas that can help improve jobs/housing balance, and the rigidity of the height allowance within 1/2–mile of a transit station. As such, staff recommends a “support if amended” position on the bill with the understanding that staff should work to resolve these two issues in particular, and other issues as may be directed by the ABAG Executive Board and Commission.

Recommendation: Support if Amended

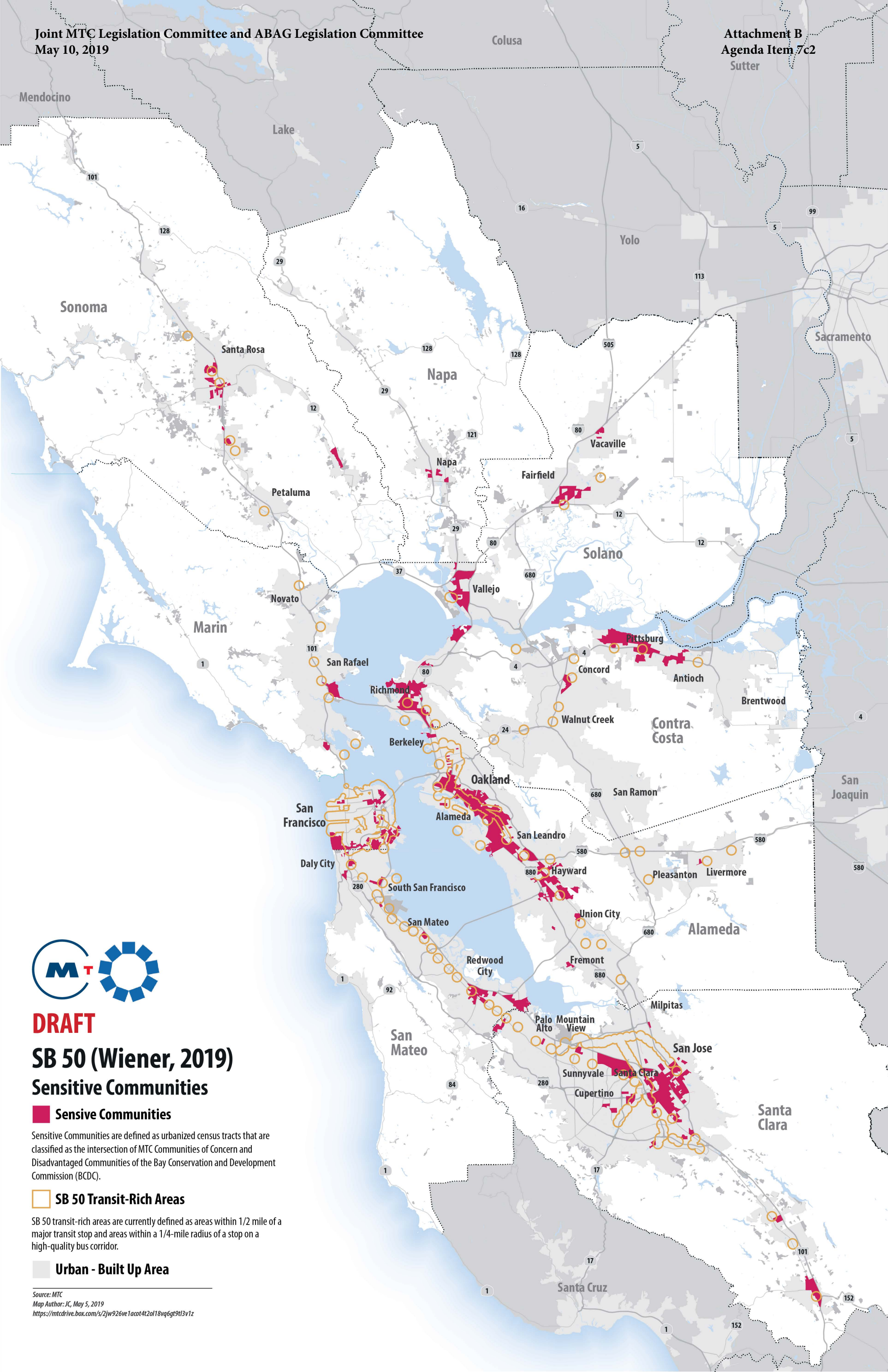
Bill Positions: See Attachment C

Attachments: Attachment A: Inclusionary Housing Requirements in SB 50
Attachment B: Draft SB 50 (Wiener, 2019) Sensitive Communities Map
Attachment C: Bill Positions





Therese W. McMillan

Inclusionary Housing Requirements in SB 50

| Project Size | Inclusionary Housing Requirements in SB 50 |
|-------------------|---|
| 1-10 units | No affordability requirement. |
| 11-20 units | Developer may pay an in lieu fee, where feasible, toward housing offsite affordable to lower income households. |
| 21-200 units | <ul style="list-style-type: none"> • 15% lower-income OR • 8% very low-income OR • 6% extremely low-income |
| 201 – 350 units | <ul style="list-style-type: none"> • 17% lower-income OR • 10% very low-income OR • 8% extremely low-income |
| 351 units or more | <ul style="list-style-type: none"> • 25% lower-income OR • 15% very low-income OR • 11% extremely low-income |



DRAFT
SB 50 (Wiener, 2019)
Sensitive Communities

-  **Sensitive Communities**
Sensitive Communities are defined as urbanized census tracts that are classified as the intersection of MTC Communities of Concern and Disadvantaged Communities of the Bay Conservation and Development Commission (BCDC).
-  **SB 50 Transit-Rich Areas**
SB 50 transit-rich areas are currently defined as areas within 1/2 mile of a major transit stop and areas within a 1/4-mile radius of a stop on a high-quality bus corridor.
-  **Urban - Built Up Area**

Source: MTC
Map Author: JC, May 5, 2019
<https://mtcdrive.box.com/s/2jw926ve1acot4t2ol18vq6gt9tl3v1z>

Support and Opposition to SB 50

Source: Senate Governance & Finance Committee, as of 4/19/19

Support: 3,025 Individuals; 6beds, Inc.; AARP; Bay Area Council; Bridge Housing Corporation; Building Industry Association of The Bay Area; Burbank Housing Development Corporation; Calasian Chamber of Commerce; California Apartment Association; California Chamber of Commerce; California Community Builders; California National Party; California Yimby; Dana Point Chamber Of Commerce; Emeryville; City of; Facebook, Inc.; Fieldstead and Company, Inc.; Fossil Free California; Greater Washington; Hamilton Families; Local Government Commission; Los Angeles Area Chamber of Commerce; Ms.; Murrieta Chamber of Commerce; Natural Resources Defense Council; North Orange County Chamber of Commerce; Oakland Metropolitan Chamber of Commerce; Office of The Mayor, San Francisco; Orange County Business Council; Oxnard Chamber of Commerce; Related California; Santa Cruz County Chamber of Commerce; Santa Maria Valley Chamber of Commerce; Schott & Lites Advocates Llc; Silicon Valley At Home (SV@Home); Silicon Valley Leadership Group; South Bay Jewish Federation; South Bay Yimby; Spur; State Council on Developmental Disabilities; Stripe; Technet-Technology Network; The Silicon Valley Organization; Tmg Partners; Valley Industry And Commerce Association; Yimby Action

Opposition: 1,850 Individuals; Aids Healthcare Foundation; Alliance of Californians for Community Empowerment (Acce) Action; American Planning Association, California Chapter; Asian Pacific Environmental Network; Barbary Coast Neighborhood Association; Bay Area Transportation Working Group; Berkeley Tenants Union; Brentwood Community Council - West Los Angeles; Causa Justa :: Just Cause; Central Valley Empowerment Alliance; Century Glen Hoa; City of Brentwood; City of Chino Hills; City of Cupertino; City of Downey; City of Glendale; City of Lafayette; City of Lakewood; City of La Mirada; City of Palo Alto; City of Rancho Cucamonga; City of Rancho Palos Verdes; City of Pinole; City of Redondo Beach; City of San Mateo; City of Santa Clarita; City of Solana Beach ;City of Sunnyvale; City of Vista; Coalition for San Francisco Neighborhoods; Preserve LA; Concerned Citizens of Los Feliz; Cow Hollow Association; Dolores Heights Improvement Club; Dolores Street Community Services; East Mission Improvement Association; East Yard Communities for Environmental Justice; City of Glendora; Grayburn Avenue Block Club; Homeowners of Encino; Housing for All Burlingame; Housing Rights Committee of San Francisco; Jobs with Justice San Francisco; Jordan Park Improvement Association; Legal Services for Prisoners with Children; League of California Cities; Los Angeles Tenants Union - Hollywood Local Case Worker; Los Angeles Tenants Union -- Networking Team; Miraloma Park Improvement Club; Mission Economic Development Agency; New Livable California DbA Livable California; Noe Neighborhood Council; Northeast Business Economic Development DbA Northeast Business Association; City of Pasadena; Planning Association for the Richmond; Poder; Redstone Labor Temple Association; Regional-Video; Sacred Heart Community Service; San Francisco Senior And Disability Action; San Francisco Rising Alliance; San Francisco Tenants Union; Save Capp Street; Senior and Disability Action; SF Ocean Edge; Sherman Oaks Homeowners Association; South Bay Cities Council Of Governments; South Brentwood Residents Association; South of Market Community Action Network; Stand Up For San Francisco; Sunset-Parkside Education And Action Committee (Speak); Sutro Avenue Block Club/Leimert Park; Telegraph Hill Dwellers; Tenant Sanctuary; Tenants Together; The San Francisco Marina Community Association; Toluca Lake Homeowners Association; United to Save the Mission; Urban Habitat; West Mar Vista Residents Association; Yah! (Yes to Affordable Housing)