

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

May 10, 2019

Agenda Item 5f

AB 1485 (Wicks): Workforce Housing

- Subject:** AB 1485 would modify affordability requirements applicable to a developer who wants to take advantage of current law’s by-right provisions in Senate Bill 35 (Wiener, 2017) such that a project could either dedicate 10 percent of the total number of units to housing affordable to households making below 80 percent of the area median income (AMI)—as provided for in current law—or 20 percent to households earning below 120 percent AMI with an average income of units at or below 100 percent—which the bill would add as a new option.
- Background:** In 2017, the Legislature enacted SB 35 (Wiener), which provides for ministerial approval for housing projects that meet “objective planning standards” and numerous other requirements in cities and counties that are not meeting housing production targets, as identified in the Regional Housing Need Allocation (RNHA). Under current law, to qualify under streamlining in jurisdictions falling short of their above-moderate income housing targets, projects over 10 units must include a minimum of 10 percent of units affordable to households earning 80 percent or less of AMI. AB 1485 would provide that a project could also meet this requirement by dedicating 20 percent of units to those affordable households earning 120 percent AMI or less, with the average income of those units affordable to those households earning 100 percent of AMI or less. The bill would define rental levels dedicated to households earning between 80 percent – 120 percent AMI as rents offered at least 20 percent below the county’s fair market rate. If a local jurisdiction has a local ordinance requiring larger shares of units be affordable to low-income or moderate-income households, then the local ordinance applies.
- Discussion:** AB 1485 would create a new option to streamline moderate- and mixed-income housing, which would help address the housing shortage facing the Bay Area’s “missing middle” – those households that do not qualify for affordable housing subsidies but still struggle with the cost of housing (i.e. households earning between 80 percent – 120 percent AMI). For example, according to a recent East Bay Times analysis the income required to afford the median rent in the City of Pleasanton is nearly \$109,000 – significantly above the \$89,600 income limit for a family of four to qualify for affordable housing (the 80 percent AMI income limit for a four-person household in Alameda County for 2018 is \$89,000).

Recommendation: Support

Bill Positions: AB 1485 (Wicks)

Support

Bay Area Council (Sponsor)
Building Industry Association of the Bay Area
California Community Builders
Chan Zuckerberg Initiative
Enterprise Community Partners, Inc.
Habitat for Humanity East Bay/Silicon Valley
Hamilton Families
Oakland Metropolitan Chamber of Commerce
Related California
Silicon Valley at Home (SV@Home)
TMG Partners

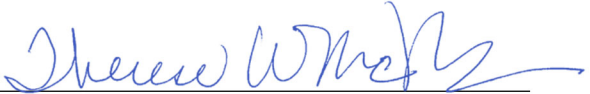
Support if Amended

American Planning Association
San Francisco Foundation

Oppose

None on File

Attachments: None


Therese W. McMillan