



Assembly Bill 1063: Providing Cities Tools to Meet State Housing Goals

SUMMARY

Facilitates housing growth in built-out cities. Enables cities to meet state housing goals when voters must approve their housing plan and/or housing projects.

BACKGROUND

Each city in California is required to adopt a comprehensive general plan, which serves as a blueprint for how the city and/or county will grow and develop. This state mandate is called the Housing Element and Regional Housing Needs Allocation (RHNA).

The California Department of Housing and Community Development (HCD) determines what type of housing qualifies for RHNA credit and reviews Housing Elements for compliance.

NEED FOR THE BILL

In recent years, California has passed reforms to ensure that local governments develop new housing units to address the housing crisis. Legislation is needed to increase opportunities for built-out jurisdictions to meet affordable housing goals.

As policy-makers, we must provide cities with tools and flexibility to facilitate housing growth and help the state meet the Governor's goal to create millions of additional housing units by 2025.

SOLUTION

- 1) Present clear, objective standards for the review and certification of Housing Elements by providing guidance to local governments in the selection of appropriate sites, while minimizing local government's administrative time and cost.
- 2) Allow local governments to credit up to 50

percent of its RHNA numbers through either: rehabilitation, conversion and/or preservation (we currently allow 25 percent). In built-out cities with limited land available to build new housing units, it is critical we incentivize creating affordable housing options to those who are low- and very low-income.

- 3) Expand the ability for jurisdictions to count ADUs towards RHNA requirements based on demonstrated capacity and establishing an accepted assumption for estimating ADU production and affordability levels.
- 4) Provide flexibility for jurisdictions that have local voter-approval requirements to submit a draft Housing Element to HCD. This will establish preliminary compliance, pending voter approval. If the voters do not approve the Housing Element and the issue is taken to court, the city will not be penalized during this process. This will prevent costly penalties that will drain resources from local communities.
- 5) Clarify that committed assistance from a city, county, or a private entity satisfying a housing requirement, be demonstrated early enough such that the housing units would be available within six years of the planning period. The current cap of two years has left many new affordable housing units uncounted.

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