



**DISCUSSION CALENDAR**

**Agenda Item # 10**

**AGENDA REPORT SUMMARY**

**Meeting Date:** January 8, 2019

**Subject:** City Council Discussion of SB-50 – Relating to Housing

**Prepared by:** Chris Jordan, City Manager

**Attachment(s):**

1. SB 50 with Legislative Counsel's Digest

**Initiated by:**

Council Members

**Previous Council Consideration:**

Not Applicable

**Fiscal Impact:**

Not Applicable

**Environmental Review:**

Not Applicable

**Policy Question(s) for Council Consideration:**

Not Applicable – this is an item for discussion

**Summary:**

- At its December 11, 2018 City Council meeting, two members of the City Council requested that this item be placed on the next agenda for Council discussion

**Staff Recommendation:**

This item is for Council discussion only

**Introduced by Senator Wiener**  
**(Coauthors: Senators Caballero, Hueso, Moorlach, and Skinner)**  
(Coauthors: Assembly Members Burke, Kalra, Kiley, Low,  
Robert Rivas, Ting, and Wicks)

December 3, 2018

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An act to add Chapter 4.35 (commencing with Section 65918.50) to Division 1 of Title 7 of the Government Code, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

SB 50, as introduced, Wiener. Planning and zoning: housing development: equitable communities incentive.

Existing law, known as the Density Bonus Law, requires, when an applicant proposes a housing development within the jurisdiction of a local government, that the city, county, or city and county provide the developer with a density bonus and other incentives or concessions for the production of lower income housing units or for the donation of land within the development if the developer, among other things, agrees to construct a specified percentage of units for very low, low-, or moderate-income households or qualifying residents.

This bill would require a city, county, or city and county to grant upon request an equitable communities incentive when a development proponent seeks and agrees to construct a residential development, as defined, that satisfies specified criteria, including, among other things, that the residential development is either a job-rich housing project or a transit-rich housing project, as those terms are defined; the site does not contain, or has not contained, housing occupied by tenants or accommodations withdrawn from rent or lease in accordance with specified law within specified time periods; and the residential development complies with specified additional requirements under

existing law. The bill would require that a residential development eligible for an equitable communities incentive receive waivers from maximum controls on density and automobile parking requirements greater than 0.5 parking spots per unit, up to 3 additional incentives or concessions under the Density Bonus Law, and specified additional waivers if the residential development is located within a ½-mile or ¼-mile radius of a major transit stop, as defined. The bill would authorize a local government to modify or expand the terms of an equitable communities incentive, provided that the equitable communities incentive is consistent with these provisions.

The bill would include findings that the changes proposed by this bill address a matter of statewide concern rather than a municipal affair and, therefore, apply to all cities, including charter cities. The bill would also declare the intent of the Legislature to delay implementation of this bill in sensitive communities, as defined, until July 1, 2020, as provided.

By adding to the duties of local planning officials, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. Chapter 4.35 (commencing with Section  
2 65918.50) is added to Division 1 of Title 7 of the Government  
3 Code, to read:

4  
5 CHAPTER 4.35. EQUITABLE COMMUNITIES INCENTIVES  
6

7 65918.50. For purposes of this chapter:  
8 (a) “Affordable” means available at affordable rent or affordable  
9 housing cost to, and occupied by, persons and families of extremely  
10 low, very low, low, or moderate incomes, as specified in context,  
11 and subject to a recorded affordability restriction for at least 55  
12 years.

1 (b) “Development proponent” means an applicant who submits  
2 an application for an equitable communities incentive pursuant to  
3 this chapter.

4 (c) “Eligible applicant” means a development proponent who  
5 receives an equitable communities incentive.

6 (d) “FAR” means floor area ratio.

7 (e) “High-quality bus corridor” means a corridor with fixed  
8 route bus service that meets all of the following criteria:

9 (1) It has average service intervals of no more than 15 minutes  
10 during the three peak hours between 6 a.m. to 10 a.m., inclusive,  
11 and the three peak hours between 3 p.m. and 7 p.m., inclusive, on  
12 Monday through Friday.

13 (2) It has average service intervals of no more than 20 minutes  
14 during the hours of 6 a.m. to 10 a.m., inclusive, on Monday through  
15 Friday.

16 (3) It has average intervals of no more than 30 minutes during  
17 the hours of 8 a.m. to 10 p.m., inclusive, on Saturday and Sunday.

18 (f) “Job-rich housing project” means a residential development  
19 within an area identified by the Department of Housing and  
20 Community Development and the Office of Planning and Research,  
21 based on indicators such as proximity to jobs, high area median  
22 income relative to the relevant region, and high-quality public  
23 schools, as an area of high opportunity close to jobs. A residential  
24 development shall be deemed to be within an area designated as  
25 job-rich if both of the following apply:

26 (1) All parcels within the project have no more than 25 percent  
27 of their area outside of the job-rich area.

28 (2) No more than 10 percent of residential units or 100 units,  
29 whichever is less, of the development are outside of the job-rich  
30 area.

31 (g) “Local government” means a city, including a charter city,  
32 a county, or a city and county.

33 (h) “Major transit stop” means a site containing an existing rail  
34 transit station or a ferry terminal served by either bus or rail transit  
35 service.

36 (i) “Residential development” means a project with at least  
37 two-thirds of the square footage of the development designated  
38 for residential use.

39 (j) “Sensitive community” means an area identified by the  
40 Department of Housing and Community Development, in

1 consultation with local community-based organizations in each  
2 region, as an area vulnerable to displacement pressures, based on  
3 indicators such as percentage of tenant households living at, or  
4 under, the poverty line relative to the region.

5 (k) “Tenant” means a person residing in any of the following:

6 (1) Residential real property rented by the person under a  
7 long-term lease.

8 (2) A single-room occupancy unit.

9 (3) An accessory dwelling unit that is not subject to, or does  
10 not have a valid permit in accordance with, an ordinance adopted  
11 by a local agency pursuant to Section 65852.22.

12 (4) A residential motel.

13 (5) Any other type of residential property that is not owned by  
14 the person or a member of the person’s household, for which the  
15 person or a member of the person’s household provides payments  
16 on a regular schedule in exchange for the right to occupy the  
17 residential property.

18 (l) “Transit-rich housing project” means a residential  
19 development the parcels of which are all within a one-half mile  
20 radius of a major transit stop or a one-quarter mile radius of a stop  
21 on a high-quality bus corridor. A project shall be deemed to be  
22 within a one-half mile radius of a major transit stop or a one-quarter  
23 mile radius of a stop on a high-quality bus corridor if both of the  
24 following apply:

25 (1) All parcels within the project have no more than 25 percent  
26 of their area outside of a one-half mile radius of a major transit  
27 stop or a one-quarter mile radius of a stop on a high-quality bus  
28 corridor.

29 (2) No more than 10 percent of the residential units or 100 units,  
30 whichever is less, of the project are outside of a one-half mile  
31 radius of a major transit stop or a one-quarter mile radius of a stop  
32 on a high-quality bus corridor.

33 65918.51. (a) A local government shall, upon request of a  
34 development proponent, grant an equitable communities incentive,  
35 as specified in Section 65918.53, when the development proponent  
36 seeks and agrees to construct a residential development that  
37 satisfies the requirements specified in Section 65918.52.

38 (b) It is the intent of the Legislature that, absent exceptional  
39 circumstances, actions taken by a local legislative body that

1 increase residential density not undermine the equitable  
2 communities incentive program established by this chapter.

3 65918.52. In order to be eligible for an equitable communities  
4 incentive pursuant to this chapter, a residential development shall  
5 meet all of the following criteria:

6 (a) The residential development is either a job-rich housing  
7 project or transit-rich housing project.

8 (b) The residential development is located on a site that, at the  
9 time of application, is zoned to allow housing as an underlying  
10 use in the zone, including, but not limited to, a residential,  
11 mixed-use, or commercial zone, as defined and allowed by the  
12 local government.

13 (c) (1) If the local government has adopted an inclusionary  
14 housing ordinance requiring that the development include a certain  
15 number of units affordable to households with incomes that do not  
16 exceed the limits for moderate-income, lower income, very low  
17 income, or extremely low income specified in Sections 50079.5,  
18 50093, 50105, and 50106 of the Health and Safety Code, and that  
19 ordinance requires that a new development include levels of  
20 affordable housing in excess of the requirements specified in  
21 paragraph (2), the residential development complies with that  
22 ordinance.

23 (2) If the local government has not adopted an inclusionary  
24 housing ordinance, as described in paragraph (1), and the residential  
25 development includes \_\_\_\_ or more residential units, the residential  
26 development includes onsite affordable housing for households  
27 with incomes that do not exceed the limits for extremely low  
28 income, very low income, and low income specified in Sections  
29 50093, 50105, and 50106 of the Health and Safety Code. It is the  
30 intent of the Legislature to require that any development of \_\_\_\_  
31 or more residential units receiving an equitable communities  
32 incentive pursuant to this chapter include housing affordable to  
33 low, very low or extremely low income households, which, for  
34 projects with low or very low income units, are no less than the  
35 number of onsite units affordable to low or very low income  
36 households that would be required pursuant to subdivision (f) of  
37 Section 65915 for a development receiving a density bonus of 35  
38 percent.

39 (d) The site does not contain, or has not contained, either of the  
40 following:

1 (1) Housing occupied by tenants within the seven years  
2 preceding the date of the application, including housing that has  
3 been demolished or that tenants have vacated prior to the  
4 application for a development permit.

5 (2) A parcel or parcels on which an owner of residential real  
6 property has exercised his or her rights under Chapter 12.75  
7 (commencing with Section 7060) of Division 7 of Title 1 to  
8 withdraw accommodations from rent or lease within 15 years prior  
9 to the date that the development proponent submits an application  
10 pursuant to this chapter.

11 (e) The residential development complies with all applicable  
12 labor, construction employment, and wage standards otherwise  
13 required by law and any other generally applicable requirement  
14 regarding the approval of a development project, including, but  
15 not limited to, the local government's conditional use or other  
16 discretionary permit approval process, the California  
17 Environmental Quality Act (Division 13 (commencing with Section  
18 21000) of the Public Resources Code), or a streamlined approval  
19 process that includes labor protections.

20 (f) The residential development complies with all other relevant  
21 standards, requirements, and prohibitions imposed by the local  
22 government regarding architectural design, restrictions on or  
23 oversight of demolition, impact fees, and community benefits  
24 agreements.

25 (g) The equitable communities incentive shall not be used to  
26 undermine the economic feasibility of delivering low-income  
27 housing under the state density bonus program or a local  
28 implementation of the state density bonus program, or any locally  
29 adopted program that puts conditions on new development  
30 applications on the basis of receiving a zone change or general  
31 plan amendment in exchange for benefits such as increased  
32 affordable housing, local hire, or payment of prevailing wages.

33 65918.53. (a) A residential development that meets the criteria  
34 specified in Section 65918.52 shall receive, upon request, an  
35 equitable communities incentive as follows:

36 (1) Any eligible applicant shall receive the following:

37 (A) A waiver from maximum controls on density.

38 (B) A waiver from maximum automobile parking requirements  
39 greater than 0.5 automobile parking spots per unit.

1 (C) Up to three incentives and concessions pursuant to  
2 subdivision (d) of Section 65915.

3 (2) An eligible applicant proposing a residential development  
4 that is located within a one-half mile radius, but outside a  
5 one-quarter mile radius, of a major transit stop and includes no  
6 less than \_\_\_\_ percent affordable housing units shall receive, in  
7 addition to the incentives specified in paragraph (1), waivers from  
8 all of the following:

9 (A) Maximum height requirements less than 45 feet.

10 (B) Maximum FAR requirements less than 2.5.

11 (C) Notwithstanding subparagraph (B) of paragraph (1), any  
12 maximum automobile parking requirement.

13 (3) An eligible applicant proposing a residential development  
14 that is located within a one-quarter mile radius of a major transit  
15 and includes no less than \_\_\_\_ percent affordable housing units  
16 shall receive, in addition to the incentives specified in paragraph  
17 (1), waivers from all of the following:

18 (A) Maximum height requirements less than 55 feet.

19 (B) Maximum FAR requirements less than 3.25.

20 (C) Notwithstanding subparagraph (B) of paragraph (1), any  
21 maximum automobile parking requirement.

22 (4) Notwithstanding any other law, for purposes of calculating  
23 any additional incentive or concession in accordance with Section  
24 65915, the number of units in the residential development after  
25 applying the equitable communities incentive received pursuant  
26 to this chapter shall be used as the base density for calculating the  
27 incentive or concession under that section.

28 (5) An eligible applicant proposing a project that meets all of  
29 the requirements under Section 65913.4 may submit an application  
30 for streamlined, ministerial approval in accordance with that  
31 section.

32 (b) The local government may modify or expand the terms of  
33 an equitable communities incentive provided pursuant to this  
34 chapter, provided that the equitable communities incentive is  
35 consistent with, and meets the minimum standards specified in,  
36 this chapter.

37 65918.54. The Legislature finds and declares that this chapter  
38 addresses a matter of statewide concern rather than a municipal  
39 affair as that term is used in Section 5 of Article XI of the



1 California Constitution. Therefore, this chapter applies to all cities,  
2 including charter cities.

3 65918.55. (a) It is the intent of the Legislature that  
4 implementation of this chapter be delayed in sensitive communities  
5 until July 1, 2020.

6 (b) It is further the intent of the Legislature to enact legislation  
7 that does all of the following:

8 (1) Between January 1, 2020, and \_\_\_\_, allows a local  
9 government, in lieu of the requirements of this chapter, to opt for  
10 a community-led planning process aimed toward increasing  
11 residential density and multifamily housing choices near transit  
12 stops.

13 (2) Encourages sensitive communities to opt for a  
14 community-led planning process at the neighborhood level to  
15 develop zoning and other policies that encourage multifamily  
16 housing development at a range of income levels to meet unmet  
17 needs, protect vulnerable residents from displacement, and address  
18 other locally identified priorities.

19 (3) Sets minimum performance standards for community plans,  
20 such as minimum overall residential development capacity and  
21 the minimum affordability standards set forth in this chapter.

22 (4) Automatically applies the provisions of this chapter on  
23 January 1, 2025, to sensitive communities that do not have adopted  
24 community plans that meet the minimum standards described in  
25 paragraph (3), whether those plans were adopted prior to or after  
26 enactment of this chapter.

27 SEC. 2. No reimbursement is required by this act pursuant to  
28 Section 6 of Article XIII B of the California Constitution because  
29 a local agency or school district has the authority to levy service  
30 charges, fees, or assessments sufficient to pay for the program or  
31 level of service mandated by this act, within the meaning of Section  
32 17556 of the Government Code.