

ASSEMBLY THIRD READING  
AB 1279 (Bloom)  
As Introduced February 21, 2019  
Majority vote

### **SUMMARY:**

Requires certain development sites in high resource areas to allow for more density and height and makes these sites subject to "use by-right" approval.

### **Major Provisions**

- 1) Requires the Department of Housing and Community Development (HCD) to designate areas in this state as "high-resource areas," as defined as an area of high opportunity and low residential density that is not currently experiencing gentrification and displacement, and that is not at a high risk of future gentrification and displacement;
- 2) Requires that a housing development project must be a use by right in any high-resource area if the development satisfies the following criteria:
  - a) In areas zoned only for single-family residential development, the development project consists of up to four residential units with a height of up to 20 feet. The units would have to be either affordable to households making 100% of the area median income (AMI), or sold or rented at a higher AMI if the developer pays 10% of the difference to the local jurisdiction for construction of units for households at 50% AMI or less;
  - b) In areas zoned for residential use that are at least one-quarter acre in size and located on a major street and/or the central business district, the development project consists of up to 40 residential units with a height of up to 30 feet. Projects with 10 or fewer units would need to meet the same affordability parameters as the projects in single-family zones discussed above. Projects of more than 10 units would need to dedicate at least 10% of the units to households with low incomes (typically 50%-80% AMI) and 5% to very low incomes (typically under 50% AMI);
  - c) If the parcel exceeded one-half acre in these prime locations, a project that had at least 25% of its units dedicated to low-income households and 25% to very-low income households would be allowed to have up to 100 residential units with a height of up to 55 feet. Such a project could receive a density bonus if it were to include additional affordable units; and,
  - d) No qualifying project must require the demolition of housing that is currently for rent or has been in the past ten years, or be located in an environmentally unsafe or sensitive area.

### **COMMENTS:**

The cost of housing in California is the highest of any state in the nation. According to the Legislative Analyst's Office, the foremost reason for this is that far less housing has been built in California's coastal areas than people demand. Facilitating the necessary growth will require building at higher densities than are currently allowed in much of the state.

Additionally, multiple studies have shown that life outcomes improve for those living in "high-resource areas," i.e., neighborhoods with high quality public schools, proximity to well-paying jobs, and a clean and safe environment. Such studies have also shown that living in such communities can have a particularly beneficial outcome for low-income people in terms of health, employment, and educational attainment. However, historically low-income people have been excluded from high-resource areas through a number of means that have only been exacerbated by the rapidly rising cost of housing in California.

The bill is intended to help alleviate the housing crisis and reduce exclusionary practices by making housing a use by right in high resource areas when certain criteria are met, allowing increased densities and heights that are tailored to proximity to arterial streets and central business districts. The bill would establish minimum amounts of affordable housing, and create additional incentives for projects that are at least 50 percent affordable. The bill would preclude the use of this provision for projects that would result in demolition of housing that is currently for rent or has been in the past ten years, or be located in an environmentally unsafe or sensitive area. To facilitate the implementation of these requirements, the bill requires HCD to undergo a process, with defined stakeholders, to define "high-resource areas" as areas that are not experiencing nor at risk of gentrification and displacement.

**According to the Author:**

According to the author, "California's housing shortage is well-documented, and it is primarily a shortage of units affordable to households at the lower end of the income spectrum. Facilitating the production of affordable housing units requires increasing allowable residential densities in many communities and creating more opportunities for multifamily development. Allowing these types of projects to be developed by right in the most exclusionary places is crucial to ensuring that they are able to proceed."

**Arguments in Support:**

Supporters argue that this bill addresses exclusionary zoning practices in high-resource areas, which exacerbate racial and economic segregation and reduce opportunities for lower-wage workers to live close to where they work, and will facilitate mixed-income and affordable housing in high-resource, lower-density communities.

**Arguments in Opposition:**

According to the City of La Palma, "this bill would usurp cities' authority to protect and preserve the quality of residential areas and quality of life by allowing housing developments that meet minimum standards, including affordability requirements, by-right".

**FISCAL COMMENTS:**

According to the Assembly Committee on Appropriations:

- 1) Estimated one-time costs to HCD of \$100,000 (GF) in the first year for a mapping consultant contract and \$225,000 (GF) for HCD staff to coordinate with stakeholders and the mapping consultant.
- 2) Estimated ongoing costs of \$207,000 (GF) annually to HCD for program staff to support the program.
- 3) Unknown ongoing administrative costs to support the program

**VOTES:**

**ASM RULES: 12-0-0**

**YES:** Cooley, Cunningham, Carrillo, Flora, Grayson, Kamlager-Dove, Maienschein, Mathis, Quirk-Silva, Ramos, Robert Rivas, Wicks

**ASM HOUSING AND COMMUNITY DEVELOPMENT: 6-1-1**

**YES:** Chiu, Gabriel, Gloria, Kiley, Maienschein, Quirk-Silva

**NO:** Diep

**ABS, ABST OR NV:** Limón

**ASM LOCAL GOVERNMENT: 5-2-1**

**YES:** Aguiar-Curry, Bloom, Ramos, Luz Rivas, Robert Rivas

**NO:** Lackey, Voepel

**ABS, ABST OR NV:** Boerner Horvath

**ASM APPROPRIATIONS: 12-6-0**

**YES:** Gonzalez, Bloom, Bonta, Calderon, Carrillo, Chau, Eggman, Gabriel, Eduardo Garcia, Maienschein, Quirk, Robert Rivas

**NO:** Bigelow, Brough, Diep, Fong, Obernolte, Petrie-Norris

**UPDATED:**

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