

ASSEMBLY THIRD READING

AB 725 (Wicks)

As Amended January 16, 2020

Majority vote

SUMMARY:

Amends Housing Element law to require certain jurisdictions to zone for multi-family moderate and above-moderate income housing.

Major Provisions

- 1) Requires that, for incorporated areas within a metropolitan jurisdiction, at least 25% of the jurisdiction's share of the regional housing need for both the moderate-income and above moderate-income housing categories must be allocated to sites with zoning that allows at least two units of housing, but no more than 35 units of housing per acre.
- 2) Specifies that, for sites with this allocation:
 - a) A project proponent may propose, and a jurisdiction may approve, a single-family detached home;
 - b) This allocation cannot be the basis for a jurisdiction to deny a project that does not comply with the allocation; and
 - c) This allocation cannot be the basis for a jurisdiction to not impose price controls, or in lieu thereof, any exactions or conditions of approval.
- 3) Provides that no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.

COMMENTS:

The cost of housing in California is the highest of any state in the nation. One of the many reasons that housing is too expensive is the type of housing that is being built. Almost all of the housing built in California is single-family (which can be an inefficient use of land) and mid- and high-rise construction (which are expensive to build). One strategy to lower the cost of housing is to facilitate the construction of "missing-middle" housing types, including medium-density typologies such as duplexes, fourplexes, garden apartment, town homes, and their ilk. These types of units have many benefits, including being land-efficient; less expensive to build; being more contextually similar to existing single-family neighborhoods; providing sufficient density to support the shops, restaurants, and transit that are associated with walkable neighborhoods; helping expand the pool of homebuilders, since the construction and building materials are comparatively less complicated than larger mid- and high-rise structures; and being naturally less expensive in the market because they are typically smaller than single-family homes, thereby helping increase access to opportunity and facilitate neighborhood equity and inclusion.

A major reason that these units are not being built is that they are not allowed under local zoning. A 2019 Turner Center survey of California cities and counties revealed that only 7% zoned over

half their land for multi-family housing, and only 35% zoned even 25% of their land for multi-family housing.

One reason that there is not sufficient land zoned for medium-density housing is that it is not local jurisdictions are not required to do so. In planning for housing, housing element law requires local jurisdictions to adequately plan to meet their existing and projected housing needs through the Regional Housing Needs Allocation (RHNA) process. RHNA's are assigned by four income categories as guideposts for each community to develop a mix of housing types for all economic segments of the population. These income categories include very low-income (under 50% of Area Median Income (AMI)), low-income (between 50-80% of AMI), moderate-income (80%-120% of AMI), and above-moderate income (above 120% of AMI). Upon receiving its RHNA, each jurisdiction must then demonstrate, through its housing element, that the development capacity exists to accommodate, at a minimum, the allocation for each of the four income categories. Jurisdictions do so by creating an inventory of developable sites. Per housing element law, sites determined to be eligible for very low-income and low-income housing must be zoned for a density of at least 30 units per acre in metropolitan jurisdiction and 20 units per acre in suburban jurisdictions. There is no density minimum for moderate-income and above moderate-income housing sites, which represent approximately 60% of the overall housing allocation.

The purpose of this bill is to facilitate the development of more medium density housing at moderate and above-moderate incomes, akin to the requirement for very low- and low-income housing. It would do so by requiring at least 25% of the jurisdiction's share of the regional housing need for both moderate-income and above moderate-income housing be allocated to sites with zoning that allows at least two units of housing, but no more than 35 units per acre of housing. Such density would enable the production of medium-density housing on these sites that typically are subject to more restrictive zoning currently. For a typical jurisdiction, this bill would increase the minimum percentage of land zoned for multi-family housing from approximately 40% to 55%.

According to the Author:

According to the author, "As we continue to tackle the housing crisis, "missing middle" developments prompt the loudest outcry and have the best chance of being relatively more affordable for residents who make too much for subsidized housing but still can't afford market-rate homes."

Arguments in Support:

According to California YIMBY, the bill "will require many local governments, especially in high-cost coastal areas, to plan for multigenerational neighborhoods that are more inclusive and more able to accommodate multiple income levels."

Arguments in Opposition:

None on file

FISCAL COMMENTS:

According to the Assembly Committee on Appropriations, no state costs. Any state-mandated local costs are not reimbursable by the state because cities and counties have fee authority to recover those costs.

VOTES:

ASM HOUSING AND COMMUNITY DEVELOPMENT: 7-0-1

YES: Chiu, Bloom, Gloria, Kiley, Limón, Maienschein, Quirk-Silva

ABS, ABST OR NV: Diep

ASM LOCAL GOVERNMENT: 5-3-0

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

NO: Lackey, Boerner Horvath, Voepel

ASM APPROPRIATIONS: 11-6-1

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

NO: Bigelow, Brough, Megan Dahle, Diep, Fong, Petrie-Norris

ABS, ABST OR NV: Gabriel

UPDATED:

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