
THIRD READING

Bill No: AB 500
Author: Ward (D), et al.
Amended: 7/13/21 in Senate
Vote: 21

SENATE NATURAL RES. & WATER COMMITTEE: 6-2, 6/29/21
AYES: Stern, Allen, Eggman, Hertzberg, Hueso, Laird
NOES: Jones, Grove
NO VOTE RECORDED: Limón

SENATE GOVERNANCE & FIN. COMMITTEE: 4-1, 7/8/21
AYES: McGuire, Durazo, Hertzberg, Skinner
NOES: Nielsen

SENATE APPROPRIATIONS COMMITTEE: 5-2, 8/26/21
AYES: Portantino, Bradford, Kamlager, Laird, McGuire
NOES: Bates, Jones

ASSEMBLY FLOOR: 53-20, 5/27/21 - See last page for vote

SUBJECT: Local planning: permitting: coastal development: housing

SOURCE: Author

DIGEST: This bill requires the California Coastal Commission to conduct a study by January 1, 2023, that identifies recommendations for policy changes that advance affordable housing in the coastal zone, as specified.

ANALYSIS:

Existing law:

- 1) Establishes the California Coastal Commission (Coastal Commission) in the California Natural Resources Agency.

- 2) Establishes numerous California Coastal Act of 1976 (Coastal Act) policies including that:
 - a) Lower cost visitor and recreational facilities shall be protected, encouraged, and, where feasible, provided. Developments providing public recreational opportunities are preferred.
 - b) New development shall minimize risks to life and property in areas of high geologic, flood, and fire hazards.
- 3) Provides for the planning and regulation of development within the coastal zone in the Coastal Act.
 - a) A person planning to perform or undertake any development in the coastal zone is required to obtain a coastal development permit from the Coastal Commission or local government enforcing a local coastal program (LCP) certified by the Coastal Commission.
 - b) A LCP cannot be required to include housing programs and policies.
 - c) The coastal zone means the coastal land and waters of California, and includes the lands that extend inland generally 1,000 yards from the mean high tide line, as specified, with various exceptions including the San Francisco Bay.
 - d) Development means, among other things, the placement or erection of any solid material or structure on land or in water.
- 4) Requires the Coastal Commission's review of a land use plan to be limited to its administrative determination that the plan does or does not conform to Coastal Act policies, as provided.
- 5) Declares in the Coastal Act that the Legislature finds that:
 - a) It is important for the Coastal Commission to encourage the protection of existing and the provision of new affordable housing opportunities for persons of low and moderate income in the coastal zone.
 - b) The Coastal Act is not intended, and shall not be construed as authorizing the Coastal Commission to exercise their power to grant or deny a permit in a manner which will take or damage private property for public use, without the payment of just compensation therefor, as provided.

- c) The basic goals of the state for the coastal zone include to assure orderly, balanced utilization and conservation of coastal zone resources taking into account the social and economic needs of the people of the state.
- 6) Requires local governments to ministerially permit specified accessory dwelling units (ADUs) and junior ADUs (JADUs). ADU law provides that it cannot be construed to supersede or in any way alter or lessen the effect or application of the Coastal Act, except that the local government shall not be required to hold public hearings for coastal development permit applications for ADUs.
- 7) Requires local governments to ministerially grant increases in density to projects that include affordable housing. The “density bonus law” includes a similar provision to ADU law regarding the Coastal Act and also says that any benefits provided under it must be permitted in a manner that is consistent with the Coastal Act.
- 8) Limits the ability of local government, pursuant to the Housing Crisis Act of 2019, to impose new permitting requirements on projects that have submitted a “preliminary application” and caps the number of hearings that a local government may hold before deciding to approve or deny a project. The Housing Crisis Act also includes the same provision regarding the Coastal Act as noted in 6) and 7) above, and adds that cities and counties can enact development policies, standards, or conditions necessary to implement or amend a certified local coastal program consistent with the Coastal Act.

This bill requires the Coastal Commission to conduct and complete a study to identify recommendations for policy changes that advance affordable housing in the coastal zone on or before January 1, 2023, as provided.

Background

The California Coastal Commission was established by voter initiative in 1972. The Legislature later made the Coastal Commission permanent through the adoption of the Coastal Act. The Commission plans for and regulates the use of land and water in the coastal zone (which excludes the San Francisco Bay).

The Coastal Commission’s mission statement states that it “is committed to protecting and enhancing California’s coast and ocean for present and future generations.” The Coastal Commission does so “through careful planning and regulation of environmentally sustainable development, rigorous use of science, strong public participation, education, and effective intergovernmental coordination.”

Development activities in the coastal zone generally require a coastal development permit (CDP) from the Coastal Commission or from a local government with a local coastal program certified by the Coastal Commission. Development is broadly defined to include construction of buildings, divisions of land, and activities that change the intensity of use of land or public access to coastal waters.

In 1977, the Coastal Act's policy provisions included the protection of affordable housing. In implementing this policy, the Coastal Commission prohibited the demolition of low- and moderate-income housing for reasons other than health and safety, and its development guidelines incorporated density bonuses, and in-lieu fees, land dedication, and housing credits in certain circumstances, among other things, to promote affordable housing. In 1981, SB 626 (Mello, Chapter 1007, Statutes of 1981) repealed the Coastal Commission's authority to protect and provide affordable housing.

According to the California Housing Partnership Corporation, the state needs almost 1.3 million more affordable rental homes to meet the needs of its lowest income renters.

While planning and zoning is largely a local matter, according to the Senate Governance and Finance Committee, state law imposes comprehensive standards on local governments to ensure that they are zoning densely enough to accommodate their share of regional housing needs at very low, low, moderate, and above moderate income levels. The Department of Housing and Community Development reviews local housing elements for compliance with state housing laws and certifies them—or doesn't, if they haven't identified enough developable sites or are not affirmatively furthering fair housing, among other requirements. Local governments that have certified housing elements are considered under state law to have zoned adequately to meet the projected need for housing in their jurisdiction.

Comments

Senate Governance and Finance Committee actions. In view of concerns regarding the bill language, the Senate Governance and Finance Committee amended this bill into its current form requiring the Coastal Commission to conduct and complete a study to provide recommendations to advance affordable housing in the coastal zone. This action served to move this bill forward while providing additional time for negotiations to be conducted among stakeholders. In its current form, this bill does not make any change in the Coastal Commission's authority or to Coastal Act policies related to housing.

It is unclear if any of the support of and opposition to this bill applies to this bill in its current form as a study. No organizations have formally changed positions on this bill to reflect the study bill language in print, although few, if any, of the stated reasons for supporting or opposing this bill are necessarily applicable.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

According to the Senate Appropriations Committee, one-time Coastal Commission staff costs in the range of \$50,000 to \$150,000 to develop and report recommendations for the study, potentially including costs for a third-party contractor. (General Fund)

SUPPORT: (Verified 8/28/21)

Azul

Bolinas Community Land Trust

California Coastal Commission

California Democratic Renters Council

Central Coast Alliance United for a Sustainable Economy

Coastal San Pedro Neighborhood Council

Environmental Protection and Information Center

Ground Game LA

Humboldt Baykeeper

Natural Resources Defense Council

People Organized for Westside Renewal

San Diego Regional Chamber of Commerce

San Francisco Rising

OPPOSITION: (Verified 8/28/21)

Building Owners and Managers Association of California

California Apartment Association

California Association of Realtors

California Building Industry Association

California Business Properties Association

California State Association of Counties

City of Carlsbad

City of Newport Beach

City of Rancho Palos Verdes

City of Torrance

Institute of Real Estate Management

International Council of Shopping Centers

League of California Cities
 NAIOP of California
 Rural County Representatives of California
 Smart Coast California

ARGUMENTS IN SUPPORT: According to the author, “California continues to experience a severe affordable housing crisis, with a deficiency of three million homes and growing. This issue is exacerbated in residential areas of the coastal zone, where developments face various challenges. The Legislature has passed laws to streamline the development processes for ADUs and supportive housing – however while those helped cities, they did not extend to CDPs, which are a state process.”

Organizations listed in support expressed support for previous versions of this bill which promoted affordable housing, among other things, in the coastal zone through new Coastal Act policies and Coastal Commission authorities. Those letters do not reflect current study bill language, and the expressed positions may be out-of-date.

ARGUMENTS IN OPPOSITION: Organizations listed in opposition expressed opposition to previous versions of this bill that promoted affordable housing, among other things, in the coastal zone through new Coastal Act policies and Coastal Commission authorities. Those letters do not reflect current study bill language, and the expressed positions may be out-of-date.

ASSEMBLY FLOOR: 53-20, 5/27/21

AYES: Aguiar-Curry, Arambula, Bauer-Kahan, Bennett, Berman, Bloom, Burke, Calderon, Carrillo, Cervantes, Chau, Chiu, Cooper, Frazier, Friedman, Gabriel, Cristina Garcia, Eduardo Garcia, Gipson, Lorena Gonzalez, Gray, Grayson, Holden, Irwin, Jones-Sawyer, Kalra, Lee, Levine, Low, Mayes, McCarty, Medina, Mullin, Nazarian, O'Donnell, Quirk, Quirk-Silva, Ramos, Reyes, Luz Rivas, Robert Rivas, Rodriguez, Blanca Rubio, Salas, Santiago, Stone, Ting, Villapudua, Ward, Akilah Weber, Wicks, Wood, Rendon

NOES: Bigelow, Boerner Horvath, Chen, Choi, Cunningham, Megan Dahle, Davies, Flora, Fong, Gallagher, Kiley, Lackey, Mathis, Nguyen, Patterson, Seyarto, Smith, Valladares, Voepel, Waldron

NO VOTE RECORDED: Cooley, Daly, Maienschein, Muratsuchi, Petrie-Norris

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 8/28/21 11:41:08

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