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THIRD READING

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Bill No: SB 8  
Author: Skinner (D), et al.  
Amended: 5/3/21  
Vote: 21

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SENATE GOVERNANCE & FIN. COMMITTEE: 5-0, 3/25/21  
AYES: McGuire, Nielsen, Durazo, Hertzberg, Wiener

SENATE HOUSING COMMITTEE: 8-1, 4/29/21  
AYES: Wiener, Caballero, Cortese, McGuire, Ochoa Bogh, Skinner, Umberg,  
Wieckowski  
NOES: Bates

SENATE APPROPRIATIONS COMMITTEE: Senate Rule 28.8

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**SUBJECT:** Housing Crisis Act of 2019

**SOURCE:** Author

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**DIGEST:** This bill extends the sunset on the Housing Crisis Act of 2019 (HCA) by five years, to January 1, 2030, and makes other changes.

**ANALYSIS:**

Existing law:

- 1) Establishes the HCA (SB 330, Skinner, 2019), which:
  - a) Prohibits certain local actions that would reduce housing capacity. The HCA prohibits downzoning unless the city or county concurrently upzones an equal amount elsewhere so that there is no net loss in residential capacity. It also voids certain local policies that limit growth, including building moratoria, caps on the numbers of units that can be approved, and population limits.

- b) Prohibits a local agency from imposing design standards that are not objective if those standards were adopted after January 1, 2020.
  - c) Prohibits a local agency from applying new rules or standards to a project after a preliminary application containing specified information is submitted. The local agency must also make any required determinations on whether a project site is a historic site when a complete preliminary application is filed. However, if the project significantly changes, local agencies may apply new rules.
  - d) Requires local agencies to exhaustively list all information needed to make a development application complete under the Permit Streamlining Act, limits that list to only those items on the checklist for application required by state law, and prohibits the local agency from requiring additional information. The checklist information must also be posted online.
  - e) Establishes a cap of five hearings that can be conducted on a project that complies with objective local standards in place at the time a development application is deemed complete.
  - f) Establishes certain anti-displacement protections. Under the HCA, projects cannot require the demolition of housing unless the project creates at least as many new homes, and cannot demolish affordable housing units protected by law unless the project replaces the units and allows existing residents to occupy their units until six months before construction starts. The developer must also provide relocation assistance and a right of first refusal to the residents in the new development at affordable rates.
- 2) Sunsets the Housing Crisis Act on January 1, 2025.

This bill:

- 1) Extends the sunset on the HCA by five years, to January 1, 2030.
- 2) Expands on the definition of “housing development project” for the purposes of the HCA to include both discretionary and ministerial projects, as well as projects to construct single dwelling units. This bill also says that adding single-family homes to the definition does not affect the interpretation of the scope of the Housing Accountability Act.
- 3) Clarifies that the receipt of a density bonus is not a basis for finding a project out of compliance with local zoning rules.

- 4) Provides that its changes to density bonus and the definition of “housing development project” are declaratory of existing law.
- 5) Adds two definitions related to compliance with additional ordinances when a project has not commenced construction within 2.5 years of receiving final approval, specifically:
  - a) “Commenced construction” to mean that certain preliminary inspections under the building code have been requested.
  - b) “Final approval” to mean that the project applicant has received notice from the local agency that they are eligible to pull a building permit.
- 6) Defines, for the purposes of the requirement to upzone concurrently with a downzone, “concurrently” to mean at the same meeting, or within 180 days of the downzoning if the downzoning was requested by an applicant for a housing development project.
- 7) Clarifies that appeals and public meetings related to density bonus law are counted for the purposes of the five hearing limit in the HCA and includes technical changes to the limitation on a local government’s ability to reduce the intensity of land use in its jurisdiction.
- 8) Allows a developer to offer a unit that is subject to the jurisdiction’s rent control ordinance in lieu of offering a unit in the development at affordable cost. This bill also provides that the right of first refusal provided to residents doesn’t apply to certain types of units for which the right of first refusal would be inapplicable, specifically:
  - a) Transitional housing or supportive housing units;
  - b) Units in a nursing home, residential care facility, or assisted living facility;  
or
  - c) Certain affordable housing units where replacing them would violate requirements to provide units to even lower income residents than the existing tenants.
- 9) Limits the requirement to provide relocation benefits and a right of first refusal to only the occupants of protected units that are persons or families of low or moderate income, as defined, and specifies that the requirement to provide relocation benefits and a right of first refusal does not apply to an occupant of a short-term rental that is rented for a period of fewer than 30 days.

## Comments

- 1) *Purpose of the bill.* According to the author, “California continues to face a severe housing shortage and affordability crisis. Rent and home prices remain too high because we’ve failed to build enough housing for decades. The good news is SB 330, the Housing Crisis Act of 2019, is working, and more housing is getting built. However, the Act is scheduled to expire in 2025. SB 8 allows the success of SB 330 to continue for five additional years by extending SB 330’s provisions until 2030, and adding clarifying language to ensure that the bill’s original intent of streamlining the production of housing that meets a local jurisdiction’s existing zoning and other rules is met.”
- 2) *Things are looking up.* While the homebuilding industry slowed down due to the COVID-19 pandemic, there are some indications that it may be on the rebound. First, the Legislative Analyst’s Office recently reported that California recorded slightly more building permits for housing in December 2020 and January 2021 than in the same months a year before, prior to the onset of COVID-19. Additionally, in February 2021, the Congressional Budget Office projected that economic activity is expected to return to its pre-pandemic level by the middle of the year. These metrics may indicate that economic effects from COVID-19 on the homebuilding industry may be short-lived. SB 8 proposes to extend the sunset on the HCA by five additional years, which may significantly exceed the length of the homebuilding slowdown in California. Should SB 8’s sunset extension tie more closely to the length of the economic downturn due to COVID-19?

## Related/Prior Legislation

SB 8 is part of the Senate’s Building Opportunities for All housing package, along with the following bills of the 2021-22 Session:

- SB 5 (Atkins) authorizes the issuance of \$6.5 billion in general obligation bonds intended to finance housing-related programs that serve the homeless and extremely low income and very low income Californians.
- SB 6 (Caballero) enacts, until January 1, 2029, the Neighborhood Homes Act, to establish housing as an allowable use on any parcel zoned for office or retail uses.
- SB 7 (Atkins) reenacts the Jobs and Economic Improvement Through Environmental Leadership Act of 2011 (AB 900, Buchanan, Chapter 354, Statutes of 2011) to allow for streamlined judicial review of large projects that

meet high environmental and labor standards. SB 7 also allowed a housing project with at least 15% of its units affordable to lower income households and a minimum investment of \$15 million and that meets other criteria to use the same streamlining provisions.

- SB 9 (Atkins) requires ministerial approval of duplexes and specified parcel maps.
- SB 10 (Wiener) allows a local government to adopt an ordinance to allow up to 10 units per parcel, notwithstanding local voter initiatives, in infill, transit-rich, or high opportunity areas.
- SB 290 (Skinner) allows additional for-sale, moderate income developments to receive a density bonus and grants an incentive or concession to specified student housing.
- SB 330 (Durazo) enhances the ability of community college districts to utilize joint occupancy agreements to create affordable workforce and student housing.
- SB 477 (Wiener) requires cities and counties to annually report specified project-level data on housing projects to the Department of Housing and Community Development (HCD).
- SB 478 (Wiener) prohibits local governments from imposing floor-area ratio limits below certain amounts for small projects in multifamily zones.
- SB 791 (Cortese) creates a technical assistance unit within HCD to provide assistance to local agencies to help them plan, finance, and develop affordable housing on their surplus land.

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

**SUPPORT:** (Verified 5/18/21)

Abundant Housing Los Angeles  
All Home  
Bay Area Council  
Bridge Housing Corporation  
California Apartment Association  
California Association of Realtors  
California Building Industry Association  
California Chamber of Commerce  
California Hispanic Chamber of Commerce

California YIMBY  
Casita Coalition  
Chan Zuckerberg Initiative  
Circulate San Diego  
Council of Infill Builders  
Eden Housing  
Facebook  
Fieldstead and Company, Inc..  
Greenbelt Alliance  
Greenlining Institute  
Greystar Development  
Habitat for Humanity California  
Housing Action Coalition  
MidPen Housing Corporation  
Modular Building Institute  
Non-Profit Housing Association of Northern California  
Oakland Firesafe Council  
San Diego Regional Chamber of Commerce  
San Francisco Foundation  
Sand Hill Property Company  
Sares Regis Group  
Schneider Electric  
Silicon Valley Leadership Group  
SPUR  
SV@Home  
Techequity Collaborative  
The Two Hundred  
TMG Partners  
Zillow Group

**OPPOSITION:** (Verified 5/18/21)

Albany Neighbors United  
California Alliance of Local Electeds  
California Cities for Local Control  
Catalysts  
City of Beverly Hills  
City of Camarillo  
City of Dublin  
City of Livermore  
City of Pleasanton

City of San Ramon  
City of Thousand Oaks  
City of Torrance  
Latino Alliance for Community Engagement  
Livable California  
Los Altos Residents  
Mission Street Neighbors  
Sustainable Tamalmonite  
Town of Danville

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5/19/21 14:52:58

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