
UNFINISHED BUSINESS

Bill No: SB 8
Author: Skinner (D), et al.
Amended: 8/26/21
Vote: 21

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

SENATE FLOOR: 30-2, 5/24/21
AYES: Allen, Archuleta, Atkins, Becker, Bradford, Caballero, Cortese, Dodd,
Durazo, Eggman, Gonzalez, Hertzberg, Hueso, Hurtado, Kamlager, Laird,
Leyva, Limón, McGuire, Min, Newman, Ochoa Bogh, Pan, Portantino, Roth,
Rubio, Skinner, Umberg, Wieckowski, Wiener
NOES: Bates, Glazer
NO VOTE RECORDED: Borgeas, Dahle, Grove, Jones, Melendez, Nielsen,
Stern, Wilk

ASSEMBLY FLOOR: 67-1, 8/30/21 - See last page for vote

SUBJECT: Housing Crisis Act of 2019

SOURCE: Author

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.

Assembly Amendments provide that, until January 1, 2034, the HCA's provisions apply to housing development projects that have submitted a preliminary

application before January 1, 2030, extend the vesting provisions of the HCA for an additional year for affordable housing, revise some of the HCA's demolition protections, and make 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, and provides that until January 1, 2034, the HCA's provisions apply to a housing development project that submits a preliminary application before January 1, 2030.
- 2) Extends by 1 year, up to three and a half years, the period during which a local government may not impose new rules or standards on an affordable housing project, as defined.
- 3) 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 these changes are declaratory of existing law and do not affect the interpretation of the scope of the Housing Accountability Act, but provides that its changes do not affect a project for which an application was submitted before January 1, 2022.
- 4) Clarifies that the receipt of a density bonus is not a basis for finding a project out of compliance with local zoning rules.
- 5) 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 and refines the provisions governing what a downzone means to include any other action that would reduce the site's residential development capacity in effect at the time of the proposed change.
- 6) 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.
- 7) Provides, regarding the HCA's demolition and replacement provisions, that:
 - a) The replacement requirements must be followed, despite local density requirements that may be in conflict;

- b) Any existing occupants that are required to leave their units must be allowed to return at their prior rental rate if the demolition does not proceed and the property is returned to the rental market;
 - c) Relocation and right-of-first-refusal requirements no longer apply to occupants of any protected units that are moderate-income or high-income households; and
 - d) The right of first refusal provided to occupants of protected units would not apply in the following circumstances:
 - i) In a development project that consists of a single residential unit located on a site where a single protected unit is being demolished.
 - ii) In units in a housing development in which 100% of the units, exclusive of a manager's unit or units, are reserved for lower income households, and the existing residents of the protected unit would be precluded from occupying the new units based on requirements of one or more funding source of the housing development.
- 8) Makes other technical and clarifying changes.

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?

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

According to the Assembly Appropriations Committee:

- HCD indicates minor and absorbable costs. Their technical assistance requests are expected to decline through the current sunset date, and ongoing costs to monitor compliance are expected to be minor.
- Likely minor state-mandated local costs as a result of the extended sunset. Any projected costs are likely not eligible for state reimbursement because local agencies can charge permitting and planning fees to offset local costs. It is unlikely the Commission on State Mandates would approve any claims for state reimbursement.

SUPPORT: (Verified 8/31/21)

Abundant Housing LA
All Home
Bay Area Council
Bridge Housing Corporation
California Apartment Association
California Association of Realtors
California Building Industry Association
California Chamber of Commerce
California Community Builders
California Hispanic Chamber of Commerce
California Housing Partnership Corporation
California Rental Housing Association
California YIMBY
Casita Coalition
Chan Zuckerberg Initiative
Circulate San Diego
City of Alameda
Council of Infill Builders
Eden Housing
Facebook
Fieldstead and Company, Inc.

Greenbelt Alliance
Greenlining Institute
Greystar Development
Habitat for Humanity California
Housing Action Coalition
League of Women Voters of California
Local Government Commission
Midpen Housing
Modular Building Institute
Non-Profit Housing Association of Northern California
Oakland Firesafe Council
Richmond Neighborhood Housing Services, Inc.
San Diego Regional Chamber of Commerce
San Francisco Foundation
Sand Hill Property Company
Sares Regis Group
Schneider Electric
Silicon Valley At Home
Silicon Valley Leadership Group
SPUR
Techequity Collaborative
The Greater Oxnard Organization of Democrats
The Two Hundred
TMG Partners
Zillow Group

OPPOSITION: (Verified 8/31/21)

Albany Neighbors United
California Alliance of Local Electeds
California Cities for Local Control
Catalysts
Center for Biological Diversity
City of Beverly Hills
City of Camarillo
City of Carlsbad
City of Cupertino
City of Dublin
City of Lafayette
City of Livermore
City of Morgan Hill

City of Newport Beach
City of Pleasanton
City of San Ramon
City of Thousand Oaks
City of Torrance
Grayburn Avenue Block Club
Latino Alliance for Community Engagement
Livable California
Los Altos Residents
Mission Street Neighbors
Riviera Homeowners Association
Save Lafayette
Sustainable Tamalmon
Town of Danville
Westwood South of Santa Monica Blvd. Homeowners Association

ASSEMBLY FLOOR: 67-1, 8/30/21

AYES: Aguiar-Curry, Arambula, Bennett, Berman, Bloom, Bryan, Burke, Calderon, Carrillo, Cervantes, Chau, Chen, Chiu, Choi, Cooley, Cooper, Cunningham, Megan Dahle, Daly, Davies, Flora, Fong, Frazier, Friedman, Gabriel, Gallagher, Cristina Garcia, Eduardo Garcia, Gipson, Gray, Grayson, Holden, Jones-Sawyer, Kalra, Kiley, Lackey, Lee, Levine, Low, Maienschein, Mayes, McCarty, Medina, Mullin, O'Donnell, Quirk, Quirk-Silva, Ramos, Reyes, Luz Rivas, Robert Rivas, Rodriguez, Blanca Rubio, Salas, Santiago, Smith, Stone, Ting, Valladares, Villapudua, Voepel, Waldron, Ward, Akilah Weber, Wicks, Wood, Rendon

NOES: Boerner Horvath

NO VOTE RECORDED: Bauer-Kahan, Bigelow, Lorena Gonzalez, Irwin, Mathis, Muratsuchi, Nazarian, Nguyen, Patterson, Petrie-Norris, Seyarto

Prepared by: Anton Favorini-Csorba / GOV. & F. / (916) 651-4119
8/31/21 16:52:05

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