

**AB 760 SENATE RULES
COMMITTEE**

AB 670

Office of Senate Floor Analyses
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THIRD READING

Bill No: AB 670
Author: Quirk-Silva (D)
Amended: 8/29/25 in Senate
Vote: 21

SENATE HOUSING COMMITTEE: 11-0, 7/1/25

AYES: Wahab, Seyarto, Arreguín, Cabaldon, Caballero, Cortese, Durazo,
Gonzalez, Grayson, Ochoa Bogh, Padilla

SENATE APPROPRIATIONS COMMITTEE: 7-0, 8/29/25

AYES: Caballero, Seyarto, Cabaldon, Dahle, Grayson, Richardson, Wahab

ASSEMBLY FLOOR: 74-0, 6/3/25 - See last page for vote

SUBJECT: Planning and zoning: housing element: converted affordable
housing units

SOURCE: Author

DIGEST: This bill adds a number of requirements, in relation to demolished and replacement housing units, to the annual progress report (APR) that local cities and counties are required to submit to the state Department of Housing and Community Development (HCD), and allows a city or county to report specified housing units that were converted to affordable housing for up to 25% of its regional housing need allocation (RHNA) for lower income units.

ANALYSIS:

Existing law:

- 1) Requires every city and county to prepare and adopt a general plan, including a housing element, to guide the future growth of a community. The housing element must identify and analyze existing and projected housing needs, identify adequate sites with appropriate zoning to meet the housing needs of all

income segments of the community, and ensure that regulatory systems provide opportunities for, and do not unduly constrain, housing development.

- 2) Provides that each community's fair share of housing be determined through the regional housing needs allocation (RHNA) process, which is composed of three main stages: (a) the Department of Finance and HCD develop regional housing needs estimates; (b) councils of government (COGs) allocate housing within each region based on these estimates (where a COG does not exist, HCD makes the determinations); and (c) cities and counties incorporate their allocations into their housing elements.
- 3) Requires each city and county to submit an Annual Progress Report (APR) to HCD and the Governor's Office of Land Use and Climate Innovation by April 1 of each year that includes all of the following:
 - a) Progress in meeting its RHNA share.
 - b) Local efforts to remove governmental constraints to the maintenance, improvement, and development of housing.
 - c) Actions taken by the city or county towards completing programs contained within the housing element and the status of compliance with deadlines in the housing element.
 - d) The number of housing development applications received in the prior year, as well as the number of units included in these applications and the number of units approved and disapproved.
 - e) The number of units approved and disapproved in the prior year, including the number of units located in an opportunity area, as specified.
 - f) The number of units of housing demolished and new units of housing, including both rental housing and for-sale housing, that have been issued a completed entitlement, a building permit, or a certificate of occupancy, by income category.
 - g) A list of sites rezoned to accommodate the city's or county's RHNA allocation for each income level that could not be accommodated on sites identified in the housing element's site inventory, and any additional sites that may be necessary to accommodate the city's or county's share of regional housing need.
 - h) The number of net new units of housing, with a unique site identifier including but not limited to the parcel number, including both rental and for-sale housing, that have been issued a completed entitlement, building permit, or certificate of occupancy in the housing element cycle, and the income category that each unit satisfies.

- i) The number of SB 35 (Wiener, Chapter 366, Statutes of 2017) applications submitted and the total number of developments approved, the number of building permits issued, and the total number of units including both rental and for-sale housing by area median income, constructed through the SB 35 process.
- j) The number of density bonus applications received, and approved, by the city or county.
- k) A list of all historic designations listed in the city or county in the past year and the status of any housing development projects proposed for new historic designations, as specified.

This bill:

- 1) Requires each local government to include in its APR, beginning in 2027, whether each housing development application received in the prior year is subject to a replacement housing or relocation assistance obligation pursuant to local, state, or federal law.
- 2) Requires each local government to include in its APR, beginning in 2027, for each entitlement, building permit, or certificate of occupancy, the total number of replacement units by income level required by local, state, or federal law and the number, by income level, of replacement housing units entitled, permitted, or issued a certificate of occupancy.
- 3) Requires each local government to include in its APR, beginning in 2027, a report on the demolition of housing units for any purpose, including but not limited to all of the following:
 - a) The total number of housing units approved for demolition during the year.
 - b) The total number of housing units demolished during the year.
 - c) For each approved or completed demolition, all of the following:
 - i. The location of the approved or completed demolition, using a unique site identifier that includes the assessor's parcel number, and may also include the street address or other identifiers.
 - ii. The date the demolition was approved.
 - iii. The total number of rental and ownership units demolished or approved for demolition.

- iv. The number, by income level, of protected units demolished or approved for demolition, as defined by the Housing Crisis Act.
 - v. A description of any approved uses on the site.
 - vi. A description of any relocation assistance provided as required by local, state, or federal law, including but not limited to relocation assistance required for each displaced occupant of any demolished protected unit pursuant to the Housing Crisis Act.
- 4) Requires each local government to include in its APR, beginning in 2027, a report on replacement housing units required pursuant to local, state, or federal law for approved development projects that are not housing development projects, which shall include, for each applicable development project, all of the following:
- a) The approved or proposed relocation of the replacement units, using a unique site identifier that includes the assessor's parcel number and may also include the street address or other identifiers.
 - b) The entity that is developing the replacement units.
 - c) The anticipated completion date for the replacement units.
- 5) Authorizes a local government to include in the housing element portion of its APR, beginning in 2027, for up to 25% of its RHNA allocation for low, very low, extremely low, or acutely low income households, the number of units in an existing multifamily building that were converted to affordable housing by imposition of long-term affordability covenants and restrictions. The report shall clearly indicate that these units were not newly constructed units and shall provide all relevant project- and unit-level information, as specified. Also provides that:
- a) A unit may be reported as a converted unit only if all of the following apply to the unit:
 - i. The unit was not subject to any affordability covenants or restrictions prior to the conversion.
 - ii. The unit is subject to a long-term recorded regulatory agreement with a public entity that requires the unit to be affordable to, and occupied by, individuals of low-, very low-, extremely low-, or acutely low-income for a term of at least 55 years.
 - iii. The unit, notwithstanding (ii), is subject to a requirement that a household or member of a household that resides in the property at the

- time of conversion shall not be evicted, nor shall their tenancy be terminated, on the basis of their income or other eligibility requirements for deed restricted units in the property.
- iv. Any occupants temporarily displaced by rehabilitation or improvements related to the conversion have been provided temporary replacement housing.
 - v. The unit is in decent, safe, and sanitary condition after conversion, including but not limited to any necessary initial rehabilitation.
 - vi. The unit is subject to a governmental monitoring program to ensure continued affordability and occupancy by qualifying households throughout the term of the affordability restriction.
- b) Units reported shall be separated into acutely low-, extremely low-, very low-, and low-income unit categories.
- 6) Resolve chaptering conflicts with AB 130 (Budget Committee, Chapter 22, Statutes of 2025).

Background

Housing Elements and RHNA. Each community's general plan must include a housing element, which outlines a long-term plan for meeting the community's existing and projected housing needs. The housing element demonstrates how the community plans to accommodate its "fair share" of its region's housing needs. Before each revision, each community is assigned its fair share of the region's housing need for four separate income categories (very low-, low-, moderate-, and above-moderate income households) through a two-step process known as RHNA. In general, a housing element must identify and analyze existing and projected housing needs, identify adequate sites with appropriate zoning to meet its share of the RHNA, and ensure that regulatory systems provide opportunities for, and do not unduly constrain, housing development.

APRs. APRs are an important tool for both local governments and the state, as both parties can rely on them to track progress in implementing the housing policy in their housing element, as well as to track outcomes. They also help highlight implementation challenges that may require technical assistance or other support from HCD. Additionally, APRs are important for informing statewide housing policy. The APRs provide the data that, aggregated across the state's 539 cities and counties, convey the amount, type, location, and affordability of housing produced in California. Existing law provides a list of requirements for what must be reported in the APR.

Comments

Author statement. “Preserving affordable housing is not just about protecting buildings. It is also about protecting people, families, and communities. While we continue building new housing, we cannot afford to lose the affordable homes we already have. AB 670 ensures that when we invest in keeping housing affordable, we recognize its value in the fight against displacement and homelessness. Building a more affordable California is not just about what we create, it is about what we refuse to lose.”

Housing Crisis Act. In response to the housing crisis, the Legislature enacted the Housing Crisis Act of 2019 (HCA) (SB 330, Skinner, Chapter 654, Statutes of 2019) and subsequent amendments to the HCA that, among other things, extended its sunset to January 1, 2030 (SB 8, Skinner, Chapter 161, Statutes of 2021). The HCA prohibits local governments from reducing the capacity for housing development within their jurisdictions and includes demolition protections designed to ensure that there is no net reduction of housing in the state, especially affordable housing. 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 after 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. AB 1218 (Lowenthal, Chapter 754, Statutes of 2023) expanded housing demolition protections under the HCA, including requiring non-residential development projects to be responsible for relocating displaced tenants and to replace demolished units.

Protecting the state’s housing supply. To help clarify how many units are lost to demolition each year, this bill requires the APR to include a detailed report on demolished housing units, including a breakdown of rental and ownership units demolished or approved for demolition, by income level; a description of any approved uses on the site of the demolished units; the number of housing units approved for demolition and the number actually demolished; and any relocation assistance provided to residents displaced by demolition. The author and sponsors state that providing this much more specific data in the APR would clarify how many units are lost to demolition each year.

In addition, to help clarify the impact of demolished units, this bill requires local governments to report in the APR specified information on whether each development application, entitlement, building permit, or certificate of occupancy triggers replacement housing or relocation assistance requirements under local, state, or federal law. The author and sponsors state that since this information is not currently reported, it is difficult to track whether local governments and developers are complying with requirements to provide replacement housing and relocation assistance to displaced residents, particularly lower-income residents.

Incentivizing affordable housing. This bill seeks to address the loss of affordable properties by authorizing a local government to claim units that were converted from market rate to affordable for up to 25% of its RHNA allocation. Specifically, units in an existing multifamily building that were converted to affordable housing through long-term affordability covenants and restrictions may be counted toward the RHNA allocation for low, very low, extremely low, or acutely low households. Units are subject to specified requirements, including that they must have not have been subject to affordability covenants or restrictions prior to the conversion, must now be under a long-term affordable regulatory agreement, and must include relocation assistance protections.

Senate Appropriations Amendments. Author's amendments taken in the Senate Appropriations resolve chaptering conflicts with AB 130 (Budget Committee, Chapter 22, Statutes of 2025).

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

According to the Senate Appropriations Committee:

- HCD estimates ongoing costs of approximately \$230,000 for 1.0 PY of staff and one-time costs of approximately \$100,000 for workload associated with this bill. One-time workload would be required to update the housing element APR form and to make necessary IT systems upgrades, while ongoing staff time would be necessary to collect, validate, and store reported data on housing demolition and replacement activity, and to provide technical assistance to local agencies. Staff notes that staffing and IT costs directly attributable to this bill could be lower than HCD's estimates to the extent that multiple APR-related bills are enacted. (General Fund)
- Unknown local costs for cities and counties to include additional information in their APRs. These costs are not state-reimbursable because local agencies have general authority to charge and adjust planning and permitting fees to cover

their administrative expenses associated with new planning mandates. (local funds)

SUPPORT: (Verified 8/29/25)

All Home, a Project of Tides Center
Association of Bay Area Governments
Bay Area Community Land Trust
Beverly-vermont Community Land Trust
California Community Land Trust Network
California Green New Deal Coalition
California Housing Partnership
California Rural Legal Assistance Foundation
Care Community Land Trust
Chinatown Community Development Center
City of Oakland
City of San Rafael
East Bay Housing Organizations
East Palo Alto Community Alliance Neighborhood Development Organization
El Sereno Community Land Trust
Enterprise Community Partners, INC.
Hope Housing Community Land Trust
Housing California
Inland Equity Community Land Trusts
Legal Aid of Marin
Lisc Bay Area
Mission Economic Development Agency
Mt Tam Community Land Trust
Non-profit Housing Association of Northern California
Oakland Community Land Trust
Our Future Los Angeles
Public Counsel
Public Interest Law Project
Race & Equity in All Planning Coalition (REP-SF)
Sacramento Housing Alliance
San Francisco Board of Supervisors
San Francisco Community Land Trust
San Gabriel Valley Community Land Trust
Southern California Association of Nonprofit Housing
Sv@home
Tenants Together

Tenderloin Neighborhood Development Corporation
Trust South LA
Two Valleys Community Land Trust
United Way Bay Area
United Way of Greater Los Angeles
Urban Habitat

OPPOSITION: (Verified 8/29/25)

None received.

ASSEMBLY FLOOR: 74-0, 6/3/25

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Connolly, Davies, DeMaio, Dixon, Elhawary, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

NO VOTE RECORDED: Chen, Ellis, Macedo, Sanchez, Tangipa

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9/2/25 18:04:42

**** **END** ****