



# 2017 HOUSING LEGISLATION & ITS IMPACT

City of Chico

# WHY THE LEGISLATION?

- ❑ Significant Housing Affordability and Supply Challenges in CA
  - ❑ Building less than half of needed housing annually\*
  - ❑ ~1/3 of California renters (1.5 million) pay more than 50% of income toward rent\*
  - ❑ Homeownership rates at lowest since the 1940's\*
  - ❑ CA has 12% of nation's population and 22% of nation's homeless population\*
  
- ❑ Lack of Funding
  - ❑ Elimination of redevelopment agencies (loss of ~\$1.5 billion statewide for housing)
  - ❑ 2007 Prop. 1C housing bond funding exhausted
  - ❑ Reduction in federal funding for affordable housing since the 1980's

\* State HCD "California's Housing Future: Challenges and Opportunities" January 2017 Public Draft—Statewide Housing Assessment 2025



# 2017 Housing Legislation

- ❑ Governor signed 15 housing bills into law on September 29, 2017.
- ❑ Most pressing needs are to:
  - 1) Amend the Accessory Dwelling Unit code for consistency with State law; and
  - 2) Prepare for processing residential development applications under the Housing Accountability Act
  - 3) Collect additional data for annual Housing Element Reporting
- ❑ Additional Housing Element Reporting Requirements will be required in 2019
- ❑ New Funding for State and Local jurisdictional reporting is to be made available



# Immediate Effect -JANUARY 1, 2018

- ❑ Accessory Dwelling Units (ADU)
- ❑ Changes in Processing Housing Applications
  - Housing Accountability Act (All Housing Development Projects—AB 678/SB 167; AB 1515)
  - Streamlined Approval (SB 35)
- ❑ Housing Element Annual Report Requirements (SB 35/AB 879)
- ❑ New Funding (SB 2)



# Accessory Dwelling Units (ADU)

- ❑ Local Ordinances Void unless they Comply with Government Code Section 65852.2. The City of Chico will need to amend the ADU ordinance for consistency with State law.
- ❑ HCD Expressly Authorized to Review Ordinances
- ❑ Exterior/Interior ADUs
- ❑ No ADU parking is required if located within ½ mile of a transit stop
- ❑ ADU and garage conversion/replacement parking is allowed within Setbacks
- ❑ Utility Connection Fee based upon ADU size or number of plumbing fixtures



# Housing Accountability Act

- ❑ Applies to ALL Housing Development Projects
  - Any Mixed-Use where at least 2/3 of Sq. Footage is for Residences, Projects of Residences Only & Transitional/Supportive
- ❑ Projects may not be denied if in compliance with “objective” standards
- ❑ Need to Define “Objective” Standards
- ❑ “No Net Loss” if site has less affordable units/affordability than RHNA
- ❑ 30 day (150 units or less) to 60 day (151+ units) Response to Applicants after Complete Application Submitted based upon Objective Standards
- ❑ If inconsistency with Objective standard is not identified with 30-60 time limits, the project is “Deemed Consistent”
- ❑ If Affordable Housing—Additional Findings Needed to Deny Project



# Streamlined Approval

- ❑ SB 35-City Subject if:
  - HCD Determines Enough Building Permits Have Not been Issued to Satisfy Regional Housing Need Allocation (RHNA)
  - City Hasn't Submitted Annual Report for Two Consecutive Years
- ❑ Applies to > 2 Unit; Infill; Zoned Residential/Mixed-Use & Must Meet Affordable/Labor Requirements
- ❑ Exclusions Include: Wetlands, Hazardous Areas, Conservation Areas, Sites that Contained Housing
- ❑ Applicant Must Request and City Must Respond within 60-90 days of Submittal



# Housing Element Annual Reporting

SB 35 and AB 879 impose additional reporting requirements

- Number of All Development Applications Received and Number of Units Included
- Number of All Units Approved and Disapproved
- Number of New Units Issued a “Completed Entitlement”, Building Permit or a Certificate of Occupancy
  - All to include a unique site identifier
- Income Category Each New Housing Unit Satisfies per RHNA

Collection beginning January 1, 2018 for reporting in 2019

AB 72 Provides Authority for Increased Enforcement of Housing Law by HCD





# New Funding

- ❑ SB 2: Permanent Source for Housing—Recording Fee  
Estimated \$200-\$300 million/year to State
  - ❑ 2018—50% to Local Governments for Planning Documents to Streamline Housing Production
    - ❑ City Must Submit Request to HCD for Funding
    - ❑ 50% to HCD for Homelessness
  - ❑ 2019 and Beyond—70% Available to Local Governments



# Next Steps

- ❑ Accessory dwelling unit code amendments for consistency with State law
  - ❑ Status: Underway 2-3 months
- ❑ Housing Accountability Act – Application Processing Preparations:  
1) Objective standards, 2) Submittal Application
  - ❑ Status: Underway 1-2 months
- ❑ Monitor direction from State Housing and Community Development and other jurisdictions
- ❑ Report back to the Planning Commission and City Council on future mobilizing actions

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# Future Items

- Veterans and Affordable Housing Bond – November 2018 Ballot (SB 3)
- New Requirements for Future Housing Element Updates



# Opportunities

- Workforce Housing Opportunity Zone (SB 540)
- Housing Sustainability Districts (AB 73)
- Inclusionary Housing (AB 1505)
- Neighborhood Infill Finance and Transit Improvement (NIFTI) Districts (AB 1568)

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# More Information as Available

- Staff will provide more information as it becomes available, and as necessary