



HURST+BROOKS+ESPINOSA

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To: Cathy Senderling-McDonald, Deputy Executive Director

From: Kelly Brooks, Partner

Re: Legislature Approves Housing Package

After weeks of political wrangling, the Legislature has approved a package of housing measures to address the state's growing housing crisis. Legislative leadership and Governor Brown had committed to address housing affordability this summer and finally came to agreement at the end of the legislative session to a package of fifteen bills (the Legislature approved an additional measure that may or may not "officially" be a part of the package) to address funding, housing element law, and streamlined approval processes also known as "by right," among others. For the most part, measures passed easily, with the exception of SB 2, which required a 2/3 vote. After more than an hour of arm-twisting in the Assembly, the bill was approved on a 27-11 vote with one Republican (San Diego Assemblymember Brian Maienschein) in support.

The bills are summarized below:

[SB 2](#) (Atkins): The Building Homes and Jobs Act

Creates a new \$75 fee on recorded real estate transaction documents, excluding home sales, capped at \$225 per transaction.

[SB 3](#) (Beall): Veterans and Affordable Housing Bond Act of 2018

Would place a \$4 billion general obligation bond on the November 2018 ballot, with \$1 billion set aside for a veterans' home loan program.

[SB 35](#) (Weiner): Affordable housing: streamlined approval process

Requires cities and counties that fail to meet state-required housing production goals to approve multi-family, urban development projects that meet certain requirements, including prevailing wage requirements.

[SB 166](#) (Skinner): Residential density and affordability

Requires local general plans to ensure their general plans include enough potential development sites to meet their unmet housing needs.

[SB 167](#) (Skinner): Housing Accountability Act

Increases the burden of proof a city or county must meet to deny a housing project, awards damages to developers if local governments act in bad faith, and requires courts to fine cities and counties for not complying with the Housing Accountability Act. (Identical to AB 678.)

[SB 540](#) (Roth): Workforce Housing Opportunity Zone

Authorizes cities and counties to create priority housing zones with front-loaded planning and environmental reviews, so housing development projects that meet certain criteria would receive expedited approval.

[AB 72](#) (Santiago): Housing

Requires HCD to review local governments' general plans and actions on housing proposals for compliance with state law and allows HCD to report violations to the Attorney General.

[AB 73](#) (Chiu): Planning and zoning: housing sustainability districts

Would provide state incentive payments to cities and counties that rezone more densely with affordability and improve environmental reviews.

[AB 166](#) (Salas): Building Homes and Jobs Act: recording fee: hardship refund*

Authorizes a process by which a property owner may request a refund of the \$75 fee proposed in SB 2, if the property owner's household is very low- or low-income.

[AB 571](#) (E. Garcia): Farmworker housing tax credit

Expands a state income tax credit intended to encourage developers to build farmworker housing projects.

[AB 678](#) (Bocanegra): Housing Accountability Act

Increases the burden of proof a city or county must meet to deny a housing project, awards damages to developers if local governments act in bad faith, and requires courts to fine cities and counties for not complying with the Housing Accountability Act. (Identical to SB 167.)

[AB 879](#) (Grayson): Planning and zoning: housing element

Requires local governments to include an expanded analysis of nongovernmental constraints on housing development in their housing elements.

[AB 1397](#) (Low): Local planning: housing element: inventory of land for residential development

Limits cities and counties from counting locations without a realistic capacity for new housing toward their general plan's inventory of potential housing units.

[AB 1505](#) (Bloom): Land use: zoning regulations

Authorizes cities and counties to include inclusionary zoning requirements as a condition of development.

[AB 1515](#) (Daly): Planning and zoning: housing

Requires courts to give less deference to local governments in legal challenges when a city or county determines a housing project is inconsistent with its general plan and zoning standards.

[AB 1521](#) (Bloom and Chiu): Land use: note of proposed change: assisted housing developments

Requires specified notice of expiration of rental restrictions to new and existing tenants and requires an owner of an assisted housing development to accept a bona fide offer to purchase from a qualified purchaser to preserve affordability.

**Not part of the "official" housing package.*