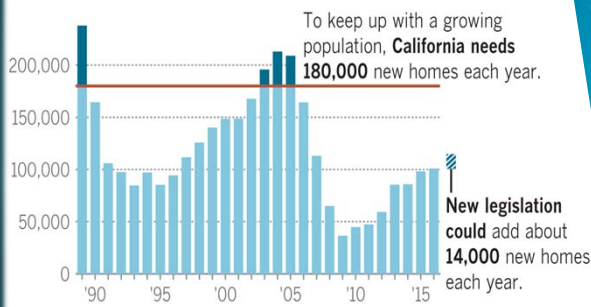


California's 15 Bill Housing Package

A BRIEF OVERVIEW

In 2017, Governor Brown signed a 15 bill "Housing Package"

New homes built each year in California



Note: One of the bills would require voter approval in 2018.
 Sources: Construction Industry Research Board and California Department of Housing and Community Development @latimesgraphics

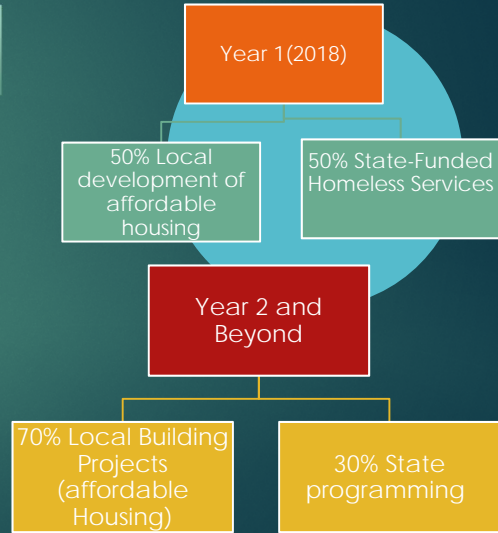
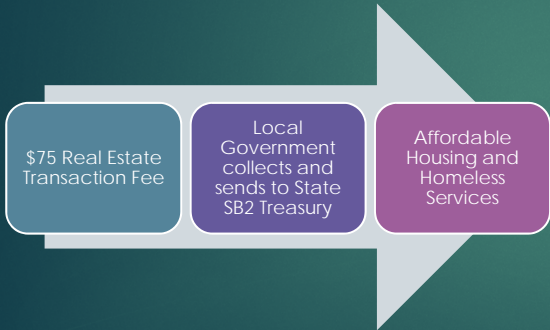
"The affordability crisis in California threatens our great state's legacy of providing economic opportunity for all. The housing package approved by the Assembly will deliver critical funding and help streamline the development process — so that we can break ground more quickly on homes that families can afford."

MAYOR ERIC GARCETTI

Problem #1: Insufficient revenue to develop affordable housing in time with California's Growth

SPENDING:

▶ SB2: the "Building Homes and Jobs Act."
Establishes a State-Mandated local program

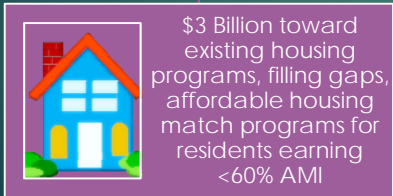


Problem #1: Insufficient revenue to develop affordable housing in time with California's Growth

SB3 : "Veterans and Affordable Housing Bond Act of 2018"



Will be on the November 2018 Ballot



Problem #2: Too many regulations/steps of approval/zoning issues at the local/county that slow down construction

SB 32: Forces cities to approve projects that comply with existing zoning if not enough housing has been built to keep up with State-mandated building goals

Must also reserve a certain percentage of homes for low-income residents and pay construction crews union wages.

Assembly Bill 73: Provides financial incentives and support when it identifies a community for increased housing, and issues permits for new homes.

At least 20% of new construction must be Low Income
Cities **must** approve immediately if plans meet current zoning standards



Problem #2: Too many regulations/steps of approval/zoning issues at the local/county that slow down construction

SB 540: authorizes a state grant or loan for a local government to do planning and environmental reviews to cover a particular neighborhood.

Environmental Impact Reports are expensive and time consuming. This bill relieves the financial burden, allowing projects to move forward.



Problem #3: Developers have no incentive to build low income units.

Context/history- since 2009, cities have not been ALLOWED to force builders/developers to set certain percentage of apartments aside for low-income residents.

Assembly Bill 1505: changes the rules, allowing cities to once again enforce low-income requirements.



San Jose is already planning to implement a rule forcing developers to set aside 15% of all units for low income residents.

Problem #3: Developers have no incentive to build low income units.

Context/history- typically, when builders agree to develop low-income apartments, that agreement is only good for 30-50 years, after which the units can go market rate.

Assembly Bill 1521: Requires that owners accept qualified offers to buy out their business to organizations that pledge to continue renting to low-income residents.



Problem #3: Developers have no incentive to build low income units.

Context/history- Low-Income Housing Tax Credit developments for FARMWORKERS have been under-utilized.

Assembly Bill 571: modifies criteria for projects eligible for LIHTC* set aside for farmworker housing. Allows these tax credits to be applied to projects where 50% of units are allocated to/filled by farmworkers (rather than 100%), making these sorts of projects more financially viable/attractive to developers.

*Low-Income Housing Tax Credit



Problem #4: Actual housing development is falling far behind projections & stated goals

These three laws force cities to plan/build more housing:



AB 1397

- Forces local government to plan housing sites on land where they can be built (access to utility lines etc)
- Gives State the authority to enforce



AB166

- "No Net Loss" Law
- If a completed housing project yields fewer affordable units than planned, cities must add additional site to make up for loss.



AB 879

- Instructs cities to analyze average length of time to build projects. And take steps to shorten this time.

Problem #5: Cities have not been held accountable for preferential/discriminatory development selection

This package of 3 Bills enforce higher standards, make it easier to prove discrimination, and fine cities up to \$10,000 per unit for non-compliance

