

**FACILITATING THE CONSTRUCTION OF HOUSING**

Bill	Required or Voluntary	Subject	Highlights	Process and Penalties	Short-Term Tasks (<12 months)	Medium-Long Term Tasks (>12 months)
SB 540	V	Workforce Housing Opportunity Zones (WHOZ)	<ul style="list-style-type: none"> <li>▪ Allows cities to establish WHOZ to streamline housing approvals.</li> <li>▪ WHOZ can include contiguous or noncontiguous parcels which must be in the Housing Element sites inventory.</li> <li>▪ City cannot include more than 50% of its RHNA within each zone.</li> <li>▪ A specific plan and an EIR can be used to create the zone. Specific plan must identify:               <ul style="list-style-type: none"> <li>▪ Public and private infrastructure, utilities and natural resource protection mitigation measures that will apply to all developments within zone.</li> <li>▪ Density ranges, with density for single family attached or detached not less than 10 units/acre.</li> <li>▪ Uniform applied development policies or standards, design review standards and funding for infrastructure.</li> </ul> </li> <li>▪ For five years after WHOZ adoption, qualifying housing projects must be approved within 60 days of deeming application complete.</li> <li>▪ To qualify, developments must include affordable units that are income restricted for the long term, incorporate all the mitigation measures from the EIR and specific plan, comply with the adopted standards and pay prevailing wages.</li> <li>▪ No additional CEQA is required for qualifying developments.</li> <li>▪ City cannot deny development unless it makes a finding based on substantial evidence in the record that changes in the physical condition of the site will result in a specific adverse impact on health and safety.</li> </ul>	<ul style="list-style-type: none"> <li>▪ HCD can provide grants or no-interest loans to develop a specific plan and EIR prior to WHOZ adoption.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Determine whether the City wants to pursue such a zone (or zones).</li> <li>▪ Pros:               <ul style="list-style-type: none"> <li>▪ Increased affordability (5% very low, 15% lower, 30% moderate income households; no more than 50% of all units in the zone can be for above-moderate income households)</li> <li>▪ EIR is in place for 5 years with no additional environmental review required.</li> </ul> </li> <li>▪ Cons:               <ul style="list-style-type: none"> <li>▪ More than one zone will be needed to cover City's housing inventory.</li> </ul> </li> </ul> <p>Question for HCD: can the work that went into City's Downtown Specific Plan, including its EIR, be used for the creation of a WHOZ?</p>	<ul style="list-style-type: none"> <li>▪ If it is determined that the City wishes to proceed, review areas where such zones might be developed and identify tasks.</li> </ul>
<ul style="list-style-type: none"> <li>➤ <b>Authorizes the state to provide planning funds to a city or county to adopt a specific housing development plan that minimizes project level environmental review.</b></li> <li>➤ <b>Increased affordability requirement.</b></li> <li>➤ <b>Qualifying housing projects must be approved within 60 days of deeming application complete.</b></li> <li>➤ <b>City cannot include more than 50% of its RHNA within the zone.</b></li> <li>➤ <b>Zone and its EIR will remain in effect for 5 years.</b></li> </ul>						
AB 73	V	Housing Sustainability Districts	<ul style="list-style-type: none"> <li>▪ Allows cities to create "housing sustainability districts" (HSD) meeting designated conditions, including a specified amount of low/moderate income and zoning to permit housing through ministerial action.</li> <li>▪ Creation of an HSD requires HCD's approval.</li> <li>▪ Creation of HSD requires an EIR.</li> <li>▪ Criteria for an HSD includes:               <ul style="list-style-type: none"> <li>▪ Must permit residential uses through a ministerial permit.</li> <li>▪ Must allow density ranges for multifamily</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ To create and HSD, city must apply to HCD based on a variety of eligibility criteria (proximity to transit, zoning to permit residential units through ministerial permits, minimum default density, etc.)</li> <li>▪ HCD will give preliminary determination within 45 days.</li> <li>▪ District will remain in effect for 10 years, subject to a 10 year extension.</li> <li>▪ City must submit annual compliance report to HCD and HCD will issue certificate of compliance if conditions including the following are satisfied:               <ul style="list-style-type: none"> <li>▪ HSD complies with its minimum requirements</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Determine (1) whether the City wants to pursue sustainability districts, and (2) whether any area of the City would currently qualify.</li> <li>▪ Pros:               <ul style="list-style-type: none"> <li>▪ Greater levels of affordability.</li> <li>▪ City entitled to receive zoning incentive payments from HCD based on the number of housing units built. However, if density of sites is reduced, city</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ If it is determined that the City wishes to proceed, review areas where such districts might be developed and identify tasks needed (zoning changes, etc.) that would be required.</li> </ul>

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			<p>housing and density for single family attached or detached not less than 10 units/acre. Must specify minimum and maximum density ranges.</p> <ul style="list-style-type: none"> <li>▪ Development projects must comply with replacement housing obligations.</li> <li>▪ Must include at least a 20% inclusionary housing requirement.</li> <li>▪ If 100% of a city’s RHNA is within the district, then percentages of units constructed or rehabilitated within the district shall match the percentages in each income category under RHNA.</li> <li>▪ Must require development to pay prevailing wages and use of a skilled work force, depending on size and location of development.</li> </ul>	<ul style="list-style-type: none"> <li>▪ City has only denied a permit for residential development consistent with HSD provisions or other conditions</li> <li>▪ The design review standards are consistent with the general plan. “Design review standards” is defined as reasonable application of qualitative design requirements that are clear and concise and consistently applied.</li> </ul>	<p>will have to return full payment to HCD.</p> <ul style="list-style-type: none"> <li>▪ EIR is in place for 10 years with no additional environmental review required.</li> <li>▪ Cons: <ul style="list-style-type: none"> <li>▪ Developers have the ability to opt-out of HSD requirements and standing to sue if project is denied or rendered infeasible through conditions imposed by the city.</li> </ul> </li> </ul> <p>Note: The requirements to create an HSD are still unclear to staff. What is also unclear is how these various tools work with each other – like HSD and NIFTI, for example.</p>	
<ul style="list-style-type: none"> <li>➤ Provides state financial incentives to cities and counties that create a zoning overlay district with streamlined zoning.</li> <li>➤ Must specify minimum and maximum density ranges.</li> <li>➤ Must permit residential uses through a ministerial permit.</li> <li>➤ City can include 100% of its RHNA within the district.</li> <li>➤ District and its EIR will remain in effect for 10 years.</li> </ul>						
AB 1568	V	Neighborhood Infill Finance and Transit Improvement Districts (NIFTI)	<ul style="list-style-type: none"> <li>▪ Cities can designate one or more EIFD - enhanced infrastructure financing districts (which is already allowed as an economic development tool) as a NIFTI district (tax increment financing).</li> <li>▪ Sales and use taxes &amp; transaction and use taxes may be pledged to the district. Funds can be used for affordable housing and infrastructure upgrades in infill areas.</li> <li>▪ Affordable housing requirements: <ul style="list-style-type: none"> <li>▪ At least 20% of funds allocated to the EIFD must be set aside for acquisition, construction, or rehabilitation of very low and low income housing; and</li> <li>▪ At least 20% of units built in district must be affordable as follows – 6% very low income, 9% low income and 5% moderate income households.</li> </ul> </li> </ul>		<ul style="list-style-type: none"> <li>▪ Determine whether the City wants to pursue such a district. If so, it would have to first establish one or more enhanced infrastructure financing districts (EIFD).</li> </ul>	<ul style="list-style-type: none"> <li>▪ If it is determined that the City wishes to proceed, review areas where such districts might be developed and identify tasks.</li> </ul>
<ul style="list-style-type: none"> <li>➤ If a NIFTI district is created, sales and use taxes &amp; transaction and use taxes may be pledged to the district.</li> <li>➤ Funds can be used for affordable housing and infrastructure upgrades in infill areas.</li> <li>➤ 20% affordability requirement.</li> </ul>						

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AB 494 and SB 229	R	Accessory Dwelling Unit (ADU)	<ul style="list-style-type: none"> <li>▪ Additional changes to the ADU requirements that became effective in January 2017.</li> <li>▪ Reduces parking requirements for exterior ADUs to one space per bedroom, or one per unit, whichever is less.</li> <li>▪ Parking in setbacks or tandem parking cannot be denied by a finding that such parking is not allowed elsewhere in the jurisdiction.</li> <li>▪ ADU cannot be counted as a new residential use for purpose of calculating connection fees or capacity charges.</li> <li>▪ Utility connection charge for exterior ADU is to be based on ADU size or number of plumbing fixtures.</li> </ul>	<div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <ul style="list-style-type: none"> <li>➤ <b>Minor amendments to City’s ADU ordinance are required.</b></li> <li>➤ <b>Reductions to utility connection fees will facilitate construction of ADUs.</b></li> </ul> </div>	<ul style="list-style-type: none"> <li>▪ Amend City’s ADU ordinance to comply with the new rules. To reduce the financial burden on ADUs, consider:               <ul style="list-style-type: none"> <li>▪ Basing City’s impact fees (transportation, park, walkways) for new exterior ADUs on square footage rather than on a new unit.</li> <li>▪ Exempting interior ADUs from payment of impact fees.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Consider reductions to impact fees imposed on ADUs</li> </ul>
AB 1505	V	Inclusionary requirements for rental housing	<ul style="list-style-type: none"> <li>▪ Allows cities to adopt an inclusionary housing ordinance (IHO) requiring rental housing projects to provide a percentage of units that are affordable to very low, low and moderate income households.</li> <li>▪ Ordinance must allow an alternative means of compliance such as payment of in lieu fees, land dedication, off-site development of units, or rehabilitation of existing units.</li> <li>▪ HCD may review the IHO and may ask for an economic feasibility study if the ordinance was adopted after September 2017 and it requires more than 15% of the units to be affordable to households with incomes of 80% or less of the area median income.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Lafayette’s existing inclusionary housing ordinance applies to for-sale projects only and requires that 15% of the units in projects with 7 or more units be affordable to very low, low and moderate income units.</li> </ul> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <ul style="list-style-type: none"> <li>➤ <b>Permits cities to impose inclusionary housing ordinance requirements on rental housing projects.</b></li> </ul> </div>	<ul style="list-style-type: none"> <li>▪ Update the city’s inclusionary housing ordinance to cover rental housing projects.</li> </ul>	