

---

**SENATE COMMITTEE ON HOUSING**  
**Senator Nancy Skinner, Chair**  
**2023 - 2024 Regular**

---

**Bill No:** AB 1801 **Hearing Date:** 6/4/2024  
**Author:** Jackson  
**Version:** 1/8/2024 Introduced  
**Urgency:** No **Fiscal:** Yes  
**Consultant:** Alison Hughes

**SUBJECT:** Supportive housing: administrative office space

**DIGEST:** This bill allows a supportive housing development utilizing a by-right approval process in current law to also include administrative office space in the nonresidential floor area of the development, as specified.

**ANALYSIS:**

*Existing law:*

- 1) Establishes a streamlined, by-right process for supportive housing in zones where multifamily and mixed uses are permitted, including nonresidential zones permitting multifamily uses, if the proposed housing development satisfies the following requirements:
  - a) Units within the development are subject to a recorded affordability restriction for 55 years;
  - b) One hundred percent of the units, excluding managers' units, within the development are restricted to lower income households and are or will be receiving public funding to ensure affordability of the housing to lower income Californians, as specified;
  - c) At least 25% of the units in the development or 12 units, whichever is greater, are restricted to residents in supportive housing who meet criteria of the target population. If the development consists of fewer than 12 units, then 100% of the units, excluding managers' unit, must be restricted to residents in supportive housing;
  - d) The developer provides the planning agency with certain specified information;
  - e) Nonresidential floor area must be used for onsite supportive services, as specified.
  - f) The developer replaces any dwelling units on the site of the supportive housing development in the manner provided as specified; and

- g) Units within the development include at least one bathroom and a kitchen or other cooking facilities, including, at a minimum, a stovetop, sink, and refrigerator.
- 2) Allows a local government to require a supportive housing development subject to the by-right approval process to comply with written, objective development standards and policies. The standards and policies must also apply generally to other multifamily development within the same zone.
- 3) Defines “supportive housing” to mean housing where:
  - a) At least 40% of the units are targeted to individuals or families experiencing chronic homelessness, homeless youth, or individuals exiting institutional settings who were homeless when entering the institutional setting, have a disability, and who resided in the setting for at least 15 days; and
  - b) The project provides or demonstrates collaboration with programs that provide services that meet the needs of the residents, among other requirements.

**This bill:**

- 1) Allows administrative office space to be included in the nonresidential floor area of a proposed supportive housing project seeking to utilize a by-right process.
- 2) Defines “administrative office space” to mean an organizational headquarters or auxiliary office space utilized by a nonprofit organization for the purpose of providing onsite supportive services at a supportive housing development entitled to by-right approval process, and includes other nonprofit operations beyond the scope of the corresponding development, including parking necessary to serve the office space.
- 3) Limits the total floor area dedicated to “administrative office space” and associated parking that may be included in a streamlined project to no more than 50% of the total floor area dedicated to residential units.
- 4) Modifies the definition of “supportive housing” under specified law to specifically include nonresidential uses and administrative office space, as defined, as well as transitional housing for youth and young adults.

**COMMENTS:**

- 1) *Author’s statement.* "California has a moral imperative to provide the needed housing and supportive services to our unhoused populations. AB 1801 will

provide greater clarity and cost efficiency to those non-profits who seek to build affordable housing for the thousands of Californians in need. AB 1801 helps accomplish this goal by providing clarity to current law and will allow for the construction and development of administrative office spaces, facilities, and parking on the same grounds as the supportive housing projects. We know that when the administrative and other needed facilities are on the same site as the housing, people are better served and set up to thrive."

2) *What are the primary solutions to ending and preventing homelessness?*

Simply put, we need more housing; more housing at all income levels, and in particular, more housing affordable to the lowest income earners.

According to the United States Interagency Council on Homelessness, in a May 2019 report, "when housing costs are more affordable and housing opportunities are more readily available, there is a lower likelihood of households becoming homeless, and households who do become homeless can exit homelessness more quickly and with greater likelihood of sustaining that housing long-term. To reduce the negative impacts of housing instability, and to end homelessness as quickly and efficiently as possible, communities are increasingly focused on expanding the supply of housing that is affordable to renter households at lower income levels, as well as ensuring that people experiencing and exiting homelessness have access to such housing."<sup>1</sup>

A report released by the National Low Income Housing Coalition on April 21, 2022 found that in the Sacramento metro area, very low-income renters face a shortage of more than 78,000 affordable and available homes.<sup>2</sup> Additionally, the report found that only 41 affordable and available rentals exist in the Sacramento region for every 100 very low-income renter households, according to the coalition's analysis. The shortage is exacerbated by the fact that low-income renters find themselves competing against higher-income renters in the private market, which cannot sufficiently compensate for the deficit. The report, focused on federal solutions, stated that the shortage can only be addressed through sufficient long-term federal investments in affordable housing programs designed to serve households with the greatest needs. The same conclusion, however, can be attributed to the entire state of California.

---

<sup>1</sup> *The Importance of Housing Affordability and Stability for Preventing and Ending Homelessness*. (US Interagency Council on Homelessness, May 2019). [https://www.usich.gov/resources/uploads/asset\\_library/Housing-Affordability-and-Stability-Brief.pdf](https://www.usich.gov/resources/uploads/asset_library/Housing-Affordability-and-Stability-Brief.pdf)

<sup>2</sup> Yoon-Hendricks, Alexandria. *78,000 low-income Sacramentans can't find an affordable home to rent, report finds*. (Sacramento Bee, April 21, 2022). [https://www.sacbee.com/news/equity-lab/article260609137.html?ac\\_cid=DM636661&ac\\_bid=-371228598](https://www.sacbee.com/news/equity-lab/article260609137.html?ac_cid=DM636661&ac_bid=-371228598)

- 3) *Streamlining housing for the homeless.* Cities and counties enact zoning ordinances to implement their general plans. Zoning determines the type of housing that can be built. Some local ordinances provide “streamlined” or “ministerial” processes for approving projects that are permitted “by-right” – the zoning ordinance clearly states that a particular use is allowable, and local government does not have any discretion regarding approval of the permit if the application is complete. Projects reviewed ministerially require only an administrative review designed to ensure they are consistent with existing general plan and zoning rules, as well as meeting standards for building quality, health, and safety. Most housing projects that require discretionary review and approval are subject to review under the California Environmental Quality Act (CEQA), while projects permitted ministerially generally are not.

Recognizing the continuing difficulties with moving supportive housing developments through a discretionary process, in 2018, AB 2162 (Chiu, Chapter 753), created a by-right approval process for certain supportive housing developments so long as they met specific zoning and unit requirements. The bill established supportive housing as a use “by-right” in all zones where multifamily and mixed uses are permitted, including commercial zones, so long as at least 25% or 12 units of the proposed project – whichever is greater – are restricted to people experiencing or at risk of homelessness. The remaining units, excluding managers’ units, must be restricted to lower income households. A project must also dedicate a minimum amount of floor area in the development to providing onsite supportive services – either 90 square feet in projects with 20 units or fewer, or 3% of the total nonresidential floor area in projects with more than 20 units.

- 4) *What counts as nonresidential space?* The author’s office points out that in AB 2162, use of residential zoned land for the provision of supportive services is acknowledged, but it is unclear if dedicating other space in the development to other nonresidential activities may trigger a local jurisdiction to consider the use as “Office/Administrative.” Office/Administrative space could be considered a “non-conforming use,” and may require a developer to seek a conditional use permit (CUP) to proceed. If a CUP is required, ministerial approval streamlining is generally void, and subjecting the project to a lengthy and costly discretionary approval.

To eliminate this uncertainty, this bill would make clear that a supportive housing development may include administrative office space in certain amounts and still access the by-right approval process established by AB 2162. Specifically, the amount of administrative office space and associated parking to support the office space must not exceed 50% of the total floor area dedicated to residential units. The bill defines “administrative office space” to

mean an organizational headquarters or auxiliary office space used by a nonprofit to provide onsite supportive services and other nonprofit operations that may be beyond the scope of the attached supportive housing development, as well as parking necessary to support the office.

Additional modifications in this bill could help a nonprofit service organization co-locate its administrative offices with onsite services within a streamlined, ministerially approved supportive housing development, cutting down on overhead costs and reducing the need for leasing additional commercial office space. The co-location may benefit the supportive housing residents as well, if the office spaces can be used for resident service needs like benefits paperwork processing, case management, office printing, and other services onsite.

5) *Double referral.* This bill was also referred to the Local Government Committee.

**RELATED LEGISLATION:**

**AB 2162 (Chiu, Chapter 753, Statutes of 2018)** — established a by-right, ministerial approval process for supportive housing developments that meet certain criteria in certain jurisdictions.

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

**POSITIONS:** (Communicated to the committee before noon on Wednesday, May 29, 2024.)

**SUPPORT:**

None received.

**OPPOSITION:**

None received.

**-- END --**