



Housing Production: Recent Legislative Actions and Outcomes Joint Informational Hearing – Senate & Assembly Housing

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California Housing Laws

- Since 2016, nearly 100 laws pertaining to housing have been passed and signed into law, collectively making over 275 changes to code sections (or creating new sections)
- State housing departments and agencies have promulgated hundreds of new guidelines, NOFAs, regulations and increased headcount by unprecedented levels.
- What does it add up to?



Investments in Housing and Homelessness

The State has invested substantially in new affordable housing subsidy, roughly doubling the number of new construction affordable housing to ~20,000 units/year, even as costs grow and underlying housing needs increase.

These include:

- No Place Like Home (bond funds)
- Affordable Housing and Sustainable Communities (cap and trade)
- Perm Local Housing Alloc (doc recording fee)
- Multifamily Housing Program, Serna, CalHome (budget)
- Homekey (federal and budget)



Planning and Enforcement

Many new laws have changed how localities must plan for housing through the Housing Element process.

Examples:

- Much larger regional housing goals (SB 828/AB 1771)
- Stricter requirements on what counts as a valid site and no-net-loss (AB 1397/SB 166)
- Fair Housing Overlay on allocations and sites (AB 1771/686)
- New enforcement authority (AB 72) has been used to keep cities honest



Prescriptive Zoning Requirements

Many new laws require localities to approve certain types of housing and override local zoning controls.

Examples

- Several ADU laws have driven new supply (SB 1069, SB 13, AB 881)
- Single Family lot split (SB 9) – uptake slow, but still early
- State Density Bonus law changes also working well, but only in some places (AB 2345, AB 1763)

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How California Set Off a Backyard Apartment Boom

With a state law easing restrictions on accessory dwelling units, granny flats are proliferating in L.A. and other cities — and pre-fab options may make these tiny houses even more common.



Entitlement Streamlining

Several attempts have been made to make the housing review and approvals faster, with mixed results

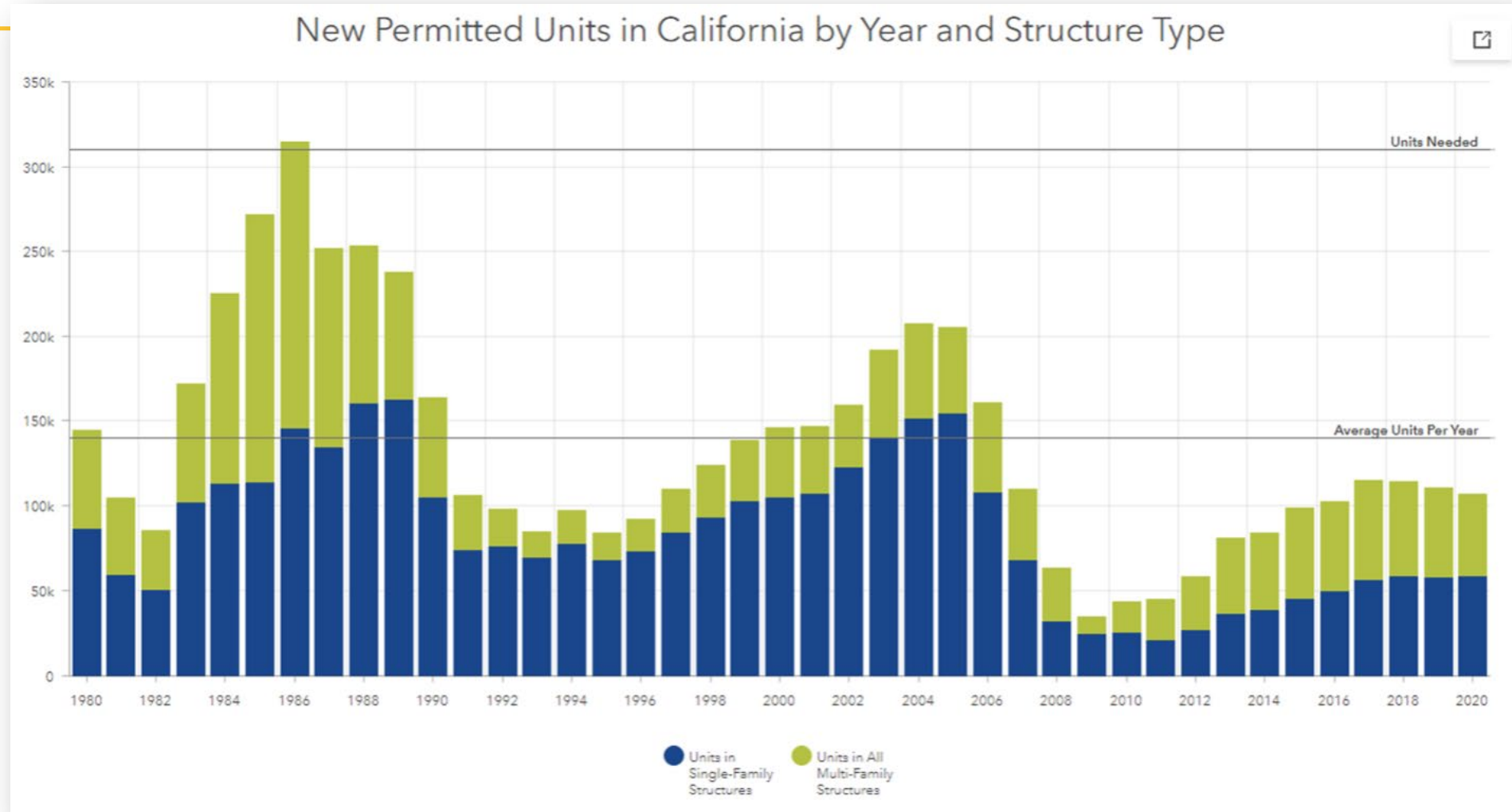
Examples

- Housing Accountability Act reforms (SB 167) has deterred cities from rejecting zoning compliant projects though hard to quantify
- Streamlining reforms (SB 35, AB 2167, SB 330) show some promise, particularly for ministerial approvals for subsidized affordable housing and ADUs



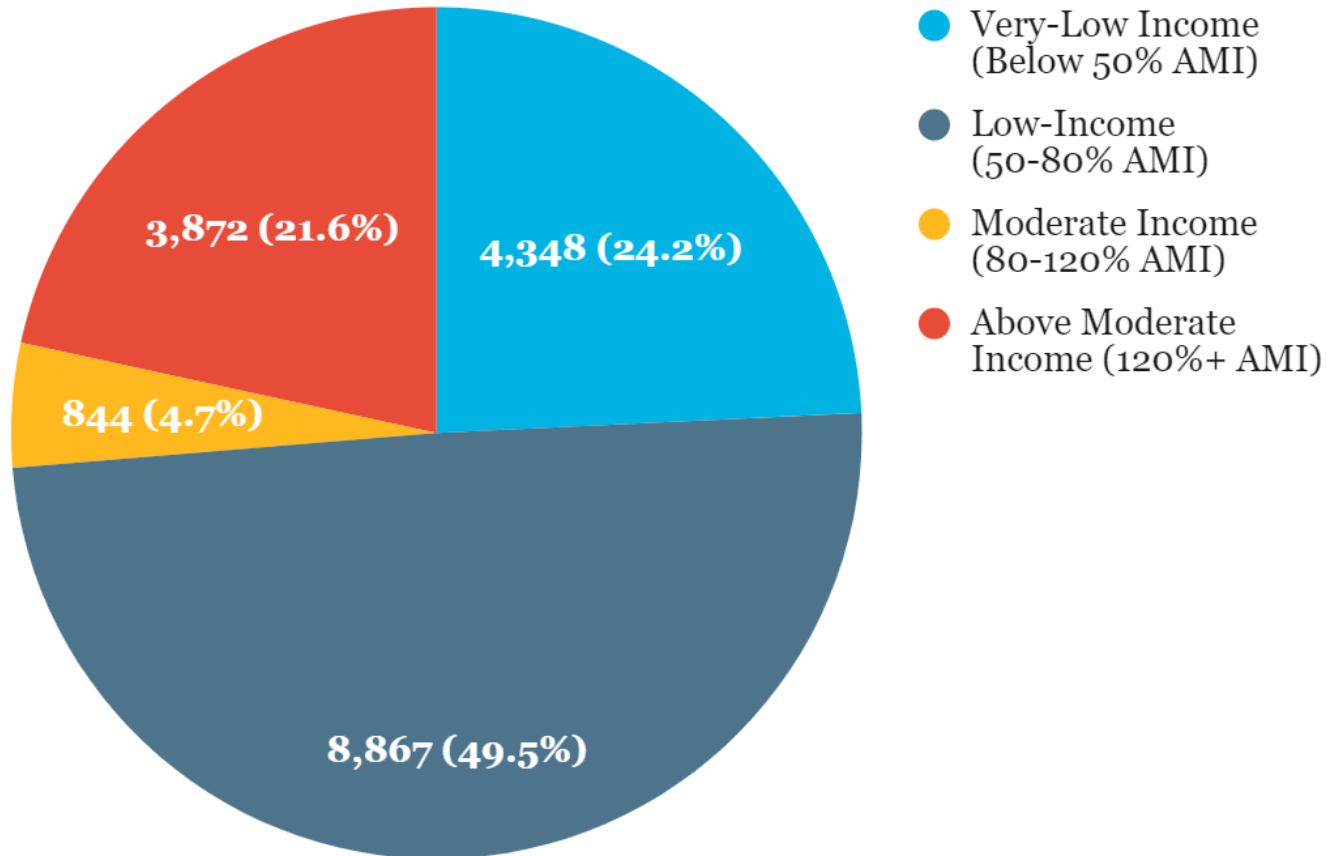
Bottom Line: Is It Working?

Housing unaffordability remains high and production relatively stagnant



SB 35 Seems to Be Working for Affordable Housing

Affordability of Units in Proposed SB 35 Projects



- Nearly 3/4ths (13,215) of proposed units are affordable for lower-income households
- Complementary with land use and zoning reforms, particularly AB 686 and Housing Element
- Frequently used alongside State Density Bonus Law (concessions and density both helpful)
- Facilitated by state subsidy scoring systems but... also compounding oversubscription problems

Note: Ongoing data cleaning and verification may affect the numbers and figures shown here.

Single Family Zoning Reform: What Do We Know?

- ADU reforms leveraged state zoning overrides, ministerial review requirements, fee waivers, and more. Required local buy-in through local ADU ordinances
- The median statewide construction cost of an ADU is significantly less than similar forms of housing.
- Many units are naturally affordable to households at or below 80 percent of area median income and often located in areas with few other affordable options
- ADU permitting grew from 2,100 units in 2016 to 21,000 ADUs in 2021.**
- Lot splits for starter homeownership remains TBD – many local barriers, delays in uptake, capacity issues (SB 9)



Source: [HCD ADU Handbook](#)

Can Existing Housing Laws Deliver?



- **Time Will Tell:** Numbers are lagging, we may need more time to assess. Impactful legislation like ADUs has taken many rounds of leg fixes.
- **Technical Assistance:** Programs like REAP and LEAP have been critical for local capacity.
- **Cost Issues Remain Untouched:** Labor, materials, ever more stringent building code requirements, growing impact fees.
- **Greater Enforcement:** The state must keep its foot on gas with HCD Housing Accountability Unit, Attorney General Strike Force, etc.

Much May Hinge On the *Next* Cycle of the Housing Element

- 6th Cycle greatly increased zoned land for residential and forced cities and counties to seriously consider constraints to residential development, such as high costs or uncertainty.
- Capacity and experience with what works will be much greater in 7th Cycle for localities, the State, and advocates.
- No objective city-wide measure of constraints yet – opportunity for harnessing data and onboarding a common yardstick may be a gamechanger



Turner Center for Housing Innovation

Questions/Discussion

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