

Date of Hearing: May 9, 2012

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT

Norma Torres, Chair

AB 2308 (Torres) – As Amended: March 29, 2012

SUBJECT: Land use: housing element: regional housing need.

SUMMARY: Allows a city or county to reduce its share of the regional housing need by the number of units built between the start of the projection period and the deadline for adoption of the housing element, as specified. Specifically, this bill:

- 1) Allows a city or county to reduce its share of the regional housing need by the number of units built between the start of the projection period and the deadline for adoption of the housing element.
- 2) Provides that a city or county must include in its housing element a description of the methodology for assigning any housing units used to reduce its share of the regional housing need to an income category based on actual or projected sales price, rent levels, or other mechanisms establishing affordability.

EXISTING LAW

- 1) Requires every city and county to prepare and adopt a general plan containing seven mandatory elements, including a housing element (Government Code Sections 65300 and 65302).
- 2) Requires a jurisdiction's housing element to identify and analyze existing and projected housing needs, identify adequate sites with appropriate zoning to meet the housing needs of all income segments of the community, and ensure that regulatory systems provide opportunities for, and do not unduly constrain, housing development (Government Code Section 65583).
- 3) Requires cities and counties within a metropolitan planning organization in a region classified as a nonattainment area for one or more pollutants regulated by the federal Clean Air Act to revise their housing elements every eight years based on a staggered statutory schedule, and requires all other local governments to revise their housing elements every five years based on a staggered statutory schedule (Government Code Section 65588).
- 4) Requires, prior to each housing element revision, that each council of governments (COG), in conjunction with the Department of Housing and Community Development (HCD), prepare a regional housing needs assessment (RHNA) and allocate to each jurisdiction in the region its fair share of the housing need for all income categories. Where a COG does not exist, HCD determines the local share of the region's housing need. (Government Code Sections 65584-65584.09)

- 5) Divides the RHNA into the following income categories:
  - a) Very low-income (50% or lower of area median income), including extremely low-income (30% or lower of area median income);
  - b) Low-income (80% or lower of area median income);
  - c) Moderate-income (between 80% and 120% of area median income); and
  - d) Above moderate-income (exceeding 120% area median income).
- 6) Requires housing elements to include an inventory of land suitable for residential development that identifies enough sites that can be developed for housing within the planning period to accommodate the jurisdiction's share of the regional housing need (Government Code Sections 65583 and 65583.2).
- 7) Allows a city or county to meet up to 25% of its share of the regional housing need through a program committing the local government to provide financial assistance to make certain existing housing units affordable to low- and very low-income households during the planning period (Government Code Section 65583.1).

FISCAL EFFECT: None

COMMENTS:

Every local government is required to prepare a housing element as part of its general plan. The housing element process starts when HCD determines the number of new housing units a region is projected to need at all income levels (very low-, lower-, moderate-, and above-moderate income) over the course of the next housing element planning period to accommodate population growth and overcome existing deficiencies in the housing supply. This number is often referred to as the "RHNA" number (short for regional housing needs assessment). The COG for the region, or HCD for areas with no COG, then assigns a share of the RHNA number to every city and county in the region based on a variety of factors.

In preparing its housing element, a city or county must show how it plans to accommodate its share of the RHNA. The housing element must include an inventory of sites already zoned for housing. If a jurisdiction does not have enough sites within its existing inventory of residentially zoned land to accommodate its entire RHNA, then it must rezone additional land within the first three years of the planning period. With respect to sites rezoned to accommodate the need for very low- and low-income housing, the new zoning must allow multifamily residential use by right and be zoned at minimum densities of 16 to 50 units per acre depending on the jurisdiction.

Existing law allows jurisdictions to meet up to 25% of their zoning obligation by instead adopting a program to make certain existing housing units affordable to low- and very low-income households during the planning period. Eligible units include units that are to be substantially rehabilitated, units in multifamily rental complexes that are to be converted from unaffordable to affordable, and units in an assisted housing development (such as public housing) that are at risk of conversion to market rate or to another use. In all cases, the units

must have affordability covenants and restrictions that will keep them affordable to low- and very-low income households for 20 to 55 years depending on the type of unit.

In reviewing housing elements for compliance with the law, HCD has long allowed local governments to subtract from their RHNA share any units constructed after the beginning of the projection period but before the housing element due date. For most areas of the state, the projection period for RHNA numbers covers a period of time that is longer than the housing element planning period. In other words, in most areas of the state the RHNA number reflects the number of housing units a jurisdiction is projected to need not just during the period of time covered by the housing element but also for some period of time prior to the housing element due date. If some of those needed units already have been constructed by the time the housing element is due, HCD recognizes that there is no longer a need for the jurisdiction to plan for them. AB 2308 places this long-standing and common-sense HCD policy into law.

Double referred: The bill passed the Committee on Local Government on May 2, 2012, by a vote of 9 to 0.

REGISTERED SUPPORT / OPPOSITION:

Support

League of California Cities

Opposition

None on file

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