Date of Hearing: April 9, 2025

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT
Matt Haney, Chair
AB 893 (Fong) – As Introduced February 19, 2025

SUBJECT: Housing development projects: objective standards: campus development zone

SUMMARY: Allows the Affordable Housing and High Road Jobs Act of 2022, established by AB 2011 (Wicks), Chapter 647, Statutes of 2022 (AB 2011) to be used within campus development zones, as defined. Specifically, **this bill**:

1) Adds the following definitions to AB 2011:

   a) Defines a "campus development zone" as properties located within a mile of a "main campus" of the University of California (UC), California State University (CSU), California Community College (CCC), or private postsecondary educational institution (private university);

   b) Defines "extremely low income faculty or staff" as an employee of a UC, CSU, CCC, or private university earning less than 30% of the Area Median Income (AMI), adjusted for family size and geographic area.

   c) Defines "lower income faculty or staff" as an employee of a UC, CSU, CCC, or private university earning less than 80% of the Area Median Income (AMI), adjusted for family size and geographic area.

   d) Defines "lower income student" as a student that:

      i) Has a household income or asset level not exceeding the level for a:

         (1) Cal Grant A or Cal Grant B award recipient, as established in Education Code (EDC) Section 659432.7; or

         (2) California College Promise Grant (Promise Grant), as established in EDC 76300;

      ii) Otherwise qualifies for a Promise Grant;

      iii) Qualifies for a Federal Pell Grant;

      iv) Qualifies for an exemption from paying nonresident tuition, as long as the student also meets the income criteria applicable to the California Dream Act; or

      v) Is a graduate student with an income and asset level that would make them eligible for the benefits described in (d)(i)-(iv), above.

   e) Defines "very low income faculty or staff" as an employee of a UC, CSU, CCC, or private university earning less than 50% of the area median income.

2) Requires the Department of Housing and Community Development (HCD) to report on projects built in campus development zones on its website and to the Legislature by January 1, 2031.

3) Allows for the streamlined, ministerial, review process established in AB 2011 to be used for housing development projects in campus development zones, provided that they meet the following requirements:

   a) Requires rental-occupied housing developments to include either of the following affordability requirements:

      i) Five percent of the base units for extremely low income households, extremely low income faculty or staff, or students experiencing homelessness; and 8% of the base units for very low income households, very low income faculty or staff, or students experiencing homelessness; or

      ii) Fifteen percent of the base units for lower income households, lower income students, or lower income faculty or staff.

   b) Requires owner-occupied housing developments to include either of the following:

      i) Thirty percent of the base units for moderate-income households; or

      ii) Fifteen percent of the base units for lower income households, lower income students, or lower income faculty or staff.

   c) Provides that the eligibility of a student to occupy an affordable unit, as described in (3)(a) and (3)(b), shall be verified by an affidavit, award letter, or letter of eligibility demonstrating that the student is eligible for financial aid, including an institutional grant or fee waiver, provided by: the institution of higher education in which the student is enrolled, by the Student Aid Commission, or by the federal government. For students experiencing homelessness, a homeless services provider or institution of higher education that has knowledge of a person's homelessness status may verify a person's status as homeless.

   d) Establishes the following density limits in campus development zones:

      i) For metropolitan jurisdictions: the greater of the local allowable density or 80 units per acre;

      ii) For nonmetropolitan jurisdictions: the greater of the local allowable density or 70 units per acre; and

      iii) A minimum density of 52.5 units per acre if the housing development application is deemed consistent with objective standards before January 1, 2027.

   e) Establishes a height limit of 65 feet for developments in campus development zones.

   f) Establishes the following objective standards for developments in campus development zones:

i) No setbacks shall be required;

ii) All parking must be set back at least 25 feet; and

iii) On the ground floor, a building must have at least 80% of the street frontage within 10 feet of the street.

EXISTING LAW:

1) Establishes the Affordable Housing and High Road Jobs Act of 2022 (AB 2011), which deems the development of 100% affordable and qualifying mixed-income housing development projects that are located in commercial corridors and zoning districts to be a use by right and requires local agencies to approve these projects ministerially if certain development and workforce criteria are met, including: (Government Code (GOV) 65912.100-65912.140)

   a) Requires the site on which the development is proposed to either abut a commercial corridor or be in a commercial zoning district; (GOV 65912.114 & 65912.121)

   b) Applies the greater of the following height limits:

      i) The height allowed by the local government;

      ii) For sites on a commercial corridor of less than 100 feet wide, 35 feet;

      iii) For sites on a commercial corridor of 100 feet wide or greater, 45 feet; or

      iv) 65 feet for sites that meet all of the following criteria:

         (1) They are within one-half mile of a major transit stop.

         (2) They are within a city with a population of greater than 100,000.

         (3) They are not within a coastal zone. (GOV 65912.123)

   c) Applies the following affordability standards, or the standards required by the local government, whichever is higher:

      i) For rental housing:

         (1) Eight percent of the units for very low income households and 5% of the units for extremely low income households; or,

         (2) Fifteen percent of the units for lower income households. (GOV 65912.122)

      ii) For owner-occupied housing:

         (1) Thirty percent of the units for moderate-income households; or,

         (2) Fifteen percent of the units for lower income households. (GOV 65912.122)

   d) Requires the following base density limits:

i) For metropolitan jurisdictions, the greater of:

(1) The maximum allowable residential density permitted by the local government.

(2) For sites less than 1 acre: 30 units/acre.

(3) For sites greater than, or equal to, 1 acre on a commercial corridor that is greater than100 feet wide: 40 units/acre.

(4) For sites greater than or equal to 1 acre on a commercial corridor that is greater than or equal to 100 feet wide: 60 units/acre. (65912.123)

(5) Notwithstanding (1)-(4), for sites in a very low vehicle travel area or within ½ mile of a major transit stop, 80 units/acre.

ii) For non-metropolitan jurisdictions, the greater of:

(1) The maximum allowable residential density permitted by the local government.

(2) For sites less than 1 acre: 20 units/acre.

(3) For sites greater than, or equal to, 1 acre on a commercial corridor that is greater than 100 feet wide: 30 units/acre.

(4) For sites greater than or equal to 1 acre on a commercial corridor that is greater than or equal to 100 feet wide: 50 units/acre.

(5) Notwithstanding (1)-(4), for sites in a very low vehicle travel area or within ½ mile of a major transit stop, 70 units/acre. (65912.123)

e) Applies the following objective standards:

iv) No setbacks shall be required;

v) All parking must be set back at least 25 feet; and

vi) On the ground floor, a building must have at least 80% of the street frontage within 10 feet of the street. (65912.123)

FISCAL EFFECT: Unknown.

COMMENTS:

Author's Statement: According to the author, "California continues to be plagued by its housing crisis, short millions of the units needed to reduce the burden of housing costs. This has contributed to homelessness, eroded our quality of life, and stifled our economy. Recent changes in housing law have shown some results but we have yet to turn the tide on housing affordability. Furthermore, student housing insecurity and student homelessness affects millions of students in our city colleges, CSUs, and UCs. Students are excluded from many affordable housing units due to policies that don't reflect current conditions and current student demographics.

AB 893 addresses these pressing issues by expanding the streamlined, ministerial review process created by AB 2011 to commercially zoned parcels that are within 1 mile of universities' main campuses. It expands and streamlines eligibility for affordable units to students who would be able to demonstrate need via their financial aid awards. AB 893 builds on existing momentum and sets the groundwork for California to move the needle on the housing costs that all our communities are feeling but are disproportionately affecting students. AB 893 does this while increasing the vitality and productivity of the campus communities we love.

Any student homelessness is unacceptable - we must continue to address the economic conditions that put our current and future students at risk, so they can graduate and contribute to our communities."

Student Housing Need: California's housing crisis is a half-century in the making. [1] After decades of underproduction, supply is far behind need and housing and rental costs are soaring. As a result, millions of Californians must make hard decisions about paying for housing at the expense of food, health care, child care, and transportation, directly impacting the quality of life in the state. One in three households in the state doesn't earn enough money to meet their basic needs. In 2024, over 187,000 Californians experienced homelessness on a given night.[2]

To meet this housing need, the Department of Housing and Community Development (HCD) determined that California must plan for more than 2.5 million new homes, and no less than one million of those homes must be affordable to lower-income households, in the 6th Regional Housing Needs Allocation (RHNA). By contrast, housing production in the past decade has been under 100,000 units per year – including less than 10,000 units of affordable housing per year.[3]

A recent report from the Public Policy Institute of California (PPIC) shows that students spend more on housing than tuition while attending public university.[4] While public colleges have made significant efforts to house students on campus in recent years, the vast majority of California's college students still rely on a limited number of increasingly unaffordable and inaccessible off-campus housing units available through the private market. While public universities are not required to obtain approval to build student housing on their own land, so long as they have a master plan in place, private developers building housing near college campuses must undergo an often lengthy and costly approval process. Furthermore, student housing need is not accounted for in the RHNA process by HCD, so Californians attending university may be underserved by our current production pipeline.

According to a 2023 survey from the California Student Aid Commission, a majority of California college students experience rent burdens and housing insecurity due to high housing costs.[5] Nearly 24% of CCC, 11% of CSU, and 8% of UC students are unable to keep up with the

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[1] California Department of Housing and Community Development, *A Home for Every Californian*: 2022 Statewide Housing Plan. March 2022, https://storymaps.arcgis.com/stories/94729ab1648d43b1811c1698a748c136
[2] U.S. Department of Housing and Urban Development, Point in Time Counts. https://www.huduser.gov/portal/datasets/ahar/2023-ahar-part-1-pit-estimates-of-homelessness-in-the-us.html
[3] https://www.hcd.ca.gov/policy-research/housing-challenges.shtml
[4] https://www.ppic.org/publication/keeping-college-affordable-for-california-students/#:~:text=In%20fact%2C%20for%20a%20majority,community%20college%20(Figure%201).
[5] https://www.csac.ca.gov/sites/main/files/file-attachments/food_and_housing_basic_needs_survey_2023.pdf?1700100691&utm_medium=email&utm_source=Ac

high cost of housing and are forced into homelessness in a given year.[6] The largest representative study of homelessness since the 1990s found that the most common reason for leaseholders leaving their last housing was economic.[7]

This bill seeks to expand housing options for college students through the private market. Acknowledging that there is not enough dorm space to meet student housing needs, this bill provides a streamlined and ministerial approval process for developments within a campus development zone, as defined. This bill builds on the already established framework of AB 2011, as described below.

AB 2011 and Campus Development Zones: In response to the housing affordability crisis, the Legislature passed AB 2011 (Wicks), Chapter 647, Statutes of 2022, also known as the Affordable Housing and High Road Jobs Act of 2022. AB 2011 streamlines the approval process for certain housing developments along commercial corridors and in commercial zones, while ensuring labor standards for construction workers and facilitating the development of affordable housing units. The law allows for by-right approval of mixed-income and 100% affordable housing projects on sites currently zoned for office, retail, or parking uses, provided they meet specific affordability, labor, and environmental criteria. This means qualifying projects can bypass certain discretionary local approvals, such as conditional use permits, making it easier and faster to build housing.

This bill seeks to expand both market rate and affordable housing options near colleges across the state by building upon the framework established by AB 2011. It would do so by establishing "campus development zones," defined as areas within a one-mile radius of a UC, CSU, CCC, or private university, and applying the same framework of AB 2011 to those zones, with some exceptions. As is the case with AB 2011, this bill would not allow for development on residential parcels, it would be limited to commercially-zoned parcels. Specifically, this bill would amend AB 2011 as follows:

1) Allowing lower-income students and faculty to qualify for affordable units in the campus development zone;

2) Establishing a 65' height limit for developments in the campus development zone; and

3) Establishing a density limit ranging from 52.5 – 80 dwelling units per acre within the campus development zone.

Historically, the Legislature has applied a ½ mile radius to land use bills, such as AB 2097 (Friedman), Chapter 459, Statutes of 2022, and AB 2011 (Wicks), Chapter 647, Statutes of 2022. A half-mile radius is generally considered the optimal distance for promoting walkability and transit-oriented development because it represents the distance most people are willing to walk, about 10 minutes, to access public transportation or essential services, such as their university. Research shows that when housing is located within this range of their destination, residents are significantly more likely to walk, bike, or take transit rather than drive, reducing congestion and lowering greenhouse gas emissions. This distance also supports mixed-use communities, where

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tiveCampaign&utm_medium=email&utm_content=California+Democrats+gather+to+pick+favorites+-+and+party&utm_campaign=WhatMatters

[6] https://lao.ca.gov/reports/2024/4898/Update-on-Student-Housing-Assistance-050724.pdf

[7] https://homelessness.ucsf.edu/our-impact/studies/california-statewide-study-people-experiencing-homelessness

people can easily reach jobs, shops, and amenities, like their university, without relying on cars. As such, the Committee may wish to consider amending this bill to define "campus development zones" as the area within a ½ mile radius of a university, rather than a 1-mile radius.

Additionally, the Committee may wish to consider amending the bill to remove the area around private universities from campus development zones. Unlike a UC, CSU, or CCC, the state is not directly involved in approving the physical location of private colleges. Furthermore, the state does not have control over the number of dormitories or student housing units made available to students attending private universities. Tuition at a public university is also much cheaper than that of a private university. While students attending public universities spend more of their income on housing costs than on tuition, the same is not the case for those attending a private university. As such, there is less of a nexus between student housing availability and state-level streamlining measures for housing serving students attending a private university, and the Committee may wish to exclude private universities from the definition of a campus development zone.

Committee Amendments: The Committee may wish to consider the following amendments:

1) Changing the radius of a campus development zone from 1 mile to ½ mile, to better reflect the areas where students and faculty will be living and walking to campus, and to align with prior streamlining measures.

2) Removing private universities from the definition of campus development zone, and limiting these zones to areas surrounding UCs, CSUs, and CCCs.

3) Reducing the height limit from 65' to 45' if the campus is not located in a metropolitan jurisdiction, as determined pursuant to subdivisions (d) and (e) of Section 65583.2.

Arguments in Support: The Student HOMES Coalition, the bill sponsor, writes in support: "The shortage of student housing has led to skyrocketing rental prices, forcing many students to decide between financial stress, lengthy commutes, or substandard living conditions. At UCs, for example, the average cost of living off-campus increased by 54% between 2014 and 2022.1 Thousands of students are unable to keep up with the rising rents, and thus UCLA reports that 20% of California community college students, 11% of CSU students, and 4% of UC students experience homelessness in a given academic year.2 Restrictive zoning laws and lengthy permitting processes exacerbate the crisis and contribute to student homelessness, making it difficult to build the high-density housing necessary to accommodate growing student populations. By streamlining the approval process and allowing for higher-density development within campus development zones, AB 893 will remove unnecessary barriers to housing construction and ensure students have access to safe, affordable housing."

Arguments in Opposition: The League of California Cities writes in an Oppose Unless Amended position: "California cannot by-right its way out of the housing crisis. That is why Cal Cities is calling on the Governor and lawmakers to include an annual investment in the state budget to help cities prevent and reduce homelessness and spur housing development, including housing for students and faculty and staff. Targeted, ongoing funding is the only way cities can find community-based solutions that produce housing at all income levels."

Related Legislation:

Alvarez 357 (Alvarez) of this legislative session, would exclude student and staff housing development projects in the Coastal Zone from the requirement to obtain a Coastal Development Permit.

AB 1021 (Wicks) of this legislative session, would deem housing developments an allowable use on any real property owned by a local educational agency satisfying certain requirements.

AB 2243 (Wicks), Chapter 272, Statutes of 2024. Made changes to the Affordable Housing and High Road Jobs Act.

AB 2011 (Wicks), Chapter 647, Statutes of 2022. Created the Affordable Housing and High Road Jobs Act, which deems the development of 100% affordable and qualifying mixed-income housing development projects that are located in commercial corridors and zoning districts to be a use by right and requires local agencies to approve these projects ministerially if certain development and workforce criteria are met.

Double Referred: This bill was also referred to the Committee on Local Government, where it will be heard should it pass out of this Committee.

REGISTERED SUPPORT / OPPOSITION:

Support

Student Homes Coalition (Co-Sponsor)
University of California Student Association (Co-Sponsor)
California Apartment Association
California Community Builders
California YIMBY
CFT- a Union of Educators & Classified Professionals, AFT, AFL-CIO
Construction Employers' Association
East Bay for Everyone
GENup
Out Time to Act
Streets for All
UC San Diego Associated Students Office of Local Affairs
UC San Diego Housing Commission
UCSB Campus Democrats
Welcoming Neighbors Home
YouthBridge Housing

Opposition

League of California Cities (Oppose Unless Amended)

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