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**AB-1029 Housing elements: prohousing local policies.** (2021-2022)

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**Assembly Bill No. 1029**

**CHAPTER 353**

An act to amend Section 65589.9 of the Government Code, relating to housing, and declaring the urgency thereof, to take effect immediately.

[ Approved by Governor September 28, 2021. Filed with Secretary of State September 28, 2021. ]

**LEGISLATIVE COUNSEL'S DIGEST**

AB 1029, Mullin. Housing elements: prohousing local policies.

The Planning and Zoning Law requires a city or county to adopt a general plan for land use development within its boundaries that includes, among other things, a housing element. That law requires the Department of Housing and Community Development to determine whether the housing element is in substantial compliance with specified provisions of that law.

Existing law, for award cycles commenced after July 1, 2021, awards a city, county, or city and county, that has adopted a housing element determined by the department to be in substantial compliance with specified provisions of the Planning and Zoning Law and that has been designated by the department as prohousing based upon their adoption of prohousing local policies, as specified, additional points in the scoring of program applications for housing and infrastructure programs pursuant to guidelines adopted by the department, as provided. Existing law defines "prohousing local policies" as policies that facilitate the planning, approval, or construction of housing, including, but not limited to, local financial incentives for housing, reduced parking requirements for sites that are zoned for residential development, and the adoption of zoning allowing for use by right for residential and mixed-use development.

This bill would add the preservation of affordable housing units through the extension of existing project-based rental assistance covenants to avoid the displacement of affected tenants and a reduction in available affordable housing units to the list of specified prohousing local policies.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: 2/3 Appropriation: no Fiscal Committee: yes Local Program: no

**THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:**

**SECTION 1.** The Legislature finds and declares all of the following:

(a) The preservation of existing affordable housing units, including those affordable units constructed with funding from former local redevelopment agencies, is a priority of the highest order.

(b) According to the Department of Housing and Community Development's 2018 comprehensive report titled "California's Housing Future: Challenges and Opportunities," over the next decade, project-based rental assistance contracts covering thousands of affordable apartments in California will expire without assurance of renewal, potentially ending subsidies that ensure affordability of housing for thousands of low income housing in the state, totaling 117,714 units.

(c) Preserving these existing affordable housing units can be much less costly than constructing new units and affirmatively furthers fair housing by protecting existing residents from displacement.

(d) The Legislature also recognizes that local governments are facing economic and budgetary challenges from the recent COVID-19 pandemic, and lack sufficient resources to preserve existing affordable housing units, absent assistance from state and federal programs.

(e) It is the intent of the Legislature by enacting this legislation to recognize and reward those cities and counties that establish and achieve affordable housing preservation goals in their housing elements by providing additional credits under housing element law for each unit preserved during the housing element planning period and providing priority access to state affordable housing funding to preserve these units.

**SEC. 2.** Section 65589.9 of the Government Code is amended to read:

**65589.9.** (a) It is the intent of the Legislature to create incentives for jurisdictions that are compliant with housing element requirements and have enacted prohousing local policies. It is the intent of the Legislature that these incentives be in the form of additional points or other preference in the scoring of competitive housing and infrastructure programs. It is the intent of the Legislature that, in adopting regulations related to prohousing local policy criteria, the department shall create criteria that consider the needs of rural, suburban, and urban jurisdictions and how those criteria may differ in those areas.

(b) For award cycles commenced after July 1, 2021, jurisdictions that have adopted a housing element that has been found by the department to be in substantial compliance with the requirements of this article pursuant to Section 65585, and that have been designated prohousing pursuant to subdivision (c) based upon their adoption of prohousing local policies, shall be awarded additional points or preference in the scoring of program applications for the following programs:

(1) The Affordable Housing and Sustainable Communities Program established by Part 1 (commencing with Section 75200) of Division 44 of the Public Resources Code.

(2) The Transformative Climate Communities Program established by Part 4 (commencing with Section 75240) of Division 44 of the Public Resources Code.

(3) The Infill Incentive Grant Program of 2007 established by Section 53545.13 of the Health and Safety Code.

(4) Additional bonus points may be awarded to other state programs when already allowable under state law.

(c) The department shall designate jurisdictions as prohousing pursuant to the emergency regulations adopted pursuant to subdivision (d) and report these designations to the Office of Planning and Research, and any other applicable agency or department, annually and upon request.

(d) By July 1, 2021, the department, in collaboration with stakeholders, shall adopt emergency regulations to implement this section.

(e) On or before January 1, 2021, and annually thereafter, the Department of Finance shall publish on its internet website the list of programs included under subdivision (b).

(f) For purposes of this section, the following definitions shall apply:

(1) "Compliant housing element" means an adopted housing element that has been found to be in substantial compliance with the requirements of this article by the department pursuant to Section 65585.

(2) "Prohousing local policies" means policies that facilitate the planning, approval, or construction of housing. These policies may include, but are not limited to, the following:

(A) Local financial incentives for housing, including, but not limited to, establishing a local housing trust fund.

(B) Reduced parking requirements for sites that are zoned for residential development.

(C) Adoption of zoning allowing for use by right for residential and mixed-use development.

(D) Zoning more sites for residential development or zoning sites at higher densities than is required to accommodate the minimum existing regional housing need allocation for the current housing element cycle.

(E) Adoption of accessory dwelling unit ordinances or other mechanisms that reduce barriers for property owners to create accessory dwelling units beyond the requirements outlined in Section 65852.2, as determined by the department.

(F) Reduction of permit processing time.

(G) Creation of objective development standards.

(H) Reduction of development impact fees.

(I) Establishment of a Workforce Housing Opportunity Zone, as defined in Section 65620, or a housing sustainability district, as defined in Section 66200.

(J) Preservation of affordable housing units through the extension of existing project-based rental assistance covenants to avoid the displacement of affected tenants and a reduction in available affordable housing units.

**SEC. 3.** This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the California Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure that local governments seeking to preserve existing affordable housing units in their communities are included by the Department of Housing and Community Development on the list of communities deemed as "prohousing jurisdictions," and entitled to priority for state affordable housing funding, it is necessary that this act take effect immediately.