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## AB-1801 Supportive housing: administrative office space. (2023-2024)



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# Assembly Bill No. 1801

## CHAPTER 683

An act to amend Sections 65650 and 65651 of the Government Code, relating to housing.

[Approved by Governor September 27, 2024. Filed with Secretary of State September 27, 2024.]

### LEGISLATIVE COUNSEL'S DIGEST

AB 1801, Jackson. Supportive housing: administrative office space.

Under existing law, supportive housing is a use by right in zones where multifamily and mixed uses are permitted if the developer satisfies certain requirements. Existing law defines "supportive housing" as housing with no limit on length of stay, that is occupied by the target population, and that is linked to onsite or offsite services that assist the supportive housing resident in specified activities. Existing law requires a supportive housing development to include nonresidential floor area used for onsite services in specified amounts. In this regard, existing law requires a supportive housing development with more than 20 units to provide at least 3% of the total nonresidential floor area for onsite supportive services.

The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of, an environmental impact report on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. CEQA does not apply to the approval of ministerial projects.

This bill would revise the above-described requirement for a supportive housing development with more than 20 units to, instead, require the supportive housing development provide at least 3% of the total floor area for onsite supportive services. The bill would authorize a supportive housing development to include administrative office space in its nonresidential floor area, provided that the total floor area dedicated to administrative office space does not exceed 25% of the total floor area. The bill would define "administrative office space" as 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 and other nonprofit operations. The bill would specify that "administrative office space" includes parking necessary to serve the office space. By expanding the use by right provisions to include administrative office space, the bill would expand the exemption for approval of ministerial projects under CEQA.

This bill would also specify that "supportive housing" specifically includes transitional housing for youth and young adults for purposes of the use by right provisions described above.

By requiring local officials to engage in expanded ministerial project approval, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

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

SECTION 1. Section 65650 of the Government Code is amended to read:

65650. For purposes of this article, the following definitions shall apply:

- (a) "Administrative office space" means 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 authorized pursuant to this Article and includes other nonprofit operations beyond the scope of the corresponding supportive housing development. "Administrative office space" includes parking necessary to serve the office space.
- (b) "Supportive housing" shall have the same meaning as defined in Section 50675.2 of the Health and Safety Code, and includes nonresidential uses and administrative office space as provided in paragraph (5) of subdivision (a) of Section 65651. "Supportive housing" specifically includes transitional housing for youth and young adults.
- (c) "Supportive services" shall have the same meaning as defined in Section 65582.
- (d) "Target population" shall have the same meaning as defined in Section 50675.14 of the Health and Safety Code.
- (e) "Use by right" shall have the same meaning as defined in subdivision (i) of Section 65583.2.
- **SEC. 2.** Section 65651 of the Government Code is amended to read:
- **65651.** (a) Supportive housing shall be a use by right in zones where multifamily and mixed uses are permitted, including nonresidential zones permitting multifamily uses, if the proposed housing development satisfies all of the following requirements:
  - (1) Units within the development are subject to a recorded affordability restriction for 55 years.
  - (2) 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. For purposes of this paragraph, "lower income households" has the same meaning as defined in Section 50079.5 of the Health and Safety Code. The rents in the development shall be set at an amount consistent with the rent limits stipulated by the public program providing financing for the development.
  - (3) At least 25 percent 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 percent of the units, excluding managers' units, in the development shall be restricted to residents in supportive housing.
  - (4) The developer provides the planning agency with the information required by Section 65652.
  - (5) Nonresidential floor area shall be used for onsite supportive services and administrative office space in the following amounts:
    - (A) For a development with 20 or fewer total units, at least 90 square feet shall be provided for onsite supportive services.
    - (B) For a development with more than 20 units, at least 3 percent of the total floor area shall be provided for onsite supportive services that are limited to tenant use, including, but not limited to, community rooms, case management offices, computer rooms, and community kitchens.
    - (C) The total floor area dedicated to administrative office space shall not exceed 25 percent of the total floor area.
  - (6) The developer replaces any dwelling units on the site of the supportive housing development in the manner provided in paragraph (3) of subdivision (c) of Section 65915.
  - (7) Units within the development, excluding managers' units, include at least one bathroom and a kitchen or other cooking facilities, including, at minimum, a stovetop, a sink, and a refrigerator.
- (b) (1) The local government may require a supportive housing development subject to this article to comply with written, objective development standards and policies. However, the local government shall only require the development to comply with the objective development standards and policies that apply to other multifamily development within the same zone.

- (2) The local government's review of a supportive housing development to determine whether the development complies with objective development standards, including objective design review standards, pursuant to this subdivision shall be conducted consistent with the requirements of subdivision (f) of Section 65589.5, and shall not constitute a "project" for purposes of Division 13 (commencing with Section 21000) of the Public Resources Code.
- (3) Any discretion exercised by a local government in determining whether a project qualifies as a use by right pursuant to this article or discretion otherwise exercised pursuant to this section does not affect that local government's determination that a supportive housing development qualifies as a use by right pursuant to this article.
- (c) Notwithstanding any other provision of this section to the contrary, the local government shall, at the request of the project owner, reduce the number of residents required to live in supportive housing if the project-based rental assistance or operating subsidy for a supportive housing project is terminated through no fault of the project owner, but only if all of the following conditions have been met:
  - (1) The owner demonstrates that it has made good faith efforts to find other sources of financial support.
  - (2) Any change in the number of supportive housing units is restricted to the minimum necessary to maintain the project's financial feasibility.
  - (3) Any change to the occupancy of the supportive housing units is made in a manner that minimizes tenant disruption and only upon the vacancy of any supportive housing units.
- (d) If the proposed housing development is located within a city with a population of fewer than 200,000 or the unincorporated area of a county with a population of fewer than 200,000, and the city or the unincorporated area of the county has a population of persons experiencing homelessness of 1,500 or fewer, according to the most recently published homeless point-in-time count, the development, in addition to the requirements of subdivision (a), shall consist of 50 units or fewer to be a use by right pursuant to this article. A city or county described in this subdivision may develop a policy to approve as a use by right proposed housing developments with a limit higher than 50 units. A policy by a city or county to approve as a use by right proposed housing developments with a limit higher than 50 units does not constitute a "project" for purposes of Division 13 (commencing with Section 21000) of the Public Resources Code.
- (e) This article does not prohibit a local government from imposing fees and other exactions otherwise authorized by law that are essential to provide necessary public services and facilities to housing developments. However, a local government shall not adopt any requirement, including, but not limited to, increased fees or other exactions, that applies to a project solely or partially on the basis that the project constitutes a permanent supportive housing development or based on the development's eligibility to receive ministerial approval pursuant to this article.
- **SEC. 3.** No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.