SB 50 – More HOMES Act of 2020:
Housing, Opportunity, Mobility, Equity, Stability

SUMMARY

Senate Bill 50 allows for building housing near key job centers and public transportation, and includes strong protections against displacement for renters and vulnerable communities in those areas.

The bill is expected to help relieve the acute housing shortage and affordability crisis in California communities. It will also reduce climate pollution and improve public health by expanding access to public transportation and by allowing people to live closer to where they work, leading to more time with family and less time commuting.

BACKGROUND/EXISTING LAW

Existing law leaves most zoning and land use decisions to local governments, and includes no minimum density standards near state- and federally-funded transit infrastructure. While state land use standards in the Density Bonus Law and SB 375 establish general guidelines and principles, they do not include adequate provisions for enforcement.

Due to the lack of adequate and enforceable statewide standards, most California cities (with a few noteworthy exceptions) are still operating from outdated and highly restrictive zoning ordinances that make it difficult or impossible to build multi-family dwellings at any density. Duplexes, fourplexes, and other modest infill housing types are routinely banned due to neighborhood objections and underlying single-family zoning, even in places close to key job centers and public transportation.

Solving California's housing crisis must include greatly expanding access to transit services for workers at all income levels while addressing the well-documented housing shortage. The status quo is jeopardizing several of the State's high-priority policy objectives:

- **On housing affordability:** The California Legislative Analyst's Office has found that the housing shortage in coastal cities is pushing a growing share of Californians into poverty, and forcing a large and growing cohort to spend more than half their income on rent.

- **On climate change:** The California Air Resources Board has found that the state will miss its climate targets unless Californians reduce the amount they drive by 25 percent by 2030. Absent a surge of new housing development in livable, pedestrian-oriented areas near public transit, such reductions in vehicle miles travelled are impossible.

- **On equitable growth:** According to the California Department of Housing and Community Development, "Today's population of 39 million is expected to grow to 50 million by 2050. Without intervention, much of the population increase can be expected to occur further from job centers, high-performing schools, and transit, constraining opportunity for future generations."

PROBLEM

Economic and educational opportunities in California are increasingly concentrated close to key job centers and public transportation, but housing construction has not kept pace with demand for access to these opportunities. Local governments play the lead role in determining the location and amount of housing in their jurisdictions, including which developments will be located near high-quality transit corridors. They also control, via housing supply, reasonable access to schools, parks, libraries and other vital services that improve community well-being. Right now, there is uneven access to these key public goods, making it disproportionately harder for disadvantaged and housing-burdened Californians benefit from them.

The lack of new housing, particularly in California's highest-opportunity areas, has compounded over the last several decades into a shortage of 3.5 million homes, according to California's Department of Housing and Community Development.

California's workers and families feel the results of this shortage in the form of exorbitant rents and the highest home purchase prices in the nation. Excessive competition for limited housing supply is also driving a statewide epidemic of displacement, evictions, and homelessness.

California's failure to keep home building on pace with job growth is directly responsible for longer commutes and increased air pollution. Millions of low- and middle-income Californians have multi-hour commutes, as they seek affordable housing far from areas with concentrated economic and educational opportunities.

Statewide, California's businesses have created 4.5 jobs for every new housing unit; according to the Building Industry Association, the ideal ratio is 1.5 jobs per housing unit.

According to the Department of Housing and Community Development:

> "Land use policies and planning can help encourage greater supply and affordability, as well as influence the type and location of housing. Thoughtful land use policies and planning can translate into the ability for families to access neighborhoods of opportunity, with high-performing schools, greater availability of jobs that afford entry to the middle-class, and convenient access to transit and services. Easy access to jobs and amenities reduces a household's daily commute and other travel demands. Encouraging new homes in already developed areas and areas of opportunity not only alleviates the housing crisis, but also supports the State's climate change and equity goals."

SOLUTION

Senate Bill 50 expands the benefits of affordable, transit-rich and job-rich housing across the state. The bill will give cities new tools to provide relief to rent-burdened workers and families while reversing the growing, and alarming, trends of homelessness, displacement, and migration out of California.

State Guidelines for More Housing Choices:
The bill creates parameters for cities to adopt plans that increase housing options near high-quality transit and in job-rich areas to ensure that the benefits of public investments in transportation are broadly accessible to Californians of all incomes, and establishes a default zoning program for cities who choose not to adopt their own specialized local plan.

The bill also includes specific requirements to provide low-income housing in new development to ensure that market-rate construction is always coupled with affordable units for the lowest income Californians, and provides that forty percent of the low-income housing units are prioritized for people previously living within a half mile of the development.

If a city chooses not to exercise the option of crafting their own local housing plan, SB 50's default program will apply, allowing more housing density on sites that are either within ½ mile of high-quality public transportation, or within a job-rich, high-opportunity neighborhood close to key job centers. Middle-density housing will be allowed with no parking requirements, provided the site is adjacent to transit, or reduced parking requirements in areas close to jobs and high-quality schools. Height limits for new housing with close, walkable access to rail or connected transit will be loosened to encourage mid-rise, medium-density housing construction. For example, in areas close to rail or transit-connected ferry service, a local government may allow buildings of up to 4-5 stories, depending on the distance from transit, and homeowners throughout California have the option of renovating an existing structure to add up to a three additional units. These projects will not substantially increase the exterior or size of the building, and will have to conform to local neighborhood design standards.

Preservation of Local Control:
Under the legislation, all housing projects will still be subject to environmental review (the California Environmental Quality Act), and must follow existing labor and employment standards for new construction. Development fees, community engagement, and architectural design review for each housing development will remain as-is. Additionally:

- **Local flexibility:** Every community in California will be given two years of delayed implementation to determine whether they will submit their own local housing plan, so long as it meets the goals of increasing housing density in a way that reduces driving and affirmatively furthers fair housing. A community may create a new plan, or submit a plan that has been previously adopted by the city in the past, so long as it meets the requirements. These plans will be reviewed and certified by the California Department of Housing and Community Development, in consultation with the Governor's Office of Planning and Research. The default bonus program outlined in SB 50 will only apply in cases where a city has not adopted its own plan after two years. (Sensitive communities, or neighborhoods at particular risk of gentrification and displacement, will have a delayed implementation of five years to adopt their own land use policies coupled with additional community stabilization policies.)

- **Anti-demolition:** A local government retains existing authority to ban, prohibit, or restrict demolition of existing housing, consistent with the Housing Accountability Act. At a minimum, a local government may not issue demolition permits for housing currently or recently occupied by renters.

- **Local affordable housing policy:** If a local government requires more affordable housing than what is required in SB 50, that policy will be honored in new developments.

- **Neighborhood height limits:** A local government retains authority to set or maintain local height limits for new housing in areas without easy access to rail transit.

- **Preserving local historic districts**: SB 50 now affirmatively protects historic structures from demolition. It also says a project would be ineligible for the bonus if it is located in a neighborhood that was deemed historic as December 31, 2010, or is listed on the California Register of Historic Places.

- **Sensitivity to smaller communities**: In counties fewer than 600,000 people, there would be no bonus, unless the project is in a town larger than 50,000: height increases would be capped at 15 feet above what local zoning allows here, which means buildings could be built to about 5 stories in most places. SB 50 does NOT exempt any community in California from doing its fair share of producing needed housing. SB 50 now allows the production of small duplexes, triplexes, and quadplexes everywhere in California, including small counties.

- **High fire risk areas unaffected**: Areas at very high risk of wildfire would not be eligible for the SB 50 bonus.

Key provisions for renters and sensitive communities:

SB 50 includes the following provisions:

- **Tenant Protections:** Establishes strict tenant protections to ensure long-time residents will not be displaced from their communities, including a prohibition on demolishing buildings currently or recently occupied by renters.

- **Affordable Housing:** Establishes a requirement that every new housing development larger than 20 units must include a significant number of housing units affordable to for low, very low, or extremely low-income households, ensuring affordable housing will be built for people of all income levels. Each project must designate 15-25% of the total units to low-income families, or designate an equivalent amount for very low- or extremely low-income families.

- **Neighborhood Preference for Affordable Housing Units:** Requires that at least forty percent of the affordable housing units in every development be prioritized for residents of the community living within ½ mile of the project, in order to ensure that affordable housing has immediate anti-displacement benefits to local community members at risk of housing insecurity.

- **Sensitive Communities:** Allows for a five-year delayed implementation in sensitive communities at risk of gentrification and displacement, and grants five years for a community-led planning process in these neighborhoods.

- **Job-Rich Communities:** Proposes a new "job-rich housing project" designation to ensure that high-opportunity communities with easy access to jobs allow a broader range of multifamily housing choices for people of all income levels, even in the absence of high-quality transit.

STATUS
- Passed Senate Housing Committee (9-1)
- Passed Senate Governance and Finance Committee (6-1)
- Pending final votes in Senate January 2020

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SPONSORS/SUPPORT
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- **Non-Profit Housing Association of Northern California** (Co-Sponsor)

- **California Association of Realtors** (Co-Sponsor)

- 350 Sacramento
- 6Beds, Inc.
- Abundant Housing Los Angeles
- African American Chamber of Commerce – San Joaquin
- American Association of Retired Persons – (AARP)
- Asian Business Association
- Associated Students of San Jose State University
- Associated Students of the University of California (ASUC)
- Associated Students of the University of California, Irvine (ASUCI)
- Bay Area Council
- Bay Area Housing Advocacy Coalition
- Bay Area Rapid Transit (BART)
- Black American Political Association of California (BAPAC) – Sacramento Chapter
- Bridge Housing Corporation
- Building Industry Association, Bay Area
- Building Industry Association, Southern California
- Burbank Housing Development Corporation
- California Apartment Association
- California Asian Pacific Islander Chamber of Commerce
- California Association of Veteran Services Agencies
- California Black Chamber of Commerce
- California Building Industry Association (CBIA)
- California Chamber of Commerce
- California Community Builders
- California Community Economic Development Association
- California Downtown Association
- California Foundation of Independent Living Centers
- California Hispanic Chamber of Commerce
- California Housing Alliance
- California Labor Federation, AFL-CIO
- California League of Conservation Voters – (*Conditional Support)*
- California National Party
- California Public Interest Research Group (CalPIRG)
- California Renters Legal Advocacy and Education Fund (CaRLA)
- California State Building and Construction Trades Council, AFL-CIO
- California State Controller, Betty Yee
- California State Treasurer, Fiona Ma
- California State Student Association
- Center for Sustainable Neighborhoods

- Central City Association of Los Angeles
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- Cupertino for All
- Dana Point Chamber of Commerce
- EAH Housing
- East Bay for Everyone

- East Bay Leadership Council
- East Bay Young Democrats
- Emerald Fund
- Environment California
- Facebook
- Fieldstead and Company, Inc.
- First Community Housing
- Fossil Free California
- Greater Greater Washington
- Greater Ontario Business Council
- Grow The Richmond
- Habitat for Humanity – California
- Habitat for Humanity – Inland Valley
- Habitat for Humanity – San Diego
- Haight Ashbury Neighbors for Density
- Hamilton Families
- Hollywood Chamber of Commerce
- Homeless Services Center (Santa Cruz)
- House Sacramento
- Housing Leadership Council of San Mateo County
- Initiating Change in Our Neighborhoods (ICON) Community Development Corporation
- Indivisible Sacramento
- Inland Empire Regional Chamber of Commerce
- Jewish Center for Justice
- Kern County Black Chamber of Commerce
- Laguna Woods Village YIMBY
- LandWatch, Monterey County
- League of Women Voters of California
- Livable Sunnyvale
- Local Government Commission
- Local Initiatives Support Corporation (LISC) San Diego
- Long Beach Conservation Corps
- Los Angeles Business Council
- Los Angeles Chamber of Commerce
- Mission YIMBY
- Monterey Peninsula YIMBY
- Murrieta/Wildomar Chamber of Commerce
- National Asian American Coalition
- National Association of Hispanic Real Estate Professionals (NAHREP)
- Natural Resources Defense Council (NRDC)
- New Way Homes
- NextGen Marin
- North Bay Leadership Council
- North Orange County Chamber of Commerce
- Northern California Conference of Carpenters
- Northern Neighbors
- Oakland Metropolitan Chamber of Commerce
- Orange County Business Council (OCBC)
- Orange County Poverty Alleviation Coalition

- Oxnard Chamber of Commerce
- Pacoima Beautiful
- Pacoima Community Housing Corporation
- Peace Builders of Orange County
- Peninsula for Everyone
- Peninsula Young Democrats
- People for Housing - Orange County
- Progress Noe Valley
- Related California
- Sacramento Regional Builders Exchange
- San Diego Regional Chamber of Commerce
- San Francisco Chamber of Commerce
- San Francisco Foundation
- San Francisco Housing Action Coalition
- San Francisco Planning and Urban Research (SPUR)
- San Francisco YIMBY
- San Luis Obispo YIMBY
- San Mateo Building Trades Council
- San Mateo County Central Labor Council
- Santa Cruz County Business Council
- Santa Cruz County Chamber of Commerce
- Santa Cruz YIMBY
- Santa Maria Valley Chamber of Commerce
- Santa Monica Chamber of Commerce
- Santa Rosa Metro Chamber of Commerce
- Save the Bay
- Si En Mi Barrio
- Silicon Valley @ Home
- Silicon Valley Community Foundation
- Silicon Valley Leadership Group
- Silicon Valley Organization
- Silicon Valley Young Democrats
- South Bay Yimby
- Southeast Asian Community Center
- Southern Alameda County Young Democrats
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- Stripe
- Sunnyvale Democrats
- TechNet
- Tenderloin Housing Clinic
- The Two Hundred
- TMG Partners
- United Farm Workers
- United Way Bay Area
- United Ways of California
- University Council – American Federation of Teachers (UC-AFT)
- University of California Student Association
- Up For Growth, National Coalition
- Urban Conservation Corps of the Inland Empire
- Urban Environmentalists
- Urban Works
- Valley Industry Commerce Association (VICA)
- Ventura County YIMBY

- Westside Young Democrats
- White People Against White Supremacy
- YIMBY Action
- YIMBY Inland Empire
- Yimby Democrats of San Diego County
- Yimby Voice

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