

## SB 1216 – Housing Leadership Designation Program

### IN BRIEF

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SB 1216 establishes a Housing Leadership Designation Program (HLDP) to recognize and reward cities and counties that demonstrate exceptional housing production outcomes with regulatory flexibility.

The bill establishes performance-based thresholds scaled to local affordability challenges, measuring jurisdictions on a sliding scale tied to their affordability and production levels.

### BACKGROUND

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Existing law establishes the Prohousing Designation Program (PDP) to recognize cities and counties that adopt prohousing local policies and provide preferential treatment in competitive state funding programs.

The PDP evaluates jurisdictions based on the adoption of specific policies intended to accelerate housing production. Jurisdictions receive the designation by demonstrating they have adopted a threshold number of qualifying policies. The program operates on the principle that good policies will lead to good outcomes.

However, policy adoption alone does not guarantee actual housing production, and the program does not directly measure whether designated jurisdictions are successfully building housing at the scale needed to address California's affordability crisis.

### THE ISSUE

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California's housing laws do not distinguish between jurisdictions that are solving the problem and those that are not. Jurisdictions with proven track records of building housing at scale are subject to the same rigid requirements as jurisdictions that minimally comply without delivering results.

Regulatory flexibility should go to jurisdictions that demonstrate they can be trusted with it. Jurisdictions that achieve exceptional housing

production outcomes, particularly in the most unaffordable areas, should have authority to tailor state mandates to local conditions. Meanwhile, jurisdictions that fail to deliver meaningful production should remain subject to baseline state requirements.

### THE SOLUTION

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This bill establishes the HLDP that rewards exceptional housing production with targeted regulatory flexibility.

To qualify for HLDP, jurisdictions must have submitted complete annual progress reports for the past five years and meet production thresholds that vary based on local affordability:

- Affordable jurisdictions (price-to-income ratio below 5:1): 5 housing units per 1,000 residents annually
- Unaffordable jurisdictions (ratio 5:1 to 10:1): 7.5 housing units per 1,000 residents annually
- Extremely unaffordable jurisdictions (ratio above 10:1): 10 housing units per 1,000 residents annually

Jurisdictions with HLDP have demonstrated the record necessary to tailor certain state housing mandates to local conditions, including:

- Authority to modify or exempt themselves from SB 9 lot split requirements, provided they continue to allow ministerial approval of at least two units on qualifying parcels.
- Authority to modify density bonus parking requirements and the number of incentives or concessions, while maintaining minimum density bonuses.
- Extended cure period (90 days instead of immediate fines) when notified of potential violations of housing reform laws by the Attorney General or Department of Housing and Community Development.

### SUPPORT

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**FOR MORE INFORMATION**

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