# CITY OF OAKLAND **BILL ANALYSIS**

Date:

July 17, 2007

Bill Number:

SB<sub>2</sub>

Bill Author:

Cedillo



#### DEPARTMENT INFORMATION

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**RECOMMENDED POSITION:** 

(SUPPORT, SUPPORT IF AMENDED, NEUTRAL, WATCH,

OPPOSE, NOT RELEVANT)

Watch and oppose current, amended version. Over-concentration of such facilities and other important local community factors must be taken into account. Local discretion is critical. Although there have been revisions, the legislation still includes "by right" provisions that would eliminate or severely restrict Oakland's discretion in applying conditions, requirements and standards to specific projects in a particular context or neighborhood. The inability to monitor and enforce conditions of approval for such facilities has been an important part of local control and successful operation.

# Summary of the Bill

(1) Currently the State's Planning and Zoning Law requires the housing element of the general plan of a city, county, or city and county to contain, among other things, an assessment of housing needs, including an inventory of land suitable for residential development, and a program with a 5-year schedule of actions that the local government is undertaking or intends to undertake to implement the goals and objectives of the housing element. This program is also required to identify adequate sites with zoning that permits owner-occupied and multifamily residential use by right, including the development of farmworker housing for low- and very low income households.

Item:	
City C	Council
July 17	2007

This bill would still add emergency shelters, transitional housing, and rental multifamily residential development to these provisions, as specified, and would add provisions by which a local government may identify sites suitable for the development of emergency shelters under these provisions as a use by right.

The bill would also require local agencies to designate zones where special needs facilities and transitional housing are a permitted use, either by right or subject to a conditional use permit. The bill would also delete multifamily residential use from these provisions.

(2) The Planning and Zoning Law requires that a local agency not disapprove a housing development project, including farmworker housing, for very low, low-, or moderate-income households or condition its approval, including through the use of design review standards, in a manner that renders the project infeasible for development for those households unless it makes written findings, based upon substantial evidence in the record, as to one of a number of specified conditions.

This bill would still add <u>special needs facilities</u> and <u>emergency shelters</u> to these provisions and would revise the conditions upon which a disapproval or a conditional approval of a special needs facility or an emergency shelter is based. The bill would define "special needs facility" as including community care facilities, residential facilities, social rehabilitation facilities, community treatment facilities, transitional shelter care facilities, transitional housing placement facilities, residential care facilities, and residential care facilities for the elderly.

# PLEASE RATE THE EFFECT OF THIS MEASURE ON THE CITY OF OAKLAND:

	Critical (top priority for City lobbyist, city position required ASAP)				
X_	Very Important (priority for City lobbyist, city position necessary)				
	Somewhat Important (City position desirable if time and resources are available)				
	Minimal or None (do not review with City Council, position not required)				

## **Known support:**

American Civil Liberties Union, American Federation of State, County and Municipal Employees AFSCME), CA Council of Community Mental Health Agencies, CA Rural Legal

Item:				
City Counci				
July 17, 200	7			

Assistance Foundation, Central City Association of Los Angeles, City of Los Angeles, City and County of San Francisco, Eimago, Inc.-The Center for Human, Economic, and Community Development, Gray Panthers CA, Housing CA, Jericho, Mental Health Association of CA, Moller International, Inc., National Association of Social Workers, CA Chapter, Northeast Democratic Club (Los Angeles), Progressive Jewish Alliance, San Diego Housing Federation, Shelter Partnership, Union Rescue Mission, Western Center on Law and Poverty, Individual letter

# **Known Opposition:**

City of Oakland

Attach bill text and state/federal legislative committee analysis, if available.

See attachment

Respectfully Submitted

Claudia Cappi

**Development Director** 

Community and Economic Development

Agency

Approved for Forwarding to Rules Committee /

Office of City Administrator

# OAKLAND CITY COUNCIL



OFFICE OF 1940	RESOLUTION NO.	C.M.S.	Oily Attorno
2007 JUL 12	Introduced by Councilmember	Desley Brooks	•

RESOLUTION RESTATING OAKLAND CITY COUNCIL'S OPPOSITION TO SB 2 – LOCAL PLANNING (CEDILLO) RELATED TO EMERGENCY SHELTERS AND TRANSITIONAL RESIDENTIAL FACILITIES

WHEREAS, the City of Oakland seeks to encourage the distribution of affordable housing, including housing for homeless families and individuals, equitably among all areas of the City and avoid undue concentration in any one area; and

WHEREAS, the City of Oakland seeks to mitigate any adverse impacts of such housing on neighborhoods by ensuring that certain management and siting conditions are adhered to; and

WHEREAS, in furtherance of this objective Section 17.102.212 of the City's Zoning Regulations establish certain conditions of approval for residential care, service-enriched permanent housing, transitional housing and emergency shelter residential activities; and

WHEREAS, State Senator Gil Cedillo has introduced SB 2 into the 2007 session of the California Legislature; and

WHEREAS, SB 2 was amended by the author and discussed by the Assembly Committee on Housing and Community Development on July 2, 2007; and

WHEREAS, the revised SB 2 still severely limits the ability of cities to regulate such facilities and would further require that cities identify sites where such facilities could be developed "by right" without the ability of the jurisdiction to impose conditions of approval; and

WHEREAS, these limitations would impede the City's ability to reasonably regulate the siting and management of such facilities; now, therefore be it

**RESOLVED:** That the City Council of the City of Oakland herby continues to oppose SB2 (Cedillo); and be it

**FURTHER RESOLVED:** That the City Council hereby authorizes and directs the City Administrator, and / or her designed, to work actively to seek the defeat of SB 2.

IN COUNCIL, OAKLAND, CALIFORNIA,		20
PASSED BY THE FOLLOWING VOTE:		
AYES - BROOKS, BRUNNER, CHANG, KERNIGHAN, NADEL	, QUAN, RE	ID, and PRESIDENT DE LA FUENTE
NOES -		
ABSENT -		
ABSTENTION -	ATTEST:	DRAFT
	-	LaTonda Simmons City Clerk and Clerk of the Council of the City of Oakland, California

AMENDED IN ASSEMBLY JULY 2, 2007
AMENDED IN ASSEMBLY JUNE 19, 2007
AMENDED IN ASSEMBLY JUNE 13, 2007
AMENDED IN SENATE MARCH 19, 2007
AMENDED IN SENATE MARCH 8, 2007
AMENDED IN SENATE JANUARY 22, 2007

#### SENATE BILL

No. 2

## Introduced by Senator Cedillo

December 4, 2006

An act to amend Sections 65582, 65583, and 65589.5 of the Government Code, relating to local planning.

#### LEGISLATIVE COUNSEL'S DIGEST

SB 2, as amended, Cedillo. Local planning.

(1) The Planning and Zoning Law requires the housing element of the general plan of a city, county, or city and county to contain, among other things, an assessment of housing needs, including an inventory of land suitable for residential development, and a program with a 5-year schedule of actions that the local government is undertaking or intends to undertake to implement the goals and objectives of the housing element. This program is also required to identify adequate sites with zoning that permits owner-occupied and multifamily residential use by right, including the development of farmworker housing for low- and very low income households.

This bill would add emergency shelters and rental multifamily residential development to these provisions, as specified, and would  $SB 2 \qquad \qquad -2-$ 

add provisions by which a local government may identify a zone or zones where emergency shelters under these provisions are allowed as a permitted use without a conditional use or other discretionary permit. The bill would also delete multifamily residential use from these provisions. By increasing the duties of local public officials, the bill would create a state-mandated local program.

(2) The Planning and Zoning Law requires that a local agency not disapprove a housing development project, including farmworker housing, for very low, low-, or moderate-income households or condition its approval, including through the use of design review standards, in a manner that renders the project infeasible for development for those households unless it makes written findings, based upon substantial evidence in the record, as to one of a number of specified conditions.

This bill would add supportive housing, transitional housing, and emergency shelters to these provisions and would revise the conditions upon which a disapproval or a conditional approval of a housing development project or an emergency shelter is based. The bill would define supportive housing and transitional housing. By increasing the duties of local public officials, the bill would impose a state-mandated local program.

- (3) The bill would also make other technical and conforming changes to these provisions.
- (4) 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.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares all of the 2 following:
- 3 (a) Homelessness is a statewide problem that affects many cities 4 and counties. There are an estimated 360,000 homeless individuals
- 5 and families in California. In some counties, like Los Angeles, an
- 6 estimated 254,000 men, women, and children experience
- 7 homelessness over the course of each year. Some of the causes of

\_3\_ SB 2

homelessness are mental illness, substance abuse, prison release, and lack of affordable housing.

(b) Because homelessness affects people of all races, gender, age, and geographic location there is a growing need for every city and county to plan for the location of adequate emergency shelters. Many people experiencing homelessness, primarily youth and single individuals, need shelter but also have a need for residential substance abuse and mental health services.

- (c) The lack or shortage of emergency shelters for homeless individuals and families in cities and counties across the state leads to the concentration of services in inner cities and poor communities, like *the* skid row area in downtown Los Angeles.
- (d) In order to ensure access to services in every city and county for homeless individuals and families, it is important that cities and counties plan for these services to address the special needs and circumstances of this threatened population.
- (e) It is the responsibility of cities and counties to plan and identify areas for emergency shelters. Cities and counties should include this as part of their planning process and locate emergency shelters where most appropriate in their community. The state should not dictate where these emergency shelters should be located.
- (f) It is the responsibility of the Legislature to promote strong communities and ensure that housing and residential services are available in all communities.
- SEC. 2. Section 65582 of the Government Code is amended to read:
  - 65582. As used in this article, the following definitions apply:
- (a) "Community," "locality," "local government," or "jurisdiction" means a city, city and county, or county.
- (b) "Council of governments" means a single or multicounty council created by a joint powers agreement pursuant to Chapter 5 (commencing with Section 6500) of Division 1 of Title 1.
- (c) "Department" means the Department of Housing and Community Development.
- (d) "Emergency shelter" has the same meaning as defined in subdivision (e) of Section 50801 of the Health and Safety Code.
- 38 (e) "Housing element" or "element" means the housing element 39 of the community's general plan, as required pursuant to this article 40 and subdivision (c) of Section 65302.

SB 2 —4—

(f) "Supportive housing" has the same meaning as defined in subdivision (b) of Section 50675.14 of the Health and Safety Code.

(g) "Transitional housing" has the same meaning as defined in subdivision (h) of Section 50675.2 of the Health and Safety Code. SEC. 3. Section 65583 of the Government Code is amended to read:

65583. The housing element shall consist of an identification and analysis of existing and projected housing needs and a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. The housing element shall identify adequate sites for housing, including rental housing, factory-built housing, mobilehomes, and emergency shelters, and shall make adequate provision for the existing and projected needs of all economic segments of the community. The element shall contain all of the following:

- (a) An assessment of housing needs and an inventory of resources and constraints relevant to the meeting of these needs. The assessment and inventory shall include all of the following:
- (1) An analysis of population and employment trends and documentation of projections and a quantification of the locality's existing and projected housing needs for all income levels, including extremely low income households, as defined in subdivision (b) of Section 50105 and Section 50106 of the Health and Safety Code. These existing and projected needs shall include the locality's share of the regional housing need in accordance with Section 65584. Local agencies shall calculate the subset of very low income households allotted under Section 65584 that qualify as extremely low income households. The local agency may either use available census data to calculate the percentage of very low income households that qualify as extremely low income households or presume that 50 percent of the very low income households qualify as extremely low income households. The number of extremely low income households and very low income households shall equal the jurisdiction's allocation of very low income households pursuant to Section 65584.
- (2) An analysis and documentation of household characteristics, including level of payment compared to ability to pay, housing characteristics, including overcrowding, and housing stock condition.

-5- SB 2

(3) An inventory of land suitable for residential development, including vacant sites and sites having potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites.

- (4) (A) The identification of a zone or zones where emergency shelters are allowed as a permitted use without a conditional use or other discretionary permit. The identified zone or zones shall include sufficient capacity to reasonably accommodate the need for emergency shelter identified in paragraph (7), provided that each local government demonstrates that the identified zone or zones can realistically accommodate at least one emergency shelter of a feasible size. If the local government cannot identify a zone or zones with sufficient capacity, the local government shall amend its zoning ordinance to meet the requirements of this paragraph prior to or concurrent with the adoption of the housing element. The local government may identify additional zones where emergency shelters are permitted with a conditional use permit. The local government shall also demonstrate that existing or proposed permit processing, development, and management standards are objective and encourage and facilitate the development of, or conversion to, emergency shelters. Emergency shelters may only be subject to those development and management standards that apply to residential or commercial development within the same zone except that a local government may apply written, objective standards that include all of the following:
- (A)
- (i) The maximum number of beds or persons permitted to be served nightly by the facility.
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- (ii) Off-street parking, provided that the standards do not require more parking for emergency shelters than for other residential or commercial uses within the same zone based upon demonstrated need.
- 34 <del>(C)</del>
- 35 (iii) The size and location of client exterior and interior onsite waiting and intake areas.
- 37 <del>(D)</del>
- 38 (iv) The provision of onsite management.
- 39 <del>(E)</del>

SB 2 --- 6 ---

(v) The proximity to other emergency shelters, provided that 1 2 emergency shelters are not required to be more than 300 feet apart.

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(vi) The length of stay.

<del>(G)</del>

6 (vii) Lighting.

(H)

(viii) Security during hours that the emergency shelter is in operation.

- (B) The permit processing, development, and management standards applied under this paragraph shall not be deemed to be discretionary acts within the meaning of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).
- (5) An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the types of housing identified in paragraph (1) of subdivision (c), and for persons with disabilities as identified in the analysis pursuant to paragraph (6), including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures. The analysis shall also demonstrate local efforts to remove governmental constraints that hinder the locality from meeting its share of the regional housing need in accordance with Section 65584 and from meeting the need for housing for persons with disabilities, supportive housing, transitional housing, and emergency shelters identified pursuant to paragraph (6). Transitional housing and supportive housing shall be considered a residential use of property, and shall be subject only to those restrictions that apply to other multifamily dwellings in the same zone.
- (6) An analysis of potential and actual nongovernmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the availability of financing, the price of land, and the cost of construction.
- (7) An analysis of any special housing needs, such as those of the elderly, persons with disabilities, large families, farmworkers, families with female heads of households, and families and persons in need of emergency shelter.

-7- SB 2

(8) An analysis of opportunities for energy conservation with respect to residential development.

- (9) An analysis of existing assisted housing developments that are eligible to change from low-income housing uses during the next 10 years due to termination of subsidy contracts, mortgage prepayment, or expiration of restrictions on use. "Assisted housing developments," for the purpose of this section, shall mean multifamily rental housing that receives governmental assistance under federal programs listed in subdivision (a) of Section 65863.10, state and local multifamily revenue bond programs, local redevelopment programs, the federal Community Development Block Grant Program, or local in-lieu fees. "Assisted housing developments" shall also include multifamily rental units that were developed pursuant to a local inclusionary housing program or used to qualify for a density bonus pursuant to Section 65916.
- (A) The analysis shall include a listing of each development by project name and address, the type of governmental assistance received, the earliest possible date of change from low-income use and the total number of elderly and nonelderly units that could be lost from the locality's low-income housing stock in each year during the 10-year period. For purposes of state and federally funded projects, the analysis required by this subparagraph need only contain information available on a statewide basis.
- (B) The analysis shall estimate the total cost of producing new rental housing that is comparable in size and rent levels, to replace the units that could change from low-income use, and an estimated cost of preserving the assisted housing developments. This cost analysis for replacement housing may be done aggregately for each five-year period and does not have to contain a project-by-project cost estimate.
- (C) The analysis shall identify public and private nonprofit corporations known to the local government which have legal and managerial capacity to acquire and manage these housing developments.
- (D) The analysis shall identify and consider the use of all federal, state, and local financing and subsidy programs which can be used to preserve, for lower income households, the assisted housing developments, identified in this paragraph, including, but not limited to, federal Community Development Block Grant Program

SB 2 —8—

funds, tax increment funds received by a redevelopment agency of the community, and administrative fees received by a housing authority operating within the community. In considering the use of these financing and subsidy programs, the analysis shall identify the amounts of funds under each available program which have not been legally obligated for other purposes and which could be available for use in preserving assisted housing developments.

- (b) (1) A statement of the community's goals, quantified objectives, and policies relative to the maintenance, preservation, improvement, and development of housing.
- (2) It is recognized that the total housing needs identified pursuant to subdivision (a) may exceed available resources and the community's ability to satisfy this need within the content of the general plan requirements outlined in Article 5 (commencing with Section 65300). Under these circumstances, the quantified objectives need not be identical to the total housing needs. The quantified objectives shall establish the maximum number of housing units by income category, including extremely low income, that can be constructed, rehabilitated, and conserved over a five-year time period.
- (c) A program which sets forth a five-year schedule of actions the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the housing element through the administration of land use and development controls, the provision of regulatory concessions and incentives, and the utilization of appropriate federal and state financing and subsidy programs when available and the utilization of moneys in a low- and moderate-income housing fund of an agency if the locality has established a redevelopment project area pursuant to the Community Redevelopment Law (Division 24 (commencing with Section 33000) of the Health and Safety Code). In order to make adequate provision for the housing needs of all economic segments of the community, the program shall do all of the following:
- (1) Identify actions that will be taken to make sites available during the planning period of the general plan with appropriate zoning and development standards and with services and facilities to accommodate that portion of the city's or county's share of the regional housing need for each income level that could not be accommodated on sites identified in the inventory completed

-9- SB 2

pursuant to paragraph (3) of subdivision (a) without rezoning, and to comply with the requirements of Section 65584.09. Sites shall be identified as needed to facilitate and encourage the development of a variety of types of housing for all income levels, including multifamily rental housing, factory-built housing, mobilehomes, housing for agricultural employees, supportive housing, single-room occupancy units, emergency shelters, and transitional housing.

(A) Where the inventory of sites, pursuant to paragraph (3) of subdivision (a), does not identify adequate sites to accommodate the need for groups of all household income levels pursuant to Section 65584, the program shall identify sites that can be developed for housing within the planning period pursuant to subdivision (h) of Section 65583.2.

- (B) Where the inventory of sites pursuant to paragraph (3) of subdivision (a) does not identify adequate sites to accommodate the need for farmworker housing, the program shall provide for sufficient sites to meet the need with zoning that permits farmworker housing use by right, including density and development standards that could accommodate and facilitate the feasibility of the development of farmworker housing for low- and very low income households.
- (2) Assist in the development of adequate housing to meet the needs of extremely low, very low, low-, and moderate-income households.
- (3) Address and, where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing, including housing for all income levels and housing for persons with disabilities. The program shall remove constraints to, and provide reasonable accommodations for housing designed for, intended for occupancy by, or with supportive services for, persons with disabilities.
- (4) Conserve and improve the condition of the existing affordable housing stock, which may include addressing ways to mitigate the loss of dwelling units demolished by public or private action.
- 37 (5) Promote housing opportunities for all persons regardless of 38 race, religion, sex, marital status, ancestry, national origin, color, 39 familial status, or disability.

SB 2 — 10 —

- (6) Preserve for lower income households the assisted housing developments identified pursuant to paragraph (9) of subdivision (a). The program for preservation of the assisted housing developments shall utilize, to the extent necessary, all available federal, state, and local financing and subsidy programs identified in paragraph (9) of subdivision (a), except where a community has other urgent needs for which alternative funding sources are not available. The program may include strategies that involve local regulation and technical assistance.
- (7) The program shall include an identification of the agencies and officials responsible for the implementation of the various actions and the means by which consistency will be achieved with other general plan elements and community goals. The local government shall make a diligent effort to achieve public participation of all economic segments of the community in the development of the housing element, and the program shall describe this effort.
- (d) Except as otherwise provided in this article, amendments to this article that alter the required content of a housing element shall apply to both of the following:
- (1) A housing element or housing element amendment prepared pursuant to subdivision (e) of Section 65588 or Section 65584.02, when a city, county, or city and county submits a draft to the department for review pursuant to Section 65585 more than 90 days after the effective date of the amendment to this section.
- (2) Any housing element or housing element amendment prepared pursuant to subdivision (e) of Section 65588 or Section 65584.02, when the city, county, or city and county fails to submit the first draft to the department before the due date specified in Section 65588 or 65584.02.
- 31 SEC. 4. Section 65589.5 of the Government Code is amended 32 to read:
- 33 65589.5. (a) The Legislature finds and declares all of the 34 following:
  - (1) The lack of housing, including emergency shelters, is a critical problem that threatens the economic, environmental, and social quality of life in California.
- 38 (2) California housing has become the most expensive in the 39 nation. The excessive cost of the state's housing supply is partially 40 caused by activities and policies of many local governments that

—11— SB 2

limit the approval of housing, increase the cost of land for housing, and require that high fees and exactions be paid by producers of housing.

- (3) Among the consequences of those actions are discrimination against low-income and minority households, lack of housing to support employment growth, imbalance in jobs and housing, reduced mobility, urban sprawl, excessive commuting, and air quality deterioration.
- (4) Many local governments do not give adequate attention to the economic, environmental, and social costs of decisions that result in disapproval of housing projects, reduction in density of housing projects, and excessive standards for housing projects.
- (b) It is the policy of the state that a local government not reject or make infeasible housing developments, including emergency shelters, that contribute to meeting the need determined pursuant to this article without a thorough analysis of the economic, social, and environmental effects of the action and without complying with subdivision (d).
- (c) The Legislature also recognizes that premature and unnecessary development of agricultural lands for urban uses continues to have adverse effects on the availability of those lands for food and fiber production and on the economy of the state. Furthermore, it is the policy of the state that development should be guided away from prime agricultural lands; therefore, in implementing this section, local jurisdictions should encourage, to the maximum extent practicable, in filling existing urban areas.
- (d) A local agency shall not disapprove a housing development project, including farmworker housing as defined in subdivision (d) of Section 50199.50 of the Health and Safety Code, for very low, low-, or moderate-income households, or an emergency shelter, or condition approval in a manner that renders the project infeasible for development for the use of very low, low-, or moderate-income households, or an emergency shelter, including through the use of design review standards, unless it makes written findings, based upon substantial evidence in the record, as to one of the following:
- (1) The jurisdiction has adopted a housing element pursuant to this article that has been revised in accordance with Section 65588, is in substantial compliance with this article, and the jurisdiction has met or exceeded its share of the regional housing need

SB 2 —12 —

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allocation pursuant to Section 65584 for the planning period for the income category proposed for the housing development project, provided that any disapproval or conditional approval shall not be based on any of the reasons prohibited by Section 65008. If the housing development project includes a mix of income categories, and the jurisdiction has not met or exceeded its share of the regional housing need for one or more of those categories, then this paragraph shall not be used to disapprove or conditionally approve 9 the project. The share of the regional housing need met by the jurisdiction shall be calculated consistently with the forms and 10 11 definitions that may be adopted by the Department of Housing and 12 Community Development pursuant to Section 65400. In the case of an emergency shelter, the jurisdiction shall have met or exceeded 13 14 the need for emergency shelter, as identified pursuant to paragraph 15 (7) of subdivision (a) of Section 65583. Any disapproval or 16 conditional approval pursuant to this paragraph shall be in 17 accordance with applicable law, rule, or standards. 18

- (2) The development project or emergency shelter as proposed would have a specific, adverse impact upon the public health or safety, and there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact without rendering the development unaffordable to low- and moderate-income households or rendering the development of the emergency shelter financially infeasible. As used in this paragraph, a "specific, adverse impact" means a significant, quantifiable, direct, and unavoidable impact, based on objective, identified written public health or safety standards, policies, or conditions as they existed on the date the application was deemed complete. Inconsistency with the zoning ordinance or general plan land use designation shall not constitute a specific, adverse impact upon the public health or safety.
- (3) The denial of the project or imposition of conditions is required in order to comply with specific state or federal law, and there is no feasible method to comply without rendering the development unaffordable to low- and moderate-income households or rendering the development of the emergency shelter financially infeasible.
- (4) The development project or emergency shelter is proposed on land zoned for agriculture or resource preservation that is surrounded on at least two sides by land being used for agricultural

— 13 — SB 2

or resource preservation purposes, or which does not have adequate water or wastewater facilities to serve the project.

- (5) The development project or emergency shelter is inconsistent with both the jurisdiction's zoning ordinance and general plan land use designation as specified in any element of the general plan as it existed on the date the application was deemed complete, and the jurisdiction has adopted a revised housing element in accordance with Section 65588 that is in substantial compliance with this article.
- (A) This paragraph cannot be utilized to disapprove or conditionally approve a housing development project if the development project is proposed on a site that is identified as suitable or available for very low, low-, or moderate-income households in the jurisdiction's housing element, and consistent with the density specified in the housing element, even though it is inconsistent with both the jurisdiction's zoning ordinance and general plan land use designation.
- (B) If the local agency has failed to identify in the inventory of land in its housing element sites that can be developed for housing within the planning period and that are sufficient to provide for the jurisdiction's share of the regional housing need for all income levels pursuant to Section 65584, then this paragraph shall not be utilized to disapprove or conditionally approve a housing development project proposed for a site designated in any element of the general plan for residential uses or designated in any element of the general plan for commercial uses if residential uses are permitted or conditionally permitted within commercial designations. In any action in court, the burden of proof shall be on the local agency to show that its housing element does identify adequate sites with appropriate zoning and development standards and with services and facilities to accommodate the local agency's share of the regional housing need for the very low and low-income categories.
- (C) If the local agency has failed to identify a zone or zones where emergency shelters are allowed as a permitted use without a conditional use or other discretionary permit, has failed to demonstrate that the identified zone or zones include sufficient capacity to reasonably accommodate the need for emergency shelter identified in paragraph (7) of subdivision (a) of Section 65583, or has failed to demonstrate that the identified zone or

SB 2 — 14 —

zones can realistically accommodate at least one emergency shelter of a feasible size, as required by paragraph (4) of subdivision (a) of Section 65583, then this paragraph shall not be utilized to disapprove or conditionally approve an emergency shelter proposed for a site designated in any element of the general plan for industrial, commercial, or multifamily residential uses. In any action in court, the burden of proof shall be on the local agency to show that its housing element does satisfy the requirements of paragraph (4) of subdivision (a) of Section 65583.

- (e) Nothing in this section shall be construed to relieve the local agency from complying with the Congestion Management Program required by Chapter 2.6 (commencing with Section 65088) of Division 1 of Title 7 or the California Coastal Act (Division 20 (commencing with Section 30000) of the Public Resources Code). Neither shall anything in this section be construed to relieve the local agency from making one or more of the findings required pursuant to Section 21081 of the Public Resources Code or otherwise complying with the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).
- (f) (1) Nothing in this section shall be construed to prohibit a local agency from requiring the development project or emergency shelter to comply with objective, quantifiable, written development standards, conditions, and policies appropriate to, and consistent with, meeting the jurisdiction's share of the regional housing need pursuant to Section 65584. However, the development standards, conditions, and policies shall be applied to facilitate and accommodate development at the density permitted on the site and proposed by the development. Developments standards, conditions, and policies related to the development of emergency shelters shall be proposed by the development.
- (2) Nothing in this section shall be construed to prohibit a local agency from requiring an emergency shelter project to comply with objective, quantifiable, written development standards, conditions, and policies that are consistent with paragraph (4) of subdivision (a) of Section 65583 and appropriate to, and consistent with, meeting the jurisdiction's need for emergency shelter, as identified pursuant to paragraph (7) of subdivision (a) of Section 65583. This However, the development standards, conditions, and

—15— SB 2

policies shall be applied by the local agency to facilitate and accommodate the development of the emergency shelter project.

- (3) This section does not prohibit a local agency from imposing fees and other exactions otherwise authorized by law that are essential to provide necessary public services and facilities to the development project or emergency shelter.
- (g) This section shall be applicable to charter cities because the Legislature finds that the lack of housing, including emergency shelter, is a critical statewide problem.
- (h) The following definitions apply for the purposes of this section:
- (1) "Feasible" means capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, social, and technological factors.
- (2) "Housing development project" means a use consisting of any of the following:
  - (A) Residential units only.

- (B) Mixed-use developments consisting of residential and nonresidential uses in which nonresidential uses are limited to neighborhood commercial uses and to the first floor of buildings that are two or more stories. As used in this paragraph, "neighborhood commercial" means small-scale general or specialty stores that furnish goods and services primarily to residents of the neighborhood.
  - (C) Transitional housing or supportive housing.
- (3) "Housing for very low, low-, or moderate-income households" means that either (A) at least 20 percent of the total units shall be sold or rented to lower income households, as defined in Section 50079.5 of the Health and Safety Code, or (B) 100 percent of the units shall be sold or rented to moderate-income households as defined in Section 50093 of the Health and Safety Code, or middle-income households, as defined in Section 65008 of this code. Housing units targeted for lower income households shall be made available at a monthly housing cost that does not exceed 30 percent of 60 percent of area median income with adjustments for household size made in accordance with the adjustment factors on which the lower income eligibility limits are based. Housing units targeted for persons and families of moderate income shall be made available at a monthly housing cost that does not exceed 30 percent of 100 percent of area median

SB 2 —16—

income with adjustments for household size made in accordance with the adjustment factors on which the moderate-income eligibility limits are based.

- (4) "Area median income" means area median income as periodically established by the Department of Housing and Community Development pursuant to Section 50093 of the Health and Safety Code. The developer shall provide sufficient legal commitments to ensure continued availability of units for very low or low-income households in accordance with the provisions of this subdivision for 30 years.
- (5) "Disapprove the development project" includes any instance in which a local agency does either of the following:
- (A) Votes on a proposed housing development project application and the application is disapproved.
- (B) Fails to comply with the time periods specified in subparagraph (B) of paragraph (1) of subdivision (a) of Section 65950. An extension of time pursuant to Article 5 (commencing with Section 65950) shall be deemed to be an extension of time pursuant to this paragraph.
- (i) If any city, county, or city and county denies approval or imposes restrictions, including design changes, a reduction of allowable densities or the percentage of a lot that may be occupied by a building or structure under the applicable planning and zoning in force at the time the application is deemed complete pursuant to Section 65943, that have a substantial adverse effect on the viability or affordability of a housing development for very low, low-, or moderate-income households, and the denial of the development or the imposition of restrictions on the development is the subject of a court action which challenges the denial, then the burden of proof shall be on the local legislative body to show that its decision is consistent with the findings as described in subdivision (d) and that the findings are supported by substantial evidence in the record.
- (j) When a proposed housing development project complies with applicable, objective general plan and zoning standards and criteria, including design review standards, in effect at the time that the housing development project's application is determined to be complete, but the local agency proposes to disapprove the project or to approve it upon the condition that the project be developed at a lower density, the local agency shall base its

—17— SB 2

decision regarding the proposed housing development project upon written findings supported by substantial evidence on the record that both of the following conditions exist:

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- (1) The housing development project would have a specific, adverse impact upon the public health or safety unless the project is disapproved or approved upon the condition that the project be developed at a lower density. As used in this paragraph, a "specific, adverse impact" means a significant, quantifiable, direct, and unavoidable impact, based on objective, identified written public health or safety standards, policies, or conditions as they existed on the date the application was deemed complete.
- (2) There is no feasible method to satisfactorily mitigate or avoid the adverse impact identified pursuant to paragraph (1), other than the disapproval of the housing development project or the approval of the project upon the condition that it be developed at a lower density.
- (k) The applicant or any person who would be eligible to apply for residency in the development or emergency shelter may bring an action to enforce this section. If in any action brought to enforce the provisions of this section, a court finds that the local agency disapproved a project or conditioned its approval in a manner rendering it infeasible for the development of an emergency shelter, or housing for very low, low-, or moderate-income households, including farmworker housing, without making the findings required by this section or without making sufficient findings supported by substantial evidence, the court shall issue an order or judgment compelling compliance with this section within 60 days, including, but not limited to, an order that the local agency take action on the development project or emergency shelter. The court shall retain jurisdiction to ensure that its order or judgment is carried out and shall award reasonable attorney's fees and costs of suit to the plaintiff or petitioner who proposed the housing development or emergency shelter, except under extraordinary circumstances in which the court finds that awarding fees would not further the purposes of this section. If the court determines that its order or judgment has not been carried out within 60 days, the court may issue further orders as provided by law to ensure that the purposes and policies of this section are fulfilled, including, but not limited to, an order to vacate the decision of the local agency, in which case the application for the project, as constituted

SB 2 —18—

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at the time the local agency took the initial action determined to be in violation of this section, along with any standard conditions determined by the court to be generally imposed by the local agency on similar projects, shall be deemed approved unless the applicant consents to a different decision or action by the local agency.

- (1) If the court finds that the local agency (1) acted in bad faith when it disapproved or conditionally approved the housing development or emergency shelter in violation of this section and (2) failed to carry out the court's order or judgment within 60 days as described in subdivision (k), the court in addition to any other remedies provided by this section, may impose fines upon the local agency that the local agency shall be required to deposit into a housing trust fund. Fines shall not be paid from funds that are already dedicated for affordable housing, including, but not limited to, redevelopment or low- and moderate-income housing funds and federal HOME and CDBG funds. The local agency shall commit the money in the trust fund within five years for the sole purpose of financing newly constructed housing units affordable to extremely low, very low, or low-income households. For purposes of this section, "bad faith" shall mean an action that is frivolous or otherwise entirely without merit.
- (m) Any action brought to enforce the provisions of this section shall be brought pursuant to Section 1094.5 of the Code of Civil Procedure, and the local agency shall prepare and certify the record of proceedings in accordance with subdivision (c) of Section 1094.6 of the Code of Civil Procedure no later than 30 days after the petition is served, provided that the cost of preparation of the record shall be borne by the local agency. Upon entry of the trial court's order, a party shall, in order to obtain appellate review of the order, file a petition within 20 days after service upon it of a written notice of the entry of the order, or within such further time not exceeding an additional 20 days as the trial court may for good cause allow. If the local agency appeals the judgment of the trial court, the local agency shall post a bond, in an amount to be determined by the court, to the benefit of the plaintiff if the plaintiff is the project applicant.
- (n) In any action, the record of the proceedings before the local agency shall be filed as expeditiously as possible and, notwithstanding Section 1094.6 of the Code of Civil Procedure or

-19- SB 2

subdivision (m) of this section, all or part of the record may be prepared (1) by the petitioner with the petition or petitioner's points and authorities, (2) by the respondent with respondent's points and authorities, (3) after payment of costs by the petitioner, or (4) as otherwise directed by the court. If the expense of preparing the record has been borne by the petitioner and the petitioner is the prevailing party, the expense shall be taxable as costs.

(o) This section shall be known, and may be cited, as the Housing Accountability Act.

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Housing Accountability Act.

SEC. 5. No reimbursement is required by this act pursuant to Section 6 of Article XIIIB 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.

SB 2 Page 1

Date of Hearing: July 11, 2007

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT Lori Saldana, Chair SB 2 (Cedillo) - As Amended: July 2, 2007

SENATE VOTE : 27-11

SUBJECT : Local planning.

<u>SUMMARY</u>: Requires cities and counties to accommodate their need for emergency shelters on sites where the use is allowed without a conditional use permit, and requires cities and counties to treat transitional and supportive housing projects as a residential use of property. Specifically, <u>this bill</u>:

- 1) Requires cities and counties to identify in their housing elements a zone or zones where emergency shelters are allowed as a permitted use without a conditional use permit or other discretionary permit.
- 2) Specifies that the identified zone or zones shall include sufficient capacity to accommodate the need for emergency shelters.
- 3) Requires that the local government demonstrate that the identified zone or zones can accommodate at least one emergency shelter.
- 4) Specifies that if the local government cannot identify a zone or zones with sufficient capacity, the local government shall amend its zoning ordinance to include such a zone or zones prior to or concurrent with the adoption of the housing element.
- 5)Allows the local government to identify additional zones where emergency shelters are permitted with a conditional use permit.
- 6) Requires the local government to demonstrate that existing or proposed permit processing, development, and management standards are objective and encourage and facilitate the development of emergency shelters.
- 7) States that emergency shelters may only be subject to those

SB 2 Page 2

development and management standards that apply to residential or commercial development within the same zone, except that a local government may apply written, objective standards that include all of the following:

- a) The maximum number of beds or persons permitted to be served nightly by the facility;
- b) Off-street parking, provided that the standards do not require more parking for emergency shelters than for other residential or commercial uses within the same zone based on demonstrated need;
- c) The size and location of client exterior and interior onsite waiting and intake areas;
- d) The provision of onsite management;
- e) The proximity to other emergency shelters, provided that emergency shelters are not required to be more than 300 feet apart;
- f) The length of stay;
- g) Lighting; and
- h) Security during hours that the emergency shelter is in operation.
- 8) Provides that permit processing, development and management standards shall not be considered discretionary acts for purposes of California Environmental Quality Act (CEQA).
- 9) Requires the housing element's analysis of governmental constraints on housing to also demonstrate local efforts to remove governmental constraints that hinder the locality from meeting the need for supportive housing, transitional housing, and emergency shelters.
- 10) Specifies that transitional housing and supportive housing shall be considered a residential use of property and shall be subject only to those restrictions that apply to other multifamily dwellings in the same zone.

SB 2 Page

emergency shelters.

12) Includes transitional housing and supportive housing within the definition of "housing development project" under the Housing Accountability Act.

#### EXISTING LAW :

- 1) Provides that the availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farm workers, is a priority of the highest order (Government Code Section 65580).
- 2) Requires each city and county to adopt a general plan that includes seven elements, including a housing element (Government Code Section 65302).
- 3) Requires the housing element of the general plan to identify and analyze current and projected housing needs, make demographic projections, assess housing inventories, identify housing constraints, and establish community goals related to housing for all income levels (Government Code Section 65583).
- 4) Requires the analysis of special housing needs within the housing element to address persons and families in need of emergency shelter (Government Code Section 65583).
- 5)Requires, prior to each housing element revision, that each council of government (COG), in conjunction with the Department of Housing and Community Development (HCD), prepare a regional housing needs assessment and allocate to each jurisdiction in the region its fair share of the housing need for all income categories. Where a COG does not exist, HCD determines the local share of the region's housing need. (Government Code Section 65584)
- 6) Requires each housing element to identify adequate sites to satisfy the community's share of the regional housing need (Government Code Section 65583).
- 7) Requires a city or county, to the extent that it does not have adequate sites for affordable housing within its existing inventory of residentially zoned land, to adopt a program to

SB 2 Page

rezone land to accommodate the need on sites that allow for the development of housing as a use by right, meaning that the local government may not require a conditional use permit, planned unit development permit, or other discretionary review or approval (Government Code Section 65583).

- 8) Requires the housing element to provide for the following income categories:
  - Extremely low-income household (30% or lower of area median income);
  - b) Very low-income household (50% or lower of area median income);
  - Lower-income household (80% or lower of area median income);
  - d) Moderate-income household (between 80% and 120% of area median income); and
  - e) Above moderate-income household (exceeding 120% area median income).

(Government Code Section 65583)

9) Prohibits, under the Housing Accountability Act, a local agency from disapproving specified affordable housing projects or conditioning their approval in a manner that would render them infeasible unless the agency makes written findings based on substantial evidence that the denial or condition is for a specified, statutorily approved reason (Government Code Section 65589.5)

<u>FISCAL EFFECT</u>: According to the Senate Appropriations Committee, pursuant to Senate Rule 28.8, negligible state costs.

#### COMMENTS :

#### Background

According to the author's office, there are an estimated 360,000 homeless individuals and families in California. Because homelessness affects all races, genders, age, and geographic areas of the state, the author believes there is a growing need

SB 2 Page 5

for every city and county to plan for the location of adequate shelters and transitional housing to accommodate its respective need. Because of the high incidence of mental illness and substance abuse among homeless individuals, it is also necessary to ensure the adequate provision of transitional and supportive housing facilities to serve these populations. The current disproportionate availability of shelters and service providers across regions and the state leads to the concentration of the homeless in inner cities and poor communities like Skid Row in

downtown Los Angeles.

Current housing element law requires each city and county to identify and analyze existing and projected housing needs, identify adequate sites with appropriate zoning to meet the housing needs of all income segments of the community, and ensure that regulatory systems provide opportunities for, and do not unduly constrain, housing development. To the extent that a community does not have adequate sites within its existing inventory of residentially zoned land, then the community must adopt a program to rezone land at appropriate densities to accommodate the community's housing need for all income groups. Rezoned sites must allow for the development of housing as a use by right, which means that the local government may not require a conditional use permit, planned unit development permit, or other discretionary review or approval. Under by-right zoning, projects that meet the community's zoning and development standards are approved ministerially at the staff level.

Housing element law also requires communities to include an analysis of special housing needs, including the need for emergency shelters, and an identification of zones where such housing is permitted, but does not require that specific sites for special housing needs be identified.

The Housing Accountability Act, formerly known as the anti-NIMBY ("not in my back yard") law, requires a city or county to make one of the following findings, based on substantial evidence in the record, in order to disapprove an affordable housing project:

- a) The city or county has adopted an updated housing element in substantial compliance with the law, and the community has met its share of the regional housing need for that income category;
- b) The project would have a specific, adverse impact on the

<u>SB 2</u> \_ Page 6

public health or safety, and there is no way to mitigate or avoid the impact;

- c) The denial is required to comply with state or federal law;
- d) The project is located on agricultural or resource preservation land that does not have adequate water or waste water facilities; or
- e) The jurisdiction has identified sufficient and adequate sites to accommodate its share of the regional housing need and the project is inconsistent with both the general plan

land use designation and the zoning ordinance.

Under exiting law, because emergency shelters do not contain housing "units," they are not considered housing projects and are therefore not protected by anti-NIMBY law.

#### Purpose of the bill

SB 2 seeks to help address homelessness in a manner that is equitable to all communities by requiring every city and county to identify a zone or zones where emergency shelters can locate without a conditional use permit or other discretionary approval. The identified zone or zones must have capacity to address each community's need for emergency shelters, and must be able to accommodate at least one shelter. The bill also requires cities and counties to treat transitional housing and supportive housing like any other multifamily housing project. Additionally, the bill prohibits cities and counties from disapproving shelters or transitional or supportive housing projects without legitimate grounds.

Recent press accounts in the Los Angeles and Sacramento regions have described cases in which law enforcement officials, hospitals, and other institutions have transported homeless individuals to other jurisdictions due to the lack of services in the individuals' own communities. While the direct transportation of homeless individuals may or may not be widespread, the lack of services in many communities has the same effect by forcing people in need of services across jurisdictional lines. SB 2 seeks to address the direct and indirect dumping that occurs when communities fail to provide shelter and services for their own residents.

SB 2 Page 7

The author expresses concern that providers of emergency shelters encounter tremendous resistance at the local level and find it difficult to obtain the conditional use permit that is generally required of such facilities. Additionally, service providers have found that there are communities that have no zones in which these types of uses are allowed, even with a conditional use permit, creating a de facto ban.

#### Staff Comments

To the extent that this bill leaves it to each community to ascertain its own needs for emergency shelters and to find appropriate sites for such facilities, SB 2 maintains a high level of local control. While cities and counties must provide zones where emergency shelters can locate without a conditional use permit, they are allowed to require that shelters adhere to

objective standards related to the number of beds, off-street parking, client intake areas, onsite management, the proximity of shelters to one another, the length of stay, lighting, and

SB 2 is substantially similar, although not identical, to SB 1322 (Cedillo) in 2006, which was vetoed by Governor Schwarzenegger. The veto message stated in part:

"Though the intentions of this bill are laudable, the specifics of the measure would place overly burdensome mandates on cities and counties.

Specifically, this measure would preclude a local government from considering the overall needs and concerns of its community by limiting its authority to condition or deny certain projects as would otherwise be allowed by law. Such mandated, or by right, zoning not only presumes that all California cities and counties have a need for these facilities, but also usurps local government discretion [and] denies the impacted population groups the right to have their voice heard. Further, this measure would facilitate an unnecessary increase in litigation brought against cities and counties that would only result in a depletion of local government resources, rather than helping improve the availability of such facilities."

The Committee may wish to ask the author to address how the

SB 2

differences between this bill and last year's bill may address the Governor's concerns.

The Committee may also wish to consider whether this bill places an unreasonable burden on communities that have zoned and built adequate shelter facilities. Under SB 2, even if a community has provided all, or in excess of its shelter need, it would still be required to zone for at least one additional facility during the next planning period.

Double referred : The Assembly Committee on Rules referred SB 2 to Local Government Committee and Housing and Community Development Committee. The bill passed the Assembly Committee on Local Government on June 27, 2007 by a vote of 5 - 2.

#### REGISTERED SUPPORT / OPPOSITION :

## Support

American Civil Liberties Union American Federation of State, County and Municipal Employees

http://www.leginfo.ca.gov/pub/07-08/bill/sen/sb\_0001-0050/sb\_2\_cfa\_20070709\_132626 asm co...

California Council of Community Mental Health Agencies California Mental Health Directors Association California Rural Legal Assistance Foundation Central City Association of Los Angeles City and County of San Francisco City of Los Angeles Eimago, Inc., Los Angeles Gray Panthers California Housing California Jericho Mental Health Association in California Moller International, Inc. National Association of Social Workers, California Chapter Northeast Democratic Club, Los Angeles Progressive Jewish Alliance, Los Angeles San Diego Housing Federation Shelter Partnership, Los Angeles Union Rescue Mission, Los Angeles Western Center on Law & Poverty One constituent (Los Angeles)

Opposition

City of Oakland (March 19, 2007 version)

3

<u>SB 2</u> Page 9

Department of Finance (March 19, 2007 version)

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