

SENATE BILL 50 ANALYSIS

SB 50 (Wiener) – Planning and Zoning: Incentives

Background

Senate Bill 50 was introduced by Senator Scott Wiener in December 2018, the first day that legislation could be introduced in the 2019-20 Legislative Session. The bill focuses on relaxing height and density standards around transit and job centers, in an effort to encourage more housing production. Initial drafts of the proposed legislation were met with significant opposition from communities throughout the state. In June 2019, the bill was held in the Senate Appropriations Committee and thus became a two-year bill to allow for additional dialog between the bill's authors and affected stakeholders. On January 7, 2020, Senator Wiener released an amended draft bill, which includes some notable changes from the prior draft.

Summary

On January 6th, Senator Wiener announced amendments to SB 50, which, although it retains a number of elements of the prior legislation, also makes a number of significant changes.

Elements carried over from the prior version of the bill include:

- Retention of the same height, density, and parking standards as previously proposed for eligible projects in “jobs rich” or “transit rich” areas, within counties over 600,000 people, including:
 - A waiver from parking requirements greater than 0.5 spaces per unit.
 - For projects between 0.25 and 0.5 miles of a major transit stop or, waiver from height limits less than 45 feet, and Floor Area Ratio (FAR) less than 2.5, and any minimum parking requirement.
 - For projects within 0.25 miles of a major transit stop, waivers from height limits less than 55 feet and FAR less than 3.25, and any minimum parking requirement.
- Retention of the same definitions of major transit stops and “high quality bus corridor” used to define “transit rich” areas.
- Similar criteria to define “jobs-rich areas,” and requirement for the State to develop and publish maps of these areas.
- Similar provisions allowing streamlined, ministerial review for “Neighborhood Multi-family projects,” a project that constructs up to four residential units on a vacant site, or converts an existing structure to include up to four units, without significant exterior alterations or addition of square footage. Height, setback, and lot coverage requirements would need to be met, along with a maximum parking

requirement of 0.5 spaces per unit. As ministerial projects, they would be exempt from CEQA.

- Similar affordability requirements for eligible projects, which are scaled based on project size and affordability level. For example, a project of up to 200 units would be required to include 15 percent lower income units; or 8 percent very-low; or 6 percent extremely low. A project over 350 units would need to provide 25 percent lower income, 15 percent very low, or 11 percent extremely-low income units.
- A similar range of exclusions from SB 50's development incentives for projects located on sites including sensitive environmental resources or subject to hazards, containing existing housing, or historic resources. With respect to historic resources, SB 50 would not apply if the site is on a contributing parcel within an historic district established by a local ordinance before December 31, 2010; or if it contains "a structure that was listed on a state or federal register of historic resources before the date that the development proponent first submits an application for an equitable communities incentive."

New components of the amended legislation include:

- Delayed implementation of SB 50 until January 1, 2023.
- Provisions that allow for jurisdictions to prepare an alternative local plan ("local flexibility plan") that can meet the intent of SB 50, but would not necessarily follow the locational requirements, or height and density standards of SB 50. Key parameters for a local plan include:
 - That it must meet SB 50 goals of increasing housing density and affordability; affirmatively furthering fair housing; and result in a comparable degree of transportation efficiency – i.e. not increasing the amount of driving. Although the bill does not explicitly state so, the general understanding is that the local plan would be required to provide the same amount of housing as would have been achieved under SB 50's mandated development standards.
 - An existing, adopted document such as a Housing Element or Specific Plan may substitute for the local flexibility plan, provided it meets the parameters above.
 - If a local plan is not prepared and approved by HCD, then SB 50's development standards would apply by default.
 - The bill requires HCD, by July 1, 2021, to develop guidelines for the preparation, submission and approval of a local plan; HCD would review and approve any local flexibility plan.

- Additional provisions intended to safeguard against displacement of existing populations have been added, including that 40% of affordable units that are created pursuant to SB 50 would need to be made available (through lottery) to people who currently live within close proximity (1/2 mile) of the project.

Next Steps

SB 50 is currently in the Senate Appropriations Committee. The deadline for measures to be passed out of that committee is January 24th. If SB 50 is passed out of the Senate Appropriations Committee, it must then pass the Senate Floor by January 31st. Failure to meet either of these deadlines would result in the measure being ineligible for additional consideration in 2020.

If SB 50 fails to meet the two-year bill deadlines, Senator Wiener could introduce a new bill prior to the February 21st bill introduction deadline. If a new bill is introduced it will need to go through the normal bill process. The first major deadline for newly introduced legislation is the policy committee deadline, which is April 24th.

Prepared by: Townsend Public Affairs