

4/26/2022

## Region 31 Caucus

### Legislative Committee Report

#### Home Ownership Housing

- A. AB 2430 (Grayson) Tiny Homes – C.A.R. has generally supported laws which make it easier to construct ADUs on their properties. Existing law contains various provisions related to the ministerial approval of accessory dwelling units (ADUs) which meet specified requirements related to location, size, design, and setback. AB 2430 seeks to expand the state law mandating ministerial approval for ADUs to a movable tiny home, provided the unit provides an exterior with the appearance of a conventional building, utilizes conventional building materials architecturally distinct from mobilehomes and recreational vehicles, is a separate, independent dwelling unit no larger than 400 square feet, provides living facilities for one or more persons and is constructed offsite.
- SUPPORT
- B. AB 2386 (Bloom) Tenancy in Common: Local Conversion Regulations - Under current law, the conversion of single family 1-4 units into tenancy in common (TIC) ownership opportunities is handled through contractual obligations and must be financed using non-conventional financing. In TIC ownership arrangements, the entire property is owned by the members of the TIC group (the tenants in common) in percentage shares and a detailed written agreement describes each TIC member's rights and duties to the property, including, for example, exclusive rights to use and occupy particular units or parts of the property, parking, and use of common areas. AB 2386 permits local agencies to regulate the conversion of multi-family units to TIC developments. The author is concerned that TICs, which are most common in the Bay Area and increasingly Los Angeles, allows for development speculation and the displacement of long-term tenants. Furthermore, there is concern about whether owners in a tenant common are adequately protected by the contracts. The measure would allow local agencies to establish essentially a local Davis Stirling act by permitting the local jurisdiction to require documents to govern the common areas. Due to their contractual nature, TICs currently occupy a gray area outside of the Subdivision Map Act and the Davis Stirling Law which governs common interest developments. This bill could create a patchwork of different rules in the state for the same type of ownership if local governments elect to create various ordinances as permitted by the law governing the TIC form of ownership.
- OPPOSE
- C. AB 1967 (Daily) Single Family Neighborhoods and Transitional Wrap Around Service Housing – The Department of Housing and Community Development (HCD) recently started issuing letters on noncompliance with the Housing Element if the local governments, pursuant to SB 2 by Senator Cedillo (Stats. 2007, Ch. 633, § 3), place restrictions on transitional and supportive housing in single family (R1) neighborhoods. HCD argues 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 residential dwellings of the same type in the same

zone.” - Gov. Code, § 65583, subd. (c)(3). In practice this means that cities cannot require a use permit for transitional or supportive housing unless that local agency requires a use permit for all other single-family homes in the same zone. This rule, according to HCD, applies regardless of the number of occupants. Per HCD’s recent ruling, cities may not require a use permit for transitional and supportive housing with 6 or more occupants unless it requires such a use permit for single-family homes in the same zone generally. AB 1967 seeks to allow a local agency to require a conditional use permit for transitional and supportive housing development projects with seven or more residents and are located within an undermined number of feet transitional or supportive housing and a residential care facility or sober living home.

- SUPPORT

D. AB 2619 (Patterson) Elderly Residential Care Facilities: Capacity in Residential Neighborhoods - The Health and Safety Code places certain restrictions on the local regulation of “residential care facilities” through land use controls based on occupancy numbers. Local jurisdictions may differentiate between licensed “residential care facilities” that provide care for six or fewer persons and those that provide care for seven or more persons. (See Health & Safety Code, § 1568.0831.) That distinction is unique to the Health and Safety Code and to licensed residential care facilities. AB 2619 would permit a residential care facility for the elderly to be placed in a residential neighborhood in excess of the six-person limitation in current law as long as it conforms to the occupancy limits for that property. Generally utilizing homes for specified purpose with 6 or fewer residents has been considered a residential use of a property and more than that a commercial use and this bill then opens the door to larger scale non-residential uses of properties in residential properties.

- OPPOSE

E. ACA 14 (Wicks) Housing Bond – This measure, the Housing Opportunities for Everyone (HOPE) Act, would create an account in the General Fund, beginning in the 2024–25 fiscal year, and each fiscal year thereafter until September 30, 2033 (i.e., 10 years), to transfer 5% of the General Fund (for the 2022-23 FY that equals \$14.3 billion) to fund to homelessness programs and affordable housing development if approved by the voters in November 2022. This measure would require the Business, Consumer Services, and Housing Agency (Agency) to develop a 10-year investment strategy, with input from stakeholders, that demonstrates how moneys in the account will be used to produce affordable housing and end homelessness through specific performance measures and benchmarks. The HOPE Act would also permit the Agency, at its discretion, to fund the development, acquisition, rehabilitation, and preservation (i.e., deed restrictions) of rental housing that is affordable to extremely low, very low, and low-income households, including necessary operating subsidies. The HOPE Act permits the Agency but does not require the Agency to expend funds on “affordable” home ownership opportunities for low- and moderate-income households, including, but not limited to, down payment assistance and development of new units.

THE QUESTION: Should C.A.R. OPPOSE ACA 14 unless it is amended to: 1) prohibit the conversion of single family 1-4 parcels to deed restricted rental housing ownership; 2) require 25% of the monies generated by the HOPE Act to be dedicated to downpayment assistance

programs (; and 3) include C.A.R. as a prescribed stakeholder which can provide input into how the Business, Consumer Services, and Housing Agency spends HOpE Act funds.

- OPPOSE

F. SB 1457 (Hertzberg) Homeownership Housing Bond – This measure would enact the California Family Home Construction and Homeownership Bond Act of 2022 (bond act), to be placed on the November 2022 ballot, would if approved by voters would authorize the issuance of \$25 billion in state general obligation bonds to finance the California Family Home Construction and Homeownership Program. The bill would authorize the California Housing Finance Agency to award \$18 billion to eligible applicants (180% AMI, first time homebuyers who secure a year 1<sup>st</sup> deed of trust) to use as a down payment or to pay closing costs on the purchase of a new home (never occupied, 5 years old or newer) and \$7 billion for adaptive reuse projects in urban clusters, as identified by the US Census. Lastly, the measure permits a majority vote of the legislature to amend or change the provisions of the bond.

- SUPPORT

### Investment housing

- AB 2817 (Reyes) House California Challenge Program - This bill establishes the House California Challenge Program (Program) under the California Health and Human Services Agency (Agency) to provide direct rental assistance to help persons who are experiencing homelessness obtain housing. Specifically, AB 2817 requires the Agency, upon appropriation by the Legislature, to allocate \$1 billion to the Program for each fiscal year for five years, beginning with the 2022–2023 fiscal year. 80% of these funds shall be used by the Agency to provide the following eligible uses directly to homeless participants or to rental property owners providing housing to homeless participants: 1) long-term rental assistance in a monthly amount not to exceed two times the “fair market rent” as established by the U.S. Department of Housing and Urban Development in its regulations pertaining to the Housing Choice Voucher (Section 8) program; 2) short-term funds for prevention, self-resolution, and diversion services; and 3) master leasing of units to sublet to homeless participants. As currently drafted, AB 2817 effectively allows the Agency to divvy up the aforementioned funds among those eligible uses as it deems appropriate. Meaning, the Agency could allocate most of that 80% to prevention, self-resolution, and diversion services, leaving very little money for rental assistance and master leasing of units. Given the critical role that rental assistance and master leasing can play in providing much-needed housing to homeless individuals and families, the Investment Housing Committee (Committee) may wish to consider whether C.A.R. should request an amendment to AB 2817 to ensure that at least 50% of total funds are directed to rental assistance and master leasing of units.
- “SUPPORT IF AMENDED” position on AB 2817 in order to obtain this amendment (Note: The phrase “at least 50%” means C.A.R. would strive to obtain the highest percentage possible, but 50% would serve as the negotiating baseline).

## Land Use

Report only

## Local Government Policy

Report only to oppose SB1105

REGIONAL HOUSING AGENCY, SAN DIEGO, SB 1105\* - Senator Hueso introduced SB 1105 in 2022 which seeks to establish the San Diego Regional Equitable and Environmentally Friendly Housing Agency (SD REEFHA or Agency). SB 1105 seeks to generate funding to assist in affordable housing activities and authorizes the Agency to impose special taxes on real property, a parcel tax, a gross receipts business license tax, a special business tax, a documentary transfer tax, a special land value windfall tax, and a commercial linkage fee. Local associations have expressed concern that SB 1105 (Hueso) is no longer a regional matter, and the Associations in San Diego County have submitted resolutions from their Boards of Directors asking this policy committee to consider recommending policy to the C.A.R. Board of Directors