



STAFF REPORT TO THE ANTIOCH PLANNING COMMISSION

DATE: Regular Meeting of December 4, 2024

SUBMITTED BY: Zoe Merideth, Planning Manager

APPROVED BY: Kevin Scudero, Acting Community Development Director

SUBJECT: Housing Legislation Update

RECOMMENDED ACTION

No action is required.

DISCUSSION

August 31, 2024 was the last day the California Legislature had to pass bills. September 30, 2024 was the last day Governor Newsom had to sign or veto bills passed by the Legislature. This year, the Governor signed several bills related to housing legislation. The Turner Center for Housing Innovation at U.C. Berkeley produced a round up of these bills. The Turner Center report is attached to this staff report for the Planning Commission's information.

This is an informational item for the Commission and no action is required.

ATTACHMENTS

A. Turner Center's 2024 California Housing Legislation Round Up



California Housing Laws That Go into Effect in 2025

By Muhammad Alameldin

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Earlier this fall, California Governor Gavin Newsom signed over 60 housing-related bills into law, most of which will become effective January 1, 2025. These new laws will shape housing outcomes in many ways, including accelerating housing production, strengthening housing law enforcement, addressing homelessness, and building more Accessory Dwelling Units (ADUs). In addition, the November 5 election will have further implications on housing, since voters will decide the fate of local councils, the state legislature, and several housing propositions. This commentary provides an overview of key bills signed into law and briefly describes two important state propositions on the November ballot.

Laws to Facilitate More Housing Production

One of the themes of bills in this past legislative session was to improve the feasibility of existing housing laws, otherwise known as “legislative clean up.” For example, [Senate Bill \(SB\) 450](#) (Atkins) amends [Senate Bill 9](#) (2021), a law that allows duplexes and lot splits on single-family residential lots. In response to threats from a [county court case](#) and [low housing production](#) numbers, SB 450 modifies SB 9’s legal language to more clearly define “affordable housing” and require local governments to approve or deny SB 9 project applications within 60 days. SB 450 also prohibits local governments from applying non-uniform or more restrictive standards to SB 9 projects than to other types of housing. It further limits the denial of SB 9 projects to only public health and safety grounds, rather than more vague standards. The Terner Center has written on SB 9 [implementation](#) and its possible impacts on [statewide housing production](#).

[SB 1123](#) (Caballero) extends [SB 684](#) (2023), a law that facilitates [the subdivision of multifamily zoned parcels](#) of five acres or less into up to ten for-sale lots. The law extends subdivision streamlining to single family residential lots within single family zones that are vacant and less than 1.5 acres. The maximum unit count of 10 units is amended to not include ADUs if local governments would like them built, meaning that local discretion could allow up to 20 housing units to be built on these sites. [Increasing the production of “missing middle”](#) housing types has been historically tied to more entry-level homeownership opportunities.

[Assembly Bill \(AB\) 2553](#) (Friedman) extends [AB 2097](#) (2023), a law that eliminates [minimum parking requirements](#) for new residential, commercial, and other development projects located within half a mile of a “major transit stop” with 15-minute headways. AB 2553 modifies the definition of a major transit stop to include sites with bus routes running every 20 minutes or less (instead of the previous 15-minute interval). This expands the applicability of AB 2097 to more places. The law also reduces vehicular traffic impact fees for housing developments built in these areas.

[SB 937](#) (Wiener) allows developers to pay certain housing development impact fees later in the process, at Certificate of Occupancy or final building inspection, instead of collecting fees at the start of construction (which leads to higher interest costs on debt during construction). The deferral of impact fees applies to developments that are under 10 units or multifamily buildings that include deed-restricted affordable housing units. Utilizing the Turner Center’s [“making it pencil” pro formas](#), we found that deferral of impact fees could save as much as 1 percent of total development costs. While a small share of overall costs, this is an amount that would likely tip projects into feasibility, allowing some housing construction to begin that would not otherwise happen.

[AB 2729](#) (Patterson), responding to builder concerns about softening market conditions, extends the expiration date for locally conferred building entitlements by 18 months if the development was approved before January 1, 2024, and the building entitlements were set to expire before December 31, 2025. [AB 1053](#) (Gabriel) reduces the cost of affordable housing construction by allowing developers to receive California Department of Housing and Community Development (HCD) subsidy funds at the start of construction rather than waiting until the property is leased-up (with vacant rental units filled) and operating.

Enhancing Enforcement of California Housing Laws

Several bills were signed to strengthen the enforcement of state housing laws, ensuring compliance with California’s ambitious housing goals. For example, The Builder’s Remedy is a provision within California’s Housing Accountability Act that goes into effect when cities or counties fail to adopt a compliant housing element as required by state law. Under the Builder’s Remedy, developers can bypass local zoning laws to build residential projects with unlimited density in noncompliant jurisdictions, as long as the

project reserves 20 percent of housing units for low-income households. In these cases, local governments lose their ability to deny or impose significant restrictions on development, except in cases where it affects public health or safety.

To avoid Builder's Remedy projects, some cities tried to "self-certify" their housing elements to claim compliance with state housing law, despite failing to meet the requirements set by HCD. This tactic led to legal disputes and delays in Builder's Remedy projects, highlighting the need for clearer guidelines regarding what constitutes a "compliant" housing element. This legal loophole inspired Assemblymember Alvarez to introduce [AB 1886](#), clarifying that a housing element is only considered "substantially compliant" when HCD or a state court determines it so. AB 1886 also ensures that a Builder's Remedy project can still be built even if its application was submitted before a city's housing element was certified. This law prevents jurisdictions from retroactively denying projects based on zoning noncompliance once they certify their housing elements.

[AB 1893](#) (Wicks) modifies the design of the Builder's Remedy to increase project feasibility by altering the inclusionary zoning requirement for Builder's Remedy projects from 20 percent low-income housing to a staggered system: 7 percent for extremely low-income households, 10 percent for very low-income households, or 13 percent for low-income households. AB 1893 also decreases the unlimited density standard to state-imposed density standards of up to 35 dwelling units per acre. The law also clarifies that a local jurisdiction cannot impose requirements for rezoning, general plan amendments, or other legislative approvals on Builder's Remedy projects.

[SB 1037](#) (Wiener) aims to strengthen enforcement of state housing laws by giving the Attorney General power to impose civil penalties on local governments that violate certain state housing laws, such as failing to adopt a compliant housing element or ignoring state laws that require streamlined ministerial approval of certain housing projects. [AB 2023](#) (Quirk-Silva) shifts the legal burden of proof onto local governments to defend their housing plans if they seek judicial relief from HCD's designation of their housing element to be noncompliant.

Labor Standards, Affordable Housing, and Tenant Protections

During this legislative session, California's affordable and market-rate housing sector navigated a complex tension between enhancing worker wages and protections and controlling affordable housing development costs.

California supplements the federal Low-Income Housing Tax Credits (LIHTC) program by offering its own state-level LIHTC to further support the development of affordable housing. These state-level credits are used to bridge financing gaps that cannot be fully covered by federal tax credits or other sources. [AB 3190](#) (Haney) would have expanded the application of public works law to include certain affordable housing projects funded

in part by state LIHTC. This would mean that affordable housing projects that receive these tax credits would be required to adhere to public works requirements, including prevailing wage standards and health benefits for construction workers. Although Governor Newsom signed AB 3190, the provisions will not go into effect because the Legislature had tied its passage to [AB 3160](#) (Gabriel), which would have allocated \$500 million in state LIHTC funding and was vetoed due to budgetary concerns. Despite this, the Governor [emphasized his support](#) for the bill's broader goals to both address California's housing shortage and ensure fair wages for the workers contributing to these projects. The Turner Center found that [prevailing wage requirements for Low-Income Housing Tax Credits](#) projects are associated with higher [development and construction](#) costs, though the amount varies depending on housing and labor market conditions, project characteristics, and the funding and regulatory environment.

The Governor did sign legislation to empower regional governments to finance and help build more affordable housing. [SB 440](#) (Skinner) enables local governments in California to [form Regional Housing Finance Authorities](#) without needing separate state legislative approval. These authorities build on previous models, such as the Bay Area Housing Finance Authority and the Los Angeles County Affordable Housing Solutions Agency. SB 440 specifically allows regions to impose taxes or issue bonds (with voter approval) to generate funds for affordable housing. It empowers authorities to preserve existing affordable housing and to provide technical assistance and planning support for regional housing needs.

Another law, [AB 2353](#) (Ward), improves the process of accessing the welfare property tax exemption for nonprofit affordable housing developers that want to build affordable housing. Previously, affordable housing developers had to pay property taxes, then apply for the property welfare exemption afterward—adding time, cost, and uncertainty to affordable housing development. AB 2353 allows affordable housing developers to defer these property tax payments without accruing penalties or interest while their welfare tax exemption application is pending.

[AB 2926](#) (Kalra) strengthens California's Preservation Notice Law to prevent the loss of affordable housing. Existing law requires owners of certain assisted housing developments whose affordability restrictions are set to expire to notify relevant government agencies and potential affordable housing preservationists. AB 2926 further clarifies that if they receive a bona fide purchase offer within the designated time frame, they must either accept the offer or commit to re-restricting the property to remain affordable housing.

In terms of tenant protections, [AB 846](#) (Bonta) expands tenant protections under [California rent cap law](#) to include affordable housing developments financed through LIHTC. AB 846 directs the California Tax Credit Allocation Committee (TCAC) to adopt regulations limiting annual rent increases on existing LIHTC properties. [AB](#)

[2347](#) (Kalra) expands the time that a tenant of residential property has to file an answer to an unlawful detainer (eviction) from five days to ten days.

Laws on Homelessness

The Legislature continues to increase its efforts to decrease homelessness, with the following bills signed by the Governor.

[AB 2835](#) (Gabriel) eases the placement of individuals experiencing homelessness into private hotels and motels for stays beyond 30 days, enabling greater stability for program participants on their paths to permanent housing.

[SB 1395](#) (Becker), also called the “Interim Housing Act,” extends California Environmental Quality Act (CEQA) exemptions for Low-Barrier Navigation Centers and homeless services until 2036, promoting quicker development in areas where residents oppose shelters in their neighborhoods. The law further extends adherence to Housing First principles to state programs supporting interim housing, and it includes non-congregate and relocatable types of interim housing, such as tiny houses, in the definition of Low-Barrier Navigation Centers.

In a similar spirit, [SB 1361](#) (Blakespear) exempts local agency contracts for homelessness services from CEQA to accelerate service deployment.

Building More ADUs

Several new laws aim to enhance the flexibility and accessibility of Accessory Dwelling Units (ADUs), further strengthening one of California’s most successful housing reforms. [SB 1211](#) (Skinner) increases flexibility for ADUs on multifamily properties. It allows new ADUs to be added, up to an amount equivalent to 25 percent of existing units, as well as up to eight detached ADUs, with the total detached ADUs dependent on how many units are on the existing multifamily property. This law provides more options for housing on existing multifamily properties.

[SB 1077](#) (Blakespear) focuses on coastal regions. It requires the California Coastal Commission, in collaboration with HCD, to develop guidance for local jurisdictions in drafting ADU elements for their Local Coastal Plans, likely making it easier to incorporate ADUs in coastal areas. The Turner Center [found that permitting timelines](#) within the Coastal Zone have mostly lagged behind neighborhoods outside of that area.

AB 2533 (Juan Carrillo) improves upon the statewide ADU Amnesty Program, establishing safety standards that local agencies must use for assessing informal ADUs, cutting fees for lower-income homeowners, and mandating that cities provide a checklist of standards up front, ensuring greater transparency and affordability in the ADU legalization process. In particular, this could assist **low- and moderate-income** Black, Indigenous, and People of Color (BIPOC) homeowners, many of whom have already created informal ADUs.

Conclusion

The housing legislation going into effect in January 2025 largely builds on previous efforts, aiming to expand and strengthen enforcement of existing housing laws. In addition, Californians will have the opportunity to shape the future of housing policy through upcoming elections, both by choosing which candidates represent them and by voting on propositions, including two significant state-level propositions. Proposition 5 reduces the voter approval threshold for local bonds funding affordable housing and public infrastructure from two-thirds to 55 percent, making it easier for communities to secure financing for essential projects. Meanwhile, Proposition 33 would repeal the Costa-Hawkins Rental Housing Act of 1995, granting local governments greater authority to implement rent stabilization on more types of housing, including newer units and single-family homes. The outcomes of these propositions will also greatly influence California's housing landscape in 2025.

Available at: <https://turnercenter.berkeley.edu/blog/california-housing-laws-that-go-into-effect-in-2025/>