## AMENDED IN ASSEMBLY MARCH 29, 2022

CALIFORNIA LEGISLATURE—2021–22 REGULAR SESSION

## ASSEMBLY BILL

No. 2295

## Introduced by Assembly Member Bloom (Coauthor: Assembly Member Robert Rivas)

February 16, 2022

An act to add Article 6 (commencing with Section 17505) to Chapter 4 of Part 10.5 of Division 1 of Title 1 of the Education Code, to amend Section 65583.1 of the Government Code, and to add Section 50510.6 to the Health and Safety Code, relating to housing.

## LEGISLATIVE COUNSEL'S DIGEST

AB 2295, as amended, Bloom. Local educational agencies: housing development projects.

(1) Existing law, the Planning and Zoning Law, requires that the legislative body of each county and each city adopt a comprehensive, long-term general plan for the physical development of the county and city, and specified land outside its boundaries, that includes, among other mandatory elements, a housing element. Existing law authorizes the legislative body of any county or city, pursuant to specified procedures, to adopt ordinances that, among other things, regulate the use of buildings, structures, and land as between industry, business, residences, open space, and other purposes. Existing law generally requires each local agency to comply with all applicable building ordinances of the county or city in which the territory of the local agency is situated, but, among other things, authorizes the governing board of a school district that has complied with specified law, by a <sup>2</sup>/<sub>3</sub> vote of its members, to render a city or county zoning ordinance inapplicable

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to a proposed use of property by the school district, unless the proposed use of the property is for nonclassroom facilities, as provided.

This bill, notwithstanding any inconsistent provision of a city's or county's general plan, specific plan, zoning ordinance, or regulation, would require that a qualified housing development on land owned by a local educational agency be an authorized use if the housing development complies with certain conditions. Among these conditions, the bill would require the housing development to consist of at least 10 units, be subject to a recorded deed restriction for at least 55 years requiring that at least 49% 30% of the units have an affordable rent for lower income households, as those terms are defined, at least 20% of the units be occupied by teachers and employees of a local educational agency at rents that do not exceed 120% of the area median income, and 100% of the units be rented by teachers and employees of the local educational agency, except as specified. This bill would authorize a city or county to impose objective zoning standards, objective subdivision standards, and objective design review standards, as defined, that do not conflict with these provisions unless those standards would have the effect of physically precluding the construction of a qualified development project of less than or equal to 3 stories and 30 feet in height. This bill would deem a qualified housing development consistent, compliant, and in conformity with local development standards, zoning codes or maps, and the general plan. The bill would prohibit a city or county from imposing any development standards on a housing development project under these provisions. The bill would exempt a housing development project subject to these provisions from various requirements regarding the disposal of surplus land.

This bill would require the Department of Housing and Community Development to provide technical assistance and support to a local educational agency that develops housing pursuant to these provisions.

(2) The Field Act requires the Department of General Services, under the police power of the state, to supervise the design and construction of any school building or the reconstruction or alteration of or addition to any school building, if not exempted, to ensure that plans and specifications comply with adopted rules and regulations and building standards published in regulations and that the work of construction is performed in accordance with the approved plans and specifications for the protection of life and property.

This bill would exempt a housing development project authorized under these provisions from the requirements of the Field Act.

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(3) Existing law requires the Department of Housing and Community Development to determine the existing and projected need for housing for each region, and requires the share of a city or county of the regional hosing need to include that share of the housing need of persons at all income levels within the area significantly affected by the general plan of the city or county. Existing law requires the housing element to identify adequate sites for housing, as specified.

This bill would authorize the department to allow a city or county to identify adequate sites for multifamily housing on sites owned by a local educational agency, based on any factors deemed relevant by the department.

(4)

- (3) The bill would include findings that changes proposed by this bill address a matter of statewide concern rather than a municipal affair and, therefore, apply to all cities, including charter cities.
  - (5)
- (4) By adding to the duties of local planning officials, the bill would impose a state-mandated local program.

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:

SECTION 1. Article 6 (commencing with Section 17505) is added to Chapter 4 of Part 10.5 of Division 1 of Title 1 of the Education Code, to read:

5 Article 6. Housing Development Projects

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17505. For purposes of this article:

- (a) "Affordable rent" has the same meaning as set forth in Section 50053 of the Health and Safety Code.
- 10 (b) "Local educational agency" means a school district, county office of education, or charter school.

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(c) "Lower income households" means the same as defined in Section 50079.5 of the Health and Safety Code.

- (d) "Qualified housing development project" means a housing development project as defined in paragraph (2) of subdivision (h) of Section 65589.5 of the Government Code that meets all of the following requirements:
- (1) The housing development consists of at least 10 housing units.
- (2) At least—49 30 percent of the units of the housing development will be rented and occupied by lower income households at an affordable rent.
- (3) At least 20 percent of the housing development's units will be rented and occupied by teachers and employees of a local educational agency at a rent that does not exceed 120 percent of the area median income, to reflect the diversity of the school districts and pay scales.

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- (4) The housing development proponent has committed to record, prior to the issuance of the first building permit, a land use restriction or covenant providing that any lower income housing units required under paragraph (2) paragraphs (2) and (3) shall remain available at affordable rent to persons and families of lower income the affordable rent established in paragraphs (2) and (3) for no less than 55 years.
- (5) A local educational agency shall maintain ownership of a qualified housing development project for the length of the 55 year affordability requirement.

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- (6) One hundred percent of the units of the housing development shall be rented by teachers and employees of the local educational agency. If the local educational agency receives an insufficient number of teachers and employees to apply for and occupy the units, the unoccupied units may be offered to lower income households that do not include a teacher or employee of the local educational agency.
- (7) When units in a qualified housing development become unoccupied and available for rent, a local educational agency shall first offer such units to teachers and employees. If a local educational agency receives an insufficient number of applications from teachers and employees, the unoccupied units may be offered

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to lower income households that do not include a teacher or employee of the local educational agency.

- 17506. (a) Notwithstanding any inconsistent provision of a city's or county's general plan, specific plan, zoning ordinance, or regulation, a qualified housing development project shall be deemed an authorized use on any real property owned by a local educational agency.
- (b) A qualified housing development project shall not be subject to any development standards imposed by the city or county. The qualified housing development shall be deemed consistent, compliant, and in conformity with local development standards, zoning codes or maps, and the general plan.
- (b) (1) Notwithstanding any local law and except as provided in subdivision (d) of Section 17505, a city or county may impose objective zoning standards, objective subdivision standards, and objective design review standards that do not conflict with this section.
- (2) A city or county shall not impose objective zoning standards, objective subdivision standards, and objective design review standards that have the effect of physically precluding the construction of a qualified development project of less than or equal to three stories and 30 feet in height.
- (3) For purposes of this section, the terms "objective zoning standards," "objective subdivision standards," and "objective design review standards" mean standards that involve no personal or subjective judgment by a public official and are uniformly verifiable by reference to an external and uniform benchmark or criterion available and knowable by both the development applicant or proponent and the public official prior to submittal. These standards may be embodied in alternative objective land use specifications adopted by a local agency, and may include, but are not limited to, housing overlay zones, specific plans, inclusionary zoning ordinances, and density bonus ordinances.
- (4) A qualified housing development shall be deemed consistent, compliant, and in conformity with local development standards, zoning codes or maps, and the general plan.
- (c) Notwithstanding Article 3 (commencing with Section 17280) of Chapter 3 and Article 6 (commencing with Section 17365) of Chapter 3, a qualified housing development project on real property

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owned by a local educational agency shall not be subject to oversight and approval by the Department of General Services.

- (d) Notwithstanding any other law, the funds derived from a qualified housing development project on real property owned by a local educational agency may be used for general operating purposes of the local educational agency.
- (e) Subject to the requirements of Article 8 (commencing with Section 17515) and Article 9 (commencing with Section 17527), any land used for the development of a qualified housing development project may be jointly used or jointly occupied by the local education educational agency and any other party.
- 17507. Any land used for the development of a qualified housing development project subject to this article shall be exempt from the requirements of all of the following:
- (a) Article 8 (commencing with Section 54220) of Chapter 5 of Part 1 of Division 2 of Title 5 of the Government Code.
- (b) Article 2 (commencing with Section 17230) of Chapter 1 of this code.
  - (c) Article 4 (commencing with Section 17455) of this code.
- 17508. The Department of Housing and Community Development shall provide technical assistance and support to local educational agencies interested in developing housing pursuant to this article.

<del>17509.</del>

- 17508. The Legislature finds and declares that this article addresses a matter of statewide concern rather than a municipal affair as that term is used in Section 5 of Article XI of the California Constitution. Therefore, this article applies to all cities, including charter cities.
- 30 SEC. 2. Section 65583.1 of the Government Code is amended to read:
  - 65583.1. (a) (1) The Department of Housing and Community Development, in evaluating a proposed or adopted housing element for substantial compliance with this article, may allow a city or county to identify adequate sites, as required pursuant to Section 65583, by a variety of methods, including, but not limited to, redesignation of property to a more intense land use category and increasing the density allowed within one or more categories.
  - (2) The department may allow a city or county to identify adequate sites, as required pursuant to Section 65583, for accessory

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dwelling units based on the number of accessory dwelling units developed in the prior housing element planning period whether or not the units are permitted by right, the need for these units in the community, the resources or incentives available for their development, and any other relevant factors, as determined by the department.

- (3) The department may allow a city or county to identify adequate sites, as required pursuant to Section 65583, for multifamily housing on sites owned by a local educational agency pursuant to Article 6 (commencing with Section 17505) of Chapter 4 of Part 10.5 od Division 1 of Title 1 of the Education Code, based on any factors deemed relevant by the department.
- (4) Nothing in this section reduces the responsibility of a city or county to identify, by income category, the total number of sites for residential development as required by this article.
- (b) Sites that contain permanent housing units located on a military base undergoing closure or conversion as a result of action pursuant to the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100-526), the Defense Base Closure and Realignment Act of 1990 (Public Law 101-510), or any subsequent act requiring the closure or conversion of a military base may be identified as an adequate site if the housing element demonstrates that the housing units will be available for occupancy by households within the planning period of the element. No sites containing housing units scheduled or planned for demolition or conversion to nonresidential uses shall qualify as an adequate site.

Any city, city and county, or county using this subdivision shall address the progress in meeting this section in the reports provided pursuant to paragraph (1) of subdivision (b) of Section 65400.

(e) (1) The Department of Housing and Community Development may allow a city or county to substitute the provision of units for up to 25 percent of the community's obligation to identify adequate sites for any income category in its housing element pursuant to paragraph (1) of subdivision (c) of Section 65583 where the community includes in its housing element a program committing the local government to provide units in that income category within the city or county that will be made available through the provision of committed assistance during the planning period covered by the element to low- and very low

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income households at affordable housing costs or affordable rents, as defined in Sections 50052.5 and 50053 of the Health and Safety Code, and which meet the requirements of paragraph (2). Except as otherwise provided in this subdivision, the community may substitute one dwelling unit for one dwelling unit site in the applicable income category. The program shall do all of the following:

- (A) Identify the specific, existing sources of committed assistance and dedicate a specific portion of the funds from those sources to the provision of housing pursuant to this subdivision.
- (B) Indicate the number of units that will be provided to both low- and very low income households and demonstrate that the amount of dedicated funds is sufficient to develop the units at affordable housing costs or affordable rents.
- (C) Demonstrate that the units meet the requirements of paragraph (2).
- (2) Only units that comply with subparagraph (A), (B), (C), (D), or (E) qualify for inclusion in the housing element program described in paragraph (1), as follows:
- (A) Units that are to be substantially rehabilitated with committed assistance from the city or county and constitute a net increase in the community's stock of housing affordable to low-and very low income households. For purposes of this subparagraph, a unit is not eligible to be "substantially rehabilitated" unless all of the following requirements are met:
- (i) At the time the unit is identified for substantial rehabilitation, (I) the local government has determined that the unit is at imminent risk of loss to the housing stock, (II) the local government has committed to provide relocation assistance pursuant to Chapter 16 (commencing with Section 7260) of Division 7 of Title 1 to any occupants temporarily or permanently displaced by the rehabilitation or code enforcement activity, or the relocation is otherwise provided prior to displacement either as a condition of receivership, or provided by the property owner or the local government pursuant to Article 2.5 (commencing with Section 17975) of Chapter 5 of Part 1.5 of Division 13 of the Health and Safety Code, or as otherwise provided by local ordinance; provided the assistance includes not less than the equivalent of four months' rent and moving expenses and comparable replacement

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housing required pursuant to Section 7260, (III) the local government requires that any displaced occupants will have the right to reoccupy the rehabilitated units, and (IV) the unit has been found by the local government or a court to be unfit for human habitation due to the existence of at least four violations of the conditions listed in subdivisions (a) to (g), inclusive, of Section 17995.3 of the Health and Safety Code.

- (ii) The rehabilitated unit will have long-term affordability eovenants and restrictions that require the unit to be available to, and occupied by, persons or families of low- or very low income at affordable housing costs for at least 55 years or the time period required by any applicable federal or state law or regulation.
- (iii) Prior to initial occupancy after rehabilitation, the local code enforcement agency shall issue a certificate of occupancy indicating compliance with all applicable state and local building code and health and safety code requirements.
- (B) Units that are located either on foreclosed property or in a multifamily rental or ownership housing complex of three or more units, are converted with committed assistance from the city or county from nonaffordable to affordable by acquisition of the unit or the purchase of affordability covenants and restrictions for the unit, are not acquired by eminent domain, and constitute a net increase in the community's stock of housing affordable to lowand very low income households. For purposes of this subparagraph, a unit is not converted by acquisition or the purchase of affordability covenants unless all of the following occur:
- (i) The unit is made available for rent at a cost affordable to low- or very low income households.
- (ii) At the time the unit is identified for acquisition, the unit is not available at an affordable housing cost to either of the following:
- (I) Low-income households, if the unit will be made affordable to low-income households.
- (II) Very low income households, if the unit will be made affordable to very low income households.
- (iii) At the time the unit is identified for acquisition the unit is not occupied by low- or very low income households or if the acquired unit is occupied, the local government has committed to provide relocation assistance prior to displacement, if any, pursuant to Chapter 16 (commencing with Section 7260) of Division 7 of

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Title 1 to any occupants displaced by the conversion, or the relocation is otherwise provided prior to displacement; provided the assistance includes not less than the equivalent of four months' rent and moving expenses and comparable replacement housing consistent with the moving expenses and comparable replacement housing required pursuant to Section 7260.

- (iv) The unit is in decent, safe, and sanitary condition at the time of occupancy.
- (v) The unit has long-term affordability covenants and restrictions that require the unit to be affordable to persons of low-or very low income for not less than 55 years.
- (vi) For units located in multifamily ownership housing complexes with three or more units, or on or after January 1, 2015, on foreclosed properties, at least an equal number of new-construction multifamily rental units affordable to lower income households have been constructed in the city or county within the same planning period as the number of ownership units to be converted.
- (C) Units that will be preserved at affordable housing costs to persons or families of low- or very low incomes with committed assistance from the city or county by acquisition of the unit or the purchase of affordability covenants for the unit. For purposes of this subparagraph, a unit shall not be deemed preserved unless all of the following occur:
- (i) The unit has long-term affordability covenants and restrictions that require the unit to be affordable to, and reserved for occupancy by, persons of the same or lower income group as the current occupants for a period of at least 55 years.
- (ii) The unit is within an "assisted housing development," as defined in paragraph (3) of subdivision (a) of Section 65863.10.
- (iii) The city or county finds, after a public hearing, that the unit is eligible, and is reasonably expected, to change from housing affordable to low- and very low income households to any other use during the next eight years due to termination of subsidy contracts, mortgage prepayment, or expiration of restrictions on use.
- 37 (iv) The unit is in decent, safe, and sanitary condition at the time of occupancy.

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(v) At the time the unit is identified for preservation it is available at affordable cost to persons or families of low- or very low income.

- (D) Units in a motel, hotel, or hostel that are converted with committed assistance from the city or county from nonresidential to residential by the acquisition of the unit or the purchase of affordability covenants and restrictions for the unit, are not acquired by eminent domain, and constitute a net increase in the community's stock of housing affordable to low- and very low income households. For purposes of this subparagraph, a unit is not converted by acquisition or the purchase of affordability covenants unless all of the following occur:
- (i) The unit is part of a long-term recovery response to COVID-19.
- (ii) The unit is made available for people experiencing homelessness as defined in Section 578.3 of Title 24 of the Code of Federal Regulations.
- (iii) The unit is made available for rent at a cost affordable to low- or very low income households.
- (iv) The unit is in decent, safe, and sanitary condition at the time of occupancy.
- (v) The unit has long-term affordability covenants and restrictions that require the unit to be affordable to persons of low-or very low income for not less than 55 years.
- (vi) This subparagraph shall remain in effect only for the sixth revision of the housing element pursuant to Section 65588.
- (E) All spaces in a mobilehome park, as defined in subdivision (a) of Section 18214 of the Health and Safety Code, that is acquired with committed assistance from the city or county where any of the following apply:
- (i) The mobilehome park will be acquired with financing that includes a loan from the department pursuant to Section 50783 or 50784.5 of the Health and Safety Code.
- (ii) At least 50 percent of the current residents in the mobilehome park to be acquired are lower-income households and the entity acquiring the park agrees to enter into a regulatory agreement for a minimum of 55 years that requires both of the following:
- (1) All vacant spaces shall be rented at a space rent that does not exceed 50 percent of maximum rent limits established by the

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California Tax Credit Allocation Committee at 60 percent of the area median income.

- (2) The space rent for existing residents at the time of the acquisition of the property, both during the 12 months preceding the acquisition and during the term of the regulatory agreement, shall not increase more than 5 percent in any 12-month period.
- (3) This subdivision does not apply to any city or county that, during the current or immediately prior planning period, as defined by Section 65588, has not met any of its share of the regional need for affordable housing, as defined in Section 65584, for low- and very low income households. A city or county shall document for any housing unit that a building permit has been issued and all development and permit fees have been paid or the unit is eligible to be lawfully occupied.
- (4) For purposes of this subdivision, "committed assistance" means that the city or county enters into a legally enforceable agreement during the period from the beginning of the projection period until the end of the third year of the planning period that obligates sufficient available funds or other in-kind services to provide the assistance necessary to make the identified units affordable and that requires that the units be made available for occupancy within two years of the execution of the agreement. "Committed assistance" does not include tenant-based rental assistance.
- (5) For purposes of this subdivision, "net increase" includes only housing units provided committed assistance pursuant to subparagraph (A) or (B) of paragraph (2) in the current planning period, as defined in Section 65588, that were not provided committed assistance in the immediately prior planning period.
- (6) For purposes of this subdivision, "the time the unit is identified" means the earliest time when any city or county agent, acting on behalf of a public entity, has proposed in writing or has proposed orally or in writing to the property owner, that the unit be considered for substantial rehabilitation, acquisition, or preservation.
- (7) In the fourth year of the planning period, as defined by Section 65588, in the report required pursuant to Section 65400, each city or county that has included in its housing element a program to provide units pursuant to subparagraph (A), (B), (C), (D), or (E) of paragraph (2) shall report in writing to the legislative

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body, and to the department within 30 days of making its report to the legislative body, on its progress in providing units pursuant to this subdivision. The report shall identify the specific units for which committed assistance has been provided or which have been made available to low- and very low income households, and it shall adequately document how each unit complies with this subdivision. If, by the end of the third year of the planning period, the city or county has not entered into an enforceable agreement of committed assistance for all units specified in the programs adopted pursuant to subparagraph (A), (B), (C), (D), or (E) of paragraph (2), the city or county shall, not later than the end of the fourth year of the planning period, adopt an amended housing element in accordance with Section 65585, identifying additional adequate sites pursuant to paragraph (1) of subdivision (c) of Section 65583 sufficient to accommodate the number of units for which committed assistance was not provided. If a city or county does not amend its housing element to identify adequate sites to address any shortfall, or fails to complete the rehabilitation, acquisition, purchase of affordability covenants, or the preservation of any housing unit within two years after committed assistance was provided to that unit, it shall be prohibited from identifying units pursuant to subparagraph (A), (B), (C), (D), or (E) of paragraph (2) in the housing element that it adopts for the next planning period, as defined in Section 65588, above the number of units actually provided or preserved due to committed assistance.

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(d) A city or county may reduce its share of the regional housing need by the number of units built between the start of the projection period and the deadline for adoption of the housing element. If the city or county reduces its share pursuant to this subdivision, the city or county shall include in the housing element a description of the methodology for assigning those housing units to an income category based on actual or projected sales price, rent levels, or other mechanisms establishing affordability.

SEC. 3. Section 50510.6 is added to the Health and Safety Code, to read:

50510.6. The department shall provide technical assistance and support to local educational agencies interested in developing housing pursuant to Article 6 (commencing with Section 17505) of Chapter 4 of Part 10.5 of Division 1 of Title 1 of the Education Code.

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- 1 SEC. 4.
- 2 SEC. 2. No reimbursement is required by this act pursuant to
- 3 Section 6 of Article XIIIB of the California Constitution because
- 4 a local agency or school district has the authority to levy service
- 5 charges, fees, or assessments sufficient to pay for the program or
- 6 level of service mandated by this act, within the meaning of Section
- 7 17556 of the Government Code.