

Date of Hearing: April 26, 2017

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT

Cecilia Aguiar-Curry, Chair

AB 1423 (Chiu) – As Amended March 28, 2017

**SUBJECT:** Housing: annual reports: charter cities.

**SUMMARY:** Requires charter cities to submit the annual progress report on housing element implementation.

**EXISTING LAW:**

- 1) Requires cities and counties to adopt a general plan that includes seven mandatory elements: land use, open space, conservation, housing, circulation, noise, and safety.
- 2) Requires the planning agency, after the legislative body has adopted all or part of a general plan, to do both of the following:
  - a) Investigate and make recommendations to the legislative body regarding reasonable and practical means for implementing the general plan or element of the general plan, so that it will serve as an effective guide for orderly growth and development, preservation and conservation of open-space land and natural resources, and the efficient expenditure of public funds relating to the subjects addressed in the general plan; and,
  - b) Provide by April 1 of each year an annual report to the legislative body, the Governor's Office of Planning and Research (OPR), and the Department of Housing and Community Development (HCD), that includes all of the following:
    - i) The status of the plan and progress in its implementation;
    - ii) The progress in meeting its share of regional housing needs, as specified; and,
    - iii) The degree to which its approved general plan complies with the guidelines developed and adopted pursuant to Section 65040.2 and the date of the last revision to the general plan.
- 3) Requires, as part of the annual report, a report on the housing element, which shall be prepared through the use of forms and definitions adopted by HCD.
- 4) Requires the housing element portion of the annual report to include a section that describes the actions taken by the local government towards completion of the programs and status of the local government's compliance with the deadlines in its housing element.
- 5) Requires the housing element portion of the annual report to be considered at an annual public meeting before the legislative body where members of the public shall be allowed to provide oral testimony and written comments.
- 6) Allows the housing element portion of the annual report to include the number of units that have been substantially rehabilitated, converted from nonaffordable to affordable by acquisition, and preserved consistent with the specified standards.

- 7) Specifies that if a court finds, upon a motion to that effect, that a city, county or city and county failed to submit, within 60 days of the deadline, the housing element portion of the report that substantially complies with the requirements, as specified, the court shall issue an order or judgment compelling compliance within 60 days. Specifies that if the city or county fails to comply with the court's order within 60 days, the plaintiff or petitioner may move for sanctions, and the court may, upon that motion, grant appropriate sanctions. Allows the court to issue further orders as provided by law to ensure that the purposes and policies of this section are fulfilled, as specified.

**FISCAL EFFECT:** This bill is keyed fiscal and contains a state-mandated local program.

**COMMENTS:**

- 1) **Bill Summary.** Existing law requires the planning agency of a city or county, after the legislative body has adopted all or part of a general plan, to provide an annual report to the legislative body, OPR, and HCD, that includes various information on the progress and implementation of the general plan. As part of this annual reporting requirement, the planning agency must include specified information on the housing element portion of the general plan.

This bill requires charter cities to comply with provisions of existing law requiring the submittal of the annual progress report on housing element implementation. This bill is author-sponsored.

- 2) **Author's Statement.** According to the author, "It's no secret that California has not produced enough housing to keep up with our population over the last few decades. The lack of a sufficient housing supply is creating enormous challenges for our residents; it's affecting affordability, livability and our environment.

"Over the last 10 years, the deficit between supply and demand has only become more pronounced. The state is projected to need 180,000 additional homes annually to keep up with the growing population, but production has averaged only 80,000 new homes per year. As a result, more than half of California households are spending over 30% of their income on housing, and more than a third are spending over 50% of their income on housing.

"What is less well known is that the state doesn't currently have consistent data with which to address our housing shortage. Local jurisdictions collect data inconsistently across the state, often providing qualitative rather than quantitative data, and they do not always provide their data to the state for aggregation. In fact, only 44% of jurisdictions currently comply with the Housing and Community Development Department's annual data collection requirements and charter cities are not required to comply at all. Comprehensive housing-related data from local jurisdictions could help legislators, developers, and the public to identify drivers of the housing shortage and policy solutions that are best suited to support additional production.

"This bill would increase access to housing-related data by requiring charter cities to submit Annual Progress Reports. This change would allow for better regional collaboration and compliance and more evidence-based policy decision-making in the Legislature."

- 3) **Related Housing Data Legislation.** There are a number of bills, in addition to this bill, dealing with increasing housing data, including the following:
- a) AB 829 (Chiu) - This bill requires the annual progress report to additionally include the relationship between jobs and housing, including any imbalance between jobs and housing, including an assessment of any significant increases or decreases in employment since the date of the last annual report. This bill is pending in this Committee.
  - b) AB 852 (Grayson) - This bill requires, as part of the annual general plan report provided to the legislative body, to OPR, and to HCD, the planning agency of the city or county to include the following information: 1) The number of housing development applications received in the prior year; 2) The number of units included in all development applications in the prior year; and, 3) The number of units approved and disapproved in the prior year. This bill is pending in the Assembly Appropriations Committee.
  - c) AB 879 (Grayson) - This bill requires local governments to include, in their housing elements, an expanded analysis of nongovernmental constraints on housing development, as well as efforts to remove those constraints. This bill is pending in this Committee.
  - d) AB 1156 (Ting) - This bill expands the information required in cities' and counties' annual housing element report to HCD by requiring the inclusion of the number of housing units at each income level remaining to be accommodated within the planning period, and an update to the inventory of land suitable for residential development, as specified. This bill is pending in this Committee.

Given that these bills are all related, the Committee may wish to ask the authors to work together on the bills to ensure consistency going forward.

- 4) **Arguments in Support.** According to SPUR, "More and better housing-related data should be available to identify drivers of the housing shortage and the policy solutions that most effectively support additional housing production."
- 5) **Arguments in Opposition.** None on file.

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

SPUR

**Opposition**

None on file

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