

Expediting Affordable Housing Development: What Low-Income Communities Really Need

California needs real solutions to the affordable housing crisis. The Governor’s current “by right” proposal will not help, and in many places it will actually make the problem worse. What low-income Californians actually need is coordinated state and local action to: dramatically increase **funding** for deed-restricted lower-income housing, strengthen the **voices of disadvantaged communities** in development decisions, and break down barriers to **exclusionary zoning** in wealthy neighborhoods. Moreover, the conversation should be about expediting development approval, not completely removing low-income community voices from the development process. *The legislature should reject this proposal and consider other more effective solutions that will not jeopardize existing affordable housing, jobs, and the environment.*

The Current “By Right” Proposal is Deeply Flawed:

- The proposal is a give-away to luxury developers and land owners, not an affordable housing policy. In the neighborhoods near transit, where there is the greatest need for affordable housing, the proposal would result in 19 luxury units for every 1 affordable home.
- The proposal gives total control to profit-driven corporations. This is not development “streamlining,” but rather the complete elimination of public oversight. Even for huge projects there would be no environmental review, no chance for community input, and no mechanisms to ensure that corporate developers are even playing by the basic rules.
- The proposal would undermine local affordable housing, anti-displacement, and community benefits policies. The plan would make it difficult or impossible for local governments to protect existing diverse neighborhoods, small businesses, jobs, and the environment. The plan even prohibits local governments from requiring analyses of those potential impacts.
- The proposal would increase incentives for landlords to hike rents, evict tenants, and eliminate rent-stabilized apartments – hurting low-income people and eroding the “naturally occurring” affordable housing stock that most low-income households depend on.
- The proposal fails to address affordable housing funding, the voices of disadvantaged communities, or exclusionary zoning – the most fundamental affordable housing and displacement issues.

An Effective Solution Should Follow These Principles:

1. **To earn expedited approval, projects in all locations should include a meaningful percentage of homes for low and very-low income households, on top of any local inclusionary requirements.**
 - For example, *Los Angeles County* has recommended a minimum 25 percent affordable housing threshold, and the *Silicon Valley Community Foundation* has recommended that at least 20% of affordable housing in addition to any local inclusionary requirements, with a set-aside for very low income families, and *City of Oakland* similarly has proposed that the affordable housing threshold for streamlining should be “in addition to” local inclusionary requirements.
2. **Local governments should maintain the authority to enact, expand and enforce local affordable housing policies, including: inclusionary housing, incentive zoning, impact fees, labor, and anti-demolition policies.**
 - The most recent legislative language gives a nod to protecting local affordable housing policies, but the wording is full of loopholes and fails to protect local policies to promote other important community needs, such as local business protections, labor standards, or neighborhood stabilization. Nor is it clear that local inclusionary housing requirements can be increased to capture some of the value from streamlining approvals.

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3. **Projects that involve displacement of tenants or demolition of existing housing should be ineligible for expedited approval.**
 - The most recent legislative language on “no net loss” is full of loopholes and fails to track best practices from Density Bonus Law. There should be a blanket prohibition on expedited approval for projects in locations with rent-controlled or subsidized units or where low-income renters have lived within the last 5 years. For example, the *Los Angeles City Council*, the *San Francisco Mayor’s Office*, and *Nonprofit Housing Association of Northern California* all recommend that developments that would result in the demolition of rent controlled or permanently affordable units should be ineligible.
4. **Major projects should not be eligible for expedited approval.**
 - For example *San Francisco Mayor’s Office* has recommended a stronger review process for major developments over 50 units, and the *State Building Trades* and *California Labor Federation* have recommended that projects over 100 units be ineligible for expedited approvals.
5. Any development that receives expedited approvals should “use it or lose it” – the streamlined approvals should expire if building permits are not pulled in a timely manner.
 - For example, *City of Oakland*, as has the *Nonprofit Housing Association of Northern California*, has recommended a requirement to submit complete applications for building permits for structures (not just for demolition, grading, etc.) within 12 months of the project's approval or lose the expedited approval, and the *San Francisco Mayor’s Office* and the *Board of Supervisors* has similarly proposed a construction time limit.
6. Local governments should be afforded a realistic amount of time to review developer submissions that are deemed eligible for expedited review. Moreover, any development that proposes any zoning variances, modifications or exceptions or other change to base zoning should not be eligible for expedited approval. Projects seeking State Density Bonuses per Gov Code 65915 should also be subject to local approval processes as authorized under Gov Code 65915.
7. Minimum public notice and administrative appeals should be incorporated to ensure that developers are adhering to the rules of any expedited process.
8. 100% affordable developments should receive increased incentives.
9. Since housing development is also a workforce issue, any expedited approval process should support competitive wages standards.
10. No expedited approval process should move forward unless paired with policy reforms that address more important barriers to affordable housing development. These policies cannot be decoupled – moving forward with expedited approvals without other policy reform could do more harm than good:
 - a. Meaningful steps must be taken to address exclusionary zoning in high-opportunity places and ensure adequate sites are reserved for affordable development.
 - b. Substantial and ongoing funding sources for affordable housing are needed to allow affordable developers to acquire sites and build lower-income developments.
 - c. The authority of local jurisdictions to enact rental inclusionary policies should be expressly restored (i.e. fix *Palmer*)
 - d. Loopholes in the state Ellis Act should be closed to curtail abusive practices to evict tenants.

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