

Date of Hearing: April 27, 2022

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT

Buffy Wicks, Chair

AB 2068 (Ward) – As Amended March 17, 2022

SUBJECT: General plan: annual report

SUMMARY: Requires local planning agencies to include information in their annual progress report (APR) about the number of new housing units that received their certificate of occupancy in the prior year. Specifically, **this bill:**

- 1) Requires local planning agencies to include in their APR the number of new housing units that received their certificate of occupancy in the prior year.
- 2) Requires local planning agencies to specifically include in their APR:
 - a) The number of units constructed that were approved pursuant to the streamlined, ministerial approval process established by SB 35 (Wiener, Chapter 366, Statutes of 2017); and
 - b) The number of accessory dwelling units (ADUs) constructed that were approved pursuant to ADU law.

EXISTING LAW:

- 1) Requires each city and county to prepare, adopt, and administer a general plan for their jurisdiction, which must include a housing element, to shape the future growth of its community (Government Code Sections 65300 - 65404).
- 2) Requires the housing element to include a review of existing and projected housing needs, determine whether adequate sites with appropriate zoning exist to meet the housing needs of all income levels within the community, and ensure that local regulations provide opportunities for, and do not significantly restrict, the development of housing (Government Code Sections 65580 - 65589.11).
- 3) Requires that each community's fair share of housing be determined through the regional housing needs allocation (RHNA) process, which involves three main stages: (1) the Department of Finance and the Department of Housing and Community Development (HCD) develop regional housing needs estimates at four income levels: very low-income, low-income, moderate-income, and above moderate-income; (2) councils of government (COGs) use these estimates to allocate housing within each region (HCD is to make the determinations where a COG does not exist); and (3) cities and counties plan for accommodating these allocations in their housing elements (Government Code Sections 65580 - 65589.11).
- 4) Requires each city and county to submit an APR to the Governor's Office of Planning and Research (OPR) and HCD by April 1 of each year, including the following:

- a) The report must evaluate the general plan's implementation, including the implementation of their housing element, and provide specified quantitative outcomes, such as number of applications for housing projects received and housing units approved;
 - b) Authorizes a court to issue a judgement to compel compliance should a city or county fail to submit their APR within 60 days of the statutory deadline; and
 - c) Requires HCD to post all city and county APRs on their website within a reasonable time after receipt (Government Code Section 65400).
- 5) Establishes a process for a housing development to be approved and modified through a streamlined, ministerial approval process (Government Code Section 65913.4).
 - 6) Requires a local agency to ministerially approve an application for a building permit within a residential or mixed-use zone to create one or more ADUs, as specified (Government Code Section 65852.2)

FISCAL EFFECT: Unknown

COMMENTS:

Author's Statement: According to the author, "Annual Progress Reports provide essential information about housing production trends in California, including the number of permits applied for and approved. However, this information does not include how many units are completed – the only outcome that truly matters. This bill corrects that oversight. That way, as policymakers work to address the state's housing crisis, we can understand how many units have actually been built."

Planning for Housing and Tracking Outcomes: Existing law requires each city and county's legislative body to adopt a "general plan" for land use within its jurisdiction. Each general plan must include a "housing element" that details existing housing conditions within the jurisdiction, the need for new housing, and the strategy that the jurisdiction will use to address that need. Local governments must adopt a new housing element every eight years (though some rural jurisdictions must do so every five).

The city or county's need for new housing is determined through the regional housing needs assessment (RHNA) process, which involves three main stages:

- The Department of Finance and HCD develop regional housing needs estimates at four income levels: very low-income, low-income, moderate-income, and above moderate-income;
- Councils of Governments (COGs) use these estimates to allocate housing within each region (HCD makes the determinations where a COG does not exist); and
- Cities and counties plan for accommodating these allocations in their housing elements

Each year, the local government's planning agency must document the jurisdiction's progress towards meeting its general plan goals, including the implementation of its housing element and progress towards meeting its RHNA target. This documentation must be submitted by April 1st of each year in an APR to HCD and Office of Planning and Research (OPR).

APRs are an important tool for both local governments and the state. Both parties can rely on the APR to help track progress in the implementation of the housing policy in their housing element, as well as to track outcomes. APRs also help highlight implementation challenges that may require technical assistance or other support from HCD. Additionally, APRs are important for informing statewide housing policy. The APRs provide the data that, aggregated across the state's 539 cities and counties, convey the amount, type, location, and affordability of housing proposed to be produced in California.

APRs must include information about all proposed and approved development projects in the prior year. This includes the number of housing development applications received, the number of units included in all development applications, and the number of units approved and disapproved. However, the APR is not required to include information about how many units have actually been built. There is ample evidence that many projects receive entitlement from local governments, but are never built, because of changing economic circumstances for the developer, changing conditions in the greater society, or both. As such, having information about entitlements does not create a complete picture of the status of housing production in California.

This bill would address this issue, by requiring APRs to include information about how many certificates of occupancy local agencies granted in the prior year. Local agencies would also be required to specify how many of those units were permitted through the streamlined, ministerial processes granted by SB 35 and by ADU law. By requiring this information, cities, counties, and the state will have a better understanding of development within their jurisdictions.

Related Legislation:

AB 2653 (Wicks) (2022): This bill enables HCD to reject the housing element portion of a planning agency's APR. This bill passed out of this committee by a vote of 6-2 and is pending hearing in the Assembly Committee on Local Government.

AB 1370 (Quirk-Silva) (2021): AB 1370 is substantially similar to the bill analyzed in this analysis. It died in this committee.

SB 477 (Wiener, 2021): This bill would have made, starting in 2024, several changes to the reporting requirements for APRs related to their general plan and housing approvals. This bill was vetoed by the Governor.

Double referred: This bill was also referred to the Assembly Committee on Local Government, where it will be heard should it pass out of this committee.

REGISTERED SUPPORT / OPPOSITION:

Support

None on file.

Opposition

None on file.

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