

Date of Hearing: April 27, 2022

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT

Cecilia Aguiar-Curry, 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 agencies to include information in their APR on the number of housing units that received a certificate of occupancy, including specific information on the number that were approved pursuant to the following laws:
 - a) The streamlined, ministerial approval process established by SB 35 (Wiener) Chapter 366, Statutes of 2017.
 - b) Accessory dwelling unit (ADU) law or an ordinance adopted pursuant to ADU law.
- 2) Provides that no reimbursement is required by this bill, pursuant to Section 6 of Article XIII B of the California Constitution, because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this bill.

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.
- 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.
- 3) Requires each city and county to submit an APR to the Governor's Office of Planning and Research (OPR) and the department of Housing and Community Development (HCD) by April 1 of each year.
- 4) Establishes a process for housing development projects meeting specified criteria to be approved and modified through a streamlined, ministerial approval process.
- 5) 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.

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

COMMENTS:

- 1) **Author’s Statement.** According to the author, “Annual Progress Reports provide essential information about housing production trends in California, including 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.”
- 2) **APRs.** 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).

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. This progress is documented in the APR which must be submitted by April 1st of each year to HCD and 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.

- 3) **Bill Summary.** This bill will require local agencies to include information about how many certificates of occupancy they granted in the prior year in their APRs. 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.
- 4) **Related Legislation.** AB 2653 (Santiago, Wicks) enables HCD to reject the housing element portion of a planning agency’s annual progress report. AB 2653 is pending in this Committee.
- 5) **Previous Legislation.** SB 477 (Weiner) of 2021 would have added several components to the APR on housing development and land use related to their general plan. AB 477 was vetoed by the Governor with the following message,

“I am returning Senate Bill 477 without my signature.

“This bill would require a city or county planning agency to include specified information for proposed housing development projects within its jurisdiction in its annual report.

“I strongly agree that in order to solve California's housing crisis, we must require more accountability at every level of government. That's why I signed AB 1483 (Chapter 662, Statutes of 2019) to require the Department of Housing and Community Development to develop a data strategy as part of the statewide housing plan - implementation is currently underway and the Department will produce its recommendations in January, on-time.

“As HCD continues its work to implement AB 1483, I am directing the Department to consider including data on the effectiveness of various housing laws, as this bill contemplates. Building this analysis into the existing data process is the more appropriate approach to this issue, as opposed to creating a new requirement while the Department is mid-stream on implementing the thoughtful provisions of AB 1483.

“As the Department completes this important work, further statutory changes may be necessary to implement any recommendations. I look forward to working with the Legislature next year to enact potential improvements identified by the Department.”

SB 35 (Wiener), Chapter 366, Statutes of 2017, created a streamlined ministerial approval process for specified housing development projects.

- 6) **Double-Referral.** This bill is double-referred to the Housing and Community Development Committee, where it is scheduled to be heard on April 27, 2022.
- 7) **Arguments in Support.** None on file.
- 8) **Arguments in Opposition.** None on file.

REGISTERED SUPPORT / OPPOSITION:

Support

None on file.

Opposition

None on file.

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