



## SCAG HOUSING POLICY FORUM SERIES



S O U T H E R N C A L I F O R N I A A S S O C I A T I O N O F G O V E R N M E N T S

### 2021 Housing Bills Signed into Law

Bill #	Author	Description	Important Dates
AB 68	Quirk-Silva	<p><a href="#">AB 68</a> requires the State Department of Housing and Community Development (HCD) to provide additional information to the public about the implementation of its programs following a recent audit by the State Auditor that called for improvements in the state’s approach to affordable housing development. HCD now must include in its Statewide Housing Plan an inventory of the number of housing units needed to meet the state’s housing needs and post the information on its website.</p> <p>Additionally, the bill requires HCD to include information in its annual report that details how it is implementing state programs, including how long it is taking to process loan agreements. It also requires that HCD report on the status of oversight actions it has taken with local jurisdictions that have not complied with State housing law.</p>	<p>Signed by the Governor on 9/28/2021</p> <p>These requirements will apply to any plan or plan update as of 1/1/2023</p> <p>HCD must publish an annual report on its website by December 31 of each year.</p>
AB 215	Chiu	<p><a href="#">AB 215</a> strengthens the powers of HCD and the Attorney General to enforce current state laws that streamline the development of new homes, including SB 35 and SB 330. While several important bills have been</p>	<p>Signed by the Governor on 9/28/2021</p>

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		<p>enacted in the last few years to make it easier to build housing and address the state’s housing need, not all jurisdictions have complied with the new requirements. This bill would encourage local governments to comply or face potential legal action.</p> <p>In addition, the bill increases community participation in the Housing Element process by requiring that local jurisdictions solicit public comment prior to submittal of their Housing Elements to HCD and post revisions on their websites.</p>	<p>The bill will go into effect on 1/1/2022</p>
AB 345	Quirk- Silva	<p><a href="#">AB 345</a> requires local jurisdictions to allow the separate sale and conveyance of Accessory Dwelling Units under certain conditions, allowing for both the primary dwelling and the ADU to be separately owned by low-income families. Previously jurisdictions had to pass a law to allow this option.</p> <p>Additionally, the bill more specifically defines the tenant in common agreement between the two owners, including determination of each cotenant’s responsibility for taxes, utilities, and insurance, and procedures for dispute resolution. This bill is important to groups like Habitat for Humanity, which seek to sell ADUs in developments to qualified lower- and moderate-income households.</p>	<p>Signed by the Governor on 9/28/2021</p> <p>The bill will go into effect on 1/1/2022</p> <p>The tenancy in common agreement applies to agreements recorded on or after 1/31/2021.</p>

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AB 447	Grayson	<p><a href="#">AB 447</a> resolves several technical issues that have arisen in the implementation of the Low-Income Housing Tax Credit (LIHTC) program. AB 447 revises and updates the list of programs that qualify a development as being “at risk of conversion,” making them eligible for the at-risk set-aside.</p> <p>Additionally, the bill resolves a concern that made some affordable housing preservation projects ineligible for the at-risk set-aside when purchased with state housing funds and updates the definition of new construction to include adaptive reuse.</p>	<p>Signed by the Governor on 9/28/2021</p> <p>The bill will go into effect on 1/1/2022</p>
AB 491	Ward	<p><a href="#">AB 491</a> seeks to eliminate discriminatory housing practices and income segregation by creating a consistent statewide standard of access that prohibits discrimination against affordable housing residents by requiring that mixed-income housing developments provide the same access to common entrances, common areas, and amenities to all residents, regardless of income. It also prohibits developers from segregating market rate and affordable units in a development.</p>	<p>Signed by the Governor on 9/28/2021</p> <p>This bill will go into effect on 1/1/2022</p>
AB 571	Mayes	<p><a href="#">AB 571</a> would prohibit a local government from imposing a housing affordability fee on the affordable housing units in a development that is providing affordability as a result of a density bonus. Current law allows imposition of a fee on all units, including those that are affordable. This law is intended to incentivize the development of deed restricted affordable</p>	<p>Signed by the Governor on 9/28/2021</p>

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		housing by ensuring that fees do not render a development infeasible and to encourage use of the density bonus program.	This bill will go into effect on 1/1/2022
AB 602	Grayson	<p><a href="#">AB 602</a> requires that a city, county, or special district local prepare a nexus study before adopting a new impact fee and details new requirements. New requirements include calculating the fees according to square footage (for nexus studies adopted after July 1, 2022) and providing information that details the change in the level of service that precipitated the fee and why that level of service is appropriate.</p> <p>Additionally, the bill increases transparency by requiring that a written fee schedule be posted on a jurisdiction’s website, that nexus studies be adopted at a public hearing with at least 30 days’ notice to the public, and that nexus studies be updated every eight years beginning January 1, 2022. Currently, developers often do not know the fees their projects will be charged in advance, making it a challenge to ensure project feasibility.</p>	<p>Signed by the Governor on 9/28/2021</p> <p>This bill will go into effect on 1/1/2022</p> <p>HCD must develop an Impact Fee Nexus Study Template by 1/1/2024 that jurisdictions can choose to use</p>
AB 634	Carrillo	<a href="#">AB 634</a> allows a jurisdiction to require an affordability period of more than 55 years when a developer is granted a density bonus and the local inclusionary ordinance requires a longer affordability term. The bill excludes developments funded using Low-Income Housing Tax Credits (LIHTC) to ensure compliance with federal rules governing the LIHTC program that restrict the affordability period to 55 years.	<p>Signed by the Governor on 9/28/2021</p> <p>This bill will go into effect on 1/1/2022</p>

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AB 721	Bloom	<p><a href="#">AB 721</a> enables owners of 100% affordable housing developments subject to affordability restrictions to modify restrictive covenants that limit the allowable density or number of units permitted on a property. While the covenants can be modified, the development still must be consistent with the local general plan, zoning ordinances, and other plans that specify the number and size of the units in a development. This bill is intended to respond to the requirements of the Fair Employment and Housing Act and other state anti-discrimination laws.</p> <p>The bill also creates requirements and timelines for the County recorder and counsel to act on the modification.</p>	<p>Signed by the Governor on 9/28/2021</p> <p>This bill will go into effect on 1/1/2022</p>
AB 787	Gabriel	<p><a href="#">AB 787</a> allows a local jurisdiction to count moderate-income housing units created when a market-rate development is purchased and the units are restricted to persons and families earning between 80% and 120% of Area Median Income to meet up to 25% of their moderate-income housing goal in their Housing Element. To qualify, a development must not have been affordable prior to purchase, the moderate-income homes must be deed restricted for a minimum of 55 years, and the initial post conversion rent must be at least 10% lower than the rent charged over the 12 months prior to the conversion.</p>	<p>Signed by the Governor on 9/28/2021</p> <p>The State Department of Housing and Community Development is not required to implement the provisions of the bill until 1/1/2023.</p> <p>For reports issued after 1/1/2023, planning agencies may</p>

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		This bill responds to several agencies that have developed a new model to provide housing that is affordable to moderate-income households without public subsidy.	report conversions that occurred on or after 1/1/2022.
AB 838	Friedman	<a href="#">AB 838</a> requires that local governments act quickly to respond to reports of lead hazards and complaints of substandard buildings from tenants and other parties. The bill also prohibits local governments from placing conditions on inspections, guarantees tenants a free and timely inspection when complaints are lodged, and provides that the local government cite any violations and provide free copies of the inspection report to the complainant and others who may be impacted.	Signed by the Governor on 9/28/2021  This bill will go into effect on 7/1/2022
AB 948	Holden	<a href="#">AB 948</a> requires that the Bureau of Real Estate Appraisers (BREA) provide notice that a buyer is entitled to an unbiased property appraisal by a licensed appraiser and sets a procedure for sellers to file a complaint if they believe the value of their property is being unfairly lowered. The bill requires that every contract for the sale of a single-family house include a notice stating that the appraisal is required to be objective and unbiased.  Additionally, it requires that the BREA collect demographic information that reviews appraisers' practices and requires that appraisers complete continuing education on cultural competency.	Signed by the Governor on 9/28/2021  The bill includes requirements for appraisers to complete instruction by 1/1/2023 and every four years thereafter.  The requirement to include a statement in all documents about unbiased appraisals goes into effect on 7/1/2022

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		Recent reports of appraisals for families of color that have come in significantly below nearby homes owned by Caucasian households have spurred the Legislature to act.	The Bureau of Real Estate Appraisers must compile demographic information and report back to the Legislature by 7/1/2024.
AB 1029	Mullin	<p><a href="#">AB 1029</a> suggests to the State Department of Housing and Community Development (HCD) that it consider revising the “prohousing” designation that it uses to provide additional points in the award of state housing funding to add affordable housing preservation to the list of eligible prohousing policies.</p> <p>In 2019, the Legislature created the new prohousing designation for localities that adopt policies that facilitate the planning, approval, and construction of housing. These localities receive a competitive advantage in applying for certain state programs. This bill is important for ensuring that cities that are focusing on housing preservation are recognized for their efforts and that preservation projects have access to limited state housing funding.</p>	<p>Signed by the Governor on 9/28/2021</p> <p>This bill was an urgency bill and went into effect upon the Governor’s signature.</p>
AB 1043	Bryan	<a href="#">AB 1043</a> creates a new designation of affordability called “acutely low-income households,” which is defined as households with incomes of 15% of Area Median Income and below, as adjusted for family size. The bill	Signed by the Governor on 9/28/2021

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		would define affordable housing rent for acutely low-income families as the product of 30 times 15% of AMI.	This bill will apply to leases entered into after 1/1/2022
AB 1095	Cooley	<a href="#">AB 1095</a> clarifies that projects eligible for funding under the Affordable Housing Sustainable Communities (AHSC) program can include owner-occupied homes affordable to lower-income households. It further requires that the Strategic Growth Council adopt guidelines or selection criteria that include both affordable rental and for-sale housing.	Signed by the Governor on 9/28/2021  For notices of funding availability released after 7/1/2022, authorizes the award of funds for low-income homeownership opportunities.
AB 1174	Grayson	<a href="#">AB 1174</a> makes technical changes to the streamlined ministerial process that was created by Senate Bill 35. The changes are applicable to existing projects and applied retroactively. Among the bill's provisions are clarifications that development activity includes permitted demolition and grading, subsequent approvals are subject to objective standards that were in place at the time of original application, and that project approval is valid for three years provided that construction activity has begun pursuant to a permit issued by the jurisdiction.  The bill also made changes to the affordability requirements for developments that were submitted prior to 1/1/2019 and that include more than 500 units.	Signed by the Governor on 9/16/2021  This bill is an urgency bill. It went into effect upon receiving the Governor's signature.



Bill #	Author	Description	Important Dates
AB 1297	Holden	<p><a href="#">AB 1297</a> expands the financing authority of the California Infrastructure and Economic Development Bank (IBank) to include housing when the housing is needed for the economic development or public development facility's operations and assuming that the housing is incidental to the project as a whole and is less than 20% of the overall project cost financed by the IBank. Certain IBank sources, such as tax-exempt bonds and moneys from the Infrastructure State Revolving Fund Program, cannot be used to finance the housing units.</p> <p>This bill will eliminate the absolute prohibition of housing that has kept the IBank from funding housing associated with school construction, summer and youth camps, and treatment-related housing associated with service facilities, among other projects.</p>	<p>Signed by the Governor on 9/28/2021</p> <p>This bill will go into effect on 1/1/2022</p>
AB 1304	Santiago	<p><a href="#">AB 1304</a> clarifies how local agencies demonstrate that they are affirmatively furthering fair housing in their Housing Elements. AB 1304 reinforces requirements for fair housing, requiring that local governments consider fair housing in the evaluation of housing needs, resources, and constraints, and in the statement of goals, objectives, and policies. Additionally, Housing Elements must include an analysis of racial segregation patterns in the jurisdiction as well as within the broader region in addition to historical factors and current policies that contribute to fair</p>	<p>Signed by the Governor on 9/28/2021</p> <p>This bill will go into effect on 1/1/2022</p>

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		housing issues. Jurisdictions must also describe how the Housing Element sites inventory affirmatively furthers fair housing.	
AB 1398	Bloom	<p><a href="#">AB 1398</a> revises the penalties assessed when local jurisdictions fail to adopt a Housing Element in a timely manner. The bill would delete the requirement that jurisdictions with non-compliant Housing Elements update their Housing Elements every four years and instead require that any local government that is more than 120 days late in adopting a Housing Element have only one year from the statutory deadline to complete required rezoning (in place of the current three years and 120 days).</p> <p>This bill strengthens accountability provisions to ensure that jurisdictions comply with existing law. Those that do not meet this new deadline will be subject to specified enforcement provisions, including potential action by the State Attorney General. In addition, the bill requires that the State Department of Housing and Community Development (HCD) determine substantial compliance with Housing Element law to avoid the expedited timeframe. This latter requirement is intended to ensure that cities don't intentionally approve Housing Elements that aren't compliant to avoid the new timeline.</p>	<p>Signed by the Governor on 9/28/2021</p> <p>This bill will go into effect on 1/1/2022</p>

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AB 1466	McCarty	<p><a href="#">AB 1466</a> requires that title insurance companies involved in a transfer of real property identify whether any of the real estate documents contain unlawfully restrictive covenants. A title insurance company finding any restrictive covenants must file a modification document with the county recorder.</p> <p>County recorders will now be required to establish a restrictive covenant program, must prepare an implementation plan by July 1, 2022, and must submit regular progress reports to the Legislature.</p>	<p>Signed by the Governor on 9/28/2021</p> <p>Beginning 7/1/2022, any person can record a restrictive covenant modification with a county recorder.</p> <p>Each county must prepare an implementation plan by 7/1/2022.</p>
AB 1584	Comm. On HCD	<p><a href="#">AB 1584</a> is the annual Housing Omnibus bill that makes non-controversial and minor technical and clarifying changes to housing law.</p>	<p>Signed by the Governor on 9/28/2021</p> <p>There are numerous deadlines included in the bill that respond to the long list of technical changes.</p>
SB 7	Atkins	<p><a href="#">SB 7</a> reenacts AB 900 through January 1, 2024. Now known as the Jobs and Economic Improvement Through Environmental Leadership Act of 2021, the bill streamlines the development process, including reducing</p>	<p>Signed by the Governor on 5/20/2021</p>

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		<p>paperwork and expediting legal challenges for large-scale developments known as “environmental leadership development projects” that agree to meet extraordinary environmental standards and provide significant jobs and investment for the community.</p> <p>SB 7 extends these benefits to housing development projects of between \$15 and \$100 million, where a minimum of 15% of the homes are affordable to low-income households.</p>	<p>This bill was an urgency measure and went into effect upon receiving the Governor’s signature.</p>
SB 8	Skinner	<p><a href="#">SB 8</a> increases certainty and accountability for developers by extending SB 330 (the Housing Crisis Act of 2019), a landmark housing bill enacted in 2019 that caps the number of hearings required, prohibits cities from reducing the number of homes that can be built, and disallows fee hikes mid-development, among other actions. SB 8 extends the sunset date of the Act from January 1, 2025, to January 1, 2030, and extends the provisions to January 1, 2034, for any housing development that submits a preliminary application by January 1, 2030.</p> <p>The bill also makes several clarifications to the law to ensure that the bill’s streamlining provisions are followed and makes changes to the anti-demolition provisions.</p>	<p>Signed by the Governor on 9/16/2021</p> <p>This bill will go into effect on 1/1/2022</p> <p>The bill requires HCD to update the list of affected jurisdictions once on or after 1/1/2025; the list will remain valid until 1/1/2030.</p> <p>The Act is extended to 1/1/2030</p>
SB 9	Atkins	<p><a href="#">SB 9</a> makes statewide changes to single-family zoning, promoting small-scale neighborhood residential development and allowing homeowners to</p>	<p>Signed by the Governor on 9/16/2021</p>

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		<p>subdivide their lot or create a duplex by right, or both. If they subdivide, they can build up to four homes on what was previously a single-family lot. Any new housing created must meet certain requirements, including local set back and design standards, anti-displacement measures, historic preservation, and anti-speculation.</p> <p>SB 9 was amended to include a provision that the homeowner attest to remaining in one of the units for a minimum of three years.</p> <p>SB 9 was the subject of significant debate with many existing homeowners fearful that community character would be lost, but supporters arguing for more naturally affordable housing solutions and the elimination of zoning that discriminates against renters, people of color, and low-income families.</p>	<p>This bill will go into effect on 1/1/2022</p>
SB 10	Wiener	<p><a href="#">SB 10</a> allows local governments, if they choose, to provide a streamlined path for rezoning of infill parcels to create light-touch, missing middle housing densities of up to 10 units if they are near high quality public transit or located in a job-rich area, or if they are urban infill lots that meet the definition included in SB 35.</p> <p>Like SB 9, this bill seeks solutions to better use single-family zoned land and provide more lower-density opportunities throughout communities</p>	<p>Signed by the Governor on 9/16/2021</p> <p>This bill will go into effect on 1/1/2022</p> <p>The bill prohibits a locality from adopting an ordinance on or after 1/1/2029.</p>

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		and near good schools and other amenities. Unlike SB 9, this bill requires separate and proactive action by a local government agency.	
SB 263	Rubio	<a href="#">SB 263</a> updates the training requirements for realtors to include implicit bias training and revises the real estate practice course to include information regarding state and federal fair housing laws. The bill also requires a two-hour implicit bias course within the 45 hours of continuing education required of realtors upon license renewal and increases the eight-hour survey course requirement to add an hour of implicit bias training.	Signed by the Governor on 9/28/2021  This bill will go into effect on 1/1/2023
SB 290	Skinner	<a href="#">SB 290</a> addresses barriers to the State’s density bonus law, including incentivizing housing for lower-income students, aligning density bonus approval requirements with the Housing Accountability Act, and adding a parking waiver for development that is within ½ mile of transit.  This bill will make it easier for student housing and moderate-income developments to move forward and help incentivize more affordable development without the need for public subsidy.	Signed by the Governor on 9/28/2021  This bill will go into effect on 1/1/2022
SB 381	Portantino	<a href="#">SB 381</a> is specific to the City of South Pasadena and is intended to respond to disposition of an estimated 68 state-owned properties along the SR 710 corridor. Among other things, the bill amends surplus land law to add new priorities for the sale of surplus property to include existing Caltrans	Signed by the Governor on 9/28/2021

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		<p>tenants and the City of Pasadena. If the City is offered any properties, they may sell it to a developer to produce affordable housing for lower- or moderate-income households restricted for a minimum of 55 years.</p> <p>Now that Caltrans has determined the homes to be surplus to its needs, this bill will give more control to the city to ensure that its housing needs are met and will provide existing tenants with the opportunity to stay in their homes.</p>	<p>An urgency bill, this bill went into effect upon the Governor’s signature.</p> <p>If the Caltrans does not begin the sale of unoccupied property by 6/30/2022, it will be required to report to the Legislature by 1/31/2022 to explain the reasons for delay.</p>
SB 478	Wiener	<p><a href="#">SB 478</a> establishes requirements for floor area ratios (FAR) and minimum lot sizes for land zoned for small multifamily housing development of up to 10 units. The bill prohibits a local agency from requiring a FAR that is less than 1.0 for a development of 3-7 homes, and less than 1.25 for a project of 8-10 homes. A locality is prohibited from imposing a lot coverage requirement that would make it impossible to achieve these FARs.</p> <p>Additionally, the bill prohibits a local agency from denying a housing development of 3-10 units solely on the basis that the area of the proposed lot does not meet the locality’s requirements for minimum lot size and clarifies that nothing in the bill prohibits a local agency from</p>	<p>Signed by the Governor on 9/28/2021</p> <p>This bill will go into effect on 1/1/2022</p>

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		imposing zoning and design standards, including height and setback requirements.	
SB 591	Becker	<p><a href="#">SB 591</a> makes declarations regarding intergenerational housing and provides for the establishment of intergenerational housing development that includes homes for senior citizens, caregivers, or transition-aged youth if 80% of the homes are occupied by at least one senior citizen, up to 20% of the homes are occupied by at least one caregiver or transition aged youth, and the units have restricted rents affordable to lower-income households.</p> <p>The bill also creates a state policy supporting intergenerational housing and permits developers receiving state funding and tax credits to restrict occupancy to senior citizens, caregivers, and transition age youth if it does not violate other laws.</p>	<p>Signed by the Governor on 9/28/2021</p> <p>This bill will go into effect on 1/1/2022</p>
SB 728	Hertzberg	<p><a href="#">SB 728</a> amends density bonus law to authorize a qualified nonprofit housing organization to purchase a for-sale unit in a development that has a density bonus. Nonprofit applicants must attest that the home will be occupied by a lower- or moderate-income household and will be offered at an affordable housing cost, and that the unit will be subject to a repurchase option and an equity sharing agreement with the property preserved as affordable for a minimum of 45 years.</p>	<p>Signed by the Governor on 9/28/2021</p> <p>This bill will go into effect on 1/1/2022</p>



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SB 791	Cortese	<p><a href="#">SB 791</a> establishes a California Surplus Land Unit within the State Department of Housing and Community Development (HCD) to facilitate the development of new homes on local surplus land. This new unit is authorized to facilitate agreements between housing developers and local agencies, provide technical assistance, and work with state agencies to assist housing developers and local agencies in obtaining financing.</p> <p>Although several recent bills have been enacted to clarify surplus land law and increase its effectiveness, many jurisdictions have not been in compliance.</p>	<p>Signed by the Governor on 9/28/2021</p> <p>While the bill is effective on 1/1/2022, it is dependent on appropriation by the Legislature.</p> <p>Requires the Surplus Land Unit to submit an annual report to the Legislature and Governor by December 31<sup>st</sup> of each year.</p>