BILL TEXT

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

**SECTION 1.**

 The Legislature finds and declares that this act addresses a matter of statewide concern and shall apply equally to all cities and counties in this state, including charter cities.

**SEC. 2.**

 Chapter 4.35 (commencing with Section 65918.5) is added to Division 1 of Title 7 of the Government Code, immediately following Chapter 4.3, to read:

**CHAPTER  4.35. Transit-Rich Housing Bonus**

**65918.5.**

 For purposes of this chapter:

(a) “Development proponent” means an applicant who submits an application for a transit-rich housing bonus pursuant to this chapter.

(b) “Eligible applicant” means a development proponent who receives a transit-rich housing bonus.

(c) “FAR” means floor area ratio.

(d) “High-quality bus corridor” means a corridor with fixed route bus service that meets all of the following criteria:

(1) It has average service intervals of no more than 15 minutes during the three peak hours between 6 a.m. to 10 a.m., inclusive, and the three peak hours between 3 p.m. and 7 p.m., inclusive, on Monday through Friday.

(2) It has average service intervals of no more than 20 minutes during the hours of 6 a.m. to 10 a.m., inclusive, on Monday through Friday.

(3) It has average intervals of no more than 30 minutes during the hours of 8 a.m. to 10 p.m., inclusive, on Saturday and Sunday.

(e) “Local government” means a city, including a charter city, a county, or a city and county.

(f) “Major transit stop” means a site containing an existing rail transit station, or a ferry terminal served by either bus or rail transit service.

(g) “Maximum allowable residential density” means the density allowed under the zoning ordinance and land use element of the general plan of the applicable local government, or, if a range of density is permitted, means the maximum allowable density for the specific zoning range and land use element of the general plan applicable to the project. If the density allowed under the zoning ordinance is inconsistent with the density allowed under the land use element of the general plan, the general plan density shall prevail.

(h) “Residential development” means a project with at least two-thirds of the square footage of the development designated for residential use.

 (i) “Transit-rich housing project” means a residential development project the parcels of which are all within a one-half mile radius of a major transit stop or a one-quarter mile radius of a stop on a high-quality bus corridor. A residential development project does not qualify as a transit-rich housing project if that project would result in the construction of housing in zoning districts that prohibit the construction of housing as a principal or conditional use, including, but not limited to, exclusively industrial or manufacturing zoning districts. A project shall be deemed to be within a one-half mile radius of a major transit stop or a one-quarter mile radius of a stop on a high-quality bus corridor if both of the following apply:

(1) All parcels within the project have no more than 25 percent of their area outside of a one-half mile radius of a major transit stop or a one-quarter mile radius of a stop on a high-quality bus corridor.

(2) No more than 10 percent of the residential units or 100 units, whichever is less, of the project are outside of a one-half mile radius of a major transit stop or a one-quarter mile radius of a stop on a high-quality bus corridor.

(j) “Units awarded” means the increase in units in the residential development permitted above the maximum allowable residential density after the transit-rich housing bonus is granted.

**65918.6.**

 (a) Notwithstanding any local ordinance, general plan element, specific plan, charter, or other local law, policy, resolution, or regulation, a local jurisdiction shall, if requested, provide an eligible applicant with a transit-rich housing bonus that shall exempt the project from all of the following:

(1) Maximum controls on residential density.

(2) Maximum controls on FAR lower than those specified in paragraph (4) of subdivision (c).

(3) Minimum automobile parking requirements, unless the proposed project is outside of a 1/4 mile of a major transit stop, in which case the local jurisdiction may enforce a parking minimum of up to .5 automobile parking spots per unit.

(4) Maximum building height limits that are less than those specified in subdivision (b), unless the height increase proposed by the development proponent would have a specific, adverse impact upon public health or safety, and there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact without rendering the development infeasible. As used in this paragraph, a “specific, adverse impact” means a significant, quantifiable, direct, and unavoidable impact, based on objective, identified written public health or safety standards, policies, or conditions as they existed on the date the application was deemed complete. Inconsistency with the zoning ordinance or general plan land use designation shall not constitute a specific, adverse impact upon the public health or safety.

(5) Zoning or design controls that have the effect of limiting additions onto existing structures or lots if those additions comply with the height and FAR limits established in subdivision (b) or paragraph (4) of subdivision (c).

(b) An eligible applicant shall be exempt from local maximum height limits as follows:

(1) If the transit-rich housing project is within a one-quarter mile radius of a major transit stop, the maximum height limitation shall not be less 55 feet. However, the eligible applicant shall comply with any maximum height limitation for a transit-rich housing project that is greater than 55 feet.

(2) If the transit-rich housing project is within a one-half mile radius of a major transit stop, but does not meet the criteria specified in paragraph (1), any maximum height limitation shall not be less than 45 feet. However, the eligible applicant shall comply with any maximum height limitation for a transit-rich housing project that is greater than 45 feet.

 (c) A development proponent may submit an application for a development to be subject to the transit-rich housing bonus process provided by subdivision (b) if the application at the time of submittal satisfies all of the following planning standards:

(1) Any demolition permit that is related to an application for a transit-rich housing project is subject to all demolition permit controls, restrictions, and review processes enacted by the applicable local government. Additionally, an applicant shall be ineligible for a transit-rich housing bonus if~~the housing~~ either of the following are met:

(A) The residential development is proposed on any property that includes a parcel or parcels on which existing rental units that are subject to any form of rent or price control through a local government’s valid exercise of its police power would need to be demolished, unless the local government passes a resolution explicitly authorizing a review process for demolition permit applications.

(B) The residential development is proposed on any property that includes a parcel or parcels on which an owner of residential real property exercised his or her rights under Chapter 12.75 (commencing with Section 7060) of Division 7 of Title 1 to withdraw accommodations from rent or lease within five years before an application is submitted under this chapter.

(2)  (A) If the local government has adopted any local inclusionary housing ordinances, the development complies with those local inclusionary housing ordinances. For purposes of this paragraph, local inclusionary housing ordinances include either of the following:

 (i) A mandatory requirement, as a condition of the development of residential units, that the development include a certain percentage of residential units affordable to, and occupied by, households with incomes that do not exceed the limits for moderate-income, lower income, very low income, or extremely low income households specified in Sections 50079.5, 50093, 50105, and 50106 of the Health and Safety Code. The ordinance may provide alternative means of compliance that may include, but are not limited to, in-lieu fees, land dedication, offsite construction, or acquisition and rehabilitation of existing units

 (ii) For the purposes of this section, if a local government does not have a mandatory requirement as described in subparagraph (A), a locally adopted voluntary incentive-based program that grants a range of incentives to developments that include an objective and knowable amount of onsite affordable housing. The knowable amount of onsite affordable housing and number of incentives shall be calculated based on the project’s proximity to different types of public transportation, and include proximity to both regular bus lines, bus rapid transit, and rail stations. In the case that a local inclusionary housing ordinance is a voluntary or incentive-based program as described in this subparagraph, onsite affordable housing requirements for a transit-rich housing project shall be calculated based on the height, density, floor area ratio, bulk, and automobile parking included in the final design of the transit-rich housing project.

(B) If the local government has not adopted any local inclusionary housing ordinances, and the development project includes ten or more residential units, the development proponent agrees to provide the applicable percentage of units awarded as onsite affordable housing. All calculations made pursuant to this subparagraph that result in a fractional unit shall be rounded up. For purposes of this subparagraph, the applicable percentage of units awarded shall be calculated as follows:

(i) If the proposed development project has between ten and twenty-five residential units, the development proponent shall choose between the following:

(I) Offering 5 percent of the units at a rate sufficient for very low income households.

(II) Offering 10 percent of the units at a rate sufficient for low-income households.

(III) Offering 25 percent of the units at a rate sufficient for moderate-income households.

(ii) If the proposed development project has between twenty-six and fifty residential units, the development proponent shall choose between the following:

(I) Offering 7 percent of the units at a rate sufficient for very low income households.

(II) Offering 13 percent of the units at a rate sufficient for low-income households.

(III) Offering 30 percent of the units at a rate sufficient for moderate-income households.

(iii) If the proposed development project has fifty-one or more residential units and the proposed development project has less than one quarter of its square footage dedicated to office use, the development proponent shall choose between the following:

(I) Offering 11 percent of the units at a rate sufficient for very low income households.

(II) Offering 20 percent of the units at a rate sufficient for low-income households.

(III) Offering 40 percent of the units at a rate sufficient for moderate-income households.

(iv) If the proposed development project has fifty-one or more residential units and has more than one quarter of its square footage dedicated to office use, the development proponent shall offer 20 percent of the units at a rate sufficient for lower income households, including 10 percent at a rate sufficient for very-low income households.

(3) The development proponent prepares and submits to the applicable local government a relocation assistance and benefits plan as described in subdivision (d) of Section 65918.8.

(4) Except as specified in subdivision (a), the transit-rich housing project complies with all local objective zoning design standards that were in effect at the time that the applicant submits its first application to the local government pursuant to this section, except as provided in Section 65918.10, provided that those local zoning design standards shall not result in a FAR for the development that received the bonus that is less than the following:

(A) 2.5 FAR for lots with a maximum height limit of 45 feet pursuant to this section.

(B) 3.25 FAR for lots with a maximum height limit of 55 feet pursuant to this section.

 (5) Any locally adopted objective zoning standard that involves no personal or subjective judgment by a public official and is uniformly verifiable by reference to an external and uniform benchmark or criterion available and knowable by both the development applicant or proponent and public officials before the application is submitted, including, but not limited to, essential bulk and FAR requirements, except as specified in paragraph (4), codified design standards, and development fees.

(6) Any locally adopted minimum unit mix requirements, provided that those requirements do not have the effect of requiring more than 40 percent of all units in a transit-rich housing project to have two bedrooms or more.

(7) The development proponent agrees to comply with subdivision (c) of Section 65918.7 if the development includes a parcel or parcels on which rental dwelling units are or, if the dwelling units have been vacated or demolished in the five-year period preceding the application, have been subject to any of the following:

(A) A recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of lower or very-low income.

(B) Any other form of rent or price control through a public entity’s valid exercise of its police power.

(C) Occupied by lower or very low-income households.

(d) An eligible applicant who receives a transit-rich housing bonus pursuant to this section may also apply for a density bonus, incentive or concession, or waiver or reduction, pursuant to Section 65915. For purposes of calculating any base development standard, including maximum allowable residential density, for purposes of granting a density bonus, incentive or concession, or a waiver or reduction of a development standard pursuant to that section, any transit-rich housing bonus granted pursuant to this chapter shall be used as that base development standard.

(e) An eligible applicant who receives a transit-rich housing bonus pursuant to this section, and who requests a streamlined, ministerial, approval process pursuant to Section 65913.4, shall be deemed to be in compliance with local zoning requirements for purposes of determining eligibility pursuant to paragraph (5) of subdivision (a) of Section 65913.4, and for purposes of enforcing legal protections for new developments under Section 65589.5.

(f) An eligible applicant who receives a transit-rich housing bonus pursuant to this section, but does not request or is not eligible for a streamlined, ministerial, approval process pursuant to Section 65913.4, shall be subject to applicable discretionary reviews required by the local jurisdiction, including, but not limited to, the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

(g) An eligible applicant shall provide each resident of the development with a recurring monthly transit pass with the applicable transit agency that provides service to the major transit stop or high quality transit corridor that qualified the applicant for the bonus at no cost to the resident.

**65918.7.**

 In the event that a transit-rich housing project is issued a demolition permit by a local government as described in paragraph (1) of subdivision (c) of Section 65918.6, the project shall comply with any state or local tenant relocation benefit and assistance program or ordinance serving residential tenants living in the units that will be demolished. Moreover, in the event that issuance of a demolition permit would result in the direct displacement of a residential tenant or tenants or in a net loss of affordable units as specified in subdivision (c), the local government may not issue demolition permits for rental housing units as a part of the application for a transit-rich housing project, unless the development proponent complies with relocation benefits and assistance, a right to remain guarantee, and no net loss of affordable units, as follows:

(a) The development proponent prepares and submits a relocation assistance and benefits plan to the jurisdiction for eligible displaced persons as described in subdivision (d) of Section 65918.8.

(b) The development proponent offers all eligible displaced persons a right to remain guarantee that is a right of first refusal for a comparable unit in the transit-rich housing project after it finishes construction, and a new lease for that unit at a rate not to exceed the base rent defined in paragraph (2) of subdivision (f) of Section 65918.9. The development proponent shall provide all eligible displaced persons who enter into a new lease for a unit in the development a lease at the base rent with rent stabilization at the applicable base rent for the duration of their occupancy in the unit, regardless of the length of the initial lease. For purposes of this subdivision, “rent stabilization” means that the rent for the applicable eligible displaced person may only be increased, at maximum, at the same percentage as the annual percentage increase of the Consumer Price Index. If an eligible displaced person who entered into a new lease for a unit in the development departs from that unit, then that unit shall revert to an affordable unit and shall be offered at a rate described in subparagraphs (A) or (B) of paragraph (1) of subdivision (c).

(c) (1) With respect to any development that contains a parcel or parcels described in paragraph (7) of subdivision (c) of Section 65918.6, the development proponent agrees to replace those units and agrees to comply with one of the following:

(A) Offer units at an affordable rate, as described in paragraph (2) of subdivision (c) of Section 65918.6.

(B) Offer each unit in the development, exclusive of a manager’s unit or units, at a rate affordable to, and occupied by, either a lower or very low income household.

(2) For purposes of this section, “replace” means either of the following:

(A) If any dwelling units described in paragraph (1) are occupied on the date that the application for the transit-rich housing bonus was submitted, the development proponent provides all eligible displaced persons, as defined in subdivision (b) of Section 65918.8, with a right to remain guarantee, as described in subdivision (b). For unoccupied dwelling units in a development with occupied units, the development proponent shall provide units of equivalent size or type, or both, to be made available at affordable rent or affordable housing cost to, and occupied by, persons and families in the same or lower income category in the same proportion of affordability as the occupied units. All replacement calculations resulting in fractional units shall be rounded up to the next whole number. If the replacement units will be rental dwelling units, these units shall be subject to a recorded affordability restriction for at least 55 years.

(B) If all dwelling units described in paragraph (2) have been vacated or demolished within the five-year period before the application for the transit-rich housing bonus was submitted, the development proponent shall provide at least the same number of units of equivalent size or type, or both, as existed at the highpoint of those units in the five-year period preceding the application to be made available at affordable rent or affordable housing cost to, and occupied by, persons and families in the same or lower income category as those persons and families in occupancy at that time, if known. If the incomes of the persons and families in occupancy at the highpoint is not known, then one-half of the required units shall be made available at affordable rent or affordable housing cost to, and occupied by, very low-income persons and families and one-half of the required units shall be made available for rent at affordable housing costs to, and occupied by, low-income persons and families. All replacement calculations resulting in fractional units shall be rounded up to the next whole number. If the replacement units will be rental dwelling units, these units shall be subject to a recorded affordability restriction for at least 55 years.

**65918.8.**

 (a) An eligible applicant shall comply with the procedures and requirements in this section in providing relocation benefits and a right to remain guarantee to any eligible displaced person.

(b) For purposes of this chapter, “eligible displaced person” means the following:

(1) Any person who occupies property that is located within the development, and who will become displaced by the development.

(2) Any person who moves from property located within the boundaries of the development after an application for a development proposal subject to a transit-rich housing bonus is deemed complete.

(c) An eligible applicant shall inform all eligible displaced persons regarding the projected date of displacement and, periodically, should inform those persons of any changes in the projected date of displacement.

(d) A development proponent shall prepare a detailed relocation benefits and assistance plan, and submit that plan to the applicable local government for approval to determine whether the plan complies with the requirements of this section. That plan shall include all of the following:

(1) A diagrammatic sketch of the project area.

(2) Projected dates of displacement.

(3) A written analysis of the aggregate relocation needs of all eligible displaced persons and a detailed explanation as to how these needs are to be met.

(4) A written analysis of relocation housing resources, including vacancy rates of the neighborhood and surrounding areas.

(5) A detailed description of relocation payments to be made and a plan for disbursement.

(6) A cost estimate for carrying out the plan.

(7) A standard information statement to be sent to all eligible displaced persons who will be permanently displaced.

(8) Plans for public review and comment on the development project and relocation benefits and assistance plan.

(e) A development proponent shall provide notice of the relocation benefits and assistance plan to all eligible displaced persons at least 30 days before submitting the plan to the local government for approval pursuant to subdivision (d).

(f) After the applicable local government approves the relocation benefits and assistance plan pursuant to subdivision (d), the eligible applicant shall do all the following:

(1) Notify all eligible displaced persons of the following:

(A) The availability of relocation benefits and assistance.

(B) The eligibility requirements of relocation benefits and assistance.

(C) The procedures for obtaining relocation benefits and assistance.

(2) Determine the extent of the need of each eligible displaced person for relocation benefits and assistance.

(3) Provide the current and continuing information on the availability, prices, and rentals of comparable sales and rental housing, and as to security deposits, closing costs, typical down payments, interest rates, and terms for residential property in the area to all eligible displaced persons.

(4) Assist each eligible displaced person to complete applications for payments and benefits.

(5) Assist each eligible displaced person to obtain and move to a comparable replacement dwelling.

(6) Supply to each eligible displaced person information concerning federal and state housing programs.

(7) Inform all persons who are expected to be displaced about the eviction policies to be pursued in carrying out the project, which policies shall be in accordance with the relocation benefits and assistance plan approved pursuant to subdivision (d).

(g) An eligible applicant’s obligation to provide relocation benefits and assistance to an eligible displaced person shall cease if any of the following occurs:

(1) An eligible displaced person moves to a comparable replacement dwelling and receives all assistance and payments to which he or she is entitled.

(2) An eligible displaced person moves to substandard housing, refuses reasonable offers of additional assistance in moving to a decent, safe, and sanitary replacement dwelling, and receives all payments to which he or she is entitled.

(3) The eligible applicant has failed to trace or locate the eligible displaced person after making all reasonable efforts to do so.

(4) An eligible displaced person from his or her dwelling refuses, in writing, reasonable offers of assistance, payments, and comparable replacement housing.

(h) An eligible applicant shall not evict an eligible displaced person from property, except as a last resort. If an eligible displaced person is evicted as a last resort pursuant to this subdivision, that eviction in no way affects the eligibility of that person for relocation payments.

**65918.9.**

 An eligible applicant shall make relocation payments to or on behalf of eligible displaced persons that otherwise meets all basic eligibility conditions set out in Section 65918.8, for all actual reasonable expenses incurred for moving and related expenses to move themselves, their family, and their personal property, and for relocation benefits. In all cases, the amount of payment shall not exceed the reasonable cost of accomplishing the activity in connection with a claim that has been filed. Payments made under section shall be subject to all of the following:

(a) For purposes of this section, “moving and related expenses” include all of the following:

(1) Transportation of persons and property, not to exceed a distance of 50 miles from the site from which they were displaced, except where relocation beyond 50 miles is justified.

(2) Packing, crating, unpacking, and uncrating personal property.

(3) Storage of personal property, for a period not to exceed 12 months.

(4) Insurance of personal property while in storage or transit.

(5) The reasonable replacement value of property lost, stolen, or damaged (not through the fault or negligence of the displaced person, his agent, or employee) in the process of moving, where insurance covering such loss, theft, or damage is not reasonably available. A claim for payment hereunder shall be supported by written evidence of loss which may include appraisals, certified prices, bills of sale, receipts, canceled checks, copies of advertisements, offers to sell, auction records, and other records appropriate to support the claim.

(b) An eligible applicant may pay an eligible displaced person for their anticipated moving expenses in advance of the actual move. An eligible applicant shall provide advance payment as described in this subdivision whenever later payment would result in financial hardship to the eligible displaced person. In determining financial hardship for purposes of this subdivision, particular consideration shall be given to the financial limitations and difficulties experienced by low and moderate income persons.

(c) This section does not preclude an eligible applicant from relying upon other reasonable means of relocating an eligible displaced person, including contracting to have that eligible displaced person moved to satisfy the requirements of this section, and arranging for assignment of moving expense payments by eligible displaced persons.

(d) An eligible displaced person who elects to self-move may submit a claim for their moving and related expenses to the eligible applicant in an amount not to exceed an acceptable low bid or an amount acceptable to the displacing entity. An eligible displaced person is not required to provide documentation of moving expenses actually incurred.

(e) Except in cases of a displaced person conducting a self-move as provided in subdivision (d) above, an eligible displaced person who submits a claim for relocation payments under this section shall include a bill or other evidence of expenses incurred. An eligible applicant may enter into a written arrangement with the eligible displaced person and the mover so that the eligible displaced person may present to the eligible applicant an unpaid moving bill, and the eligible applicant can then pay the mover directly for any moving expenses incurred.

(f) For purposes of this section, “relocation benefits” means a payment of an amount necessary to enable that person to lease or rent a replacement dwelling for a period not to exceed 42 months, as follows:

(1) The amount of payment necessary to lease or rent a comparable replacement dwelling shall be computed by subtracting 42 times the base monthly rental of the displaced person, from 42 times the monthly rental for a comparable replacement dwelling, provided, that in no case may that amount exceed the difference between 42 times the base monthly rental as determined in accordance with this subdivision and 42 times the monthly rental actually required for the replacement dwelling occupied by the eligible displaced person.

(2) The base monthly rental shall be the lesser of the average monthly rental paid by the eligible displaced person for the three-month period before the eligible applicant submitted the relocation benefits and assistance plan pursuant to subdivision (d) of Section 65918.8, or 30 percent of the eligible displaced person’s average monthly income.

(3) A dependent who is residing separate and apart from the person or family providing support, whether that residence is permanent or temporary shall be entitled to payment under this section, but that payment shall be limited to the period during which the displaced dependent resides in the replacement dwelling. At the time the displaced dependent vacates that dwelling, no further payment under this section shall be made to that person.

(4) Except where specifically provided otherwise, the eligible applicant may disburse payments for relocation benefits under this section in a lump sum, monthly or at other intervals acceptable to the displaced person.

(g) Upon request by an eligible displaced person who has not yet purchased and occupied a replacement dwelling, but who is otherwise eligible for a replacement housing payment, the eligible applicant shall certify to any interested party, financial institution, or lending agency, that the eligible displaced person will be eligible for the payment of a specific sum if they purchase and occupy a dwelling within the time limits prescribed.

**65918.10.**

 (a)  This chapter, except for the requirements of this section, shall become operative on January 1, 2021. It is the intent of the Legislature in delaying the operative date of this act to provide an opportunity for local governments to conduct studies and to adopt or update any ordinances as necessary, provided those ordinances do not eliminate residential zoning designations or decrease residential zoning development capacity within an existing zoning district.

(b) A local government, no later than July 1, 2020, may apply to the Department of Housing and Community Development, in a form and manner prescribed by the department, for a one-time one-year extension to delay the operation of this chapter until January 1, 2022, with respect to any parcels located within the jurisdictional boundaries of that local government. The department shall review any application so submitted and shall grant the application if the department finds that the local government has made significant progress towards conducting studies and adopting or updating necessary ordinances as required by subdivision (a), and that delaying the operative effect of this bill for that local government is necessary to give the local government time to complete those tasks. The department shall provide the local government with a statement in writing of the final decision on the application along with the reasoning for that decision. If the department grants an application to delay the operative date of this chapter for a particular local government pursuant to this subdivision, the department shall post that decision on its Internet Web site.

(c) If, on or after January 1, 2018, a local government adopts an ordinance that eliminates residential zoning designations or decreases residential zoning development capacity within an existing zoning district in which the development is located than what was authorized on January 1, 2018, then that development shall be deemed to be consistent with any applicable requirement of this chapter if it complies with zoning designations that were authorized as of January 1, 2018.

**SEC. 3.**

 No reimbursement is required by this act 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 act, within the meaning of Section 17556 of the Government Code.