Summary of 2024 Housing Legislation

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1. BACKGROUND

Continuing a multi-year effort to address the statewide housing crisis, the California Legislature enacted an extensive housing package consisting of 56 new bills in 2023. The housing legislation package imposes certain additional requirements for local agencies responsible for permitting housing. Among other changes, the laws expand affordable housing streamlining, introduces several reforms to streamline new affordable housing production, expedite California Environmental Quality Act ("CEQA") review of housing projects, expand state Density Bonus Law, clarify the Surplus Land Act, revise Accessory Dwelling Unit ("ADU") regulations, and supplement the Housing Crisis Act of 2019's ("HCA") replacement housing requirements. Implementation of these new housing laws is made even more complex for coastal cities due to the need to implement the new housing laws in a manner that is consistent with the California Coastal Act ("Coastal Act") (Pub. Res. Code, §§ 30000 et seq.).

This paper will summarize the key new state housing laws taking effect in 2024 and their potential impacts. The new housing laws focus on the following key issue areas:

1. Streamlining Approvals and Incentivizing Higher Density Development
2. CEQA Housing Reforms
3. Changes to State Density Bonus Law
4. Modifications to the Surplus Land Act
5. Accessory Dwelling Units ("ADUs")
6. Parking Requirements
7. Replacement Housing Requirements
8. Miscellaneous Laws

The following table summarizes key housing laws. The discussion section provides more detail regarding changes to existing law, and discusses the potential impacts of these various laws.

2. SUMMARY TABLE

Streamlining Approvals and Incentivizing Higher Density Development	
SB 423	SB 35 was passed in 2017 and established a streamlined, ministerial review process for certain multifamily affordable housing projects that are proposed in local jurisdictions that have not met regional housing needs. SB 423: • Expands applicability to the California coastal zone in 2025, • Creates new labor standards for mixed income projects, • Allows the state to approve housing developments on property it owns or leases, and

	• Prohibits a city from enforcing its inclusionary housing ordinance if the income limits are higher than those in SB 35.
AB 1490	Incentivizes affordable housing adaptive reuse projects by mandating it as an allowable use and requiring expedited permit approval times.
SB 4	Requires ministerial approval of a development application on land owned by either an independent institution of higher education or a religious institution. For eligibility, projects must meet certain criteria.
AB 434	Reduces the California Department of Housing and Community Development (HCD)'s review period for locally approved housing elements or amendments from 90 days to 60 days. And it provides HCD with express authority to enforce housing statutes including: SB 6 (2022), SB 9 (2022), AB 1218 (2023), SB 4 (2023), and SB 684 (2023).
CEQA Housing Reforms	
AB 1633	Provides that a disapproval under the Housing Accountability Act ("HAA") includes a local agency's failure to make a determination of whether a project is exempt from the California Environmental Quality Act ("CEQA"), abuse of discretion, or failure to adopt certain environmental documents under specified circumstances, and makes several other changes about awarding attorneys' fees to housing project opponents, until January 1, 2031.
AB 1307	Stipulates that the impacts of noise generated by students and visitors are not significant environmental impacts overturning a recent decision in litigation.
Changes to State Density Bonus Law	
AB 1287	Modifies California Density Bonus Law to allow developers to apply for a stackable density bonus in cases when the developer has already included the maximum number of very-low, low- or moderate-income units in the proposed development and commits to develop additional units toward very-low or moderate-income units. Also increases the number of incentives or concessions available to certain projects.
SB 713	Clarifies that for purposes of state density bonus law "development standards" means those adopted by the local government or enacted by the local government's electorate exercising its local initiative or referendum power, whether that power is derived from the California Constitution, statute, or the charter or ordinances of the local government.
Modifications to the Surplus Lands Act	
SB 747	Makes various changes to the Surplus Land Act (SLA) regarding the disposal process, exemptions, and penalties for violations.

AB 480	Makes numerous changes to the SLA, including the disposal process, the authority of the Department of Housing and Community Development, and penalties for violations.
SB 229	Requires a local agency to hold an open and public meeting if it has been notified by the HCD that its planned disposal of a parcel is in violation of the SLA.
Accessory Dwelling Units	
AB 976	Makes permanent the existing prohibition on local government's ability to require owner-occupancy on a parcel containing an ADU
AB 1033	Allows cities and counties that have a local ADU ordinance to allow ADUs to be sold separately or conveyed from the primary residence as condominiums.
AB 1332	Requires local governments to create a program for the pre-approval of ADUs
Parking	
AB 894	Requires local agencies to allow developments to count underutilized and shared parking spaces toward a parking requirement imposed by the agency, under specified conditions.
AB 1308	Prohibits a public agency from increasing the minimum parking requirement that applies to a single-family residence as a condition of approval of a project to remodel, renovate, or add to a single-family residence.
Replacement Housing Requirements	
AB 1218	Amends the demolition protections for existing housing applicable to development projects.
Miscellaneous	
AB 548	Requires local enforcement agencies to develop policies and procedures for inspecting multiple units in a building if an inspector or code enforcement officer has determined that a unit in that building is substandard or is in violation of state habitability standards.
AB 821	Creates a notification process and time limit of 180 days for jurisdictions to align their zoning code with the land use element of the general plan when there is a live project application or process the application under solely the applicable general plan standards.

3. DISCUSSION

3.1 Streamlining Approvals and Incentivizing Higher Density Development

3.1.1 SENATE BILL ("SB") 423 – LAND USE: STREAMLINED HOUSING APPROVALS: MULTIFAMILY HOUSING DEVELOPMENTS.

SB 423 extends and expands the application of SB 35. For context, SB 35 was passed in 2017 and created a streamlined, ministerial approval process for qualifying multifamily and mixed-use affordable housing projects in localities that had failed to make sufficient progress toward their Regional Housing Needs Assessment ("RHNA") goals. Qualifying projects must agree to provide a certain percentage of the units as deed restricted affordable housing (e.g., a minimum of 10 percent of the units as affordable to lower income households). Qualifying projects are only subject to ministerial review for compliance with objective standards and thus are exempt from discretionary entitlements and CEQA.

SB 423 extends the operation of SB 35 until Jan. 1, 2036, and expands upon its applicability, in the following ways:

- Beginning in 2025, SB 423 expands the application of SB 35 to portions of the coastal zone subject to certain exceptions. For instance, SB 35 would still not apply in areas of the coastal zone that are (1) closest to the beach (e.g., within the coastal appeals zone), (2) vulnerable to five feet of sea level rise as determined by certain agencies or the local government's coastal hazards vulnerability assessment, (3) located within 100 feet of a wetland or on prime agricultural land, (4) not zoned for multi-family housing, or (5) not subject to a certified local coastal plan or land use plan.
- Similarly, the bill amends existing law to apply SB 35 in specified hazard zones and some high fire severity zones and State Responsibility Areas, as defined in the bill, provided that the project complies with certain building and state fire mitigation measures.
- The bill prohibits a local government from requiring, prior to approval of a qualifying development, compliance with any standards necessary to receive a "postentitlement permit" (e.g., building permits) or other studies that do not pertain to compliance with objective planning standards.
- Finally, the bill amends the required labor standards for mixed-income projects. While SB 35 required the use of "skilled and trained" labor for all but 100% affordable projects, SB 423 instead sets up a three-tiered regime for projects that include market-rate units: projects with fewer than 10 units have no additional labor provisions; projects between 10 and 50 units must pay prevailing wage; and projects with greater than 50 units must employ apprentices and provide health care for workers.

3.1.2 ASSEMBLY BILL ("AB") 1490 – AFFORDABLE HOUSING DEVELOPMENT PROJECTS; ADAPTIVE REUSE.

AB 1490, which applies in the coastal zone, makes the adaptive reuse of existing buildings into 100 percent affordable housing units an allowable use, even if such a use conflicted with any local plans, zoning ordinances, or regulations. To qualify, an affordable housing project must consist of all lower income households, and at least half of the units are dedicated to very-low

income households. The building also needs to be in an infill location and not be on or adjacent to a site with at least one-third of the square footage dedicated to an industrial use or where the industrial use may have an adverse impact on public health and safety. Finally, the project must involve retrofitting or repurposing an existing building that allows residential use or has a commercial use that currently allows temporary dwelling or occupancy. Such uses include hotels and motels, or any commercial buildings where residential uses are allowed.

Local governments are required to process an adaptive reuse project that meets the bill's specifications in an expedited timeframe. Additionally, the bill prohibits a local government from imposing specified objective standards that would be difficult to implement in an adaptive reuse project because of the physical constraints of the existing building. These standards include the provision of additional parking or open space, a maximum density, or a specific floor area ratio.

3.1.3 SB 4 – PLANNING AND ZONING: HOUSING DEVELOPMENT: HIGHER EDUCATION INSTITUTIONS AND RELIGIONS INSTITUTIONS.

SB 4 requires ministerial approval—meaning without discretionary land use permitting processes and CEQA—of a multi-family residential development application on any land owned by either an independent institution of higher education or a religious institution on or before Jan. 1, 2024. To be eligible, the project must meet a number of criteria:

- affordability requirements (100 percent of the units must be affordable to lower-income households, with an option to make 20 percent of the units affordable to moderate income households);
- location requirements (located on a legal parcel surrounded on at least 75 percent of its perimeter with urban uses and that does not meet certain criteria, such as having prime farmland or hazardous waste contamination or being within a very high fire severity zone or special flood hazard area);
- compliance with objective standards set by the local jurisdiction that are not in conflict with SB 4;
- parking minimums, such as one off-street space per unit (with certain exceptions);
- payment of prevailing wages for projects over 10 units and specified labor standards on projects over 50 units and certain other construction wage standards; and
- restrictions on locations close to heavy industrial uses.

The law applies in the coastal zone and sunsets on Jan. 1, 2036.

3.1.4 AB 434 – HOUSING ELEMENT: NOTICE OF VIOLATION.

AB 434 streamlines the Department of Housing and Community Development's ("HCD") timeline to review an adopted or amended housing element from 90 days to 60 days. Importantly, it also expands HCD's authority to issue notices of violation to local agencies and the Attorney General when a local agency takes an action in violation of certain state housing laws. AB 434 specifically expands HCD's existing authority to issue notices of violations for 26 different state housing laws up from 13 laws.

Many local agencies have received a notice of violation from HCD regarding compliance with housing laws within HCD's purview. AB 434 demonstrates the Legislature's desire to expand state oversight over local agencies responsible for issuing permits for new housing.

3.2 CEQA Housing Reforms

3.2.1 AB 1633 – HOUSING ACCOUNTABILITY ACT: DISAPPROVALS: CALIFORNIA ENVIRONMENTAL QUALITY ACT.

The Housing Accountability Act ("HAA") prohibits a local government from disapproving a housing development project that is consistent with the jurisdiction's zoning ordinance and general plan, unless the preponderance of evidence shows that certain conditions are met, such as the project would cause public health and safety impacts that cannot be mitigated. The HAA explicitly states that it does not restrict the authority of a public agency to require mitigation measures under CEQA. However, existing law is unclear when a local government does not directly deny a project, but instead effectively renders it infeasible or unreasonably delays it by requiring CEQA analysis beyond what the courts may consider sufficient to make a reasonable determination of the environmental impacts of a project.

AB 1633 attempts to resolve this ambiguity for certain infill housing development projects by defining two new violations of the HAA in scenarios when an agency unreasonably prolongs environmental review under CEQA. AB 1633 only applies to a project that meets the following requirements:

1. Is located on a parcel within an "urbanized" area and that meet certain criteria, such as proximity to a high-quality transit stop or major transit stop; in an area with low vehicles miles traveled (as defined by the statute); located near certain amenities (e.g., within one-half mile of a bus station, ferry terminal, within one mile in urban areas or two miles in rural areas of a grocery store, public park community center, etc.); or on a parcel surrounded by 75 percent (or three sides) by urban uses;
2. Has a density of at least 15 units per acre; and
3. Is not located in the coastal zone, on certain types of farmland, on wetlands, on a hazardous waste site, within a delineated earthquake fault zone, within a special flood hazard area, within a regulatory floodway, on lands identified for conservation, on habitat for protected species, or in a high or very high fire hazard.

For qualifying infill housing development projects, AB 1633 states that an agency's actions constitute disapproval of a project under the HAA when:

1. There is substantial evidence that the project is entitled to a CEQA exemption, and the agency fails to make a lawful determination that the project is exempt from CEQA within 90 days (or 180 days if extended by the local agency) after timely notice from the applicant that the project is exempt.
2. There is substantial evidence to support certification of an Environmental Impact Report ("EIR") or similar CEQA document, the agency has held a hearing to adopt or approve the CEQA document, but the agency fails to do so or requires further study, and the

local agency fails to adopt, approve or certify an environmental document within 90 days of timely notice from the applicant that such action is required.

In addition, AB 1633 reduces the opportunities for housing project opponents to recover attorneys' fees by challenging an agency's decision to approve a housing development project. Specifically, AB 1633 provides that the courts should give "due weight" to whether approval of the housing project furthered the HAA and "rarely, if ever" award attorneys' fees for challenges to projects approved by agencies in good faith. These provisions may disincentivize project opponents from filing CEQA litigation.

As noted above, AB 1633 does not apply to projects within the coastal zone. AB 1633 sunsets on Jan. 1, 2031.

3.2.2 AB 1307 – CALIFORNIA ENVIRONMENTAL QUALITY ACT: NOISE IMPACT: RESIDENTIAL PROJECTS.

In response to a court decision finding that student housing may constitute an environmental impact based on the noise from student occupants, AB 1307 amends CEQA to expressly state that noise generated by project occupants and their guests on human beings is not a significant effect on the environment.

3.3 Changes to State Density Bonus Law

Density Bonus Law was originally enacted in 1979 to encourage housing developers to produce below market rate, affordable units. In return for including a certain percentage of affordable units, housing developers receive the ability to add additional units for their project above the jurisdiction's allowable zoned density for the site (i.e., a "density bonus"), concessions and incentives, waivers or reductions of development standards (e.g., architectural, height, setback requirements) and reductions in vehicle parking requirements. These benefits are intended to promote housing development by offsetting the cost of the building of affordable units.

3.3.1 AB 1287 – DENSITY BONUS LAW: MAXIMUM ALLOWABLE RESIDENTIAL DENSITY: ADDITIONAL DENSITY BONUS AND INCENTIVES OR CONCESSIONS.

AB 1287 expands and amends Density Bonus Law by incorporating concessions and incentives intended to tackle housing unaffordability for very-low income and moderate income households. The bill does this by (1) expanding the number of incentives of concessions available to certain projects; and (2) creating an additional density bonus for projects that propose more very low income and moderate income units, which stacks on top of the existing density bonus allowed under Density Bonus Law.

Density Bonus Law allows a developer to receive incentives or concessions, which can be used to reduce or eliminate certain development standards, such as setbacks, height limits, square footage requirements and other development standards, that result in identifiable and actual

cost reductions for the project. AB 1287 expands the number of incentives or concessions a project is entitled to as follows:

- Five incentives and concessions, instead of four, for projects that are 100% affordable to lower-income households, except that up to 20% of the units may be for moderate-income households.
- Four concessions and incentives to projects that include at least 16% of the units for very-low income households or at least 45% for moderate-income in a development in which the units are for sale.

Density Bonus Law allows up to a 50 percent bonus for the number of units a developer can build, if they agree to develop a project containing at least 15 percent very-low income units, 24 percent low income units or 44 percent moderate income (for sale) units based on the underlying density for the site. AB 1287 grants an additional density bonus for a project that maximizes the production of very-low, low, or moderate income units before and agrees to deed restrict additional units for very low or moderate income households. AB 1287 grants the following maximum density bonuses:

- An additional density bonus up to 38.75 percent when a project includes an additional 10 percent of the units for sale or for rent to very low income households (maximum density bonus of 88.75 percent); or
- An additional density bonus up to 50 percent when a project includes an additional 15 percent of the units for sale or for rent to moderate income households (maximum density bonus of 100 percent).

Similar to current Density Bonus Law, AB 1287 grants a density bonus incrementally based on the percentage of affordable units provided and offers an additional stackable bonus for exceeding the prior maximum density bonus thresholds. For example, as noted above, under current law, if a developer provides 15 percent of the units affordable to very low income units, they receive a maximum density bonus of 50 percent. Under current law, if a developer includes 20 percent of the units affordable to very-low income families (i.e., 5 percent over the current maximum percentage), the developer would still only receive a 50 percent density bonus. With this bill, however, because the developer provided an additional 5 percent of the units affordable to very-low income households, the developer is entitled to an additional 20 percent density bonus for a total density bonus of 70 percent (i.e., 50 percent under current law and 20 percent under this bill).

Density Bonus Law specifies that it does not supersede or in any way alters or lessens the effect or application of the Coastal Act. However, any density bonus, concession, incentives, waivers or reductions of development standards, and parking ratios to which an application is entitled under Density Bonus Law must be permitted in a manner consistent with the Coastal Act. As a result, jurisdictions located within the coastal zone will need to implement Density Bonus Law, as amended by AB 1287, in a manner that protects coastal resources.

3.3.2 SB 713 – PLANNING AND ZONING: DENSITY BONUSES: DEVELOPMENT STANDARD.

In addition to allowing for concessions or incentives to reduce or eliminate certain development standards, Density Bonus Law provides that a local government cannot apply any development standard that will have the effect of physically precluding the construction of a development at the densities or with the concessions or incentives permitted under Density Bonus Law.

SB 713 clarifies that "development standard" includes standards adopted by the local government or enacted by the local government's electorate exercising its local initiative or referendum power, whether that power is derived from the California Constitution, statute, or the charter or ordinances of the local government. This means that if an initiative were to enact development standards applicable to housing projects, SB 713 would apply and allow a project proponent to use Density Bonus Law to eliminate or reduce said development standard.

3.4 Modifications to the Surplus Lands Act

In 1968, the California Legislature enacted the Surplus Lands Act ("Act"), which aims to increase the availability of real property in California for affordable housing development by requiring the prioritization of affordable housing when disposing of public lands no longer necessary for agency use. The Act serves this purpose by imposing requirements on public agencies disposing of land that grants affordable housing developers a priority right to acquire the land. Some other groups (e.g., school districts, parks and recreation districts, etc.) also have priority rights, but affordable housing developers have the highest priority.

Recent legislation and regulations have significantly broadened the scope of the Act. Most notably, AB 1486 (2019-20) imposed various new requirements on public agencies disposing of surplus lands and introduced penalties for noncompliant dispositions. Related guidance published by HCD further expanded the scope of the Act by, among other things, purporting to apply the Act to leases and by establishing additional procedural requirements to dispose of surplus land with oversight by HCD.

The following bills amend and provide some degree of flexibility to public agencies by expanding what constitutes exempt surplus land.

3.4.1 SB 747 – LAND USE: SURPLUS LAND.

The key impacts of SB 747 are as follows:

- Statutory confirmation that the Act does not apply to leases of 15 years or less. This is a major improvement from HCD's current regulations which purport to apply the Act to leases of as little as five years (subject to some exceptions).
- Amended and new categories of exempt surplus land, including, but not limited to, disposal of small parcels (e.g., parcels smaller than 0.5 acres), land owned by public-use airports, certain lands owned by agencies whose primary mission relates to public

transportation, and certain lands transferred to community land trusts, are all more particularly set forth in the SB 747.

- Clarification that valid legal restrictions for the purposes of determining whether land is exempt surplus land include contractual rights agreed to prior to Sept. 30, 2019, that prevent the use of the property for housing.

3.4.2 AB 480 – SURPLUS LAND.

AB 480 recognizes that the selling and leasing of publicly owned land is a long, drawn-out process and provides public agencies with an extended timeline to take advantage of a special exception to the Act. For public agencies that entered into an exclusive negotiating agreement ("ENA") prior to the passage of AB 1486 (2019), AB 480 allows those agencies to comply with the pre-AB 1486 version of the Act for such dispositions (the "ENA exception").

Prior to the passage of AB 480, the deadline to utilize the ENA exemption was Dec. 31, 2022. This means that if an agency and a developer (or other entity) were party to an ENA prior to the passage of AB 1486 but failed to complete the contemplated disposition by Dec. 31, 2022, then the ENA was essentially deemed null and void, and the agency was forced to comply with the new version of the Act (thereby completely disregarding the contractual rights of not only the agency but also the developer or other third-party). Now, the deadline to utilize the ENA exemption has been extended to Dec. 31, 2027, which means that the parties to an ENA agreed to prior to September 30, 2019 can move forward with their contemplated transaction under the prior version of the Act until Dec. 31, 2027.

3.4.3 SB 229 – SURPLUS LAND: DISPOSAL OF PROPERTY: VIOLATIONS: PUBLIC MEETING.

SB 229 requires that if a local agency is disposing of surplus land and has been notified by HCD of a violation, the agency must hold an open and public meeting to review the violation notice.

3.5 Accessory Dwelling Units

The Legislature has passed numerous updates to state law pertaining to Accessory Dwelling Units ("ADUs") and Junior Accessory Dwelling Units ("JADUs") since 2016 to promote the development of ADUs and JADUs through streamlined approval processes and limitations on local agencies' authority to regulate ADUs and JADUs.

3.5.1 AB 976 – ACCESSORY DWELLING UNITS: OWNER-OCCUPANCY REQUIREMENTS.

Under existing state ADU Law, local agencies could restrict the rental of ADUs for longer than 30 days and impose owner occupancy requirements for ADUs permitted after Jan. 1, 2025.

AB 976 continues to allow local agencies to restrict the use of ADUs for short-term rentals, but eliminates the ability of local agencies to impose owner-occupancy requirements on any ADUs, regardless of when they were permitted.

3.5.2 AB 1033 - ACCESSORY DWELLING UNITS: LOCAL ORDINANCES: SEPARATE SALE OR CONVEYANCE.

AB 1033 allows local agencies to adopt a local ordinance to allow for the separate conveyance of a primary dwelling unit and ADU or ADUs as condominiums. The local ordinance must require that the condominiums be created under the Davis-Stirling Common Interest Development Act; follow all applicable, objective requirements of the Subdivision Map Act and local subdivision ordinance; be approved following a safety inspection and notice to any lienholders; have conditions requiring notice to prospective purchasers and utility providers; and require the consent of any existing common interest development association (if applicable).

3.5.3 AB 1332 – ACCESSORY DWELLING UNITS: PREAPPROVED PLANS.

AB 1332 requires all local agencies to develop a program for preapproval of ADUs by Jan. 1, 2025. It requires local agencies to develop a program to accept ADU plans for preapproval from any applicant and process those ADU plans consistent with applicable requirements. Once the plans are preapproved, the local agency is required to post the plans on their website, along with the contact information provided by the applicant. In effect, members of the public seeking to build an ADU will be able to peruse the City's website to view its catalogue of preapproved ADUs. Members of the public then can directly reach out to the ADU providers to find out the cost to license the pre-approved plans for their own ADUs.

This bill also requires local agencies to reduce the review time from 60 days to 30 days, for an ADU that uses pre-approved plans within the current triennial California Building Standards Code rulemaking cycle.

3.6 Parking Requirements

3.6.1 AB 894 – PARKING REQUIREMENTS: SHARED PARKING.

Cities and counties generally establish requirements for a minimum amount of parking developers must provide for a given facility or use, known as parking minimums or parking ratios. Local governments commonly index parking minimums to conditions related to the building or facility with which they are associated. For example, shopping centers may have parking requirements linked to total floor space, restaurant parking may be linked to the total number of seats, and hotels may have parking spaces linked to the number of beds or rooms. Most local agencies establish parking requirements based on the number of units and bedrooms in a residential development, and the amount of commercial floor area dedicated to a particular use. According to the Legislature, research has documented various harms associated with parking minimums which can unnecessarily consume land and resources that might be better used to support more housing, jobs, services, and open space.

To spur greater use of underutilized parking, and to make it easier for entities to meet minimum parking requirements, AB 894 requires local agencies to allow underutilized parking spaces to be shared with other neighboring land uses, local agencies and/or the public, and to count shared parking toward meeting minimum parking requirements. In cases when the entity seeks to use a shared parking agreement to meet the local agency's parking requirements, all of the following criteria apply:

- The local agency shall approve the shared parking agreement if it (1) includes a parking analysis using peer reviewed methodologies, developed by a professional planning association, sufficient to determine how many parking spaces can be reasonably shared between the uses; and (2) secures long-term provision of parking spaces or provides the opportunity for periodic review;
- The shared parking agreement involves entities on the same or contiguous parcels, the parking site is within 2,000 feet of travel by the shortest walking distance, or the entities will provide a shuttle or other accommodations between the parking site and the use and demonstrate a commitment to sustain the shuttle or accommodations;
- The local agency may require that the shared parking agreement be recorded; and
- The local agency may request and confirm reasonable verification that the shared parking agreement has been or will be secured as a condition for such approval.

The local agency, however, cannot require the curing of a preexisting parking deficit as a condition of approval for the shared parking agreement or deny the agreement solely based on a temporary reduction of the parking spaces available for the original proposed use. The shared parking agreement also cannot reduce the number of parking spaces accessible to persons with disabilities or electric vehicles that otherwise apply to the development.

AB 894 also mandates that local agencies consider shared parking agreements for replacing new parking construction or limiting the number of new parking spaces when using state or public funds for development projects or for the construction of a new parking facility after June 30, 2024.

The Coastal Act further contains provisions that new development should maintain and enhance public access to the coast by providing adequate parking facilities or serving development with public transportation.

3.6.2 AB 1308 - PLANNING AND ZONING LAW: SINGLE-FAMILY RESIDENCES: PARKING REQUIREMENTS.

AB 1308 prohibits a public agency from increasing the minimum parking requirement that applies to a single-family residence as a condition of approval of a project to remodel, renovate or to add a single-family residence when the proposed project does not cause the single-family residence to exceed any maximum size limit imposed by the applicable zoning regulations.

3.7 Replacement Housing Requirements

To prevent the displacement of tenants associated with development, various state laws—the HCA, the Mello Act and Density Bonus Law—require applicants to replace residential dwelling units and generally ensure that new development does not remove units affordable to lower- and moderate-income households from a local agency's housing stock.

3.7.1 AB 1218 – DEVELOPMENT PROJECTS: DEMOLITION OF RESIDENTIAL DWELLING UNITS.

AB 1218 amends the HCA to expand its scope and clarify certain provisions. The HCA previously prohibited local agencies from approving a housing development project involving the demolition of protected residential dwelling units, as defined, unless the project created at least as many residential units and the project met certain criteria. The criteria include, among other things, replacement of all the existing protected units with deed restricted units affordable to very-low-, low- or moderate-income households based on the income of the current tenants in a protected unit, and certain relocation benefits for lower income households.

AB 1218 expands the HCA replacement housing obligations to any development project, including commercial development projects, that will demolish existing protected units unless certain exceptions apply (e.g., the project is an industrial use). It further requires non-housing development projects to provide the replacement units prior to or concurrent with the development project. It also clarifies that the project applicant must offer a right of first refusal to existing occupants of protected units to comparable units in the new development.

3.8 Miscellaneous Laws

3.8.1 AB 548 – STATE HOUSING LAW: INSPECTION.

By Jan. 1, 2025, AB 548 requires local enforcement agencies to develop policies and procedures for inspecting a building with multiple units if an inspector or code enforcement officer has determined that a unit is substandard or in violation of the Health and Safety Code and the inspector or officer determines that the defect or violations have the potential to affect other units. The policies and procedures must: (1) include criteria that the inspector or officer shall use to determine if the substandard conditions could reasonably affect other units; (2) require inspectors or officer to reasonably attempt to inspect additional units at the property consistent with existing law; and (3) allow for the inspection of all the units on the premises if severe, building-wide defects or violations are found. The local enforcement agency shall then provide the property owner with a notice or order to repair or abate within a reasonable period of time and the actions required to remedy the violations.

3.8.2 AB 821 – PLANNING AND ZONING: GENERAL PLAN: ZONING ORDINANCE: CONFLICTS.

Existing law requires each city and county to adopt a general plan and ensure consistency between their general plan and zoning ordinances. AB 821 addresses scenarios where a local agency amends its general plan, but has yet to amend its zoning ordinance, and receives a development project application consistent with the amended general plan. In such a scenario, the local agency must either:

1. Amend its zoning ordinance within 180 days from receipt of the development application to be consistent with the general plan; or
2. Process the development application in accordance with applicable laws and objective general plan standards, but not under inconsistent zoning standards, in a manner that facilitates and accommodates the development at the density allowed under the general plan.

If the local agency fails to complete option (1) above, it must follow option (2). AB 821 does not clarify how it interacts with the Coastal Act.