

MEMO

To: City of Cupertino
Legislative Review Committee

From: Townsend Public Affairs, Inc.

Date: March 2, 2020

Subject: AB 725 (Wicks) Housing Element: Moderate and Above-Moderate Housing Summary

Summary

This bill creates a density requirement for moderate- and above moderate-income housing for suburban and metropolitan cities. In their housing element's inventory of land, these cities must allocate at least 25% of their regional housing need for above moderate-income housing to sites with zoning that allows at least two, but not more than 35, units of housing.

The provisions of the bill do not apply to an unincorporated area, regardless of whether it is located within a suburban or metropolitan jurisdiction, thereby only applying to cities that meet the definition of "suburban" or "metropolitan" in housing element law. The bill allows a project proponent to propose, and a city to approve, a single-family detached home on a site identified pursuant to the bill's provisions that is zoned for at least two units, giving the city flexibility to approve single-family housing on these sites.

The allocation of moderate- and above moderate-income housing required by this bill is prohibited from being the basis for the jurisdiction to deny a project that does not comply with the allocation, or, impose a price minimum, price maximum, price control, or any other exaction or condition of approval in-lieu thereof.

Status

AB 725 was approved by the Assembly on January 30, 2020 by a vote of 48-22. The measure is currently in the Senate Rules Committee awaiting referral to the policy committee(s). The next applicable deadline for this measure is the Second House Policy Committee deadline on July 2nd.

Support

According to the supporters of AB 725, the purpose of this bill is to facilitate the development of more medium density housing at moderate and above-moderate incomes, akin to the requirement for very low- and low-income housing. It would do so by requiring at least 25% of the jurisdiction's share of the regional housing need for both moderate-income and above moderate-income

housing be allocated to sites with zoning that allows at least two units of housing, but no more than 35 units per acre of housing. Such density would enable the production of medium-density housing on these sites that typically are subject to more restrictive zoning currently. For a typical jurisdiction, this bill would increase the minimum percentage of land zoned for multi-family housing from approximately 40% to 55%.

Supporters of the measure, believe that AB 725 would require many local governments, especially in high-cost coastal areas, to plan for multigenerational neighborhoods that are more inclusive and more able to accommodate multiple income levels. Supporters believe that AB 725 will help address housing for the “missing middles” in California.

AB 725 is officially supported by: California Apartment Association, California League of Conservation Voters, and California YIMBY.

Opposition

There is no officially registered opposition to the current version of AB 725.

Previous versions of AB 725 had been opposed by the California Chamber of Commerce and the American Planning Association, California Chapter. Amendments were taken to AB 725 in January that removed the California Chamber of Commerce’s opposition, as their primary concern was that prior versions of the bill would have created an indirect inclusionary housing requirement and would have substantially reduced single-family home construction in California. The American Planning Association opposed prior versions of AB 725 for similar reasons.

Potential Impact

If AB 725 were to be signed into law, the City would be required to allocate at least 25% of their regional housing need for above moderate-income housing to sites with zoning that allows at least two, but not more than 35, units of housing.

Recommended Action

Adopt a watch position for Assembly Bill 725 (Wicks) Housing element: moderate and above-moderate housing

