

Senate Bill 4: Enabling Inclusive Workforce and Affordable Housing

California, especially here in the Bay Area, is facing an affordable housing crisis which threatens the long term financial viability of our state and local communities.

Strategic infill focused on workforce affordable housing throughout California without advancing a one-size-fits-all strategy is key to addressing the needs of working families and seniors while ensuring no neighborhood witnesses radical change. SB 4 will advance strategic strategies that will help address the affordable housing crisis in big cities and small, in every corner of the Golden State. This proposal includes two components:

- Strategic infill of workforce affordable housing focused within ½ mile of fixed rail (excluding intercity rail) or ferry terminals. Applies only to parcels that are zoned to allow residential use and infill (already has been developed or surrounded by developed land) that are located in a jurisdiction that: (1) is an “urban community—urbanized areas and urban clusters in counties w/ population > 1 million plus cities w/ population > 50,000 in other counties; (2) has produced fewer jobs than housing over the past 10 years; and (3) is not meeting RHNA for one or more income levels. Project must meet all of the following conditions:
 - 1 story/15 feet above highest local mixed-use zoning + Density Bonus for that specific parcel. In order to qualify for density bonus still have to go through cities and counties.
 - 30 units per acre minimum density for urban counties; 20 units per acre minimum density for suburban counties unless local ordinance requires more.
 - Meet local design standards as long as they don’t reduce project size or delay a project.
 - In cities over 100,000, no parking minimum if within ¼ mile of a passenger rail or ferry stop but must provide annual transit pass to residents. 0.5 spaces/unit otherwise.
 - Projects with 10+ units: 30% of units must be affordable to and occupied by lower income families, and mandated prevailing wage/skilled and trained workforce.
 - Local standards apply if more permissive than the above.
- Ministerial permitting of “neighborhood multifamily”: up to a four-unit building in urban communities or up to a duplex in “non-urban communities”—urbanized areas and urban clusters that aren’t an “urban community.”
 - Applies only on infill parcels zoned to allow residential that are vacant or have a substandard structure that has been unoccupied for 5 years
 - Must meet other local zoning requirements that applied to the parcel on July 1, 2019.
 - Parking requirement of 0.5 spaces/unit.
 - Caps impact fees to reduce barriers to development: \$3,000/unit for school fees; allows full capacity charges and connection fees for water, sewer, and electrical; prohibits all other impact fees.

Other Key Points:

- Exception for projects due to fire safety or other life safety concerns.
- Excludes: Historic districts, coastal zones, very high fire hazard severity zones, and floodplains.
- Doesn’t apply to a parcel if the building had tenants within the past 10 years (per SB 35).
- Jan 1, 2022 effective date.
- Value capture: only applies to parcels where the land value has been reassessed on or after Jan 1, 2021, so that their property tax reasonably reflects the fair market value.