

AMENDED IN SENATE JUNE 17, 2025

CALIFORNIA LEGISLATURE—2025–26 REGULAR SESSION

ASSEMBLY BILL

No. 1529

Introduced by Committee on Housing and Community Development

March 25, 2025

An act to amend *Section 1946.2 of the Civil Code*, to amend Sections 65589.5, ~~65863.11~~, and ~~66323~~ 65863.10, and 65863.11 of the Government Code, and to amend ~~Section~~ Sections 50053 and 50710.7 of the Health and Safety Code, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

AB 1529, as amended, Committee on Housing and Community Development. Housing omnibus.

(1) Existing law governs the hiring of residential dwelling units. Existing law, the Tenant Protection Act of 2019, prohibits, until January 1, 2030, an owner of residential real property from terminating the tenancy of certain tenants without just cause, either at-fault or no-fault of the tenant, and requires just cause for terminating a tenancy to be stated in the written notice to terminate tenancy. The act requires an owner of residential real property subject to these provisions to provide the above-described notice to a tenant subject to specified requirements, including, for any tenancy commenced or renewed on or after July 1, 2020, as an addendum to the lease or rental agreement, or as a written notice signed by the tenant, with a copy provided to the tenant, except as specified.

This bill would allow the above-described notice to be provided in the lease or rental agreement.

(1)

(2) Existing law, the Planning and Zoning Law, requires each county and each city to adopt a comprehensive, long-term general plan for the physical development of the county or city, and specified land outside its boundaries, that includes, among other specified mandatory elements, a housing element. Existing law, commonly referred to as the Housing Element Law, prescribes requirements for a city's or county's preparation of, and compliance with, its housing element, and requires the Department of Housing and Community Development to review and determine whether the housing element substantially complies with the Housing Element Law, as specified.

Existing law, the Housing Accountability Act, which is part of the Planning and Zoning Law, among other things, prohibits a local agency from disapproving, or conditioning approval in a manner that renders infeasible, a housing development project for very low, low-, or moderate-income households or an emergency shelter unless the local agency makes written findings, based upon a preponderance of the evidence, that one of 6 specified conditions exist, as specified. Among these conditions, the act allows the disapproval of a project if, on the date the application for the project was deemed complete, the jurisdiction did not have an adopted revised housing element that was in substantial compliance with this article and the housing development project is not a builder's remedy project, as defined. The act also specifies various conditions and requirements with respect to a builder's remedy project that is required to be approved under these provisions.

This bill would correct a cross-reference in the definition of the term "builder's remedy project," under the Housing Accountability Act.

The Housing Accountability Act defines the term "disapprove the housing development project" for purposes of its provisions to include, among other things, any instance in which a local agency makes a written determination that a preliminary application under specified law has expired or that the applicant has otherwise lost its vested rights under the preliminary application for any reason other than, among other reasons, that the development proponent failed to resubmit certain information if the development proponent revised the project such that the number of residential units or square footage of construction changed by 20% or more, as specified.

This bill would correct a cross-reference in the above-described provision regarding an applicant's failure to resubmit certain information.

(2)

(3) Existing law, the Planning and Zoning Law, requires an owner of an assisted housing development, as defined, ~~proposing the termination of a subsidy contract or prepayment of governmental assistance or of an assisted housing development in which there will be the expiration of rental restrictions to~~ *that is within 3 years of a scheduled expiration of rental restrictions or a scheduled termination of a subsidy contract to provide notice of the scheduled expiration or termination to any prospective tenant at the time the prospective tenant is interviewed for eligibility, to existing tenants, as specified, and to affected public entities, as defined.*

This bill would require a notice of a scheduled expiration of rental restrictions or a scheduled termination of a subsidy contract described above to remain posted until the expiration or termination has occurred, and would make technical changes relating to these provisions.

*Existing law requires an owner of an assisted housing development, at least 12 months prior to the anticipated date of the termination of a subsidy contract, the expiration of rental restrictions, or prepayment on an assisted housing development, to provide a notice of the proposed change to each affected tenant household residing in the assisted housing development, development at the time the notice is provided and to the affected public entities, as specified. Existing law also requires an owner of an assisted housing development proposing to terminate a subsidy contract, or prepay the mortgage, or sell or otherwise dispose of the assisted housing development to provide a notice of the opportunity to offer to purchase, as provided. Existing law requires the notice of the opportunity to purchase to be given concurrently with the notice of the proposed change described ~~above~~: *above, as specified.**

This bill would specify that the notice of the opportunity to purchase is required to be given *before or* concurrently with the 12-month notice of the proposed change, as specified.

Existing law requires that the initial notice of a bona fide opportunity to submit an offer to purchase contain certain information, including a statement addressing, among other things, whether the owner has an interest in selling the property. Existing law also requires that the initial notice include a statement that specified types of entities, or any combination of them, have the right to purchase the development under these provisions.

This bill would delete the requirement that the initial notice include a statement addressing whether the owner has an interest in selling the property. The bill would also clarify that the initial notice include a

statement that the specified types of entities, as described above, have the right to submit a bona fide offer to purchase the development.

~~(3) Existing law, the Planning and Zoning Law, provides for the creation by local ordinance, or by ministerial approval if a local agency has not adopted a local ordinance, of accessory dwelling units (ADUs) in areas zoned for single-family or multifamily dwelling residential use, as specified. Existing law requires a local agency to ministerially approve an application for a building permit within a residential or mixed-use zone to create any of specified variations of ADUs, including requiring the approval of one ADU and one junior accessory dwelling unit (JADU) per lot with a proposed or existing single-family dwelling if certain conditions apply, as provided. Existing law prohibits a local agency from imposing any objective development or design standard that is not authorized by these provisions upon any ADU that meets the requirements of any of the specified variations for ministerial approval.~~

~~This bill would specify that the above-described prohibition on additional development or design standards applies additionally to a JADU that meets the requirements for ministerial approval under any of the specified variations.~~

Existing law prescribes various requirements to be satisfied before the exercise of a power of sale under a mortgage or deed of trust and prescribes a procedure for the exercise of that power, including, among other things, that a trustee, mortgagee, or beneficiary, or any of their authorized agents, first file for record, in the office of the recorder of each county wherein the mortgaged or trust property or some part or parcel thereof is situated, a notice of default, as specified. Existing law requires the Director of Housing and Community Development to approve forms to be used by owners to comply with certain notice requirements, including, among other notices, providing a notice of proposed changes relating to the termination of a subsidy contract, the expiration of rental restrictions, or prepayment on an assisted housing development to affected tenants, as defined, and affected public entities, as described above, and requires an owner to use the approved forms once the director has approved the forms to comply with those notice requirements.

This bill would require, within 10 calendar days after a recording of a notice of default pursuant to the above-described provisions with respect to an assisted housing development, a mortgagee, trustee, beneficiary, or authorized agent to provide a copy of the recorded notice of default to the affected public entities, and the owner to provide a

copy of the recorded notice of default to the affected tenants and to all qualified entities, as defined. The bill would require a copy of the recorded notice of default provided to the affected tenants to be accompanied by, among other things, a written statement providing that the owner's default may impact rent and eviction protections currently in place and directing affected tenants to contact their local legal services provider. The bill would require the director to also approve forms to be used by owners to comply with the notice requirement relating to a recorded notice of default, and require an owner to use the approved forms once the director has approved the form to comply with that notice requirement.

(4) Existing law, the Zenovich-Moscone-Chacon Housing and Home Finance Act, prohibits "affordable rent" for certain rental housing developments that receive assistance on or after January 1, 1991, from exceeding a specified percentage based on the area median income adjusted for family size appropriate for the unit and whether the household is an acutely low income household, extremely low income household, very low income household, lower income household, or moderate-income household. Existing law, for a rental housing development that dedicates 80% of units to lower income households, as specified, prohibits affordable rent from exceeding the rent prescribed by deed restrictions or regulatory agreements pursuant to the terms of public financing or public financial assistance for the rental housing development, if the rental housing development receives specified awards on or after January 1, 2025. This bill would instead, for an above-described rental housing development that dedicates at least 80% of units to lower income households, as specified, prohibit affordable rent from exceeding an amount consistent with the maximum rent levels for lower income households, as those rents and incomes are determined by the California Tax Credit Allocation Committee. By revising the limit on "affordable rent" for certain housing developments, thereby revising the duties of local government officials with respect to administering various programs and requirements that require a determination of "affordable rent," this bill would impose a state-mandated local program.

~~(4)~~

(5) Existing law requires the Department of Housing and Community Development, through its Office of Migrant Services, to assist in the development, construction, reconstruction, rehabilitation, or operation of migrant farm labor centers, as provided. Existing law requires the

department to develop a report that analyzes the feasibility and impact of transitioning housing units at Office of Migrant Services centers to year-round availability, and to submit that report to specified committees of the Legislature by July 1, 2027, as provided. Existing law, by December 31, 2028, and following completion of that report, requires the department to coordinate with the Department of General Services and the Department of Food and Agriculture to identify available excess sites in proximity to migrant farm labor centers.

This bill would specify that, for the purposes of these provisions, the term “available excess sites” refers to prescribed previously identified sites, as provided.

(6) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: ~~no~~-yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1946.2 of the Civil Code is amended to
2 read:
3 1946.2. (a) Notwithstanding any other law, after a tenant has
4 continuously and lawfully occupied a residential real property for
5 12 months, the owner of the residential real property shall not
6 terminate a tenancy without just cause, which shall be stated in
7 the written notice to terminate tenancy. If any additional adult
8 tenants are added to the lease before an existing tenant has
9 continuously and lawfully occupied the residential real property
10 for 24 months, then this subdivision shall only apply if either of
11 the following are satisfied:
12 (1) All of the tenants have continuously and lawfully occupied
13 the residential real property for 12 months or more.
14 (2) One or more tenants have continuously and lawfully
15 occupied the residential real property for 24 months or more.

- 1 (b) For purposes of this section, “just cause” means either of
2 the following:
- 3 (1) At-fault just cause, which means any of the following:
- 4 (A) Default in the payment of rent.
- 5 (B) A breach of a material term of the lease, as described in
6 paragraph (3) of Section 1161 of the Code of Civil Procedure,
7 including, but not limited to, violation of a provision of the lease
8 after being issued a written notice to correct the violation.
- 9 (C) Maintaining, committing, or permitting the maintenance or
10 commission of a nuisance as described in paragraph (4) of Section
11 1161 of the Code of Civil Procedure.
- 12 (D) Committing waste as described in paragraph (4) of Section
13 1161 of the Code of Civil Procedure.
- 14 (E) The tenant had a written lease that terminated on or after
15 January 1, 2020, or January 1, 2022, if the lease is for a tenancy
16 in a mobilehome, and after a written request or demand from the
17 owner, the tenant has refused to execute a written extension or
18 renewal of the lease for an additional term of similar duration with
19 similar provisions, provided that those terms do not violate this
20 section or any other provision of law.
- 21 (F) Criminal activity by the tenant on the residential real
22 property, including any common areas, or any criminal activity or
23 criminal threat, as defined in subdivision (a) of Section 422 of the
24 Penal Code, on or off the residential real property, that is directed
25 at any owner or agent of the owner of the residential real property.
- 26 (G) Assigning or subletting the premises in violation of the
27 tenant’s lease, as described in paragraph (4) of Section 1161 of
28 the Code of Civil Procedure.
- 29 (H) The tenant’s refusal to allow the owner to enter the
30 residential real property as authorized by Sections 1101.5 and 1954
31 of this code, and Sections 13113.7 and 17926.1 of the Health and
32 Safety Code.
- 33 (I) Using the premises for an unlawful purpose as described in
34 paragraph (4) of Section 1161 of the Code of Civil Procedure.
- 35 (J) The employee, agent, or licensee’s failure to vacate after
36 their termination as an employee, agent, or a licensee as described
37 in paragraph (1) of Section 1161 of the Code of Civil Procedure.
- 38 (K) When the tenant fails to deliver possession of the residential
39 real property after providing the owner written notice as provided
40 in Section 1946 of the tenant’s intention to terminate the hiring of

1 the real property, or makes a written offer to surrender that is
 2 accepted in writing by the owner, but fails to deliver possession
 3 at the time specified in that written notice as described in paragraph
 4 (5) of Section 1161 of the Code of Civil Procedure.

5 (2) No-fault just cause, which means any of the following:

6 (A) (i) Intent to occupy the residential real property by the
 7 owner or the owner’s spouse, domestic partner, children,
 8 grandchildren, parents, or grandparents for a minimum of 12
 9 continuous months as that person’s primary residence.

10 (ii) For leases entered into on or after July 1, 2020, or July 1,
 11 2022, if the lease is for a tenancy in a mobilehome, clause (i) shall
 12 apply only if the tenant agrees, in writing, to the termination, or if
 13 a provision of the lease allows the owner to terminate the lease if
 14 the owner, or the owner’s spouse, domestic partner, children,
 15 grandchildren, parents, or grandparents, unilaterally decides to
 16 occupy the residential real property. Addition of a provision
 17 allowing the owner to terminate the lease as described in this clause
 18 to a new or renewed rental agreement or fixed-term lease
 19 constitutes a similar provision for the purposes of subparagraph
 20 (E) of paragraph (1).

21 (iii) This subparagraph does not apply if the intended occupant
 22 occupies a rental unit on the property or if a vacancy of a similar
 23 unit already exists at the property.

24 (iv) The written notice terminating a tenancy for a just cause
 25 pursuant to this subparagraph shall contain the name or names and
 26 relationship to the owner of the intended occupant. The written
 27 notice shall additionally include notification that the tenant may
 28 request proof that the intended occupant is an owner or related to
 29 the owner as defined in subclause (II) of clause (viii). The proof
 30 shall be provided upon request and may include an operating
 31 agreement and other non-public documents.

32 (v) Clause (i) applies only if the intended occupant moves into
 33 the rental unit within 90 days after the tenant vacates and occupies
 34 the rental unit as a primary residence for at least 12 consecutive
 35 months.

36 (vi) (I) If the intended occupant fails to occupy the rental unit
 37 within 90 days after the tenant vacates or fails to occupy the rental
 38 unit as their primary residence for at least 12 consecutive months,
 39 the owner shall offer the unit to the tenant who vacated it at the
 40 same rent and lease terms in effect at the time the tenant vacated

1 and shall reimburse the tenant for reasonable moving expenses
2 incurred in excess of any relocation assistance that was paid to the
3 tenant in connection with the written notice.

4 (II) If the intended occupant moves into the rental unit within
5 90 days after the tenant vacates, but dies before having occupied
6 the rental unit as a primary residence for 12 months, as required
7 by clause (vi), this will not be considered a failure to comply with
8 this section or a material violation of this section by the owner as
9 provided in subdivision (h).

10 (vii) For a new tenancy commenced during the time periods
11 described in clause (v), the accommodations shall be offered and
12 rented or leased at the lawful rent in effect at the time any notice
13 of termination of tenancy is served.

14 (viii) As used in this subparagraph:

15 (I) “Intended occupant” means the owner of the residential real
16 property or the owner’s spouse, domestic partner, child, grandchild,
17 parent, or grandparent, as described in clause (i).

18 (II) “Owner” means any of the following:

19 (ia) An owner who is a natural person that has at least a
20 25-percent recorded ownership interest in the property.

21 (ib) An owner who is a natural person who has any recorded
22 ownership interest in the property if 100 percent of the recorded
23 ownership is divided among owners who are related to each other
24 as sibling, spouse, domestic partner, child, parent, grandparent, or
25 grandchild.

26 (ic) An owner who is a natural person whose recorded interest
27 in the property is owned through a limited liability company or
28 partnership.

29 (III) For purposes of subclause (II), “natural person” includes
30 any of the following:

31 (ia) A natural person who is a settlor or beneficiary of a family
32 trust.

33 (ib) If the property is owned by a limited liability company or
34 partnership, a natural person who is a beneficial owner with at
35 least a 25-percent ownership interest in the property.

36 (IV) “Family trust” means a revocable living trust or irrevocable
37 trust in which the settlors and beneficiaries of the trust are persons
38 who are related to each other as sibling, spouse, domestic partner,
39 child, parent, grandparent, or grandchild.

- 1 (V) “Beneficial owner” means a natural person or family trust
2 for whom, directly or indirectly and through any contract
3 arrangement, understanding, relationship, or otherwise, and any
4 of the following applies:
- 5 (ia) The natural person exercises substantial control over a
6 partnership or limited liability company.
 - 7 (ib) The natural person owns 25 percent or more of the equity
8 interest of a partnership or limited liability company.
 - 9 (ic) The natural person receives substantial economic benefits
10 from the assets of a partnership.
- 11 (B) Withdrawal of the residential real property from the rental
12 market.
- 13 (C) (i) The owner complying with any of the following:
- 14 (I) An order issued by a government agency or court relating
15 to habitability that necessitates vacating the residential real
16 property.
 - 17 (II) An order issued by a government agency or court to vacate
18 the residential real property.
 - 19 (III) A local ordinance that necessitates vacating the residential
20 real property.
- 21 (ii) If it is determined by any government agency or court that
22 the tenant is at fault for the condition or conditions triggering the
23 order or need to vacate under clause (i), the tenant shall not be
24 entitled to relocation assistance as outlined in paragraph (3) of
25 subdivision (d).
- 26 (D) (i) Intent to demolish or to substantially remodel the
27 residential real property.
- 28 (ii) For purposes of this subparagraph, “substantially remodel”
29 means either of the following that cannot be reasonably
30 accomplished in a safe manner that allows the tenant to remain
31 living in the place and that requires the tenant to vacate the
32 residential real property for at least 30 consecutive days:
- 33 (I) The replacement or substantial modification of any structural,
34 electrical, plumbing, or mechanical system that requires a permit
35 from a governmental agency.
 - 36 (II) The abatement of hazardous materials, including lead-based
37 paint, mold, or asbestos, in accordance with applicable federal,
38 state, and local laws.
 - 39 (iii) For purposes of this subparagraph, a tenant is not required
40 to vacate the residential real property on any days where a tenant

1 could continue living in the residential real property without
2 violating health, safety, and habitability codes and laws. Cosmetic
3 improvements alone, including painting, decorating, and minor
4 repairs, or other work that can be performed safely without having
5 the residential real property vacated, do not qualify as substantial
6 remodel.

7 (iv) A written notice terminating a tenancy for a just cause
8 pursuant to this subparagraph shall include all of the following
9 information:

10 (I) A statement informing the tenant of the owner's intent to
11 demolish the property or substantially remodel the rental unit
12 property.

13 (II) The following statement:

14 "If the substantial remodel of your unit or demolition of the
15 property as described in this notice of termination is not
16 commenced or completed, the owner must offer you the
17 opportunity to re-rent your unit with a rental agreement containing
18 the same terms as your most recent rental agreement with the owner
19 at the rental rate that was in effect at the time you vacated. You
20 must notify the owner within thirty (30) days of receipt of the offer
21 to re-rent of your acceptance or rejection of the offer, and, if
22 accepted, you must reoccupy the unit within thirty (30) days of
23 notifying the owner of your acceptance of the offer."

24 (III) A description of the substantial remodel to be completed,
25 the approximate expected duration of the substantial remodel, or
26 if the property is to be demolished, the expected date by which the
27 property will be demolished, together with one of the following:

28 (ia) A copy of the permit or permits required to undertake the
29 substantial remodel or demolition.

30 (ib) Only if a notice is issued pursuant to subclause (II) of clause
31 (ii) and the remodel does not require any permit, a copy of the
32 signed contract with the contractor hired by the owner to complete
33 the substantial remodel, that reasonably details the work that will
34 be undertaken to abate the hazardous materials as described in
35 subclause (II) of clause (ii).

36 (IV) A notification that if the tenant is interested in reoccupying
37 the rental unit following the substantial remodel, the tenant shall
38 inform the owner of the tenant's interest in reoccupying the rental
39 unit following the substantial remodel and provide to the owner
40 the tenant's address, telephone number, and email address.

1 (c) Before an owner of residential real property issues a notice
2 to terminate a tenancy for just cause that is a curable lease
3 violation, the owner shall first give notice of the violation to the
4 tenant with an opportunity to cure the violation pursuant to
5 paragraph (3) of Section 1161 of the Code of Civil Procedure. If
6 the violation is not cured within the time period set forth in the
7 notice, a three-day notice to quit without an opportunity to cure
8 may thereafter be served to terminate the tenancy.

9 (d) (1) For a tenancy for which just cause is required to
10 terminate the tenancy under subdivision (a), if an owner of
11 residential real property issues a termination notice based on a
12 no-fault just cause described in paragraph (2) of subdivision (b),
13 the owner shall, regardless of the tenant's income, at the owner's
14 option, do one of the following:

15 (A) Assist the tenant to relocate by providing a direct payment
16 to the tenant as described in paragraph (3).

17 (B) Waive in writing the payment of rent for the final month of
18 the tenancy, prior to the rent becoming due.

19 (2) If an owner issues a notice to terminate a tenancy for no-fault
20 just cause, the owner shall notify the tenant in the written
21 termination notice of the tenant's right to relocation assistance or
22 rent waiver pursuant to this section. If the owner elects to waive
23 the rent for the final month of the tenancy as provided in
24 subparagraph (B) of paragraph (1), the notice shall state the amount
25 of rent waived and that no rent is due for the final month of the
26 tenancy.

27 (3) (A) The amount of relocation assistance or rent waiver shall
28 be equal to one month of the tenant's rent that was in effect when
29 the owner issued the notice to terminate the tenancy. Any relocation
30 assistance shall be provided within 15 calendar days of service of
31 the notice.

32 (B) If a tenant fails to vacate after the expiration of the notice
33 to terminate the tenancy, the actual amount of any relocation
34 assistance or rent waiver provided pursuant to this subdivision
35 shall be recoverable as damages in an action to recover possession.

36 (C) The relocation assistance or rent waiver required by this
37 subdivision shall be credited against any other relocation assistance
38 required by any other law.

39 (4) An owner's failure to strictly comply with this subdivision
40 shall render the notice of termination void.

1 (e) This section shall not apply to the following types of
2 residential real properties or residential circumstances:

3 (1) Transient and tourist hotel occupancy as defined in
4 subdivision (b) of Section 1940.

5 (2) Housing accommodations in a nonprofit hospital, religious
6 facility, extended care facility, licensed residential care facility for
7 the elderly, as defined in Section 1569.2 of the Health and Safety
8 Code, or an adult residential facility, as defined in Chapter 6 of
9 Division 6 of Title 22 of the Manual of Policies and Procedures
10 published by the State Department of Social Services.

11 (3) Dormitories owned and operated by an institution of higher
12 education or a kindergarten and grades 1 to 12, inclusive, school.

13 (4) Housing accommodations in which the tenant shares
14 bathroom or kitchen facilities with the owner who maintains their
15 principal residence at the residential real property.

16 (5) Single-family owner-occupied residences, including both
17 of the following:

18 (A) A residence in which the owner-occupant rents or leases
19 no more than two units or bedrooms, including, but not limited to,
20 an accessory dwelling unit or a junior accessory dwelling unit.

21 (B) A mobilehome.

22 (6) A property containing two separate dwelling units within a
23 single structure in which the owner occupied one of the units as
24 the owner's principal place of residence at the beginning of the
25 tenancy, so long as the owner continues in occupancy, and neither
26 unit is an accessory dwelling unit or a junior accessory dwelling
27 unit.

28 (7) Housing that has been issued a certificate of occupancy
29 within the previous 15 years, unless the housing is a mobilehome.

30 (8) Residential real property, including a mobilehome, that is
31 alienable separate from the title to any other dwelling unit, provided
32 that both of the following apply:

33 (A) The owner is not any of the following:

34 (i) A real estate investment trust, as defined in Section 856 of
35 the Internal Revenue Code.

36 (ii) A corporation.

37 (iii) A limited liability company in which at least one member
38 is a corporation.

39 (iv) Management of a mobilehome park, as defined in Section
40 798.2.

1 (B) (i) The tenants have been provided written notice that the
2 residential property is exempt from this section using the following
3 statement:

4
5 “This property is not subject to the rent limits imposed by Section
6 1947.12 of the Civil Code and is not subject to the just cause
7 requirements of Section 1946.2 of the Civil Code. This property
8 meets the requirements of Sections 1947.12 (d)(5) and 1946.2
9 (e)(8) of the Civil Code and the owner is not any of the following:
10 (1) a real estate investment trust, as defined by Section 856 of the
11 Internal Revenue Code; (2) a corporation; or (3) a limited liability
12 company in which at least one member is a corporation.”

13
14 (ii) (I) Except as provided in subclause (II), for a tenancy
15 existing before July 1, 2020, the notice required under clause (i)
16 may, but is not required to, be provided in the rental agreement.

17 (II) For a tenancy in a mobilehome existing before July 1, 2022,
18 the notice required under clause (i) may, but is not required to, be
19 provided in the rental agreement.

20 (iii) (I) Except as provided in subclause (II), for any tenancy
21 commenced or renewed on or after July 1, 2020, the notice required
22 under clause (i) must be provided in the rental agreement.

23 (II) For any tenancy in a mobilehome commenced or renewed
24 on or after July 1, 2022, the notice required under clause (i) shall
25 be provided in the rental agreement.

26 (iv) Addition of a provision containing the notice required under
27 clause (i) to any new or renewed rental agreement or fixed-term
28 lease constitutes a similar provision for the purposes of
29 subparagraph (E) of paragraph (1) of subdivision (b).

30 (9) Housing restricted by deed, regulatory restriction contained
31 in an agreement with a government agency, or other recorded
32 document as affordable housing for persons and families of very
33 low, low, or moderate income, as defined in Section 50093 of the
34 Health and Safety Code, or subject to an agreement that provides
35 housing subsidies for affordable housing for persons and families
36 of very low, low, or moderate income, as defined in Section 50093
37 of the Health and Safety Code or comparable federal statutes.

38 (f) An owner of residential real property subject to this section
39 shall provide notice to the tenant as follows:

1 (1) (A) Except as provided in subparagraph (B), for any tenancy
2 commenced or renewed on or after July 1, 2020, *in the lease or*
3 *rental agreement*, as an addendum to the lease or rental agreement,
4 or as a written notice signed by the tenant, with a copy provided
5 to the tenant.

6 (B) For a tenancy in a mobilehome commenced or renewed on
7 or after July 1, 2022, as an addendum to the lease or rental
8 agreement, or as a written notice signed by the tenant, with a copy
9 provided to the tenant.

10 (2) (A) Except as provided in subparagraph (B), for a tenancy
11 existing prior to July 1, 2020, by written notice to the tenant no
12 later than August 1, 2020, or as an addendum to the lease or rental
13 agreement.

14 (B) For a tenancy in a mobilehome existing prior to July 1,
15 2022, by written notice to the tenant no later than August 1, 2022,
16 or as an addendum to the lease or rental agreement.

17 (3) The notification or lease provision shall be in no less than
18 12-point type, and shall include the following:

19
20 “California law limits the amount your rent can be increased.
21 See Section 1947.12 of the Civil Code for more information.
22 California law also provides that after all of the tenants have
23 continuously and lawfully occupied the property for 12 months or
24 more or at least one of the tenants has continuously and lawfully
25 occupied the property for 24 months or more, a landlord must
26 provide a statement of cause in any notice to terminate a tenancy.
27 See Section 1946.2 of the Civil Code for more information.”

28
29 The notification or lease provision shall be subject to Section
30 1632.

31 (g) An owner’s failure to comply with any provision of this
32 section shall render the written termination notice void.

33 (h) (1) An owner who attempts to recover possession of a rental
34 unit in material violation of this section shall be liable to the tenant
35 in a civil action for all of the following:

36 (A) Actual damages.

37 (B) In the court’s discretion, reasonable attorney’s fees and
38 costs.

39 (C) Upon a showing that the owner has acted willfully or with
40 oppression, fraud, or malice, up to three times the actual damages.

1 An award may also be entered for punitive damages for the benefit
 2 of the tenant against the owner.

3 (2) The Attorney General, in the name of the people of the State
 4 of California, and the city attorney or county counsel in the
 5 jurisdiction in which the rental unit is located, in the name of the
 6 city or county, may seek injunctive relief based on violations of
 7 this section.

8 (i) (1) This section does not apply to the following residential
 9 real property:

10 (A) Residential real property subject to a local ordinance
 11 requiring just cause for termination of a residential tenancy adopted
 12 on or before September 1, 2019, in which case the local ordinance
 13 shall apply.

14 (B) Residential real property subject to a local ordinance
 15 requiring just cause for termination of a residential tenancy adopted
 16 or amended after September 1, 2019, that is more protective than
 17 this section, in which case the local ordinance shall apply. For
 18 purposes of this subparagraph, an ordinance is “more protective”
 19 if it meets all of the following criteria:

20 (i) The just cause for termination of a residential tenancy under
 21 the local ordinance is consistent with this section.

22 (ii) The ordinance further limits the reasons for termination of
 23 a residential tenancy, provides for higher relocation assistance
 24 amounts, or provides additional tenant protections that are not
 25 prohibited by any other provision of law.

26 (iii) The local government has made a binding finding within
 27 their local ordinance that the ordinance is more protective than the
 28 provisions of this section.

29 (2) A residential real property shall not be subject to both a local
 30 ordinance requiring just cause for termination of a residential
 31 tenancy and this section.

32 (3) A local ordinance adopted after September 1, 2019, that is
 33 less protective than this section shall not be enforced unless this
 34 section is repealed.

35 (j) Any waiver of the rights under this section shall be void as
 36 contrary to public policy.

37 (k) For the purposes of this section, the following definitions
 38 shall apply:

1 (1) “Owner” includes any person, acting as principal or through
2 an agent, having the right to offer residential real property for rent,
3 and includes a predecessor in interest to the owner.

4 (2) “Residential real property” means any dwelling or unit that
5 is intended for human habitation, including any dwelling or unit
6 in a mobilehome park.

7 (3) “Tenancy” means the lawful occupation of residential real
8 property and includes a lease or sublease.

9 (l) This section shall not apply to a homeowner of a mobilehome,
10 as defined in Section 798.9.

11 (m) This section shall become operative on April 1, 2024.

12 (n) This section shall remain in effect only until January 1, 2030,
13 and as of that date is repealed.

14 ~~SECTION 1.~~

15 *SEC. 2.* Section 65589.5 of the Government Code is amended
16 to read:

17 65589.5. (a) (1) The Legislature finds and declares all of the
18 following:

19 (A) The lack of housing, including emergency shelters, is a
20 critical problem that threatens the economic, environmental, and
21 social quality of life in California.

22 (B) California housing has become the most expensive in the
23 nation. The excessive cost of the state’s housing supply is partially
24 caused by activities and policies of many local governments that
25 limit the approval of housing, increase the cost of land for housing,
26 and require that high fees and exactions be paid by producers of
27 housing.

28 (C) Among the consequences of those actions are discrimination
29 against low-income and minority households, lack of housing to
30 support employment growth, imbalance in jobs and housing,
31 reduced mobility, urban sprawl, excessive commuting, and air
32 quality deterioration.

33 (D) Many local governments do not give adequate attention to
34 the economic, environmental, and social costs of decisions that
35 result in disapproval of housing development projects, reduction
36 in density of housing projects, and excessive standards for housing
37 development projects.

38 (2) In enacting the amendments made to this section by the act
39 adding this paragraph, the Legislature further finds and declares
40 the following:

1 (A) California has a housing supply and affordability crisis of
2 historic proportions. The consequences of failing to effectively
3 and aggressively confront this crisis are hurting millions of
4 Californians, robbing future generations of the chance to call
5 California home, stifling economic opportunities for workers and
6 businesses, worsening poverty and homelessness, and undermining
7 the state’s environmental and climate objectives.

8 (B) While the causes of this crisis are multiple and complex,
9 the absence of meaningful and effective policy reforms to
10 significantly enhance the approval and supply of housing affordable
11 to Californians of all income levels is a key factor.

12 (C) The crisis has grown so acute in California that supply,
13 demand, and affordability fundamentals are characterized in the
14 negative: underserved demands, constrained supply, and protracted
15 unaffordability.

16 (D) According to reports and data, California has accumulated
17 an unmet housing backlog of nearly 2,000,000 units and must
18 provide for at least 180,000 new units annually to keep pace with
19 growth through 2025.

20 (E) California’s overall home ownership rate is at its lowest
21 level since the 1940s. The state ranks 49th out of the 50 states in
22 home ownership rates as well as in the supply of housing per capita.
23 Only one-half of California’s households are able to afford the
24 cost of housing in their local regions.

25 (F) Lack of supply and rising costs are compounding inequality
26 and limiting advancement opportunities for many Californians.

27 (G) The majority of California renters, more than 3,000,000
28 households, pay more than 30 percent of their income toward rent
29 and nearly one-third, more than 1,500,000 households, pay more
30 than 50 percent of their income toward rent.

31 (H) When Californians have access to safe and affordable
32 housing, they have more money for food and health care; they are
33 less likely to become homeless and in need of
34 government-subsidized services; their children do better in school;
35 and businesses have an easier time recruiting and retaining
36 employees.

37 (I) An additional consequence of the state’s cumulative housing
38 shortage is a significant increase in greenhouse gas emissions
39 caused by the displacement and redirection of populations to states
40 with greater housing opportunities, particularly working- and

1 middle-class households. California’s cumulative housing shortfall
2 therefore has not only national but international environmental
3 consequences.

4 (J) California’s housing picture has reached a crisis of historic
5 proportions despite the fact that, for decades, the Legislature has
6 enacted numerous statutes intended to significantly increase the
7 approval, development, and affordability of housing for all income
8 levels, including this section.

9 (K) The Legislature’s intent in enacting this section in 1982 and
10 in expanding its provisions since then was to significantly increase
11 the approval and construction of new housing for all economic
12 segments of California’s communities by meaningfully and
13 effectively curbing the capability of local governments to deny,
14 reduce the density for, or render infeasible housing development
15 projects and emergency shelters. That intent has not been fulfilled.

16 (L) It is the policy of the state that this section be interpreted
17 and implemented in a manner to afford the fullest possible weight
18 to the interest of, and the approval and provision of, housing.

19 (3) It is the intent of the Legislature that the conditions that
20 would have a specific, adverse impact upon the public health and
21 safety, as described in paragraph (2) of subdivision (d) and
22 paragraph (1) of subdivision (j), arise infrequently.

23 (4) It is the intent of the Legislature that the amendments
24 removing provisions from subparagraphs (D) and (E) of paragraph
25 (6) of subdivision (h) and adding those provisions to Sections
26 65589.5.1 and 65589.5.2 by Assembly Bill 1413 (2023), insofar
27 as they are substantially the same as existing law, shall be
28 considered restatements and continuations of existing law, and not
29 new enactments.

30 (b) It is the policy of the state that a local government not reject
31 or make infeasible housing development projects, including
32 emergency shelters, that contribute to meeting the need determined
33 pursuant to this article without a thorough analysis of the economic,
34 social, and environmental effects of the action and without
35 complying with subdivision (d).

36 (c) The Legislature also recognizes that premature and
37 unnecessary development of agricultural lands for urban uses
38 continues to have adverse effects on the availability of those lands
39 for food and fiber production and on the economy of the state.
40 Furthermore, it is the policy of the state that development should

1 be guided away from prime agricultural lands; therefore, in
2 implementing this section, local jurisdictions should encourage,
3 to the maximum extent practicable, in filling existing urban areas.

4 (d) For a housing development project for very low, low-, or
5 moderate-income households, or an emergency shelter, a local
6 agency shall not disapprove the housing development project or
7 emergency shelter, or condition approval in a manner that renders
8 the housing development project or emergency shelter infeasible,
9 including through the use of design review standards, unless it
10 makes written findings, based upon a preponderance of the
11 evidence in the record, as to one of the following:

12 (1) The jurisdiction has adopted a housing element pursuant to
13 this article that has been revised in accordance with Section 65588,
14 is in substantial compliance with this article, and the jurisdiction
15 has met or exceeded its share of the regional housing need
16 allocation pursuant to Section 65584 for the planning period for
17 the income category proposed for the housing development project,
18 provided that any disapproval or conditional approval shall not be
19 based on any of the reasons prohibited by Section 65008. If the
20 housing development project includes a mix of income categories,
21 and the jurisdiction has not met or exceeded its share of the regional
22 housing need for one or more of those categories, then this
23 paragraph shall not be used to disapprove or conditionally approve
24 the housing development project. The share of the regional housing
25 need met by the jurisdiction shall be calculated consistently with
26 the forms and definitions that may be adopted by the Department
27 of Housing and Community Development pursuant to Section
28 65400. In the case of an emergency shelter, the jurisdiction shall
29 have met or exceeded the need for emergency shelter, as identified
30 pursuant to paragraph (7) of subdivision (a) of Section 65583. Any
31 disapproval or conditional approval pursuant to this paragraph
32 shall be in accordance with applicable law, rule, or standards.

33 (2) The housing development project or emergency shelter as
34 proposed would have a specific, adverse impact upon the public
35 health or safety, and there is no feasible method to satisfactorily
36 mitigate or avoid the specific, adverse impact without rendering
37 the development unaffordable to low- and moderate-income
38 households or rendering the development of the emergency shelter
39 financially infeasible. As used in this paragraph, a “specific,
40 adverse impact” means a significant, quantifiable, direct, and

1 unavoidable impact, based on objective, identified written public
2 health or safety standards, policies, or conditions as they existed
3 on the date the application was deemed complete. The following
4 shall not constitute a specific, adverse impact upon the public
5 health or safety:

6 (A) Inconsistency with the zoning ordinance or general plan
7 land use designation.

8 (B) The eligibility to claim a welfare exemption under
9 subdivision (g) of Section 214 of the Revenue and Taxation Code.

10 (3) The denial of the housing development project or imposition
11 of conditions is required in order to comply with specific state or
12 federal law, and there is no feasible method to comply without
13 rendering the development unaffordable to low- and
14 moderate-income households or rendering the development of the
15 emergency shelter financially infeasible.

16 (4) The housing development project or emergency shelter is
17 proposed on land zoned for agriculture or resource preservation
18 that is surrounded on at least two sides by land being used for
19 agricultural or resource preservation purposes, or which does not
20 have adequate water or wastewater facilities to serve the project.

21 (5) On the date an application for the housing development
22 project or emergency shelter was deemed complete, the jurisdiction
23 had adopted a revised housing element that was in substantial
24 compliance with this article, and the housing development project
25 or emergency shelter was inconsistent with both the jurisdiction's
26 zoning ordinance and general plan land use designation as specified
27 in any element of the general plan.

28 (A) This paragraph shall not be utilized to disapprove or
29 conditionally approve a housing development project proposed on
30 a site, including a candidate site for rezoning, that is identified as
31 suitable or available for very low, low-, or moderate-income
32 households in the jurisdiction's housing element if the housing
33 development project is consistent with the density specified in the
34 housing element, even though the housing development project
35 was inconsistent with both the jurisdiction's zoning ordinance and
36 general plan land use designation on the date the application was
37 deemed complete.

38 (B) If the local agency has failed to identify a zone or zones
39 where emergency shelters are allowed as a permitted use without
40 a conditional use or other discretionary permit, has failed to

1 demonstrate that the identified zone or zones include sufficient
2 capacity to accommodate the need for emergency shelter identified
3 in paragraph (7) of subdivision (a) of Section 65583, or has failed
4 to demonstrate that the identified zone or zones can accommodate
5 at least one emergency shelter, as required by paragraph (4) of
6 subdivision (a) of Section 65583, then this paragraph shall not be
7 utilized to disapprove or conditionally approve an emergency
8 shelter proposed for a site designated in any element of the general
9 plan for industrial, commercial, or multifamily residential uses. In
10 any action in court, the burden of proof shall be on the local agency
11 to show that its housing element does satisfy the requirements of
12 paragraph (4) of subdivision (a) of Section 65583.

13 (6) On the date an application for the housing development
14 project or emergency shelter was deemed complete, the jurisdiction
15 did not have an adopted revised housing element that was in
16 substantial compliance with this article and the housing
17 development project is not a builder's remedy project.

18 (e) Nothing in this section shall be construed to relieve the local
19 agency from complying with the congestion management program
20 required by Chapter 2.6 (commencing with Section 65088) of
21 Division 1 of Title 7 or the California Coastal Act of 1976
22 (Division 20 (commencing with Section 30000) of the Public
23 Resources Code). Neither shall anything in this section be
24 construed to relieve the local agency from making one or more of
25 the findings required pursuant to Section 21081 of the Public
26 Resources Code or otherwise complying with the California
27 Environmental Quality Act (Division 13 (commencing with Section
28 21000) of the Public Resources Code).

29 (f) (1) Except as provided in paragraphs (6) and (8) of this
30 subdivision, and subdivision (o), nothing in this section shall be
31 construed to prohibit a local agency from requiring the housing
32 development project to comply with objective, quantifiable, written
33 development standards, conditions, and policies appropriate to,
34 and consistent with, meeting the jurisdiction's share of the regional
35 housing need pursuant to Section 65584. However, the
36 development standards, conditions, and policies shall be applied
37 to facilitate and accommodate development at the density permitted
38 on the site and proposed by the development. Nothing in this
39 section shall limit a project's eligibility for a density bonus,

1 incentive, or concession, or waiver or reduction of development
2 standards and parking ratios, pursuant to Section 65915.

3 (2) Except as provided in subdivision (o), nothing in this section
4 shall be construed to prohibit a local agency from requiring an
5 emergency shelter project to comply with objective, quantifiable,
6 written development standards, conditions, and policies that are
7 consistent with paragraph (4) of subdivision (a) of Section 65583
8 and appropriate to, and consistent with, meeting the jurisdiction's
9 need for emergency shelter, as identified pursuant to paragraph
10 (7) of subdivision (a) of Section 65583. However, the development
11 standards, conditions, and policies shall be applied by the local
12 agency to facilitate and accommodate the development of the
13 emergency shelter project.

14 (3) Except as provided in subdivision (o), nothing in this section
15 shall be construed to prohibit a local agency from imposing fees
16 and other exactions otherwise authorized by law that are essential
17 to provide necessary public services and facilities to the housing
18 development project or emergency shelter.

19 (4) For purposes of this section, a housing development project
20 or emergency shelter shall be deemed consistent, compliant, and
21 in conformity with an applicable plan, program, policy, ordinance,
22 standard, requirement, or other similar provision if there is
23 substantial evidence that would allow a reasonable person to
24 conclude that the housing development project or emergency
25 shelter is consistent, compliant, or in conformity.

26 (5) For purposes of this section, a change to the zoning ordinance
27 or general plan land use designation subsequent to the date the
28 application was deemed complete shall not constitute a valid basis
29 to disapprove or condition approval of the housing development
30 project or emergency shelter.

31 (6) Notwithstanding paragraphs (1) to (5), inclusive, all of the
32 following apply to a housing development project that is a builder's
33 remedy project:

34 (A) A local agency may only require the project to comply with
35 the objective, quantifiable, written development standards,
36 conditions, and policies that would have applied to the project had
37 it been proposed on a site with a general plan designation and
38 zoning classification that allow the density and unit type proposed
39 by the applicant. If the local agency has no general plan designation
40 or zoning classification that would have allowed the density and

1 unit type proposed by the applicant, the development proponent
2 may identify any objective, quantifiable, written development
3 standards, conditions, and policies associated with a different
4 general plan designation or zoning classification within that
5 jurisdiction, that facilitate the project’s density and unit type, and
6 those shall apply.

7 (B) (i) Except as authorized by paragraphs (1) to (4), inclusive,
8 of subdivision (d), a local agency shall not apply any individual
9 or combination of objective, quantifiable, written development
10 standards, conditions, and policies to the project that do any of the
11 following:

12 (I) Render the project infeasible.

13 (II) Preclude a project that meets the requirements allowed to
14 be imposed by subparagraph (A), as modified by any density bonus,
15 incentive, or concession, or waiver or reduction of development
16 standards and parking ratios, pursuant to Section 65915, from
17 being constructed as proposed by the applicant.

18 (ii) The local agency shall bear the burden of proof of complying
19 with clause (i).

20 (C) (i) A project applicant that qualifies for a density bonus
21 pursuant to Section 65915 shall receive two incentives or
22 concessions in addition to those granted pursuant to paragraph (2)
23 of subdivision (d) of Section 65915.

24 (ii) For a project seeking density bonuses, incentives,
25 concessions, or any other benefits pursuant to Section 65915, and
26 notwithstanding paragraph (6) of subdivision (o) of Section 65915,
27 for purposes of this paragraph, maximum allowable residential
28 density or base density means the density permitted for a builder’s
29 remedy project pursuant to subparagraph (C) of paragraph (11) of
30 subdivision (h).

31 (iii) A local agency shall grant any density bonus pursuant to
32 Section 65915 based on the number of units proposed and
33 allowable pursuant to subparagraph (C) of paragraph (11) of
34 subdivision (h).

35 (iv) A project that dedicates units to extremely low-income
36 households pursuant to subclause (I) of clause (i) of subparagraph
37 (C) of paragraph (3) of subdivision (h) shall be eligible for the
38 same density bonus, incentives or concessions, and waivers or
39 reductions of development standards as provided to a housing
40 development project that dedicates three percentage points more

1 units to very low income households pursuant to paragraph (2) of
2 subdivision (f) of Section 65915.

3 (v) All units dedicated to extremely low-income, very low
4 income, low-income, and moderate-income households pursuant
5 to paragraph (11) of subdivision (h) shall be counted as affordable
6 units in determining whether the applicant qualifies for a density
7 bonus pursuant to Section 65915.

8 (D) (i) The project shall not be required to apply for, or receive
9 approval of, a general plan amendment, specific plan amendment,
10 rezoning, or other legislative approval.

11 (ii) The project shall not be required to apply for, or receive,
12 any approval or permit not generally required of a project of the
13 same type and density proposed by the applicant.

14 (iii) Any project that complies with this paragraph shall be
15 deemed consistent, compliant, and in conformity with an applicable
16 plan, program, policy, ordinance, standard, requirement,
17 redevelopment plan and implementing instruments, or other similar
18 provision for all purposes, and shall not be considered or treated
19 as a nonconforming lot, use, or structure for any purpose.

20 (E) A local agency shall not adopt or impose any requirement,
21 process, practice, or procedure or undertake any course of conduct,
22 including, but not limited to, increased fees or inclusionary housing
23 requirements, that applies to a project solely or partially on the
24 basis that the project is a builder's remedy project.

25 (F) (i) A builder's remedy project shall be deemed to be in
26 compliance with the residential density standards for the purposes
27 of complying with subdivision (b) of Section 65912.123.

28 (ii) A builder's remedy project shall be deemed to be in
29 compliance with the objective zoning standards, objective
30 subdivision standards, and objective design review standards for
31 the purposes of complying with paragraph (5) of subdivision (a)
32 of Section 65913.4.

33 (G) (i) (I) If the local agency had a local affordable housing
34 requirement, as defined in Section 65912.101, that on January 1,
35 2024, required a greater percentage of affordable units than
36 required under subparagraph (A) of paragraph (11) of subdivision
37 (h), or required an affordability level deeper than what is required
38 under subparagraph (A) of paragraph (11) of subdivision (h), then,
39 except as provided in subclauses (II) and (III), the local agency
40 may require a housing development for mixed-income households

1 to comply with an otherwise lawfully applicable local affordability
2 percentage or affordability level. The local agency shall not require
3 housing for mixed-income households to comply with any other
4 aspect of the local affordable housing requirement.

5 (II) Notwithstanding subclause (I), the local affordable housing
6 requirements shall not be applied to require housing for
7 mixed-income households to dedicate more than 20 percent of the
8 units to affordable units of any kind.

9 (III) Housing for mixed-income households that is required to
10 dedicate 20 percent of the units to affordable units shall not be
11 required to dedicate any of the affordable units at an income level
12 deeper than lower income households, as defined in Section
13 50079.5 of the Health and Safety Code.

14 (IV) A local agency may only require housing for mixed-income
15 households to comply with the local percentage requirement or
16 affordability level described in subclause (I) if it first makes written
17 findings, supported by a preponderance of evidence, that
18 compliance with the local percentage requirement or the
19 affordability level, or both, would not render the housing
20 development project infeasible. If a reasonable person could find
21 compliance with either requirement, either alone or in combination,
22 would render the project infeasible, the project shall not be required
23 to comply with that requirement.

24 (ii) Affordable units in the development project shall have a
25 comparable bedroom and bathroom count as the market rate units.

26 (iii) Each affordable unit dedicated pursuant to this subparagraph
27 shall count toward satisfying a local affordable housing
28 requirement. Each affordable unit dedicated pursuant to a local
29 affordable housing requirement that meets the criteria established
30 in this subparagraph shall count towards satisfying the requirements
31 of this subparagraph. This is declaratory of existing law.

32 (7) (A) For a housing development project application that is
33 deemed complete before January 1, 2025, the development
34 proponent for the project may choose to be subject to the provisions
35 of this section that were in place on the date the preliminary
36 application was submitted, or, if the project meets the definition
37 of a builder's remedy project, it may choose to be subject to any
38 or all of the provisions of this section applicable as of January 1,
39 2025.

1 (B) Notwithstanding subdivision (c) of Section 65941.1, for a
2 housing development project deemed complete before January 1,
3 2025, the development proponent may choose to revise their
4 application so that the project is a builder’s remedy project, without
5 being required to resubmit a preliminary application, even if the
6 revision results in the number of residential units or square footage
7 of construction changing by 20 percent or more.

8 (8) A housing development project proposed on a site that is
9 identified as suitable or available for very low, low-, or
10 moderate-income households in the jurisdiction’s housing element,
11 that is consistent with the density specified in the most recently
12 updated and adopted housing element, and that is inconsistent with
13 both the jurisdiction’s zoning ordinance and general plan land use
14 designation on the date the application was deemed complete, shall
15 be subject to the provisions of subparagraphs (A), (B), and (D) of
16 paragraph (6) and paragraph (9).

17 (9) For purposes of this subdivision, “objective, quantifiable,
18 written development standards, conditions, and policies” means
19 criteria that involve no personal or subjective judgment by a public
20 official and are uniformly verifiable by reference to an external
21 and uniform benchmark or criterion available and knowable by
22 both the development applicant or proponent and the public official
23 before submittal, including, but not limited to, any standard,
24 ordinance, or policy described in paragraph (4) of subdivision (o).
25 Nothing herein shall affect the obligation of the housing
26 development project to comply with the minimum building
27 standards approved by the California Building Standards
28 Commission as provided in Part 2.5 (commencing with Section
29 18901) of Division 13 of the Health and Safety Code. In the event
30 that applicable objective, quantifiable, written development
31 standards, conditions, and policies are mutually inconsistent, a
32 development shall be deemed consistent with the criteria that
33 permits the density and unit type closest to that of the proposed
34 project.

35 (g) This section shall be applicable to charter cities because the
36 Legislature finds that the lack of housing, including emergency
37 shelter, is a critical statewide problem.

38 (h) The following definitions apply for the purposes of this
39 section:

- 1 (1) “Feasible” means capable of being accomplished in a
2 successful manner within a reasonable period of time, taking into
3 account economic, environmental, social, and technological factors.
- 4 (2) “Housing development project” means a use consisting of
5 any of the following:
- 6 (A) Residential units only.
- 7 (B) Mixed-use developments consisting of residential and
8 nonresidential uses that meet any of the following conditions:
- 9 (i) At least two-thirds of the new or converted square footage
10 is designated for residential use.
- 11 (ii) At least 50 percent of the new or converted square footage
12 is designated for residential use and the project meets both of the
13 following:
- 14 (I) The project includes at least 500 net new residential units.
- 15 (II) No portion of the project is designated for use as a hotel,
16 motel, bed and breakfast inn, or other transient lodging, except a
17 portion of the project may be designated for use as a residential
18 hotel, as defined in Section 50519 of the Health and Safety Code.
- 19 (iii) At least 50 percent of the net new or converted square
20 footage is designated for residential use and the project meets all
21 of the following:
- 22 (I) The project includes at least 500 net new residential units.
- 23 (II) The project involves the demolition or conversion of at least
24 100,000 square feet of nonresidential use.
- 25 (III) The project demolishes at least 50 percent of the existing
26 nonresidential uses on the site.
- 27 (IV) No portion of the project is designated for use as a hotel,
28 motel, bed and breakfast inn, or other transient lodging, except a
29 portion of the project may be designated for use as a residential
30 hotel, as defined in Section 50519 of the Health and Safety Code.
- 31 (C) Transitional housing or supportive housing.
- 32 (D) Farmworker housing, as defined in subdivision (h) of
33 Section 50199.7 of the Health and Safety Code.
- 34 (3) (A) “Housing for very low, low-, or moderate-income
35 households” means housing for lower income households,
36 mixed-income households, or moderate-income households.
- 37 (B) “Housing for lower income households” means a housing
38 development project in which 100 percent of the units, excluding
39 managers’ units, are dedicated to lower income households, as
40 defined in Section 50079.5 of the Health and Safety Code, at an

1 affordable cost, as defined by Section 50052.5 of the Health and
2 Safety Code, or an affordable rent set in an amount consistent with
3 the rent limits established by the California Tax Credit Allocation
4 Committee. The units shall be subject to a recorded deed restriction
5 for a period of 55 years for rental units and 45 years for
6 owner-occupied units.

7 (C) (i) “Housing for mixed-income households” means any of
8 the following:

9 (I) A housing development project in which at least 7 percent
10 of the total units, as defined in subparagraph (A) of paragraph (8)
11 of subdivision (o) of Section 65915, are dedicated to extremely
12 low income households, as defined in Section 50106 of the Health
13 and Safety Code.

14 (II) A housing development project in which at least 10 percent
15 of the total units, as defined in subparagraph (A) of paragraph (8)
16 of subdivision (o) of Section 65915, are dedicated to very low
17 income households, as defined in Section 50105 of the Health and
18 Safety Code.

19 (III) A housing development project in which at least 13 percent
20 of the total units, as defined in subparagraph (A) of paragraph (8)
21 of subdivision (o) of Section 65915, are dedicated to lower income
22 households, as defined in Section 50079.5 of the Health and Safety
23 Code.

24 (IV) A housing development project in which there are 10 or
25 fewer total units, as defined in subparagraph (A) of paragraph (8)
26 of subdivision (o) of Section 65915, that is on a site that is smaller
27 than one acre, and that is proposed for development at a minimum
28 density of 10 units per acre.

29 (ii) All units dedicated to extremely low income, very low
30 income, and low-income households pursuant to clause (i) shall
31 meet both of the following:

32 (I) The units shall have an affordable housing cost, as defined
33 in Section 50052.5 of the Health and Safety Code, or an affordable
34 rent, as defined in Section 50053 of the Health and Safety Code.

35 (II) The development proponent shall agree to, and the local
36 agency shall ensure, the continued affordability of all affordable
37 rental units included pursuant to this section for 55 years and all
38 affordable ownership units included pursuant to this section for a
39 period of 45 years.

1 (D) “Housing for moderate-income households” means a
2 housing development project in which 100 percent of the units are
3 sold or rented to moderate-income households, as defined in
4 Section 50093 of the Health and Safety Code, at an affordable
5 housing cost, as defined in Section 50052.5 of the Health and
6 Safety Code, or an affordable rent, as defined in Section 50053 of
7 the Health and Safety Code. The units shall be subject to a recorded
8 deed restriction for a period of 55 years for rental units and 45
9 years for owner-occupied units.

10 (4) “Area median income” means area median income as
11 periodically established by the Department of Housing and
12 Community Development pursuant to Section 50093 of the Health
13 and Safety Code.

14 (5) Notwithstanding any other law, until January 1, 2030,
15 “deemed complete” means that the applicant has submitted a
16 preliminary application pursuant to Section 65941.1 or, if the
17 applicant has not submitted a preliminary application, has
18 submitted a complete application pursuant to Section 65943. The
19 local agency shall bear the burden of proof in establishing that the
20 application is not complete.

21 (6) “Disapprove the housing development project” includes any
22 instance in which a local agency does any of the following:

23 (A) Votes or takes final administrative action on a proposed
24 housing development project application and the application is
25 disapproved, including any required land use approvals or
26 entitlements necessary for the issuance of a building permit.

27 (B) Fails to comply with the time periods specified in
28 subdivision (a) of Section 65950. An extension of time pursuant
29 to Article 5 (commencing with Section 65950) shall be deemed to
30 be an extension of time pursuant to this paragraph.

31 (C) Fails to meet the time limits specified in Section 65913.3.

32 (D) Fails to cease a course of conduct undertaken for an
33 improper purpose, such as to harass or to cause unnecessary delay
34 or needless increases in the cost of the proposed housing
35 development project, that effectively disapproves the proposed
36 housing development without taking final administrative action if
37 all of the following conditions are met:

38 (i) The project applicant provides written notice detailing the
39 challenged conduct and why it constitutes disapproval to the local
40 agency established under Section 65100.

1 (ii) Within five working days of receiving the applicant’s written
2 notice described in clause (i), the local agency shall post the notice
3 on the local agency’s internet website, provide a copy of the notice
4 to any person who has made a written request for notices pursuant
5 to subdivision (f) of Section 21167 of the Public Resources Code,
6 and file the notice with the county clerk of each county in which
7 the project will be located. The county clerk shall post the notice
8 and make it available for public inspection in the manner set forth
9 in subdivision (c) of Section 21152 of the Public Resources Code.

10 (iii) The local agency shall consider all objections, comments,
11 evidence, and concerns about the project or the applicant’s written
12 notice and shall not make a determination until at least 60 days
13 after the applicant has given written notice to the local agency
14 pursuant to clause (i).

15 (iv) Within 90 days of receipt of the applicant’s written notice
16 described in clause (i), the local agency shall issue a written
17 statement that it will immediately cease the challenged conduct or
18 issue written findings that comply with both of the following
19 requirements:

20 (I) The findings articulate an objective basis for why the
21 challenged course of conduct is necessary.

22 (II) The findings provide clear instructions on what the applicant
23 must submit or supplement so that the local agency can make a
24 final determination regarding the next necessary approval or set
25 the date and time of the next hearing.

26 (v) (I) If a local agency continues the challenged course of
27 conduct described in the applicant’s written notice and fails to
28 issue the written findings described in clause (iv), the local agency
29 shall bear the burden of establishing that its course of conduct does
30 not constitute a disapproval of the housing development project
31 under this subparagraph in an action taken by the applicant.

32 (II) If an applicant challenges a local agency’s course of conduct
33 as a disapproval under this subparagraph, the local agency’s written
34 findings described in clause (iv) shall be incorporated into the
35 administrative record and be deemed to be the final administrative
36 action for purposes of adjudicating whether the local agency’s
37 course of conduct constitutes a disapproval of the housing
38 development project under this subparagraph.

39 (vi) A local agency’s action in furtherance of complying with
40 the California Environmental Quality Act (Division 13

1 (commencing with Section 21000) of the Public Resources Code),
2 including, but not limited to, imposing mitigating measures, shall
3 not constitute project disapproval under this subparagraph.

4 (E) Fails to comply with Section 65905.5. For purposes of this
5 subparagraph, a builder's remedy project shall be deemed to
6 comply with the applicable, objective general plan and zoning
7 standards in effect at the time an application is deemed complete.

8 (F) (i) Determines that an application for a housing development
9 project is incomplete pursuant to subdivision (a) or (b) of Section
10 65943 and includes in the determination an item that is not required
11 on the local agency's submittal requirement checklist. The local
12 agency shall bear the burden of proof that the required item is
13 listed on the submittal requirement checklist.

14 (ii) In a subsequent review of an application pursuant to Section
15 65943, requests the applicant provide new information that was
16 not identified in the initial determination and upholds this
17 determination in the final written determination on an appeal filed
18 pursuant to subdivision (c) of Section 65943. The local agency
19 shall bear the burden of proof that the required item was identified
20 in the initial determination.

21 (iii) Determines that an application for a housing development
22 project is incomplete pursuant to subdivision (a) or (b) of Section
23 65943, a reasonable person would conclude that the applicant has
24 submitted all of the items required on the local agency's submittal
25 requirement checklist, and the local agency upholds this
26 determination in the final written determination on an appeal filed
27 pursuant to subdivision (c) of Section 65943.

28 (iv) If a local agency determines that an application is
29 incomplete under Section 65943 after two resubmittals of the
30 application by the applicant, the local agency shall bear the burden
31 of establishing that the determination is not an effective disapproval
32 of a housing development project under this section.

33 (G) Violates subparagraph (D) or (E) of paragraph (6) of
34 subdivision (f).

35 (H) Makes a written determination that a preliminary application
36 described in subdivision (a) of Section 65941.1 has expired or that
37 the applicant has otherwise lost its vested rights under the
38 preliminary application for any reason other than those described
39 in subdivisions ~~(e)~~ and (d) and (e) of Section 65941.1.

1 (I) (i) Fails to make a determination of whether the project is
2 exempt from the California Environmental Quality Act (Division
3 13 (commencing with Section 21000) of the Public Resources
4 Code), or commits an abuse of discretion, as defined in subdivision
5 (b) of Section 65589.5.1 if all of the conditions in Section
6 65589.5.1 are satisfied.

7 (ii) This subparagraph shall become inoperative on January 1,
8 2031.

9 (J) (i) Fails to adopt a negative declaration or addendum for
10 the project, to certify an environmental impact report for the
11 project, or to approve another comparable environmental document,
12 such as a sustainable communities environmental assessment
13 pursuant to Section 21155.2 of the Public Resources Code, as
14 required pursuant to the California Environmental Quality Act
15 (Division 13 (commencing with Section 21000) of the Public
16 Resources Code), if all of the conditions in Section 65589.5.2 are
17 satisfied.

18 (ii) This subparagraph shall become inoperative on January 1,
19 2031.

20 (7) (A) For purposes of this section and Sections 65589.5.1 and
21 65589.5.2, “lawful determination” means any final decision about
22 whether to approve or disapprove a statutory or categorical
23 exemption or a negative declaration, addendum, environmental
24 impact report, or comparable environmental review document
25 under the California Environmental Quality Act (Division 13
26 (commencing with Section 21000) of the Public Resources Code)
27 that is not an abuse of discretion, as defined in subdivision (b) of
28 Section 65589.5.1 or subdivision (b) of Section 65589.5.2.

29 (B) This paragraph shall become inoperative on January 1, 2031.

30 (8) “Lower density” includes any conditions that have the same
31 effect or impact on the ability of the project to provide housing.

32 (9) Until January 1, 2030, “objective” means involving no
33 personal or subjective judgment by a public official and being
34 uniformly verifiable by reference to an external and uniform
35 benchmark or criterion available and knowable by both the
36 development applicant or proponent and the public official.

37 (10) Notwithstanding any other law, until January 1, 2030,
38 “determined to be complete” means that the applicant has submitted
39 a complete application pursuant to Section 65943.

1 (11) “Builder’s remedy project” means a project that meets all
2 of the following criteria:

3 (A) The project is a housing development project that provides
4 housing for very low, low-, or moderate-income households.

5 (B) On or after the date an application for the housing
6 development project or emergency shelter was deemed complete,
7 the jurisdiction did not have a housing element that was in
8 substantial compliance with this article.

9 (C) The project has a density such that the number of units, as
10 calculated before the application of a density bonus pursuant to
11 Section 65915, complies with all of the following conditions:

12 (i) The density does not exceed the greatest of the following
13 densities:

14 (I) Fifty percent greater than the minimum density deemed
15 appropriate to accommodate housing for that jurisdiction as
16 specified in subparagraph (B) of paragraph (3) of subdivision (c)
17 of Section 65583.2.

18 (II) Three times the density allowed by the general plan, zoning
19 ordinance, or state law, whichever is greater.

20 (III) The density that is consistent with the density specified in
21 the housing element.

22 (ii) Notwithstanding clause (i), the greatest allowable density
23 shall be 35 units per acre more than the amount allowable pursuant
24 to clause (i), if any portion of the site is located within any of the
25 following:

26 (I) One-half mile of a major transit stop, as defined in Section
27 21064.3 of the Public Resources Code.

28 (II) A very low vehicle travel area, as defined in subdivision
29 (b) of Section 65589.5.1.

30 (III) A high or highest resource census tract, as identified by
31 the latest edition of the “CTCAC/HCD Opportunity Map”
32 published by the California Tax Credit Allocation Committee and
33 the Department of Housing and Community Development.

34 (D) (i) On sites that have a minimum density requirement and
35 are located within one-half mile of a commuter rail station or a
36 heavy rail station, the density of the project shall not be less than
37 the minimum density required on the site.

38 (I) For purposes of this subparagraph, “commuter rail” means
39 a railway that is not a light rail, streetcar, trolley, or tramway and
40 that is for urban passenger train service consisting of local short

1 distance travel operating between a central city and adjacent suburb
2 with service operated on a regular basis by or under contract with
3 a transit operator for the purpose of transporting passengers within
4 urbanized areas, or between urbanized areas and outlying areas,
5 using either locomotive-hauled or self-propelled railroad passenger
6 cars, with multitrip tickets and specific station-to-station fares.

7 (II) For purposes of this subparagraph, “heavy rail” means an
8 electric railway with the capacity for a heavy volume of traffic
9 using high speed and rapid acceleration passenger rail cars
10 operating singly or in multicar trains on fixed rails, separate
11 rights-of-way from which all other vehicular and foot traffic are
12 excluded, and high platform loading.

13 (ii) On all other sites with a minimum density requirement, the
14 density of the project shall not be less than the local agency’s
15 minimum density or one-half of the minimum density deemed
16 appropriate to accommodate housing for that jurisdiction as
17 specified in subparagraph (B) of paragraph (3) of subdivision (c)
18 of Section 65583.2, whichever is lower.

19 (E) The project site does not abut a site where more than
20 one-third of the square footage on the site has been used, within
21 the past three years, by a heavy industrial use, or a Title V
22 industrial use, as those terms are defined in Section 65913.16.

23 (12) “Condition approval” includes imposing on the housing
24 development project, or attempting to subject it to, development
25 standards, conditions, or policies.

26 (13) “Unit type” means the form of ownership and the kind of
27 residential unit, including, but not limited to, single-family
28 detached, single-family attached, for-sale, rental, multifamily,
29 townhouse, condominium, apartment, manufactured homes and
30 mobilehomes, factory-built housing, and residential hotel.

31 (14) “Proposed by the applicant” means the plans and designs
32 as submitted by the applicant, including, but not limited to, density,
33 unit size, unit type, site plan, building massing, floor area ratio,
34 amenity areas, open space, parking, and ancillary commercial uses.

35 (i) If any city, county, or city and county denies approval or
36 imposes conditions, including design changes, lower density, or
37 a reduction of the percentage of a lot that may be occupied by a
38 building or structure under the applicable planning and zoning in
39 force at the time the housing development project’s application is
40 complete, that have a substantial adverse effect on the viability or

1 affordability of a housing development for very low, low-, or
2 moderate-income households, and the denial of the development
3 or the imposition of conditions on the development is the subject
4 of a court action which challenges the denial or the imposition of
5 conditions, then the burden of proof shall be on the local legislative
6 body to show that its decision is consistent with the findings as
7 described in subdivision (d), and that the findings are supported
8 by a preponderance of the evidence in the record, and with the
9 requirements of subdivision (o).

10 (j) (1) When a proposed housing development project complies
11 with applicable, objective general plan, zoning, and subdivision
12 standards and criteria, including design review standards, in effect
13 at the time that the application was deemed complete, but the local
14 agency proposes to disapprove the project or to impose a condition
15 that the project be developed at a lower density, the local agency
16 shall base its decision regarding the proposed housing development
17 project upon written findings supported by a preponderance of the
18 evidence on the record that both of the following conditions exist:

19 (A) The housing development project would have a specific,
20 adverse impact upon the public health or safety unless the project
21 is disapproved or approved upon the condition that the project be
22 developed at a lower density. As used in this paragraph, a “specific,
23 adverse impact” means a significant, quantifiable, direct, and
24 unavoidable impact, based on objective, identified written public
25 health or safety standards, policies, or conditions as they existed
26 on the date the application was deemed complete.

27 (B) There is no feasible method to satisfactorily mitigate or
28 avoid the adverse impact identified pursuant to paragraph (1), other
29 than the disapproval of the housing development project or the
30 approval of the project upon the condition that it be developed at
31 a lower density.

32 (2) (A) If the local agency considers a proposed housing
33 development project to be inconsistent, not in compliance, or not
34 in conformity with an applicable plan, program, policy, ordinance,
35 standard, requirement, or other similar provision as specified in
36 this subdivision, it shall provide the applicant with written
37 documentation identifying the provision or provisions, and an
38 explanation of the reason or reasons it considers the housing
39 development to be inconsistent, not in compliance, or not in
40 conformity as follows:

1 (i) Within 30 days of the date that the application for the housing
2 development project is determined to be complete, if the housing
3 development project contains 150 or fewer housing units.

4 (ii) Within 60 days of the date that the application for the
5 housing development project is determined to be complete, if the
6 housing development project contains more than 150 units.

7 (B) If the local agency fails to provide the required
8 documentation pursuant to subparagraph (A), the housing
9 development project shall be deemed consistent, compliant, and
10 in conformity with the applicable plan, program, policy, ordinance,
11 standard, requirement, or other similar provision.

12 (3) For purposes of this section, the receipt of a density bonus,
13 incentive, concession, waiver, or reduction of development
14 standards pursuant to Section 65915 shall not constitute a valid
15 basis on which to find a proposed housing development project is
16 inconsistent, not in compliance, or not in conformity, with an
17 applicable plan, program, policy, ordinance, standard, requirement,
18 or other similar provision specified in this subdivision.

19 (4) For purposes of this section, a proposed housing development
20 project is not inconsistent with the applicable zoning standards
21 and criteria, and shall not require a rezoning, if the housing
22 development project is consistent with the objective general plan
23 standards and criteria but the zoning for the project site is
24 inconsistent with the general plan. If the local agency has complied
25 with paragraph (2), the local agency may require the proposed
26 housing development project to comply with the objective
27 standards and criteria of the zoning which is consistent with the
28 general plan, however, the standards and criteria shall be applied
29 to facilitate and accommodate development at the density allowed
30 on the site by the general plan and proposed by the proposed
31 housing development project.

32 (k) (1) (A) (i) The applicant, a person who would be eligible
33 to apply for residency in the housing development project or
34 emergency shelter, or a housing organization may bring an action
35 to enforce this section. If, in any action brought to enforce this
36 section, a court finds that any of the following are met, the court
37 shall issue an order pursuant to clause (ii):

38 (I) The local agency, in violation of subdivision (d), disapproved
39 a housing development project or conditioned its approval in a
40 manner rendering it infeasible for the development of an emergency

1 shelter, or housing for very low, low-, or moderate-income
2 households, including farmworker housing, without making the
3 findings required by this section.

4 (II) The local agency, in violation of subdivision (j), disapproved
5 a housing development project complying with applicable,
6 objective general plan and zoning standards and criteria, or imposed
7 a condition that the project be developed at a lower density, without
8 making the findings required by this section.

9 (III) (ia) Subject to sub-subclause (ib), the local agency, in
10 violation of subdivision (o), required or attempted to require a
11 housing development project to comply with an ordinance, policy,
12 or standard not adopted and in effect when a preliminary
13 application was submitted.

14 (ib) This subclause shall become inoperative on January 1, 2030.

15 (IV) The local agency violated a provision of this section
16 applicable to a builder's remedy project.

17 (ii) If the court finds that one of the conditions in clause (i) is
18 met, the court shall issue an order or judgment compelling
19 compliance with this section within a time period not to exceed
20 60 days, including, but not limited to, an order that the local agency
21 take action on the housing development project or emergency
22 shelter. The court may issue an order or judgment directing the
23 local agency to approve the housing development project or
24 emergency shelter if the court finds that the local agency acted in
25 bad faith when it disapproved or conditionally approved the
26 housing development or emergency shelter in violation of this
27 section. The court shall retain jurisdiction to ensure that its order
28 or judgment is carried out and shall award reasonable attorney's
29 fees and costs of suit to the plaintiff or petitioner, provided,
30 however, that the court shall not award attorney's fees in either of
31 the following instances:

32 (I) The court finds, under extraordinary circumstances, that
33 awarding fees would not further the purposes of this section.

34 (II) (ia) In a case concerning a disapproval within the meaning
35 of subparagraph (I) or (J) of paragraph (6) of subdivision (h), the
36 court finds that the local agency acted in good faith and had
37 reasonable cause to disapprove the housing development project
38 due to the existence of a controlling question of law about the
39 application of the California Environmental Quality Act (Division
40 13 (commencing with Section 21000) of the Public Resources

1 Code) or implementing guidelines as to which there was a
2 substantial ground for difference of opinion at the time of the
3 disapproval.

4 (ib) This subclause shall become inoperative on January 1, 2031.

5 (B) Upon a determination that the local agency has failed to
6 comply with the order or judgment compelling compliance with
7 this section within the time period prescribed by the court, the
8 court shall impose fines on a local agency that has violated this
9 section and require the local agency to deposit any fine levied
10 pursuant to this subdivision into a local housing trust fund. The
11 local agency may elect to instead deposit the fine into the Building
12 Homes and Jobs Trust Fund. The fine shall be in a minimum
13 amount of ten thousand dollars (\$10,000) per housing unit in the
14 housing development project on the date the application was
15 deemed complete pursuant to Section 65943. In determining the
16 amount of the fine to impose, the court shall consider the local
17 agency's progress in attaining its target allocation of the regional
18 housing need pursuant to Section 65584 and any prior violations
19 of this section. Fines shall not be paid out of funds already
20 dedicated to affordable housing, including, but not limited to, Low
21 and Moderate Income Housing Asset Funds, funds dedicated to
22 housing for very low, low-, and moderate-income households, and
23 federal HOME Investment Partnerships Program and Community
24 Development Block Grant Program funds. The local agency shall
25 commit and expend the money in the local housing trust fund
26 within five years for the sole purpose of financing newly
27 constructed housing units affordable to extremely low, very low,
28 or low-income households. After five years, if the funds have not
29 been expended, the money shall revert to the state and be deposited
30 in the Building Homes and Jobs Trust Fund for the sole purpose
31 of financing newly constructed housing units affordable to
32 extremely low, very low, or low-income households.

33 (C) If the court determines that its order or judgment has not
34 been carried out within 60 days, the court may issue further orders
35 as provided by law to ensure that the purposes and policies of this
36 section are fulfilled, including, but not limited to, an order to vacate
37 the decision of the local agency and to approve the housing
38 development project, in which case the application for the housing
39 development project, as proposed by the applicant at the time the
40 local agency took the initial action determined to be in violation

1 of this section, along with any standard conditions determined by
2 the court to be generally imposed by the local agency on similar
3 projects, shall be deemed to be approved unless the applicant
4 consents to a different decision or action by the local agency.

5 (D) Nothing in this section shall limit the court's inherent
6 authority to make any other orders to compel the immediate
7 enforcement of any writ brought under this section, including the
8 imposition of fees and other sanctions set forth under Section 1097
9 of the Code of Civil Procedure.

10 (2) For purposes of this subdivision, "housing organization"
11 means a trade or industry group whose local members are primarily
12 engaged in the construction or management of housing units or a
13 nonprofit organization whose mission includes providing or
14 advocating for increased access to housing for low-income
15 households and have filed written or oral comments with the local
16 agency prior to action on the housing development project. A
17 housing organization may only file an action pursuant to this
18 section to challenge the disapproval of a housing development by
19 a local agency. A housing organization shall be entitled to
20 reasonable attorney's fees and costs if it is the prevailing party in
21 an action to enforce this section.

22 (l) If the court finds that the local agency (1) acted in bad faith
23 when it violated this section and (2) failed to carry out the court's
24 order or judgment within the time period prescribed by the court,
25 the court, in addition to any other remedies provided by this
26 section, shall multiply the fine determined pursuant to subparagraph
27 (B) of paragraph (1) of subdivision (k) by a factor of five. If a court
28 has previously found that the local agency violated this section
29 within the same planning period, the court shall multiply the fines
30 by an additional factor for each previous violation. For purposes
31 of this section, "bad faith" includes, but is not limited to, an action
32 or inaction that is frivolous, pretextual, intended to cause
33 unnecessary delay, or entirely without merit.

34 (m) (1) Any action brought to enforce the provisions of this
35 section shall be brought pursuant to Section 1094.5 of the Code
36 of Civil Procedure, and the local agency shall prepare and certify
37 the record of proceedings in accordance with subdivision (c) of
38 Section 1094.6 of the Code of Civil Procedure no later than 30
39 days after the petition is served, provided that the cost of
40 preparation of the record shall be borne by the local agency, unless

1 the petitioner elects to prepare the record as provided in subdivision
2 (n) of this section. A petition to enforce the provisions of this
3 section shall be filed and served no later than 90 days from the
4 later of (1) the effective date of a decision of the local agency
5 imposing conditions on, disapproving, or any other final action on
6 a housing development project or (2) the expiration of the time
7 periods specified in subparagraph (B) of paragraph (5) of
8 subdivision (h). Upon entry of the trial court's order, a party may,
9 in order to obtain appellate review of the order, file a petition
10 within 20 days after service upon it of a written notice of the entry
11 of the order, or within such further time not exceeding an additional
12 20 days as the trial court may for good cause allow, or may appeal
13 the judgment or order of the trial court under Section 904.1 of the
14 Code of Civil Procedure. If the local agency appeals the judgment
15 of the trial court, the local agency shall post a bond, in an amount
16 to be determined by the court, to the benefit of the plaintiff if the
17 plaintiff is the project applicant.

18 (2) (A) A disapproval within the meaning of subparagraph (I)
19 of paragraph (6) of subdivision (h) shall be final for purposes of
20 this subdivision, if the local agency did not make a lawful
21 determination within the time period set forth in paragraph (5) of
22 subdivision (a) of Section 65589.5.1 after the applicant's timely
23 written notice.

24 (B) This paragraph shall become inoperative on January 1, 2031.

25 (3) (A) A disapproval within the meaning of subparagraph (J)
26 of paragraph (6) of subdivision (h) shall be final for purposes of
27 this subdivision, if the local agency did not make a lawful
28 determination within 90 days of the applicant's timely written
29 notice.

30 (B) This paragraph shall become inoperative on January 1, 2031.

31 (n) In any action, the record of the proceedings before the local
32 agency shall be filed as expeditiously as possible and,
33 notwithstanding Section 1094.6 of the Code of Civil Procedure or
34 subdivision (m) of this section, all or part of the record may be
35 prepared (1) by the petitioner with the petition or petitioner's points
36 and authorities, (2) by the respondent with respondent's points and
37 authorities, (3) after payment of costs by the petitioner, or (4) as
38 otherwise directed by the court. If the expense of preparing the
39 record has been borne by the petitioner and the petitioner is the
40 prevailing party, the expense shall be taxable as costs.

1 (o) (1) Subject to paragraphs (2), (6), and (7), and subdivision
2 (d) of Section 65941.1, a housing development project shall be
3 subject only to the ordinances, policies, and standards adopted and
4 in effect when a preliminary application including all of the
5 information required by subdivision (a) of Section 65941.1 was
6 submitted.

7 (2) Paragraph (1) shall not prohibit a housing development
8 project from being subject to ordinances, policies, and standards
9 adopted after the preliminary application was submitted pursuant
10 to Section 65941.1 in the following circumstances:

11 (A) In the case of a fee, charge, or other monetary exaction, to
12 an increase resulting from an automatic annual adjustment based
13 on an independently published cost index that is referenced in the
14 ordinance or resolution establishing the fee or other monetary
15 exaction.

16 (B) A preponderance of the evidence in the record establishes
17 that subjecting the housing development project to an ordinance,
18 policy, or standard beyond those in effect when a preliminary
19 application was submitted is necessary to mitigate or avoid a
20 specific, adverse impact upon the public health or safety, as defined
21 in subparagraph (A) of paragraph (1) of subdivision (j), and there
22 is no feasible alternative method to satisfactorily mitigate or avoid
23 the adverse impact.

24 (C) Subjecting the housing development project to an ordinance,
25 policy, standard, or any other measure, beyond those in effect when
26 a preliminary application was submitted is necessary to avoid or
27 substantially lessen an impact of the project under the California
28 Environmental Quality Act (Division 13 (commencing with Section
29 21000) of the Public Resources Code).

30 (D) The housing development project has not commenced
31 construction within two and one-half years, or three and one-half
32 years for an affordable housing project, following the date that the
33 project received final approval. For purposes of this subparagraph:

34 (i) “Affordable housing project” means a housing development
35 that satisfies both of the following requirements:

36 (I) Units within the development are subject to a recorded
37 affordability restriction for at least 55 years for rental housing and
38 45 years for owner-occupied housing, or the first purchaser of each
39 unit participates in an equity sharing agreement as described in

1 subparagraph (C) of paragraph (2) of subdivision (c) of Section
2 65915.

3 (II) All of the units within the development, excluding managers’
4 units, are dedicated to lower income households, as defined by
5 Section 50079.5 of the Health and Safety Code.

6 (ii) “Final approval” means that the housing development project
7 has received all necessary approvals to be eligible to apply for,
8 and obtain, a building permit or permits and either of the following
9 is met:

10 (I) The expiration of all applicable appeal periods, petition
11 periods, reconsideration periods, or statute of limitations for
12 challenging that final approval without an appeal, petition, request
13 for reconsideration, or legal challenge having been filed.

14 (II) If a challenge is filed, that challenge is fully resolved or
15 settled in favor of the housing development project.

16 (E) The housing development project is revised following
17 submittal of a preliminary application pursuant to Section 65941.1
18 such that the number of residential units or square footage of
19 construction changes by 20 percent or more, exclusive of any
20 increase resulting from the receipt of a density bonus, incentive,
21 concession, waiver, or similar provision, including any other locally
22 authorized program that offers additional density or other
23 development bonuses when affordable housing is provided. For
24 purposes of this subdivision, “square footage of construction”
25 means the building area, as defined by the California Building
26 Standards Code (Title 24 of the California Code of Regulations).

27 (3) This subdivision does not prevent a local agency from
28 subjecting the additional units or square footage of construction
29 that result from project revisions occurring after a preliminary
30 application is submitted pursuant to Section 65941.1 to the
31 ordinances, policies, and standards adopted and in effect when the
32 preliminary application was submitted.

33 (4) For purposes of this subdivision, “ordinances, policies, and
34 standards” includes general plan, community plan, specific plan,
35 zoning, design review standards and criteria, subdivision standards
36 and criteria, and any other rules, regulations, requirements, and
37 policies of a local agency, as defined in Section 66000, including
38 those relating to development impact fees, capacity or connection
39 fees or charges, permit or processing fees, and other exactions.

1 (5) This subdivision shall not be construed in a manner that
2 would lessen the restrictions imposed on a local agency, or lessen
3 the protections afforded to a housing development project, that are
4 established by any other law, including any other part of this
5 section.

6 (6) This subdivision shall not restrict the authority of a public
7 agency or local agency to require mitigation measures to lessen
8 the impacts of a housing development project under the California
9 Environmental Quality Act (Division 13 (commencing with Section
10 21000) of the Public Resources Code).

11 (7) With respect to completed residential units for which the
12 project approval process is complete and a certificate of occupancy
13 has been issued, nothing in this subdivision shall limit the
14 application of later enacted ordinances, policies, and standards
15 that regulate the use and occupancy of those residential units, such
16 as ordinances relating to rental housing inspection, rent
17 stabilization, restrictions on short-term renting, and business
18 licensing requirements for owners of rental housing.

19 (8) (A) This subdivision shall apply to a housing development
20 project that submits a preliminary application pursuant to Section
21 65941.1 before January 1, 2030.

22 (B) This subdivision shall become inoperative on January 1,
23 2034.

24 (p) (1) Upon any motion for an award of attorney's fees
25 pursuant to Section 1021.5 of the Code of Civil Procedure, in a
26 case challenging a local agency's approval of a housing
27 development project, a court, in weighing whether a significant
28 benefit has been conferred on the general public or a large class
29 of persons and whether the necessity of private enforcement makes
30 the award appropriate, shall give due weight to the degree to which
31 the local agency's approval furthers policies of this section,
32 including, but not limited to, subdivisions (a), (b), and (c), the
33 suitability of the site for a housing development, and the
34 reasonableness of the decision of the local agency. It is the intent
35 of the Legislature that attorney's fees and costs shall rarely, if ever,
36 be awarded if a local agency, acting in good faith, approved a
37 housing development project that satisfies conditions established
38 in paragraph (1), (2), or (3) of subdivision (a) of Section 65589.5.1
39 or paragraph (1), (2), or (3) of subdivision (a) of Section 65589.5.2.

1 (2) This subdivision shall become inoperative on January 1,
2 2031.

3 (q) This section shall be known, and may be cited, as the
4 Housing Accountability Act.

5 (r) The provisions of this section are severable. If any provision
6 of this section or its application is held invalid, that invalidity shall
7 not affect other provisions or applications that can be given effect
8 without the invalid provision or application.

9 *SEC. 3. Section 65863.10 of the Government Code is amended*
10 *to read:*

11 65863.10. (a) As used in this section, the following terms have
12 the following meanings:

13 (1) “Affected public entities” means the mayor of the city in
14 which the assisted housing development is located, or, if located
15 in an unincorporated area, the chair of the board of supervisors of
16 the county; the appropriate local public housing authority, if any;
17 and the Department of Housing and Community Development.

18 (2) “Affected tenant” means a tenant household residing in an
19 assisted housing development, as defined in paragraph (3), at the
20 time notice is required to be provided pursuant to this section, that
21 benefits from the government assistance.

22 (3) “Assisted housing development” means a multifamily rental
23 housing development of five or more units that receives
24 governmental assistance under any of the following programs:

25 (A) New construction, substantial rehabilitation, moderate
26 rehabilitation, property disposition, and loan management set-aside
27 programs, or any other program providing project-based assistance,
28 under Section 8 of the United States Housing Act of 1937, as
29 amended (42 U.S.C. Sec. 1437f).

30 (B) The following federal programs:

31 (i) The Below-Market-Interest-Rate Program under Section
32 221(d)(3) of the National Housing Act (12 U.S.C. Sec. 1715l(d)(3)
33 and (5)).

34 (ii) Section 236 of the National Housing Act (12 U.S.C. Sec.
35 1715z-1).

36 (iii) Section 202 of the Housing Act of 1959 (12 U.S.C. Sec.
37 1701q).

38 (iv) Section 811 of the Cranston-Gonzalez National Affordable
39 Housing Act (42 U.S.C. Sec. 8013).

- 1 (C) Programs for rent supplement assistance under Section 101
2 of the Housing and Urban Development Act of 1965, as amended
3 (12 U.S.C. Sec. 1701s).
- 4 (D) Programs under Sections 514, 515, 516, 521, 533, and 538
5 of the Housing Act of 1949, as amended (42 U.S.C. Sec. 1485).
- 6 (E) Section 42 of the Internal Revenue Code.
- 7 (F) Section 142(d) of the Internal Revenue Code or its
8 predecessors (tax-exempt private activity mortgage revenue bonds).
- 9 (G) Section 147 of the Internal Revenue Code (Section 501(c)(3)
10 bonds).
- 11 (H) Title I of the Housing and Community Development Act
12 of 1974, as amended (Community Development Block Grant
13 Program).
- 14 (I) Title II of the Cranston-Gonzalez National Affordable
15 Housing Act of 1990, as amended (HOME Investment Partnership
16 Program).
- 17 (J) Titles IV and V of the McKinney-Vento Homeless Assistance
18 Act of 1987, as amended, including the Department of Housing
19 and Urban Development's Supportive Housing Program, Shelter
20 Plus Care Program, and surplus federal property disposition
21 program.
- 22 (K) Grants and loans made by the Department of Housing and
23 Community Development, including the Rental Housing
24 Construction Program, CHRP-R, and other rental housing finance
25 programs.
- 26 (L) Grants and loans made by the California Housing Finance
27 Agency for rental housing.
- 28 (M) Chapter 1138 of the Statutes of 1987.
- 29 (N) The following assistance provided by counties or cities in
30 exchange for restrictions on the maximum rents that may be
31 charged for units within a multifamily rental housing development
32 and on the maximum tenant income as a condition of eligibility
33 for occupancy of the unit subject to the rent restriction, as reflected
34 by a recorded agreement, or other legally enforceable agreement,
35 with a county or city:
- 36 (i) Loans or grants provided using tax increment financing
37 pursuant to the Community Redevelopment Law (Part 1
38 (commencing with Section 33000) of Division 24 of the Health
39 and Safety Code).

1 (ii) Local housing trust funds, as referred to in paragraph (3) of
2 subdivision (a) of Section 50843 of the Health and Safety Code.

3 (iii) The sale or lease of public property at or below market
4 rates.

5 (iv) The granting of density bonuses, or concessions or
6 incentives, including fee waivers, parking variances, or
7 amendments to general plans, zoning, or redevelopment project
8 area plans, pursuant to Chapter 4.3 (commencing with Section
9 65915).

10 (v) The Middle Class Housing Act of 2022 (Section 65852.24).

11 (vi) Streamlining assistance pursuant to the Affordable Housing
12 and High Road Jobs Act of 2022 (Chapter 4.1 (commencing with
13 Section 65912.100)).

14 (vii) Section 65913.4.

15 (viii) The Affordable Housing on Faith and Higher Education
16 Lands Act of 2023 (Section 65913.16).

17 Assistance pursuant to this subparagraph shall not include the
18 use of tenant-based Housing Choice Vouchers (Section 8(o) of the
19 United States Housing Act of 1937, 42 U.S.C. Sec. 1437f(o),
20 excluding paragraph (13) relating to project-based assistance).
21 Restrictions shall not include any rent control or rent stabilization
22 ordinance imposed by a county, city, or city and county.

23 (4) “City” means a general law city, a charter city, or a city and
24 county.

25 (5) “Expiration of rental restrictions” means the expiration of
26 rental restrictions for an assisted housing development described
27 in paragraph (3) unless the development has other recorded
28 agreements restricting the rent to the same or lesser levels for at
29 least 50 percent of the units or the same number of units under the
30 rent restrictions prior to the expiration, whichever is greater.

31 (6) “Low or moderate income” means having an income as
32 defined in Section 50093 of the Health and Safety Code.

33 (7) “Owner” means an individual, corporation, association,
34 partnership, joint venture, or business entity that holds title to the
35 land on which an assisted housing development is located. If the
36 assisted housing development is the subject of a leasehold interest,
37 “owner” also means an individual, corporation, association,
38 partnership, joint venture, or business entity that holds a leasehold
39 interest in the assisted housing development, and the owner holding
40 title to the land and the owner with a leasehold interest in the

1 assisted housing development shall be jointly responsible for
2 compliance.

3 (8) “Prepayment” means the payment in full or refinancing of
4 the federally insured or federally held mortgage indebtedness prior
5 to its original maturity date, or the voluntary cancellation of
6 mortgage insurance, on an assisted housing development described
7 in paragraph (3) that would have the effect of removing the current
8 rent or occupancy or rent and occupancy restrictions contained in
9 the applicable laws and the regulatory agreement.

10 (9) “Termination” means the failure of an owner to extend or
11 renew its participation in a federal, state, or local government
12 subsidy program or private, nongovernmental subsidy program
13 for an assisted housing development described in paragraph (3),
14 either at or prior to the scheduled date of the expiration of the
15 contract, that may result in an increase in tenant rents or a change
16 in the form of the subsidy from project-based to tenant-based.

17 (b) (1) At least 12 months prior to the anticipated date of the
18 termination of a subsidy contract, the expiration of rental
19 restrictions, or prepayment on an assisted housing development,
20 the owner shall provide a notice of the proposed change to each
21 affected tenant household residing in the assisted housing
22 development at the time the notice is provided and to the affected
23 public entities. An owner who meets the requirements of Section
24 65863.13 shall be exempt from providing that notice. The notice
25 shall contain all of the following:

26 (A) In the event of termination, a statement that the owner
27 intends to terminate the subsidy contract or rental restrictions upon
28 its expiration date, or the expiration date of any contract extension
29 thereto.

30 (B) In the event of the expiration of rental restrictions, a
31 statement that the restrictions will expire, and in the event of
32 prepayment, termination, or the expiration of rental restrictions,
33 whether the owner might increase rents during the 12 months
34 following prepayment, termination, or the expiration of rental
35 restrictions.

36 (C) In the event of prepayment, a statement that the owner
37 intends to pay in full or refinance the federally insured or federally
38 held mortgage indebtedness prior to its original maturity date, or
39 voluntarily cancel the mortgage insurance.

1 (D) The anticipated date of the termination, prepayment of the
2 federal or other program or expiration of rental restrictions, and
3 the identity of the federal or other program described in subdivision
4 (a).

5 (E) A statement that the proposed change would have the effect
6 of removing the current low-income affordability restrictions in
7 the applicable contract or regulatory agreement.

8 (F) A statement whether or not the applicable program allows
9 the owner to elect to keep the housing in the program after the
10 proposed termination or prepayment date and, if so, a statement
11 as to whether the owner expects to elect to keep the housing in the
12 program after such date if allowed.

13 (G) A statement whether other governmental assistance will be
14 provided to tenants residing in the development at the time of the
15 termination of the subsidy contract or prepayment.

16 (H) A statement that a subsequent notice of the proposed change,
17 including anticipated changes in rents, if any, for the development,
18 will be provided at least six months prior to the anticipated date
19 of termination of the subsidy contract, or expiration of rental
20 restrictions, or prepayment.

21 (I) A statement that the notice of opportunity to submit an offer
22 to purchase has been sent to qualified entities, is attached to or
23 included in the notice, and is posted in the common area of the
24 development, as required in Section 65863.11.

25 (2) Notwithstanding paragraph (1), if an owner provides a copy
26 of a federally required notice of termination of a subsidy contract
27 or prepayment at least 12 months prior to the proposed change to
28 each affected tenant household residing in the assisted housing
29 development at the time the notice is provided and to the affected
30 public entities, the owner shall be deemed in compliance with this
31 subdivision, if the notice is in compliance with all federal laws.
32 However, the federally required notice does not satisfy the
33 requirements of Section 65863.11.

34 (c) (1) At least six months prior to the anticipated date of
35 termination of a subsidy contract, expiration of rental restrictions
36 or prepayment on an assisted housing development, the owner
37 shall provide a notice of the proposed change to each affected
38 tenant household residing in the assisted housing development at
39 the time the notice is provided and to the affected public entities.

1 An owner who meets the requirements of Section 65863.13 shall
2 be exempt from providing that notice.

3 (2) The notice to the tenants shall contain all of the following:

4 (A) The anticipated date of the termination or prepayment of
5 the federal or other program, or the expiration of rental restrictions,
6 and the identity of the federal or other program, as described in
7 subdivision (a).

8 (B) The current rent and rent anticipated for the unit during the
9 12 months immediately following the date of the prepayment or
10 termination of the federal or other program, or expiration of rental
11 restrictions.

12 (C) A statement that a copy of the notice will be sent to the city,
13 county, or city and county, where the assisted housing development
14 is located, to the appropriate local public housing authority, if any,
15 and to the Department of Housing and Community Development.

16 (D) A statement of the possibility that the housing may remain
17 in the federal or other program after the proposed date of subsidy
18 termination or prepayment if the owner elects to do so under the
19 terms of the federal government’s or other program administrator’s
20 offer or that a rent increase may not take place due to the expiration
21 of rental restrictions.

22 (E) A statement of the owner’s intention to participate in any
23 current replacement subsidy program made available to the affected
24 tenants.

25 (F) A statement that the owner shall accept all enhanced Section
26 8 vouchers if the tenants receive them.

27 (G) The name and telephone number of the city, county, or city
28 and county, the appropriate local public housing authority, if any,
29 the Department of Housing and Community Development, and a
30 legal services organization, that can be contacted to request
31 additional written information about an owner’s responsibilities
32 and the rights and options of an affected tenant.

33 (3) In addition to the information provided in the notice to the
34 affected tenant, the notice to the affected public entities shall
35 contain information regarding the number of affected tenants in
36 the project, the number of units that are government assisted and
37 the type of assistance, the number of the units that are not
38 government assisted, the number of bedrooms in each unit that is
39 government assisted, and the ages and income of the affected
40 tenants. The notice shall briefly describe the owner’s plans for the

1 project, including any timetables or deadlines for actions to be
2 taken and specific governmental approvals that are required to be
3 obtained, the reason the owner seeks to terminate the subsidy
4 contract or prepay the mortgage, and any contacts the owner has
5 made or is making with other governmental agencies or other
6 interested parties in connection with the notice. The owner shall
7 also attach a copy of any federally required notice of the
8 termination of the subsidy contract or prepayment that was
9 provided at least six months prior to the proposed change. The
10 information contained in the notice shall be based on data that is
11 reasonably available from existing written tenant and project
12 records.

13 (d) The owner proposing the termination or prepayment of
14 governmental assistance or the owner of an assisted housing
15 development in which there will be the expiration of rental
16 restrictions shall provide additional notice of any significant
17 changes to the notice required by subdivision (c) within seven
18 business days to each affected tenant household residing in the
19 assisted housing development at the time the notice is provided
20 and to the affected public entities. “Significant changes” shall
21 include, but not be limited to, any changes to the date of
22 termination or prepayment, or expiration of rental restrictions or
23 the anticipated new rent.

24 (e) (1) An owner who is subject to the requirements of this
25 section shall also provide a copy of any notices issued to existing
26 tenants pursuant to subdivision (b), (c), or ~~(d)~~ (d), or paragraph
27 (2) of this subdivision, to any prospective tenant at the time the
28 prospective tenant is interviewed for eligibility.

29 (2) The owner of an assisted housing development that is ~~within~~
30 three years ~~of~~ from a scheduled expiration of rental restrictions or
31 a scheduled termination of a subsidy contract shall also provide
32 notice of the scheduled expiration of rental restrictions or a
33 scheduled termination of a subsidy contract to ~~any prospective~~
34 ~~tenant at the time the prospective tenant is interviewed for~~
35 ~~eligibility, and to existing tenants by posting the notice in an~~
36 ~~accessible location of the property. The notice shall remain posted~~
37 ~~until the expiration of rental restrictions or the termination of a~~
38 ~~subsidy contract has occurred.~~ This notice shall also be provided
39 to affected public entities. This paragraph is applicable only to

1 owners of assisted housing developments where the rental
2 restrictions are scheduled to expire after January 1, 2021.

3 *(f) (1) With respect to an assisted housing development, within*
4 *10 calendar days of a recording of a notice of default pursuant to*
5 *Section 2924 of the Civil Code, the mortgagee, trustee, beneficiary,*
6 *or authorized agent shall provide a copy of the recorded notice of*
7 *default to the affected public entities, and the owner of the assisted*
8 *housing development shall provide a copy of the recorded notice*
9 *of default to the affected tenants and to all qualified entities, as*
10 *defined in subdivision (a) of Section 65863.11.*

11 *(2) The copy of the recorded notice of default provided to the*
12 *affected tenants pursuant to paragraph (1) shall be accompanied*
13 *by both of the following:*

14 *(A) A written statement providing that the owner’s default may*
15 *impact rent and eviction protections currently in place and*
16 *directing affected tenants to contact their local legal services*
17 *provider.*

18 *(B) The name and telephone number of the legal services*
19 *organization serving the county in which the subject property is*
20 *located.*

21 ~~(f)~~

22 *(g) This section shall not require the owner to obtain or acquire*
23 *additional information that is not contained in the existing tenant*
24 *and project records, or to update any information in the owner’s*
25 *records. The owner shall not be held liable for any inaccuracies*
26 *contained in these records or from other sources, nor shall the*
27 *owner be liable to any party for providing this information.*

28 ~~(g)~~

29 *(h) (1) For purposes of this section, service of the notice to the*
30 *affected tenants shall be made by first-class mail postage prepaid.*

31 *(2) For purposes of this section, service of notice to the city,*
32 *county, city and county, appropriate local public housing authority,*
33 *if any, and the Department of Housing and Community*
34 *Development shall be made by either first-class mail postage*
35 *prepaid or electronically to any public entity that has provided an*
36 *email address for that purpose.*

37 ~~(h)~~

38 *(i) Nothing in this section shall enlarge or diminish the authority,*
39 *if any, that a city, county, city and county, affected tenant, or owner*
40 *may have, independent of this section.*

1 ~~(i)~~

2 (j) If, prior to January 1, 2001, the owner has already accepted
3 a bona fide offer from a qualified entity, as defined in subdivision
4 (c) of Section 65863.11, and has complied with this section as it
5 existed prior to January 1, 2001, at the time the owner decides to
6 sell or otherwise dispose of the development, the owner shall be
7 deemed in compliance with this section.

8 ~~(j)~~

9 (k) Injunctive relief shall be available to any party identified in
10 paragraph (1) or (2) of subdivision (a) who is aggrieved by a
11 violation of this section, including, but not limited to, a group of
12 affected tenants that meets the requirements of a legitimate tenant
13 organization, as defined in federal regulations, or a tenant
14 association, as defined in paragraph (4) of subdivision (a) of
15 Section 65863.11. Injunctive relief pursuant to this subdivision
16 may include, but is not limited to, reimposition of the prior
17 restrictions until any required notice is provided and the required
18 period has elapsed, and restitution of any rent increases collected
19 without compliance with this section. In a judicial action brought
20 pursuant to this subdivision, the court may award attorney's fees
21 and costs to a prevailing plaintiff.

22 ~~(k)~~

23 (l) The Director of Housing and Community Development shall
24 approve forms to be used by owners to comply with subdivisions
25 (b), (c), ~~and (e)~~. (e), and (f). Once the director has approved the
26 forms, an owner shall use the approved forms to comply with
27 subdivisions (b), (c), ~~and (e)~~. (e), and (f).

28 ~~SEC. 2.~~

29 SEC. 4. Section 65863.11 of the Government Code is amended
30 to read:

31 65863.11. (a) Terms used in this section shall be defined as
32 follows:

33 (1) "Assisted housing development" and "development" shall
34 have the same meaning as in paragraph (3) of subdivision (a) of
35 Section 65863.10.

36 (2) "Owner" shall have the same meaning as in paragraph (7)
37 of subdivision (a) of Section 65863.10.

38 (3) "Tenant" means a tenant, subtenant, lessee, sublessee, or
39 other person legally in possession or occupying the assisted housing
40 development.

1 (4) “Tenant association” means a group of tenants who have
2 formed a nonprofit corporation, cooperative corporation, or other
3 entity or organization, or a local nonprofit, regional, or national
4 organization whose purpose includes the acquisition of an assisted
5 housing development and that represents the interest of at least a
6 majority of the tenants in the assisted housing development.

7 (5) “Low or moderate income” means having an income as
8 defined in Section 50093 of the Health and Safety Code.

9 (6) “Very low income” means having an income as defined in
10 Section 50105 of the Health and Safety Code.

11 (7) “Local nonprofit organizations” means not-for-profit
12 corporations organized pursuant to Division 2 (commencing with
13 Section 5000) of Title 1 of the Corporations Code that have as
14 their principal purpose the ownership, development, or
15 management of housing or community development projects for
16 persons and families of low or moderate income and very low
17 income, and which have a broadly representative board, a majority
18 of whose members are community based and have a proven track
19 record of local community service.

20 (8) “Local public agencies” means housing authorities,
21 redevelopment agencies, or any other agency of a city, county, or
22 city and county, whether general law or chartered, which are
23 authorized to own, develop, or manage housing or community
24 development projects for persons and families of low or moderate
25 income and very low income.

26 (9) “Regional or national organizations” means not-for-profit,
27 charitable corporations organized on a multicounty, state, or
28 multistate basis that have as their principal purpose the ownership,
29 development, or management of housing or community
30 development projects for persons and families of low or moderate
31 income and very low income and own and operate at least three
32 comparable rent- and income-restricted affordable rental properties
33 governed under a regulatory agreement with a department or
34 agency of the State of California or the United States, either directly
35 or by serving as the managing general partner of limited
36 partnerships or managing member of limited liability corporations.

37 (10) “Regional or national public agencies” means multicounty,
38 state, or multistate agencies that are authorized to own, develop,
39 or manage housing or community development projects for persons
40 and families of low or moderate income and very low income and

1 own and operate at least three comparable rent- and
2 income-restricted affordable rental properties governed under a
3 regulatory agreement with a department or agency of the State of
4 California or the United States, either directly or by serving as the
5 managing general partner of limited partnerships or managing
6 member of limited liability corporations.

7 (11) “Use restriction” means any federal, state, or local statute,
8 regulation, ordinance, or contract that, as a condition of receipt of
9 any housing assistance, including a rental subsidy, mortgage
10 subsidy, or mortgage insurance, to an assisted housing
11 development, establishes maximum limitations on tenant income
12 as a condition of eligibility for occupancy of the units within a
13 development, imposes any restrictions on the maximum rents that
14 could be charged for any of the units within a development; or
15 requires that rents for any of the units within a development be
16 reviewed by any governmental body or agency before the rents
17 are implemented.

18 (12) “Profit-motivated housing organizations and individuals”
19 means individuals or two or more persons organized pursuant to
20 Division 1 (commencing with Section 100) of Title 1 of, Division
21 3 (commencing with Section 1200) of Title 1 of, or Chapter 5
22 (commencing with Section 16100) of Title 2 of, the Corporations
23 Code, that carry on as a business for profit and own and operate
24 at least three comparable rent- and income-restricted affordable
25 rental properties governed under a regulatory agreement with a
26 department or agency of the State of California or the United States,
27 either directly or by serving as the managing general partner of
28 limited partnerships or managing member of limited liability
29 corporations.

30 (13) “Department” means the Department of Housing and
31 Community Development.

32 (14) “Offer to purchase” means an offer from a qualified or
33 nonqualified entity that is nonbinding on the owner.

34 (15) “Expiration of rental restrictions” has the meaning given
35 in paragraph (5) of subdivision (a) of Section 65863.10.

36 (16) “Qualified entity” means an entity that meets the
37 requirements of subdivisions (d) and (e).

38 (b) An owner of an assisted housing development shall not
39 terminate a subsidy contract or prepay the mortgage pursuant to
40 Section 65863.10, unless the owner or its agent shall first have

1 provided each of the entities listed in subdivision (d) an opportunity
2 to submit an offer to purchase the development, in compliance
3 with subdivisions (g) and (h). An owner of an assisted housing
4 development in which there will be the expiration of rental
5 restrictions shall also provide each of the entities listed in
6 subdivision (d) an opportunity to submit an offer to purchase the
7 development, in compliance with subdivisions (g) and (h). An
8 owner who meets the requirements of Section 65863.13 shall be
9 exempt from this requirement.

10 (c) An owner of an assisted housing development shall not sell,
11 or otherwise dispose of, the development at any time within the
12 five years before the expiration of rental restrictions or at any time
13 if the owner is eligible for prepayment or termination within five
14 years unless the owner or its agent shall first have provided each
15 of the entities listed in subdivision (d) an opportunity to submit
16 an offer to purchase the development, in compliance with this
17 section. An owner who meets the requirements of Section 65863.13
18 shall be exempt from this requirement.

19 (d) The entities to whom an opportunity to purchase shall be
20 provided include only the following:

- 21 (1) The tenant association of the development.
- 22 (2) Local nonprofit organizations and public agencies.
- 23 (3) Regional or national nonprofit organizations and regional
24 or national public agencies.
- 25 (4) Profit-motivated housing organizations or individuals.

26 (e) For the purposes of this section, to qualify as a purchaser of
27 an assisted housing development, an entity listed in subdivision
28 (d) shall do all of the following:

29 (1) Be certified by the department, based on demonstrated
30 relevant prior experience in California and current capacity, as
31 capable of operating the housing and related facilities for its
32 remaining useful life, either by itself or through a management
33 agent. The department shall establish a process for certifying an
34 entity meeting the requirements of subdivision (d) and maintain a
35 list of entities that are certified, which list shall be updated at least
36 annually.

37 (2) Agree to obligate itself and any successors in interest to
38 maintain the affordability of the assisted housing development for
39 households of very low, low, or moderate income for either a
40 30-year period from the date that the purchaser took legal

1 possession of the housing or the remaining term of the existing
2 federal government assistance specified in subdivision (a) of
3 Section 65863.10, whichever is greater. The development shall be
4 continuously occupied in the approximate percentages that those
5 households who have occupied that development on the date the
6 owner gave notice of intent or the approximate percentages
7 specified in existing use restrictions, whichever is higher. This
8 obligation shall be recorded before the close of escrow in the office
9 of the county recorder of the county in which the development is
10 located and shall contain a legal description of the property,
11 indexed to the name of the owner as grantor. An owner that
12 obligates itself to an enforceable regulatory agreement that will
13 ensure for a period of not less than 30 years that rents for units
14 occupied by low- and very low income households or that are
15 vacant at the time of executing a purchase agreement will conform
16 with restrictions imposed by Section 42(f) of the Internal Revenue
17 Code shall be deemed in compliance with this paragraph. In
18 addition, the regulatory agreement shall contain provisions
19 requiring the renewal of rental subsidies, should they be available,
20 provided that assistance is at a level to maintain the project's fiscal
21 viability.

22 (3) Local nonprofit organizations and public agencies shall have
23 no member among their officers or directorate with a financial
24 interest in assisted housing developments that have terminated a
25 subsidy contract or prepaid a mortgage on the development without
26 continuing the low-income restrictions.

27 (f) If an assisted housing development is not economically
28 feasible, as determined by all entities with regulatory agreements
29 and deed-restrictions on the development, a purchaser shall be
30 entitled to remove one or more units from the rent and occupancy
31 requirements as is necessary for the development to become
32 economically feasible, provided that once the development is again
33 economically feasible, the purchaser shall designate the next
34 available units as low-income units up to the original number of
35 those units.

36 (g) If an owner decides to terminate a subsidy contract, or prepay
37 the mortgage pursuant to Section 65863.10, or sell or otherwise
38 dispose of the assisted housing development pursuant to
39 subdivision (b) or (c), or if the owner has an assisted housing
40 development in which there will be the expiration of rental

1 restrictions, the owner shall first give notice of the opportunity to
 2 offer to purchase to each qualified entity on the list provided to
 3 the owner by the department, in accordance with subdivision (p),
 4 as well as to those qualified entities that directly contact the owner.
 5 The notice of the opportunity to offer to purchase must be given
 6 before or concurrently with the notice required pursuant to
 7 subdivision (b) of Section 65863.10 for a period of at least 12
 8 months. The owner shall contact the department to obtain the list
 9 of qualified entities. The notice shall conform to the requirements
 10 of subdivision (h) and shall be sent to the entities by registered or
 11 certified mail, return receipt requested. The owner shall also post
 12 a copy of the notice in a conspicuous place in the common area of
 13 the development.

14 (h) The initial notice of a bona fide opportunity to submit an
 15 offer to purchase shall contain all of the following:

16 (1) A statement addressing both of the following:

17 (A) Whether the owner intends to maintain the current number
 18 of affordable units and level of affordability.

19 (B) Whether the owner has executed a contract or agreement
 20 of at least five years' duration with a public entity to continue or
 21 replace subsidies to the property and to maintain an equal or greater
 22 number of units at an equal or deeper level of affordability and, if
 23 so, the length of the contract or agreement.

24 (2) A statement that each of the type of entities listed in
 25 subdivision (d), or any combination of them, has the right to submit
 26 a bona fide offer to purchase the development under this section.

27 (3) (A) Except as provided in subparagraph (B), a statement
 28 that the owner will make available to each of the types of entities
 29 listed in subdivision (d), within 15 business days of receiving a
 30 request therefor, that includes all of the following:

31 (i) Itemized lists of monthly operating expenses for the property.

32 (ii) Capital improvements, as determined by the owner, made
 33 within each of the two preceding calendar years at the property.

34 (iii) The amount of project property reserves.

35 (iv) Copies of the two most recent financial and physical
 36 inspection reports on the property, if any, filed with a federal, state,
 37 or local agency.

38 (v) The most recent rent roll for the property listing the rent
 39 paid for each unit and the subsidy, if any, paid by a governmental

1 agency as of the date the notice of offer to purchase was made
2 pursuant to subdivision (g).

3 (vi) A statement of the vacancy rate at the property for each of
4 the two preceding calendar years.

5 (vii) The terms of assumable financing, if any, the terms of the
6 subsidy contract, if any, and proposed improvements to the
7 property to be made by the owner in connection with the sale, if
8 any.

9 (B) Subparagraph (A) shall not apply if 25 percent or less of
10 the units on the property are subject to affordability restrictions or
11 a rent or mortgage subsidy contract.

12 (C) A corporation authorized pursuant to Section 52550 of the
13 Health and Safety Code or a public entity may share information
14 obtained pursuant to subparagraph (A) with other prospective
15 purchasers, and shall not be required to sign a confidentiality
16 agreement as a condition of receiving or sharing this information,
17 provided that the information is used for the purpose of attempting
18 to preserve the affordability of the property.

19 (4) A statement that the owner has satisfied all notice
20 requirements pursuant to subdivision (b) of Section 65863.10,
21 unless the notice of opportunity to submit an offer to purchase is
22 delivered more than 12 months before the anticipated date of
23 termination, prepayment, or expiration of rental restrictions.

24 (i) If a qualified entity elects to purchase an assisted housing
25 development, it shall make a bona fide offer to purchase the
26 development at the market value determined pursuant to
27 subdivision (k), subject to the requirements of this subdivision. A
28 qualified entity's bona fide offer to purchase shall be submitted
29 within 270 days of the owner's notice of the opportunity to submit
30 an offer pursuant to subdivision (g), identify whether it is a tenant
31 association, nonprofit organization, public agency, or
32 profit-motivated organizations or individuals, and certify, under
33 penalty of perjury, that it is qualified pursuant to subdivision (e).
34 If an owner has received a bona fide offer from one or more
35 qualified entities within the first 270 days from the date of an
36 owner's bona fide notice of the opportunity to submit an offer to
37 purchase, the owner shall notify the department of all such offers
38 within 90 days and either (1) accept a bona fide offer from a
39 qualified entity to purchase and execute a purchase agreement, or
40 (2) record a new regulatory agreement with a term of at least 30

1 years that, at a minimum, meets the criteria of subdivision (a) of
2 Section 65863.13. Once a bona fide offer is made, the owner shall
3 take all steps reasonably required to renew any expiring housing
4 assistance contract, or extend any available subsidies or use
5 restrictions, if feasible, before the effective date of any expiration
6 or termination.

7 (j) The market value of the property shall be determined by
8 negotiation and agreement between the parties. If the parties fail
9 to reach an agreement regarding the market value, the market value
10 shall be determined by an appraisal process initiated by the owner's
11 receipt of the bona fide offer, which shall specifically reference
12 the appraisal process provided by this subdivision as the means
13 for determining the final purchase price. Either the owner or the
14 qualified entity, or both, may request that the fair market value of
15 the property's highest and best use, based on current zoning, be
16 determined by an independent appraiser qualified to perform
17 multifamily housing appraisals, who shall be selected and paid by
18 the requesting party. All appraisers shall possess qualifications
19 equivalent to those required by the members of the Appraisal
20 Institute and shall be certified by the department as having
21 sufficient experience in appraising comparable rental properties
22 in California. If the appraisals differ by less than 5 percent, the
23 market value and sales price shall be set at the higher appraised
24 value. If the appraisals differ by more than 5 percent, the parties
25 may elect to have the appraisers negotiate a mutually agreeable
26 market value and sales price, or to jointly select a third appraiser,
27 whose determination of market value and the sales price shall be
28 binding.

29 (k) If an owner does not receive a bona fide offer from one or
30 more qualified entities within the 270 days specified in subdivision
31 (i), or if after the 270 days specified in subdivision (i) all bona fide
32 offers are withdrawn, the owner may do any of the following:

- 33 (1) Sell the property to any buyer.
- 34 (2) Extend the affordability restrictions for any period of time.
- 35 (3) Maintain ownership of the property and allow the expiration,
36 termination, or prepayment to occur at the end of the notice periods
37 specified in Section 65863.10.

38 (l) This section does not apply to any of the following: a
39 government taking by eminent domain or negotiated purchase; a
40 forced sale pursuant to a foreclosure; a transfer by gift, devise, or

1 operation of law; a sale to a person who would be included within
2 the table of descent and distribution if there were to be a death
3 intestate of an owner; or an owner who certifies, under penalty of
4 perjury, the existence of a financial emergency during the period
5 covered by the offer to purchase requiring immediate access to the
6 proceeds of the sale of the development. The certification shall be
7 made pursuant to subdivision (q).

8 (m) Prior to the close of escrow, an owner selling, leasing, or
9 otherwise disposing of a development to a purchaser who does not
10 qualify under subdivision (e) shall certify under penalty of perjury
11 that the owner has complied with all provisions of this section and
12 Section 65863.10. This certification shall be recorded and shall
13 contain a legal description of the property, shall be indexed to the
14 name of the owner as grantor, and may be relied upon by good
15 faith purchasers and encumbrances for value and without notice
16 of a failure to comply with the provisions of this section.

17 A person or entity acting solely in the capacity of an escrow
18 agent for the transfer of real property subject to this section shall
19 not be liable for any failure to comply with this section unless the
20 escrow agent either had actual knowledge of the requirements of
21 this section or acted contrary to written escrow instructions
22 concerning the provisions of this section.

23 (n) The department shall undertake the following responsibilities
24 and duties:

25 (1) Maintain a form containing a summary of rights and
26 obligations under this section and make that information available
27 to owners of assisted housing developments as well as to tenant
28 associations, local nonprofit organizations, regional or national
29 nonprofit organizations, public agencies, and other entities with
30 an interest in preserving the state's subsidized housing.

31 (2) Compile, maintain, and update a list of entities in subdivision
32 (d) that have either contacted the department with an expressed
33 interest in purchasing a development in the subject area or have
34 been identified by the department as potentially having an interest
35 in participating in a right-of-first-refusal program. The department
36 shall publicize the existence of the list statewide. Upon receipt of
37 a notice of intent under Section 65863.10, the department shall
38 make the list available to the owner proposing the termination,
39 prepayment, or removal of government assistance or to the owner
40 of an assisted housing development in which there will be the

1 expiration of rental restrictions. If the department does not make
2 the list available at any time, the owner shall only be required to
3 send a written copy of the opportunity to submit an offer to
4 purchase notice to the qualified entities which directly contact the
5 owner and to post a copy of the notice in the common area pursuant
6 to subdivision (g).

7 (3) (A) Monitor compliance with this section and Sections
8 65863.10 and 65863.13 by owners of assisted housing
9 developments and, notwithstanding Section 10231.5, provide a
10 report to the Legislature, which may be combined with the report
11 submitted pursuant to Section 50408 of the Health and Safety
12 Code, on or before December 31 of each year, containing
13 information for the previous fiscal year, except that the report due
14 December 31, 2022, shall include information for the 18 months
15 from January 1, 2021, to June 30, 2022, inclusive, that includes,
16 but is not limited to, the following:

17 (i) The number of properties and rental units subject to this
18 section and Sections 65863.10 and 65863.13.

19 (ii) The number of properties and units that did any of the
20 following:

21 (I) Complied with the requirements of this section and Sections
22 65863.10 and 65863.13.

23 (II) Failed to comply with the requirements of this section and
24 Sections 65863.10 and 65863.13.

25 (III) Were offered for sale and therefore subject to the purchase
26 right provisions of this section.

27 (IV) Were offered for sale and complied with the purchase right
28 provisions of this section and the outcomes of the purchase right
29 actions, including whether the property changed hands, to whom,
30 and with what impact on affordability protections.

31 (V) Were offered for sale and failed to comply with the purchase
32 right provisions of this section, the reason for their failure to
33 comply, and the impact of their failure to comply on the
34 affordability protections and the tenants who were residing in the
35 property at the time of the failure.

36 (VI) Claimed exemptions from the obligations of this section
37 pursuant to Section 65863.13 by category of reason for exemption.

38 (VII) Claimed exemptions from the obligations of this section
39 and lost affordability protections and the impact on the tenants of
40 the loss of the affordability protections.

1 (VIII) Were not offered for sale and complied with the
2 requirement to properly execute and record a declaration.

3 (IX) Were not for sale and failed to comply with the requirement
4 to properly execute and record a declaration.

5 (B) To facilitate the department's compliance monitoring,
6 owners of assisted housing developments in which at least 5 percent
7 of the units on the property are subject to affordability restrictions
8 or a rent or mortgage subsidy contract shall certify compliance
9 with this section and Sections 65863.10 and 65863.13 to the
10 department annually, under penalty of perjury, in a form as required
11 by the department.

12 (C) The department may request information, in a form
13 prescribed by the department, from counties and cities that provide
14 assistance to owners of projects as described in subparagraph (N)
15 of paragraph (3) of subdivision (a) of Section 65863.10.

16 (D) The report required to be submitted pursuant to this
17 paragraph shall be submitted in compliance with Section 9795.

18 (4) Refer violations of this section and Sections 65863.10 and
19 65863.13 to the Attorney General for appropriate enforcement
20 action.

21 (o) (1) The provisions of this section may be enforced either
22 in law or in equity by any affected tenant, as defined in paragraph
23 (2) of subdivision (a) of Section 65863.10, any qualified entity
24 entitled to exercise the opportunity to purchase and right of first
25 refusal under this section, a group of affected tenants that meets
26 the requirements of a legitimate tenant organization, as defined in
27 federal regulations, a tenant association, as defined in paragraph
28 (4) of subdivision (a) of Section 65863.11, or any affected public
29 entity that has been adversely affected by an owner's failure to
30 comply with this section. In any judicial action brought pursuant
31 to this subdivision, the court may waive any bond requirement and
32 may award attorney's fees and costs to a prevailing plaintiff.

33 (2) An owner may rely on the statements, claims, or
34 representations of any person or entity that the person or entity is
35 a qualified entity as specified in subdivision (d), unless the owner
36 has actual knowledge that the purchaser is not a qualified entity.

37 (3) If the person or entity is not an entity as specified in
38 subdivision (d), that fact, in the absence of actual knowledge as
39 described in paragraph (2), shall not give rise to any claim against
40 the owner for a violation of this section.

1 (p) It is the intent of the Legislature that the provisions of this
 2 section are in addition to, but not preemptive of, applicable federal
 3 laws governing the sale or other disposition of a development that
 4 would result in either (1) a discontinuance of its use as an assisted
 5 housing development or (2) the termination or expiration of any
 6 low-income use restrictions that apply to the development.

7 (q) Except as provided in subparagraph (B) of paragraph (3) of
 8 subdivision (n), this section does not apply to either of the
 9 following:

10 (1) An assisted housing development receiving government
 11 assistance as described in clauses (iv) to (viii), inclusive, of
 12 subparagraph (N) of paragraph (3) of subdivision (a) of Section
 13 65863.10 in which 30 percent or less of the units are subject to
 14 affordability restrictions.

15 (2) An assisted housing development in which 30 percent or
 16 less of the units are subject to affordability restrictions that was
 17 developed in compliance with a local ordinance, charter
 18 amendment, specific plan, resolution, or other land use policy or
 19 regulation requiring that a housing development contain a fixed
 20 percentage of units affordable to extremely low, very low, low-,
 21 or moderate-income households.

22 (r) The department shall comply with any obligations under this
 23 section through the use of standards, forms, and definitions adopted
 24 by the department. The department may review, adopt, amend,
 25 and repeal the standards, forms, or definitions to implement this
 26 section. Any standards, forms, or definitions adopted to implement
 27 this section shall not be subject to Chapter 3.5 (commencing with
 28 Section 11340) of Part 1 of Division 3 of Title 2.

29 ~~SEC. 3. Section 66323 of the Government Code is amended~~
 30 ~~to read:~~

31 ~~66323. (a) Notwithstanding Sections 66314 to 66322,~~
 32 ~~inclusive, a local agency shall ministerially approve an application~~
 33 ~~for a building permit within a residential or mixed-use zone to~~
 34 ~~create any of the following:~~

35 ~~(1) One accessory dwelling unit and one junior accessory~~
 36 ~~dwelling unit per lot with a proposed or existing single-family~~
 37 ~~dwelling if all of the following apply:~~

38 ~~(A) The accessory dwelling unit or junior accessory dwelling~~
 39 ~~unit is within the proposed space of a single-family dwelling or~~
 40 ~~existing space of a single-family dwelling or accessory structure~~

1 and may include an expansion of not more than 150 square feet
2 beyond the same physical dimensions as the existing accessory
3 structure. An expansion beyond the physical dimensions of the
4 existing accessory structure shall be limited to accommodating
5 ingress and egress.

6 ~~(B) The space has exterior access from the proposed or existing
7 single-family dwelling.~~

8 ~~(C) The side and rear setbacks are sufficient for fire and safety.~~

9 ~~(D) The junior accessory dwelling unit complies with the
10 requirements of Article 3 (commencing with Section 66333).~~

11 ~~(2) One detached, new construction, accessory dwelling unit
12 that does not exceed four-foot side and rear yard setbacks for a lot
13 with a proposed or existing single-family dwelling. The accessory
14 dwelling unit may be combined with a junior accessory dwelling
15 unit described in paragraph (1). A local agency may impose the
16 following conditions on the accessory dwelling unit:~~

17 ~~(A) A total floor area limitation of not more than 800 square
18 feet.~~

19 ~~(B) A height limitation as provided in subparagraph (A), (B),
20 or (C) of paragraph (4) of subdivision (b) of Section 66321, as
21 applicable.~~

22 ~~(3) (A) Multiple accessory dwelling units within the portions
23 of existing multifamily dwelling structures that are not used as
24 livable space, including, but not limited to, storage rooms, boiler
25 rooms, passageways, attics, basements, or garages, if each unit
26 complies with state building standards for dwellings.~~

27 ~~(B) A local agency shall allow at least one accessory dwelling
28 unit within an existing multifamily dwelling and shall allow up to
29 25 percent of the existing multifamily dwelling units.~~

30 ~~(4) (A) (i) Multiple accessory dwelling units, not to exceed
31 the number specified in clause (ii) or (iii), as applicable, that are
32 located on a lot that has an existing or proposed multifamily
33 dwelling, but are detached from that multifamily dwelling and are
34 subject to a height limitation in subparagraph (A), (B), or (C) of
35 paragraph (4) of subdivision (b) of Section 66321, as applicable,
36 and rear yard and side setbacks of no more than four feet.~~

37 ~~(ii) On a lot with an existing multifamily dwelling, not more
38 than eight detached accessory dwelling units. However, the number
39 of accessory dwelling units allowable pursuant to this clause shall
40 not exceed the number of existing units on the lot.~~

1 ~~(iii) On a lot with a proposed multifamily dwelling, not more~~
2 ~~than two detached accessory dwelling units.~~

3 ~~(B) If the existing multifamily dwelling has a rear or side setback~~
4 ~~of less than four feet, the local agency shall not require any~~
5 ~~modification of the existing multifamily dwelling as a condition~~
6 ~~of approving the application to construct an accessory dwelling~~
7 ~~unit that satisfies the requirements of this paragraph.~~

8 ~~(b) A local agency shall not impose any objective development~~
9 ~~or design standard that is not authorized by this section upon any~~
10 ~~accessory dwelling unit or junior accessory dwelling unit that~~
11 ~~meets the requirements of any of paragraphs (1) to (4), inclusive,~~
12 ~~of subdivision (a).~~

13 ~~(c) A local agency shall not require, as a condition for ministerial~~
14 ~~approval of a permit application for the creation of an accessory~~
15 ~~dwelling unit or a junior accessory dwelling unit, the correction~~
16 ~~of nonconforming zoning conditions.~~

17 ~~(d) The installation of fire sprinklers shall not be required in an~~
18 ~~accessory dwelling unit if sprinklers are not required for the~~
19 ~~primary residence. The construction of an accessory dwelling unit~~
20 ~~shall not trigger a requirement for fire sprinklers to be installed in~~
21 ~~the existing multifamily dwelling.~~

22 ~~(e) A local agency shall require that a rental of the accessory~~
23 ~~dwelling unit created pursuant to this section be for a term longer~~
24 ~~than 30 days.~~

25 ~~(f) A local agency may require, as part of the application for a~~
26 ~~permit to create an accessory dwelling unit connected to an onsite~~
27 ~~wastewater treatment system, a percolation test completed within~~
28 ~~the last five years, or, if the percolation test has been recertified,~~
29 ~~within the last 10 years.~~

30 ~~(g) Notwithstanding Section 66321 and subdivision (a) a local~~
31 ~~agency that has adopted an ordinance by July 1, 2018, providing~~
32 ~~for the approval of accessory dwelling units in multifamily~~
33 ~~dwelling structures shall ministerially consider a permit application~~
34 ~~to construct an accessory dwelling unit that is described in~~
35 ~~subdivision (a), and may impose objective standards including,~~
36 ~~but not limited to, design, development, and historic standards on~~
37 ~~said accessory dwelling units. These standards shall not include~~
38 ~~requirements on minimum lot size.~~

39 ~~SEC. 5. Section 50053 of the Health and Safety Code is~~
40 ~~amended to read:~~

1 50053. (a) For any rental housing development that receives
2 assistance prior to January 1, 1991, and a condition of that
3 assistance is compliance with this section, “affordable rent” with
4 respect to lower income households shall not exceed the percentage
5 of the gross income of the occupant person or household
6 established by regulation of the department that shall not be less
7 than 15 percent of gross income nor exceed 25 percent of gross
8 income.

9 (b) (1) Except as provided in paragraph (2), for any rental
10 housing development that receives assistance on or after January
11 1, 1991, and a condition of that assistance is compliance with this
12 section, “affordable rent,” including a reasonable utility allowance,
13 shall not exceed:

14 (A) (i) For acutely low income households, as defined in Section
15 50063.5, the product of 30 percent times 15 percent of the area
16 median income adjusted for family size appropriate for the unit.

17 (ii) This subparagraph shall apply to a lease entered into on or
18 after January 1, 2022.

19 (B) For extremely low income households, the product of 30
20 percent times 30 percent of the area median income adjusted for
21 family size appropriate for the unit.

22 (C) For very low income households, the product of 30 percent
23 times 50 percent of the area median income adjusted for family
24 size appropriate for the unit.

25 (D) For lower income households whose gross incomes exceed
26 the maximum income for very low income households, the product
27 of 30 percent times 60 percent of the area median income adjusted
28 for family size appropriate for the unit. In addition, for those lower
29 income households with gross incomes that exceed 60 percent of
30 the area median income adjusted for family size, it shall be optional
31 for any state or local funding agency to require that affordable rent
32 be established at a level not to exceed 30 percent of gross income
33 of the household.

34 (E) For moderate-income households, the product of 30 percent
35 times 110 percent of the area median income adjusted for family
36 size appropriate for the unit. In addition, for those moderate-income
37 households whose gross incomes exceed 110 percent of the area
38 median income adjusted for family size, it shall be optional for
39 any state or local funding agency to require that affordable rent be

1 established at a level not to exceed 30 percent of gross income of
2 the household.

3 (2) Notwithstanding paragraph (1), for a rental housing
4 development described in paragraph (1) that dedicates *at least* 80
5 percent of units, exclusive of a manager’s unit or units, to lower
6 income households, “affordable rent,” including a reasonable utility
7 allowance, shall not exceed ~~the rent prescribed by deed restrictions~~
8 ~~or regulatory agreements pursuant to the terms of the public~~
9 ~~financing or public financial assistance for the rental housing~~
10 ~~development~~, *an amount consistent with the maximum rent levels*
11 *for lower income households, as those rents and incomes are*
12 *determined by the California Tax Credit Allocation Committee*, if
13 the rental housing development receives an award on or after
14 January 1, 2025, of any of the following:

15 (A) Federal or state low-income housing tax credits.

16 (B) Tax-exempt private activity bonds or general obligation
17 bonds.

18 (C) Local, state, or federal loans ~~or grants~~: *grants that utilize*
19 *rent and income limits determined by the California Tax Credit*
20 *Allocation Committee*.

21 (c) The department’s regulation shall permit alternative
22 percentages of income for agency-assisted rental and cooperative
23 housing developments pursuant to regulations adopted under
24 subdivision (f) of Section 50462. The department shall, by
25 regulation, adopt criteria defining and providing for determination
26 of gross income, adjustments for family size appropriate to the
27 unit, and rent for purposes of this section. These regulations may
28 provide alternative criteria, where necessary, to be consistent with
29 pertinent federal statutes and regulations governing federally
30 assisted rental and cooperative housing. The agency may, by
31 regulation, adopt alternative criteria, and pursuant to subdivision
32 (f) of Section 50462, alternative percentages of income may be
33 adopted for agency-assisted housing developments.

34 (d) For purposes of this section, “area median income” and
35 “moderate-income household” shall have the same meaning as
36 provided in Section 50093.

37 (e) For purposes of this section, and provided there are no
38 pertinent federal or state statutes or regulations applicable to a
39 project or program that are in conflict with this definition, “adjusted
40 for family size appropriate to the unit” shall mean for a household

1 of one person in the case of a studio unit, two persons in the case
2 of a one-bedroom unit, three persons in the case of a two-bedroom
3 unit, four persons in the case of a three-bedroom unit, and five
4 persons in the case of a four-bedroom unit. If there is a conflict,
5 the applicable state or federal statutes or regulations for the project
6 of program shall apply.

7 ~~SEC. 4.~~

8 *SEC. 6.* Section 50710.7 of the Health and Safety Code is
9 amended to read:

10 50710.7. (a) By December 31, 2028, the department shall,
11 following the completion of the report under Section 50710.6,
12 coordinate with the Department of General Services and the
13 Department of Food and Agriculture to identify available excess
14 sites in proximity to migrant farm labor centers. For the purposes
15 of this section, “available excess sites” refers to those sites
16 identified pursuant to Section 14684.3 of the Government Code.

17 (b) The department shall, in collaboration with the Department
18 of General Services, the California Housing Finance Agency, and
19 the Department of Food and Agriculture, prioritize the locations
20 identified in ~~subdivision (a)~~ *subdivision (a)* for the development
21 of permanent farmworker housing, with the highest prioritization
22 to the areas with the greatest need for permanent farmworker
23 housing, as identified in the report under Section 50710.6.

24 *SEC. 7.* *If the Commission on State Mandates determines that*
25 *this act contains costs mandated by the state, reimbursement to*
26 *local agencies and school districts for those costs shall be made*
27 *pursuant to Part 7 (commencing with Section 17500) of Division*
28 *4 of Title 2 of the Government Code.*