

Proposal sent on May 13, 2019
Re: SB 50 Affordable Housing Standards

On May 13, 2019 the Alliance for Community Transit – Los Angeles (ACT-LA), California Rural Legal Assistance Foundation, CAUSE: Central Coast Alliance United for a Sustainable Economy, Esperanza Community Housing, Housing California, PolicyLink, Public Advocates, Public Counsel, The Public Interest Law Project, Strategic Actions for a Just Economy (SAJE), Uplift Inglewood, Western Center on Law and Poverty, and WPUSA: Working Partnerships USA submitted a new proposal for SB 50 affordability standards. Our goal with this proposal is to pair the density increases and parking reductions in SB 50 with workable affordability standards to produce as many new homes as feasible for extremely low- and very low-income families in California.

New proposal

1. *Fee for 2-10 unit projects*
2. *On-site affordable housing set-aside starting at 11 units*
3. *Value capture starting at 36 units*

	ELI	VLI	LI
2-10 units	fee		
11 - 35 units	6%		4%
	5%	4%	
0-50% density increase	5%		9%
	5%	6%	
51-80% density increase	5%		12%
	5%	9%	
81%+ density increase	5%		17%
	5%	12%	

4. ***Inclusionary Zoning:*** For developments of more than 10 units utilizing SB 50 incentives in jurisdictions with local inclusionary housing requirements, we propose the following:
 - a. Developments must include the total percentage of affordable units required by either SB 50 or the local inclusionary policy, whichever is higher.
 - b. Developments must include the deepest income targeting in either policy. As such, all projects must include at least 5% ELI units and at least the minimum percentage of VLI units mandated by the local policy, if any.
 - c. If the total percentage of affordable units required by the local inclusionary policy is higher than that required by SB 50 and the local policy does not require ELI units, then the 5% of units that must be ELI under SB 50 will be subtracted from the percentage required at the highest affordability level required under the local policy.
 - d. Developments must meet other requirements of the local inclusionary policy intended to promote comparability between the below market rate units and other units in the project and

achieve fair housing goals, such as requirements for equitable distribution in the project, minimum unit size or bedroom count, and type or quality of appliances, fixtures, or finishes.

How does this compare to DBL?

For purposes of comparison, we are able to convert the above proposed ELI+VLI set asides into a single ELI, VLI, or LI set-aside that would be the equivalent foregone revenue. This new proposal is much lower than what DBL would require for LI units, while only slightly higher for some density increase categories and slightly lower for others than what DBL would require for VLI units.

	VLI		LI	
	<i>DBL</i>	<i>new proposal*</i>	<i>DBL</i>	<i>new proposal*</i>
11 - 35 units	8%	10%	15%	11%
0-50%	11%	12%	20%	13%
51-80%	14%	15%	24%	16%
81%+	19%**	18%	31%**	19%
*equivalency based on ELI+VLI option. ** Requirement at 100% density increase.				

How does this compare to the author & sponsor’s previous proposal?

Using the same equivalency methodology, we can compare this new proposal to the author & sponsors’ previous proposal. As shown below, the new proposal is slightly lower than the sponsors’ previous proposal in the 0-50% density increase tier, and just slightly higher in the other tiers.

	ELI		VLI	
	<i>author & sponsors</i>	<i>new proposal</i>	<i>author & sponsors</i>	<i>new proposal</i>
11 - 35 units	7%	8%	8%	10%
0-50%	11%	10%	13%	12%
51-80%	12%	13%	14%	15%
81%+	13%	15%	15%	18%