Proposed Legislation Aims to Boost Affordable Housing on Land Owned by Religious Institutions and Nonprofit Hospitals

New Rules and Legislation

California Senate Bill (“SB”) 899, introduced in March by Senator Scott Wiener and currently in the Senate Housing, Environmental Quality, and Governance and Finance Committees, would exempt eligible affordable housing projects and mixed use projects on property owned by religious institutions and nonprofit medical facilities from review under the California Environmental Quality Act (Pub. Res. Code § 21000 et seq.) (“CEQA”) and provide for other permit streamlining. Eligible entities include nonprofit hospitals, diagnostic or treatment centers, rehabilitation facilities, and nursing homes, as well as religious institutions. As Senator Wiener noted, “religious and charitable institutions often have land to spare, and they should be able to use that land to build affordable housing and thus further their mission. SB 899 ensures that affordable housing can be built and removes local zoning and approval obstacles in order to do so.” These eligible organizations may partner with a qualified nonprofit developer or local public entity to construct the affordable housing developments.

Key requirements and features of SB 899 include:
• The residential units must be restricted to lower income households (Area Median Income of 80%) for 55 years for rental units and 45 years for owner occupied units.
• The development can either be: (i) up to 40 units in a three-story building in single-family residential neighborhoods; or (ii) up to 150 units in a five-story building in commercial or multifamily residential neighborhoods.
• The project must be located on a site that is equal to or larger than 10,890 square feet (one-quarter acre) and either adjacent to an arterial road or located within a central business district.
• A project may include commercial uses on the ground floor of the eligible development.
• Projects that are eligible for approval as a by-right use under SB 899 would also be eligible for a density bonus or other incentives or concessions.
• Cities and counties are prohibited from requiring a conditional use permit, planned unit development permit, or other discretionary review or approval for eligible projects. Review would be limited to compliance with applicable development standards similar to SB 35.
• Projects would be designated ministerial and therefore exempt from review under CEQA.

SB 899 represents Senator Wiener’s ongoing efforts to address the housing crisis in California following the defeat of his SB 50 – More HOMES Act[1] in January 2020. Existing concerns about affordable housing compounded by new economic uncertainties related to the coronavirus pandemic will likely draw increased attention to SB 899 when the State Legislature reconvenes this month.

[1] Please see here for our prior article on SB 50.

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