

SB 35 Streamlining in the SACOG Region

California Senate Bill 35 (SB 35) creates a new streamlined approval process for multifamily residential projects in cities and counties not meeting their Regional Housing Need Allocation (RHNA) goal. The new project streamlining applies in jurisdictions not on pace to meeting their goal for construction of above moderate-income housing and/or lower income housing (the sum of the very low-income and low-income categories). SB 35, which took effect January 1, 2018 requires local entities to streamline the approval of certain housing projects by providing a ministerial approval process (no CEQA), focused design review, and remove or lower parking requirements. This is a voluntary program that a project sponsor may elect to pursue, provided that certain eligibility criteria are met. The following is a step-by-step guide for SB 35 in the SACOG region.

Step 1: Does streamlining apply in the jurisdiction?

SB 35 currently applies to all jurisdictions in the SACOG region. The new streamlining applies to projects in jurisdictions deemed by the State Department of Housing and Community Development (HCD) as "not on pace" to meet their RHNA. HCD defines "not on pace" as less than half a jurisdiction's permitting progress towards the 5th Cycle RHNA (1/1/13 – 10/31/21) for either the lower income categories or the above moderate-income category, as reported in their Annual Progress Reports to HCD. At this time, all jurisdictions in the SACOG region are not on pace to meet at least some part of their RHNA and, as a result, are all subject to some form of SB 35. HCD will not change the designation of "not on pace" until after 2021 Annual Progress Reports are due, at which point progress will be measured by whether a jurisdiction has met 100% of the RHNA category.

Jurisdictions that are not on pace in the above moderate-income category are subject to SB 35 streamlining for proposed eligible developments; at least 10% of the units must be affordable if the development is more than 10 units. These jurisdictions in the SACOG region currently (July 2018) include:

- Auburn
- Citrus Heights
- Colfax
- Isleton
- Live Oak
- Loomis
- Marysville
- Rancho Cordova
- Sacramento
- Sacramento County
- Sutter County
- West Sacramento
- Wheatland
- Woodland
- Yolo County
- Yuba City
- Yuba County

Jurisdictions on pace in the above moderate-income category, but not in the lower income categories are subject to SB 35 streamlining for proposed developments with at least 50% affordability. These jurisdictions currently (July 2018) include:

- Davis
- El Dorado County
- Elk Grove
- Folsom
- Folsom
- Galt
- Lincoln
- Placer County
- Placerville
- Rocklin
- Roseville

For a map of SB 35 eligibility for all jurisdictions in California, please visit the HCD interactive map [here](#).

Step 2: Does the specific project meet the SB 35 streamlining requirements?

In order for a specific project to be eligible, the project must:

- Be multifamily residential with at least two or more units
- Meet minimum affordability requirements for projects >10 units (see Step 1)
 - The required proportion of units must be affordable to a household making 80% of the area median income (see [HCD's 2018 Income Limits](#) for more information)
- Be located in a city with an urbanized area or urban cluster or, for projects in an unincorporated area, be located in an urbanized area or urban cluster, but not be located in a coastal zone, prime farmland, wetlands, fire hazard zone, hazardous waste site, flood plain, flood way, earthquake fault zone, or conservation area
- Be located in an area currently zoned for residential or mixed-use residential
- Dedicate at least 2/3 of the floor area to residential uses
- Meet the current density standard in existing zoning
- Pay prevailing wage (for projects >10 units)

Additionally, the project cannot require demolition of historic structures, rent controlled units, or a building that has been occupied by tenants for the past 10 years.

Step 3: What types of streamlining is a specific project eligible for?

If the project meets the requirements set forth in Steps 1 and 2, it is eligible for the following streamlining:

- Ministerial review (no discretionary review is required and therefore CEQA does not apply)
- Parking requirements are either waived or reduced
 - Parking requirements are waived if the project is within ½ mile of transit, located in a historic district, if on-street permits are required, but not offered to the occupants, or there is a car share vehicle within one block of the project
 - For all other projects, the parking requirements cannot exceed one parking space per unit
- Objective review and approval

- Review and approval are based entirely on compliance with objective standards of the local jurisdiction's planning code at the time of the SB 35 streamlining application submittal
 - Such objective standards are those that require no personal or subjective (discretionary) judgment, such as objective dimensional requirements
- Focused design review
 - Design review must not materially impact the building height or unit count. The period for design review is time-limited and strictly focused on improving both the architectural design and urban features of the development
 - Planning staff must determine if a project is eligible for streamlining within 60 days of application submittal for projects of 150 or fewer units, and 90 days for projects containing more than 150 units

Additional Resources

- [Draft SB 35 Guidelines from HCD](#) (September 28, 2018)
- SB 35 map eligibility for all jurisdictions in California, please visit the HCD interactive map [here](#).
- [SB 35 Statewide Determination Summary](#) (Updated 6/1/2018): Summary of which jurisdictions are not currently subject to SB 35 streamlining, which are currently subject to SB 35 streamlining for developments with at least 10 percent affordability, and which are currently subject to SB 35 streamlining for developments with at least 50 percent affordability.
- [SB 35 Determination Methodology and Background Data](#) (Updated 6/1/2018): Additional detail on the determination methodology and background data.
- HCD will be developing guidelines to help jurisdictions with implementation, which will be released in fall of 2018. Until then, refer to the [SB 35 Bill Text](#)