

March 2018

AB 2372: CALIFORNIA AFFORDABLE & SUSTAINABLE HOUSING ACT (CASA)

POSITION: The Chamber's Infrastructure, Housing & Land Use Committee voted to SUPPORT Assembly Bill 2372 on February 20, 2018.

STATUS: Assembly Bill 2372 was introduced by Assemblymember Gloria on February 14, 2018.

SUMMARY

AB 2372 would allow cities and counties to opt-in to the Floor Area Ratio (FAR) Housing Bonus Program with the goal of spurring development and construction of market rate and naturally affordable housing throughout San Diego. This law authorizes local governance to establish a procedure to grant a developer of an eligible housing development a FAR bonus rather than by dwelling units per acre. The new FAR calculation is obtained by dividing gross building floor area by lot area. This legislation applies to urban infill sites within designated transit priority areas or within ½ mile of a major transit stop. The bill prohibits any parking requirements for eligible projects.

INDUSTRY/IES

AB 2372 would impact residents of San Diego currently affected by the low number of affordable housing units available. Increased housing development in transit priority areas including sites along bus rapid transit and trolley corridors would spur increased use of public transportation. Businesses within the development industry, or affiliated with the industry would be affected assuming the incentive makes it easier to build such units.

SUPPORTERS

Councilwoman Georgette Gomez (District 9)
City of San Diego Mayor Kevin Faulconer

OPPONENTS

None reported.

ARGUMENTS IN FAVOR

As the housing crisis becomes a statewide concern, AB 2372 would incentivize the development of much-needed new housing units located in transit-priority areas. AB 2372 allows local governments to encourage the development of units by making it less expensive to build more units within the existing or already permitted development frame. Under current law, it makes more financial sense to build less units in an existing frame as developers are charged by unit.

ARGUMENTS IN OPPOSITION

Increasing density, by making it easier to build more units, is challenging for local communities to absorb. Eliminating parking requirements will force additional cars into streets and increase congestion and parking frustrations.

MORE INFORMATION

Currently, local jurisdiction may provide incentives for constructing low-income housing units using a dwelling per acre formula. AB 2372 implements the new Floor Area Ratio (FAR) Housing Bonus Program that uses an alternate calculation system that increases the allowable residential floor area used as units.

FAR would stimulate the development of naturally affordable units located in transit-priority areas throughout San Diego.

The City of San Diego must build over 150,000 units in the next decade to keep up with demand, and data from 2017 indicates that although the City is in the midst of a housing crisis (similar to the rest of the state), building permits issued dropped 20 percent from 2016's numbers. Furthermore, as the workforce continues to be priced out of the region due to rising home prices, it is important for the region's economy that new supply be injected into the housing market to stabilize prices and encourage employee retention.