

REPORT OF THE CHIEF LEGISLATIVE ANALYST

DATE: August 9, 2023

TO: Honorable Members of the Rules, Elections, and Intergovernmental Relations Committee

FROM: Sharon M. Tso 
Chief Legislative Analyst

Council File No. 23-0002-S79
Assignment No. 23-08-0415

SUBJECT: Resolution (Yaroslavsky – Raman) to support AB 785 (Santiago), which would amend the California Environmental Quality Act (CEQA) to expand exemptions to specified affordable housing and transitional housing projects in the City of Los Angeles until January 1, 2030.

CLA RECOMMENDATION: Adopt the attached Resolution (Yaroslavsky – Raman) to include in the 2023-2024 State Legislative Program SUPPORT for AB 785 (Santiago), which would amend CEQA to expand exemptions for publicly funded low-barrier navigation centers, supportive housing, 100 percent affordable housing projects, and transitional housing for youth and young adults in the City of Los Angeles until January 1, 2030.

SUMMARY

Resolution (Yaroslavsky – Raman), introduced August 2, 2023, states that, according to the 2023 Greater Los Angeles Homeless Count, there are over 46,000 people experiencing homelessness in the City of Los Angeles. In 2019, Los Angeles had a higher percentage of cost-burdened renter households than any other major American city, at nearly 60 percent, contributing to the growing homelessness crisis. The Resolution states that roughly 40 percent, or 184,721 units, of the City's 2021-2029 Regional Housing Needs Assessment allocation are dedicated to planning for lower-income housing. The Resolution further states that CEQA provides a process for evaluating the environmental effects of a project. The Resolution notes that, under the current law, certain supportive housing projects and emergency shelters are already exempt from CEQA, but numerous projects remain delayed due to CEQA challenges. The Resolution states that currently pending before the Legislature is AB 785 (Santiago), which would expand CEQA exemptions for publicly funded low-barrier navigation centers, supportive housing, 100 percent affordable housing projects, and transitional housing for youth and young adults in the City of Los Angeles until January 1, 2030. The Resolution argues that AB 785 would help the City to expedite the construction of interim and permanent housing for people experiencing homelessness or those at risk of experiencing homelessness.

The Resolution therefore recommends the City's support for AB 785 (Santiago), which would amend the California Environmental Quality Act to expand exemptions to specified affordable housing and transitional housing projects in the City of Los Angeles until January 1, 2030.

BACKGROUND

CEQA is designed to make government agencies and the public aware of the environmental impacts of a proposed project, ensure the public can take part in the review process, and identify and implement measures to mitigate or eliminate any negative impact the project may have on the environment. If a project is eligible for CEQA review, the appropriate agency conducts an initial study to determine if the project will have significant effects on the environment. If it is determined that the project will have significant impacts, the agency prepares an Environmental Impact Report (EIR) to evaluate and propose mitigation measures for any effects on the environment. CEQA procedures can add delays to a project's timeline. An EIR may take up to a year to complete.

A major cause of the housing crisis in Los Angeles is the shortfall in supply of affordable housing. Through the Regional Housing Needs Assessment process, the Southern California Association of Governments has determined that the governments within Los Angeles County need to plan for 341,000 homes by 2029 that are affordable to lower income households. However, if current production rates continue, just 25,000 of these units would be created within the County in the next eight years.

AB 785 (Santiago) addresses these findings by:

- Expanding CEQA exemptions enacted under AB 1197 (Santiago) to include affordable housing and permanent supportive housing; transitional housing for youth; navigation centers and interim solutions;
- Extending these exemptions for five additional years to January 1, 2030; and
- Including unincorporated areas in Los Angeles County in these exemptions.

It should be noted that CEQA exemptions that apply to affordable housing projects already exist. However, it has been reported that many of these exemptions include subjective provisions that make them easy to challenge, and thus difficult to utilize.

Support for AB 785 (Santiago) would be consistent with City efforts to address the ongoing housing and homelessness crisis at a City and State level and help expedite the construction of interim and permanent housing in the City.

DEPARTMENTS NOTIFIED

Los Angeles Housing Department

BILL STATUS

02/13/23 - Introduced

05/01/23 - Amended

05/18/23 - Passed and ordered to Senate

07/12/23 - Amended and re-referred to Committee on Appropriations



E. Travis Rust
Analyst

Attachments: Resolution (Yaroslavsky – Raman)

RESOLUTION

RULES, ELECTIONS, INTERGOVERNMENTAL RELATIONS

WHEREAS, any official position of the City of Los Angeles with respect to legislation, rules, regulations or policies, proposed to or pending before a local, state or federal governmental body or agency, must have first been adopted in the form of a Resolution by the City Council with the concurrence of the Mayor; and

WHEREAS, according to the 2023 Greater Los Angeles Homeless Count, there are over 46,000 people experiencing homelessness in the City of Los Angeles; and

WHEREAS, in 2019 Los Angeles had a higher percentage of cost-burdened renter households than any other major American city, at nearly 60%, contributing to the growing homelessness crisis; and

WHEREAS, roughly 40%, or 184,721 units, of the City's 2021-2029 Regional Housing Needs Assessment allocation are dedicated to planning for lower-income housing (0-80% Area Median Income); and

WHEREAS, the California Environmental Quality Act (CEQA) provides a process for evaluating the environmental effects of a project, including but not limited to, water quality, land use and agricultural resources, transportation and circulation, air quality and greenhouse gas emission; and


WHEREAS, under the current law, certain supportive housing projects and emergency shelters are already exempt from CEQA, there remain numerous projects that are delayed due to CEQA challenges being filed; and

WHEREAS, currently pending before the Legislature is AB 785 (Santiago), which would expand CEQA exemptions for publicly funded low-barrier navigation centers, supportive housing, 100% affordable housing projects, and transitional housing for youth and young adults in the City of Los Angeles until January 1, 2030; and


WHEREAS, AB 785 would help the City to expedite the construction of interim and permanent housing for people experiencing homelessness or those at risk of experiencing homelessness;

NOW, THEREFORE, BE IT RESOLVED that by adoption of this Resolution, the City of Los Angeles hereby include in its 2023-24 State Legislative Program SUPPORT for AB 785 (Santiago).

PRESENTED BY:


Katy Yaroslavsky
Councilwoman, 5th District

SECONDED BY:


Gregor Penner
Councilman, 11th District


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