January 13, 2020

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FROM: David DeGrazia, Deputy Director

SUBJECT: Assembly Bill 2162 (D. Chiu): Supportive Housing

On September 26, 2018, the Governor approved Assembly Bill (AB) 2162,¹ which authorizes housing developments as a use by right in zones where multifamily and mixed uses are permitted if such projects include affordable and supportive housing units. The requirements of AB 2162, which went into effect on January 1, 2019, are outlined in this memo. You are encouraged to discuss these regulations with your respective staff to ensure compliance.

A copy of AB 2162 is attached for reference (Attachment A). Title 22 will be amended to comply with State law upon adoption of the Interim and Supportive Housing Ordinance. Until then, the following provisions shall govern and supersede any contrary provisions in Title 22:

1. ELIGIBILITY AND REQUIREMENTS FOR SUPPORTIVE HOUSING USE BY RIGHT

   A project reviewed in accordance with AB 2162 is subject to an Administrative Housing Permit pursuant to Chapter 22.166 (Housing Permits), and shall be by right if the project meets all of the following requirements:

   A. The project is located in a zone where multifamily and mixed uses are permitted;

¹ AB 2612 makes minor technical clarifications to Section 65583 and adds Sections 65650 – 55656 to the Government Code.
B. All units in the project, excluding managers’ units and density bonus units,\(^2\) are for lower income households (with incomes up to 80% AMI\(^3\));

C. The project is receiving public funding, or the applicant for the project has applied or intends to apply for public funding to ensure affordability of the units to lower income households.\(^4\) The applicant must submit the Source of Funds Questionnaire form (Attachment C);

D. The project provides supportive housing units as follows:

1. If the project is 11 or fewer units, excluding managers’ units and density bonus units,\(^2\) 100% of those units must be supportive housing; or

2. If the project is 12 or more units, excluding managers’ units and density bonus units,\(^2\) at least 25% of those units, or 12 units, whichever is greater, must be supportive housing units;

E. The term of affordability and restriction to supportive housing for the units is 55 years. A covenant and agreement pursuant to the requirements of Section 22.166.050 (Covenant and Agreement) is required;

F. Onsite Supportive Services

1. The project provides nonresidential floor area for use by onsite supportive services as follows:

   a. If a project is 20 or fewer total units, at least 90 square feet; or

   b. If a project is 21 or more units, at least 3% of the total nonresidential floor area shall be dedicated to tenant use including, but not limited to, community rooms, case management offices, computer rooms, and community kitchens.

2. The applicant must submit the Supportive Services Plan form (Attachment D) with documentation of the supportive services that will be provided onsite;

G. All units have at least one bathroom and a kitchen or other cooking facilities, including, at minimum, a stovetop, a sink, and a refrigerator; and

\(^2\) In a letter to the Department (Attachment B), the California Housing and Community Development Department clarified that “density bonus units should not be considered in the total number of units in the housing development, similar to Gov. Code Section 5915(b)(3)” when determining eligibility of a project.

\(^3\) Area Median Income, per Health and Safety Code Sections 50079.5(c) and 50105.

\(^4\) In a letter to the Department (Attachment B), the California Housing and Community Development Department clarified that Government Code Section 65651(a)(2) does “not require a prior commitment of funding for a proposed project at the time or in the review of the application,” and further clarifies “the proposal should, however, include information about applying for public funding.”
H. The project complies with the replacement requirements of State Density Bonus law 
(Section 65915(c)(3) of the California Government Code). The applicant must submit 
the Pre-Existing Site Conditions & Household Income Certification (For Projects 
Subject to Chapter 22.120 (Density Bonus or Assembly Bill (AB) 2162) form 
(Attachment E).

II. PARKING

If a project reviewed in accordance with AB 2162 is located within one-half (½) mile of a 
public transit stop,5 parking shall not be required for the supportive housing units.

III. REVIEW AND TIME LIMITS FOR NOTIFICATION AND DECISION

A. Within 30 days receipt of submittal of an application to be reviewed in accordance with 
AB 2162, the applicant must be notified whether the application is complete.

B. The decision (approve or deny) for a project reviewed in accordance with AB 2162 
must be issued as follows:

1. If the project is 50 or fewer units, within 60 days after the application is complete; 
or

2. If the project is 51 or more units, within 120 days after the application is complete.

IV. REDUCTION OF SUPPORTIVE HOUSING UNITS

In the event that the project-based rental assistance or the operating subsidy for a project 
that is approved pursuant to AB 2162 is terminated through no fault of the project owner 
during the required 55 year duration, the project owner may request a reduction to the 
number of required supportive housing units and still be in compliance with AB 2162 
provided all of the following conditions are met:

A. The project owner must submit the Loss of Funding Certification form with required 
documentation (Attachment F).

B. The owner demonstrates that good faith efforts were made to find other sources of 
financial support;

C. Any change in the number of supportive housing units is restricted to the minimum 
necessary to maintain the project’s financial feasibility; and

5 “Public transit stop” includes existing rail stations, and the intersection of two or more major bus routes with a 
frequency of service interval of 15 minutes or less during the morning and afternoon peak commute periods. 
Measurements for frequency of bus service can include multiple bus lines.
D. Any change to the occupancy of the supportive housing units is made in a manner that minimizes tenant disruption and only upon vacancy of any supportive housing units.

If you have any questions regarding AB 2162, please contact Heather Anderson in the General Plan Development and Housing Section at (213) 974 – 6417 or handerson@planning.lacounty.gov.

Attachments:
A. Assembly Bill (AB) 2162 (D. Chiu)
B. HCD Letter 2.22.2019
C. Source of Funds Questionnaire form
D. Supportive Services Plan form
E. Pre-Existing Site Conditions & Household Income Certification (For Projects Subject to Chapter 22.120 (Density Bonus or Assembly Bill (AB) 2162) form
F. Loss of Funding Certification form

C: Amy J. Bodek, AICP, Director
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