

SB 9 Group

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Gentrification

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Implementing Senate Bill 9

Introduction

Senate Bill 9, or the California Housing Opportunity and More Efficiency (HOME) Act, was signed into law in September 2021 and went into effect across the state on January 1, 2022. While California has oriented its urban planning towards single-family zoning for the past century, the bill is a part of a recent larger nationwide and statewide movement towards denser communities and away from single-family neighborhoods. The bill hopes to gradually increase the density of single-family zoned neighborhoods to meet California's housing needs, although it faces the challenges of NIMBY critics claiming it will radically change the composition of neighborhoods and feasibility issues such as the lack of standardized finance options as well as physical constraints on construction.

SB 9 allows homeowners to split their single-family lots into two separate lots and build up to two new housing units on them; up to four housing units would be able to be built on what was previously a single-family parcel. While the review process for such developments was previously discretionary (i.e. approved on a case by case basis), SB 9 projects are exempt from this review as long as they meet certain criteria. To be eligible for this streamlining, tracts must be located wholly in a Census-designated urban area and not cover historic or landmark districts. SB 9 duplexes must still comply with local zoning regulations as long as they do not physically preclude the duplex itself. SB 9 also aims to prevent investor speculation and tenant evictions

while promoting development. In order to benefit local homeowners instead of real estate companies, the bill includes an owner occupancy requirement of three years in one of the units. Additionally, proposed projects cannot require the alteration or demolition of rent-controlled or low income housing, and renovation is also prohibited for units occupied by a rental tenant within the past three years. While these protections seem to have been instituted in response to activist concerns about unimpeded corporate development, as the bill is less than a year old, it remains to be seen whether real estate developers and other large entities will conform to these mandates rather than be able to find legal workarounds to bypass them.

Still, SB 9 was passed with the hope that it would lead to some construction by eager homeowners. In order to mitigate California's homelessness crisis and housing affordability issues, state legislators have turned to zoning ordinances as a possible solution for the problem of supply. Currently, while it is estimated that California will need 3.5 million additional units of housing by 2025 to meet demand, fewer than 80,000 new homes are currently built per year (McGhee et al.). There are now 2.93 Californians for every occupied housing unit, far above the 2.53 average of all other states (ibid.). While all estimates of SB 9's effects indicate that it will not radically change the problem of undersupply, and despite opposing homeowners' claims that it "crushes single-family zoning" and would be "the beginning of the end of homeownership in California," the bill is nevertheless a modest step towards easing the state's housing shortage through development in single-family neighborhoods instead of in vulnerable communities at risk to the potential displacement and gentrification that comes with redevelopment (Dougherty).

History of Zoning in the United States and California

Origins of Single-Family Zoning

California has a long history of single-family home ownership; Berkeley in 1916 the first US city to restrict neighborhoods to single-family homes, and it is a regulation many homeowners euphemistically describe as maintaining “neighborhood character” (French). The practice of zoning – the legal mechanism through which governments control development through designating land for certain uses – proliferated in the 1920s and 1930s after the Supreme Court affirmed municipalities’ authority to regulate property in such a way through the case *Village of Euclid v. Ambler Realty Co.*² (ibid.). This 1926 majority decision even equated apartments to “parasite[s]” as “the coming of one apartment house is followed by others [...] until, finally, the residential character of the neighborhood and its desirability as a place of detached residences are utterly destroyed.” Zoning was initially used as a tool to create safe, habitable communities away from negative effects of industrial and urban development, but it soon became a mechanism for segregating neighborhoods by race and economic status and perpetuating redlining (Rothstein). SB 9, at least in theory, can right these institutional laws by making housing in previously single-family communities more available and inclusive.

Californians today still regard single-family home ownership as a foundational right in the state; lawmakers have long avoided angering suburban voters who oppose increasing housing density (Dougherty). As zoning has traditionally been a local issue, many opponents of the bill claim that its statewide mandate is a form of government overreach (ibid.). Analysts, however, maintain that because metropolitan areas operate as a contiguous economy, the regulations on their housing markets should function on a collective level to solve the housing crisis (ibid.)

How Other Places are Approaching Single-Family Zoning

SB 9 is California’s first big step away from their historic tendency towards having single-family zoned neighborhoods in order to increase the density of the housing in the state to

improve on the state of the housing shortage crisis. However, the housing crisis is not a California-specific phenomenon – it is a problem everywhere in America. Other states have viewed single-family zoned neighborhoods as a culprit of the problem, and have taken much more drastic measures with regards to it. The general thinking behind these bills is that reducing single-family zoning will increase housing in the “missing middle.” This is housing in between single-family homes and dense apartments, housing that is more dense and affordable than traditional suburban homes but that does not require massive apartment complexes.

Minneapolis and its plan, Minneapolis 2040, essentially eliminated single-family zoning from its city. The city’s rationale behind this move is that single-family zoning drives up house prices by straining supply and limiting density, fosters economic and racial segregation, and is inefficient and therefore bad for the environment (Kahlenberg). In addition to allowing duplexes and triplexes on all single-family zoned areas, the plan also includes more transit oriented developments, the elimination of street parking requirements, housing affordability requirements, and increased funding for housing.

The state of Oregon, and Portland more specifically, have also effectively eliminated single-family zoning. In 2019, Oregon passed HB 2001 which requires cities with more than 10,000 people to allow duplexes in areas zoned for single family homes (Wamsley). Portland expanded on this, legalizing up to four homes on nearly any residential lot while also limiting the building size of these new units (Bliss). Developers additionally have the option to build up to six homes on a lot if half of them are affordable. Portland increased the allowable floor-to-air ratio for multi-unit buildings while decreasing the same metric for single-family homes, essentially allowing multi-unit buildings to take up more of their lot than single-family units

(ibid.). These changes are also by right in Portland – people building denser units do not need to go through the neighborhood design review process.

Does Eliminating Single-Family Zoning Work?

Entire states have bought into upzoning single-family districts to increase density and affordability, but will this actually accomplish those goals? Research thus far is sparse, but indicates that there may be tradeoffs and that strategic upzoning is necessary.

A study done on the Minneapolis 2040 plan found that the plan was associated with a 3% to 5% increase in the price of affected housing units (Kuhlmann). Newly upzoned units now have greater development potential and their lots are now worth more. The study also found that plan-related price increases are larger in inexpensive neighborhoods and for properties that are small relative to their immediate neighbors. This implies that the plan could lead to a short term reduction in the supply of low cost single-family housing, as cheap houses that can be redeveloped are going to be the most highly in demand (ibid.). The study did not make a claim on whether the benefits from the long term increased housing density would outweigh this short term reduction.

Another study looked at New York City and its boroughs specifically to see how rezoning affected new residential construction, particularly of affordable housing. Interestingly, the study found that neighborhoods where upzoning or hybrid rezoning (upzoning targeted to specific neighborhoods) produced additional units at higher rates than other neighborhoods, but produced affordable housing at a significantly lower rate (Walters). The study recommended that upzonings and hybrid rezonings only be applied to neighborhoods where the change would bring a higher ratio of affordable housing development, which is in primarily majority white and moderate to high income districts (ibid.). It recommended against upzonings and hybrid

rezonings in majority BIPOC or low income neighborhoods (ibid.). While this study looked at all types of upzonings and hybrid rezonings, not just moving away from single-family housing, it does provide evidence that upzoning single-family neighborhoods can be harmful to the neighborhood's inhabitants.

Another piece on upzoning by a longtime housing scholar makes the argument that upzoning in cities, for the most part, makes no sense because it requires the demolition of something for the construction of something new (Mallach). Due to the costs of redevelopment, the new units will usually be more expensive than what they are replacing. Rather, it makes more sense to upzone the suburbs, as they provide a much higher opportunity for creating middle market housing (ibid.). This sums up nicely the academic work that has been done on the effects of upzoning – it is useful in sparsely populated areas whose residents are not particularly at risk of displacement, but can actually be harmful if not utilized properly and prudently.

How SB 9 Fits into California's Plan to Fix the Housing Crisis

SB 9 is just one small part of the California state government's larger vision for alleviating the state's housing shortage. State legislators have generally framed housing solutions through the lens of the 3 P's - protect, preserve, and produce. The legislative cycle of 2021 was dominated by legislation aimed at the third P, production. The goal with all this legislation is to slowly start the process of nudging communities towards creating and becoming more comfortable with denser housing. California additionally seems geared to come out of the COVID-19 crisis with an influx of new housing development and funds directed towards housing. Prior to COVID-19 and particularly during the pandemic, legislation was more focused on tenant protection. The landmark California Tenant Protection Act of 2019 required landlords to have just cause to terminate a tenancy and limited the annual allowable rent increase statewide

(Rent Board). During COVID-19, the state enacted a number of tenant relief measures and eviction moratoriums to protect those facing eviction and those who were unable to pay their rent. Having a good base of tenant protection laws now, the state is shifting its focus towards production.

California Governor Gavin Newsom has been clear in his prioritization of this approach. In a 2021 press release on the housing legislation he is signing, he states that the legislation he signed should “boost housing production, remove barriers to the construction of ADUs, and streamline state laws to maximize housing production” (State of California). These goals are all extremely production oriented, which is apparent when examining the 31 bills that Newsom signed into law. A number of them have to do with planning and rezoning to make it easier to build housing (ex: AB 1398, AB 571, AB 215, SB 478). Others incentivize building dense housing, such as SB 728 and AB 634. Two other important bills signed earlier in 2021 include SB8 and SB10. SB8 sets limits on the local approval process, ensuring that municipalities do not try to circumvent state housing laws with egregious approval processes (Forbes et al.). The state has also tried to crackdown on cities skirting state housing rules by creating the Housing Accountability Unit. SB 10 makes it easier for cities to zone for smaller, lower cost developments, with a focus on areas that have easy access to transit or jobs (“SB 10”). SB 9 slots in nicely with a number of these other housing bills, filling the state’s need for increased density in neighborhoods that have been exclusively single-family homes.

Similar Rezoning Attempts (and Failures)

SB 9 is only another California legislative attempt at upzoning; other bills aimed at increasing density have been proposed in the past few years, yet failed due to opposition from both NIMBY and affordable housing-focused and activist coalitions.

SB 827 and SB 50

Introduced in 2018 by Senator Scott Wiener, SB 827 required that all areas within a half-mile of a high-frequency transit stop, or within a quarter-mile of a bus or transit corridor, allow heights of at least 45 or 85 feet. The potential result, buildings of roughly four to eight stories, was far higher than local zoning regulations and would have applied to vast swathes of the state (Roberts). However, a coalition of activist groups sent Wiener a letter opposing the bill, as they feared that development would displace low-income residents near transit, increasing housing stock but exacerbating inequality (ibid.). 827 contained no explicit measures to prevent such displacement. SB 50, a later offshoot of 827 that similarly encouraged denser housing in major transit corridors as well as near job centers, also failed in 2020 due to opposition from NIMBY groups and concerned activists (ibid.).

How is SB 9 Different?

While SB 9 is not as ambitious as SB 827 and SB 50, which would have impacted populated and high-potential (in terms of proximity to transit centers and jobs) areas of California, it is more modest; the targeting of traditionally affluent single-family land parcels instead of potentially gentrifiable places, as well as its included tenant and affordable housing protections, may have made it more palatable to activist groups and thus more politically feasible to be passed. While NIMBY opposition would have been a given for all types of statewide zoning legislation, state legislators may have wished to court certain activist groups in order to ensure this new zoning ordinance some political feasibility.

Feasibility

History

The history of the banking and construction industries in California makes managing the financial and construction feasibility of SB 9 units more difficult for homeowners and residents. The construction industry was significantly hit following the Great Recession. California was especially affected, and was one of the epicenters of foreclosure. The resulting downturn in construction caused a lot of small developers and workers to leave the state, leaving little supply to meet the demand of the housing crisis we see now (“History of the Eighties--lessons for the Future”). There is now consolidation in the industry with fewer developers who mostly work on very large developments. With these results, it will take time to rebuild the construction workforce and small developer community to work on small multifamily projects like those we hope to see with SB 9.

In terms of California’s economic and banking industries, the deep recession affected the earnings of the banking sector but was still relatively mild in terms of bank failures (“History of the Eighties--lessons for the Future”). The failed banks however, happened to be the ones that generally pursued aggressive real estate lending strategies, with tendencies to favor higher-risk construction and commercial real estate loans over the more conservative real estate lending practices. While this didn’t favor single-family homes, it also didn’t favor duplex or multifamily units, mostly consisting of high-tech manufacturing. Construction activity in 1984 and 1985 was actually channeled into multifamily units, however the Tax Reform Act of 1986 eliminated many of the incentives for multifamily construction. Supply therefore failed to keep pace with the rising employment, population, and household formation (“History of the Eighties--lessons for the Future”). So, although recessions often lead to a boom psychology that spurs development,

they also inflate real estate prices; while banks and the construction industry were then shifting towards more real estate lending it was geared more towards commercial and single-family homes than nontraditional multifamily units (“History of the Eighties--lessons for the Future”).

Construction Feasibility

The feasibility of eliminating single-family zoning through SB 9 also faces issues regarding structural feasibility with the extensive criteria that projects need to meet to qualify as well as social opposition among residents and landlords. In an analysis done on feasibility of the bill in Santa Monica, it found that a minimum of 6-7 units would be needed to support an on-site inclusionary unit in the zone and that replacing single-unit dwellings in R1 zones with two- and three- unit projects like condos with no affordable units would be infeasible. Therefore, since SB 9 would only allow two-unit projects that would likely be rental units, and the requirement that applicants occupy one of the units as their primary residence or that the existing unit must be owner-occupied in the first place, it was found unlikely that requiring on-site affordable housing units in SB 9 projects would be feasible in Santa Monica (“Santa Monica Information Item”). These cases make it more difficult to analyze if SB 9 could be feasible in other areas or if the Santa Monica case should be used as an example.

All in all, the likelihood of creating new housing and homeownership opportunities always depends on local context, including the case of SB 9. While we can analyze the market and economic feasibility of redevelopment, these analyses do not consider the individual owners’ motivations and preferences for their own property. Even if infill housing or rebuilding seemed more economically feasible or profitable, a homeowner may prefer the existing architecture in order to have more space and not become a landlord. However, for home owners who do plan to

take advantage of the legislation it allows qualifying lot splits to be approved ministerially, without discretionary review or hearings, upon meeting certain criteria (Leaderman & Ashe).

Property owners may also lack capital or enough information to initiate the process of redeveloping their site. Like the financing barriers discussed earlier, homeowners may be unable to access financing due to a low credit score, unavailability of construction industry collaboration, or a lack of viable routinized business models that encourage them to develop (Metcalf et al.). This extensive criteria for market and structural feasibility leads to a wide variation of market-feasible units across the country. For example, Los Angeles County resulted in the most new units under SB 9 and other counties such as Yuba, El Dorado, Sutter, and Nevada would also see the most new market-feasible potential per parcel. On the other hand, most Central Valley counties showed below average potential for new homes per parcel with low economic feasibility. The Turner Center for Housing Innovation at the University of California also found that, due to qualifying conditions, physical capacity and financial feasibility, less than 2 percent of single-family lots would likely use SB 9 for up to the four housing unit maximum (Metcalf et al.). This wide variation shows that while SB 9 is a clear step forward to address the state's dire housing crisis by allowing more flexibility and including protections for renters, we should analyze it in terms of the regional context it is implemented in since its feasibility depends greatly on local forces (Metcalf et al.).

Other Barriers

In addition to financing tools, the feasibility and likely outcomes from SB 9's implementation also depend on the accessibility of information on it. Reaching SB 9's highest potential depends on the homeowner's knowledge and understanding of the resources available to them for financing and their knowledge of the laws passed. Lower- and moderate-income

homeowners' may be less likely than wealthier ones to have knowledge of the ADU process and use it to their advantage (Chapple et al.). However, eliminating this knowledge gap can be done through multiple ways. Some suggest public interest campaigns to educate them and address this issue of lack of accessibility. Cities could also take advantage of state-level housing technical assistance tools for local homeowner education and outreach programs. These educational programs could then be incorporated into the city and county's housing elements as strategies to overcome housing constraints and meet state-mandated new housing targets (Chapple et al.). These city guides are examples of how cities can encourage residents to use SB 9 and help alleviate the housing crisis.

Financing

SB 9 calls for an influx of low-density infill housing construction in order to expand the housing stock in California. However, there are financing challenges that homeowners will inevitably face when dealing with the construction of infill housing and moving away from single family zoning. While SB 9 lifts legal roadblocks, navigating the financing elements is the next big obstacle homeowners and small developers need to face in order to increase affordable housing. Since infill housing is not a traditional form of building, financing options are not standardized and banks are more reluctant to take risks with single homeowners (Walsh & Choi). This section will explore the financing options available for creating SB 9 units as well as the barriers that are preventing many homeowners from beginning their own projects.

As crowding increases along with the demand for housing, there has been an increase in accessory dwelling units (ADUs) as well. Consequently, the need for financing options for low and moderate income homeowners has also increased. ADUs, or with the case of SB 9 they would be called SB 9 units, are providing more housing in wealthier areas and also reducing

overcrowding, providing rental income, and building home equity in lower-income areas. Yet, even with all the benefits new SB 9 ADUs could provide for low-income homeowners and communities, it is difficult to obtain financing especially for low-income homeowners and developers when they need it for housing their own family or for a new source of rental income. Additionally, construction costs are rising and banks have been slow to collaborate with SB 9 developers by creating new loan types (Walsh & Choi).

Authors for the Turner Center for Housing Innovation at UC Berkeley explore legal options for expanding financing options for SB 9 (Chapple et al.). They recommend federal government expansion of institutions like Fannie Mae, Freddie Mac, and the U.S. Department of Housing & Urban Development in order for them to begin assessing ADUs in a way that accounts for the income generation potential. Assessing new housing units' potential rental-income when appraising them for loans can help banks become much less reluctant when financing their loans. More specific legal intervention in the context of California includes the creation of state government programs that facilitate the process for homeowners to qualify for construction loans. Existing examples of bills that could support this financing include President Pro Tempore Atkins' Senate Bill 1120 and Assemblymember Ting's Assembly Bill 69 (Chapple et al.).

Expansion of these bills' requirements and aims could be great facilitators for the SB 9 unit building process. President Pro Tempore Atkins' Senate Bill 1120 currently allows for "ministerial single-family lot splits to facilitate up to two new units on existing parcels" (Chapple et al.). However, it does not aim to change any of the existing design or zoning guidelines like SB 9 does. This bill's expansion also depends on public awareness of the law and the degree it is embraced and promoted by officials. Another bill that could be used alongside SB

9 to expand housing options is Assemblymember Ting's Assembly Bill 69. This bill would help create the "Help Homeowners" to qualify for loans and construct more units on their property (Chapple et al.). But, the bill is not detailed enough and may need subsequent legislation or funding to expand initiatives. Both of these bills have shortcomings but when used in collaboration with SB 9 by city officials could significantly impact the likelihood of neighborhood participation in eliminating single-family zoning.

Financing Options and Barriers

While SB 9 is meant to create more affordable and equitable housing in the Bay Area, financing experts through the Urban Institute agree that the status quo of the financing options available lack equitable distribution of capital and pose barriers to building new housing through SB 9 in order to reduce the racial wealth gap. At the moment, there is a lack of available construction loan products for homeowners to build duplexes or ADUs under SB 9. Homeowners who wish to build additional units for family or for extra income need to use several financing options to cover the costs of construction and operation. These financing options could include cash savings, family support through liquid assets, home equity lines of credit, cash-out refinancing, renovation loans, or construction loans (Walsh & Choi). Wealthier borrowers with higher property values have an advantage when accessing capital through these options. The average homeowner, on the other hand, does not have cash savings or easy access to liquid assets from family and most will rely on loans if they would like to participate in combating the housing crisis through SB 9. Unfortunately, denial rates for cash-out refinances, home equity lines of credit, and renovation loans are significantly higher.

Denial rates can be explained by various reasons, but loan purpose leads to great variation in denial rates. Compared to the typical homeowner interested in dividing their property

in this case, institutional investors have a financing advantage. The current loaning system for purchase loans is not designed to consider major renovation or ADUs because the loan amount is based on the property's current value and does not account for what a homeowner plans to add to enhance it or consider additional occupants (Goodman & Golding). These loans have no flexibility with adjusting to changes or growth which are essential when considering financing the process of subdividing a lot, creating a duplex, or an ADU. Construction loans also have high interest rates and shorter terms, discouraging homeowners from considering SB 9 units.

Another factor that further complicates the process of financing through loans, is that most loan cases require the lender to hire a separate construction professional to oversee the project, making it more expensive and confusing for homeowners. Other reasons lenders cited for denying loan applications include potential indebtedness burden as measured by debt-to-income ratios. Credit history was the second most frequently reported reason for denied applications which is affected by many factors. Lack of access to credit, availability of funding, varied credit standards, or government regulations could all affect access to credit and lead to weak credit history (Mayer). These financing options also do not consider the potential rental income that could be gained through SB 9 units, excluding this factor increases the borrower's debt-to-income ratio and worsens their likelihood of loan approval. All of these barriers to financing including credit history and likelihood of indebtedness fall along clear racial lines that show the persistent racial inequities in the housing system.

Racial and Class Inequities

There is clear structural racism embedded in the housing system we see today that fuels racial disparities in credit with lower credit scores among minorities, higher debt-to-income ratios, smaller down payments that make mortgage rates higher, and overall historically less

access to wealth. The Home Mortgage Disclosure Act Data on 2018-2020 shows that in Los Angeles, households of color were denied lending for one unit and two-to four-unit homes for renovation and mortgage more frequently than white households (“The Home Mortgage Disclosure Act”). Alongside a lack of equitable standards from financial institutions, infill projects also pose risks for developers. As mentioned above, commercial and larger developers have a clear advantage for construction and renovation projects since they can build and repair properties more quickly and efficiently than typical owner-occupants (Goodman & Golding). That leaves developers with small, self-funded operations at a large disadvantage and these are typically characteristics of Black and Latinx proprietors. Without more financing options, construction of low-density infill housing through SB 9 could exacerbate the racial wealth gap. SB 9 could still open up more doors for homeowners and developers and reduce denial rates for loans, but more equitable solutions are needed to address the current issues.

Equitable Solutions

While financial and other barriers make successful implementation of SB 9 seem unlikely, there have been a variety of proposed solutions to address them and help homeowners address the housing crisis. The communities that are at a higher disadvantage from benefiting from SB 9 could be targeted through the census tract in order to provide low-cost financial vehicles that guarantee risks during the construction. Equitable solutions to address the growing complexity of SB 9 developments could begin by simplifying the permit and monitoring process of additional units. Experts also suggest creating incentive for lenders to approve more loans to low-income communities and communities of color through the Community Reinvestment Act. Further expansion of government programs like the Federal Housing Administration’s (FHA’s) 203K program and Fannie Mae or Freddie Mac’s renovation finance programs could also work

to address financial barriers. Additionally, to lower oversight costs, the loan process should not require homeowners to rely on consultants for construction.

Public and/or private programs could be designed to provide the aid needed for developers of color and all homeowners interested in building SB 9 units. The New York City-based CDFI Community Preservation Corporation supports small Black- and Latinx-owned developers and stresses the importance of providing assistance to small developers with things like lines of credit. In California, there exists a real estate development platform for homeowners that enables them to become their own real estate developer (Homestead Website). Homestead helps homeowners look up their options for maximizing their property's value and helps them begin developing ADUs through SB 9. The team aims to provide homeowners with a clear path to financial stability and empower them to solve California's housing crisis (Homestead Website).

Homestead is an additional financing option for homeowners that does not require them to go through measures like loan access and eliminates the inequality involved in the traditional financing process. Homestead secures financing for the property project, completes it, and allows the homeowner to then pay and get a traditional mortgage on the ADU or let Homestead sell it. If Homestead sells the house, the original owners get to keep 80% of net profit, and if they wish to buy it it's for half of the price (Schneider). Homestead also ensures that their "units rent for 30% above average, and we project them to sell well above the going market values" (Schneider). With this new real estate platform, homeowners are able to reap higher profits from an SB 9 lot split project with no risks or money upfront.

As time goes on, additional financing options will emerge and allow homeowners even more possibilities for financing their projects. SB 9 will most likely continue to be more feasible

over time as homeowners become familiar with the process and more solutions are available. One of the current goals to improve SB 9's feasibility is to simply spread the information to homeowners and educate them on its benefits for themselves and their neighborhoods. At the moment, wealthier homeowners tend to be informed but are less interested in creating duplexes or ADUs since they lack incentive. However, moderate and low-income property owners could benefit from housing their families, or building a new rental unit in order to have a new source of income.

Worst Practices

SB 9 gives localities the ability to craft ordinances to fit SB 9 to their area and housing plan. Many cities have been seemingly using these ordinances to get out of having to implement SB 9 at all. This section highlights some of the actions that cities have taken with regards to their ordinances or otherwise that would impede SB 9 developments.

The Ridiculous Places

Firstly, there are the cities that have been unsubtly working hard to find any loopholes that would exempt them from SB 9. The primary way that cities have tried to do so is by taking advantage of the SB 9 provisions that protect wildlife habitats, historical landmarks, or places where affordable housing would be torn down.

The most widely publicized instance of this took place in Woodside. The rural and extremely wealthy Bay Area town initially claimed that their entire town was exempt from SB 9 because the entire city was a mountain lion habitat (Pena). The town provided no evidence for their claim, and, unsurprisingly, the state was unhappy about this. California Attorney General Rob Bonta sent a scathing letter to the town and threatened to sue Woodside if they did not

update their emergency ordinance. Woodside's council members met to discuss the letter and ultimately decided to roll back their claims and accept SB 9 applications.

Pasadena has used the provision in SB 9 that protects landmark districts to exempt large swaths of its city from being eligible for SB 9 developments. If their designations hold, about 20% of the residential properties in Pasadena will be ineligible for SB 9 projects. Bonta sent a letter to Pasadena as well, clarifying that a "landmark district" exemption does not exist under state housing law and that only individual properties can be exempt (Dixson). Pasadena has held firm on their designation of historic landmark districts to protect certain neighborhoods from SB 9 developments, cementing these provisions in their SB 9 ordinance which is currently making its way through city council ("Pasadena Cements Landmark District Exemption"). A statement by Bonta's office suggests that he is backing down on the issue, indicating that Pasadena may be able to prevent duplexes and lot splits in almost a quarter of their city ("Attorney General Bonta").

Strict Design Requirements

There are other cities that have not come out against SB 9 as openly as Pasadena or the cities involved in the current lawsuit against the bill, but that have crafted SB9 ordinances in a way that severely restricts what an SB 9 project could look like in their city. The state understood that localities do not want their single family neighborhoods turning into super densely populated areas when they were crafting SB 9, so the bill allows cities to add design requirements to their ordinances. As a result, many cities have created extremely strict design requirements that limit the feasibility and form of a potential SB 9 project.

Parking Requirements

With regards to parking, SB 9 allows cities to require that SB 9 units have one off street parking space per unit as long as the unit is not close to quality public transportation or a ride sharing vehicle (Atkins). One of the primary concerns regarding SB 9 is that the increased density in neighborhoods will lead to more traffic. The SB 9 parking standard attempts to alleviate those concerns by ensuring that streets will not become crowded with parked cars. Cities have manipulated the parking requirement in ways that have made development much more difficult.

Certain cities have decided to outright ban SB 9 urban dwelling units from having parking. At face value, this seems like an environmentally friendly option. However, such as in a place like Temple City, it will severely limit SB 9 development. Temple City forbids any onsite parking for urban dwelling units, and even takes the extra step of banning any “hardscape” that could function like a parking spot (“SB-9 Urban Lot Splits”). The city additionally stipulates that urban dwelling units and urban lots are not eligible for any sort of parking permit (“SB-9 Urban Lot Splits”). Temple City is situated in the greater Los Angeles metro area, just east of Pasadena. Cars are a necessity in the city, given that the vast majority of public transit takes the form of buses that follow surface streets. If a Temple City resident worked in the financial district of Los Angeles, they would be spending a minimum of an hour on a bus, whereas it would take about 30 minutes with a car. Overcrowding is a legitimate concern, but this parking ban by Temple City essentially makes most lot splits and duplex developments infeasible.

Other cities have added requirements to the type of parking that is required that, while fairly small, can make it so that parking takes up a larger portion of the lot, making lot splits less appealing. For example, Garden Grove requires that if an SB 9 development results in two dwelling units, they cannot share a parking space/garage (“Garden Grove City Council”). Garden

Grove also stipulates that “Each garage shall maintain the ability to park the required number of vehicles at all times,” which forbids the garage from being used for any purpose other than parking (“Garden Grove City Council”). Other cities, such as Lafayette, require that parking spaces be a certain size – 10 feet by 20 feet in their case (“City Council of the City of Lafayette”). While these requirements are not absurdly restrictive, they do limit the flexibility of SB 9 project developers and, when coupled with other design requirements, can be extremely constraining.

Aesthetic Requirements

The crafters of SB 9 were aware that localities would worry that an influx of duplexes and lot splits would change the face of their neighborhood. As a result, SB 9 allows for cities to “impose objective zoning standards, objective subdivision standards, and objective design review standards” that do not conflict with any other part of the bill (Atkins). Some cities, in the name of preserving the character of their neighborhood, have taken advantage of this power and baked absurd design requirements into their ordinances. These requirements can take the form of interior design, exterior design, the arrangement of shrubs, or the type of paint used, often raising the price to develop SB 9 projects and severely limiting what form SB 9 projects can take.

Los Altos in the Bay Area, for example, has a long laundry list of requirements and specifications for the way that SB 9 projects can look. Their SB 9 Implementation Resolution is filled with language such as “Facade articulation shall be provided with at least six corners on the first floor,” and “ At least twenty-four-inch (24-inch) box screening vegetation shall be planted prior to occupancy of the residence” (“City Council of the City of Los Altos”). They have specific and strict requirements for the roofs, the walls, the vegetation surrounding the house, the windows, the door and window trim color, the lighting of the house, and many more

things. This presents an incredibly difficult job for developers, who must be carefully consulting with these rules throughout the entire process of designing and constructing an SB 9 project.

Los Altos is far from alone in these sorts of requirements. The Orange County city of Garden Grove also has incredibly strict and seemingly arbitrary design requirements. They require that the entire exterior of the unit, aside from areas like parking and walkways, must be fully landscaped and irrigated (“Garden Grove City Council”). This wording is extremely vague, and could lead to hold ups in the approval process. Garden Grove also requires a masonry perimeter wall and has design requirements for the wall that are based on city codes and neighboring walls (“Garden Grove City Council”). Random and restrictive design requirements like this are fairly commonplace in SB 9 ordinances.

Other Design Requirements

There are many other design requirements that cities have included in their ordinances that could potentially make SB 9 projects more difficult to develop and more expensive. Some cities have added fire safety requirements to their ordinances. Los Altos Hills, for example, required in their emergency ordinance that the wall connecting duplexes must be a one-hour fire wall (“Los Altos Hills City Council”). While Los Altos Hills is a particularly wildfire prone town in a wildfire prone state, it does not make much sense that this one particular wall needs to be fire-proof in all SB 9 developments, especially given that there are additional fire prevention requirements listed in the ordinance for projects in high risk areas (“Los Altos Hills City Council”). Another additional design requirement for projects in Los Altos Hills is that all electricity and utility units must be underground, a somewhat common stipulation in many SB 9 ordinances. Fire safety prevention and utility location requirements are examples of the many

other requirements baked into SB 9 ordinances that add an extra layer of headache and potential cost for developers.

More Requirements = More Bureaucracy

Strict design requirements are not just bad because they may cause stress for developers. They are bad because they make one of the major benefits of SB 9, ministerial approval, essentially obsolete. SB 9 intends to lay out a process by which developers and private citizens can redevelop a property with little intervention from the local city, assuming the proposed property meets certain criteria. When the criteria listed in ordinances is extremely specific and restricting, SB 9 projects get bogged down in the bureaucracy that SB 9 was trying to allow housing projects to circumvent. An added layer of this is that many SB 9 ordinances have vague wording in their design requirements, such as Garden Grove's aforementioned requirement that the lot, apart from the unit and walkways and parking, be "fully landscaped and irrigated" ("Garden Grove City Council"). Vague wording like this could allow localities to flag SB 9 projects as they make their way through the streamlined process and be picky about minute details. Property design requirements are obviously there for a reason. But given that they have led to an incredibly arduous housing development process that has contributed to California's housing shortage crisis, aesthetic sacrifices must be made in the name of more housing.

San Francisco

Generally speaking, San Francisco's SB 9 ordinance is one of the most developer friendly in the state. Every requirement is in line with SB 9 standards or more lenient, the city has provided great informational resources, and, as a result, Homestead has rated the city an A for SB 9 development friendliness ("SB 9 City Guide for San Francisco"). However, their Board of Supervisors is currently considering a plan that would make SB 9 obsolete in the city. Supervisor

Rafael Mandelman's plan would allow for up to four units on lots zoned for residential, with the possibility for six units on corner lots (Gardiner and Morris). While this would allow the city to embrace denser housing, it would upzone all single-family neighborhoods and make SB 9 no longer applicable to them. This is problematic because San Francisco is known for its lengthy and arduous design review process. SB 9 can only be effective if cities embrace denser housing and a willingness to streamline the process of developing a unit. This plan would still result in denser housing in certain areas in San Francisco, but would almost certainly result in less total housing than if SB 9 was the mechanism used to increase density.

Camarillo: Is Affordable Housing Compatible with SB 9?

One of the main theories behind the affordability crisis is that there simply is not enough housing in California. The logic would then follow that a bill like SB 9, which should increase density, would increase supply and lower the cost of living. Camarillo, a city that has taken steps towards developing affordable housing, interestingly though has not bought into SB 9 at all and has created extremely strict requirements for SB 9 developments. Camarillo, a well known outlet mall destination in southern California with a population of around 70,000, is wealthier than the average California city by median income (median individual income of \$42,158 compared with the statewide average of \$33,719) ("Camarillo"). One index puts Camarillo's cost of living at 153.8 compared with the statewide value of 149.9 (100 is the national average) ("Cost of Living in Camarillo, CA"). A 1 bedroom unit will cost about \$1700 a month, compared with the statewide average of about \$1400 ("Cost of Living in Camarillo, CA").

Despite being more expensive than the average California city by basically every metric, Camarillo has made efforts to create affordable housing in their city. Of the 8,270 units in the city that are renter occupied, 1,042 of them, or 13%, are designated for affordable housing

programs (“Housing Resource Guide 2021”). In November 2021, the city gave the greenlight to a development which would build 67 affordable housing units (Varela). Of the 67 units, 59 will be apartments and the other eight will be three-bedroom townhomes. In order to accomplish this, the city rezoned the property from industrial/commercial to high-density residential and will donate the 2.5 acre property to the developers. Regarding the project, Councilwoman Susan Santangelo stated, “This is going to be a model on how you can do affordable housing well (...) and still *maintain the character of your community* and be able to meet the housing needs of so many” (Varela).

In Camarillo’s SB 9 ordinance, it is very clear that the city council wishes to have the city retain a certain character. Homestead rates the city a D in terms of friendliness to developers, designating the following design requirements as “very restrictive”: parking requirements, objective design requirements, landscaping, utility requirements, height limits, and the bureaucracy (“SB 9 City Guide for Camarillo”). Camarillo also caps the size of new units at 800 square feet. In Camarillo, the average home size is around 1,600 square feet, and, given the city councilwoman’s quote from above, this is how city leadership and the community would like the city to remain. Another councilman from Camarillo called SB 9 a “homicide of local control” (Wilson). Given that, Camarillo likely only wants ADUs and JADUs to result from SB 9, as any 800 square foot unit would likely be infeasible.

Camarillo’s ordinance includes one additional wrinkle though: all rented units must be occupied by low income tenants. Generally, adding affordable housing requirements makes SB 9 development much more difficult, as these units essentially have a revenue ceiling. As part of Camarillo’s housing element for the next RHNA cycle, the state is recommending that the city build 597 additional affordable housing units by 2029 (Varela). In line with their restrictive SB 9

ordinance and decision to require that all rental units be rented to low income tenants, the city seems to be taking the position that they do not want the development of SB 9 projects. However, if higher density SB9 projects are to happen in Camarillo, they should be affordable housing. This would help the city meet their housing element goals and keep affordable housing projects denser while leaving single family neighborhoods less densely populated and maintaining the city's general character. This strategy, of crafting SB9 ordinances so that SB 9 developments can only take one narrow form that the city needs, could potentially be effective at creating affordable housing in a place like Camarillo, although the overall volume of housing created will lag behind what the state intended with SB 9. However, it remains to be seen whether Camarillo will be able to utilize SB 9 to meet their low income housing needs and while maintaining the neighborhood character that they prize.

Many localities have crafted ordinances that are extremely restrictive towards SB 9 developments. However, SB 9's passage was relatively recent, and it is unclear how the statewide view of SB 9 will evolve. It is quite possible that many cities implemented strict ordinances in order to buy themselves time to better assess how SB 9 will impact their city and how they can use SB 9 to meet their housing needs. It is also possible that developers find an extremely cost effective way to use SB 9 to develop additional housing, even with more restrictive ordinances. Only time will tell how SB 9 will develop in these cities currently employing some of the worst practices.

Best Practices

As mentioned above, most cities have aired on the side restrictive given the newness of SB 9. Not a ton of cities have openly embraced SB 9 yet, but many have started to establish good practices that make SB 9 development accessible.

Lenient Design Requirements

California state legislators, in an effort to ensure that localities retained a considerable amount of control over their SB 9 projects, allows for cities to impose design requirements in their SB 9 ordinances as long as those requirements do not conflict with any other part of SB 9. While, as shown above, many cities have abused this part of the bill to create extremely restrictive ordinances, many cities have opted to go the other direction and craft lenient ordinances. San Jose is potentially the city that has most openly embraced SB 9. Their ordinance is particularly friendly to developers. They have no parking requirements, and a generous height cap of 30 feet (“Council of the City of San Jose”). Other than San Jose, though, there really are not any other cities that have put more lenient design requirements in their ordinances than what SB 9 state standards are.

To be fair though, SB 9 does not provide many opportunities for more lenient design requirements. Besides parking, there is really only room for cities to be more lenient when it comes to the composition of the lot. For example, SB 9 says that “a local agency may require a setback of up to four feet from the side and rear lot lines” ([link](#)). Most of the other requirements revolve around health and safety, design areas which should be held to extremely high standards. The bill was clearly not constructed in a way that prioritized allowing cities to be more lenient if they wanted to. Rather, legislators were more concerned with ensuring that cities did not twist the bill and make it infeasible in their locality.

Getting Out of the Way

Given that cities are still figuring out how to properly utilize SB 9 to develop their communities in a way they would like, one of the best practices for localities with regards to SB 9 has simply been allowing the bill to function as intended and getting out of the way. As previously mentioned, one of SB 9's major functions is to remove the red tape associated with housing development in order to increase the total housing in California more rapidly. Cities that have, for the most part, simply implemented SB 9 without many changes in their ordinances include Riverside, Atherton, Long Beach, Los Angeles, and Oakland. While it is impossible to know for certain the reasoning behind these cities' embrace of SB 9, they likely have seen reports by entities such as Turner Center and have done internal research that has shown that SB 9 will not destroy the character of neighborhoods overnight. As a result, they potentially are allowing a first wave of SB 9 applications to come in to assess how SB 9 will play out and can then, in the future, make changes to their ordinances if need be.

SB 9 and ADUs/JADUs

One of the possible ways that SB 9 can be used by developers is to create Accessory Dwelling Units (ADUs) and Junior Accessory Dwelling Units (JADUs) on their lots. California defines ADUs as "a secondary dwelling unit with complete independent living facilities for one or more persons" ("Building Blocks: ADUs & JADUs"). These can house other people, be rented out, and generally increase the density of a lot. SB 9 state standards allow for developers to truly mix and max the way they would like to develop a property – they can have up to four units on two lots and add ADUs to all these units.

The state has recently been pushing for the construction of more ADUs, as they are generally cheaper and require minimal demolition. This means that there are programs in California, both at the state and local levels, that provide funding and guidance on the

construction of ADUs which can be used to help make SB 9 more effective. For example, California has an ADU Grant Program which provides up to \$40 thousand in funding and is available to low and moderate income families (“ADU Grant Program”). The program has handed out over \$100 million in grants so far. This would go hand in hand with much of what SB 9 is trying to achieve – allowing homeowners, particularly those of low income, to get more out of their lots and supplying more housing for those income brackets. Del Mar provides an example of a city incentivizing ADUs. They have been running a program since 2018 that rewards developers who build affordable housing deed restricted ADUs with a 500 foot floor area bonus (“ADU Incentive Program”). They hope this will bring 15 low income ADUs during the next housing cycle. The greater flexibility that SB 9 allows for the construction of ADUs combined with ADU incentive programs that exist throughout the state could mean that ADUs are the most feasible way to more rapidly increase density under SB 9 while the logistics of lot splits and duplexes are still being fought over.

Providing Accessible Resources

Given that cities have not been doing much to directly incentivize SB 9, one of the best practices by cities so far has been providing high quality instructional and informational resources to developers and private citizens who may be interested in taking on an SB 9 project. For many cities, finding the up-to-date SB 9 ordinance requires navigating a maze of links through a city’s website, if the city has the ordinance accessible on their website in the first place and not buried in a zoning code book. Additionally, many cities say to contact a particular number for anyone with interest in starting an SB 9 project, without giving clear information on what SB 9 is and what the requirements for an SB 9 project are. The lack of clear resources could

result in an SB 9 proposal missing a certain requirement, leading to that proposal getting bogged down in red tape and slowing down the entire process.

This is a very simple fix – cities should have their ordinances easily accessible on their website, should have a web page that clearly lays out what SB 9 is, and should have a checklist of requirements for developers. Oakland and Santa Cruz both have websites, easily accessible by a Google Search, that clearly list out the requirements and application process for SB 9 projects. Pictured below is Long Beach’s SB 9 project checklist, which clearly lays out what a developer needs for their project to be accepted (“Checklist for SB 9 Project Eligibility”). Providing high quality resources speeds up the application process, plain and simple.

City of Long Beach
Checklist for SB 9 Residential Development Project Eligibility

REQUIREMENTS FOR URBAN LOT SPLIT	
CAL. GOV'T CODE SECTION 66411.7	
(please check box, Y = Yes or True, N = No or False)	
13. The parcel map will subdivide an existing parcel to create no more than two new parcels.	<input type="checkbox"/> Y <input type="checkbox"/> N
14. The two new parcels will be of approximately equal lot area, and one parcel will not be not smaller than 40 percent of the lot area of the original parcel.	<input type="checkbox"/> Y <input type="checkbox"/> N
15. Both newly-created parcels will be no smaller than 1,200 sq. ft. each.	<input type="checkbox"/> Y <input type="checkbox"/> N
16. The parcel proposed for subdivision and the development proposed on the resultant parcels will meet all of the requirements of Items 4, 5, and 9 above.	<input type="checkbox"/> Y <input type="checkbox"/> N
17. The proposed subdivision will not require demolition or alteration of any housing unit(s) described in Items 6 and 7 above.	<input type="checkbox"/> Y <input type="checkbox"/> N
18. The parcel proposed for subdivision has not been established through a prior exercise of an urban lot split as provided for by Cal. Gov't Code section 66411.7.	<input type="checkbox"/> Y <input type="checkbox"/> N
19. Neither the owner of the parcel being subdivided, nor any person acting in concert with the owner, has previously subdivided an adjacent** parcel using an urban lot split as provided for by Cal. Gov't Code section 66411.7.	<input type="checkbox"/> Y <input type="checkbox"/> N
20. The proposed urban lot split conforms to all requirements of the Subdivision Map Act (Cal. Gov't Code section 66410 et. seq.)	<input type="checkbox"/> Y <input type="checkbox"/> N
21. The housing units proposed to be built on the subdivided parcels comply with the development standards described in Item 9 above.	<input type="checkbox"/> Y <input type="checkbox"/> N
22. All easements required for the provision of public services and facilities are provided to the satisfaction of the Director of Public Works.	<input type="checkbox"/> Y <input type="checkbox"/> N
23. Each of the proposed parcels has access to, provides access to, or adjoins the public right-of-way	<input type="checkbox"/> Y <input type="checkbox"/> N

Narratives around SB9

Opposition

SB9 is a highly contested bill that draws strong narratives of support and opposition from locals, and these narratives sometimes impact SB9’s implementation and success. The main narratives of opposition are concerns about changes in quality of life that existing residents would face as a result of the higher neighborhood density that SB9 would bring. Increased

traffic, increased noise, and reduced privacy are all concerns that have been brought up. In March, Mountain View council members met to discuss regulations that “would preserve the privacy of neighbors while still making it feasible to build additional units.” The debate was whether additional units, especially those built close to the property line, should be allowed to have second-story decks. City officials argued that they should be prohibited for two-unit developments on a single lot because they might cause privacy concerns for neighbors. Councilwoman Sally Lieber said “she would not be able to enjoy sitting in her yard if a neighbor was able to look down on her, and that it would be asking for future conflicts between residents.” In a similar vein, misgivings about shifts in neighborhood culture and identity have also arisen. Inflexibility and fears about changes in lifestyle or potential friction with new residents comprise the main narratives of opposition.

Support

Despite the resistance, narratives of support are strong from both organizations and individuals. A complete list of organizations that have voiced support for SB9 is below:

SB9 SUPPORTERS

AARP • Abundant Housing LA • ADU Task Force East Bay • All Home • American Planning Association, California Chapter • Bay Area Council • Bridge Housing Corporation • Cal Asian Chamber of Commerce • California Apartment Association • California Asian Pacific Chamber of Commerce (CAPCC) • California Association of Realtors • California Building Industry Association • California Chamber of Commerce • California Community Economic Development Association (CCEDA) • California Hispanic Chamber of Commerce • California YIMBY • Casita Coalition • Chan Zuckerberg Initiative • Circulate San Diego • City of Alameda • City of Oakland • City of San Diego • Clear Advocacy • Council Member Jon Wizard, City of Seaside • Council Member Zach Hilton, City of Gilroy • Council of Infill Builders • County of Monterey • East Bay for Everyone • Eden Housing • Facebook • Facebook, INC. • Fathers and Families of San Joaquin • Fieldstead and Company, INC. • Generation Housing • Greenbelt Alliance • Habitat for Humanity California • Hello Housing • Hollywood Chamber of Commerce • Housing Action Coalition • Inland Empire Regional Chamber of Commerce • InnerCity Struggle • League of Women Voters of California • LISC San Diego • Livable Sunnyvale • Local Government Commission • Long Beach Yimby • Los Angeles Business Council • Midpen Housing Corporation • Modular Building Institute • Monterey; County of • Mountain View Yimby • National Association of Hispanic Real Estate Professionals (NAHREP) • Non-profit Housing Association of Northern California • North Bay Leadership Council • Northern Neighbors • Office of Sacramento Mayor Darrell Steinberg • Orange County Business Council • Palo Alto Forward • Peninsula for Everyone • People for Housing - Orange County • Pierre Charles General Construction • Plus Home Housing Solutions • Regional Economic Association Leaders (REAL) Coalition • San Diego Housing Commission • San Diego Regional Chamber of Commerce • San Fernando Valley YIMBY • San Francisco Bay Area Planning and Research Association • San Francisco YIMBY • Sand Hill Property Company • Santa Barbara Women's Political Committee • Santa Barbara Women's Political Committee • Santa Cruz YIMBY • Schneider Electric • Share Sonoma County • Silicon Valley Leadership Group • South Bay Cities Council of Governments • South Bay YIMBY • South Pasadena Residents for Responsible Growth • Streets for People Bay Area • Sv@home • Techequity Collaborative • Tent Makers • Terner Center for Housing Innovation At the University of California, Berkeley • The Casita Coalition • The Central Valley Urban Institute • The Two Hundred • Tmg Partners • United Way of Greater Los Angeles • Urban Environmentalists • Yimby Action • YIMBY Democrats of San Diego County • Zillow Group

In addition, many notable leaders in California have voiced their support:

- Senator Scott Wiener (D-San Francisco)
- Senator Nancy Skinner (D-Berkeley)
- Senator Anna Caballero (D-Salinas)
- Senator Susan Rubio (D-Los Angeles)
- Nathan Fletcher, Chair, County of San Diego Board of Supervisors
- County of San Diego Supervisor Terra Lawson-Remer
- San Diego City Councilmember Raul A. Campillo
- Nancy McPherson, State Director of AARP California
- Ricardo Flores, Executive Director of LISC San Diego
- Eric Phillips, Vice President of Policy and Legislation American Planning Association, California Chapter
- League of Women Voters of California

In an opinion piece titled “As San Diego’s mayor, I urge you support Senate Bill 9 to ease California’s housing crisis”, Todd Gloria said:

“By focusing housing growth in existing neighborhoods, it supports our efforts to create a regional transportation system that increases our options for getting around while helping us reduce greenhouse-gas emissions and achieve our ambitious climate goals...If you’re telling us that you’re embarrassed by the homelessness that plagues our city, you’re telling us that you’ll accept affordable homes in your community. If you’re worried about your children or grandchildren being forced to leave their hometown because they’re

priced out of San Diego, you can accommodate a little more density in your neighborhood.”

It is notable that Gloria associates SB9 with achieving “ambitious climate goals.” He also tells San Diegans that SB9 is not just for helping other low-income people move into San Diego; it’s for the descents of the current residents. This is a powerful persuasive device. Current residents that don’t want to face inconveniences or compromise their quality of life for random low-income newcomers will surely be willing to make this sacrifice for their own families.

Support: Potential for Racial and Socioeconomic Empowerment

Eric Payne, executive director of the Central Valley Urban Institute and chair of the Fresno Anti-Displacement Task Force, says that “Housing reform bill [SB 9] would right some of redlining’s wrongs...” and that redlining is a “California-born-and-bred problem.” He urges the readers of his article that “it’s time to build a more inclusive California.” Payne believes that SB9 is designed to support people of color in moving to “high-opportunity” neighborhoods. As Gloria said, SB9 could help new generations stay in the existing neighborhoods of their families by way of creating affordable homeownership opportunities. Payne further states that it could heal the damage that “decades of segregation” and oppression has done to housing and “restore...[people’s] right to choose where [they] can live.” Supporters of SB9 clearly have high and far-reaching hopes for its impacts. Payne clarifies that these lower-cost homes will not force Black families out and lead to gentrification. SB9 protects current renters from displacement by disallowing the disruption of “existing affordable housing, rent-controlled housing, or housing recently leased to a tenant” (Payne, 2021). Indeed, SB9 stops profiteers from evicting or displacing tenants because it excludes properties where a tenant has lived in the past three years.

It is true that the resulting duplexes and smaller homes will be more affordable for

first-time home buyers, middle-to-lower income families, and people of color. The League of Women Voters of California stated that these groups have been “locked out of the housing market because of exclusionary zoning that favors high-income households,” and that SB9 could finally empower these local, less privileged communities. They want SB9 to increase housing supply in high-opportunity neighborhoods for sustained empowerment of these communities. Another form of long-term empowerment that SB9 could foster is the expansion of opportunities for multigenerational housing. Homeowners could share their properties with older relatives or adult children. According to Homestead, this aligns well with changes in modern lifestyles and the rise of remote work, which indeed point to multigenerational households and communal living in general. Multigenerational housing is praised for preserving cultural and community ties in neighborhoods as well as building generational wealth, which is especially desirable for addressing racial wealth gaps.

Realistic Outcomes

These impressive potentials of SB9 exist in tandem with strong efforts to oppose it. With all of the caveats and resistance discussed above, it seems unlikely that SB 9 will have a dramatic impact on cities, at least in the immediate future. For example, a perspective on Northern California is that SB 9 won’t do much for already dense Bay Area cities, but it could make a difference for less densely populated counties. These less dense counties, like Napa and Sonoma and Marin, could have up to 36 new homes per 1,000 residents, whereas in denser San Francisco, this number would only be 10 (Neilson). Counties like Napa, Sonoma, and Marin tend to have more suburban neighborhoods and homes with larger lot sizes, while denser single-family zoned areas in SF have parcels that are already small, which makes further division and redevelopment

more difficult. But David Garcia, policy director at the Turner Center, thinks this slow pace is reasonable. He says that “SB 9 isn’t meant to radically increase California’s housing stock overnight”; it’s meant to “set the table for modest increases in neighborhood density over a period of time” (Neilson).

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