

# Homekey+

*A place to live — and thrive.*



## PROGRAM OVERVIEW

The information provided in this Program Overview is for general informational purposes and the solicitation of stakeholder input and as such is subject to change.

All information in the Program Overview is provided in good faith, however, the Department makes no representation or warranty of any kind regarding the finality of program rules or concepts contained herein. For the final Homekey+ program rules, please look to the Homekey+ NOFA currently planned to be released November 2024.

The Homekey+ program will support the development of Permanent Supportive Housing for veterans and other individuals with mental health and/or substance use disorder challenges who are at-risk of or experiencing homelessness. Up to \$2.2 Billion in NOFAs will be released in November by California's Department of Housing and Community Development as a result of Proposition 1.

# Background

Housing stability is vital to behavioral health wellness. Safe, affordable housing paired with supportive services to address behavioral health challenges which encompass both mental health and substance use disorders can provide California's most vulnerable residents with the foundation they need to thrive.



Proposition 1, passed by California voters in March 2024, is a critical step in advancing the state's goals to reduce homelessness and protect our most vulnerable populations through important changes to the Mental Health Services Act and providing up to \$6.4 billion in bond funding to develop and expand behavioral health treatment, residential care settings, and Permanent Supportive Housing.

Approximately \$2 billion of the Proposition 1 bond funds will be administered by the California Department of Housing and Community Development (HCD), in collaboration with the California Department of Veterans Affairs (CalVet)

as the Homekey+ program (HK+), expanding upon the successful Homekey model. The remaining \$4.4 billion of the Proposition 1 funding will be administered by the [California Department of Health Care Services \(DHCS\)](#) to award competitive grants to construct, acquire, and rehabilitate real estate assets or invest in needed infrastructure to expand the behavioral health continuum of treatment and service resources.

Staying true to the Homekey model, Homekey+ will emphasize the acquisition and rehabilitation of existing buildings, or other project types, that can be quickly converted or constructed for permanent affordable housing, generally within 12 months of award. Since its inception in 2020, Homekey has funded 259 projects and 15,850 affordable homes for Californians exiting homelessness.

HCD and CalVet will partner with various state agencies and departments in implementing Proposition 1 including the Business, Consumer Services, and Housing Agency (BCSH), California Health and Human Services Agency (CHHS), and California Department of Health Care Services (DHCS). This program overview seeks to provide more context to interested stakeholders, and also poses targeted questions for stakeholder feedback to assist HCD and its partners in developing final program guidelines.

## WANT TO LEARN MORE?

Visit [www.hcd.ca.gov/Homekey+](http://www.hcd.ca.gov/Homekey+)

View [program overview webinar](#)

[Take the Survey](#)

Email [homekey@hcd.ca.gov](mailto:homekey@hcd.ca.gov)

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## STAKEHOLDER QUESTION

Stakeholder questions are noted throughout the document. HCD is requesting stakeholder feedback on these highlighted questions. To meet timeline commitments for NOFA issuance, HCD is asking stakeholders to submit responses to these questions by no later than September 30th. Responses should be submitted [here](#).

General questions may be submitted to [Homekey@hcd.ca.gov](mailto:Homekey@hcd.ca.gov).

Additional opportunities will exist to engage with HCD and CalVet during the next two months including conferences and hosted listening sessions and we will continue to welcome comments and questions related to the attached Homekey+ Program Overview.

The Homekey+ Program Overview includes references to the existing [Homekey Round 3 Notice of Funding Availability](#). HCD recommends potential applicants and interested parties review the existing Homekey Round 3 NOFA in conjunction with this document.

## Attention Tribal Applicants

Some information provided in the attached Homekey+ Program Overview is NOT applicable to the Tribal Homekey+ NOFA. HCD is committed to working closely with Tribal Entities in both the design and implementation of the Tribal Homekey+ program and will base the Homekey+ program on the most recent [Tribal Homekey NOFA](#). Tribal Entities are encouraged to review the existing [Tribal Homekey NOFA](#) (issued June 27, 2023) and provide feedback on any portions of that NOFA that should be considered, clarified or altered for the Homekey+ Tribal NOFA.

Want to learn more? Please visit HCD's Homekey+ website at [Homekey+ | California Department of Housing and Community Development](#).

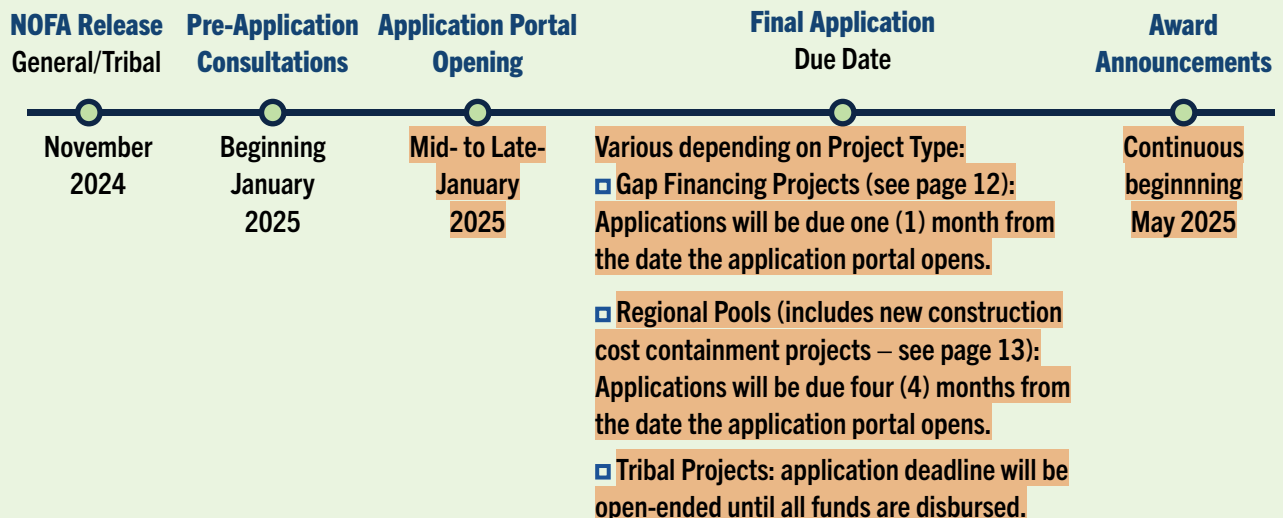
# Homekey+ Program Summary

**Funding available:** In order to expedite the creation of housing, the entirety of Homekey+ funding, including Homeless Housing, Assistance, and Prevention Program (HHAP) Homekey Supplemental funding (General Fund) made available in the 23-24 and 24-25 state budgets, will be released in November 2024. Non-Tribal Proposition 1 funds and HHAP Homekey Supplemental funds will be released as a single NOFA and have the same base programmatic requirements.

**Total funds available to house and serve individuals with behavioral health conditions** is approximately \$2.250 billion (excluding allowable state administration funds).

NOFA	DESCRIPTION	ESTIMATED NOFA AMOUNT
GENERAL NOFA	Veteran-serving projects	<b>TOTAL \$1.033 billion (Proposition 1)</b>
	All Projects (includes Prop 1 and HHAP Homekey supplemental funds)	\$805 million (Proposition 1) \$291 million HHAP Homekey Supplemental (General Fund) <b>TOTAL \$1.096 billion</b> to include: homeless or at-risk youth target (age 18-25) of approximately \$74 million
TRIBAL NOFA	Tribal Applicants (includes Prop 1 and HHAP Homekey supplemental funds)	\$89 million (Proposition 1) \$32 million HHAP Homekey Supplemental <b>TOTAL \$121 million</b>
<b>Total Funds Available</b>		<b>\$2.250 billion</b>

## Timeline



## Targets and Set-Asides

- Ten percent (10%) of the General NOFA All Projects funds and available HHAP Homekey Supplemental will be made available to Tribal Entities through a separate Tribal Homekey+ NOFA.
- The General NOFA (Veteran-Serving Projects and All Projects) will include regional targets which will be consistent with the targets established in the most recent [Homekey Round 3 NOFA](#).
- The General NOFA will include a homeless or at-risk youth target of 8% of funds available for both Veteran-Serving Projects and All Projects components

## STAKEHOLDER QUESTION

**Similar to the Homekey Round 3 NOFA, as part of the regional pools, there will be a Rural Area project target. Beyond such a target, how can HCD make Homekey+ successful for Rural Area applicants? What additional technical assistance or support is needed?**

## Eligible Project Types

- The Homekey+ program is for Permanent Supportive Housing units and will require a 55-year affordability term.
- The following is a non-exhaustive list of eligible project types:
  - Conversion of nonresidential structures to Permanent Supportive Housing.
  - Conversion of commercially zoned structures, such as office or retail spaces, to Permanent Supportive Housing.
  - Conversion of buildings with existing residential uses to Permanent Supportive Housing.
  - New construction of multifamily rental housing projects, including development on excess state-owned properties.
  - Scattered site housing on multiple contiguous or non-contiguous sites is permitted as long as the resulting housing has common ownership, financing, and property management.
  - Shared housing, which is a structure shared by two or more households, where each household is in a separate private bedroom that can be locked.
- **Homekey+ will not award:**
  - Interim housing projects: Interim housing is an ineligible use, as the proposition approved by voters specified Permanent Supportive Housing. Communities interested in treatment settings and interim housing solutions may wish to consider applying to the bond funding administered by DHCS, as well as HHAP funding, and Behavioral Health Bridge Housing funds (awarded to County Behavioral Health Departments).
  - Previously awarded Homekey projects (except projects expanding to create additional new units).

## STAKEHOLDER QUESTION

**Are there any project types you have considered but which are not represented in the above list?**

### Eligible Uses

- ▣ Homekey+ will provide applicants the flexibility to take advantage of specific opportunities available within their community that will result in the speedy acquisition and creation of new homes.
- ▣ Eligible uses will include:
  - Acquisition and/or Rehabilitation of motels, hotels, hostels, or other sites and assets to be converted to Permanent Supportive Housing.
  - Conversion of units from nonresidential to Permanent Supportive Housing (i.e., adaptive reuse).
  - New construction of dwelling units.
  - Master leasing of properties for non-congregate Permanent Supportive Housing.
  - Purchase of affordability covenants and restrictions for units.
  - Relocation costs for individuals who are being displaced as a result of the Homekey+ project.
  - Capitalized operating subsidies for units purchased, converted, constructed, or altered with Homekey+ funds.

Note: While not an eligible use of Homekey+ funding, communities interested in expanding infrastructure and/or funding housing services may wish to consider the following:

PROGRAM	IMPLEMENTING DEPARTMENT	BEHAVIORAL HEALTH TREATMENT FACILITY	INTERIM HOUSING FOR PEOPLE WITH BEHAVIORAL HEALTH CHALLENGES	PERMANENT SUPPORTIVE HOUSING FOR PEOPLE WITH BEHAVIORAL HEALTH CHALLENGES
<b>BOND BEHAVIORAL HEALTH CONTINUUM INFRASTRUCTURE PROGRAM (BHCIP)</b>	DHCS	Yes (capital infrastructure only)	No	No
<b>BEHAVIORAL HEALTH BRIDGE HOUSING</b>	DHCS	No	Yes (capital infrastructure and housing)	No
<b>BEHAVIORAL HEALTH SERVICES ACT (30% HOUSING INTERVENTIONS)</b>	DHCS	No	Yes	Yes
<b>HHAP</b>	HCD	No	Yes	Yes

### Eligible applicants

Local public entities, including but not limited to cities, counties, and public housing authorities will be considered lead applicants. Local public entities may apply with a co-applicant development partner. For Tribal Homekey+, Tribal Entities are eligible, lead applicants. The applicant will need to demonstrate coordination with County Behavioral Health Department for their community, e.g. notification that an application for Homekey+ funding has been submitted. The NOFA will provide more information about these requirements.

### Required Pre-Application Consultations

All Homekey+ applicants will be required to attend a pre-application consultation with HCD staff that includes all co-applicants.

### Limit on number of co-applicant awards

In an effort to ensure projects are completed a timely fashion without capacity constraints, HCD will limit each co-applicant to no more than four (4) Homekey+ awards.

#### STAKEHOLDER QUESTION

**How can applicants and co-applicants be proactive in ensuring that each party understands the number of Homekey+ applications the other is applying for?**

#### STAKEHOLDER QUESTION

**What capacity considerations might HCD weigh, if any, in considering exceptions to co-applicants that choose to pursue more than 4 awards?**

### Award type, structure, limits

All awards will be in the form of a grant. The capital award structure from the current [Homekey Round 3 NOFA](#) along with the maximum award limit of \$35 million, are expected to remain similar.

#### STAKEHOLDER QUESTION

**The statute allows for both loans and grants. Are there circumstances under which a loan would be preferable to a grant?**

### Program Deadlines

- Acquisition and/or Rehabilitation of awarded units must be completed within 12 months from the date of the award letter, with the exception of new construction units which must obtain Temporary Certificate of Occupancy (TCO) within 24 months (see below).
- Full occupancy must be achieved within three months of project completion.

## Populations Served

Regardless of the target population (Veteran, Homeless Youth, etc.) all units must be reserved to individuals with a "Behavioral Health Challenge" as defined within the California Welfare and Institutions Code to include but not be limited to mean a serious mental illness, as described in subdivision (c) or (d) of [Section 14184.402](#), or a substance use disorder, as described in [Section 5891.5](#). Additional definitions relevant to Homekey+ include the following:

- "Target population" means a person described in subdivision (c) or (d) of Section 14184.402, or a person with a substance use disorder, as described in Section 5891.5, except that enrollment in Medi-Cal or in any other health plan shall not be a condition for accessing housing or continuing to be housed.
- "Homelessness, Chronic Homelessness, or at risk of homelessness" has the same meaning as defined in [Title 24 Code of Federal Regulations \(CFR\) Section 578.3](#)
- "Veteran", for the purposes of this program, is defined as a person who served in the active military, naval, or air service, and who was discharged or released under conditions other than dishonorable.
- "Homeless Youth" means a child, youth, or current or former Foster Youth through the age of 25 who qualifies as "Homeless" under any of the relevant definitions set forth or identified in [Title 24, CFR Part 578.3](#).

\*\*Please note all the terms defined above were approved by voters and cannot be changed.

All other capitalized terms used in this document have the same meaning as defined in the [Homekey Round 3 NOFA](#) or [Homekey Tribal NOFA](#).

## STAKEHOLDER QUESTION

**What barriers exist, if any, to using Coordinated Entry for tenant referrals?**

**Aside from Coordinated Entry, are there other systems or approaches that should complement referrals into Homekey+, especially because of the eligibility requirement for Behavioral Health Condition?**

## Disbursement of Funds

- Program funds for the purposes of acquisition only may be disbursed via a wire transfer after standard agreement execution.
- Funds for purposes other than acquisition will be disbursed via warrant and can take up to 45 days to process.
- Capital funds will not be disbursed until all pre-disbursement requirements are met, which include but are not limited to:
  - Authorizing resolutions from all co-applicants
  - HCD approved Relocation Plan or HCD-issued Certification Regarding Non-Application of Relocations Benefits and Indemnification Agreement,
  - HCD approved 55-year Covenant or Regulatory Agreement, to be recorded contemporaneously to release of Homekey+ acquisition award in escrow



- Current title report
  - Evidence of Insurance coverage(s)
  - Certification of compliance with California's prevailing wage law
  - Payee Data Record or Government Agency Taxpayer ID Form
- ▣ Supportive services funds will not be disbursed until a plan and formal executed service provider agreement has been submitted and approved.

## Homekey+ Application Review Framework and Funding Priorities

- **Over-the-Counter Application and Award Process:** Applications will be reviewed on a first-come, first-serve basis, and awards made to eligible projects until funding is exhausted, with priority given to projects with sustainable operations.
- **Emphasis on Project Readiness:** A goal of Homekey+ is to quickly facilitate the creation of affordable permanent homes for the target population, which also includes making funding decisions in a timely fashion. Due to the first-come, first-serve nature of the program, and limited funding amounts per region, delays in determining eligibility for an award for one project also delays projects subsequently submitted. HCD anticipates reserving the right to bypass and deprioritize applications that do not supply timely or responsive requests for clarifying information.
- **Emphasis on Sustainable Operations:** Homekey+ will require a minimum of 3 years of operating match, although priority will be given to projects that demonstrate operating sustainability over the 15 years reviewed in the application. While project-based vouchers continue to be an excellent source of operational sustainability, the availability of vouchers varies by community. Further, it is important to note that starting in July 2026, 30% of each county's Behavioral Health Services Act (BHSA) allocation must be spent on housing interventions. Guidance on allowable expenditures will be released by DHCS in early 2025. Counties may choose to utilize portions of this allocation to provide operations funding for Homekey+ projects which can provide long-term operational sustainability. Additionally, BHSA and other local, state, and federal funding sources are available for counties to provide behavioral health treatment services. Prospective applicants are highly encouraged to engage with the applicable County Behavioral Health Department to determine how BHSA dollars may be used to support allowable housing costs for individuals with behavioral health conditions that meet the eligibility for BHSA services. HCD and other state teams will provide additional TA materials and resources about these and other funding sources.

### STAKEHOLDER QUESTION

Should HCD prioritize projects with commitments for MHSA or BHSA matching funds? What type of documentation should be required to demonstrate commitment of matching funds?

### STAKEHOLDER QUESTION

Are there additional technical assistance materials/resources – from HCD or DHCS – would be helpful for potential applicants?

Although Homekey+ will retain a first-come, first-serve framework, HCD anticipates reserving the right to bypass and deprioritize applications without sustainable operational funding while funding projects subsequently submitted with sustainable operations to meet the sustainability objectives of the program. As such, projects without sustainable operational funding may or may not ultimately be funded, even if submitted early in the application period. Applicants are encouraged to discuss operating match capacity and local services partnerships during the pre-application consultation.

## STAKEHOLDER QUESTION

### What factors should HCD consider when evaluating degree and depth of sustainable operational funding, including services funding?

- **Supportive Service Provider Requirements:** Given that eligibility is restricted to individuals with Behavioral Health Conditions, services plans must reflect how behavioral health services will be provided on site and/or upon referral basis to residents as necessary to maintain individual housing stability.
  - ▣ HCD anticipates having similar supportive service provider requirements as the current [Homekey Round 3 NOFA](#) and [Homekey Tribal NOFA](#) to include but not be limited to the following:
    - Case management
    - 24/7 online, telephone or in person support
    - Behavioral health care, e.g. assessments, crisis counseling, individual or group therapy, peer support groups available on site or upon referral basis to residents.
    - Links to physical healthcare, e.g. preventative care, dental, medication management, wellness services
    - Benefits Counseling and advocacy, e.g. education or employment services, life skill training, legal assistance.
    - Basic housing retention skills
  - ▣ The following supportive services are NOT required but applicants are encouraged to still make them available:
    - Supportive services for persons with co-occurring mental and physical disabilities.
  - ▣ For applicants proposing projects serving Veterans, it will be critical to ensure providers have experience and cultural competency specific to Veterans. Prospective providers may wish to consult the [Veterans Housing and Homelessness Prevention \(VHHP\) Program guidelines](#) for what such experience could look like. For providers without this level of experience, it is anticipated that a training and certification process will be made available through CalVet.
- **By-Right Land Use Authorities**
  - ▣ The state has enacted dozens of laws in the last few years that provide more certainty in the development process. Those authorities can help accelerate housing development. The project team should consider any existing laws, local initiatives, or prohousing strategies that support expedient development. HCD will provide a reference on available authorities as part of the NOFA release.

- Homekey+ projects are supported by laws that allow for a streamlined, ministerial approval process, provided certain conditions are met. However, it is important to note that these conditions have changed significantly from prior rounds of Homekey. These new authorities are provided in Appendix A. Applicants are encouraged to review these requirements and ensure their project either meets these criteria or is otherwise situated to meet Homekey+ construction deadlines.

## Additional Homekey+ Funding and Project Types

### ■ HHAP Homekey Supplemental funding

- Assembly Bill 129 (Chapter 40, Statutes 2023) and Assembly Bill 166 (Chapter 48, Statutes 2024) made available \$306 million (excludes state administration funds), derived from Homeless Housing Assistance Prevention (HHAP) program, in HHAP Homekey Supplemental funding to be awarded to cities or counties pursuing the eligible uses of Homekey+. To be eligible for the HHAP Homekey Supplemental funding, a city or county must satisfy both of the following (not required for Tribal applicants):
  - Compliant Housing Element as defined in Section 65589.9 of the Government Code by the time of award.
  - Approved HHAP regionally coordinated homelessness action plan in compliance with the statutory obligations and expenditure deadlines.
- HHAP Homekey Supplemental Funding will be required to serve the Homekey+ target population.
- HHAP Homekey Supplemental funding will be considered a funding source for Homekey+, in addition to the bond funding. As such, applicants will not need to specify they are applying for this source. HCD will make awards from this source and notify awardees accordingly.

### ■ Gap Financing for Shovel Ready Projects

- Consistent with the Homekey principles of flexibility and innovation, HCD is considering accepting applications from Permanent Supportive Housing projects with prior HCD awards which meet the population targeting requirements of Homekey+ but have not started construction due to the inability to secure tax credits or existing funding gaps. The intent is to move projects forward that are otherwise "shovel ready" and thereby quickly increase the number of units available.
- Gap financing applications should request the full capital amount needed to proceed with and complete construction, thereby avoiding the need to apply for tax credits or seek other sources of funds. No supplantation of funds previously identified as committed in an application submitted to HCD will be allowed. The award will be in the form of a grant and will be capped per unit. If additional funding is needed, the applicant will need to provide a committed source of match at the time of application to prove the project is fully funded and shovel ready.
- All HCD-funded units must be restricted to the Homekey+ target population, with Area Median Income Levels at 30% or less. Applicants will be evaluated on the ability to maintain operational feasibility in light of any adjusted unit mix. Applicants will need to commit to commencing construction 6 months of the Homekey+ award and receive a temporary certificate of occupancy (TCO) within 24 months of an award.

## STAKEHOLDER QUESTION

**For Currently stalled projects, if Homekey+ funds were awarded to fill the entirety of the current gap, would you be able to meet the proposed target population, services requirements and construction deadlines?**

**Do you have additional information or suggestions about the above gap financing model that could be helpful for the Department's NOFA development?**

### ■ New Construction Cost Containment Projects

- A hallmark of Homekey has been producing housing quickly and cost-effectively, mostly through adaptive reuse. HCD will continue to retain and build upon these principles with funding dedicated to projects that incorporate various cost-containment strategies in new development projects. As with the rest of the Homekey+ NOFA, this pilot will fund Permanent Supportive Housing only. Like other Homekey+ projects, the maximum award will be \$35 million.
- Projects must agree to and provide evidence that the project can be completed based on a capped total development cost (TDC). TDC caps will consider regional differences and comparable project types and sizes. As with all of Homekey+ applications, a local public entity must be the lead entity and may apply with a co-applicant developer. For Tribal Homekey+, Tribal Entities are lead, eligible applicants.
- These cost containment project awards will be in the form of a grant and will provide up to 80% of the funds upfront and in advance. Unlike other Homekey+ project types which must complete construction within 12 months of an award, all new construction projects awarded must commence construction within 6 months of the Homekey+ award and have a temporary certificate of occupancy (TCO) no later than 24 months from the date of award. Awardees unable to meet critical milestone dates may be subject to negative points under HCD's Negative Point Policy.
- Projects are required to have secured land use entitlements, utilize all applicable CEQA exemptions/exclusions, and utilize existing funding streams to ensure long term financial stability for the projects (including but not limited to HHAP, CalAIM, MHSA, BHSA Housing and Full-Service Partnerships).
- Applicants are encouraged to consider public lands as a strategy to reduce costs for this project type.

## STAKEHOLDER QUESTION

**HCD is seeking feedback on the recommended TDC caps per unit, as well as how to best account for regional variation in developing those caps.**

## STAKEHOLDER QUESTION

**Do you have additional thoughts related to the proposed new construction cost containment component of Homekey+, including innovations to lower costs, that could be helpful for NOFA development?**

## Additional Considerations for Homekey+ Applications

- In an effort to promote successful applications, please see the list of common threshold issues from previous Homekey rounds. Prospective applicants are encouraged to review these issues and should come prepared to discuss any potential issues in the required pre-application consultation.
  - ▣ Threshold Requirements: Potential applicants should review threshold requirements outlined in the [Homekey Round 3 NOFA](#) and [Homekey Tribal NOFA](#) and begin collecting necessary documentation to demonstrate eligibility.
  - ▣ Site Control: Threshold fails were issued to applicants who failed to demonstrate sufficient site control of the property. Applications needed to show that the buyer in the Purchase Sales Agreement (or other form of site control) is either the primary applicant or co-applicant OR an entity fully controlled by or assigned to the primary applicant or co-applicant. Fails were issued if program staff could not confirm site control as evidenced provided by organizational documents and Project Ownership Structure (also known as the Org Chart). Applicants on state excess sites can demonstrate site control requirements if they have a signed and active Exclusive Negotiating Agreement with the state.
  - ▣ Enforceable Funding Commitments (EFC): Applications must demonstrate the project's operational feasibility evidenced by an EFC, with both an amount and a source, of capital and operating match. Applications that lacked the necessary EFCs to adequately cover operations and service costs within the first five years were determined to not meet threshold. While applicants could clarify their EFCs, those that were unable to were determined to fail threshold.
  - ▣ Incomplete applications: To pass threshold, applications are required to be complete and have all required documents at the time of application. Threshold fails were issued for incomplete application workbook and missing required threshold documents including appraisals, property needs assessment (PNA), and Phase I Environmental Site Assessment.



A former Best Western motel has reopened in downtown Sacramento after being converted into permanent housing, offering nearly 100 residents the chance at a fresh start.

Sacramento Central Studios at H and 12th streets is the city's third motel-conversion project funded by the state's Homekey initiative.

## Appendix A

### State of California

#### HEALTH AND SAFETY CODE

#### Section 50675.1.5 Streamlined Ministerial Review Process (excerpt from Homekey authorizing statute)

50675.1.5. (a) (1) Notwithstanding any other law, projects to provide housing pursuant to paragraph (1) or (2) of subdivision (a) of Section 5965.04 of the Welfare and Institutions Code, shall be a use by right and shall be subject to the streamlined, ministerial review process, pursuant to subdivision (b), if it meets all of the following criteria:

- (A) It is located in a zone where multifamily residential use, office, retail, or parking are a principally permitted use.
- (B) At least 75 percent of the perimeter of the site adjoins parcels that are developed with urban uses.
- (C) It satisfies the requirements specified in subparagraphs (B) to (K), inclusive, of paragraph (6) of subdivision (a) of Section 65913.4 of the Government Code.
- (D) It is not on a site or adjoined to any site where more than one-third of the square footage on the site is dedicated to industrial use.
- (E) The development will meet the following objective zoning standards, objective subdivision standards, and objective design review standards:
  - (i) The applicable objective standards shall be those for the zone that allows residential use at a greater density between the following:
    - (I) The existing zoning designation for the parcel if existing zoning allows multifamily residential use.
    - (II) The zoning designation for the closest parcel that allows residential use at a density deemed appropriate to accommodate housing for lower income households in that jurisdiction as specified in paragraph (3) of subdivision (c) of Section 65583.2 of the Government Code.
  - (ii) The applicable objective standards shall be those in effect at the time that the development application is submitted to the local government pursuant to this section.

- (iii) A development proposed pursuant to this section shall be eligible for the same density bonus, incentives or concessions, waivers or reductions of development standards, and parking ratios applicable to a project that meets the criteria specified in subparagraph (G) of paragraph (1) of subdivision (b) of Section 65915 of the Government Code.

- (F) No housing units were acquired by eminent domain.

- (G) The housing units will be in decent, safe, and sanitary condition at the time of their occupancy.

- (H) The project meets the labor standards contained in Sections 65912.130 and 65912.131 of the Government Code.

- (I) The project provides housing for persons who meet the criteria specified in subdivision (a) of Section 5830 of the Welfare and Institutions Code and their families.

- (J) Long-term covenants and restrictions require the housing units to be restricted to persons who meet the criteria specified in subdivision (a) of Section 5830 of the Welfare and Institutions Code for no fewer than 30 years.

- (2) (A) For purposes of this subdivision, parcels only separated by a street or highway shall be considered to be adjoined.

- (B) For purposes of this subdivision, "dedicated to industrial use" means any of the following:

- (i) The square footage is currently being used as an industrial use.

- (ii) The most recently permitted use of the square footage is an industrial use.

- (iii) The site was designated for industrial use in the latest version of a local government's general plan adopted before January 1, 2022.

- (b) The project shall be subject to the following streamlined, ministerial review process:

- (1) (A) If the local government determines that a development submitted pursuant to this section is consistent with the objective planning standards specified in this section, it shall approve the development.

(B) If a local government determines that a development submitted pursuant to this section is in conflict with any of the objective planning standards specified in this section, it shall provide the development proponent written documentation of which standard or standards the development conflicts with, and an explanation for the reason or reasons the development conflicts with that standard or standards, within the following timeframes:

(i) Within 60 days of submission of the development proposal to the local government if the development contains 150 or fewer housing units.

(ii) Within 90 days of submission of the development proposal to the local government if the development contains more than 150 housing units.

(C) If the local government fails to provide the required documentation pursuant to subparagraph (B), the development shall be deemed to satisfy the required objective planning standards.

(D) (i) For purposes of this section, a development is consistent with the objective planning standards if there is substantial evidence that would allow a reasonable person to conclude that the development is consistent with the objective planning standards.

(ii) For purposes of this section, a development is not in conflict with the objective planning standards solely on the basis that application materials are not included, if the application contains substantial evidence that would allow a reasonable person to conclude that the development is consistent with the objective planning standards.

(E) The determination of whether a proposed project submitted pursuant to this section is or is not in conflict with the objective planning standards is not a "project" as defined in Section 21065 of the Public Resources Code.

(2) Design review of the development may be conducted by the local government's planning

commission or any equivalent board or commission responsible for design review. That design review shall be objective and be strictly focused on assessing compliance with criteria required for streamlined, ministerial review of projects, as well as any reasonable objective design standards published and adopted by ordinance or resolution by a local jurisdiction before submittal of the development to the local government and shall be broadly applicable to developments within the jurisdiction. That design review shall be completed as follows and shall not in any way inhibit, chill, or preclude the ministerial approval provided by this section or its effect, as applicable:

(A) Within 90 days of submittal of the development proposal to the local government pursuant to this section if the development contains 150 or fewer housing units.

(B) Within 180 days of submittal of the development proposal to the local government pursuant to this section if the development contains more than 150 housing units.

(c) Division 13 (commencing with Section 21000) of the Public Resources Code shall not apply to actions taken by the Department of Housing and Community Development, the State Department of Health Care Services, or a local agency to provide financial assistance or insurance for the development and construction of projects built pursuant to this section.

(d) The applicant shall file a notice of exemption with the Office of Planning and Research and the county clerk of the county in which the project is located in the manner specified in subdivisions (b) and (c) of Section 21152 of the Public Resources Code.

(e) For purposes of this section, the following definitions shall apply:

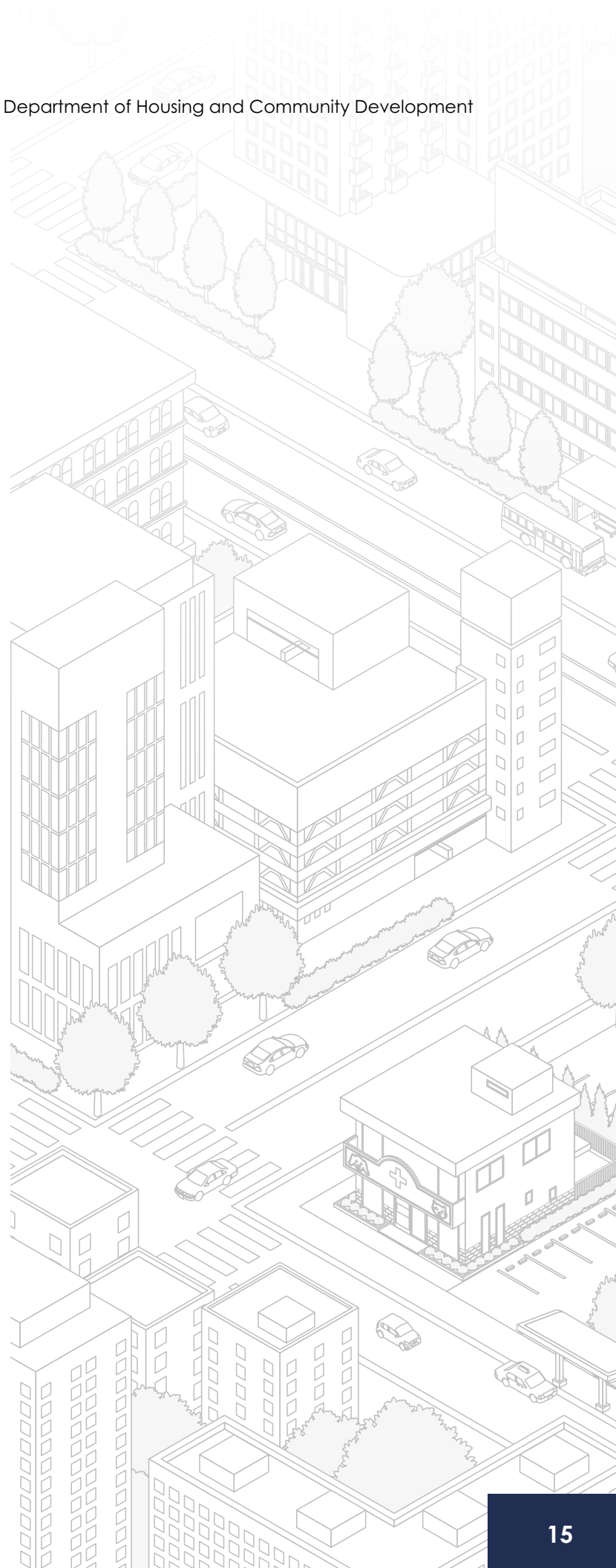
(1) "Objective zoning standards," "objective subdivision standards," and "objective design review standards" mean standards that involve no personal or subjective judgment by a public official and are uniformly verifiable by reference

to an external and uniform benchmark or criterion available and knowable by both the development applicant or proponent and the public official before submittal. These standards may be embodied in alternative objective land use specifications adopted by a city or county, and may include, but are not limited to, housing overlay zones, specific plans, inclusionary zoning ordinances, and density bonus ordinances.

(2) "Use by right" means a development project that satisfies both of the following conditions:

(A) The development project does not require a conditional use permit, planned unit development permit, or other discretionary local government review.

(B) The development project is not a "project" for purposes of Division 13 (commencing with Section 21000) of the Public Resources Code.







**California Department of Housing  
and Community Development**

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