

FOR IMMEDIATE RELEASE**February 13, 2023****Contact: Erik Mebust, erik.mebust@sen.ca.gov (916) 995-0692****Senator Wiener Introduces Legislation to Strengthen, Extend the Success of Housing Streamlining Law SB 35**

SACRAMENTO – Senator Scott Wiener (D-San Francisco) introduced Senate Bill 423, legislation to extend and strengthen existing law streamlining and accelerating housing permits in areas that underperform their housing targets. SB 423 removes the sunset on SB 35 (Wiener, 2017), which is set to expire at the end of 2025. It also expands that law’s ability to deliver mixed-income housing developments and broadly benefit construction workers through changes to SB 35’s labor provisions.

“California needs millions of new homes, and we must give cities and builders every tool to make those homes a reality,” **said Senator Wiener.** “SB 35 is expediting the approval of many new homes — particularly those affordable to lower income and working class residents. In its first 4 years, SB 35 streamlined approvals for about 12,000 new homes, nearly 75% of which are below market rate. Another 6,000 homes are in the SB 35 pipeline. In San Francisco alone, about 3,000 new homes have been approved or created under SB 35’s streamlining process. Equally important, we’re seeing an acceleration of SB 35’s use. We need to build on this progress by ensuring SB 35 doesn’t expire and by strengthening its ability to deliver mixed-income housing.”

Under the state’s existing RHNA process, municipalities across California have committed to building a total of 2.5 million new homes in the next 8 years.

SB 35, authored by Senator Wiener, was signed into law in 2017 and took effect January 1st, 2018. Preliminary data from UC Berkeley’s Turner Center found that in the first four years the bill was in effect (through the end of 2021, the last year for which data is available), 18,000 units of housing were proposed using SB 35 (data for 2022 is not yet available and is likely significant). Of those homes, 13,000, or nearly three-fourths, are affordable to those earning below 80% of the area median income (AMI). More than 11,000 units had been approved by the end of 2021.

In San Francisco, nearly [2,000 units](#), of which 93% were affordable, have been added under SB 35, according to the San Francisco Planning Department. More than 1,000 more homes are in the San Francisco SB 35 pipeline.

“SB 35 is an essential tool for streamlining housing in California,” **said Mayor London Breed.** “It has helped San Francisco build affordable housing projects quickly in neighborhoods across the City, and more importantly, it has helped us to create safe homes for people who need them. I want to thank Senator Wiener for his leadership in working to keep SB 35 in place, and for continuing to fight for important housing laws that will help San Francisco do the work necessary to meet its bold housing goals.”

SB 35 works by granting streamlined approval (also known as ministerial approval) to certain housing projects proposed in areas that are out of compliance with the state's housing planning process, RHNA. These projects are granted ministerial review, which means that CEQA does not apply and cities are prohibited from applying discretionary processes. For projects that are covered by SB 35, permits must be issued in 3-6 months, depending on the size of the project. To qualify for SB 35, projects must be:

1. Multi-family (at least 2 units)
2. Located on an infill site
3. Comply with objective zoning and design standards,
4. Meet minimum affordability requirements, and
5. Meet other locational and demolition restrictions.

The degree of noncompliance determines what projects are granted streamlined, ministerial review under SB 35. If a local government fails to submit their latest required Annual Progress Report, or they fail to permit their share of above-moderate income units, then projects get streamlined approval if 10% of units are affordable to lower-income households earning below 80% of AMI. If they meet their above-market-rate goals but fail to permit their share of lower-income and very low-income units, projects get streamlined approval if 50% of the proposed units are affordable to lower-income households earning below 80% of AMI.

SB 35 requires a city to issue a permit for a project that complies with zoning and design standards. It thus removes these projects from discretionary local permitting and CEQA — often a lengthy, chaotic, and highly politicized process that can kill projects that comply with all relevant standards. SB 35 thus brings much needed certainty to the housing approval process.

SB 35 also caps the ministerial approval process at 6 months, which has revolutionized housing permitting processes across the state that once took years to run their course. Researchers at UC Berkeley [found](#) that because of SB 35, Mercy Housing California was able to develop Tahanan (833 Bryant St. in San Francisco) 30 percent faster and at 25 percent less cost per unit than a similar, non-SB 35 project. By creating new units of housing on a rapid timeline, they also estimated that 145 unhoused people would be housed months or even years sooner than if the project had been developed through the typical processes - a prediction borne out by the efficient construction process.

SB 35 was intended to spur the development of both affordable and mixed-income projects. However, the majority of projects that have been developed under SB 35 have been 100% affordable projects.

SB 423 extends and builds on SB 35's success. It removes the sunset on SB 35, thus allowing the bill to continue facilitating new housing past 2025.

SB 423 also delivers on SB 35's promise of mixed-income housing development by amending the labor provisions of the law. Under SB 423, contractors must pay prevailing wage to any project of 11 or more units. The bill also requires that SB 35 projects of at least 50 units offer employment opportunities to state-registered apprentices and provide health insurance to construction workers and their dependents.

These protections mirror those signed into law under last year's [AB 2011](#), by Assemblymember Buffy Wicks, which streamlines conversion of commercial property to housing. SB 423 extends labor protections to the hundreds of thousands of residential construction workers in California who currently work in the shadows with no protections at all. Over 80% of California's residential construction workers identify as Latino, and the vast majority rely on Medi-Cal and over-subscribed housing programs. [Nearly half](#) receive some form of public assistance.

SB 423 is sponsored by the California Housing Consortium, California Conference of Carpenters, the Inner City Law Center, the Local Initiative Support Corporation, and California YIMBY.

"We are honored to co-sponsor SB 423," **said Jay Bradshaw, Executive Officer of the Nor Cal Carpenters Union.** "Currently, hundreds of thousands of California construction workers suffer from wage theft, tax fraud, health insecurity, crushing commutes and substandard housing. Trades men and women who build housing deserve jobs that provide for family self-sufficiency. This bill will help construction workers rise by requiring contractors on covered projects to provide apprenticeship opportunities, pay prevailing wages, and cover family health care expenses. Those standards will be upheld thanks to the bill's labor enforcement tools, which are the strongest in the country. We applaud Senator Wiener for again stepping up to bring pro-worker solutions to the housing crisis in our state."

"We applaud Senator Wiener on introducing SB 423 and taking the necessary steps to find solutions to the housing crisis here in California," **said Pete Rodriguez, Executive Secretary-Treasurer/CEO of the Southwest Mountain States Regional Council of Carpenters.** "As with the recent signing of AB 2011 that ensured strong labor standards will be upheld when building affordable housing on commercial corridors, the language in SB 423 is another example of how prevailing wage is becoming the new standard for how to get housing legislation passed while protecting the workforce that will be building a better California."

"The biggest barrier to ending homelessness is the shortage of affordable housing. Only housing Ends Homelessness," **said Mahdi Manji, Director of Public Policy, Inner City Law Center.** "We appreciate the Senator introducing SB 423 to end the sunset of SB 35 and continue a policy that has streamlined the production of thousands of affordable housing units."

"California can't afford to go backwards at a time when our state's families, seniors, and people with disabilities are desperate for affordable homes," **said Real Estate Development Director Ramie Dare of Mercy Housing California,** one of the state's most prolific nonprofit developers

of affordable housing. “The thousands of California residents currently thriving in communities that were streamlined by SB-35 are a testament to the importance of SB 423.”

“SB 35 has been an incredible tool for promoting affordable housing development in communities all over the state, and affordable housing providers look forward to seeing these provisions extended,” **said Ray Pearl, Executive Director, California Housing Consortium.** “Four years after Sen. Wiener’s original legislation went into effect, it’s clear SB 35 is working—and it’s vital that the state keep building on its momentum. In spite of all the progress state leaders have made in taking on the housing crisis, California still needs at least one million more additional affordable homes for its lowest income households. This legislation should be a critical part of the state strategy for closing this gap.”

“We are proud to join Senator Wiener in sponsoring this vital legislation,” **said Ricardo Flores, executive Director, LISC Local Initiatives Support Coalition (LISC) San Diego.** “Affordable housing is the foundation of any thriving community, and SB 35 has proven to be an essential driver of affordable housing development. To meet the monumental task of building 2.5 million new homes - including 1.2 million affordable - in the next 8 years, we must strengthen and extend the provisions of SB 35 to cover mixed income developments.”

"Since becoming law five years ago, SB 35 has done more to accelerate affordable housing development across California than any other measure," **said Housing Action Coalition Executive Director Corey Smith.** "Now we have the opportunity to make this already-successful law an even more effective tool for spurring new affordable homes and creating well-paying jobs with benefits for those who build them."

“California needs to pull out all the stops to build as much housing as possible,” **said Brian Hanlon, CEO of California YIMBY.** “SB 423 will turbo-charge the construction of mixed-income housing – just as SB 35 did for subsidized affordable housing. It’s also vital that we ensure construction workers are fairly compensated for their work. Their labor makes California more affordable.”