AB-2011 Affordable Housing and High Road Jobs Act of 2022. (2021-2022)

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CALIFORNIA LEGISLATURE— 2021–2022 REGULAR SESSION

ASSEMBLY BILL NO. 2011

Introduced by Assembly Members Wicks, Bloom, Grayson, Quirk-Silva, and Villapudua
(Principal coauthor: Senator Wiener)
(Coauthors: Assembly Members Berman, Mike Fong, *Mayes,* Reyes, *Quirk,* Robert Rivas, and Blanca Rubio)

February 14, 2022

An act to *amend Sections 65400 and 65585 of, and to* add Chapter 4.1 (commencing with Section 65912.100) ~~to~~ *to,* Division 1 of Title 7 of the Government Code, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

AB 2011, as amended, Wicks. Affordable Housing and High Road Jobs Act of 2022.

The Planning and Zoning Law authorizes a development proponent to submit an application for a multifamily housing development that is subject to a streamlined, ministerial approval process and not subject to a conditional use permit if the development satisfies specified objective planning standards.

This bill *would create the Affordable Housing and High Road Jobs Act of 2022, which* would make certain housing developments that meet specified affordability and site criteria and objective development standards a use by right within a zone where office, retail, or parking are a principally permitted use, and would subject these development projects to one of 2 streamlined, ministerial review processes. The bill would require a development proponent for a housing development project approved pursuant to the streamlined, ministerial review process to require, in contracts with construction contractors, that certain wage and labor standards will be met, including that all construction workers shall be paid at least the general prevailing rate of wages, as specified. The bill would require a development proponent to certify to the local government that those standards will be met in project construction. By expanding the crime of perjury, the bill would impose a state-mandated local program.

This bill would require the Labor Commissioner to enforce the obligation to pay prevailing wages. The bill would require a development proponent for a development of 50 or more housing units to require construction contractors to participate in an apprenticeship program or request dispatch of apprentices from a state-approved apprenticeship program, and to make specified health care expenditures for construction craft employees. The bill would require the development proponent to certify compliance with those requirements to the local government and to report monthly to the local government that they are in compliance with those requirements. The bill would subject the development proponent and the construction contractors and subcontractors to specified civil penalties for failing to comply with those requirements, and would require the penalty funds to be deposited in the State Public Works Enforcement Fund. The bill would prohibit a local government from imposing any requirement, including increased fees, on the basis that the project is eligible to receive ministerial or streamlined approval. Because the bill would impose new duties on local governments, the bill would impose a state-mandated local program.

The Planning and Zoning Law requires a city or county to adopt a general plan for land use development within its boundaries that includes, among other things, a housing element. The law also requires a planning agency to provide a specified annual report after the legislative body has adopted all or part of a general plan.

This bill would require the annual report to include specified information about applications for housing developments submitted pursuant to the Affordable Housing and High Road Jobs Act of 2022.

The Planning and Zoning Law also requires the Department of Housing and Community Development to notify the city, county, or city and county, and authorizes the department to notify the Attorney General, that the city, county, or city and county is in violation of state law if the department finds that the housing element or an amendment to that element, or any specified action or failure to act, does not substantially comply with the law as it pertains to housing elements or that any local government has taken an action in violation of certain housing laws.

This bill would add the Affordable Housing and High Road Jobs Act of 2022 to that list of housing laws.

The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of, an environmental impact report on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. CEQA does not apply to the approval of ministerial projects.

The approval process established by this bill would be ministerial in nature, thereby exempting the approval of development projects subject to that approval process from CEQA.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. *Section 65400 of the Government Code is amended to read:*

65400. (a) After the legislative body has adopted all or part of a general plan, the planning agency shall do both of the following:

(1) Investigate and make recommendations to the legislative body regarding reasonable and practical means for implementing the general plan or element of the general plan, so that it will serve as an effective guide for orderly growth and development, preservation and conservation of open-space land and natural resources, and the efficient expenditure of public funds relating to the subjects addressed in the general plan.

(2) Provide by April 1 of each year an annual report to the legislative body, the Office of Planning and Research, and the Department of Housing and Community Development that includes all of the following:

(A) The status of the plan and progress in its implementation.

(B) (i) The progress in meeting its share of regional housing needs determined pursuant to Section 65584 and local efforts to remove governmental constraints to the maintenance, improvement, and development of housing pursuant to paragraph (3) of subdivision (c) of Section 65583.

(ii) The housing element portion of the annual report, as required by this paragraph, shall be prepared through the use of standards, forms, and definitions adopted by the Department of Housing and Community Development. The department may review, adopt, amend, and repeal the standards, forms, or definitions, to implement this article. Any standards, forms, or definitions adopted to implement this article shall not be subject to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2. Before and after adoption of the forms, the housing element portion of the annual report shall include a section that describes the actions taken by the local government towards completion of the programs and status of the local government's compliance with the deadlines in its housing element. That report shall be considered at an annual public meeting before the legislative body where members of the public shall be allowed to provide oral testimony and written comments.

(iii) The report may include the number of units that have been completed pursuant to subdivision (c) of Section 65583.1. For purposes of this paragraph, committed assistance may be executed throughout the planning period, and the program under paragraph (1) of subdivision (c) of Section 65583.1 shall not be required. The report shall document how the units meet the standards set forth in that subdivision.

(iv) The planning agency shall include the number of units in a student housing development for lower income students for which the developer of the student housing development was granted a density bonus pursuant to subparagraph (F) of paragraph (1) of subdivision (b) of Section 65915.

(C) The number of housing development applications received in the prior year.

(D) The number of units included in all development applications in the prior year.

(E) The number of units approved and disapproved in the prior year.

(F) The degree to which its approved general plan complies with the guidelines developed and adopted pursuant to Section 65040.2 and the date of the last revision to the general plan.

(G) A listing of sites rezoned to accommodate that portion of the city's or county's share of the regional housing need for each income level that could not be accommodated on sites identified in the inventory required by paragraph (1) of subdivision (c) of Section 65583 and Section 65584.09. The listing of sites shall also include any additional sites that may have been required to be identified by Section 65863.

(H) The number of net new units of housing, including both rental housing and for-sale housing and any units that the County of Napa or the City of Napa may report pursuant to an agreement entered into pursuant to Section 65584.08, that have been issued a completed entitlement, a building permit, or a certificate of occupancy, thus far in the housing element cycle, and the income category, by area median income category, that each unit of housing satisfies. That production report shall, for each income category described in this subparagraph, distinguish between the number of rental housing units and the number of for-sale units that satisfy each income category. The production report shall include, for each entitlement, building permit, or certificate of occupancy, a unique site identifier that must include the assessor's parcel number, but may include street address, or other identifiers.

(I) The number of applications submitted pursuant to subdivision (a) of Section 65913.4, the location and the total number of developments approved pursuant to subdivision (c) of Section 65913.4, the total number of building permits issued pursuant to subdivision (c) of Section 65913.4, the total number of units including both rental housing and for-sale housing by area median income category constructed using the process provided for in subdivision (c) of Section 65913.4.

(J) If the city or county has received funding pursuant to the Local Government Planning Support Grants Program (Chapter 3.1 (commencing with Section 50515) of Part 2 of Division 31 of the Health and Safety Code), the information required pursuant to subdivision (a) of Section 50515.04 of the Health and Safety Code.

(K) The progress of the city or county in adopting or amending its general plan or local open-space element in compliance with its obligations to consult with California Native American tribes, and to identify and protect, preserve, and mitigate impacts to places, features, and objects described in Sections 5097.9 and 5097.993 of the Public Resources Code, pursuant to Chapter 905 of the Statutes of 2004.

(L) The following information with respect to density bonuses granted in accordance with Section 65915:

(i) The number of density bonus applications received by the city or county.

(ii) The number of density bonus applications approved by the city or county.

(iii) Data from a sample of projects, selected by the planning agency, approved to receive a density bonus from the city or county, including, but not limited to, the percentage of density bonus received, the percentage of affordable units in the project, the number of other incentives or concessions granted to the project, and any waiver or reduction of parking standards for the project.

(M) The following information with respect to each application submitted pursuant to Chapter 4.1 (commencing with Section 65912.100):

(i) The location of the project.

(ii) The status of the project, including whether it has been entitled, whether a building permit has been issued, and whether or not it has been completed.

(iii) The number of units in the project.

(iv) The number of units in the project that are rental housing.

(v) The number of units in the project that are for-sale housing.

(vi) The household income category of the units, as determined pursuant to subdivision (f) of Section 65584.

(b) If a court finds, upon a motion to that effect, that a city, county, or city and county failed to submit, within 60 days of the deadline established in this section, the housing element portion of the report required pursuant to subparagraph (B) of paragraph (2) of subdivision (a) that substantially complies with the requirements of this section, the court shall issue an order or judgment compelling compliance with this section within 60 days. If the city, county, or city and county fails to comply with the court's order within 60 days, the plaintiff or petitioner may move for sanctions, and the court may, upon that motion, grant appropriate sanctions. The court shall retain jurisdiction to ensure that its order or judgment is carried out. If the court determines that its order or judgment is not carried out within 60 days, the court may issue further orders as provided by law to ensure that the purposes and policies of this section are fulfilled. This subdivision applies to proceedings initiated on or after the first day of October following the adoption of forms and definitions by the Department of Housing and Community Development pursuant to paragraph (2) of subdivision (a), but no sooner than six months following that adoption.

(c) The Department of Housing and Community Development shall post a report submitted pursuant to this section on its internet website within a reasonable time of receiving the report.

SEC. 2. *Section 65585 of the Government Code is amended to read:*

65585. (a) In the preparation of its housing element, each city and county shall consider the guidelines adopted by the department pursuant to Section 50459 of the Health and Safety Code. Those guidelines shall be advisory to each city or county in the preparation of its housing element.

(b) (1) At least 90 days prior to adoption of a revision of its housing element pursuant to subdivision (e) of Section 65588, or at least 60 days prior to the adoption of a subsequent amendment to this element, the planning agency shall submit a draft element revision or draft amendment to the department. The local government of the planning agency shall make the first draft revision of a housing element available for public comment for at least 30 days and, if any comments are received, the local government shall take at least 10 business days after the 30-day public comment period to consider and incorporate public comments into the draft revision prior to submitting it to the department. For any subsequent draft revision, the local government shall post the draft revision on its internet website and shall email a link to the draft revision to all individuals and organizations that have previously requested notices relating to the local government's housing element at least seven days before submitting the draft revision to the department.

(2) The planning agency staff shall collect and compile the public comments regarding the housing element received by the city, county, or city and county, and provide these comments to each member of the legislative body before it adopts the housing element.

(3) The department shall review the draft and report its written findings to the planning agency within 90 days of its receipt of the first draft submittal for each housing element revision pursuant to subdivision (e) of Section 65588 or within 60 days of its receipt of a subsequent draft amendment or an adopted revision or adopted amendment to an element. The department shall not review the first draft submitted for each housing element revision pursuant to subdivision (e) of Section 65588 until the local government has made the draft available for public comment for at least 30 days and, if comments were received, has taken at least 10 business days to consider and incorporate public comments pursuant to paragraph (1).

(c) In the preparation of its findings, the department may consult with any public agency, group, or person. The department shall receive and consider any written comments from any public agency, group, or person regarding the draft or adopted element or amendment under review.

(d) In its written findings, the department shall determine whether the draft element or draft amendment substantially complies with this article.

(e) Prior to the adoption of its draft element or draft amendment, the legislative body shall consider the findings made by the department. If the department's findings are not available within the time limits set by this section, the legislative body may act without them.

(f) If the department finds that the draft element or draft amendment does not substantially comply with this article, the legislative body shall take one of the following actions:

(1) Change the draft element or draft amendment to substantially comply with this article.

(2) Adopt the draft element or draft amendment without changes. The legislative body shall include in its resolution of adoption written findings which explain the reasons the legislative body believes that the draft element or draft amendment substantially complies with this article despite the findings of the department.

(g) Promptly following the adoption of its element or amendment, the planning agency shall submit a copy to the department.

(h) The department shall, within 90 days, review adopted housing elements or amendments and report its findings to the planning agency.

(i) (1) (A) The department shall review any action or failure to act by the city, county, or city and county that it determines is inconsistent with an adopted housing element or Section 65583, including any failure to implement any program actions included in the housing element pursuant to Section 65583. The department shall issue written findings to the city, county, or city and county as to whether the action or failure to act substantially complies with this article, and provide a reasonable time no longer than 30 days for the city, county, or city and county to respond to the findings before taking any other action authorized by this section, including the action authorized by subparagraph (B).

(B) If the department finds that the action or failure to act by the city, county, or city and county does not substantially comply with this article, and if it has issued findings pursuant to this section that an amendment to the housing element substantially complies with this article, the department may revoke its findings until it determines that the city, county, or city and county has come into compliance with this article.

(2) The department may consult with any local government, public agency, group, or person, and shall receive and consider any written comments from any public agency, group, or person, regarding the action or failure to act by the city, county, or city and county described in paragraph (1), in determining whether the housing element substantially complies with this article.

(j) The department shall notify the city, county, or city and county and may notify the office of the Attorney General that the city, county, or city and county is in violation of state law if the department finds that the housing element or an amendment to this element, or any action or failure to act described in subdivision (i), does not substantially comply with this article or that any local government has taken an action in violation of the following:

(1) Housing Accountability Act (Section 65589.5).

(2) Section 65863.

(3) Chapter 4.3 (commencing with Section 65915.)

(4) Section 65008.

(5) Housing Crisis Act of 2019 (Chapter 654, Statutes of 2019, Sections 65941.1, 65943, and 66300).

(6) Section 8899.50.

(7) Section 65913.4.

(8) Article 11 (commencing with Section 65650).

(9) Article 12 (commencing with Section 65660).

(10) Section 65913.11.

(11) Chapter 4.1 (commencing with Section 65912.100).

(k) Commencing July 1, 2019, prior to the Attorney General bringing any suit for a violation of the provisions identified in subdivision (j) related to housing element compliance and seeking remedies available pursuant to this subdivision, the department shall offer the jurisdiction the opportunity for two meetings in person or via telephone to discuss the violation, and shall provide the jurisdiction written findings regarding the violation. This paragraph does not affect any action filed prior to the effective date of this section. The requirements set forth in this subdivision do not apply to any suits brought for a violation or violations of paragraphs (1) and (3) to (9), inclusive, of subdivision (j).

(l) In any action or special proceeding brought by the Attorney General relating to housing element compliance pursuant to a notice or referral under subdivision (j), the Attorney General may request, upon a finding of the court that the housing element does not substantially comply with the requirements of this article pursuant to this section, that the court issue an order or judgment directing the jurisdiction to bring its housing element into substantial compliance with the requirements of this article. The court shall retain jurisdiction to ensure that its order or judgment is carried out. If a court determines that the housing element of the jurisdiction substantially complies with this article, it shall have the same force and effect, for purposes of eligibility for any financial assistance that requires a housing element in substantial compliance and for purposes of any incentives provided under Section 65589.9, as a determination by the department that the housing element substantially complies with this article.

(1) If the jurisdiction has not complied with the order or judgment after 12 months, the court shall conduct a status conference. Following the status conference, upon a determination that the jurisdiction failed to comply with the order or judgment compelling substantial compliance with the requirements of this article, the court shall impose fines on the jurisdiction, which shall be deposited into the Building Homes and Jobs Trust Fund. Any fine levied pursuant to this paragraph shall be in a minimum amount of ten thousand dollars ($10,000) per month, but shall not exceed one hundred thousand dollars ($100,000) per month, except as provided in paragraphs (2) and (3). In the event that the jurisdiction fails to pay fines imposed by the court in full and on time, the court may require the Controller to intercept any available state and local funds and direct such funds to the Building Homes and Jobs Trust Fund to correct the jurisdiction’s failure to pay. The intercept of the funds by the Controller for this purpose shall not violate any provision of the California Constitution.

(2) If the jurisdiction has not complied with the order or judgment after three months following the imposition of fees described in paragraph (1), the court shall conduct a status conference. Following the status conference, if the court finds that the fees imposed pursuant to paragraph (1) are insufficient to bring the jurisdiction into compliance with the order or judgment, the court may multiply the fine determined pursuant to paragraph (1) by a factor of three. In the event that the jurisdiction fails to pay fines imposed by the court in full and on time, the court may require the Controller to intercept any available state and local funds and direct such funds to the Building Homes and Jobs Trust Fund to correct the jurisdiction’s failure to pay. The intercept of the funds by the Controller for this purpose shall not violate any provision of the California Constitution.

(3) If the jurisdiction has not complied with the order or judgment six months following the imposition of fees described in paragraph (1), the court shall conduct a status conference. Upon a determination that the jurisdiction failed to comply with the order or judgment, the court may impose the following:

(A) If the court finds that the fees imposed pursuant to paragraphs (1) and (2) are insufficient to bring the jurisdiction into compliance with the order or judgment, the court may multiply the fine determined pursuant to paragraph (1) by a factor of six. In the event that the jurisdiction fails to pay fines imposed by the court in full and on time, the court may require the Controller to intercept any available state and local funds and direct such funds to the Building Homes and Jobs Trust Fund to correct the jurisdiction's failure to pay. The intercept of the funds by the Controller for this purpose shall not violate any provision of the California Constitution.

(B) The court may order remedies available pursuant to Section 564 of the Code of Civil Procedure, under which the agent of the court may take all governmental actions necessary to bring the jurisdiction's housing element into substantial compliance pursuant to this article in order to remedy identified deficiencies. The court shall determine whether the housing element of the jurisdiction substantially complies with this article and, once the court makes that determination, it shall have the same force and effect, for all purposes, as the department's determination that the housing element substantially complies with this article. An agent appointed pursuant to this paragraph shall have expertise in planning in California.

(4) This subdivision does not limit a court's discretion to apply any and all remedies in an action or special proceeding for a violation of any law identified in subdivision (j).

(m) In determining the application of the remedies available under subdivision (l), the court shall consider whether there are any mitigating circumstances delaying the jurisdiction from coming into compliance with state housing law. The court may consider whether a city, county, or city and county is making a good faith effort to come into substantial compliance or is facing substantial undue hardships.

(n) Nothing in this section shall limit the authority of the office of the Attorney General to bring a suit to enforce state law in an independent capacity. The office of the Attorney General may seek all remedies available under law including those set forth in this section.

(o) Notwithstanding Sections 11040 and 11042, if the Attorney General declines to represent the department in any action or special proceeding brought pursuant to a notice or referral under subdivision (j) the department may appoint or contract with other counsel for purposes of representing the department in the action or special proceeding.

(p) Notwithstanding any other provision of law, the statute of limitations set forth in subdivision (a) of Section 338 of the Code of Civil Procedure shall apply to any action or special proceeding brought by the Office of the Attorney General or pursuant to a notice or referral under subdivision (j), or by the department pursuant to subdivision (o).

~~**SECTION 1.**~~ ***SEC. 3.*** Chapter 4.1 (commencing with Section 65912.100) is added to Division 1 of Title 7 of the Government Code, to read:

CHAPTER 4.1. Affordable Housing and High Road Jobs Act of 2022
Article 1. General Provisions

65912.100. This chapter shall be known and cited as the Affordable Housing and High Road Jobs Act of 2022.

65912.101. For purposes of this chapter, the following terms have the following meanings:

(a) "Commercial corridor" means a highway, as defined in Section 360 of the Vehicle Code, that is not a freeway, as defined in Section 332 of the Vehicle Code, and that has a right-of-way, as defined in Section 525 of the Vehicle Code, of at least 70 and not greater than 150 feet.

(b) "Development proponent" means a developer who submits a housing development project application to a local government under the streamlined, ministerial review process pursuant to this chapter.

(c) "Health care expenditures" include contributions under Sections 501(c) or (d) or 401(a) of the Internal Revenue Code and payments toward "medical care" as defined under Section 213(d)(1) of the Internal Revenue Code.

(d) "Industrial use" means utilities, manufacturing, transportation storage and maintenance facilities, and warehousing uses. "Industrial use" does not include power substations or utility conveyances such as power lines, broadband wires, and pipes.

(e) "Local government" means a city, including a charter city, a county, including a charter county, or a city and county, including a charter city and county.

(f) "Major transit stop" has the same meaning as defined in subdivision (b) of Section 21155 of the Public Resources Code.

(g) "Neighborhood plan" means a specific plan adopted pursuant to Article 8 (commencing with Section 65450) of Chapter 3, or an area plan, precise plan, or master plan that has been adopted by a local government.

(h) "Principally permitted use" means a use that may occupy more than one-third of the square footage of designated use on the site and does not require a conditional use permit.

~~(g)~~

(i) "Side street" means a highway, as defined in Section 360 of the Vehicle Code, that is not a freeway, as defined in Section 332 of the Vehicle Code, and that has a right-of-way, as defined in Section 525 of the Vehicle Code, of at least 25 and fewer than 70 feet.

~~(h)"Single-family property" means a property with a single residential dwelling unit. For purposes of this chapter, a residential dwelling unit does not include accessory dwelling units, as defined in Section 65852.2, or junior accessory dwelling units, as defined in Section 65852.22.~~

~~(i)"Specific plan" means a plan adopted pursuant to Article 8 (commencing with Section 65450) of Chapter 3.~~

(j) "Urban uses" means any current or former residential, commercial, public institutional, transit or transportation passenger facility, or retail use, or any combination of those uses.

65912.102. The department may review, adopt, amend, and repeal guidelines to implement uniform standards or criteria that supplement or clarify the terms, references, or standards set forth in this chapter. Any guidelines or terms adopted pursuant to this section are not subject to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

65912.103. For purposes of establishing the total number of units in a development under this chapter, a development project includes both of the following:

(a) All projects developed on a site, regardless of when those developments occur.

(b) All projects developed on sites adjacent to a site developed pursuant to this chapter if, after January 1, 2022, the adjacent site had been subdivided from the site developed pursuant to this chapter.

Article 2. Affordable Housing Developments in Commercial Zones

65912.110. Notwithstanding any inconsistent provision of a local government's general plan, specific plan, zoning ordinance, or regulation, a housing development shall be a use by right within a zone where office, retail, or parking are a principally permitted use and shall be subject to streamlined, ministerial review pursuant to Section 65912.114 if the proposed housing development satisfies all of the requirements in Sections 65912.111, 65912.112, and 65912.113.

65912.111. A development project shall not be subject to the streamlined, ministerial review process provided by Section 65912.114 unless the development is proposed to be located on a site that satisfies all of the following criteria:

(a) It is a legal parcel or parcels that meet either of the following:

(1) It is within a city where the city boundaries include some portion of either an urbanized area or urban cluster, as designated by the United States Census Bureau.

(2) It is in an unincorporated area, and the legal parcel or parcels are wholly within the boundaries of an urbanized area or urban cluster, as designated by the United States Census Bureau.

(b) At least 75 percent of the perimeter of the site adjoins parcels that are developed with urban uses. For purposes of this subdivision, parcels that are only separated by a street or highway shall be considered to be adjoined.

(c) *(1)* It is not ~~adjacent~~ *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.

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

(3) For purposes of this subdivision, "dedicated to industrial use" means either of the following:

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

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

(d) It satisfies the requirements specified in subparagraphs (B) to (K), inclusive, of paragraph (6) of subdivision (a) of Section 65913.4.

(e) It is not located within 500 feet of a freeway, as defined in Section 332 of the Vehicle Code.

~~(e)~~

(f) It is not an existing parcel of land or site that is governed under the Mobilehome Residency Law (Chapter 2.5 (commencing with Section 798) of Title 2 of Part 2 of Division 2 of the Civil Code), the Recreational Vehicle Park Occupancy Law (Chapter 2.6 (commencing with Section 799.20) of Title 2 of Part 2 of Division 2 of the Civil Code), the Mobilehome Parks Act (Part 2.1 (commencing with Section 18200) of Division 13 of the Health and Safety Code), or the Special Occupancy Parks Act (Part 2.3 (commencing with Section 18860) of Division 13 of the Health and Safety Code).

~~(f)~~

(g) For a site within a ~~specific~~ *neighborhood* plan area, the site satisfies both of the following conditions:

(1) The ~~specific~~ *neighborhood* plan applicable to the site was adopted on or before January 1, 2024, and a notice of preparation was issued before January 1, 2022, pursuant to the requirements of Sections 21080.4 and 21092 of the Public Resources Code.

(2) The ~~specific~~ *neighborhood* plan applicable to the site allows residential use on the site.

(h) For a vacant site, it does not contain tribal cultural resources as defined by Section 21074 of the Public Resources Code that could be affected by the development that were found pursuant to a consultation as described by Section 21080.3.1 of the Public Resources Code and the effects of which cannot be mitigated pursuant to the process described in Section 21080.3.2 of the Public Resources Code.

65912.112. A development project shall not be subject to the streamlined, ministerial review process provided by Section 65912.114 unless the development proposal meets all of the following affordability criteria:

(a) One hundred percent of the units within the development project, excluding managers' units, shall be dedicated to lower income households, as defined in Section 50079.5 of the Health and Safety Code, at an affordable cost, as defined by Section 50052.5, or an affordable rent set in an amount consistent with the rent limits established by the California Tax Credit Allocation Committee.

(b) The units shall be subject to a recorded deed restriction for a period of 55 years for rental units and 45 years for owner-occupied units.

65912.113. A development project shall not be subject to the streamlined, ministerial review process provided by Section 65912.114 unless the development proposal meets all of the following objective development standards:

(a) The development shall be a multifamily housing ~~project and at least 67 percent of the square footage of the new construction associated with the project shall be designated for residential use.~~ *development project, as defined by paragraph (2) of subdivision (h) of Section 65589.5.*

(b) The residential density for the development will meet or exceed the applicable 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.

(c) The development will meet the following objective zoning standards, objective subdivision standards, and objective design review standards:

(1) The applicable standards shall be those for the zone that allows residential use at a greater density between the following:

(A) The existing zoning designation for the parcel.

(B) The closest parcel that allows residential use at a density that meets the requirements of subdivision (b).

(2) The applicable standards shall be those in effect at the time that the development is submitted to the local government pursuant to this article.

(3) The applicable standards shall not preclude any additional density or any other concessions, incentives, or waivers of development standards granted pursuant to the Density Bonus Law in Section 65915.

(d) For purposes of this section, "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, subject to the following:

(1) A development shall be deemed consistent with the objective zoning standards related to housing density, as applicable, if the density proposed is compliant with the maximum density allowed within that land use designation, notwithstanding any specified maximum unit allocation that may result in fewer units of housing being permitted.

(2) In the event that objective zoning, general plan, subdivision, or design review standards are mutually inconsistent, a development shall be deemed consistent with the objective zoning and subdivision standards pursuant to this section if the development is consistent with the standards set forth in the general plan.

65912.114. (a) If the local government determines that the proposed development is in conflict with any of the objective planning standards specified in this article, 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:

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

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

(b) If the local government fails to provide the required documentation pursuant to subdivision (a), the development shall be deemed to satisfy the required objective planning standards.

(c) 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.

(d) 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.

(e) Design review of the development may be conducted by the local government's planning commission or any equivalent board or commission responsible for review and approval of development projects, or the city council or board of supervisors, as appropriate. 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:

(1) 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.

(2) 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.

(f) The local government shall ensure that the project satisfies the requirements specified in subdivision (d) of Section 66300, regardless of whether the development is within or not within an affected city or within or not within an affected county.

(g) If the development is consistent with all objective subdivision standards in the local subdivision ordinance, an application for a subdivision pursuant to the Subdivision Map Act (Division 2 (commencing with Section 66410)) shall be exempt from the requirements of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

(h) A local government's approval of a development pursuant to this section shall, notwithstanding any other law, be subject to the expiration timeframes specified in subdivision (f) of Section 65913.4.

(i) Any proposed modifications to a development project approved pursuant to this section shall be undertaken pursuant to subdivision (g) of Section 65913.4.

(j) A local government shall not adopt or impose any requirement, including, but not limited to, increased fees or inclusionary housing requirements, that applies to a project solely or partially on the basis that the project is eligible to receive streamlined, ministerial review pursuant to this section.

(k) A local government shall issue a subsequent permit required for a development approved under this section pursuant to paragraph (2) of subdivision (h) of Section 65913.4.

(l) A public improvement that is necessary to implement a development that is approved pursuant to this section shall be undertaken pursuant to paragraph (3) of subdivision (h) of Section 65913.4.

Article 3. Mixed-Income Housing Developments Along Commercial Corridors

65912.120. Notwithstanding any inconsistent provision of a local government's general plan, specific plan, zoning ordinance, or regulation, a housing development shall be a use by right within a zone where office, retail, or parking are a principally permitted use and shall be subject to streamlined, ministerial review pursuant to Section 65912.124 if the proposed housing development satisfies all of the requirements in Sections 65912.121, 65912.122, and 65912.123.

65912.121. A development project shall not be subject to the streamlined, ministerial review process provided by Section 65912.124 unless the development project is on a site that satisfies all of the following criteria:

(a) It is located on a legal parcel or parcels that meet either of the following:

(1) It is within a city where the city boundaries include some portion of either an urbanized area or urban cluster, as designated by the United States Census Bureau.

(2) It is in an unincorporated area, and the legal parcel or parcels are wholly within the boundaries of an urbanized area or urban cluster, as designated by the United States Census Bureau.

(b) The project site abuts a commercial ~~corridor.~~ *corridor and has a frontage along the commercial corridor of a minimum of 50 feet.*

~~(c)The project site has a frontage along the commercial corridor of a minimum of 50 feet.~~

~~(d)~~

(c) The site is not greater than 20 acres.

~~(e)~~

(d) At least 75 percent of the perimeter of the site adjoins parcels that are developed with urban uses. For purposes of this subdivision, parcels that are only separated by a street or highway shall be considered to be adjoined.

~~(f)~~

(e) (1) It is not ~~adjacent~~ *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.

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

(3) For purposes of this subdivision, "dedicated to industrial use" means either of the following:

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

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

~~(g)The parcel~~

(f) It satisfies the requirements specified in subparagraphs (B) to (K), inclusive, of paragraph (6) of subdivision (a) of Section 65913.4.

(g) It is not located within 500 feet of a freeway, as defined in Section 332 of the Vehicle Code.

(h) The development is not located on a site where any of the following apply:

(1) The development would require the demolition of the following types of housing:

(A) Housing that is subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of moderate, low, or very low income.

(B) Housing that is subject to any form of rent or price control through a public entity's valid exercise of its police power.

(C) Housing that has been occupied by tenants within the past 10 years, excluding any manager's units.

(2) The site was previously used for *permanent* housing that was occupied by tenants, excluding any manager's units, that was demolished within 10 years before the development proponent submits an application under this article.

(3) The development would require the demolition of a historic structure that was placed on a national, state, or local historic register.

(4) The property contains housing units that are occupied by tenants, and units at the property are, or were, subsequently offered for sale to the general public by the subdivider or subsequent owner of the property.

(i) The development shall not be upon an existing parcel of land or site that is governed under the Mobilehome Residency Law (Chapter 2.5 (commencing with Section 798) of Title 2 of Part 2 of Division 2 of the Civil Code), the Recreational Vehicle Park Occupancy Law (Chapter 2.6 (commencing with Section 799.20) of Title 2 of Part 2 of Division 2 of the Civil Code), the Mobilehome Parks Act (Part 2.1 (commencing with Section 18200) of Division 13 of the Health and Safety Code), or the Special Occupancy Parks Act (Part 2.3 (commencing with Section 18860) of Division 13 of the Health and Safety Code).

(j) For a site within a ~~specific~~ *neighborhood* plan area, the site satisfies both of the following conditions:

(1) The ~~specific~~ *neighborhood* plan applicable to the site was adopted on or before January 1, 2024, and a notice of preparation was issued before January 1, 2022, pursuant to the requirements of Sections 21080.4 and 21092 of the Public Resources Code.

(2) The ~~specific~~ *neighborhood* plan applicable to the site allows residential use on the site.

(k) For a vacant site, it does not contain tribal cultural resources as defined by Section 21074 of the Public Resources Code that could be affected by the development that were found pursuant to a consultation as described by Section 21080.3.1 of the Public Resources Code and the effects of which cannot be mitigated pursuant to the process described in Section 21080.3.2 of the Public Resources Code.

65912.122. A development project shall not be subject to the streamlined, ministerial review process provided by Section 65912.124 unless the development project meets all of the following affordability criteria:

(a) A rental housing development shall have a recorded deed restriction that ~~ensures, at a minimum,~~ *ensures* that for a period of 55 years, 15 percent of the units shall be set at an affordable rent, as defined in Section 50053 of the Health and Safety Code, to lower income households, as defined in Section 50079.5 of the Health and Safety Code.

(b) An owner-occupied housing development shall have a recorded deed restriction that ~~ensures, at a minimum,~~ *ensures* either of the following affordability criteria for a period of 45 years:

(1) Thirty percent of the units must be offered at an affordable housing cost, as defined in Section 50052.5 of the Health and Safety Code, to moderate-income households, as defined in Section 50093 of the Health and Safety Code.

(2) Fifteen percent of the units must be offered at an affordable housing cost, as defined in Section 50052.5 of the Health and Safety Code, to lower income households, as defined in Section 50079.5 of the Health and Safety Code.

(c) If the amount of affordable housing required by a local inclusionary housing ordinance exceeds that of this section, then the project shall abide by the local inclusionary housing ordinance.

(d) Affordable units in the development project shall have the same bedroom and bathroom count ratio as the market rate units.

65912.123. A development project shall not be subject to the streamlined, ministerial review process provided by Section 65912.124 unless the development project meets all of the following objective development standards:

(a) The development shall be a multifamily housing ~~project and at least 67 percent of the square footage of the new construction associated with the project is designated for residential use.~~ *development project, as defined by paragraph (2) of subdivision (h) of Section 65589.5.*

(b) The residential density for the development shall be determined as follows:

(1) In a metropolitan jurisdiction, as determined pursuant to subdivisions (d) and (e) of Section 65853.2, the residential density for the development shall meet or exceed the greater of the following:

(A) The residential density allowed on the parcel by the local government.

(B) For sites of less than one acre in size, 30 units per acre.

(C) For sites of one acre in size or greater located on a commercial corridor of less than 100 feet in width, 40 units per acre.

(D) For sites of one acre in size or greater located on a commercial corridor of 100 feet in width or greater, 60 units per acre.

(E) Notwithstanding subparagraph ~~(C)~~ *(B), (C),* or (D), for sites within one-half mile of a major transit stop, 80 units per acre.

(2) In a jurisdiction that is not a metropolitan jurisdiction, as determined pursuant to subdivisions (d) and (e) of Section 65853.2, the residential density for the development shall meet or exceed the greater of the following:

(A) The residential density allowed on the parcel by the local government.

(B) For sites of less than one acre in size, 20 units per acre.

(C) For sites of one acre in size or greater located on a commercial corridor of less than 100 feet in width, 30 units per acre.

(D) For sites of one acre in size or greater located on a commercial corridor of 100 feet in width or greater, 50 units per acre.

(E) Notwithstanding subparagraph ~~(C)~~ *(B), (C),* or (D), for sites within one-half mile of a major transit stop, 70 units per acre.

(c) The height limit applicable to the housing development shall be the greater of the following:

(1) The height allowed on the parcel by the local government.

(2) For sites on a commercial corridor of less than 100 feet in width, 35 feet.

(3) For sites on a commercial corridor of 100 feet in width or greater, 45 feet.

(4) Notwithstanding paragraphs (2) and (3), for sites within one-half mile of a major transit ~~stop,~~ *stop and within a city with a population of greater than 100,000,* 65 feet.

(d) The property meets the following setback standards:

(1) For the portion of the property that fronts a commercial corridor, the following shall occur:

(A) No setbacks shall be required.

(B) All parking must be set back at least 25 feet.

(C) On the ground floor, ~~the development~~ *a building or buildings* must abut within 10 feet of the property line for at least 80 percent of the frontage.

(2) For the portion of the property that fronts a side street, ~~the development~~ *a building or buildings* must abut within 10 feet of the property line for at least 60 percent of the frontage.

(3) For the portion of the property that abuts an adjoining property that also abuts the same commercial corridor as the property, no setbacks are required unless the adjoining property contains a residential use that was constructed prior to the enactment of this chapter, in which case the requirements of subparagraph (A) of paragraph (4) applies.

~~(3)When the property line of a development site abuts a single-family property,~~

(4) For the portion of the property line that does not abut a commercial corridor, a side street, or an adjoining property that also abuts the same commercial corridor as the property, the following shall occur:

(A) Along property lines that abut a property that contains a residential use, the following shall occur:

~~(A)~~

(i) The ground floor of the development project shall be set back at 10 ~~feet from the single-family property.~~ *feet.* The amount required to be set back may be decreased by the local government.

~~(B)~~

(ii) Starting with the ~~third~~ *second* floor of the property, each subsequent floor of the development project shall be stepped back ~~from the single-family property~~ in an amount equal to ~~five~~ *seven* feet multiplied by the floor number. For purposes of this paragraph, the ground floor counts as the first floor. The amount required to be stepped back may be decreased by the local government.

~~(4)When the property line of a development site abuts a property that is not a single-family property, starting with the third floor of the property, each subsequent floor of the development project shall be stepped back from the other property in an amount equal to five feet multiplied by the floor number. For purposes of this paragraph, the ground floor counts as the first floor. The~~

(B) Along property lines that abut a property that does not contain a residential use, the development shall be set back 15 feet. The amount required to be stepped back may be decreased by the local government.

(e) No parking shall be required, except that this article shall not reduce, eliminate, or preclude the enforcement of any requirement imposed on a new multifamily residential or nonresidential development to provide bicycle parking, electric vehicle supply equipment installed parking spaces, or parking spaces that are accessible to persons with disabilities that would have otherwise applied to the development if this article did not apply.

(f) Other objective zoning standards, objective subdivision standards, and objective design review standards as follows:

(1) The applicable standards shall be those for the closest zone in the city, county, or city and county that allows residential use at the residential density determined pursuant to subdivision (b). If no zone exists that allows the residential density determined pursuant to subdivision (b), the applicable standards shall be those for the zone that allows the greatest density within the city, county, or city and county.

(2) The applicable standards shall be those in effect at the time that the development is submitted to the local government pursuant to this article.

(3) The applicable standards may include a requirement for ground floor retail in the project.

~~(3)~~

(4) The applicable standards shall not preclude any additional density ~~requirements~~ or any other concessions, incentives, or waivers of development standards granted pursuant to the Density Bonus Law in Section 65915.

~~(4)~~

(5) For purposes of this section, "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. In the event that objective zoning, general plan, subdivision, or design review standards are mutually inconsistent, a development shall be deemed consistent with the objective zoning and subdivision standards pursuant to this subdivision if the development is consistent with the standards set forth in the general plan.

65912.124. (a) If the local government determines that the proposed housing development is in conflict with any of the objective planning standards specified in this article, 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:

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

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

(b) If the local government fails to provide the required documentation pursuant to subdivision (a), the development shall be deemed to satisfy the required objective planning standards.

(c) 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.

(d) 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.

(e) Design review of the development may be conducted by the local government's planning commission or any equivalent board or commission responsible for review and approval of development projects, or the city council or board of supervisors, as appropriate. 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:

(1) 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.

(2) 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.

(f) The local government shall ensure that the project satisfies the requirements specified in subdivision (d) of Section 66300, regardless of whether the development is within or not within an affected city or within or not within an affected county.

(g) If the development is consistent with all objective subdivision standards in the local subdivision ordinance, an application for a subdivision pursuant to the Subdivision Map Act (Division 2 (commencing with Section 66410)) shall be exempt from the requirements of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

(h) A local government's approval of a development pursuant to this section shall, notwithstanding any other law, be subject to the expiration timeframes specified in subdivision (f) of Section 65913.4.

(i) Any proposed modifications to a development project approved pursuant to this section shall be undertaken pursuant to subdivision (g) of Section 65913.4.

(j) A local government shall not adopt or impose any requirement, including, but not limited to, increased fees or inclusionary housing requirements, that applies to a project solely or partially on the basis that the project is eligible to receive streamlined, ministerial review pursuant to this section.

(k) A local government shall issue a subsequent permit required for a development approved under this section pursuant to paragraph (2) of subdivision (h) of Section 65913.4.

(l) A public improvement that is necessary to implement a development that is approved pursuant to this section shall be undertaken pursuant to paragraph (3) of subdivision (h) of Section 65913.4.

Article 4. Labor Standards

65912.130. A development project approved by a local government pursuant to Article 2 (commencing with Section 65912.110) or Article 3 (commencing with Section 65912.120) shall meet all of the following labor standards:

(a) The development proponent shall require in contracts with construction contractors, and shall certify to the local government, that the standards specified in this section will be met in project construction.

(b) A development that is not in its entirety a public work for purposes of Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of the Labor Code and approved by a local government pursuant to Article 2 (commencing with Section 65912.110) or Article 3 (commencing with Section 65912.120) shall be subject to all of the following:

(1) All construction workers employed in the execution of the development shall be paid at least the general prevailing rate of per diem wages for the type of work and geographic area, as determined by the Director of Industrial Relations pursuant to Sections 1773 and 1773.9 of the Labor Code, except that apprentices registered in programs approved by the Chief of the Division of Apprenticeship Standards may be paid at least the applicable apprentice prevailing rate.

(2) The development proponent shall ensure that the prevailing wage requirement is included in all contracts for the performance of the work for those portions of the development that are not a public work.

(3) All contractors and subcontractors for those portions of the development that are not a public work shall comply with both of the following:

(A) Pay to all construction workers employed in the execution of the work at least the general prevailing rate of per diem wages, except that apprentices registered in programs approved by the Chief of the Division of Apprenticeship Standards may be paid at least the applicable apprentice prevailing rate.

(B) Maintain and verify payroll records pursuant to Section 1776 of the Labor Code and make those records available for inspection and copying as provided in that section. This subparagraph does not apply if all contractors and subcontractors performing work on the development are subject to a project labor agreement that requires the payment of prevailing wages to all construction workers employed in the execution of the development and provides for enforcement of that obligation through an arbitration procedure. For purposes of this subparagraph, "project labor agreement" has the same meaning as set forth in paragraph (1) of subdivision (b) of Section 2500 of the Public Contract Code.

(c) (1) The obligation of the contractors and subcontractors to pay prevailing wages pursuant to this section may be enforced by any of the following:

(A) The Labor Commissioner through the issuance of a civil wage and penalty assessment pursuant to Section 1741 of the Labor Code, which may be reviewed pursuant to Section 1742 of the Labor Code, within 18 months after the completion of the development.

(B) An underpaid worker through an administrative complaint or civil action.

(C) A joint labor-management committee through a civil action under Section 1771.2 of the Labor Code.

(2) If a civil wage and penalty assessment is issued pursuant to this section, the contractor, subcontractor, and surety on a bond or bonds issued to secure the payment of wages covered by the assessment shall be liable for liquidated damages pursuant to Section 1742.1 of the Labor Code.

(3) This subdivision does not apply if all contractors and subcontractors performing work on the development are subject to a project labor agreement that requires the payment of prevailing wages to all construction workers employed in the execution of the development and provides for enforcement of that obligation through an arbitration procedure. For purposes of this subdivision, "project labor agreement" has the same meaning as set forth in paragraph (1) of subdivision (b) of Section 2500 of the Public Contract Code.

(d) Notwithstanding subdivision (c) of Section 1773.1 of the Labor Code, the requirement that employer payments not reduce the obligation to pay the hourly straight time or overtime wages found to be prevailing does not apply to those portions of development that are not a public work if otherwise provided in a bona fide collective bargaining agreement covering the worker.

(e) The requirement of this section to pay at least the general prevailing rate of per diem wages does not preclude use of an alternative workweek schedule adopted pursuant to Section 511 or 514 of the Labor Code.

65912.131. In addition to the requirements of Section 65912.130, a development of 50 or more housing units approved by a local government pursuant to Article 2 (commencing with Section 65912.110) or Article 3 (commencing with Section 65912.120) shall meet all of the following labor standards:

(a) The development proponent shall require in contracts with construction contractors and shall certify to the local government that each contractor of any tier who will employ construction craft employees or will let subcontracts for at least 1,000 hours shall satisfy the requirements in subdivisions (b) and (c). A construction contractor is deemed in compliance with subdivisions (b) and (c) if it is signatory to a valid collective bargaining agreement that requires utilization of registered apprentices and expenditures on health care for employees and dependents.

(b) A contractor with construction craft employees shall either participate in an apprenticeship program approved by the State of California Division of Apprenticeship Standards pursuant to Section 3075 of the Labor Code, or request the dispatch of apprentices from a state-approved apprenticeship program under the terms and conditions set forth in Section 1777.5 of the Labor Code. A contractor without construction craft employees shall show a contractual obligation that its subcontractors comply with this subdivision.

(c) Each contractor with construction craft employees shall make health care expenditures for each employee in an amount per hour worked on the development equivalent to at least the hourly pro rata cost of a Covered California Platinum level plan for two 40-year-old adults and two dependents 0 to 14 years of age for the Covered California rating area in which the development is located. A contractor without construction craft employees shall show a contractual obligation that its subcontractors comply with this subdivision. Qualifying expenditures shall be credited toward compliance with prevailing wage payment requirements set forth in Section 65912.102.

(d) (1) The development proponent shall provide to the local government, on a monthly basis while its construction contracts on the development are being performed, a report demonstrating compliance with subdivisions (b) and (c). The reports shall be considered public records under the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1), and shall be open to public inspection.

(2) A development proponent that fails to provide the monthly report shall be subject to a civil penalty for each month for which the report has not been provided, in the amount of 10 percent of the dollar value of construction work performed by that contractor on the development in the month in question, up to a maximum of ten thousand dollars ($10,000). Any contractor or subcontractor that fails to comply with subdivision (b) or (c) shall be subject to a civil penalty of two hundred dollars ($200) per day for each worker employed in contravention of subdivision (b) or (c).

(3) Penalties may be assessed by the Labor Commissioner within 18 months of completion of the development using the procedures for issuance of civil wage and penalty assessments specified in Section 1741 of the Labor Code, and may be reviewed pursuant to Section 1742 of the Labor Code. Penalties shall be deposited in the State Public Works Enforcement Fund established pursuant to Section 1771.3 of the Labor Code.

(e) Each construction contractor shall maintain and verify payroll records pursuant to Section 1776 of the Labor Code. Each construction contractor shall submit payroll records directly to the Labor Commissioner at least monthly in a format prescribed by the Labor Commissioner in accordance with subparagraph (A) of paragraph

(3) of subdivision (a) of Section 1771.4 of the Labor Code. The records shall include a statement of fringe benefits. Upon request by a joint labor-management cooperation committee established pursuant to the Federal Labor Management Cooperation Act of 1978 (29 U.S.C. Sec. 175a), the records shall be provided pursuant to subdivision (e) of Section 1776 of the Labor Code.

(f) All construction contractors shall report any change in apprenticeship program participation or health care expenditures to the local government within 10 business days, and shall reflect those changes on the monthly report. The reports shall be considered public records pursuant to the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1) and shall be open to public inspection.

(g) A joint labor-management cooperation committee established pursuant to the Federal Labor Management Cooperation Act of 1978 (29 U.S.C. Sec. 175a) shall have standing to sue a construction contractor for failure to make health care expenditures pursuant to subdivision (c) in accordance with Section 218.7 or 218.8 of the Labor Code.

Article 5. Severability

65912.140. The provisions of subdivision (c) of Section 65912.131 concerning health care expenditure are distinct and severable from the remaining provisions of this chapter. However, Article 4 (commencing with Section 65912.130) is a material and integral part of this chapter and is not severable. If any provision of Article 4 (commencing with Section 65912.130) or its application, exclusive of those included in subdivision (c) of Section 65912.131, is held invalid, this entire chapter shall be null and void.

~~**SEC. 2.**~~***SEC. 4.*** No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution ~~for certain~~ *because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, or because* costs that may be incurred by a local agency or school district ~~because, in that regard,~~ *will be incurred because* this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

However, if the Commission on State Mandates determines that this act contains other costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.