

TEVIS BARNES Housing and Human Services Director

CITY OF CULVER CITY

HOUSING AND HUMAN SERVICES DEPARTMENT

HOUSING DIVISION RENT CONTROL AND TENANT PROTECTIONS

9770 CULVER BOULEVARD, CULVER CITY, CALIFORNIA 90232-0507

SB 330 and SB 8 Frequently Asked Questions (FAQs)

Updated April 2023

1. What is a "housing development project"?

A Housing Development Project is defined in California Government Code Section 65905.5(b)(3) to include a project that creates one or more residential unit(s), Supportive Housing, or Transitional Housing. A project that results in a net increase in residential units is a Housing Development Project, regardless of the building permit type under which the construction occurs. For example, a Housing Development Project would result from the interior conversion of a commercial building to an apartment or conversion of a single-family dwelling to a duplex. A residential project or a mixed-use project on a site that includes residential units and results in a net decrease in residential units is also a Housing Development Project, regardless of the building permit type under which the conversion of a duplex to a single-family dwelling is a Housing Development Project that results in a net loss of units. Residential projects consisting only of alterations, no new residential units, and no net increase or decrease in residential units shall not be considered a Housing Development project.

2. How does the City determine the income levels of current tenants?

City will send a letter to current occupants asking for income verification through W-2 forms, payroll stubs, tax returns, public benefit determination or confirmation letters, an income certification form, etc. In addition, applicants can provide documentation in their possession.

3. How does the City determine the income levels of former tenants?

City will send a letter to prior occupants asking for income verification through W-2 forms, payroll stubs, tax returns, public benefit determination or confirmation letters, an income certification form, etc. The request for household income information will be sent to the last known address of the occupants. Applicants will be asked to provide the last known address, including the address to which any unused rental deposit was sent. In addition, applicants can provide documentation in their possession.

4. What if the City can't determine the income levels of current or former tenants?

State law creates a rebuttable presumption that lower income, low income, or very low-income households occupied these units in the same proportion that lower income, low income, or very lowincome households to all renter households within the jurisdiction as determined by the most recently available data from the United States Department of Housing and Urban Development's (HUD) Comprehensive Housing Affordability Strategy database. The level of

(310) 253-5780 INFO. LINE (310) 253-5781 FAX (310) 253-5785 affordability depends on the status of the unit (occupied, unoccupied, vacated, or demolished). The applicant may provide evidence to rebut the presumption.

5. What if an applicant is not demolishing a unit, but the applicant is doing major renovations?

If there is no demolition of a unit, SB 330 and SB 8 do not apply. The City's Tenant Protections and Rent Control Ordinances still apply.

6. How is a replacement unit required to be maintained as affordable?

For rentals: If the replacement units will be rental dwelling units, these units shall be subject to a recorded affordability restriction for at least 55 years.

For sale units: If the proposed development is for-sale units, the units replaced shall be subject to Government Code section 65915 (c)(2). A for-sale unit must meet either of the following conditions:

(i) The unit is initially occupied by a person or family of very low, low, or moderate income, as required, and it is offered at an affordable housing cost, as that cost is defined in Section 50052.5 of the Health and Safety Code and is subject to an equity sharing agreement.

(ii) The unit is purchased by a qualified nonprofit housing corporation pursuant to a recorded contract that satisfies all of the requirements specified in paragraph (10) of subdivision (a) of Section 402.1 of the Revenue and Taxation Code and that includes all of the following:

(I) A repurchase option that requires a subsequent purchaser of the property that desires to resell or convey the property to offer the qualified nonprofit corporation the right to repurchase the property prior to selling or conveying that property to any other purchaser.

(II) An equity sharing agreement.

(III) Affordability restrictions on the sale and conveyance of the property that ensure that the property will be preserved for lower income housing for at least 45 years for owner-occupied housing units and will be sold or resold only to persons or families of very low, low, or moderate income, as defined in Section 50052.5 of the Health and Safety Code.

The following apply to the equity sharing agreement:

(i) Upon resale, the seller of the unit shall retain the value of any improvements, the downpayment, and the seller's proportionate share of appreciation.

(ii) Except as provided in clause (v), the local government shall recapture any initial subsidy, as defined in clause (iii), and its proportionate share of appreciation, as defined

in clause (iv), which amount shall be used within five years for any of the purposes described in subdivision (e) of Section 33334.2 of the Health and Safety Code that promote home ownership.

(iii) For purposes of this subdivision, the local government's initial subsidy shall be equal to the fair market value of the home at the time of initial sale minus the initial sale price to the moderate-income household, plus the amount of any downpayment assistance or mortgage assistance. If upon resale the market value is lower than the initial market value, then the value at the time of the resale shall be used as the initial market value.

(iv) For purposes of this subdivision, the local government's proportionate share of appreciation shall be equal to the ratio of the local government's initial subsidy to the fair market value of the home at the time of initial sale.

(v) If the unit is purchased or developed by a qualified nonprofit housing corporation pursuant to clause (ii) of subparagraph (A) the local government may enter into a contract with the qualified nonprofit housing corporation under which the qualified nonprofit housing corporation would recapture any initial subsidy and its proportionate share of appreciation if the qualified nonprofit housing corporation is required to use 100 percent of the proceeds to promote homeownership for lower income households as defined by Health and Safety Code Section 50079.5 within the jurisdiction of the local government.

7. What is the proportion of lower income households to all renter households within the City as determined by the most recently available data from the HUD Comprehensive Housing Affordability Strategy database?

That information can be found here: <u>https://www.huduser.gov/portal/datasets/cp.html</u>.

8. Do SB 330/SB 8 apply in Very High Fire Hazard Severity Zones?

The replacement provisions and occupant protections of the Housing Crisis Act (SB 330/SB 8) do not apply to Housing Development Projects in a Very High Fire Hazard Severity Zone, as determined by the State Fire Marshal.

9. What if my existing units are non-conforming as to zoning density?

A site with legal non-conforming units as to density must be replaced without regard to the underlying zoning limitations on density, consistent with Government Code Section 66300(d)(1). All other applicable development standards and processes still apply in addition to any applicable exceptions.

10. Does this apply if the Project consists of 100% lower income units?

The right to return provision does not apply to a Project consisting of 100% lower income units.

Comprehensive Housing Affordability Strategy ("CHAS") data

Summary Level: City

Data for: Culver City city, California

Created on: March 29, 2023

Year Selected: 2015-2019 ACS

Income Distribution Overview	Owner	Renter	Total	
Household Income less-than or= 30% HAMFI	730	1,315	2,045	
Household Income >30% to less-than or= 50% HAMFI	740	880	1,620	
Household Income >50% to less-than or= 80% HAMFI	1,035	1,490	2,525	
Household Income >80% to less-than or=100% HAMFI	815	930	1,745	
Household Income >100% HAMFI	5,450	3,410	8,860	
Total	8,770	8,030	16,795	
Housing Problems Overview 1	Owner	Renter	Total	
Household has at least 1 of 4 Housing Problems	2,765	4,060	6,825	
Household has none of 4 Housing Problems	6,005	3,970	9,975	
Cost burden not available, no other problems				
Total	8,770	8,030	16,795	
Severe Housing Problems Overview 2	Owner	Renter	Total	
Household has at least 1 of 4 Severe Housing Problems	1,215	2,610	3,825	
Household has none of 4 Severe Housing Problems	7,550	5,420	12,970	
Cost burden not available, no other problems				
Total	8,770	8,030	16,795	
Housing Cost Burden Overview 3	Owner	Renter	Total	
Cost Burden less-than or= 30%	6,055	4,400	10,455	
Cost Burden >30% to less-than or= 50%	1,570	1,715	3,285	
Cost Burden >50%	1,080	1,865	2,945	
Cost Burden not available	60	55	115	
Total	8,770	8,030	16,795	
Income by Housing Problems (Owners and Renters)	Household has at least 1 of 4	Household has none of	Cost Burden not available,	Total
	Housing Problems	4 Housing Problems	no other housing problem	
Household Income less-than or= 30% HAMFI	1,650	395		2,045

Household Income >30% to less-than or= 50% HAMFI	1,260	355		1,620
Household Income >50% to less-than or= 80% HAMFI	1,710	810		2,525
Household Income >80% to less-than or= 100% HAMFI	925	820		1,745
Household Income >100% HAMFI	1,270	7,590		
Total	6,825	9,975		16,795
Income by Housing Problems (Renters only)	Household has at least 1 of 4	Household has none of	Cost Burden not available,	Total
	Housing Problems	4 Housing Problems	no other housing problem	
Household Income less-than or= 30% HAMFI	1,120	195		1,315
Household Income >30% to less-than or= 50% HAMFI	805	75		880
Household Income >50% to less-than or= 80% HAMFI	1,155	335		1,490
Household Income >80% to less-than or= 100% HAMFI	480	450		930
Household Income >100% HAMFI	495	2,915		3,410
Total	4,060	3,970		8,030
Income by Housing Problems (Owners only)	Household has at least 1 of 4	Household has none of	Cost Burden not available,	Total
	Housing Problems	4 Housing Problems	no other housing problem	
Household Income less-than or= 30% HAMFI	530	200		730
Household Income >30% to less-than or= 50% HAMFI	455	280		740
Household Income >50% to less-than or= 80% HAMFI	555	475		1,035
Household Income >80% to less-than or= 100% HAMFI	445	370		815
Household Income >100% HAMFI	775	4,675		5,450
Total	2,765	6,005		8,770
Income by Cost Burden (Owners and Renters)	Cost burden > 30%	Cost burden > 50%	Total	
Household Income less-than or= 30% HAMFI	1,635	1,440	2,045	
Household Income >30% to less-than or= 50% HAMFI	1,205	655	1,620	
Household Income >50% to less-than or= 80% HAMFI	1,580	560	2,525	

820	200	1,745	
985	90	8,860	
6,225	2,945	16,795	
Cost burden > 30%	Cost burden > 50%	Total	
1,115	1,005	1,315	
785	490	880	
1,045	330	1,490	
410	40	930	
225		3,410	
3,580	1,865	8,030	
Cost burden > 30%	Cost burden > 50%	Total	
525	435	730	
415	165	740	
540	230	1,035	
410	160	815	
760	90	5,450	
2,650	1,080	8,770	
	985 6,225 Cost burden > 30% 1,115 785 1,045 410 225 3,580 Cost burden > 30% 525 415 540 410	985 90 6,225 2,945 Cost burden Cost burden > > 30% 50% 1,115 1,005 785 490 1,045 330 1,045 330 1,045 330 410 40 225 435 Cost burden Cost burden > 3,580 1,865 Cost burden Cost burden > > 30% 50% 1 525 435 435 4415 165 526 435 4415 165 540 230 540 230 540 90	985908,860 $6,225$ $2,945$ $16,795$ Cost burdenCost burden > 50% Total 30% 50% Total1,115 $1,005$ $1,315$ 7854908801,045330 $1,490$ 410409302253,4103,580 $1,865$ 8,030Cost burdenCost burden > 50% Total525435730415165740540230 $1,035$ 410160815760905,450

1. The four housing problems are: incomplete kitchen facilities, incomplete plumbing facilities, more than 1 person per room, and cost burden greater than 30%.

2. The four severe housing problems are: incomplete kitchen facilities, incomplete plumbing facilities, more than 1 person per room, and cost burden greater than 50%.

3. Cost burden is the ratio of housing costs to household income. For renters, housing cost is gross rent (contract rent plus utilities). For owners, housing cost is "select monthly owner costs", which includes mortgage payment, utilities, association fees, insurance, and real estate taxes.