

## AB 2011

# Affordable Housing & High Roads Act

Assembly Bill (AB) 2011, the Affordable Housing & High Roads Act of 2022, allows residential development on property that is currently designated for commercial or retail use. AB 2011 was adopted the same year as Senate Bill (SB) 6, the Middle-Class Act of 2022, which also allows residential development on commercially zoned property.

While there are many similarities between the two bills, there are also distinct differences in their allowances and application, which may cause confusion. This informational bulletin is intended to help the reader better understand the specific provisions allowed under AB 2011.

This bulletin is only intended to summarize many provisions of state law rather than cite them in total. Refer to Govt. Code [§65912.100](#), [§65400](#) and [§65585](#), for the complete text.



## PURPOSE

With changing market demands, especially following the COVID pandemic, more and more commercial and office property owners are experiencing challenges in attracting and retaining tenants, resulting in higher-than-normal commercial and office vacancy rates across the state.

To help address the need for housing while preventing sprawling development, AB 2011 incentivizes and expedites housing construction in struggling commercial corridors traditionally reserved for big-box stores or office buildings.

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## Documents Referenced

Housing & High Roads Act; [AB 2011](#)  
California Coastal Zone; [Map](#)  
US Census Urbanized Area Reference; [Map](#)  
Middle Income Housing Act; [IB-136](#)  
Inclusionary Housing Program; [IB-157](#)  
Density Bonus; [IB-112](#)  
California Environmental Quality Act; [IB-150](#)  
Objective Design Standards; [IB-302](#)  
Preliminary Project Review; [IB-114](#)  
AB 2011 Eligibility Checklist (Mixed-Use); [P-45](#)  
AB 2011 Eligibility Checklist (100% Affordable); [P-45](#)  
Preliminary Review Request Form; [P-14](#)  
Development Permit Application; [P-2](#)

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AB 2011 establishes two qualifying criteria based on the level of affordability and defines eligible project types as either 100% Affordable Housing Developments in Commercial Zones or Mixed-Income Housing Developments.

Of particular importance, qualifying developments will be exempt from compliance with the California Environmental Quality Act (CEQA) and processed ministerially, except for properties located within the California Coastal Zone.

## ELIGIBILITY REQUIREMENTS

Development projects are eligible for the streamlined, ministerial approval process under AB 2011 if they meet all the following criteria.

### Minimum Units

Residential housing projects consisting of five or more housing units that are for sale or for rent are eligible.

### Minimum Affordable Units

- Housing projects (rental or owner-occupied) that restrict 100% of the units affordable to lower income families (“100% Affordable Housing Development”)
- Housing projects that offer the following mix of income levels (“Mixed-Income Housing Development”). The standard that results in the

highest percentage of affordable units and meets the lowest income target shall apply.

- Compliance with the city's inclusionary housing ordinance, which requires at least 15% of all proposed housing units be affordable to low-income families. This applies to rental and owner-occupied units. Refer to Info-Bulletin [IB-157](#) for additional information on the city's Inclusionary Housing Program.
- At least 8% of all proposed rental housing units restricted to very low-income families and 5% restricted for extremely low-income families.
- At least 30% of all owner-occupied housing units restricted for moderate-income families.
- Income-restricted units are required to have a recorded deed restriction of 55 years for rental units and 45 years for owner-occupied units.

### Properties Designated Non-Residential Use

Eligible sites under AB 2011 include any zone where office, retail, or parking are a principally permitted use. A principally permitted use includes any use that may occupy more than one-third of the site's square footage without a conditional use permit.

Housing projects (rental or owner-occupied) proposed on property currently zoned with one of the following designations are potentially eligible for AB 2011 processes:

- Commercial Tourist (C-T Zone)
- General Commercial (C-2 Zone)
- General Comm./Qualified Develop. (C-2-Q Zone)
- Local Shopping Center Zone (C-L Zone)
- Neighborhood Commercial (C-1 Zone)
- Office (O Zone)
- Planned Community (P-C Zone)
- Residential Density Multiple (RD-M Zone)
- Local Shopping Center (C-L Zone)
- Village-Barrio Zone (VB Zone)

### Urban Infill

- At least 75% of the site's perimeter must adjoin parcels that are developed with urban uses. "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.

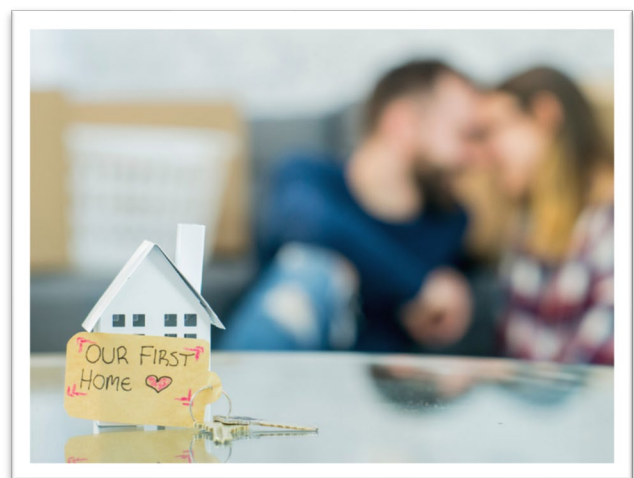
Parcels that are only separated by a street or highway is considered adjoined.

- The property is located within an urbanized area or urban cluster pursuant to the U.S. Census Bureau. Note: Carlsbad is in an urbanized area.

### Status of Existing Uses & Structures

As mentioned, the underlining purpose of SB 2011 is to help owners of struggling commercial/office/retail properties by allowing an alternative use (affordable housing) on the property, without the need to process a timely and costly rezone application. SB 2011 is not intended to replace a functionally operating commercial or office use that is meeting market demands of the community.

In cases where an eligible site includes existing structures, SB 2011 prohibits the removal of more than 25% of any existing exterior structural walls, unless the existing structure has been vacant for at least three years.



### Site Limitations

AB 2011 projects are prohibited on property within any of the following areas:

- Within 500 feet from a freeway
- Very or very high fire hazard severity zone
- Delineated earthquake fault zone
- Habitat for protected species or wetlands
- Conservation plan/conservation easement
- FEMA designated flood plain/floodway
- Hazardous waste site
- Farmland (prime/statewide significance)
- Within the Airport Land Use Compatibility Plan Zones 1 – 5.

In addition to the limitations specified above, Mixed-Income Housing Development projects shall also comply with the following site limitations.

- The site must be less than 20 gross acres.
- Site must have a frontage along a commercial corridor of at least 50 feet. A commercial corridor is defined as having a right-of-way of at least 70 feet, but not greater than 150 feet.

### Prevailing Wage

The project must be a public work as defined by Labor Code [§1720](#), which says all construction workers employed in the execution of the development must be paid at least the general prevailing rate of per diem wages for the type of work and geographic area. (See Government Code [§65913.4\(a\)\(8\)\(A\)](#) for additional details.)

### Skilled & Trained Workforce Provisions

A skilled and trained workforce, as defined in Government Code [§65913.4\(a\)\(8\)\(B\)\(i\)\(II\)](#), must complete the development if the project consists of 50 or more units. This requirement includes apprenticeship requirements, health care contributions and other contracting/reporting criteria.



## DENSITY & DEVELOPMENT STANDARDS

### All Projects

100% Affordable Development or Mixed-Income Development projects must meet all objective general plan, zoning, subdivision, and design review standards in effect at the time the application is submitted.

SB 2011 defines objective standards as those 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 prior to submittal.

### 100% Affordable Housing Development

In addition to objective design standards, 100% Affordable Housing Development projects must meet the following requirements.

- The development shall be limited to the density specified by the underlying zone.
- If a density designation is lacking on the subject property, the residential density of the adjacent property parcel is applied.
- If a density designation is lacking on the adjacent property, the zone allowing greatest multi-family residential density in the jurisdiction is applied, which in Carlsbad is 30 dwelling units per acre.

### Mixed-Income Housing Development

- Maximum Allowed Density
  - Sites ≤1 gross acre: 30 du/ac.
  - Sites >1 gross acre: 40 du/ac and located on a commercial corridor less than 100 feet of street frontage.
  - Sites >1 gross acre: 60 du/ac and located on a commercial corridor greater than 100 feet of street frontage.
  - Irrespective of parcel size, 80 du/ac if located within ½ mile of a major transit stop. In Carlsbad, major transit stops include the Carlsbad Village and Poinsettia Coaster stations.
- Minimum Height Limit
  - 35 feet for properties located on a commercial corridor of less than 100 feet street frontage.

- 45 feet for properties located on a commercial corridor greater than 100 feet street frontage.
- Projects located within the Coastal Zone shall meet the height limit specified under the zone for the subject property.
- Minimum Setbacks
  - A 10-foot setback is required for the first floor if the structure does not face a street or other commercial property. Otherwise, a 15-foot setback is required.
  - Starting with the second floor, each floor shall be stepped back equal to 7 feet multiplied by the floor number.
- Minimum Parking
 

No parking can be required except for requirements related to bicycle parking, electric vehicle spaces, or parking spaces accessible to persons with disabilities.

## APPLICATION SUBMITTAL

### Preliminary Review Application Process

Early consultation with the city is strongly recommended since codes, standards, and housing requirements may apply to your project that affect the scope of a project. Although it is not required, staff recommends applicants informally discuss their preliminary review application with staff ([P-14](#)) to obtain input prior to submitting. Refer to Info-bulletin [IB-114](#) for more information on the preliminary review process.

### How To Submit

Eligible projects are first required to complete an eligibility checklist form [P-46](#) for 100% Affordable Housing Development and form [P-45](#) for Mixed-Income Housing Development, and a complete development permit application ([P-2](#)). Please contact the Planning Division to schedule an intake appointment.

## ENVIRONMENTAL REVIEW

AB 2011 projects are considered ministerial and not subject to the California Environmental Quality Act (CEQA). Please refer to the city's info-bulletin to learn more about CEQA ([IB-150](#)). As such, the city cannot require applicants to prepare any studies that would be required under CEQA (e.g., transportation, air quality, noise).

The city can only require an applicant to abide by objective planning standards that were in effect at the time the AB 2011 application was submitted. Please refer to the info-bulletin to learn more about city's Design Standards ([IB-302](#)).

## PROPERTIES IN THE COASTAL ZONE

Development projects located within the [California Coastal Zone](#) requires a Coastal Development Permit (CDP) consistent with Carlsbad Municipal Code (CMC) [Chapter 21.201](#).

Pursuant to the California Coastal Act, the city may impose other types of conditions to ensure projects and the city's Local Coastal Program (LCP) are consistent with the public access and recreation policies of the California Coastal Act (Chapter 3) and certified Carlsbad LCP. These other types of conditions may assist the city in making the necessary findings to approve a required CDP ([§21.201.080\(C\)](#)).

## DENSITY BONUS

AB 2011 projects can utilize all the benefits offered under the State Density Bonus Law, which includes density bonus and the granting of concessions, incentives, and waivers of development standards to housing developments. Please refer to the city's informational bulletin [IB-112](#) for additional information on density bonus allowances.

## OPTIONS FOR SERVICES

To schedule an appointment or to learn more about this process, please contact the Planning Division at 760-602-4610 or via email at [Planning@carlsbadca.gov](mailto:Planning@carlsbadca.gov).

