

**EXECUTIVE DEPARTMENT
STATE OF CALIFORNIA**

EXECUTIVE ORDER N-2-24

WHEREAS California has set a goal of planning for 2.5 million new homes by 2030, including no less than one million affordable homes; and

WHEREAS infill housing development refers to building housing on unused and underutilized infill sites, usually but not exclusively in urban areas, which provides many benefits including avoiding sprawl, reducing greenhouse gas emissions, and creating homes near community amenities, jobs and schools; and

WHEREAS housing that is built near jobs, services, and other amenities has proven to be attractive to renters and homeowners and has helped create more vibrant and livable communities; and

WHEREAS the climate crisis is happening now, impacting California in unprecedented ways, and affecting the health and safety of Californians; and

WHEREAS California's Scoping Plan for Achieving Climate Neutrality, which lays a roadmap to cut the state's greenhouse gas emissions by 85% from 1990 levels by 2045, specifically incorporates building housing on infill sites, which is proven to reduce driving, improve air quality, and decrease greenhouse gas emissions; and

WHEREAS infill housing development reduces costs by leveraging existing infrastructure, while also decreasing vehicle miles traveled and related greenhouse gas emissions; and

WHEREAS adaptive reuse—a strategy to repurpose buildings for housing where the original purpose of the building is no longer productive or useful—can help expedite infill housing development and reinvigorate downtown corridors in an environmentally-responsible manner; and

WHEREAS California's investments in affordable housing programs have led to adaptive reuse and infill housing developments resulting in tens of thousands of homes in transit- and amenity-rich locations that have lowered housing cost burdens, reduced greenhouse gas emissions, and created thousands of jobs to create and maintain those homes; and

WHEREAS the State has made excess state-owned properties available for affordable housing development at low cost under Executive Order N-06-19, creating a pipeline for development of thousands of new affordable homes on infill sites; and

WHEREAS the Legislature has passed multiple laws to streamline the development of infill housing and make it more economically viable, including various development incentives such as streamlined approval processes for infill housing; and

WHEREAS, local governments, developers, and community members may benefit from additional awareness of, and guidance in navigating, these complex laws and streamlining efforts; and

WHEREAS additional leveraging of federal funds and financial tools can create opportunities to lower the cost of infill housing; and

WHEREAS state law requires that housing construction projects receiving public funding meet certain labor standards related to job site safety, pay and benefits, and apprenticeship opportunities; and

WHEREAS an all-of-government approach is necessary to accelerate infill development throughout the state to realize the potential of infill sites and adaptive reuse to house current and future generations of Californians.

NOW, THEREFORE, I, GAVIN NEWSOM, Governor of the State of California, in accordance with the authority vested in me by the State Constitution and statutes of the State of California, do hereby issue the following Order to become effective immediately:

IT IS HEREBY ORDERED THAT:

To lower costs and encourage the production of more and more affordable infill housing and adaptive reuse projects, while embracing the positive linkage between greater housing production and progress towards California's climate goals, relevant departments shall pursue the following actions.

1. Lowering Costs and Increasing Options for Infill Housing:

- a. The Department of Housing and Community Development (HCD) shall, as part of the 2025 Intervening Code Adoption Cycle for the California Building Standards Code, consult with the Building Standards Commission, the Office of the State Fire Marshal, and the Division of the State Architect to identify and explore opportunities to update the state Building Standards Code to lower the cost of, while increasing flexibility for, infill development, while supporting the state's labor, climate, and environmental goals.
- b. The Strategic Growth Council (SCG) shall, as part of its ongoing work on Council Priority 3 on Housing, Climate, and Equity, investigate and report to the Business, Consumer Services and Housing Agency (BCSH) on processes, permits, and other administrative actions that can be adjusted to create flexibility and lower the per unit cost of infill housing.

2. Providing More Resources for Infill Housing and Adaptive Reuse:

- a. The California Housing Finance Agency (CalHFA) is requested to investigate and report to BCSH on options to develop and deploy financing mechanisms to support predevelopment, construction and permanent lending for affordable infill housing. CalHFA is also requested to investigate opportunities to leverage federal funding and private capital to deploy these products.
- b. HCD shall, by December 31, 2024, investigate and report to BCSH on the potential for innovative uses of revolving resources and additional opportunities for reinvestment of loan repayments to maximize opportunities to fund affordable infill development.
- c. In the course of the Infrastructure Strike Team's ongoing work, the California State Transportation Agency (CalSTA) and BCSH shall coordinate to identify federal transportation funding sources that could be used, consistent with their terms and purposes, to promote infill development and adaptive reuse.

- d. As part of their ongoing work in the Administration's Housing and Decarbonization Work Group, by December 31, 2024, BCSH, the California Energy Commission, HCD, the California Infrastructure and Economic Development Bank, the California Air Resources Board, SGC, and the Public Utilities Commission, with the Commission's consent, shall identify strategies to utilize federal funding opportunities to promote housing in infill areas by:
 - i. identifying barriers and opportunities to leverage available federal decarbonization funding and other climate funding into state housing programs, including through housing funding program applications; and
 - ii. recommending high impact, cost-effective actions that can support greenhouse gas reductions through adaptive reuse or retrofits of residential properties in infill areas.
 - e. The California Department of Transportation (CalTrans), in consultation with CalSTA and the Governor's Office of Land Use and Climate Innovation, shall identify and implement opportunities to leverage transportation funds and projects to support the use of infill housing as an environmental mitigation approach by publishing guidance on the use of affordable infill housing as a mitigation strategy as part of its "Transportation Analysis under CEQA" guidance and shall track and report progress at the project level.
3. Providing Tools and Opportunities for Infill and Adaptive Reuse:
- a. The Governor's Office of Land Use and Climate Innovation shall, as quickly as feasible, publicize and promote for public consumption the Site Check tool to assist developers in identifying opportunities for infill development. As part of its public engagement efforts, the Office shall solicit and collect input from the public on opportunities to improve the tool and identify the most impactful updates to the tool for future iterations. As part of its promotion of the Site Check tool, the Office shall develop and publish a plain language guide for planners, property developers, and other stakeholders that explains existing statutory streamlining opportunities to speed the development of infill housing and adaptive reuse.
 - b. In accordance with Executive Order N-06-19, CalTrans shall use its inventory of excess land and existing authorities to expedite and prioritize the development of permanent housing on these properties to the greatest extent feasible and allowable by law, combining such development with transportation improvements where appropriate.
 - c. HCD shall, by April 1, 2025, and in partnership with the Governor's Office of Land Use and Climate Innovation, study and report to BCSH best practices adopted by other states and nations to encourage the revitalization of downtown and urban cores via the reuse of existing buildings.
 - d. HCD shall, by December 31, 2024, update and publicize a technical assistance guide for local governments and homeowners that

describes accessory dwelling unit (ADU) basics and permitting processes for ADUs in infill areas.

4. Aligning Infill Housing Development with State Climate Policies

- a. The Governor's Office of Land Use and Climate Innovation shall establish an interagency Task Force on Mitigation Banks, to include CalSTA, BCSH, CalTrans, HCD, and other state agencies as appropriate, for the purpose of developing a framework for a Statewide Mitigation Bank to provide flexibility in the use of infill housing as a mitigation strategy for transportation and housing projects with significant environmental impacts under CEQA.
 - b. The California Air Resources Board, in partnership with BCSH and SGC, shall, by December 31, 2025, develop and propose metrics to assess the climate and environmental benefits of infill housing development, in order to help decisionmakers more accurately assess relative costs and benefits of infill development and adaptive reuse opportunities as remote work continues to be a part of the broader economy and travel patterns adjust.
5. The Department of Industrial Relations shall ensure that infill and adaptive reuse housing projects adhere to applicable state labor requirements as appropriate.
6. In implementing the directives of this Executive Order, agencies in my Administration shall ensure that their efforts prioritize equity and comply with the requirements of Executive Order N-16-22.

IT IS FURTHER ORDERED that, as soon as hereafter possible, this Order be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this Order.

This Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

IN WITNESS WHEREOF I have
hereunto set my hand and caused
the Great Seal of the State of
California to be affixed this 31st day
of July 2024.



GAVIN NEWSOM
Governor of California

ATTEST:

SHIRLEY WEBER, PH.D.
Secretary of State