



City of Gilroy

COMMUNITY DEVELOPMENT DEPARTMENT/PLANNING DIVISION
74231 Rosanna Street, Gilroy CA 95020
(408) 846-0440, main • (408) 846-0429, fax
www.cityofgilroy.org/planning

SB 423: STREAMLINED MINISTERIAL APPROVAL SUPPLEMENTAL APPLICATION

WHAT IS SENATE BILL 423?

California Senate Bill 423 (SB 423) creates a streamlined ministerial approval process for multi-unit housing projects that include a specified percentage of units affordable to lower-income households. SB 423 projects are exempt from discretionary review and must be consistent with objective zoning and design standards. This is a voluntary process a project applicant may elect to pursue if certain eligibility criteria are met.

WHERE DOES IT APPLY?

SB 423 applies in cities not meeting their Regional Housing Needs Allocation (RHNA) for affordable units. Currently as of 6/3/24, Gilroy does not meet the RHNA goal for very-low and moderate-income units. Therefore, SB 423 requires the City to streamline approval of eligible housing projects which provide 50% of the units as affordable housing at or below 80% average median income by providing a ministerial approval process. The provisions of this program are in effect until January 1, 2036. Please refer to the updated [Statewide Determination Summary](#) on the HCD website for current affordability requirements.

IS MY PROJECT ELIGIBLE?

Eligibility for SB 423 streamlining is determined by meeting the eligibility requirements listed on Page 3, which are State-mandated and cannot be waived or amended. Applicants intending to request SB 423 streamlining must first submit a Notice of Intent in the form of a [Preliminary Residential Application](#). At that time, the City will initiate a California Native American Tribes consultation process prior to submittal of an application. Applications will not be accepted without providing sufficient evidence that the project meets all eligibility criteria.

WHAT ARE OBJECTIVE STANDARDS?

Objective standards are a type of regulation that requires no personal or subjective judgment to determine whether the standards have been met. SB 423 projects are subject to all objective standards found in the Zoning Ordinance, [Gilroy Mixed-use Residential and Multi-Family Residential Objective Design Standards Policy](#), and other Citywide regulations and development standards.

ARE THERE ANY EXCEPTIONS?

No. The requirements for streamlined ministerial approval are State-mandated and cannot be waived or amended. A multi-unit housing project that does not meet one or more of the eligibility criteria or requires an exception to any development standard or regulations is not eligible and will be subject to the City's discretionary review process. State Density Bonus provisions are allowed to be applied to an SB 423 project and are not considered an exception.

HOW DO I APPLY?

Applicants intending to request SB 423 streamlining must first submit a Notice of Intent in the form of a [Preliminary Residential Application](#). Next, submit a formal application for an [Architectural and Site Review Permit](#) along with this [SB 423 Supplemental Application](#).



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SB 423 Streamlined Ministerial Approval Process

This is a summary of the affordable housing streamlined approval process for projects that meet the eligibility criteria according to [California Government Code Section 65913.4](#).

STEP 1: CONFIRM THE PROJECT IS ELIGIBLE

The first step is to confirm that the project meets the eligibility criteria. Read the attached SB 423 Eligibility Checklist on page 3 to confirm the project is eligible.

STEP 2: SUBMIT A NOTICE OF INTENT

Once you have confirmed that the project meets all eligibility criteria, submit a Notice of Intent to submit an application in the form of the City's [Preliminary Residential Application](#).

STEP 3: TIMELINES FOR TRIBAL SCOPING CONSULTATION

Upon receipt of a Notice of Intent, the City will engage in a scoping consultation with any California Native American tribe that is affiliated with the geographic area. There is a 30-30-30 timeline:

1. **Notice.** Within 30 days, the City will provide formal notice for each Tribe.
2. **Acceptance.** Each Tribe has 30 days to accept the invitation to engage in consultation.
3. **Consultation.** The city initiates consultation within 30 days of acceptance of the invitation.

STEP 4: SUBMIT A COMPLETE APPLICATION

Once the Tribal Scoping Consultation has been concluded, and the project meets the eligibility criteria, you will submit: (1) this SB 423 Supplemental Application along with (2) an Architectural and Site Review Permit Application.

STEP 5: TIMELINES FOR MINISTERIAL REVIEW

The timelines for streamlined review are as follows:

1. **Application Review.** Planning staff will determine if the application is complete, and if the project conflicts with any objective zoning and design review standards, within 60 days for projects of 150 or fewer units and 90 days for more than 150 units.
2. **Action on the Application.** Action on the application must be completed in 90 days for 150 or fewer units and 180 days for projects with more than 150 units, measured from the date of a complete application submittal.
3. **Expiration.** If the project includes public investment in housing affordability, beyond tax credits, then that approval shall not expire. If the project does not include public investment in housing affordability, beyond tax credits, the approval will expire after three years.

STEP 6: SUBMIT A BUILDING PERMIT

A building permit must be issued prior to the three-year approval expiration date. A project may receive a one-time, one-year time extension if the applicant shows significant progress.



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SB 423 Eligibility Checklist

Projects must comply with **ALL** the following to qualify for SB 423 review:

	COMPLY	N/A
1. Affordability. A minimum of 50% of the total residential units will be dedicated to low-income households making at or below 80% of the area median income (prior to calculating density bonus).	☐	☐
2. Number. Project contains at least two or more net new residential units.	☐	☐
3. Residential Uses. The parcel has a general plan and/or zoning designation for residential uses with at least 2/3 of the floor area of the proposed development dedicated to residential uses.	☐	☐
4. Infill Development. At least 75% of the perimeter of the site adjoins lots developed with urban uses. Includes lots separated by a street or highway.	☐	☐
5. Historic Resources. The project does NOT demolish a historic structure, site, or feature that has been placed on a national, state, or local historic register.	☐	☐
6. Demolition of Residential Units. The project does NOT demolish housing units that have been occupied by tenants in the last 10 years; or any housing subject to rent or price control; or are subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of moderate, low, or very low incomes.	☐	☐
7. Location. The project site is NOT within any of these areas: a coastal zone, prime farmland, wetland, very high fire hazard severity zone, hazardous waste site, delineated earthquake fault zone, flood plain, floodway, community conservation plan area, a habitat for protected species, under a conservation easement, or located on a qualifying mobile home site.	☐	☐
8. Prevailing Wages. All construction workers employed in the execution of the development will be paid at least the general prevailing rate of per diem wages for the type of work and geographic area if the development is not a public work. This requirement does not apply to projects that include 10 or fewer units and is not a public work project.	☐	☐
9. Skilled and Trained Workforce. A skilled and trained workforce will complete the development if the project consists of 50 or more units that are not 100 percent subsidized affordable housing.	☐	☐
10. Subdivisions. Does not involve a subdivision subject to the Subdivision Map Act, unless the development either (i) receives a low-income housing tax credit and is subject to the requirement that prevailing wages be paid, or (ii) is subject to the requirements to pay prevailing wages and to use a skilled and trained workforce.	☐	☐
11. Parking. The project must provide at least one parking space per unit unless exempt pursuant to California Government Code Section 65913.4(d)(1).	☐	☐
12. Notification to California Native American tribes. The project proponent has submitted a Notice of Intent in the form of a preliminary application that includes all of the information described in California Government Code Section 65941.1 and concluded the tribal consultation process.	☐	☐
13. Consistent with Objective Standards. The project meets all objective general plan, zoning, subdivision, and design review standards at the time of SB 423 application submittal.	☐	☐



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SB 423 Certificate for Compliance with Eligibility Requirements

Under penalty of perjury the following declarations are made:

- a. The undersigned is the owner of this property.
- b. The information presented is true and correct to the best of my knowledge.
- c. **Public Record.** I understand that any information provided becomes part of the public record and can be made available to the public for review and posted to the city website.
- d. **Affordable Housing.** I agree to comply with the applicable affordable housing dedication requirements established under Government Code section 65913.4(a)(3).
- e. **Prevailing Wage.** I agree to comply with the applicable prevailing wage requirements established under Government Code section 65913.4(a)(8)(A).
- f. **Workforce.** I agree to comply with the applicable skilled and trained workforce requirements established under Government Code section 65913.4(a)(8)(B).
- g. **Tenant-Occupied Housing.** I certify that the project site has not contained any housing occupied by tenants within 10 years prior to the date written below.

PROPERTY OWNER:

Owner's Signature

Date

Owner's Name (printed)