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January 23, 2018

The Honorable Scott Wiener
California State Senate
State Capitol Building, Room 4066
Sacramento, CA 95814

RE: SB 827 (Wiener) Planning and Zoning.
Notice of Opposition (*as introduced 1/3/18*)

Dear Senator Wiener:

The League of California Cities regrets that it must oppose your SB 827, which would exempt certain housing projects from locally developed and adopted height limitations, densities, parking requirements, and design review standards.

Specifically, SB 827 would undermine locally adopted General Plans, Housing Elements (which are certified by the Department of Housing and Community Development), and Sustainable Community Strategies (SCS). SB 827 allows private for profit housing developers and transit agencies to determine housing densities, parking requirements, and design review standards within one-half mile of a “major transit stop,” or along a “high-quality transit corridor” which could be miles away from an actual bus stop. Under existing law, cities are already required to zone for densities at levels necessary to meet their entire Regional Housing Needs Allocation (RHNA). Additionally, SB 827 would provide developers a means to generate additional profits without any housing affordability requirements. Therefore, it is highly unlikely that developers will choose to construct affordable housing over increased profit margins.

Contrary to SB 827, local governments must balance the needs and desires of the community when developing land use planning documents. Locally elected officials are acutely aware of the challenges of gentrification and displacement that can be associated with rapid development.

Last year, the Legislature passed and the Governor signed a comprehensive 15 bill “housing package”, which included measures that provided new sources of funding, streamlined the housing approval process, and increased oversight of local government land use decisions. Your bill, SB 35, was included in the package and was a significant part of the housing discussion. All of these bills just took effect on January 1, 2018, two days prior to the introduction of SB 827.

The “housing package” includes the following bills:

- SB 2 (Atkins, Chapter 364, Statutes of 2017) Building Homes and Jobs Act is projected to generate hundreds of millions of dollars annually for affordable housing, supportive housing, emergency shelters, transitional housing and other housing needs via a \$75 to \$225 recording fee on specified real estate documents.
- SB 3 (Beall, Chapter 365, Statutes of 2017) Veterans and Affordable Housing Bond Act of 2018 places a \$4 billion general obligation bond on the November 2018 ballot to fund affordable housing programs and the veterans homeownership program (CalVet).
- SB 35 (Wiener, Chapter 366, Statutes of 2017) streamlines multifamily housing project approvals, at the request of a developer, in a city that fails to issue building permits for its share of the regional housing need by income category.
- SB 166 (Skinner, Chapter 367, Statutes of 2017) requires cities and counties to provide enough housing sites to meet RHNA at each income level at all times.
- SB 167 (Skinner, Chapter 368, Statutes of 2017), AB 678 (Bocanegra, Chapter 373, Statutes of 2017), and AB 1515 (Daly, Chapter 378, Statutes of 2017) makes numerous changes to the Housing Accountability Act, including imposing mandatory fines for defying a court order, and modifying the findings requirement to deny a housing development project to be supported by a preponderance of the evidence, rather than by substantial evidence in the record.
- SB 540 (Roth, Chapter 369, Statutes of 2017) streamlines the housing approval process by conducting all of the necessary planning, environmental review and public input on the front end through the adoption of a detailed Specific Plan.
- AB 72 (Santiago, Chapter 370, Statutes of 2017) provides the Department of Housing and Community Development (HCD) new broad authority to find a jurisdiction's housing element out of substantial compliance if it determines that the jurisdiction fails to act in compliance with its housing element and allows HCD to refer violations of law to the attorney general.
- AB 73 (Chiu, Chapter 371, Statutes of 2017) streamlines the housing approval process by allowing jurisdictions to create a housing sustainability district to complete upfront zoning and environmental review in order to receive incentive payments for development projects that are consistent with the ordinance.
- AB 879 (Grayson, Chapter 374, Statutes of 2017) expands upon existing law that requires, by April 1 of each year, cities to send an annual report to their respective city councils, the state Office of Planning and Research and HCD that includes information related to the implementation of the General Plan.
- AB 1397 (Low, Chapter 375, Statutes of 2017) requires lands in a city's housing element to include vacant sites and sites that have "realistic and demonstrated potential" for

redevelopment to meet a portion of the locality's housing need for a designated income level.

- AB 1505 (Bloom, Chapter 376, Statutes of 2017) allows a jurisdiction to adopt an ordinance that requires a housing development to include a certain percentage of residential rental units affordable to and occupied by households with incomes that do not exceed limits for households with extremely low, very low, low or moderate income.

Given that the significant changes to California's housing law have only been in effect for a few weeks, the Legislature's focus should not be on passing more bills that seek to change the rules for housing construction, but rather assist HCD with implementing the new laws. Importantly, HCD is already understaffed and is currently seeking a significant budget augmentation to hire additional personnel. As a result, HCD has only begun to solicit stakeholder input and involvement, and it will be many months before guidelines are issued.

While there is still more work to be done to address the housing affordability and supply crisis gripping many regions of the state, the Legislature, housing developers, and cities all need adequate time to fully understand and digest the many changes to California housing law. Several Legislators have also discussed introducing a "cleanup" bill this year to address some of the inconsistencies in the "housing package."

The League is committed to collaboratively working with you and others on finding solutions to the housing supply and affordability crisis gripping many areas of the state. However, in its present form, the League must oppose SB 827. If you have any questions, please do not hesitate to contact me at (916) 658-8264.

Sincerely,



Jason Rhine
Legislative Representative

cc: Chair and Members, Senate Transportation and Housing Committee
Chair and Members, Senate Committee on Governance and Finance
Alison Hughes, Consultant, Senate Transportation and Housing Committee
Anton Favorini-Csorba, Consultat, Senate Committee on Governance and Finance
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