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June 2, 2016

The Honorable Phil Ting
Chair, Assembly Budget Committee
State Capitol Building, Room 6026
Sacramento, CA 95814

The Honorable Mark Leno
Chair, Senate Budget and Fiscal Review Committee
State Capitol, Room 5019
Sacramento, CA 95814

**RE: Governor's Proposal for By Right Approval for Affordable Housing
Notice of Opposition**

Dear Honorable Chairs Ting and Leno:

The League of California Cities opposes the recent proposal by the Governor to pre-empt local discretionary land use approvals of specified housing developments by having all such approvals be considered "ministerial" actions. The result of this proposal would be to eliminate opportunities for public input and project-level environmental review and restrict design review.

The League and our member agencies agree that California is facing a housing affordability crisis; however, this is not the solution.

Several years ago the state eliminated redevelopment agencies, and with that over \$1 billion annually for affordable housing. That money is gone. Also gone are the proceeds of the last state housing bond which passed 10 years ago. The federal government has been backing out of funding affordable housing since the 1980s. This massive withdraw of resources has contributed to our current challenges, yet no significant source of ongoing affordable housing funding is on the horizon.

Also, while the state budget has flourished in recent years due to infusions of income tax, local agencies have not experienced similar revenue growth. Many local general plans are out of date because communities simply do not have the funds to complete such reviews.

Eliminating opportunities for public review of these major development projects goes against the principles of local democracy and public engagement. A public hearing allows interested members of the community to inform the decision-makers of their support or opposition to the project and guarantees that property rights will not be impacted without due process. Good design enables a new structure to match a community's character. While it may be frustrating for some developers to address neighborhood concerns about traffic, parking and other development impacts, those directly affected by such projects have a right to be heard. Public engagement can also lead to better projects. Not having such outlets will increase public distrust in government and more ballot measures.

Furthermore, the Administration's proposal to undermine state environmental policies and laws in such an aggressive manner is both surprising and ill considered. While the Coastal Act, California Environmental Quality Act and other laws have their critics, most would acknowledge that they have also made positive contributions to California's prized quality of life that has attracted nearly 39 million people. If there are issues with such laws then they should be addressed in a straightforward fashion as opposed to structuring proposals that pretend they don't exist.

Many laws related to housing planning and approvals are on the books. Local governments are already required to approve housing if the project is consistent with the general plan and zoning ordinance. Exceptions to this rule are very limited, but what we can't skip are public transparency and environmental laws.

A much better approach to expediting development would be to offer incentives that can actually help local communities struggling to accommodate higher densities and new development, such as:

- Establishing a state revolving fund that can be used to update specific plans and complete up-front environmental reviews on targeted housing sites adjacent to transit, etc. Such a process would allow for community engagement and environmental analysis. Following that, development on those parcels would be expedited via laws already on the books.
- Rewarding local agencies that approve higher density housing in designated areas by helping it "pencil out" against service costs by shifting 10% of the increased property tax accruing from the approved development to the approving city or county.
- Developing a state- local matching funding program for infill development-related infrastructure that more adequately fills the gaps in urban renewal tools left by the loss of redevelopment.
- Establishing a real, substantial and ongoing source of affordable housing funding.

For all these reasons, the League respectfully states our opposition to this measure. Such fundamental policy changes should not be rushed through as a budget proposal, but merit extensive review by the appropriate policy committees in a deliberative fashion. While crafting responses to our state's housing challenges, surely we can do better in addressing the real infrastructure and resource challenges faced by local communities while preserving public transparency and the environment.

Sincerely,



Dan Carrigg
Deputy Executive Director, Legislative Affairs

cc: The Honorable Governor Jerry Brown
Members, Assembly Budget Committee
Members, Senate Budget & Fiscal Review Committee
Genevieve Morelos, Consultant, Assembly Budget Committee
William Weber, Consultant, Assembly Republican Caucus
Farra Bracht, Consultant, Senate Budget and Fiscal Review Committee
Heather White, Consultant, Senate Republican Caucus