

ACTION ALERT!!

Housing Bill Package Being Finalized **OPPOSE Eliminating Local Land Use Authority**

Background:

Last week the Legislature delayed voting on a, yet to be determined, housing bill package until they return on August 21st. It is believed that negotiations will continue through the Legislature's summer recess. According to a joint statement released by Governor Brown and Legislative Leaders: "The package of legislation we are all working on will help ensure Californians won't have to pay an arm and a leg to have a roof over their head. It will include a general obligation bond, a permanent funding source for affordable housing and regulatory reform. This comprehensive approach does what's long been needed in California — build new homes and improve access to housing. We look forward to finalizing this package upon return from summer recess."

While the actual package of bills that will be included in the housing deal has yet to be announced, the Governor and Leaders have been clear that money for affordable housing will only be available if it is paired with streamlined regulations at the local level.

Possible funding proposals

- SB 2 (Atkins): Imposes a fee of \$75 recordation on specified real estate documents to generate hundreds of millions of dollars per year for affordable housing, supportive housing, emergency shelters, and transitional housing.
- SB 3 (Beall) Affordable Housing Bond Act of 2018: Authorizes a \$3 billion general obligation bond to fund affordable housing programs and infill infrastructure projects including multifamily housing, CalHome, Joe Serna Farmworker Housing, Local Housing Trust Fund Matching Grant, BEGIN, and TODs.
- AB 71 (Chiu) Eliminates the mortgage interest deduction on second homes, increases the state Low-Income Housing Tax Credit Program by \$300 million.
- ACA 11 (Caballero) Imposes a ¼ cent statewide sales tax to support local and state programs that: assist in the development or acquisition of affordable housing; support first-time home buyer programs; and support housing programs that assist homeless individuals. ACA 11 would generate nearly \$1.7 billion annually.

Possible streamlining/regulatory reform proposals

- SB 35 (Weiner): Seeks to streamline multifamily housing project approvals by eliminating public input, prohibiting CEQA, and removing local discretion.
- SB 167 (Skinner)/AB 678 (Bocanegra): Makes numerous changes to the Housing Accountability Act including, 1) Requires findings to be based on "a preponderance of evidence"; 2) Imposes mandatory fines (\$10,000) on cities that fail to comply with a judge's order within 60 days; 3) Allows enhanced fines (a factor of five) if a city acts in bad faith.
- SB 540 (Roth) Streamlines the housing approval process by having cities and counties identify priority housing areas where enhanced planning, necessary environmental reviews and public engagement would occur at the front-end. These Workforce Housing Opportunity Zones would focus on workforce and affordable housing in areas close to jobs and transit and conform to California's greenhouse gas reduction laws.

- AB 72 (Santiago): Provides the Department of Housing and Community Development broad new authority to review any action by a city or county that it determines is inconsistent with an adopted housing element.
- AB 73 (Chiu): Allows a city or county 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 district's ordinance.
- AB 879 (Grayson) Provides the Department of Housing and Community Development new authority to, 1) Complete a study to evaluate the reasonableness of local fees charged to new developments, including new amendments to the Mitigation Fee Act to “substantially reduce fees for residential development”; 2) Requires a city, in their analysis of governmental constraints, to include an analysis of any currently-authorized, locally-adopted ordinances that directly impact the cost and supply of residential development.
- AB 1397 (Low): 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 1515 (Daly): Requires housing projects to be deemed consistent, compliant, and in conformity with an applicable plan, if there is substantial evidence that would allow a reasonable person to conclude that the housing development project or emergency shelter is consistent, compliant, or in conformity.

One measure that we know will be included in the housing bill package is [SB35 \(Wiener\), which seeks to preempt](#) local discretionary land use authority, eliminate opportunities for public review, and ban project-level environmental review for multifamily housing developments. While it is supposedly structured to focus on “bad actors” it is structured in a way that nearly all cities with a population over 2,500 can anticipate losing local discretion, because it is based on unrealistic production quotas that have no connection to market conditions or the availability of affordable housing subsidies.

SB 35 seeks to streamline housing approvals by eliminating public input, prohibiting CEQA, and removing nearly all local discretion. Specifically, this measure:

- Applies to multifamily housing developments containing two or more units.
- Prohibits parking requirements if the development is within one-half mile of public transit, located within a historic district, or has a car share service within one block.
- Limits zoning and design review.
- Requires prevailing wage.

SB 35 doesn’t make sense because it:

- Uses the Regional Housing Needs Allocation (RHNA) as one metric to determine if a city must comply. If a city doesn’t approve enough housing units in the first half (four years) or the last half (remaining 4 years) of the RHNA cycle in all four income categories, a city must approve housing projects with no environmental review. With redevelopment eliminated and the state reluctant to approve any funding for affordable housing, all of the above communities can expect to be subject to being deemed “bad actors” by the state for not producing low income and very low income housing to match state quotas.
- Ignores local housing market conditions and punishes even those communities with progressive affordable housing policies.

SB 35 should be amended to exempt “Good Actor” cities by providing a “Safe Harbor” for those jurisdictions that meet the following criteria:

1. No violations, within the last five years, of the Housing Accountability Act (Government Code 655859.5), Mitigation Fee Act (Government Code 66000), density bonus (Government Code 65915), no net loss (Government Code 65863), anti-discrimination provisions (Government Code 65008).
2. Jurisdiction has approved all submitted housing projects that have been submitted on sites identified in its housing element inventory.
3. Jurisdiction has not reduced density of housing project below density as submitted by developer on initial application
4. Jurisdiction implemented the programs in its housing element in accordance with schedule in housing element.
5. Jurisdiction completed any rezonings required by housing element within 2 years of adoption of housing element.
6. Jurisdiction can demonstrate that it did not receive applications for housing units that would have allowed it to issue building permits equal to the city’s share of RHNA by income category for that reporting period.

ACTION:

Contact your Assembly Member and Senator and:

- Convey your support for funding proposals – SB 2 & SB 3. And encourage their consideration of more robust funding options such as ACA 11, which would generate \$1.7 billion annually for affordable housing and homelessness programs.
- Demand that your legislator ensure that Good Actor/Pro-Housing cities be exempt from punitive proposals like SB 35 via a Safe Harbor.
- The loss of redevelopment funding has contributed to the current crisis. That was a bad deal. Urge you legislator to not compound that with another bad deal for your community.

Below is a list of priority Legislators that should be contacted as soon as possible. Sample letters for SB 2, SB 3, and SB 35 are attached.

Assembly

Member	House	District	Party	Room	Phone	Fax
Aguiar-Curry, Cecilia	A	4	D	5144	916 319 2004	916 319 2104
Arambula, Joaquin	A	31	D	5155	916 319 2031	916 319 2131
Baker, Catharine	A	16	R	2130	916 319 2016	916 319 2116
Bocanegra, Raul	A	39	D	2175	916 319 2039	916 319 2139
Caballero, Anna	A	30	D	5158	916 319 2030	916 319 2130

Cervantes, Sabrina	A	60	D	5164	916 319 2060	916 319 2160
Cooley, Ken	A	8	D	3013	916 319 2008	916 319 2108
Cooper, Jim	A	9	D	6025	916 319 2009	916 319 2109
Dababneh, Matthew	A	45	D	6031	916 319 2045	916 319 2145
Eggman, Susan	A	13	D	4117	916 319 2013	916 319 2113
Frazier, Jim	A	11	D	3091	916 319 2011	916 319 2111
Garcia, Eduardo	A	56	D	4140	916 319 2056	916 319 2156
Gray, Adam	A	21	D	3152	916 319 2021	916 319 2121
Holden, Chris	A	41	D	5132	916 319 2041	916 319 2141
Irwin, Jacqui	A	44	D	5119	916 319 2044	916 319 2144
Levine, Marc	A	10	D	5135	916 319 2010	916 319 2110
Limón, Monique	A	37	D	4167	916 319 2037	916 319 2137
Maienschein, Brian	A	77	R	4139	916 319 2077	916 319 2177
Mathis, Devon	A	26	R	2111	916 319 2026	916 319 2126
Mayes, Chad	A	42	R	3104	916 319 2042	916 319 2142
Medina, Jose	A	61	D	2141	916 319 2061	916 319 2161
Muratsuchi, Al	A	66	D	2179	916 319 2066	916 319 2166
Quirk-Silva, Sharon	A	65	D	6012	916 319 2065	916 319 2165
Reyes, Eloise Gómez	A	47	D	4015	916 319 2047	916 319 2147
Ridley- Thomas, Sebastian	A	54	D	2176	916 319 2054	916 319 2154
Rodriguez, Freddie	A	52	D	2188	916 319 2052	916 319 2152
Salas, Rudy	A	32	D	4016	916 319 2032	916 319 2132
Wood, Jim	A	2	D	6005	916 319 2002	916 319 2102

Senate

Member	House	District	Party	Room	Phone	Fax
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Berryhill, Tom	S	8	R	3067	916 651 4008	916 651 4908
Bradford, Steven	S	35	D	2062	916 651 4035	916 651 4935
Cannella, Anthony	S	12	R	5082	916 651 4012	916 651 4912
Dodd, Bill	S	3	D	5064	916 651 4003	916 651 4903
Galgiani, Cathleen	S	5	D	5097	916 651 4005	916 651 4905
Glazer, Steve	S	7	D	5108	916 651 4007	916 651 4907
Jackson, Hannah– Beth	S	19	D	2032	916 651 4019	916 651 4919
Leyva, Connie	S	20	D	4061	916 651 4020	916 651 4920
McGuire, Mike	S	2	D	5061	916 651 4002	916 651 4902
Mendoza, Tony	S	32	D	5100	916 651 4032	916 651 4932
Newman, Josh	S	29	D	4082	916 651 4029	916 651 4929
Portantino, Anthony	S	25	D	3086	916 651 4025	916 651 4925
Roth, Richard	S	31	D	4034	916 651 4031	916 651 4931
Stern, Henry	S	27	D	3070	916 651 4027	916 651 4927