



January 14, 2020

**2019-20 OFFICERS AND BOARD OF DIRECTORS**

Honorable Scott Wiener  
California State Senate  
State Capitol, Room 5100  
Sacramento, CA 95814

RE: **SB 50 (Wiener) Planning and zoning: housing development: streamlined approval: incentives.**  
Oppose Unless Amended (as amended 1/6/20) as recommended

Dear Senator Wiener,

I write to you today in response to your January 6, 2020 amendments to SB 50. In line with you and other legislative leaders, the Los Angeles County Division of the League of California Cities® (Division), representing 86 cities in the county, recognizes the urgent and unprecedented housing crisis that our state is facing and we commend you and other legislative leaders for your efforts to develop concepts to tackle this challenge. In this spirit, the Division has proactively made continued efforts to engage with you, beginning with our July 12, 2019 driving tour through Southeast Los Angeles County, to initiate consistent personal messages and most recently to produce our December 15, 2019 letter and white paper outlining our concerns with your bill. We offered viable and proactive solutions that could increase housing, provide affordability and sustain community services, in order to meet our state's collective housing needs sooner rather than later.

Our Division Board was intentional and proactive in creating the SB 50 Working Group that developed our alternative proposal. Our group was comprised of mayors and council members with diverse backgrounds, political perspectives, professional disciplines, and represented different regions with varying populations in Los Angeles County. We invested an incredible amount of time and resources to demonstrate our genuine goal and sincerity to be a partner with you and provide viable solutions to the state's housing crisis. Additionally, I took personal efforts to reach out to you with our proposal prior to distributing the letter to our Los Angeles Delegation and other stakeholders. This is why we are very disappointed that despite our efforts to create an open dialogue, our proposal, from the largest Division and group of cities in our state, was unanswered and not reflected in the amended version of your bill.

We are left with no alternative but to continue to oppose SB 50 unless amended not only on its lack of sound planning and real affordability measures, but because our good-faith efforts to work with you have not been reciprocated.

Our alternative proposal to SB 50 is updated below. We have also attached our white paper that includes an expanded discussion based on the proposed amendments.

**Recommended Locally-Led Alternatives to Addressing the Housing Crisis**

- **Create entitlement certainty for multi-family housing.** The "local flexibility plan" developed under the amended version of SB 50 is duplicative of existing

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planning processes, and establishes hypothetical development baselines that depend on a city speculating developer interest in equitable community incentives.

*Alternative:* A mandatory local entitlement process (entitlement incentives) for multi-family housing developments, in areas selected by local governments (transit corridors, commercial corridors, downtown districts, and other locally defined areas) could give certainty to the development community while preserving local control and protecting community engagement. A process similar to SB 540 (Roth, 2017), which created a voluntary entitlement program and was sponsored by the League of California Cities, could be replicated and required.

- **Density must be combined with long-term funding tools.** SB 50 does not provide funding for local governments to sustain exponential long-term density.

*Alternative:* Incentives should be offered that provide permanent, ongoing funding sources for multi-family and affordable housing projects to ensure their sustainability and success. These can include housing block grants or tax increment programs like SB 795 (Beall/Portantino/McGuire) that provide a long-term financing tool for cities to address increased vital services for infrastructure, park, public safety and other community priorities resulting from the greater demand for such services that occurs with new construction. We recognize the state’s effort to provide funding through SB 2 and AB 101/SB 102. However, those funding sources are either one-time uses or insufficient to sustain the state’s housing goals.

- **Affordability must be prioritized and sensitive communities must be protected from displacement.** SB 50 gives generous “equitable community incentives” to a developer within a specified radius of a “transit rich or “jobs rich” area. However, the affordability requirement in SB 50 does little to address rising housing costs that affect our communities’ most vulnerable residents.

*Alternative:* Multi-family housing developments must provide a minimum of 25% inclusionary housing, unless a local agency has enacted a higher minimum, to receive any development incentives and entitlement certainty incentives for multifamily developments. The State should also encourage the development of more local Housing Authorities to facilitate construction of affordable housing.

### **Why SB 50 (as amended 1/6/20) is Not a Practical Solution to the Housing Crisis**

Notwithstanding the alternatives to SB 50 recommended above, there continues to be unsustainable flaws to the bill in its current form:

- **The Local Flexibility Plan established under the amended SB 50 is duplicative of existing planning process.** This Plan lacks any real local flexibility and would establish a hypothetical development baseline that depends on a city speculating developer interest in and use of various equitable community incentives. The Division remains concerned that “one size fits all” metrics of SB 50 do not work in real world circumstances that exist in many of our communities. Cities and California’s Department of Housing and Community Development (HCD) have an established Housing Element process created through state law along with financial penalties for non-compliance. The Housing Element process requires significant city resources to develop, obtain public input, and receive approval from HCD. SB 50 would require cities to use precious time and resources to create a duplicative process that competes with the Housing Element.

*Alternative:* The Division proposes amending SB 50 to “create entitlement certainty for multi-family housing” in urban areas of California. The mandatory local entitlement process (entitlement incentives) for multi-family housing developments, in areas selected by local governments (transit corridors, commercial corridors, downtown districts, and other locally defined areas) would give entitlement certainty to the development community, while preserving local control and protecting community engagement. A process similar to SB 540 (Roth, 2017), which created a voluntary entitlement program and was sponsored by the League of California Cities, is proposed to be replicated and required in SB 50.

- **Carve outs must have merit.** The proposed carve-outs in SB 50 are arbitrary and will do little to solve the crisis.  
*Alternative:* While the Division believes that the entire state should contribute to solving our unprecedented housing crisis, we believe that carve outs should only be carefully considered for the most dense and sensitive areas of the state, as well as coastal zones and historical districts. Carve outs for coastal zones recognizes the unique landscape in these areas and carve outs for historical districts would prevent the demolition of historic resources and protect the planning and architectural character of neighborhoods with a high number of historic residences and other historically significant buildings.
- **Focus Should be on Multi-Modal Transportation Options.** Definitions of “transit rich” areas in SB 50 are poorly defined, in many cases, based on routes that were established decades ago and in some cases, temporary in nature.  
*Alternative:* Access to transit varies widely throughout the state, including providing limited or no weekend services, which do not fulfill the mobility needs for residents to reach employment or other destinations. Local leaders are in the best position to address transportation options and transit access as part of the multi-family housing development planning process.
- **Jobs Accessibility Areas should be defined by the local agency.** Current definitions of “jobs rich” is loosely defined in SB 50.  
*Alternative:* Replace the ambiguous “jobs rich” definition with the locally defined “jobs accessibility areas”. Local leaders have the most intimate knowledge of their communities to map these areas based on real local data that will take into account local zoning, the safety and appropriate co-location of jobs and housing, and to successfully connect them with effective transportation options and development.
- **Recent State legislation already eliminates Single Family Residential (SFR) neighborhoods.** Four-plexes or other small developments in former SFR zones are unnecessary as new legislation currently allow up to three units of housing in existing SFR neighborhoods. Further, none of these units are required to have an affordability requirement.  
*Alternative:* Remove language related to four-plexes to allow local governments to implement Accessory Dwelling Unit legislation.
- **Commercial/Multi-Family areas need flexible ratios to accommodate different neighborhoods.** SB 50 requires commercial/multi-family ratios that may not be logistically or financially feasible in some communities.  
*Alternative:* Allow a lower residential threshold that may expand the number of commercial developments open to mixed-use residential uses.

## Conclusion

The state and our region have faced many housing crises. The causes of the latest crisis are multi-faceted and complex. There is no single solution. Our discussion on solutions cannot happen in a vacuum without tackling various related issues such as CEQA obstacles, potential revisions of the housing element and zoning laws and practices. It will take a long-term effort of engagement, education and consensus building with all stakeholders. It is our hope that our proposal is included in that spirit of open dialogue and cooperation.

Again, we acknowledge your and other state leaders’ bold efforts to tackle our state’s housing crisis. We appreciate efforts to work with all stakeholders to ensure that the goals of any housing solutions are balanced with community essentials like equity, infrastructure, and public safety, among other important values. We continue to be prepared to work with the legislature in January 2020 and beyond to find long-term, viable and sustainable solutions to this crisis, and look forward to discussing our proposals with you in greater detail and context in the near future. Despite the aforementioned lack of response from you, I continue to be hopeful that, through a collaborative and sincere approach in resolving our state’s comprehensive housing needs,

together we can all contribute towards solving this problem and especially help those most vulnerable in our mutual communities.

If you have any questions, please contact Division Staff, Jennifer Quan at [jquan@cacities.org](mailto:jquan@cacities.org) or 626-786-5142.

Regards,



Juan Garza  
President, Los Angeles County Division, League of California Cities  
Mayor, City of Bellflower

cc: Office of Governor Gavin Newsom  
Los Angeles County Legislative Delegation

Attachment: Goals and Objectives for Amendments to SB 50 as approved by the Los Angeles County Division, League of California Cities, November 22, 2019



**Goals and Objectives for Amendments to SB 50  
as approved by the Los Angeles County Division, League of California Cities  
November 22, 2019**

**Provide Local Government with the flexibility, tools and resources to meet their housing needs**

- ✓ SB 50 should be amended to provide cities with the flexibility, planning tools and resources they need to meet the housing shortage

The Los Angeles County Division of the League of California Cities supports the concepts in SB 50. However, the State of California is too large and diverse for a “one-size fits all” solution to the housing shortage. Cities know their communities best and require planning flexibility in order to locate multi-family housing in areas that are most conducive to community acceptance and support. In order to be effective, cities will require additional planning tools and financial resources in order to facilitate additional multi-family housing.

There are rural areas in Los Angeles County and the State where SB 50’s requirements will not work. In order to be successful, SB 50 should be amended to encourage maximum flexibility for cities to meet their housing needs. There are many good examples of how this planning flexibility has been organically occurring in a number of Los Angeles County cities, including in Bellflower<sup>1</sup>, Carson<sup>2</sup>, Los Angeles<sup>3</sup>, Pasadena<sup>4</sup>, and Signal Hill<sup>5</sup>.

**Create Entitlement Certainty for Multi-Family Housing Developments**

- ✓ Assist cities in meeting multi-family housing goals
- ✓ Streamline the entitlement process for the development community
- ✓ Provide a defined public hearing process for addressing community concerns and the need for neighborhood input
- ✓ Respect the CEQA process, but eliminate CEQA challenges at the project level

**Discussion**

SB 50 should be amended to establish a mandatory local entitlement process for multi-family developments that will substantially reduce the uncertainty for all stakeholders. Developers are reluctant to invest the time and resources when there is a great degree of development uncertainty in the local planning process and at the project level. Local officials are often called to mediate between developers, community stakeholders and apply local, regional and state development policies and regulations in a transparent manner. The current multifamily entitlement process can take years and require multiple steps, including and up to litigation.

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<sup>1</sup> <https://archive.bellflower.org/weblink/DocView.aspx?dbid=0&id=158292&page=1&cr=1>

<sup>2</sup> <https://www.dailybreeze.com/2017/06/19/carson-kicks-off-a-major-planning-overhaul-to-transform-city/>

<sup>3</sup> <https://www.lacity.org/highlights/city-planning-releases-measure-iii-and-transit-oriented-communities-housing-progress-report>

<sup>4</sup> <https://www.pasadenaindependent.com/news/amid-growing-debate-pasadena-finds-itself-at-crossroads-over-housing-development-preservation/>

<sup>5</sup> <https://www.cityofsignalhill.org/611/Heritage-Square>

Current general plan law requires that local governments identify “sufficient sites” for a range of housing income types through the housing element update process. This general plan requirement eliminated some development uncertainty, by identifying sites. However, a great deal of development uncertainty remains for all stakeholders even with sites being identified. The recommended next step in the process should be a step where communities ensure that new multi-family projects are not only properly located, but that projects are designed and mitigated in an efficient planning process.

Local governments should be required to prepare multi-family area plans consistent with their housing elements. Cities with existing plans that address multi-family development and meet RHENA projections would be substituted for these plans. SB 50 includes a provision to financially assist cities in revising their housing elements. This financial assistance should be extended to local governments as they fund the preparation of the multi-family area plans. The State should also provide funding for the planning staffing and services that each city will require to expedite multi-family projects.

The multi-family area plans could take the form of community level plans, such as transit corridor plans, downtown plans, conversion of obsolete strip commercial zoned areas, properly remediated brownfield and former industrial sites, identification of surplus governmental properties, such as school sites, State facilities and other neighborhood plans. The multi-family area plans would address development standards, infrastructure needs, urban design and planning issues unique to each community, such as historic preservation or parking needs.

The multi-family area plans would provide for public and stakeholder input prior to the approval of the plan. The plans would include appropriate development standards to mitigate concerns over setback, height, parking and other community issues. The plans would include implementation of housing incentives and development bonus programs.

The multi-family area plans would be accompanied by the appropriate Master CEQA document that would identify and mitigate environmental issues. Future multi-family projects, that are consistent with the general plan, the development standards in the multi-family area plan and the master environmental document, would receive expedited development review and would be exempted from further CEQA review. Additional public hearings would be limited to ensuring that the development standards have been implemented to protect surrounding properties.

### **Improve the Housing Element Certification Process**

- ✓ Establish time frames for HCD to complete their review of housing elements
- ✓ Provide financial resources to cities to complete their Housing Elements and the Multi-Family Area Plans

### **Discussion**

SB 50 includes a series of financial penalties should cities fail to receive HCD approval of their housing elements. SB 50 amendments should address HCD’s responsibilities in the housing element review process, which can be a complex and multi-year effort. During this multi-year review time the requirements can change and the individual HCD staff reviewing the element can change. Draft housing elements can be outdated by the time HCD comments are provided back to the city.

The housing element review process would be improved if housing elements were required to meet the requirements of the statutes when they are submitted. SB 50 amendments should include a processing timeline for HCD to submit their comments and for the cities to respond, with an initial review and a recheck by HCD. There should be consequences for HCD failing to meet the review deadlines. One consequence may be the automatic approval of the housing element.

## **Mitigate the Long-Term Impacts that Multi-Family Developments place on critical Local Services and Infrastructure**

- ✓ Provide a new State subvention/ or an adjustment to existing subventions to help cities mitigate the impacts on local services from multi-family developments

### Discussion

Property taxes in many communities are insufficient to support basic municipal services. Additional multi-family residential development will place new demands on municipal services that are currently strained in our communities. Providing police or sheriff services, along with fire and paramedic services can be as much as 70% of a city's entire general fund budget. There are rare mixed-use projects that provide a combination of revenues to support their municipal service costs; however, the majority of multi-family housing for moderate and low-income families does not provide sufficient revenues to offset their service demands.

SB 50 should include a new or adjusted State subvention to provide revenues to support local services. Another approach may be to reduce the existing county share of property tax revenues from multi-family projects to fund safety service. This may require amendments to AB 1197 or to AB 8 implementation. It is important that the new funding source for multi-family developments be secured and not subject to State "take-aways" as in the past. The new revenues should be applied to all ADUs. The State should also consider making the new revenues available to serving existing multi-family developments as well.

## **AB 50 should be amended to address affordable housing needs**

- ✓ With Federal housing support being limited, California should establish a housing block grant program to provide consistent revenue to local governments on an annual basis for the construction of affordable housing
- ✓ Require that cities in metropolitan areas adopt a housing authority to address affordable housing issues, for receiving State and federal grants and other funds and for working with developers and non-profit affordable housing providers
- ✓ Regional housing authorities based on JPA's or COG's can be formed to create economies of scale.
- ✓ Staffing for housing authorities should be funded through property tax revenues or a State subvention

### Discussion

The planning and construction of affordable housing requires commitments of time and consistency in planning and funding. When the State disbanded redevelopment agencies in 2011, it also dismantled the local organizations and funding that was producing affordable housing projects, including city staffing working on these projects. Effective affordable housing projects can require time consuming land assembly, complex financing mechanisms and city staff with knowledge of the process.

SB 50 should include a housing block grant for local government. SB 50 should be amended to require that local governments in metropolitan areas adopt housing authorities to address affordable housing issues unique to their communities. These authorities would be empowered to receive State and Federal grants and funds, issue housing bonds and negotiate incentives to developers of multi-family housing. Housing authorities can also be used to address specific homeless issues in each community. The housing authorities would be a logical agency for the SB-5 funds. The housing block grant program should assist cities in funding the staffing and resources necessary to operate the housing authority.

## **Providing Effective Multi-Modal Transportation Options for Multi-Family Projects**

- ✓ The transit provisions in SB 50 simply do not work for many communities in Los Angeles County and may inadvertently limit multi-family housing locations

- ✓ Reductions in parking standards should be carefully considered by each community based on available street parking and neighborhood car ownership rates, as well as access to transit
- ✓ Cities should be allowed to establish reasonable parking minimums when they prepare their multi-family area plan
- ✓ SB 50 should be encouraging alternatives to expensive onsite construction of parking, such as centralized parking and fee payments
- ✓ Studies conclude that the quality of life for low income residents is improved by car ownership, since they can more easily reach and maintain their employment

### Discussion

A recent University of Minnesota study reported that less than 1% of Los Angeles County residents can reach their job by transit in 30 minutes, by car 33% can reach their job in 30 minutes. The average commute in Los Angeles County is 28 minutes by car and 51 minutes by transit. Eighty-four percent of employees in Los Angeles County drive to work. Transit ridership in the county is lower now than it was in 1990 and continues to fall despite \$16 billion in investment in rail construction since 1990.<sup>6</sup>

The transit headway concept in SB 50 does not work in Los Angeles County, since it does not account for the multiple transfers necessary for transit users to reach their place of employment. SB 50 ignores weekend ridership, when people need to reach their employment or other destinations in a reasonable time frame.

A variety of factors limit effective transit to many Los Angeles County communities. SB 50 amendments should recognize that multi-family projects should not be permitted to be “under parked” if public transit is providing inadequate service to the area. Under parking projects in these circumstances will only result in public backlash.

### **Issues with the “Jobs Rich” Definition in SB 50 – The Problems of Relying on Census Tract Information**

- ✓ SB 50 relies on Census Tracts as the planning unit for locating multi-family projects. This is the wrong planning guideline.
- ✓ Local communities are in the best position to locate multi-family projects
- ✓ Census tract planning should be eliminated from SB 50

### Discussion

SB 50 defers the defining of “jobs rich” to a “black box” process that HCD will undertake in the future. Cities need to understand what areas in their communities will have local zoning and general planning overridden by SB 50 in advance of the bill being supported. SB 50 implies that job rich areas will be measured relying on U.S. Census Tracts. The use of census tracts for SB 50 implementation will prove to be extremely problematic, creating major inconsistencies with local general plans, zoning and transit.

Census tracts are too small of a geographic unit to complete effective community planning, which calls for larger, more comprehensive geographic areas to plan for increased residential density.

In order to test this concern- that Census Tracts are the wrong planning unit – the Working Group examined three census tracts in the San Gabriel Valley, using the Mapping Opportunity tool. We examined the bus lines serving three census tracts in order to determine if they met the current transit definition in SB 50.

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<sup>6</sup> <https://www.ocregister.com/2019/09/15/transit-planners-want-to-make-your-life-worse/>



### Census Tract – Cal State LA – City of Alhambra

The Mapping Opportunity tool identifies this census tract as “jobs rich.” This is understandable, since the university has 2,100 faculty and staff. The census tract is a small 20-block area, with the campus as the largest single land use. The campus is surrounded by single family homes on small lots. Requiring development incentives and overriding local general plan and zoning will create chaos in this neighborhood. The university is served by METRO 258 and meets the peak time headways identified in SB 50. The University is also the location of a Metro Link station.

### Census Tract – SCE Headquarters – City of Rosemead

SCE’s Corporate Headquarters is identified as a “jobs rich” census tract, as would be expected. The corporate headquarters is located on Walnut Grove Avenue. However, it is surrounded by single-family neighborhoods. Requiring development incentives and overriding local general plan and zoning will create chaos in this neighborhood. Transit access is provided from Walnut Grove and Garvey Avenue. The headquarters is served by METRO Rapid Line 770.

### Census Tract – Avocado Heights – Industry

This census tract is identified as “job rich” and primarily consists of heavy industrial and warehouse uses. The tract is served by Foothill Transit’s Line 194, which meets SB 50 headway times. The tract contains single family homes to the west of the industrial area and is surrounded on the north by single family neighborhoods in La Puente. Requiring development incentives and overriding local general plan and zoning will create chaos in this neighborhood. The tract is bounded by the Pomona Freeway on the south side.

SB 50 should be exploring mechanisms that create regional opportunities for housing for communities that have existing uses incompatible with housing. Beginning in 1992 the City of Industry was authorized by State law to transfer its CRA’s housing set aside funds to the Los Angeles County Housing Authority. Prior to the dissolution of RDA’s by the State in 2011, the City of Industry had transferred approximately \$239 million in housing funds, resulting in the construction of 8,700 units, with 6,700 deed restricted to low income and special needs housing groups.

### **Account for the Demographic Aging Trends in California**

- ✓ Provide cities and counties with residential unit credits for assisted living developments, since these residents are moving from homes and apartments into these facilities, freeing up existing housing stock. Provide credits for long-term rental for single-room occupancies

### Discussion

There are a series of credible studies arguing that public policy is focused on the wrong metrics and we are ignoring the rapid growth of an aging population, where government should be focusing its problem solving. California’s Department of Aging reports that the State’s population over the age of 60 is expected to grow by more than three times the rate of the general population from 2010 to 2060. Los Angeles County will experience a 171.3% population growth in adults over the age of 60 in this time period.<sup>7</sup> By 2030 the State will be home to over 10 million persons over the age of 60.<sup>8</sup>

We are also finding that older residents will take in room mates by renting bedrooms. This should be encouraged and counted towards providing housing. Cities can keep track of long term rentals by requiring a low-cost business license and reporting annually to HCD the long term rentals in their communities.

<sup>7</sup> [https://www.aging.ca.gov/Data\\_and\\_Reports/Facts\\_About\\_California%27s\\_Elderly/](https://www.aging.ca.gov/Data_and_Reports/Facts_About_California%27s_Elderly/)

<sup>8</sup> <https://www.aging.ca.gov/download.ashx?IE0rcNUV0zbUy1iwYmWKng%3D%3D>

### **Encourage Mixed Use Development**

- ✓ Many cities have been encouraging mixed use commercial/residential developments in their communities, including their historic downtowns. SB 50 should not discourage mixed use development and allow communities to protect historic resources.

#### Discussion

SB 50 currently defines a mixed-use development as a project where two-thirds of the floor area is devoted to residential development. This provision should be eliminated from SB 50, giving communities more flexibility to plan mixed use projects or convert existing commercial buildings that might not meet the proposed two-thirds rule in SB 50. We should be encouraging all types and sizes of mixed-use developments.

### **Freeze on Additional State ADU Regulations**

- ✓ SB 50 proposed that four units be allowed in single-family neighborhoods by right, with no parking required. This will prove to be disruptive to established neighborhoods, where property owners do not fully understand that 2 ADUs are already permitted.

#### Discussion

The State has passed a series of new regulations on ADUs, which cities are attempting to comply with. We have received reports that the HCD review of local ADU ordinances has backlog and cities are required to default to the State's regulations. The State's ADU requirements are not well understood by the general public and we remain concerned that when a significant number of ADU's are constructed, further negatively impacting residential neighborhoods, that the public will grow increasingly concerned. Cities need time to develop ADU regulations that address the specific issues in their communities.