



**April 25, 2016**  
**Issue #31**

## **Is Limiting Public Engagement and Local Land Use Discretion the Appropriate Solution to Expedite Housing Development?**

*Market Factors and Lack of Resources are Contributing Factors*

With the first round of legislative policy hearings nearing completion, one area of legislative focus is readily apparent: reducing public engagement and local land use discretion to expedite the construction of new housing. *For more, see Page 2.*



## **League Gears Up for 2016 Legislative Action Day**

*Hundreds of City Officials in Sacramento on April 27 to Lobby*

Every April brings hundreds of city officials to Sacramento as part of the League's Legislative Action Day. This year, Rancho Cucamonga Mayor and League President L. Dennis Michael will be welcoming the delegates for a legislative briefing. The annual event focuses on the organization's legislative priorities and top bills and is an opportunity for mayors and council members to meet with their legislators face to face in the Capitol. *For more, see Page 3.*

The question we need to ask, however, is whether reducing or even removing public input and local discretion over land use matters is the right medicine for the housing shortage. Alternatively, are there better ways to increase housing supplies without removing the public from these important land use decisions that permanently define a community's character?

What a difference a few years make. Seven years ago the nation and state were in a deep recession, caused in part by speculation-fueled overbuilding of housing, especially single-family housing with subprime mortgages. Foreclosures were everywhere, unemployment topped 12 percent, and housing prices bottomed at less than half of former values.

Now the economy has rebounded in many of our coastal cities, but single-family housing construction still lags. Contributing to this are the remnants of the last crisis, causing many former homeowners to be cautious, a tighter credit market for home loans, and uneven job growth. Affordable housing production has declined as well after the Legislature opted to eliminate local redevelopment agencies in 2011. In California the Central Valley and Inland Empire regions are still recovering, contrasted against another technology-fueled boom in the Bay Area and other locations along the coast.

The coastal economic boom means those areas are attracting new workers, many with high-level technical skills demanding high wages and stock options. Equipped with higher salaries, and recognizing the quality of life in these locations, these new residents are driving up property values and displacing existing residents. Housing developers seeking to respond to this demand and build housing within these areas are frustrated that the local land use process includes substantial community input that delays their speed-to-market or imposes additional conditions and mitigation requirements to respond to the concerns of those already living there. Some advocating for more housing scornfully dismiss local residents that attend public forums to discuss projects, and how they may affect community character, traffic, noise and other issues, as "NIMBY's".

In past periods of economic boom, California produced around 200,000 housing units per year, with about 70 percent of those units single-family. Given some of the market limitations affecting single-family housing, this year's production is expected to be around 100,000 units with about one-half higher density-multifamily. Policy makers in Sacramento, facing concerns about escalating housing costs and viewing reports stating that the state needs up to 1.5 million more units to satisfy demand, are proposing to limit community discretion and input to expedite delivery of more units.

While housing production should be expedited where possible, legislators should also pause to consider the value and role played by public input in shaping the quality of life and unique aspects of a neighborhood or location that new residents and developers find attractive. The residents who participate in land use hearings do so because they care about their communities and have a longer-term commitment to a place than a developer that builds and moves on. While "public engagement" is often described as a desired policy goal, how does it work when public participation on a developer's proposal is dismissed as a mere hindrance? Cutting off public input may have other policy consequences as well, including expanding pressure for more local voter growth control measures.

### **How to Get More Housing, Especially Higher-Density Housing in Job-Rich Coastal Areas?**

This is the policy question of the hour. In addition, there are many bills that try to be helpful by providing funding for affordable housing, help first time home buyers save for housing and ensure limited funds go further.

Some of the bills supported by the League include the following:

- [AB 2734 \(Atkins\)](#) Dedicates portion of state savings from RDA elimination for affordable housing.
- [AB 2817 \(Chiu\)](#) Increases Low Income Housing Tax Credits from \$70 to \$300 million per year.
- [AB 1736 \(Steinorth\)](#) Allows future homebuyers to save for down payment tax free.

- [SB 873 \(Beall\)](#) Allows low income tax credits to be sold more efficiently, yielding greater value.
- [SB 879 \(Beall\)](#) Proposes a \$3 billion affordable housing bond.
- \$1.5 billion Assembly Democrat Budget proposal for affordable housing funding.

### **The Bills Seeking to Reduce Public Engagement and Local Discretion over Housing**

Depending on a community, the level of concern over these measures will differ, but what they have in common are prescriptive one-size-fits all edicts and other provisions intended to limit local authority and public input:

- [AB 2522 \(Bloom\)](#) Requires housing for households up to 150 percent of median income to be a permitted use by right (and thus not subject to CEQA) or discretionary review, other than design review.
- [AB 2557 \(Santiago\)](#) Declares the development of multifamily housing to not be a municipal affair, and prohibits a temporary planning moratorium from being enacted affecting a project of more than 30 percent multifamily units.
- [AB 2501 \(Bloom\)](#) Expands the law enabling developers to demand up to 35% greater densities and project concessions above existing zoning standards.
- [AB 2299 \(Bloom\)](#) and [SB 1069 \(Wieckowski\)](#) Reduce community control of parking and other issues affecting second units in single-family neighborhoods.
- [AB 2584 \(Daly\)](#) Empowers outside parties with no direct role or interest in a project to sue and collect attorney fees from local agencies over denials or conditions imposed on housing developments.
- [AB 1934 \(Santiago\)](#) Authorizes commercial developers to demand additional floor area and other concessions above existing zoning if residential units are built on same site.
- [SB 1318 \(Wolk\)](#) Limits future annexations if services are not delivered to adjacent disadvantaged unincorporated communities.

### **Next Steps**

Cities, counties, the residents they represent, environmental groups and others that value public engagement and local discretion on land use matters need to focus and engage in the housing-related discussion pending in the Legislature. While there are numerous measures aimed at enhancing affordable housing resources, others focus on removing local input and discretion.

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The opening general session, which will be held at the Embassy Suites, will cover a range of topics including the state budget, affordable housing, chronic homelessness and transportation funding.

Several legislative leaders will attend to brief city officials on their leadership priorities, including:

- Senate Republican Leader Jean Fuller (R-Bakersfield);
- Assembly Speaker Anthony Rendon (D-Lakewood); and
- Senate President pro Tem Kevin de León (D-Los Angeles).

League staff has prepared fact sheets with talking points for city officials to use in their meetings with legislators. These will cover:

- [Housing and Land Use](#);
- [Addressing Chronic Homelessness](#);
- [Transportation](#).

A copy of the [agenda](#) and these fact sheets are available on the League's website in advance of Legislative Action Day.

City officials will have several hours for meetings with their legislators before the afternoon panel discussion, co-sponsored by the League's Latino Caucus. This one-hour session, which will be held in room 126 of the Capitol, will focus on transportation funding proposals and will include a number of expert speakers, including:

- Assembly Member Jim Frazier (D-Oakley), chair of the Assembly Committee on Transportation;
- California State Transportation Agency Secretary Brian Kelly; and
- Manny Leon, principal consultant, Senate Committee on Transportation and Housing.

The day will end with the League's legislative reception, which will be held at Mayahuel on K Street. City officials are encouraged to invite their legislators to join them at this event.

### **Wear Denim on April 27 to Support Movement against Sexual Assault**

Legislative Action Day is once coinciding with Denim Day and city officials traveling to Sacramento are encouraged to wear denim in support of this global effort. The League's officers, board of directors and staff will also be in jeans to support the cause.

[Denim Day](#) is a day during Sexual Assault Awareness Month that people all over the world wear jeans as a way to protest what some allege can lead to sexual assault.

Denim Day started in April 1999, but its origins are in the Italian Legislature. The Italian Supreme Court overturned a rape conviction because the justices believed that the fact that the victim had to remove her tight jeans for the rapist implied consent. The day after the ruling, female members of the Legislature came to work in jeans. The tradition continues to grow as normally suit-clad legislators, staff and lobbyists, leave their formal attire at home and instead wear denim.