

May 5, 2016

Suite 101
Surramento
California
95814The Honorable Ricardo Lara
Chair, Senate Appropriations Committee
State Capitol, Room 5050
Sacramento, CA 95814

Telephone
916.327.7500Re:SB 1069 (Wiecowski): Land use: accessory dwelling units
As amended on April 26, 2016 – OPPOSE
Set for hearing in Senate Appropriations Committee on May 9, 2016

Dear Senator Lara:

The California State Association of Counties (CSAC) opposes SB 1069 (Wiecowski), which would further restrict local agency's ability to impose requirements on second units (renamed "accessory dwelling units"). CSAC opposes these unwarranted restrictions on local planning authority, which would create costs that could either not be recouped, or which would be passed on to the community at large. Among other requirements, the measure would also preclude a local agency from imposing public utility connection fees, including fees for water and sewer service, for the new residential developments constructed pursuant to this bill.

SB 1069's prohibition on the imposition of sewer and water connection fees will create practical impediments to the development of second units and, if the bill is successful in promoting the development of such second units, unfunded capital costs for sewer and water providers. In many cases, counties may not be the purveyor of sewer and water services within the unincorporated area. Under such circumstances, county planning departments require builders of dwelling units to demonstrate that the water and/or sewer providers will serve a new dwelling unit. Without such services, a dwelling unit would be considered substandard under the Health and Safety Code and the county would not issue building permits. Sewer and water connection fees are necessary to recoup the capital costs for new sewer and water system capacity imposed by the cumulative impact of new development. Exempting new dwelling units from paying their fair share would burden service providers with additional costs. These new costs may not even be able to be passed on to ratepayers as a whole given the restrictions of Proposition 218.

SB 1069 would also eliminate a potential incentive local governments could provide to encourage the development of new affordable housing. Cities and counties could use general purpose revenues and work with utility providers to provide a fee waiver or reduction program for builders of an accessory unit in exchange for creating a deed-restricted affordable unit. CSAC is aware of such incentives being used for infill development in at least one county.

CSAC understands that safe, clean and decent housing that is affordable to all income levels is essential to the health, safety and prosperity of all Californians and that the state is reaching a crisis point regarding both the availability of housing and its affordability. According to the Legislative Analyst's Office, housing prices in California continue to far exceed prices in the rest of the country. The average price of a home in the state is two-and-a-half times the average national price and rents are fifty percent higher than the rest of the country. As such, the Legislature has taken an especially keen interest in policies that can help provide additional housing throughout our communities. Unfortunately, CSAC cannot support a new restriction on the ability of all 58 counties to impose reasonable planning requirements and utility connection fees on accessory dwelling units.

CSAC believes that incentivizing actions and promoting best practices at the local level is a more effective approach. Further, we maintain that local agencies are still the appropriate level of government to determine the requirements of local ordinances regulating these dwelling units. For these reasons, we must respectfully oppose SB 1069. Should you have any questions regarding our position, please do not hesitate to contact me at 916-327-7500, ext. 566, or <u>kvalentine@counties.org</u>.

Sincerely,

Kiana Le. Valentine

Kiana Valentine Legislative Representative

cc: The Honorable Bob Wieckowski, California State Senate Members and Consultants, Senate Appropriations Committee Joe Shinstock, Consultant, Senate Republican Caucus