



® June 15, 2016

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The Honorable Miguel Santiago
Member, California State Assembly
State Capitol, Room 5119
Sacramento, CA 95814

**RE: AB 1934 (Santiago): Housing element: inventory of land for development
As Amended on June 14, 2016 – CONCERNS
Set for hearing in Senate Transportation & Housing Committee June 21, 2016**

Dear Assembly Member Santiago:

The California State Association of Counties (CSAC) wrote to you in April to share with you our initial concerns that we had with your AB 1934, which would create a commercial development bonus for commercial developers that partner with an affordable housing developer to construct a mixed-used development or two separate projects that includes affordable housing. CSAC would like to thank you and your staff for meeting with us and for developing amendments that are now reflected in the bill to address many of the issues we raised in the spring.

At this time, we find that the bill more clearly defines the process for how a local government would enact a commercial development bonus program. We appreciate the June 14 amendments that further clarify that incentives offered to a commercial developer “may include, but are not limited to” several specific possibilities that must be “mutually agreed upon by the developer and the jurisdiction.” This language is important in that what works in one community may not work in another. Counties need the flexibility to work with commercial and affordable housing developers to identify the appropriate incentives tailored specifically to individual projects.

CSAC recognizes the severity of California’s housing affordability crisis and the need for creative solutions at all levels of government and commends you for thinking outside the box in developing this concept and legislation. However, counties are still struggling with a larger policy question raised by the bill – whether a commercial development bonus program is warranted or needed to incentivize affordable housing development in the state. Therefore, we would like to suggest initially limiting the application of the measure to a pilot program. The benefit of a pilot program to local governments is that statewide application will require every county to revise its zoning ordinance for the creation of a commercial development bonus program. A pilot program would ensure we test the concept in select local governments before mandating a local program statewide.

If after a period of three-years, the pilot program results in commercial developers partnering with affordable housing developers for the creation of affordable housing, the pilot program could be expanded statewide. In order to determine whether the pilot program has been useful and effective, commercial or affordable housing developers could be required to notify the Department of Housing and Community Development which would then analyze the results and report back to the Legislature at the conclusion of the pilot program.

Again, CSAC is thankful for your commitment to this issue and working with us to address our concerns. We look forward to continuing to work with you to explore the creation of a sensible commercial development bonus program. For more information on our position, please do not hesitate contact me at 916.650.8185 or kvalentine@counties.org.

Sincerely,

A handwritten signature in blue ink that reads "Kiana L. Valentine". The signature is written in a cursive, flowing style.

Kiana Valentine
Legislative Representative