



June 21, 2018

The Honorable Cecilia Aguiar-Curry
Chair, Assembly Local Government Committee
State Capitol, Room 5144
Sacramento, CA 95814

**Re: Senate Bill 828 (Wiener): Housing Element: Regional Housing Needs
As amended on May 25, 2018 – OPPOSE UNLESS AMENDED
Set to be heard June 27, 2018 – Assembly Local Government Committee**

Dear Assembly Member Aguiar-Curry,

The California State Association of Counties (CSAC), the Rural County Representatives of California (RCRC), and the Urban Counties of California (UCC) write to express our continued concerns with Senate Bill 828 (Wiener), which would make significant changes to the existing Regional Housing Needs Assessment (RHNA) process and the resulting housing needs allocations to counties and cities.

Our members have an interest in ensuring that the allocations of regional housing needs to unincorporated areas are both realistic and consistent with other policy goals and we recognize the need for statewide policies to ensure that zoning is adequate to accommodate housing needs at all income levels. We appreciate your willingness to work with us on your bill and are hopeful we can resolve the following outstanding issues and remove our opposition.

RHNA Must Remain a Planning and Zoning Tool. SB 828 substantially alters provisions of existing law that explicitly acknowledge that, although local governments are charged with adequately zoning to accommodate housing needs at all income levels, there are many factors out of local governments' control that determine whether every site zoned for housing will result in actual construction. RHNA must not be transformed into a production quota and should continue to serve as a zoning and planning tool, especially in light of the fact that the requirement to zone for below-market-rate housing allocations is not accompanied with sufficient subsidy to construct those units. Accordingly, SB 828 should be amended to retain existing law in Government Code Section 65584(a)(2).

Remove Additional Restrictions on Location of Adequate Sites. SB 828 would require a county to accommodate 100% of the unmet portion of its RHNA through multifamily housing within *the jurisdiction's* urban service boundary, as defined. This limitation is unworkable for

counties, which do not have urban services boundaries as defined by the bill. Moreover, if the intent is for counties to identify sites within *their cities'* urban services boundaries, we would continue to have concerns, as these boundaries are typically established through Local Agency Formation Commission processes, over which counties have limited control. While we understand that the language was added to discourage zoning for housing far from existing developed areas, we oppose adding additional geographical constraints on sites that can accommodate multifamily housing, especially given the extensive limitations included in current law.

AB 1397 by Assembly Member Low (Ch. 375, Statutes of 2017) further tightened site selection criteria by additional considerations for parcel size (both large and small), whether a parcel is vacant or has existing uses, the potential for redevelopment, and availability of infrastructure. These new limitations will apply to sixth cycle housing elements, beginning with counties and cities located in rural areas without a council of governments in 2019. Accordingly, it is premature to add further restrictions to the site criteria at this time and we request that you amend SB 828 to retain existing law under Government Code Section 65583.

Requirements to Zone for Adequate Sites Should Not Be Arbitrarily Inflated. SB 828 would require cities and counties to zone to accommodate 125% of their allocations of the regional housing need for each income level. This provision is unnecessary and may be difficult to implement given changes made last year to the adequate sites requirements in the housing element process. The two bills on this topic included in the legislative housing package were intended to ensure that adequate zoned capacity is maintained throughout the planning period and that only those sites which are readily developable can be included in the inventory of land suitable for development of lower-income housing. Accordingly, these bills will already promote the same outcome that the corresponding provision of SB 828 seems designed to achieve.

Specifically, SB 166 by Senator Skinner (Ch. 367, Statutes of 2017) ensures local agencies maintain adequate zoned capacity to accommodate the remaining share of a jurisdiction's allocation by income level throughout a planning period. For instance, if a high-density market-rate project is approved on a site that was identified as available to accommodate a portion of the jurisdiction's low- or very-low income housing allocation and remaining capacity is insufficient without that site, then additional land must be rezoned to retain the "lost" zoning capacity. AB 1397 places additional limitations on sites that can be included in the inventory for lower-income housing, ensuring that only sites that are easiest to develop can be counted. While it may be difficult for local agencies to identify sites to accommodate their full allocations under these new standards, the sites identified all should be readily developable. Accordingly, we request that you amend SB 828 to retain the existing language of Government Code Section 65583.2(a).

Other Potential Concerns. Our organizations understand the need to clarify and add data and assumptions that should be considered when councils of governments and the Department of Housing and Community Development (HCD) determine a region's existing and projected housing need and make allocations to jurisdictions (Sections 5 and 6 of the bill). While the changes to these factors proposed by SB 828 would appear to improve the needs assessment and allocation process by increasing housing planning requirements in areas where the need for

new housing is most acute, we are concerned with whether some of the specific provisions are appropriate; specifically, establishing a vacancy rate of five to eight percent for both rental and for-sale properties as the threshold for a “healthy housing market,” and basing thresholds for overcrowding and rent burden on “comparable regions” in other parts of the country. We are also unclear as to what would constitute an “allowance” from HCD as related to overcrowding, vacancy rates and the percentage of cost burdened households, and why the other factors listed in paragraph one are excluded from this provision. We look forward to continuing to work with you and representatives of councils of governments on these two sections of the bill.

We appreciate your consideration of our requested amendments. If you need additional information about our position on SB 828, please contact Christopher Lee (CSAC) at clee@counties.org, Tracy Rhine (RCRC) at trhine@rcrcnet.org, or Jolena Voorhis (UCC) at jolena@urbancounties.com.

Sincerely,



Christopher Lee
Associate Legislative Representative
CSAC



Tracy Rhine
Legislative Representative
RCRC



Jolena L. Voorhis
Executive Director
UCC

cc: The Honorable Scott Wiener, Member of the State Senate
Members of the Assembly Local Government Committee
Debbie Michel, Chief Consultant, Assembly Local Government Committee
William Weber, Consultant, Assembly Republican Caucus