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June 14, 2017

The Honorable Jim Beall Chair, Senate Transportation and Housing Committee State Capitol, Room 2082 Sacramento, California 95814

Re: Assembly Bill 678 (Bocanegra) – Housing Accountability Act
 As Amended on June 12, 2017 – OPPOSE UNLESS AMENDED
 Scheduled for hearing in the Senate Transportation and Housing Committee on June 20, 2017

Dear Senator Beall:

The California State Association of Counties (CSAC), the Urban Counties of California (UCC), and the Rural County Representatives of California (RCRC), are opposed to AB 678 (Bocanegra), which would make changes to the Housing Accountability Act (HAA).

AB 678 would make significant changes to the HAA with new terms and definitions; broaden the ability to sue local governments, and increases fines on local governments. We have been working with the author on this bill and have submitted amendments, many of which have been taken. We have the following remaining concerns:

- Change in Standard of Review. The bill now requires local agencies decision to be supported by a preponderance of the evidence but deletes that the findings are sufficient. We believe sufficient needs to be included with this new standard of review.
- Court Fines. AB 678 would also require the court to impose a minimum fine of \$10,000 per housing unit in the development project on a local agency for violating the provisions of this bill. Further, this bill requires the court to consider the local agency's process in attaining its target allocation of the Regional Housing Needs Assessment (RHNA), in determining the amount of fine to impose, in addition to the \$10,000. The RHNA is a planning tool and was not designed to be used as a production goal or target. Instead we believe there should be an ability for the local government to cure and correct the problem first, and if uncorrected, fines are then appropriate. Fines should only be assessed based on existing law and requirements and should not be based on the progress in attaining the RHNA since that is not a current requirement.

Analysis of HAA. The bill currently requires every city and county to publish an analysis
of the HAA as part of its review of every application for a housing development project.
This is a new requirement and it is currently undefined which will make it very difficult
for a local agency to determine how to complete the analysis.

In closing, this bill makes sweeping changes at a time when affordable housing and the homeless crisis are looming large at the local level. These kinds of substantial changes need to be reviewed carefully to ensure that there are no unintended consequences that would further hamstring our ability to approve affordable housing and provide housing to those in need.

We sincerely appreciate the authors willingness to address our concerns and if our remaining concerns are addressed we will remove our opposition to the bill.

For the above reasons, CSAC, UCC and RCRC are opposed to AB 678. If you have any questions, please contact Jolena Voorhis with UCC at (916) 327-7531; DeAnn Baker with CSAC at (916) 327-7500 or Tracy Rhine with RCRC at (916) 447-4806.

Sincerely,

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cc: Assembly Member Raul Bocanegra Each Member and Consultant, Senate Transportation and Housing Committee