

# 2018-2019 LEAGUE OFFICERS

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July 3, 2019

The Honorable Cecilia Aguiar-Curry Chair, Assembly Committee on Local Government 1020 N St., Room 157 Sacramento, CA 95814

RE: SB 330 (Skinner) Housing Crisis Act of 2019
Notice of Opposition (as amended 7/1/19)

Dear Assembly Member Aguiar-Curry:

The League of California Cities must respectfully continue to oppose SB 330, even with the amendments taken on July 1, 2019. As amended, this measure would, among other things, declare a statewide housing crisis and for a five-year period freeze nearly all development related fees once a developer submits a "preliminary" application, including essential project specific fees.

We agree with the fundamental problem – there are not enough homes being built in California. The League of California Cities remains committed to working with the Legislature and the Governor on finding ways to help spur much needed housing construction statewide without arbitrarily limiting how cities address community growth impacts.

Specifically, the League opposes the following provisions in SB 330:

- Creates A New Type Of Housing Project Application SB 330 creates a
   "preliminary" housing project application, which upon submittal, limits the
   number of public hearings, freezes nearly all project related fees, and starts the
   approval timeline before an application is deemed complete.
- Freezes Impact Fees For Up To 2 1/2 Years SB 330 would lock in place nearly all fees imposed on a housing project once a developer submits a "preliminary" application. Developers would have up to 2 1/2 years to begin construction and not be subject to any new fee, even an affordable housing fee.
- Essentially Bans Project Specific Fees SB 330 would prohibit a city from imposing any fee, except CEQA related fees, after the submittal of a "preliminary" application. This would essentially ban project specific fees because these fees cannot be determined until a city fully analyzes the project. It is important to note that all project impact fees are extensively regulated by state law and the constitution. Cities can only charge a fee to cover the cost of providing the service for which the fee is applied. It is illegal for cities to charge project fees and use the funds for other purposes.

The League of California Cities strongly questions the effectiveness of restricting essential housing related fees. SB 330 does not require any of the cost savings associated with these limitations to be passed on to the renter or purchaser of the



housing unit. Developers would most likely pocket the savings and enhance their profits, while not producing affordable housing.

For the reasons stated above, the League of California Cities opposes SB 330. If you have any questions, please feel free to contact me at (916) 658-8264.

Sincerely,

Jason Rhine

**Assistant Legislative Director** 

cc. Senator Nancy Skinner

Members, Assembly Committee on Local Government Debbie Michel, Chief Consultant, Assembly Committee on Local Government William Weber, Consultant, Assembly Republican Caucus