

California State Association of Counties 1100 K Street, Suite 101 Sacramento, CA 95814 916/327-7500 URBAN
COUNTIES
of
CALIFORNIA

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May 9, 2019

The Honorable Anthony Portantino Chair, Senate Appropriations Committee State Capitol, Room 2206 Sacramento, CA 95814

Re: SB 330 (Skinner): Housing Crisis Act of 2019

As Amended May 7, 2019 - Oppose Unless Amended

Set for Hearing in Senate Appropriations Committee - May 13, 2019

Dear Senator Portantino,

The California State Association of Counties (CSAC) and the Urban Counties of California (UCC) are opposed, unless amended, to SB 330 by Senator Nancy Skinner. The bill would enact the "Housing Crisis Act of 2019." Specifically, until January 1, 2030, the bill would make changes to local approval processes, modify the Permit Streamlining Act, impose restrictions on certain types of development standards, and create separate building standards for occupied substandard buildings.

CSAC and UCC are committed to partnering with the Legislature and Administration to find policy and fiscal solutions that result in the development of housing affordable to Californians at all income levels. Longstanding policies of our organizations recognize the legitimacy of state goals for adequate housing at all income levels, which in turn are implemented through locally-adopted plans. While we recognize that some of the solutions to our current housing affordability crisis may impact local land use authority, we continue to have concerns with some aspects of SB 330. That said, we want to recognize the progress that has been made to date to address some of our concerns and the ongoing conversations we are having with the author and sponsors. Our primary remaining concerns include:

Preliminary Application. SB 330 would create a new process for submitting a "preliminary application" that is separate from the existing "complete application" process that triggers the Permit Streamlining Act. Once the new preliminary application is submitted to a county or city, SB 330 would restrict the changes that could be applied to a housing development. While recent amendments do provide that if the project proponent revises the project such that the number of residential units or square footage of construction changes by 20 percent or more the proponent would need to resubmit the preliminary application information, we still find this new layer unnecessary as the existing timelines to deem an application complete, or seek additional information from an applicant, are already short. Moreover, we are concerned that the minimum level of information SB 330 would require in the preliminary application is insufficient to determine the development's impacts at the local level.

Freezing Impact Fees/Fees on Affordable Housing. SB 330 would freeze fees at amounts in effect on January 1, 2018. It would also prohibit fees on deed-restricted units for affordable housing. While CSAC and UCC recognize that development impact fees and exactions increase the cost of housing overall, counties, cities, and special districts

must be able to collect the appropriate revenue commensurate to the impact of development to maintain, improve, and increase the capacity of the critical services local government provides to the very residents paying the fees. The Legislature has expressed a strong interest in revisiting development impact fees in many contexts and is awaiting a report due this summer from the California Department of Housing and Community Development (HCD) regarding how local impact fees affect the cost of housing. We believe the report will be helpful in determining a comprehensive approach to impact fees going forward. Until such time, we remain opposed to the freezing of fees for the next ten years.

Applicability to Unincorporated Areas. Several provisions of the bill would apply to the entire unincorporated area of a county based on the rates of rent within half of the county's cities. While we appreciate the attempt to apply some of the bill's provisions only where housing is the least affordable, we are concerned with the precedent of applying policy interventions in the unincorporated area based on conditions within cities. This is especially true for provisions like fee waivers, which may be more burdensome on county government given that infrastructure and public facilities are often less developed in the unincorporated area.

CSAC and UCC want to be partners with the Legislature in finding meaningful solutions that will substantially increase the production of housing affordable at all income levels. We are supportive of policy changes that prohibit local governments from moving the goal post during the application process, we do not object to provisions in the bill that would prohibit counties and cities from adopting policies that put a moratorium on housing development or otherwise cap development, and we also support policy changes to bring more certainty to the development process. However, local governments must retain the authority to collect fees commensurate with the impact development has on infrastructure and services and do not believe the new preliminary application process will provide quicker turn-around on vital housing development projects.

For these reasons, we must respectfully oppose, unless amended, SB 330. Should you have any questions about our position on this measure, please do not hesitate to contact Christopher Lee (CSAC) at 916-327-7500 or clee@counties.org, or Jean Hurst (UCC) at 916-272-0010 or jkh@hbeadvocacy.com.

Sincerely,

Christopher Lee

Legislative Representative

California State Association of Counties

Jean Hurst

Legislative Advocate

Urban Counties of California

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cc: Honorable Members, Senate Appropriations Committee

Consultant, Senate Appropriations Committee

Consultant, Senate Republican Caucus