

## Creating Great Communities for All

January 16, 2020

Senator Scott Wiener Room 5100 State Capitol Sacramento, California 95814

SUBJECT: NOTICE OF NEUTRAL AS AMENDED POSITION — SB 50

INCREASED HOUSING DENSITY

IN SENATE APPROPRIATIONS COMMITTEE - SUSPENSE FILE

Dear Senator Wiener:

APA has reviewed the January 6, 2020 amendments to SB 50. APA appreciates the revised philosophy and structure of the amendments, which will now provide a new option for cities and counties to submit their own "local flexibility plan" to meet the goals of SB 50: increase density around major transit and job centers; comply with furthering fair housing requirements; reduce VMT.

This locally developed compliance option is consistent with APA's legislative policies to plan for increased density in appropriate locations and allows local governments to make their own determinations about how best to meet the goals of the bill through the use of good planning and knowledge of local context. Allowing the option for cities and counties to define these rules locally has resolved APA's biggest concerns with previous versions of SB 50.

Based on the local flexibility plan option, APA has decided to move to neutral on the bill to allow time for the bill to move out of the Senate. However, the amended legislation leaves many questions that will need further discussion and resolution in the next few months. APA would like to work with you and your sponsors on amendments that will provide more detailed guidance and clarification in the bill on a number of critical issues, including:

- 1. Reconciling provisions in the bill that overlap with, or differ from, other housing laws, including housing element requirements, RHNA and update timetables (particularly for the 6<sup>th</sup> cycle of housing element updates which are already in progress in many jurisdictions), state density bonus law, and state loan programs for affordable housing.
- 2. Clarifying what the interaction between state density bonus law and local flexibility plans will be, whether these local plans can require higher affordability requirements than can be applied under the SB 50 default if supported by local market conditions, and whether there are other options to incorporate a land value capture mechanism into SB 50 that further promotes equitable development.

- 3. Including criteria in the statute for approval of local flexibility plans by HCD so that localities know now, as the bill moves through the Legislature, what will be required for approval rather than after the bill has been signed.
- 4. Providing tailored requirements for non-urban areas, areas in hazard zones, and areas highly vulnerable to sea-level rise within the life of a structure.
- 5. Adding stronger protections for historic districts, including the removal of the 2010 cutoff date for adoption of historic districts.
- 6. Providing an exemption from CEQA for local flexibility plans, similar to the exemption provided for adopting ADU ordinances to implement the state's development policies.

APA is continuing to discuss the bill as amended with the APA Board of Directors and Legislative Review Team members and may have additional comments. Based on member feedback to date on the amended bill, and because there are so many issues that need to be clarified, APA members continue to have strong positions both for and against the bill. APA is however encouraged by the more flexible direction of the bill. We look forward to discussing and resolving the above concerns and developing solutions that support increased housing development that is equitable and sustainable.

If you have any questions, please contact our lobbyist, Sande George, with Stefan/George Associates, sgeorge@stefangeorge.com, 916-443-5301.

Sincerely,

Eric S. Phillips

Vice President, Policy and Legislation - APA California

cc: Senate Appropriations Committee

Governor's Office

E. Stall

OPR

Republican Caucus