



MANAGEMENT SERVICES DEPARTMENT

MEMORANDUM

DATE: February 4, 2020

TO: The Honorable City Council

FROM: Bryan Cook, City Manager
By: Brian Haworth, Asst. to the City Manager/Econ. Development Manager

SUBJECT: OPPOSITION TO SENATE BILL 50

RECOMMENDATION:

The City Council is requested to approve a letter in opposition to Senate Bill 50.

BACKGROUND:

1. On December 3, 2018, Senator Scott Weiner introduced Senate Bill (SB) 50, which would require local governments to allow higher-density housing near job and transit centers. This upzoning would greenlight mid-rise apartment towers of four or five stories near rail stations, transit hubs, and along bus lines. It would also permit dividing homes into duplexes, triplexes, and fourplexes in areas zoned for single-family residences.
2. On May 13, 2019, the state Senate Appropriations Committee put the bill on hold, delaying any further movement until January 2020. The controversial proposal—intended to alleviate the housing crisis—received much opposition, as leaders statewide said it was a top-down mandate that would remove local control, lead to density in inappropriate areas, and accelerate gentrification.
3. On January 6, 2020, the bill was reintroduced with a provision that would allow cities to create their own development blueprint for densities—or local flexibility plan—as long as it meets the state’s housing goals. (In the case for Temple City, this means new zoning that would allow for the production of 2,150 new housing units in the next eight years under the state’s Regional Housing Needs Assessment.) Cities that fail to submit state-approved plans by 2021 would then be subject to more prescriptive requirements under SB 50.

ANALYSIS:

As part of its legislative update to Council on January 20, 2020, staff provided a brief update on SB 50. The revised bill must now pass out of the Senate by January 31, 2020 for consideration by the state Assembly.

As of the writing of this report, it's unclear whether the bill will move forward.

The League of California Cities and California Contract Cities Association, which represents the city's interests at the state level, continues to oppose SB 50 for the following reasons:

- The bill undermines locally adopted general plans and housing elements.
- The bill's amended provision for a local flexibility plan is extremely vague.
- The bill allows developers to determine densities and design standards.
- The bill does not promote or fund additional public transit near dense housing.
- The bill focuses on market-rate housing with little attention to affordable housing.
- The bill exempts a number of communities from its provisions.

In solidarity with both organizations and their member cities, Council is requested to approve the attached letter in opposition of the bill's recent revise. Should the bill not be signed into law this year, transmittal of the requested letter will formalize Council's position if an amended proposal is reintroduced in 2021.

CITY STRATEGIC GOAL:

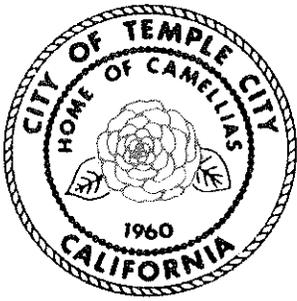
Actions contained in this report align with the strategic goal of good governance.

FISCAL IMPACT:

There is no fiscal impact associated with the requested Council action.

ATTACHMENT:

- A. SB 50 Opposition Letter



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February 5, 2020

The Honorable Scott Wiener
State Senator, 11th District
State Capitol, Rm. 5100
Sacramento, CA 95814-4900

RE: SENATE BILL (SB) 50

Dear Senator Wiener:

The City of Temple City writes to express opposition to SB 50, which would require local governments to rezone existing general plans to accommodate increased density in areas identified as transit-rich or job-rich.

As it pertains to the bill's January 6, 2020 revision, it appears that local governments will be provided an opportunity to develop their own plan to meet the goals and objectives of SB 50. However, the bill's language, specifically regarding the local flexibility program, does not provide adaptability, funding, or adequate time for local governments to thoughtfully plan and implement alternatives to SB 50. Furthermore, the City cannot determine whether the local flexibility plan is a viable alternative because the bill's recent amendments do not clearly identify elements of the plan.

Other noted concerns:

1. The state's Office of Planning and Research (OPR) and Department of Housing and Community Development (HCD) are tasked with developing rules, regulations, or guidelines for the submission and approval of a local flexibility plan without sufficient direction from the Legislature. This rulemaking process is exempt from the Administrative Procedures Act, thus allowing state departments to craft rules, regulations, or guidelines with little to no public input or oversight.
2. The elements of the plan are not clear, i.e.:
 - "Achieve a standard of transportation efficiency as great or greater than if the local government were to grant equitable communities incentives." SB 50 does not contain any language regarding transportation efficiency. Therefore, it is not possible to determine how HCD, OPR or a local government will determine how to meet this standard or how a local flexibility plan is expected to comply with this standard.

- “Increase overall feasible housing capacity for households of lower, moderate, and above moderate incomes, considering economic factors such as cost of likely construction types, affordable housing requirements, and the impact of local development fees.” The override provisions of SB 50 do not contain any language regarding feasible housing capacity for households of lower, moderate, and above moderate incomes, nor does it address economic factors such as cost of likely construction types, affordable housing requirements, and the impact of local development fees. Therefore, it is not possible to determine how HCD, OPR or a local government will determine how to meet this standard or how a local flexibility plan is expected to comply with this standard.

As for the City’s other objections:

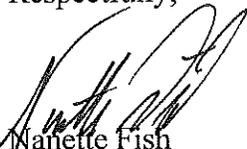
3. If a city elects not to develop a local flexibility plan or if HCD does not approve a submitted plan by January 1, 2023, a city is required to give a developer an equitable communities incentive that overrides locally developed and adopted height limitations, housing densities, and parking requirements. Many statewide standards, enacted by the Legislature, are included in the state’s planning law. Standards should be established by the Legislature, not by individual developers.
4. Developers of certain housing projects should not be allowed to override locally developed (and HCD-approved) housing elements, which identify adequate sites with sufficient density to accommodate a city’s share of the regional housing need. Additionally, the bill:
 - Greatly undermines locally adopted general plans and housing elements. By allowing developers to override state approved housing plans, SB 50 calls to question the need for cities to develop these community based plans and the justification for spending millions of state and local funds on the planning process. HCD spends a significant amount of money and staff time to review and certify housing elements for 482 cities (including Temple City’s housing element in 2014, which was then incorporated into our general plan in 2018). In 2019 alone, HCD allocated nearly \$130 million to local governments to update their housing plans and approval processes. The 2019/2020 State Budget allocated an additional \$250 million on local plans. Why would the Legislature pass a bill that encourages developers to override these plans?
 - Gives housing developers and transit agencies, who are unaccountable to local voters, the power to determine housing densities, heights up to 55 feet, parking requirements, and design review standards for “transit-rich housing projects” within one-half mile of a major transit stop. For those “transit-rich housing projects” within one-quarter mile radius of a stop on a high-quality bus corridor, developers would be able to determine housing densities and parking requirements above .5 spots per unit.
 - Makes it hard for the City to understand its full scope. As presently drafted, it is very difficult to determine what constitutes a “jobs-rich area” since HCD and OPR are largely tasked with making that determination. It is hard to understand why the Legislature would want the Executive Branch to define essential terms that have broad implications for how

SB 50 would be implemented. Additionally, by not defining “jobs-rich area” in statute, there is no clear way of knowing if SB 50 will actually accomplish its stated goal.

- Requires cities to allow greater density in communities that are high opportunity and jobs rich, but may lack access to public transit. This seems at odds with many state policies that encourage and incentivize more dense housing near transit so that individuals may become less dependent on automobiles. It has only been a few years since the Legislature determined that the impact on the transportation environment from a housing project should be measured in vehicle miles traveled.
5. SB 50 creates a two-tiered process that exempts cities with a population of less than 50,000 that are in a county with a population of less than 600,000, from the most extreme provisions of the measure. It is unclear why these cities should be treated differently than a similar size city in a county with a population over 600,000.
 6. SB 50 gives too much discretion for developers to build market-rate housing with few mechanisms to truly address affordability in the housing crisis. The City recommends providing local funding or incentive programs that encourage developers to build affordable housing units in transit- and job-rich areas.

For these reasons, the City of Temple City opposes SB 50.

Respectfully,



Nanette Fish
Mayor

C: The Honorable Susan Rubio, State Senator (22nd District)
The Honorable Ed Chau, State Assembly (49th District)
Jennifer Quan, League of California Cities
Marcel Rodarte, California Contract Cities Association
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