

**Metropolitan Transportation Commission and the Association of Bay Area Governments  
Joint MTC Legislation Committee and  
ABAG Legislation Committee**

May 10, 2019

Agenda Item 7c1

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

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**Subject:** SB 330 is a wide reaching bill that aims to accelerate housing development, provide project proponents more certainty and lower fees, and reduce displacement of existing residents from substandard buildings.

**Background:** The bill contains four distinct components: 1) project approval acceleration for zoning-compliant projects; 2) greater certainty for project proponents about the fees and rules applicable to a project; 3) until 2030, limitations on parking, fees, downzoning and building moratoria in “affected areas” identified by the Department of Housing and Community Development (HCD) as having particularly high rent and low vacancy rates; and 4) requirements for new building standards for occupied buildings that are deemed out of compliance with the state’s building code but do not post a life-safety risk.

**Discussion:** **Project Approval Acceleration**  
SB 330 establishes new criteria applicable to determining when a housing development project proponent has submitted a “complete initial application” and requires HCD to adopt a standardized form for this purpose. The bill provides that a project may not be subject to new ordinances, rules or fees after a complete initial application is submitted except under certain circumstances, such as when necessary for health and safety, to mitigate a project under the California Environmental Quality Act, or the project has not begun construction within three years of receiving final approval. If a project complies with existing zoning and the general plan, the bill provides that a local government may not: (1) require more than five de novo public hearings or 2) delay a decision about whether or not to issue a permit beyond 12 months, with an extension allowed in certain circumstances.

**Downzoning and Parking Restrictions – Limited to “Affected Areas”**

As noted above, portions of SB 330 are limited to locations with high rent and low vacancy rates and would apply only until 2030. Based on preliminary information provided by Senator Skinner’s office, it appears likely that every Bay Area county would have at least one jurisdiction deemed an “affected area.” In such areas, the bill would prohibit a local agency, or its voters, from (1) adopting any policy that would result in a “less intensive” residential use than what was in effect on January 1, 2018; (2) imposing a moratoria or cap on housing development; or (3) imposing or enforcing design standards that are not objective. The bill allows for a reduction in residential density if the local agency adjusts zoning elsewhere to ensure no net loss in residential capacity.

In addition, the bill contains specific parking requirements for projects proposed in affected areas. Within ¼-mile of a rail station, no new parking requirements or enforcement of existing requirements would be allowed for projects located in (1) a city within a county with a population greater than 700,000<sup>1</sup>; or (2) within a city with a population greater than 100,000.<sup>2</sup> For projects outside a ¼-mile radius from a rail station, no minimum parking requirement above 0.5 parking spaces/unit would be allowed. The bill would also cap all fees and exactions at the level set on January 1, 2018, other than allowing for annual adjustments if referenced in the ordinance establishing the fee. For units affordable to low-income

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<sup>1</sup>Includes Alameda, Contra Costa, San Francisco, San Mateo and Santa Clara counties

<sup>2</sup> Includes cities of Fairfield, Santa Rosa and Vallejo

households (80% AMI or below and subject to an affordability restriction for at least 55 years), the bill would prohibit any fees from being charged. The bill would also provide that a project shall be considered consistent with zoning standards if it was consistent with general plan standards in effect on January 1, 2018.

**Occupied Substandard Building Provisions**

SB 330 also requires HCD to develop building standards for an “occupied substandard building,” that could be used for up to seven years in lieu of the state’s more stringent published building standards. The standards developed by HCD must (1) require that an occupied substandard building include adequate sanitation and exit facilities and comply with seismic safety standards; (2) permit those conditions prohibited under existing substandard building laws that do not endanger the life, limb, health, property, safety, or welfare of the public or the occupant; and (3) Meet rules and regulations developed by the State Fire Marshal.

**Staff Analysis**

We find SB 330’s provisions related to streamlining zoning-compliant projects and locking in fees and rules at the point when an initial application is submitted to be reasonable and likely to speed up the construction of new housing. The bill also tailors a number of its requirements to jurisdictions facing the greatest housing affordability challenges and sets different requirements based on the size of cities. In our meeting with the Housing Legislative Working Group, we heard concerns that 12 months may be too short for larger, complex projects. We also heard concerns about impact fees and the look-back provisions on zoning standards, allowing for densities if they would have been allowed *prior to* January 1, 2018. While we also heard concerns about the substandard building standards provision, We believe the bill’s language makes clear that such standards must adequately protect health and safety of a building’s occupants and the public and therefore do not recommend amendments on that aspect of the bill. Accordingly, we recommend the following amendments:

**Approval Timeline**—set a tiered timeline for project approvals based on project size to with the appropriate timing to be further researched;

**Allow Annual Adjustment for All Market-Rate Units**—Allow for a cost of living adjustment for fees on market-rate units, even if not specified in an original ordinance;

**Don’t Lock in Zoning**—Eliminate the bill’s “look back” provision on zoning standards prior to January 1, 2018.

**Recommendation:** Seek Amendments

**Bill Positions:** See attached

**Attachments:** Attachment A: Bill Positions

  
Therese W. McMillan

## **SB 330 Official Positions**

### **SUPPORT:**

Bay Area Council  
BRIDGE Housing  
CA Building Industry Association  
CBIA Bay Area  
CA Business Properties  
Association  
CA Community Builders  
California YIMBY  
EAH Housing  
East Bay for Everyone  
East Bay Leadership Council  
Emerald Fund  
Enterprise  
Facebook  
Hamilton Families  
Local Government Commission  
Nonprofit Housing Association of  
North America

North Bay Leadership Council  
Oakland Chamber of Commerce  
Related  
The San Francisco Foundation  
San Francisco Housing Action  
Coalition  
Santa Cruz YIMBY  
SV@Home  
Turner Center for Housing  
Innovation, UC Berkeley  
TMG Partners  
Urban Displacement Project, UC  
Berkeley  
PICO – If Amended  
Non-Profit Housing Association of  
Northern CA – If Amended  
SPUR – In Concept

### **OPPOSITION**

South Bay Cities Council of  
Governments  
City of Solano Beach  
City of San Marcos  
City of Paramount  
City of Rancho Cucamonga  
City of Cupertino  
City of Ventura  
City of Camarillo  
City of La Mirada

City of Thousand Oaks  
Ventura Council of Governments  
Cities Association of Santa Clara  
County  
Livable California  
American Planning Association  
CSAC  
League of CA Cities  
Urban Counties of CA