

Metropolitan Transportation Commission

May 22, 2019

Agenda Item 9b. i.

SB 330 (Skinner) Seek Amendments

Subject: Position on SB 330 (Skinner): Housing Crisis Act of 2019

Background: On May 10, the Legislation Committee recommended a “seek amendments” position on SB 330 with the following requested amendments:

- 1) Eliminate the freeze on impact fees after January 1, 2018;
- 2) Ensure existing requirements applicable to disabled parking in residential developments are not affected by the limitations on local minimum parking requirements;
- 3) Have further discussion with the author regarding inclusion of provisions related to voter initiatives in the bill;
- 4) Work with the author related to local parking requirements within 1/4-mile of a major transit stop based on local conditions; and
- 5) Eliminate the bill’s “look back” provision on zoning standards that would allow projects to be approved at higher levels of density than current zoning if that higher density was in effect prior to January 1, 2018.

Issues: None

Recommendation: The Commission is requested to adopt a “seek amendments” position on SB 330.

Attachments: May 10 Legislation Committee summary sheet.

Reviewed:



Therese W. McMillan

**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**

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 700,000¹; or (2) within a city with a population greater than 100,000.² 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

¹Includes Alameda, Contra Costa, San Francisco, San Mateo and Santa Clara counties

² 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