



Community, Equity, Action

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March 12, 2021

Hon. Scott Wiener, Chair
Senate Housing Committee
State Capitol
Sacramento, CA 95814

Subject: Oppose SB 290 [Skinner] as introduced February 1, 2021

Dear Mr. Chairman,

Livable California, a nonprofit organization of more than 10,000 followers that advocates for empowerment of local governments to foster equitable, livable communities and truly affordable housing, strongly opposes SB 290 [Skinner].

SB 290 further worsens the fundamental flaw in state Density Bonus law, the key program by which cities approve affordable housing: its insufficient requirements placed upon for-profit developers to include a sufficient number of units for low-income renters.

Embarcadero Institute found that California's 14 most populous counties, "are far exceeding their market-rate [RHNA] housing targets, while far short on their affordable housing targets." Delving into HCD's raw data, the Institute found: "Since 2016, this mismatch has worsened, with a stark jump in market-rate housing permits seen alongside a corresponding dip in affordable housing unit permits. **This shift correlates with the introduction of the state Density Bonus Law**, a law that was meant to boost affordable housing approvals. It may be too early to say, but it seems the Density Bonus incentives ... may have actually exacerbated California's mismatched housing supply." [Click here for Embarcadero Institute study.](#)

We oppose SB 290 for these reasons:

- Allows developers far bigger buildings than current law, if the developer adds a modest number of additional affordable units. Under this formula, California will fall further behind in supplying affordable housing while over-rewarding market-rate development.
- Worsens the Density Bonus law by creating a competition between low-income and moderate-income renters, weakening the law's ability to help the poor.

- Assures that only about 12% of new housing construction will be affordable, while large market-rate apartment complexes eat up available land and thus increase land values.
- Forces cities to offer up to four “incentives” that increase developer profits even further.
- Prevents municipalities from denying a Density Bonus project that harms the environment. A city could deny a project only if “the public’s health and safety are directly threatened.” Our standard should not devolve to rejecting projects only if humans are directly hurt by them.
- Prohibiting cities from charging established fees on Density Bonus units is inappropriate. Cities conduct nexus studies to determine the impacts of housing and must be allowed to collect the fees. This bill adds to cities’ economic burden when city budgets have been decimated.

Thank you for considering our position on this issue.

Sincerely,

The Board of Directors of Livable California



Rick Hall, President

T Keith Gurnee, Member

Carey White, Member

Isaiah Madison, Member

cc. Senator Nancy Skinner