

March 22, 2021

The Honorable Mike McGuire
Chair, Senate Committee on Governance and Finance
State Capitol, Room 408
Sacramento, CA 9581

Subject: Oppose SB 8 [Skinner] as amended March 18, 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 8 [Skinner].

SB 8 extends the sunset clause of the Housing Crisis Act of 2019 (SB 330) by five years, from 2025 to 2030. It further extends the law's declaration of a statewide housing crisis, and the existing law's freeze on nearly all development-related fees once a developer submits a "preliminary" application. SB 330's prohibition includes project-specific fees. In short, cities will not be able to charge developer fees to fund essential infrastructure and public services ranging from schools and fire protection to parks and utilities, all of which are affected by increased development and population growth. This constitutes an unfunded mandate that is unfair to cities and ultimately affects the quality of life of millions of Californians.

This bill extends SB 330's effective period even though SB 330 has been on the books less than two years. Additionally, the Senate originally considered a ten-year sunset clause, but that provision was changed to the current five years after constituent input. The Senate should not reverse its own decisions so quickly.

SB 8 is additionally flawed in that it significantly expands the categories of projects that qualify for SB 330 streamlining. Under the bill, SB 330 would apply to virtually all residential projects, including single Accessory Dwelling Units (ADUs) pursuant to proposed subparagraph

65905.5(b)(3)(C). Surely the legislature does not intend to micromanage development decisions to that level of minutiae.

Along with nearly everyone in California we agree on the fundamental problem: Not enough affordable housing is being built in our state. However, SB 8 is the wrong solution to the wrong problem. It will not spur, much less fund, badly needed affordable housing, and will only exacerbate the existing housing imbalance.

The 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 the SB 8 extension of the density bonus law for these reasons:

- Extends the failed Density Bonus law for 5 more years to 2030 with no evidence that the law is working to create significant affordable housing.
- Expands this failed program to virtually all residential projects.
- The extended density bonus law provides only a **minimum** of new housing construction will be affordable, while large market-rate apartment complexes eat up available land and thus increase land values.

Thank you for considering our position on this issue.



Directors of Livable California

Rick Hall, President

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Carey White, Member

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cc. Senator Nancy Skinner