



Hon. Asm Aguiar-Curry
State Capitol
Sacramento, CA 95814

June 4, 2021

Subject: OPPOSE SB 9 (Atkins) as amended 4/27/21

Dear Chair,

On behalf of Livable California and the thousands of stakeholders we represent, **we strongly oppose SB 9 (Atkins)**, which if made law would become one of more than 25 new housing laws passed in the last four years that threaten the self-determination of local government, that government closest to the people, none of which create affordable housing to address the crisis among the working-class and poor.

The finding in **Section 4 of SB 9** states: *“The Legislature finds and declares that ensuring access to **affordable** housing is a matter of statewide concern and not a municipal affair.”* This statement is unconnected to SB 9, which as proposed will not produce or require any affordable housing units.

While affordable housing is a matter of statewide concern, SB 9 fails to meet its own finding. **SB 9 should be rejected for its lack of a nexus between its clear market-rate housing language and its stated intent to ensure access to affordable housing.** [footnote 1]

SB 9 makes a finding that affordable housing is not a municipal affair but one of statewide significance. [footnote 2] However, SB 9 is specifically not

structured to address affordable housing: **the bill places no limitations on rental or sales price of units constructed through its implementation.**

The only clear result of SB 9's reference to our affordable housing emergency is its waiver of any requirement to consider the environmental consequences of quadrupling the density on 56% of all residential parcels in California, totaling about 7 single-family million lots.

Some visible proponents of SB 9 have exaggerated California's crisis as a 3.5 million unit housing shortage. Freddie Mac clearly attempts to correct this urban myth in its 2021 report: the U.S., as a whole has, a shortage of 3.3 million units. California has a 1.2 million unit shortage [footnote 3]. And 960,000 units are *needed specifically for poor and low-income households*, not for SB 9 households paying market-rate prices. [footnote 4].

We ask that you reject SB 9 for these reasons:

- 1. SB 9 will add to the cost of development** because each parcel will become eligible for 2-to-4 times the density now permitted, allowing 4 units where one used to be. However, because there is no language in SB 9 that excludes ADUs, the density may go to 6 units. [footnote 5]. [The bill language remains vague on the key issue of how many units may be created on a single family lot. Our experts read it to allow 6 units.](#) **The state will be burdened with the cost of lawsuits to resolve this divisive issue.**
- 2. The density mandated will result in a severe cost burden to local jurisdictions** for supporting infrastructure. SB 9 does not allow CEQA review to define the impact burdens. Instead of resulting in community investment, improvement, and infrastructure reconstruction, it offloads all costs related to quadrupled density onto affected communities that cannot afford the costs. **This will degrade California on a broad scale. The bill for firefighting, flooding, new freeway exits and new freeway bridges are state costs.**
- 3. SB 9 is a market-driven bill to the primary benefit of private developers.** By up-zoning 7 million parcels throughout the state and redefining "highest and best use," California will significantly increase

4. land value beneath single-family zones, [as Vancouver has verified following its own mass upzoning, placing home ownership further out of reach of first-time homebuyers.](#)
5. **SB 9 maximizes the development of high-end market-rate housing without addressing the crisis of housing affordability.** Of the [830,000 housing-unit shortage in California, identified in new 2021 research from Freddie Mac,](#) the Freddie Mac partner National Low Income Housing Coalition found that most of the unbuilt units are needed for [low-income households.](#)
6. **SB 9 will promote gentrification in** stable neighborhoods, especially neighborhoods of color, the naturally occurring targets for speculators. Speculators will seek these area's cheaper parcels in seeking higher profits, turning stable Black and Latino neighborhoods [into targets for speculators/investors to buy up and turn homes into high-cost rentals without garages or yards.](#) **It will reduce the ability of people of color to build generational wealth.**
7. SB 9 is the wrong solution to the wrong problem. We don't have a market-rate housing crisis. **We have a housing affordability crisis,** that will only be made worse by **SB 9.** SB 9 and its companion bills **would apply the failed theories of trickle-down economics to California's housing affordability crisis.**
8. Below are scores of groups opposing SB 9, including anti-homelessness organizations, Latino and Black coalitions, numerous cities and neighborhood organizations.
 - Adams Hill Neighborhood Association
 - Aids Healthcare Foundation
 - Alameda Citizens Task Force
 - Albany Neighbors United
 - Berkeley Associated Neighbors Against Non-affordable Housing
 - Brentwood Homeowners Association
 - Burton Valley Neighborhoods Group
 - California Alliance of Local Electeds
 - California Cities for Local Control
 - California Contract Cities Association
 - Catalysts

- Cities of Arcata, Azusa, Bellflower, Belmont, Beverly Hills, Brea, Brentwood, Burbank, Camarillo, Carpinteria, Carson, Cerritos, Chino, Chino Hills, Clayton, Clearlake, Clovis, Colton, Corona, Cupertino, Cypress, Diamond Bar, Dorris, Downey, Dublin, Eastvale, El Segundo, Escalon, Fortuna, Foster City, Fountain Valley, Garden Grove, Glendora, Grand Terrace, Half Moon Bay, Hesperia, Hidden Hills, Huntington Beach, Indian Wells, Inglewood, Irvine, Irwindale, Kerman, King, La Canada Flintridge, La Mirada, La Palma, La Quinta, La Verne, Lafayette, Laguna Beach, Laguna Niguel, Lakeport, Lakewood, Lancaster, Lomita, Los Alamitos, Los Altos, Martinez, Maywood, Menifee, Merced, Mission Viejo, Montclair, Monterey, Moorpark, Murrieta, Newman, Newport Beach, Norwalk, Novato, Oakdale, Ontario, Orinda, Palo Alto, Palos Verdes Estates, Paramount, Pasadena, Pinole, Pismo Beach, Placentia, Pleasanton, Poway, Rancho Cucamonga, Rancho Palos Verdes, Rancho Santa Margarita, Redding, Redondo Beach, Rohnert Park, Rolling Hills, Rolling Hills Estates, San Carlos, San Clemente, San Dimas, San Gabriel, San Jacinto, San Marcos, San Marino, Santa Clara, Santa Clarita, Santa Monica, Saratoga, Signal Hill, South Pasadena, Stanton, Sunnyvale, Temecula, Thousand Oaks, Torrance, Tracy, Vacaville, Ventura, Vista, Westlake Village, Whittier, and Yorba Linda
- Citizens Preserving Venice
- Coalition for San Francisco Neighborhoods
- Coalition to Save Ocean Beach
- College Street Neighborhood Group
- College Terrace Residents Association
- Committee to Save the Hollywoodland Specific Plan
- Community Associations Institute - California Legislative Action Committee
- Comstock Hills Homeowners Association
- D4ward
- Durand Ridge United
- Encinitas Neighbors Coalition
- Friends of Sutro Park
- Hidden Hill Community Association
- Hills 2000 Friends of The Hills
- Hollywood Knolls Community Club
- Hollywoodland Homeowners Association
- Howard Jarvis Taxpayers Association
- Kensington Property Owners Association
- La Brea Hancock Homeowners Association

- Lafayette Homeowners Council
- Lakewood Village Neighborhood Association
- Las Virgenes-Malibu Council of Governments
- Latino Alliance for Community Engagement
- League of California Cities
- League of California Cities Central Valley Division
- Linda Vista-Annandale Association
- Livable California
- Livable Pasadena
- Los Altos Residents
- Los Angeles County Division, League of California Cities
- Los Feliz Improvement Association
- Marin County Council of Mayors and Councilmembers
- Miracle Mile Residential Association
- Miraloma Park Improvement Club
- Mission Street Neighbors
- Montecito Association
- Neighborhood Council Sustainability Alliance Trees Committee
- North of Montana Association
- Northeast Neighbors of Santa Monica
- Pacific Palisades Community Council
- Planning Association for The Richmond
- Riviera Homeowners Association
- San Gabriel Valley Council of Governments (UNREG)
- Save Lafayette
- Seaside Neighborhood Association
- Shadow Hills Property Owners Association
- Sherman Oaks Homeowners Association
- South Bay Cities Council of Governments
- South Bay Residents for Responsible Development
- South Shores Community Association
- Southwood Homeowners Association
- Sunnyvale United Neighbors
- Sunset-Parkside Education and Action Committee
- Sustainable Tamalmonite
- Tahoe Donner Association
- Temecula Valley Neighborhood Coalition
- Towns of Apple Valley, Colma, Fairfax, Mammoth Lakes, Ross, and Truckee
- United Neighbors
- Ventura Council of Governments

- Verdugo Woodlands West Homeowners Association
- West Pasadena Residents' Association
- West Torrance Homeowners Association
- West Wood Highlands Neighborhood Association
- Westside Regional Alliance of Councils
- Westwood Hills Property Owners Association
- Westwood Homeowners Association
- Wilshire Montana Neighborhood Coalition
- Windsor Square Association

We ask the Assembly to oppose SB 9's flawed approach for the costs it will add to the State and its negative impacts on communities.

Should your Committee decide to support SB 9, it should make a finding that the state is obligated to provide an undetermined level of funding to local governments to cover major financial consequences of this bad bill.

Sincerely,

The Board of Directors of Livable California



Rick Hall, President
T Keith Gurnee, Member
Carey White, Member
Isaiah Madison, Member

Footnotes Below

Footnotes

1. California Housing and Community Development Department further demonstrates on its own “dashboard” that housing identified in its statewide records (5th cycle) through 2019, **over 100% of the housing target for above-moderate income housing units were met**; 41% of Moderate income targets met; 16.8% low income targets met; and 11.3% very low income targets met. In the City of Los Angeles alone, developers built more than **261% of its state-required above-moderate housing units. San Francisco reached 158% of state targets** for above -moderate income housing units. San Diego reached 97.2% of its target for above-moderate-income housing units. Yet like most cities, the state’s Density Bonus laws are so ineffective that San Diego has fallen far behind in attracting projects for moderate, low and very low income households: just 0.2%, 15% and 11%, respectively, of the affordable units that city needs. hcd.ca.gov/app.powerbigov.us

The Embarcadero Institute RHNA Analysis demonstrates that California’s 58 counties are “far exceeding their market rate housing targets, while failing far short on their affordable housing targets.” Yet 14 of the most populous counties, together, have issued permits for about 300,000 market rate housing units, when only 140,000 are needed or required by HCD. embarcaderoinstitute.com

2. Senate Bill 9 concludes with language directed at affordable, not market-rate, housing:

SEC. 4. The Legislature finds and declares that ensuring access to affordable housing is a matter of statewide concern and not a municipal affair (emphasis added) as that term is used in Section 5 of Article XI of the California Constitution. Therefore, Sections 1 and 2 of this act adding Sections 65852.21 and 66411.7 to the Government Code and Section 3 of this act amending Section 66452.6 of the Government Code apply to all cities, including charter cities.

3. Freddie Mac freshly reports that the U.S. has a 3.3 million housing unit shortage, in severe contrast to YIMBY, and at times even legislators' claims, that California alone has a 3 or 3.5 million housing unit shortage. In fact our shortage is about 1 million.

<https://nlihc.org/resource/freddie-mac-estimates-housing-shortage-33-million-homes>

4. The National Low Income Housing Coalition verifies in this extensive study that, specifically, California's shortage of housing **for low-income households is 960,000 units.** <https://reports.nlihc.org/gap>

5. In an April 27, 2021 amendment, SB 9 continues to permit JADU/ADU on the first lot created under its provisions. **Any savvy builder can exploit this clear "Two-Step" loophole** because the JADU/ADU limitation

applies only to the newly created lot (in this case, the 40% parcel created as a result of the ministerial lot split):

(i) (1) Notwithstanding any provision of Section 65852.2, Section 65852.21, Section 65852.22, Section 65915, or this section, a local agency shall not be required to permit more than two units ***on a parcel created through the exercise of the authority contained within this***

section.

(2) ***For the purposes of this section***, “unit” means any dwelling unit, including, but not limited to, a unit or units created pursuant to Section 65852.21, a primary dwelling, an accessory dwelling unit as defined in Section 65852.2, or a junior accessory dwelling unit as defined in Section 65852.22.

Start with 1 R1-zoned, single family lot with or without 1 home. Puts 2 new homes (if was vacant) or 1 new home, on 60% of lot. Adds ADU and JADU. Four units now on 60%. Split off 40% per urban lot split. Puts 2 units of any kind on 40% portion. **Total equals six units.**