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CITY COUNCIL STAFF REPORT

Meeting: June 21, 2016

Subject

Governor's By Right Housing Proposal

Recommended Action

Oppose the Governor's By-Right Housing proposal and authorize the Mayor to send letters of opposition to state legislative leaders along with our state delegation.

Description

In an effort to encourage housing production, Governor Jerry Brown has proposed to streamline the approval of certain multifamily housing projects that include a portion of deed-restricted affordable units. The Governor has reached an agreement with Democratic leaders that would allocate \$400 million in one-time funding towards affordable housing in exchange for approval of the Governor's By-Right Housing proposal.

The By Right Housing proposal would allow by right approval for multi-family housing projects that set aside at least 20% of the units for low income residents. Developments near transit stops could be built by right if they set aside 10% or more. Although the projects would need to be consistent with our land-use laws, they would not need to go through a public review process or CEQA process, thereby removing a local government's discretionary authority to reject such projects and shortening the approval process.

The League of California Cities has expressed concern over the elimination of public hearings and the exclusion of elected city council members from critical local land use decisions. While state law places limits on a city's ability to deny certain housing projects, the proposal goes further by making it infeasible to conduct a public hearing within the 30 day review period and by removing local discretion over land use entitlements, other than nominal design review.

Both the League and environmental groups expressed concern over the elimination of CEQA review. The CEQA exemption assumes that the environmental analysis conducted for a city's general plan is sufficient for every project site. Absent adequate environmental review, many of these projects may ignore risk factors that would have been identified through local review and addressed through mitigation measures.

For these reasons, staff recommends that the City Council oppose the Governor's By-Right Housing proposal and authorize the Mayor to send letters in opposition to the inclusion of this language in the final 2016-17 Budget Trailer Bill.

Sustainability Impact

Opposing the Governor's By-Right Housing proposal will preserve important local environmental review requirements intact for all housing development projects.

Fiscal Impact

There is no fiscal impact as a result of opposing the Governor's By-Right Housing proposal.

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Approved for Submission by: David Brandt, City Manager

Attachments:

- A. Sample Letter of Opposition
- B. "By Right" Housing proposal summary