

MEMO

To: City of Cupertino
Legislative Review Committee

From: Townsend Public Affairs, Inc.

Date: May 14, 2021

Subject: Consider adopting a position on Senate Bill 8 (Skinner) Housing Crisis Act of 2019

Bill Information

The official text of SB 8 can be found [here](#)¹.

Summary

SB 8 extends the sunset on the Housing Crisis Act (Act) of 2019 by five years, to January 1, 2030, and makes other changes to the Act.

Specifically, SB 8 amends the Housing Crisis Act in the following ways:

- Authorizes a local government to subject a housing development project to ordinances, policies, and standards after the preliminary application is submitted if the development has not commenced construction within two and a half years following the date the project received final approval.
 - “Commenced construction” is defined as the construction pursuant to a building permit having progressed to the point that at least one inspection has been requested.
- Expands the definition of “housing development project” to include projects that involve no discretionary approvals and projects that involve both discretionary and non-discretionary approvals. It also includes in the definition, a proposal to construct a single dwelling unit.
- Clarifies that receipt of a density bonus is not a basis for finding a project out of compliance with local zoning rules.
- Expands the definition of “hearing” to include any appeal, or any meeting related to density bonus law. Specifies that a “hearing” does not include an appeal related to a legislative approval for a proposed housing development project.
- Authorizes a developer to offer a unit that is subject to the local jurisdiction’s rent control ordinance in lieu of offering a unit in the development at an affordable cost. The right of first refusal provided to residents does not apply to certain types of protected housing, including transitional housing or supportive housing units, units in a nursing home or

¹ https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB8

residential care facility, and affordable units that cannot be replaced without violating requirements to provide units to lower-income residents than the existing tenants.

Status

SB 8 was approved by the Senate Housing Committee (8-1) on April 29th. The measure is currently in the Senate Appropriations Committee.

Support

According to the author, "California continues to face a severe housing shortage and affordability crisis. Rent and home prices remain too high because we've failed to build enough housing for decades. The good news is SB 330, the Housing Crisis Act of 2019, is working, and more housing is getting built. However, the Act is scheduled to expire in 2025. SB 8 allows the success of SB 330 to continue for five additional years by extending SB 330's provisions until 2030, and adding clarifying language to ensure that the bill's original intent of streamlining the production of housing that meets a local jurisdiction's existing zoning and other rules is met."

Supporters of SB 8 include: Bay Area Council; Bridge Housing Corporation; CalChamber; California Apartment Assn; California Assn of Realtors; California Building Industry Assn; California Hispanic Chamber of Commerce; California YIMBY; Facebook; Habitat for Humanity; Housing Action Coalition; Non-Profit Housing Assn of Northern California; San Francisco Bay Area Planning and Research Assn; Sand Hill Property Company; Silicon Valley @ Home; Silicon Valley Leadership Group; and Greenlining Institute.

Opposition

Opponents to SB 8 point out the extending the sunset on the HAA by five years further extends the law's freeze on most development-related fees, including project specific fees, once a project developer submits a preliminary application. The inability to assess the proper amount of fees for a project means that cities will not be able to fund the appropriate level of infrastructure and public services needed to support the residents of the proposed development, including schools, fire protection, parks and open space, and utilities.

Opponents also cite the fact that the HAA has only been in effect for two years, and does not sunset until 2025. There is not sufficient evidence to determine whether the HAA is having the effects desired by the Legislature, and there is not an immediate need to extend the existing sunset. Opponents contend that the Legislature should allow the HAA to continue in its current form, and assess the impact it is having, before extending the sunset.

Opponents of SB 8 include: California Cities for Local Control; Cities of Dublin, Livermore, Pleasanton, San Ramon, and Torrance; Latino Alliance for Community Engagement; and Livable California.

Recommended Action

Adopt an oppose position on SB 8 and authorize the Mayor to send letters to the state legislature.