

Hon. Speaker Rivas:

Prompted by the dialogue and engagement resulting from your Legislative Day on February 25, we write to you to express our common view on the state's recent streak of new housing and land use legislation. These laws often impose local costs that are difficult for cities to absorb in these times of fiscal constraint, and which can operate contrary to their intended purpose.

As such we respectfully ask for your leadership in minimizing the number of new laws that *require* local implementation, and your help in promulgating legislation that would reduce local costs in such implementation. We also feel that this recalibration would be especially meaningful alongside an effort to determine what legislation is working, and what isn't.

We appreciate the Legislature's attention and focus on affordability issues, and specifically on the topic of housing. Over the past several years, scores of housing-related and land use bills have received the Governor's signature, with approximately 50 new housing measures enacted in 2025 alone. Many of the 2025 measures went into effect with the Governor's approval of the budget, including key changes to the California Environmental Quality Act. This extraordinary pace reflects the Legislature's strong commitment to addressing California's housing challenges.

The volume and speed of these changes have, however, also created substantial costs and administrative pressures for local governments. This proposition is especially true for legislation that *necessitates* local implementation. Planning departments, housing divisions, and legal teams work diligently to interpret, integrate, and operationalize new requirements, often while prior mandates remain in the early stages of implementation. Nowhere is this phenomenon more evident than in the current process for revising accessory dwelling unit (ADU) ordinances designed to create clear local pathways for applicants seeking to build,¹ or in the Housing Element Law's No Net Loss standards requiring unanticipated updates to city General Plans² in order to maintain zoned

¹ A local implementation ordinance is the vehicle through which applicants know how to make successful applications to build ADUs. It is also the means by which city staff know how to process such applications. Currently, the California Department of Housing and Community Development (HCD) oversees and approves local ADU implementation ordinances. Almost every year since 2016, there has been one or more new ADU-related laws. Accordingly, each year, cities can expect to update their ADU implementation ordinance and will need to seek HCD approval of the same. Should HCD send a letter requesting repeal of an ADU ordinance, a city will have limited time in which to respond. Updating these ordinances and responding to HCD requires staff time, sometimes the retention of outside consultants, additional legal review, and multiple public hearings. All of these efforts force the reallocation of financial resources and limited time.

² Housing Element Law requires cities to plan for growth in satisfaction of their share of the Regional Housing Needs Allocation. Under this statute, cities must plan for and retain enough zoned capacity over the course of (ordinarily) an 8-year planning cycle. HCD reviews and certifies whether a city's Housing Element "substantially complies" with the Housing Element Law. This process mandates significant public engagement and analysis (all costing hundreds of thousands to millions of dollars) to ensure these plans affirmatively further fair housing under Assembly Bill 686 (2018), and typically must demonstrate, under Assembly Bill

capacity. In other instances, legislation simply knits together poorly with local regulations informed by local context and which state law may not contemplate at all. In these cases, a city may feel compelled to safeguard local resources through new land use regulations that require additional expense, such as revisions to a General Plan, that require additional environmental review, plus the retention of consultants and outside legal counsel.

The result is a growing strain on administrative capacity, limited opportunity to evaluate outcomes, and difficulty ensuring consistent and effective application of state policy. Simultaneously, the need to use scarce local resources for this purpose forces cities to sacrifice other local priorities that are responsive to local needs. Simply put, cities have only so many staff hours to use in a year. Local governments that cannot adequately respond to local needs lose local trust. State and regional agencies such as the California Department of Housing and Community Development and the Association of Bay Area Governments attempt to provide technical assistance related to implementation. However, guidance on implementation typically comes six months to a year after new laws go into effect.

Restraining new legislation that *requires* local implementation and promoting measures that would curtail local costs would help cities and policymakers of all policy orientations to save general fund resources and rationalize housing and land use regulation. Conducting a comprehensive review of existing legislation in this space, in partnership with local governments and stakeholders, would provide a meaningful opportunity to:

1397 (2017), that sites identified to fulfill the required zoned capacity are likely to develop as housing. In addition, state law requires cities to plan for housing development affordable at various income levels based on area median incomes. State law contains numerous safe harbors that allow cities to count zoned capacity for moderate, low, and very-low income levels (i.e. below market rate affordability levels) based on permissible development densities *as a matter of law*. However, when sites *actually* receive development applications, those applications often do not match the anticipated affordability levels sanctioned by state law. As a result, a site that state law allows a city to count as, for example, 50 moderate income homes, might develop instead as 45 market rate homes and 5 moderate income homes instead. Such a project application would meet the requirements of the Housing Accountability Act and likely *require* a city to approve it. The city would then be legally required to approve a project that leaves it with a deficit in zoned capacity for moderate income housing. Under the state's No Net Loss Law (Senate Bill 166 (2017)), the city would then have to identify other sites that allow the city to maintain sufficient zoned capacity for moderate income housing. In so doing, on an abbreviated 180-day timeframe, the city would have to go through a Housing Element revision process mirroring the original (expensive) adoption process with significant public outreach, environmental review, and HCD examination in order to stay in compliance with state law. This process is a bonanza for planning consultants and law firms, but a tax on local coffers. Some cities (for instance, Cupertino) already face this reality despite having adopted an aggressive capacity buffer to minimize such risk. Many others will face it soon. This difference in how state law *plans* for zoned capacity, and how real-world applications *count* actual units threatens to knock any city out of compliance as housing development applications are approved—an ironic result indeed. Cities and HCD would benefit from reducing this sort of administrative headache and expense through new legislation that more closely aligns how we plan for zoned capacity and how we count it for No Net Loss purposes.

- Review housing laws passed within the last four years
- Evaluate measurable outcomes and unintended consequences
- Identify redundancies, conflicts, or areas requiring clarification
- Assess administrative and fiscal impacts on local jurisdictions
- Strengthen and refine existing statutes where necessary

Such a review would help ensure that California's housing framework is coherent, effective, and sustainable. Your leadership in advancing a structured review process could foster collaboration between the state and local governments, strengthen public confidence, and ultimately produce more durable and meaningful housing policy.

Thank you for your continued commitment to addressing California's housing needs and for considering this request. We appreciate your thoughtful attention to this matter and your ongoing service to the people of California.

Sincerely,