



July 17, 2020

The Honorable Cottie Petrie-Norris  
State Capitol, Room 4144  
Sacramento, CA 95814

**RE: AB 1063 – OPPOSE**

Dear Assemblymember Petrie-Norris,

The undersigned organizations respectfully oppose AB 1063, your bill to weaken key provisions of housing element law that ensure each city and county zones adequate land to accommodate its fair share of the regional housing need.

At a time when California has a shortfall of 1.3 million homes affordable to lower-income households, we should be doing everything possible to support increased construction of such homes. Without appropriate zoning, this construction cannot occur. For this reason, we cannot support legislation that results in reducing the number of sites that a city or county must appropriately zone to accommodate residential development at all income levels. Moreover, the current statute already provides limited ability for a city or county to reduce its Regional Housing Needs Assessment (RHNA) zoning requirements by preserving, converting, or rehabilitating existing rental housing or by demonstrating past success and current programs to promote the construction of accessory dwelling units (ADUs). We believe this current flexibility represents the correct balance and it is inappropriate to expand these allowances further. Specifically, we are opposed to the bill for the following reasons:

- Giving local governments unlimited RHNA credit by identifying “potential sites” for ADUs and the right to determine their own capacity regardless of past performance or current policies would undermine zoning requirements with no assurance that ADUs (especially ADUs affordable to low-income families) would ever be developed and appears to limit HCD’s authority to even question their self-determined capacity.
- Increasing from 25% to 50% the credit a local government can get for rehabilitation, preservation, and conversion directly and in the same magnitude would undermine local governments’ motivation to maximize their zoned capacity for affordable housing. To our knowledge, no city or county has ever fully utilized the current 25% allowance.

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- Given that the state has already lost 15,000 affordable homes and that building new ones costs hundreds of thousands of dollars and takes three to five years, it is critical we maintain the current 55-year standard affordability term for all affordable rental housing.
- Allowing local governments to get rehabilitation/conversion/preservation credit even if they met none of their RHNA need in the previous cycle rewards bad actors.
- Allowing local governments to commit the assistance and provide the rehabilitated/converted/preserved units at any time during the planning period, as opposed to in the first three years for commitment and first four years to provide the units, and allowing them to rezone after the sixth year, as opposed to the fourth, if they fail to deliver is inconsistent with the law's requirement to complete needed rezonings by the third year of the housing element period. Moreover, rezoning land six years into the planning period leaves almost no time for those sites to be developed before the end of the eight-year planning period. This would also functionally be an escape valve from zoning obligations in jurisdictions that have a five-year housing element planning period.
- Assuming that any nonvacant site in a moderate to highest resource area meets the test for being likely to discontinue the use during the planning period is unrealistic and allows exclusive cities or counties to count any site they choose as developable.
- Absolving a city whose voters must but fail to approve a housing element from any consequences other than a court order to comply removes accountability. The voters are in fact the city and should not be immune from accountability. In addition, without consequences the voters have no incentive to remove this barrier to development.

In sum, AB 1063 does not promote the development of affordable homes for low-income families. On the contrary, it lowers the bar for compliance with housing element law and reduces accountability. Thank you for considering our comments.

Sincerely,

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