



City Council

Mike Anderson, Mayor
Susan Candell, Vice Mayor
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Teresa Gerringer, Council Member

June 22, 2020

The Honorable Nancy Skinner
State Senator, 9th District
State Capitol, Room 5094
Sacramento, CA 95814

RE: SB 1085 (Skinner) – OPPOSE

Dear Senator Skinner,

On behalf of the City of Lafayette, I am writing to express our opposition to SB 1085, your measure that would modify existing Density Bonus Law by increasing the number of incentives provided to housing development projects that include moderate income rental housing units.

Specifically, SB 1085 includes provisions that would provide that a development containing 20% moderate-income rental units receive a 35% density bonus, and a parking ratio not to exceed .5 spaces per bedroom for projects located within ½ mile from a transit stop; provide that the inclusion of moderate-income rental units shall entitle a developer to a sliding scale of concessions and incentives; provide that to be eligible for the concessions and incentives, the rent for the moderate-income unit be 30% below the market rate for the locality; and prohibit fees from being imposed on a housing development's affordable units or bonus units.

Our most significant concern is that by offering a significant amount of concessions, this bill when combined with existing Density Bonus Law, will further erode local land-use authority by allowing developers to ignore most or all local development standards.

While the intent is to incentivize the construction of more developments containing moderate-income units, we believe this bill will in fact discourage the development of lower income housing. This is due to the fact that SB 1085 would enable certain developments with 20% low income units to receive the same density and parking benefits as certain developments with 20% moderate-income units. Given the choice, a developer will likely choose to develop the moderate-income units because those developments will yield greater financial returns for the developer. Similarly, current law requires a developer to provide 40% of moderate-income units to receive a 35% density bonus. SB 1085 would lower the threshold and require a developer to provide only 20% of moderate-income units to receive the same 35% density bonus. As a result, we believe that it is likely that a developer would choose to build 20% more luxury and market-rate housing units, instead of moderate-income units, since the luxury and market-rate units would yield more income and the developer would still receive the same bonus.

SB 1085 requires any affordable units that are constructed to receive a density bonus, which shall count towards a local government's inclusionary zoning ordinance, rather than be additive to the inclusionary ordinance requirement. This greatly reduces the effect of an inclusionary housing ordinance and greatly diminishes the amount of affordable housing that would typically be required to be constructed.

Lastly, we cannot support the provisions that would not allow for impact fees, in-lieu fees, and other public benefit fees to be imposed on a housing development's affordable units or bonus units. While we appreciate the desire to reduce the costs associated with affordable housing, the fees in question are directly related to the infrastructure and services needed to support those that will reside in the housing development. The residents living in the affordable and bonus units will still require access to roads, sewer and water, parks, and the other local infrastructure that is funded through these fees. If these fees are not collected, that will put pressure on the City to fund those items, which will be difficult, if not impossible, given the new economic realities facing local governments throughout the State.

It is for these reasons that we must respectfully oppose SB 1085. If you have any questions, or need more information, about the City's position or our suggested amendments, please contact our City Manager, Niroop Srivatsa, at (925) 284-1968.

Sincerely,

A handwritten signature in black ink, appearing to be 'Mike Anderson', followed by a horizontal line extending to the right.

Mike Anderson
Mayor, City of Lafayette

cc: Senator Steven Glazer
Assembly Member Rebecca Bauer-Kahan