

November 15, 2019

1100 K Street Suite 101 Sacramento California 95814 Zachary Olmstead, Deputy Director Department of Housing and Community Development 2020 West El Camino Avenue Sacramento, CA 95833

Telephone 916.327.7500 Facsimile 916.441.5507 Via electronic mail to prohousingpolicies @hcd.ca.gov

Re: CSAC Survey Responses to Prohousing Policies Framework Paper

Dear Mr. Olmstead:

Please accept the following comments on the Pro-Housing Policies Framework Paper on behalf of the California State Association of Counties (CSAC).

Question 2: Threshold Requirements - Modify/Remove

While subjective analyses of local policies and their potential impacts on housing production may be appropriate in determining the presence or absence of "menu items" under each category of "prohousing policy areas," CSAC encourages HCD to limit "threshold requirements" to items for which compliance by a county or city can easily be determined. For instance, submission of an Annual Progress Report (APR), proof of completion of a rezone program, and "compliance with all other statutory requirements of housing law" can all be easily verified through current reporting requirements and other existing processes.

Subjective measures, such as "the absence of measures, laws, policies,... or any other local governmental actions that are detrimental to housing production" will either be already encompassed by the fourth bullet point ("compliance with all statutory requirements..."), or will simply be too subjective to be included as a threshold requirement. For instance, with limited exceptions, a housing moratorium would likely run afoul of recent state housing law; while a lack of multifamily zoning would likely preclude the adoption of a compliant local housing element—both of these issues would already be addressed by the fourth bullet of the draft threshold requirements. On the other hand, determining whether an application process that is otherwise compliant with state law is "overly burdensome" is a subjective exercise inappropriate for a threshold requirement, as is determining whether legally-acceptable plans and programs constitute "actions consistent with state planning priorities." Accordingly, the fifth and sixth bullet points should be removed.

The final draft threshold bullet point must be modified to explicitly consider how current law applies differently to various local jurisdictions. While recent state legislation requires all jurisdictions to include policies that affirmatively further fair housing within their housing elements, many Community Development Block Grant (CDBG) non-entitlement jurisdictions have yet to complete a housing element update under these provisions. This draft threshold requirement is already encompassed by bullet four ("statutory requirements"), and should therefore be incorporated within that bullet and modified to reflect the rolling implementation date, especially as related to non-entitlement jurisdictions.

Question 5: Prohousing Categories - Suggested Changes

Category 2: Decreasing Production Timeframes – Add/Modify

Many counties allow multifamily housing projects without a requirement for a use permit. Policies allowing such housing development through either over-the-counter permits or with only staff-level review should be added to the menu items.

Category 3: Reducing Construction and Development Costs – Add/Modify

Fee reductions or waivers are occasionally impossible in jurisdictions with inadequate infrastructure to accommodate new or more intensive housing development—this is especially true in unincorporated areas. Accordingly, the fourth bullet point should be modified to add fee deferral programs, as well as programs that encourage "affordability by design" by calculating fees through square footage or number of rooms rather than per-unit, where applicable.

Category 4: Providing Financial Subsidies – Eliminate or Add/Modify

Local governments are very differently situated with regard to their individual financial capacity. While some jurisdictions can afford to directly subsidize housing production and related planning and land use programs with their general funds, others have much more limited budgets. The high bar of a two-thirds voter approval requirement to pass special local taxes in California can exacerbate the already stark local differences in fiscal capacity.

Requiring that each local jurisdiction directly subsidize housing production through their local discretionary funding in order to access state grant programs would systematically disadvantage less-resourced jurisdictions that may have larger populations of residents experiencing poverty or included in other protected classes. Accordingly, this category of "menu options" should either be eliminated or modified to be sufficiently flexible so that both well-resourced and under-resourced communities can comply and compete fairly for grant funding.

Our suggested additions under this category include: *applying* for housing-related grant funding; using local general funds to update housing elements, zoning ordinances, and related policies; *attempting* to pass local revenue measures to support housing; allocating formula funds where there is flexibility among different priorities (e.g. CDBG funding) to housing-related purposes; funding allocations or fee deferrals by a county for a project located within a city; and county-funded infrastructure improvements to facilitate housing development.

Question 6: Menu Items per Category

If the provisions related to "threshold requirements" and "financial subsidies" are both modified as we suggest above, CSAC supports requiring at least one "menu item" (or applicable "off-menu" item) under each category plus the threshold requirements in order to achieve the prohousing designation. The policy framework should be kept flexible to account for differing local capacity, in terms of staff and resources, as well as geographic differences. Many prohousing policy interventions that are appropriate in dense urban areas with transit access will be inapplicable to lower-density communities with limited infrastructure, including most unincorporated areas.

Question 8: Geographic Considerations

Consistent with the "geographic consideration" draft principle, the prohousing policies framework should avoid overly complicated scoring, ranking, points, and other criteria. Attempting to discern which policies are applicable to which jurisdiction under each different geographic category and size and allocating points or creating rankings of jurisdictions within various categories will only add needless complexity to the framework. The statutory purpose of the framework is to *supplement*, rather than *replace*, the specific criteria from other grant programs in order to reward jurisdictions with prohousing policies. As suggested in our response to question 6, requiring a single locally-applicable item under each of the four categories, as well as compliance with the threshold criteria, would meet the statutory goals of the program with sufficient flexibility for *all* types of jurisdictions to comply.

Thank you for your consideration of these comments. Please do not hesitate to reach out to me at clee@counties.org or (916) 327-7500 with any questions.

Sincerely,

Christopher Lee

Legislative Representative