



## **Support SB 540 (Roth) – A Blueprint for More Housing**

Local elected leaders are acutely aware of the severity of California’s housing affordability crisis and our role in fashioning solutions. While numerous factors are contributing to the problem, it is agreed that more needs to be done to create a path for and streamline new housing construction. Local governments do not build homes. But cities are responsible for planning and land use decisions that allow housing to be built.

The League of California Cities is sponsoring Senate Bill 540 by Senator Richard Roth as a means of planning for and streamlining housing approvals and construction.

### **SB 540 Creates a Blueprint for More Housing Construction**

One challenge local developers face is complying with the California Environmental Quality Act (CEQA), which can be a lengthy process that creates delays and uncertainty. SB 540 outlines an enhanced up-front planning process that will reduce delays and uncertainty when proposed projects are consistent with those plans. Ensuring local planning requirements and environmental mitigation measures are identified early would streamline the approval process to facilitate more housing construction:

- Under SB 540, cities and counties could identify priority housing areas within a community where enhanced planning, necessary environmental reviews and public engagement would occur at the front end.
- By focusing on workforce and affordable housing in areas close to jobs and transit, the additional streamlined process would encourage developers to propose projects that address affordable housing needs and climate protection goals.
- In order to be eligible:
  - 30% of units must be sold or rented to moderate income households.
  - 15% must be sold or rented to lower income households.
  - 5% must be sold or rented to very low income households.
- Funding to support the up-front planning would come from a revolving state loan fund available to local governments. Loans would be repaid when development occurs.

### **SB 540 Streamlines Housing Approvals while Continuing to Protect Public Engagement**

- Housing developments within these planned areas can proceed in an expedited manner. Because the local government has fully conducted the necessary environmental reviews, no project-specific additional environmental reviews shall be needed.

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- The environmental review and project streamlining shall be good for five years, to provide the development community with needed certainty.
- Under this proposal, a local government shall approve or disapprove the housing development within 90 days of a completed application. Local governments cannot deny a development that satisfies the criteria of the plan.
- This approach could drastically streamline housing approvals and create a blueprint for more housing construction.
- Importantly, SB 540 helps streamline housing project approvals without compromising local control or the rights of citizens to participate in local land-use decisions. The proposal retains vital opportunities for public engagement and transparency, through the up-front plan development and environmental review.

### **Recognizing Factors Outside of Local Control**

- Free market forces largely dictate housing location and cost. In the Bay Area, with less available land, the red-hot job market is driving prices higher. Conversely, in areas like the Central Valley and Inland Empire, cities have set the table for development and even approved projects, but developers remain cautious.
- State laws, including those dictating building standards, energy efficiency, greenhouse gas emissions, stormwater, taxes and other laws, also add costs to housing and affect the financial viability of projects.
- Because local governments do not build housing and many outside factors determine where and if homes are actually built, the League opposes punitive bills that seek to punish local agencies – through loss of state revenues – for a lack of new construction.

**Let's Work *Together* to Create a Blueprint for More Housing.**