



SAN DIEGO
HOUSING
COMMISSION

August 7, 2017

The Honorable State Senator Scott Wiener
California State Senate
State Capitol, Room 4066
Sacramento, CA 95814

RE: Support for SB 35 – The Housing Accountability and Affordability Act

Dear Honorable Senator Wiener:

Senate Bill (SB) 35, the Housing Accountability and Affordability Act, has the support of the San Diego Housing Commission (SDHC) as an important step that will streamline housing development to create additional housing for families and individuals of all income levels, which is essential to addressing California's housing crisis.

Under your proposed legislation, SB 35, a city or county would be required to follow a streamlined approval process for developments if the jurisdiction was not on track to meet the Regional Housing Needs Assessment (RHNA) goals that are set by the California Department of Housing and Community Development (HCD).

For the streamlined approval process to apply, developments would be required to meet a set of criteria specified in SB 35, including: affordability, density, zoning, historic and environmental standards, and the payment of prevailing wages for construction labor.

However, under SB 35, cities that are producing housing to meet RHNA goals would retain control over their existing development approval processes.

In the City of San Diego, only a fraction of the housing needed for very low-, low- and moderate-income households is being produced, according to the San Diego Association of Governments (SANDAG).

The City of San Diego needs 38,680 affordable rental housing units for low- and very low-income residents from 2010 through 2020, according to the 2011 SANDAG RHNA. However, in the first four years (2010 – 2013), permits were issued for only 5.9 percent of those units, or 2,283 units, according to SANDAG's Regional Housing Progress Report on May 8, 2017.

In addition, from January 1, 2010, through December 31, 2013, permits were issued for less than 1 percent of the 15,462 units needed for moderate-income households, according to SANDAG's Regional Housing Progress Report.

SB 35 would also require charter cities to report their annual housing production to HCD to ensure that housing production data is detailed, up-to-date, and publicly accessible on the internet.

This provision is consistent with one of the recommended actions in SDHC's report, "Addressing the Housing Affordability Crisis: An Action Plan for San Diego." Released on November 25, 2015, this report provided 11 recommended actions at the local, state, or federal level to reduce costs and increase production of housing. Actions have been taken on nine of these 11 recommendations, including the recommendation to set annual housing production goals.

As part of our 2016-2020 Strategic Plan, SDHC set an objective to create 2,000 units—approximately 500 per year—of mixed-income and affordable housing. In the first year, 627 affordable units closed financing and are currently under construction or rehabilitation. In addition, in collaboration with San Diego City Councilmember Scott Sherman, SDHC contracted with McKinsey & Company to establish housing production goals, which will be presented to the San Diego City Council for consideration this fall.

Thank you for your leadership in introducing SB 35, which will foster the development of additional housing in communities throughout California.

Sincerely,



Richard C. Gentry
President & Chief Executive Officer
San Diego Housing Commission