

July 15, 2020

Hon. David Chiu
Chair- Housing and Community Development Committee
California State Assembly
1020 N Street, Room 156
Sacramento, CA 95814

RE: SB 1085 (SKINNER) DENSITY BONUS LAW – OPPOSE

Dear Chair Chiu,

On behalf of the City of Thousand Oaks, I respectfully oppose SB 1085. This bill would make a number of amendments to Density Bonus Law (DBL) First, this bill would require cities to provide one concession if a developer builds student housing with 20% dedicated to lower income students. Second, the bill expands existing DBL specifically for moderate income rental housing. Developers would be allowed to increase the size of their projects by 35% if at least 20% of the units are for moderate income and they are 30% below the market rate. This bill would also allow up to three concessions if up to 40% are dedicated to moderate income units. Finally, this bill would forbid affordable housing impact fees, including inclusionary zoning fees, in-lieu fees, and public benefit fees, from being imposed on affordable units or bonus units.

The primary purpose of DBL is to help incentivize developers to build housing for all income levels by allowing them to increase project density. Current DBL formula is practical because it supports a graduated percentage for allowable density based on very low, low and moderate-income units offered. Very-low income units have the largest benefit of density allowed at 40%.

Unfortunately, SB 1085 would change the current density bonus ratio by allowing the same percentage of density for moderate as low-income units. As a result, if a developer sets aside 20% of their dedicated units for moderate-income units, they would get the same 35% density bonus as low-come units.

The City of Thousand Oaks has great concerns over these amendments. A majority of permits issued by the City are for moderate and above moderate income. The construction of very-low and low-income units is sorely needed, and such permits are often very difficult to procure. In fact, in Ventura County alone, permits for low and very low -income developments are lagging. Very-low and low-income units help house senior adults, students, single parents, and service sector employees such as waiters, retail and grocery workers. As the state wades through the COVID19 pandemic, housing for the service sector or “essential employees” is even more critical especially for our community.

Providing the same density bonus for moderate income as low-income units is problematic. Developers prefer to build moderate income units because of their greater financial yield. This amendment would greatly discourage and even jeopardize the development of low-income units. By increasing existing incentives for moderate income units will only further saturate the market with moderate income developments.

Although the City of Thousand Oaks is currently reviewing in-lieu or housing impact fees, we know that many cities use it to support low income housing opportunities. These fees help create or preserve affordable housing through rental programs, vouchers and even leverage construction projects with local housing groups. Preserving these fees will be even more critical with the proposed DBL amendment. As developers opt to build more moderate-income projects, cities will need greater resources, such as housing impact fees to support low income housing options.

For these reasons, we oppose SB 1085.

Sincerely,



Al Adam
Mayor

cc: Senator Nancy Skinner
Assemblymember Jacqui Irwin
Senator Henry Stern
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