

SEPTEMBER 15, 2021 BY CHRISTIAN LEONARD

Housing Controversy: Senate Bills 9 and 10, Explained

First published in the Sept. 11 print issue of the Burbank Leader.

It's easy to agree that California is experiencing a housing crisis. What's far more contentious is what to do about it.

On Aug. 30, the California Legislature presented a couple of plans. It approved Senate Bills 9 and 10, which are aimed at boosting the state's housing supply but have attracted stern opposition from many cities. Gov. Gavin Newsom received the bills on Sept. 3; he must sign or veto them by Oct. 10, or they will go into effect.

To explain the conflict over SB 9 and 10, the Leader has summarized key details about the bills and who supports or opposes them — and why.

WHAT DO THE BILLS SAY?

SB 9 would allow property owners to have two units on a parcel zoned for single-family housing — creating a duplex — and to split a residential parcel into two pieces. If the property owner used both provisions, something some experts believe is unlikely, a space that once hosted a single home could eventually hold four.

The bill would also require cities to approve participating development ministerially — or "by right" — meaning that officials would have to approve it as long as it doesn't conflict with zoning standards. Some exceptions apply, with a unit that a tenant has occupied in the past three years ineligible for demolition. But amendments made in the state

Assembly conceded some power to local jurisdictions, allowing agencies to deny housing projects if the building official finds that the project "would have a specific, adverse impact upon health and safety or the physical environment" and that the impact couldn't be mitigated or would be unavoidable.

Another of the Assembly's changes to SB 9 also requires a property owner who wants to split the parcel to agree to live in one of the housing units for at least three years, unless the owner is a nonprofit. Cities and counties can't make owner occupancy requirements on the new development other than this one.

Some areas would be exempt from the bill's requirements. These include earthquake fault zones, sites within historic or landmark districts, and land within the "very high" fire hazard zone — unless the development follows state mitigation rules.

There are other restrictions to splitting lots under SB 9, such as requiring the newly formed plots to be at least 1,200 square feet in size and mandating that one parcel can't be smaller than 40% of the original lot size.

SB 10 has attracted less contention. It allows, but not does require, cities to zone a parcel for up to 10 residential units if it's located in a "transit-rich area." The state defines these areas as parcels on a fixed-route bus line that meets service interval requirements, or within a half-mile of a major transit stop. Urban infill parcels would also qualify.

Upzoning — in this case, increasing a parcel's housing density — under the bill would allow local jurisdictions to bypass the California Environmental Quality Act, allowing development to begin more quickly.

HOW WOULD THIS

AFFECT HOUSING?

Few neutral studies on the potential impacts of SB 9 — and practically none on SB 10 — are available, but commentators and news publications often cite a July report from the Terner Center for Housing Innovation at UC Berkeley. It noted that the bill could allow property owners access to financing options as they construct additional units, but ultimately expressed doubt that its provisions would result in effects as sweeping as proponents hope and critics fear.

The main issue, according to the center, is that renting or selling a home developed under SB 9 would not be financially viable for many property owners. The report said SB 9 could enable the development of units on 410,000 of California's single-family parcels, just 5.4% of such parcels in the state.

Out of those 410,000, the report's authors estimated, the legislation would make new development financially feasible on just 110,000 parcels (for the remaining parcels, some development is already feasible, but the report authors said SB 9 would allow for even more units).

The center, which collaborated with MapCraft Labs, estimated that out of the 18,300 single-family parcels in Burbank, about 15,500 would be eligible under SB 9. However, the organization noted that the bill would increase the number of market-feasible units by roughly 800 parcels, for a total of an estimated 1,300 newly feasible units.

In total, the report noted, SB 9 could allow for the creation of more than 714,000 new homes — primarily duplexes — in California that would not otherwise be market feasible. However, it pointed out that many property owners may not want to pursue the options offered by the bill.

"But despite the concerns of some of its detractors, SB 9 will not lead to the overnight transformation of residential neighborhoods," the authors added. "Differential owner preferences and limited applicability means that only a share of that potential is likely to be developed, particularly in the near term as awareness and capacity expands.

"As such, while important, the new units unlocked by SB 9 would represent a fraction of the overall supply needed to fully address the state's housing shortage."

WHO'S FOR AND AGAINST?

SB 9 has faced fierce opposition from a wave of California cities, as well as neighborhood groups and some state legislators — such as Assemblywoman Laura Friedman, whose district includes Burbank. SB 10 has received some criticism from many the same parties, but to a lesser extent. The Burbank City Council has taken a stance against SB 9, but members recently voted not to oppose SB 10.

Conversely, state Sen. Anthony Portantino, who also represents Burbank, voted against SB 10 but in favor of SB 9. YIMBY — or "Yes, in My Backyard" — groups have expressed support for both bills and other legislation that will increase housing supply, as have the California Association of Realtors and the California League of Women Voters.

Development is a hot-button issue for many local homeowners. A relatively small but vocal group of residents has pressed the City Council and Burbank's state representatives to oppose SB 9 and other legislation they believe infringes on local decision-making, with many arguing that the bills don't require affordable housing.

Burbank Councilwoman Sharon Springer, who has spoken repeatedly about her opposition to recent state housing bills, said in an email that the bills favor investors who can afford new development rather than local residents.

"Sadly, it's legislation that's out of touch with the real world," she added. "It lacks understanding for the hopes, aspirations and needs of all residents, families and workers of various economic means. ... It ignores the gaps in our society that the pandemic has exposed and blocks the fair and just evolution of housing and economic opportunity for all Burbankers and Californians."

Friedman said in a phone interview that she abstained from voting on SB 10 because she understood the legislation wasn't a mandate, but was concerned future Burbank city councils wouldn't be able to undo current city decisions to increase parcels' housing density. Her stance on SB 9 was stronger, with the legislator explaining she believes cities have taken California's housing crisis seriously and wants to give their zoning decisions a chance to prove themselves.

"The bottom line is that I come from local government, and I really feel that those kinds of planning decisions are really best made at the local level where communities can talk about the best way to grow," Friedman said. She added that she was concerned the bill could increase development in high fire severity areas.

Proponents of the bills have pointed to rising housing prices across California, arguing that the legislation would increase supply and therefore help address the issue. Single-family zoning, some also say, has roots in racism. KQED reported that Berkeley was the first city in the country to implement the policy, with the developer who spearheaded the rule seeking to keep a Black-owned dance hall from moving into the neighborhood.

Both SB 9 and SB 10 passed the Legislature with high support, although many Assembly members abstained from voting.

"[SB 9] would give homeowners the tools to help ease our state's housing shortage while creating a new source of income in their own backyard," Senate President Pro Tempore Toni Atkins, who co-authored the bill, said in a statement. "It would allow our communities to welcome new families to the neighborhood and help more folks set foot on the path to buying their first home. SB 9 is about giving Californians the opportunity to pursue their version of the California Dream, and I am grateful to my colleagues in both houses for standing by that objective and standing by this bill."

A representative of Portantino's office said she would attempt to obtain comment from the senator, but a statement was not provided this week.